Accounts
2023

Financial Statements 2023

Engineering Ingegneria Informatica S.p.A.
Registered Office:
00144 Rome – Italy
Piazzale dell'Agricoltura, 24
Tax code 00967720285
VAT number 05724831002
Rome Chamber of Commerce- 531128
Rome Companies' Register 00967720285
Share Capital:
Euro 34,095,537.11 fully paid-in

Financial Statements

ENGINEERING INGEGNERIA INFORMATICA

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Shareholder of
Engineering Ingegneria Informatica S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Engineering Ingegneria Informatica S.p.A. ("Company"), which comprise the statement of financial position as of December 31, 2023, the income statement and the comprehensive income statement, the statement of changes in shareholders' equity and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Pursuant to art. 2497-bis, paragraph one, of the Italian civil code, Engineering Ingegneria Informatica S.p.A. has indicated to be subject to direction and coordination by Centurion Holdco S.à.r.l. and, accordingly, has inserted in the explanatory notes the essential data of the latest financial statements of that company. Our opinion on the financial statements of Engineering Ingegneria Informatica S.p.A. does not extend to those data.

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Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10

The Directors of Engineering Ingegneria Informatica S.p.A. are responsible for the preparation of the report on operations of Engineering Ingegneria Informatica S.p.A. as at December 31, 2023, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Engineering Ingegneria Informatica S.p.A. as at December 31, 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations is consistent with the financial statements of Engineering Ingegneria Informatica S.p.A. as at December 31, 2023 and is prepared in accordance with the law.
With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Cherubini
Partner

Rome, Italy
April 8, 2024

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

I. Corporate Governance and Corporate Bodies

CORPORATE GOVERNANCE

The Company's Corporate Governance system and the Corporate Bodies and Offices are established to achieve maximum equilibrium between the needs for flexibility and timeliness in decision making, a high degree of transparency in dealings between the various centres of responsibility and the external entities, and the exact identification of roles and consequent responsibilities.
On April 21, 2023, the Shareholders' Meeting of Engineering Ingegneria Informatica S.p.A. appointed the new administrative body and the new control body, which will remain in office for three financial years and more precisely until the approval of the financial statements as of December 31, 2025.
On May 5, 2023, the Board of Directors of Engineering Ingegneria Informatica S.p.A. appointed the new Supervisory Body which will remain in office for three financial years and more specifically until the approval of the financial statements as of December 31, 2025.
On May 23, 2023, Maria Cristina Messa was also appointed as an additional Board Member.
On June 23, 2023, the Board of Directors of Engineering Ingegneria Informatica S.p.A. appointed the Control, Risk and Sustainability Committee and the Related Party Transactions Committee, which will remain in office for three financial years and more precisely until approval of the financial statements as of December 31, 2025.

In light of the above, the new breakdown of the corporate bodies is as follows:

BOARD OF DIRECTORS

Gaetano Miccichè	Chairman
Maximo Ibarra	Director and Chief Executive Officer
Maria Andrisani	Director
Luca Bassi	Director
Giovanni Camera	Director
Stefano Bontempelli	Director
Fabio Cosmo Domenico Cané	Director
Pietro Galli	Director
Michaela Castelli	Director
Vito Cozzoli	Director
Aurelio Regina	Director
Carlo Achermann	Director
Maria Cristina Messa	Director

BOARD OF STATUTORY AUDITORS

Maurizio Salom	Chairman
Domenico Muratori	Standing Auditor
Bettina Solimando	Standing Auditor
Cristiana Tironi	Alternate Auditor
Guido Riccardi	Alternate Auditor

SUPERVISORY BODY

Alessandra Stabilini	Chairwoman
Michelangelo Schiano Di Cola	Member
Roberto Fiore	Member

CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Michaela Castelli	Independent Chairwoman
Maria Cristina Messa	Independent Member
Vito Cozzoli	Independent Member
Giovanni Camera	Non-executive member
Pietro Galli	Non-executive member

RELATED PARTY TRANSACTIONS COMMITTEE

Vito Cozzoli	Chairman
Michaela Castelli	Member
Aurelio Regina	Member

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

II. Introduction and general information

INTRODUCTION

The financial statements as of December 31, 2023 of the Company Engineering Ingegneria Informatica S.p.A. (hereinafter the “Engineering Company”, “Engineering” or simply the “Company”) have been prepared, as they have been since 2005, in accordance with the recognition and measurement criteria established under the International Financial Reporting Standards (IFRS) and the related interpretations of the IFRIC (International Financial Reporting Standard Interpretation Committee) previously named SIC (Standing Interpretation Committee) issued by the IASB (International Accounting Standards Boards) and endorsed by the European Union.

The share capital of Engineering Ingegneria Informatica S.p.A. is 100% owned by Centurion Newco S.p.A. as Sole Shareholder. The Company is subject to management and coordination by Centurion Holdco S.à r.l..

A number of estimates and assumptions were used in preparing these financial statements and were consistently applied for all comparative periods presented, which affect the financial values reported therein. Where, based on management’s best estimate, these estimates and assumptions differ in the future from the actual situation, they will be changed in the period in which the circumstances arise. The above-stated valuations are founded on the reasonableness principle and take account of market practice, historic experience, the involvement of external consultants and market conditions.

The data relating to the adjusted net financial position are compared with that at the end of the previous year.

Unless specified otherwise, the monetary quantities in the statements in the report are exposed in millions of Euro, those in the explanatory notes in full amount.

For each item of the statements, the corresponding figure of the previous year is disclosed for comparison purposes. For a better disclosure, some equity items, which had an impact also on the presentation of amounts in the tables referred to the previous year, were reclassified.

ALTERNATIVE PERFORMANCE MEASURES

A detailed description of the accounting standards, assumptions and estimates adopted is provided in the explanatory notes to the financial statements of Engineering as of December 31, 2023, to which reference should be made. This report uses a few alternative performance measures (APMs) not envisaged by IFRS accounting standards. Although they do not replace those envisaged by the International Accounting Standards, these indicators are the tools that facilitate the Directors in identifying operational trends, as well as make decisions on investments, allocation of resources and other operating decisions, and permit a better comparability over time of corresponding results.

In particular, the following is highlighted:

- **Adjusted EBITDA,** alternative performance measure (APM), calculated by the Company as performance for the year, adjusted by the following items: taxes, Income from equity investments, net financial income (expenses) (including, inter alia, exchange gains and losses), interest expense (including interest on financial leases), amortisation/depreciation, provisions and write-downs (including, but not limited to, the allocation to doubtful debt provision and provisions for risks and charges, comprising provisions made for probable future losses on some orders), leaving incentives, charges related to the corporate strategic and transformation assessment process, charges for corporate transactions and special projects and costs related to transactions with subsidiaries in liquidation. It is noted that adjusted EBITDA is not identified as accounting measure within the IFRS standards adopted by the European Union. As a consequence, the calculation criterion adopted by the Company might not be consistent with criteria adopted by other companies. Therefore, the balance obtained might not be comparable with the one calculated by the latter.

- **EBIT** (“Earnings before interest and taxes”) APM calculated by the Company as the result of the year including the following items in the income statement: (i) “net financial income/(expenses)” (including, inter alia, exchange gains and losses), and (ii) “taxes”. The Company deems that this is a useful indicator on its capacity to generate profit before financial management and tax effects.

- **Net Capital Employed:** discloses the net total amount of non-financial assets and liabilities.

- **Net Working Capital:** discloses the net total amount of non-financial current assets and liabilities. It permits to evaluate the ability of the Company to fulfil short-term commercial commitments through current trade assets and, together with net fixed assets and the net capital employed, it also permits to evaluate the balance between utilisations and financing sources.

- **Adjusted Net Financial Position:** discloses the Company’s ability to meet its financial obligations. As regards the breakdown, reference is made to section IX.

- **ROE (Return on Equity):** economic index on the return on equity, obtained by dividing the profit for the year by the shareholders’ equity.

- **ROI (Return on Investment):** operating profitability index, which is a measure of the return on capital invested in the company by way of debt or risk. It is given by the ratio of operating profit (EBIT) to net capital employed.

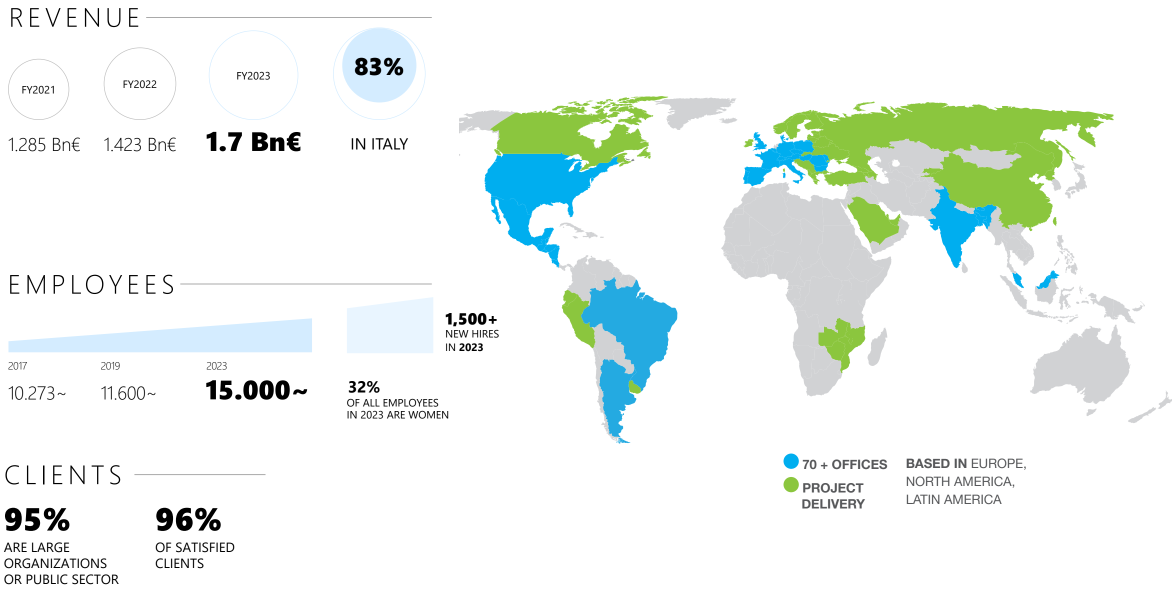
For a correct interpretation of APMs used by the Company, it is noted that they are determined based on financial statements and data analyses made in compliance with general and managerial accounts. The determination of the APMs is not governed by the reference accounting standards related to the preparation of the Company’s financial statements and, albeit they are inferred from financial statements, they are not subject to audit. Therefore, the APMs must not be considered as a replacement of indicators envisaged by the reference accounting standards. Moreover, by reason of the fact that they are not inferred from the reference accounting standards for the preparation of the financial statements, the methods to determine the APMs, used by the Company, might not be consistent with the methods adopted by other Companies and therefore might not be comparable.

III. Company activities and operations

The Company Engineering Ingegneria Informatica S.p.A. was established in Padua on June 6, 1980 and leads a Group operating in Software and IT Services.

Engineering is the Digital Transformation Company, leader in Italy and continuously expanding globally, with about 15,000 employees and over 70 offices in Europe, the United States and South America and about 17% of turnover abroad at Group level.

The Engineering Group, made up of over 70 companies in 21 countries, has been supporting companies and organisations in continuously evolving the way they work and operate for more than 40 years, thanks to in-depth knowledge of business processes in all market segments, and taking advantage of the opportunities offered by advanced digital technologies and proprietary solutions.



ADVISORY | TECHNOLOGY & IMPLEMENTATION | MANAGED SERVICES

With a strong and constant focus on innovation, through the R&I division that includes over 450 researchers and data scientists (and a global innovation network of universities, start-ups and research centres), the Engineering Group invests in international research and development projects, exploring revolutionary technologies and designing new business solutions. The Group invests and believes in human capital, and through its internal IT & Management Academy "Enrico Della Valle" it provides continuous upskilling and reskilling courses for both company employees and stakeholders, providing over 38,000 training days per year.

The Engineering Group boasts a diversified portfolio based on proprietary solutions, best-of-breed market solutions and managed services, and continues to expand its experience through M&A transactions and partnerships with leading technology players. The presence for over 40 years in all market segments (from Finance to Health, from Utilities to Manufacturing and many others) has made it possible to build a deep understanding of business needs and to anticipate them by constantly exploring the evolution of technologies, in particular in the Cloud, Cybersecurity, AI & Advanced Analytics, Digital Experience & Metaverse, Advanced Enterprise Platforms and the entire world of industrial automation.

Engineering is a key player in the creation of digital ecosystems to connect different markets, developing modular solutions for a continuous transformation of the world in which we live and work.

The Engineering's market consists mainly of medium-large customers, both in the private (banks, insurance companies, industry, services and telecommunications) and in the public sector (health, local and central public administration and defence). Engineering guarantees its customers the Technological Best Fit to always offer the most suitable technology for their organisation and their business.

We digitize the core processes of the main markets through our Proprietary Platforms, some of which are real market benchmarks. These solutions are one of the main assets of our Group: we continue to constantly evolve them, also with our customers, to offer innovative solutions aligned with the changing needs of the business.

Below is a selection of the Company's main platforms:

- **Energy & Utilities Platform**
  - **Neta Open Suite:** the modular, agile, innovative solution that enables the management of digital ecosystems, centred on business processes, data-driven, adaptable, efficient, to support and anticipate developments in the Energy & Utilities sector.
- **Healthcare Platform**
  - **Ellipse:** the new ecosystem platform specialised in the clinical-care size and in all areas of care.
  - **AREAS:** an application platform for the digitalisation and integration of clinical and administrative healthcare processes.
- **Regulatory Platform**
  - **Grace:** the platform that includes the set of specialised applications in the areas of Governance, Risk, Regulatory and Compliance.
- **Digital Banking Platform**
  - **Nova:** the IT architecture to help institutions to be fast and flexible in the development of digital solutions natively multi-channel and open to a scalable ecosystem of external partners.
- **Insurance Platform**
  - **Universo:** Our platform for the management of the life insurance business through processes that allow end-to-end control over the entire life cycle of an insurance contract.
  - **XLayers:** we support Companies in the end-to-end reinsurance process.
  - **Isypol:** tailor-made digital platform, optimised for the sale and management of Non-Life products - complex, modular and micro-insurance.
- **Retail Platform**
  - **MarketSuite:** the solution for managing online sales in large-scale distribution and retail.
  - **MyClienteling:** Mobile App dedicated to store staff to learn about, retain and sell.

Thanks to our experience, we have also developed a set of Technology Enablement Frameworks & Tools that enable the adoption of technologies to meet particular business needs and the development of specific services within IT consulting projects (e.g. cybersecurity assessment, software development, system integration).

To ensure our customers adopt the best technologies to achieve their business objectives, we adopt a technological best-fit approach: we collaborate with the major technological partners through our centres of excellence by implementing cutting-edge market platforms (e.g. Salesforce, SAP), offering value-added and integration services, both with the customer's IT ecosystem and with our platforms.

We are a player of primary importance in the outsourcing and Cloud Computing markets, through an integrated network of three data centres located in Pont-Saint-Martin (AO), Turin and Vicenza. This is a system of services and technological infrastructures that ensure the highest standards for safety, reliability and efficiency.

IV. Market overview

MACROECONOMIC OVERVIEW

The global macroeconomic scenario in 2023 is influenced by various elements of instability and uncertainty that are generating significant impacts on the performance of the global economy. The restrictive monetary policies of the major central banks, together with the recovery of some factors that have fuelled inflation in recent quarters, are starting to have a positive effect on price dynamics, but uncertainty remains high. In particular, geopolitical aspects and transformations in global trade are important elements to monitor in order to understand future developments. In this context, in recent months the tensions and conflicts recorded in the Middle East have turned into a new wave of uncertainty, which is added to a still highly unstable geopolitical landscape.

Global growth is estimated to slowdown in 2023 to 3.0% after 3.5% recorded in 2022, to then fall to 2.9% in 2024. Annual growth therefore remains below the average of the twenty years prior to the pandemic crisis (2000-2019, equal to 3.8%), although slightly higher than that recorded in the year prior to the pandemic (2.8% in 2019). Global inflation is estimated to be down from 8.7% in 2022 to 6.9% in 2023 and to 5.8% in 2024. In general, therefore, a reduction is expected compared to the peaks reached in 2022, but the values will continue to remain higher than the price stability objective.

THE ITALIAN ECONOMY

In Italy, two of the main elements that characterised 2023 and that are likely to distinguish 2024 are stable but weak growth in household consumption, impacted by the reduction in purchasing power linked to inflation, and the low level of private investments, linked to the increase in the cost of money and the context of high uncertainty. The possible recovery of global trade in goods in 2024 is also expected to result in a growth in net exports, which would provide further support to growth.

The economic effects of the events in recent years (such as the Covid-19 pandemic, the war between Russia and Ukraine, and consequently high inflation and rising interest rates) are also shown on the breakdown of Italian household consumption. Compared to 2019, Italian households reduced the consumption of some services, such as transport and catering, in favour of other categories, such as communication and health-related services. In this scenario, forecasts indicate real GDP growth for Italy of 0.7% in 2023 and 0.6% in 2024, while the inflation rate is estimated to fell from 5.6% in 2023 to 2.3% in 2024. However, forecasts are subject to a high level of uncertainty.

THE IT SECTOR

According to the latest forecasts by Gartner, in 2024 the turnover of the reference ICT market (“addressable”) in Italy will amount to over Euro 27 billion, up by about Euro 2 billion compared to 2023. Further growth is also expected for the following three-year period 2025-2027 of approximately Euro 3 billion per year. This 10% annual run rate between 2024 and 2027 therefore confirms the significant opportunities offered by the reference sector.

In the 2023-2027 period, all segments are expected to grow, with the exception of System Integration. The Cloud, Data Analytics and Customer Experience segments will be particularly strong, with double-digit growth.
Among the sectors with higher growth expectations in 2024 compared to 2023, we note Financial Services (+26%), Central Public management (+11%) and Mobility (+7%). On the other hand, a more contained growth is expected for the Industry, Telco & Media, Municipalities, Energy & Utilities sectors.

V. Operational overview

2023 confirms the increasingly gradual progress of digital transformation processes in all sectors of human activity. Within this context, the companies that have reacted best to this momentous change are those that have always believed in innovation and research as distinctive factors for success, something that the Company has been able to carve into its DNA since its inception.

RESEARCH AND INNOVATION ACTIVITY

During 2023, the Company confirmed its commitment to Research and Development activities, both in terms of participation in the main initiatives and Associations at national and European level, and in terms of operational commitment in around 140 projects that have made it possible to develop solutions and prototypes in various technological and application sectors for a capital expenditure of over Euro 30 million over the year.

At national level, the Company participated in the tenders published by the National Recovery and Resilience Plan (PNRR) and contributed in winning consortia in the calls of National Champions, Ecosystems for Innovation, Extended Partnerships and the Complementary National Plan.
Various initiatives were also launched to finance industrial doctorates with leading national universities.

At European level, the Company was awarded the Important Projects of Common European Interest (IPCEI) - CIS (Cloud Infrastructure Services) project, whose activities began in the middle of the year.
The Engineering Company also continued its participation in HorizonEurope tenders, winning over 25 projects in 2023 with a success rate more than double the European average.

In terms of positioning at European level, also in 2023 Engineering maintained its leadership role in numerous public-private initiatives; others include GAIA-X for the cloud, FIWARE for open source, BDVA for data and AI, EOS for security, ECSO for cybersecurity, IDSA for data space.

Lastly, in line with the overall strategy of refocusing the project portfolio and with the aim of maximising the proximity of research and development activities with the market and business structures, the Company completed the reorganisation of the R&D function, maintaining the number of researchers employees.

MARKET PERFORMANCE

FINANCE

For the financial sector, in Italy and Europe, the year 2023 was characterised by a recovery in investments, already started the year before. Above all, banks and insurance companies have shown interest in technological solutions aimed at improving their operational efficiency, the security of their data and the customer experience.

At European level, banks and insurance companies have highlighted the tendency to invest, with a special focus on data security and regulatory compliance; moreover, many of them now collaborate on a permanent basis with several technological start-ups, to capitalise on the opportunities offered by emerging innovations.

In Italy, similarly, financial and insurance institutions are investing in a wide range of technologies, firstly as artificial intelligence systems, generative AI, cloud computing and data analysis. These investments are intended, above all, to improve the customer experience, increase operational efficiency and reduce costs; all this is inevitably accompanied by considerable investments in security.

During 2023, the largest investments made by banks and insurance companies concerned:

- evolution in terms of Cloud Computing, with a particular incidence among larger banks and insurance companies;
- the complete digitalisation of all interaction systems with customers or employees in line with people's new digital experiences;
- the modernisation of core banking and insurance systems towards open and modular systems to make institutions more flexible and quicker to change;

- some first uses of Artificial Intelligence, in particular for the efficiency of processes and customer analysis;
- initiatives relating to major regulatory changes underway or in preparation: GDPR, BASEL, MIFID, EIDAS, DORA, MICA, PSD, ESG, CBDC;
- re-engineering and automation of processes, through the use of technologies such as Robotic Process Automation and Intelligent BPM;
- the strengthening of Mobile Banking services through increasingly complete Apps, not only payments, and also including services not only financial;
- cyber risk management and mitigation;
- initiatives aimed at enhancing information assets: Data Governance, Big Data, Open Data, Business Intelligence, Advanced Analytics;
- the redefinition of IT Governance paradigms and IT processes, with particular attention to the adoption of Agile and DevOps methodologies;
- vertical outsourcing initiatives, which concern, in particular, smaller banks;
- in addition, the strategic adoption of "smart working" has completely changed the internal organisation of work.

The multiplication of these innovative initiatives is fostering the progressive consolidation of new business models, mostly related to the competitive/collaborative model of Open Finance/Insurance, the "platformisation" from which new strategies emerge for the provision of services based on an articulated network of partnerships, involving intermediaries, fintechs and embedded Finance companies towards an "as a Service" Bank.
In order to further strengthen its ability to respond to the dynamics and needs of the market, in terms of both business requirements and application architectures, Engineering continued further in 2023 to strengthen the assets forming the basis of its offer portfolio through full integration with Be Shaping The Future, in particular through:

- a new customer relations structure (Client Services Team) with the aim of accelerating the go-to-market;
- the organisation into 9 Advisory Practices to enhance the strategic relationship: Industry Strategy, Risk & Regulatory, Transformation, Corporate & Investment Banking, Wealth & Asset Management, Commercial Banking, Transaction Banking, Insurance Industry, Digital Engagement & Entertainment, Industry Data & Artificial Intelligence Applications. Cyber, Cloud & Infra, Methodologies;
- the structuring of 6 Competence Centres: Payments, Issuing & Acquiring, Insurance, Life & Claims, Regulatory, Risk & Compliance, Credit & Collaterals, NPL, Leasing, Factoring, Asset & Wealth Management, Retail & Corporate Banking Channels;
- the gradual adaptation of skills in digital areas, such as cloud computing, cybersecurity, advanced analytics, data governance, digital experience and artificial intelligence;
- the identification of strategic solutions on which to focus for market leadership and expansion in Europe: Digital Banking Platform, Regulatory Platform, Insurance Platform, Reinsurance Platform.

In addition, 2023 was characterised by the partnership with the Illimity Group. The agreement lays the foundations for a long-term relationship that offers to Illimity solutions, skills of excellence to compete in a sector in which the ability to "manage" Digital is central and enriches the Engineering offer portfolio with advanced Digital Banking solutions in the Small Business, Retail Banking segments and in the complete management of Non-Performing Loans or Unlikely to Pay Loans portfolios.

PUBLIC ADMINISTRATION

In 2023, the Italian Public Administration continued to record positive growth in terms of total revenues, albeit not in line with initial forecasts. The budget estimates were subsequently reduced to adapt to the more realistic performance observed during the year. This adjustment reflects a tendency towards prudence and adaptation to real market conditions, highlighting the management's ability to respond to economic and operating variables. Between 2022 and 2023, several lots of the SAC (Cloud Application Services) framework agreement were awarded, which led to a significant increase in booking. Through these, new customers were intercepted, for example the La Spezia Port System Authority.

In 2023, Railway was also included in the public administration sector - an area that includes port authorities, transport operators, Anas and Ferrovie, among others.

In the Welfare segment, there was an overall excellent performance. The year 2023 saw us operate in the market with a strategic partnership approach towards customers with a strong role as a digital transformation accelerator, providing methodological and technological skills and allowing the full achievement of strategic and PNRR objectives on all customers. In fact, we manage the main areas of the core business of customers (INPS, INAIL, MLPS) with a view to smart government, helping to improve and streamline the public machine.

HEALTH

The Health sector in 2023 was characterised by strong growth. Mainly led by the PNT - National Telemedicine Platform contract awarded by a consortium formed by Almaviva and Engineering. This platform facilitates the sharing of health information among professionals in this sector, enabling remote consultations, patient monitoring and support in diagnosis. The goal is to render health services more efficient and accessible, especially in remote areas or for patients with mobility difficulties.
The very positive results indicate strong growth both towards the previous year and towards the expected budget.

INDUSTRY & SERVICES

In line with market trends, our performance met expectations, recording excellent results. In particular, it is worth noting as positive data the 2% growth over 2022 and the consolidation throughout the Digitech world, especially in the SAP and Cloud areas. Here, the greatest impulses were in the Manufacturing, CPG, Pharma and Retail markets. More generally, growth was robust especially in the traditional industry perimeter (+7%). We have therefore been able to absorb the extraordinary events that have affected the global macroeconomic scenario and that have negatively affected the final numbers of segments that are crucial for us, such as Industry Excellence and Microsoft offerings. In the Retail and Fashion world, we report the positive results of our proprietary products, MyClienteling and Market Suite, while in the Hospitality, Aerospace and EPC areas, the performance in System Integration was very important, with an increase in margins and revenues.

Looking at the individual areas of our interest and at the reference markets of the Industry, Retail and Services world, the forecasts of greater growth in the next three years, which will therefore direct our attention and our activities, will involve, in addition to the aforementioned Cloud, Big Data and AI, also the BlockChain, Cybersecurity and IoT solutions. The latter, especially in Manufacturing, are increasingly seen as tools to improve operational efficiency, develop new innovative products and services based on connectivity and data analysis, to remain competitive and at the forefront of the market.

A crucial issue for all markets will continue to be the Supply Chain, because companies need to improve their processes in terms of responsiveness and speed of response. Sustainability will be the background of all these investments, to be sought not only internally, but also in the entire supply chain and in the materials purchased. Lastly, in view of the inflationary pressure, which certainly had repercussions, it is worth noting the resilience of the digital market of the Retail and Large-scale distribution world, where expenditure on technologies that contribute to improve efficiency and flexibility, also at Supply Chain level, as well as the omnichannel customer experience will continue also in the coming years.

AUTOMOTIVE

The European car market ended 2023 with a positive balance (+13.7%) compared to 2022, but still far from 2019 (-10.2%). In terms of volumes of cars registered, Italy is in fourth place (+18.9%), but remains at the bottom of electric car (4.2%) and hybrid cars (4.4%) registrations.

In general, there is a growing need for the automotive industry to adapt to new challenges and opportunities, driven by technological, environmental and consumers behaviour changes.

In this context, Engineering has developed new strategies for the key sectors in which it operates through the Automotive Department (production, sales and after-sales), aiming at consolidation and strengthening in view of growth in the coming years.

In particular, the process of streamlining the “Manufacturing Execution” systems continued in the production area of Stellantis. The Goiana plant in Brazil has evolved towards the new MES 2.0 version, a platform also installed on the new “green field” production lines of the Kragujevac plant in Serbia.

In 2023, the spread of the solutions developed for the former FCA plants continued with the installation of the “Operator Terminal (OT)” solution at the former PSA plant in Vigo in Spain and the roll-out of the “Asset & Performance Management” solution at the former Opel plants in Tychy, Aspern and Kaiserslautern.

The B2B sales method according to the agent/retailer model was launched on the first markets: Austria, Belgium, Luxembourg and the Netherlands. The new “New Price Engine (NPE)” service was created, which provides end consumers (applications, websites) in the 10 main European markets with information on the prices of all Stellantis brands.

As part of the convergence initiatives, the eDOMUS (former FCA) solution based on SAP and used by Italian dealers owned by Stellantis&You was extended to all Stellantis brands. The same was true for the VHS vehicle registration system, which today manages all brands.

In addition to Stellantis, the consolidation of the “National Sales Companies (NSC)” continues on the Italian market, with the release of the new Sales Work Place (SWP) platform of Volkswagen, dedicated to the Italian dealer network (over 100 Dealer Groups) and with the evolution of the HMAP “Data Analytics” platform of Hyundai Italia dedicated to post-sales.

The collaboration with Autotorino (the first Italian automotive dealer group) is strengthened, with the three-year agreement (2023-2025) for the re-factoring of the “Business Intelligence” management/operational platform.

In the field of industrial automation, the collaboration with Comau was extended through the “VOLVO Battery Pack” project carried out at the Skovde plant in Sweden and a ‘new name’ was acquired, Segula Matra Automotive (French leader), with which the project to automate the bonnet manufacturing of models produced in the Stellantis plant in Melfi was started.

TRANSPORTATION

2023 was a year of change and adaptation in the transport sector, with a greater focus on sustainability, technological innovation and operational efficiency.
The Transport and Infrastructure market, after being the one most affected by the outbreak of the pandemic, recovered well in 2023.

The Department’s results saw significant growth in terms of revenues and margins. The road segment, Gavio, Gruppo Autostrade/Telepass, is the one that has experienced the most consistent growth, mainly due to the winning of new tenders in innovative sectors. The ASPI group continues its Digital Innovation process that sees us among the protagonists, in particular with the award at the beginning of the year of the “Modernisation of Traffic Systems” tender relating to the refactoring of tolling systems on the AWS cloud, while Sinelec (Gavio Group) confirmed the choice of Engineering as a partner in the SAP area and launched migration projects on the new datacentre. Telepass also recorded significant growth linked to the numerous evolutionary and innovative implementations in the field of management application systems and the implementation of the European T-Business and Telepass system.

With regard to the Airports area, in 2023 the presence on the outsourcing component of the ADR datacentre and on the application component of the core systems of SEA (Aeroporti Milano) was consolidated.
With respect to the Customers most linked to the Transportation world, the management recorded low growth on Ita-Airways, while the merger between NTV/Italo and Itabus led to new positionings of Engineering on the customer.

INDUSTRIES EXCELLENCE

Industries eXcellence (IndX) stands out in the industrial landscape for the creation of digital solutions with high added value for the manufacturing, energy and transport sectors. Specialised in the implementation and integration of digital tools, IndX facilitates global digital transformation for manufacturers in all sectors, supporting the adoption, implementation and integration of innovative solutions that support the entire value chain of our customers’ products.

Industry 4.0 is a priority for many companies wishing to improve processes, products and services, increasing efficiency and operational flexibility. IndX proposes itself as a key partner for the implementation of the extended digital twin spanning not only the product and process, but also factory operations and supply chain. This approach allows simulations, forecasts and optimisations along the entire product and production life cycle, improving quality and efficiency.

The 4 main practices of IndX include:
- Design practice (Digital Engineering): focused on design optimisation through advanced solutions such as PLM, PDM, CAD automation and others.
- Produce practice (Digital Manufacturing): dedicated to efficiency and production control through MES/MOM systems, quality control, production planning and industrial automation.
- Supply & Delivery practice: aimed at optimising the supply chain through traceability, demand forecasting and capacity planning.
- Decide practice (Digital Twin): provider of decision-making tools based on simulations, machine learning and data analysis along the value chain.

In 2023, IndX consolidated its global presence, with a special focus on automotive (especially electric vehicles), defence, aerospace, agriculture, CPG, lifescience and transport sectors. The Company has expanded its capabilities through the adoption of cutting-edge technologies such as Low Code, Machine Learning and Data Science applied to manufacturing and logistics processes. The division also entered the Middle-East market with interesting solutions in the Capital Asset Management area and opened a new branch in Canada, consolidating its presence in North America. During the year, IndX also continued to focus its "global to local" governance to standardise strategy and go-to-market at international level, an essential element in the implementation of the division's value proposition.

During 2023, IndX strengthened its partnerships with major technology suppliers such as Siemens, SAP, Google, AWS, Rockwell and Aveva, confirming its position as a leader in the Industry 4.0 sector. In particular, we have invested heavily in the three-way collaboration with Siemens and SAP at global level, taking advantage of the renewed collaboration between these two large technology suppliers (started a couple of years ago) to position ourselves as a reference partner.
IndX has also further strengthened its "stand alone" relationship with Siemens, obtaining an important recognition as the best gold partner of the year in the USA.
Strategic initiatives for 2024 and after include the global expansion of practices, investments to increase lead generation and brand recognition, as well as aggressive growth in high value-added areas such as digital manufacturing advisory. IndX evaluates new acquisitions, especially outside Italy, to support the ambitious growth objectives for the coming years.

