Accounts
2024

eng

Accounts 2024

www.eng.it

Engineering Group

@LifeAtEngineering

@EngineeringSpa

Index

Shareholders' Meeting.

ENGINEERING INGEGNERIA INFORMATICA S.P.A.

Registered office
00144 Roma
Piazzale dell'Agricoltura, 24
Phone +39-06.87594021
Fax +39-06.87595001
Tax ID 00967720285
VAT number IT 05724831002
R.E.A. RM-531128
Share capital Euro 34.095.537,11 fully paid

www.eng.it

To the Sole Shareholder
Centurion Newco S.p.A.

To the Members of the Board of Directors
Maximo Ibarra
Carlo Achermann
Maria Andrisani
Luca Bassi
Giovanni Camisassi
Giovanni Camera
Fabio Cosmo Domenico Canè
Michaela Castelli
Vito Cozzoli
Pietro Galli
Aurelio Regina

To the Members of the Board of Auditors
Maurizio Salom
Domenico Muratori
Bettina Solimando

Via email

Milan, 7 April 2025

Dear Sirs,

the ordinary Shareholders' Meeting of Engineering Ingegneria Informatica S.p.A. (the "**Company**") has been called, pursuant to the law and by-laws, on **15 April 2025, at 9:30 am** only through video conference connection, to discuss and deliberate on the following

agenda

1. **Approve the financial statements as at 31 December 2024; presentation of the consolidated financial statements as at 31 December 2024; related and consequent resolutions.**
2. **Appoint the statutory auditors for the period 2025-2027 and compensation attribution; related and consequent resolutions.**
3. **Appoint a director; related and consequent resolutions.**

Sole Shareholder Company Centurion Newco S.p.A.
Subject to the management and coordination of Centurion Holdco S.à r.l.

The instructions for participating to the Shareholders' Meeting by remote will be communicated separately in time for the correct carrying out of the meeting.

Best regards

The Chairman of the Board of Directors

Gaetano Miccichè

Consolidated Financial Statements 2024

Auditor's report on Consolidated Financial Statements.

Deloitte.

Deloitte & Touche S.p.A.
Via Vittorio Veneto, 89
00187 Roma
Italia

Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

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 CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Engineering Ingegneria Informatica S.p.A. and its subsidiaries ("Group"), which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated income statement and the consolidated comprehensive income statement, the statement of changes in consolidated shareholders' equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Engineering Ingegneria Informatica S.p.A. ("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.

Deloitte.

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

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group'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 the termination of the business or have no realistic alternatives to such choices.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- identify and assess the risks of material misstatement of the consolidated 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 Group's internal control;

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

Deloitte.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern;

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) 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 Group as of December 31, 2024, including its consistency with the related consolidated 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 consolidated financial statements;
- express an opinion on compliance with the law of the report on operations;
- make a statement about any material misstatement in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Engineering Ingegneria Informatica Group as of December 31, 2024.

In addition, in our opinion, the report on operations is prepared in accordance with the law.

Deloitte.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), 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
Gianfranco Recchia
Partner

Rome, Italy
April 3, 2025

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

Index

Corporate governance and corporate bodies.

The Group's Corporate Governance system and the 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 specifically 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 specifically until approval of the financial statements as of December 31, 2025.

On August 2, 2024, Giovanni Camisassi was also appointed as an additional Board Member.

With effect from January 31, 2025, Maria Cristina Messa resigned from her position as Board Director and member of the Control, Risk and Sustainability Committee of Engineering Ingegneria Informatica S.p.A..

On February 20, 2025, the Board of Directors of Engineering Ingegneria Informatica S.p.A. approved the appointment of Aurelio Regina as a member of the Control, Risk and Sustainability Committee to replace Maria Cristina Messa.

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
Fabio Cosmo Domenico Cané	Director
Pietro Galli	Director
Michaela Castelli	Director
Vito Cozzoli	Director
Aurelio Regina	Director
Carlo Achermann	Director
Giovanni Camisassi	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
Vito Cozzoli	Independent Member
Giovanni Camera	Non-executive member
Pietro Galli	Non-executive member

Related Party Transactions Committee

Vito Cozzoli	Chairman
Michaela Castelli	Chairman
Aurelio Regina	Member

Independent Auditors

Deloitte & Touche S.p.A.

Introduction and consolidation scope.

Introduction

The Consolidated Financial Statements as of December 31, 2024 of the Engineering Ingegneria Informatica Group (hereinafter the "Engineering Group", "Engineering" or simply the "Group") 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. For further information regarding the result and the financial position of Engineering Ingegneria Informatica S.p.A. ("Parent Company" of the Engineering Group or "Company"), express reference is made to the relevant separate financial statements.

The Group consolidation scope includes the equity investments illustrated in the tables in page 4 below, where movements are detailed in the following paragraph 3.4 of the explanatory notes. The companies included in the consolidation scope are consolidated under the line-by-line method. Jointly controlled companies are also consolidated using the shareholders' equity method. The accounting periods of the subsidiaries coincide with those of the Parent Company. The financial statements have been prepared in accordance with the going-concern principle.

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 net financial position are compared with that at the end of the previous year.

For the purposes of preparing these Consolidated Financial Statements, the identification and measurement of the *fair values* of the assets acquired and the liabilities assumed following the acquisition of companies by the Group were completed (within 12 months from the acquisition date). As required by IFRS 3, the resulting data were retrospectively recognised as of the acquisition date, with the consequent change and supplement of economic, equity and financial figures already temporarily included in the Consolidated Financial Statements for the year ended December 31, 2023. For further details, please refer to the following paragraphs of the explanatory notes.

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

Alternative Performance Measures

A detailed description of the accounting standards, assumptions and estimates adopted is provided in the notes to the Consolidated Financial Statements of the Engineering Group as of December 31, 2024, 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 Group as performance for the year, adjusted by the following items: income taxes, income (expenses) related to changes in liabilities on acquisition of non-controlling interests, 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 review process, charges for extraordinary corporate transactions and one-off projects and EBITDA attributable to subsidiaries in liquidation. It is noted that *adjusted EBITDA* is not identified as accounting measure within the IFRS standards adopted by the European Union. Therefore, the calculation criterion adopted by the Group might not be consistent with criteria adopted by other groups. 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 Group 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 Group 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 Group 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 Group's ability to meet its financial obligations. As regards the breakdown, reference is made to the Reconciliation statement in section IX.

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

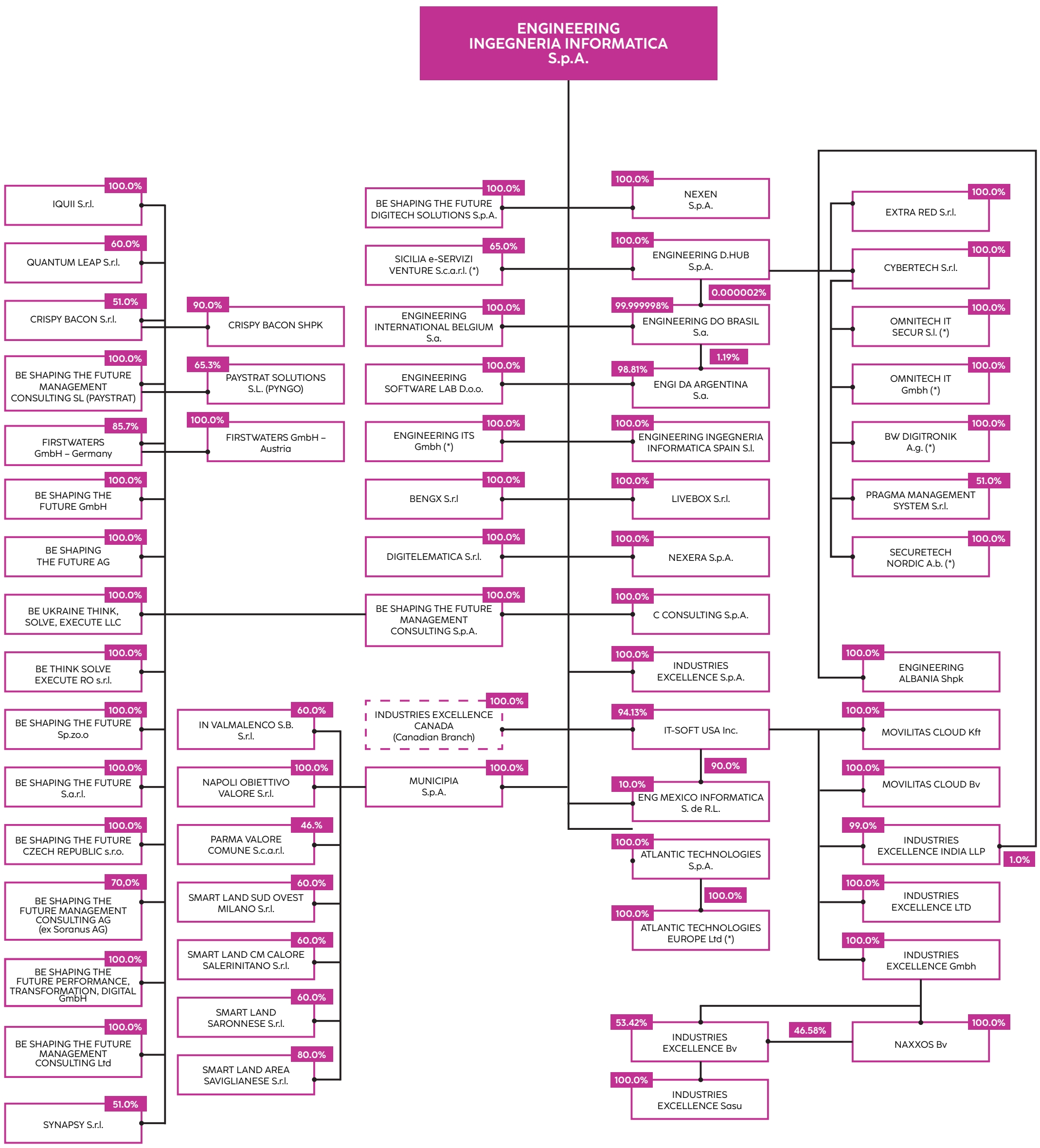
- **ROI (Return on Investment):** operating profitability index, which is a measure of the return on capital invested in the company by way of debt or risk. It is given by the ratio between operating profit (EBIT) and net capital employed, for the composition of which reference should be made to the specific statement in paragraph IX.

For a correct interpretation of APMs used by the Group, 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 Group'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 Group, might not be consistent with the methods adopted by other Groups and therefore might not be comparable.

Consolidation scope

The Group's structure as of December 31, 2024 is the result of a careful policy of acquisitions and subsequent integration processes that have given rise to a Group consisting of sixty-four companies, in addition to the Parent Company, of which fifty-seven are in operation and seven are in liquidation.

Engineering Ingegneria Informatica S.p.A. exercises managerial and business influence on the direct subsidiaries. This structure should be understood as a representation of a Group that operates in a context of close integration, arranged into specific centres of managerial responsibility.



(*) In liquidation/dormant

Group activities and operations.

Engineering is the Digital Transformation Company, leader in Italy and continuously expanding globally, with about 14,000 employees and over 80 offices in Europe, the United States, South America and India and about 16% of turnover abroad.

The Engineering Group, made up of over 60 companies in more than 20 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.

Our strength in numbers

Talented people, impressive performance, decades of experience, and a growing global footpring across key markets.

1,7 Bn€
REVENUE FY2023

14K~
EMPLOYEES

84% ITALY 16% GLOBAL

+ **CONSULTING**
+ **TECHNOLOGY & IMPLEMENTATION**
+ **MANAGED SERVICES**
+ **PROPRIETARY PLATFORMS**

A Global Company

80+ OFFICES BASED IN EUROPE, NORTH AMERICA, LATIN AMERICA, ASIA

Blending **Business** & **Technology** through multiple market **portfolios**, proprietary solution and world class partnerships.

11	6+	8+	12+
MARKET PORTFOLIOS	TECNOLOGY BUSINESS LINE	PROPRIETARY PLATFORMS	STRATEGIC ALLIANCES

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 22,200 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 Group'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.

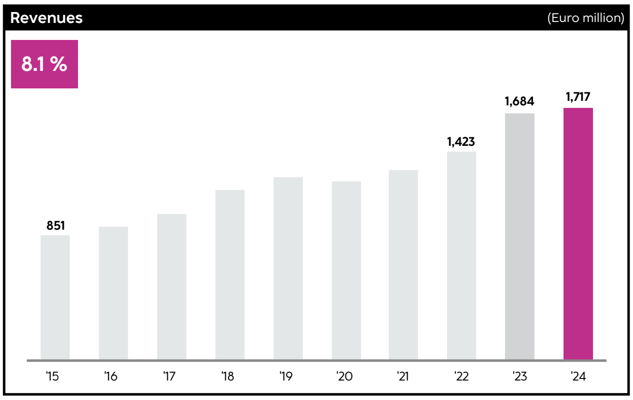
- **Retail Platform**
  MarketSuite: The solution for managing online sales in large-scale distribution and retail;

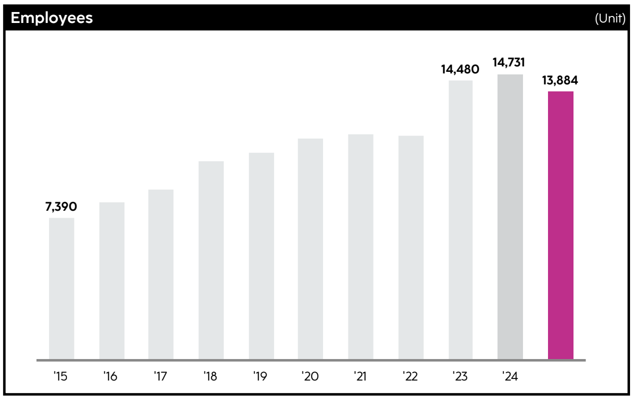
  MyClienteling: Mobile App dedicated to store staff to learn about, retain and sell.

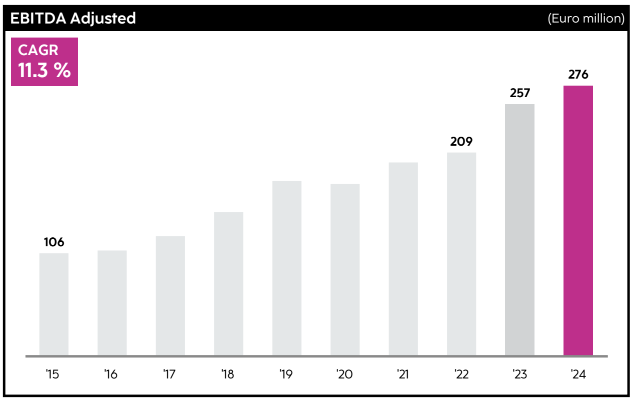
Thanks to our experience, we have also developed a set of **Technology Enablement Frameworks & Tools** that enable the adoption of technologies to meet particular business needs and the development of specific services within IT consulting projects (e.g. cybersecurity assessment, software development,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

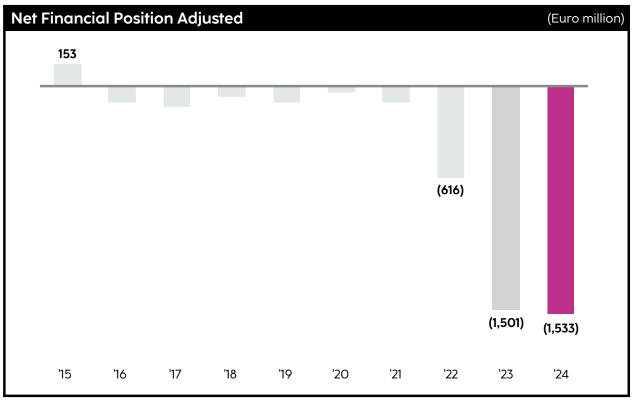
To ensure our customers adopt the best technologies to achieve their business objectives, we adopt a **technological best-fit** approach: we collaborate with the major technological **partners** through our centres of excellence by implementing **cutting-edge market platforms** (e.g. Salesforce, SAP), 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 current global macroeconomic scenario remains complex, with significant downside risks, mainly driven by geopolitical risks. The performance of world trade remains far from its long-term trajectory in a context of greater uncertainty, also in the light of the outcome of the political elections in the United States. Moreover, although the prices of raw materials are falling, they remain above pre-pandemic levels. Other factors to be taken into account are the high, albeit declining, level of interest rates and the heterogeneous economic trends of the world's major economies (more sustained growth in the United States, slowdown in China).

According to the International Monetary Fund's latest projections, global growth is expected to be 3.2% in 2024 and 2025. Global inflation is expected to fall from 6.7% in 2023 to 4.3% in 2025. In a context of global growth in line with pre-pandemic levels, the latest data and forecasts actually mask a certain degree of heterogeneity among the various world economies.

The Italian economy

After growth of 0.4% in 2023, the Eurozone is now expected to become more dynamic (0.8% in 2024 and 1.2% in 2025). The industrial sector remains highly complex, particularly in Germany and Italy, and the short-term prospects for manufacturing are not positive.

At its last meeting in December 2024, the ECB reduced its monetary policy interest rates by a further 25 basis points to support the economies of its member countries, consistently with inflation falling in line with the target (2.0% in October) and with operators' expectations anchored to the target itself.

In Italy, the industrial crisis is heterogeneous across sectors, with "energy-intensive" industries facing the greatest difficulties. Inflation remains low, although it rose in November 2024 (1.4%), mainly driven by the more persistent core component (1.9% in November). The labour market is healthy, with an all-time high number of employees (24 million) and an unemployment rate below 6%.

In the current industrial context, the dynamics of the automotive sector are of particular interest, given the crisis in German industry (an important trading partner of Italy for this type of product and others), the competition from foreign manufacturers (such as China) and the European regulation on emissions, which is leading to a major transformation in the sector. All of these factors combine to create significant challenges for the automotive sector and increase uncertainty about future prospects.

In this scenario, EY forecasts indicate real GDP growth for Italy of 0.5% in 2024 and 0.8% in 2025, while the inflation rate is estimated to rise from 1.0% in 2024 to 2.0% in 2025. Forecasts are subject to a high degree of uncertainty, given the sometimes-conflicting signals from currently available data and recent geopolitical events.

Two simulations using the EY econometric model on possible scenarios of a partial use of the PNRR funds underline its importance for growth. Specifically, using 90% of the resources expected to be available in 2025 would reduce growth in 2025 by about 0.2 percentage points compared to the full use of these resources; using 70% of the planned resources would lead to an even larger reduction (0.7 percentage points).

The IT sector

According to the most recent forecasts by Netconsulting, in 2025 the turnover of the reference (*"addressable"*) ICT market in Italy will amount to approximately Euro 27 billion, up by Euro 2 billion compared to 2024. For the subsequent 2026-2028 three-year period, Gartner estimates a *"high single-digit"* annual growth rate, confirming the significant opportunities in the reference sector.

In the 2024-2027 period, all segments are expected to grow, with the exception of System Integration. The Cloud, Data & Analytics, Customer Experience and Products segments will be particularly strong, with double-digit growth. Energy & Utilities, Media and Healthcare are among the sectors with the highest growth expectations in 2025 compared to 2024.

V Operational overview.

2024 confirms the increasingly gradual progress of digital transformation processes in all sectors of human activity, also thanks to the growing impact of artificial intelligence in many fields. 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 Engineering Group has been able to carve into its DNA since its inception.

Research and innovation activity

During 2024, the Group confirmed its commitment to Research and Innovation activities, both in terms of participation in the main initiatives and Associations at national and European level, and in terms of operational commitment on around 110 active projects that have made it possible to develop solutions and prototypes in various technological and application sectors for a capital expenditure of over Euro 28 million.

At national level, the Group actively participated in projects financed under the National Recovery and Resilience Plan (PNRR) with reference to National Champions, Ecosystems for Innovation, Extended Partnerships and the Complementary National Plan. In particular, two new projects were acquired in connection with the National Research Centre for High Performance Computing.

At European level, the Group continued to participate in tenders, mainly from Horizon Europe, but also from the Digital European Programme, focusing more on those considered strategic for the company and winning several new tenders during 2024.

2024 was also characterised by the intensification of activities related to the AVANT project, Important Projects of Common European Interest (IPCEI) - CIS (Cloud Infrastructure Services), together with the signing of the implementing decree following the publication of the related Italian restricted call for tenders. Almost all of the company's national Business Units were involved in the project, with a significant commitment of human and financial resources and advanced technological infrastructure. At the same time, the design and preparation of a new project proposal began in response to the second round of the IPCEI Health (Tech4Cure), the call for which will be notified during 2025.

In terms of positioning at European level, in 2024 Engineering has once again seen its participation in some initiatives, in line with the company's interests, maintaining its leadership role in several of them; among others, they include GAIA-X for the cloud, BDVA for data and AI, EOS for security, ECSO for cybersecurity, IDSA for data space, Water Europe for "smart management" of water resources.

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 Group supported the reorganisation activities of the Research and Innovation (R&I) function, launching, among other things, a significant recruitment drive.

Market performance

Finance

For the financial sector, in Italy and Europe, the year 2024 was characterised by a lower than expected growth in investments. As in the previous year, banks and insurance companies showed interest in technological solutions aimed at improving their operational efficiency, the security of their data and the personalisation of customer experience. At European level, banks and insurance companies have shown the same investment trend as in previous years, with a special focus on data security and the digitalisation of processes, not forgetting regulatory adjustments; 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, starting with Artificial Intelligence, Generative AI, Cloud Computing and data analysis systems. These investments are mainly aimed at improving the Customer Experience, optimising operational efficiency and containing costs, all of which are inevitably accompanied by important security measures.

During 2024, the largest investments made by banks and insurance companies concerned:

- moving towards Cloud Computing, with a particularly significant impact among larger banks and insurance companies;
- the complete digitalisation of the systems for interacting with customers and collaborators, with the aim of enhancing the personal relationship in the most strategic activities, 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 in response to changes;
- the use of Artificial Intelligence (AI), with a focus on customer analysis and making internal and business processes more efficient. By 2025, we are likely to see a move from experimental or limited use (for example, in risk analysis, fraud management or back-office process automation) to a complete reorganisation of processes;
- initiatives relating to major regulatory changes underway or in preparation, such as GDPR, BASEL, MIFID, EIDAS, DORA, MICA, PSD, ESG and CBDC;
- the strengthening of Mobile Banking services, through "Super Apps", which are now increasingly comprehensive, integrating payment, credit, investment, insurance and other non-financial services;
- the optimisation of information assets through Data Governance, Big Data, Open Data, Business Intelligence and Advanced Analytics initiatives, in particular to enable Artificial Intelligence to operate on certified data;
- Vertical Outsourcing initiatives, which mainly concern smaller banks;
- managing and mitigating cyber risk, made increasingly crucial by the advancing digitalisation of processes and the extensive use of Artificial Intelligence.

The proliferation of these innovative initiatives favours the gradual consolidation of new business models, largely based on the competitive-collaborative model of Ecosystem Banking/Insurance. New strategies emerge from this model for the provision of services, based on a complex network of partnerships involving intermediaries, fintech and companies from different sectors, such as Real Estate, Health, Mobility, Travel, Community, Entertainment, Food, Lifestyle and Hospitality, moving towards the concept of Bank "as a Service".

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, the Engineering Group completed in 2024 the strengthening of the assets forming the basis of its offer portfolio through full integration with Be Shaping The Future Group, in particular through:

- the consolidation of the 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 and Transformation, Corporate & Investment Banking, Wealth & Asset Management, Commercial Banking, Transaction Banking, Insurance Industry, Digital Engagement & Entertainment, Industry Data & Artificial Intelligence Applications, Cyber - Cloud&Infra;
- 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 creation of 4 Product areas of reference: Composable Banking Platform (Nova), Regulatory Platform (Grace), Insurance Platform (Universo & Isypol) and Reinsurance Platform (XLayers).

2024 was also characterised by the launch of the Composable Banking Platform (NOVA), which has achieved significant results since its first year. The platform is already the protagonist of several strategic projects, for example in the Corporate & Transaction Banking area, in partnership with Nexi, and in the Credit Management area.

Public Administration

Public Administration

In 2024, the Public Administration experienced a contraction compared to the previous financial year and the budget at the beginning of the year; consequently, the estimates were revised downwards to give a correct economic representation of the situation. This contraction particularly affected the Railway segment and local and central public administration, which recorded a decline in activities due to the lack of a "container" (Aq Consip) on which to activate new projects, the slower than expected execution of some projects and the negative outcome of some tenders (awarded to other temporary associations of companies).

On the other hand, in 2024 the Welfare segment performed very well, up compared to the previous year and to the initial budget, thanks to the maximum use of the supplies available. We have confirmed our position as a strategic partner to our 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, the Group manages 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.

Municipalities

Over the years, Engineering, through its subsidiary Municipia, developed its Digital Transformation value proposition for cities, acting mainly on public services: specifically, revenue management processes, urban mobility and public transport, safety, local development and tourism are the customer priorities on which the company focuses its solutions.

The offer is structured in two established ways: technology, related deployment and system integration services on the one hand, and process outsourcing services on the other. Depending on the lines of business, one or the other of these methods is prevalent, depending on the needs of customers and the prevailing business models. The company's commitment to making proposals according to the contractual model of public-private partnership continues, further consolidated also from a regulatory and procedural point of view.

The company bases its activities on a portfolio of proprietary technological platforms, designed and developed to ensure the efficiency and effectiveness of its services. It has also developed specific skills in the core processes of Local Authorities, enabling it to create services that really address their critical issues and improve performance.

The large number of portfolio long-term contracts and orders acquired confirms the company's strong position and its competitive and operational capabilities.

Main events:

- activities related to the outsourcing of the revenue management of the Municipality of Naples through the project company "Napoli Obiettivo Valore" continued. Following a number of appeals by taxpayers, the question arose as to whether the operating company should also be entered in the Register of Collection Agencies, despite the apparent prohibition in the regulation governing the same Register. Therefore, pending the clarification of the case law, the operational activities are carried out by Municipia and this has allowed the regular continuation of services and collections, which are at a satisfactory level;
- a number of tenders were awarded for revenue collection, local development projects through integrated territorial investment and the management of tourism and cultural assets;
- the proposition and contracting of ppp initiatives continued, although there was a slowdown in these procedures in the second half of the year, mainly due to the pending revision rule of the Procurement Code, which included new provisions on this issue. This uncertainty was then resolved at the beginning of 2025 with the promulgation of the law that clarified some doubts and that will now require the usual familiarisation period;
- the disputes relating to the two previously terminated contracts continued and, in particular, ANAC's assessment of one of the two contracts was noted with satisfaction.

Health

The Health segment confirmed its growth trend in 2024, recording a performance above budget estimates and further consolidating its position in the industry.

The PNT – Piattaforma Nazionale di Telemedicina (National Telemedicine Platform) contract continued to contribute to Health volumes, albeit at a lower level than last year, in view of market developments and the gradual stabilisation of the service.

The new contracts awarded during the year include:

- the regional CUP of the Lombardy Region, which strengthens Engineering's presence in healthcare booking services at a local level;
- the Cartella Clinica Elettronica (Electronic Medical Record), with key projects for the digitalisation of hospital processes; the main tenders awarded include that of the Lazio Region for all regional hospitals and a similar one for the Calabria Region;
- the tender for vertical telemedicine solutions won by Aria, which, together with PNT, completes the national telemedicine infrastructure, with 8 regions awarded to Eng;
- the segment remains a strategic priority for Engineering, with a project portfolio increasingly focused on technological innovation and the digitalisation of healthcare services.

Enterprise

Industry & Services

In line with market trends, our performance met expectations. In particular, it is worth noting as positive data the 10% growth in margin over 2023 and the consolidation throughout the Digitech world, especially in the SAP and Application Modernization areas. Here, the greatest impulses were in the Manufacturing, CPG and Fashion markets. In the Retail and Fashion world, we report the excellent results of our proprietary products, MyClienteling and Market Suite (+27% YoY), while in the Hospitality, Aerospace and EPC areas, the performance in System Integration was very important, with an increase in margins and revenues. In the EPC market in particular, we have decided to focus investment and resources on higher-value activities at the expense of initiatives that historically involved the company in orders that were difficult to manage; this reorganisation will enable us to meet the new challenges for 2025 by reaching full capacity at the average margins expected for this market as well.

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 Cybersecurity and Digital Twin / Digital Factory Applications solutions. The latter, especially in Manufacturing in the broadest sense, 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. Finally, it is worth noting that the digital market of the Fashion and Retail worlds is holding up well, even in the face of the new American and Chinese duties policies, which have certainly had and will continue to have an impact on costs and revenues. In the coming years, spending on technology to improve the efficiency and flexibility of production and logistics processes will continue, as will the continuous innovation of the omnichannel customer experience. Finally, international tensions and the rise in energy costs are obvious unknowns in the adoption of a single development strategy for companies; this is why, in 2024, we combined now consolidated technologies such as the Digital Twin with innovative AI platforms to create a consultancy service that can support companies in the Decision Science process, in very close synergy with the Industries Excellence structures, with the ultimate aim of being able to offer the market solutions for Flexible Manufacturing.

Automotive

The European automotive market closed 2024 in line with the previous year (+0.9%) but remains far from pre-pandemic levels (-18.0% compared to 2019). Italy is confirmed as fourth in terms of registrations, with a slight decrease of -0.5% compared to 2023, and is last in terms of the dissemination of rechargeable cars. Stellantis, the sector's main customer, had a difficult year, with European sales down 7.3% and market share down to 15.2% (from 16.5% in 2023). The automotive industry must adapt to the challenges and opportunities associated with innovation, sustainability and new consumer habits.

In this context of significant change, the automotive BU closed with stable revenues (+0.3% vs. 2023) and a significant increase in margins (GM +28.3%), thanks to innovative solutions, cost optimisation and greater operational efficiency. New strategies were developed for the fundamental areas (production, sales and after-sales) in order to consolidate and strengthen them.

The process of streamlining the "Manufacturing Execution" systems continued in the production area of Stellantis. The Córdoba plant in Argentina has implemented the new version MES 2.0, which is now the group's reference standard and has been implemented in most of the former FCA plants. The upgrade of the Ranjangaon plant in India is also underway, with completion scheduled for early 2025. In 2024, the implementation of innovative solutions continued with the installation of the "Asset & Performance Management" system at the former PSA plant in Kenitra and the integration of modules for the management of battery lines at the Melfi (Italy) and Kragujevac (Serbia) plants. At the production site in Bursa (TOFAS), Turkey, new production lines were launched to support the new models, with design, installation and commissioning activities at level 1.5.

In the sales area, strategic projects focusing on development and future prospects for sustainability were launched. These include the prominent implementation and activation of the platform to support the sales journey for Leapmotor International, the joint venture between Stellantis and Leapmotor, for the marketing of the new brand in Europe and, in the long term, globally. In terms of sustainability, a solution was found for the management of the reconditioning and dismantling processes of the first SUSTAINera Circular Economy Hub, located in the Mirafiori district of Turin.

In addition to Stellantis, the consolidation of the "National Sales Companies (NSC)" continues on the Italian market, with the complete adoption 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 solution created for Ferrari is a significant one, aimed at re-engineering the process of collecting telemetry data for the Ferrari 499P in the FIA World Endurance Championship (WEC).

In the industrial automation sector, the collaboration with Comau was extended through the "VOLVO Battery Pack" project, carried out at the Skövde plant in Sweden. A new collaboration was also started with Segula Matra Automotive, the French leader in the sector, with whom a project has been set up to automate the production of bonnets at the Stellantis plant in Melfi.

Of particular importance is the project to migrate the "Innovation Islands" platform created for MARELLI Europe to the AWS cloud, where we are now involved in AWS reselling and management service provision. Moreover, the field services provided through our partner Wipro for MARELLI in Italy were renewed for the next three years.

Transportation

2024 was a year of consolidation for the infrastructure and transport market, with a strong focus on defining new strategies for innovation and cost containment. In the IT sector, the main focus was on efficiency, security and sustainability issues.

The results of the Management show a substantial consolidation of the numbers in terms of revenues and margins and a significant increase in the business perimeter thanks to the entry of important new names: Strada dei Parchi, Tirana Airport, Swissport, Airport Handling. In 2024, there were two opposing factors that offset the impact on the overall revenue and margin figures: a decline in the Road sector and growth in the Transportation and Airport sector. The decline in the Road sector is mainly due to the cost containment trend of the two main customers, Autostrade per l'Italia and Telepass.

