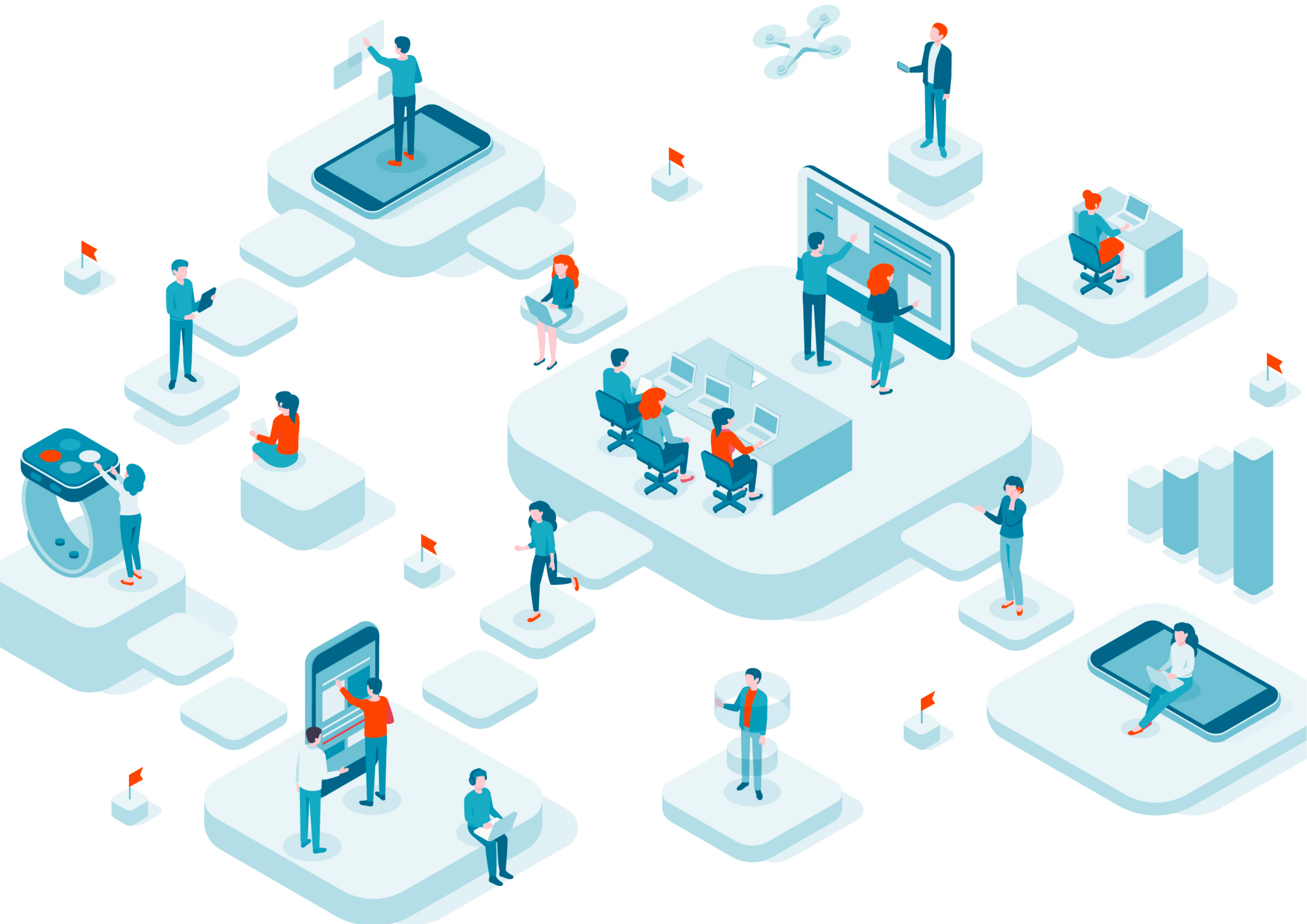
vianova

Annual Report 2022



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Vianova spa
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Share capital Euro 11,000,000.00 fully paid up - VAT Number and Tax Code 01059440469
Company Register no. 01059440469 - R.E.A. Lucca no. 115789

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Shareholders and Corporate Bodies

Shareholders	%
800 srl	34.98796
Libra srl	34.98796
Tamburi Investment Partners spa	17.03583
Bolognini Holding srl	4.10122
Gallico Holding srl	4.10122
Spring srl	4.10122
MD Investimenti srl	0.65620
Other Shareholders	0.02840

Board of Directors	Role
Stefano Luisotti	Chairman and Chief Executive Officer
Claudio Berretti	Director
Giovanni Luisotti	Director
Marco Bolognini	Director
Marco D’Ascoli	Director
Massimo Di Puccio	Director
Nicola Gallico	Director

Board of Statutory Auditors	Role
Andrea Mariani	Chairman
Simone Sartini	Statutory Auditor
Sergio Maffei	Statutory Auditor
Nunzio Stroscio	Alternate Auditor
Riccardo Cima	Alternate Auditor

Supervisory Board - Legislative Decree 231/01	Role
Michele Giordano	Chairman
Andrea Marraccini	Member
Laura Giunti	Member

Independent Auditors	Task
KPMG spa	External Audit
DNV	Quality Management System (ISO 9001:2015)
DNV	Information Security Management System (ISO 27001:2013, ISO 27017:2015 and ISO 27018:2019)

Directors' Report on Operations

Dear Shareholders,
The Vianova Group opted to present the Directors' Report on Operations of the Parent Company and the Consolidated Directors' Report on Operations in a single document.
The Consolidated Financial Statements for the year ended 31 December 2022 show revenue and other operating income of Euro 74,890,704, an increase of 11.3% compared to the previous year. The income statement closed with a net profit of Euro 10,667,698, an increase of 40.0% on the previous year.
2022 was the Company's 14th consecutive year of growth.

Income Statement (euro/000)	2021	%	2022	%	Δ%
Total revenue and other operating income	**67,270**	**100**	**74,891**	**100**	**+11.3**
EBITDA	17,747	26.4	20,422	27.3	+15.1
EBIT	10,200	15.2	13,335	17.8	+30.7
EBT	10,260	15.3	13,326	17.8	+29.9
Group net result	7,481	11.1	10,426	13.9	+39.4
Net result of minority interests	139	0.2	242	0.3	+74.6
Net result	**7,620**	**11.3**	**10,668**	**14.2**	**+40.0**

92,11% of revenue and other operating income were attributable to the Parent Company.

Statement of Financial Position (euro/000)	2021	%	2022	%	Δ%
Total Assets	**68,999**	**100**	**85,106**	**100**	**+23.3**
Non-current assets	30,140	43.7	32,740	38.5	+8.6
Current assets	38,859	56.3	52,366	61.5	+34.8
Total Shareholders' Equity and liabilities	**68,999**	**100**	**85,106**	**100**	**+23.3**
Consolidated Shareholders' Equity	38,661	56.0	44,904	52.8	+16.1
Non-current liabilities	5,499	8.0	12,997	15.3	+136.3
Current liabilities	24,838	36.0	27,205	32.0	+9.5

Cash Flow Statement (euro/000)	2021	2022	Δ%
Cash flow from operations	17,265	15,142	-12.3
Cash flow from investments	-4,216	-8,387	+98.5
Cash flow from financial management	-3,847	2,340	-161.0
Total cash flow	**9,203**	**9,095**	**-1.2**
Closing cash and cash equivalents	**24,871**	**33,966**	**+36.6**

Net financial position (euro/000)	2021	2022	Δ%
Cash and cash equivalents	24,871	27,722	+11.5
A) Adjustment promissory notes maturing on 31/12/22	0	6,244	--
Closing cash and cash equivalents (pro forma)	**24,871**	**33,966**	**+36.6**
Current financial payables	-639	-1,764	+176.1
Net current financial position (pro forma)	**24,232**	**32,202**	**+32.9**
Non-current financial assets	5	505	--
Non-current financial payables	-956	-8,453	+784.2
B) Net financial position (pro forma)	**23,281**	**24,254**	**+4.2**
B - A) Net financial position	**23,281**	**18,010**	**-22.6**

In order to ensure the comparability of the figures of the Cash Flow Statement and Net Financial Position with the previous year, we have restated the figures of the 2022 Financial Statements taking into account the collection policy of the parent company. The SBF bills falling due on 31 December 2022 (holiday) were credited on 2 January 2023 as a result of the banking regulations introduced in 2010, which provide for the postponement of the credit to the first working day following the due date. The amount of these bills equal to euro 6,244,465 was therefore reclassified in the item "Cash and cash equivalents" and not in the item "Trade receivables"..

Below is a breakdown of Revenue and other operating income by type.

Revenue and other operating income (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Recurrent revenue from fees	52,387	77.88	56,841	75.90	+8.5
Recurrent revenue from pay-per-use services	10,015	14.89	11,634	15.54	+16.2
Revenue from activations	1,750	2.60	1,687	2.25	-3.6
Revenue from software developments	1,042	1.55	1,394	1.86	+33.7
Revenue from sales	394	0.59	991	1.32	+151.2
Recurrent revenue from interconnection	675	1.00	685	0.91	+1.5
Public grants	465	0.69	584	0.78	+25.6
Income from access and pay-per-use charges adjustments	225	0.33	418	0.56	+85.7
Gains on disposal of non-current assets	60	0.09	63	0.08	+4.5
Revenue from assistance and interventions	37	0.06	36	0.05	-3.2
Release of surplus funds	0	0.00	18	0.02	--
Revenue adjustments	-1	0.00	-2	0.00	+48.5
Other revenue and income	221	0.33	542	0.72	+145.0
Total	**67,270**	**100**	**74,890**	**100**	**+11.3**

- Revenue growth mainly depends on the increase in the Customer base.
- The Group's business is not subject to seasonality events.

Group structure

Today, the Vianova Group is composed entirely of companies governed by Italian law, operating in the Telco and ICT sectors and providing services to businesses prevalently in Italy.
Equity investments were acquired, starting from 2006, as part of a strategy aimed at encouraging the expansion and integration of services provided by the Parent Company.
Each Group company is, in fact, also a Vianova supplier and produces at least one product or product component intended to be integrated into the range of services promoted by the Parent Company.

Vianova spa (Parent Company)

Vianova is a convergent landline and mobile network operator fully dedicated to businesses, distinguishing itself from competitors by the quality of its services and its customer care.

Since 2007, the Company has been marketing a single integrated service offering, called *Vianova*, businesses oriented and inspired by an insourcing policy.
Services are developed *in-house*, integrating the more traditional services (*Voice and Data access)* with those involving *Collaboration* (*Mail, Hosting, Meeting, Conference, Desk, 800, Fax, Centrex, Drive, Cloud, WiFi Call, VIP Call®, Busy Call® and SIM Manager*).

The Company's growth during the year was entirely organic, but the foundations were laid for the development of a growth path through external lines and internationalisation, both at national and international level.

Economic, equity and financial performance of Vianova spa

Income Statement (euro/000)	2021	%	2022	%	Δ%
Operating revenue	**62,455**	**100**	**69,119**	**100**	**+10.7**
▪ of which organic revenue	61,738	98.9	67,773	98.1	+9.8
▪ of which other operating income	716	1.1	1,346	1.9	+88.1
Variable costs	-26,046	41.7	-28,387	41.1	+9.0
Contribution margin	**36,409**	**58.3**	**40,732**	**58.9**	**+11.9**
Fixed costs	-19,547	31.3	-21,622	31.3	+10.6
Gross operating margin (EBITDA)	**16,861**	**27.0**	**19,110**	**27.6**	**+13.3**
Amortisation/depreciation	-7,034	11.3	-6,510	9.4	+7.4
Provisions	-45	0.1	-67	0.1	+47.7
Operating income (EBIT)	**9,782**	**15.7**	**12,533**	**18.1**	**+28.1**
Financial income	30	0.0	79	0.1	+162.0
Financial charges	-13	0.0	-70	0.1	+437.0
Other income and expenses	238	0.4	363	0.5	+52.1
Profit before tax (EBT)	**10,038**	**16.1**	**12,905**	**18.7**	**+28.6**
Income taxes	-2,557	4.1	-2,479	3.6	+3.0
Result for the year (E)	**7,481**	**12.0**	**10,425**	**15.1**	**+39.4**

Statement of Financial Position (euro/000)	2021	%	2022	%	Δ%
Total Assets	**64,239**	**100**	**77,715**	**100**	**+21.0**
Non-current assets	28,761	39.6	31,623	40.7	+10.0
Current assets	35,478	60.4	46,092	59.3	+29.9
Total Shareholders' Equity and liabilities	**64,239**	**100**	**77,715**	**100**	**+21.0**
Consolidated Shareholders' Equity	37,581	58.5	45,403	58.4	+20.8
Non-current liabilities	1,020	1.6	8,597	11.1	+743.0
Current liabilities	25,638	39.9	23,715	30.5	-7.5

Cash Flow Statement (euro/000)	2021	2022	Δ%
Cash flow from operations	16,325	14,158	-13.3
Cash flow from investments	-3,868	-8,856	+129.0
Cash flow from financial management	-3,712	2,767	-174.6
Total cash flow	**8,745**	**8,069**	**-7.7**
Closing cash and cash equivalents	**22,477**	**30,545**	**+35.9**

Net financial position (euro/000)	2021	2022	Δ%
Cash and cash equivalents	22,477	24,301	+8.1
A) Adjustment promissory notes maturing on 31/12/22	0	6,244	--
Closing cash and cash equivalents (pro forma)	**22,477**	**30,545**	**+35.9**
Current financial payables	-240	-1,382	+474.5
Net current financial position (pro forma)	**22,236**	**29,164**	**+31.2**
Non-current financial assets	1	505	--
Non-current financial payables	-191	-4,810	+2,412.9
B) Net financial position (pro forma)	**22,046**	**24,858**	**+12.8**
B - A) Net financial position	**22,046**	**18,614**	**-15.6**

The SBF bills maturing on 31 December 2022 (holiday) were credited on 2 January 2023 as a result of the banking regulations introduced in 2010, which provide for the postponement of the credit to the first working day following the due date. The amount of these bills, equal to euro 6,244,465, was therefore reclassified under "Cash and cash equivalents" and not under "Trade receivables" to ensure comparability with the 2021 figures..

Vola spa

Vola is a provider of SMS and E-mail Marketing services for Italian companies through a proprietary platform available to customers in SaaS (Software as a Service) mode.
The Company also offers outsourced software development services and has implemented Vianova Cloud and SMS services.
From 2021, "Cerbeyra", a proprietary platform for the delivery of Cybersecurity services, was also released.
Vianova holds 67.0% of the share capital of Vola spa.

Below is a summary of the main economic and financial data including adjustments made in compliance with the International Accounting Standards.

Income Statement (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Total revenue and other operating income	**2,137**	**100**	**2,697**	**100**	**+26.2**
▪ of which core revenue	2,057	96.2	2,654	98.4	+29.0
▪ of which other operating income	80	3.8	43	1.6	-46.1
EBITDA	218	10.2	482	17.9	+120.6
EBIT	171	8.0	434	16.1	+154.1
EBT	185	8.7	426	15.8	+130.1
Net result	144	6.7	306	11.3	+112.6

Statement of Financial Position (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Total Assets	**2,674**	**100**	**2,913**	**100**	**+8.9**
Non-current assets	827	30.9	792	27.2	-4.2
Current assets	1,847	69.1	2,121	72.8	+14.8
Total Shareholders' Equity and liabilities	**2,674**	**100**	**2,913**	**100**	**+8.9**
Shareholders' Equity	1,217	45.5	1,426	49.0	+17.2
Non-current liabilities	655	24.5	565	19.4	-13.5
Current liabilities	802	30.0	921	31.6	+14.7

Cash Flow Statement (euro/000)	**2021**	**2022**	**Δ%**
Cash flow from operations	96	257	+166.4
Cash flow from investments	-17	-30	+80.8
Cash flow from financial management	-83	-76	-8.4
Total cash flow	**-4**	**150**	**-4,096**
Closing cash and cash equivalents	**1,162**	**1,312**	**+12.9**

Net financial position (euro/000)	**2021**	**2022**	**Δ%**
Cash and cash equivalents	1,162	1,312	+12.9
Current financial payables	-80	-83	+2.8
Net current financial position	**1,082**	**1,229**	**+13.7**
Non-current financial assets	0	0	0
Non-current financial payables	-299	-219	-26.4
Net financial position	**784**	**1,010**	**+28.9**

As at 31 December 2022, the Company's workforce consisted of 21 Employees.

Host spa

Host is a B2B provider of domain hosting services with a proprietary platform available to customers in SaaS (Software as a Service) mode.
The offer includes Shared Hosting services, Colocation services (through a proprietary Data Centre), Cloud Hosting services, Dedicated Servers and services dedicated to Resellers and Web Agencies needing to manage hundreds of domains. The Company has implemented the Vianova Hosting service.

Vianova holds 51.0% of the share capital of Host spa.

Below is a summary of the main economic and financial data including adjustments made in compliance with the International Accounting Standards.

Income Statement (euro/000)	2021	%	2022	%	Δ%
Total revenue and other operating income	**2,332**	**100**	**2,629**	**100**	**+12.7**
▪ of which core revenue	2,290	98.2	2,537	96.5	+10.8
▪ of which other operating income	42	1.8	91	3.5	+119.0
EBITDA	448	19.2	572	21.8	+27.9
EBIT	142	6.1	233	8.9	+64.2
EBT	140	6.0	232	8.8	+66.0
Net result	**127**	**5.4**	**217**	**8.2**	**+70.8**

Statement of Financial Position (euro/000)	2021	%	2022	%	Δ%
Total Assets	**2,877**	**100**	**2,820**	**100**	**-2.0**
Non-current assets	1,911	66.4	1,987	70.4	+3.9
Current assets	966	33.6	834	29.6	-13.7
Total Shareholders' Equity and liabilities	**2,877**	**100**	**2,820**	**100**	**-2.0**
Shareholders' Equity	867	30.1	1,052	37.3	+21.4
Non-current liabilities	568	19.7	380	13.5	-33.0
Current liabilities	1,443	50.2	1,388	49.2	-3.8

Cash Flow Statement (euro/000)	2021	2022	Δ%
Cash flow from operations	636	425	-33.1
Cash flow from investments	-312	-416	+33.2
Cash flow from financial management	-12	-261	--
Total cash flow	**312**	**-251**	**-180.6**
Closing cash and cash equivalents	**662**	**411**	**-38.0**

Net financial position (euro/000)	2021	2022	Δ%
Cash and cash equivalents	662	411	-38.0
Current financial payables	-293	-225	-23.1
Net current financial position	**369**	**186**	**-49.8**
Non-current financial assets	0	0	0
Non-current financial payables	-373	-180	-51.8
Net financial position	**-3**	**6**	**-262.8**

As at 31 December 2022, the Company's workforce consisted of 17 Employees.