ENERGY & UTILITIES

The now constant geopolitical turbulence, which is rapidly transforming our reality with repercussions on any economic sector, can only strongly influence the Energy & Utilities sector as well.
This instability affects first and foremost the accessibility of primary resources, generating increasing pressure on costs and final tariffs. This pressure requires greater effectiveness in the management of strategic assets with an approach that is not limited to routine maintenance but is increasingly oriented towards the enhancement of investments by managing their risks.
We are also witnessing the continuation of the market concentration process, driven by the search for synergies, critical mass for investments and effective management of leverage, with the consequent need to rationalise and renew its IT map. Furthermore, for many operators, integration at national level will be accompanied by international expansion: a process in which it will be essential to bring together the IT maps present in Italy and the legacy maps present in the countries subject to acquisition. The main players continue to invest in innovation and technology, also driven by the Next Generation EU (PNRR) plan. The E&U BUs have been able to seize the changing market, in particular for services connected with Digital Transformation or System Integration, Engineering is consolidating its position as the main player and partner of the major Energy & Utilities companies, continuously renewing and evolving its offering for all market sectors, from Oil to Power, Energy, Gas, Extra Commodity, Water and Waste, etc. along the entire operational chain from production to sales in partnership with the main solution providers on the market, such as SAP, Salesforce, AWS, Azure, Red Hat, Schneider, Siemens, etc..

Moreover, the oil market not only confirmed the growth trends over the last few years, but showed a decisive consolidation of results and, consequently, of investments in IT services and projects; the confirmation of our positioning in the Downstream and Retail area has allowed us to identify investments aimed at Digital Transformation and the customer experience. In fact, Engineering's activities on the Eni group were positively affected by the results of the oil group, in particular, by the consolidation of the trend in IT investments, concentrated in two group transactions: the development of Plenitude and the creation of EniLive. Furthermore, the consolidated presence over time and the diversification through different contracts operating in different divisions/companies of the group have allowed Engineering to increase its involvement in the various and distributed initiatives of the Eni group. In 2023, the involvement in the Eni Plenitude area, with a focus on Neta, was confirmed as a driving force, launching the Net@4VAS initiative and consolidating our involvement in the Data Analytics area; as well as in the EniLive area, a series of initiatives that concerned in particular SAP and SalesForce.Com.

As regards transport (SNAM, TAP, SGI, DESFA) and distribution operators, investments in digitalisation initiatives continued, and in particular in the areas of cartography, maintenance, asset management and works management (WFM/FSM) and BIM also driven by the regulations and the deadlines set by them for the end of 2024.

The collaboration with leading distribution players such as 2i and Italgas is also confirmed as extremely sound.

In the Utilities area, the fluctuating and uneven trend that characterised 2021 and 2022 has been overcome: this was due on the one hand for reasons intrinsic to the dynamics of a highly fragmented market, and on the other hand, due to the PNRR, which saw an initial focus on the water market and on initiatives that have often seen a marginal role for IT; conversely, ESG issues are confirmed to be increasingly a present and driving force. In fact, there was robust growth throughout 2023; growth that has led us to further focus on this market segment with a BA dedicated to Large Multi-Utilities (ACEA, Hera, IREN and A2A) and a BA dedicated to the rest of the Utilities market, certainly fragmented but worthy of being intercepted, as a whole.

The ENEL Global area, on the other hand, suffered a significant slowdown in 2023, in contrast to the rest of the market, due to the propagation of the group's strategy following the appointment of the new top management. After the years of the previous management, characterised by expansionary investments and the strengthening of Enel's digital leader position in the utility market, the new management focused its objective on reducing debt and increasing the profitability of the group. The new strategic direction had repercussions on all dimensions of the business, both organisational and operational.
More specifically, the IT segment supporting the Enel group suffered a sharp slowdown in the second half of the year, with up to 60% reduction in spending in some areas.
In this context, Engineering has been able to maintain the position of reliable delivery partner, especially in those areas, such as Enel Distribuzione, where in-depth knowledge of both processes and applications has been consolidated in over 10 years of collaboration. The year 2023 ended with a consolidated perimeter of cross business units and cross countries. We are still the top suppliers in the distribution area and also confirm our presence in the generation, market and corporate services (HR and AFC) areas. From a technological point of view, our presence was confirmed in all areas with the exception of that relating to integration, which, due to the Admiral tender, saw us gradually exiting during the year. On the other hand, our contribution to the world of data in the metering area remains pivotal, in support of SAP technologies (excluding billing/credit) and Salesforce.com and the activities of Operating Support and application monitoring.

The Neta Market area consolidated its position on the market thanks to the continuum of the product replacement campaign on the Water Market and the customer migration campaign on the Public Cloud.
In 2023, the second contract was also acquired for the implementation of Net@2D for ASA Livorno, the new solution for distribution companies that is emerging on the market, given that other negotiations are in the pipeline.

Also in 2023, Net@PAY continued to grow, also thanks to the adoption by Plenitude in 2022, as a bill payment system through the PagoPa platform. Transactions rose from Euro 1 million in 2021 to approximately Euro 4 million in 2022 to over Euro 15 million in 2023. Net@PAY is of considerable importance at strategic level not only for the exponential growth of volumes managed, but above all because it is completely independent from the other Net@SUITE modules, being able to connect to other billing platforms, effectively eliminates the barriers to entry imposed by competitors companies and represents an opportunity to take over new customers.

TELCO & MEDIA

In 2023, the Telco sector in Italy, in line with the trend of recent years, recorded again a reduction in revenues and margins, compared to 2022, but recovering slightly thanks to the "fixed broadband" sector. In the Telco 2023 report, Mediobanca shows that already in the first half year of the year, the revenues of Italian operators fell by 0.1%, compared to the first half year of 2022, with a reduction of 3.9% on mobile and a growth of 3% on fixed-line products. The continuous growth in traffic volumes mainly due to the digital services of Technology Companies, such as Apple, Google, Amazon, Netflix, both on the mobile network and on the fixed network, is generating an increase in operating costs and investments for operators. In addition, the increase in the cost of energy had a very negative impact on the results of recent years. On the other hand, the prices of services continued to fall due to strong market competition (5 mobile operators on the market) and strong regulatory pressure. In Italy, prices are lower than in other countries. In this context, there are essentially three lines of action and challenge for operators:

- monetising the company's core assets;
- evolving and transforming business capabilities to maintain and develop the customer base;
- reducing operating expenses by making all business processes more efficient to increase competitiveness.

In 2023, the Company recorded a significant decrease in revenues, partly already expected due to the conclusion of the full outsourcing contract with Tiscali and some important transformation projects into TIM and BT that generated extraordinary revenues in 2022, and partly not expected due to the reduction in IT spending by some customers, which emerged during the year. The breakdown of revenues by product line follows:

- **DIGITAL SERVICES** - account for about 55% of the division's revenues and include the development services of digital channels (Apps, Portals) to support caring and sales processes, data-centric evolution of IT architectures leveraging Big Data, Analytics and AI, Cybersecurity, the transformation of legacy BSS systems with low-code SaaS platforms, digital capabilities for local workforce management. In 2023, Engineering was one of the main partners of TIM's data management programs, creating the platforms enabling the customer data platform and the cloud migration of the Enterprise Data Lake platforms.
- **TRADITIONAL SYSTEM INTEGRATION AND MANAGED SERVICES** – account for approximately 45% of the division's revenues and include management services for BSS/OSS systems, IT infrastructures and legacy Networks. In 2023, the growth in revenues and margins on the customer Sparkle are of particular interest, thanks to the contractual renewals of the historical collaboration areas in the BSS and OSS area and the award of the Network Assurance project in partnership with IBM.

DIGITAL TECHNOLOGY

The *Digital Technologies* Business Unit aims to support the digital transformation of our customers end-to-end through a dedicated Go-To-Market workforce and Centres of Excellence organised for specific technological capabilities: Advanced Enterprise Platform, Cloud & Infrastructure, Cybersecurity, Data & Analytics and Digital Experience.

a. ADVANCED ENTERPRISE PLATFORM

In 2023, the *Advanced Enterprise Platforms* (AEP) Centre of Excellence continued its implementation of projects and services relating to the major market technological platforms (e.g. SAP, Microsoft and Salesforce).

The main areas of competence relate to Enterprise resource planning and Customer relationship management, for which the growth started in previous years continues, which led to a situation where the budget targets set for the year in 2023 were exceeded.

- The SAP structure has increased the customer base and experiences on the new SAP S/4HANA platform in all Public Sector markets (e.g. Lombardy, Campania and Apulia Regions), Finance (e.g. Intesa San Paolo) and Enterprise (e.g. ENEL, Terna and ENI, Petronas, Ferrero), also in international contexts.
- On more vertical solutions, the consolidation of cloud skills (i.e. SuccessFactors), the expansion of partnerships (e.g. with UKG and BOARD), the launch of *Extended Warehouse Management* activities for Leonardo, and the collaboration with Movilitas.
- With regard to the Microsoft structure, the integration of the dedicated company Engineering 365 was completed in 2023, helping the process started in previous years of improving efficiency and consolidating all customers.

- As regards SalesForce, activities focused on the consolidation of project activities on customers (e.g. ENEL, ENI, Intesa San Paolo, Open Fiber, RAI) and in the renewal of important multi-year deals (e.g. Engie).

b. CLOUD & INFRASTRUCTURE

In 2023, the *Cloud & Infrastructure* Centre of Excellence focused on infrastructure projects and services, workstation management and cloud initiatives mainly in the IaaS area, continuing the growth started in previous years and achieving excellent results compared to the budget targets set for the year.

Specifically, the year was characterised by the consolidation of activities on all services and solid growth in cloud activities, in particular on the Public Sector and Enterprise segments.
The latter supported by the increase in technological skills, also through the acquisition of a sizeable number of individual certifications and the strengthening of partnerships with the main *Cloud Service Providers*.

In continuity with 2022, process automation activities continued, mainly in the area of infrastructure management and software distribution, also with a view to the continuous improvement of services and the quality provided. In this context, the acceleration of automation activities guaranteed by the use of frontier technologies enabled by artificial intelligence should be noted.

c. CYBERSECURITY

In 2023, the *Cybersecurity* Centre of Excellence further consolidated its product portfolio to fully cover the security needs of its customers, providing Advisory, Implementation Services and Managed security services. Despite not having fully achieved the budget objectives set for the year, the results of the year show a significant growth in margins that allowed the company to close with a largely positive EBITDA, thus completing the industrial turnaround process started in 2021.

d. DATA & ANALYTICS

During 2023, the *Data & Analytics* Centre of Excellence focused on projects and services in the areas of *Data Strategy and Governance, Data Visualisation, Advanced Analytics* and *Data Management*.

Specifically, the year was characterised by the consolidation of activities and participation in various innovative initiatives in all markets, with a particularly broad field of action such as the implementation of Modern BI, cloud analytical architecture services or even Artificial Intelligence applications.

The year 2023 was undoubtedly characterised by the "explosion" of interest on the part of the market for technologies related to artificial intelligence. The Company was able to take advantage of the years of Research & Development on the subject, bringing to the market a suite of solutions, called "ENG GPT", which made it possible to position a very attractive "private AI" offer.

e. DIGITAL EXPERIENCE

In 2023, the *Digital Experience* Centre of Excellence consolidated its consulting, implementation and management of services to meet the needs of customers in all fields relating to Digital Experience.

The *Customer Experience and service design* and the strategic consulting component based on design thinking approaches have overcome the traditional User Experience (UX) and User Interface (UI) activities through the management of important digital transformation projects.

Moreover, in 2023, the offering of the Centre of Excellence was completed to propose services related to the Metaverse, stimulating significant customer interest and contributing to the innovative image of the Company. This trend is expected to grow significantly in 2024, also due to the launch of new technological devices (e.g. Apple Vision Pro) that will certainly accelerate the growth in demand for this type of solution.

f. TECH ALLIANCES

In the *Tech Alliances* area, the significant investment, started in 2022, continued in 2023 in collaboration with the main Technological Partners.

The change of pace had a major impact in the sector, with extremely positive feedback from all market operators. Engineering is increasingly confirmed as a reference partner in digital transformation processes, gathering widespread consensus among its technological partners.

VI. Personnel

As of December 31, 2023, the Company's workforce (people with employment contracts, open-ended and fixed-term) amounted to 8,597 (they were 8,273 as of December 31, 2022).

In 2023, the policy of hiring staff continued with the recruitment of 990 people (compared to 1,614 in 2022), with a close focus on young graduates and young diploma holders.

666 people left the company (in 2022, there were 710 people).

Some detailed figures are provided below, related to 2023, with reference to the Company workforce:

- the rate of graduates totalled 62,09%;
- the rate of women totalled 33,45%;
- the average age was 44;
- the number of executives totalling 4,0%;
- employees with Super Management/Management qualifications totalled around 21,40%.

Lastly, also in 2023, agile remote working ("smart working") involved most of the Company's employees.

TRAINING

In line with the trend of recent years, the IT & Management Academy "Enrico Della Valle" also recorded significant attendance by employees of the Engineering Group in 2023, bringing the indicator of the training activities carried out to over 38,000 training days/person provided.
This volume of activities is to be understood as structural and represents the result of the now mature integration process at the base of the Engineering Group's training model, which provides for the support of synchronous training activities (both in presence at the residential Campus in Ferentino, and via the web classroom) with an increasingly rich self-study training offer, also intended for foreign countries from 2023.

In this scenario, the new format called Learning Hub, launched in 2023 within the Course Catalogue, played a central role, innovating the characteristics of the traditional training course with a view to greater freedom of access and customisation of the learning course. In fact, with the Learning Hub format, the course becomes a real ecosystem of integrated and consistent training content, where traditional training sessions with teachers are combined with a series of on-demand resources such as articles and recommended readings, microlearning pills, podcasts, self-reflection exercises and challenges, which increase the engagement and depth of the training experience. In 2023, more than 800 employees of the Group took part in the first Learning Hubs, focused on Leadership, Teamworking, Collaboration and Business Analysis skills.

Great attention, also in 2023, was paid to the professional specialisation and development of the transversal skills of the Engineering Group's talents. Through the Academy Programs, training courses that involved more than 200 new graduates from the best universities in the entire country for over 5,500 training days/person, young developers, cloud architects, cybersecurity specialists and business analysts were included in the Company. Even after recruitment, the learning path continues with a series of educational events, with the aim of developing all-round technical skills, mastery and personal attitudes. A significant training component was of an experiential nature through in-person training modules at the Academy in Ferentino, aimed at instilling a mindset that encourages people to face with critical thinking the changes brought about by Digital Transformation and to learn about the importance of teamwork.

Among the various projects developed in 2023, it is also important to highlight the extraordinary result achieved on professional certifications, which saw the acquisition during the year by the Company's personnel of 1,713 new certifications, recording an increase of 11.5 % compared to 2022. Attention was naturally focused on the main technological innovation vendors present on the market (AWS, Azure, SAP, Red Hat, Salesforce, etc.) and on the governance standards of the most widespread projects at international level (Project & Service Management, IT Governance, Business Analysis, Agile Methodologies, etc ...).

Final note relating to the first place obtained by the IT & Management Academy of Engineering as part of the annual Best HR Team 2023 ceremony, organised by HR Community. This recognition, for the Learning category, saw the Engineering Academy position itself first in a challenge in which over 62 HR Teams of national and multinational companies participated, in recognition of the constant commitment to creating innovative paths, favouring the growth of business, performance and engagement of all Group personnel.

VII. Outlook

The year 2023 saw the Company increasingly focus on market segments with greater growth and profitability, such as the digital transformation and proprietary solutions segments.

The complex change management process can be considered concluded, which saw a further strengthening of the management team through the inclusion of new professional figures such as the Executive VP Proprietary Products and the Group Chief Information Officer. In addition, an important effort was made to improve the Group's Corporate Governance structure with the hiring of the Data Protection Officer, the Chief Audit Executive and the Group Security Officer.

During 2023, the management of Transformation projects continued in line with the Company's strategic plan:

- definition of a new purpose for the company that laid the foundations for a new winning culture;
- strengthening of the matrix organisation with the establishment of units specialised in Cybersecurity, data & analytics, advanced enterprise platforms, cloud modernisation, outsourcing, customer experience and proprietary products. Definition and launch of a new architecture of professional families that harmonised roles and responsibilities at global level, forming the basis for the renewed HR policies: compensation & benefits, training, development, workforce planning;
- creation of a central Workforce Management structure that, in support of the Delivery Units, aims to improve the efficiency of the company in the staffing of its resources;
- commercial acceleration in all markets, reviewing the main account plans, the offer portfolio of digital products and services, and the sales incentive schemes and approaches;
- relaunch and modernisation of the main company products also through specific investment and development plans;
- scouting, acquisition and integration of various champion companies in their market environment;
- simplification of the main internal processes and start of the modernisation of company IT solutions;
- continuous focus on the PNRR (National Recovery and Resilience Plan) in order to address emerging opportunities on all markets in which Engineering operates. As an example, it is worth mentioning the project relating to the National Telemedicine Platform, which saw the first phase close with great success.

For 2024, Engineering will continue the transformation project undertaken with the aim of fully achieving the objectives of the strategic plan, in particular:

- continue and strengthen the growth process in all markets in which the company operates, also through targeted high added value M&A transactions;
- ensure sustainable growth of the organic result and performance also thanks to activities to increase the efficiency of internal processes;
- undertake a deleveraging path also thanks to actions to improve Working Capital;
- complete the simplification of internal processes and the complete renewal of corporate IT solutions;
- seize all opportunities in digital transformation, strengthening and evolving the company's technological skills;
- building paths for growth and development of talent, becoming an increasingly attractive company also for young diploma holders and recent graduates.

VIII. Financial highlights

MAIN FINANCIAL DATA

The main financial data related to the year 2023 are shown hereunder compared with the previous year restated data.

(in euro million)

Description	2023	2022	Change % YoY
Total revenues	**1,053.5**	**997.7**	**+5.6**
Net revenues	**1,005.7**	**959.3**	**+4.8**
Adjusted EBITDA	**134.1**	**133.1**	**+0.8**
% of revenues	+13.3	+13.9	
EBIT	**-6.1**	**30.7**	**-119.8**
% of revenues	-0.6	+3.2	
Net profit	**-106.3**	**101.1**	**-205.1**
% of revenues	-10.6	+10.5	
Shareholders' equity	**528.8**	**863.5**	**-38.8**
Adjusted net financial position	**-954.6**	**-107.7**	**+786.7**
% ROE (N.P./N.E.)	**-20.1**	**+11.7**	**-31.8**
% ROI (EBIT/N.C.E.)	**-0.4**	**+3.2**	**-3.6**
No. of employees	**8,597**	**8,273**	

Adjusted EBITDA is defined as EBITDA gross of extraordinary items.

Total revenues stood at Euro 1,053.5 million, a 5.6% increase compared to the previous year.

Net revenues, equal to Euro 1,005.7 million, increased by 4.8% compared to the previous year.

Adjusted EBITDA amounted to Euro 134.1 million, basically in line (+0.8%) compared to the previous year and with a profitability on net revenues of 13.3% in 2023.

EBIT amounted to Euro -6.1 million, down from 2022 by Euro 36.8 million and included amortisation and depreciation of Euro 61.4 million, up compared to the previous year and provisions of Euro 18.8 million, down compared to 2022. The worsening is therefore attributable to higher amortisation and depreciation for the year and higher non-recurring charges. For further information, reference is made to the Explanatory Notes to the financial statements.

The **net profit** stood at a net loss of Euro 106.3 million. The negative change compared to the previous year is due not only to the aforementioned increase in amortisation/depreciation and non-recurring charges, but also to higher interest expense relating to the increase in financial liabilities deriving from the reverse merger of Centurion Bidco S.p.A. into Engineering Ingegneria Informatica S.p.A..

The **adjusted net financial position**, equal to Euro -954.6 million, recorded a negative change of Euro 846.9 million, with a deterioration compared to the previous year mainly due to the reverse merger mentioned above. Further details are shown in section "Statement of Financial Position" hereof.

ALTERNATIVE PERFORMANCE MEASURES

The alternative performance measure, adjusted EBITDA, is calculated as follows:

(in Euro)

Description	Note	2022	2023
Net profit for the year		**101.1**	**(106.3)**
Income taxes		12.0	(15.9)
(Income)/expenses from equity investment		(95.2)	11.2
Financial (income)		(12.6)	(45.2)
Interest expense (excluding interest on leases)		24.3	149.0
Interest on leases		1.1	1.2
Depreciation of property, plant and equipment		3.6	4.3
Amortisation of right-of-use assets		13.4	17.0
Amortisation of intangible assets		23.5	40.0
Provisions and write-downs		25.6	18.8
Leaving/change management incentives	(1)	8.6	31.1
Charges related to the corporate strategic review process	(2)	24.3	20.3
Charges for corporate transactions and special projects	(3)	3.5	1.8
Charges relating to transactions with subsidiaries in liquidation	(4)	0.0	6.7
Adjusted EBITDA		**133.1**	**134.1**

(1) Charges relating to incentives for employees who left early during the year and/or with whom an agreement was reached for early exit and related charges for change management, incurred as a result of the transformation program mentioned in the paragraph “2024 Outlook”. Charges relating to incentives for employees who left early during the year, amounted to Euro 24.1 million.
(2) Charges relating to the corporate strategic review process, incurred in order to guide and support the transformative actions that have impacted the Company in a pervasive manner during the year.
(3) Charges relating to extraordinary corporate transactions and one-off projects.
(4) Charges relating to transactions carried out with subsidiaries in liquidation.

TOTAL REVENUES

Direct revenues and costs are allocated according to the relevant sector. Other revenues or income and central structural costs, not specifically identifiable to different markets, were allocated in relation to their contribution margins.

The detail of revenues, apportioned by market are shown hereunder.

(in Euro)

Description	2023		2022		Change
		%		%	%
Total revenues					
Finance	173,438,725	+17.2%	192,959,650	+20.1%	-10.1
Public Administration	221,873,346	+22.1%	192,304,668	+20.0%	+15.4
Health	171,361,149	+17.0%	104,573,148	+10.9%	+63.9
Industry & Services	180,886,488	+18.0%	208,934,692	+21.8%	-13.4
Telco	79,047,362	+7.9%	86,177,071	+9.0%	-8.3
Utilities	179,044,910	+17.8%	174,341,695	+18.2%	+2.7
Net revenues	**1,005,651,980**	**+100.0%**	**959,290,924**	**+100.0%**	**+4.8**
Other revenues	47,866,763		38,362,716		+24.8
Total revenues	**1,053,518,743**		**997,653,640**		**+5.6**

OPERATING EXPENSES

(in Euro)

Description	2023	2022	Change	
			Absolute	%
Personnel costs	507,927,484	469,385,898	38,541,586	+8.2
Service costs	416,848,677	388,690,564	28,158,113	+7.2
Raw materials and consumables	43,902,554	37,750,929	6,151,624	+16.3
Amortisation, depreciation and provisions	80,189,107	66,032,603	14,156,503	+21.4
Other costs	10,720,253	5,131,920	5,588,333	+108.9
Total operating expenses	**1,059,588,074**	**966,991,915**	**92,596,160**	**+9.6**

Operating expenses increased overall by around Euro 93 million compared to 2022.

Personnel costs increased due to the rise in new resources hired in the company and due to additional leaving incentives for the year for early retirements.

Spending in services increased in relation with the rise in revenues.

Spending on raw materials and consumables mainly attributable to purchases of software and goods for resale rose in proportion to the increase in revenues.

The item "Amortisation, depreciation and provisions" increased due to new provisions made during the year; for their details, reference is made to the explanatory notes to the financial statements.

OPERATING PROFIT AND NET PROFIT

(in Euro)

Description	2023	2022	Change %
Difference between total revenues and operating expenses after amortisation/depreciation and provisions (EBIT)	**(6,069,331)**	**30,661,725**	**-119.8**
Financial income/(expenses)	(104,962,171)	(12,781,164)	+721.2
Income/(Expenses) from equity investments	(11,171,104)	95,217,779	-111.7
Profit before taxes	**(122,202,607)**	**113,098,340**	**-208.0**
% of revenues	-12.2%	+11.8%	
Income taxes - (Income)/Expenses	(15,907,449)	11,970,766	-232.9
Tax rate	+13.0%	+10.6%	
Net profit	**(106,295,158)**	**101,127,575**	**-205.1**
% of revenues	-10.6%	+10.5%	

Profit before taxes, amounting to Euro -122.2 million, includes the items "Financial income/(expenses)" and "Income/(expenses) from equity investments"; for their details, reference is made to the related sections in the explanatory notes to the financial statements.

The net profit shows a loss of Euro 106.3 million. The result is mainly attributable to the impact of financial expenses following the loans received by the Company due to the reverse merger by incorporation of the parent company Centurion Bidco S.p.A. with accounting effect from January 1, 2023.

Outlook 2024

As already highlighted in the previous pages, the implementation of the transformation process undertaken reached its peak in 2023, with very significant impacts on activities, processes, systems and employees.

This also had an impact on the net profit for 2023, which was negatively affected in a decisive manner by non-recurring costs and "one-off" provisions.

For 2024, a substantial reduction is expected in these items and at the same time an increase in Adjusted EBITDA not only due to organic growth but also thanks to the transformative actions undertaken.

More specifically, a significant recovery in profitability and a sharp reduction in the gap between Adjusted EBITDA and Pre-Tax income are expected, starting a trend that in 2025 is expected to enable a stable return to operating profit for the Company.

The main growth drivers are:

- increase in EBITDA with a target growth higher than that of revenues thanks to an improvement in operating leverage;
- reduction in non-recurring costs due to the reduction in charges for early retirement incentives and extraordinary transformation expenses;
- reduction in provisions, impacted in 2023 by various extraordinary events;
- reduction in amortisation/depreciation, mainly due to the exhaustion of amortisation for PPAs of previous acquisitions.

On the other hand, no significant changes in financial expenses are envisaged.

IX. Statement of financial position

The cash flow statement presented below summarises the Company's cash flow movements according to the direct method. The cash flow statement is disclosed, as established by IAS 7, considering the assets and the liabilities of the companies acquired and/or sold and allocated to the relevant investing activity cash flow accounts. Only current cash and cash equivalents occurred over the year are thus shown.

(in Euro)

Description	2023	2022
Cash collected from the sales of products/services - third parties	1,186,261,991	1,231,194,738
Cash collected from the sales of products/services - Group	26,386,515	22,718,440
Cash paid for goods and services - third parties	(472,328,511)	(447,439,933)
Cash paid for goods and services - Group	(71,630,191)	(83,362,654)
Personnel costs	(506,891,109)	(471,449,521)
Interest received for operating activities	144,236	161,132
Exchange differences	(488,416)	(1,339,464)
Income tax payments and reimbursements	(9,227,998)	(23,746,098)
A) Total cash flow from operating activities	**152,226,516**	**226,736,640**
Sale of property, plant and equipment	62,365	2,947
Purchase of property, plant and equipment	(5,973,228)	(7,327,146)
Purchase of intangible assets	(53,991,646)	(34,708,470)
Consideration paid for acquisition of business	(4,428,221)	(112,904,149)
Purchase of other investments and securities	(2,165,880)	(417,000)
Sale of other investments and securities	2,449	8,771
Collection of dividends		111,000,000
Cash pooling	(22,533,339)	(91,322,276)
Loans disbursed to Group companies	(9,439,565)	(152,964,216)
Loans repaid from Group companies	22,000,000	2,500,000
Interest received for investing activities	4,799,689	
B) Total cash flow from investing activities	**(71,667,376)**	**(286,131,539)**
New loans	352,166,469	435,687,168
Repayment of loans	(316,252,601)	(353,007,556)
Dividends distribution	0	(17,500,000)
Acquisition of non-controlling interest	0	53,770,334
Interest paid for financing activities	(75,480,495)	(14,386,853)
Other funding charges	(15,062,295)	(2,851,159)
Repayment of lease liabilities	(17,756,496)	(16,039,046)
C) Total cash flow from financing activities	**(72,385,418)**	**85,672,887**
D) = (A + B + C) change in cash and cash equivalents	**8,173,721**	**26,277,987**
E) Cash and cash equivalents at beginning of year	**125,675,586**	**99,258,188**
F) Cash and cash equivalents from merger	**18,716,439**	**139,411**
G) = (D + E + F) cash and cash equivalents at end of year	**152,565,746**	**125,675,586**

Cash and cash equivalent at year end recorded a balance of Euro 152.6 million, up by around Euro 26.9 million compared to the previous year.

ADJUSTED NET FINANCIAL POSITION

(in Euro)

Description	12.31.2023	12.31.2022
Cash and cash equivalents	7,139	10,160
Bank and postal deposits	152,558,607	125,665,427
A) Cash and cash equivalents	**152,565,746**	**125,675,586**
B) Current financial receivables	**284,377,629**	**242,346,417**
Current financial liabilities	(162,347,215)	(100,565,510)
Current lease liabilities	(14,893,497)	(16,092,194)
Other current financial liabilities	(101,822,096)	(52,768,626)
C) Current borrowing	**(279,062,807)**	**(169,426,330)**
D) Net current financial position (A+B+C)	**157,880,568**	**198,595,673**
E) Non-current financial receivables	**284,355,832**	**284,393,434**
Non-current financial liabilities	(322,996,300)	(470,309,509)
Non-current lease liabilities	(110,715,742)	(120,215,163)
Other non-current financial liabilities	(963,117,228)	(115,750)
F) Non-current borrowing	**(1,396,829,270)**	**(590,640,422)**
G) Net financial position (D+E+F)	**(954,592,870)**	**(107,651,315)**

The adjusted net financial position amounted to Euro (954.6) million, down compared to the previous year (Euro -107.7 million) essentially attributable to the reverse merger previously represented.

CENTRALISED TREASURY

The presence of important credit lines, the already consolidated adoption of cash-pooling and the appropriate management of liquid funds have ensured adequate coverage of financial requirements.

The companies adhering to cash pooling managed by the Parent Company have, from time to time, used this instrument to meet their financial commitments when the latter were higher than their own liquidity. The other companies have financed themselves or, in special cases, they benefited from loans granted directly by the Parent Company. In all cases they had easy access to the financial resources managed by the Parent Company, both in-house and from external sources, at rates they would not have been able to obtain independently on the market. The Group's rating and ongoing dialogue and discussion with the various credit institutions made it possible to take advantage of the best conditions offered based on real needs. The above resulted in the optimal allocation of financial resources within the Group and maximised efficiency in managing the working capital, thereby limiting financial expenses.

The trend of cyclical cash inflows, which historically characterises current operations, the securitisation transactions with Banca Intesa and periodic non-recourse factoring transactions have accompanied the recourse to hot money procurement transactions. For the latter, during the year, transactions were finalised, for which a weighted average annual interest rate of 3.801% was paid to the banks against an average exposure of around Euro 34.4 million. Non-recourse factoring transactions, arranged on a monthly basis, amount to a total of approximately Euro 814.1 million compared to Euro 719.4 million in 2022. In return for these transfers, the factoring companies were paid an average rate of 1.78% in commissions and interest, which had been 0.60% in 2022.

NET WORKING CAPITAL

The net working capital decreased by Euro -104.4 million compared to 2022, amounting to Euro -68.3 million. Overall, current assets decreased by 2.7% while current liabilities increased by 17.4%.

(in Euro)

Description	12.31.2023	12.31.2022	Change	
			Absolute	%
Current Assets				
Customer contract assets	175,392,630	165,827,452	9,565,178	+5.8%
Deferred contract costs	4,338,592	4,986,085	(647,493)	-13.0%
Trade receivables	297,608,004	337,525,334	(39,917,330)	-11.8%
Other current assets	59,135,274	41,801,537	17,333,736	+41.5%
Total	**536,474,500**	**550,140,409**	**(13,665,909)**	**-2.5%**
Current liabilities				
Trade payables	(419,205,004)	(352,529,919)	(66,675,085)	+18.9%
Other current liabilities	(185,591,906)	(161,470,672)	(24,121,234)	+14.9%
Total	**(604,796,910)**	**(514,000,591)**	**(90,796,319)**	**+17.7%**
Net working capital	**(68,322,410)**	**36,139,818**	**(104,462,228)**	**-289.1%**

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

The statement of financial position of the Company shows a solid structure, with a 0.3 Shareholders' Equity/ Fixed assets ratio. The decrease compared to the previous year is due to the effects of the reverse merger with the parent company Centurion Bidco S.p.A..

(in Euro)

Description	12.31.2023	12.31.2022	Change	
			Absolute	%
Real estate property	23,911,377	20,400,817	3,510,560	+17.2
Right of use and leased assets	121,959,949	130,966,658	(9,006,709)	-6.9
Intangible assets	652,153,212	508,676,499	143,476,713	+28.2
Goodwill	559,531,270	67,353,301	492,177,969	+730.7
Equity investments	266,565,494	277,300,074	(10,734,580)	-3.9
Fixed assets	**1,624,121,302**	**1,004,697,349**	**619,423,953**	**+61.7**
Short-term assets	536,474,500	550,140,409	(13,665,909)	-2.5
Short-term liabilities	(604,796,910)	(514,000,591)	(90,796,319)	+17.7
Net working capital	**(68,322,410)**	**36,139,818**	**(104,462,228)**	**-289.1**
Other non-current assets	63,861,313	28,399,327	35,461,986	+124.9
Post-employment benefits	(53,216,203)	(52,849,905)	(366,298)	+0.7
Other non-current liabilities	(83,056,420)	(45,185,734)	(37,870,686)	+83.8
Net capital employed	**1,483,387,582**	**971,200,855**	**512,186,727**	**+52.7**
D - Shareholders' equity	**528,794,712**	**863,549,540**	**(334,754,828)**	**-38.8**
(Cash and cash equivalents)/ borrowing - LT	1,112,473,438	306,246,988	806,226,450	+263.3
(Cash and cash equivalents)/ borrowing - ST	(157,880,568)	(198,595,673)	40,715,105	-20.5
(Cash and cash equivalents)/ borrowing	**954,592,870**	**107,651,315**	**846,941,555**	**+786.7**
Total sources	**1,483,387,582**	**971,200,855**	**512,186,727**	**+52.7**

X. Significant events during the year

The significant events are detailed below:

- on 19 May 2023, Engineering Ingegneria Informatica S.p.A. acquired the remaining 5% stake of the equity investment in F.D.L. Servizi S.r.l.. As a result of this transaction, Engineering Ingegneria Informatica S.p.A. holds full control of the company;

- with legal effectiveness from June 1, 2023 and with accounting and tax effect from January 1, 2023, the reverse merger by incorporation of the company Centurion Bidco S.p.A. into the company Engineering Ingegneria Informatica S.p.A. was completed;

- with effect from June 1, 2023, the Company completed the purchase of a business unit of the subsidiary Livebox S.r.l. relating to the exercise of the “Telco & Media and Energy & Utilities” business;

- on June 30, 2023, the purchase transaction of a technological platform to provide services in the Finance sector was completed;

- on December 12, 2023, the subsidiary Engineering do Brasil S.A. sold to Engineering Ingegneria Informatica S.p.A. 7.44% of the share capital it held in Engi da Argentina S.A..