On the other hand, there was a consolidation of Ita-Airways and growth mainly of Italo Treno and Itabus. 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 in the Airports area. Growth strategies are also defined in the sector in relation to advanced analytics, AI and the Digital Twin.

Industries eXcellence

Industries eXcellence (hereinafter "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:

- Digital Engineering: focused on design optimisation through advanced solutions such as PLM, PDM, CAD automation and others;
- Digital Manufacturing: dedicated to efficiency and production control through MES/MOM systems, quality control, production planning and industrial automation;
- Digital Supplychain: aimed at optimising the supply chain through traceability, demand forecasting and capacity planning;
- Digital Twin: provider of decision-making tools based on simulations, machine learning and data analysis along the value chain.

In 2024, IndX consolidated its global presence, with a special focus on aerospace, automotive (especially electric vehicles), defence, 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.

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 2024, 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, it continued to invest heavily in the collaboration with Siemens and SAP at global level, focusing on the start-up of new business lines in regions where they were not yet present (such as, for example, Siemens MES in Europe).

In 2024, IndX was recognised by Gartner as one of the top 10 global players as providers of services for Digital Manufacturing. This milestone confirms the validity of IndX's value proposition: to create a global player capable of offering digital services on standard platforms, covering the entire manufacturing value chain and thus meeting market expectations.

Moreover, IndX has further strengthened its "stand alone" relationship with Siemens, winning 3 additional awards in the USA including "Project of the Year" and "Channel Deal of the Year".

Strategic initiatives for 2025 and beyond include the further global expansion of the practices and the consolidation of the advisory business in both digital manufacturing and digital engineering. IndX also evaluates new potential acquisitions, especially outside Italy, to support the ambitious growth objectives for the coming years.

Energy & Utilities

The already mentioned instability of the general macroeconomic framework has had an impact first and foremost on the accessibility of primary resources, generating increasing pressure on costs and final tariffs. This pressure required greater effectiveness in the choice and management of strategic assets with an approach increasingly oriented towards the enhancement of investments by managing their risks.

We also witnessed 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 was accompanied by international expansion: a process in which it becomes essential to bring together the IT maps present in Italy and the legacy maps present in the countries subject to acquisition. The main players continued to invest in innovation and technology, also driven by the Next Generation EU (PNRR) plan. In terms of market regulation, there were at least two events that influenced the market and IT investment: the entry into force of TIDE, the Integrated Text of Electrical Dispatching, and the end of the Protected Market.

The E&U BUs have been able to seize the changing market; in particular for services connected with Digital Transformation or System Integration, where 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, Redhat, Schneider, Siemens, Oracle, Dynatrace, IBM, etc.

In this regard, the oil market confirmed the 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 particular, Engineering's activities for the Eni group were positively influenced by the results of the oil group, in particular, by the consolidation of the trend in IT investments, concentrated on the implementation of the new strategic structure based on the satellite model: this model is based on the creation of independent companies that can independently access the capital market to finance their growth by approaching specialised investors, thus accelerating the development of new high-potential businesses related to the energy transition, while maintaining the solidity of traditional activities. In particular, investments continued in the development of Plenitude and EniLive, with improvements in time-to-market and operational excellence, as well as in new industrial initiatives related to the transition (such as biorefineries) and the further integration of the Oil & Gas Up/Midstream, Power and Trading value chains.

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, even after the acquisition by Italgas.

In the Utilities area, the fluctuating and uneven trend that characterised the last few years has been definitively 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, throughout 2024, the growth trend that had already characterised 2023 continued; 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.

On the other hand, the ENEL Global area was characterised by the continuation in 2024 of the strategy launched in 2023 by the new management, with a focus on debt reduction, a strong emphasis on the most profitable and strategic investments, and the evaluation of the divestment of non-strategic assets. In this context, Enel continued with the disposal of its activities in Peru and the sale of part of its distribution network in Lombardy. IT spending suffered a further setback with a significant reduction in the budget, resulting in the revision of contracts and services, and a significant revaluation of all project activities, some of which were postponed until a later date.

The economic review was accompanied by a significant organisational transformation of IT, which revised both the operating model and the business references.

Despite the challenging environment, Engineering has managed to maintain its position in terms of activities in scope, while strengthening its position as a strategic delivery partner: through numerous propositions and close collaboration with the new company leaders, we have built a pipeline of activities that has allowed us to limit the contraction and lays the foundations for a sustainable recovery.

In 2024, the Neta Market management acquired some important new logos in the energy market, such as Ubroker, and in the water market, Sorical. The latter, in particular, in a sector that is becoming increasingly strategic in terms of sustainability goals and climate change, entrusted Engineering with one of the most important projects of 2024 on Neta technology, lasting three years, for the implementation of Neta@2A for the management of the integrated water cycle of about 400 municipalities in Calabria.

2024 was also characterised by the release of the first SaaS modules of the "Neta Open Suite", in particular the **EC module** for the management of renewable energy communities (CER), one of the most important innovations in the current energy landscape, and the **MDM module**, water meter data management, which has met with the interest and favour of the market and has already been purchased by ASA Livorno and Ruzzo Reti, two of the most innovative mid caps.

In 2025, Engineering will consolidate the cross-selling strategy of the new SaaS modules to its customer base, without neglecting the opportunities related to new prospects and former customers interested in the new products.

Telco & Media

In 2024, the telecommunications sector in Italy showed signs of stabilisation after years of contraction. According to the Mediobanca Telco 2024 report, in the first half of the year, the aggregate turnover of the world's leading telcos increased by 1.5% compared to the same period in 2023, driven mainly by Asian companies.

In Italy, operators' revenues recorded a slight growth of 0.3% in 2024, with an increase of 2.5% in the land network segment, offset by a decrease of 3.5% in mobile segment.

This trend reflects the growing demand for fixed broadband services, while the mobile market continues to face challenges. Data traffic continued to grow, increasing by 13% in the fixed network and 26% in the mobile network, mainly due to the digital services offered by large technology companies such as Apple, Google, Amazon and Netflix. This increase has led to higher operating costs and the need for further investment in infrastructure by operators.

Despite the increase in costs, the prices of telecommunications services in Italy remain among the lowest in Europe, due to strong competition and regulatory pressure. This situation has led to reduced profit margins for companies in the sector.

In this context, the main strategies adopted by Italian operators include:

- monetisation of core company assets: for example, Telecom Italia sold its fixed network to the KKR fund for between Euro 18 billion and Euro 22 billion, significantly reducing its debt;
- development and transformation of business capabilities: the acquisition of Vodafone Italia by Swisscom and its merger with Fastweb are targeted at creating a strong competitor in the Italian market, with the aim of expanding the customer base and offering more competitive services;
- reduction of operating costs and optimisation of business processes: companies are implementing efficiency measures to increase competitiveness in a market characterised by reduced margins.

These initiatives are essential to meet current market challenges and to position ourselves competitively in the constantly evolving telecommunications landscape.

In 2024, Engineering recorded a significant growth in revenues (+20%) compared to the previous year, largely driven by the collaboration with TIM (+38%). This development was supported in particular by IT projects backing the carve-out of FiberCop, with strategic interventions in both ERP area and Cybersecurity. The presence of Engineering at TIM was further consolidated with the renewal of the service contracts for Application Development & Maintenance, focused on Revenue Management and Data & Analytics, laying the foundations for a long-term collaboration.

At the same time, Engineering also achieved excellent results with other operators in the sector, consolidating and expanding collaborations with customers already present in its customer base, such as Open Fiber, Vodafone and BT. The company also strengthened its presence in the market thanks to the acquisition of new strategic accounts, including INWIT, with whom it started projects in the IoT field, and EOLO, for the management of application operations in all application areas.

The Media sector did not reach its expected revenue targets, mainly due to the reduction of activities with RAI, following the loss of the RAI Digital contract, the impact of which was not fully offset by the newly acquired businesses.

For 2025, the company will focus on three strategic lines:

- optimisation of TIM services acquired in 2025 and development of new business opportunities with TIM Enterprise;
- consolidation of the positioning on FiberCop and strengthening of the partnerships with Fastweb and Vodafone;
- relaunch of the Media sector, focusing on the main television broadcasters and broadcasting operators, including RAI and Mediaset.

Digital technology

The ENG DIGITAL 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: ENG Platform, ENG Cloud, ENG Security, ENG AI & Data and EngX (Digital Experience), ENG Modernize.

a) ENG Platforms

In 2024, the Augmented Enterprise Platforms (AEP) Centre of Excellence continued to implement projects and services related to the major market technological platforms (e.g. SAP, Microsoft and Salesforce) repositioning its offer on the ability to advise on and optimise Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) processes through platform AI.

The main areas of competence relate to ERP, CRM and IT Service Management, where the growth already started in previous years was concentrated, and that led to a situation where the budget targets set for the year in 2024 were exceeded.

The main contributions to this growth were made by:

- the SAP structure, which completed the TIM-Fibercop carve-out project, gaining credibility in the TelCo market, and which increased the customer base and experience 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;

- the Salesforce structure, which gained credibility as the Italian best practice, and which has grown significantly in areas such as Energy & Utility and Public Sector, also leveraging new revenue streams from Eng products published in the Salesforce ecosystem (e.g. ProcessClick);

- the newly established Service Now structure, which managed to gain credibility on the market and generate revenues of approximately Euro 4 million in the year, starting from the academy.

In parallel with growth, the AEP structure was engaged in an important transformation of its operating model that contributed to exceeding the profitability targets set in the budget. This transformation was broken down as follows:

- opening of the Salesforce practice in the nearshore centre in Romania and of the Microsoft practice in Albania, as well as exceeding the overall target of using the nearshore on the various technologies;

- rebalancing the pyramid on projects and services through 8 academies, with the investment also reflected in the income statement;

- consolidation of the supplier base and strengthening of the governance of expenditure for external resources;

- enhancement of the structure operational capacity through an extensive certification programme (more than 500 on different technologies).

b) ENG Cloud
In 2024, the Cloud Business Line 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 Finance 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 2023, process automation activities continued, mainly in the area of infrastructure management, software distribution and the cloud offering development, 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) ENG Security
In 2024, 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.

The results of the year show a significant growth in revenues that allowed the company to close with a largely positive EBITDA, continuing the industrial turnaround process started in 2021.

The growth was not only economic, but also structural, with an increase in personnel and a review of the organisational model. This development was driven by the growing market opportunities and the collaboration with the group on larger projects, which require specific experience on the one hand, and the ability to mobilise an increasing number of resources on the other, an area in which investments were concentrated.

d) ENG AI & Data

In 2024, the AI & Data business line focused on projects and services in the area of Artificial Intelligence, Data Strategy and Management, Data Insights and Advanced Analytics. Specifically, the year was characterised by the consolidation of activities and participation in various innovative initiatives in all markets, with a particularly wide scope of action, such as, for example, the implementation of advanced Generative AI solutions, analytical cloud architecture services or advanced data insight applications.

The year 2024 was undoubtedly characterised by the continuous demand, in all markets/industries, for planning and solutions for technologies related to artificial intelligence. The Group was able to take advantage of years of Research & Development on the subject, bringing to the market increasingly advanced and articulated versions of its suite of solutions, called "ENG GPT", which made it possible to position a very attractive "private AI" offer.

e) EngX

In 2024, the EngX Business Line strengthened its market position in the digital experience sector, achieving a significant increase in revenues and profitability.

During the year, a dedicated legal entity was also created, designed to be an innovation engine and a digital transformation accelerator, establishing itself as a strategic partner of excellence for customers. Thanks to its control over the entire spectrum of digital experience skills, it aims to combine creativity, technology and strategy, offering services ranging from brand strategy and digital communication consultancy to the design and implementation of simplified, engaging and loyalty-oriented customer journeys.

In terms of innovation, the focus was on the design and development of advanced solutions that integrate emerging technologies such as Artificial Intelligence (AI), Extended Reality (XR) and the Internet of Things (IoT), to further expand the possibilities offered to customers and enhance the value of the services provided.

In 2025, EngX will also aim to develop by leveraging an ecosystem of selected partners and the commercial synergies offered by the other companies in the Group.

f) ENG Modernize

In 2024, a new Business Line called "Eng Modernize" was created with the aim of increasing the focus on the modernisation of legacy applications in order to migrate them and make them Cloud-Native, in addition to the management of Application Maintenance projects.

In 2024, the organisation achieved constant improvements in operational efficiency, recording progress month on month throughout the year.

The year was characterised by a reorganisation of the company to serve the markets in a more synergetic way, with a focus on technological specialisation in cloud-based software development. We helped the markets generate higher margin opportunities, particularly in software refactoring and cloud migration.

At the same time, the offering was expanded with new solutions for application modernisation, cloud migration, testing automation and generative artificial intelligence to support the software life cycle.

In the software development sector, a pilot programme involving about a hundred developers was completed, collecting significant data on the increase in productivity and code quality. We also developed, tested and launched the assessment of skills for all Digital organisations, strengthening skills and aligning them with new technological challenges.

g) Tech Alliances
In the Tech Alliances area, the year 2024 marked a significant acceleration in the relationship with Technology Vendors. Engineering's position is consolidated among the top partners of all enablers of digital transformation processes.

In particular, the collaboration with the Vendors brought clear benefits in terms of profitability, thanks to the ability to attract the economic incentives that these operators allocate to the most virtuous partners.

At the same time, the ability to generate incremental business also grew thanks to the synergy and collaboration established between the respective sales forces for the main customers.

h) Offering, Innovation and Go-to-Market
The Offering, Innovation & Go-to-Market structure was created within Eng Digital with the aim of developing and relaunching Eng Digital's offer portfolio and defining its go-to-market approach.

Since its establishment at the end of 2022, the structure developed more than 50 offerings and built more than 80 sales assets to enable commercial structures to convey more effectively offers to customers.

In 2024, in line with the Group's strategic priorities, the structure developed around 10 offerings in Eng Digital's main offer areas, with a particular focus on innovative and high-value solutions. These include Automated Multi-Cloud Operations, Integrated Risk Management, EngGPT Suite, Accessibility Advisory and FinOps.

During the year, the structure also focused on the verticalisation of the offer, adapting it to the specific needs of the markets. This focus will intensify further in 2025, both to maximise the impact on the business and to strengthen the differentiation of the offer in the market. Finally, the structure dedicated itself to the development of tools and processes for monetising the assets generated by Research & Innovation projects, to support the Group's innovation potential.

Foreign companies

Engineering do Brasil

With around 1000 employees, in 2024, EDB continued its growth and consolidation path in the South American market as a strategic partner in the digital transformation of the main companies operating in South America. The digital offer in Brazil is based on the dominance of innovative technologies in the field of Artificial Intelligence and APIs, which has led Engineering to be a central player in helping organisations reconfigure operations and decision-making processes by putting these value streams at the heart of creating a competitive advantage and adopting (API-first) business architectures that take advantage of digital ecosystems to radically innovate the value chain, redesign products and services and create new revenue streams. The need for businesses to adopt agile and data-driven architectures, to improve the customer experience, rapidly evolve their value proposition and experience new forms of monetisation, is confirmed in the growth that has taken place in Brazil, especially in the sectors where Engineering has been operating successfully for some time (Telco and Energy & Utilities).

During 2024, the DHuO product suite, which supports the offer of "*Ai/Data Science*" and "*API/composable business*" services consolidated its market for the benefit of the entire Group and Engineering do Brasil has obtained the ISO 27001 certification, the global standard for information security management.

Also in 2024, Engineering do Brasil confirmed the obtaining of the prestigious GPTW (great place to work) award with an even higher score than the previous year, demonstrating its focus on and appreciation of human capital and its efforts for an increasingly more collaborative working environment, again being certified as an ethical company by ABES (Associação Brasileira das Empresas de Software).

Our company's ethical certification was once again renewed by ABES (Brazilian Association of Software Companies).

The Brazilian economy in 2024 was characterised by higher than expected growth and historically low unemployment, despite the cost containment measures that did not encourage the market. There was a growing mistrust in the tax policy, which was reflected in the strong devaluation of the Brazilian Real, greatly affecting our results converted into Euro, despite the good growth of our turnover in local currency. What is certain is that the Brazilian economy went through ups and downs throughout 2024.

At the beginning of the year a lower Gross Domestic Product (GDP) was expected, but the figures were revised upwards with the surprise of the strength of domestic demand and the increase in household consumption. On the other hand, it was also a year with inflation pressing above the Central Bank's target ceiling, forcing the recovery of the cycle of interest rate increases, ending 2024 in double digits.

Engineering Industries Excellence – North America

In North America, the Group is mainly focused on the market pertaining to the Industries eXcellence division. In this region, Engineering mainly develops digital solutions for the industry with a particular focus on the manufacturing and transport sector, providing high value-added consultancy and solutions to Fortune 500 companies. Following the marketing strategy of the IndX solutions portfolio, Engineering's proposals are mainly implementations in the context of Industry 4.0, covering the conception, implementation and use of products and processes. Exploiting its unique experience in the implementation and integration of digital tools, the Engineering team facilitates the adoption, implementation and integration of digital solutions in various industrial sectors at global level. A growing number of American companies address Engineering to improve their processes, the quality of products or services, and increase the flexibility of the systems. Engineering Industries Excellence is the operating branch of the IndX BU in the United States and acts as the holding company for all the other branches of Industries eXcellence present in various countries, including Germany, Belgium, Mexico, Spain, the United Kingdom, Hungary, Canada and India. The IndX teams in Italy and Brazil operate respectively within Engineering Ingegneria Informatica and Engineering do Brasil.

In 2024, the Group continued to grow and consolidated its presence in North America with a particular focus on the Aerospace/ Defence, battery production, CPG, lifescience and transport sectors.

An important cost efficiency plan was also implemented, which allowed to increase the total EBITDA of the companies of the American holding company by 20% compared to the 2023 results.

In 2024, the Company focused its efforts in particular on the growth of the business related to Digital Manufacturing and Digital Engineering practice, providing MES (Manufacturing Execution System) and PLM solutions to market-leading companies across a range of industries, particularly pharmaceutical, automotive, CPG and aerospace companies. The company continued to work diligently to further integrate the entities acquired in recent years, with the aim of increasing upselling opportunities for other solutions in the portfolio with existing customers.

Moreover, the collaboration between the American company and its European subsidiaries continued to be encouraged, strengthening links and knowledge exchanges to optimise globally available resources and expertise. In 2024, the company also focused on further growing the offshore/nearshore teams in India and Mexico with the aim of reducing operating costs while maintaining high quality standards. Moreover, members of the Italian team were involved in projects in both the USA and Eurpe with the aim of increasing the margins of the project abroad, given the cost differential between Italy and the target countries.

VI

Personnel.

As of December 31, 2024, the Group's workforce (persons with employment contracts, open-ended and fixed-term) amounted to 13,884, of which 2,020 were employed abroad (they were 14,731 and 2,284, respectively, as of December 31, 2023).

In 2024, the policy of hiring staff continued with the recruitment of 866 people in Italy (compared to 1,520 in 2023), with a close focus on young graduates and young diploma holders.

In Italy, there were 1,432 exits (in 2023 there were 1,174 people).

Some detailed figures are provided below, related to 2024, with reference to the workforce of Italian companies:

- the number of graduates was 52.3% (a figure calculated on the basis of available information on qualifications);
- women totalling 33.15%;
- the average age was 43.5;
- the number of executives was equal to 3.92%;
- employees with Super Management/Management qualifications total around 19.56%.

Lastly, also in 2024, agile remote working ("smart working") involved most of the Group's employees.

Training

2024 was a year of significant change for Engineering training.

Enabled by the implementation of the Workday platform for HR processes across the entire company population, in 2024 the entire training journey made available to the Engineering Group was totally renewed, moving towards a Training model that puts the individual at the centre of their continuous learning path: the main feature of the new training programme is that everyone can build their own personal learning programme, with free access at any time to a wide range of training programmes that are always available.

In this scenario, the new Academy Engineering Learning Paths present integrated and coherent training content, combining classroom activities (virtual or face-to-face) with new formats such as papers, microlearning produced by teachers, podcasts, exam preparation and the entire LinkedIn Learning Catalogue, one of the most prestigious on the world market, offering tens of thousands of training courses on technologies, methodologies and soft skills.

This important change, although activated during the year, already had significant impacts in 2024 on the percentage of training activities distributed among the company population (+25% compared to the previous year) thanks to the removal of restrictions on access to training content, without prejudice to the large volume of training activities carried out in synchrony with teachers (15,800 days/person).

But in 2024, great attention was also paid to vertical specialisation and acceleration paths of key technical, relational and leadership skills. In particular, alongside the Academy Programs, a successful format launched last year that, also in 2024, specialised and integrated into the company about 200 new graduates from the best universities throughout the country, two new Acceleration Programs were launched, aimed respectively at young talents three years after recruitment and at future managers of the Group.

These are selective, high-level training courses, characterised by a highly innovative and interactive teaching method thanks to the use of new immersive learning technologies such as virtual reality simulators and neurodevices, which help participants develop their leadership and accountability, critical thinking, problem solving, networking and the main levers of people management.

Also in 2024, the result achieved in professional certifications should be emphasised, in line with the previous year, during which approximately 1,700 new certifications 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 ...) were acquired.

Final note relating to the first place obtained for the second year in a row by Academy Engineering in the Best HR Team 2024 Award, organised by HR Community. This recognition, for the Learning category, saw Engineering position itself first in a challenge in which over 80 HR Teams of national and multinational companies participated, in recognition of the constant commitment to innovation in learning models and the depth of the training offer to support the growth of business, performance and engagement of all Group personnel.

VII

Outlook.

In 2024, the Group focused on increasing profitability, concentrated in the digital transformation and proprietary solutions sectors, with particularly significant growth in the Financial Services market, also thanks to new commercial agreements signed (e.g. Nova).

The complex process of internal transformation and change management, which effectively ended at the end of 2023, began to produce its beneficial effects both at an economic/financial level and in terms of greater effectiveness of the operating model and related internal processes.

In 2024 the Group continued to grow in the IT market, focusing on the long-term digitalisation process of the economies of the countries in which it operates, which is expected to grow in the coming years driven by macroeconomic policies (for example, regulatory changes that encourage the adoption of digital products). In line with the guidelines defined in the renewed strategic plan, the Group focused on:

- commercial acceleration in all markets, reviewing the main account plans, the portfolio of digital products and services on offer in the pipeline (including commercial incentive schemes), which led to a significant growth in the backlog;

- further simplification of the main internal processes and launch into production of some SW solutions aimed at technological upgrade, which will continue also in 2025 and 2026;

- internal cascading of the company's purpose, defined in terms of guidelines in 2023, but then disseminated throughout the various levels of the organisation in 2024, with the aim of strengthening the sense of belonging and the winning culture;

- a strong push on recruitment campaigns with the inclusion of young and talented profiles, demonstrating the centrality of investment in the Group's human capital;

- strengthening of partnerships with the main vendors in the market;

- full implementation of a central Workforce Management structure, in support of the Delivery Units, with the aim of improving the company's efficiency in staffing its resources on projects;

- reduced need for new investments after the 2022-2024 cycle, which allowed the Group to promote in particular cutting-edge products on the market;

- strong reduction in expenses and one-off projects already starting from 2024, with a downward trend in the coming years, thanks to the completion of the extraordinary leaving incentive plan launched in 2023 and the upcoming closure of the liquidation process of some Group companies engaged in sectors considered non-core;

- to offset the effect of inflation, strong focus on compliance with internally defined targets of the various cost saving initiatives launched, including: i) optimisation of space and rationalisation of offices; ii) completion of the plan to integrate the various companies of the BE Shaping the Future Group, the economic and internal efficiency benefits of which were fully achieved during 2024;

- scouting of various champion companies in their market environment;

- continuous focus on PNRR, in order to address emerging opportunities in all the markets in which Engineering operates, and a strong focus on innovation, through the R&I division which includes over 450 researchers and data scientists, thanks to whom the Group invests in international research and development projects, exploring new business solutions (in this sense, an important boost was given by being awarded the Important Projects of Common European Interest - IPCEI, whose activities continued throughout 2024).

VIII

Financial highlights.

Main data

The main economic and capital data related to the year 2024 are shown compared with the previous year, as described hereunder.

(in Euro milioni)

Description	2024	2023 Restated (**)	Change	
			Absolute	%
TOTAL REVENUES	**1,764.2**	**1,721.1**	**43.1**	**2.5**
Revenues	1,716.6	1,683.5	33.2	2.0
EBITDA ADJUSTED (*)	276.2	257.3	19.0	7.4
% on Revenues	16.1	15.3		
OPERATING PROFIT	120.4	21.7	98.6	454.2
% on Revenues	7.0	1.3		
Consolidated Profit/(Loss) For the year	(69.9)	(125.1)	55.2	(44.1)
% on Revenues	(4.1)	(7.4)		
Shareholders' Equity	507.2	574.4	(67.1)	(11.7)
Net Financiali Position Adjusted	(1,532.5)	(1,500.7)	(31.8)	2.1
ROE % (U.N./P.N.)	(13.8)	(21.8)	8.0	(36.7)
ROI % (EBIT/C.I.N.)	5.9	1.1	4.8	453.7
Number of employees	**13,884.0**	**14,436.0**	**(552.0)**	**(3.8)**

(*) Adjusted Ebitda is defined as Ebitda result gross of non recurring charges.

(**) "2023 RESTATED" based on the indications provided in the paragraph "Completion of accounting activities connected with acquisitions" in Notes to the Consolidated Financial Statements.

The Engineering Group ended the 2024 financial year with a growth in profitability both in absolute and percentage terms on Revenues and EBITDA.

In detail:

- **TOTAL REVENUES** stood at Euro 1,764.2 million as of December 31, 2024 compared to Euro 1,721.1 million as of December 31, 2023, recording an increase of Euro 43.1 million, equal to 2.5%, mainly attributable to the Finance sector, as detailed in the next section;

- **ADJUSTED EBITDA** amounted to Euro 276.2 million, up by 7.4% compared to the previous year (Euro 257.3 million), as a result of the increase in productivity and the reduction in low margin resale activities, and with a profitability on net revenues amounting to 16.1% (15.3% in 2023);
- **EBIT** amounted to Euro 120.4 million (Euro 21.7 million in 2023), recording an increase of Euro 98.6 million and a percentage profitability of approximately 7.0% thanks to lower extraordinary charges and lower provisions and amortisation and depreciation;
- the **NET PROFIT** was Euro -69.9 million compared to Euro -125.1 million in 2023. Although it improved compared to the previous financial year, it was affected by the higher financial expenses generated in the period relating to the increase in financial liabilities and the higher tax charges in the financial year;
- the **ADJUSTED NET FINANCIAL POSITION** stood at Euro 1,532.5 million compared to Euro -1,500.7 million as of December 31, 2023, mainly due to payments of extraordinary charges set aside in 2023 and relating to the company transformation programme.

Alternative Performance Measures

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

(in Euro million)

Description	Notes	12M 2024	12M 2023
Consolidated net profit		**(69.9)**	**(125.1)**
Income taxes		21.8	(4.9)
(Income)/expenses from equity investments		(3.6)	(2.8)
Financial income		(7.9)	(3.1)
Interest expense (excluding interest on leases)		179.0	155.8
Interest on leases		1.0	1.9
Depreciation of property, plant and equipment		10.2	9.3
Depreciation of right-of-use assets		27.4	28.5
Amortisation of intangible assets		68.7	78.7
Provisions and write-downs		18.1	33.6
Leaving/change management incentives	*(1)*	17.8	45.0
Charges related to the corporate strategic review process	*(2)*	8.3	21.0
EBITDA attributable to subsidiaries in liquidation	*(3)*	3.2	12.0
Charges for extraordinary corporate transactions and one-off projects	*(4)*	2.2	7.4
Adjusted EBITDA		**276.2**	**257.3**

(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 Group's transformation program.
(2) Charges relating to the corporate strategic review process, incurred in order to guide and support the transformative actions that have impacted the Group in a pervasive manner during the year.
(3) EBITDA attributable to the subsidiaries undergoing liquidation: Atlantic Technologies Europe Ltd., Engineering ITS GmbH, Omnitechit Secur s.l., Bw Digitronik Ag.
(4) One-off charges incurred in relation to some extraordinary corporate operations of the Group and commitments related to other non-recurring projects.

In accordance with IFRS 8, we report below the breakdown of net revenues and adjusted EBITDA by market. Direct revenues and costs are allocated according to the relevant sector. Other income and costs of central structures, not specifically attributable to a segment, have been attributed in relation to their net revenues, that represent the most appropriate driver to allocate them.

(in Euro million)

Description	Total revenues			
	12M 2024		12M 2023	
Finance	500.6	29.2%	436.1	25.9%
Public Administration	367.2	21.4%	378.9	22.5%
Health	185.5	10.8%	181.9	10.8%
Industry & Services	337.4	19.7%	365.2	21.7%
Energy & Utilities	211.8	12.3%	222.0	13.2%
Telco & Media	114.2	6.7%	99.3	5.9%
TOTAL REVENUES	**1,716.6**	**100.0%**	**1,683.4**	**100.0%**
Other revenues	47.5		37.6	
TOTAL REVENUES	**1,764.2**		**1,721.1**	

(in Euro million)

Description	Ebitda			
	12M 2024		12M 2023	
Finance	104.0	37.6%	83.5	32.4%
% of total revenues	20.8%		19.1%	
Public Administration	45.9	16.6%	46.9	18.2%
% of total revenues	12.5%		12.4%	
Health	36.9	13.4%	48.4	18.8%
% of total revenues	19.9%		26.6%	
Industry & Services	47.6	17.2%	46.2	18.0%
% of total revenues	14.1%		12.6%	
Energy & Utilities	30.1	10.9%	25.7	10.0%
% of total revenues	14.2%		11.6%	
Telco & Media	11.8	4.3%	6.7	2.6%
% of total revenues	10.3%		6.7%	
Total adjusted EBITDA	**276.2**	**100.0%**	**257.3**	**100.0%**
% of total revenues	**16.1%**		**15.3%**	

Operating expenses

(in Euro million)

Description	2024	2023 Restated	Change	
			Absolute	%
Personnel costs	838,794,736	871,016,680	(32,221,943)	(3.7)
Service costs	605,100,573	590,564,910	14,535,662	2.5
Raw materials and consumables	60,408,375	72,269,012	(11,860,637)	(16.4)
Amortisation, Depreciation and Provisions	124,454,193	150,211,477	(25,757,284)	(17.1)
Other costs	15,047,853	15,311,690	(263,837)	(1.7)
Total Operating Expenses	**1,643,805,730**	**1,699,373,769**	**(55,568,040)**	**(3.3)**

Operating expenses amounted to Euro 1,643.8 million compared to Euro 1,699.3 million relating to the previous year, with a decrease of Euro 44.5 million (Y/Y -3.3%) due to:

- a decrease in personnel costs of Euro 32.2 million compared to the 2023 financial year (Y/Y -3.7%), directly related to the decrease in personnel in absolute terms during the financial year and also affected by the decrease in leaving incentives for early retirements compared to the previous financial year;

- an increase in service costs of Euro 14.5 million compared to the 2023 financial year (Y/Y +2.5%), deriving from the greater use of professional resources utilised in the cycle in line with the proportional increase in sales and activities and in the presence of a lower availability of internal resources;

- a decrease in the cost for raw materials and consumables of Euro 11.9 million compared to the 2023 financial year (Y/Y -16.4%), the trend of which is closely linked to resale activities of HW material;

- a decrease in the cost of Amortisation/Depreciation and Provisions of Euro 25.8 million compared to the 2023 financial year (Y/Y -17.1%), due mainly to lower amortisation, depreciation and provisions made during year, details of which are provided in the following sections of the notes.

Operating profit (ebit) and net profit

The consolidated net profit shows a loss for the year of Euro 69.9 million, an improvement compared to Euro 125.1 million for 2023. The improvement in EBIT of Euro 98.6 million mentioned above is partly offset, at the net profit level, by higher interest expenses recorded in the period due to the Group's borrowings and higher tax charges.