Qboxmail srl

Qboxmail is a B2B provider of Electronic Mail services through a proprietary platform available to Customers in SaaS (Software as a Service) mode.
The service allows the Customer to activate an unlimited number of users autonomously, also through APIs (Application Programming Interface).
Vianova holds 51.0% of the share capital of Qboxmail srl. The subsidiary Host spa in turn holds 10% of the share capital of Qboxmail srl.

Below is a summary of the main economic and financial data including adjustments made in compliance with the International Accounting Standards.

Income Statement (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Total revenue and other operating income	**634**	**100**	**772**	**100**	**+21.7**
▪ of which core revenue	605	95.3	745	96.4	+23.2
▪ of which other operating income	30	4.7	27	3.6	-8.4
EBITDA	219	34.6	258	33.4	+17.6
EBIT	105	16.6	135	17.5	+28.6
EBT	103	16.3	133	17.2	+28.6
Net result	**74**	**11.7**	**89**	**11.6**	**+20.4**

Statement of Financial Position (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Total Assets	**906**	**100**	**1,006**	**100**	**+11.0**
Non-current assets	295	32.6	303	30.1	+2.5
Current assets	611	67.4	704	69.9	+15.2
Total Shareholders' Equity and liabilities	**906**	**100**	**1,006**	**100**	**+11.0**
Shareholders' Equity	652	71.9	706	70.2	+8.4
Non-current liabilities	133	14.7	103	10.2	-22.9
Current liabilities	121	13.4	197	19.6	+62.4

Cash Flow Statement (euro/000)	**2021**	**2022**	**Δ%**
Cash flow from operations	189	238	+25.9
Cash flow from investments	-13	-122	+860.8
Cash flow from financial management	-26	-26	-1.6
Total cash flow	**150**	**90**	**-40.2**
Closing cash and cash equivalents	**571**	**660**	**+15.7**

Net financial position (euro/000)	**2021**	**2022**	**Δ%**
Cash and cash equivalents	571	660	+15.7
Current financial payables	-26	-26	-0.2
Net current financial position	**544**	**634**	**+16.5**
Non-current financial assets	0	0	0
Non-current financial payables	-93	-67	-27.8
Net financial position	**451**	**567**	**+25.6**

As at 31 December 2022, the Company's workforce consisted of 7 Employees.

NetResults srl

NetResults operates in the ICT sector and designs and deploys convergent telecommunication networks for Enterprises, Service Providers, TLC Operators and Public Administrations and is particularly specialised in the design, development, implementation and testing of network components and devices. The company contributed to create the Centrex (Cloud PBX service) and Desk (Desktop Sharing service) platforms.

The company joined the scope of consolidation following the purchase completed by Vianova in December 2022 of an additional portion of share capital, which increased its ownership percentage from 40% to 70%.
The main economic and financial data are summarised below.

Income Statement (euro/000)	2021	%	2022	%	Δ%
Total revenue and other operating income	**2,335**	**100**	**2,554**	**100**	**+9.5**
▪ of which core revenue	1,921	82.3	2,132	83.5	+11.0
▪ of which other operating income	414	17.7	422	16.5	+2.6
EBITDA	214	9.0	190	7.4	-9.6
EBIT	139	5.8	37	1.5	-73.3
EBT	121	5.1	18	0.7	-85.9
Net result	**99**	**4.2**	**1**	**0.0**	**-99.5**

Statement of Financial Position (euro/000)	2021	%	2022	%	Δ%
Total Assets	**3,127**	**100**	**3,362**	**100**	**+7.5**
Non-current assets	328	10.5	680	20.2	+107.3
Current assets	2,799	89.5	2,682	79.8	-4.2
Total Shareholders' Equity and liabilities	**3,127**	**100**	**3,362**	**100**	**+7.5**
Shareholders' Equity	1,027	32.8	1,031	30.7	+0.4
Non-current liabilities	1,239	39.6	1,281	38.1	+3.4
Current liabilities	861	27.5	1,050	31.2	+22.0

Cash Flow Statement (euro/000)	2021	2022	Δ%
Cash flow from operations	2	352	--
Cash flow from investments	-333	-503	+51.1
Cash flow from financial management	-66	23	-135.3
Total cash flow	**-397**	**-127**	**-67.9**
Closing cash and cash equivalents	**1,166**	**1,038**	**-10.9**

Net financial position (euro/000)	2021	2022	Δ%
Cash and cash equivalents	1,166	1,038	-10.9
Current financial payables	-13	-48	+269.3
Net current financial position	**1,153**	**990**	**-14.1**
Non-current financial assets	0	0	0
Non-current financial payables	-1,114	-1,107	-0.6
Net financial position	**39**	**-117**	**-400.6**

As at 31 December 2022, the Company's workforce consisted of 34 Employees.

Group staff

Further details regarding staff can be found in the following table.

Staff	2021	%	2022	%	Δ%
no. of persons as at 31 December	**255**	**100**	**286**	**100**	**+12.2**
Full Time Equivalent (FTE) as at 31 December (qty)	249.0	97.6	280.2	98.0	+12.5
Average FTE (qty)	238.9	93.7	267.5	93.5	+12.0
Of which non-employee collaborators (qty)	11	4.3	11	3.8	+0.0
Average age (years)	40.9		40.6		-0.9
Average length of service (years)	8.5		7.6		-11.3
Women (qty)	69	27.1	81	28.3	+17.4
Graduates (qty)	128	50.2	146	51.0	+14.1
Revenue per FTE (euro)	281,621		280,012		-0.6
Cost per FTE (euro)	58,082		59,592		+2.6
EBITDA per FTE (euro)	74,296		76,358		+2.8

The table refers to the data of the companies that are part of the Vianova spa Group with the exclusion of the data of the subsidiary NetResults srl, whose costs and revenues were not included in the consolidated income statement in 2022.

Risk management

The main risks to which the Group is exposed in the management of its business activities are summarised below.

Strategic risks

Risks related to macroeconomic factors

The Group's economic and financial situation is subject to the influence of multiple macroeconomic factors such as economic growth, political stability, consumer confidence, changes in interest rates and exchange rates in the markets in which it operates.

Risks associated with competitive dynamics

The telecommunications market is characterised by competition, which over the years has led to constant pressure on prices and margins as well as a redistribution of market shares in all geographical areas and in all supply segments.
The sector in which the Group operates is characterised by potential technological changes, high competition and obsolescence of products and services.

Operational risks

The operational risks of the Group's business relate to possible inadequacies in internal processes, external factors, fraud, employee error, failure to properly document transactions, loss of critical or commercially sensitive data and failures in systems or network platforms.

Financial risks

Group companies may be exposed to risks of a financial nature such as those arising from fluctuations in interest rates and exchange rates, credit risk and liquidity risk.

Credit risk

The continuation of the general economic downturn and the consequent increase in payment difficulties on the part of Customers could worsen the current credit situation.

Liquidity risk

Liquidity risk is the potential difficulty for Group companies to meet obligations associated with financial liabilities.

Market risk
The Group is exposed to financial market risks mainly due to changes in interest rates.

Risks associated with business continuity
The Group's success depends on its ability to provide continuous and uninterrupted services through the availability of processes and related supporting assets, the resilience of the network infrastructure and the business continuity and disaster recovery policies of the Information Systems. In particular, network infrastructures and Information Systems are susceptible to internal and external threats: power outages, floods, storms, human errors, system failures, hardware and software failures, software bugs, cyber-attacks, earthquakes, facility failures, strikes, fraud, vandalism, terrorism, etc. Any of these events could generate an interruption in the provision of services and result in a potential direct and indirect impact on the company's business, such as, for example: a reduction in revenue or an increase in the costs for any restoration, a reduction in the level of Customer satisfaction, an increase in churn, costs related to penalties and fines, a negative impact on image and reputation.

Risks associated with the development of network infrastructures
In order to maintain and develop the Customer portfolio in each of the markets in which the Group operates, it is necessary to maintain, update and improve the existing networks. A reliable and high-quality network is necessary to maintain the Customer base and minimise interruptions while protecting the company's revenue.

Risks of internal/external fraud
Vianova is currently the only company in the Group to have adopted the fraud prevention organisational model (Legislative Decree 231/01). However, the implementation of such a model cannot ensure total risk mitigation. Dishonest activities and illegal acts perpetrated by people inside and outside the organisation could have a negative impact on the companies' operating results, financial structure and image.

Cyber Security Risks
The sectors where the Company operates are characterised by a high technological content and are affected by possible attacks and threats related to cyber criminals. Cyber risk is a growing phenomenon worldwide and, as such, requires ongoing monitoring, given the huge wealth of IT assets that the company manages both in terms of its own telecommunications infrastructure and in terms of assets required to provide services to customers. In light of these considerations, extreme focus has been placed on protecting networks from major threats (e.g.: DDoS, viruses, malware, data theft).

Risks associated with disputes and litigation
The Group may be called upon to engage in disputes and litigation with tax authorities, regulators, competition authorities, other TLC operators and other entities. The possible impacts of such proceedings are generally uncertain. These issues could even, individually or together, in the event of an unfavourable solution for the Companies, have a significant negative effect on the operating results, financial position and cash flows.
Any situations of dispute or litigation with the Authorities are described in the Notes to the financial statements.

Regulatory and non-compliance risks

Regulatory risks
The risk deriving from the regulatory activities of the sector carried out by the Supervisory authorities is significant, affecting competition and the ways in which it can take place, technological aspects, profitability and financial dynamics.
In particular, the main elements that introduce uncertainty are:

- lack of predictability in the timing of commencement and subsequent decisions of new proceedings;

- any decisions with retroactive effect (e.g., price revisions relating to previous years following rulings by the administrative courts);
- any decisions that could affect the technological choices made or to be made, with potential impact on the period of return of infrastructure investments.

The continually evolving regulatory and legislative framework of the telecommunications industry also exposes the Companies to risks of non-compliance.

In order to address and overcome these critical issues, the Companies pay ongoing attention to the development of the reference framework and employ significant resources to carry out the adjustments expressly requested by the Authorities or dictated by technological developments.

Risks of non-compliance

The Group may be exposed to risks of non-compliance, deriving from non-compliance or violation of internal regulations (so-called self-regulation, such as, for example, the Articles of Association) and external regulations (laws and regulations), with consequent judicial or administrative sanctions, financial losses or reputational damage.
The objective of the Group companies is to ensure compliance of processes, and therefore of the procedures and information systems that regulate them, and of the company's performance with the relevant regulations. The risk is associated with any time delays needed to bring processes into compliance with regulatory developments or if a lack of compliance is detected.
Group Companies continued their GDPR compliance activities.

The market in which the Group operates

The Group Companies operate in the Landline and Mobile telecommunications sectors and in the ICT segments dedicated to SMS, Email, Cybersecurity, Cloud, Domain & Hosting services.
These sectors are characterised by a growing degree of complementarity, also linked to the increasing convergence of technologies, and play a crucial role in the development of the digital economy.

According to the 2022 Anitec-Assinform report, the start of the year was marked by a slowdown in the growth of the global economy after the robust recovery of 2021. According to estimates, this trend will continue in 2023, leading to a further decline in GDP in Western countries, including Italy. The performance of the Italian digital market reflected this trend; however, despite the uncertainties due to the geopolitical scenario, the inflation dynamics and the effects of the NRRP, it is expected that in the coming years the digital transformation underway in Italian companies will continue, giving a renewed momentum to the sector.

Specifically, the ICT Services market recorded, in the first half of 2022, a value of Euro 6.92 billion (+7.2%), substantially confirming the growth recorded in the previous year, with particularly significant increases in the cloud sector (+25.5%) and in the consulting and system integration sectors.
It is expected that *Digital Enablers* will continue to be a driving force for the development of the Italian digital market in the next three years, contributing to the dissemination of solutions and platforms that have already reached significant market values and that boast good growth prospects, including:

- Cloud Computing, which is anticipated to exceed Euro 10 billion by 2025 and which has assumed a central role in digital transformation and in supporting technological and business priorities thanks to the now proven advantages in terms of flexibility and scalability compared to traditional "on premise" systems.
- IoT (Euro 4 billion, +8.8%), which is at the basis of the technological innovation of operating and production processes and of the development lines of the NRRP.
- Mobile Business (Euro 5 billion, +6.1%), whose development reflects the continuous increase in worker mobility despite a growing maturity in demand for communication devices and services.

On the other hand, network services recorded a further contraction compared to the first half of 2021. Specifically, there was a decrease in landline network services (-4.1%) and mobile network services (-3.6%), whose decline is in any case more contained than in 2021.

The 2022 Annual Report published by AgCom shows that the electronic communications market alone is worth over Euro 22.17 billion overall and continues to be characterised by the predominance of large operators:

Turnover (euro/Million)	Landline network	Mobile network	Total	%
Tim	6,059	3,083	9,142	41.2
Vodafone	1,252	2,889	4,141	18.7
Wind Tre	933	3,013	3,946	17.8
Fastweb	2,098	242	2,339	10.6
Iliad	0	627	627	2.8
Other operators	1,408	567	1,975	8.9
Total	**11,749**	**10,422**	**22,171**	**100**

With particular reference to business customers, who are targeted by the Parent Company, total expenditure amounts to Euro 6.07 billion for landline communications and Euro 2.33 billion for mobile communications. The market share held by Vianova is therefore 0.99% and 0.27% respectively, and outlines concrete possibilities for the Company to continue its growth in a customer segment that is more sensitive to the quality and innovation of services.

Business customers	landline network	mobile network	landline and mobile network
Market value (euro/billion)	6.07	2.33	8.40
Vianova Spa share (%)	0.93	0.21	0.73

The above values refer to the year 2021.

Management also expects further growth in the European market for IP, Cloud and UCC (Unified Communication & Collaboration) services and believes that the Group can keep up with the trend and seize the opportunities for a significant increase in its market share in the coming years.

Regulation of the sector

Group companies operate in a market characterised by a regulatory and legislative framework that is constantly evolving, influenced by technological changes, market dynamics and the economic environment in general.

FiberCop

The market test launched by AGCOM on the co-investment offer submitted by TIM to AGCOM continues, updated with a new consolidated text where prices have been indexed by TIM to the inflation trend and currently being approved.

Switch Off 3G and VoLTE

Following the switch off of the 3G network by TIM, discussions continued with AGCOM, AGCM and MISE regarding the issue involving some virtual mobile operators (MVNOs), including Vianova, regarding the non-availability of the VoLTE service on some Vendors' terminals. Vianova brought to the attention of the various Authorities the issue raised also at European level through the MVNO Europe association.

Lastly, Vianova and TIM have positively reached an agreement on assurance penalties for the year 2021.

The Authority's actions have therefore been aimed at continuing or launching initiatives in what are now the traditional areas of attention and intervention:

- Public consultations initiated and administrative proceedings opened by the Sector Authority aimed at acquiring opinions, information and documentation on Telecom Italia's Reference Offers, the quality of broadband and landline telephony services and procedures for the migration or portability of numbers, proposal for TIM's co-investment finalised at the realisation of very high capacity (VHC)

networks through the company FiberCop, amendment of the regulation in relation to quality and charters of mobile and personal communication services.
- Regulation of new generation networks and new scenarios for competition in relation to services and networks

Among the most relevant measures are:

Parliament
- Presidential Decree no. 26 of 27 January 2022: Implementing regulation envisaged by said law for the creation and management of the new RPO
- Law no. 118 of 5 August 2022: 2021 Annual market and competition law

European Union
- Regulation (EU) 2021/784 of the European Parliament and of the Council of 29 April 2021, on preventing the dissemination of terrorist content online
- Regulation (EU) 2022/612 of the European Parliament and of the Council of 6 April 2022, on roaming on public mobile communications networks within the Union (recast)

National Regulatory Authority (Autorità per le Garanzie nelle Comunicazioni - AGCOM)
- no. 1/22/CONS: Launch of the public consultation on the regulatory treatment of the new VHC networks subject to co-investment in light of the assessment of the commitment proposal submitted by TIM pursuant to Articles 76 and 79 EECC
- no. 13/22/CONS: Identification and analysis of the markets for interconnection services in the public landline network (markets no. 1/2014 and no. 2/2007)
- no. 39/22/CONS: Approval of reference offers of Telecom Italia S.p.A. related to ULL/SLU wholesale landline network access services, Colocation, WLR, NGAN Infrastructure, Backhaul for the year 2021
- no. 45/22/CONS: Initiation of the procedure and public consultation concerning the approval, for the year 2021, of Telecom Italia's reference offer relating to dedicated capacity transmission services (terminating circuits, interconnection flows, delivery kits and internal station connections)
- no. 67/22/CONS: Guidelines for wholesale access conditions to ultra-broadband networks receiving public contributions - integration for 5G networks
- no. 74/22/CONS: Approval of the shutdown plan of the Tim's 3G network and actions to protect users
- no. 81/22/CONS: Launch of the procedure and public consultation concerning the approval of the technical and economic conditions relating to the new VULA and Bitstream NGA FTTH access profile in XGS-PON technology with 10 Gbit/s downstream speed and 2 Gbit/s upstream speed
- no. 136/22/CONS: Approval of reference offers of Telecom Italia S.p.A. in relation to wholesale access services to the Bitstream copper and Bitstream NGA landline network for the year 2021
- no. 147/22/CONS: Amendments to resolution no. 74/22/CONS relating to the "Approval of the shutdown plan of the Tim's 3G network and actions to protect users"
- no. 2/22/CIR: Approval of the technical and economic conditions relating to the new VULA and Bitstream NGA FTTH access profile in XGS-PON technology with 10 Gbit/s downstream speed and 2 Gbit/s upstream speed
- no. 193/22/CONS: Launch of the procedure and public consultation concerning the amendment of the regulatory framework on the resolution of disputes between users and operators of electronic communications
- no. 5/22/CIR: Approval, for the year 2021, of Telecom Italia's reference offers relating to dedicated capacity transmission services (terminating circuits, interconnection flows, delivery kits and internal station connections).