XI. Shareholders and treasury shares

SHAREHOLDERS

The whole share capital of Engineering Ingegneria Informatica S.p.A. is held by the company Centurion Newco S.p.A., as Sole Shareholder. In relation to the provisions of Article 2497-bis, paragraph 5, of the Italian Civil Code, it should be noted that no commercial transactions took place with Centurion Newco S.p.A. during the year.

TREASURY SHARES

At the date of approval of this Financial Report, no treasury shares are owned by the Company.

XII. Subsequent events

On February 28, 2024, the quote seizure order issued on February 8, 2024 by the Judge for Preliminary Investigations at the Court of Milan was served to Engineering. According to this order, the sum of Euro 8,611,311.44 was seized from the Company.

This measure was notified to Engineering in its capacity as third party concerned as part of criminal proceedings no. 12153/21 RGNR and no. 91722/22 RG. GIP, a case prepared by the Milan Public Prosecutor’s Office in order to ascertain alleged facts of computer fraud, pursuant to Article 640 ter, paragraphs 1 and 3 of the Italian Criminal Code, which were also allegedly committed by Engineering employees from 2017 to 2019.

Engineering, currently not under investigation, has filed a request to obtain a copy of the investigative documents on which the measure is based, as well as to file a request for review against the ablative measure. As soon as the investigative documents have been examined, it will be assessed whether or not to appeal against the seizure or to subsequently submit a request for release from seizure directly to the Milan Public Prosecutor’s Office.

XIII. Other information

TRANSACTIONS WITH RELATED PARTIES

Pursuant to IAS 24, enacting provisions concerning transactions with related parties, Engineering Ingegneria Informatica S.p.A. approved, through Board of Directors' resolution of June 23, 2023, a new Procedure for the identification and carrying out of Transactions with Related Parties. During the year, transactions were carried out with related entities under normal market conditions. These transactions relate to trade activities carried out in favour of primary customers which produced profitability in line with the Company's profitability parameters. Please refer to the relevant section of the Explanatory Notes for further details.

MAIN RISKS AND UNCERTAINTIES

Engineering adopts specific procedures for the management of risk factors that might affect the Company's results. As in all companies, risk factors which may affect the Company's results exist and for this purpose numerous preventative actions have been put in place. These procedures are the result of a management that has always aimed at maximising value for its shareholders by taking all necessary measures to prevent the risks inherent in the company activities.

The internal control system and procedures referred to in this document are consistent with applicable guidelines prepared by relevant industry associations and international best practices.

These were fully and transparently implemented and with a sense of responsibility concerning internal and external relations, offering sufficient guarantees for correct and efficient management.

The risk factors described below should be read together with other information present in the financial statements.

EXTERNAL RISKS

A. Risks related to general economic conditions
While the economy is still suffering effects triggered by the Covid-19 pandemic, in particular on prices, the growing problems on the geopolitical front are generating uncertainty and also repercussions on the economy.

The conflict between Russia and Ukraine is still having major consequences at global level not only due to the serious humanitarian crisis that has ensued, but also due to the possible economic effects on global markets, especially in terms of increases in the costs of some commodities such as gas and oil.

Similarly, the conflict in the Middle East and the logistical problems caused by the restrictions on the Suez Canal can have significant impacts on the overall economic performance.

Our Company has no particular direct risks in these countries related to either customers or suppliers.
Thanks to diversification carried out over the years, as regards both changes made to the business model and acquisitions of companies with specific expertise in strategic sectors, the Company is present in every market, by distributing its business volume and minimising risks connected with the crisis of one single market.

B. Risks related to the evolution of IT services
Technological risks are mainly represented by the widening of the digital inclusion barriers, the so-called "digital divide", but also by the exponential rise in cyber attacks that increase the cybersecurity risk.

The Company has always known how to interpret changing customer needs due to considerable investments that allow intense research activity and the development and update of vertical applications that anticipate market demand. Thanks to continuous investments in R&D, the Company is able to mitigate risks related to the evolution in demand, which is treated as business opportunity.

C. Risks related to cybersecurity

For 2024 as well, the increase in cybersecurity threats is confirmed, in line with the trend of recent years, in particular a general increase in attacks is expected, with the help of the increase in the digitalisation of users and companies, the geopolitical situation related to the Russian-Ukrainian conflict and the resulting energy emergency. The growing demands of the market and regulatory bodies for an increase in cybersecurity controls are part of this context.

The Company relies on computer networks and systems to securely process, transmit and store electronic information and to communicate internally and with customers, partners and suppliers. The complexity of this infrastructure and the relevant interconnections continue to grow, even with the use of mobile technologies, social media and cloud-based services, with the subsequent increase in the potential risk of security breaches and cyber attacks.
The Company continues to invest in the protection of assets through a model based on "continuous" improvement that takes into account the evolution of cyber threats.
In particular, the Company is adopting consolidated security mechanisms to prevent and detect cyber attacks, through appropriate technological, organisational and public-private collaboration solutions.

D. Risks related to competition

The information technology market is very competitive; this is encouraged, among other, by a fragmented context that is affected by deeply rooted local operators that can present offers at more competitive prices. Therefore, some competitors could acquire small market shares and expand their presence in the reference markets.

Increased competition may also lead to lower prices and volumes, higher costs for resources, in particular personnel and, consequently, lower profitability. The Company may not be able to provide customers with quality services at competitive prices.

Any inability to effectively compete would adversely affect activity, operating profits, financial conditions and forecasts. Special attention was given by the Company on this issue and it developed a structure made up of specialised resources concerned with "the offer engineering", which allows the Company to develop valid economic proposals that take account of the deep and rapid technological changes, the evolution in professionalism, the expertise to be shared in rendering services and cost analysis.

E. Risks related to regulatory framework developments

The activity performed by the Company is not subject to particular segment regulations.

INTERNAL RISKS

A1. Risks related to the employment of key personnel

The Company has Executives and Managers who play a decisive role in the management of the Company's activities and a management structure capable of ensuring continuity in the management of corporate activities even in the event of the immediate leave of one of the key persons to be adequately replaced.

B1. Risks related to dependence on customers

The Company offers services to around 2,000 medium and large companies operating on all markets (Public Administration, Health, Finance, Insurance, Telco & Media, Industry and Utilities). The breakdown of business is fairly balanced and there are no significant positions relating to turnover concentration on individual customers.

C1. Risks related to contractual responsibilities towards customers

The Company develops solutions with a high technological content and high value and the relative underlying contracts may include the application of penalties for non-compliance with agreed timeframes and quality standards.

The Company has therefore signed insurance policies deemed as an adequate hedging against risks from third-party and contractual liability, for an annual total ceiling of Euro 15 million and Euro 10 million per claim. In addition to the above coverage, additional policies are taken out for significant economic/financial projects or on customer's request to avoid negative impacts on the Company's economic, equity and financial position.

Special attention was given to the issues related to cyber risks, in relation to which adequate measures were adopted in terms of hedging. If this insurance coverage is not adequate and the Company is deemed liable with respect to uncovered issues, the economic, equity and financial situation of the Company might be negatively affected.

D1. Risks related to international expansion

For a number of years, the Company strategy has looked towards developing the process of internationalisation and economic and financial benefits are expected. The Company operates in areas where there are no armed conflicts or border tensions. At present, the exposure towards foreign activities does not subject the Company to risks such as changes to local political and regulatory frameworks, as well as considerable currency fluctuations.
However, these events could negatively affect the Company's growth prospects. This growth strategy is addressed at minimising the specific country risk by differentiating the offer and the investments in more attractive geographic regions from a business point of view.

E1. Risks associated with significant dependence on third parties

The Company's ability to serve its customers and provide and implement solutions largely depends on third-party suppliers such as subcontractors, equipment component manufacturers, service providers and network providers who meet the Company's expectations in a timely and quality manner. Results may be materially and adversely affected and we may assume significant additional liabilities if one of the suppliers fails to meet its obligations or customer expectations, or if it terminates its relationship with the Company.

In particular, large and complex projects often require that we use subcontractors or that services and solutions integrate or fulfil the software, systems or infrastructure requirements of other suppliers and service providers, including companies with whom we collaborate.

FINANCIAL RISKS

By operating mainly in the Euro area the Company has limited exposure to exchange rate risk from transactions in foreign currency. Specific initiatives were taken and processes followed for commercial purposes in order to ensure the solvency of our clients; therefore, no significant credit risks exist since the financial counterparties are represented by leading customers considered solvent by the market.

A2. Credit risk

Credit risk is defined as the probable financial loss generated by the non-fulfilment by third parties of a payment obligation to the Company. Delays in payments by larger customers, requests for changes to their contractual payment agreements or breaches of payment obligations could adversely affect the Company's business, financial conditions and results of operations.

The Company manages this risk through implementing policies aimed at ensuring the solvency of clients and limiting the exposure to credit risk of an individual client through evaluation and monitoring of the customer. Specifically, the Company does not have significant concentration of credit risks except in relation to those activities carried out for governmental bodies for which extended payment times are granted based on the payment policy adopted by the public bodies, which often do not fulfil the conditions established by contracts but however do not result in irrecoverable receivables.

B2. Liquidity risk

Liquidity risk is defined as the risk that the Company encounters difficulty to source the funds necessary to satisfy obligations related to financial liabilities. A prudent management of liquidity risk is carried out through monitoring cash flows, the need for financing and any liquidity excesses. A centralised treasury structure within the Company has been present for years, ensuring efficient management of financial resources and coverage of financial needs through the availability of funds obtainable through committed credit lines.

The strategic objective pursued is to balance medium/long-term borrowings with short-term operations, thus making it possible to manage peaks in the period. The difficult economic and financial environment requires particular attention to liquidity management and funding. In this regard, special care is taken by the Company with regard to cash flows from operations and the maintenance of an adequate level of available liquidity. This makes it possible to meet both the needs arising from financial liabilities falling due, and the expected investments.

C2. Exchange rate risk

Exchange rate risk is defined as the risk that the value of a financial instrument changes following exchange rate movements. Around 90% of transactions are carried out in the Euro area; therefore, exposure to exchange rate risks deriving from operations in currencies other than the function currency (Euro) is limited.

IFRS 7 requires the Company to introduce simulation and sensitivity analysis processes to value potential losses deriving from unfavourable changes in the sector environment concerning:

I. financial assets and liabilities at fair value through profit or loss or at amortised cost;
II. investments;
III. loans and receivables;
IV. revenues and margins in foreign currencies.

In particular, it is therefore considered that the exchange rate risk does not represent a significant issue with respect to the volumes present in the Company.

D2. Interest rate risk

Exposure to interest rate risk arises from the need to finance the Company's operating activities. Changes in interest rates can have a negative or positive impact on the Company's economic result, indirectly influencing costs and returns of the operations carried out.

E2. Market risk

Market risk is defined as the risk that the value of a financial instrument may change due to fluctuations in market prices. The Company does not have operations related to this risk, therefore the exposure is nil.

TAX CONSOLIDATION

The Company has adhered to the "National Tax Consolidation" arrangement as per Articles 117 et seq. of Italian Presidential Decree no. 917 of December 22, 1986 with the parent company Centurion Newco S.p.A. as from the 2021 tax period.

TAX AUTHORITY RELATIONS

In May 2023, the Lazio Regional Tax Directorate - Large Taxpayers Office - commenced a general tax audit for the purposes of direct taxes, IRAP and VAT relating to the 2019 tax period, an audit which is still in progress. During the audit, a number of findings emerged relating to some financial statement items that have an impact on both previous and subsequent years up to the 2020 tax period; therefore, in December 2023, an invitation to appear was served, issued pursuant to Article 5-ter of Italian Legislative Decree 218/1997 relating to the 2017 tax period with the establishment of a cross-examination which ended in February 2024 with the signing of the deed of acceptance, together with a Minutes Report of Findings relating to the 2018 tax period, again for the same findings.

The Company will proceed to define the findings relating to the years 2018-2019 by means of the institute of voluntary tax rectification.

XIV. Conclusions and Shareholders’ Meeting proposals

The net loss for the year amounted to Euro 106,295,158.

The Board of Directors proposes to the Shareholders to approve the financial statements for the year 2023 and to carry forward the net loss for the year of Euro 106,295,158.

The Chairman, on behalf of the Board of Directors, points out that the financial statements are audited by the Independent Auditors Deloitte & Touche S.p.A..

STATEMENT OF FINANCIAL POSITION

(in Euro)

Statement of financial position - Assets	Note	12.31.2023	12.31.2022
A) Non-current assets			
Property, plant and equipment	4	23,911,377	20,400,817
Intangible assets	5	652,153,212	508,676,499
Rights of use	6	121,959,949	130,966,658
Goodwill	7	559,531,270	67,353,301
Equity investments	8	266,565,494	277,300,074
Deferred tax assets	9	58,876,214	25,578,794
Other non-current assets	10	4,985,099	2,820,533
Non-current financial assets	11	284,355,832	284,393,434
of which related parties		*282,840,832*	*282,840,832*
Total non-current assets		**1,972,338,447**	**1,317,490,110**
B) Assets held for sale and held for distribution to owners			
C) Current assets			
Inventory			
Customer contract assets	12	175,392,630	165,827,452
of which related parties		*11,584,066*	*13,869,422*
Deferred contract costs	13	4,338,592	4,986,085
Trade receivables	14	297,608,004	337,525,334
of which related parties		*79,673,994*	*72,327,700*
Other current assets	15	59,135,274	41,801,537
of which related parties		*9,884,757*	*9,406,208*
Current financial assets	16	284,377,629	242,346,417
of which related parties		*284,377,629*	*242,222,717*
Cash and cash equivalents	17	152,565,746	125,675,586
Total current assets		**973,417,875**	**918,162,412**
Total assets (A + B + C)		**2,945,756,322**	**2,235,652,521**

(in Euro)

Statement of financial position - Liabilities	Note	12.31.2023	12.31.2022
D) Shareholders' equity			
Share capital	19	34,095,537	34,095,537
Reserves	20	563,980,124	597,003,482
Retained earnings/(losses carried forward)	21	37,014,209	131,322,946
Profit/(loss) for the year		(106,295,158)	101,127,575
Total shareholders' equity		**528,794,712**	**863,549,540**
E) Non-current liabilities			
Non-current financial liabilities	22	1,286,113,528	470,425,259
Of which related parties		280,738,413	462,178,380
Non-current lease liabilities	23	110,715,742	120,215,163
Deferred tax liabilities	24	47,439,512	26,559,453
Other non-current liabilities	25	35,616,908	18,626,281
Post-employment benefits	26	53,216,203	52,849,905
Total non-current liabilities		**1,533,101,893**	**688,676,061**
F) Liabilities held for sale and held for distribution to owners			
G) Current liabilities			
Current financial liabilities	27	264,169,311	153,334,136
Of which related parties		*46,137,205*	*23,906,004*
Current lease liabilities	28	14,893,497	16,092,194
Current tax payables	29	0	17,133,027
Current provisions for risks and charges	30	11,955,377	6,179,308
Other current liabilities	31	173,636,529	138,158,337
Of which related parties		*339,006*	*447,478*
Trade payables	32	419,205,004	352,529,919
Of which related parties		*88,345,125*	*53,990,399*
Total current liabilities		**883,859,717**	**683,426,921**
H) Total liabilities (E + F + G)		**2,416,961,610**	**1,372,102,982**
Total liabilities & shareholders' equity (D + H)		**2,945,756,322**	**2,235,652,521**

INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

(in Euro)

Income statement	Note	12.31.2023	12.31.2022
A) Total revenues			
Revenues		1,005,651,980	959,290,924
Other revenues	34	47,866,763	38,362,716
Total revenues	33	**1,053,518,743**	**997,653,640**
Of which related parties		*62,213,249*	*47,265,425*
B) Operating expenses			
Raw materials and consumables	37	43,902,554	37,750,929
Service costs	38	416,848,677	388,690,564
Personnel costs	39	507,927,484	469,385,898
Amortisation and depreciation	40	61,388,420	40,478,203
Provisions	41	18,800,686	25,554,400
Other costs	42	10,720,253	5,131,920
Total operating expenses	**36**	**1,059,588,074**	**966,991,915**
Of which related parties		*139,571,864*	*90,422,347*
C) Operating profit (A - B)		**(6,069,331)**	**30,661,725**
Other financial income		45,238,015	12,639,079
Other financial expenses		150,200,186	25,420,243
D) Net financial income (expenses)	**43**	**(104,962,171)**	**(12,781,164)**
Of which related parties		*8,060,435*	*(5,351,919)*
E) Income/(expenses) from equity investments	**44**		
Total income/(expenses) from equity investments		**(11,171,104)**	**95,217,779**
F) Profit before taxes (C + D + E)		**(122,202,607)**	**113,098,340**
G) Income taxes	45	(15,907,449)	11,970,766
H) Profit/(loss) from continuing operations		**(106,295,158)**	**101,127,575**
I) Profit/(loss) from discontinued operations, net of tax effect			
L) Profit/(loss) for the year		**(106,295,158)**	**101,127,575**

(in Euro)

Comprehensive income statement	Note	12.31.2023	12.31.2022
L) Income for the year		**(106,295,158)**	**101,127,575**
M) Other comprehensive income statement items			
Actuarial gains/(losses) of employee defined plans		(1,559,604)	(2,872,216)
Tax effect related to other income/(loss) which will not be reclassified in income/(loss) for the year		374,305	689,332
Total other comprehensive income/(loss) which will not be reclassified in income/(loss) for the year, net of tax effect		**(1,185,299)**	**(2,182,884)**
N) Total other comprehensive income/(loss) which will be reclassified in income/(loss) for the year:			
Total other comprehensive income/(loss) which will be reclassified in income/(loss) for the year, net of tax effect		**0**	**0**
Total other comprehensive income/(loss), net of tax effect		**(1,185,299)**	**(2,182,884)**
O) Total comprehensive income for the year (L + M + N)		**(107,480,457)**	**98,944,690**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in Euro)

Description	Share capital	Reserves	Retained earnings/ (Losses carried forward)	Profit/(loss) for the year	Shareholders' equity
Note	**19**	**20**	**21**		**18**
Balance as of 01.01.2022	**34,095,537**	**542,783,148**	**135,653,107**	**55,651,549**	**768,183,342**
Effect of IAS 8 adjustment	**0**	**0**	**(43,839,966)**		**(43,839,966)**
Net profit for the period				101,127,575	101,127,575
Other net comprehensive items	0	0	(2,182,884)	0	(2,182,884)
Profit/(Loss) for the period	**0**	**0**	**(2,182,884)**	**101,127,575**	**98,944,690**
Allocation of the residual result of the previous year to retained earnings		450,000	55,201,549	(55,651,549)	0
Dividends distribution			(17,500,000)		(17,500,000)
Reserve for payment for future capital increase		53,770,334			53,770,334
Other changes		0	3,991,140	0	3,991,140
Transactions with shareholders and other movements	**0**	**54,220,334**	**41,692,689**	**(55,651,549)**	**40,261,474**
Balance as of 12.31.2022	**34,095,537**	**597,003,482**	**131,322,946**	**101,127,575**	**863,549,540**
Net profit for the period				(106,295,158)	(106,295,158)
Other net comprehensive items		0	(1,185,299)		(1,185,299)
Profit/(Loss) for the period	**0**	**0**	**(1,185,299)**	**(106,295,158)**	**(107,480,457)**
Allocation of the residual result of the previous year to retained earnings			101,127,575	(101,127,575)	0
Change from merger			(227,274,371)		(227,274,371)
Other changes	0	(33,023,358)	33,023,358		0
Transactions with shareholders and other movements	**0**	**(33,023,358)**	**(93,123,438)**	**(101,127,575)**	**(227,274,371)**
Balance as of 12.31.2023	**34,095,537**	**563,980,124**	**37,014,209**	**(106,295,158)**	**528,794,712**

CASH FLOW STATEMENT

The cash flow statement, drafted based on the direct method, summarises the cash flow movements.

(in Euro)

Description	2023	2022
Cash collected from the sales of products/services - third parties	1,186,261,991	1,231,194,738
Cash collected from the sales of products/services - Group	26,386,515	22,718,440
Cash paid for goods and services - third parties	(472,328,511)	(447,439,933)
Cash paid for goods and services - Group	(71,630,191)	(83,362,654)
Personnel costs	(506,891,109)	(471,449,521)
Interest received for operating activities	144,236	161,132
Exchange differences	(488,416)	(1,339,464)
Tax payments and reimbursements	(9,227,998)	(23,746,098)
A) Total cash flow from operating activities	**152,226,516**	**226,736,640**
Sale of property, plant and equipment	62,365	2,947
Purchase of property, plant and equipment	(5,973,228)	(7,327,146)
Purchase of intangible assets	(53,991,646)	(34,708,470)
Consideration paid for acquisition of business	(4,428,221)	(112,904,149)
Purchase of other investments and securities	(2,165,880)	(417,000)
Sale of other investments and securities	2,449	8,771
Collection of dividends		111,000,000
Cash pooling	(22,533,339)	(91,322,276)
Loans disbursed to Group companies	(9,439,565)	(152,964,216)
Loans repaid from Group companies	22,000,000	2,500,000
Interest received for investing activities	4,799,689	
B) Total cash flow from investing activities	**(71,667,376)**	**(286,131,539)**
New loans	352,166,469	435,687,168
Repayment of loans	(316,252,601)	(353,007,556)
Dividends distribution	0	(17,500,000)
Acquisition of non-controlling interest	0	53,770,334
Interest paid for financing activities	(75,480,495)	(14,386,853)
Other funding charges	(15,062,295)	(2,851,159)
Repayment of lease liabilities	(17,756,496)	(16,039,046)
C) Total cash flow from financing activities	**(72,385,418)**	**85,672,887**
D) = (A + B + C) change in cash and cash equivalents	**8,173,721**	**26,277,987**
E) Cash and cash equivalents at beginning of year	**125,675,586**	**99,258,188**
F) Cash and cash equivalents from merger	**18,716,439**	**139,411**
G) = (D + E + F) cash and cash equivalents at end of year	**152,565,746**	**125,675,586**

1 General information

Engineering Ingegneria Informatica S.p.A., with registered office in Rome, Piazzale dell'Agricoltura 24, is one of Italy's leading Information Technology service providers.

Engineering Ingegneria Informatica S.p.A.'s market consists of medium-large customers in all major market segments, both private (banks, insurance companies, services, telecommunications and utilities) and public (local and central Public Administration).

The whole share capital of Engineering Ingegneria Informatica S.p.A. is held by Centurion Newco S.p.A., as Sole Shareholder. The Company is subject to management and coordination by Centurion Holdco S.à.r.l..

Following the approval of the National Recovery and Resilience Plan ("PNRR") by the Italian Government and in the light of recent developments in the programme, the Company's reference market is still subject to a positive impact on demand. The PNRR envisages that numerous financial resources will be allocated to the implementation of the digitalisation of the country's entire production system.

It should be noted that the Company has no economic relations with customers in the geographical areas affected by the current war between Russia and Ukraine and the tensions in the Middle East.
With regard to access to the credit market and the trend of interbank interest rates to which the Company is subject for the repayment of financial liabilities, note that the Company's debt cost is almost entirely tied to fixed rates, with medium/long-term maturities; therefore, any fluctuations have an irrelevant impact. An exception are hot money lines, whose use is limited and related to temporary cash needs, for which the rate refers to the 3-month Euribor depending on financial market trends.

The financial statements as of December 31, 2023 were prepared in accordance with international accounting standards (IAS/IFRS).

1.1 SIGNIFICANT OPERATIONS

- With legal effectiveness from June 1, 2023 and with accounting and tax effect from January 1, 2023, the reverse merger by incorporation of the company Centurion Bidco S.p.A. into the company Engineering Ingegneria Informatica S.p.A. was completed.

- With effect from June 30, 2023, the Company completed the purchase of a business unit of the subsidiary Livebox S.r.l. relating to the exercise of the "Telecommunications & Media and Energy & Utilities" business.

- On June 30, 2023, the purchase transaction of a technological platform to provide services in the Finance sector was completed.

2 Form, contents and accounting standards

These financial statements as of December 31, 2023 have been prepared under International Financial Reporting Standards (IFRS), as defined hereinafter, issued by the International Accounting Standards Board (hereinafter IASB) and adopted by the European Commission as per the procedure set down by Article 6 of Regulation (EC) 1606/2002 of the European Parliament and the Council of July 19, 2002. The IFRS also include all International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Standard Interpretations Committee, previously named "Standard Interpretations Committee" (SIC). The IFRS have been applied consistently with the periods disclosed herein and, taking account of the best literature on this issue, any future directions and interpretation updates will be reflected in the following financial statements, according to modalities envisaged from time to time by the reference standards.

These financial statements are expressed in Euro and, in compliance with IAS 1 "Presentation of Financial Statements" include the Statement of Financial Position, the Income Statement and the Comprehensive Income Statement, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the related Explanatory Notes.

The standards utilised are the same for the preparation as the last annual financial statements and were applied in a uniform manner.
In the statement of financial position, assets and liabilities are classified according to the "current/non-current" criterion with specific separation of assets and liabilities held-for-sale.

Current assets are those held for sale or used in the normal business operating cycle of the Company, or in the twelve months following the year-end.

Current liabilities are expected to be settled in the normal operating cycle or within twelve months following the year-end.
The income statement is classified according to the nature of the costs while the cash flow statement uses the direct method.

The tables of the statement of financial position, of the income statement and of the cash flow statement highlight transactions with related parties.
The transactions with related parties concern subsidiaries, associated companies and Directors and Executives with strategic responsibilities. Reference is made to paragraph "Transactions with related parties".

For each item of the statements, the corresponding figure of the previous year is disclosed for comparison purposes. For a better disclosure, some equity items, which had an impact also on the presentation of amounts in the tables referred to the previous year, were reclassified.

The financial statements are accompanied by the Report on Operations prepared by the Board of Directors in compliance with Article 2428 of the Italian Civil Code, which contains more detailed information on Company operations and significant events after the year-end.

CRITICAL JUDGEMENTS IN APPLYING THE ACCOUNTING POLICES

There are no critical judgements made in applying the accounting policies adopted by the Company.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in compliance with IFRS also requires the use of estimates and assumptions in determining the values of the assets and liabilities, costs and revenues and contingent assets and liabilities. The estimates and assumptions are based on the best information available at the reporting date and on prior experience where the book value of assets and liabilities is not easily inferable from other sources.
However, actual results could differ from those estimates. Estimates and assumptions periodically revised and changes are immediately reflected in the income statement.

The items that are mostly influenced by estimates are the calculation of amortisation/depreciation, impairment tests on assets (including measurement of receivables), provisions for allocations, employee benefits, fair value of financial liabilities, deferred tax assets and liabilities and customer contract assets. For a better understanding of the financial statements, the main estimates utilised in the drawing up of the financial statements are shown hereunder and involve the use of subjective opinions, assumptions and estimates related to issues that are uncertain by nature. The changes in conditions underlying the opinions and assumptions might have a significant impact on the following financial years.

Impairment of assets (Goodwill Euro 559.5 million and Trademark Euro 515.7 million)

As explained in more detail in paragraph 7 hereof, for the calculation of the value in use of Cash Generating Units, the Company has taken into account, with reference to the specified period, the expected trends resulting from the budget for 2024 and, for subsequent years, the forecasts included in the 2025-2028 multi-year plan. The impairment test carried out based on these forecasts confirmed the values recorded in the financial statements.

Trade receivables

The Management carefully reviews the outstanding trade receivables, also considering their seniority, collection time and credit risk coverage. The specific and general impairment losses recognised are based on the Management's best estimates at the reporting date.

Receivables factored through non-recourse factoring transactions, according to which the final transfer to the transferee was carried out in relation to risks and benefits of factored receivables, were derecognised from the financial statements upon their transfer. Receivables that were instead factored through with recourse factoring transactions were not written off from the financial statements.

In 2023, the Company did not encounter any particular problems with the collection of trade receivables. All market segments do not report any specific problems and most of the customers are large companies with primary creditworthiness.

In 2023, the Company confirmed and applied the estimation model relating to the calculation of the expected credit loss, which supports the specific provisions already applied at the end of the previous year. In particular, on the basis of the historical series recorded, write-down percentages have been defined for overdue credit. These percentages are applied to the aging brackets regardless of the type of customer and/or segment and are calculated automatically on a monthly basis on the loan portfolio open at that date.

Lease term

The company analysed all the lease agreements, defining the lease term for each of them, given by the "non-erasable" period together with the effects of any extension or early termination clauses, the exercise of which was deemed reasonably certain. Specifically, for real estate, this evaluation considered the specific facts and circumstances of each activity. As for the other categories of goods, mainly company cars and equipment, the Company has generally deemed it unlikely to exercise any extension or early termination clause in consideration of the practice usually followed by the Company. For the buildings, the Company, in assessing the lease terms, has decided, based on business development plans, to consider, in addition to the non-cancellable period, the first renewal period as reasonably certain, not believing that there were facts or circumstances that led to consider additional renewals as reasonably certain.

Deferred tax assets

The recoverability of deferred tax assets is subject to the achievement of future taxable profits or to the occurrence of the deferred taxation connected to the other deferred tax assets. Significant management assessments are required to determine the amount of deferred tax assets that can be recognised in the financial statements based on the timing and amount of future taxable income.

3 Accounting principles

These Financial Statements have been prepared on a going concern basis, as the Directors have assessed financial, management or other indicators that could report critical issues and positively concluded regarding the Company's ability to meet its obligations in the foreseeable future, also on account of the considerations expressed in the "Outlook 2024" section above.
A description of how the Company manages financial risks, including liquidity and capital risks, is provided in these notes.
These financial statements were prepared using measurement criteria based on historical cost, with the exception of the measurement at fair value of the derivative financial instrument hedging the variable interest rate risk relating to an existing loan.
The policies adopted in the preparation of these financial statements are described below.

3.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include assets with long-term use held for the production or supply of goods and services, to be used under lease or for administrative purposes. This definition does not include property held principally or exclusively for rental purposes or for invested capital appreciation or for both of these reasons ("Investment property").
Property, plant and equipment are recognised at acquisition cost. The acquisition cost is the fair value of the price paid and any other cost directly related and necessary for the correct functioning of the asset with regard to the use for which it was acquired.
The capitalisation of costs relative to the expansion, modernisation or improvement of the structural elements whether owned or leased is solely made within the limits established to be separately classified as assets or part of an asset. Financial expenses incurred for the acquisition of tangible fixed assets are never capitalised.

Land, both with and without civil and industrial buildings, is recorded separately and is not depreciated as it has an indefinite useful life.
Property, plant and equipment are recorded net of the relative accumulated depreciation and any impairment. The amount to be depreciated is represented by the carrying amount gross of depreciation and net of write-downs. Given the uniformity of the assets included in the various categories, the useful life by category is as follows (except in specific cases):

Category	Useful life
Land	Indefinite
Buildings	33 years
Plant and machinery	3 - 6 years
EDP	3 - 6 years
Furniture, office machinery and equipment	6 - 8 years

Property, plant and equipment are depreciated on a straight-line basis over the useful estimated life of the asset which is reassessed and re-defined at least at the end of each financial year in order to take any changes into account.
The book value of a tangible fixed asset is recognised within the value limits that this asset may recover through use. Wherever evidence indicates that difficulties may exist in the recovery of the net book value, an impairment test is carried out.
Depreciation starts when the asset is available and ready for use.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is derecognised from the financial statements and any loss or gain (calculated as the difference between sale price and the book value) is recorded to the income statement.

3.2 INTANGIBLE ASSETS

The intangible assets, all with definite useful life with the exception of the Trademark, are recognised where identifiable, are controlled by the Company and are able to produce future economic benefits.
Intangible assets are initially recognised at acquisition or production cost. The acquisition cost is the fair value of the price paid to acquire the asset and any other direct costs incurred to prepare the asset for use. For intangible assets generated internally, the generation of the asset is broken down into the periods of research (non-capitalised) and the period of development (capitalised). Where the two periods are indistinguishable, the entire project is considered as research and is recorded directly to the income statement.
Realised assets are amortised upon their occurrence or when they are sold. Until that date they are classified under assets in progress.
Financial expenses incurred to acquire an intangible asset are never capitalised.