(in euro)

Description	2024	2023 Restated	Change	
			Absolute	%
Difference between total revenues and operating expenses after amortisation and depreciation (EBIT)	**120,358,713**	**21,715,797**	**98,642,916**	**454.2**
Financial income / (expenses)	(172,121,119)	(154,579,450)	(17,541,669)	11.3
Income / (Expenses) from equity investments	3,610,472	2,811,331	799,141	28.4
Profit before taxes	**(48,151,934)**	**(130,052,322)**	**81,900,388**	**(63.0)**
% of revenues	(2.8)	(7.7)		
Income taxes - (Income) / Expenses	21,779,955	(4,949,375)		
Net profit	**(69,931,890)**	**(125,102,947)**	**55,171,057**	**(44.1)**
% of revenues	(4.1)	(7.4)		
of which:				
Engineering Group	(71,158,907)	(125,696,614)	54,537,707	(43.4)
Non-controlling interest	1,227,018	593,668	633,350	1.1

Outlook 2025

For 2025, Engineering will continue with the next phases of the transformation project undertaken with the aim of fully achieving the objectives set out in the renewed strategic plan signed at the beginning of the year, with particular attention to:

- continue and strengthen the growth process in all markets in which the company operates, also through targeted high value-added M&A transactions;

- increase the focus on high value-added activities, such as digital services and proprietary products;

- ensure continuous and sustainable growth of the organic result and performance, also thanks to the achievement of higher standards of operational efficiency and the development of Generative AI use cases, which increase resource productivity;

- increasingly exploit the leverage of workforce management, defining in advance the allocation of resources and sub-contractors to activities, thus accelerating innovation and driving efficiency to support the long-term vision;

- undertake a deleveraging path also thanks to actions to improve Working Capital and reduce expenses and one-off investments;

- seize all the opportunities in the digital transformation field, pushing hard on the diversification of the commercial offer and on issues such as customer satisfaction;

- continue to build paths for growth and development of talent, becoming an increasingly attractive company also for young diploma holders and recent graduates.

The growth in revenues and organic EBITDA, together with the reduction in non-recurring costs and provisions for projects, will have a positive impact on the net profit for 2025, partly offset by a partial increase in financial expenses following the refinancing that took place in February 2025, which led Engineering to issue a senior, guaranteed and non-convertible bond, with a partly fixed and partly variable rate, for a maximum total principal amount of Euro 650,000,000 and maturing in the first quarter of 2030.

All this will allow the Group to significantly improve its pre-tax income, starting a trend that will allow the Group to return to a stable operating profit within the plan period.

IX

Statement of financial position.

The cash flow statement below summarises the Group cash flow movements according to the indirect method, 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 are thus shown.

(amount in euro)

Description	01.01.2024 12.31.2024	01.01.2023 12.31.2023 Restated
Profit/(Loss) for the period	(69,931,890)	(125,102,947)
Income taxes	21,779,955	(4,949,375)
Write-downs (Release of write-downs)	0	0
Other non-monetary (income)/expenses	(3,610,472)	(2,811,331)
(Financial income)	(1,313,392)	(1,408,432)
Exchange (gains)/losses	(1,885,025)	4,560,083
Financial expenses	175,319,537	151,427,799
Provisions (release of provisions)	18,112,158	33,609,470
Amortisation and Depreciation	106,342,035	116,602,007
Changes in working capital:		
(Increase)/Decrease in receivables from customers	(14,577,448)	64,874,250
(Increase)/Decrease in Inventory	218,122	1,949,090
(Increase)/Decrease in Customer contracts assets	(3,805,927)	(21,861,856)
(Increase)/Decrease in other assets	10,031,308	5,360,250
Increase/(Decrease) in Trade payables	20,193,424	(5,667,824)
Increase/(Decrease) in other liabilities	(33,331,210)	33,266,302
Income taxes paid	(6,955,768)	(8,174,616)
(Use of provisions for employee benefits)	(9,832,811)	(4,591,850)
(Use of other provisions)	(23,973,963)	(38,221,821)
Other non-monetary changes	(4,339,770)	6,304,154
A) Total cash flow from operating activities	**178,458,863**	**205,163,353**
Sale of property, plant and equipment	83,158	69,877
Purchase of property, plant and equipment	(10,880,082)	(13,773,250)
Purchase of intangible assets	(72,577,694)	(77,222,540)
Collections for sale of non-controlling company shares	0	106,426
Consideration paid for acquisition of business	(13,364,304)	(10,730,972)
Purchase of non-controlling interests investments and securities	(6,730,293)	(2,539,401)
Sale of other investments and securities	1,445,000	51,612
B) Total cash flow from investing activities	**(102,024,215)**	**(104,038,248)**
New loans	940,228,091	359,152,301
Repayment of loans	(896,808,921)	(342,062,083)
Disbursements for acquisition of non-controlling interests	(1,245,000)	(7,626,506)
Capital contributions from Non-Controlling Shareholders	6,500	30,600
Dividends distribution	(227,299)	(294,137)
Interest paid for financing activities	(87,765,145)	(76,881,394)
Interest paid for financing activities	(21,500,282)	(15,432,242)
Loans repaid by third parties	209,319	0
Repayment of lease liabilities	(25,475,518)	(28,126,445)
C) Total cash flow from financing activities	**(92,578,255)**	**(111,239,906)**
D) = (A + B + C) change in cash and cash equivalents	**(16,143,607)**	**(10,114,801)**
E) Cash and cash equivalents at beginning of year	**219,803,822**	**211,202,186**
F) Monetary contribution from merger	**0**	**18,716,437**
G) = (D + E + F) Cash and cash equivalents at end of year	**203,660,216**	**219,803,822**

Adjusted net financial position

The Adjusted net financial position shown below, which includes lease liabilities, is negative for Euro 1,532.5 million, a deterioration of Euro 31.8 million compared to December 31, 2023 (Euro -1,500.7 million) mainly due to the payments of extraordinary charges set aside in 2023 and related to the company transformation programme.

(amount in euro)

Description	12.31.2024	12.31.2023 Restated
A) Cash and cash equivalents	**203,660,216**	**219,803,822**
B) Current financial receivables	**275,906**	**514,784**
Current Financial Liabilities	(181,763,476)	(263,375,486)
Current Lease Liabilities	(24,728,695)	(24,994,316)
C) Current borrowing	**(206,492,171)**	**(288,369,801)**
D) Net current financial position (A+B+C)	**(2,556,049)**	**(68,051,195)**
E) Non-Current financial receivables	**2,045,908**	**1,608,431**
Non Current Financial Liabilities	(1,450,991,468)	(1,300,107,796)
Non Current Lease Liabilities	(80,993,072)	(134,119,695)
F) Non-current borrowing	**(1,531,984,540)**	**(1,434,227,491)**
G) NET FINANCIAL POSITION ADJUSTED (D+E+F)	**(1,532,494,681)**	**(1,500,670,255)**

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 possibility of 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. Non-recourse factoring transactions, arranged on a monthly basis, amount to a total of approximately Euro 1,036.9 million compared to Euro 1,023.7 million in 2023. In return for these transfers, the factoring companies were paid an average rate of 1.73% in commissions and interest, which had been 1.78% in 2023.

Net working capital

Net working capital decreased compared to 2023 by Euro 17.1 million to a negative value of Euro 16.6 million (Euro 0.5 million as of December 31, 2023).

(in euro)

Description	12.31.2024	12.31.2023	Change	
			Absolute	%
Current Assets				
Customer contract assets	204,806,360	225,200,432	(20,394,072)	(9.1)
Deferred contract costs	39,619,707	19,249,220	20,370,488	105.8
Trade receivables	488,858,058	468,936,589	19,921,468	4.2
Other current assets	104,573,487	115,126,181	(10,552,695)	(9.2)
Total	**837,857,611**	**828,512,422**	**9,345,190**	**1.1**
Current Liabilities				
Trade payables	(553,972,591)	(515,931,353)	(38,041,238)	7.4
Other current liabilities	(300,469,588)	(312,100,522)	11,630,934	(3.7)
Total	**(854,442,180)**	**(828,031,875)**	**(26,410,304)**	**3.2**
Net Working Capital	**(16,584,568)**	**480,546**	**(17,065,115)**	**(3,551.2)**

Reclassified statement of financial position

The Group's statement of financial position shows a reduction in the Shareholders' Equity/Fixed Assets ratio from 0.26x to 0.24x.

(in euro)

Description	12.31.2024	12.31.2023 Restated	Change	
			Absolute	%
Real Estate Property	34,431,089	35,975,572	(1,544,482)	(4.3)
Right of use and leased assets	102,157,221	154,069,198	(51,911,977)	(33.7)
Intangible assets	795,335,118	811,262,894	(15,927,777)	(2.0)
Goodwill	1,201,326,160	1,201,326,160	0	0.0
Equity investments	6,525	6,525	0	0.0
Fixed assets	**2,133,256,113**	**2,202,640,349**	**(69,384,236)**	**(3.2)**
Short-term assets	837,857,611	828,512,422	9,345,190	1.1
Short-term liabilities	(854,442,180)	(828,031,875)	(26,410,304)	3.2
Net working capital	**(16,584,568)**	**480,546**	**(17,065,115)**	**(3,551.2)**
Other non-current assets	92,760,444	100,493,880	(7,733,436)	(7.7)
Post-employment benefits	(67,673,916)	(82,913,117)	15,239,201	(18.4)
Other non-current liabilities	(102,022,579)	(145,674,923)	43,652,345	(30.0)
Net Capital Employed	**2,039,735,494**	**2,075,026,735**	**(35,291,241)**	**(1.7)**
Group Shareholders' Equity	514,438,310	580,962,769	(66,524,459)	(11.5)
Non-controlling interests shareholders' equity	(7,213,497)	(6,606,290)	(607,207)	9.2
D - SHAREHOLDERS' EQUITY	**507,224,813**	**574,356,479**	**(63,032,929)**	**(11.0)**
(Cash and cash equivalents)/ borrowing - LT	1,529,954,632	1,432,619,060	97,335,572	6.8
(Cash and cash equivalents)/ borrowing - ST	2,556,049	68,051,195	(65,495,146)	(96.2)
Net financial (position)/indebtedness	**1,532,510,681**	**1,500,670,255**	**31,840,426**	**2.1**
Total sources	**2,039,735,494**	**2,075,026,735**	**(35,291,241)**	**(1.7)**

Significant events during the year.

The significant events are detailed below:

- in March, the plans for the merger by incorporation of the companies Overlord Bidco S.p.A., F.D.L. Service S.r.l., WebResults S.r.l. and Engineering Sardegna S.r.l. into the parent company Engineering Ingegneria Informatica S.p.A. were resolved pursuant to Articles 2501-ter and 2502 of the Italian Civil Code, with legal effect from 1 October 2024 and retroactive accounting and tax effectiveness from 1 January 2024. This transaction had no effect on the Consolidated Financial Statements;

- on 30 May 2024, the Board of Directors of Be Management Consulting S.p.A. approved the plans for the merger by incorporation of the companies Be Corporate Services S.p.A., Be TheChange S.r.l. and Be World of Wonders S.r.l. into Be Management Consulting S.p.A. pursuant to Articles 2501-ter and 2502 of the Italian Civil Code, with legal effect from 1 November 2024 and retroactive accounting and tax effectiveness from 1 January 2024. This transaction had no effect on the Consolidated Financial Statements;

- on 27 June 2024, the deed of sale of the security business unit was signed by Nexera S.p.A. with Bitwave S.r.l., with effect from 1 July 2024, as the business is no longer considered strategic for the Engineering Group. On the same date and again with effect from 1 July 2024, Engineering Ingegneria Informatica S.p.A. acquired from Bitwave S.r.l. the residual 40% of the equity investment in the share capital of Nexera S.p.A.;

- during the first half year, Engineering Ingegneria Informatica S.p.A. acquired the entire equity investment of the company Be Shaping The Future, Digitech Solutions S.p.A. from the subsidiary Be Shaping The Future Management Consulting S.p.A. This transaction had no effect on the Consolidated Financial Statements;

- during the financial year, the following companies EngX S.r.l, Smart Land Sud Ovest Milano S.r. l., Smart Land CM Calore Salernitano S.r.l., Smart Land Saronnese S.r.l., Smart Land Area Saviglianese S.r.l. were established while the liquidation of the companies Be Shaping the future Management Consulting Ltd (Italian Branch), Omnisecure d.o.o. and Engineering Its Schweiz A.g. was completed.

XI

Shareholders and treasury shares.

Shareholders

The whole share capital of Engineering Ingegneria Informatica is held by 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 Parent Company.

XII

Subsequent events.

On January 22, 2025, the Court of Cassation held a hearing on the preliminary question of the legitimacy of the project company (i.e. the subsidiary Napoli Obiettivo Valore s.r.l.) to act as a collector of local taxes in the absence of autonomous enrolment in the register of companies.

In the unlikely event of a negative outcome, which has now been superseded by the judgement illustrated below, the economic impact that could have occurred can be summarised as follows:

- taxpayers who have paid the amount in the meantime and at the same time contested the assessment notice issued by the project company could have asked the Municipality for a refund of the amount unlawfully paid on the basis of a null and void tax assessment. In this case, the Municipality could take action against the concessionaire, at least to obtain the repayment of the premium collected. The validity of such a claim would be questionable in any event, given that NOV acted in good faith and legitimately relied on the correctness of its actions and on the legitimacy of the licence granted to NOV by the Municipality;
- for taxpayers who complied with the request for payment without contesting the assessment notice, acquiescence was deemed to have taken place, making it impossible to claim a refund in the event that NOV was found to be unlawful.

It should also be noted that, on February 25, 2025, the Text of Italian Decree Law no. 202 of 27 December 2024, coordinated with Italian conversion Law no. 15 of February 21, 2025 was published in the Official Gazette. In Article 3 it clarifies by way of interpretation that special purpose vehicles (as per Article 194 of Italian Legislative Decree no. 36/2023 or project companies, as per the previously applicable Article 184 of Italian Legislative Decree no. 50/2016), "established to carry out assessment and collection activities or their preparatory support activities, are not enrolled in the register referred to in Article 53 of Italian Legislative Decree no. 446 of 1997, if the company awarded the call for tender to grant the service of assessing and collecting local authority revenues, and member of the same special purpose vehicle, is already enrolled in said register.

The assessment and collection documents issued by the special purpose vehicles referred to in the previous sentence are to be considered legitimate in that they are issued in place of the contractor, who is in any case required to jointly guarantee the performance of all the services provided directly by said companies".

The judgement of the Court of Cassation no. 14335 filed on March 20, 2025 declared inadmissible the preliminary ruling made by the Court of Tax Justice of first instance of Naples concerning the legitimacy of Napoli Obiettivo Valore, following the issue of the interpretation regulation contained in Article 3, paragraph 14 septies of Italian Law no. 15/2025 (known as Milleproroghe decree).

The Court's intervention definitively clarifies the legitimacy of NOV's actions as a project company of Municipia and indirectly recognised the retroactive nature of the interpretation regulation, which was introduced to put an end to the situation of serious uncertainty that had arisen.

In February, Engineering Ingegneria Informatica S.p.A. launched an Offer on the market, which ended on 10 February 2025, relating to two bonds with a total value of Euro 650 million, one of which has a variable rate and one a fixed rate.

The variable rate bond, issued at par for a nominal amount of Euro 350.0 million and maturing in 2030, will pay interest at a rate equal to the three-month Euribor (subject to a floor of 0%) plus 5.75% per annum.

The fixed-rate bond, issued at par for a nominal amount of Euro 300.0 million and maturing in 2030, will pay interest at a fixed rate of 8.625% per annum.

The gross proceeds of the Offer will be used, together with available cash, to repay in full the Company's the covered senior bonds of Euro 605.0 million at 5.875% maturing in 2026 (including any accrued and unpaid interest thereon), to repay in full and cancel the indebtedness incurred under a senior secured credit facility of Euro 38.4 million (including any accrued and unpaid interest thereon) and to pay the fees and expenses in connection with the foregoing transactions and the increase and extension of the maturity of the existing revolving credit facility.

On 7 February 2025, an amendment was signed to the loan agreement in place between the parent company Centurion Newco Spa and Engineering Ingegneria Informatica S.p.A. (known as Shareholder Loan Agreement - "PIK"); the amendments mainly concern the expiry of the contract, which is 15 February 2031, and the interest that will be calculated for all interest periods starting from 30 January 2025 to 30 January 2028 on the portion of the loan not repaid at an interest rate of 13.5%; subsequently, the interest rate will be increased by 0.5% for each subsequent interest period until the expiry of the contract.

XIII

Other information.

Transactions with related parties

Based on IAS 24, which contains provisions relating to related party transactions, Engineering Ingegneria Informatica Spa adopted on a voluntary basis the Procedure for the regulation of the identification and execution of Related Party Transactions of the Company, as per resolution of the Board of Directors on June 23, 2023; the same procedure was updated in the year under review by resolution of the Board of Directors on August 2, 2024, with the favourable opinion of the Committee of Independent Directors for related party transactions. 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

The Engineering Group 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 Group'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 Group 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

As highlighted in Section IV, growing problems on the geopolitical front are also generating uncertainty and 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 can still have important impacts on the overall economic trend.

Our Group 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 Group 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 Group 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 Group 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 Engineering Group 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 Engineering Group 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 Group 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 Group may not be able to provide customers with quality services at competitive prices.

Any inability to effectively compete would adversely affect activity, operating results, financial conditions and forecasts. Special attention was given by the Group on this issue and it developed a structure made up of specialised resources concerned with "the offer engineering", which allows the Group 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 Group is not subject to particular sector regulations.

Internal risks

A1 Risks related to the employment of key personnel

The Group has Executives and Managers who play a decisive role in the management of the Group'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 Group offers services to around 2,000 medium and large companies operating on all markets (Public Administration, Health, Finance, Insurance, Telco & Media, Industry & 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 Group 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 Group has therefore taken out insurance policies deemed as an adequate hedging against risks from third-party and contractual liability, for an annual ceiling of Euro 10 million per claim and Euro 30 million in aggregate for third-party liability, and for an annual ceiling of Euro 10 million per claim and Euro 15 million in aggregate for contractual liability, respectively. 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 Group'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 Group is deemed liable with respect to uncovered issues, the economic, equity and financial situation of the Group might be negatively affected.

D1 Risks related to international expansion

For a number of years, the Group strategy has looked towards developing the process of internationalisation and economic and financial benefits are expected. The Group companies operate in areas where there are no armed conflicts or border tensions, except to a negligible extent. At present, the exposure towards foreign activities, in the order of 16% of total consolidated revenues, does not subject the Group to risks such as changes to local political and regulatory frameworks, as well as considerable currency fluctuations.

However, these events could negatively affect the Group's growth prospects. This growth strategy is addressed at minimising the specific country risk by possibly differentiating the offer and the investments in more attractive geographic regions from a business point of view. With special reference to the Brazilian market, reference is made to the presence of risks related to the economic and political situation of the country, with possible impacts on Group operations. In particular, as regards exchange rate risks, reference is made to the following paragraph.

With regard to the activities carried out in Argentina, the Group is present through the company EDA with a turnover equal to 0,01% of the Group's consolidated turnover.

E1 Risks associated with significant dependence on third parties

The Group'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 Group'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 Group.

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 Group 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 Group. Delays in payments by larger customers, requests for changes to their contractual payment agreements or breaches of payment obligations could adversely affect the Group's business, financial conditions and results of operations.

The Group manages this risk through implementing policies aimed at ensuring the solvency of its clients and limiting the exposure to credit risk of an individual client through evaluation and monitoring of the customer.

Specifically, the Group 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.

With regard to the receivables from the Sicilian Region Administration in particular, also through Sicilia e Servizi S.p.A., reference is made to the contents of paragraph "Trade receivables" in the Explanatory Notes to the financial statements.

B2 Liquidity risk

Liquidity risk is defined as the risk that the Group 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 Group 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 Group 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 Group to introduce simulation and sensitivity analysis processes to value potential losses deriving from unfavourable changes in the sector environment concerning:

- financial assets and liabilities at fair value through profit or loss or at amortised cost;
- investments;
- loans and receivables;

- revenues and margins in foreign currencies.

In particular, the exchange rate risk can be determined on those operations currently carried out on the Brazilian market through Engineering do Brasil.

SYNTHETIC DATA ON THE EURO - REAL EXCHANGE RATE

Economic and financial risks in Brazil

International risks

The main international risk is still the war between Russia and Ukraine and, obviously, this causes economic destabilisation in all countries.

Another factor that could be an obstacle for the exchange rate this year is Donald Trump's economic policy. Back in the White House, he intends to increase import tariffs with the aim of favouring North American products. The effect of the movement could be a rise in inflation in the United States and a strengthening of the dollar worldwide.

National risks

The economic scenario for 2025 presents several challenges both globally and in Brazil. Key issues include the exchange rate, interest rates, public debt and the labour market. The Brazilian currency market experienced a significant devaluation in 2024, with the Euro ending the year around 27% higher than at the start of the period. Much higher than expected inflation and some disappointment in the financial markets about the tax package contributed to the rise in foreign currencies. Experts predict that this movement will slow down by 2025; in fact, it is expected that the exchange rate will ease and that there will be a certain balance throughout the year.

The base interest rate is expected to rise significantly, prospectively reaching 15.25% in 2025. This scenario is driven by persistent inflation and tax tensions. The rise in the dollar is also contributing to inflationary pressures, mainly hitting food and services. The inflation scenario in 2025 is expected to accelerate further due to the lack of monetary control and the increase in public spending.

See below the projections of the main economic and exchange rates for the coming years, made by the Central Bank of Brazil:

Index	2025	2026	2027
Gdp	2.01%	1.70%	1.98%
Official Inflation - Ipca	5.60%	4.35%	4.00%
Interest Rate - Annual	15.00%	12.50%	10.50%
USD Exchange rate projection	6.00	6.00	5.90
EURO Exchange rate projection	6.48	6.48	6.37

D2 Interest rate risk

Exposure to interest rate risk arises from the need to finance the Group's current operating activities. Changes in interest rates can have a negative or positive impact on the Group'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 Group does not have operations related to this risk, therefore the exposure is nil.

Tax consolidation

The "National tax consolidation" arrangement pursuant to Articles 117 et seq. of Italian Presidential Decree no. 917 of 22 December 1986 is in place among the following companies Engineering Ingegneria Informatica S.p.a, Engineering D.HUB S.p.a, Municipia S.p.a, Nexen S.p.a, Industries Excellence S.p.a, Atlantic Technologies S.p.a, Pragma Management Systems S.r.l., Livebox S.r.l., Digitelematica S.r.l., CConsulting S.r.l., Cybertech S.r.l., Be Shaping Management Consulting S.p.a, Iquii S.r.l., Be Digitech Solutions S.p.a, Crispy Bacon S.r.l., with the parent company Centurion Newco S.p.a..

Tax authority relations

In May 2023, the Lazio Regional Tax Directorate - Large Taxpayers Office - commenced on Engineering Ingegneria Informatica S.p.A. a general tax audit for the purposes of direct taxes, IRAP and VAT relating to the 2019 tax period, an audit completed in April 2024 with the notification of the Minutes Report on Findings (hereinafter also referred to as "RoF"). During the audit, a number of findings were identified in relation to certain items in the financial statements 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 with reference to the 2017 tax period, issued pursuant to Article 5-ter of Italian Legislative Decree 218/1997, with the establishment of a cross-examination that led in February 2024 to the signing of the deed of acceptance, and in February 2024 to a Minutes Report on Findings relating to the 2018 tax period, again for the same findings, the latter with special amendment, envisaged by the "Milleproroghe" decree (Italian Legislative Decree no. 215/2023) and by the "Agevolazioni fiscali" (Tax incentives) decree (Italian Legislative Decree no. 39/2024).

On the other hand, with regard to the RoF notified in April 2024 at the end of the general audit on the 2019 tax period, it was partially defined, once again using the special amendment tool with reference to the same findings that emerged on the 2017 and 2018 tax periods, while for the main finding relating to the valuation of the stock option plan, the Company submitted an application for a tax assessment proposal, a procedure that ended on 7 March 2025.

In 2021, the subsidiary Livebox S.r.l. received a notice of challenge from the Inland Revenue Office - Provincial Directorate I of Rome - regarding the recovery of tax credit used in offsetting in 2015, 2016 and 2017. During the 2023 tax period, the company adhered to the Scrapping-quater.

In June 2024, the subsidiary Cybertech S.r.l. received notification of a Minutes Report on Findings following a targeted audit on the 2021 tax period with which the Inland Revenue Office challenged the deduction of Euro 4.3 million of the cost relating to a settlement agreement. To date, the Company has not received any assessment deed.

Also in June 2024, Cybertech was served with a recovery deed, issued against Omnitechit S.r.l., the company that transferred the business unit to Cybertech, together with a notice of joint and several liability pursuant to Article 14, paragraph 4, of Italian Legislative Decree no. 472 of 18 December 1997, by means of which the improper use of Research & Development tax credits in offsetting was challenged.

In September 2024, the company filed an appeal against the notice of joint and several liability and we are currently waiting for the first hearing to be scheduled.

Index

XIV / Consolidated financial statements and explanatory notes

XIV

Consolidated financial statements and explanatory notes.

Consolidated financial statements

Consolidated Statement of Financial Position

(in euro)

	Statement of Financial Position - Assets	Note	12.31.2024	12.31.2023 Restated
A)	NON-CURRENT ASSETS			
	Property, plant and equipment	6	34,431,089	35,975,572
	Intangible assets	7	795,335,118	811,262,894
	Rights of use	8	102,157,221	154,069,198
	Goodwill	9	1,201,326,160	1,201,326,160
	Equity investments	10	6,525	6,525
	Deferred tax assets	11	79,232,467	92,772,582
	Other non-current assets	12	13,527,976	7,721,297
	Non-current financial assets	13	2,029,908	1,608,431
	TOTAL NON-CURRENT ASSETS		**2,228,046,465**	**2,304,742,660**
B)	CURRENT ASSETS			
	Inventory	14	53,861	271,984
	Customer contract assets	15	204,752,498	224,928,448
	Deferred contract costs	16	39,619,707	19,249,220
	Trade receivables	17	488,858,058	468,936,589
	Other current assets	18	104,573,487	115,126,181
	Current financial assets	19	275,906	514,784
	Cash and cash equivalents	20	203,660,216	219,803,822
	TOTAL CURRENT ASSETS		**1,041,793,733**	**1,048,831,028**
C)	ASSETS HELD FOR SALE AND HELD FOR DISTRIBUTION TO OWNERS		**0**	**0**
TOTAL ASSETS (A + B +C)			**3,269,840,198**	**3,353,573,687**

(in euro)

Statement of Financial Position - Liabilities		Note	12.31.2024	12.31.2023 Restated
D)	**SHAREHOLDERS' EQUITY**			
	Share capital	22	34,095,537	34,095,537
	Reserves	23	560,627,195	563,463,718
	Retained earnings/(Losses carried forward)	24	(9,125,514)	109,100,130
	Profit/(loss) for the year		(71,158,907)	(125,696,615)
	Group Shareholders' Equity		514,438,310	580,962,769
	Capital and reserves of non-controlling interests		(8,440,515)	(7,199,958)
	Profit/(loss) for the year of non-controlling interests		1,227,018	593,668
	TOTAL SHAREHOLDERS' EQUITY	**21**	**507,224,813**	**574,356,479**
E)	**NON-CURRENT LIABILITIES**			
	Non-current financial liabilities	25	1,450,991,468	1,300,107,796
	Non-current lease liabilities	26	80,993,072	134,119,695
	Deferred tax liabilities	27	77,833,609	85,158,380
	Non-current provisions for risks and charges	28	669,043	4,536,398
	Other non-current liabilities	29	23,519,927	55,980,144
	Post-employment benefits	30	67,673,916	82,913,117
	TOTAL NON-CURRENT LIABILITIES		**1,701,681,035**	**1,662,815,532**
F)	**CURRENT LIABILITIES**			
	Current financial liabilities	31	181,763,476	263,375,486
	Current lease liabilities	32	24,728,695	24,994,316
	Current tax payables	33	11,334,978	5,135,721
	Current provisions for risks and charges	34	26,074,178	26,335,996
	Other current liabilities	35	263,060,432	280,628,806
	Trade payables	36	553,972,591	515,931,353
	TOTAL CURRENT LIABILITIES		**1,060,934,350**	**1,116,401,676**
G)	**TOTAL LIABILITIES (E + F)**		**2,762,615,385**	**2,779,217,208**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (D + G)			**3,269,840,198**	**3,353,573,687**

Consolidated Income Statement and Consolidated Comprehensive Income Statement

(in euro)

	Consolidated Income Statement	Note	12.31.2024	12.31.2023 Restated
A)	TOTAL REVENUES			
	Revenues	37	1,716,641,081	1,683,453,948
	Other revenues	38	47,523,361	37,635,618
	TOTAL REVENUES		**1,764,164,442**	**1,721,089,566**
B)	OPERATING EXPENSES			
	Raw materials and consumables	40	60,408,375	72,269,012
	Service costs	41	605,100,573	590,564,910
	Personnel costs	42	838,794,736	871,016,680
	Amortisation and Depreciation	43	106,342,035	116,602,007
	Provisions	44	18,112,158	33,609,470
	Other costs	45	15,047,853	15,311,690
	TOTAL OPERATING EXPENSES	**39**	**1,643,805,730**	**1,699,373,769**
C)	**OPERATING PROFIT (A - B)**		**120,358,713**	**21,715,797**
	Financial income		7,907,318	3,071,749
	Financial expenses		180,028,437	157,651,199
D)	**NET FINANCIAL INCOME (EXPENSES)**	**46**	**(172,121,119)**	**(154,579,450)**
E)	**INCOME/(EXPENSES) FROM INVESTMENT ON ACQUISITIONS OF NCI**	**47**	**3,610,472**	**2,811,331**
F)	**PROFIT BEFORE TAXES (C + D + E)**		**(48,151,934)**	**(130,052,322)**
G)	**Income taxes - Expenses/(Income)**	**48**	**21,779,955**	**(4,949,375)**
H)	**CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR (F + G)**		**(69,931,890)**	**(125,102,947)**
I)	**PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX EFFECT**		**0**	**0**
L)	**CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR (H + I)**		**(69,931,890)**	**(125,102,947)**
	Non-controlling interest		1,227,018	593,668
	Attributable to shareholders of the parent		(71,158,907)	(125,696,614)

(in euro)

	Comprehensive Income Statement	Note	12.31.2024	12.31.2023 Restated
L)	**INCOME FOR THE YEAR**		**(69,931,890)**	**(125,102,947)**
M)	**OTHER COMPREHENSIVE INCOME STATEMENT ITEMS**			
	Actuarial gains/(losses) of employee defined plans		9,563,353	(2,770,227)
	Tax effect related to Other income/(loss) which will not be reclassified in income/(loss) for the year		(2,281,083)	665,987
	Changes in other equity reserves		0	0
	Tax effect of change in other equity reserves		0	0
	Total Other comprehensive income/(loss) which will not be reclassified in income/(loss) for the year, net of tax effect		**7,282,271**	**(2,104,240)**
N)	**Total Other comprehensive income/(loss) which will be reclassified in income/(loss) for the year:**			
	Income/(Loss) on cash flow hedge instruments		(327,171)	0
	Tax effect related to Other income/(loss) which will be reclassified in income/(loss) for the year		78,521	0
	Exchange gains/losses on non-Euro accounts		(3,646,687)	8,199,051
	Taxation on exchange gains/losses on non-Euro accounts		0	0
	Total Other comprehensive income/(loss) which will be reclassified in income/(loss) for the year, net of tax effect		**(3,895,336)**	**8,199,051**
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX EFFECT		**3,386,934**	**6,094,811**
O)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (L + M + N)**		**(66,544,955)**	**(119,008,136)**
	Non-controlling interest		1,348,031	488,397
	Attributable to shareholders of the parent		(67,892,987)	(119,496,533)

Statement of changes in Consolidated Shareholders' Equity

(in euro)