- no. 251/22/CONS: Launch of a procedure and a public consultation concerning provisions on quality and charters of mobile and personal communications services and Regulation of the 2022 campaign for measuring the quality of the broadband data service
- no. 8/22/CIR: Publication of the technical specifications of the pure NP procedures for geographical numbering pursuant to resolution no. 103/21/CIR
- no. 15/22/CIR: Initiation of the procedure and public consultation concerning the approval of TIM's reference offers related to call origination and termination services in the landline public telephone network for the years 2021 and 2022
- no. 337/22/CONS Launch of the procedure and public consultation concerning the economic conditions for the years 2022 and 2023 of the wholesale access services to the landline network offered by TIM pursuant to resolutions no. 348/19/CONS and no. 333/20/CONS.
- no. 358/22/CONS: Amendment of the regulatory framework for the resolution of disputes between users and operators of electronic communications
- no. 26/22/CIR: Launch of the procedure and public consultation concerning the technical and economic conditions of the technical interoperability verification procedure between the ONT (Optical Network Termination) of OAOs and the OLT (Optical Line Termination) devices of TIM
- no. 385/22/CONS: Launch of the public consultation concerning the amendment of the proposal of commitments submitted by TIM pursuant to articles 76 and 79 EECC through the introduction of a price indexing mechanism
- no. 398/22/CONS: Publication of the regulatory accounts of the landline network of Telecom Italia S.p.A. and of the related compliance reports of the regulatory accounting, of the cost accounting system and of accounting separation, relating to the 2019 financial year
- no. 405/22/CONS: Launch of a procedure and a public consultation concerning provisions on quality and charters of electronic communications services accessible to the public from a fixed location
- no. 35/22/CIR: Approval of the TIM's reference offers for the years 2021 and 2022 related to call origination and termination services in the landline public telephone network
- no. 37/22/CIR Publication of the technical specifications of the pure NP procedures for geographical and non-geographical numbering pursuant to resolution no. 103/21/CIR
- no. 437/22/CONS: Amendments to the procedural regulations on administrative sanctions and commitments pursuant to Annex A to Resolution no. 410/14/CONS, as most recently amended by resolution no. 451/20/CONS
- no. 452/22/CONS: Guidelines on the development of digital infrastructures and electronic communication services, pursuant to Article 23 of the 2021 Annual Market and Competition Law
- no. 35/22/CIR: Approval of the TIM's reference offers for the years 2021 and 2022 related to call origination and termination services in the landline public telephone network
- no. 37/22/CIR Publication of the technical specifications of the pure NP procedures for geographical and non-geographical numbering pursuant to resolution no. 103/21/CIR

Research and Development

The Group Companies continued their research and development activities and focused their efforts in particular on innovative projects relating to the implementation and optimisation of telecommunications networks and systems, as well as on analysis, studies, design, review and testing for the development of new functions within telecommunications services and software.
The activities are functional to the development of the services provided by the Group and the related costs incurred during the year (totalling Euro 1,565,000) were subject to reporting for the purposes of obtaining the Research and Development and Training 4.0 tax credit provided for by current legislation (Art. 1, paragraph 35, of Law No. 190 of 23 December 2014, as amended and supplemented).
None of the Group companies availed itself of the option to capitalise the development costs incurred in 2022, with the exception of the subsidiary NetResults srl, which recognised in the financial statements the costs relating to the construction of the platform used by the company to provide its products and

Services, and whose usefulness (contribution to future revenues) will extend beyond the year in question. Research and development activities are a key element of the Group's success and will therefore continue in 2023 with the intention of continuing to develop technological innovations that are subject to intellectual property protection (patents, trademarks).

Significant events during the 2022 financial year

The other most significant events for the year just ended are described below:

- January: launch of the "Switch Off 3G" communication campaign.
- January: release of a new version of the Vianova Desk service with the introduction of the new "lossy codec".
- January: migration of the Cloud service from the old infrastructure (computing and networking) in the Data Centres of Massarosa and Pisa and release of new templates (Windows Server 2022 and SQL Server 2019).
- February: Publication of the new home page and Case Study section on the Vianova website and launch of concurrent promotion campaigns on social media.
- February: launch of the "Become Partner" webinar promotion campaign.
- February: decommissioning of the CS2K telephone exchange (active since 2007).
- February: launch of the new "Stage with us" initiative, to welcome young interns to the Company.
- March: audit carried out to renew certification according to ISO 9001 - Quality Management System.
- March: launch of the communication campaign with 30" commercials on Radio 24, banners and email marketing on Sole 24 Ore.com
- March: implementation of the AntiDDOS solution on the entire network infrastructure.
- April: participation as Sponsor in the Innovation Day event of Il Sole 24 Ore and Confindustria.
- April: release of the new Cloud offer in OTT.
- April: release of a new version of the Vianova Desk service (reporting encryption).
- April: release of a new version of Vianova Meeting, with new layout and expansion of functions.
- May: launch of the commercial contact activity reserved for customers already active for the development of cross-selling (Inside Sales).
- May: participation as Sponsor in the Tech Lab event with Il Sole 24 Ore and Milan's Politecnico
- June: expansion of the Mobile data access network from 1G to 10G.
- June: completion of the process with the attainment of the AgID qualification for the Cloud service.
- June: participation as Sponsor in the It's all Retail, IT Meeting, CIO Club, Leadership Day Velasco Day, MSP Day events.
- June: attainment of the AgID certification for the Cloud service.
- July: change in the corporate structure following the spin-off of the parent company Quinta spa, which consequently no longer exercises management and coordination activities.
- September: completion of the renovation of the Pisa office with revamping of spaces, creation of a canteen and of a library.
- September: release of new Vianova brochure and corporate video.
- September: finalisation of the individual Smart Work contract with all employees.
- September: for the fourth consecutive year the 2021 Champions award was won. Vianova has been confirmed among the Italian companies with the highest growth rates. The research was carried out by the Italy Post study centre.
- September: signature of a 770 technology interconnection agreement with Vodafone.
- October: participation as Sponsor in the Leadership Day event with Vianova presentation of the speech by Marc Randolph, co-founder of Netflix.
- October: signature of a 770 technology interconnection agreement with TIM.

- October: completion of activities for the total redundancy of the reverse voice area POPs ST 769 with TIM.
- October: periodic audit for the ISO 27001 - Information Security Management System certification, including ISO 27017 and ISO 27018 extensions.
- October: launch of the campaign "Vianova Advice", introduce a company to Vianova
- November: release of the new Partnership contract
- November: signature of a direct interconnection agreement with BBELL.
- November: signing of an agreement with another operator with recognition of penalties in favour of the Company.
- November: participation as Sponsor in the Richmond Forum and Forbes IT events
- December: further increased the score on the November 2022 Great Place to Work questionnaire from 87.4% in June to 93.6%.
- December: release of the new commercial offer that includes changes to the Profiles offer (traditional voice and data offer with inclusive services), the new offers called "SIP Trunk" (voice offer) and "Connect" (data offer)
- December: the Centrex service is activated on the connectivity of other operators (OTT - Over the Top service).
- December: updating and redesign of the Vianova website
- December: purchase of an additional 30% of the share capital of NetResults srl, with a total equity investment of 70%.
- December: completion of the expansion and modernisation works of the Data Centre at the Massarosa site.
- December: completion of seismic risk adaptation works at the Massarosa site.
- December: participation as speaker in the Elite "Digital and innovation" workshop.

Other Vianova indicators

Revenue

Growth is organic and mainly depends on the increase in the Customer base.

Revenue by product (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Vianova landline services	56,274	90.1	60,375	87.3	+7.3
▪ of which fees	51,311	82.2	55,345	80.1	+7.9
▪ of which pay-per-use	4,963	7.9	5,030	7.3	+1.4
Vianova mobile	5,072	8.1	6,406	9.3	+26.3
Terminals	393	0.6	992	1.4	+152.6
Other revenue	716	1.1	1,346	1.9	+88.1
Total	**62,455**	**100**	**69,119**	**100**	**+10.7**

The Other revenue item includes contributions for tax credits amounting to Euro 446 thousand, amounts paid to the Company by other operators as repricing on previous years for Euro 418 thousand, other contingent assets for Euro 305 thousand, as well as revenues for insurance indemnities, recovery of expenses, capital gains and other income.

Revenue is growing in all *Nielsen areas.*

Revenue by geographical area (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Area 1	22,658	36.3	24,967	36.1	+10.2
Area 2	16,158	25.9	17,286	25.0	+7.0
Area 3	18,970	30.4	21,282	30.8	+12.2
Area 4	3,953	6.3	4,239	6.1	+7.2
Other non-georeferenced revenue	716	1.1	1,346	1.9	+88.1
Total	**62,455**	**100**	**69,119**	**100**	**+10.7**

- Area 1: Piedmont, Aosta Valley, Liguria, Lombardy
- Area 2: Trentino Alto Adige, Veneto, Friuli Venezia Giulia, Emilia Romagna
- Area 3: Tuscany, Umbria, Marche, Lazio, Sardinia
- Area 4: Abruzzo, Molise, Apulia, Campania, Basilicata, Calabria, Sicily

The percentage weight of revenue generated by the largest Customers (Class A) is increasing.

Revenue by class of Customer (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Class A - up to 10% of Customers	33,044	52.9	37,198	53.8	+12.6
Class B - 10% to 30% of Customers	14,421	23.1	15,293	22.1	+6.0
Class C - 30% to 100% of Customers	14,274	22.9	15,283	22.1	+7.1
Other not classifiable revenue	716	1.1	1,346	1.9	+88.1
Total	**62,455**	**100**	**69,119**	**100**	**+10.7**

The development of the Customer base was driven by "word of mouth" based on the excellent references generated by existing Customers and the brand awareness and digital marketing activities promoted during the year.

Customers

The number of Vianova Customers active during the year increased, as did the number of locations served.

Customers (qty)	**2021**	**2022**	**Δ%**
Corporate Names as at 31 December	14,392	15,192	+5.6
Average number of Corporate Names per year	13,786	14,869	+7.9

The number of Customers subscribing to the landline-mobile convergent offer is growing, as is the number of Customers subscribing to the company's mobile-only offer.

Active Corporate Names as at 31 December (qty)	**2021**	**%**	**2022**	**%**	**Δ%**
Landline and mobile	4,647	32.3	5,338	35.1	+14.9
Landline only	8,550	59.4	8,379	55.2	-2.0
Mobile only	1,195	8.3	1,475	9.7	+23.4
Total	**14,392**	**100**	**15,192**	**100**	**+5.6**

Average number of Corporate names per year(qty)	**2021**	**%**	**2022**	**%**	**Δ%**
Landline and mobile	4,085	29.6	5,069	34.1	+24.1
Landline only	8,677	62.9	8,469	57.0	-2.4
Mobile only	1,024	7.4	1,331	9.0	+30.0
Total	**13,786**	**100**	**14,869**	**100**	**+7.9**

- The average active corporate names refer to the number of individual corporate names of Customers to whom at least one invoice was issued during the year.

The value of the ARPU by company name remains substantially stable.

Annual ARPU (euro)	**2021**	**2022**	**Δ%**
Landline only	4,410	4,460	+1.1
Mobile only	993	1,001	+0.8
Landline, Mobile and Terminals	4,478	4,558	+1.8

The ARPU value per corporate name is calculated using the following formula: Revenue from services/Annual average of active corporate names.

Thanks to the loyalty of its Customers, the Company is able to constantly improve its efficiency, optimise production costs and increase productivity. A part of the value retained is returned to Customers in the form of new services or price reductions.

Vianova Customer Loyalty Rate (%)	**2021**	**2022**	**YoY**
Customer Loyalty Rate	96.2	97.0	+0.79
Customer Churn Rate	3.8	3.0	-0.79
Total	**100**	**100**	
Customer Retention Rate	94.6	95.2	+0.62

- The Customer Loyalty Rate measures the rate of loyalty, calculated for all Customers (excluding Customers who have ceased trading, those who have gone bankrupt and those who are insolvent), compared with the previous year, while the *Customer Churn Rate* measures the rate of abandonment (migration to a competitor) of all Customers compared with the previous year.
- The Customer Retention Rate, on the other hand, measures the retention rate, calculated for all Customers (including Customers who are insolvent, subject to bankruptcy proceedings or who have ceased trading) compared with the previous year.

Lines and traffic

The number of Broadband access lines (xDSL and fibre) active during the year increased, as did the number of active voice channels for Vianova's direct access services.

Access and voice channels (qty)	**2021**	**2022**	**Δ%**
Broadband accesses	26,518	28,471	+7.4
Voice channels	70,304	71,763	+2.1

Telephone traffic minutes are growing.

Total telephone traffic (minutes)	**2021**	**%**	**2022**	**%**	**Δ%**
From landline network	414,140,003	75.9	419,604,825	73.4	+1.3
From mobile network	131,321,907	24.1	151,676,361	26.6	+15.5
Total	**545,461,910**	**100**	**571,281,186**	**100**	**+4.7**

Telephone traffic from landline network (minutes)	**2021**	**%**	**2022**	**%**	**Δ%**
National	74,313,670	17.9	71,845,063	17.1	-3.3
Mobile	60,538,077	14.6	60,565,705	14.4	+0.0
International	1,933,026	0.5	1,683,286	0.4	-12.9
Vianova freephone and non-geographic numbers (NNG)	13,218,350	3.2	16,159,450	3.9	+22.3
Reverse	264,136,880	63.8	269,351,321	64.2	+2.0
Total	**414,140,003**	**100**	**419,604,825**	**100**	**+1.3**

- *Reverse* is the incoming telephone traffic received by direct access Customers (Vianova Customers).
- NNG is traffic to numbers whose pricing is independent of the geographic location of the calling customer.

Telephone traffic from mobile network (minutes)	**2021**	**%**	**2022**	**%**	**Δ%**
Mobile	53,882,446	41.0	64,854,453	42.8	+20.4
Vianova	13,670,096	10.4	15,801,102	10.4	+15.6
Landline	8,585,292	6.5	10,091,245	6.7	+17.5
Roaming and International	681,550	0.5	1,011,261	0.7	+48.4
Reverse	54,502,523	41.5	59,918,300	39.5	+9.9
Total	**131,321,907**	**100**	**151,676,361**	**100**	**+15.5**

Sales network

Vianova's network of Partner companies is made up of System Integrators operating in the Information & Communication Technology sector, capable of guaranteeing a local presence at a national level.

The Partners implement innovative solutions and services, compatible and integrated with Vianova services, capable of responding to a wide range of business needs. On behalf of Vianova, they carry out, with their own technical units, Delivery and Assurance activities at Customer sites and promote the sale of Vianova services with qualified personnel certified by Vianova.

Sales network as at 31 December (qty)	**2021**	**2022**	**Δ%**
Active Partners	113	116	+2.7

Due to the European geopolitical instability, during the year there was a slowdown in the net value of new contracts (Fees acquired) and terminated contracts (Fees lost) as a result of normal turnover or following the cessation of activities by customers.

Annual fees collected (euro/000)	**2021**	**2022**	**Δ%**
Acquired fees	8,906	7,087	-20.4
Lost fees	3,811	3,457	-9.3
Net fees	**5,095**	**3,630**	**-28.8**

- The annual value of the fees is obtained by multiplying the value of the new monthly fees subscribed by 12.
- The values indicated above include the fees for the Colocation service

Commissions value rose due to the increase in revenue volume.

Premiums and commissions (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
One-off acquisition premiums	1,885	3.0	1,653	2.4	-12.3
Recurring commissions	6,244	10.0	7,033	10.2	+12.6
Total	**8,129**	**13.0**	**8,687**	**12.6**	**+6.9**

- The percentages relating to acquisition premiums and commissions refer to Operating revenue.
- Commissions, paid monthly, are calculated on the *contribution margin* relating to each individual invoiced location. Therefore, their incidence on revenue increases or decreases as the contribution margin increases or decreases.

Call 145, we answer you in three rings!

The development of digital marketing activities in support of the company growth process and of the development of brand awareness continued, carried out in parallel with traditional communication strategies mainly based on radio campaigns.

Communication	**2021**	**2022**	**Δ%**
no. of commercials on radio	797	392	-50.8
no. of seconds of commercials on radio	22,790	11,760	-48.4
no. of commercials on television	1,430	0	--
no. of LinkedIn followers	13,817	16,512	+19.50
no. of mailings sent	1,310,720	1,196,007	- 8.75
no. of website users	596,057	413,452	-30.6

Answering customers *in three rings* (95,8% of calls) is not just an advertising slogan, but is a real business philosophy.

Customer Service 145	**2021**	**%**	**2022**	**%**	**Δ%**
no. of calls received (inbound)	255,107	100	217,217	100	-14.9
no. of calls answered in three rings	242,900	95.2	208,132	95.8	-14.3
Average response time (seconds)	6.0		5.9		-2.0
Average response time (rings)	1.2		1.2		-2.0
no. of calls made (outbound)	110,759		83,127		-24.9
no. of operators as at 31 December	50		54		8.0
average number of operators in the year	50.1		54.3		8.3

Customer Service 145	2021	%	2022	%	Δ%
average number of daily calls per operator	29.0		22.0		-24.2
no. process phases managed	409,681		366,557		-10.5
average number of process stages per operator	32		27		-17.4

Responding every day with punctuality and professionalism to its Customers is a real organisational challenge that runs through the entire company, putting the whole *staff* and all business *processes* to the test on a daily basis.
Main pillars of the Customer-focused corporate structure are:

1. steady network maintenance and update, with quality and continuity of services aim, based on regular measurement and monitoring of performance;
2. continuous improvement and enrichment of the service portfolio, usually at the same price for customers;
3. ongoing business process engineering, with the aim of balancing and distributing the workload according to the specific skills of the individual person.

Investments and loans

The classes of uses and sources were in balance and the cash flows produced by ordinary operations adequately financed the investments.