After initial recognition, intangible assets are recognised on a cost basis, net of accumulated amortisation and any impairment. Amortisation is applied on the straight-line basis over the period of expected use. Given the homogeneity of the assets included within financial statement categories, with the exception of specific significant cases, the useful lives per category are as follows:

Category	Useful life
Development costs	3 - 5 years
Software	3 - 8 years
Rights, patents and licenses	3 - 8 years
Trademark	Indefinite
Other	2 - 5 years

The amortisation criteria as well as useful lives and residual values are reassessed and re-defined at least at the end of each financial year in order to take any significant changes into account.
The book value of an intangible fixed asset is recognised within the value limits that this asset may recover through use. Wherever evidence indicates that difficulties may exist in the recovery of the net book value, an impairment test is carried out.

The intangible assets, all with definite useful life are recognised where identifiable, are controlled by the Company and are able to produce future economic benefits.

Software
Costs directly associated with information technology products, created internally or acquired from third parties are capitalised as intangible assets provided that the following is met:

- the technical feasibility and intention to complete the product in order that the latter may be available for use or sale;
- the capacity to use or sell the product;
- a definition of the manner by which the product will generate probable and future economic benefits (the existence of a market for the product, or its internal use);
- the availability of adequate technical, financial and other resources for the purposes of completing the development and the use/sale of the product;
- the capacity to reliably estimate the cost attributable to intangible assets during development of the product.

Expenses for substantial updating of products are capitalised as improvements and added to the original cost of the software, as well as development costs that improve product performance or upgrade the product to regulatory requirements.

Rights, patents and licenses
Costs associated with the purchase of concessions, patents, licenses and trademarks are capitalised under intangible fixed assets. The cost is represented by the fair value of the price paid to acquire the right and any other direct costs incurred for its adaptation or for implementation within the operating or productive context of the entity. The period of amortisation does not exceed the lower between the useful life and the duration of the legal/contractual rights.

3.3 LEASES

On January 13, 2016, the IASB published the standard IFRS 16 – Leases, which replaces the standard IAS 17 – Leases, as well as the interpretations IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases — Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The principle provides a new definition of a lease and introduces a criterion based on the right to control (right of use) an asset to distinguish contract leases from contracts for the provision of services, by identifying as discriminating features of leases: the identification of the asset, the right to replace the asset, the right to obtain substantially all the economic benefits arising from the use of the asset and, finally, the right to direct the use of the asset underlying the contract.

The standard establishes a single model for the recognition and measurement of leases for the lessee, whereby the leased asset, including operating assets, is recognised under assets with a financial liability as a counter entry. Conversely, the standard does not comprise material changes for lessors.

Accounting for the lessee:
At the date of initial recognition, the lessee will recognise the asset (right of use) covered by the contract at the same value attributed to the related financial liability, adding other components of direct costs and any advance fees. The lessee shall determine the duration of the lease, which shall begin on the date on which the asset is available for use, to which shall be added any periods covered by an option to extend/resolve the lease, if the lessee is reasonably certain to exercise/not to exercise that option.

The liability relating to the lease contract is recognised at the present value of the lease payments due, discounted using the interest rate implicit in the lease contract or, if it is not available, the Company uses its incremental borrowing rate, i.e. the interest rate that it is prepared to pay to finance itself in order to obtain the right to use an asset with the same characteristics as the lease contract.

The liability is subsequently restated to take account of any new valuations or changes in the lease or revision of substantially fixed payments, it is reduced as a result of payments and is increased to reflect interest. Variable payments that do not depend on indices or rates and are therefore not reflected in the liability relating to the lease contract must be recorded in the income statement when the instalment is paid.

The right of use is depreciated on a systematic basis over the term of the lease contract. If the lease provides for the transfer of ownership or a redemption option whose exercise is considered reasonably certain at the end of the contract, the right of use is depreciated over the useful life of the asset.

The Company restates the value of the Lease liabilities (and adjusts the value of the corresponding Right of use) if there is:

- a change in the duration of the lease or there is a change in the assessment of the exercise of the option right; in this case, the lease liability is recalculated by discounting the new lease payments at the revised discount rate;
- a change in the value of the lease payments following changes in the indices or rates, in such cases the Lease liability is recalculated by discounting the new lease payments at the initial discount rate (unless the payments due under the leases change as a result of interest rate fluctuations, in which case a revised discount rate must be used);
- a lease agreement has been modified and the modification is not included in the case studies for the separate recognition of the lease agreement. In such cases, the lease liability is recalculated by discounting the new lease payments at the revised interest rate.

Lease-related incentives (e.g. rent-free periods) are recognised as part of the initial value of the right of use and lease liability over the contractual period.

A provision for risks is made in compliance with the provisions of IAS 37 in the event that the Company is obliged to bear the costs for dismantling and removing the leased asset, restoring the site where the asset is leased or restoring the asset under the conditions required by the terms of the contract. These costs are included in the value of the right of use.

The right of use is subject to the impairment process provided for by IAS 36 in case of indicators of a loss in value.

This value will also change as a result of new valuations or changes in the liability relating to the lease contract. In the cash flow statement, the Company divides the total amount paid between the principal portion (recognised in the cash flow deriving from financial activities) and the interest portion (recognised in the cash flow deriving from operations).

Cases of exclusion from the application of IFRS 16
The Company has decided not to recognise assets for the right of use and liabilities related to leases:

- short term (equal to or less than one year);
- leases of low value assets (identified below Euro 5,000).

Therefore, the Company recognises the payments due relating to the aforementioned leases as a cost on a straight-line basis over the lease term.

Lease accounting for the lessee
If the lease has the characteristics of a loan, the Company recognises under financial receivables the amount of the lease payments to be received and distributes the gross collections so as to obtain a constant rate of return based on the net investment method.
If, on the other hand, the lease has the characteristics of an operating lease, the Company will continue to keep the asset under its fixed assets and will record the collections as income on a straight-line basis over the lease term. The costs incurred to obtain the contract are considered as accessory charges to the leased asset.

3.4 GOODWILL

Goodwill is the excess of an acquisition cost in comparison to the Company share of the fair value of the identifiable assets and liabilities at the acquisition date.

Goodwill from the acquisition of companies for payment is not amortised and is subject to an impairment test at least once a year. For this purpose, goodwill is allocated to one or more Cash Generating Units (CGU). Potential reductions in value emerging from the impairment test are not reversed in subsequent periods.
In the case of the sale of assets (or part of an asset) of a CGU, any goodwill associated is included in the book value of the asset in order to determine the profit or loss from sale in proportion to the value of the CGU sold.
Goodwill relating to associated companies or other companies is included in the book value of these companies.

At each period-end, goodwill is subject to an impairment test and is adjusted for any loss in value. Any impairment is booked directly to the Income Statement.

For this purpose and in line with acquisitions of previous years, the different Cash Generating Units have been identified, which respect the independence criteria in the organisational structure and the independent capacity to generate cash flow, and therefore are measured using impairment test.

A Current Value is determined for the relevant asset using a Discounted Cash Flow (DCF) Model based on the end of year account situation for each CGU. The Current Value is compared with the net book value and goodwill recorded in the financial statements to determine whether it is necessary to write-down the investment and record a loss in the financial statements.

3.5 LOSS IN VALUE OF AN ASSET (IMPAIRMENT)

An impairment is established wherever the book value of an asset is greater than the recoverable value. Where indicators of an impairment exist, an estimate of the recoverable value of the asset is made (impairment test) and any write-down is applied. An impairment test is carried out at least annually for indefinite useful life assets, irrespective of the existence of such indefinite useful life indicators.

The recoverable value of an asset is recorded at the greater of its fair value, net of sales costs, and its value in use. The recoverable value is calculated for each individual asset, unless it is not capable of generating cash flows from continuous use sufficiently independent of cash flows generated from other assets or groups of assets, in which case the test is carried out at the level of the smallest independent Cash Generating Unit (CGU) which comprises the relevant assets.

3.6 BUSINESS COMBINATIONS

In IFRS 3, business combinations are defined as “a transaction or other event in which a purchaser obtains control of one or more businesses”.
A business combination can be created through various procedures based on legal, fiscal or other motives. It may also involve the acquisition by an entity of share capital of another entity, acquisition of the net assets of another entity, assuming of the liabilities of another entity or the acquisition of part of the net assets of another entity which, combined, establish one or more company activities. The combination may be realised through issue of instruments representing share capital, the transfer of cash or other liquid assets or other assets, or by a combination of the above. The operation may take place between shareholders of combining entities or between an entity and shareholders of another entity. It may entail the incorporation of a new entity that controls the entities taking part in the combination or net assets transferred or the restructuring of one or more of the participating entities.

The business combinations are recorded under the acquisition method. This method considers that the acquisition price must be reflected in the value of the assets of the entity acquired and this allocation must be at fair value (of the assets acquired and of the liabilities assumed) and not of their book value. The possible difference (if negative) comprises the goodwill.
The changes in interest of the parent company in a subsidiary, which does not lead to loss of control, are recognised as equity transactions. In this event, the book values of the equity investments must be adjusted to reflect the changes in their relative shareholdings in the subsidiaries. Any difference between the adjusted value of the non-controlling interests and the fair value of the amount paid or received is directly recorded to shareholders’ equity and allocated to shareholders of the Parent Company.

3.7 EQUITY INVESTMENTS

Acquisitions are recorded at the fair value of the investment plus any directly attributable costs.
A significant and prolonged decrease in equity investment fair value below the initial booked cost is considered an objective indication of value loss..

Subsidiaries
This means the company over which Engineering Ingegneria Informatica S.p.A. has the power to directly or indirectly determine the financial and management policies and benefit from their implementation. Control is presumed where more than 50% of the effective or potentially exercisable voting rights are held at the reporting date.

Associated companies
Associated companies are defined as those in which significant influence is exercised. Such influence is presumed where more than 20% of the effective or potentially exercisable voting rights are held at the reporting date.

Jointly controlled companies
Equity investments in jointly controlled companies, in which the Company exercises joint control with other entities, are initially recognised at cost and subsequently measured using the equity method. Profits or losses pertaining to the Company are recognised in the Company’s Financial Statements from the date on which the joint control began and until the date on which that influence ceases. The Company recognises its share of assets and liabilities on investments that represent jointly-controlled assets in accordance with IFRS 11.

In assessing the existence of joint control, it is verified whether the parties are bound by a contractual agreement and whether this agreement gives the parties joint control of the same agreement. Specifically, joint control is given by the shared control, on a contractual basis, of an agreement, which exists only when the unanimous consent of all parties sharing control is required for decisions on relevant activities.

3.8 OTHER NON-CURRENT ASSETS

Financial receivables with a due date beyond 12 months and equity investments in other companies are recorded under other non-current assets.
Investments in other companies refer to equity investments other than subsidiaries, associated companies and joint ventures and are recorded at cost, adjusted for possible impairments, the impact of which is recognised in the income statement.

3.9 INVENTORY

Inventory is goods held for sale within the normal course of business or used or to be used in the productive processes for sale or services.

Inventory is measured at the lower between purchase cost and the net realisable value. The net realisable value is the sale price estimated for normal activity, net of completion costs and sale expenses. The purchase cost is inclusive of all directly attributable costs and indirect costs and is determined according to the weighted average cost method. Any write-down is derecognised in subsequent years if the reason for the write-down no longer exists.

3.10 CUSTOMER CONTRACT ASSETS

Customer contract assets are represented by specific projects in the course of completion based on long-term contracts.

If the result of a project in course can be reliably estimated, the contractual revenues and costs are recorded based on the percentage of completion method (cost to cost), so as to attribute the revenues and profits over the entire duration of the contract.

If the result of a project in course of completion cannot be reliably estimated, the contractual revenues are recorded for the amount of costs incurred if it is probable that such costs are recoverable.

The sum of costs incurred and the result on each project is compared with the invoices issued on account at the date of the preparation of the accounts. If the costs incurred in addition to the profits recorded (deducting any losses) are greater than the invoices issued on account, the difference is recorded under current assets in the item “Customer contract assets”. If the invoices on account are greater than the costs incurred plus the profits (deducting the losses), the difference is classified under current liabilities in the account “Trade payables”.

3.11 DEFERRED CONTRACT COSTS

a) Incremental costs for obtaining a contracto

IFRS 15 allows for the capitalisation of costs for obtaining a contract, provided that they are considered “incremental” and recoverable through the future economic benefits of the contract. All costs incurred as a result of the acquisition of the contract are considered as incremental costs. Costs, on the other hand, which have been incurred independently of the acquisition of the contract, and therefore they cannot be classified as incremental, are recorded in the income statement as they are not related to the stage of completion (not a cost-to-cost component).

Incremental costs are suspended and recorded under a specific item of current assets (Deferred contract costs) and systematically released together with the transfer of control of the goods/services to the customer.

b) Costs of fulfilling a contract

IFRS 15 provides the capitalisation of costs for the fulfilment of the contract, i.e. those costs that meet all of the following criteria:
- relate directly to the contract;
- generate and improve resources that will be used to meet the contractual performance obligation in the future;
- are recoverable through future economic benefits of the contract.

Usually, this type of cost is represented by pre-operating costs, which are not explicitly recognised within contracts with customers and are remunerated through the contract overall margin. In this case, in compliance with the three conditions mentioned above, pre-operating costs are systematically suspended and released, corresponding to the transfer of control of the goods and/or services to the customer.

In addition to the above, new provisions set out in IFRS 15 define all the costs that, for their type and nature, cannot be used for the course of the contract as, despite the fact that they are specifically referable to the contract and considered as recoverable, they do not generate or improve the resources that will be used to fulfil the contract performance obligation, or contribute to transfer the control of goods and/or services to customers.

3.12 TRADE RECEIVABLES

Trade receivables are held as part of a business model whose objective is to collect contractual cash flows consisting solely of payments of principal and interest on the amount of principal to be refunded. Consequently, they are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method (i.e. the rate that equalise the present value of expected cash flows and the carrying amount at the time of initial recognition), suitably adjusted to take account of any write-downs, by recording a doubtful debt provision. Trade receivables are included in current assets, with the exception of those falling due more than twelve months after the reporting date, which are classified as non-current assets.

At each reporting date, financial assets, with the exception of those measured at fair value with a counter entry recognised in the income statement, are analysed to assess the existence of any possible impairment indicators. IFRS 9 requires the application of a model based on expected credit losses. The Company applies the simplified approach to estimate expected losses along the receivable useful life and takes into account its historical experience of credit losses, adjusted to reflect current conditions and estimates of future economic conditions. The model of expected credit losses requires the immediate recognition of expected losses over the useful life of the receivable, since it is not necessary for a trigger event to occur for the recognition of losses.

For trade receivables recorded at amortised cost, when an impairment has been identified, its value is measured as the difference between the asset book value and the present value of expected future cash flows, discounted at the original effective interest rate. This value is recognised in the Income Statement.

Receivables sold through non-recourse factoring transactions, following the definitive transfer to the transferee of the risks and benefits of factored receivables, were derecognised from the financial statements upon their transfer. Receivables that were instead factored through with recourse factoring transactions were not written off from the financial statements.

After evaluating the historical and forward-looking information, the Company believes that there is no significant impact on the expected credit losses.

3.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits on demand, other short-term financial assets with original expiry not greater than 3 months and current account overdrafts. The latter, in the preparation of the Statement of Financial Position, are included under “financial liabilities”. Cash and cash equivalents are recognised at fair value.

3.14 DISCONTINUED OPERATIONS

A discontinued operation is a company component that has been sold or is reclassified as held for sale and represents an important independent operation or geographical area of operation or a subsidiary acquired solely for the purpose of resale. An operating activity is classified as discontinued at the moment of the sale or when the conditions have been satisfied for classification in the category "held for sale", if prior. When an operation is classified as sold, the profit or loss for the year and the other components in the comparative comprehensive income statement are re-determined as if the operation were discontinued at the beginning of the comparative period.

3.15 SHARE CAPITAL

Share capital consists of fully paid-up and subscribed capital. Treasury shares are recorded as a reduction of the share capital for the nominal value of the shares while the excess of the book value compared to the nominal value is recorded as a reduction of the other reserves. No profit (loss) is recorded to the income statement for the purchase, sale or cancellation of equity instruments held.

3.16 RESERVES

The reserves consist of specific capital and profit reserves, some with specific allocation.

3.17 RETAINED EARNINGS

The item "Retained earnings/(losses)" includes the net profit of the current and previous periods which was not distributed, not allocated to reserves (in the case of profits) or recapitalised (in the case of losses). This item also includes the transfers from other equity reserves when those reserves are no longer required as well as the effects of the recording of changes to accounting policies and material errors.

3.18 FINANCIAL LIABILITIES

Financial liabilities are initially booked at the fair value of collected sums, adjusted for any directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest criteria. For short-term liabilities, such as trade payables, the amortised cost is actually the nominal value.

3.19 EMPLOYEE BENEFITS

Short-term benefits
Short-term employee benefits are recorded to the income statement in the period in which the work is carried out. The Company records a liability for the amount that it expects will have to be paid in the form of profit-sharing and incentive plans when it has a current, legal or implicit obligation to make such payments as a consequence of past events and for which the obligation can be reliably estimated.

Post-employment benefits
Post-employment benefits are recorded as costs when the Company has committed, in a demonstrable way and without a realistic possibility of withdrawal, to a formal detailed plan that provides for the termination of employment before the normal retirement date or following an offer prepared to encourage voluntary redundancy. In the case of an offer prepared by the Company to encourage voluntary redundancy, the post-employment benefits are recorded in the income statement as a cost if the offer is likely to be accepted, and if the number of employees, expected to accept the offer, can be reliably estimated. Benefits owed after twelve months following the closing date of the financial year are discounted.

Defined benefit plans
Post-employment benefits represent a plan of defined benefits which are certain in terms of their existence and sum but uncertain in terms of the vesting of the post-employment benefits accrued as of December 31,

2006. The liability is determined as the present value of the benefit obligation defined at the date of reporting, in compliance with Italian regulations in force, and adjusted in order to take actuarial gains/losses into account. The amount of the defined obligation is calculated and certified annually by an independent actuary based on the “Projected Unit Credit” method.
Actuarial gains and losses are recognised in the comprehensive income statement and accumulated under shareholders’ equity on an accrual basis.

Defined contribution plans
As from January 1, 2007, the Company participated in defined contribution pension plans by means of the payment of contributions to publicly or privately managed programmes; the latter may be mandatory, contractual or voluntary. Payment of the contributions fulfils the Company’s obligation to its employees. Contributions thus constitute costs for the period in which they are due.

3.20 PROVISIONS FOR RISKS AND CHARGES, CONTINGENT LIABILITIES AND ASSETS

According to IAS 37 provisions for risks and charges concern the probable liabilities of uncertain amount and/or maturity relating to past events whose fulfilment will necessitate the use of resources.
Provisions are recognised when: a) there is a current legal or implicit obligation, which originates from a past event; b) it is probable that fulfilment of the obligation will be onerous; c) the amount of the obligation can be reliably estimated.
The amount represents the best estimates in relation to resources required for fulfilling the obligation, including legal defence charges. Where the effect of the current amount of the payment is significant, the amount of the provision is represented by the value of resources considered necessary to satisfy the obligation on maturity discounted at a nominal rate without risks. The contingent assets and liabilities (possible assets and liabilities or not recorded as the amount may not be reliably estimated) are not recognised in the financial statements. Information in this regard is provided, however.

3.21 REVENUES AND COSTS

IFRS 15 superseded the previous standards IAS 18 and IAS 11, as well as the related interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The new standard establishes the criteria to be followed for recognising revenues arising from contracts with customers, except for those contracts that fall within the scope of the standards relating to lease contracts, insurance contracts and financial instruments. The standard establishes a comprehensive framework for identifying the timing and amount of revenue to be recognised in the financial statements.

According to IFRS 15, the company shall recognise revenues deriving from contracts with customers and the related effects on accounts through the following steps:

a) identification of the contract;
b) identification of the performance obligations in the contract;
c) determination of the transaction price;
d) allocation of the transaction price to each identified performance obligation;
e) recognition of revenues when the performance obligation is met.

Therefore, the amount that the Company recognises as revenue must reflect the consideration to which it is entitled in transfer of goods and/or services to customers. These amounts shall be recognised when the underlying contractual performance obligations have been fulfilled, or when the Company has transferred control of the goods or services to the customer, in the following ways:

f) over time;
g) at a point in time.

The table below shows the main types of products and services that the Company provides to its customers and the related methods of recognition:

Fulfilment of obligations	Type of goods and services			
	Deliverable-based contracts	Resource-based contracts	Service-based contracts	Assistance- and maintenance-based contracts
At a point in time	n/a	n/a	Assets relating to the provision of services whose acceptance by the customer is conditional on the occurrence of specific events, including the resale of hardware and software. Revenues are recognised on the basis of specific events, such as delivery/ installation.	n/a
Over time	Turnkey contracts with annual or multi-year durations. Revenues are recognised on the basis of the proportion of costs accrued to total contract costs to contract revenues.	Consultancy services rendered on demand. Revenues are recognised according to days worked for the tariff rate.	n/a	Service delivery activities in general with periodic and constant progress. Revenue is calculated based on the duration and value of the period (monthly, quarterly, half-yearly). A characteristic of this type of order is the absence of a learning curve, so the cost incurred in providing the service to the customer remains unchanged throughout the duration of the contract.

Deliverable-based contracts

Deliverable-based contracts typically include fixed price projects (e.g.: system integration or design and development of customised IT systems and related processes, the engineering and automation of industrial processes and the distribution and storage of energy as well as the implementation of new digital platforms integrated into customer processes and applications).

Contract terms typically range from 1 to 2 years.

Contract prices might be subject to incentives and penalties, based on achievement of specified performance targets or level of benefits delivered to the customer.

For deliverable-based contracts, revenue is generally recognised over time, because at least one of the following conditions is met:

(i) the Company's performance enhances or creates an asset that the customer controls as the Company creates or enhances the asset; or

(ii) the Company builds an asset that has no alternative use (e.g. it is customer-specific) and the Company has an enforceable right to payment for performance to date in case of termination by the customer.

The Company applies the "cost-to-cost" method to measure progress to completion.

The percentage of completion is based on costs incurred to date relative to the total estimate of cost at completion of the contract. Estimates of total contract costs are revised when new elements arise and changes in estimates and related percentage of completion are recorded in the income statement.

The related costs on deliverable-based contracts are recorded as incurred.

The Company earns contractually the right to bill upon achievement of specified milestones or upon customer acceptance of work performed.

The difference between the costs incurred at the date of work progress added to the margins recorded and the billing already carried out to certify the progress of the work is recorded as Customer contract assets.

Any up-front fees (non-refundable) received by the customer are recognised over the duration of the service.

Resource-based contracts

This type of contracts generally includes IT consultancy or operational activities on IT systems and applications.

Revenue from Resource-based contracts is recognised based on working hours (or days spent) finalised for the fulfilment of the service.

Each performance obligation is satisfied over time as the client continuously receives and consumes the benefits of the services provided by the Company.

Revenue is recognised over time based on the working hours spent / working days valued on the basis of defined prices.

Service-based contracts
The Company supplies goods (e.g. software) and services (e.g. installation, tax collection etc.) to customers. These revenues are recognised at a point in time, when the control of the goods have passed to the customer and when all the benefits deriving from the performance have been transferred to the customer.
In particular, as far as Public Administration and tax collection are concerned, revenues are recognised when the evidence of the collection by the Company has been provided (e.g. tax has been paid by the tax payer).
The direct costs charged to the tax collection activity which are considered recoverable through the fees that are reasonably expected to be collected over the duration of the contract are recognised, up to the moment the obligation is fulfilled, among the “Deferred contract costs”.
Any up-front fees (non-refundable) received by the customer are recognised over the duration of the service.

Assistance- and maintenance-based contracts
This type of contract generally includes assistance and maintenance services, innovative cloud services, and licensing granted as a service, therefore on a right-to-access basis.
Each performance obligation is satisfied over time as the client continuously receives and consumes the benefits of the services provided by the Company.
The amount to be invoiced is representative of the service provided monthly/quarterly to the customer.
Any up-front fees (non-refundable) received by the customer are recognised over the duration of the service.

Costs
Costs relating to the acquisition of new knowledge or discoveries, to the study of alternative products or processes, of new techniques or models, to the design and construction of prototypes or incurred for other scientific research activities or technological development are generally considered current costs and recorded to the income statement in the year in which they are incurred.

Expenditure on research activities undertaken with a view to obtaining new technical knowledge is recognised in profit or loss in the period in which it is incurred. These costs are almost entirely attributable to personnel costs.

3.22 DIVIDENDS

Dividends are recognised at the date of the deliberation by the shareholders’ meeting of the company, unless the sale of shares is reasonably certain before the coupon detachment date.

3.23 PUBLIC GRANTS

Grants are recognised when there is reasonable certainty that they will be received and that the conditions required for obtaining them are met.
When grants are related to cost components, they are recorded as revenues, and systematically allocated to different periods in order to offset the costs to which they relate.
When the grants relate to an asset, for example a plant, they are recorded in the income statement under revenues rather than as an adjusted item of the book value of the asset for which it was obtained. Subsequently the useful life of the asset for which it was granted is taken into account using the deferral technique.
Public grants drawn down as compensation of expenses and costs already incurred or with the intention to provide immediate financial aid to the entity without which there would be future costs, are recorded as income in the year in which they become payable.

3.24 DEFERRED AND CURRENT TAXES

Current income taxes for the financial year are calculated based on an estimate of taxable income in compliance with tax law provisions.
Deferred taxes are recognised with reference to the temporary differences between the book value of the assets and liabilities recorded in the financial statements and the corresponding values recognised for tax purposes.
Deferred tax assets are recognised for tax losses, tax credits not used and carried forward, as well as the deductible temporary differences, as far as there is a probable future taxable income for which the assets can be used. The value of deferred tax assets is revised at the closing date of each financial year, and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.25 TRANSLATION OF ACCOUNTS IN FOREIGN CURRENCIES

Functional and presentation currency
The financial statements items are valued utilising the currency of the primary economic environment in which the entity operates ("functional currency").
The functional currency of the Company is the Euro.

Operations and balances
Currency operations are translated into the presentation currency by using the exchange rate effective on the transaction date. Exchange gains and losses from the settlement of these transactions and the translation of monetary assets and liabilities into foreign currencies at the date of preparation of the accounts are recorded in the income statement.

3.26 CHANGES IN ACCOUNTING STANDARDS, ERRORS AND CHANGE OF ESTIMATES

Changes in accounting standards
Accounting standards are changed from one year to the next only when the change is required by a standard or if it contributes to providing more reliable and significant information about the effects of transactions on financial standing, as well as on the economic results, or cash flows, of the entity. Changes in accounting policies are accounted for retrospectively with the effect recorded in shareholders' equity for the first of the financial years presented. The comparative information is restated accordingly. The prospective approach is made only when it is impractical to reconstruct the comparative information. The application of a new or amended accounting standard is accounted for in accordance with the requirements of the standard itself. If the standard does not provide for transition procedures, the change is booked in accordance with the method described in the previous paragraphs.

Correction of errors from previous periods
In the case of significant errors, the same method that is used for changes in accounting standards illustrated in the previous paragraph is applied. In the case of non-significant errors, these are accounted for in the income statement in the period in which they are noted.

Changes in accounting estimates
Changes in accounting estimates are recognised and are booked to the income statement in the period in which the change occurs, so long as the change only affects this period; where the change also affects future periods, the changes are booked in both the period in which the change occurs and in the future period.

3.27 FINANCIAL RISK AND CAPITAL MANAGEMENT

As in all businesses, there are risk factors that can have repercussions on the results and for this reason certain procedures have been implemented in order to prevent them. These procedures concern the commitment and responsibilities undertaken and are subject to maximum transparency and correctness. The Company's risk management policies aim at identifying and analysing risks to which the Company is exposed, establishing appropriate limits and controls and monitoring risks with respect to those limits. These policies and the related systems are regularly revised to reflect any variations in market conditions and Company activities. As regards "Risk management", reference is made to description made in the Report on Operations.
The Company's activities are exposed to the following risks: market risk (defined as exchange and interest rate risks), credit risk and liquidity risk.
The Board of Directors provides for a high level of capital management policies in order to maintain trust among investors, creditors and the market, allowing for future development. The Board also monitors capital returns, understood as the result from operations compared with total shareholders' equity. Furthermore, the Board of Directors monitors the level of dividends to be distributed to holders of ordinary shares. With regard to the Company's debt-to-capital ratio, reference is made to the Directors' Report on Operations.

3.27.1 Credit risk

Credit risk represents the Company's exposure to the risk of potential losses resulting from the non-performance of obligations undertaken by the counterparties.
Allocations to allowance for doubtful accounts reflect actual credit risks through the targeted quantification of the provision itself.

The Company manages credit risk mainly by having relationships with counterparties with a high creditworthiness and does not present significant concentrations of credit risk. Maintaining effective credit risk management is a strategic objective for the Company and in this sense, the type of business and the payment instruments activated guarantee a limited credit risk overall.

The Company recognises an allowance for doubtful account for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.
The Company always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.
Maximum credit risk exposure is examined in more detail in paragraph 15 hereof.

3.27.2 Liquidity risk

Liquidity risk is understood as the difficulty of fulfilling obligations associated with financial liabilities settled in cash or through another financial asset.
The difficult economic and financial context of the markets requires particular attention to be paid to the management of liquidity risk and in this sense to actions aimed at generating financial resources through operational management and maintaining an adequate level of available liquidity. The Company therefore plans to meet the requirements deriving from financial payables falling due and expected investments through cash flows from operations, available liquidity and centralised management of the Group's treasury.
The Company believes that it has access to sufficient sources of financing to meet its planned financial needs, taking into account its cash and cash equivalents, its ability to generate cash flows, its ability to find sources of financing in the bond market and the availability of credit lines from banks.

A detailed analysis of the due dates for financial liabilities is contained in paragraphs 22 and 27 hereof.

3.27.3 Market risk

The strategy followed for this type of risk is aimed at mitigating interest rate and exchange rate risks and optimising the cost of debt.
These risks are managed in accordance with the principles of prudence and in line with best market practices.

The main objectives set out in the policy are as follows:
- to pursue the defence of the long-term plan scenario from the effects caused by exposure to exchange rate and interest rate risks, by identifying the optimal combination of fixed and variable rates;
- to pursue a potential reduction of the Company's debt cost;
- to manage transactions in derivative, taking into account the economic and equity impacts that these transactions may have, including in relation to their classification and accounting.

The exposure to interest rate risk arises from the need to finance operations and M&A investments and using available liquidity. Fluctuations in market interest rates can have a negative or positive impact on the Company's economic result, indirectly influencing the costs and returns of financing and investment transactions. The interest rate risk to which the Company is exposed derives from bank loans. The Company constantly monitors the trend in interest rates to mitigate the risk and, when deemed appropriate, makes use of derivative instruments designated as "cash flow hedges". The use of such instruments is governed by written procedures consistent with the Group's risk management strategies, which do not include derivative instruments for trading purposes.

3.28 RELATED PARTIES

Engineering Ingegneria Informatica S.p.A. approved a new procedure for the identification and carrying out of Transactions with Related Parties through Board of Directors' resolution of June 23, 2023. During the financial year the Company carried out transactions with a number of related parties.

All balances with related parties were determined under normal market conditions. The general conditions governing transactions with executives with strategic responsibilities and their related parties do not appear to be any more favourable than those applied, or which may have been reasonably applied, in the event of similar transactions under normal market conditions with executives without strategic responsibility of the same entities.

3.29 SEASONALITY

The activities of the Company are not subject to seasonality directly related to the type of business involved.

3.30 NEW IFRS AND IFRIC INTERPRETATIONS

For the purposes of drafting the financial statements, the international accounting standards (IFRS) approved by the European Commission and effective on December 31, 2023 were applied.

IFRS accounting standards, amendments and interpretations applied as of January 1, 2023

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Company as of January 1, 2023:

- On May 7, 2021, the IASB published the **"Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"**. The document clarifies how deferred tax relating to transactions that, on the date of first registration, may generate assets and liabilities of an equal amount, such as leases and dismantling obligations should be recognised. The amendments were applied starting from January 1, 2023.
  The adoption of this standard and related amendment had no impact on the Company's financial statements.

- On February 12, 2021, the IASB published two amendments: **"Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2"** and **"Definition of Accounting Estimates — Amendments to IAS 8"**. The amendments regarding IAS 1 require an entity to disclose the relevant information on the accounting standards applied by the Company. The purpose of the amendments is to improve the disclosure of accounting policies applied by the Company, in order to provide more useful information to investors and to other primary users of financial statements as well as to help companies distinguish the changes in accounting estimates from changes in the accounting policy. The amendments were applied starting from January 1, 2023. The adoption of these amendments had no impact on the Company's financial statements.

- On May 23, 2023, the IASB published the **"Amendments to IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules"**. The document introduces a temporary exception to the obligations of recognition and report of deferred tax assets and liabilities relating to the Model Rules of Pillar Two (whose rule is in force in Italy as of December 31, 2023, but applicable as from January 1, 2024) and provides for specific report obligations for the entity concerned by the related International Tax Reform.
  The document provides for the immediate application of the temporary exception, while the report obligations are applicable only to annual financial statements starting on January 1, 2023 (or at a later date) but not to interim financial statements with a closing date prior to December 31, 2023.
  The adoption of these amendments had no impact on the Company's financial statements.