	Group shareholders' equity						
Description	**Share capital**	**Reserves**	**Retained earnings**	**Profit/(Loss) for the year**	**Group Shareholders' Equity**	**Non-controlling interests shareholders' equity**	**Total Group Shareholders' Equity and Non-controlling interests shareholders' equity**
Note	**22**	**23**	**24**				**21**
Balance as of 01.01.2023	**34,095,537**	**588,020,898**	**170,291,101**	**31,706,755**	**824,114,291**	**(9,874,525)**	**814,239,766**
Net profit for the year				(125,696,615)	(125,696,615)	593,668	(125,102,947)
Other net comprehensive items		8,199,051	(1,998,969)		6,200,082	(105,271)	6,094,811
Comprehensive income for the year		**8,199,051**	**(1,998,969)**	**(125,696,615)**	**(119,496,533)**	**488,397**	**(119,008,136)**
Allocation of the residual result of the previous year to retained earnings			31,706,755	(31,706,755)			
Change from merger			(118,716,717)		(118,716,717)		(118,716,717)
Recognition of Put/Call Options for acquisitions and takeovers		267,127	(267,127)				
Change in interests in subsidiaries and scope of consolidation						(294,137)	(294,137)
Reserve for payment for future capital increase							
Other changes		(33,023,358)	28,085,087		(4,938,271)	3,073,974	(1,864,297)
Transactions with shareholders and other movements		(32,756,231)	(59,192,002)	(31,706,755)	(123,654,988)	2,779,838	(120,875,151)
Balance as of 12.31.2023 Restated	**34,095,537**	**563,463,718**	**109,100,130**	**(125,696,615)**	**580,962,769**	**(6,606,290)**	**574,356,479**
Net profit for the year				(71,158,907)	(71,158,907)	1,227,018	(69,931,890)
Other net comprehensive items		(3,646,687)	6,912,608		3,265,921	121,013	3,386,934
Comprehensive income for the year		**(3,646,687)**	**6,912,608**	**(71,158,907)**	**(67,892,987)**	**1,348,031**	**(66,544,955)**
Allocation of the residual result of the previous year to retained earnings			(125,696,615)	125,696,615			
Dividends distribution						(227,299)	(227,299)
Recognition of Put/Call Options for acquisitions and takeovers		2,000,000	(2,000,000)				
Other changes		(1,189,836)	2,558,363		1,368,527	(1,727,940)	(359,412)
Transactions with shareholders and other movements		810,164	(125,138,252)	125,696,615	1,368,527	(1,955,238)	(586,711)
Balance as of 12.31.2024	**34,095,537**	**560,627,195**	**(9,125,514)**	**(71,158,907)**	**514,438,310**	**(7,213,497)**	**507,224,813**

Consolidated Cash Flow Statement with indirect method

(amount in euro)

Description	01.01.2024 12.31.2024	01.01.2023 12.31.2023 Riesposto
Profit/(Loss) for the period	(69,931,890)	(125,102,947)
Income taxes	21,779,955	(4,949,375)
Write-downs (Release of write-downs)	0	0
Other non-monetary (income)/expenses	(3,610,472)	(2,811,331)
(Financial income)	(1,313,392)	(1,408,432)
Exchange (gains)/losses	(1,885,025)	4,560,083
Financial expenses	175,319,537	151,427,799
Provisions (release of provisions)	18,112,158	33,609,470
Amortisation and Depreciation	106,342,035	116,602,007
Changes in working capital:		
(Increase)/Decrease in receivables from customers	(14,577,448)	64,874,250
(Increase)/Decrease in Inventory	218,122	1,949,090
(Increase)/Decrease in Customer contracts assets	(3,805,927)	(21,861,856)
(Increase)/Decrease in other assets	10,031,308	5,360,250
Increase/(Decrease) in Trade payables	20,193,424	(5,667,824)
Increase/(Decrease) in other liabilities	(33,331,210)	33,266,302
Income taxes paid	(6,955,768)	(8,174,616)
(Use of provisions for employee benefits)	(9,832,811)	(4,591,850)
(Use of other provisions)	(23,973,963)	(38,221,821)
Other non-monetary changes	(4,339,770)	6,304,154
A) Total cash flow from operating activities	**178,458,863**	**205,163,353**
Sale of property, plant and equipment	83,158	69,877
Purchase of property, plant and equipment	(10,880,082)	(13,773,250)
Purchase of intangible assets	(72,577,694)	(77,222,540)
Collections for sale of non-controlling company shares	0	106,426
Consideration paid for acquisition of business	(13,364,304)	(10,730,972)
Purchase of non-controlling interests investments and securities	(6,730,293)	(2,539,401)
Sale of other investments and securities	1,445,000	51,612
Loans disbursed to third parties	**0**	**0**
B) Total cash flow from investing activities	(102,024,215)	(104,038,248)
New loans	940,228,091	359,152,301
Repayment of loans	(896,808,921)	(342,062,083)
Disbursements for acquisition of non-controlling interests	(1,245,000)	(7,626,506)
Capital contributions from Non-Controlling Shareholders	6,500	30,600
Dividends distribution	(227,299)	(294,137)
Interest paid for financing activities	(87,765,145)	(76,881,394)
Interest paid for financing activities	(21,500,282)	(15,432,242)
Loans repaid by third parties	**209,319**	**0**
Repayment of lease liabilities	**(25,475,518)**	**(28,126,445)**
C) Total cash flow from financing activities	**(92,578,255)**	**(111,239,906)**
D) = (A + B + C) change in cash and cash equivalents	**(16,143,607)**	**(10,114,801)**
E) Cash and cash equivalents at beginning of year	**219,803,822**	**211,202,186**
F) Monetary contribution from merger	**0**	**18,716,437**
G) = (D + E + F) Cash and cash equivalents at end of year	**203,660,216**	**219,803,822**

Notes to the Consolidated Financial Statements

1 General information

Engineering Ingegneria Informatica S.p.A. (hereinafter the "Company" or "Engineering"), together with its subsidiaries (hereinafter "Engineering Group" or the "Group") is the leading domestic provider of integrated ICT services, products and consultancy. It was established in Padua on 6 June 1980.

With approx. 14,000 employees, and more than 80 offices throughout Italy, Europe, Latin America, the United States and India, the Group generates approx. 16% of revenues abroad and manages IT initiatives in over 20 countries with projects for the Industry, Telecommunications, *Banking, Energy & Utilities*, Health and Public Administration sectors. It operates in the outsourcing and Cloud Computing market through an integrated network of 3 data centres located in Pont St. Martin (AO), Turin and Vicenza, which manage around 300 customers.

The Group operates in Software and IT Services with a leading position in numerous vertical sectors, due to a wide range of proprietary solutions, from banking compliance (SISBA, ELISE, GRACE), to Billing and CRM for Utilities (Net@SUITE), to integrated diagnostics and administration solutions for Health (AREAS) and mobile platforms for TLC.

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..

These Consolidated Financial Statements as of December 31, 2024 were approved by the Board of Directors of Engineering Ingegneria Informatica S.p.A. at the meeting on March 17, 2025.

In considering the impact of the main macroeconomic events and scenarios on the Group's accounting estimates, the Group did not make any adjustments for possible effects deriving from the rate of inflation, the GDP of the countries in which the Group operates, and the trend in prices, for effects deriving from the current war between Russia and Ukraine and from the conflicts in the Middle East.

This is in consideration of the fact that the Group has very limited economic relations with customers and/or suppliers located in these geographical areas.

With regard to access to the credit market and the trend of interbank interest rates to which the Group is subject for the repayment of financial liabilities, note that the Group'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.

For the purpose of preparing these Consolidated Financial Statements, the recognition and measurement of *fair values* of assets acquired and liabilities assumed were also completed (within 12 months from the acquisition date) in relation to the acquisition of companies by the Group. As envisaged by IFRS 3, the data emerged were retrospectively disclosed at the acquisition date, with the consequent change and supplement of economic, equity and financial figures already temporarily included in the Consolidated Financial Statements for the year ended December 31, 2023.

1.1 Significant transactions

On June 27, 2024, the deed of sale of the security business unit to Bitwave S.r.l. was signed by the subsidiary Nexera S.p.A., with effect from 1 July 2024, as the business is no longer strategic for the Engineering Group. On the same date and again with effect from July 1, 2024, Engineering Ingegneria Informatica S.p.A. acquired from Bitwave S.r.l. the residual 40% of the equity investment in the share capital of Nexera S.p.A. for an amount equal to Euro 700 thousand.

Moreover, during the first half year, Engineering Ingegneria Informatica S.p.A. acquired the entire equity investment of the company Be Shaping The Future, Digitech Solutions S.p.A. from the subsidiary Be Shaping The Future Management Consulting S.p.A. This transaction had no effect on the Consolidated Financial Statements.

1.2 Operations of reorganisation of the Group corporate structure

In March, the plans for the merger by incorporation of the companies Overlord Bidco S.p.A., F.D.L. Service S.r.l., WebResults S.r.l.

and Engineering Sardegna S.r.l. into the parent company Engineering Ingegneria Informatica S.p.A. were resolved pursuant to Articles 2501-ter and 2502 of the Italian Civil Code, with legal effect from 1 October 2024 and retroactive accounting and tax effectiveness from 1 January 2024. This transaction had no effect on the Consolidated Financial Statements.

On May 30, 2024, the Board of Directors of Be Management Consulting S.p.A. approved the plans for the merger by incorporation of the companies Be Corporate Services S.p.A., Be TheChange S.r.l. and Be World of Wonders S.r.l. into Be Management Consulting S.p.A. pursuant to Articles 2501-ter and 2502 of the Italian Civil Code, with legal effect from 1 November 2024 and retroactive accounting and tax effectiveness from 1 January 2024. This transaction had no effect on the Consolidated Financial Statements.

Completion of accounting activities connected with acquisitions

Extrared

On July 26 2023, the company Extra Red S.r.l. was acquired 100% by Engineering D.HUB S.p.A..

Extra Red S.r.l. is a company that offers high value-added services and projects on market-leading technologies, in partnership with the main IT vendors.

For the purpose of preparing these Consolidated Financial Statements, the recognition and measurement of fair values of assets acquired and liabilities assumed were completed (within 12 months from the acquisition date) in relation to the acquisition of the company.

The following table shows the book values of assets acquired and liabilities assumed at the acquisition date, as well as final values related to identified *fair values*.

As part of the *fair value* measurement of the assets acquired and liabilities assumed in accordance with IFRS 3, a net *fair value* adjustment of Euro 3.1 million emerged, against the recognition under intangible assets of Order Backlog, Customer Relationship and Brand of Euro 4.3 million (before deferred taxes of Euro 1.2 million).

The above-mentioned adjustments also reflect a change compared to the initial provisional accounting of the business combination, made the previous year, which resulted in a provisory allocation of Euro 8.1 million as *goodwill*. This goodwill value will be fiscally non-deductible.

As required by IFRS 3, the goodwill that emerged following the above accounting for the transaction was allocated to the "Industry & Services" CGU.

The determination of the assets acquired and the liabilities assumed at *fair value* was carried out through an estimation process based on assumptions deemed reasonable and realistic based on the information that was available at the date of acquisition of control.

As envisaged by IFRS 3, the above-mentioned data were retrospectively disclosed at the acquisition date, with the consequent change and supplement of equity and financial figures already temporarily included in the Consolidated Financial Statements for the year ended December 31, 2023.

(in euro)

Net assets acquired	Provisional fair value of net asset acquired	Fair value adjustments	Fair value of net asset acquired
Property, plant and equipment	25,575		25,575
Intangible assets		4,332,000	4,332,000
Rights of use	293,508		293,508
Other non-current assets	110,294		110,294
Trade receivables	2,184,933		2,184,933
Cash and cash equivalents	1,182,999		1,182,999
Current financial assets	101,550		101,550
Other current assets	350,012		350,012
Non-current financial liabilities	(436,341)		(436,341)
Non-current lease liabilities	(233,846)		(233,846)
Other non-current liabilities	(1,179,112)	(1,208,628)	(2,387,740)
Current financial liabilities	(189,245)		(189,245)
Current lease liabilities	(59,967)		(59,967)
Other current liabilities	(724,586)		(724,586)
Trade payables	(479,240)		(479,240)
Total net assets acquired	**946,535**	**3,123,372**	**4,069,907**
Total amount			**9,089,831**
Goodwill	**8,143,296**	**(3,123,372)**	**5,019,924**
Cash and cash equivalents			1,182,999
Net outflow resulting from the acquisition			**7,906,832**

Acquisitions for the period

In the period under review, no new acquisitions were made.

1.3 Purchase of equity investments in subsidiaries

During the year 2024, the Group paid the amounts due for the acquisition of control of the following companies and business units. The table below shows the details of the main cash payments:

(in Euro)

12.31.2024	Atlantic Technologies S.p.A.	C Consulting S.p.A	BSY - SYNAPSY S.R.L.	Total
Earn out payment	10,000,000	2,780,304	584,000	**13,364,304**
Cash flow for the purchase of subsidiaries investments, net of cash and cash equivalents	**10,000,000**	**2,780,304**	**584,000**	**13,364,304**

During the 2024 financial year, the Group exercised its rights deriving from the existing put&call agreements for the acquisition of the non-controlling shares of the company Nexera S.p.A. for Euro 245,000; it also paid Euro 1,000,000 relating to the balance of the debt for the acquisition of the minority shares of Cybertech S.r.l..

1.4 Hyperinflation in Argentina

During the year under review, Argentina continued to face major economic challenges, including inflation; INDEC, the Argentine equivalent of Italy's ISTAT, published the consumer price index for December, which stood at 2.7%, and also announced that annual inflation stood at 117.8%, a drastic reduction from the 211.4% recorded in 2023.

Despite the political and economic scenario in Argentina, the Group company operating in the country maintained its operating break-even point, recording an operating loss of Euro 0.01 million (12/2023: Euro 0.04 million). Total financial expenses net of income, equal to Euro 0.4 million (12/2023: Euro 1.8 million), were affected by inflation in the period and the depreciation of the local currency (Peso).

Consistent with the provisions set out in IAS 29 - Financial Reporting in Hyperinflationary Economies, the restatement of the financial statements as of December 31, 2024 as a whole entailed the following:

- with regard to the income statement, costs and revenues have been revalued by applying the change in the general consumer price index to reflect the loss of purchasing power of the local currency as of December 31, 2024. For the purpose of converting the income statement thus redetermined into Euro, the exchange rate as of December 31, 2024 was consistently applied instead of the average exchange rate for the period. With reference to consolidated net sales for the financial year, the effect of applying the standard resulted in a negative change of Euro 0.4 million as of December 31, 2024;

- with regard to the statement of financial position, the monetary elements have not been restated since already expressed in the current unit of measurement at the end of the period. Conversely, non-monetary assets and liabilities have been revalued to reflect the loss of purchasing power of the local currency that occurred from the date of initial recognition of assets and liabilities to the end of the period.

2 Form, contents and accounting standards

These Consolidated Financial Statements as of December 31, 2024 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 19 July 2002. The IFRS Standards 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 standards 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 Consolidated Financial Statements are expressed in Euro and, in compliance with the provisions of IAS 1 “Presentation of Financial Statements” include the Consolidated statement of financial position, the Consolidated income statement and the Consolidated comprehensive income statement, the Consolidated statement of changes in shareholders’ equity, the Consolidated Cash Flow Statement and the related Explanatory notes.

Unless otherwise indicated, as they have been rounded, the amounts in the tables shown below may show differences in the unit number.

The consolidation was carried out under the line-by-line method, including the non-controlling interests reported in the relevant shareholders’ equity and income statement accounts.

The Group companies adopted the same accounting period as the Parent Company and the standards utilised are the same used 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 costs.

Starting from the first half of 2024, the cash flow statement is presented using the indirect method; therefore, for comparative purposes, the corresponding period of the previous year was presented according to the same method.

The transactions with related parties concern subsidiaries, associated companies and Directors and Executives with strategic responsibilities and entities in which the Engineering Group has common shareholders.

The financial statements are accompanied by the Directors’ 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 Group operations and significant events occurred after the year-end.

For each item of the statements, the corresponding figure of the previous year is disclosed for comparison purposes.

Critical judgements in applying the accounting policies

There are no critical judgements made in applying the Group's accounting policies.

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 effects of 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 assets and 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.

The Group has adopted 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 ageing 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.

Impairment of assets (Goodwill and Trademark)

As explained in more detail in paragraph "*Goodwill*" hereof, for the calculation of the value in use of *Cash Generating Units*, the Group has taken into account, with reference to the specified period, the expected trends resulting from the budget for 2025 and, for subsequent years, the forecasts included in the 2025 - 2029 multi-year plan.

In the year under review, the impairment test carried out on the basis of these forecasts did not give rise to any indication of impairment for either Goodwill or the Trademark, and therefore no impairment loss was recognised.

Purchase Price Allocation (IFRS 3)

The recognition of *business combination* transactions implies the allocation of the payment of acquisition to the assets and liabilities of the acquired company, which are evaluated at *fair value*. The possible difference between purchase cost and net book value, if positive, is recorded as *goodwill*; if negative, it is recorded in the income statement.

In the process of assigning a value to certain asset items, the Group applied estimates to determine their *fair value*. To determine *fair value*, the Group used valuation methods, including the *discounted cash flow analysis*. To calculate the present value of future cash flows, it is necessary to formulate some assumptions regarding uncertain issues, including Management's expectations regarding:

- margins of customer portfolios;
- the probability of renewal of contracts with customers;
- the selection of the discount rate that reflects the risk.

These Group estimates are based on assumptions considered to be reasonable; these assessments require the use of management assumptions, which may not reflect unpredictable events.

During the financial year, no transactions were carried out that could be considered *business combinations*.

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.

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.

Taking into account the nature of its customers, credit risk mainly refers to delays in collection times relating to receivables from Public Administration customers and any disputes. In this regard, the Group carefully considers the use of all instruments, including possible legal actions, to support better collection times from Public Administration customers.

The Group is carrying out transactions to dispose of non-recourse trade receivables.

In the financial year under review, the Group continued to strengthen its credit collection activities, successfully maintaining a positive and consistent trend in the collection of trade receivables. No specific issues were reported across market segments and most of the customers are large companies with primary creditworthiness.

Receivable from Sicilia Digitale S.p.A.

As more fully illustrated in the paragraphs "*Customer contract assets*" and "*Trade receivables*" of these Explanatory Notes, receivables include the exposure as of December 31, 2024 from Sicilia Digitale S.p.A. (formerly Sicilia E-Servizi S.p.A. or "SISE") of Euro 148.3 million (gross of the related doubtful debt provision for Euro 35.9 million and the doubtful debt provisions for interest on arrears for Euro 69.5 million), including Euro 14.5 million of customer contract assets (gross of the provision allocated of Euro 2.9 million).

The credit exposure arose from the IT activities connected with the building of an integrated IT platform for the Sicilian Region Administration, as detailed and governed by 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.

(in Euro million)

Description	December 31, 2024
Trade receivables and Customer contract assets	148.3
Doubtful debt provision and Customer contract assets	(108.4)
Total	**39.9**

Fair value of liabilities from non-controlling interest

The *fair value* of liabilities, which represents a reasonable estimate of the exercise price for the options, was determined using the *discounted operating cash flow* method and the multi-year plan of the subsidiaries involved.

The exercise prices are determined on the basis of the agreements contained in the option agreements signed by the Group.

Lease term

The Group analysed all the *lease agreements*, defining the *lease term* for each of them, given by the "non-cancellable" 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 asset. As for the other categories of goods, mainly company cars and equipment, the Group has generally deemed it unlikely to exercise any extension or early termination clause in consideration of the practice usually followed by the Group.

For the buildings, based on business development plans, the Group chose to consider, with the exception of individual redeterminations, 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.

3 Consolidation scope and principles

The Consolidated Financial Statements as of December 31, 2024 were prepared on the basis of historical cost, with the exception of financial instruments, which were measured at *fair value* or at amortised cost at the end of each reporting period.

The accounting standards adopted in the preparation of these Consolidated Financial Statements are consistent with those applied in the preparation of the Group's financial statements for the year ended December 31, 2023.

3.1 Subsidiaries

The subsidiaries are consolidated from the date on which the Group acquires control and deconsolidated from the date in which control is lost. Control is defined as the ability to directly or indirectly determine the financial and management policies and benefit from their implementation.

Consistently with provisions set out by IFRS 10, a company is controlled with the presence of the following three elements: (a) power on the entity acquired/established; (b) exposure, or rights, to variable returns deriving from involvement with the same; (c) capacity to utilise the power to influence the amount of these variable returns.

The accounts are consolidated under the line-by-line method, therefore including the entire amount of assets and liabilities and all costs and revenues regardless of the percentage of share capital held. The book value of consolidated equity investments is therefore derecognised against the relative shareholders' equity.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the effective date of acquisition until the date of sale. The operations, the balances as well as the unrealised profits and losses on inter-group transactions are derecognised.

The shares of shareholders' equity and of the non-controlling interest result are included in a separate shareholders' equity account and in a separate line of the consolidated income statement.

3.2 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.

The acquisition was recognised under the acquisition method described in the following paragraph 4.6. After acquisition, equity investments in associated companies are recorded under the equity method or rather recording the result attributable to shareholders of the parent and of the movements in the reserves respectively to the income statement and shareholders' equity. Non-realised profits and losses on inter-group transactions are derecognised for the relative share.

When the losses attributable to shareholders of the parent in an associated company is equal to or greater than the value of the equity investment held, the Group does not recognise additional losses unless an obligation to recapitalise exists or if payments have been made on behalf of the associated company.

3.3 Jointly controlled companies

Equity investments in jointly controlled companies, in which the Group exercises joint control with other entities, are initially recognised at cost and subsequently measured using the *equity method*. Profits or losses pertaining to the Group are recognised in the Consolidated Financial Statements from the date on which the joint control began and until the date on which that influence ceases. The Group 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.

3.4 Joint arrangements

Pursuant to provisions set forth by IFRS 11, equity investments in *joint ventures* and in *joint operations* are recorded under the equity method applied as described in the previous note. A joint venture is a joint operation where parties have rights on contractually agreed assets and obligations for agreed liabilities.

3.5 Consolidation scope

The Consolidated Financial Statements include the financial statements of the Parent Company and those companies in which the Parent Company holds control based on the provisions of IFRS 10. The financial statements of the Group's companies are prepared as of the same date and refer to a financial year of equal length.

The consolidated companies as of December 31, 2024 are listed hereunder:

Company name	Registered office	Share capital	Currency	Shareholding	Non-controlling interest
Engineering Ingegneria Informatica S.p.A.	Rome	34,095,537	EUR	100.00%	0.00%
Engineering D.Hub S.p.A.	Pont Saint Martin	2,000,000	EUR	100.00%	0.00%
Municipia S.p.A.	Trento	13,000,000	EUR	100.00%	0.00%
Nexen S.p.A.	Padua	1,500,000	EUR	100.00%	0.00%
Sicilia e-Servizi Venture S.c.a.r.l. (*)	Palermo	300,000	EUR	65.00%	35.00%
Engineering Do Brasil S.A.	São Paulo	51,630,020	BRL	100.00%	0.00%
Engi Da Argentina S.A.	Buenos Aires	856,290,322	ARS	100.00%	0.00%
Engineering International Belgium S.A.	Brussels	61,500	EUR	100.00%	0.00%
Engineering Software Lab D.o.o.	Belgrade	452,000	RSD	100.00%	0.00%
Livebox S.r.l.	Rome	100,000	EUR	100.00%	0.00%
Engineering Ingegneria Informatica Spain S.L.	Madrid	100,000	EUR	100.00%	0.00%
IT-Soft USA Inc.	Chicago	260,800	USD	94.13%	5.87%
Eng Mexico Informatica S. de R.L.	Nuevo Leon	2,015,140	MXN	94.71%	5.29%
Nexera S.p.a.	Naples	678,750	EUR	100.00%	0.00%
Securetech Nordic A.b. (*)	Stockholm	50,000	SEK	100.00%	0.00%
Omnitech It Secur S.L. (*)	Madrid	3,000	EUR	100.00%	0.00%
Omnitech It Gmbh (*)	Geilenkirchen	25,000	EUR	100.00%	0.00%
BW Digitronik A.g. (*)	Ulster	400,000	CHF	100.00%	0.00%
C Consulting S.p.A.	Genoa	174,395	EUR	100.00%	0.00%
Movilitas Cloud Kft	Budapest	3,000,000	HUF	94.13%	5.87%
Movilitas Cloud Bv	Perk	18,550	EUR	94.13%	5.87%
Naxxos Bv	Perk	2,702,440	EUR	94.13%	5.87%
Industries Excellence Bv	Perk	1,661,706	EUR	94.13%	5.87%
Extra Red S.r.L.	Pontedera	17,386	EUR	100.00%	0.00%
Engineering Albania Shpk	Tirana	100	ALL	100.00%	0.00%
Smart Land CM Calore Salerinitano S.r.l.	Salerno	16,375	EUR	60.00%	40.00%
Smart Land Saronnese S.r.l.	Saronno	29,625	EUR	60.00%	40.00%
Smart Land Area Saviglianese S.r.l.	Savigliano	15,500	EUR	80.00%	20.00%
Pragma Management System S.r.l.	Sommacampagna	100,000	EUR	51.00%	49.00%
Cybertech S.r.l.	Rome	10,000	EUR	100.00%	0.00%
Digitelematica S.r.l.	Lomazzo	100,000	EUR	100.00%	0.00%

Engineering Its Gmbh (*)	Berlin	50,000	EUR	100.00%	0.00%
In Valmalenco S.B. S.r.l.	Rome	95,000	EUR	60.00%	40.00%
Parma Valore Comune S.c.a.r.l.	Parma	3,250	EUR	46.00%	54.00%
Napoli Obiettivo Valore S.r.l.	Rome	1,387,062	EUR	100.00%	0.00%
Industries Excellence India Llp	New Delhi	7,070,707	INR	94.19%	5.81%
Atlantic Technologies S.p.A	Milan	50,000	EUR	100.00%	0.00%
Atlantic Technologies Europe Ltd (*)	London	1,000	GBP	100.00%	0.00%
Industries Excellence Canada (Canadian Branch)	Toronto		CAD	94.13%	5.87%
Industries Excellence Gmbh	Mannheim	50,000	EUR	94.13%	5.87%
Industries Excellence Ltd	London	100	GBP	94.13%	5.87%
Industries Excellence Sasu	Lyon	30,000	EUR	94.13%	5.87%
Be Shaping The Future Management Consulting S.p.A.	Rome	120,000	EUR	100.00%	0.00%
Be Shaping The Future Digitech Solutions S.p.A.	Rome	7,548,441	EUR	100.00%	0.00%
Iquii S.r.l.	Rome	10,000	EUR	100.00%	0.00%
Quantum Leap S.r.l.	Rome	21,276	EUR	60.00%	40.00%
Synapsy S.r.l.	Milan	10,000	EUR	51.00%	49.00%
Be Shaping The Future Management Consulting Ltd	London	91,898	GBP	100.00%	0.00%
Crispy Bacon S.r.l	Bassano del Grappa	12,000	EUR	51.00%	49.00%
Crispy Bacon Shpk	Tirana	10,000	ALL	45.90%	54.10%
Be Shaping The Future A.g.	Pfäffikon	100,000	CHF	100.00%	0.00%
Firstwaters Gmbh	Aschaffenburg	40,000	EUR	85.71%	14.29%
Firstwaters Gmbh	Vienna	125,000	EUR	85.71%	14.29%
Be Shaping The Future Management Consulting S.L. (Paystrat)	Madrid	23,000	EUR	100.00%	0.00%
Paystrat Solutions S.L. (Pyngo)	Madrid	10,265	EUR	65.30%	34.70%
Be Shaping The Future Management Cons. A.g. (Ex Soranus Ag)	Zurich	100,000	CHF	70.00%	30.00%
Be Shaping The Future Czech Republic S.R.O.	Prague	100,000	CZK	100.00%	0.00%
Be Think Solve Execute Ro S.r.l.	Bucharest	22,000	RON	100.00%	0.00%
Be Shaping The Future Gmbh	Vienna	35,000	EUR	100.00%	0.00%
Be Shaping The Future Sp.Zo.O	Warsaw	1,000,000	PLN	100.00%	0.00%
Be Shaping The Future Performance, Transf., Digital Gmbh	Munich	102,258	EUR	100.00%	0.00%
Be Ukraine Think, Solve, Execute Llc	Kiev	20,116	UAH	100.00%	0.00%
Be Shaping The Future S.A.R.L.	Luxembourg	12,000	EUR	100.00%	0.00%
Engx S.r.l.	Milan	20,000	EUR	100.00%	0.00%
Industries Excellence S.p.A.	Milan	50,000	EUR	100.00%	0.00%
Smart Land Sud Ovest Milano S.r.l.	Milan	16,250	EUR	60.00%	40.00%

Changes in the consolidation scope compared to December 31, 2023, relate to transactions carried out during the financial year as summarised below:

- in March, the plans for the merger by incorporation of the companies Overlord Bidco S.p.A., F.D.L. Service S.r.l., WebResults S.r.l. and Engineering Sardegna S.r.l. into the parent company Engineering Ingegneria Informatica S.p.A. were resolved pursuant to Articles 2501-ter and 2502 of the Italian Civil Code, with legal effect from October 1, 2024 and retroactive accounting and tax effectiveness from 1 January 2024. This transaction had no effect on the Consolidated Financial Statements;

- on 30 May 2024, the Board of Directors of Be Management Consulting S.p.A. approved the plans for the merger by incorporation of the companies Be Corporate Services S.p.A., Be TheChange S.r.l. and Be World of Wonders S.r.l. into Be Management Consulting S.p.A. pursuant to Articles 2501-ter and 2502 of the Italian Civil Code, with legal effect from November 1, 2024 and retroactive accounting and tax effectiveness from 1 January 2024. This transaction had no effect on the Consolidated Financial Statements;

- on 27 June 2024, the deed of sale of the security business unit was signed by Nexera S.p.A. with Bitwave S.r.l., with effect from 1 July 2024, as the business is no longer considered strategic for the Engineering Group. On the same date and again with effect from July 1, 2024, Engineering Ingegneria Informatica S.p.A. acquired from Bitwave S.r.l. the residual 40% of the equity investment in the share capital of Nexera S.p.A.;

- during the first half year, Engineering Ingegneria Informatica S.p.A. acquired the entire equity investment of the company Be Shaping The Future, Digitech Solutions S.p.A. from the subsidiary Be Shaping The Future Management Consulting S.p.A. This transaction had no effect on the Consolidated Financial Statements;

- during the financial year, the following companies EngX S.r.l, Smart Land Sud Ovest Milano S.r. l., Smart Land CM Calore Salernitano S.r.l, Smart Land Saronnese S.r.l, Smart Land Area Saviglianese S.r.l were established while the liquidation of the companies Be Shaping the future Management Consulting Ltd (Italian Branch) and Omnisecure d.o.o. and Engineering Its Schweiz A.g. was completed.

Non-controlling interest disclosure

As required by IFRS 12, a summary of the main financial indicators of companies with significant *non-controlling* interests is provided below. It should be noted that the non-controlling interests in these subgroups of companies are considered relevant in relation to the contribution made to the consolidated financial statements of the Engineering Group.