Investments (euro/000)	2021	%	2022	%	Δ%
TLC infrastructure	465	11.8	2,276	34.6	+389.9
TLC equipment	1,587	40.2	1,625	-24.7	+2.4
Software and licenses	563	14.3	789	12.0	+40.1
Tangible fixed assets in progress	160	4.1	731	11.1	+356.8
Other assets	143	3.6	478	7.3	+234.6
Equipment and plants	122	3.1	469	7.1	+284.2
Land and buildings	0	0.0	205	3.1	--
Other intangible assets	685	17.4	4	0.1	-99.4
Intangible assets in progress	220	5.6	0	0.0	--
Total	3,945	100.0	6,576	100.0	+66.7

The main investments made during the year include, among others:

- the expansion and modernisation works of the Data Centre at the Massarosa site.
- the usual purchases of equipment necessary for the provision of services installed at Customers' premises;
- the constant upgrade of the landline-mobile infrastructure with the purchase of hardware and software solutions aimed at providing services to a growing number of Customers.

The availability of liquidity allowed the regular performance of short-term activities.
In view of potential investments aimed at external growth, the Company also signed a new loan backed by SACE guarantee during the year for an amount of Euro 6 million, whose repayment is expected following a grace period of 12 months, through the payment of quarterly instalments, the first of which is due on 31 March 2023.

Loans (euro/000)	2021	2022	Δ%
Loans obtained	0	6,000	--
Loans repaid	850	240	-71.8
Loans to be repaid	432	6,191	+1,333

- The Company has been able, also in 2022, to meet its financial requirements exclusively through self-financing.
- The value of loans to be repaid includes the financial liabilities arising from the recognition of assets in accordance with IFRS16.

Receivables from Customers

The year was partly marked by a generally unfavourable economic situation where the Company continued to do all it could to remain close to its customers, pursuing the dual aim of safeguarding their credit claims and preserving the relationship with the Customer.
Debt recovery actions were carried out with continuous and careful monitoring of positions: it was possible to contain the losses incurred within reasonable limits, also taking into account the increase in business volume. The losses recorded are in line with the previous year and a large part of these can be attributed to the increase in the number of bankruptcies or admissions to insolvency procedures.

Receivables and collections (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Total turnover (including VAT)	**76,380**	**100**	**84,198**	**100**	**+10.2**
Receivables from Customers	**8,158**	**10.7**	**9,252**	**11.0**	**+13.4**
▪ expiring	7,571	9.9	8,659	10.3	+14.4
▪ expired	490	0.6	497	0.6	+1.5
▪ with a pending injunction	97	0.13	96	0.11	-1.4

- The percentages for *Receivables from Customers* refer to the item *Total turnover (including VAT)*.
- The value of receivables does not include invoices to be issued relating to the contractually envisaged activation contribution allocated in the financial statements in application of the international accounting standard “IFRS 15 Revenue Recognition”
- The data relating to receivables from Customers and the average collection time follow the same reclassification logic relating to the accounting of items subject to collection advances maturing on 31 December 2022 to which reference was made above.
- For the “formal” representation of Receivables, please refer to the Notes to the financial statements.
- For the “formal” representation of Receivables, please refer to the Notes to the financial statements.

Days Sales Outstanding (days)	**2021**	**2022**	**Δ%**
Days Sales Outstanding	39.0	40.1	+2.9

- Days Sales Outstanding = Receivables from Customers/(Total turnover including VAT/365).

Allowance for doubtful accounts (euro/000)	**2021**	**%**	**2022**	**%**	**Δ%**
Opening balance	600	0.8	600	0.7	0.0
Losses on receivables	257	0.3	182	0.2	-29.1
Provisions	257	0.3	182	0.2	-29.1
Closing balance	600	0.8	600	0.2	0.0

- The percentages shown in the table refer to *Total revenue (including VAT)*.
- The provision was increased taking into account the stock of receivables at the end of the year, the trend in collections and the development of revenue expected for 2023.

Sustainability

During the year, all analysis activities aimed at identifying areas for improvement and any useful interventions both for the optimisation of energy use and for the reduction of climate-altering gas emissions, as well as to identify processes and efficiency improvements (both management and technological) useful for minimising waste and improving the environmental impact of the entire Company, were launched.

The actions aim to measure the current status (“Carbon Footprint” identification) and develop a “decarbonisation” path, based on the adoption of innovative technologies and solutions for digitalisation and efficiency, aimed at reducing carbon emissions, favouring the use of renewable energy sources instead of fossil fuel-based energy consumption.

As part of the various initiatives useful for the purposes indicated, during the year the Company also appointed a “Mobility Manager”, who prepared the first “Home-work commuting plan”. The Plan adopted has the task of optimising personnel commuting, promoting, as far as possible, the implementation of interventions for the organisation and management of people mobility demand that facilitate the reduction of individual private motor vehicle use in systematic home-work commuting and promote car traffic decongestion, in order to allow the structural and permanent reduction of the environmental impact deriving from said traffic.

The path started has as its final objective the preparation of a Sustainability Report based on the standard best practices in order to make all relevant information available related to the assessment of the environmental, social and governance aspects implemented.

Vianova firmly believes in the social utility of business activities and considers that not only the financial results, but also the impact that the company's activities have in terms of sustainability, is of primary importance: the concept of "sustainable profit" permeates, and not just from today, our entire business philosophy.

"*Be helpful*": two simple words guiding our behaviour, highlighting the central role of work in the world in which we live.
With their work each individual contributes to the development of the society in which they live and thanks to their work each individual can develop their potential and realise their aspirations.
In Vianova, we are proud of our work, because guaranteeing "*the best telecommunication services*" for our Customers allows us to be helpful by "*doing to others what we would like them to do to us*".

The Company has adopted a Code of Conduct which aims to frame the Group's responsibilities towards its stakeholders. These rules broadly cover all work contexts and have been characterised as follows:

- work: equal opportunity, harassment and abuse, diversity and inclusion, drugs and alcohol, work environment;
- business assets: intellectual property rights, brand, corporate equipment;
- privacy, confidentiality, accounting integrity, conflicts of interest, safety and environment.

The Code is part of the general context of the adoption of the Organisational Model pursuant to Legislative Decree 231/2001. The model is published on the website www.vianova.it, in order to make it known to all company employees and stakeholders.
The company has also introduced a whistleblowing system to ensure that any violations of the Organisational Model and Operating Procedures can be reported to the Supervisory Board anonymously (to date the Supervisory Board has not received any reports).

The Code of Conduct helps us put "*Be helpful*" into practice by aiming to achieve the highest ethical and quality standards in our dealings with Colleagues, Partners, Customers, Suppliers, Shareholders and the Communities in which we operate.

This year we have renewed our commitment as a green company, working wherever possible to limit the use of resources such as water and energy, and to reduce harmful emissions for which we are responsible.

Environment and Community

In 2022, the Company has:

- supported, with donations, the activities of various bodies and associations linked to its territory (approximately Euro 10 thousand);
- completed three sessions of the Vianova Academy initiative ("Network Technician", "Build your future" and "Android app developer") with the aim of contributing to the community development by training young people in the area;
- activated 12 meetings with high schools and universities, to reduce the distance between the school universe and the world of work;
- activated 4 internships in the R&D field to cultivate young talents;
- participated in 12 sector events to improve recruiting activities and support brand awareness
- delivered 5,111 training hours within the *Vianova Network Technician* course;
- launched a second *Build your future* initiative, a free course aimed at young people between the ages of 18 and 26 designed by Vianova and organised in collaboration with a training studio (the training

course aims to support participants in the development of their potential and provides useful tools for reflecting on key aspects of personal and professional growth);

- contributed to the "plastic free" initiative by providing all employees with reusable water bottles and installing high quality water dispensers (using reverse osmosis technology) at all sites corresponding to approximately 96 thousand non-used plastic bottles
- contributed to reducing the environmental impact resulting from the use and disposal of electronic equipment by promoting the constant reuse of working electronic equipment (routers, gateways, etc.) through a refurbishing process of 9,012 devices;

Customers

Offering "*the best telecommunication services for your business*" is the essence of Vianova and we aim to put this into practice every day for our Customers.
We don't consider it a mere slogan, but a real promise and at the same time a challenge that we are committed to overcoming, day after day, alongside our Customers.
In order to keep our promise, we have created telecommunications infrastructures to connect the premises of our customers located anywhere in Italy and, together with our Partner companies, we have set up a national network of specialists in Information & Communication Technology to be ever closer to the needs of technical assistance for our Customers.
"Supporting business growth by simplifying telecommunications" is a mission we carry out with proficiency and passion and, thanks to the trust placed in us by thousands of businesses every day, we are now one of the leading Operators in the sector.

Our business is inspired by three simple values: Respect, Service, Excellence.
These values make up several of the main peculiarities and distinctive traits of our Company:

- in over 95% of cases we responded to our customers within three rings without the use of automated answering machines;
- in more than 73% of cases, we proactively intercepted and notified our customers of line failures before they became aware of them;
- we are constantly improving our offer, which is enriched every year with new services included in the price, and we apply any improvements in economic and supply conditions, which become available, to all old and new customers;

Customers recognise the added value of our services and the loyalty rate reached 97.0% (churn rate 3.0%) in 2022, up from 96.2% in 2021.

Welfare

In 2022, the Company was also recognised as an Italian Best Workplace, ranking 9th (14th the previous year) in the Great Place to Work classification (150-499 employees category), as a result of gathering the opinions of Employees.
This year, 72 companies out of 303 participating in the corporate climate analysis were awarded the Best Workplaces™ in Italy, and the thoughts of 163 thousand employees were heard.
The results of the findings are particularly significant because they testified to an overall growing satisfaction of Employees: the Trust Index increased from 83.4% in November 2020 to 87.4% in November 2021, with a simultaneous significant growth of all indicators (credibility, respect, fairness, pride and cohesion).

In September 2022, for the third year the Company also won the Welfare Champions award, a prize assigned by the SME Welfare Index, promoted by Generali Italia (with the patronage of the Presidency of the Council).
The report analysed the level of welfare in 6,532 small and medium-sized Italian enterprises in 10 areas, including, for example, protection of equal opportunities, work-life balance, support for the education of children and family members, support for vulnerable groups and social integration.
The Company was awarded for making a difference in the area of support for families: support for expenses and management of free time.

Below some of the main Company initiatives and policies:

- Employees are all hired on a permanent basis;
- in September 2022, a Smart Work contract was finalised with all employees. Before its adoption, the contract was shared to give those who wanted to the opportunity to provide suggestions and offer opportunities for thought. The philosophy at the root of this contract is based on Freedom and Responsibility, people can work where and when they want, balancing their professional and personal needs in total autonomy as long as they achieve the agreed objectives;
- all choices in general are oriented towards combining work with the life needs of Employees, to achieve a satisfactory Work-Life Balance (for example, there are no time cards to stamp);
- relaxation areas were set up at the Pisa site and changes and new solutions were provided to create flexible and comfortable spaces, increasingly "tailored to the individual";
- expansion of the company library, which collects hundreds of texts ranging from essays to novels, from technical training manuals to art texts, for the benefit of everyone, whose growth everyone can contribute to, asking for books related to their own interest to be added;
- the utmost attention is paid to the quality of workstations, all of which are equipped with ergonomic chairs, raised desks, two or more monitors and footboards;
- all equipment is also made available at home workstations, when employees request it
- Employees enjoy special benefits, such as: a voice and data line at home, company SIM card, health insurance, the "km12" initiative (mileage allowance for home/work journeys), an economic incentive for car sharing among Employees to reduce the impact on the environment;
- we promote ad hoc training activities in addition to the professional training provided by the Company (each Employee can choose an individual counselling course with accredited specialists, for themselves or their family members, or individual training and master courses at institutes or universities of their choice, financed by the Company);
- the Company allows all Employees with more than seven years' seniority to take a one-year sabbatical, in accordance with procedures and timeframes to be agreed with company management, with the guarantee of reintegration into the company, within twelve months, at the previous contractual conditions;
- the Company regularly organises training courses dedicated to enhancing the knowledge of Vianova services (the courses are held by internal trainers and are attended by Partners' personnel and, on a rotating basis, by Company personnel).

Further details and considerations regarding staff can be found in the following table.

Staff	**2021**	**%**	**2022**	**%**	**Δ%**
no. of persons as at 31 December	208	100	235	100	+13.0
Full Time Equivalent (FTE) as at 31 December (qty)	204.4		231.3		+13.2
Average FTE (qty)	196.7		221.8		+12.8
Non-employee collaborators (qty)	5	2.4	5	2.1	0.0
Average age (years)	41.2		40.5		-1.7
Average length of service (years)	9.2		8.0		-13.0
Women (qty)	58	27.9	68	28.9	+17.2
Graduates (qty)	105	50.5	122	51.9	+16.2
Revenue per FTE (euro)	317,505		311,592		-1.9
Cost per FTE (euro)	61,115		62,427		+2.1
EBITDA per FTE (euro)	85,720		86,149		+0.5

Individual training (hours)	**2021**	**%**	**2022**	**%**	**Δ%**
Corporate courses	3,446	18.7	2,870	16.2	-16.7
Courses or masters at institutes and universities	2,977	16.2	3,589	20.2	+12.0
Individual counselling courses	265	1.4	363	2.0	+32.2

Staff	2021	%	2022	%	Δ%
Partner Program certification courses	6,628	36.0	4,038	22.7	-39.1
Vianova Academy	5,111	27.7	6,906	38.9	+35.1
Overall total	**18,427**	**100**	**17,766**	**100**	**-5.0**

- The *training and counselling hours* refer to the sum of the hours administered to each participant.
- Hours worked total 345,280 in 2021 and 388,168 in 2022.

- The Company complies with the obligations provided for by law on the inclusion of people with disabilities in the workplace and pays the utmost attention to the maintenance of comfortable environments capable of protecting the health and safety of staff.
- The Company applies the National Collective Labour Agreement (CCNL) for Telecommunications and at the date of approval of the financial statements there are no trade union representatives.
- In 2021, a monthly salary of variable remuneration was envisaged, linked to the Manager's assessment. From January 2022, the variable remuneration was replaced by an increase in the Gross Annual Salary equal to one month's salary. However, MBOs remain a guide for all Corporate Functions.
- The company pursued the "*VIAscoltiamo*" project, launched in 2021, in which all colleagues (around 30 per month) are contacted by the People & Organization function in order to maintain a close relationship in the context of working in Agile mode.

Significant events subsequent to the end of the financial year and business outlook

The year under review was characterised by extraordinary events.
On the one hand, we have gradually witnessed the slowdown first and then the exhaustion of the Covid-19 epidemic containment measures: the epidemiological situation that broke out in 2020 has finally come to an end and everyone, citizens and businesses, have been able to return to live in a context of normality after the disruption imposed.
However, the positive medical-health factor had negative counterbalances, also of an unexpected and exceptional nature.
First of all, the scenario created by the outbreak of the war between Russia and Ukraine, a conflict still ongoing today, which is upsetting the political and economic framework at a global level.
First of all, with regard to the war events, the great concern at the human level cannot be ignored: in the heart of Europe, the ongoing events are leading to thousands of deaths, millions of people leaving their land and upheavals in diplomatic and economic relationships.
Secondly, almost concurrently, we have witnessed the resumption of double-digit inflation after decades. At global level, we have witnessed a sharp increase in the prices of all raw materials, primarily energy, with frequent speculative phenomena. The overall macroeconomic scenario was, therefore, characterised by a strong inflation rate and the consequent monetary policy, based on a sharp rise in interest rates, adopted by the competent authorities.
In general, the year under review was marked by a high degree of instability and volatility and today, at least in the short term, the possibility of a trend reversal cannot be predicted.

In this context, which disregards the economic and financial aspects of the individual companies, corporate events of our Group are in line with the plan and there are no particularly significant elements to report. Relying on our experience with Covid-19, we believe that the impacts that may arise from the global situation are not in any case such as to significantly affect growth opportunities and even less the business continuity, so we believe that 2023 promises to be another year of growth.

Looking at the reference market, we can state that a large part of the future of the telecommunications sector will depend on the TIM dossier, closely linked to digitalisation, with ultra-broadband as its backbone. In fact, all operators expect important interventions for the evolution of the Italian regulatory framework in terms of network development and digitalisation, adoption and consolidation of the Ultra-Broadband Plan. But a national network under public control, while representing a significant change of

pace, will not be enough: it is on the question of tariffs and costs that intervention is needed to rebalance a market that in recent decades has been characterised, on the one hand, by huge investments and, on the other, by a decisive opposite trend in revenues and margins, the latter the result of a now structural price war and capable of depressing the ability to generate cash of most market players. A decisive intervention at authority level is expected from many quarters, to understand whether operators will increase the prices of tariff plans in the wake of the general increase in prices triggered by the macroeconomic crisis and rising inflation.
As always, we are convinced that the new challenges will provide the Group with new opportunities for growth and development.

All the issues and situations in progress confirm the value and strategic nature of ICT services, a sign that the Group operates in a crucial sector for the global economy, and it has the means to successfully overcome the technological, economic and financial challenges that it will be called upon to face.
In this context, initiatives aimed at renewing the commercial and marketing strategy will continue in order to seize existing important opportunities on the market, as well as investment activities in infrastructure development.
In continuity with previous years, further investments are planned with the aim of making new tools available to Customers to make improve the Customer experience.

The medium and long-term strategic objectives therefore remain unchanged in terms of technological and commercial development. The Group will therefore continue to pursue a policy of growth and development based on the quality of the services provided to Customers and on differentiating its business model from the one of its competitors, with the renewed intention of continuing to stand out in terms of innovation, service quality, integration, simplicity and transparency.

It should be noted that the approval of the 2022 Financial Statements marks the end of the mandate granted to us. We thank our Customers, Colleagues, Partners, Suppliers, Banks and Shareholders for their collaboration and for the trust they have placed in us.
In fact, it has been everyone's commitment in three-year period just ended that has made possible to achieve the results that have made our Company even more solid and independent.