IFRS accounting standards, amendments and interpretations endorsed by the European Union as of December 31, 2023, not yet applied mandatorily and not adopted in advance by the company as of December 31, 2023

The following IFRS accounting standards, amendments and interpretations have been endorsed by the European Union but are not yet mandatorily applicable and have not been early adopted by the Company as of December 31, 2023:

- On January 23, 2020, the IASB published the **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"** and on October 31, 2022 published the **“Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants”**. These amendments aim to clarify how payables and other short or long-term liabilities should be classified. In addition, the amendments also improve the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The amendments are applicable as from January 1, 2024 but earlier application is permitted. Directors are currently assessing the possible impact of this amendment on the Company’s consolidated financial statements.

- On September 22, 2022, the IASB published the **“Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”**. The document requires the seller-lessee to assess the lease liability deriving from a sale & leaseback transaction so as not to recognise an income or a loss that refers to the retained right of use. The amendments will be applied as from January 1, 2024 but earlier application is permitted. Directors are currently assessing the possible impact of this amendment on the Company’s financial statements.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union as of December 31, 2023

At the reporting date, the competent Bodies of the European Union had not yet completed the approval process required for the adoption of the amendments and principles below.

- On May 25, 2023, the IASB published the **“Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements”**. The document requires an entity to provide additional information on reverse factoring agreements that allow financial statements users to assess how financial agreements with suppliers may affect the entity’s liabilities and cash flows and to understand the effect of such agreements on the entity’s exposure to liquidity risk. The amendments will be applied as from January 1, 2024 but earlier application is permitted. No significant effect on the Company’s financial statements is currently expected by the Directors from the adoption of this amendment.

- On August 15, 2023, the IASB published the **“Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability”**. The document requires an entity to apply a methodology to be applied consistently in order to verify whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the report to be provided in the explanatory notes. The amendment will be applied as from January 1, 2025 but earlier application is permitted. Directors are currently assessing the possible impact of this amendment.

Statement of financial position

A) Non-current assets

4 Property, plant and equipment

(in Euro)

Description	12.31.2023	12.31.2022	Change
Property, plant and equipment	23,911,377	20,400,817	3,510,560

(in Euro)

Description	Land and buildings	Plant and machinery	Ind. and comm. equipment	Other assets	Leasehold improvements	Total
Historical cost as of 12.31.2022	12.835.265	16.189.458	46.299.407	14.792.743	8.224.735	98.341.609
Acc. depreciation as of 12.31.2022	(6.019.350)	(12.626.006)	(40.094.793)	(10.975.908)	(8.224.735)	(77.940.792)
Balance as of 12.31.2022	**6.815.915**	**3.563.453**	**6.204.615**	**3.816.835**	**0**	**20.400.817**
Historical cost as of 12.31.2023	12.959.299	18.559.028	50.247.591	15.874.409	8.223.756	105.864.082
Acc. depreciation as of 12.31.2023	(6.370.779)	(13.467.014)	(42.400.266)	(11.490.890)	(8.223.756)	(81.952.705)
Balance as of 12.31.2023	**6.588.519**	**5.092.014**	**7.847.325**	**4.383.519**	**0**	**23.911.377**

The changes in property, plant and equipment were as follows:

(in Euro)

Description	Land and buildings	Plant and machinery	Ind. and comm. equipment	Other assets	Leasehold improvements	Total
Balance as of 01.01.2022	**7,097,721**	**3,372,919**	**4,208,254**	**2,905,828**	**79**	**17,584,802**
Changes due to merger	0	14,617	211,831	89,339	0	315,787
Increase	62,000	909,084	3,658,833	2,025,281	0	6,655,199
Decrease	0	(737,573)	(1,833,480)	(3,613,523)	(1,942,094)	(8,126,670)
Decrease in accumulated depreciation	0	714,708	1,817,274	3,073,053	1,942,094	7,547,130
Depreciation	(343,806)	(710,303)	(1,858,098)	(663,144)	(79)	(3,575,430)
Balance as of 12.31.2022	**6,815,915**	**3,563,453**	**6,204,615**	**3,816,835**	**(0)**	**20,400,817**
Increase	124,034	2,369,570	4,181,835	1,254,848	0	7,930,285
Decrease	0	0	(233,651)	(173,182)	(979)	(407,812)
Decrease in accumulated depreciation	0	0	199,467	109,167	979	309,612
Depreciation	(351,429)	(841,008)	(2,504,940)	(624,149)	0	(4,321,525)
Balance as of 12.31.2023	**6,588,519**	**5,092,014**	**7,847,325**	**4,383,519**	**0**	**23,911,377**

All property, plant and equipment are operational and effectively utilised in company operations and there are no obsolete assets of a significant value or requiring replacement in the short-term, which were not depreciated.

The increases are substantially due to purchases of assets made during the year, while the decreases relate to the disposal of obsolete assets and reclassifications envisaged by accounting standards.

“Plant and machinery” increased by Euro 2,4 million due to the installation of new air conditioning, telecommunications and safety systems in a number of company offices.

The increase in “Industrial and commercial equipment”, amounting to Euro 4,2 million, relates to the purchase of computers for internal use while decreases are due to the disposal and/or donation of obsolete computers.

“Other assets” recorded an increase of Euro 1.3 million, referring to the purchase of furniture and fittings.

5 Intangible assets

(in Euro)

Description	12.31.2023	12.31.2022	Change
Intangible assets	652,153,212	508,676,499	143,476,713

(in Euro)

Description	Develop-ment costs	Industrial patents and intellectual property	Concessions, licenses and trademarks	Assets in progress	Customer relationship/ Customer list	Other assets	Total
Historical cost as of 12.31.2022	70,558,699	121,279,485	453,321,817	11,932,079	25,593,476	83,381,136	766,066,692
Acc. amortisation as of 12.31.2022	(37,042,611)	(116,588,095)	(42,785)	0	(20,423,183)	(83,293,518)	(257,390,192)
Balance as of 12.31.2022	**33,516,088**	**4,691,390**	**453,279,031**	**11,932,079**	**5,170,293**	**87,618**	**508,676,499**
Historical cost as of 12.31.2023	70,558,699	183,524,457	515,693,455	53,053,666	142,665,476	83,381,136	1,048,876,889
Acc. amortisation as of 12.31.2023	(46,614,606)	(128,204,001)	(42,902)	0	(138,529,241)	(83,332,928)	(396,723,677)
Balance as of 12.31.2023	**23,944,093**	**55,320,457**	**515,650,553**	**53,053,666**	**4,136,235**	**48,209**	**652,153,212**

The changes in intangible assets are as follows:

(in Euro)

Description	Develop-ment costs	Industrial patents and intellectual property	Concessions, licenses and trademarks	Assets in progress	Customer relationship/ Customer list	Other assets	Total
Balance as of 01.01.2022	**23,645,829**	**4,606,444**	**453,029,362**	**969,188**	**(0)**	**9,829,931**	**492,080,754**
Changes due to merge	222,996	12,825	814	144,944	0	16,628	398,206
Increase	16,803,978	5,536,710	249,039	10,962,891	8,530,984	1,523,839	43,607,441
Decrease	0	0	0	(144,944)	0	0	(144,944)
Increase in accumulated amortisation	0	0	0	0	(2,326,632)	(1,413,102)	(3,739,734)
Amortisation	(7,156,714)	(5,464,589)	(183)	0	(1,034,059)	(9,869,679)	(23,525,224)
Balance as of 12.31.2022	**33,516,088**	**4,691,390**	**453,279,031**	**11,932,079**	**5,170,293**	**87,618**	**508,676,499**
Changes due to merge	0	0	62,371,638	0	17,761,000	0	80,132,638
Increase	0	62,244,973	0	41,121,587	0	0	103,366,560
Amortisation	(9,571,995)	(11,615,906)	(116)	0	(18,795,059)	(39,409)	(40,022,485)
Balance as of 12.31.2023	**23,944,093**	**55,320,457**	**515,650,553**	**53,053,666**	**4,136,235**	**48,209**	**652,153,212**

The item “Opening change from merger”, of Euro 80.1 million, is attributable to the reverse merger by incorporation of the company Centurion Bidco S.p.A. into Engineering Ingegneria Informatica S.p.A..

Intangible assets recorded an increase of Euro 103.4 million, details of which are given below.

The item “Industrial patent and intellectual property rights” increased by a total of Euro 62.2 million and refers to the purchase of software programs and the purchase of a technological platform, completed on June 30, 2023, with an estimated useful life of 10 years. For the latter case, the discounted value of the agreed consideration was recognised (equal to approximately Euro 51 million), and amortised during the period.

“Concessions, licences and trademarks”, amounting to Euro 515.7 million, primarily refer, in the amount of Euro 515.4 million, to fair value of the Engineering brand. This value was recognised in 2017, in the amount of Euro 453 million, upon completion of allocation of the purchase price for the acquisition of control of Engineering Ingegneria Informatica S.p.A. and its subsidiaries, by Mic Bidco S.p.A. and subsequent reverse merger of Mic Bidco S.p.A. and in 2023 upon the allocation of Euro 62.4 million for the reverse merger of Centurion Bidco S.p.A. into Engineering Ingegneria Informatica S.p.A..
In the financial statements of previous years, the value of the brand recorded under intangible assets was determined through a process of estimating fair value, carried out with the support of an independent expert

and based on assumptions considered reasonable and realistic based on the information that was available at the date of the acquisition of control. The choice of the measurement method applied to estimate the value of the brand was made taking into account the purpose of the transaction and the characteristics of the intangible itself. In particular, in line with academic doctrine and the most commonly used professional practice, the value of the Trademark owned by Engineering was determined by using the income method, based on discounting the future benefits attributable to the asset being valued.

The Trademark is a right, which is legally protected through the registration at the competent authorities. By reason of the fact that this right has no legal, contract, competitive or economic term which limits its useful life, the same is classified as an indefinite life intangible asset and therefore it is not amortised but it is subject to loss in value when tested for impairment, as provided for by IAS 36.

The impairment test carried out as of December 31, 2023 confirmed that there was no need to write down the value of the trademark with an indefinite useful life expressed in the financial statements. The essential parameters relating to the impairment test of the Engineering trademark correspond to what is illustrated in paragraph "Goodwill" with reference to Engineering's development plan and WACC.

"Assets in progress" increased by Euro 41.1 million due to internal investments in new solutions for the different market areas:

- in the Health area:
  - Projects in the area of Telemedicine, CUP, 118, Transfusion, Telemonitoring, Compliance with the MDR (Medical Device Regulation), LIS (Analysis laboratory management) Flow Manager: developments.

- in the Energy & Utilities area:
  - Projects relating to Net@SIAL Extension Modules - Net@2D Extension Modules - Project Preparation Net@ SaaS MultiCloud - Transition activities on Oracle Public Cloud - Cloud Containerisation Project - Net@2D/ Net@SIAL - Implementation of vDesk infrastructure x Net@ video-desk.

- in the Industry area:
  - "Digital Enabler and DiVE" integration projects, (Save Project and Lapelling Project, Evolution for Deep Dive Assessment), EngDataForm - Cloud Data & Analytics Ready to Use, Mistral (Manning Information System for Transportation And Logistic, Ipse Collaboration Suite; ChatBotutique3D).

- in the Finance area:
  - Grace Projects; Subject registry (Regulatory Platform); Customisation of the technological platform to provide services in the Finance segment.

- in the Public Administration area:
  - Development/Adjustments projects on a series of software solutions that are used on some of the domains on which the Public Administration operates; PAC area in the field of Defence and Innovation; Digital Dashboard Welfare Area; PAL Area; Innovation Area.

- Corporate
  - Projects: Enhancement Controlling Model for the implementation of an Enterprise Performance Management system to support Planning&Forecast, Closing Management, Corporate reporting processes, integrated with the transactional systems with Consolidated Financial Statements (Statutory), "Governance Risk & Compliance" Project, Workday Platform Implementation, Digitise Initiatives.

The item "Customer relationship/Customer list" is composed of the "Contract portfolio" and the "Customer Relationship Value" recognised following the allocation of goodwill (Purchase Price Allocation, or PPA) deriving from acquisition of company aggregations carried out by Engineering during previous years and in the year under review. The change in these fixed assets is attributable to the reverse merger by incorporation of the company Centurion Bidco S.p.A..

6 Rights of use

(in Euro)

Description	12.31.2023	12.31.2022	Change
Rights of use	121,959,949	130,966,658	(9,006,709)

(Importi in euro)

Description	Buildings IFRS 16	Plant and machinery IFRS 16	Industrial and commercial equipment IFRS 16	Other assets IFRS 16	Total
Historical cost as of 12.31.2022	168,765,416	507,899	30,197	14,520,072	183,823,585
Acc. depreciation as of 31.12.2022	(43,783,858)	(130,094)	(21,138)	(8,921,837)	(52,856,927)
Balance as of 12.31.2022	**124,981,557**	**377,806**	**9,059**	**5,598,235**	**130,966,658**
Historical cost as of 12.31.2023	165,996,055	503,767	30,197	16,416,808	182,946,827
Acc. depreciation as of 12.31.2023	(53,173,615)	(209,286)	(27,178)	(7,576,799)	(60,986,878)
Balance as of 12.31.2023	**112,822,440**	**294,481**	**3,020**	**8,840,008**	**121,959,949**

The following table shows the changes in the rights of use, broken down by category:

(in Euro)

Description	Buildings IFRS 16	Plant and machinery IFRS 16	Industrial and commercial equipment IFRS 16	Other assets IFRS 16	Total
Balance as of 01.01.2022	**112,079,420**	**62,953**	**15,099**	**4,224,325**	**116,381,798**
Initial change from merger	2,101,305	8,685	0	236,191	2,346,181
Increase	34,828,504	386,802	0	4,448,923	39,664,230
Decrease	(17,721,912)	(27,610)	0	(1,972,987)	(19,722,509)
Decrease in accumulated depreciation	6,985,114	27,610	0	1,785,520	8,798,244
Depreciation	(13,290,874)	(80,636)	(6,039)	(3,123,738)	(16,501,287)
Balance as of 12.31.2022	**124,981,557**	**377,806**	**9,059**	**5,598,235**	**130,966,658**
Increase	3,162,881	53,215	0	7,245,606	10,461,701
Decrease	(5,932,241)	(57,347)	0	(5,348,870)	(11,338,459)
Decrease in accumulated depreciation	4,072,061	54,847	0	4,787,552	8,914,459
Depreciation	(13,461,818)	(134,039)	(6,039)	(3,442,514)	(17,044,410)
Balance as of 12.31.2023	**112,822,440**	**294,481**	**3,020**	**8,840,008**	**121,959,949**

Increases related to item “Buildings IFRS 16” (lease payments for real estate properties), amounting to around Euro 3.2 million, refer to new rental contracts or renewals signed in 2023 as well as increases attributable to Istat revaluation during the period under review. While the related decrease of Euro 5.9 million is mainly attributable to the early termination of the lease contract for some company offices.

“Other assets IFRS 16” refer entirely to cars under operating lease, assigned to employees.

The following table highlights the impact of right of use on the Income Statement:

(in Euro)

Description	12.31.2023
Depreciation of rights of use	(17,044,410)
Interest expenses on leasing	(1,233,958)
Expenses of short-term lease agreements	(293,029)
Expenses of lease agreements with a value <Euro 5 thousand	(54,305)
IFRS 16 economic impact	**(18,625,703)**

7 Goodwill

(in Euro)

Description	12.31.2023	12.31.2022	Change
Goodwill	559,531,270	67,353,301	492,177,969

(in Euro)

Description	12.31.2023	12.31.2022	Change
Goodwill - Finance	235,213,944	39,049,655	196,164,289
Goodwill - Pal & Health	153,793,526	11,498,215	142,295,311
Goodwill - Telco & Media	44,900,648	6,798,110	38,102,538
Goodwill - Industry & Services	43,242,666	345,174	42,897,491
Goodwill - Energy & Utilities	82,380,486	9,662,147	72,718,339
Total	**559,531,270**	**67,353,301**	**492,177,969**

The change in goodwill amounting to Euro 492.2 million is attributable to the reverse merger by incorporation of the company Centurion Bidco S.p.A.. As a result of the same, the value of goodwill as of December 31, 2022 recognised for the consolidated company Centurion Bidco S.p.A., was incorporated in the merging company Engineering Ingegneria Informatica S.p.A. on January 1, 2023 for an adjusted value following the elimination of the value of the Equity investment and Shareholders' Equity.

The analysis was performed to determine the goodwill recoverable value, which was allocated to the Cash Generating Units (CGUs) to which it is related.

CGU is defined as an asset or small group of assets that generate incoming cash flows that are widely independent from the incoming cash flows resulting from other assets or group of assets. The CGUs were determined based on the market segments and the single operating investees, consistently with the corporate Management view in terms of monitoring of results and economic-financial planning.

The impairment test carried out on December 31, 2023 on the goodwill allocated to the Cash Generating Units (CGUs) to which it relates confirmed that there was no need to make any write-downs to the value of goodwill as recorded in the financial statements.
Based on the impairment test carried out according to the requirements of IAS 36 described above and according to special modalities described hereunder, the aggregate value of the goodwill tested for impairment was deemed as adequately supported in terms of expected economic results and related cash flows.

There is no evidence at the present date for the Company to proceed with any impairment.

For the identification of the recoverable value – the "value in use" of the CGUs – obtained through discounting, of the cash flows (DCF Model) extrapolated from the business plans drawn up by the Management of the divisions, the following elements were considered:

a) estimates of future cash flows generated by the entity;
b) expected possible changes in these cash flows in terms of the amount and time periods;
c) cost of money, comprising the current market risk-free rate of interest;
d) cost to assume the risk related to implicit uncertainty in the management of the CGU;
e) other risk factors concerning the operations of a specific market and changes over time.

The table below represents the main assumptions for impairment and the parameters used to discount cash flows and terminal value from the DCF model.

Parameter	12.31.2022	12.31.2023
Risk free rate	3.12%	4.26%
Market premium (rm - rf)	5.21%	4.94%
Beta unlevered	0.98	0.97
D/E target	0.11	0.10
Tax rate	24.00%	24.00%
Beta levered	1.06	1.05
Cost of equity (Ke)	**8.66%**	**9.44%**
Tax rate	24.00%	24.00%
Gross cost of debt	6.00%	6.42%
Cost of debt (Kd)	**4.56%**	**4.88%**
Debt/Equity ratio	0.11	0.10
Weighting of equity	89.97%	90.80%
Weighting of onerous payables	10.03%	9.20%
WACC (post-tax)	**8.25%**	**9.02%**

It should be noted that an increase of 200 BPS in the WACC would not lead to a write-down of goodwill for any of the CGUs.

8 Equity investments

(in Euro)

Description	12.31.2023	12.31.2022	Change
Equity investments	266,565,494	277,300,074	(10,734,580)

Changes in equity investments

(in Euro)

Equity investments	Value as of 12.31.2022	Increase	Decrease	Write-downs	Value as of 12.31.2023
In subsidiaries	277,285,256	3,587,885	(106,426)	(14,207,746)	266,558,969
In associated companies	14,818		(8,293)		6,525
Total	**277,300,074**	**3,587,885**	**(114,719)**	**(14,207,746)**	**266,565,494**

a) Subsidiaries

(in Euro)

	Value as of 12.31.2022	Increase	Decrease	Write-downs	Value as of 12.31.2023
Municipia S.p.A.	18,667,692				18,667,692
Nexen S.p.A.	5,669,820				5,669,820
Engineering do Brasil Ltda	19,615,006				19,615,006
Engineering D. HUB S.p.A.	30,908,619				30,908,619
WebResults S.r.l.	4,260,641				4,260,641
Engineering ITS Gmbh	14,207,746			(14,207,746)	-
Engineering Ingegneria Informatica S.L.	103,589				103,589
Livebox S.r.l.	8,077,502				8,077,502
IT-Soft USA Inc.	30,801,691		(106,426)		30,695,265
Engineering Software Labs d.o.o.	47,800				47,800
Digitelematica S.r.l.	6,266,375				6,266,375
FDL Servizi S.r.l.	5,477,178				5,477,178
Eng Mexico Informatica S. de R.L. de C.V.	8,298				8,298
Nexera S.p.A.	1,667,169				1,667,169
C Consulting S.p.A.	15,029,035				15,029,035
Plusure S.p.A.	5,600,000				5,600,000
Overlord Bidco S.p.A.	60,822,685				60,822,685
Atlantic Technologies S.p.A.	49,407,918	1,520,197			50,928,115
Engineering International Belgium S.A.	270,202				270,202
Engineering Sardegna S.r.l.	58,707				58,707
Engineering da Argentina S.A.	317,582	2,067,688			2,385,270
Total	**277,285,256**	**3,587,885**	**(106,426)**	**(14,207,746)**	**266,558,969**

The main changes in equity investments in subsidiaries were as follows:

- the increase of Euro 2.1 million is due to the recapitalisation of the subsidiary Engineering da Argentina S.A.;
- the increase of Euro 1.5 million of the subsidiary of Atlantic Technologies S.p.A. relates to the additional payment attributable to the purchase of shares from non-controlling shareholders;
- the write-down of Euro 14.2 million is attributable to the companies Engineering ITS Gmbh.

As required by IAS 36, the recoverability of the value of equity investments reporting impairment indicators was tested. Recoverable amount is determined as the highest of an asset's or cash generating unit's fair value less costs of disposal and its value in use.

The impairment test performed on December 31, 2023 relates to the following equity investments:

- Digitelematica S.r.l.
- FDL Servizi S.r.l.
- IT-Soft USA Inc.
- WebResults S.r.l.
- Livebox S.r.l.
- C Consulting S.p.A.
- Atlantic Technologies S.p.A.
- Industries Excellence S.p.A.

The impairment test confirmed that there was no need to write down the value of the same expressed in the financial statements. Therefore, there are no indications that equity investments may have suffered impairment in 2023. According to requirements envisaged in the international accounting standard IAS 36, as of December 31, 2023 the value of equity investments tested for impairment is equal to Euro 126.3 million.

Write-downs were also made for the company Engineering ITS GMBH.

(in Euro)

	Town	Assets	Liabilities	Share capital	Share-holders' equity	Revenues	Net profit/ (loss)	Value as of 12.31.2023	%
Engineering do Brasil S.A.	Sao Paulo (Brazil)	44,329,467	25,855,551	9,629,233	18,473,916	55,240,833	2,003,134	19,615,006	100
Engineering International Belgium S.A.	Brussels	14,340,750	11,838,887	61,500	2,501,863	24,524,891	132,966	270,202	100
Engineering D. HUB S.p.A.	Pont Saint Martin	173,779,679	128,032,630	2,000,000	45,747,049	171,954,270	(680,096)	30,908,619	100
Engi da Argentina S.A.	Buenos Aires	2,076,269	1,133,907	958,973	942,362	1,132,693	(2,835,839)	2,385,270	99
Engineering Sardegna S.r.l.	Cagliari	5,475,670	469,053	1,000,000	5,006,617	970,824	(240,959)	58,707	100
WebResults S.r.l.	Treviolo (BG)	16,736,111	16,370,106	10,000	366,005	21,233,808	448,510	4,260,641	100
Engineering Software Labs d.o.o.	Beograd (SRB)	6,339,995	2,065,490	3,864	4,274,504	11,698,274	1,727,498	47,800	100
Engineering ITS GmbH	Berlin	752,166	9,235,065	50,000	(8,482,899)	7,708,954	(5,521,544)	0	100
Engineering Ingegneria Informatica S.L.	Madrid	2,622,615	1,167,464	100,000	1,455,151	2,068,114	70,320	103,589	100
Municipia S.p.A.	Trento	132,153,009	102,803,235	13,000,000	29,349,774	95,695,169	582,487	18,667,692	100
Livebox S.r.l.	Rome	35,595,906	33,585,032	100,000	2,010,874	11,515,699	(726,696)	8,077,502	100
IT-Soft USA Inc.	Chicago (USA)	89,577,125	76,579,515	236,018	12,997,611	50,401,334	2,482,162	30,695,265	94
Nexen S.p.A.	Padua	21,099,814	13,433,240	1,500,000	7,666,574	20,119,020	551,767	5,669,820	100
Digitelematica S.r.l.	Lomazzo (Italy)	6,572,302	2,924,959	100,000	3,647,344	5,411,767	838,559	6,266,375	100
FDL Servizi S.r.l.	Brescia (Italy)	2,930,128	490,216	20,800	2,439,912	1,557,973	221,364	5,477,178	100
Eng Mexico Informatica S. de R.L.	Nuevo Leon (Mexico)	476,437	442,334	107,629	34,103	1,137,638	(135,553)	8,298	10
Nexera S.p.A.	Naples (Italy)	4,813,890	4,598,454	678,750	215,435	2,511,196	(361,067)	1,667,169	60
Sicilia e-Servizi Venture S.c.a.r.l.	Palermo	41,298,667	79,658,748	300,000	(38,360,081)	6,773	(1,136,224)	0	65
C Consulting S.p.A.	Genoa (Italy)	8,087,180	3,483,609	174,395	4,603,571	6,807,102	2,090,566	15,029,035	100
Industries Excellence S.p.A.	Milan (Italy)	2,476,957	1,542,961	50,000	933,996	3,409,466	305,598	5,600,000	100
Overlord Bidco S.p.A.	Milan (Italy)	444,871,379	423,750,008	50,000	21,121,370	0	(34,386,540)	60,822,685	100
Atlantic Technologies S.p.A	Milan (Italy)	19,193,785	13,580,681	50,000	5,613,105	26,902,005	1,770,349	50,928,115	100
Total								**266,558,969**	

(in Euro)

	Town	Assets	Liabilities	Share capital	Share-holders' equity	Revenues	Net profit/ (loss)	Value as of 12.31.2022	%
Engineering do Brasil S.A.	Sao Paulo (Brazil)	41,546,334	25,898,032	9,156,532	15,648,302	52,901,018	2,361,977	19,615,006	100.0
Engineering International Belgium S.A.	Brussels	9,726,143	7,357,246	61,500	2,368,897	14,347,105	645,286	270,202	100.0
Engineering D. HUB S.p.A.	Pont Saint Martin	152,641,521	106,126,141	2,000,000	46,515,380	162,886,345	27,745,635	30,908,619	100.0
Engi da Argentina S.A.	Buenos Aires	5,546,743	4,050,521	264,717	1,496,221	2,394,212	528,294	317,582	91.4
Engineering Sardegna S.r.l.	Cagliari	9,321,202	4,075,097	1,000,000	5,246,105	10,874,567	871,876	58,707	100.0
WebResults S.r.l.	Treviolo (BG)	21,867,478	24,646,915	10,000	(2,779,438)	24,191,510	(4,278,538)	4,260,641	100.0
Engineering Software Labs d.o.o.	Beograd (SRB)	5,191,333	2,661,211	3,853	2,530,122	8,270,927	592,259	47,800	100.0
Engineering ITS GmbH	Berlin	8,200,436	11,161,791	50,000	(2,961,354)	18,802,305	(3,065,554)	14,207,746	100.0
Engineering Ingegneria Informatica S.L.	Madrid	3,582,457	2,197,626	100,000	1,384,831	2,877,908	269,550	103,589	100.0
Municipia S.p.A.	Trento	108,015,624	79,164,558	13,000,000	28,851,066	78,871,558	1,150,771	18,667,692	100.0
Livebox S.r.l.	Rome	27,229,626	24,595,511	100,000	2,634,116	9,409,551	(1,289,193)	8,077,502	100.0
IT-Soft USA Inc.	Chicago (USA)	87,407,980	76,458,797	244,515	10,949,183	37,276,896	(1,378,975)	30,801,691	97.4
Nexen S.p.A.	Padua	20,038,239	12,875,981	1,500,000	7,162,258	21,220,903	2,960,473	5,669,820	100.0
Digitelematica S.r.l.	Lomazzo (Italy)	5,478,005	2,653,115	100,000	2,824,890	5,723,487	1,154,082	6,266,375	100.0
FDL Servizi S.r.l.	Brescia (Italy)	2,812,966	639,910	20,800	2,173,055	1,972,518	658,459	5,477,178	95.0
Sicilia e-Servizi Venture S.c.a.r.l.	Palermo	42,252,205	79,476,063	300,000	(37,223,857)	4,784	(10,535,902)	0	65.0
Eng Mexico Informatica S. de R.L.	Nuevo Leon (Mexico)	476,798	321,503	96,622	155,295	1,069,275	66,154	8,298	10.0
Nexera S.p.A.	Naples (Italy)	5,829,880	5,232,929	678,750	596,951	3,022,232	(272,975)	1,667,169	60.0
C Consulting S.p.A.	Genoa (Italy)	5,985,033	3,402,812	174,395	2,582,221	5,976,002	1,001,092	15,029,035	100.0
Plusure S.p.A.	Milan (Italy)	1,765,093	1,104,376	50,000	660,717	2,660,388	364,237	5,600,000	100.0
Overlord Bidco S.p.A.	Milan (Italy)	448,001,121	392,493,210	50,000	55,507,910	0	(5,314,775)	60,822,685	100.0
Atlantic Technologies S.p.A	Milan (Italy)	17,133,533	13,278,136	50,000	3,855,397	23,157,482	1,961,820	49,407,918	100.0
Total								**277,285,256**	

b) Associated companies

(in Euro)

	Value as of 12.31.2022	Increase	Decrease	Write-downs	Value as of 12.31.2023
Si Lab – Calabria S.c.a.r.l.	8,293		(8,293)		-
Si Lab – Sicilia S.c.a.r.l.	3,525				3,525
Consorzio Sanimed Group	3,000				3,000
Total	**14,818**	**-**	**(8,293)**	**-**	**6,525**

Equity investments in associated companies are detailed as follows:

(in Euro)

	Town	Assets	Liabilities	Share capital	Share-holders' equity	Reve-nues	Net profit/ (loss)	Value as of 12.31.2023	%
Si Lab – Sicilia S.c.a.r.l.	Palermo	44,568	1,732	30,000	42,836	14,750	1,932	3,525	24
Consorzio Sanimed Group	Terni	n/a	n/a	n/a	n/a	n/a	n/a	3,000	25
Total								**6,525**	

Data relate to the last financial statements approved.

c) Indirectly controlled companies:

(in Euro)

	Town	Assets	Liabilities	Share capital	Share-holders' equity	Revenues	Net profit/ (loss)	%
Securetech Nordi S.A.	Stockholm (Sweden)	2,227	(15,062)	4,506	17,289	14,885	(10,691)	100
Omnitechit Secur S.L.	Madrid (Spain)	234,941	572,007	3,000	(337,066)	(120,009)	(308,451)	100
Omnitechit GmbH	Geilenkirchen (Germany)	68,614	4,752	25,000	63,862	0	(3,724)	100
Omnisecure d.o.o.	Belgrade (Serbia)	221,157	47,957	21,081	173,200	0	(34,432)	60
BW digitronik A.G.	Ulster (Switzerland)	1,074,909	824,824	431,965	250,085	6,394,014	(475,683)	100
PRAGMA	Sommacampagna (Italy)	5,123,150	4,494,220	100,000	628,930	4,862,205	323,196	51
Cybertech S.r.l.	Rome (Italy)	34,986,939	29,289,775	10,000	5,697,164	37,189,735	1,094,025	100
ENG Mexico Informatica S.r.l.	Nuevo Leon (Mexico)	476,437	442,334	107,629	34,103	1,137,638	(135,553)	85
Movilitas France SAS	France	2,083,930	786,181	30,000	1,297,749	3,060,478	604,491	94
Engineering ITS Schweiz A.g.	Zurich (Switzerland)	9,041	5,400	107,991	3,641	0	(18,830)	100
Movilitas Cloud KFT	Hungary	500,468	264,686	7,837	235,783	339,309	46,042	94
Movilitas Cloud BV	Brussels	2,616,365	2,201,762	18,550	414,602	2,284,886	98,630	94
Movilitas India LLP	New Delhi	387,960	129,170	76,935	258,790	1,584,203	61,710	94
Industries Excellence Limited	United Kingdom	717,346	330,338	115	387,008	1,338,063	139,440	94
Industries Excellence GmbH	Mannheim	16,048,336	7,669,187	50,000	8,379,149	20,047,678	939,883	94
Naxxos BV	Brussels	1,778,885	30,917	2,702,440	1,747,968	180,539	21,894	94
Movilitas Belgium BV	Belgium	2,785,668	2,628,390	911,706	157,278	4,462,040	(116,831)	94
Atlantic Technologies Europe LTD	United Kingdom	948,420	1,694,413	1,151	(745,993)	3,577,232	(381,430)	100
Parma Valore Comune S.c.a.r.l.	Parma	4,512,797	4,647,876	3,250	(135,079)	2,622,427	(20,665)	46
Napoli Obiettivo Valore S.r.l.	Rome	5,686,574	4,735,332	1,387,062	951,241	414,747	(279,251)	100
Extra Red S.r.l.	Pontedera	4,280,934	3,509,582	17,386	771,353	4,740,418	74,979	100
Engineering Albania Shpk	Tirana	1	0	1	1	0	0	100
Be Shaping the Future Management Consulting S.p.A.	Rome	171,870,427	125,346,497	120,000	46,523,930	92,905,555	6,414,821	100
Be Shaping the Future Corporate Services S.p.A.	Rome	3,344,616	2,836,642	450,000	507,973	3,124,307	(222,720)	100
Be DigiTech Solutions S.p.A.	Rome	59,537,116	29,126,871	7,548,441	30,410,245	56,422,705	3,037,776	100
Be TheChange S.r.l.	Milan	6,238,268	6,743,782	10,000	(505,514)	576,863	(3,557,183)	100
Iquii S.r.l	Rome	5,621,238	5,844,970	10,000	(223,732)	3,694,279	(761,082)	100
Synapsy S.r.l	Milan	3,873,652	2,681,565	10,000	1,192,087	6,825,727	532,160	51
Be World of Wonders S.r.l	Rome	4,605,997	8,315,777	10,000	(3,709,780)	7,923	(4,284,177)	100
Crispy Bacon S.r.l.	Marostica	3,949,845	1,844,241	12,000	2,105,604	6,582,293	507,046	51
Crispy Bacon Shpk	Tirana	229,976	190,538	96	39,438	506,397	2,947	90
Quantum Leap S.r.l.	Rome	963,361	912,841	21,276	50,519	577,913	(10,473)	60
Be Think Solve Execute RO S.r.l.	Bucharest	9,245,101	2,928,630	4,422	6,316,470	17,260,014	2,605,851	100
Be Shaping the Future sp z.o.o	Warsaw	10,279,994	3,197,507	230,441	7,082,487	17,188,048	947,636	100
Be Ukraine LLC	Kiev	674,315	454,261	479	220,053	975,786	(50,240)	100
Be Shaping the Future Management Consulting Ltd	London	5,061,338	5,438,909	105,739	(377,571)	9,253,052	(1,868,720)	100
Be Shaping the Future Management Consulting Ltd (Italian Branch)	Rome	4,009,460	108,399	10,000	3,901,061	49,179	137,925	100
Be Shaping The Future - Performance, Transformation, Digital GmbH	Munich	33,150,985	10,284,017	102,258	22,866,968	46,468,427	576,327	100
Be Shaping The Future GmbH	Vienna	3,380,431	3,442,632	35,000	(62,201)	8,406,462	(778,552)	100
Be Shaping The Future Switzerland AG	Zurich	860,439	197,438	107,991	663,000	394,394	17,941	100
Be Shaping the Future SARL	Luxembourg	1,001,138	755,616	12,000	245,522	4,808,642	134,795	100
Be Shaping the Future Czech Republic s.r.o.	Prague	568,931	323,447	4,045	245,484	2,249,514	151,749	100
Be Shaping the Future Management Consulting AG	Zurich	2,887,897	1,197,253	107,991	1,690,644	6,162,631	(489,421)	70
Firstwaters GmbH	Frankfurt	9,434,483	3,727,678	40,000	5,706,805	16,071,413	2,882,472	86
Firstwaters GmbH	Vienna	794,037	195,445	125,000	598,591	804,183	(447,300)	100
Payments and Business Advisors S.l. (Paystrat)	Madrid	203,915	176,135	23,000	27,780	334,909	(59,316)	100
Paystrat Solutions S.L. (PYNGO)	Madrid	13,600	54	10,265	13,546	0	(1,096)	65

9 Deferred tax assets

(in Euro)

Description	12.31.2023	12.31.2022	Change
Deferred tax assets	58,876,214	25,578,794	33,297,420

The calculation of deferred tax assets was carried out through critically evaluating the existence of future recoverability requirements of these assets. They are calculated at the current rates (for Corporate Income Tax (IRES) 24%, and for Regional Income Tax (IRAP) according to regional competence) on the items listed in the table below:

(in Euro)

Description	12.31.2023		12.31.2022	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Interest expense surplus not transferred - Tax consolidation	81,814,142	19,635,394		
Allocation to other provisions and charges	1,428,000	342,720	1,428,000	342,720
Property, plant and equipment - IAS depreciation	7,839,498	1,884,539	3,926,537	945,428
Other current liabilities - directors' fees	346,233	83,096	291,098	69,864
Doubtful debt provision	39,239,884	9,417,572	52,710,174	12,650,442
Provision for risks	19,548,159	5,432,956	10,411,692	2,796,074
Current provision for risks and charges - Leaving incentives			2,500,000	600,000
Tax losses	56,304,282	13,513,028		
Adjustments for IAS 19	21,814,895	5,235,575	20,255,291	4,861,270
Goodwill, exemptions pursuant to Law Decree 104/2020	11,525,340	3,215,570	11,770,560	3,283,986
Other	482,352	115,764	120,876	29,010
Total	**240,342,785**	**58,876,214**	**103,414,228**	**25,578,794**

The following table provides details of deferred tax assets.