The table below represents the balances before intercompany eliminations:

(in euro)

Company	Share held by non-controlling holders	Non-current assets	Current assets	Shareholders' Equity	Non-current liabilities	Current liabilities	Total revenues	Net profit for the period	Capital and reserves of non-controlling interests	Dividends of non-controlling interests	Net Profit for the Period of Non-Controlling Shareholders
Sicilia e-Servizi Venture S.c.a.r.l. (*)	35.0%	0	41,258,790	(38,468,902)	328	79,727,365	0	(108,821)	(13,426,028)	0	(38,087)
IT-Soft USA Inc.	5.9%	54,003,660	29,307,917	18,398,632	33,829	64,879,116	53,808,775	4,390,225	822,756	0	257,851
Eng Mexico Informatica S. de R.L.	5.3%	11,378	486,022	113,962	0	383,439	1,294,660	91,642	1,180	0	4,844
Pragma Management System S.r.l.	49.0%	124,439	7,614,477	1,061,592	618,939	6,058,385	4,870,787	262,768	391,424	0	128,757
In Valmalenco S.B. S.r.l.	40.0%	537,341	787,833	165,398	58,744	1,101,032	33,360	(68,957)	93,742	0	(27,583)
Parma Valore Comune S.c.a.r.l.	54.0%	541,383	3,438,234	(33,694)	1,101,648	2,911,663	4,096,491	(28,369)	(2,875)	0	(15,319)
Industries Excellence India Llp	5.8%	39,069	686,674	435,297	0	290,446	1,968,552	164,853	15,725	0	9,586
Industries Excellence Canada (Canadian Branch)	5.9%	0	5,174,989	240,006	0	4,934,984	2,562,726	(86,764)	19,192	0	(5,096)
Industries Excellence Gmbh	5.9%	3,018,945	11,420,884	9,342,901	73,482	5,023,446	18,354,558	963,752	492,133	0	56,604
Industries Excellence Ltd	5.9%	5,821	719,539	513,250	718	211,392	1,205,337	112,198	23,555	0	6,590
Industries Excellence Sasu	5.9%	559,157	1,994,505	1,520,401	481,202	552,058	2,292,636	222,653	76,221	0	13,077
Smart Land Sud Ovest Milano S.r.l.	40.0%	778	13,227	13,788	0	217	0	(2,462)	6,500	0	(985)
Omnisecure d.o.o. (*)	40.0%	0	0	0	0	0	0	(16,720)	6,688	0	(6,688)
Movilitas Cloud Kft	5.9%	14,139	296,125	220,735	0	89,529	286,898	1,370	12,884	0	80
Movilitas Cloud Bv	5.9%	24,208	1,525,230	504,491	0	1,044,947	2,048,012	89,889	24,351	0	5,279
Naxxos Bv	5.9%	353,137	1,422,175	1,764,066	0	11,247	(1,471)	16,098	102,663	0	945
Industries Excellence Bv	5.9%	112,279	2,887,633	752,095	9,893	2,237,924	4,512,765	(155,183)	53,287	0	(9,114)
Smart Land CM Calore Salerinitano S.r.l.	40.0%	0	0	16,375	0	0	0	0	6,550	0	0
Smart Land Saronnese S.r.l.	40.0%	0	0	29,625	0	0	0	0	11,850	0	0
Smart Land Area Saviglianese S.r.l.	20.0%	0	0	15,500	0	0	0	0	3,100	0	0
Quantum Leap S.r.l.	40.0%	112,690	833,324	51,547	16,715	877,752	510,791	(45,635)	38,872	0	(18,254)
Synapsy S.r.l.	49.0%	473,453	5,234,535	1,918,571	473,467	3,315,950	10,717,999	727,990	583,385	0	356,715
Crispy Bacon S.r.l	49.0%	564,169	3,975,472	2,125,394	677,327	1,736,919	6,993,750	83,180	1,000,685	0	40,758
Crispy Bacon Shpk	54.1%	299,511	108,010	101,847	162,761	142,913	553,132	58,533	23,433	0	31,666
Firstwaters Gmbh	14.3%	349,944	9,975,951	6,872,077	78,767	3,375,051	17,680,807	2,752,960	588,519	(227,299)	393,329
Firstwaters Gmbh	14.3%	30,809	678,026	624,774	20,192	63,869	737,160	26,183	85,524	0	3,741
Paystrat Solutions S.L. (Pyngo)	34.7%	0	12,728	12,674	0	54	0	(872)	4,700	0	(302)
Be Shaping The Future Management Cons. A.g. (Ex Soranus Ag)	30.0%	1,915,306	827,326	1,793,646	422,863	526,123	4,576,025	128,746	499,470	0	38,624
Total		**63,091,617**	**130,679,626**	**10,106,049**	**4,230,874**	**179,495,820**	**139,103,749**	**9,579,256**	**(8,440,515)**	**(227,299)**	**1,227,018**

4 Accounting principles

The accounting policies adopted in the preparation of these Consolidated Financial Statements are described below.

4.1 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 including any directly attributable costs. 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
Motor vehicles	4 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 indicators show 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.

4.2 Leasing

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

The Group assesses whether a contract is or contains a lease, at inception of the contract.

At the date of initial recognition, the lessee will recognise the asset (a 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.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease-related incentives (e.g. rent-free periods);
- variable lease payments that depend on the interest rate (initially measured using the interest rate at the commencement date);
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- payments of penalties for terminating the lease, if envisaged in the contract.

The lease liability is presented as a separate line in the Consolidated Financial Statements.

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 Group 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.

During the period, the Group updated, among other things, the forecast for the exercise of the existing contract renewal option for the Rome Eur office, scheduled for 2028, which the management now considers no longer realistic, as well as the revision of the rental contract for the Florence office.

The right of use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any *lease* incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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 depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Consolidated Financial Statements.

A provision for risks is made in compliance with the provisions of IAS 37 in the event that the Group 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 consolidated cash flow statement, the Group divides the total amount paid between the principal portion (recognised in the cash flow deriving from financial activity) and the interest portion (recognised in the cash flow deriving from financial activity).

Cases of exclusion from the application of IFRS 16

The Group has decided not to recognise assets for the right of use and liabilities related to:

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

Therefore, the Group 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 lessor

If the lease has the characteristics of a loan, the lessor 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 lessor 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.

4.3 Intangible assets

The intangible assets, all with definite useful life with the exception of the trademark, are recognised where identifiable and are likely to produce future economic benefits for the Group.

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 from the time of use or when they are sold. Until that date they are classified under assets in progress.

Financial expenses incurred to acquire an intangible fixed 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	1 - 5 years
Rights, patents and licenses	1 - 7 years
Engineering Trademark	Indefinite
Concessions, licenses and trademarks	1 - 10 years
Customer Relationship / Customer list	1 - 9 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 asset is maintained in the accounts as long as there is evidence that this value may be recovered through usage. Wherever evidence indicates that difficulties may exist in the recovery of the net book value, an *impairment test* is carried out.

Software

Costs directly associated with information technology products, created internally or acquired from third parties are capitalised as intangible assets when the following conditions are 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. Development costs that improve product performance or upgrade the product to regulatory requirements are reflected in projects created for customers and are thus recorded during the financial year in which they are incurred.

Rights, patents and licenses

Costs associated with the purchase of rights, 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.

4.4 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 are then measured using *impairment test*.

A Current Value is determined for the relevant asset using a *Discounted Cash Flow Model (DCF)* 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.

4.5 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 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.

4.6 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 and of the liabilities) and not of their book value. The difference (if positive) comprises the goodwill.

The changes in non-controlling 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.

4.7 Other 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.

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 Group exercises joint control with other entities, are initially recognised at cost and subsequently measured using the equity method. Profits or losses pertaining to the Group are recognised in the Consolidated Financial Statements from the date on which the joint control began and until the date on which that influence ceases. The Group 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.

4.8 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 *fair value* through other comprehensive income.

A significant and prolonged decrease in equity investment *fair value* below the initial booked cost is considered an objective indication of value loss.

4.9 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.

4.10 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, 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”.

4.11 Deferred contract costs

4.11.A INCREMENTAL COSTS FOR OBTAINING A CONTRACT

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.

4.11.B COSTS OF FULFILLING A CONTRACT

IFRS 15 provides for 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.

4.12 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 transaction price, 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 current 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 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.

As already indicated in the paragraph “Use of estimates and assumptions”, in 2024 the Group confirmed 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 ageing 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.

4.13 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*.

4.14 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 separate income statement and the comparative comprehensive income statement are re-determined as if the operation were discontinued at the beginning of the comparative period.

4.15 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.

4.16 Reserves

The reserves consist of capital reserves for specific purpose.

4.17 Retained earnings/(losses carried forward)

The item “Retained earnings/(losses carried forward)” includes the net profit of the current and previous periods which was neither distributed nor 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

4.18 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.

4.19 Treatment of the put options on subsidiary shares

IAS 32 establishes that a contract that contains an obligation for an entity to acquire shares in cash or against other financial assets, gives rise to a financial liability for the current value of the option exercise price.

Therefore, the liability must be recognised unless the entity has the unconditional right to avoid the delivery of cash or other financial instruments upon the exercise of the put option on subsidiary shares.

The Group:

- recorded, as a contra-entry of Equity reserves, the payables resulting from the obligation and any following changes in the same liability that are not dependent to the mere elapsing of time (unwinding of exercise price discount);

- recorded the latter to the Income Statement.

4.20 Employee benefits

Short-term employee 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 31 December 2006. The liability is determined as the current 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 profits and losses are recognised in the comprehensive income statement and recorded under shareholders' equity on an accrual basis.

Defined contribution plans

As from January 1, 2007, the Group companies 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.

4.21 Provisions for risks, contingent liabilities and contingent assets

According to IAS 37 provisions for risks concern the probable liabilities of uncertain amount and/or maturity relating to past events whose fulfilment will necessitate the use of economic 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. However, information is provided in this regard.

4.22 Revenues and costs

Revenues

The Group recognises 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 Group has transferred control of the goods or services to the customer, in the following ways:

a) *over time*;
b) *at point in time*.

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

Riconoscimento del Ricavo	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 production processes and the distribution and storage of energy and water, online ticketing).

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:

- the Company's performance enhances or creates an asset that the customer controls as the company creates or enhances the asset;
- the Group builds an asset that has no alternative use (e.g. it is customer-specific) and the Group has an enforceable right to payment for performance to date in case of termination by the customer.

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

The difference between the revenue recognised and the billing already carried out to certify the progress of the work is recorded as *Activities deriving from contracts with customers.*

Any up-front fees (non-refundable) received by the customers 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.

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 Group.

The amount to be billed is representative of the value of the service delivered to the customer and therefore, applying the right-to-bill practical expedient, revenue is recognised *over time* based on the working hours (working days) spent valued on the basis of defined rates.

Service-based contracts

The Group 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, the revenue is recognised when the evidence of the collection by the Group 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*".

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 Group.

The amount to be invoiced is representative of the service provided monthly/quarterly to the customer.

Costs

Interest is recorded at the effective rate based on the accruals principle.

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. These costs are almost entirely attributable to personnel costs.

4.23 Dividends

Dividends are recognised at the date of endorsement of the resolution by the Shareholders' Meeting, unless the sale of shares is reasonably certain before the coupon detachment date.

4.24 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.

4.25 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.

Pillar Two Disclosure

With reference to the introduction of the tax regulations relating to the second pillar (known as "Pillar Two"), the following is an update of the Group disclosure provided in the Consolidated Financial Statements as of December 31, 2023 of Engineering S.p.A. In particular, the Group is made up of the companies managed by Engineering Ingegneria Informatica S.p.A. and the companies included in the group headed by OverIT S.p.A., as both are subsidiaries and are included in the same Consolidated Financial Statements prepared by the ultimate consolidating company Centurion TopCo Sàrl, which qualifies as the Ultimate Parent Entity ("UPE") for Pillar Two purposes.

As is well known, in 2021, more than 135 countries (the Inclusive Framework on Base Erosion and Profit Shifting, or more simply, the Inclusive Framework) reached an agreement on an international tax reform that introduces a Global Minimum Tax (GMT) for large multinational companies. In particular, these countries reached a political agreement on a two-pillar international tax model to mitigate some of the tax issues arising from the digitalisation of the economy. The second of these pillars (known as "Pillar Two") proposes the introduction of the aforementioned Global Minimum Tax.

Within the European Union, the Council therefore adopted a directive (Directive (EU) 2022/2523) on December 12, 2022, which introduces this Global Minimum Tax into EU law, setting a minimum effective tax rate of 15% for national and multinational groups with consolidated revenues exceeding Euro 750 million per year, applicable for tax periods starting on or after December 31, 2023. To date, several third countries (outside the European Union) also implemented a similar regulation based on the work of the Inclusive Framework.

The IASB subsequently published an update to IAS 12 to regulate, in terms of the financial statement disclosure, the radical changes resulting from the introduction of the Global Minimum Tax by so many countries. In particular, the amendments to the accounting standard introduce a mandatory temporary exception, which is effective immediately and has been used by the Group with retrospective effect, to not recognise the deferred tax that would result from the application of Pillar Two. Specific disclosure requirements are also envisaged for the companies to which this regulation applies.

The Italian legislator implemented Directive (EU) 2022/2523 with Italian Legislative Decree 209/2023, introducing three related tax mechanisms: (i) the Income Inclusion Rule ("IIR"), due by controlling companies located in Italy in relation to foreign companies subject to low taxation and forming part of the group; (ii) the Undertaxed Profits Rule ("UTPR"), due by one or more companies of a multinational group located in Italy with reference to the profits of companies not controlled by them, which are part of the group and subject to low taxation, when a sufficient IIR has not been applied in the countries of the parent companies; (iii) the Qualified Domestic Minimum Top up Tax ("QDMTT"), due in relation to the companies of the group subject to low taxation and located in Italy.

In view of these complex new regulations, the Group (which falls within the subjective scope of application of the GMT) is currently in the process of implementing the internal procedures necessary to manage the requirements imposed by the Pillar Two regulations in the most effective and efficient way, with reference to both Italian and foreign activities. In this context, detailed analyses have been carried out to estimate the probability that the jurisdictions in which the Group operates meet the requirements for the application of the simplified transitional “Safe Harbour” rules (regulated in our legal system by the Italian Ministerial Decree of May 20, 2024). If these requirements are met, they would allow the Group not to apply the more complex regulatory system envisaged when fully operational and to consider the additional taxation that could otherwise arise as zero.

In this regard, analyses have been carried out to estimate whether, in some of these jurisdictions, a GMT is due in relation to the results achieved in the tax period ended on December 31, 2024. It should be noted that the results of this preliminary assessment will need to be refined through specific and detailed analyses.

Based on these analyses, the above assessment shows that the conditions for the application of the Safe Harbour rules are met in respect of all jurisdictions in which the Group operates (including Italy), with the exception of Romania. With regard to the latter jurisdiction, the analysis (which, as mentioned, must be considered as preliminary) concluded that the above-mentioned conditions for the application of the simplified transitional rules were not met. It is therefore possible that profits earned in Romania may be subject to an income inclusion rule there, the amount of which, if due, would in all likelihood be not significant.

4.26 Conversion of items into 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 Parent Company is the Euro, which is the presentation currency of the Consolidated Financial Statements.

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.

Conversion of financial statements of foreign operations

A foreign operation is an entity that is a subsidiary, associated company or joint venture of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity. The statement of financial position and income statement figures expressed in the functional currency of foreign operations are converted into the presentation currency of the Consolidated Financial Statements at the exchange rate at year-end for assets and liabilities and at the exchange rate in force at the date of the related transactions for revenues and costs in the income statement or the comprehensive income statement. These latter are converted at the average exchange rate in the period when such approximates the exchange rate at the date of the respective operations. Exchange differences deriving from such conversions and from the conversion of the opening shareholders’ equity at the closing exchange rate are recognised in the comprehensive income statement. The total amount of the exchange differences is presented as a separate shareholders’ equity item until the divestment of the foreign operation.

4.27 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 paragraph.

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 recorded in both the period in which the change occurs and in the future period.

4.28 Financial risk and capital management

As in all businesses, risk factors, which may affect the Group results, exist and therefore preventive actions have been taken. These procedures concern the commitment and responsibilities undertaken and are subject to maximum transparency and correctness. The Group's risk management policies aim to identify and analyse the risks to which the company is exposed, establish appropriate limits and controls and monitor risks in relation to those limits. These policies and the associated systems are regularly reviewed to reflect changes in market conditions and the Group's activities.

The Group'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.

4.28.1 CREDIT RISK

Credit risk represents the Group's exposure to the risk of potential losses resulting from the non-performance of obligations undertaken by the counterparties.

The allocations for doubtful debts provisions carried out by Group companies reflect the expected credit losses.

The Group 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 Group and in this sense, the type of business and the payment instruments activated guarantee a limited credit risk overall.

The Group recognises a doubtful debt provision 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 Group 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 Group'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 "*Trade receivables*" hereof.

4.28.2 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 Group 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 Group 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 25 and 31 hereof.

4.28.3 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 Group's debt cost;

- to manage transactions in derivative financial instruments, 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 Group's economic result, indirectly influencing the costs and returns of financing and investment transactions. The interest rate risk to which the Group is exposed derives from bank loans. The Group constantly monitors the trend in interest rates to mitigate this risk and, when deemed appropriate, possibly 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.

4.29 Related parties

Engineering Ingegneria Informatica Spa adopted on a voluntary basis the Procedure for the regulation of the identification and execution of Related Party Transactions of the Company, as approved by resolution of the Board of Directors on June 23, 2023; the same procedure was updated in the year under review by resolution of the Board of Directors on August 2, 2024, with the favourable opinion of the Committee of Independent Directors for related party transactions. During the financial year, the Company carried out transactions with a number of related parties.

With regard to related party transactions, including intra-group transactions, it should be noted that they cannot be classified as either atypical or unusual, as they are part of the normal business activities of the Group companies. 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 responsibilities of the same entities.

4.30 New IFRS and IFRIC interpretations

For the purposes of drafting the Group's Consolidated Financial Statements, the international accounting standards (IFRS) approved by the European Commission and effective on December 31, 2024 were applied.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF JANUARY 1, 2024

The following accounting principles, amendments and IFRS interpretations were applied for the first time by the Group as from 1 January 2024:

- 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 31 October 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 adoption of these amendments had no impact on the Group'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 adoption of this amendment had no impact on the Group's Consolidated Financial Statements.

- 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 adoption of these amendments had no impact on the Group's Consolidated Financial Statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET APPLIED MANDATORILY AND NOT ADOPTED IN ADVANCE BY THE GROUP AS OF DECEMBER 31, 2024

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 Group as of December 31, 2024:

- 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 1 January 2025 but earlier application is permitted.

  Directors are currently assessing the possible impact of the introduction of this amendment on the Group's Consolidated Financial Statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AS OF DECEMBER 31, 2024

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 30, 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7". The document clarifies some problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to:

  - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test assessment;

  - determine that the settlement date of the liabilities through electronic payment systems is that on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow for the elimination of a financial liability before delivering liquidity on the settlement date if certain specific conditions are met.

With these amendments, the IASB has also introduced additional disclosure requirements with regard in particular to investments in equity instruments designated at FVOCI. The amendments will apply from the financial statements for financial years beginning on or after January 1, 2026.

Directors are currently assessing the possible impact of the introduction of this amendment on the Group's Consolidated Financial Statements.

- On July 18, 2024, the IASB published a document called **"Annual Improvements Volume 11"**. The document contains clarifications, simplifications, corrections and amendments to improve the consistency of various IFRS Accounting Standards. The amended standards are:

  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and related guidelines on the implementation of IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements;
  - IAS 7 Statement of Cash Flows.

  The amendments will be applied as from January 1, 2026 but earlier application is permitted.

  Directors are currently assessing the possible impact of these amendments on the Group's Consolidated Financial Statements.

- On December 18, 2024, the IASB published an amendment called **"Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7"**. The purpose of this document is to assist entities in reporting the financial effects of contracts for the purchase of electricity produced from renewable sources (often structured as Power Purchase Agreements). Based on these contracts, the amount of electricity generated and purchased can vary due to uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:

  - a clarification regarding the application of the "own use" requirements to this type of contracts;
  - the criteria for recognising such contracts as hedging instruments;
  - new disclosure requirements to enable users of financial statements to understand the impact of these contracts on an entity's financial performance and cash flows.

  The amendment will be applied as from January 1, 2026 but earlier application is permitted.

  Directors are currently assessing the possible impact of these amendments on the Group's Consolidated Financial Statements.

- On April 9, 2024, the IASB published a new standard **IFRS 18 Presentation and Disclosure in Financial Statements** which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. In particular, the new standard requires to:

  - classify revenues and costs in three new categories (operating section, investment section and financial section), in addition to the categories of taxes and discontinued operations already present in the income statement;
  - present two new subtotals, the operating result and the result before interest and taxes (i.e. EBIT).

  The new standard also:

  - requires more information on the performance indicators defined by management;

- introduces new criteria for the aggregation and disaggregation of information;
- introduces some changes to the layout of the cash flow statement, including the requirement to use operating profit as the starting point for the presentation of the cash flow statement prepared using the indirect method, and the elimination of some classification options for certain currently existing items (such as interest paid, interest collected, dividends paid and dividends collected).

The new standard will be applicable as from January 1, 2027, but earlier application is permitted.

Directors are currently assessing the possible impact of these amendments on the Group's Consolidated Financial Statements.

- On May 9, 2024, the IASB published a new standard **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces some simplifications with reference to the reporting required by the IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements:
  - it has not issued, nor is it in the process of issuing, equity or debt securities listed on a regulated market;
  - its parent company prepares Consolidated Financial Statements in accordance with IFRS.

  The new standard will be applicable as from January 1, 2027, but earlier application is permitted.

  No significant effect on the Group's Consolidated Financial Statements is expected by the Directors from the adoption of this amendment.

- On January 30, 2014, the IASB published the standard **IFRS 14 – Regulatory Deferral Accounts**, which allows only those parties which adopt the IFRS for the first time to continue to book the amounts relative to activities subject to regulated rates ("Rate Regulation Activities") according to the previously adopted accounting standards.

  As the Company/the Group is not a *first-time adopter*, this standard is not applicable.

5 Segment information

The disclosure required by IFRS 8 is provided taking into account the Group's organisational structure.

The management has identified six operating sectors determined on the basis of skills and reference market of the individual Group companies and reflecting the current business model divided into six industry sectors:

- Finance: refers to the IT services provided to banks, insurance companies and financial institutions;
- Public Administration: refers to the IT services provided to central and local public administrations;
- Health: refers to the IT services provided to healthcare;
- Industry & Services: refers to the IT services provided to large and medium-sized corporations;
- Telco & Media: refers to the IT services provided to telecommunication companies and other media corporations;
- Energy & Utilities: refers to the IT services provided to players in the energy and utilities markets.

Total revenues for the 2024 financial year compared with the 2023 financial year are shown below.

It should be noted that there are no revenues common to several sectors.

(in Euro million)

Description	Total revenues			
	12M 2024		12M 2023	
Finance	500.6	29.2%	436.1	25.9%
Public Administration	367.2	21.4%	378.9	22.5%
Health	185.5	10.8%	181.9	10.8%
Industry & Services	337.4	19.7%	365.2	21.7%
Energy & Utilities	211.8	12.3%	222.0	13.2%
Telco & media	114.2	6.7%	99.3	5.9%
Total revenues	**1,716.6**	**100.0%**	**1,683.4**	**100.0%**
Other revenues	47.5		37.6	
Total revenues	**1,764.2**		**1,721.1**	

The main services offered by the Group are indicated in note 37. 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 Group might not be consistent with criteria adopted by other groups. Therefore, the balance obtained might not be comparable with the one calculated by the latter.

Below is an analysis of the Group's *adjusted EBITDA* by operating segment for the 2024 financial year compared with the 2023 financial year.

(in Euro million)

Description	EBITDA			
	12M 2024		12M 2023	
Finance	104.0	37.6%	83.5	32.4%
% of total revenues	20.8%		19.1%	
Public Administration	45.9	16.6%	46.9	18.2%
% of total revenues	12.5%		12.4%	
Health	36.9	13.4%	48.4	18.8%
% of total revenues	19.9%		26.6%	
Industry & Services	47.6	17.2%	46.2	18.0%
% of total revenues	14.1%		12.6%	
Energy & Utilities	30.1	10.9%	25.7	10.0%
% of total revenues	14.2%		11.6%	
Telco & Media	11.8	4.3%	6.7	2.6%
% of total revenues	10.3%		6.7%	
Total adjusted EBITDA	**276.2**	**100.0%**	**257.3**	**100.0%**
% of total revenues	**16.1%**		**15.3%**	

Adjusted EBITDA represents, for the Group, the Alternative Performance Measure for the purpose of resource allocation and assessment of segment performance, as well as of targets. Direct revenues and costs are allocated in relation to the related industry. Other income and costs of central structures, not specifically attributable to segments, have been attributed in relation to their net revenues, that represent the most appropriate driver to allocate them.

The alternative performance measure for the period, "*adjusted EBITDA*", is calculated as follows:

(in Euro million)

Description	Notes	12M 2024	12M 2023
Consolidated net profit		**(69.9)**	**(125.1)**
Income taxes		21.8	(4.9)
(Income)/expenses from equity investments		(3.6)	(2.8)
Financial income		(7.9)	(3.1)
Interest expense (excluding interest on leases)		179.0	155.8
Interest on leases		1.0	1.9
Depreciation of property, plant and equipment		10.2	9.3
Depreciation of right-of-use assets		27.4	28.5
Amortisation of intangible assets		68.7	78.7
Provisions and write-downs		18.1	33.6
Leaving/change management incentives	*(1)*	17.8	45.0
Charges related to the corporate strategic review process	*(2)*	8.3	21.0
EBITDA attributable to subsidiaries in liquidation	*(3)*	3.2	12.0
Charges for extraordinary corporate transactions and one-off projects	*(4)*	2.2	7.4
Adjusted EBITDA		**276.2**	**257.3**

(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 Group's transformation program.

(2) Charges relating to the corporate strategic review process, incurred in order to guide and support the transformative actions that have impacted the Group in a pervasive manner during the year.

(3) EBITDA attributable to the subsidiaries undergoing liquidation: Atlantic Technologies Europe Ltd., Engineering ITS GmbH, Omnitechit Secur s.l., Bw Digitronik Ag.

(4) One-off charges incurred in relation to some extraordinary corporate operations of the Group and commitments related to other non-recurring projects.

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 Group might not be consistent with criteria adopted by other groups. Therefore, the balance obtained might not be comparable with the one calculated by the latter.

For the purposes of monitoring operating segment performance and allocating resources between sectors, the Group monitors intangible assets and goodwill attributable to each single asset.

The following is an analysis of the Group's intangible assets and goodwill by operating segment:

(in euro)

Description	12.31.2024				
	Customer List	Intangible assets	Total intangible assets	Goodwill	Total
Finance	71,801,598	0	71,801,598	705,196,187	**776,997,785**
Public Administration	395,913	0	395,913	137,905,047	**138,300,960**
Health	0	0	0	68,516,236	**68,516,236**
Industry & Services	10,697,054	0	10,697,054	130,312,293	**141,009,347**
Telco & Media	0	0	0	56,801,815	**56,801,815**
Energy & Utilities	0	0	0	102,594,581	**102,594,581**
Total operating sectors	82,894,564	0	82,894,564	1,201,326,160	**1,284,220,724**
Unallocated assets	0	712,440,554	712,440,554	0	**712,440,554**
Total	**82,894,564**	**712,440,554**	**795,335,118**	**1,201,326,160**	**1,996,661,278**

(in euro)

Description	12.31.2023 Restated				
	Customer List	Intangible assets	Total intangible assets	Goodwill	Total
Finance	84,425,085	0	84,425,085	705,196,187	**789,621,272**
Public Administration	395,913	0	395,913	137,905,047	**138,300,960**
Health	0	0	0	68,516,236	**68,516,236**
Industry & Services	19,941,957	0	19,941,957	130,312,293	**150,254,250**
Telco & Media	0	0	0	56,801,815	**56,801,815**
Energy & Utilities	0	0	0	102,594,581	**102,594,581**
Total operating sectors	104,762,954	0	104,762,954	1,201,326,160	**1,306,089,114**
Unallocated assets	0	706,499,941	706,499,941	0	**706,499,941**
Total	**104,762,954**	**706,499,941**	**811,262,895**	**1,201,326,160**	**2,012,589,055**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

A) NON-CURRENT ASSETS

6 Property, plant and equipment

(in euro)

Description	12.31.2024	12.31.2023
Property, plant and equipment	34,431,089	35,975,572

As of December 31, 2024, the item property, plant and equipment had a balance of Euro 34.4 million, compared to Euro 36.0 million as of December 31, 2023, net of accumulated depreciation.

(amounts in local currency)

Description	Land and buildings	Plant and machinery	Ind. and Comm. Equipment	Other assets	Assets in progress	Leasehold improvements	Total
Historical cost as of 12.31.2023	8,995,703	13,030,414	35,604,918	14,223,503	7,370	1,445,657	73,307,565
Acc. depreciation as of 12.31.2023	2,363,393	6,775,371	20,179,214	7,553,718	0	460,297	37,331,994
Balance as of 31.12.2023	**6,632,309**	**6,255,043**	**15,425,704**	**6,669,785**	**7,370**	**985,360**	**35,975,572**
Historical cost as of 12.31.2024	8,995,703	14,171,008	43,033,736	12,297,117	0	1,566,337	80,063,901
Acc. depreciation as of 12.31.2024	2,717,574	8,329,908	27,255,853	6,453,036	0	876,440	45,632,811
Balance as of 12.31.2024	**6,278,129**	**5,841,100**	**15,777,883**	**5,844,081**	**0**	**689,896**	**34,431,089**

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

(in euro)

Description	Land and buildings	Plant and machinery	Ind. and Comm. Equipment	Other assets	Assets in progress	Leasehold improvements	Total
Balance as of 01.01.2023	**6,925,421**	**4,416,170**	**13,859,908**	**6,761,836**	**0**	**674,355**	**32,637,691**
Business Combination	0	0	24,631	944	0	0	25,575
Increase	124,034	3,344,938	10,485,943	4,972,368	7,370	373,115	19,307,769
Disposal	(65,716)	(271,380)	(3,171,108)	(3,147,631)	0	0	(6,655,835)
Depreciation	(351,429)	(1,234,686)	(5,773,671)	(1,917,733)	0	(62,110)	(9,339,629)
Balance as of 12.31.2023	**6,632,309**	**6,255,043**	**15,425,704**	**6,669,785**	**7,370**	**985,360**	**35,975,572**
Increase	0	1,224,421	6,602,319	953,159	0	123,218	8,903,117
Decrease	0	(19,705)	(94,208)	(152,318)	(1,874)	0	(268,105)
Reclass. of Asset Classes	0	5,539	0	2,497	(5,497)	(2,539)	0
Depreciation	(354,180)	(1,624,198)	(6,155,932)	(1,629,041)	0	(416,143)	(10,179,494)
Balance as of 12.31.2024	**6,278,129**	**5,841,100**	**15,777,883**	**5,844,081**	**0**	**689,896**	**34,431,089**

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

The increases are substantially due to purchases of assets made during the financial year under review, while the decreases relate to the disposal of obsolete assets.

"Plant and machinery" increases are due to the installation of air conditioning, telecommunications and safety systems in some of the Group offices.

The increase in "Industrial and commercial equipment" relates to the purchase of electronic machinery for internal use while the decrease is due to the disposal and/or donation of obsolete electronic machinery.

The increase in "Other assets" refers to the purchase of furniture and fittings.

7 Intangible assets

(in euro)

Description	12.31.2024	12.31.2023 Restated
Intangible assets	795,335,118	811,262,894

As of December 31, 2024, net of accumulated amortisation, intangible assets had a balance of Euro 795.3 million, compared to Euro 811.3 million as of December 31, 2023.

(in euro)

Description	Development costs	Industrial patents and intellectual property	Concessions, licenses and trademarks	Assets in progress	Customer relationship/ Customer list	Other assets	Total
Historical cost as of 12.31.2023	78,152,838	128,091,478	524,656,270	63,054,492	342,917,318	97,986,051	1,234,858,447
Acc. amortisation as of 12.31.2023	39,936,540	61,637,869	1,169,307	0	238,154,364	82,697,472	423,595,552
Balance as of 12.31.2023	**38,216,298**	**66,453,609**	**523,486,963**	**63,054,492**	**104,762,954**	**15,288,579**	**811,262,894**
Historical cost as of 12.31.2024	134,523,564	138,417,383	528,666,799	63,237,362	342,917,318	74,375,244	1,282,137,670
Acc. amortisation as of 12.31.2024	72,248,541	80,186,927	6,125,802	0	260,022,754	68,218,528	486,802,552
Balance as of 12.31.2024	**62,275,023**	**58,230,456**	**522,540,997**	**63,237,362**	**82,894,564**	**6,156,716**	**795,335,118**

The changes in intangible assets are as follows:

(in euro)

Description	Development costs	Industrial patents and intellectual property	Concessions, licenses and trademarks	Assets in progress	Customer Relationship / Customer list	Other assets	Total
Balance as of 01.01.2023	**45,085,756**	**14,193,919**	**461,696,160**	**19,327,592**	**127,498,801**	**10,832,637**	**678,634,865**
Business Combination	0	0	62,371,638	0	17,761,000	0	80,132,638
Increase	6,240,823	70,391,156	407,522	44,129,732	3,942,000	11,643,877	136,755,109
Decrease	(597,026)	(2,082,353)	(58,673)	(402,831)	(994,323)	(1,396,842)	(5,532,048)
Amortisation	(12,513,255)	(16,049,114)	(929,684)	0	(43,444,524)	(5,791,093)	(78,727,670)
Balance as of 12.31.2023 Restated	**38,216,298**	**66,453,609**	**523,486,963**	**63,054,492**	**104,762,954**	**15,288,579**	**811,262,894**
Increase	475,816	12,391,458	0	39,831,774	0	918,858	53,617,906
Decrease	(512,663)	(194,520)	(0)	(107,330)	0	(223)	(814,737)
Reclass. of Asset Classes	47,621,234	1,899,891	9,149	(39,541,575)	0	(9,988,699)	0
Amortisation	(23,525,662)	(22,319,982)	(955,114)	0	(21,868,390)	(61,799)	(68,730,946)
Balance as of 12.31.2024	**62,275,023**	**58,230,456**	**522,540,997**	**63,237,362**	**82,894,564**	**6,156,716**	**795,335,118**

Intangible assets reported a total increase of Euro 53.6 million, mainly due to these following facts:

- "Development costs", equal to Euro 62,275,023 as of December 31, 2024, increased by Euro 0.5 million due to costs incurred during the financial year relating to personnel employed in the development of new the solutions;

- "Industrial patents and intellectual property rights" equal to Euro 58,203,456 as of December 31, 2024, recorded an increase of Euro 12.4 million, essentially relating to the purchase of software programmes.