For the Board of Directors

The Chairman
Stefano Luisotti

Vianova spa
Consolidated Financial Statements as at
31 December 2022

Consolidated Statement of Financial Position

Statement of Financial Position (euro/000)	Notes	2021	%	2022	%	Δ%
Total Assets (a+b)		**68,999**	**100**	**85,106**	**100**	**+23.3**
Total non-current assets (a)		**30,140**	**43.7**	**32,740**	**38.5**	**+8.6**
Owned property, plant and equipment	1	23,730	34.4	24,237	28.5	+2.1
Goodwill	2	79	0.1	1,706	2.0	+2,056.4
Intangible assets with a finite useful life	3	1,980	2.9	1,893	2.2	-4.4
Equity investments in associates valued using the Equity Method	4	671	1.0	474	0.6	-29.4
Non-current financial assets	5	0	0.0	951	1.1	--
Sundry receivables and other non-current assets	6	3,322	4.8	3,223	3.8	-3.0
Deferred tax assets	7	357	0.5	255	0.3	-28.5
Total current assets (b)		**38,859**	**56.3**	**52,366**	**61.5**	**+34.8**
Inventories	8	0	0.0	38	0.0	--
Trade receivables	9	9,908	14.4	18,082	21.2	+82.5
Other current assets	10	4,025	5.8	6,466	7.6	+60.6
Current tax assets	11	55	0.1	59	0.1	+6.1
Cash and cash equivalents	12	24,871	36.0	27,722	32.6	+11.5
Total Shareholders' Equity and Liabilities (c+f)		**68,999**	**100**	**85,106**	**100**	**+23.3**
Total Consolidated Shareholders' Equity (c=d+e)	13	**38,661**	**56.0**	**44,904**	**52.8**	**+16.1**
Total Group Shareholders' Equity (d)		**37,581**	**54.5**	**43,333**	**50.9**	**+15.3**
Share capital		11,000	15.9	11,000	12.9	0.0
Reserves		19,100	27.7	21,907	25.7	+14.7
Net result		7,481	10.8	10,426	12.3	+39.4
Total Shareholders' Equity attributable to minority interests (e)		**1,080**	**1.6**	**1,571**	**1.8**	**+45.4**
Total Liabilities (f=g+h)		**30,338**	**44.0**	**40,202**	**47.2**	**+32.5**
Total non-current liabilities (g)		**5,499**	**8.0**	**12,997**	**15.3**	**+136.3**
Non-current financial liabilities	14	956	1.4	8,453	9.9	+784.0
Employee benefits	15	690	1.0	779	0.9	+12.9
Provisions	16	628	0.9	719	0.8	+14.5
Deferred tax liabilities	17	101	0.1	158	0.2	+57.0
Sundry payables and other non-current liabilities	18	3,124	4.5	2,887	3.4	-7.6
Total current liabilities (h)		**24,838**	**36.0**	**27,205**	**32.0**	**+9.5**
Current financial liabilities	19	639	0.9	1,764	2.1	+175.9
Trade payables	20	12,489	18.1	12,079	14.2	-3.3
Other current liabilities	21	11,573	16.8	12,457	14.6	+7.6
Current tax liabilities	22	138	0.2	906	1.1	+556.8

Consolidated income statement

Consolidated income statement (euro/000)	Notes	2021	%	2022	%	Δ%
Revenue and operating income	23	**67,270**	**100**	**74,891**	**100**	**+11.3**
Purchase of services	24	-35,820	53.2	-38,175	51.0	+6.6
Staff costs	25	-12,526	18.6	-14,568	19.5	+16.3
Purchase of materials	26	-615	0.9	-1,226	1.6	+99.5
Other operating costs	27	-562	0.8	-483	0.6	-14.1
Change in inventories	27	0	0.0	-16	0.0	--
Operating income before amortisation/depreciation and write-downs		**17,747**	**26.4**	**20,422**	**27.3**	**+15.1**
Amortisation/depreciation and write-downs	28	-7,547	11.2	-7,087	9.5	-6.1
Operating income		**10,200**	**15.2**	**13,335**	**17.8**	**+30.7**
Net income/(expense) from equity investments	29	39	0.1	2	0.0	-95.8
Financial income	30	50	0.1	80	0.1	+58.6
Financial charges	31	-30	0.0	-91	0.1	+199.9
Profit before tax		**10,260**	**15.3**	**13,326**	**17.8**	**+29.9**
Income taxes	32	-2,640	3.9	-2,658	3.5	+0.7
Net result for the year		**7,620**	**11.3**	**10,668**	**14.2**	**+40.0**
▪ Group net result		7,481	11.1	10,426	13.9	+39.4
▪ Net result of minority interests		139	0.2	242	0.3	+74.6

Consolidated statement of comprehensive income (euro/000)	Notes	2021	%	2022	%	Δ%
Net result for the year		**7,620**	**11.3**	**10,668**	**14.2**	**+40.0**
Other items that will be subsequently reclassified to profit/(loss) for the period						
▪ Profit/(loss) on hedging instruments	5	0	0.0	447	0.6	--
▪ Tax effects on components that will be subsequently reclassified in the net result for the period		0	0.0	-107	0.1	+468.2
Other items that will not be subsequently reclassified to profit/(loss) for the period						
▪ Profit/(loss) from revaluation of defined benefit plans		-19	0.0	97	0.1	-616.0
▪ Taxes on other components of the income statement		5	0.0	-28	0.0	-616.0
Overall result for the period		**7,606**	**11.3**	**11,077**	**14.8**	**+45.6**
Overall result pertaining to the Group		7,471	11.1	10,815	14.4	+44.8
Total profit attributable to minority interests		135	0.2	262	0.3	+93.4

Consolidated cash flow statement

Consolidated cash flow statement (euro/000)	Notes	2021	2022
Net result		**7,620**	**10,668**
Amortisation/depreciation	28	7,516	7,020
Capital losses/(gains) on disposal of assets	28	-15	4
Value adjustments to financial assets	29	-39	-6
Trade receivables - Decrease (increase)	9	-541	-7,196
Other current assets - Decrease (increase)	10	42	-1,837
Current tax assets - Decrease (increase)	11	-392	5
Deferred tax assets - Decrease (increase)	7	146	74
Other non-current assets - (Acquisition) / Disposal	6	-104	111
Trade payables - Increase (decrease)	20	2,608	-489
Provisions for risks - Increase (decrease)	16	-21	91
Other current liabilities - Increase (decrease)	20-21	511	492
Provisions for employee benefits - Increase (decrease)	15	33	15
Provision for deferred taxes - Increase (decrease)	17	-102	-52
Cash flow from operations		**17,261**	**8,898**
			0
Intangible fixed assets - (Acquisition) / Disposal	2	-1,506	-810
Tangible fixed assets - (Acquisition) / Disposal	1	-2,719	-6,265
Cash flows from business combinations		0	-812
Other financial assets - (Acquisition)/Disposal	5	0	500
Cash flow from investments		**-4,225**	**-8,387**
Financial liabilities - Increase (decrease)	14-19	-971	5,397
Dividends paid		-2,862	-3,057
Other changes in Shareholders' Equity		0	0
Cash flow from financial management		**-3,833**	**2,340**
Total cash flow		**9,203**	**2,851**
Opening cash and cash equivalents		15,668	24,871
Closing cash and cash equivalents	12	24,871	27,722
Change in cash and cash equivalents		**9,203**	**2,851**

Consolidated statement of changes in Shareholders' Equity

Consolidated statement of changes in Shareholders' Equity (euro/000)	Notes	Share capital	Reserves	Statement of Comprehensive Income Reserve	Profit/ (loss) for the year	Total Group Share-holders' Equity	Share-holders' Equity attributable to minority interests	Consolid. Share-holders' Equity
Balance as at 31 December 2020		**11,000**	**14,835**	**-18**	**7,155**	**32,972**	**944**	**33,916**
Allocation of previous year's result		0	4,293	0	-4,293	0	0	0
2021 Dividend distribution		0	0	0	-2,862	-2,862	0	-2,862
Profit/(loss) for 2021		0	0	0	7,481	7,481	139	7,620
2021 Revaluations of defined benefit plans for employees		0	0	-10	0	-10	-3	-13
Balance as at 31 December 2021	13	**11,000**	**19,128**	**-28**	**7,481**	**37,581**	**1,080**	**38,661**
Allocation of previous year's result		0	4,488	0	-4,488	0	0	0
2022 Dividend distribution		0	0	0	-2,993	-2,993	-79	-3,072
Profit/(loss) for the year		0	0	0	10,426	10,426	242	10,668
2022 Revaluations of defined benefit plans for employees		0	0	50	0	50	20	70
Fair value adjustment of hedging derivatives 2022		0	0	0	339	339	0	339
Purchase of min. in integrated consolidated companies and accounting for options on min.		0	-2,070	0	0	-2,070	309	-1,761
Balance as at 31 December 2022	13	**11,000**	**21,546**	**22**	**10,765**	**43,332**	**1,572**	**44,904**

vianova

Notes to the Consolidated Financial Statements

Structure and Activities of the Group Companies

Vianova spa (hereinafter the "Company" or the "Parent Company") is a public limited company under Italian law with registered office in Massarosa (LU), Via di Montramito 431/a.
The Parent Company is a landline ICT operator, and from 2018 also a mobile network operator, which directs its voice and data services exclusively to businesses.
Since 2007, the Company has been marketing a single integrated service offering, called Vianova, oriented towards the needs of businesses and inspired by an insourcing policy. In other words, the services are "built" in-house, integrating more traditional services, such as Voice and Data access, with the Collaboration services implemented by the Group, such as Mail, Hosting, Meeting, Conference, 800, Fax, Centrex, Drive, Cloud, Desk, Vianova Phone and Analysis.

Approval of the Consolidated Financial Statements for the year ended 31 December 2022

The Consolidated Financial Statements for the year ended 31 December 2022 were approved by the Board of Directors on 28 February 2023, are audited by KPMG spa and will be presented at the Annual Shareholders' Meeting.

Declaration of compliance with IAS/IFRS and general criteria for the preparation of the Consolidated Financial Statements

The Consolidated Financial Statements for the year ended 31 December 2022 have been prepared in accordance with international accounting standards (International Accounting Standards - IAS or International Financial Reporting Standards - IFRS) and related interpretations (SIC/IFRIC) endorsed by the European Union on that date, hereinafter referred to as IFRS-EU, as well as with the measures issued in implementation of Article 9 of Legislative Decree 38/2005, which, among other things, regulates the ability to apply the aforementioned standards on an optional basis.

Consolidated Financial Statement Tables

The Consolidated Financial Statements have been prepared on a going concern basis and, in addition to these notes, comprise the following tables:

- Consolidated statement of financial position: the presentation of the statement of financial position takes place through the separate disclosure of current and non-current assets and current and non-current liabilities with a description in the notes for each item of assets and liabilities of the amounts that are expected to be settled or recovered within or beyond 12 months from the reporting date.
- Consolidated Income Statement, consisting of the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income: the classification of costs in the income statement is based on their nature, highlighting the intermediate results relating to gross operating profit, net operating profit and profit before tax. The table also includes income and expenses recognised directly in Shareholders' Equity for transactions other than those carried out with shareholders.
- Consolidated cash flow statement: the cash flow statement presents the cash flows from operating, investing and financing activities. Cash flows from operations are reported using the indirect method, whereby net result for the year is adjusted for the effects of non-monetary transactions, any deferrals or accruals of past or future operating cash receipts or payments, and revenue items associated with cash flows from investing or financing activities.
- Statement of changes in consolidated Shareholders' Equity: in addition to the statement of comprehensive income, this statement also includes transactions with shareholders and details of each individual component. Where applicable, the table also includes the effects, for each item of Shareholders' Equity, deriving from changes in accounting principles.

The Consolidated Financial Statements are prepared in euro, the Company's working currency. Amounts are expressed in thousands of euro, except where specifically indicated. Rounding is carried out at the level of each individual account and then totalled. It should also be noted that any differences in tables are due to the rounding of amounts expressed in thousands of euro.

Scope of consolidation

Below is a list of the companies included in the scope of consolidation of the Consolidated Financial Statements at the respective dates.

Consolidated companies as at 31 December 2022 (euro/000)	Country	Share capital	% shareholding	Direct / Indirect shareholding
Vola spa	Italy	500	67.0%	Direct
Host spa	Italy	300	51.0%	Direct
Qboxmail srl	Italy	52	51.0%	Direct
NetResults srl	Italy	138	70.0%	Direct

Vola spa, under control since 2006, operates in the IT sector and, in particular, in Internet and mobile services mainly through the supply and sale of integration and development services for Internet and mobile technologies, SMS and email messaging services (including e-commerce), software development, supply of IT services (including outsourcing) for companies, cybersecurity, hosting, Internet domain registration services, and other services strictly related to IT.

Host spa, under control since 2016, operates in the ICT sector and is an Internet Service Provider (ISP) and Application Service Provider (ASP) with over 40,000 active domains managed through its brands Joomlahost and DNSHosting at its proprietary data centre located in Turin.

Qboxmail srl, under control since 2016, operates in the ICT sector in the management of email infrastructure for ISPs.

Netresults srl joined the scope of consolidation following the purchase completed by Vianova spa in December 2022 of an additional portion of share capital, which increased its ownership percentage from 40% to 70%.

Use of estimates and valuations

The preparation of the financial statements and related notes requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date.
Estimates and assumptions are based on elements known at the date of preparation of the financial statements, on management's experience and on other elements that may be considered relevant. Actual results may differ from these estimates.
Estimates are used to test for impairment, to defer assets and liabilities arising from contracts with Customers, to measure assets, amortisation/depreciation, to assess the recoverability of deferred tax assets, to recognise provisions for credit risks, as well as to make actuarial valuations of employee benefits and to measure contingent liabilities.
Estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the income statement.
The following is a summary of the critical valuation processes and key assumptions used in the process of applying the IFRS and which may have a significant effect on the values recognised in the financial statements or for which there is a risk that significant differences in value may emerge with respect to the carrying amount of the assets and liabilities in the financial year subsequent to that of the financial statements.

Goodwill

The Vianova Group verifies goodwill on an annual basis in order to ascertain the existence of any impairment losses to be recognised in the income statement. In particular, this test involves determining the recoverable amount of the cash generating units to which goodwill is allocated. This value was determined on the basis of their value in use. The allocation of goodwill to cash generating units and the determination of their value involves making estimates that depend on factors that may change over time, with potentially significant effects on the valuations carried out by the Directors.
With reference to the business combination relating to the acquisition of control of NetResults srl, completed in December 2022, goodwill of Euro 1,627 thousand was recognised in the financial statements as at 31 December 2022, whose book value represents the provisional allocation of the excess cost in non-compliance with IFRS 3. Taking into account the recent completion of the transaction with an independent counterparty, it is believed that the price paid for the purchase of control of the company approximates the fair value as at 31 December 2022, also for impairment testing purposes.

Recoverable amount of non-current assets

Non-current assets include property, plant, equipment and other assets, investments accounted for using the Equity Method, other investments and other non-current assets. The Group periodically reviews the carrying amount of non-current assets held and used and of assets to be disposed of, when facts and circumstances require such a review. The analysis of the recoverability of the carrying amount of non-current assets is generally carried out using estimates of the expected cash flows from the use or sale of the asset and appropriate discount rates to calculate the present value. When the carrying amount of a non-current asset is impaired, the Group records a write-down equal to the excess between the carrying amount of the asset and its recoverable amount through use or sale of the same, determined with reference to the cash flows contained in the most recent business plans.
The estimates and assumptions used in this analysis reflect the state of knowledge of the Company's management in relation to business developments and take into account forecasts believed to be reasonable about future market and industry developments. It cannot be ruled out that different developments in the markets and sectors in which the Group operates could lead to values that differ from the original estimates and, where necessary, to adjustments in the carrying amount of certain non-current assets.

Amortisation/depreciation

Amortisation/depreciation of fixed assets is a significant cost for the Group. The cost of property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of the related assets. The useful economic life of the Group's fixed assets is determined by the Directors at the time the asset is acquired; it is based on historical experience for similar fixed assets, market conditions and anticipations regarding future events that could have an impact on the useful life, including changes in technology. Therefore, the actual economic life may differ from the estimated useful life. The Group periodically assesses technological and industry changes in order to update the remaining useful life. This periodic update could result in a change in the amortisation/depreciation period and therefore also in the amortisation/depreciation charge for future years.

Contracts with Customers

The Group recognises, in the income statement, revenue components deriving from contracts with Customers and cost components for the acquisition and execution of contracts. These components are recognised in the income statement on the basis of the estimated average life of the contracts with Customers, which is determined by the Directors on the basis of historical experience. Therefore, the actual economic life may differ from the estimated useful life. The Group periodically reviews its estimate of the average contractual life. This periodic update could lead to a change in the period of recognition of revenue and costs and therefore also of the share of future years.

Recoverability of deferred tax assets

The Group recognises deferred tax assets up to the amount for which recovery is considered probable. Where necessary, the Group recognises adjustment items in order to reduce the value of deferred tax assets to the value for which recovery is considered probable. In assessing the recoverability of deferred tax assets, account is taken of budget results and forecasts for subsequent years consistent with those used for the purpose of impairment testing and described in the paragraph above on the recoverable amount of non-current assets.

Provision for inventory obsolescence

The final inventories of products considered obsolete are periodically subjected to specific valuation tests, taking into account past experience, the historical results achieved and the probability of realisation of the assets under normal market conditions. If the analyses in question reveal the need to reduce the value of inventories, the management proceeds to the appropriate write-downs.

Allowance for doubtful accounts

The allowance for doubtful accounts reflects management's estimate of losses related to the customer loan portfolio. The estimate of the allowance for doubtful accounts is based on management's expected losses, determined based on past experience with similar receivables, current and historical past due amounts, losses and collections, careful monitoring of credit quality and projections about general and sector economic conditions.

Defined benefit plans

Group companies provide employees with a defined benefit plan (employee severance indemnity).
With reference to employee benefit plans, net financial costs and charges are measured using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation. The actuarial method considers parameters of a financial nature such as, for example, the discount rate, rates of growth of salaries and the probability of occurrence of potential future events through the use of parameters of a demographic nature such as, for example, rates relating to mortality and resignation or retirement of employees. In particular, the discount rates taken as reference are rates or rate curves of corporate bonds with high creditworthiness in their respective markets. A change in any of these parameters could affect the amount of the liabilities.

Contingent liabilities

The Group recognises a provision for ongoing disputes and legal cases when it considers it probable that a financial outlay will be made and when the amount of the resulting charges can be reasonably estimated. If the amount of the financial outlay cannot be reliably estimated or the probability of such an outlay becomes possible, no provision is recognised and the fact is reported in the Notes to the financial statements.
In the normal course of business, Group companies monitor the status of pending litigation and consult with their legal and tax advisors. It is therefore possible that the value of provisions for legal proceedings and disputes of Group companies may vary as a result of future developments in the proceedings in progress.