(in Euro)

Description	Doubtful debt provision	Goodwill, exemptions pursuant to Law Decree 104/2020	Adjustments for IFRS	Other temporary differences	Total
Balance as of 01.01.2022	**9,226,701**	**3,352,403**	**3,867,683**	**3,620,727**	**20,067,514**
Change from merger	210,719		304,254	692,867	1,207,840
Impact on the income statement	3,213,021	(68,416)		469,503	3,614,108
Impact on the comprehensive income statement			689,332		689,332
Balance as of 12.31.2022	**12,650,441**	**3,283,987**	**4,861,269**	**4,783,097**	**25,578,794**
Change from merger	84,166			17,214,558	17,298,724
Impact on the income statement	(3,317,036)	(68,416)		19,009,843	15,624,391
Impact on the comprehensive income statement			374,305		374,305
Balance as of 12.31.2023	**9,417,572**	**3,215,570**	**5,235,574**	**41,007,498**	**58,876,214**

Deferred tax assets not recognised, relating to additional surplus interest expense accrued in 2023, amounted to Euro 5.4 million at that date. It was decided not to record them as they can be recovered beyond the explicit horizon of the plan.

10 Other non-current assets

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other non-current assets	4,985,099	2,820,533	2,164,566

The balance is broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Investments in other companies	4,985,099	2,820,533	2,164,566
Total	**4,985,099**	**2,820,533**	**2,164,566**

a) Investments in other companies

Investments in other companies are shown hereunder:

(in Euro)

	Value as of 12.31.2022	Increase	Write-downs	Value as of 12.31.2023
Banca Popolare di Credito e Servizi	7,747			7,747
Banca Credito Cooperativo Roma	1,033			1,033
Global Riviera	1,314		(1,314)	-
Tecnoalimenti S.c.p.a.	65,832			65,832
Dhitech Distretto Tecnologico High-Tech S.c.a.r.l.	237,404			237,404
Distretto Tecnol. Micro e Nanosistemi S.c.r.l.	34,683			34,683
Wimatica S.c.a.r.l.	6,000			6,000
Consorzio Cefriel	191,595			191,595
Consorzio Abi Lab	1,000			1,000
Partecipazione Ce.R.T.A.	360			360
Consorzio Arechi Ricerca	5,000			5,000
Ehealthnet S.c.a.r.l.	10,800			10,800
Distretto Tecnologico Campania Bioscience S.c.a.r.l.	20,000			20,000
CAF ITALIA 2000 S.r.l	260			260
M2Q S.c.a.r.l.	3,000			3,000
sedApta S.r.l.	750,000			750,000
Istella S.r.l.	1,000,000			1,000,000
Palantir Digital Media S.r.l.	500			500
Ditecfer S.c.a.r.l.	3,000			3,000
SIIT S.c.p.a	30,963			30,963
Fondaz. I.T.S. M. Gaet.ag. Innnov. Academy	10,000			10,000
Agritech Centro Naz. Ricerca per le Tecn. Agric.	50,000			50,000
Fondazione Centro Nazionale di Ricerca In High P.	250,000			250,000
Fondaz. ICT Campus ITS Academy	12,000			12,000
Fondazione Nest	20,000	15,000		35,000
Fondazione Heal Italia	20,000			20,000
Fondazione Return	20,000			20,000
Fondazione Changes	10,000			10,000
Fondazione Dare	25,000			25,000
SPV PNT Italia S.r.l.		2,150,880		2,150,880
Seta S.r.l.	33,041			33,041
Total	**2,820,533**	**2,165,880**	**(1,314)**	**4,985,099**

With reference to the increase in the equity investment in SVP PNT Italia S.r.l. of Euro 2.2 million, it should be noted that this is a jointly controlled equity investment. This is a SPV company and operates in the telemedicine sector. In this regard, it should be noted that even in the presence of an equity investment of more than 50% of the share capital, control is exercised jointly on the basis of the Company's governance rules.

11 Non-current financial assets

(in Euro)

Description	12.31.2023	12.31.2022	Change
Non-current financial assets	284,355,832	284,393,434	(37,602)

This item includes the credit granted to the subsidiary Overlord Bidco S.p.A. of Euro 282.8 million. It also includes the recognition of the fair value of assets related to the exercise of options to purchase non-controlling interests.

C) Current assets

12 Customer contract assets

(in Euro)

Description	12.31.2023	12.31.2022	Change
Customer contract assets	175,392,630	165,827,452	9,565,178

Customer contract assets, recorded net of the doubtful debt provision of Euro 8.7 million, underwent the following changes:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Initial customer contract assets	165,827,452	175,033,161	(9,205,709)
Change in purchase of business unit	373,015	1,018,910	(645,894)
Adjustments and changes in customer contract assets	(1,253,912)	(41,707,857)	40,453,944
Amounts of costs incurred increased by profits recorded based on the completion percentage, net of losses	539,261,627	495,390,873	43,870,754
Invoicing actual progress in customer contract assets	(528,815,552)	(463,907,635)	(64,907,917)
Total	**175,392,630**	**165,827,452**	**9,565,178**

Customer contract assets represent ongoing projects relating to long-term contracts and include, inter alia, adjustments for projects for which critical issues have emerged in terms of feasibility of the value; the relevant amount representing the best estimate based on information in our possession.

The Company also applies the simplified approach of IFRS 9 to measure the expected credit loss on trade receivables and customer contract assets. Customer contact assets refer to invoices to be issued for contracts in progress and have substantially the same risk characteristics as trade receivables for the same type of contracts. The Company has therefore concluded that the expected credit loss for trade receivables represents a reasonable approximation of the losses on customer contract assets. The allocation for the period related to ECL is included under item "Adjustments and changes in customer contracts assets".

There were no significant changes in the contractual conditions and the Company was not subject to penalties for non-fulfilment of contractual obligations or withdrawal by customers.
For further information on the ways to calculate the ECL, reference is made to the following paragraph "Trade receivables".

13 Deferred contract costs

(in Euro)

Description	12.31.2023	12.31.2022	Change
Deferred contract costs	4,338,592	4,986,085	(647,493)

During the year 2023, the Company recognised deferred contract costs related to the fulfilment of contracts, represented by the so-called transition costs (Euro 2.8 million). These are costs that are directly associated with the performance of the services offered and, in particular, refer to the costs incurred for the taking over of orders that will have benefits over their duration (transition cost).

The portions of cost pertaining to 2023, recognised in the income statement in the period, were determined on the basis of the ratio between the revenues accrued for the activities carried out at the reporting date and the total estimated revenues until the end of the contracts. These costs amounted to Euro 3.5 million.

Total deferred costs, equal to Euro 4.3 million, will be released in the income statement in the amount of Euro 1.7 million within one year, and Euro 2.6 million after one year.

14 Trade receivables

The book value of trade receivables and other receivables is shown at amortised cost and the value approximates the fair value. The value refers to receivables from banking institutes, utilities, industry, services, public administration and companies operating in the telecommunications market.

(in Euro)

Description	12.31.2023	12.31.2022	Change
Trade receivables	297,608,004	337,525,334	(39,917,330)

Trade receivables as of December 31, 2023 are broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Customers	210,306,467	256,554,663	(46,248,197)
Subsidiaries	77,036,775	72,327,700	4,709,075
Associated companies	552,504	552,504	0
Parent companies	197,776	0	197,776
Others	9,514,482	8,090,467	1,424,016
Total	**297,608,004**	**337,525,334**	**(39,917,330)**

a) Customers

(in Euro)

Description	12.31.2023	12.31.2022	Change
Receivables on invoices issued	159,588,542	223,940,770	(64,352,229)
Invoices to be issued	68,465,736	64,233,098	4,232,638
Credit notes to be issued	(1,237,626)	(693,801)	(543,826)
Doubtful debt provision	(16,261,028)	(30,969,169)	14,708,140
Provision for interest in arrears	(870,283)	(870,283)	0
Others	621,126	914,047	(292,921)
Total	**210,306,467**	**256,554,663**	**(46,248,197)**

Receivables from customers, less allowance for doubtful accounts, amounted to Euro 210.3 million.

It is noted that, as of December 31, 2023, the Company factored trade receivables for the total amount of Euro 814.1 million (Euro 719.4 million as of December 31, 2022). The transfer was non-recourse, so risks and benefits related to receivables were transferred to the transferee; receivables were therefore derecognised from the Assets in the Statement of Financial Position, according to the consideration received by factoring companies.

The closing balance of the doubtful debt provision for trade receivables is reconciled with the opening balance as shown below:

(in Euro)

Trade receivables	12.31.2023
Doubtful debt provision as of 12.31.2022	(30,969,169)
Change from merger	(119,255)
Purchases of business units	(273,500)
Provision for the period	(4,869,364)
Write-off of receivables considered non-recoverable	19,970,259
Doubtful debt provision as of 12.31.2023	**(16,261,028)**

The Company applies the simplified approach of IFRS 9 to measure the expected credit loss on all trade receivables and customer contract assets.

As already indicated in the paragraph “Use of estimates and assumptions”, during the year the Company applied the estimation model relating to the calculation of the expected credit loss, which supports the specific provisions. In particular, on the basis of the historical series recorded, write-down percentages have been defined for overdue credit. These percentages are applied to the aging brackets regardless of the type of customer and/or segment and are calculated automatically on a monthly basis on the loan portfolio open at that date.

According to the model described above, it is specified that the doubtful debt provision includes the expected credit loss for a total of Euro 6.4 million.

Information on credit risk in respect of total Customer contract assets, Trade receivables from third parties, Deferred contract costs and Inventory is provided below.

The diversification of the sectors in which the Company’s customers operate (Public Administration, Finance, Health, Industry, Transportation, Telco & Media, Energy & Utilities) constitutes an element mitigating the potential risk of credit solvency.

It should be noted, for the sole purpose of clarity, that the amounts overdue relate exclusively to invoices issued and not to the other categories of receivables.

(in Euro)

Customer contract assets, trade receivables from third parties, deferred contract costs, inventory	Not expired	Days falling due					Total as of 12.31.2023
		30	60	90	120	over 120	
Public Administration	127,861,013	620,932	2,568,866	1,385,214	1,879,158	4,689,861	139,005,044
Healthcare	67,033,216	1,171,303	2,008,800	485,934	312,968	1,825,486	72,837,706
Finance	39,860,701	1,818,704	227,768	218,015	201,805	2,964,190	45,291,183
Industry & Services	50,432,796	3,720,979	1,180,217	2,146,811	545,585	5,771,530	63,797,918
Energy & Utilities	51,439,068	1,637,725	549,012	647,932	1,221,945	918,005	56,413,688
Telco & Media	21,082,960	820,339	97	704	18,307	284,226	22,206,633
Total net receivables	**357,709,755**	**9,789,982**	**6,534,758**	**4,884,611**	**4,179,769**	**16,453,297**	**399,552,171**
ECL rate	0.27%	1.00%	2.00%	5.00%	7.00%	22.12%	1.58%
of which: doubtful debt provision - Expected credit loss	957,115	98,609	133,362	257,085	314,606	4,673,502	6,434,279

In addition to the expected credit loss provision indicated above, there are specific provisions for an amount of Euro 19.6 million. The total net receivables shown in the table below are therefore shown net of the total doubtful debt provision for a total of Euro 25.9 million.

(in Euro)

Customer contract assets, trade receivables from third parties, deferred contract costs, inventory	Not expired	Days falling due					Total as of 12.31.2022
		30	60	90	120	over 120	
Public Administration	114,973,970	4,269,766	4,625,804	232,169	294,759	9,539,190	133,935,658
Healthcare	55,049,507	941,400	1,226,171	503,261	567,453	13,183,276	71,471,068
Finance	40,732,802	608,944	166,593	729,341	167,991	2,689,771	45,095,442
Industry & Services	58,541,960	4,449,847	2,269,487	2,423,648	1,069,848	17,453,483	86,208,274
Energy & Utilities	58,295,927	1,574,066	(9,541)	624,683	878,111	2,707,248	64,070,496
Telco & Media	31,233,448	775,089	85,135	72,667	5,908	2,505,484	34,677,731
Total net receivables	**358,827,614**	**12,619,113**	**8,363,648**	**4,585,770**	**2,984,071**	**48,078,452**	**435,458,667**
ECL rate	0.002%	1.05%	1.99%	4.78%	6.60%	13.31%	1.83%
of which: Doubtful debt provision - Expected credit loss	6,702	133,493	169,497	230,450	210,712	7,379,218	8,130,073

b) Subsidiaries

These receivables can be broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Receivables on invoices issued	41,585,043	62,421,148	(20,836,105)
Invoices to be issued	59,459,342	33,037,139	26,422,203
Doubtful debt provision	(24,934,053)	(24,195,507)	(738,546)
Credit notes to be issued	(26,675)	(43,530)	16,855
Others	953,118	1,108,450	(155,332)
Total	**77,036,775**	**72,327,700**	**4,709,075**

For further details on receivables from subsidiaries, reference should be made to the section herein "Transactions with related parties", which lists the subsidiaries and the related receivables by kind and amount.

Receivables from subsidiaries include the exposure as of December 31, 2023 to Sicilia e-Servizi Venture S.c.a.r.l. in liquidation ("SISEV") of Euro 49.7 million (of which Euro 9.0 million of customer contract assets) which, net of the related allowance for doubtful accounts of Euro 24.9 million, amounted to Euro 24.7 million. These receivables resulted from the IT activities connected with the building of an integrated IT platform for the Sicilian Region Administration within specifications and provisions set out in the convention signed between the Sicilian Region Administration, Sicilia Digitale S.p.A. (former Sicilia e-Servizi S.p.A.) and Sicilia e-Servizi Venture S.c.a.r.l. in liquidation on May 21, 2007. The convention expired on December 22, 2013.

Given the non-payments of Società Mista Sicilia e-Servizi S.p.A., now Sicilia Digitale S.p.A. ("Sicilia Digitale"), on June 26, 2013, Sicilia e-Servizi Venture S.c.a.r.l. ("SISEV") filed a petition for a payment order before the Court of Palermo against Sicilia Digitale and obtained the payment order for Euro 30,052 thousand (in addition to interests, expenses and remunerations, VAT and CPA).
As regards the judgment of opposition to the payment order, filed by Sicilia Digitale, the competent Judge ordered office technical experts to evaluate, inter alia, the actual services rendered by SISEV in favour of Sicilia Digitale. With judgment of August 30, 2018, the Judge, based on the assessments of the technical expertise, sentenced Sicilia Digitale to the payment, in favour of SISEV, of Euro 19,509 thousand, in addition to interest. Sicilia Digitale appealed to the Court of Appeal of Palermo, requesting the complete reform of the judgment. Following the hearing of June 9, 2024, the case was withheld in judgment.
Pending the settlement of the appeal, the amount recognised by the first instance judgement was fully recovered.

In addition to what has just been described, on February 18, 2016, SISEV sent a writ of summons for Sicilia Digitale and the Sicilian Region Administration to obtain the payment of the entire amount of its receivables (around Euro 79.7 million, including the works recognised in the financial statements to complete the amount already requested with an appeal for a payment order), which were not the object of the first proceeding. Both the defendants, namely the Sicilian Region Administration and Sicilia Digitale, appeared and alleged several exceptions. The competent Judge ordered a technical expertise at the outcome of which the office technical expert (i) highlighted a receivable assessed from SISEV for only Euro 4.2 million against a claim of Euro 79.7 million and (ii) provided the Judge, as a possible alternative assessment criterion, with a second calculation certifying a total receivable of Euro 26.2 million from SISEV. Considering the report to be seriously omissive and erroneous, SISEV filed a new request for the renewal of the technical expertise. The request was rejected by the Judge.
On September 4, 2020, the Civil Court of Palermo issued judgment no. 3343/2020, rejecting in full (i) the judicial claim proposed by SISEV, therefore excluding the existence of any receivable from the defendants and (ii) all the counterclaims brought by the defendants.

With writ of summons served on November 23, 2020, SISEV challenged judgment no. 3343/2020 before the Court of Appeal of Palermo. The first hearing was held on March 19, 2021; lifting the reserve assumed in said hearing, the Judge adjourned the hearing to October 21, 2022 and then to 12 January 2024 for the specification of the conclusion, reserving the right to make any decision on the request for the renewal of the expertise to an overall examination of merit. The hearing for the specification of the conclusions was postponed to November 22, 2024 as by official rule.

Please note that, as part of the proceedings, no specific critical issues or formal claims related to the correct execution of services and good quality of products delivered by SISEV were highlighted by Sicilia Digitale S.p.A. and/or the Sicilian Region Administration. Moreover, the above-mentioned claims do not seem suited to stop the aggregate claims of SISEV.

In light of the above, also following the assessment of the external lawyer appointed, it is believed that the outcome of the appeal may be positive, except for the determination on appeal of the actual receivables of SISEV.

The Directors, considering the legitimacy of the credit lines and the correct performance of the services rendered, and assessing the appraisal delivered by the office technical experts, within the first instance procedure, as seriously omissive and erroneous, stated, also based on the opinion of the lawyer in charge, that SISEV receivables from Sicilia Digitale S.p.A. are collectable. Moreover, the above-mentioned claims do not seem prima facie suited to stop the aggregate claims of SISEV.

In any case, considering the continuous change of institutional counterparts and the legal dispute underway, considering the above-mentioned claims filed by Sicilia Digitale S.p.A. and the Sicilian Region Administration, having regard, also, to the rationale of the said settlement reached between its Shareholders and Sicilia Digitale S.p.A., as of December 31, 2023 SISEV recognised the statutory interest pertaining to the period considered (Euro 8.2 million) in the income statement under financial income, in addition to the amount already recognised until December 31, 2022 (for a total amount of Euro 60.5 million), and accrued an allocation to doubtful debt provision for interest on arrears amounting to Euro 8.2 million, in addition to the previous year's provision, for a total doubtful debt provision of Euro 96.4 million, which includes the total impairment of the statutory interest shown above and recognised in the financial statements and, for the remaining portion, the write-down of the nominal value of the receivable.

c) Receivables from associated companies

(in Euro)

Description	12.31.2023	12.31.2022	Change
Receivables on invoices issued	552,504	552,504	0
Total	**552,504**	**552,504**	**0**

d) From parent companies

(in Euro)

Description	12.31.2023	12.31.2022	Change
Others	197,776	0	197,776
Total	**197,776**	**0**	**197,776**

e) Others

(in Euro)

Description	12.31.2023	12.31.2022	Change
Commercial prepaid expenses	665,264	131,704	533,559
Others	8,849,219	7,958,762	890,456
Total	**9,514,482**	**8,090,467**	**1,424,016**

The item "Others" refers to advances for fee-based activities mainly related to software package maintenance, rentals, sureties and insurance.

15 Other current assets

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other current assets	59,135,274	41,801,537	17,333,736

Other current assets are broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other assets and tax receivables	12,773,724	3,720,232	9,053,492
Others	46,361,550	38,081,305	8,280,244
Total	**59,135,274**	**41,801,537**	**17,333,736**

a) Other assets and tax receivables

The item is broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Tax receivables	12,409,146	3,608,305	8,800,841
Social security institutions	364,578	111,927	252,651
Total	**12,773,724**	**3,720,232**	**9,053,492**

Tax receivables mainly include the following:

- Euro 0.4 million relating to the advance for IRES;
- Euro 0.9 million relating to the advance for IRAP;
- Euro 8.2 million relating to receivables from the Inland Revenue Office for recoverable VAT;
- Euro 2.4 million in tax refunds receivable.

b) Others

The item “Others” mainly includes:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Applied research grants	30,433,336	27,042,331	3,391,005
Prepaid expenses	4,013,642	976	4,012,666
Receivables for tax consolidation with related parties	9,884,757	9,406,208	478,550
Others	2,029,814	1,631,791	398,023
Total	**46,361,550**	**38,081,305**	**8,280,244**

- Receivables from applied research, amounting to Euro 30,4 million, related to projects financed by national public entities or by the European Community.

- The item “Receivables for tax consolidation with related parties” includes the receivable of the Company from the company Centurion Newco S.p.A. having joined the national tax consolidation with the same.

16 Current financial assets

(in Euro)

Description	12.31.2023	12.31.2022	Change
Current financial assets	284,377,629	242,346,417	42,031,212

(in Euro)

Description	12.31.2023	12.31.2022	Change
Subsidiaries	284,377,629	242,222,717	42,154,912
Parent Companies	0	123,699	(123,699)
Total	**284,377,629**	**242,346,417**	**42,031,212**

Receivables from subsidiaries are mainly attributable for Euro 205.5 million to short-term loans granted to group companies and for Euro 78.9 million euro to receivables from cash pooling.

17 Cash and cash equivalents

(in Euro)

Description	12.31.2023	12.31.2022	Change
Cash and cash equivalents	152,565,746	125,675,586	26,890,160

The balance includes cash and cash equivalents and bank and postal current accounts. Bank and postal deposits are remunerated at interest rates in line with the market.

Cash and cash equivalents consist of the following:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Banks	152,558,607	125,665,427	26,893,181
Cash	7,139	10,160	(3,021)
Total	**152,565,746**	**125,675,586**	**26,890,160**

For further information, please refer to the Cash Flow Statement present in these financial statements.

D) Shareholders' equity

18 Information on shareholders' equity

(in Euro)

Description	12.31.2023	12.31.2022	Change
Shareholders' equity	528,794,712	863,549,540	(334,754,828)

All changes are shown in the table below:

(in Euro)

Shareholders' equity	Value as of 12.31.2022	Value as of 12.31.2023
Share capital	34,095,537	34,095,537
Total share capital	**34,095,537**	**34,095,537**
Legal reserve	6,825,000	6,825,000
Share premium reserve	30,650,262	30,650,262
Merger reserve	33,023,358	0
Other reserves	526,504,862	526,504,862
Total reserves	**597,003,482**	**563,980,124**
Prior years' undistributed profits	145,213,740	53,612,561
First-time application of IAS/IFRS	1,522,258	0
IAS 19 actuarial gains/(losses)	(15,413,053)	(16,598,352)
Retained earnings/(Losses carried forward)	**131,322,946**	**37,014,209**
Profit/(loss) for the year	**101,127,575**	**(106,295,158)**
Total shareholders' equity	**863,549,540**	**528,794,712**

19 Share capital

The subscribed and fully paid-up share capital is Euro 34,095,537, divided into 13,003,677 shares each without nominal value.

20 Reserves

In relation to the possible utilisation and distribution of reserves, the following should be noted:

- **Legal reserve:**
  the legal reserve of Euro 6,825,000 is available for the covering of losses but is not distributable.

- **Share premium reserve:**
  the share premium reserve, amounting to Euro 30,650,262, is available and distributable, after covering negative reserves.

- **Merger reserve:**
  the merger reserve was reclassified to retained earnings.

- **Other reserves equal to Euro 526,504,862 relate to:**
  - Special Egov research reserve:
    equal to Euro 72,000, is neither available nor distributable.

- Special Erp Light research reserve:
  equal to Euro 168,000, is neither available nor distributable.

- Special PIA project applied research reserve:
  equal to Euro 1,080,000, is neither available nor distributable.

- Exemption reserve under Italian Law Decree 104/2020
  equal to Euro 471,414,528 was established in 2021 following the application of the realignment procedure for all misalignments arising in the financial statements as of December 31, 2019 resulting from Schedule RV of the corporate tax return form UNICO SC, and in particular with regard to trademarks, goodwill and other intangible assets, as provided for in Italian Law Decree no. 104 of August 14, 2020 ("August Decree"), converted into Italian Law No. 126 of October 13, 2020, (Article 110, paragraph 8), and 2021 Budget Law - Italian Law No. 178 of December 30, 2020 (Article 1, paragraph 83).
  The reserve is neither available nor distributable.

- Reserve for future share capital increase
  of Euro 53,770,334 attributable to the payment for future share capital increase by the parent company Centurion Bidco S.p.A., which took place in 2022.

21 Retained earnings

Retained earnings are equal to Euro 37,014,209 and include:

- **Prior years' undistributed profits amounting to Euro 53,612,561.**
  Changes in the item are as follows:
  - increase of Euro 101,127,575 for the allocation of profits gained in 2022.
  - decrease of Euro 227,274,371 and increase due to reclassifications of Euro 34,545,616 due to the reverse merger by incorporation of the company Centurion Bidco S.p.A. into Engineering Ingegneria Informatica S.p.A..

  The reserve is available and distributable, after covering negative reserves.

- **IAS 19 actuarial gains/(losses) amounting to Euro (16,598,352)**
  The reserve decreased overall by Euro 1,185,299 due to actuarial gains net of deferred taxes amounting to Euro 1,559,604.

E) Non-current liabilities

22 Non-current financial liabilities

(in Euro)

Description	12.31.2023	12.31.2022	Change
Non-current financial liabilities	1,286,113,528	470,425,259	815,688,270

Non-current financial liabilities relate to “Bank loans” and “Other non-current financial liabilities”:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Bank loans	322,996,300	470,309,509	(147,313,209)
Other non-current financial liabilities	963,117,228	115,750	963,001,478
Total	**1,286,113,528**	**470,425,259**	**815,688,270**

Total Bank loans as of 31 December 2023 are broken down as follows:

(in Euro)

Lender	Year of maturity	Interest rate	Total	Within 1 year	Over 1 year	of which:				
						From 12 to 24 months	From 24 to 36 months	From 36 to 48 months	From 48 to 60 months	after 5 years
MISE FINDUSTRY	2029	0.1800000	737,020	122,285	614,735	122,505	122,726	122,947	123,168	123,390
MISE/MCC SUMMIT	2028	0.1700000	292,685	64,848	227,838	64,958	65,069	65,179	32,631	0
MISE / MCC ProtectID	2029	0.1800000	773,882	128,401	645,481	128,632	128,864	129,096	129,328	129,561
BANCO BPM 10 million 5463921	2025	4.8520000	5,130,544	2,503,425	2,627,119	2,627,119	0	0	0	0
BANCO BPM 15 million 4840419	2024	6.1800000	1,896,001	1,875,000	21,001	21,001	0	0	0	0
MISE Scream	2031	0.1300000	120,894	16,051	104,843	16,072	16,093	16,114	16,135	40,429
BNP RCF loan	2024	6.9560000 (3-month Libor + 3%)	20,000,000	20,000,000	0	0	0	0	0	0
BNP RCF loan	2024	6.9560000 (3-month Libor + 3%)	20,000,000	20,000,000	0	0	0	0	0	0
BNP RCF loan	2024	6.9320000 (3-month Libor + 3%)	20,000,000	20,000,000	0	0	0	0	0	0
BNP RCF loan	2024	6.9230000 (3-month Libor + 3%)	20,000,000	20,000,000	0	0	0	0	0	0
Centurion NEWCO (PIK) loan	2028	13.00%	280,738,413	0	280,738,413	0	0	0	280,738,413	0
BANCO BPM former Centurion Bidco loan	2026	9.136%	38,016,870	0	38,016,870	0	0	38,016,870	0	0
Total			**407,706,310**	**84,710,010**	**322,996,300**	**2,980,287**	**332,751**	**38,350,206**	**281,039,676**	**293,380**

Payables amounted to a total of Euro 407.7 million before amortised cost, of which Euro 323 million is due after one year as from 2024 and Euro 84.7 million is due within one year and are classified as current financial liabilities.

Some information and characteristics of the existing loans, disclosed at the value initially granted, are shown hereunder:

- Loans by BNP Paribas amount to a total of Euro 80 million, consisting of no. 04 RCF of Euro 20 million each.

- Loans disbursed by Banco BPM:
  - on October 8, 2020 for Euro 38.4 million and a duration of six years;
  - on October 13, 2020 for Euro 15 million and duration of four years;
  - on December 22, 2021 for Euro 10 million and duration of four years.

- The loans granted by MISE (Summit, Findustry, ProtectID and Scream) are at a subsidised fixed rate and are linked to the implementation of research and technological development projects. The Summit loan was disbursed on October 23, 2019, Findustry on June 3, 2021. In addition to these, there are those disbursed in the first half year of 2023: the Protect ID loan had a first disbursement on February 10, 2023 and finally the Scream loan had a first disbursement on March 14, 2023.

- PIK loan granted by the parent company Centurion NewCo S.p.A.:
  - on July 22, 2020 for Euro 266 million and a duration of eight years.

The item “Other non-current financial liabilities” refers to security deposits the changes of which are shown in the following table:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Financial instruments	963,001,478	0	963,001,478
Security deposits	115,750	115,750	0
Total	**963,117,228**	**115,750**	**963,001,478**

The breakdown of the item “Financial instruments” net of amortised cost is shown below:

(in Euro)

Lender	Year of maturity	Interest rate	Within 1 year	From 12 to 24 months	From 24 to 36 months	From 36 to 48 months	From 48 to 60 months	after 5 years	Total
Eng.Ing. Inf. 5.875% 30.09.2026 (XS2241098909)	2026	5.88%	0	0	0	597,145,887	0	0	597,145,887
Eng.Ing. Inf. 11.125% 15.05.2028 Reg S (XS2620212386)	2028	11.13%	0	0	0	0	365,855,591	0	365,855,591
		Total	**-**	**-**	**-**	**597,145,887**	**365,855,591**	**-**	**963,001,478**

Below is the information on financial instruments, shown at the granted value:

Listed fixed-rate bonds:
- on 8 October 2020 for Euro 605 million and a duration of six years;
- on 17 May 2023 for Euro 385 million and a duration of five years.