- "Assets in progress" equal to Euro 63,237,362 as of December 31, 2024, increased by Euro 39.8 million relating to internal investments in new solutions, including:

  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:
  - EC module for Neta Open Suite; MDM Water module for Neta Open Suite; MDM Sales Energy module for Neta Open Suite; Neta Portal-Regulatory Schedule module for Neta Open Suite; M2C launch for Neta Open Suite; Environmental Hygiene Module for Net@2A; New Net@2D Functions; UDD module for Net@Energy; New Net@Sial Functions; Mini Credit Module for Net@2A.

  In the Industry area:
  - "Retail Platform and Sav.e" integration projects.

  In the Finance area:
  - Grace Project: Basel (CRR3 Regulations), Libra BDG (transition to Big Data technologies of the SMART product), Evolutive activities for the Anacredit modules, Netting SFT, Standard Modules, Easy Developer (web application for creating, modifying and testing the rules of the InMind engine), customisation of the technological platform to provide services in the Finance segment, Crew product (Central Credit Register).

  In the Public Administration area:
  - Investments, development/adaptation projects for a series of software solutions to support the processing and analysis of large amounts of data in order to support the transparency and traceability of information and to improve the quality of processed data, mainly in the local Public administration 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 "Reclassification" is composed of:

- Euro 39.5 million for internal projects completed during the financial year that began their amortisation cycle;
- Euro 10.0 million for reclassifications made by some subsidiaries for a better representation of the related assets class, in line with the Parent Company.

The equity and balance-sheet figures as of December 31, 2024 of the items "*Customer Relationship/Customer list*" and "*Concessions, licenses and trademarks*" have been retrospectively modified in accordance with the identification and measurement of the *fair values*, pursuant to IFRS 3, of the assets and liabilities of the company Extrared S.r.l. and to the allocation process, at the acquisition date of control, of the consideration paid for the acquisition of control of the company.

The item "Customer relationship/customer list", equal to Euro 82,894,564 as of December 31, 2024, is referred to the "Contract portfolio" and the "Customer Relation Value" recorded following the fair value measurement of the assets acquired and liabilities assumed (Purchase Price Allocation, or PPA) deriving from the acquisitions of business combinations carried out by the Engineering Group.

The residual values of the individual intangible assets appear to be justified on the basis of the expected use and profitability expected from them.

The item "Concessions, licenses and trademarks" equal to Euro 522,540,997 as of December 31, 2024 includes:

- Euro 515.4 million for 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.;
- The Trademark amounted to Euro 5.0 million following the completion of the accounting activities (*Purchase Price Allocation*) linked to the acquisition of the Be Shaping S.p.A. Group, which took place in 2022;
- The Trademark amounted to Euro 1.5 million following the completion of the accounting activities (*Purchase Price Allocation*) linked to the acquisition of the Atlantic Group, which took place in 2022;
- The Trademark amounted to Euro 0.3 million following the completion of the accounting activities (*Purchase Price Allocation*) linked to the acquisition of Extrared S.r.l., which took place in 2023.

The Engineering brand trademark, valued at Euro 515.4 million, is a legally protected right 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, it is classified as an indefinite life intangible asset and therefore it is not amortised but it is subject to any *impairment testing*, as provided for by IAS 36.

(in euro)

Description	12.31.2023	Variaz. area di consolidamento	Svalutazioni	12.31.2024
Gross value - Engineering Trademark	515,411,000	0	0	515,411,000
Acc. impairment losses	0	0	0	0
Net value – Engineering Trademark	515,411,000	0	0	515,411,000

The impairment test carried out as of December 31, 2024 had confirmed that there was no need to write down the value of the Engineering trademark as recorded in the Consolidated 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 the Group's aggregate development plan and WACC.

8 Right of use

(in euro)

Description	12.31.2024	12.31.2023
Rights of use	102,157,221	154,069,198

As of December 31, 2024, rights of use and leased assets had a balance of Euro 102.2 million, compared to Euro 154.1 million as of December 31, 2023; these rights mainly concern multi-year contracts for the rental of properties, patent rights and contracts for the rental of company cars used by company personnel.

(in euro)

Description	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Historical cost as of 12.31.2023	207,901,746	724,896	10,688,217	25,244,804	244,559,663
Acc. depreciation as of 12.31.2023	71,167,153	312,327	7,235,405	11,775,580	90,490,465
Balance as of 12.31.2023	**136,734,593**	**412,569**	**3,452,812**	**13,469,224**	**154,069,198**
Historical cost as of 12.31.2024	166,287,820	628,392	8,066,039	29,054,249	204,036,500
Acc. depreciation as of 12.31.2024	81,017,620	354,590	5,235,757	15,271,311	101,879,279
Balance as of 12.31.2024	**85,270,200**	**273,802**	**2,830,281**	**13,782,939**	**102,157,221**

(in euro)

Description	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Balance as of 01.01.2023	**149,122,040**	**462,985**	**2,635,797**	**9,745,212**	**161,966,034**
Business Combination	251,704	0	0	41,805	293,508
Increase	11,973,740	120,309	5,062,154	11,039,192	28,195,395
Decrease	(4,840,940)	(2,501)	(1,293,715)	(1,713,876)	(7,851,032)
Depreciation	(19,771,949)	(168,225)	(2,951,424)	(5,643,109)	(28,534,708)
Balance as of 12.31.2023	**136,734,593**	**412,569**	**3,452,812**	**13,469,224**	**154,069,198**
Increase	14,975,055	3,289	779,471	6,714,722	22,472,537
Decrease	(46,399,398)	(4,633)	(8,932)	(539,956)	(46,952,918)
Reclass. of Asset Classes	(1,537,559)	0	1,537,559	0	0
Depreciation	(18,502,492)	(137,423)	(2,930,628)	(5,861,051)	(27,431,595)
Balance as of 12.31.2024	**85,270,200**	**273,802**	**2,830,281**	**13,782,939**	**102,157,221**

The Group has several assets including property/buildings, cars and IT equipment identified under lease contracts. The average useful life of the related rights of use is 6, 2 and 3 years respectively.

The value of the right of use is systematically amortised on the basis of the expiry date of the lease contracts, also considering the probability of renewal of the contract in the event of an *enforceable* renewal option.

The lease contracts in place do not have any variable lease payments, any restrictions nor covenants and no sale and leaseback transactions occurred during the period.

Increases related to the item "Buildings IFRS 16" (lease payments for real estate properties), amounting to around Euro 15.0 million, derive from new rental contracts and/or renewals signed in the financial year. The decrease, amounting to Euro 48.0 million, is mainly attributable to the update of the change in the expectation to exercise the option to renew the existing contract for the Rome EUR office, scheduled for 2028, and which to date is no longer considered realistic by management as it is not in line with the efficiency objectives that the Group intends to pursue, as well as the remodulation of the lease of the Florence office.

"Other assets IFRS 16" refer to cars under operating lease, assigned to employees.

The following table highlights the impact of rights of use on the Income Statement.

(in euro)

Description	12.31.2024
Depreciation of rights of use	(27,431,595)
Interest expenses on leasing	(999,711)
Expenses of short-term lease agreements	(2,504,009)
Expenses of lease agreements with a value < 5 thousand Euro	(4,192,315)
Impact on P&L	**(35,127,629)**

9 Goodwill

(in euro)

Description	12.31.2024	12.31.2023 Restated
Goodwill	1,201,326,160	1,201,326,160

As of December 31, 2024, the value of goodwill was equal to Euro 1,201.3 million, identical to the value recorded as of December 31, 2023.
The breakdown of goodwill by *Cash Generating Unit* is shown below.

(in euro)

Description	12.31.2023 Restated	Business Combination	12.31.2024
Goodwill - Finance	705,196,187	0	705,196,187
Goodwill - Public Administration	137,905,047	0	137,905,047
Goodwill - Health	68,516,236	0	68,516,236
Goodwill - Industry & Services	130,312,293	0	130,312,293
Goodwill - Telco & Media	56,801,815	0	56,801,815
Goodwill - Energy & Utilities	102,594,581	0	102,594,581
Total	**1,201,326,160**	**0**	**1,201,326,160**

As provided for by IFRS 3, following the completion of accounting activities connected to measurement at fair value of assets acquired and liabilities assumed and the consequent retrospective adjustment of amounts, goodwill as of December 31, 2023 (Euro 1,204.4 million) was restated for an amount equal to Euro 1,201.3 million.

In particular, the retrospective change is attributable to the identification and measurement of the fair values, pursuant to IFRS 3, of the assets and liabilities of the company Extrared S.r.l., which resulted in goodwill as of December 31, 2024 of Euro 5.0 million compared to goodwill of Euro 8.1 million as of December 31, 2023 allocated to the CGU “Industry & Services”.

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, 2024 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 five-year economic and financial plans drawn up by the Management of the divisions and approved by the Board of Directors, the following elements were considered:

- estimates of future cash flows generated by the entity;
- expected possible changes in these cash flows in terms of the amount and time periods;
- cost of money, comprising the current market risk-free rate of interest;
- cost to assume the risk related to implicit uncertainty in the management of the CGU;
- other risk factors related to operating on a market with specific characteristics that vary over time.

Hereunder are the main basic assumptions, used for impairment testing for every CGUs.

CGUs	G Rate 2023	G Rate 2024	Wacc 2023	Wacc 2024
Finance	2.16%	2.02%	9.02%	8.44%
Public Administration	2.16%	2.02%	9.02%	8.44%
Health	2.16%	2.02%	9.02%	8.44%
Industry & Services	2.16%	2.02%	9.02%	8.44%
Energy & Utilities	2.16%	2.02%	9.02%	8.44%
Telco & Media	2.16%	2.02%	9.02%	8.44%

The parameters utilised for discounting the cash flows and the Terminal Value under the DCF model illustrated above were as follows:

- *Risk-free rate* equal to the 2024 average of the yield on government bonds with a ten-year maturity in which the Group mainly operates (source: Marketwatch) and equal to 3.70%.
- *Equity Risk Premium* equal to the higher return expected from the capital market (equity) compared to an investment in risk-free debt securities. The benchmark rate used for the valuations is equal to the average figure of the last five years (source: Damodaran) and equal to 4.77%;
- *Debt cost* equal to the weighted average of the yields on bonds issued by the Group in February 2025, equal to 8.45%;
- *Beta Unlevered and debt ratio* (D/E) respectively equal to the average of the last five years (source: Damodaran) of the companies belonging to the sector comparable to the reference sector ("Software - System & Application"). The Beta Levered, equal to 1.03, was therefore determined on the basis of the parameters mentioned above and the theoretical tax rate of reference;
- *LTG (Long Term Growth)* equal to the long-term inflation-weighted growth rate for the countries in which the Group operates, equal to 2.02%.

Therefore, a *WACC* of 8.44% was determined for tests prepared on Engineering Group's Consolidated Financial Statements.

A comparison with the financial model of the Impairment test of last year shows a WACC 2024 lower than the WACC 2023 for all CGUs. The reasons for this decrease are attributable to the following factors:

- Lower risk-free rate in 2024 (3.70% vs. 4.26% in 2023);
- Lower equity risk premium in 2024 (4.77% vs. 4.94% in 2023).

Breakdown WACC

We also subjected the tested values to different WACCs to identify the value defined as breakdown, i.e. the rate at which the book value, equal to the Net Capital Employed of each CGU including the allocated Goodwill, would be par to the recoverable value.

Below is a summary table that shows the breakdown WACC for each CGU based on the analyses carried out:

CGUs	Goowdill (€m)	Break-even WACC
Finance	705,2	9,87%
Public Administration	137,9	10,76%
Health	68,5	21,92%
Industry & Services	130,3	15,81%
Energy & Utilities	102,6	15.18%
Telco & Media	56,8	12,49%
Total	**1.201,3**	

10 Other equity investments

Equity investment in associated companies accounted for at fair value.

As of December 31, 2024, there were no changes in the values recorded compared to those as of December 31, 2023.

The book values and portions of shareholders' equity related to investments in associated companies are shown hereunder. The data is taken from statutory financial statements approved by the Boards of the related companies.

(in euro)

Description	12.31.2024	12.31.2023
Equity investments	6,525	6,525

(in euro)

Equity investments	Value as of 12.31.2023	Initial change from merger	Business Combination	Exchange difference effect	Increase	Decrease	Write-downs	Value as of 12.31.2024
In Imprese Collegate	6,525							6,525
Total	**6,525**		**0**	**0**	**0**	**0**	**0**	**6,525**

Equity investments in associated companies are detailed below:

(in euro)

Description	Town	Assets	Liabilities	Share capital	Shareholders' Equity	Revenues	Net profit/ (loss)	Value as of 12.31.2024	%
SI Lab - Sicilia scarl	Palermo	46,198	892	30,000	45,306	14,750	2,470	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**	

The data below relate to the last financial statements approved.

(in euro)

Description	Town	Assets	Liabilities	Share capital	Shareholders' Equity	Revenues	Net profit/ (loss)	Value as of 12.31.2023	%
SI Lab – Sicilia scarl	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**	

11 Deferred tax assets

As of December 31, 2024, deferred tax assets amounted to Euro 79.2 million, compared to Euro 92.8 million as of December 31, 2023.

Deferred tax assets were recognised among Assets both in the current financial year and in the previous financial years in so far, as their realisation as tax income is considered probable in the year in which these deferred tax assets will be reversed in the income statement.

Deferred tax assets were calculated using the rates in force as from January 1, 2017 and relate to temporary differences between the book values and the fiscally recognised values of some financial statement items.

(in euro)

Description	12.31.2024	12.31.2023
Deferred tax assets	79,232,467	92,772,582

Deferred tax assets are calculated at the current rates and recorded in the entries shown in the table hereunder:

(in euro)

Description	12.31.2024		12.31.2023	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Property, Plant and Equipment - IAS depreciation	13,310,817	2,853,216	12,815,352	2,709,922
Goodwill	209,996	51,214	1,890,265	462,593
Other current liabilities - Directors' fees	746,483	179,156	1,443,028	346,327
Doubtful debt provision	40,800,847	9,936,288	50,775,602	12,348,887
Provision for risks	43,601,538	12,823,303	46,676,144	13,652,104
Interest (property lease)	914,794	224,473	269,252	63,730
Right of use	319,089	67,865	258,950	52,360
Tax losses	85,735,947	18,767,233	118,705,373	26,004,670
Adjustments for IFRS (FTA)	(1,137,338)	(284,283)	235,660	55,779
Adjustments for IAS 19 Employee benefits	19,840,575	4,761,250	28,550,122	6,848,266
Adjustments for IFRS 15	2,366,808	660,339	3,143,858	847,343
Goodwill, exemptions pursuant to Law Decree 104/2020	11,280,120	3,147,153	11,525,340	3,215,570
Interest expense Surplus not transferred - Tax consolidation	99,189,358	23,805,446	94,385,094	22,652,423
Other	8,378,905	2,239,814	15,098,647	3,512,610
Total	**325,557,939**	**79,232,467**	**385,772,688**	**92,772,582**

As of December 31, 2024, deferred tax assets were recognised on residual previous tax losses, considering all the conditions for their recognition, i.e. a going concern assumption of their probable future recovery estimated over the explicit plan 2025-2029.

With regard to non-deductible interest expense, deferred tax assets were recognised only on the portion transferable to the consolidation.

During the financial year under review, deferred tax assets of Euro 4 million were released on additional surplus interest expense recognised in previous financial years on the basis of the updated tax forecasts provided for within the recoverability plan 2025-2029 of these surpluses.

As of December 31, 2024, total deferred tax assets not recognised on additional surplus interest expense amounted to Euro 37.7 million, of which Euro 20.8 million relating to the 2024 financial year and Euro 16.9 million relating to previous financial years.

The following table shows the details of the activities by tax.

(in euro)

Description	Doubtful debt provision	Goodwill, exemptions pursuant to Law Decree 104/2020	Adjustments for IFRS	Other temporary differences	Total
Balance as of 01.01.2023	**15,535,608**	**3,283,986**	**6,371,967**	**27,188,904**	**52,380,465**
Change from merger	0			17,298,724	17,298,724
Impact on the Income Statement	(3,186,721)	(68,416)	(189,688)	25,872,232	22,427,407
Impact on the Comprehensive Income Statement			665,987	0	665,987
Balance as of 12.31.2023	**12,348,887**	**3,215,570**	**6,848,266**	**70,359,860**	**92,772,582**
Impact on the Income Statement	(2,412,599)	(68,416)	215,800	(8,930,393)	(11,195,608)
Impact on the Comprehensive Income Statement	0		(2,302,816)	(41,691)	(2,344,507)
Balance as of 12.31.2024	**9,936,288**	**3,147,153**	**4,761,250**	**61,387,776**	**79,232,467**

12 Other non-current assets

(in euro)

Description	12.31.2024	12.31.2023
Other non-current assets	13,527,976	7,721,297

As of December 31, 2024, the item “other non-current assets” showed a balance of Euro 13.5 million compared to Euro 7.7 million, recording a change during the financial year of Euro 5.8 million.

(in euro)

Description	12.31.2024	12.31.2023
Investments in other companies	13,527,976	6,968,146
Others	0	753,152
Total	**13,527,976**	**7,721,297**

a) Investments in other companies

Changes in equity investments in companies other than subsidiaries

The changes in investments in companies other than subsidiaries are broken down as follows:

(in euro)

Description	Value as of 12.31.2023	Decrease	Increase	Value as of 12.31.2024
B.Ca Popolare Di Credito E Servizi	7,747			7,747
B.Ca Cred. Cooperativo Roma	1,033			1,033
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 Scrl	34,683			34,683
Wimatica S.C.A.R.L. (Da Esel)	6,000			6,000
Consorzio Cefriel	191,595			191,595
Consorzio Abi Lab	1,000			1,000
Equity investments in Ce.R.T.A.	360			360
Equity investments in Novito Acque S.R.L.	100,000			100,000
Consorzio Arechi Ricerca	5,000			5,000
Ehealthnet Scarl	10,800			10,800
Distretto Tecnologico Campania Bioscience Scarl	20,000			20,000
Caf Italia 2000 S.R.L	260			260
M2Q Scarl	3,000			3,000
Sedapta S.R.L	750,000	(750,000)		0
Istella S.R.L.	1,000,000			1,000,000
Palantir Digital Media Srl	500			500
Ditecfer S.C.Ar.L.	3,000			3,000
Siit S.C.P.A	30,963	(6,000)		24,963
Consorzio Veso	5,000			5,000
A.I. Tech S.R.L.	4,001			4,001
Fidimpresa/Rete Fidi Liguria	8,064			8,064
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	14,500			14,500
Fondazione Nest	35,000			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		7,210,342	9,361,222
Seta S.R.L.	33,041			33,041
Engagigo S.R.L	2,160			2,160
Yolo	500,000		105,489	605,489
Mevaluate Italia Srl	400			400
Talent Garden Srl	1,299,921			1,299,921
Eastwest European Institute S.R.L.	60,000			60,000
Wolksbank Magdeburg Eg	1,000			1,000
Total	**6,968,146**	**(756,000)**	**7,315,831**	**13,527,976**

With reference to the equity investment in SPV PNT Italia S.r.l., a company operating in the telemedicine sector, it should be noted that it is a jointly controlled equity investment: although in the presence of an equity investment of more than 50% of the share capital, the directors decided to exercise joint control on the basis of the Company's governance rules.

The value of the equity investment in SPV PNT Italia S.r.l. shows an increase of Euro 7.2 million against the capital contribution occurred during the financial year.

b) Others

(in euro)

Description	12.31.2024	12.31.2023
Receivables for finance lease granted	0	753,152
Total	**0**	**753,152**

As of December 31, 2024, it has a zero balance compared to an amount of Euro 0.8 million as of December 31, 2023.

13 Non-current financial assets

(in euro)

Description	12.31.2024	12.31.2023
Non-current financial assets	2,029,908	1,608,431

As of December 31, 2024, the item "non-current financial assets" shows a balance of Euro 2.0 million against an amount of Euro 1.6 million relating mainly to security deposits paid in relation to leased properties and utilities, in addition to the *fair value* of derivative instruments relating to the two IRS contracts signed to hedge the risk of a rate increase on the two variable rate loans in place as of December 31, 2024 of Euro 0.4 million.

C) CURRENT ASSETS

14 Inventory

(in euro)

Description	12.31.2024	12.31.2023
Inventory	53,861	271,984

The item under review, amounting to Euro 53 thousand, includes goods and product usage licences purchased and held for resale.

15 Customer contract assets

(in euro)

Description	12.31.2024	12.31.2023
Customer contract assets	204,752,498	224,928,448

As of December 31, 2024, customer contract assets show a balance amounting to Euro 204.8 million, compared to the balance of Euro 224.9 million as of December 31, 2023.

Customer contract assets represent the right of the Group to obtain consideration for goods or services transferred to the customer for the provision of services already performed by the Group, but not yet invoiced to the customer.

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

The changes in the period relating to Customer contract assets, recorded net of the doubtful debt provision of Euro 10.7 million, are shown below:

(in euro)

Description	12.31.2024	12.31.2023
Initial customer contract assets	**224,928,448**	**205,292,113**
Exchange difference	(648,306)	9,877
Business Combination	0	373,015
Adjustments for the period	(11,521,357)	(1,409,127)
Amount of costs incurred increased by profits recorded	577,512,035	620,266,592
Invoicing actual progress in customer contract assets	(585,518,320)	(599,604,022)
Total	**204,752,498**	**224,928,448**

Note that the doubtful debt provision also includes the provision allocated to Sicilia Digitale S.p.A. (formerly Sicilia E-Servizi S.p.A. or "SISE") of Euro 2.9 million.

The Group 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 Group has therefore concluded that the *expected credit loss* for unexpired 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".

For further information on the ways to calculate the ECL, reference is made to the following paragraph "Trade receivables".

16 Deferred contract costs

(in euro)

Description	12.31.2024	12.31.2023
Deferred contract costs	39,619,707	19,249,220

As of December 31, 2024, deferred contract costs show a balance of Euro 39.6 million, compared to the amount of Euro 19.2 million as of December 31, 2023.

During 2024, the Group recognised deferred contract costs in relation to the fulfilment of the contract represented by the so-called *transition and start-up* costs for Euro 12.9 million. These are costs directly associated with the performance of the services offered and, in particular, refer to the costs incurred for the taking over of orders (transition costs) or costs for specific training of personnel preparatory to the execution of a particular order (start-up costs). These costs are realised in the normal operating cycle.

The increase recorded in the period is related to the start of activities for the Napoli Obiettivo Valore (NOV.IT) project and other projects in the Finance and Health sectors.

The Group has also recorded contract costs in relation to the fulfilment of the contract for Euro 23.2 million. These are direct costs charged to orders, which include the purchase of materials from third parties, outside labour and the cost of employees.
The portions of cost released pertaining to 2024, determined based on 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, amount to Euro 3.2 million for the transition costs and start-up costs and Euro 12.5 million for the costs for the fulfilment of the contract.

17 Trade receivables

As of December 31, 2024, trade receivables amounted to Euro 488.9 million, compared to Euro 468.9 million as of December 31, 2023.

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

Trade receivables are all due within twelve months.

For a better presentation, during the year deferrals were reclassified from trade receivables to Other current assets, with retroactive effect also in 2023, for an amount of approximately Euro 21.8 million.

The breakdown is as follows:

(in euro)

Description	12.31.2024	12.31.2023 Restated
Trade receivables	488,858,058	468,936,589

The breakdown is as follows:

(in euro)

Description	12.31.2024	12.31.2023 Restated
Customers	488,821,960	468,419,131
Parent companies	0	197,776
Others	36,098	319,683
Total	**488,858,058**	**468,936,589**

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

a) Customers

(in euro)

Description	12.31.2024	12.31.2023
Receivables on invoices issued	329,418,070	333,019,463
Invoices to be issued	288,308,203	262,345,612
Credit notes to be issued	(1,943,159)	(1,433,947)
Doubtful debt provision	(56,871,484)	(65,162,236)
Provision for interest in arrears	(70,416,027)	(61,378,092)
Others	326,357	1,028,330
Total	**488,821,960**	**468,419,131**

Receivables from customers amount to Euro 488.8 million, net of a doubtful debt provision of Euro 56.9 million, deemed adequate and sufficient to cover any future losses, and the doubtful debt provisions for interest on arrears of Euro 70.4 million, to fully cover any possible future losses related to the aforesaid entry.

The change in the item "Invoices to be issued" is mainly attributable to the normal trend of accrued revenues and invoices issued, as well as some reclassifications related to the application of IFRS 15.

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

(in euro)

Trade receivables	12.31.2024
Doubtful debt provision as of 31.12.2023	(65,162,236)
Provision for the period	(7,384,621)
Use of the fund	15,675,374
Doubtful debt provision as of 31.12.2024	**(56,871,484)**

After evaluating the historical and forward-looking information, starting from 2022, the Company decided to use a new credit management procedure which combines specific provisions with a generic method based on objective elements. This method makes it possible to correctly hedge the entire portfolio in proportion to the risk.

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 ageing 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.

Consequently, with regard to the doubtful debt provision, it should be noted that in addition to specific provisions, the Group applies the simplified approach of IFRS 9 to measure the *expected credit loss* on all trade receivables and customer contract assets.

According to the model described above, the doubtful debt provision includes the *expected credit loss* of Euro 18.6 million compared to Euro 23.6 million as of December 31, 2023.

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

On this basis, the doubtful debt provision to be subject to collective impairment as of December 31, 2024, was determined as follows.

The following table shows the reconciled balance of receivables from issued invoices, distinguishing between “overdue” and “not overdue” amounts.

(in euro)

Customer contract assets, Trade receivables from third parties	Not expired	Days falling due					Total as of 12.31.2023
		30	60	90	120	over 120	
Public Administration	256,254,067	3,191,237	4,585,821	2,860,080	2,913,919	17,521,747	287,326,871
Health	68,096,668	1,475,490	2,049,950	494,280	318,294	2,484,455	74,919,137
Finance	88,913,962	5,393,192	1,431,757	252,696	1,207,283	4,647,238	101,846,128
Industry & Services	97,824,074	10,737,628	3,601,775	3,604,802	1,486,486	8,872,697	126,127,462
Energy & Utilities	60,207,406	2,805,082	608,703	754,515	1,268,082	975,404	66,619,192
Telco & Media	34,153,667	1,131,732	17,668	1,084	29,002	1,495,317	36,828,471
Total net receivables	605,449,845	24,734,361	12,295,674	7,967,458	7,223,065	35,996,858	693,667,261
ECL rate	1.88%	0.70%	1.70%	4.32%	5.34%	23.16%	3.29%
of which: Doubtful debt provision - Expected credit loss	11,594,712	173,911	212,452	360,160	407,616	10,847,135	23,595,985

(in euro)

Customer contract assets, Trade receivables from third parties	Not expired	Days falling due					Total as of 12.31.2024
		30	60	90	120	over 120	
Public Administration	237,735,549	5,565,254	3,222,615	3,044,388	2,651,444	10,906,424	263,125,674
Health	119,861,257	1,724,994	702,987	30,566	246,327	2,279,145	124,845,276
Finance	112,014,063	2,319,518	1,514,446	161,930	322,824	3,451,848	119,784,629
Industry & Services	89,435,897	7,917,413	3,807,193	2,223,285	1,587,431	7,268,657	112,224,736
Energy & Utilities	40,321,753	2,050,429	1,148,198	1	507,286	412,479	44,440,145
Telco & Media	27,988,185	855,207	33,008	8,697	93,605	211,393	29,190,096
Total net receivables	627,341,564	20,432,816	10,428,448	5,468,867	5,408,915	24,529,946	693,610,556
ECL rate	1.84%	0.61%	1.40%	2.21%	5.63%	20.04%	2.61%
of which: Doubtful debt provision - Expected credit loss	11,754,714	124,915	148,562	123,518	322,984	6,145,920	18,620,612

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

To the ECL doubtful debt provision indicated above (of Euro 18.6 million), there are added specific doubtful debt provisions for an amount of Euro 38.3 million. Therefore, total net receivables (equal to Euro 693.6 million) are shown net of the total doubtful debt provision of Euro 56.9 million and the provision allocated to customer contract assets of Euro 10.7 million.

It is noted that in 2024 the Group factored non-recourse trade receivables of Euro 1,036.9 million (Euro 1,023.7 million in 2023).

The transfer was non-recourse, so risks and benefits related to receivables were transferred to the transferee; receivables were therefore written off from the Assets in the Consolidated Statement of Financial Position, according to the consideration received by factoring companies.

Lastly, it should be noted that receivables include the exposure as of December 31, 2024 to Sicilia Digitale S.p.A. (formerly Sicilia E-Servizi S.p.A. or “SISE”) of Euro 148.3 million (gross of the related doubtful debt provision for Euro 35.9 million and the doubtful debt provisions for interest on arrears for Euro 69.5 million), including Euro 14.5 million of customer contract assets (gross of the allocated provision of Euro 2.9 million).

Given the non-payments of Società Mista Sicilia e-Servizi S.p.A., now Sicilia Digitale S.p.A. (“Sicilia Digitale”), on 26 June 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 of the proceeding, VAT and CPA).

As regards the judgement of opposition to said 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 judgement of 30 August 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. In this context, Sicilia Digitale S.p.A. first filed an appeal against the judgement and then requested an indictment due to the ongoing negotiations. On 12 June 2019, the Company and Sicilia Digitale S.p.A. reached an agreement providing for the transfer of the entire amount of the payment order to the shareholders of Sicilia e Servizi Venture S.c.a r.l. in liquidation (“Shareholders”) and the signing of a transaction between the latter and Sicilia Digitale S.p.A. for (i) the recognition of the total amount of Euro 19,509 thousand, (ii) the waiver of the interest on arrears and (iii) the definition of a repayment plan for the receivable transacted. The Liquidator informs that, due to the failure of Sicilia Digitale S.p.A. to comply with said repayment plan, the Shareholders have ordered the dissolution of the aforementioned transaction. Moreover, in 2022, the Region paid the remaining amounts due following the enforcement proceedings initiated by the Shareholders as transferees of the receivable, which were followed by judgements of opposition of Sicilia Digitale S.p.A. The additional actions relating to the amount subject to the transaction involve the Shareholders as transferees of the receivable. In a judgement notified on 31 October 2024, the Court of Appeal almost upheld the first judgement, albeit on different assumptions from those examined by the Court of First Instance, recognising a receivable of Euro 19,060,275.39 to SISEV.
Moreover, as regards the involvement of the Sicilian Region Administration in these proceedings, the judgement of the Court of Appeal (i) annulled the judgement of the Court of First Instance only as regards the claims against the Sicilian Region Administration, on the ground that the Court of First Instance had failed to comply with the obligation to grant an extension of the deadline for renewing the summons and proper establishment of a cross-examination, and (ii) referred back to the Court of First Instance only the settlement of the claims brought by SISEV and Sicilia Digitale SpA against the Sicilian Region Administration. On January 31, 2025, in compliance with the terms indicated by the judgement of the Court of Appeal, SISEV resumed the proceedings before the Court.