Consolidation criteria

The Consolidated Financial Statements are prepared on the basis of the financial statements of the Group companies approved by the Shareholders' Meetings or, in their absence, on the basis of the draft financial statements approved by the administrative bodies, as at 31 December 2022.
The closing date of the financial statements of Group companies is 31 December 2022. The financial statements are appropriately adjusted/reclassified in order to make them consistent with the rules for preparing the financial statements of the Parent Company.

Control is presumed to exist when the Company has the power to direct the Company's significant activities and is exposed to variability in results.
The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control is assumed until the date on which such control ceases to exist.
Companies over which "significant influence" is exercised have been valued with the "Equity Method".

Consolidation using the full consolidation method

In brief, consolidation with the full consolidation method involves taking the assets and liabilities, costs and revenue of the consolidated companies, regardless of the size of the stake held, and attributing to third-party shareholders, under a special item of Shareholders' Equity called "Minority interests in capital and reserves", their share of the profits and reserves.
The main techniques used in consolidation are outlined below:

- Elimination of equity investments in companies included in the consolidation and of the corresponding fractions of their Shareholders' Equity, attributing to the individual elements of the assets and liabilities the current value as at the date of acquisition of control; any residual difference, if positive, shall be recognised, if the conditions exist, under the asset item "Goodwill"; if negative, it shall be recognised in the income statement.
- The higher/lower price paid with respect to the corresponding fraction of Shareholders' Equity, resulting from the acquisition of additional shares in subsidiaries, is recorded as a deduction/increase of the Shareholders' Equity.
- Elimination of receivables and payables between companies included in the consolidation, as well as income and expenses relating to transactions between the same companies. Profits and losses arising from transactions between these companies and relating to values included in the statement of financial position and income statement have also been eliminated, if significant; any intragroup losses are not eliminated if they represent an indicator of impairment of the underlying asset.
- Reversal of dividends received from consolidated companies.

Valuation of equity investments using the Equity Method

The equity investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the investee's profits and losses realised after the acquisition date. Any goodwill included in the value of the investment is subject to an impairment test. The investor's share of the investee's results for the year is recognised in the income statement of the investee; however, to the extent that the Group is not liable for them, the excess of losses over the carrying amount of the investment in the financial statements is not recognised. Dividends received from an investee reduce the carrying amount of the investment.

Foreign currency transactions

The Company and the Group do not carry out transactions in foreign currencies and the Group does not hold investments in foreign companies.

Relevant accounting standards

Property, plant and equipment

Recognition and measurement

Tangible fixed assets are recognised and measured using the "cost" method, in accordance with IAS 16. Using this criterion, tangible fixed assets are recognised in the financial statements at purchase or production cost, including directly attributable ancillary costs and, subsequently, adjusted to take into account depreciation, any permanent impairment in value and the relative reversals.

If a tangible fixed asset is composed of several components with different useful lives, these components are accounted for separately (if they are significant).
Land is not depreciated, even if purchased together with a building.
The gain or loss generated by the disposal of property, plant, machinery, equipment and other assets is determined as the difference between the net disposal proceeds and the net residual value of the asset, and is recognised in the income statement in the period in which the disposal takes place.

Subsequent costs

Costs incurred subsequent to the purchase of the assets and the cost of replacing certain parts of the assets recorded in this category are added to the carrying amount of the item to which they refer and capitalised only if they increase the future economic benefits inherent in the asset itself. All other costs are recognised in the income statement when incurred.
When the cost of replacing parts of assets is capitalised, the net carrying amount of the replaced parts is recognised in the income statement. Extraordinary maintenance costs that increase the useful life of tangible fixed assets are capitalised and depreciated over the remaining useful life of the asset. Ordinary maintenance costs are recognised in the income statement in the year in which they are incurred.
Assets in the course of construction are recorded at cost under “Fixed assets in progress” until they are available for use; when they are available for use, the cost is classified under the relevant item and depreciated.

Depreciation

The depreciation period begins when the asset is available for use and ends on the earlier of the date on which the asset is classified as held for sale in accordance with IFRS 5 and the date on which the asset is derecognised. Any changes to depreciation schedules are applied prospectively.
The value to be depreciated is represented by the book value reduced by the presumable net disposal value at the end of its useful life, if significant and reasonably determinable.
Depreciation is calculated on the basis of economic-technical rates determined in relation to the estimated useful life of the individual assets, established in accordance with the company’s plans for their use, which also consider physical and technological deterioration, taking into account their estimated realisable value net of scrapping costs. When the tangible asset is made up of several significant components with different useful lives, each component is depreciated separately. When events occur that indicate a possible loss due to reduction in value of tangible fixed assets, or when there is a significant reduction in the market value of the same, significant technological changes or significant obsolescence, the net carrying amount, independently of the depreciation already recorded, is subject to verification based on the estimate of the current value of the estimated future cash flows and adjusted if necessary. Subsequently, if these conditions are no longer met, the impairment loss is reversed up to the carrying amount that would have been determined (net of depreciation) if the asset impairment loss had never been recognised.
Depreciation is calculated with pro-rata temporis criteria on a straight-line basis over the estimated useful life of the asset, by applying the following rates:

Depreciation/Amortisation rates (%)	**2021**	**2022**
Plant and equipment, TLC infrastructure, ULL and PoP sites	18	18
Industrial and commercial equipment	12	12
Furnishings	12	12
Fittings	12	12
Equipment on loan for use at Customers’ premises	20	20
Electrical and electronic equipment, including electronic telephone systems	20	20
Vehicles	25	25
Buildings	3	3
Fibre (core network)	6.67	6.67
Customer Fibre (access network)	33.33	33.33

Useful lives and residual values are verified at the reporting date and have not been changed from the previous year.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. This requires, at the date of acquisition of control, recognition at fair value of the identifiable assets (including previously unrecognised intangible assets) and identifiable liabilities (including contingent liabilities and excluding future restructuring) of the acquired company.
Goodwill arising from a business combination is initially measured at cost represented by the excess of the fair value of the consideration transferred with respect to the Group's share of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Goodwill arising from a business combination is allocated, at the acquisition date, to the individual cash-generating units of the Group or to groups of cash-generating units that are expected to benefit from the synergies of the combination, regardless of whether other Group assets or liabilities are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- represents the smallest level within the Group at which goodwill is monitored for internal management purposes;
- shall be no larger than the identified operating segments.

After initial recognition, goodwill is not amortised and is decreased by any impairment losses, determined in the manner described in the section "Impairment losses on non-financial assets".

Intangible assets with a finite useful life

Initial recognition and measurement

Intangible assets acquired separately are initially capitalised at cost, while those acquired through business combinations are capitalised at fair value at the date of acquisition. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any impairment losses.

Subsequent costs

Costs incurred after purchase are capitalised only when they increase the expected future economic benefits attributable to the asset to which they refer. All other subsequent costs are charged to the income statement when incurred.

Amortisation and impairments

Intangible assets are amortised over their useful lives and tested for impairment whenever there are indications of possible impairment losses. The period and method of amortisation applied to them shall be reviewed at the end of each financial year or more frequently if necessary. Any changes to amortisation schedules are applied prospectively.
Gains or losses arising from the derecognition of an intangible asset are measured by the difference between the net disposal proceeds and the carrying amount of the intangible asset, and are recognised in the income statement in the period of derecognition.
Amortisation is calculated with pro-rata temporis criteria on a straight-line basis over the estimated useful life of the intangible asset, by applying the following rates:

Depreciation/Amortisation rates (%)	2021	2022
Development costs	33	33
Industrial patent rights and use of intellectual property	5	5
Software expenses	33	33
Concessions, licenses, trademarks and similar rights	20	20
Other fixed assets (costs related to technical operations)	20	20

Derecognition

Intangible assets with a finite useful life are derecognised either when they are disposed of or when no future economic benefit is expected from their use or disposal. The relative gain or loss, recognised in the income statement, is determined as the difference between the net consideration deriving from the disposal, if any, and the net carrying amount of the asset derecognised.

Equity investments accounted for using the Equity Method

Equity investments accounted for using the Equity Method are represented by associates.
Associates are entities over whose financial and operating policies the Group exercises significant influence.
Associates are accounted for using the Equity Method and initially recognised at cost. The cost of the investment includes transaction costs. The Consolidated Financial Statements include the Group's share of the profits or losses of investee companies recognised using the Equity Method up to the date on which such significant influence is exercised.

Assets measured at amortised cost

If there is objective evidence that a loan recognised at amortised cost has suffered an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses not yet incurred), discounted using the financial asset's initial effective interest rate (i.e. the effective interest rate calculated at the date of initial recognition or the current effective interest rate in the case of variable rate loans). The carrying amount of the asset is reduced through the use of a provision and the amount of the loss is recognised in the income statement.
The Group assesses, first of all, the existence of objective indications of impairment at an individual level, for financial assets that are individually significant, and then, at an individual or collective level for financial assets that are not. In the absence of objective indications of impairment for an individually assessed financial asset, whether significant or not, that asset is included in a group of financial assets with similar credit risk characteristics and that group is tested for impairment on a collective basis. Assets assessed individually and for which an impairment loss is recognised or continues to be recognised will not be included in a collective assessment.
If, in a subsequent period, the value of the impairment loss decreases and that reduction can be objectively traced to an event occurring after the impairment loss was recognised, the previously reduced value may be reversed. Any subsequent reversals of impairment losses are recognised in the income statement, to the extent that the carrying amount of the asset does not exceed the amortised cost at the date of the reversal.
With reference to trade receivables, a provision for impairment losses is made when there is an objective indication (such as, for example, the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to recover all the amounts due according to the original terms of the invoice. The carrying amount of the receivable is reduced by the use of a specific provision. Receivables subject to impairment losses are reversed when they prove to be unrecoverable.
When, given the terms of payment granted, a financial transaction is involved, receivables are measured at amortised cost by discounting the nominal value to be received, recording the discount as financial income.

IFRS 9 (Financial Instruments)

The Group adopts the expected credit loss model in accordance with IFRS 9, and classifies its financial assets on the basis of the business model chosen by the entity to manage them and on the basis of the characteristics of the contractual cash flows of the financial assets themselves.
As regards the management of trade receivables, Management has defined its business models on the basis of the specific nature of the receivable, the type of counterparty and the collection period; this has been done in order to optimise the management of working capital by continually monitoring the collection performance of customers, setting credit collection policies and managing receivable disposal programmes.

The Business Model adopted by the company for trade receivable management is "Held to Collect". The company holds the financial assets and trade receivables in order to collect them, not so much to benefit from their sale. The measurement is at amortised cost.
Impairment on trade receivables and contract assets is carried out using the simplified approach allowed by the standard. This approach involves estimating the expected loss over the life of the receivable at initial recognition and in subsequent valuations. For each customer segment, the estimate is made mainly by determining the average expected uncollectible amount, based on historical-statistical indicators, adjusted if necessary using prospective elements. For certain categories of receivables with specific risk elements, specific assessments are carried out on individual credit positions.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments (IRS) to hedge financial risks relating to changes in interest rates on medium/long-term loans. These derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is signed and, subsequently, are measured at fair value at each closing date. Derivatives are recognised as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. As required by IFRS 9, hedging derivatives can be accounted for according to the methods established for hedge accounting only when:

- at the start of the hedge, there is formal designation and documentation of the same hedging relationship, the entity's objectives in managing the risk and the strategy in implementing the hedge;
- the hedge is expected to be highly effective;
- for cash flow hedges, the planned hedged transaction must be highly probable and must present
- an exposure to cash flow valuations that could affect the income statement;
- the effectiveness can be reliably measured; and
- the hedge is highly effective during the various accounting periods for which it is designated.

All derivative financial instruments are measured at fair value. When the derivative instruments have the characteristics to be accounted as *hedge accounting*, the following accounting treatments are applied:

- *Fair value hedge - if a derivative financial instrument is designated as a hedge of the exposure to changes in the current value of an asset or liability in the financial statements or an irrevocable commitment that may have effects on the income statement, the change in the fair value of the derivative hedging is recognised in the income statement and the change in the fair value of the hedged instrument attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in the income statement.* In the case of an irrevocable commitment, the fair value of the component relating to the hedged risk is recognised in the balance sheet as an asset or liability, adjusting the balance sheet item that will be affected by the irrevocable commitment at the time of its realisation.
- *Cash flow hedge* - if a derivative financial instrument is designated as a hedge of the exposure to the variability of the cash flows of an asset or liability in the financial statements or a highly probable forecast transaction or an irrevocable commitment which could have effects on the income statement, the effective portion of the gains or losses on the financial instrument is recognised in equity and shown in the statement of comprehensive income; the cumulative profit or loss is reversed from equity and recognised in the income statement in the same period in which the hedged transaction is recognised; the gain or loss associated with a hedge, or that part of the hedge that has become ineffective, is recognised in the income statement when the ineffectiveness is recognised.

If the conditions for the application of hedge accounting are not met, the effects deriving from the measurement at fair value of the derivative financial instrument are charged directly to the income statement.

IFRS 16 (Leases)

Pursuant to IFRS 16, at the start date of the leasing contract, the lessee must recognise an asset representing the right to use of the leased asset for the duration of the contract (so-called right-of-use or *RoU*) and a liability for future payments to which the lessee is committed by signing the contract (so-called lease liability).

The financial charges accrued on the lease liability and the amortisation of the right to use the asset are recorded separately in the income statement.
The contracts falling within the scope of application of the standard for the Group concern the rental of office and warehouse premises, TLC infrastructures and vehicles.

Inventories

Inventories are measured at the lower of purchase and/or production cost and net realisable value. The cost of inventories includes all purchase costs to bring the inventories to their current location and condition. In particular, this includes the purchase price, other taxes, transport costs, handling and other costs directly attributable to the purchase of goods. Commercial discounts, returns and other similar items are deducted in the determination of purchase costs. The method used to allocate the cost of inventories is that of the weighted average cost.
The value of obsolete and slow-moving stocks is written down in relation to their possibility of use or sale.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand and short-term sight deposits, in accordance with IAS 7. For the purposes of the cash flow statement, cash and cash equivalents are represented by cash as defined above net of bank overdrafts.

Share capital and other Shareholders' Equity items

Costs relating to the issue of new shares or options are classified in Shareholders' Equity, net of the related tax benefit, as a deduction from the proceeds from the issue of such instruments.
As envisaged by IAS 32, if equity instruments are repurchased, these instruments (own shares) are deducted directly from Shareholders' Equity under the item "Other reserves". No gain or loss is recognised in the income statement on the purchase, sale or cancellation of own shares.
The consideration paid or received, including any costs incurred directly attributable to the capital transaction, net of any related tax benefit, is recognised directly as a movement in Shareholders' Equity.
Any dividends paid to shareholders are recognised as liabilities in the period in which they are declared.

Financial liabilities

Financial liabilities are initially recognised at the fair value of the consideration received net of transaction costs that are directly attributable to the loan itself. After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Depreciation at the effective interest rate is included among financial charges in the income statement.

Employee benefits

Post-employment benefits may be offered to employees through defined contribution and/or defined benefit plans. These benefits are based on employees' remuneration and years of service.
Defined contribution plans are post-employment benefit plans under which the Company and sometimes its employees make predetermined contributions to a separate entity (a fund) and the Company does not have, and will not have, a legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to meet its obligations to employees.
Defined benefit plans are post-employment benefit plans, other than defined contribution plans. Defined benefit plans may be unfunded or wholly or partly funded by contributions paid by the enterprise, and sometimes by its employees, to a company or fund that is legally separate from the enterprise paying them to employees.
The amount accrued is projected into the future to estimate the amount to be paid at the time of termination of the employment relationship and subsequently discounted to take into account the time elapsed before the actual payment.

Adjustments to liabilities relating to employee benefits are determined on the basis of actuarial assumptions, based on demographic and financial assumptions, and are recognised on an accruals basis in line with the work performed to obtain the benefit. The amount of the rights matured during the year by employees and the share of interest on the amounts accrued at the beginning of the period and on the corresponding movements referring to the same period are recognised in the income statement under "Staff costs", while the figurative financial charge deriving from the actuarial calculation is recognised in the statement of comprehensive income under the "Profit/(loss) from revaluation of defined benefit plans" item.
The actuarial valuation is entrusted to an actuary external to the Company.
Following the changes made to the rules for the Employee Severance Indemnity (Trattamento di Fine Rapporto - "T.F.R.") by Law no. 296 of 27 December 2006 and subsequent Decrees and Regulations ("Pension Reform") issued in the early months of 2007:

- the T.F.R. accrued at 31 December 2006 is considered a defined benefit plan according to IAS 19. Guaranteed employee benefits, in the form of T.F.R., paid out on termination of employment, are recognised during the period when the right to such benefits accrues;
- the T.F.R. accrued after 1 January 2007 is considered a defined contribution plan and therefore the contributions accrued in the period have been entirely recorded as a cost and, for the portion not yet paid to the funds, shown as a liability in the "Other current liabilities" item.

Provisions for future risks and charges

Provisions for risks and charges are recognised to cover charges for obligations of Group companies, whether legal or implicit (contractual or otherwise), arising from a past event. Provisions for risks and charges are recognised if it is probable that a utilisation of resources will be required to settle the obligation and if a reliable estimate of the obligation can be made.
Provisions are recognised at the best estimate of the amount that the enterprise would reasonably pay to extinguish the obligation or to transfer it to third parties at the end of the period.
Provisions are periodically updated to reflect changes in cost estimates, the time needed to complete the project and the discount rate; revisions of provisions are booked to the same income statement item that had previously included the provisions or, when the liability relates to tangible assets, as an offsetting entry to the asset to which it refers.
The provision includes the allocation of future costs for ongoing litigation.

Trade payables

Payables are recorded at nominal value net of discounts, returns or billing adjustments, representing the fair value of the obligation. When, given the payment terms agreed, a financial transaction is involved, the payables, valued using the amortised cost method, are discounted to their nominal value to be paid, recording the discount as a financial charge.