The following table represents the movement of Financial Liabilities:

(in Euro)

Description	December 2021	Cash flows			Non-monetary changes			December 2022
		New loans - Third parties	Repayment of loans - Third parties	Reclassifica-tions	New loans/ Repayment of loans - Group	Other Group changes	Other changes	
Non-current financial liabilities	129,163,182	117,687,168	(24,294,557)	3,658		247,840,832	24,975	470,425,259
Non-current lease liabilities	107,540,901			(299,639)			12,973,902	120,215,163
Current financial liabilities	199,577,304	318,000,000	(328,712,999)	(3,658)	500,000	(76,404,293)	40,377,783	153,334,136
Current lease liabilities	15,851,118		(16,039,046)	299,639			15,980,483	16,092,194
Total	**452,132,506**	**435,687,168**	**(369,046,603)**	**0**	**500,000**	**171,436,539**	**69,357,142**	**760,066,752**

(in Euro)

Description	December 2022	Cash flows			Non-monetary changes			December 2023
		New loans - Third parties	Repayment of loans - Third parties	Reclassifi-cations	New loans/ Repayment of loans - Group	Other Group changes	Other changes	
Non-current financial liabilities	470,425,259	1,166,469	(6,752,601)	1,754,910		(181,303,246)	1,000,822,738	1,286,113,528
Non-current lease liabilities	120,215,163			700,744			(10,200,166)	110,715,742
Current financial liabilities	153,334,136	351,000,000	(309,500,000)	(1,754,910)		22,181,119	48,908,966	264,169,311
Current lease liabilities	16,092,194		(17,756,496)	(700,745)			17,258,543	14,893,497
Total	**760,066,752**	**352,166,469**	**(334,009,097)**	**(0)**		**(159,122,127)**	**1,056,790,080**	**1,675,892,077**

The item “Other changes” in non-monetary changes in Non-current financial liabilities is mainly attributable to loans/bonds acquired as a result of the reverse merger by incorporation of the company Centurion Bidco S.p.A. into Engineering Ingegneria Informatica S.p.A..

23 Non-current lease liabilities

(in Euro)

Description	12.31.2023	12.31.2022	Change
Non-current lease liabilities	110,715,742	120,215,163	(9,499,422)

With regard to the portion due within 12 months of lease liabilities, amounting to Euro 14.9 million, please refer to the paragraph on Current lease liabilities.

The table below shows the breakdown of lease liabilities into current and non-current payables:

(in Euro)

Description	2023	2024	2025	2026	2027	After 5 years	Total
Amounts due for financial leases (former IAS 17)	206,808	40,381	8,265				255,454
Payables for lease offices and branches	12,205,650	14,397,118	15,006,576	14,311,763	9,118,060	51,534,068	116,573,235
Payables for vehicle financing	2,353,278	2,442,083	2,356,259	1,275,635	35,968		8,463,224
Payables for hardware and software lease	96,741	86,130	79,419	22,995	1,022		286,307
Other lease liabilities	31,018						31,018
Total	**14,893,497**	**16,965,712**	**17,450,519**	**15,610,393**	**9,155,049**	**51,534,068**	**125,609,238**

24 Deferred tax liabilities

Deferred tax liabilities were calculated on the following items at the current rates of 24% for IRES and, as regards IRAP, calculation is based on regional competence:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Deferred tax liabilities	47,439,512	26,559,453	20,880,059

(in Euro)

Description	12.31.2023		12.31.2022	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Goodwill	15,770,830	4,400,062	15,529,144	4,332,631
Trademark	89,553,400	24,985,399	18,121,174	5,055,808
Other revenues - Research grants	184,564	51,493	184,564	51,493
Other revenues - Research grants taxed in 5 years	67,993,940	16,318,546	62,942,696	15,106,247
Property, plant and equipment/Intangible assets	1,564,851	436,593	1,674,026	467,053
Customer relationship - Allocation of goodwill	4,422,186	1,233,790	5,493,157	1,532,591
Other	55,083	13,630	55,083	13,629
Total	**179,544,853**	**47,439,512**	**103,999,844**	**26,559,453**

The following table shows details of the impact of deferred tax liabilities on the income statement:

(in Euro)

Description	Doubtful debt provision	Trademark	Allocation of goodwill	R&D grants	Other temporary differences	Total
Balance as of 01.01.2022		**2,527,904**		**15,254,099**	**4,587,094**	**22,369,097**
Change from merger			1,831,392	7,530	2,937	1,841,859
Impact on the income statement		2,527,904	(298,801)	(103,889)	223,283	2,348,497
Balance as of 12.31.2022		**5,055,808**	**1,532,591**	**15,157,740**	**4,813,314**	**26,559,453**
Change from merger		17,401,687	4,955,319			22,357,006
Impact on the income statement		2,527,904	(5,186,690)	1,212,299	(30,460)	(1,476,947)
Balance as of 12.31.2023		**24,985,399**	**1,301,220**	**16,370,039**	**4,782,854**	**47,439,512**

25 Other non-current liabilities

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other non-current liabilities	35,616,908	18,626,281	16,990,627

The item "Other non-current liabilities" mainly relates to:

- the payable for a non-competition agreement signed with the top management and consultants for Euro 1.3 million;
- the non-current payable of Euro 33.9 million, relating to the purchase of the technological platform described above.

26 Post-employment benefits

(in Euro)

Description	12.31.2023	12.31.2022	Change
Post-employment benefits	53,216,203	52,849,905	366,298

Due to the introduction of Italian Law no. 296 of December 27, 2006 and subsequent decrees and regulations issued at the beginning of 2007, post-employment benefits from January 1, 2007 changed from a "defined benefit plan" to a "defined contribution plan" as a consequence of the application of differing accounting treatment of post-employment benefits accrued before or after December 31, 2006.
Post-employment benefits, accrued after January 1, 2007, represent a "defined contribution plan". Periodically, the Company pays post-employment benefits accrued to a separate entity (e.g. INPS and/or Fund) and with payment of the contributions it fulfils the obligation to its employees. For accounting purposes, it is included under other contributions, therefore the post-employment benefit matured is recorded as a cost in the period with the payable recognised under short-term payables.

Post-employment benefits accrued up to December 31, 2006 continue to represent a "defined benefit plan" which is more certain in terms of their existence and sum, but uncertain in terms of manifestation.
The total amount of the benefit obligation is calculated and certified on an annual basis by an independent actuary by using the "Projected Unit Credit" method.

A summary of the actuarial assumptions adopted in measuring post-employment benefits is provided below:

Financial Assumptions:

- future annual rates of inflation were set according to the average rates of inflation in Italy in recent years, based on ISTAT data;
- future annual revaluation rates of existing provisions and subsequent payments fixed, as established by regulations at 75% of the inflation rate +1.50% net of taxes;
- the annual discount rates were established as variable from 1.3678% to 2.5836% and were deducted adopting a rate curve combining the effective yield rates movements of the Euro Bonds of primary companies with AA rating or higher..

Demographic assumptions:

- to evaluate length of employment with the Company, the "Tavola di permanenza nella posizione di attivo" RG48 (a table for company service length prepared by the Italian Treasury Department based on data for those born in 1948) was used, selected, projected and separated by gender, supplemented with the probability of additional reasons for leaving (resignations, advances which are a financial-based cause for leaving, measurable in terms of cancellation probability, and other).

The following table show the absolute and relative changes in liabilities measured according to IAS 19 (DBO), while assuming a 10% negative or positive change in the revaluation and/or discounting rates.

(in Euro)

Description		Discounting				
		-10%		100%		+10%
	-10%	**53,012,501**	826,974	**52,185,527**	(804,934)	**51,380,593**
		(1,055,786)	(203,703)	(1,030,677)	(1,835,610)	(1,006,423)
Infl.	100%	**54,068,287**	852,083	**53,216,203**	(829,188)	**52,387,016**
		1,084,138	1,936,221	1,058,123	203,812	1,033,000
	+10%	**55,152,425**	878,099	**54,274,326**	(854,310)	**53,420,016**

Description		Discounting				
		-10%		100%		+10%
	-10%	**+99.62%**	+1.55%	**+98.06%**	-1.51%	**+96.55%**
		-1.98%	-0.38%	-1.94%	-3.45%	-1.89%
Infl.	100%	**+101.60%**	+1.60%	**+100.00%**	-1.56%	**+98.44%**
		+2.04%	+3.64%	+1.99%	+0.38%	+1.94%
	+10%	**+103.64%**	+1.65%	**+101.99%**	-1.61%	**+100.38%**

Actuarial gains and losses are recognised under shareholders' equity on an accrual basis.

Changes are detailed below:

(in Euro)

Description	
Balance as of 01.01.2022	**48,296,047**
Change in opening balances due to merger	4,826,935
Provisions	23,643,546
Amounts paid to social security institutions + INPS	(23,589,998)
Actuarial losses/(gains)	2,872,216
Benefits paid	(3,385,020)
Post-empl. benefits on acquisition of Group business units/subsidiaries	369,407
Transfer payables of Group business units/subsidiaries	(183,228)
Balance as of 12.31.2022	**52,849,905**
Provisions	26,857,173
Amounts paid to social security institutions + INPS	(25,421,771)
Actuarial losses/(gains)	1,559,604
Benefits paid	(3,270,577)
Post-empl. benefits on acquisition of Group business units/subsidiaries	755,305
Transfer payables of Group business units/subsidiaries	(113,436)
Balance as of 12.31.2023	**53,216,203**

G) Current liabilities

27 Current financial liabilities

(in Euro)

Description	12.31.2023	12.31.2022	Change
Current financial liabilities	264,169,311	153,334,136	110,835,175

(in Euro)

Description	12.31.2023	12.31.2022	Change
Bank loans	116,210,010	76,464,920	39,745,090
Bank overdraft	0	111,253	(111,253)
Other current financial liabilities	101,822,096	52,768,626	49,053,469
Subsidiaries	30,930,541	23,906,004	7,024,538
Parent companies	15,206,664	83,333	15,123,331
Total	**264,169,311**	**153,334,136**	**110,835,175**

“Bank loans” amounted to Euro 116.2 million, of which Euro 84.7 million relates to the short-term portion of bank loans, the details of which are shown in the table “Non-current financial liabilities” herein and Euro 31.5 million of which relates to short-term loans with a duration lower than six months.

“Other current financial liabilities” refer to:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other payables and grants to be repaid	101,822,096	52,768,626	49,053,469
Total	**101,822,096**	**52,768,626**	**49,053,469**

"Other grants" refer to the following:

- Euro 20.3 million for collections received for research projects to be reversed to other partner subjects;
- Euro 54.4 million for collections received from customers for invoices transferred to factoring companies;
- Euro 27.1 million for interest to be paid for loans/bonds.

Current financial liabilities to Subsidiaries are primarily attributable to cash pooling.
Financial liabilities to parent companies refer exclusively to interest accrued for loans granted by the same.

28 Current lease liabilities

(in Euro)

Description	12.31.2023	12.31.2022	Change
Current lease liabilities	14,893,497	16,092,194	(1,198,697)

"Current lease liabilities" relate to the short-term portion of leases described in paragraph "Non-current financial liabilities".

29 Current tax payables

(in Euro)

Description	12.31.2023	12.31.2022	Change
Current tax payables	0	17,133,027	(17,133,027)

The breakdown is as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
IRES	0	12,360,878	(12,360,878)
IRAP	0	(83,828)	83,828
Other tax payables	0	4,855,977	(4,855,977)
Total	**0**	**17,133,027**	**(17,133,027)**

The provision for income taxes as of December 31, 2023, there were no payables as the payments on account were greater than the payable at that date.

30 Current provisions for risks and charges

(in Euro)

Description	12.31.2023	12.31.2022	Change
Current provisions for risks and charges	11,955,377	6,179,308	5,776,069

(in Euro)

Description	12.31.2023	12.31.2022	Change
Provision for risks and charges	2,592,664	5,446,090	(2,853,426)
Provision for losses on projects	9,362,712	733,217	8,629,495
Total	**11,955,377**	**6,179,308**	**5,776,069**

The item "Provision for risks and charges" mainly includes provisions for risks deriving from the reverse merger by incorporation of the company Centurion Bidco S.p.A., as well as risks to third parties.

The item "Provision for losses on projects" refers to the risks for probable future losses on some existing projects.
Provisions are the best estimate made based on the information available to us at the reporting date.

The changes in the current provisions for risks and charges during the years in question are as follows:

(in Euro)

Description	
Balance as of 01.01.2022	**7,401,419**
Initial change from merger	68,500
Increase	5,389,438
Decrease	(6,680,050)
Balance as of 12.31.2022	**6,179,308**
Initial change from merger	888,637
Increase	10,527,562
Decrease	(5,640,130)
Balance as of 12.31.2023	**11,955,377**

31 Other Current Liabilities

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other current liabilities	173,636,529	138,158,337	35,478,192

(in Euro)

Description	12.31.2023	12.31.2022	Change
Directors and Statutory Auditors	459,577	530,796	(71,219)
Consultants	432	1,550	(1,118)
Withholding taxes	147,781	228,731	(80,949)
Tax payables	12,950,843	17,587,043	(4,636,200)
Due to RTI partners	496,274	(487,863)	984,137
Social security institutions	20,828,038	19,099,798	1,728,240
Others	43,545,698	12,237,743	31,307,955
Employees	82,043,375	75,584,919	6,458,456
Partners for research projects	12,995,644	13,154,543	(158,899)
Accrued m/l loan interest	168,866	70,585	98,281
Other accruals	0	55,200	(55,200)
Other deferred income	0	95,292	(95,292)
Total	**173,636,529**	**138,158,337**	**35,478,192**

The item "Others" also includes the earn-outs still to be paid in relation to the companies C Consulting S.p.A., Nexera S.p.A., Plusure S.p.A. and Atlantic Technologies S.p.A..
The item also includes the short-term payable of Euro 22.6 million, relating to the purchase of the technological platform, described above.

The most significant changes relate to tax payables, the details of which are shown in the following table.

(in Euro)

Description	12.31.2023	12.31.2022	Change
VAT	12,512	4,219,162	(4,206,650)
Suspended VAT	607,842	1,120,578	(512,737)
IRPEF	12,330,463	12,247,277	83,186
Other	26	26	0
Total	**12,950,843**	**17,587,043**	**(4,636,200)**

32 Trade payables

(in Euro)

Description	12.31.2023	12.31.2022	Change
Trade payables	419,205,004	352,529,919	66,675,085

The balance is broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Suppliers	255,385,025	236,206,873	19,178,152
Subsidiaries	87,724,062	53,990,399	33,733,663
Parent companies	13,320	130,834	(117,514)
Others	76,082,597	62,201,812	13,880,785
Total	**419,205,004**	**352,529,919**	**66,675,085**

a) Payables due to suppliers

(in Euro)

Description	12.31.2023	12.31.2022	Change
Due to suppliers	177,355,038	155,472,887	21,882,151
Due to foreign suppliers	6,377,015	5,698,399	678,616
Invoices to be received	72,764,137	75,765,094	(3,000,958)
Credit notes to be received	(1,111,165)	(729,507)	(381,658)
Total	**255,385,025**	**236,206,873**	**19,178,152**

b) Payables due to subsidiaries

(in Euro)

Description	12.31.2023	12.31.2022	Change
Invoices to be received	56,297,088	20,156,711	36,140,378
Invoices received	31,404,663	33,833,691	(2,429,028)
Deferred income	22,311	(3)	22,314
Total	**87,724,062**	**53,990,399**	**33,733,663**

c) Payables due to parent companies

(in Euro)

Description	12.31.2023	12.31.2022	Change
Invoices to be received	4,272	4,272	0
Invoices received	9,048	126,563	(117,514)
Total	**13,320**	**130,834**	**(117,514)**

d) Payables due to others

(in Euro)

Description	12.31.2023	12.31.2022	Change
Advances for future work	76,082,597	62,201,812	13,880,785
Total	**76,082,597**	**62,201,812**	**13,880,785**

The amounts due to others relate to net advances made by customers that exceed the value of inventories and customer contract assets.

Income statement

A) Total revenues

(in Euro)

Description	12.31.2023	12.31.2022	Change
Total revenues	1,053,518,743	997,653,640	55,865,103

33 Total revenues

(in Euro)

Description	12.31.2023	12.31.2022	Change
Revenues from sales and services	995,205,905	927,807,686	67,398,220
Cgs. finished products and construction contracts	10,446,075	31,483,238	(21,037,163)
Other revenues	47,866,763	38,362,716	9,504,047
Total	**1,053,518,743**	**997,653,640**	**55,865,103**

The Company records revenues from the fulfilment of the obligation to do both "at a point in time" and "over time", as summarised in the table below, per type of product/service:

(in Euro)

Fulfilment of obligations	Type of goods and services				Total
	Deliverable-based contracts	Resource-based contracts	Service-based contracts	Assistance - and maintenance - based contracts	
At a point in time			46,758,352		46,758,352
Over time	578,331,648	110,927,685		269,634,295	958,893,628
Total	**578,331,648**	**110,927,685**	**46,758,352**	**269,634,295**	**1,005,651,980**

34 Other revenues

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other revenues	47,866,763	38,362,716	9,504,047

The breakdown of "Other revenues" is as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Grants	23,154,416	18,140,360	5,014,056
Other	7,772,041	6,971,307	800,735
Sundry revenues from subsidiaries	16,940,306	13,251,049	3,689,256
Total	**47,866,763**	**38,362,716**	**9,504,047**

Other revenues refer mainly to grants for research projects financed by national bodies and by the European Union, accounted for under item "Grants".

The item "Other income" refers mainly to income from rebate agreements with suppliers and claims compensation.

The item "Sundry revenues from subsidiaries" is mainly attributable to the charging of overheads.

35 Disclosure pursuant to Article 1, paragraphs 125-129, Italian Law 124/2017

As required by Italian Law no. 124 of 2017, in relation to transparency obligations envisaged by Article 1, paragraphs 125-129, information is provided below on amounts collected over the year in relation to grants, contributions, paid assignments and economic benefits of any kind received by public administrations and/or companies directly or indirectly controlled by them.
In order to avoid the accumulation of irrelevant information, the Company has made use of the possibility of not providing information on benefits received of less than Euro 10,000 in the period considered.

(in Euro)

Project title	Description	Lender	Collection date	Total
AiBiBank	AiBiBank is a research project aimed at building a bio-bank and a technological and regulatory infrastructure (DataLake) used to develop decision-support tools for doctors in the fight against cancer.	Piedmont Region Administration (through FinPiemonte)	03.10.2023	65,748
			03.14.2023	171,938
			10.20.2023	76,374
			Total	**314,060**
BISS F3	Target detection and tracking system with non-cooperative Bistatic Sonar System: Platform for the identification and tracking of targets detected with the help of bi-static sonar sensors in non-collaborative configuration.	Ministry of Defence - Navarm - Segredifesa - Depart. of Naval Armaments	05.09.2023	83,528
			09.15.2023	82,540
			Total	**166,069**
CASHMA	The CASHMA (Context Aware Security by Hierarchical Multilevel Architectures) project has designed and built prototypes for the recognition of multiple biometric traits for authentication on potentially critical IT systems. The project proposed a multi-modal biometric approach, which combines, through a so-called fusion operation, the information content deriving from the analysis of different biometric traits (especially the soft traits, i.e. easy to take over, but less distinctive) of the same individual, in order to achieve a more reliable authentication or identification.	MUR (Ministry of University and Research)	07.19.2023	3,830,202
			Total	**3,830,202**
CIDOIMO	The project proposes the study and implementation of a decision-support platform for the classification of anthropic and non-anthropic targets detected on the open sea, introducing innovative AI techniques such as Machine Learning (ML) and Deep Learning (DL) applied to acoustic signals and frequency spectra. The adoption of these techniques will make it possible to overcome the current classification limits by extending the analysis to non-anthropic marine acoustic signals.	Ministry of Defence - Navarm - Segredifesa - Depart. of Naval Armaments	04.28.2023	79,812
			12.14.2023	70,136
			Total	**149,947**
DICET INMOTO	Industrial research and experimental development project funded by MIUR on the issues of multimedia narration relating to tourism and cultural heritage, especially in relation to the scalability of content servers towards high volumes of data, including the problem of location and content and federation of areas and good relations with Social Networks.	MUR (Ministry of University and Research)	11.30.2023	26,577
			Total	**26,577**
eMORFORAD	The project envisages an innovative integrated use of radiomics and in situ proteomics technologies (quantitative tissue morphophenotyping), for the development of innovative non-invasive approaches for diagnosis, personalised prognosis, predictive response to cancer therapies. The objective of this project is the development of new integrated advanced diagnostic tools for HNSCC (Head & Neck Squamous Cell Carcinomas) to be used for new personalised medicine protocols. The access of the individual patient with head and neck cancer to a real personalised medicine will be made possible and concretely feasible, so far made very problematic by the known clonal and biological intratumoral heterogeneity of these neoplasms, which traditional diagnostic systems are able to identify and define only partially. The project is focused on "System Medicine", and will be carried out through the integration of the multiple "omics" sciences and the different expertise indispensable for the diagnostic, prognostic and predictive classification and for the management of squamous carcinomas of the head and neck.	Campania Region	10.26.2023	53,999
			Total	**53,999**
ICOSAF	Engineering is responsible for both defining a distributed data management proposal (edge vs. cloud) capable of enabling process/product quality monitoring by processing data from heterogeneous sources, and enabling Digital Services and related validation models. It also helped provide cognitive and ergonomic analysis for interaction with HMIs by defining the development of advanced HMIs and ICT system integrators.	MUR (Ministry of University and Research)	04.24.2023	96,216
			Total	**96,216**
IDEHA	IDEHA will implement an integrated platform for conservation and valorisation of cultural heritage sites.	MUR (Ministry of University and Research)	05.24.2023	28,093
			05.25.2023	220,807
			05.29.2023	27,109
			07.25.2023	112,249
			Total	**388,258**
Inf@nzia Digitales	Innovation of education processes by means of empowering classes with a combination of tablet and ICT laboratories implementing creative education approaches (Maria Montessori, Bruno Munari).	MUR (Ministry of University and Research)	04.21.2023	263,737
			Total	**263,737**
OK-INSAID	OK-INSAID proposes scientific, technological, and application innovation in Industrial Data Analytics to help in the redesign of actual manufacturing networks and processes by leveraging data and analytics to achieve a step change in value creation, by transforming existing manufacturing processes and business models. It will integrate and demonstrate the potential of Big Data technologies to deliver new digital services in the industrial sector. OK-INSAID recognises the potential of industrial data that is far to be exploited by the Italian (and also EU) industries: data is potentially available; industries are not sufficiently able to extract the value (sometimes hidden) "inside" them. To this end, OK-INSAID will adopt and evolve state-of-the-art (mainly open source) technology and define new Data Driven methods for industrial applications. OK-INSAID proposes a novel approach to industrial analytics based on coordination, synchronisation, and collaboration among analytics in the cloud and at the edge. The approach will be supported by a reference architecture and a reference implementation to adopt in order to develop novel hybrid cloud-edge industrial analytics for Industry4.0.	MUR (Ministry of University and Research)	09.21.2023	235,157
			11.14.2023	296,984
			Total	**532,141**
Protect-id	ProtectID aims to build a set of innovative security services and solutions (defining and validating new models and software components) in the context of Digital Identity management, with particular reference to the protection of privacy and the sharing of personal information online. Starting from the current context, sanctioned by the European regulation (eIDAS) and the subsequent implementation of the electronic identification model in the national panorama (SPID), the project pursues the following purposes: (1) to explore the evolving scenarios of digital identity usage by the different actors involved both in the general context and in a specific application domain (e-Commerce) in order to identify the specific aspects and the main differences with respect to the current use scenarios. On the basis of the current status and previous exploration, define a set of innovative solutions, tools and services that make it possible to: (2) increase the awareness of the actors on privacy and protection of personal data online, with special reference to threats present in this area, the risks deriving therefrom, and the different approaches with which these risks can be identified and assessed; and (3) protect the privacy of individuals as well as their personal information online, through the study and testing of advanced tools for continuous multi-biometric authentication while using the service, easier management and enforcement of privacy policies, the use of systems for sharing personal information not subject to any centralised control, and greater control over personal transactions carried out online.	MIMIT (Ministry of Enterprises and Made in Italy)	02.10.2023	1,098,974
			09.18.2023	416,227
			Total	**1,515,201**
RECON-UV	Study and implementation of an AUV vehicle, and a Decision Support System platform, for inspection, research, discovery and recognition activities in the "very shallow water" and in the "surf zone" (near a "landing zone").	Ministry of Defence - Navarm - Segredifesa - Depart. of Naval Armaments	06.29.2023	95,895
			11.29.2023	105,646
			Total	**201,541**
ReHome	The project defines, develops, prototypes and validates a technological platform capable of integrating the various components that meet motor and cognitive rehabilitation needs in a context of continuity of care. The platform is targeted in particular at individuals suffering from three chronic degenerative diseases: Severe Cognitive Disorder (mNCD), stroke and Parkinson's disease.	Piedmont Region Administration (through FinPiemonte)	02.08.2023	75,044
			10.26.2023	53,155
			Total	**128,199**
SIGAGE	Study and implementation of a prototype platform of an integrated system for the technologically advanced Management of Electronic Warfare Activities that can increase the current national electronic warfare capabilities (at this stage for ELINT - ELectronic-signal INTelligence assets only).	Ministry of Defence - Navarm - Segredifesa - Depart. of Naval Armaments	07.05.2023	218,857
			Total	**218,857**
SUMMIT	SUMMIT aims at designing, building and experiencing, through real-life use cases, a configurable, adaptive and extensible IoT platform enabling the integration and the secure management of smart objects (e.g. sensors, smartphones, tablets, programmable devices, etc.). Based on the adoption of SDN (Software-Defined Networks) and NFV (Network Function Virtualisation), the platform will be open and interoperable with other existing platforms (e.g. FIWARE) with the goal to connect billions of smart objects and create IoT services and applications	MIMIT (Ministry of Enterprises and Made in Italy)	05.22.2023	201,951
			Total	**201,951**
Grand total				**8,086,955**

B) Operating expenses

36 Operating expenses

(in Euro)

Description	12.31.2023	12.31.2022	Change
Operating expenses	1,059,588,074	966,991,915	92,596,160

The breakdown of “Operating expenses” is as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Raw materials and consumables	43,902,554	37,750,929	6,151,624
Service costs	416,848,677	388,690,564	28,158,113
Personnel costs	507,927,484	469,385,898	38,541,586
Amortisation and Depreciation	61,388,420	40,478,203	20,910,217
Provisions	18,800,686	25,554,400	(6,753,714)
Other costs	10,720,253	5,131,920	5,588,333
Total	**1,059,588,074**	**966,991,915**	**92,596,160**

37 Raw materials and consumables

(in Euro)

Description	12.31.2023	12.31.2022	Change
Raw materials and consumables	43,902,554	37,750,929	6,151,624

Below is a breakdown of “Costs for raw materials and consumables”:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Hardware	2,359,538	1,974,781	384,757
Software	31,475,808	25,253,488	6,222,320
Consumables	10,067,208	10,522,660	(455,453)
Total	**43,902,554**	**37,750,929**	**6,151,624**

38 Service costs

(in Euro)

Description	12.31.2023	12.31.2022	Change
Service costs	416,848,677	388,690,564	28,158,113

Service costs are listed hereunder:

(in Euro)

Description	12.31.2023	12.31.2022	Change
EDP purchases, services and data lines	318,888	1,244,311	(925,423)
Insurance	4,379,992	4,131,754	248,238
Bank commissions	2,054,240	2,314,281	(260,041)
Technical support and consultancy	214,853,557	206,586,170	8,267,387
Consultancy from subsidiaries	98,248,982	74,673,900	23,575,082
Legal and administrative consultancy	21,330,723	25,060,643	(3,729,920)
Training and refresher courses	3,223,658	3,358,085	(134,427)
Consultants	419,938	208,582	211,356
Cost of corporate boards	1,069,697	855,310	214,387
Building rental	535,689	633,194	(97,505)
Maintenance of property, plant and equipment and intangible assets	13,949,925	14,537,270	(587,344)
Canteen and other personnel costs	11,651,604	10,420,805	1,230,799
Automotive expenses	6,008,283	6,342,037	(333,754)
Hardware and software rental	57,430	197,020	(139,590)
Services from parent companies	112,619	126,563	(13,944)
Services from subsidiaries	13,543,555	14,561,165	(1,017,610)
Maintenance and security services	3,715,856	2,762,885	952,970
Advertising and sales rep. expenses	2,553,108	2,203,170	349,938
Travel costs	9,428,962	6,331,175	3,097,787
Postage and shipping expenses	751,108	2,316,532	(1,565,423)
Utilities	4,696,463	6,114,436	(1,417,973)
Other	3,944,399	3,711,276	233,123
Total	**416,848,677**	**388,690,564**	**28,158,113**

The main changes are attributable to the operating performance of the year.

The increase in the item “Technical support and consultancy” is attributable to the increase in production activities, which made the use of external resources necessary.

In addition, the increase in the item “Travel costs” is attributable to the increase in the workforce and the resumption of travel still depressed in 2022 due to the residual effects of the pandemic.

The table below shows the fees paid to the Auditing Company for these financial statements, pursuant to Article 149-duodecies of the Consolidated Law on Finance.

(in Euro)

Service	Provider	Beneficiary	Remuneration
Audit	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	297,500
Sustainability report	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	22,000
Other services	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	295,550

Fees are net of expenses.

39 Personnel costs

(in Euro)

Description	12.31.2023	12.31.2022	Change
Personnel costs	507,927,484	469,385,898	38,541,586

Personnel costs consist of:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Salaries and wages	343,873,667	346,181,995	(2,308,328)
Social security expenses	111,584,937	91,131,185	20,453,752
Post-employment benefits	25,416,442	23,643,546	1,772,896
Restructuring and reorganising personnel	27,052,438	8,429,172	18,623,266
Total	**507,927,484**	**469,385,898**	**38,541,586**

Starting from the current year, for a better exposure, the contributions allocated to the related fees accrued (holidays, leave, thirteenth month, performance bonuses, etc.) were charged from the item “Salaries and wages” to the item “Social security expenses”. These contributions allocated in the year under review to the “Social security expenses” account amounted to approximately Euro 12 million.

Net of the above:

- the item “Salaries and wages” saw an increase due to the recruitment of new resources, partially offset by a decrease due to the reduction in 2023 performance bonuses compared to the previous year;
- the item “social security expenses” increased due to contributions relating to the new resources hired by the Company during the year.

The item “Restructuring and reorganising personnel” includes the cost of incentives for employees that went into early retirement during the year and/or with whom a leave in early 2024 has been agreed upon.

The item “Salaries and wages” is shown net of capitalisations for internal project development of approximately Euro 23 million (approximately Euro 22 million in 2022). For further details, please refer to the Intangible Assets paragraph of these notes.

The average number of employees is as follows:

(units)

Average number of employees	12.31.2023	12.31.2022	Change
Executives	348	337	11
Managers	1,851	1,736	115
Other employees	6,387	5,890	497
Total	**8,585**	**7,963**	**623**

40 Amortisation and Depreciation

(in Euro)

Description	12.31.2023	12.31.2022	Change
Amortisation and depreciation	61,388,420	40,478,203	20,910,217

The breakdown is as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Depreciation of property, plant and equipment	4,321,525	3,575,430	746,095
Amortisation of intangible assets	40,022,485	23,525,224	16,497,261
Depreciation and amortisation IFRS 16	17,044,410	13,377,549	3,666,861
Total	**61,388,420**	**40,478,203**	**20,910,217**

The increase in the item “Amortisation of intangible assets” is mainly due to the amortisation of the customer relationships implemented following the reverse merger of the company Centurion Bidco S.p.A..

41 Provisions and write-downs

(in Euro)

Description	12.31.2023	12.31.2022	Change
Provisions	18,800,686	25,554,400	(6,753,714)

The breakdown is as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Allocation to doubtful debt provision	5,257,218	14,844,961	(9,587,743)
Risk provision	13,543,468	10,709,439	2,834,029
Total	**18,800,686**	**25,554,400**	**(6,753,714)**

Amounts recognised in the financial statements are the best estimates and assumptions based on the best information available at the reporting date.

The item “Allocation to doubtful debt provision” is attributable for Euro 4.5 million to the provision for risks on receivables on invoices issued and on invoices to be issued and for Euro 0.7 million to the allocation to the subsidiary Sicilia and Servizi Venture S.c.a.r.l.

The item “Risk provision” is attributable to risks on customer contract assets for Euro 11.6 million, and tax risks and disputes with third parties for Euro 1.9 million.

42 Other costs

(in Euro)

Description	12.31.2023	12.31.2022	Change
Other costs	10,720,253	5,131,920	5,588,333

Other costs are broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Dues and subscriptions	1,793,933	1,011,432	782,500
Taxes	917,586	1,071,872	(154,287)
Gifts and donations	89,553	355,495	(265,943)
Charges for social causes	574,462	462,337	112,125
Other	7,344,721	2,230,784	5,113,937
Total	**10,720,253**	**5,131,920**	**5,588,333**

The item “sundry” mainly includes the waiver of receivables due from the subsidiary Engineering ITS GmbH equal to Euro 6.7 million..