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 further receivables (around Euro 79.7 million, including the works recognised in the financial statements and 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. In response to this claim, the Sicilian Region Administration and Sicilia Digitale S.p.A. appeared in court raising objections such as, among other things, the nullity of the service contracts and related orders, as well as a claim for damages for a total amount of Euro 95,643 thousand. 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 judgement 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 judgement no. 3343/2020 before the Court of Appeal of Palermo. The first hearing was held on 19 March 2021; lifting the reserve assumed in said hearing, the Judge adjourned the hearing to October 21, 2022 and then to January 12, 2024 for the specification of the conclusions, reserving the right to make any decision on the request for the renewal of the technical expertise to an overall examination of merit. The hearing for the specification of the conclusions was postponed to November 22, 2024 and then to July 4, 2025, as by official rule.

Please note that, in the context 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 re-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 due 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 said settlement reached between its Shareholders and Sicilia Digitale S.p.A., in its financial statements as of December 31, 2024, the Company recognised the statutory interest pertaining to the period considered (Euro 9.0 million) in the income statement under financial income, in addition to the amount already recognised until December 31, 2023 (for a total amount of Euro 69.5 million), and accrued a doubtful debt provision for interest on arrears amounting to Euro 9.0 million, in addition to the previous year's provision, for a total doubtful debt provision of Euro 105.5 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.

It should be noted that financial income is shown in the income statement net of the accrued doubtful debt provision for interest on arrears.

b) Parent companies

(in euro)

Description	12.31.2024	12.31.2023
Others	0	197,776
Total	**0**	**197,776**

As of December 31, 2024, it has a zero-balance compared to an amount of Euro 0.2 million as of December 31, 2023.

c) Others

(in euro)

Description	12.31.2024	12.31.2023 Restated
Others	36,098	319,683
Total	**36,098**	**319,683**

"Receivables from others" also include receivables deriving from the charge-back of costs for lease cars to employees.

For a better presentation, the balance of deferrals was reclassified from the sub-item "Other" to the sub-item "Other" of Other current assets with retroactive effect also in 2023.

18 Other current assets

(in euro)

Description	12.31.2024	12.31.2023 Restated
Other current assets	104,573,487	115,126,181

As of December 31, 2024, other current assets in 2024 showed a balance of Euro 104.6 million, compared to Euro 115.1 million as of December 31, 2023.

The breakdown of other current assets is provided below:

(in euro)

Description	12.31.2024	12.31.2023 Restated
Other assets and tax receivables	24,007,340	36,712,309
Others	80,566,146	78,413,872
Total	**104,573,487**	**115,126,181**

For a better presentation, during the year deferrals were reclassified from trade receivables to Other current assets, with retroactive effect also in 2023, for an amount of approximately Euro 21.8 million.

a) Other assets and tax receivables

As of December 31, 2024, other assets and tax receivables amounted to Euro 24.0 million, compared to Euro 36.7 million as of December 31, 2023.

"Other assets and tax receivables" are broken down as follows:

(in euro)

Description	12.31.2024	12.31.2023
Tax receivables	22,390,309	35,761,686
Social security institutions	1,261,291	748,746
Other	355,740	201,877
Totale	**24,007,340**	**36,712,309**

Tax receivables include:

- Euro 2.7 million for the advance for IRES:
- Euro 1.8 million for the advance for IRAP;
- Euro 4.5 million for receivables for taxes paid abroad;
- Euro 10.7 million for receivables from the Inland Revenue Office of which Euro 9.0 million for recoverable VAT receivables and withholding taxes;
- EUR 2.6 million for receivables for tax bonuses mainly relating to research and development.

b) Others

The "Others" item breakdowns as follows:

(in euro)

Description	12.31.2024	12.31.2023 Restated
Applied research grants	27,609,205	33,566,220
Prepaid expenses	38,703,999	26,580,919
Receivables for tax consolidation with related parties	10,361,160	13,068,719
Others	3,891,783	5,198,015
Total	**80,566,146**	**78,413,872**

Receivables for applied research grants are receivables yet to be collected, relating to projects financed by national public authorities and by the European Union, and that show no risks of non-payment.

The item "Receivables for tax consolidation with related parties" includes the receivable of the Group from the parent company Centurion Newco S.p.A. having joined the national tax consolidation with the same.

19 Current financial assets

(in euro)

Description	12.31.2024	12.31.2023
Current financial assets	275,906	514,784

As of December 31, 2024, current financial assets showed a balance of Euro 0.3 million, compared to Euro 0.5 million as of December 31, 2023.

20 Cash and cash equivalents

(in euro)

Description	12.31.2024	12.31.2023
Cash and cash equivalents	203,660,216	219,803,822

As of December 31, 2024, the item "Cash and cash equivalents" amounted to Euro 203.7 million, with a decrease Euro 16.1 million compared to December 31, 2023.

The item refers to cash and cash equivalents relating to current accounts and cash and cash equivalents on hand that can be readily liquidated. 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	12.31.2024	12.31.2023
Bank and postal deposits	203,594,904	219,734,227
Cash and cash equivalents	65,312	69,595
Total	**203,660,216**	**219,803,822**

D) SHAREHOLDERS' EQUITY

21 Information on Shareholders' Equity

(in euro)

Description	12.31.2024	12.31.2023 Restated
Shareholders' Equity	507,224,813	574,356,479

(in euro)

Shareholders' Equity	12.31.2024	12.31.2023 Restated
Share capital	34,095,537	34,095,537
Treasury Shares in Portfolio	0	0
Receivables from shareholders for share capital still to be paid	0	0
Total Share capital	**34,095,537**	**34,095,537**
Legal reserve	6,825,000	6,825,000
Reserve for the acquisition of treasury shares	0	0
Share premium reserve	30,650,262	30,650,262
Merger reserve	0	0
Exchange translation reserve IAS 21	132,067	3,778,754
Other reserves	523,019,865	522,209,701
Total reserves	**560,627,195**	**563,463,718**
Prior years' undistributed profits	4,722,905	130,614,775
IAS 19 actuarial gains/(losses)	(14,154,418)	(21,514,645)
Fair value reserve for effective portion of cash flow hedges	305,999	0
Retained earnings/(Losses carried forward)	**(9,125,514)**	**109,100,130**
Profit/(loss) for the period	**(71,158,907)**	**(125,696,615)**
Total Group Shareholders' Equity	**514,438,310**	**580,962,769**
Capital and reserves of non-controlling interests	**(8,440,515)**	**(7,199,958)**
Profit/(loss) for the year of non-controlling interests	**1,227,018**	**593,668**
Total Shareholders' Equity	**507,224,813**	**574,356,479**

Reconciliation between Engineering Ingegneria Informatica S.p.A.'s financial statements as of December 31, 2024 and the Group's Consolidated Financial Statements at the same date is shown below:

(in euro)

Description	Net profit for the year	Shareholders' Equity
Net profit and shareholders' equity of Engineering Ingegneria Informatica S.p.A.	(117,819,746)	377,170,909
Net profit and shareholders' equity of consolidated companies	67,658,217	310,810,014
Aggregated Total	**(50,161,528)**	**687,980,923**
Elimination of the net book value of equity investments in consolidated subsidiaries and any intercompany dividend	0	(825,228,083)
Final measurement at fair value of assets acquired and liabilities assumed:	(17,371,728)	63,556,335
Recognition of consolidation goodwill	0	571,146,321
Write-downs of equity investments in subsidiaries	(4,479,246)	0
Other adjustments	2,080,613	9,769,317
Total consolidated net profit and shareholders' equity	**(69,931,890)**	**507,224,813**
of which non-controlling interests net profit/(loss) and shareholders' equity	1,227,018	(7,213,497)
Group consolidated net profit and shareholders' equity	**(71,158,907)**	**514,438,310**

22 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.

23 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.

- **Other reserves:**
  Positive for Euro 523,019,865, other reserves mainly refer to:

  - forward contract reserve, negative for Euro 573,626 on subsidiaries' shares (i.e. Non-Controlling Interest) whose debt contra-entry is shown in paragraph "Other non-current liabilities";

  - future share capital increase reserve for Euro 53,770,334 attributable to the payment for future share capital increase, which took place in 2022;

  - Exemption reserve pursuant to Italian Law Decree 104/2020 of Euro 471,414,528. This reserve was established for the application of the realignment procedure for all differences arising in the financial statements as of 31 December 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. The reserve is neither available nor distributable.

- **Currency translation reserve:**
  The currency translation reserve amounts to Euro 132,067. The reserve is neither available nor distributable.

24 Retained earnings/(losses carried forward)

Retained earnings/(losses carried forward) are equal to Euro (9,125,514) and include:

- **Prior years' undistributed profits**
  At the reporting date, they amounted to Euro 4,722,905 (available and distributable reserve); compared to 31 December2023, the decrease of Euro 125,696,615, is due to the allocation of the losses incurred during the 2023 financial year, while the increase of Euro 1,320,000 derives from the reclassification of other reserves, previously restricted and now available and distributable.

- **Actuarial gains/(losses) reserve - IAS 19**
  At the reporting date, it was negative and amounted to Euro 14,154,418; it is neither available nor distributable.

- **Fair value reserve of cash flow hedges**
  At the reporting date, it was negative and amounted to Euro 305,999.

E) NON-CURRENT LIABILITIES

25 Non-current financial liabilities

(in euro)

Description	12.31.2024	12.31.2023
Non-current financial liabilities	1,450,991,468	1,300,107,796

As of December 31, 2024, non-current financial liabilities amounted to Euro 1,451.0 million, compared to Euro 1,300.1 million as of December 31, 2023.

Non-current financial liabilities relate to "Bank loans" and "Other non-current financial liabilities" for portions due beyond 12 months, broken down as follows:

(in euro)

Description	12.31.2024	12.31.2023
Bank loans	382,017,953	336,990,568
Other non-current financial liabilities	1,068,973,516	963,117,228
Total	**1,450,991,468**	**1,300,107,796**

The bank loans as of December 31, 2024 is shown in the table below, including the portion due within 12 months, with indication of the lender and the interest rate.

(in euro)

Lender	Year of maturity	Interest rate	Total	Within 1 year	Over 1 year	Of which over 12 months				
						From 12 to 24 months	From 24 to 36 months	From 36 to 48 months	From 48 to 60 months	of which over 5 years
CHASE BANK	2025	0,01	3,850,226	3,850,226	0					
BAPP-LTL-1 - BANCO-BPM-3-M	2025	0,009 plus 3M MMP 360	584,678	584,678	0					
BAPP-LTL-2 - BANCO-BPM-7-M	2025	0,0105	1,502,798	1,502,798	0					
BCIT-LTL-1 - BANCA-INTE-10-M	2028	0,0105 plus Euribor 3M 360	6,979,101	2,000,000	4,979,101	2,000,000	2,000,000	979,101		
BDBD-LTL-1 - BANCO-DESIO-7-M	2026	0,0125	2,146,053	1,426,234	719,820	719,820				
CRPP-LTL-1 - CREDIT-AGR-5-M	2025	0,008	949,715	949,715	0					
UNCR-LTL-1 - UNICREDIT-4-M	2025	0,0125 plus Euribor 3M 360	389,698	389,698	0					
BRTO-LTL-1 - BANCA REALE-200-K	2027	0,015 plus Euribor 3M 360	113,284	50,818	62,466	53,326	9,140			
BAPP-LTL-1 - BBPM 250K 01.21	2027	0,018	106,905	50,815	56,091	51,737	4,354			
BCIT-LTL-1 - INTESA 850K	2026	0,017 plus Euribor 1M 360	317,487	172,325	145,161	145,161				
BAPP-LTL-2 - BANCO-BPM-10-M	2025	0,008 plus Euribor 3MMMP	2,623,896	2,623,896	0					
BAPP-LTL-3 - BIDCO_EII 08.10	2026	0,05 plus Euribor 6M 360	38,101,007		38,101,007	38,101,007				
MISE-LTL-1 - MISE-FINDUSTRY	2029	0,0018	1,214,592	242,045	972,547	242,481	242,918	243,355	243,793	
MISE-LTL-2 - MISE_MCC-SUMMIT	2028	0,0017	227,838	64,958	162,879	65,069	65,179	32,631		
MISE-LTL-3 - MISE_PROTECTID	2029	0,0018	645,481	128,632	516,849	128,864	129,096	129,328	129,561	
MISE-LTL-4 - MISE_SCREAM	2031	0,0013	303,046	46,456	256,590	46,516	46,577	46,637	46,698	70,161
BAPP-LTL-1 - BPM 300K	2026	0,02 plus Euribor 3M MMP 360	112,189	62,902	49,287	49,287				
BCIT-LTL-1 - B.INTESA 500K	2026	0,0245 plus Euribor 1M 360	192,173	127,478	64,695	64,695				
MISE-LTL-1 - MISE SAFE A	2028	0,0016	72,807	18,158	54,649	18,187	18,216	18,245		
MISE-LTL-2 - MISE SMART SAFE	2026	0,008	134,985	89,810	45,175	45,175				
BCIT-LTL-1 - XTR_INTESA_350K	2026	0,019 plus Euribor 1M 360	131,138	71,120	60,019	60,019				
BCIT-LTL-2 - XTR_INTESA_210K	2026	0,021 plus Euribor 1M 360	78,928	42,769	36,159	36,159				
BCIT-LTL-3 - XTR_INTESA_390K	2026	0,021 plus Euribor 1M 360	146,580	79,428	67,153	67,153				
GEBA-RCF-1	2025	0,05868	20,000,000	20,000,000	0					
GEBA-RCF-1	2025	0,05775	20,000,000	20,000,000	0					
NEWC-PIK-1	2028	0,13	335,668,305		335,668,305			335,668,305		
Total			**436,592,911**	**54,574,958**	**382,017,953**	**41,894,655**	**2,515,480**	**337,117,604**	**420,053**	**70,161**

The loan conditions are representative of negotiations that took place in different time periods that reflect the duration of the loan, any guarantees given, the market conditions as well as the Group creditworthiness at the subscription date.

The Group's main long-term financial payables include commitments for loans, financing, with maturity over 12 months, attributable to the Parent Company for Euro 375.7 million, as well as bonds issued, net of amortised cost, of Euro 1,069.0 million.

The Group's total payable to lenders amounted to Euro 436.6 million, net of amortised cost.

With regard to the NEWC-PIK-1 loan, it should be noted that the amount shown in the table includes the portion of interest accrued during the financial year, equal to Euro 39.7 million.

The portions due within 12 months were classified under current financial liabilities.

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

- loans from BNP Paribas, each for an amount of Euro 20 million, for a total of Euro 40 million;
- loans disbursed by Banco BPM:

  on October 8, 2020 for Euro 38.4 million and a duration of six years;

  on December 22, 2021 for Euro 10 million and duration of four years.

- loans granted by MISE are at a subsidised fixed rate linked to the implementation of research and technological development projects:

  the Summit loan disbursed on October 23, 2019;

  the Findustry loan disbursed on June 3, 2021;

  the Protect ID loan with first disbursement on February 10, 2023;

  the Scream loan with first disbursement on March 14, 2023.

- the PIK loan disbursed by the Parent Company Centurion NewCo S.p.A. on 22 July 2020 for Euro 266 million and a duration of eight years. For further details, please refer to the paragraph "Events occurring after December 31, 2024".

The item "Other non-current financial liabilities" is as follows:

(in euro)

Description	12.31.2024	12.31.2023
Security deposits	116,250	115,750
Financial instruments	1,068,857,266	963,001,478
Total	**1,068,973,516**	**963,117,228**

The breakdown of the item "Financial instruments" disclosed net of the amortised cost is shown below:

(in euro)

Lender	Year of maturity	Interest rate	Over 1 year	Of which over 12 months				
				From 12 to 24 months	From 24 to 36 months	From 36 to 48 months	From 48 to 60 months	of which over 5 years
Eng.Ing.Inf. 30.09.2026 (XS2241098909)	2026	0,05875	599,946,564	599,946,564				
Eng.Ing.Inf. 15.05.2028 Reg S (XS2620212386)	2028	0,11125	468,910,701			468,910,701		
Total			**1,068,857,265**	**599,946,564**	**0**	**468,910,701**	**0**	**0**

Some information and characteristics of the existing financial instruments, specifically listed fixed-rate bonds, disclosed at the value granted, are shown hereunder:

- the Engineering Ingegneria Informatica ISIN XS2241098909 bond issued on October 8, 2020 for Euro 605 million and a duration of six years;
- the Engineering Ingegneria Informatica ISIN XS2620212386 bond issued on May 17, 2023 for Euro 385 million and duration of five years, increased by Euro 100 million on 16 May 2024, for a total value of Euro 485 million, with the other issue characteristics unchanged.

For further details, please refer to the paragraph "Events occurring after December 31, 2024".

The following table represents the changes in Financial liabilities:

(in euro)

Description	December 2022	Cash flows			Non-monetary changes	December 2023
		New loans - Third parties	Repayment of loans - Third parties	Reclassifications	Other changes	
Non-current financial liabilities	492,718,089	1,166,469	(6,752,601)	(6,595,525)	819,020,367	1,300,107,797
Non-current lease liabilities	142,840,257	0	(847,380)	(6,321,685)	(1,585,948)	134,119,695
Current financial liabilities	168,050,289	357,985,832	(335,309,482)	6,595,525	65,865,729	263,375,485
Current lease liabilities	26,051,089	0	(27,279,065)	6,321,685	19,875,554	24,994,316
Total	**829,659,724**	**359,152,301**	**(370,188,528)**	**(0)**	**903,175,702**	**1,722,597,292**

(in euro)

Description	December 2023	Cash flows			Non-monetary changes	December 2024
		New loans - Third parties	Repayment of loans - Third parties	Reclassifications	Other changes	
Non-current financial liabilities	1,300,107,796	101,947,729	(10,407,142)	201,722	59,141,364	1,450,991,468
Non-current lease liabilities	134,119,696	0	(270,842)	(8,128,132)	(44,727,650)	80,993,072
Current financial liabilities	263,375,485	838,280,362	(886,401,778)	(201,722)	(33,288,870)	181,763,476
Current lease liabilities	24,994,316	0	(25,204,677)	8,128,132	16,810,923	24,728,695
Total	**1,722,597,293**	**940,228,091**	**(922,284,439)**	**0**	**(2,064,233)**	**1,738,476,711**

26 Non-current lease liabilities

(in euro)

Description	12.31.2024	12.31.2023
Non-current lease liabilities	80,993,072	134,119,695

As of December 31, 2024, non-current lease liabilities amounted to Euro 81.0 million, compared to Euro 134.1 million as of December 31, 2023.

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

(in euro)

Description	Within 1 year	From 12 to 24 months	From 24 to 36 months	From 36 to 48 months	From 48 to 60 months	of which over 5 years	Total
Amounts due for financial leases (former IAS 17)	37,101	8,265					45,366
Payables for lease offices and branches	18,586,209	19,344,263	18,800,563	10,385,543	9,711,232	12,794,449	89,622,258
Payables for vehicle financing	4,131,628	4,875,406	2,972,622	919,925	58,634		12,958,215
Payables for hardware and software lease	1,787,487	795,714	133,430	52,261	18,006	103	2,787,001
Other lease liabilities	186,269	98,627	15,644	8,387			308,927
Total	**24,728,695**	**25,122,274**	**21,922,259**	**11,366,115**	**9,787,872**	**12,794,552**	**105,721,767**

With regard to the portion due within 12 months of lease liabilities, amounting to Euro 24.7 million, please refer to the paragraph on Current lease liabilities.

The decrease in the period of Euro 53.1 million also reflects the aforementioned update of the forecast for the exercise of the existing contract renewal option for the Rome Eur office, previously scheduled for 2028, as well as the revision of the rental contract for the Florence office.

Lease liabilities are monitored within the Group's treasury function.

27 Deferred tax liabilities

(importi in euro)

Description	12.31.2024	12.31.2023 Restated
Deferred tax liabilities	77,833,609	85,158,380

As of December 31, 2024, deferred tax liabilities amounted to Euro 77.8 million, compared to Euro 85.2 million as of December 31, 2023.

As established by IFRS 3, following the completion of the accounting activities related to the identification and measurement of the fair values, pursuant to IFRS 3, of the assets and liabilities of the company Extrared S.r.l., the deferred tax liabilities as of December 31, 2023 (Euro 84.1 million) were restated for an amount equal to Euro 85.2 million.

Deferred tax liabilities have been calculated on the following items:

(in euro)

Description	12.31.2024		12.31.2023 Restated	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Adjustment to post-employment benefits	10,461	3,439	0	0
Property, Plant and Equipment - Fiscal depreciation	3,594,513	1,093,699	0	0
Goodwill	45,670,273	13,169,228	30,736,195	8,784,221
Trademark	105,481,476	29,429,332	96,539,570	27,166,032
Other revenues - Research grants	5,280,269	1,274,463	3,076,855	745,643
Other revenues - Research grants taxed in 5 years	43,859,728	10,483,496	67,993,940	16,318,546
Capital grants	142,687	34,245	297,663	71,439
Finance lease	59,752	12,241	0	0
Property, plant and equipment / Intangible assets	1,457,594	406,594	4,787,589	1,475,958
IFRS - IAS 8 adjustments	1,031	328	1,031	328
Customer relationship - Allocation of goodwill	78,110,706	21,792,887	85,536,375	26,578,904
Other	648,861	133,658	14,682,318	4,017,310
Total	**284,317,352**	**77,833,609**	**303,651,537**	**85,158,380**

The following table shows details of deferred tax liabilities recognised in the income statement.

(in euro)

Description	Doubtful debt provision	Trademark	Allocation of goodwill	R&D grants	Other temporary differences	Total
Balance as of 01.01.2023	**0**	**7,385,667**	**30,668,582**	**15,604,306**	**11,396,596**	**65,055,151**
Change from merger		17,401,687	4,955,319		6,487,333	28,844,339
Impact on the Income Statement	0	2,378,678	(9,044,997)	1,459,883	(3,534,674)	(8,741,110)
Balance as of 12.31.2023 Restated	**0**	**27,166,032**	**26,578,904**	**17,064,189**	**14,349,255**	**85,158,380**
Impact on the Income Statement		2,263,300	(4,786,017)	(5,306,230)	646,121	(7,182,826)
Impact on the Comprehensive Income Statement			0		(141,945)	(141,945)
Balance as of 12.31.2024	**0**	**29,429,332**	**21,792,887**	**11,757,959**	**14,853,431**	**77,833,609**

28 Non-current provisions for risks and charges

(in euro)

Description	12.31.2024	12.31.2023
Non-current provisions for risks and charges	669,043	4,536,398

As of December 31, 2024, non-current provisions for risks and charges amounted to Euro 0.7 million and essentially relate to provisions for ongoing disputes with third party customers.

The changes during the financial year are shown below:

(in euro)

Description	
Balance as of 01.01.2023	**4,743,178**
Increase	17,123
Decrease	(223,903)
Balance as of 12.31.2023	**4,536,398**
Increase	2,946,732
Decrease	(6,814,087)
Balance as of 12.31.2024	**669,043**

29 Other non-current liabilities

(in euro)

Description	12.31.2024	12.31.2023
Other non-current liabilities	23,519,927	55,980,144

As of December 31, 2024, the item had a balance of Euro 23.5 million and mainly includes:

- as envisaged by IAS 32, the valuation of the payable, amounting to Euro 8.9 million, relating to sales options granted to non-controlling shareholders (i.e. put option contracts) of the companies Firstwaters GmbH, Crispy Bacon S.r.l., Sinapsy S.r.l., Quantum Leap S.r.l. and IT-Soft USA Inc. over Euro 0.3 million relating to the earn-out of C Consulting S.p.A. The fair value of the liability, which represents a reasonable estimate of the exercise price of the option, was determined on the basis of the exercise conditions indicated in the relative contract using the metrics inferred from the multi-year plans of the subsidiaries involved;

- the residual non-current payable, amounting to Euro 11.3 million, relating to the purchase of the technological platform formalised on 30 June 2023 to provide services in the Finance segment.

30 Post-employment benefits

(in euro)

Description	12.31.2024	12.31.2023
Post-employment benefits	67,673,916	82,913,117

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 1 January 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 31 December 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 the payment meets its obligations towards its employees; the accounting treatment is similar to that of other contributions and 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 defined benefit obligation is calculated and certified on an annual basis by an independent actuary by using the "Projected Unit Credit" method.

Changes are detailed below:

(in euro)

Description	
Balance as of 01.01.2023	**79,465,342**
Provisions	39,241,583
Amounts paid to social security institutions + INPS	(33,968,772)
Actuarial losses/(gains)	2,770,227
Benefits paid	(6,324,462)
Post-empl. benefits on acquisition of Group business units	948,660
Transfer payables of Group business units	(357,602)
Post-empl. benefits, consolidated companies	1,138,141
Balance as of 12.31.2023	**82,913,117**
Provisions	38,559,003
Amounts paid to social security institutions + INPS	(34,377,685)
Actuarial losses/(gains)	(9,563,353)
Benefits paid	(9,387,297)
Transfer payables of Group business units	(469,867)
Balance as of 12.31.2024	**67,673,916**

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 in force at 75% of the inflation rate +1.50% net of statutory taxes;

- the annual discount rates were established as variable from 1.5789% to 2.8545% 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 tables 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.

EII Group		Discounting				
		-10%		100%		10%
Infl.	-10%	**68,628,119**	**2,233,239**	**66,394,880**	**-2,111,426**	**64,283,453**
		-1,346,711	954,202	-1,279,037	-3,390,463	-1,211,363
	100%	**69,974,830**	**2,300,913**	**67,673,916**	**-2,179,100**	**65,494,816**
		1,400,850	3,701,763	1,319,641	-933,900	1,245,200
	+10%	**71,375,680**	**2,382,122**	**68,993,558**	**-2,253,541**	**66,740,017**

EII Group		Discounting				
		-10%		100%		10%
Infl.	-10%	**101.41%**	**3.30%**	**98.11%**	**-3.12%**	**94.99%**
		-1.99%	1.41%	-1.89%	5.01%	-1.79%
	100%	**103.40%**	**3.40%**	**100.00%**	**-3.22%**	**96.78%**
		2.07%	5.47%	1.95%	1.38%	1.84%
	+10%	**105.47%**	**3.52%**	**101.95%**	**-3.33%**	**98.62%**

Actuarial gains and losses are recognised under Shareholders' Equity on an accrual basis.

F) CURRENT LIABILITIES

31 Current financial liabilities

(in euro)

Description	12.31.2024	12.31.2023
Current financial liabilities	181,763,476	263,375,486

As of December 31, 2024, current financial liabilities amounted to Euro 181.8 million, compared to Euro 263.4 million as of December 31, 2023.

Current financial liabilities relate to Payables to lenders, banks and other current financial liabilities as reported below:

(in euro)

Description	12.31.2024	12.31.2023
Bank loans	113,133,146	131,656,780
Bank overdraft	2,306,154	9,994,502
Other current financial liabilities	66,324,177	106,517,540
Parent Companies	0	15,206,664
Total	**181,763,476**	**263,375,486**

a) Bank loans

As of December 31, 2024, bank loans totalled Euro 113.1 million and relate for Euro 54.6 million to the short-term portion of bank loans and for Euro 58.5 million to loans with a duration of less than six months.

For further details, please refer to the table "Non-current financial liabilities" of this document.

b) Bank overdrafts

(in euro)

Description	12.31.2024	12.31.2023
Bank overdrafts	2,306,154	9,994,502
Totale	**2,306,154**	**9,994,502**

As of December 31, 2024, bank overdrafts amounted to Euro 2.3 million, compared to Euro 10.0 million as of December 31, 2023.

c) Other current financial liabilities

(in euro)

Description	12.31.2024	12.31.2023
Other payables and Grants to be repaid	66,324,177	106,517,540
Totale	**66,324,177**	**106,517,540**

As of December 31, 2024, "Other current financial liabilities" amounted to Euro 66.3 million and referred:

- for Euro 34.3 million to collections received from customers for invoices transferred to factoring companies;
- for Euro 31.4 million to interest to be paid for loans/bonds;
- for Euro 0.6 million to collections to be repaid to customers of the company Municipia, following the collections of taxes on their behalf.

32 Current lease liabilities

(in euro)

Description	12.31.2024	12.31.2023
Current lease liabilities	24,728,695	24,994,316

As of December 31, 2024, current lease liabilities amounted to Euro 24.7 million, compared to Euro 25.0 million as of December 31, 2023.

"Current lease liabilities pursuant to IFRS16" refer to the short-term portion of the leases shown in the paragraph "Non-current lease liabilities" and mainly concern multi-year contracts for the lease of properties and contracts for the rental of company cars used by company personnel.

For further details, please refer also to Note 7 "Rights of use and leased assets".

33 Current tax payables

(in euro)

Description	12.31.2024	12.31.2023
Current tax payables	11,334,978	5,135,721

The balance as of December 31, 2023 primarily includes current tax payables.

The breakdown is as follows:

(in euro)

Description	12.31.2024	12.31.2023
IRES	4,132,622	2,323,430
IRAP	1,012,165	873,683
Substitute tax	7,213	0
Other tax payables	6,182,978	1,938,607
Total	**11,334,978**	**5,135,721**

The tax payable as of December 31, 2024 was decreased by the advanced amounts paid for IRES and IRAP taxes.

The item “Other tax payables” is mainly attributable to the allocation of the tax burden relating to the minutes report of findings notified to the Parent Company during 2024 relating to the 2018-2020 tax periods.

34 Current provisions for risks and charges

(in euro)

Description	12.31.2024	12.31.2023
Current provisions for risks and charges	26,074,178	26,335,996

As of December 31, 2024, current provisions for risks and charges amounted to Euro 26.1 million and break down as follows:

(in euro)

Description	12.31.2024	12.31.2023
Provision for risks and charges	7,584,523	6,911,049
Provision for losses on projects	18,489,656	19,424,946
Total	**26,074,178**	**26,335,996**

The “Provision for losses on projects” is allocated for probable future losses on some existing projects.

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

(in euro)

Description	
Balance as of 01.01.2023	**23,107,359**
Increase	20,017,707
Decrease	(17,685,004)
Business Combination	895,933
Balance as of 12.31.2023	**26,335,996**
Increase	14,840,473
Decrease	(15,102,290)
Balance as of 12.31.2024	**26,074,178**

It should also be noted that there are a number of pending civil and administrative disputes, both public and private, relating to the normal course of business of the Engineering Group, for which the risk of loss has been defined as “possible” by the external lawyers appointed. No provisions were made for these cases to the provision for risks and charges as of December 31, 2024 and a precise estimate of the potential economic/financial impact is not currently possible.

In particular, it should be noted that a private partner has filed a lawsuit against one of the Group’s subsidiaries for alleged breaches of contract in connection with a public tender; finally, it should be noted that a local public authority has filed a counterclaim concerning the execution of activities carried out by one of the Group’s subsidiaries as part of a temporary business association (RTI) with Engineering Ingegneria Informatica S.p.A..

35 Other current liabilities

(in euro)

Description	12.31.2024	12.31.2023
Other current liabilities	263,060,432	280,628,806

As of December 31, 2024, other current liabilities amounted to Euro 263.1 million, compared to Euro 280.6 million as of December 31, 2023.

This item is broken down as follows:

(in euro)

Description	12.31.2024	12.31.2023
Directors and Statutory Auditors	1,331,444	760,941
Consultants	12,451	1,925
Withholding taxes	1,492,114	1,333,561
Tax payables	28,405,825	27,111,430
Due to RTI partners	1,875,612	1,377,343
Payables for tax consolidation with related parties	19,948,892	9,862,728
Social security institutions	35,041,549	37,789,744
Others	47,307,932	49,807,763
Employees	105,403,935	134,114,947
Partners for research projects	21,466,569	13,611,517
Accrued m/l loan interest	275,806	268,589
Other accruals	0	13,036
Other deferred income	498,303	4,575,282
Total	**263,060,432**	**280,628,806**

The item “Others” includes the short-term payable of Euro 22.6 million, relating to the purchase of the above described technological platform, as well as the short-term portion of the residual price relating to the acquisition of the non-controlling interest in relation to the companies Firstwaters GmbH, Crispy Bacon S.r.l., Sinapsy S.r.l. of Euro 4.8 million, in addition to Euro 2.1 million relating to the earnouts of the companies C Consulting S.p.A., Atlantic Technologies S.p.A..