Impairment losses on non-financial assets

The Group assesses whether there are any indicators of impairment of tangible and intangible assets. If there is any indication of this, the Company proceeds to estimate the recoverable amount of the asset (impairment test).
The accounting standard does not require the formal preparation of an estimate of recoverable amount except when there are indicators of impairment losses. The exception to this principle are assets not available for use and goodwill acquired in business combinations, which must be subjected to impairment testing at least once a year and whenever there are indicators of impairment losses. The Company has set the reporting date as the time to perform the impairment test for all those assets where annual analysis is required.

Recognition of Revenue from Contracts with Customers

In accordance with IFRS 15, revenue recognition is carried out by applying a five-step model as outlined below:

- Identification of the contract with the customer**:** Vianova's bundled service offering meets the requirements of the standard:
  a) the parties to the contract have approved the contract in writing and have undertaken to fulfil their respective obligations;
  b) the entity can identify the rights of each party as regards the goods or services to be transferred;
  c) the entity can identify the terms of payment for the goods or services to be transferred;
  d) the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows are expected to change as a result of the contract);
  e) it is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.
- Identification of the performance obligations provided for by the contract: the bundle offer (packages of Vianova goods and services), consisting of a fixed fee and a monthly variable fee, and the activation fee (up-front fee) are part of a single performance obligation that the Company has towards its customers.

  Contracts with customers fall into the category of performance obligations over time: the customer simultaneously receives and uses the benefits arising from the entity's performance as the entity performs it.

  Revenue recognition is therefore based on the amount that the Company is entitled to invoice, in accordance with the paragraphs of IFRS 120/121 and B-15/16 ("as invoiced practical expedient").
- Determination of transaction consideration: in determining the transaction price, the entity shall consider the terms of the contract and its usual business practices. The transaction price is the amount of the consideration that the entity expects to be entitled to in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (e.g. sales taxes). The consideration promised in the contract with the customer includes fixed amounts and variable amounts linked to actual consumption carried out. These are not variable payments linked to incentives, performance bonuses, penalties or other similar elements that depend on the occurrence or non-occurrence of a future event.
- Allocation of the consideration to individual performance obligations; the objective of allocating the transaction price is to assign each separate performance obligation (or each separate good or service) to an amount that reflects the amount of consideration to which the entity expects to be entitled in return for transferring the promised goods or services to the customer. The bundle offer of Vianova service packages is a single performance obligation and the practical expedient of "as-invoiced" is applied.
- Recognition of revenue at the time of (or during) the satisfaction of the individual performance obligation: revenue is recognised during the satisfaction of the identified performance obligation and on an accruals basis.

  For the purpose of revenue recognition, the Company does not separate the performance obligations included in the contract as separate representation would not change the presentation in the financial statements. Revenue from activation fees (up-front fees) does not represent an important incentive for customers in relation to potential "renewal/non-renewal" and therefore does not transfer a "material right" to the customer. This fee does not represent a separate performance obligation, but is allocated over the average duration of the contract. The portion pertaining to the year is recognised under revenue in the Income Statement, while the remaining portion is recorded under Other Current Liabilities. The implicit financial component does not appear to be significant and has therefore not been considered.

Recognition of costs IFRS 15

IFRS 15 governs two types of cost: "Costs to obtain the contract" and "Costs to fulfil the contract".
The entity shall recognise as an asset the incremental costs of obtaining the customer contract if it expects to recover them. The incremental costs of obtaining the contract are costs that the entity incurs to obtain the contract with the customer that it would not have incurred had it not obtained the contract (for example, a sales commission).

An entity shall recognise as an asset the costs incurred in the performance of the contract only if the costs meet all of the following conditions:

- the costs are directly related to the contract or an anticipated contract, which the entity may identify specifically (this may be, for example, costs incurred for services to be provided as part of the renewal of the existing contract or for the design of an asset to be transferred under a specific contract not yet approved);
- the costs provide the entity with new or additional resources to be used to meet (or continue to meet) its obligations to do things in the future,
- the costs are expected to be recovered.

The costs incurred by the Company in obtaining and fulfilling the contract relate to the payment of premiums to agents/commercial partners for procuring customers and the costs incurred in installing equipment and networks at new customers. Both are accounted for on the basis of the average duration of the contract. The portion pertaining to the year is recorded in the Income Statement, while the remaining portion is deferred under Other Current Assets.

Recognition of costs

Costs and other operating expenses are recognised in the income statement when they are incurred on an accrual basis and correlated to revenue, when they do not produce future economic benefits or when they do not qualify for recognition as assets.

Staff costs

Staff costs are represented by wages and salaries, social security charges, charges relating to defined benefit plans, mainly represented by the provision for severance indemnity, staff and directors' benefits, and other staff costs (medical examinations, travel, canteen).

Current taxes

Income taxes are determined on the basis of a realistic forecast of the tax charges to be paid in consideration of the accrual basis of accounting and in application of current tax regulations. The tax rates and regulations used to calculate the amount are those in force, or substantially in force, at the reporting date. Current taxes relating to items recognised outside the income statement are recognised directly in the statement of comprehensive income, and therefore in Shareholders' Equity, consistently with the recognition of the item to which they relate.

Deferred taxes

Deferred taxes are calculated using the so-called "liability method" on temporary differences at the reporting date between the tax bases of assets and liabilities and the values reported in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred taxes arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect neither the profit for the year calculated for financial reporting purposes nor the profit or loss calculated for tax purposes.
Deferred tax assets are recognised for all deductible temporary differences and for tax losses carried forward, to the extent that it is probable that there will be adequate future taxable profits to utilise the deductible temporary differences and tax losses carried forward. The value of deferred tax assets to be

recognised is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to recover the asset. Unrecognised deferred tax assets are reviewed periodically at the reporting date and are recognised to the extent that it has become probable that taxable profit will be sufficient to allow these deferred taxes to be recovered.
Deferred taxes are measured at the tax rates that are expected to apply to the period when such assets are realised or such liabilities are settled, considering the rates in force and those already enacted or substantively enacted at the reporting date.
Deferred tax assets and liabilities are offset if they relate to taxes of the same tax authority and there is a legal right to offset current tax assets and liabilities.

Own shares

There are no own shares.

Put Option agreements on third-party interests

In the case of put options granted to minority shareholders, the Group recognises a financial liability equal to the present value of the estimated exercise price of the option.
If the terms and conditions of the option grant the Group access to the economic benefits linked to the portion of share capital optioned, the Group accounts for this portion as if it had already been purchased and, therefore, at the time of initial recognition of the liability, this value is reclassified from shareholders' equity by reducing the share pertaining to minority interests. In other cases, the accounting policy chosen by the Group requires the Group, at the time of initial recognition of the financial liability, to reclassify this value in the Group's shareholders' equity, continuing to recognise the profits and losses attributable to these minority interests and the shareholders' equity pertaining to minority interests.
The financial liability is subsequently remeasured at each reporting date in accordance with the provisions of IFRS 9. The changes are recognised directly in the income statement.

Events occurring after the end of the financial year

- Events occurring after the end of the financial year that modify conditions already existing at the reporting date and that require changes in the value of assets and liabilities, in accordance with the relevant accounting standard, are recognised in the financial statements, in accordance with the accrual basis of accounting, to reflect the effect that such events have on the financial position and results of operations at the end of the financial year.
- Events occurring after the end of the financial year that modify situations existing at the reporting date, but that do not require a change in the values of the financial statements, in accordance with the reference accounting standard, as they pertain to the following financial year, are not recorded in the financial statements but are illustrated in the notes when necessary for a more complete understanding of the company's situation.
- The time limit within which the event must occur for it to be taken into account is the date of preparation of the draft financial statements by the Directors, except in cases where events occur between that date and the date scheduled for approval of the financial statements by the Shareholders' Meeting that make it necessary to amend the draft financial statements.

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Notes to the individual items in the financial statements

Note no. 1 - Owned property, plant and equipment

A breakdown of "Property, plant, equipment and other assets" by category as at 31 December 2022 and 31 December 2021 is provided below:

Property, plant, equipment and other assets (euro/000)	31 December 2021 Historical Cost	Acc. Depreciation	Net Carrying Amount	31 December 2022 Historical Cost	Acc. Depreciation	Net Carrying Amount
Land and buildings	10,364	-3,010	7,354	10,600	-3,423	7,177
TLC infrastructure	24,022	-16,005	8,017	25,711	-17,619	8,092
Equipment and plants	6,910	-4,757	2,153	7,494	-5,597	1,898
TLC equipment	22,603	-18,241	4,362	22,618	-18,496	4,122
Other assets	7,464	-6,074	1,390	8,900	-6,815	2,085
Tangible fixed assets in progress	454	0	454	863	0	863
Total	**71,817**	**-48,087**	**23,730**	**76,186**	**-51,949**	**24,237**

The item Land and buildings includes the land located in Via Giannessi (PI) on which there is an office of the Consolidating Company Vianova, and the land destined to host its new office to be built in Massarosa (currently suspended). The aforementioned land plots, recognised at Euro 780 thousand and Euro 1,422 thousand respectively, are not subject to depreciation.

Changes in "Property, plant, equipment and other assets" for the period from 1 January 2022 to 31 December 2022 are shown below:

Changes (euro/000)	Land and buildings	TLC infrastructure	Equipment and plants	TLC equipment	Other assets	Tangible fixed assets in progress	Total
Balance as at 1 January 2022	**7,354**	**8,017**	**2,153**	**4,362**	**1,390**	**454**	**23,730**
Increases	230	2,354	470	1,625	1,092	731	6,501
Decreases	0	-17	0	-52	-1	-7	-76
Reclassifications	0	57	0	0	258	-315	0
Amortisation/depreciation	-408	-2,318	-725	-1,813	-655	0	-5,919
Write-downs	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
Balance as at 31 December 2022	**7,177**	**8,092**	**1,898**	**4,122**	**2,085**	**863**	**24,237**

Acquisitions during the year are mainly due to the investments made by the Consolidating Company Vianova; for further details please refer to the Investments and loans section in the Directors' Report on Operations.

Assets under finance and operating lease

In compliance with the provisions of IFRS 16, the Rights of Use deriving from property lease agreements, long-term car rental agreements and the operating lease agreement entered into during the year for the server solution, have been valued and recognised in the assets, respectively in the categories Buildings, Other assets and TLC infrastructure.

Assets for rights of use (euro/000)	31 December 2021 Historical Cost	Acc. Depreciation	Net Carrying Amount	31 December 2022 Historical Cost	Acc. Depreciation	Net Carrying Amount
Land and buildings	907	-559	348	922	-749	173
TLC infrastructure	173	-47	126	173	-78	95
Other assets	19	-13	6	115	-58	6
Total	**1,099**	**-619**	**480**	**1,210**	**-885**	**325**

For evidence of the accounting treatment as a contra-entry to the Assets described, reference should be made to the subsequent sections of the Notes to the financial statements on "Medium/long-term financial liabilities" and "Current financial liabilities".

Note no. 2 - Goodwill

A breakdown of "Goodwill" as at 31 December 2022 and 31 December 2021 is provided below:

Goodwill (euro/000)	2021	2022	Changes	Δ%
Qboxmail srl goodwill	79	79	0	0.0
Goodwill of Netresults srl	0	1,627	1,627	--
Total	**79**	**1,706**	**1,627**	**+2,059.5**

- As previously illustrated, with reference to the business combination relating to the acquisition of control of Netresults srl, completed in December 2022, the Group availed itself of the option provided for by IAS 36 to provisionally allocate the excess cost of Euro 1,627 thousand to Goodwill. Consequently, the related impairment test will be carried out in the year following the end of the valuation period.
- Based on the provisions of the reference standards, in the absence of indicators of potential impairment losses, it was not considered necessary to determine the recoverable amount of tangible and intangible fixed assets as at 31 December 2022.

Note no. 3 - Intangible assets with a finite useful life

The table below shows the balance and changes in "Intangible assets with a finite useful life" divided by category for the period from 1 January 2022 to 31 December 2022:

Intangible assets with a finite useful life (euro/000)	Software and licenses	Other intangible assets	Intangible assets in progress	Total
Balance as at 1 January 2022	**808**	**952**	**220**	**1,980**
Increases	996	17	0	1,013
Decreases	0	0	0	0
Reclassifications	220	0	-220	0
Amortisation/depreciation	-819	-282	0	-1,101
Write-downs	0	0	0	0
Other changes	0	0	0	0
Balance as at 31 December 2022	**1,205**	**687**	**0**	**1,892**

The item Other intangible assets includes the one-off amount paid by the Parent Company Vianova to another operator in order to be able to provide VoLTE services (Euro 300 thousand), the amounts paid to purchase IPv4 addresses (Euro 230 thousand), as well as the development costs capitalised by the subsidiary Qboxmail srl, relating to the creation of a new email platform (Euro 77 thousand).

Based on the provisions of the reference standards, in the absence of indicators of potential impairment losses, it was not considered necessary to determine the recoverable amount of tangible and intangible fixed assets as at 31 December 2022.

Note no. 4 - Equity investments in associates

Details of the position as at 31 December 2022 and 31 December 2021 is provided below.

Equity investments in associates valued using the Equity Method (euro/000)	2021	2022	Changes	Δ%
NetResults srl	497	0	-497	--
Winitalia srl	174	174	0	0.0
NextUP srl	0	100	100	--
Awhy srl	0	200	200	--
Total	**671**	**474**	**-497**	**-74.0**

As specified above, following the inclusion of NetResults srl in the scope of consolidation, the equity investment is no longer included in the item in question as it is subject to line-by-line consolidation.
The same Netresults srl holds 51% of the share capital of NextUp srl and a 22% equity investment in the company Awhy srl.
Since 2020 the subsidiary Vola spa has held 67% of the share capital of Winitalia srl.

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Note no. 5 - Non-current financial assets

The item "Non-current financial assets" breaks down as follows

Non-current financial assets(euro/000)	2021	2022	Changes	Δ%
Derivative instruments, cash-flow hedges	0	447	447	100
Other securities	0	505	505	100
Total	**0**	**951**	**951**	**100**

- In order to protect itself from the risk of interest rate fluctuations, the Parent Company signed an Interest Rate Swap (IRS) contract. The supporting elements of the hedging instrument and the hedged element are closely aligned, as the initial nominal amount, amortisation plan, interest settlement dates and maturity are consistent. Changes in the fair value of the instrument are recognised in the Statement of Comprehensive Income.
- The other securities are attributable to investments of the company's liquidity in money market instruments, which are liquid, have a short maturity and are not correlated to any risk component.

Note no. 6 - Sundry receivables and other non-current assets

In order to provide better disclosure, the portion of activities relating to Contract acquisition premiums (Costs to obtain the contract) and Activation costs (Costs to fulfil the contract) that is expected to be recognised in the income statement in a period exceeding 12 months from the end of the year was reclassified under the item "Sundry receivables and other non-current assets".
The values referring to the year 2021 have been restated to ensure the comparability of the data.

Sundry receivables and other non-current assets(euro/000)	2021	2022	Changes	Δ%
Costs to obtain the contract - Over 12 million	1,911	1,820	-91	-4.8
Costs to fulfil the contract - Over 12 million	1,406	1,378	-28	-2.0
Guarantee deposits	5	15	10	+193.8
Other non-current assets	0	11	11	--
Total	**3,322**	**3,223**	**-99**	**-3.0**

- The application of the IFRS accounting standards required the Parent Company to allocate to the income statement the so-called "Costs to obtain the contract" and "Costs to fulfil the contract" over a period of time equivalent to the average duration of the contracts, which was estimated and forecast at 72 months. The costs incurred by the Company for bonuses paid to agents and partners to obtain contracts, and the costs incurred for the activation of the services provided have consequently been removed from the income statement and attributed to the same only for the part pertaining to the period. The item includes the portion of these activities that are expected to be carried out more than 12 months after the end of the year.
- Guarantee deposits were released relating to various supply contracts such as electricity, water and gas.

Note no. 7 - Deferred tax assets

The "Deferred tax assets" item is made up as follows:

Deferred tax assets (euro/000)	2021	2022	Changes	Δ%
IFRS entry conversion	125	30	-95	-76.1
Receivables	144	144	0	+0.0
Provisions for risks	72	72	0	+0.0
Intangible assets	4	2	-2	-50.0
Warehouse	8	3	-5	-62.5
Other	3	4	1	+33.3
Total	**356**	**255**	**-101**	**-28.5**

The IFRS entry conversion item represents deferred taxes recognised on accounting items transitioned to IFRS from 1 January 2017.

Below are the changes in the item "Deferred tax assets" with reference to the year 2022:

Deferred tax assets - changes (euro/000)	**Balance as at 1 January 2022**	**Provisions/releases to the income statement**	**Provisions/releases to the statement of comprehensive income**	**Balance as at 31 December 2022**
IFRS entry conversion	125	-95	0	30
Receivables	144	0	0	144
Provisions for risks	72	0	0	72
Intangible assets	4	-2	0	2
Warehouse	8	-5	0	3
Other	3	1	0	4
Total	**356**	**-101**	**0**	**255**

Note no. 8 - Inventories

This item only represents assets relating to the sale, installation and maintenance of telephone systems.

Inventories (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Inventories of raw, ancillary and consumable materials	27	42	16	+58.8
Contract work in progress	0	6	6	--
Inventory write-down provision	-27	-11	16	-60.5
Total	**0**	**38**	**38**	**--**

Inventories include hardware products sold by the subsidiary NetResults srl, as well as materials relating to end of sales activities of the Parent Company prior to the introduction of Vianova services. For the latter, the amount in stock has decreased and it was considered appropriate to align the value of the write-down provision to their carrying amount: the presumed realisable value was reduced to zero due to the fact that they are now completely obsolete from a technical and economic point of view.