43 Net Financial income/(expenses)

(in Euro)

Description	12.31.2023	12.31.2022	Change
Net financial income/(expenses)	(104,962,171)	(12,781,164)	(92,181,007)

Financial income is broken down as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Interest income	44,797,691	9,187,573	35,610,117
Fair value gain (differential from derivative)	22,050	156,440	(134,390)
Gain on exchange differences	418,275	3,295,066	(2,876,791)
Total	**45,238,015**	**12,639,079**	**32,598,936**

Interest income is mainly attributable to interest accrued with related parties for Euro 44.6 million.

Financial expenses consist of:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Interest expense	132,440,727	19,205,419	113,235,308
Other	17,759,460	6,214,825	11,544,635
Total	**150,200,186**	**25,420,243**	**124,779,943**

Interest expense is mainly due to the loans shown in the paragraph “Non-current financial liabilities” in this document and the change is due to the impact of the reverse merger of the company Centurion Bidco S.p.A., which incorporated the loans previously entered into by Centurion Bidco itself.

It should be noted that the item “Interest expense” includes interest accrued with related parties of Euro 36.6 million.

The item “Other” mainly includes financial expenses attributable to factoring receivables and exchange rate losses.

44 Income/(Expenses) from equity investments

(in Euro)

Description	12.31.2023	12.31.2022	Change
Income/(Expenses) from equity investments	(11,171,104)	95,217,779	(106,388,884)

The breakdown is as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Gains on equity investments	3,043,800	65,194	2,978,605
Write-downs of equity investments	(14,214,904)	(15,847,415)	1,632,511
Gain on exchange differences		111,000,000	(111,000,000)
Total	**(11,171,104)**	**95,217,779**	**(106,388,884)**

Gains on equity investments are attributable to unpaid earn-outs on equity investments acquired in previous years.

The item "Write-down of equity investments" includes Euro 14.2 million for the write-down of the subsidiary Engineering ITS GmbH.

45 Income taxes

(in Euro)

Description	12.31.2023	12.31.2022	Change
Income taxes	(15,907,449)	11,970,766	(27,878,214)

The breakdown of taxes is as follows:

(in Euro)

Description	12.31.2023	12.31.2022	Change
Current	1,193,889	13,236,374	(12,042,485)
Deferred	(17,101,338)	(1,265,609)	(15,835,729)
Total	**(15,907,449)**	**11,970,766**	**(27,878,214)**

For details on temporary differences giving rise to deferred taxation, reference is made to the previous paragraphs "Deferred tax assets" and "Deferred tax liabilities" herein.

Reconciliation between the theoretical and IRES effective tax rate is shown below:

(in Euro)

	December 31, 2023		December 31, 2022	
Profit before taxes	**(122,202,607)**		**113,098,340**	
Ordinary rate applied	**(29,328,626)**	**+24.0%**	**27,143,602**	**+24.0%**
Income taxable in prior years	5,242,164	-4.3%	5,121,747	+4.5%
Income not taxable	(6,832,141)	+5.6%	(30,100,720)	-26.6%
Expenses not deductible	21,675,854	-17.7%	13,159,385	+11.6%
Deductible expenses not charged to Income Statement	(4,270,278)	+3.5%	(5,762,412)	-5.1%
Utilisation of previous years tax losses	0	+0.0%	0	+0.0%
Total assessable IRES	**(56,304,282)**		**39,840,007**	
Tax/tax rate	**(13,513,028)**	**+11.1%**	**9,561,602**	**+8.5%**

Deferred taxes were calculated taking into consideration the accumulated sum of all temporary differences on the basis of the average expected rate for successive tax periods when these differences will reverse.

46 Other information

COMMITMENTS UNDERTAKEN

Disclosures relating to commitments undertaken by the Company:

(in Euro)

Description	12.31.2023
Third party sureties	355,776,022
Guarantees in favour of other companies	10,461,136
Bid Bond and Performance Bonds	9,986,370
Total commitments undertaken	**376,223,529**

47 Breakdown of financial instruments by category

For all transactions the (financial or non-financial) balances for which an accounting standard requires or permits measurement at fair value and which fall within the scope of IFRS 13, the Company applies the following criteria:

a) identification of the unit of account, i.e. the level at which an asset or liability is aggregated or disaggregated to be recognised for IFRS purposes;
b) identification of the main market (or, in the absence thereof, the most advantageous market) in which transactions could take place for the asset or liability being valued; in the absence of evidence to the contrary, it is assumed that the market currently used coincides with the main market or, in the absence thereof, with the most advantageous market;
c) definition, for non-financial assets, of the highest and best use: in the absence of evidence to the contrary, the highest and best use coincides with the current use of the asset;
d) definition of the most appropriate valuation techniques for estimating fair value: these techniques maximise the use of observable data, which market participants would use in determining the price of the asset or liability;
e) determination of the fair value of the assets, as the price that would be received for their sale, and of the liabilities and equity instruments, as the price that would be paid for their transfer in a regular transaction between market participants at the valuation date;
f) inclusion of “non-performance risk” in the valuation of assets and liabilities and, in particular for financial instruments, determination of an adjustment factor in the measurement of fair value to include, in addition to counterparty risk (CVA - credit valuation adjustment), own credit risk (DVA - debit valuation adjustment).

On the basis of the data used for fair value measurements, a fair value hierarchy is identified on the basis of which assets and liabilities measured at fair value or for which fair value is indicated in the financial statement disclosures are classified:

a) level 1: includes prices quoted in active markets for assets or liabilities identical to those being valued;
b) level 2: includes observable data, different from those included in level 1, such as: (i) prices quoted in active markets for similar or identical assets or liabilities; (ii) prices quoted in non-active markets for similar or identical assets or liabilities; (iii) other observable data (interest rate curves, implicit volatilities, credit spreads);
c) level 3: uses non-observable data, which may be used if no observable input data is available. The non-observable data used for fair value measurement purposes reflects the assumptions that market participants would make when pricing the assets and liabilities being measured.

Please refer to the table below for the definition of the fair value hierarchy level on the basis of which the individual instruments measured at fair value have been classified.
No transfers between the different levels of the fair value hierarchy took place during the year.

The fair value of derivative instruments is determined by discounting expected cash flows, using the market interest rate curve at the reference date and the listed credit default swap curve of the counterparty and Group companies, to include the non-performance risk explicitly provided for by IFRS 13.

For medium/long-term financial instruments, other than derivative instruments, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market interest rate curve at the reference date and considering the counterparty risk in the case of financial assets and its credit risk in the case of financial liabilities.

Therefore, the following table highlights the measurement hierarchical level of fair value, for financial assets and liabilities measured at fair value as of 31 December 2023:

(in Euro)

Items as of 12.31.2023	Assets at Amortised Cost	Assets at FVOCI	Assets at FVPL
Other non-current assets	4,985,099		
Non-current financial assets	283,250,832	1,105,000	
Trade receivables	297,608,004		
Other current assets	59,135,274		
Current financial assets	284,377,629	0	
Cash and cash equivalents	152,565,746		
Total assets	**1,081,922,584**	**1,105,000**	**0**

(in Euro)

Items as of 12.31.2022	Assets at Amortised Cost	Assets at FVOCI	Assets at FVPL
Other non-current assets	2,820,533		
Non-current financial assets	283,288,434	1,105,000	
Trade receivables	337,525,334		
Other current assets	41,801,537		
Current financial assets	242,346,417	0	
Cash and cash equivalents	125,675,586		
Total assets	**1,033,457,842**	**1,105,000**	**0**

(in Euro)

Items as of 12.31.2023	Assets at Amortised Cost	Assets at FVOCI	Assets at FVPL
Non-current financial liabilities	1,286,113,528	0	
Non-current lease liabilities	110,715,742		
Other non-current liabilities	35,616,908		
Current financial liabilities	264,169,311	0	
Current lease liabilities	14,893,497		
Other current liabilities	173,636,529		
Trade payables	419,205,004		
Total liabilities	**2,304,350,518**	**0**	**0**

(in Euro)

Items as of 12.31.2022	Assets at Amortised Cost	Assets at FVOCI	Assets at FVPL
Non-current financial liabilities	470,425,259	0	
Non-current lease liabilities	120,215,163		
Other non-current liabilities	18,626,281		
Current financial liabilities	153,334,136	0	
Current lease liabilities	16,092,194		
Other current liabilities	138,158,337		
Trade payables	352,529,919		
Total liabilities	**1,269,381,289**	**0**	**0**

Assets and liabilities measured at fair value, as shown in the table above, are included in Level 2 (iii)

48 Transactions with related parties

During the year, transactions were carried out with related entities under normal market conditions. These transactions relate to trade activities carried out in favour of primary customers which produced profitability in line with the company's profitability parameters.

The table below summarises both the trade and financial exchanges.

(in Euro)

Description	Revenues	Costs	Financial income (expenses)	Trade receivables	Trade payables	Financial receivables	Financial payables
Municipia S.p.A.	10,297,627	2,439,036	1,490,144	10,210,217	2,483,883	35,154,297	676,608
Engineering Sardegna S.r.l.	36,254	700,700	(41,049)	35,236	1,228,216	0	2,286,953
Nexen S.p.A.	4,675,753	7,865,298	(378,180)	4,173,663	5,362,819	0	10,065,654
Engineering do Brasil S.A.	473,299	523,738	94,521	734,195	90,117	3,797,537	0
Sicilia e-Servizi Venture S.c.a.r.l.	60,000	0	4,103	24,735,990	33,295	857,314	0
Engineering International Belgium S.A.	7,964,330	452,912	27,000	6,001,193	864,703	2,111,318	0
Engineering D. HUB S.p.A.	19,201,375	39,106,930	348,426	19,425,363	23,113,786	85,134	8,089,330
Engi da Argentina S.A.	0	0	0	(2)	15,043	0	0
WebResults S.r.l.	4,089,526	12,686,034	(125,988)	4,139,297	7,294,963	500,000	625,769
Engineering Sofware Labs d.o.o.	161,819	10,726,173	0	159,771	4,441,854	2,137	0
Engineering ITS GmbH	506,617	(2,052,570)	168,140	1,999,491	98,096	5,678,539	0
Engineering S.L.	308,912	1,264,587	0	720,057	1,506,257	0	0
Livebox S.r.l.	2,169,762	8,825,185	1,234,913	1,993,747	15,847,583	27,429,147	2,314,373
IT-Soft USA Inc..	1,198,191	836,378	1,002,636	6,114,233	976,847	49,626,746	0
Pragma S.r.l.	114,573	172,171	0	141,772	201,361	0	0
Cybertech S.r.l.	2,912,458	13,528,477	135,543	3,569,409	10,100,889	4,813,504	0
BW digitronik A.G.	5,520	0	0	5,520	0	0	0
Digitelematica S.r.l.	218,791	1,625,521	(121,547)	243,473	710,153	0	3,018,502
FDL Servizi S.r.l.	39,484	413,518	(7,500)	42,737	804,041	0	1,013,274
Eng Mexico Informatica S. de R.L.	0	34,870	0	24,291	54,260	0	0
Nexera S.p.A.	12,330	401,756	0	180	100,439	1,100,000	0
C Consulting S.p.A.	15,486	0	(527)	15,486	0	0	427,781
Movilitas Cloud BV	0	270,000	0	0	270,000	0	0
Industries Excellence GmbH	1,201,713	162,787	0	1,084,500	108,992	0	0
Movilitas France SAS	11,375	0	0	0	0	0	0
Industries Excellence S.p.A.	196,043	660,489	0	109,328	704,948	0	0
Overlord Bidco S.p.A.	0	0	35,895,162	182,221	0	423,505,749	0
Atlantic Technologies S.p.A	5,650	452,230	(1,698)	30,355	598,704	0	1,115,886
In Valmalenco S.B. S.r.l.	3,087	0	0	3,087	0	0	0
Iquii S.r.l	225	47,500	0	225	47,500	0	0
Be Think Solve Execute RO S.r.l.	0	318,023	0	0	122,302	0	0
Be Shaping the Future Management Consulting S.p.A.	1,826,093	0	605,247	1,073,248	8,504,016	12,557,040	0
Be DigiTech Solutions S.p.A.	182,235	10,294,571	0	51,720	1,732,773	0	0
Be Shaping the Future Corporate Services S.p.A.	9,238	1,855,508	0	9,238	0	0	0
Parma Valore Comune S.C.A.R.L.	19,149	0	0	19,149	0	0	0
Napoli Obiettivo Valore S.r.l.	10,093	0	(1,698)	32,615	0	0	669,952
Industries Excellence Canada	1,545,190	0	0	1,539,837	0	0	0
Extra Red S.r.l.	0	169,893	(1,708)	0	315,269	0	626,460
Centurion Newco S.p.A.	0	0	(32,265,507)	197,776	4,272	0	295,945,077
Centurion Topco S.à r.l	0	112,619	0	0	0	0	0
OverIT S.p.A.	2,741,054	25,677,530		2,439,443	607,743		
Total	**62,213,249**	**139,571,864**	**8,060,435**	**91,258,060**	**88,345,125**	**567,218,462**	**326,875,619**

Financial Statements and Explanatory Notes

Financial receivables and payables include the use of the cash pooling system, the value of loans entered at the date detailed below:

(in Euro)

Description	12.31.2023
granted to:	
IT-Soft USA Inc.	48,868,778
Engineering International Belgium S.A.	2,100,000
Livebox S.r.l.	5,000,000
Nexera S.p.A.	1,100,000
Sicilia e-Servizi Venture S.c.a.r.l.	845,000
Overlord Bidco S.p.A.	386,601,672
Total granted	**444,515,451**
received from:	
Centurion Newco S.p.A.	280,738,413
F.D.L. Servizi S.r.l.	1,000,000
Total Received	**281,738,413**

It should be noted that the cost recognised for the Board of Directors for the current period is Euro 0,6 million. With regard to the stability pact in place with certain senior managers, please refer to the section "Other non-current liabilities" hereof.

49 Events occurring after December 31, 2023

On February 28, 2024, the quote seizure order issued on February 8, 2024 by the Judge for Preliminary Investigations at the Court of Milan was served to Engineering. According to this order, the sum of Euro 8,611,311.44 was seized from the Company.

This measure was notified to Engineering in its capacity as third party concerned as part of criminal proceedings no. 12153/21 RGNR and no. 91722/22 RG. GIP, a case prepared by the Milan Public Prosecutor's Office in order to ascertain alleged facts of computer fraud, pursuant to Article 640 ter, paragraphs 1 and 3 of the Italian Criminal Code, which were also allegedly committed by Engineering employees from 2017 to 2019.

Engineering, currently not under investigation, has filed a request to obtain a copy of the investigative documents on which the measure is based, as well as to file a request for review against the ablative measure. As soon as the investigative documents have been examined, it will be assessed whether or not to appeal against the seizure or to subsequently submit a request for release from seizure directly to the Milan Public Prosecutor's Office.

50 Information on the members of the Board of Directors and the Board of Statutory Auditors

On April 21, 2023, the Shareholders' Meeting of Engineering Ingegneria Informatica S.p.A. appointed the new Administrative Body and the new Control Body, which will remain in office for three financial years and more precisely until the approval of the financial statements as of December 31, 2025.
On May 5, 2023, the Board of Directors of Engineering Ingegneria Informatica S.p.A. appointed the new Supervisory Body which will remain in office for three financial years and more specifically until the approval of the financial statements as of December 31, 2025.
On May 23, 2023, Maria Cristina Messa was also appointed as an additional Board Member.
On June 23, 2023, the Board of Directors of Engineering Ingegneria Informatica S.p.A. appointed the Control, Risk and Sustainability Committee and the Related Parties Transactions Committee, which will remain in office for three financial years and more precisely until approval of the financial statements as of December 31, 2025.

In light of the above, the new breakdown of the corporate bodies is as follows:

BOARD OF DIRECTORS

Gaetano Miccichè	Chairman
Maximo Ibarra	Director and Chief Executive Officer
Maria Andrisani	Director
Luca Bassi	Director
Giovanni Camera	Director
Stefano Bontempelli	Director
Fabio Cosmo Domenico Cané	Director
Pietro Galli	Director
Michaela Castelli	Director
Vito Cozzoli	Director
Aurelio Regina	Director
Carlo Achermann	Director
Maria Cristina Messa	Director

BOARD OF STATUTORY AUDITORS

Maurizio Salom	Chairman
Domenico Muratori	Standing Auditor
Bettina Solimando	Standing Auditor
Cristiana Tironi	Alternate Auditor
Guido Riccardi	Alternate Auditor

SUPERVISORY BODY

Alessandra Stabilini	Chairwoman
Michelangelo Schiano Di Cola	Member
Roberto Fiore	Member

CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Michaela Castelli	Independent Chairwoman
Maria Cristina Messa	Independent Member
Vito Cozzoli	Independent Member
Giovanni Camera	Non-executive member
Pietro Galli	Non-executive member

RELATED PARTIES TRANSACTIONS COMMITTEE

Vito Cozzoli	Chairman
Michaela Castelli	Member
Aurelio Regina	Member

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

51 Conclusions and Shareholders' Meeting proposals

The net loss for the year amounted to Euro 106,295,158.

The Board of Directors proposes to the Shareholders to approve the financial statements for the year 2023 and to carry forward the net loss for the year of Euro 106,295,158.

The Chairman, on behalf of the Board of Directors, points out that the financial statements are audited by the Independent Auditors Deloitte & Touche S.p.A..

52 Summary table of Centurion Holdco S.à.r.l.

As required by art. 2497-bis, paragraph 4, a data summary is provided below relating the last approved financial statements of Centurion Holdco S.à.r.l., which carries out activities of management and coordination on our Company:

Registre de Commerce et des Sociétés
Numéro RCS : B241329
Référence de dépôt : L230161404
Déposé et enregistré le 31/07/2023

CACJAXX20230719T14162302_001

RCSL Nr. : B241329	Matricule : 2019 2483 426
	eCDF entry date : 24/07/2023

BALANCE SHEET

Financial year from 01 01/01/2022 **to** 02 31/12/2022 *(in* 03 EUR)

Centurion Holdco S.à r.l.

4, rue Lou Hemmer
L-1748 Senningerberg

ASSETS

	Reference(s)		Current year		Previous year	
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107		107		108	
C. Fixed assets	1109		109	627.476.892,00	110	627.476.892,00
I. Intangible assets	1111		111		112	
1. Costs of development	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		115		116	
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117		118	
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible assets under development	1123		123		124	
II. Tangible assets	1125		125		126	
1. Land and buildings	1127		127		128	
2. Plant and machinery	1129		129		130	

The notes in the annex form an integral part of the annual accounts

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		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131		132	
4. Payments on account and tangible assets in the course of construction	1133		133		134	
III. Financial assets	1135	2.2.1,3	135	627.476.892,00	136	627.476.892,00
1. Shares in affiliated undertakings	1137	3.1	137	627.476.892,00	138	627.476.892,00
2. Loans to affiliated undertakings	1139		139		140	
3. Participating interests	1141		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147		147		148	
D. Current assets	1151		151	2.917.830,99	152	4.036.818,98
I. Stocks	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work in progress	1157		157		158	
3. Finished goods and goods for resale	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163	2.2.2,4	163	5.627,94	164	535,00
1. Trade debtors	1165		165	813,44	166	
a) becoming due and payable within one year	1167		167		168	
b) becoming due and payable after more than one year	1169		169	813,44	170	
2. Amounts owed by affiliated undertakings	1171		171		172	
a) becoming due and payable within one year	1173		173		174	
b) becoming due and payable after more than one year	1175		175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183		183	4.814,50	184	535,00
a) becoming due and payable within one year	1185		185	4.814,50	186	535,00
b) becoming due and payable after more than one year	1187		187		188	

The notes in the annex form an integral part of the annual accounts

		Reference(s)		Current year		Previous year
III. Investments	1189		189		190	
1. Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209		209		210	
3. Other investments	1195		195		196	
IV. Cash at bank and in hand	1197		197	2.912.203,05	198	4.036.283,98
E. Prepayments	1199		199		200	
TOTAL (ASSETS)			201	630.394.722,99	202	631.513.710,98

The notes in the annex form an integral part of the annual accounts

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year
A. Capital and reserves	1301 4	301	629.250.047,44	302	631.082.430,10
I. Subscribed capital	1303 4.1	303	12.000,00	304	12.000,00
II. Share premium account	1305 4.2	305	651.195.815,00	306	651.195.815,00
III. Revaluation reserve	1307	307		308	
IV. Reserves	1309	309	0,00	310	
1. Legal reserve	1311	311		312	
2. Reserve for own shares	1313	313		314	
3. Reserves provided for by the articles of association	1315	315		316	
4. Other reserves, including the fair value reserve	1429	429	0,00	430	
a) other available reserves	1431	431	0,00	432	
b) other non available reserves	1433	433		434	
V. Profit or loss brought forward	1319	319	-20.125.384,90	320	-16.995.068,15
VI. Profit or loss for the financial year	1321	321	-1.832.382,66	322	-3.130.316,75
VII. Interim dividends	1323	323		324	
VIII. Capital investment subsidies	1325	325		326	
B. Provisions	1331	331		332	
1. Provisions for pensions and similar obligations	1333	333		334	
2. Provisions for taxation	1335	335		336	
3. Other provisions	1337	337		338	
C. Creditors	1435 2.2.4	435	1.144.675,55	436	431.280,88
1. Debenture loans	1437	437		438	
a) Convertible loans	1439	439		440	
i) becoming due and payable within one year	1441	441		442	
ii) becoming due and payable after more than one year	1443	443		444	
b) Non convertible loans	1445	445		446	
i) becoming due and payable within one year	1447	447		448	
ii) becoming due and payable after more than one year	1449	449		450	
2. Amounts owed to credit institutions	1355	355		356	
a) becoming due and payable within one year	1357	357		358	
b) becoming due and payable after more than one year	1359	359		360	

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B241329	Matricule : 2019 2483 426

		Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361		361		362	
a) becoming due and payable within one year	1363		363		364	
b) becoming due and payable after more than one year	1365		365		366	
4. Trade creditors	1367		367	1.139.860,55	368	426.465,88
a) becoming due and payable within one year	1369		369	1.139.860,55	370	426.465,88
b) becoming due and payable after more than one year	1371		371		372	
5. Bills of exchange payable	1373		373		374	
a) becoming due and payable within one year	1375		375		376	
b) becoming due and payable after more than one year	1377		377		378	
6. Amounts owed to affiliated undertakings	1379		379		380	
a) becoming due and payable within one year	1381		381		382	
b) becoming due and payable after more than one year	1383		383		384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385		386	
a) becoming due and payable within one year	1387		387		388	
b) becoming due and payable after more than one year	1389		389		390	
8. Other creditors	1451		451	4.815,00	452	4.815,00
a) Tax authorities	1393	2.2.4.1	393	4.815,00	394	4.815,00
b) Social security authorities	1395		395		396	
c) Other creditors	1397		397		398	
i) becoming due and payable within one year	1399		399		400	
ii) becoming due and payable after more than one year	1401		401		402	
D. Deferred income	1403		403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	630.394.722,99	406	631.513.710,98

Financial Statements and Explanatory Notes

The notes in the annex form an integral part of the annual accounts

Registre de Commerce et des Sociétés
Numéro RCS : B241329
Référence de dépôt : L230161404
Déposé le 31/07/2023

CACJAXX20230719T14162302_002

RCSL Nr. : B241329	Matricule : 2019 2483 426
	eCDF entry date : 24/07/2023

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2022 **to** 02 31/12/2022 *(in* 03 EUR)

Centurion Holdco S.à r.l.

4, rue Lou Hemmer
L-1748 Senningerberg

		Reference(s)		Current year		Previous year
1. Net turnover	1701		701		702	
2. Variation in stocks of finished goods and in work in progress	1703		703		704	
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating income	1713		713		714	
5. Raw materials and consumables and other external expenses	1671	5	671	-1.818.483,87	672	-3.114.658,95
a) Raw materials and consumables	1601		601		602	
b) Other external expenses	1603	5.1	603	-1.818.483,87	604	-3.114.658,95
6. Staff costs	1605		605		606	
a) Wages and salaries	1607		607		608	
b) Social security costs	1609		609		610	
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655		656	
c) Other staff costs	1613		613		614	
7. Value adjustments	1657		657		658	
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659		660	
b) in respect of current assets	1661		661		662	
8. Other operating expenses	1621		621		622	-247,61

The notes in the annex form an integral part of the annual accounts

CACJAXX20230719T14162302_002

RCSL Nr. : B241329	Matricule : 2019 2483 426

		Reference(s)		Current year		Previous year
9. Income from participating interests	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721		721		722	
a) derived from affiliated undertakings	1723		723		724	
b) other income not included under a)	1725		725		726	
11. Other interest receivable and similar income	1727		727	166,91	728	
a) derived from affiliated undertakings	1729		729		730	
b) other interest and similar income	1731		731	166,91	732	
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665		665		666	
14. Interest payable and similar expenses	1627		627	-9.250,70	628	-10.595,19
a) concerning affiliated undertakings	1629		629		630	
b) other interest and similar expenses	1631		631	-9.250,70	632	-10.595,19
15. Tax on profit or loss	1635		635		636	
16. Profit or loss after taxation	1667		667	-1.827.567,66	668	-3.125.501,75
17. Other taxes not shown under items 1 to 16	1637	7	637	-4.815,00	638	-4.815,00
18. Profit or loss for the financial year	1669		669	-1.832.382,66	670	-3.130.316,75

The notes in the annex form an integral part of the annual accounts

Per il Consiglio di Amministrazione
L'Amministratore Delegato
(Maximo Ibarra)

Report of the Board of Statutory Auditors on the Financial Statements as at December 31, 2023

Engineering Ingegneria Informatica spa

Piazzale dell'Agricoltura, 24 - 00144 Rome

Share capital: Euro 34,095,537.11 fully paid-up

Sole Shareholder: Centurion Newco S.p.A.

Rome Register of Companies and Tax Code 00967720285, VAT no. 05724831002

Company subject to management and coordination by Centurion Holdco S.à r.l.

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REPORT OF THE BOARD OF STATUTORY AUDITORS

ON THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

PURSUANT TO ART. 2429 OF THE ITALIAN CIVIL CODE

Dear Shareholders,

the financial statements for the year ended as of December 31, 2023 submitted for your approval were approved by the Board of Directors at the meeting on March 19, 2024 and closed with a loss of Euro 106,295,158.

The draft financial statements, complete with explanatory notes, the cash flow statement and the report on operations, have been made available to us.

The Company draws up the consolidated financial statements prepared in accordance with the international accounting standards ("IFRS").

By means of this report, we inform you of the most significant aspects of the activities performed by us in 2023 and the relevant outcomes, as well as the result for the year ended as of December 31.

As you are aware, pursuant to Article 2409-bis, paragraph 1 of the Italian Civil Code, the responsibility for the independent audit of your Company lies with Deloitte & Touche S.p.A., so that our controls on the financial statements are limited to the correctness of the general approach and overall compliance with the law.

The Luxembourg company Centurion Holdco S.à.rl exercises management and coordination activities over your Company. The share capital is by contrast 100% held by Centurion Newco S.p.A., which is therefore the Sole Shareholder.

MONITORING ACTIVITIES PERFORMED BY THE BOARD OF STATUTORY AUDITORS PURSUANT TO ART. 2403 OF THE ITALIAN CIVIL CODE

The activities carried out by the Board of Statutory Auditors covered, in terms of time, the entire financial year, complied with the legislative and regulatory principles and were based on the rules of conduct of the Board of Statutory Auditors recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants).

In particular, we:

- monitored observance of the law and the articles of association and respect for the principles of proper administration;
- regularly held and took minutes for the meetings pursuant to Article 2404 of the Italian Civil Code;
- took part in the shareholders' meetings and the meetings of the Board of Directors, held in observance of the statutory, legislative and regulatory provisions that govern their functioning;

- participated in the meetings of the internal board committees, the Control, Risk and Sustainability Committee and the Related Party Transactions Committee, with advisory and support duties for the Board of Directors;
- obtained information from the directors during the meetings held on the general operating performance and its outlook, as well as on the most significant transactions, in terms of size or characteristics, carried out by the Company. Therefore, we can reasonably ensure that the decisions taken conform to the law and to the articles of association and are not manifestly imprudent, risky, do not involve a potential conflict of interest or are not in contrast to the resolutions passed by the shareholders' meeting or are as such to compromise the integrity of company assets;
- monitored, for matters within our competence, the adequacy of the Company's organisational structure, also by collecting information from those responsible for organisational positions and have no observations to make in this regard;
- monitored the adequacy of the Company's administrative and accounting system and its suitability in correctly representing management events, by requesting and obtaining all necessary information from the managers of the competent company functions and conducting all necessary checks, and did not identify any exceptions worthy of note;
- engaged, according to the provisions of Article 2409-*septies* of the Italian Civil Code, in a periodic exchange of information with the independent auditors Deloitte & Touche, and no information came to light which needs to be highlighted in this report;
- also examined the financial statements of the subsidiaries, within the limits deemed necessary for the drafting of this report and for the purposes of expressing our considerations on the

Company's financial statements as at December 31, 2023, but not also on the individual financial statements of the subsidiaries;

- met with the Supervisory Body and acknowledged its report pursuant to Italian Legislative Decree No. 231, relating to the control activities for 2023, which does not contain any especially significant criticalities;
- did not receive any complaints pursuant to Article 2408 of the Italian Civil Code;

in addition, during our monitoring activities as described above, no other significant facts came to light that needed to be mentioned in this report.

OBSERVATIONS AND PROPOSALS REGARDING THE FINANCIAL STATEMENTS AND THEIR APPROVAL

We examined the draft financial statements for the year ended as of December 31, 2023, regarding which we report as follows:

- given we were not tasked with the analytical verification of the content of the financial statements, we focused attention on the general approach to the draft financial statements, the overall compliance with the law for matters relating to their formation and structure, as well as their consistency with the facts and information which we are aware of;
- The financial statements for the year ended as of December 31, 2023 have been prepared in compliance with the International Financial Reporting Standards (IFRS), as defined hereinafter, issued by the International Accounting Standards Board (hereinafter IASB) and adopted by the European Commission as per the procedure set down by Article 6 of Regulation (EC) 1606/2002 of the European Parliament and the Council of July 19, 2002 applied consistently to the periods reported;

- we also verified the observance of the law regarding the preparation of the report on operations;
- we monitored the accounting approach to the main extraordinary transactions approved or carried out in 2023; in particular:
  - with legal effectiveness from June 1, 2023 and with accounting and tax effect from January 1, 2023, the reverse merger by incorporation of the company Centurion Bidco S.p.A. into the company Engineering Ingegneria Informatica S.p.A. was completed;
  - with effect from June 1, 2023, the purchase of a business unit of the subsidiary Livebox S.r.l. was completed relating to the exercise of the “Telco & Media and Energy & Utilities” business;
  - on June 30, 2023, the purchase transaction of a technological platform to provide services in the Finance sector was completed;
- in compliance with the afore-mentioned IFRS, and in particular with the criteria and methodologies set forth in IAS 36 – Impairment of assets, the Company performed the impairment test on intangible assets with indefinite useful life, booked for a total of Euro 515,650,553 under the item "Trademarks", and for a total of Euro 559,531,270 to the item "Goodwill", providing evidence of this in the report approved by the Board of Directors on March 19, 2024. The analysis carried out confirmed the sustainability of the values booked to assets, given no evidence of impairment emerged. As required by the IFRS, the basic assumptions, the key data and the results relating to the performance of the impairment test are described extensively in the explanatory notes. During the course of our monitoring activities, we examined the Directors' report on the impairment test and the information on that point in the explanatory notes and have no comments to make in this regard;

- pursuant to Article 2426, no. 5 of the Italian Civil Code, we expressed our consent to the recognition, under balance sheet assets, of the item "Development costs" of intangible assets, amounting to Euro 23,944,093 net of amortisation. As reported in the explanatory notes, development costs are amortised based on their useful life or, when this cannot be determined accurately, in a period not exceeding 5 years. Furthermore, additional development costs for Euro 41,121,587 were booked to fixed assets in progress relating to intangible assets, given incurred as part of projects for the creation of new IT solutions still not completed.

INDEPENDENT AUDITOR'S REPORT

The independent auditors Deloitte & Touche S.p.A. today prepared its report pursuant to Article 14 of Italian Legislative Decree No. 39 of January 27, 2010, in which it expressed a judgement without any remarks and certifies that the financial statements for the year ended as of December 31, 2023 represent a true and fair view of the financial position, the economic result and the cash flows of the Company, also certifying that the report on operations is consistent with the financial statements for the year ended as of December 31, 2023.

CONCLUSIONS

Based on the checks carried out and in consideration of the above, taking into account that the report issued by the independent auditors does not contain any remarks and/or reservations, we proposed that you approve the draft financial statements for the year ended as of December 31, 2023 prepared by the Directors and the proposal formulated by them to carry forward the generated net loss for the year amounting to Euro 106,295,158.

Rome, Milan April 8, 2024

THE STATUTORY AUDITORS

Maurizio Salom

Domenico Muratori

Bettina Solimando

Resolutions of the Shareholders’ Meeting

On April 18, 2024, at 14.30, the Shareholder’s Meeting of Engineering Ingegneria Informatica S.p.A., resolved:

1. to approve the Financial Statements of Engineering Ingegneria Informatica S.p.A. closed as of December 31, 2023, as a whole and in each item, which reports a loss for the year of Euro 106.295.158;

2. to approve the proposal of the Board of Director to carry forward the net loss incurred for the year.

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