Tax payables are broken down as follows:

(in euro)

Description	12.31.2024	12.31.2023
VAT	6,274,202	8,203,113
Suspended VAT	446,727	668,085
IRPEF	21,016,834	17,354,890
Other	668,062	885,342
Total	**28,405,825**	**27,111,430**

36 Trade payables

(in euro)

Description	12.31.2024	12.31.2023
Trade payables	553,972,591	515,931,353

As of December 31, 2024, trade payables amounted to Euro 554.0 million, compared to Euro 515.9 million as of December 31, 2023. Trade payables refer to current payables due to suppliers for goods and services.

The balance as of December 31, 2024 is broken down as follows:

(in euro)

Description	12.31.2024	12.31.2023
Suppliers	425,765,301	413,897,728
Parent Companies	113,263	4,272
Others	128,094,027	102,029,353
Total	**553,972,591**	**515,931,353**

a) Suppliers

(in euro)

Description	12.31.2024	12.31.2023
Due to suppliers	292,422,639	290,039,277
Due to foreign suppliers	14,538,457	11,228,039
Invoices to be received	120,268,750	114,456,787
Credit notes to be received	(1,464,545)	(1,826,375)
Total	**425,765,301**	**413,897,728**

As of December 31, 2024, “Payables due to suppliers” amounted to Euro 425.7 million, compared to Euro 414.0 million as of December 31, 2023.

b) Payables due to parent companies

(in euro)

Description	12.31.2024	12.31.2023
Invoices to be received	4,272	4,272
Invoices received	108,991	0
Total	**113,263**	**4,272**

As of December 31, 2024, “Payables due to parent companies” amounted to Euro 0.1 million, compared to Euro 0.01 million as of December 31, 2023.

c) Others

(in euro)

Description	12.31.2024	12.31.2023
Advances for future work	128,094,027	102,029,353
Total	**128,094,027**	**102,029,353**

As of December 31, 2024, “Others” amounted to Euro 128.1 million, compared to Euro 102 million as of December 31, 2023.

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	12.31.2024	12.31.2023
Total revenues	1,764,164,442	1,721,089,566

Total revenues for the 2024 financial year is equal to Euro 1,764.1 million compared to Euro 1,721.1 million for the 2023 financial year; the financial year just ended, when compared to the previous financial year, recorded an increase in total revenues equal to Euro 43.1 million.

The breakdown of Total revenues is as follows:

(in euro)

Description	12.31.2024	12.31.2023
Revenues	1,716,641,081	1,683,453,948
Other revenues	47,523,361	37,635,618
Total	**1,764,164,442**	**1,721,089,566**

37 Revenues from sales and services

(in euro)

Description	12.31.2024	12.31.2023
Revenues from sales and services	1,724,840,879	1,664,740,467
Cgs. finished products and construction contracts	(8,199,798)	18,713,481
Totale	**1,716,641,081**	**1,683,453,948**

Revenues accrued during the year from the activities, projects and services provided to Group customers amounted to Euro 1,716.6 million compared to Euro 1,683.5 million of the previous year.

The Group records revenues from the fulfilment of the obligation to perform 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	N/A	N/A	360,278,023	N/D	360,278,023
Over time	587,848,382	340,311,089	N/A	428,203,588	1,356,363,058
Total	**587,848,382**	**340,311,089**	**360,278,023**	**428,203,588**	**1,716,641,081**

For further information, please refer to paragraph "*Revenues and Costs*".

38 Other revenues

(in euro)

Description	12.31.2024	12.31.2023
Other revenues	47,523,361	37,635,618

The item Other revenues and income for the Group amounted to Euro 47.5 million as of December 31, 2024, compared to Euro 37.6 million in the previous year.

The breakdown of Other revenues is as follows:

(in euro)

Description	12.31.2024	12.31.2023
Grants	31,196,248	24,385,716
Other income	16,327,113	13,249,902
Total	**47,523,361**	**37,635,618**

Other revenues mainly consist of grants for research projects financed by national bodies and by the European Union and claims compensation and other income of a residual nature.

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, par. 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 Group 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
IPCEI-CIS-AVANT	"AVANT aims to develop tools for the construction of digital twins, combining standard components with customised solutions. The aim is to reduce technical debt and allow users to work in federated clouds, free from the constraints of a single provider. AVANT's solutions make the most of resources acquired from different providers, with a particular focus on ""edge"" services, which are fundamental to new services and digital twins. AVANT's goal is to create a ""cognitive"" cloud that adapts to user needs and reduces the time it takes to deploy advanced analytics and predictive resources. The ultimate goal is to develop a platform that integrates models for the analysis, simulation and planning of complex systems, with applications in strategic sectors such as public administration, smart cities, cultural heritage, manufacturing, energy and digital healthcare."	MIMIT (Ministry of Enterprises and Made in Italy)	11/21/24	24,768,000
			Total	**24,768,000**
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	03/14/24	37,566
			05/29/24	74,793
			Total	**112,359**
C.O.S.A.	The aim of the project is to make service architectures business-oriented by extending traditional SOA in order to manage (model, negotiate, monitor) electronic contracts.	MUR (Ministry of University and Research)	12/23/24	3,273,808
			Total	3,273,808
FINDUSTRY	Study and definition of a prototype aimed at building an ecosystem of ICT services based on an Open Digital Platform for Industry 4.0. The resulting platform will provide access to open source software components and services that are certified, guaranteed and supported by FIWARE, thanks also to the creation of new tools specific to the manufacturing world.	MIMIT (Ministry of Enterprises and Made in Italy)	02/05/24	1,070,243
			Total	**1,070,243**
HEAL ITALIA	"The HEAL ITALIA partnership aims to create an expanded health alliance for innovative therapies, advanced laboratory research and integrated approaches to precision medicine. HEAL ITALIA is based on a multidisciplinary network of laboratories, clinical research centres and companies that share knowledge and technologies to achieve rapid results, improve the quality of healthcare services and bring our National Health Service into the modern era of Precision Medicine. National Health Service into the modern era of Precision Medicine. In this context, the HEAL ITALIA programme has been conceived with a holistic, interdisciplinary vision, combining basic and translational research with technology transfer, exploiting the technology transfer capacities of the main players in the academic, clinical and private sectors. With a One Health approach, HEAL ITALIA will enable research groups and infrastructures to meet the challenges of identifying new phenotypes, analysing the complexity of a wide range of environmental, lifestyle factors and genotypic determinants of multigenic/multifactorial diseases, and responding to the health needs of the most vulnerable populations."	MUR (Ministry of University and Research)	/11/27/24	239,930
			Total	**239,930**
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)	04/24/24	70,665
			Total	**70,665**
IDEHA	IDEHA will create an integrated platform for the preservation and promotion of cultural heritage sites.	MUR (Ministry of University and Research)	05/10/24	116,477
			Total	**116,477**
Inf@nzia Digitales	Innovation of educational processes by equipping classrooms with a combination of tablets and ICT laboratories that implement creative educational approaches (Maria Montessori, Bruno Munari).	MUR (Ministry of University and Research)	05/22/24	177,428
			10/15/24	49,017
			Total	**226,445**
MY PasS	"MyPasS (Mobility for Passengers as a Service) Analysis and definition of the logical-functional architecture of reference for the creation of a platform for the provision of MaaS and Travel planning services."	MUR (Ministry of University and Research)	09/23/24	531,450
			Total	**531,450**

(in euro)

Project title	Description	Lender	Collection date	Total
Ok-Insaid	"OK-INSAID offers scientific, technological and application innovation in the analysis of industrial data to help redesign effective production networks and processes, using data and analysis to achieve a radical change in value creation, transforming existing production 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, which is still far from being exploited by Italian (and even EU) industry: the data are potentially available; industry is not sufficiently able to extract the (sometimes hidden) value ""inside"" it. To this end, OK-INSAID will adopt and develop cutting-edge technologies (mainly open source) and define new Data Driven methods for industrial applications. OK-INSAID proposes a new approach to industrial analytics based on coordination, synchronisation and collaboration between analytics in the cloud and at the edge. The approach will be supported by a reference architecture and a reference implementation to be employed to develop a new hybrid cloud-edge industrial analytics for Industry 4.0."	MUR (Ministry of University and Research)	11/13/24	117,149
			Total	**117,149**
RECITY	The ReCity solution is a social, economic and technological system built together with the community to enhance the resilience practices already in place, and to provide tools and methodologies that amplify their effectiveness and scope to provide the necessary support to the individual and the community in situations of emergency and imbalance.	MUR (Ministry of University and Research)	08/02/24	1,116,412
			Total	**1,116,412**
SAMOTHRACE	"The SAMOTHRACE Ecosystem for Innovation aims to build on Sicily's consolidated vocation in the field of microelectronics and micro and nano technologies, taking it to a higher and more widespread level that can have a significant and tangible impact on the island's industrial scenario and on society as a whole. "	MUR (Ministry of University and Research)	09/05/24	251,379
			Total	**251,379**
SATIN	Study and definition of a software architecture to support innovation in oncological treatments and development of the software prototype to support innovation in oncological treatments.	CAMPANIA REGION	10/16/24	104,999
			11/11/24	70,000
			Total	**174,999**
Scream	The main objective of the SCREAM project is to support manufacturing companies in the implementation of smart manufacturing processes through the creation of an advanced monitoring and predictive maintenance software platform that will enable the remote control, maintenance and management of production plants and machine tools in a secure and real-time manner. SCREAM supports the development and implementation of complete solutions for Industry 4.0, exploiting the new paradigms of Big Data, Artificial Intelligence and Analytics and allowing to maximise production while at the same time reducing operating and maintenance costs.	MIMIT (Ministry of Enterprises and Made in Italy)	02/05/24	491,040
			Total	**491,040**
SERVIFY FORMAZIONE	Empowering Knowledge Intensive Business Services (KIBS): "Innovators/Entrepreneurs specialised in KIBS" - Training project related to the Research Project.	MUR (Ministry of University and Research)	11/20/24	126,306
			Total	126,306
SERVIFY	Design, analysis and definition of advanced software components for the creation of a software infrastructure for the provision of ubiquitous and continuous services over time, with a strong focus on advancing the state of the art in techniques, models and methods for the provision of software services in different application domains.	MUR (Ministry of University and Research)	11/20/24	542,776
			Total	**542,776**
Grand Total	**Total collections for the year**			**33,229,439**

B) OPERATING EXPENSES

(in euro)

Description	12.31.2024	12.31.2023 Restated
Operating expenses	1,643,805,730	1,699,373,769

"Operating expenses" for the 2024 financial year amount to Euro 1,643.8 million compared to Euro 1,699.4 million for the 2023 financial year; the financial year just ended, when compared to the previous financial year, recorded a decrease in operating expenses equal to Euro 44.4 million.

39 Operating expenses

The breakdown of operating expenses is as follows:

(in euro)

Description	12.31.2024	12.31.2023 Restated
Raw materials and consumables	60,408,375	72,269,012
Service costs	605,100,573	590,564,910
Personnel costs	838,794,736	871,016,680
Amortisation and Depreciation	106,342,035	116,602,007
Provisions	18,112,158	33,609,470
Other costs	15,047,853	15,311,690
Total	**1,643,805,730**	**1,699,373,769**

For further details on changes, reference is made the relevant paragraphs in the Directors' Report.

40 Raw materials and consumables

(in euro)

Description	12.31.2024	12.31.2023
Raw materials and consumables	60,408,375	72,269,012

The item includes the costs incurred and the related changes for the purchase of consumables, such as stationery, paper, toners, etc. as well as goods purchased to be sold as part of the services and performances provided to customers.

Below is a breakdown of costs for raw materials and consumables:

(in euro)

Description	12.31.2024	12.31.2023
Hardware	2,603,858	4,094,120
Software	54,918,042	48,961,417
Consumables and other goods	2,886,279	19,179,584
Other	195	33,891
Total	**60,408,375**	**72,269,012**

The decrease in raw materials and consumables is essentially due to the purchase of software and goods for resale.

41 Service costs

(in euro)

Description	12.31.2024	12.31.2023
Service costs	605,100,573	590,564,910

The item Costs for services and performances includes all those costs incurred for services received from professionals and companies in addition to the remuneration of directors.

Service costs are detailed below:

(in euro)

Description	12.31.2024	12.31.2023
EDP purchases, services and data lines	2,393,757	3,634,443
Insurance	6,974,369	7,199,162
Bank commissions	4,416,868	3,244,509
Technical support and consultancy	466,924,860	424,231,104
Legal and administrative consultancy	18,618,020	33,747,496
Training and refresher courses	2,988,130	3,729,563
Consultants	534,981	892,334
Cost of corporate boards	4,671,864	5,062,278
Building rental	2,666,944	2,971,050
Maintenance of property, plant and equipment and intangible assets	28,343,135	28,020,095
Canteen and other personnel costs	16,091,784	17,442,959
Automotive expenses	9,001,487	7,984,348
Hardware and software rental	785,005	1,720,194
Services from parent companies	40,209	112,619
Maintenance and security services	4,809,031	5,105,584
Advertising and sales rep. expenses	4,255,086	3,640,659
Travel costs	15,928,495	16,537,686
Postage and shipping expenses	4,383,648	6,420,450
Utilities	5,469,819	7,486,360
Other	5,803,081	11,382,016
Total	**605,100,573**	**590,564,910**

The increase in items “Technical support and consultancy” and “Consultancy from subsidiaries” is partly due to the increase in production activities and partly to the greater use of external consultancy following the slowdown in new recruitment.

The decrease in the item “Legal and administrative consultancy” follows the gradual reduction in consultancy costs associated with the company transformation process.

The following table shows the remuneration paid in 2024 for the audit, certification and other services rendered by the Independent Auditors Deloitte & Touche S.p.A..

(in euro)

Service	Engineering Ingegneria Informatica S.p.A.	Engineering Group	Companies belonging to the audit firm network	Total
Audit	376,000	295,000	235,000	906,000
Other certification services	72,000	48,000	0	120,000

42 Personnel costs

(in euro)

Description	12.31.2024	12.31.2023
Personnel costs	838,794,736	871,016,680

The figure indicated represents the total cost incurred by the Group for employees during the financial year.

Personnel costs are related to:

(in euro)

Description	12.31.2024	12.31.2023
Salaries and wages	606,879,953	615,190,586
Social security expenses	178,597,446	179,603,809
Post-employment benefits	36,783,159	37,223,787
Restructuring and reorganising personnel	16,534,178	38,998,498
Total	**838,794,736**	**871,016,680**

“Salaries and wages” include costs related to holidays and leave pays, indemnities, overtime and bonuses and is disclosed net of capitalisations for internal project development.

“Social security expenses” include all statutory social security contributions on remuneration.

The post-employment benefits relate to the provision for post-employment benefits accrued during the period (in this regard, see also Note 22 “Employee benefits (employee severance indemnity)”.

The costs for “Restructuring and reorganising personnel” relate to incentives, accounted for by nature, recognised to employees no longer employed as of December 31, 2024 and/or those whose exit has been agreed in the coming months.

The average number of employees in the financial year under review decreased by 736 units compared to December 31, 2024.

Average number of employees	2024	2023	Changes
Executives	568	640	(72)
Managers	2,501	2,610	(109)
Other employees	10,917	11,473	(556)
Total	**13,986**	**14,723**	**(736)**

43 Amortisation and Depreciation

(in euro)

Description	12.31.2024	12.31.2023 Restated
Amortisation and Depreciation	106,342,035	116,602,007

Amortisation and depreciation were calculated on the basis of the deterioration suffered by the assets and recognised in the accounts in a specific provision to decrease the value of the individual assets.

The decrease in the item “Amortisation of intangible assets” is mainly due to the completion of the amortisation of the Customer Relationships at the end of 2023 following the reverse merger of the company Centurion Bidco S.p.A..

The breakdown is as follows:

(in euro)

Description	12.31.2024	12.31.2023 Riesposto
Depreciation of property, plant and equipment	10,179,494	9,339,629
Amortisation of intangible assets	68,730,946	78,727,671
Depreciation and amortisation IFRS 16	27,431,595	28,534,707
Total	**106,342,035**	**116,602,007**

44 Provisions

(in euro)

Description	12.31.2024	12.31.2023
Provisions	18,112,158	33,609,470

Provisions decreased due to the changes reported in the following table:

(in euro)

Description	12.31.2024	12.31.2023
Allocation to Doubtful debt provision	7,384,621	9,639,629
Customer contract assets	3,611,388	3,015,907
Risk provision	7,116,148	19,260,034
Write-down of fixed assets	0	1,693,901
Total	**18,112,158**	**33,609,470**

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

The item “Allocation to Doubtful debt provision” refers to provisions for the year for risks on receivables on invoices issued and on invoices to be issued net of releases for discontinued risks.

In addition to the specific provisions, the Group applies the simplified approach of IFRS 9 to measure the expected credit loss on all trade receivables and customer contract assets to determine the doubtful debt provision.

The item “Risk provision” refers to tax risks and disputes with third parties.

45 Other costs

(in euro)

Description	12.31.2024	12.31.2023
Other costs	15,047,853	15,311,690

The item includes all costs with a residual nature with respect to those recognised in the items commented above.

Other costs are broken down as follows:

(in euro)

Description	12.31.2024	12.31.2023
Dues and subscriptions	3,340,932	2,558,029
Taxes	8,540,260	7,236,614
Gifts and donations	87,574	121,959
Charges for social causes	834,475	656,878
Other	2,244,614	4,738,210
Total	**15,047,853**	**15,311,690**

46 Net Financial income/(expenses)

(in euro)

Description	12.31.2024	12.31.2023
Net Financial income/(expenses)	(172,121,119)	(154,579,450)

Financial income is broken down as follows:

(in euro)

Description	12.31.2024	12.31.2023
Interest income	1,012,277	1,157,512
Financial income from lease	4,059	153,156
Gain on exchange differences	6,890,982	1,761,081
Total	**7,907,318**	**3,071,749**

The “Gain on exchange differences” item comprises the exchange gains.

Financial expenses consist of:

(in euro)

Description	12.31.2024	12.31.2023
Interest expense	155,660,152	133,913,826
Other	24,368,284	23,737,374
Total	**180,028,437**	**157,651,199**

Interest expense refers mainly to loans in place detailed in Note "Current financial liabilities" hereof.

During the year, the Group borne interest expenses relating to financial leases in place amounting to Euro 1.0 million.

The item "Other" mainly includes financial expenses attributable to factoring transactions and exchange rate losses.

47 Income (expenses) related to changes in liabilities on acquisition of non-controlling interests

(in euro)

Description	12.31.2024	12.31.2023
Income/(expenses) from investments	3,610,472	2,811,331

The breakdown is as follows:

(in euro)

Description	12.31.2024	12.31.2023
Gains on Earn Out / call - put options	5,256,832	3,313,800
Losses on Earn Out / call - put options	(1,340,175)	(820,248)
Non-recurring income (charges)	(306,185)	317,779
Total	**3,610,472**	**2,811,331**

The capital gains and losses recognised in the financial year derive from the adjustment of the payables recognised for the acquisition of shares held by non-controlling shareholders following the remeasurement of the *fair value* of the same based on the updated plans and of the payments made during the financial year to non-controlling shareholders compared to the recognised payable.

48 Income taxes

(in euro)

Description	12.31.2024	12.31.2023 Restated
Income taxes	21,779,955	(4,949,375)

The breakdown of income taxes is as follows:

(importi in euro)

Description	12.31.2024	12.31.2023 Restated
Current	18,110,256	20,716,725
Deferred	3,669,700	(25,666,100)
Total	**21,779,955**	**(4,949,375)**

Taxes for the financial year were estimated taking account of the result in the period and of the existing regulations and represent the best estimate of the tax charge.

Deferred taxes were calculated taking into consideration the accumulated sum of all temporary differences on the basis of the average expected rates for successive tax periods when these differences will reverse. For details of the temporary differences, which have resulted in deferred taxes, reference is made to the previous paragraphs "Deferred tax assets" and "Deferred tax liabilities".

The change in the item "Non-deductible expenses", whose tax effect is approximately Euro 44.2 million, as shown in the reconciliation statement of the theoretical-effective tax rate, is mainly attributable to provisions for risks and charges.

The change in the item "Non-taxable income", whose tax effect is approximately Euro 9.6 million, as shown in the reconciliation statement of the theoretical-effective tax rate, is mainly attributable to Engineering and in particular to revenues for research grants that, being taxable on a cash basis, have originated a decrease in taxable income.

The Company exercised the option relating to the Patent Box facility pursuant to Article 6 of Italian Law Decree no. 146/2021, amended by Article 1, paragraph 10, letter a) of Italian Law no. 234 of 30 December 2021, which provides for a tax exemption for IRES and IRAP purposes on the notional income to the super deduction of research and development costs incurred in relation to certain intangible assets (software, patents, models and designs). The benefit provides for a 110 per cent increase in research and development expenses starting from the tax period in which the intangible asset obtains an industrial property right. For 2022, the Company obtained a deduction for IRES and IRAP purposes of approximately Euro 2.5 million and for 2023 a deduction of approximately Euro 4.3 million.

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

Reconciliation between theoretical and effective IRES tax	12.31.2024		12.31.2023	
	Amount	%	Amount	%
Profit (loss) for the year before taxes	(48,151,934)		(130,052,322)	
Ordinary rate applied	**(11,556,464)**	**24.0%**	**(31,212,557)**	**24.0%**
Tax effects deriving from:				
Income taxable in prior years	13,743,859	(28.5%)	5,276,605	(4.1%)
Income not taxable	(9,662,885)	20.1%	(7,095,942)	5.5%
Expenses not deductible	44,187,117	(91.8%)	39,179,703	(30.1%)
IAS differences	(387,888)	0.8%	(368,643)	0.3%
Other changes reducing taxable IRES	(15,974,706)	33.2%	(9,522,888)	7.3%
Utilisation of previous years' tax losses	(5,813,395)	12.1%	(2,191,808)	1.7%
Effect of foreign tax rates	897,750	(1.9%)	2,563,745	(2.0%)
Total assessable IRES	**64,305,775**		**(14,049,109)**	
TAX/TAX RATE	**15,433,386**	**(32.1%)**	**(3,371,786)**	**2.6%**

49 Other relevant commitments

Commitments undertaken

The following table summarises the commitments of the Group as of December 31, 2024.

(in euro)

Description	12.31.024
Bid Bonds and Performance Bonds	15,806,461
Guarantees in favour of other companies	11,019,507
Third party sureties	548,062,868
Total commitments undertaken	**574,888,836**

It should be noted that:

- The Bid Bonds and Performance Bonds refer to guarantees given for participation in tenders;
- Bank guarantees to other companies are provided to Engineering Ingegneria Informatica in favour of other group Companies;

- Third party guarantees relate to guarantees provided in respect of participation in tender offers, for the signing of contracts and for guarantees on office rental contracts.

50 Breakdown of financial instruments by category

For all transactions the balances (financial or non-financial) for which an accounting standard requires or permits measurement at *fair value* and which fall within the scope of IFRS 13, the Group 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 December 31, 2024:

(in euro)

Items as of 12.31.2024	Book values	Assets at Amortised Cost	Assets at FVOCI	Assets at FVPL
Non-current financial assets	2,029,908	1,649,732	380,176 (**)	
Other non-current assets	13,527,976	-0		13,527,976 (**)
Trade receivables	488,858,058	488,858,058		
Other current assets	104,573,487	104,573,487		
Current financial assets	275,906	275,906		
Cash and cash equivalents	203,660,216	203,660,216		
Total Assets	**812,925,551**	**799,017,398**	**380,176**	**13,527,976**

(in euro)

Items as of 12.31.2023	Book values	Assets at Amortised Cost	Assets at FVOCI	Assets at FVPL
Non-current financial assets	1,608,431	1,608,431		
Other non-current assets	7,721,297	753,152		6,968,146 (**)
Trade receivables	468,936,589	468,936,589		
Other current assets	115,126,181	115,126,181		
Current financial assets	514,784	514,784		
Cash and cash equivalents	219,803,822	219,803,822		
Total Assets	**813,711,105**	**806,742,959**	**0**	**6,968,146**

(in euro)

Items as of 12.31.2024	Book values	Liabilities at Amortised Cost	Liabilities at FVOCI	Liabilities at FVPL
Non-current financial liabilities	1,450,991,468	1,450,991,468		
Non-current lease liabilities	80,993,072	80,993,072		
Other non-current liabilities and employee benefits	91,193,843	14,361,123	67,673,916 (**)	9,158,804 (**)
Current financial liabilities	181,763,476	181,763,476		
Current lease liabilities	24,728,695	24,728,695		
Other current liabilities	263,060,432	256,153,062		6,907,370
Trade payables	553,972,591	553,972,591		
Total Liabilities	**2,646,703,578**	**2,562,963,488**	**67,673,916**	**16,066,174**

(in euro)

Items as of 12.31.2023	Book values	Liabilities at Amortised Cost	Liabilities at FVOCI	Liabilities at FVPL
Non-current lease liabilities	1,300,107,796	1,300,107,796		
Other non-current liabilities and employee benefits	134,119,695	134,119,695		
Current financial liabilities	138,893,261	41,172,144	82,913,117 (**)	14,808,000 (**)
Current lease liabilities	263,375,486	263,375,486		
Other current liabilities	24,994,316	24,994,316		
Trade payables	280,628,806	280,628,806		
Total Liabilities	515,931,353	515,931,353		
Total Liabilities	**2,658,050,713**	**2,560,329,596**	**82,913,117**	**14,808,000**

(*) The fair value reported in the table above is included in level 2 of the fair value hierarchy.
(**) The fair value reported in the table above is included in level 3 of the fair value hierarchy.

51 Transactions with related parties

According to the provisions set forth by IFRS 24, related parties include: companies that, directly or indirectly through one or more intermediary entities, control or are controlled by the Parent Company; companies in which the Parent Company holds an interest sufficient to exercise significant influence; associated companies; and executives with strategic responsibilities in the Parent Company, as well as in companies directly and/or indirectly controlled by it or influenced by it.

The related parties of the Engineering Group include, based on the Group definition pursuant to IFRS 10, the company Centurion Topco S.a.r.l. and its subsidiaries.

In this context, the following significant transactions should be noted:

- The cost recognised for members of the Board of Directors of Engineering Ingegneria Informatica S.p.A. for the current financial year is Euro 0.6 million. The other current liabilities include post-employment benefit payables of some executives of the Company, under a stability pact signed in 2009.

The table below shows the economic and financial transactions with related parties:

(in euro)

Description	Revenues	Costs	Financial income (expenses)	Trade receivables	Trade payables	Financial payables
OverIT S.p.A	911,024	22,651,055		761,078	3,600,249	
Centurion Topco S.a.r.l		40,208			108,991	
Centurion Newco S.p.a			(39,723,228)		4,272	335,668,305
Total	**911,024**	**22,691,263**	**(39,723,228)**	**761,078**	**3,713,511**	**335,668,305**

52 Events occurring after December 31, 2024

On January 22, 2025, the Court of Cassation held a hearing on the preliminary question of the legitimacy of the project company (i.e. the subsidiary Napoli Obiettivo Valore s.r.l.) to act as a collector of local taxes in the absence of autonomous enrolment in the register of companies.

In the unlikely event of a negative outcome, which has now been superseded by the judgement illustrated below, the economic impact that could have occurred can be summarised as follows:

- taxpayers who have paid the amount in the meantime and at the same time contested the assessment notice issued by the project company could have asked the Municipality for a refund of the amount unlawfully paid on the basis of a null and void tax assessment. In this case, the Municipality could take action against the concessionaire, at least to obtain the repayment of the premium collected. The validity of such a claim would be questionable in any event, given that NOV acted in good faith and legitimately relied on the correctness of its actions and on the legitimacy of the licence granted to NOV by the Municipality;

- for taxpayers who complied with the request for payment without contesting the assessment notice, acquiescence was deemed to have taken place, making it impossible to claim a refund in the event that NOV was found to be unlawful.

It should also be noted that, on February 25, 2025, the Text of Italian Decree Law no. 202 of December 27, 2024, coordinated with Italian conversion Law no. 15 of February 21, 2025 was published in the Official Gazette. In Article 3 it clarifies by way of interpretation that special purpose vehicles (as per Article 194 of Italian Legislative Decree no. 36/2023 or project companies, as per the previously applicable Article 184 of Italian Legislative Decree no. 50/2016), "established to carry out assessment and collection activities or their preparatory support activities, are not enrolled in the register referred to in Article 53 of Italian Legislative Decree no. 446 of 1997, if the company awarded the call for tender to grant the service of assessing and collecting local authority revenues, and member of the same special purpose vehicle, is already enrolled in said register. The assessment and collection documents issued by the special purpose vehicles referred to in the previous sentence are to be considered legitimate in that they are issued in place of the contractor, who is in any case required to jointly guarantee the performance of all the services provided directly by said companies".

The judgement of the Court of Cassation no. 14335 filed on 20 March 2025 declared inadmissible the preliminary ruling made by the Court of Tax Justice of first instance of Naples concerning the legitimacy of Napoli Obiettivo Valore, following the issue of the interpretation regulation contained in Article 3, paragraph 14 septies of Italian Law no. 15/2025 (known as Milleproroghe decree).

The Court's intervention definitively clarifies the legitimacy of NOV's actions as a project company of Municipia and indirectly recognised the retroactive nature of the interpretation regulation, which was introduced to put an end to the situation of serious uncertainty that had arisen.

In February, Engineering Ingegneria Informatica S.p.A. launched an Offer on the market, which ended on February 10, 2025, relating to two bonds with a total value of Euro 650 million, one of which has a variable rate and one a fixed rate.

The variable rate bond, issued at par for a nominal amount of Euro 350.0 million and maturing in 2030, will pay interest at a rate equal to the three-month Euribor (subject to a floor of 0%) plus 5.75% per annum.

The fixed-rate bond, issued at par for a nominal amount of Euro 300.0 million and maturing in 2030, will pay interest at a fixed rate of 8.625% per annum.

The gross proceeds of the Offer will be used, together with available cash, to repay in full the Company's the covered senior bonds of Euro 605.0 million at 5.875% maturing in 2026 (including any accrued and unpaid interest thereon), to repay in full and cancel the indebtedness incurred under a senior secured credit facility of Euro 38.4 million (including any accrued and unpaid interest thereon) and to pay the fees and expenses in connection with the foregoing transactions and the increase and extension of the maturity of the existing revolving credit facility.

On February 7, 2025, an amendment was signed to the loan agreement in place between the parent company Centurion Newco Spa and Engineering Ingegneria Informatica S.p.A. (known as Shareholder Loan Agreement - "PIK"); the amendments mainly concern the expiry of the contract, which will be 15 February 2031, and the interest that will be calculated for all interest periods starting from January 30, 2025 to January 30, 2028 on the portion of the loan not repaid at an interest rate of 13.5%; subsequently, the interest rate will be increased by 0.5% for each subsequent interest period until the expiry of the contract.

53 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 specifically 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 specifically until approval of the financial statements as of December 31, 2025.

On August 2, 2024, Giovanni Camisassi was also appointed as an additional Board Member.

With effect from January 31, 2025, Maria Cristina Messa resigned from her position as Board Director and member of the Control, Risk and Sustainability Committee of Engineering Ingegneria Informatica S.p.A..

On February 20, 2025, the Board of Directors of Engineering Ingegneria Informatica S.p.A. approved the appointment of Aurelio Regina as a member of the Control, Risk and Sustainability Committee to replace Maria Cristina Messa.

At the date of presentation of this document, the Administration and Control Bodies are composed as follows:

Board of Directors	
Gaetano Miccichè	Chairman
Maximo Ibarra	Director and Chief Executive Officer
Maria Andrisani	Director
Luca Bassi	Director
Giovanni Camera	Director
Fabio Cosmo Domenico Cané	Director
Pietro Galli	Director
Michaela Castelli	Director
Vito Cozzoli	Director
Aurelio Regina	Director
Carlo Achermann	Director
Giovanni Camisassi	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
Vito Cozzoli	Independent Member
Aurelio Regina	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.

ENGINEERING

Piazzale dell'Agricoltura, 24
00144 Roma

www.eng.it

Engineering Group

@LifeAtEngineering

@EngineeringGroup