Note no. 9 - Trade receivables

A breakdown of "Trade receivables" is provided below:

Trade receivables (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Trade receivables for invoices issued	8,597	17,027	8,430	+98.1
Invoices to be issued	1,987	1,712	-274	-13.8
Credit notes to be issued	-46	-17	29	-63.4
Gross trade receivables	**10,538**	**18,722**	**8,185**	**+77.7**
Allowance for doubtful accounts	-631	-640	-10	+1.5
Total	**9,907**	**18,082**	**8,175**	**+82.5**

- The invoicing, credit granting and collection policies used by Group companies have remained substantially unchanged from previous years.
- There are no receivables from foreign Customers.
- The Invoices to be issued item is largely represented by the valuation of receivables claimed by the Parent Company from its Customers for the contractually envisaged up-front activation fee. The standard policy adopted by the company provides for the billing of this contribution in monthly instalments up to a maximum of 36, according to the choice made by the Customer. This entry was recognised on the application of international accounting standards (IFRS 15 Revenue Recognition). In fact, the up-front activation fee is recorded in the income statement on an accrual basis and deferred on the basis of the average contractual duration envisaged and estimated at 72 months. Consequently, the receivable from Customers for the amounts due in the form of an up-front activation fee not yet invoiced at the closing date of the financial statements under review was recognised.
- The promissory notes subject to collection advances expiring on 31 December 2022 (holiday) were credited on 2 January 2023 following the banking regulations introduced in 2010, which envisage the postponement of the crediting to the first business day following the expiry. The amount of the item Receivables from Customers, if the promissory notes were recognised as at 31 December, would have amounted to Euro 11,838 thousand. Please refer to the Director's Report on Operations.

For considerations relating to the dynamics that characterised the year, reference should be made to the "Receivables from Customers" section in the Directors' Report on Operations.

Losses on receivables (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Balance	265	182	-83	-31,3

The value of losses on receivables was fully covered by the allowance for doubtful accounts allocated at the end of the previous year: considering the general economic environment and the development of revenue expected in 2023, it was decided to replenish the allowance to the same extent as the year ended. The carrying amount of trade receivables is considered to approximate their fair value.

Allowance for doubtful accounts (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Opening balance	631	631	0	+0.0
Increase due to provision for the year	265	191	-74	-27.9
Decrease due to use during the year	-265	-182	83	-31,3
Closing balance	**631**	**640**	**9**	**+1.4**

Note no. 10 - Other current assets

A breakdown of "Other current assets" is provided below:

Other current assets (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Tax credits	762	2,146	1,384	+181.6
Prepaid expenses and accrued income	1,662	1,862	200	+12.1
Costs to obtain the contract	766	774	8	+1.0
Costs to fulfil the contract	551	552	1	+0.2
VAT credit	8	0	-8	-100.0
Other tax receivables	38	135	97	+253.3
Sundry receivables	237	997	759	+320.1
Total	**4,025**	**6,466**	**2,441**	**+60.6**

- In order to provide better disclosure, the portion of activities relating to Contract acquisition premiums (Costs to obtain the contract) and Activation costs (Costs to fulfil the contract) that is expected to be recognised in the income statement in a period exceeding 12 months from the end of the year was reclassified under the item "Sundry receivables and other non-current assets". The values referring to the year 2021 have been restated to ensure the comparability of the data.
- Prepaid expenses consist of fees and costs of various kinds charged in advance to the companies in respect of existing commercial relationships.

Note no. 11 - Current tax assets

A breakdown of "Current tax assets" is provided below:

Current tax assets (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
IRES credit	55	50	-5	-9.7
IRAP credit	0	9	9	+100.0
Total	**55**	**59**	**3**	**+5.8**

Note no. 12 - Cash and cash equivalents

A breakdown of "Cash and cash equivalents" is provided below:

Cash and cash equivalents (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Bank accounts	24,870	27,719	2,849	+11.5
Petty cash	1	2	2	+190.8
Total	**24,871**	**27,722**	**2,851**	**+11.5**

- The promissory notes subject to collection advances expiring on 31 December 2022 (holiday) were credited on 2 January 2023 following the banking regulations introduced in 2010, which envisage the postponement of the crediting to the first business day following the expiry. The amount of the item cash and cash equivalents, if the promissory notes had been recognised as at 31 December, would have amounted to Euro 33,966 thousand.

The amount recorded in the financial statements is aligned with the fair value at the date of preparation of the financial statements. The credit risk is limited since the counterparties are major banking institutions.

For further details on the dynamics affecting cash and cash equivalents, see the Cash Flow Statement.

Note no. 13 - Shareholders' Equity

For the changes in the Shareholders' Equity entries, reference should be made to the "Statement of changes in Shareholders' Equity".
The reconciliation statement between the shareholders' equity of the consolidating company Vianova and the consolidated shareholders' equity is presented below.

Reconciliation of Shareholders' Equity (euro/000)	Share capital	Reserves	Reserve for gains/(losses) other comprehensive income statement components	Profit/(Loss) for the year	Shareholders' equity as at 31 December 2022
Financial statements of the Parent Company	**11,000**	**23,617**	**21**	**10,426**	**45,403**
Recognition of liabilities for option to purchase equity investments	0	-2,070	0	0	-2,070
Consolidated Financial Statements	**11,000**	**20,854**	**21**	**10,426**	**44,904**

Note no. 14 - Non-current financial liabilities

A breakdown of "Non-current financial liabilities" is provided below:

Non-current financial liabilities (euro/000)	2021	2022	Changes	Δ%
Mortgages and loans	720	6,311	5,591	+776.2
Financial liabilities (IFRS 16)	236	72	-164	-69.5
Other financial liabilities	0	2,070	2,070	--
Total	**956**	**8,453**	**7,497**	**+783.9**

- Group companies have not taken advantage of current account overdrafts or subject to collection advances.
- In view of potential investments aimed at external growth, during the year the Parent Company signed a new loan backed by SACE guarantee for an amount of Euro 6 million, with a maturity of six years. The debt, on which interest accrues at the 3-month Euribor rate plus 64 basis points, will be repaid in deferred quarterly instalments, the last of which is due on 31 December 2027. In order to protect itself from an upward trend in interest rates, the Company subscribed an Interest Rate Cap type option.
- With the exception of the above, the previous loans granted were issued without the underwriting of guarantees provided either by the Companies or by third parties. There are also no Financial Covenants.
- The item Other financial liabilities refers to the liability deriving from the option to purchase an interest equal to 30% of the share capital claimed by Vianova spa from the subsidiary NetResults srl. The amount recognised in the financial statements corresponds to the estimate of the fair value of the future transaction, carried out on the basis of the elements and information available at the date of preparation of these Financial Statements.

Note no. 15 - Employee benefits

Changes in "Employee benefits" for the period from 1 January 2022 to 31 December 2022 are shown below:

Employee benefits (euro/000)	2021	2022	Changes	Δ%
Balance as at 1 January	**638**	690	52	+8.2
Service Cost	79	80	1	+1.3
Interest Cost	4	12	8	+200.0
Balance of movements	-50	94	144	-288.0
Actuarial (gains)/losses	19	-97	-116	-610.5
Balance as at 31 December	**690**	**779**	**89**	**+12.9**

Details of the economic and demographic assumptions used for the purposes of the actuarial valuations, prepared by external consultants, are provided below:

Employee benefits	2021	2022
Discount rate	0.98%	3.77%
Inflation rate	0.80%	2.30%
Annual rate of increase in employee severance indemnity	2.10%	3.23%
Annual rate of increase in employee salary	1.00%	1.00%

Note no. 16 - Provisions for future risks and charges

Changes in "Provisions for future risks and charges" for the period from 1 January 2022 to 31 December 2022 are shown below:

Provisions for future risks and charges (euro/000)	Balance as at 1 January 2022	Provisions to the income statement	Releases/Uses	Balance as at 31 December 2022
Supplementary Agents Indemnity Fund (FISC - Fondo indennità suppletiva di clientele)	23	0	-1	22
Provision for termination indemnity (TFM)	246	92	0	338
Provision for assessment risks	60	0	0	60
Provision for litigation risks	300	0	0	300
Total	**628**	**92**	**-1**	**719**
▪ *of which current portion*	0	*0*	*0*	*0*
▪ *of which non-current portion*	628	*92*	*-1*	*719*

- The Supplementary Agents Indemnity Fund (FISC - Fondo indennità suppletiva di clientela) has been valued on the basis of the provisions contained in international accounting standard IAS 37.
- The provision for TFM includes accruals made during the year.

Note no. 17 - Deferred tax liabilities

This item is broken down as follows:

Deferred tax liabilities (euro/000)	2021	2022	Changes	Δ%
IFRS entry conversion	101	36	-65	-64.4
Employee benefits	0	14	14	--
Valuation of hedging derivatives	0	108	108	--
Total	**101**	**158**	**57**	**+56.4**

The IFRS entry conversion item represents deferred taxes recognised on accounting items transitioned to IFRS from 1 January 2017.

Changes during the year were as follows:

Deferred tax liabilities - changes (euro/000)	Balance as at 1 January 2022	Provisions/releases to the income statement	Provisions/releases to the statement of comprehensive income	Balance as at 31 December 2022
IFRS entry conversion	101	-65	0	36
Employee benefits	0	0	14	14
Valuation of hedging derivatives	0	0	108	108
Total	**101**	**-65**	**122**	**158**

Note no. 18 - Other non-current liabilities

In order to provide better information, the portion of liabilities relating to deferred revenues attributable to activation grants, realisable beyond 12 months, was reclassified under the item "Other non-current liabilities".

The values referring to the year 2021 have been restated to ensure the comparability of the data.

Other non-current liabilities (euro/000)	2021	2022	Changes	Δ%
Current deferred revenue (up-front activation fee) - beyond 12 months	3,124	2,887	-237	-7.6

As already illustrated in the previous section of the Notes to the financial statements dedicated to Trade receivables and in particular to the recognition of IFRS revenue, the application of IFRS 15 on Revenue Recognition requires the Parent Company to allocate to the income statement the revenue component represented by up-front activation fees on the basis of the average expected contractual duration, estimated at 72 months. This is regardless of the billing method of the entry in question, which is carried out by the Company in monthly instalments up to a maximum of 36, according to the choice made by the Customer itself. Therefore, the volume of revenue accruing in future years was calculated by comparing the date of activation of the contracts and the cited average duration of the same, regardless of the invoicing methods.

Note no. 19 - Current financial liabilities

A breakdown of "Current financial liabilities" is provided below:

Current financial liabilities (euro/000)	2021	2022	Changes	Δ%
Mortgages and loans - current portion	364	1,504	1,140	+313.2
Other financial liabilities (IFRS 16)	252	231	-21	-8.3
Other financial payables to banks	23	29	6	+24.5
Total	**639**	**1,764**	**1,125**	**+175.9**

Note no. 20 - Trade payables

A breakdown of "Trade payables" is provided below:

Trade payables (euro/000)	2021	2022	Changes	Δ%
Payables to suppliers	9,353	8,942	-411	-4.4
Invoices to be received	3,401	3,397	-5	-0.1
Credit notes to be received	-266	-260	6	-2.4
Total	**12,488**	**12,079**	**-409**	**-3.3**

- Credit notes to be received include amounts due to the companies as a result of erroneous invoices, duly contested, issued by service providers.
- During the year under review, there were no significant changes to the purchasing and payment policies agreed with suppliers. There are no payables to suppliers and other foreign entities expressed in currencies other than the euro.
- There are no payables with a duration of more than 5 years or positions of significant debt concentration.

Note no. 21 - Other current liabilities

A breakdown of "Other current liabilities" is provided below:

Other current liabilities (euro/000)	2021	2022	Changes	Δ%
Accrued expenses and deferred income	5,907	7,051	1,145	+19.4
Current deferred revenue (up-front activation fee)	1,205	1,192	-14	-1.2
Payables to employees	1,809	1,692	-116	-6.4
Payables to social security institutions	1,073	995	-78	-7.3
Sundry tax payables	1,196	1,102	-94	-7.8
Sundry payables	383	424	41	+10.8
Total	**11,573**	**12,457**	**884**	**+7.6**

- In order to provide better information, the portion of liabilities relating to deferred revenues attributable to activation grants, realisable beyond 12 months, was reclassified under the item "Other non-current liabilities".

  Payables relating to VAT and other tax payables were also reclassified under this item.

  The values referring to the year 2021 have been restated to ensure the comparability of the data.
- Deferred income is accounted for as a result of monthly advance billing of fees pertaining to January of the following year.
- Accrued expenses are accounted for as accrued interest expense on bank loans.

Payables to employees are made up as follows:

Payables to employees (euro/000)	2021	2022	Changes	Δ%
Payables to employees holiday pay	720	1,005	285	+39.6
Payables to employees	1,089	687	-402	-36.9
Total	**1,809**	**1,692**	**-117**	**-6.5**

All amounts, with the exception of payables related to the amount of holiday pay accrued by employees, were regularly settled at their natural due date in the new year.

Tax payables are made up as follows:

Tax payables (euro/000)	2021	2022	Changes	Δ%
Tax authorities employees and collaborators for IRPEF	910	636	-274	-30.1
VAT payable	273	403	130	+47.7
Tax authorities withholding tax on various payments on account	9	49	40	+444.4
Sundry tax payables	4	15	11	+275.0
Total	**1,196**	**1,103**	**-93**	**-7.8**

All the amounts relating to IRPEF and various withholding taxes were regularly paid at their natural due date in the first months of the new financial year.

Payables to social security institutions are made up as follows:

Payables to social security institutions (euro/000)	2021	2022	Changes	Δ%
Tax authorities employees and collaborators INPS	962	922	-40	-4.2
Payables to other entities	102	68	-34	-33.3
Payables to INAIL	7	2	-5	-71.4
Tax authorities enasarco account	2	3	1	+50.0
Total	**1,073**	**995**	**-78**	**-7.3**

All amounts, with the exception of payables related to the amount of holiday pay accrued by employees, were regularly settled at their natural due date in the first months of the new financial year.

Sundry payables are made up as follows:

Sundry payables (euro/000)	2021	2022	Changes	Δ%
Advances from customers	218	273	55	+25.2
Payables to directors	86	92	6	+7.0
Other payables	79	59	-20	-25.3
Total	**383**	**424**	**41**	**+10.7**

Note no. 22 - Current tax liabilities

A breakdown of "Current tax liabilities" is provided below:

Current tax liabilities (euro/000)	2021	2022	Changes	Δ%
IRES payable	115	807	692	+600.6
IRAP payable	22	98	76	+339.1
Total	**138**	**906**	**768**	**+558.0**

For a better understanding, payables relating to VAT and other tax payables have been reclassified under the item "Other current liabilities". The values referring to the year 2021 have been restated to ensure the comparability of the data.

Note no. 23 - Revenue and other operating income

A breakdown of "Revenue" is provided below:

Revenue and other operating income (euro/000)	2021	2022	Changes	Δ%
Revenue from fees	52,387	56,841	4,454	+8.5
Revenue from pay-per-use services	10,015	11,634	1,619	+16.2
Revenue from activations	1,750	1,687	-63	-3.6
Revenue from software developments	1,042	1,394	352	+33.7
Revenue from sales	394	991	596	+151.2
Revenue from interconnection	675	685	10	+1.5
Public grants	465	584	119	+25.6
Income from access and pay-per-use charges adjustments	225	418	193	+85.7
Gains on disposal of non-current assets	60	63	3	+4.5
Revenue from assistance and interventions	37	36	-1	-3.2
Release of surplus funds	0	18	18	+100.0
Revenue from rentals	0	0	0	0.0
Revenue adjustments	-1	-2	-1	+48.5
Other revenue and income	221	542	321	+145.0
Total	**67,270**	**74,890**	**7,620**	**+11.3**

Under "Other revenue and income", Group companies have recognised tax credits for Research and Development and Training 4.0 in the financial statements pursuant to Article 1, paragraph 35 of Law no. 190 of 23 December 2014, in addition to tax credits for investments in 4.0 capital goods, pursuant to art. 1, paragraphs from 1051 to 1063, of the 2021 Budget Law (Law no. 178/2020).
With regard to the information concerning the grants provided by public administrations (pursuant to Article 1, paragraphs 125-129, of Law no. 124/2017) in favour of Group Companies, please refer to the information provided in the financial statements of the individual Companies.

Note no. 24 - Purchase of services

Costs for services are closely related to core business activities and revenue performance.

Costs for services (euro/000)	2021	2022	Changes	Δ%
Purchase of services - fees and activations	12,107	13,795	1,688	+13.9
Commercial costs	8,190	8,934	744	+9.1
Interconnection costs	3,155	2,921	-234	-7.4
Purchase of services - pay-per-use	2,590	2,830	240	+9.3
Industrial overheads	1,803	2,245	442	+24.5
Costs for technical interventions	1,715	1,523	-193	-11.2
Costs for collaborations, directors	1,405	1,425	20	+1.4
Network maintenance costs	1,079	1,264	185	+17.2
Advertising and promotional costs	1,858	1,191	-667	-35.9
Consultancy costs	777	920	143	+18.5
Operator licence contributions	452	413	-39	-8.7
Maintenance costs	453	393	-60	-13.2
Bank charges	188	216	29	+15.2
Travelling expenses	50	106	56	+113.9
Total	**35,821**	**38,176**	**2,355**	**+6.6**

Note no. 25 - Staff costs

Staff costs are broken down as follows:

Staff costs (euro/000)	2021	2022	Changes	Δ%
Wages and salaries	8,876	10,147	1,271	+14.3
Social security charges	2,531	2,918	386	+15.3
Employee severance indemnity and pension funds	545	681	136	+24.9
Other staff costs	573	822	249	+43.5
Total	**12,526**	**14,569**	**2,043**	**+16.3**

For further information relating to staff, reference should be made to the Directors' Report on Operations.

Note no. 26 - Purchase of materials

A breakdown of "Purchase of materials" is provided below:

Purchase of materials (euro/000)	2021	2022	Changes	Δ%
Purchase of goods for resale	435	981	545	+125.3
Purchase of consumables	179	245	66	+36.8
Total	**615**	**1,226**	**611**	**+99.5**

The item Purchase of goods for resale mainly includes the cost of terminals purchased by Vianova and destined for Customers of mobile telephone services (Euro 934 thousand).

Note no. 27 - Other operating costs and change in inventories

A breakdown of "Other operating costs" and "Change in inventories" is provided below:

Other operating costs and change in inventories (euro/000)	2021	2022	Changes	Δ%
Provision for doubtful accounts	265	182	-83	-31,3
Duties, taxes and registration fees	82	60	-21	-26.2
Other operating expenses	215	241	25	+11.7
Total other operating costs	**562**	**483**	**-79**	**-14.1**
Change in inventories	0	16	16	--
Total	**562**	**499**	**-63**	**-11.2**

The actual losses on receivables incurred in 2022 amounting to Euro 182 thousand were fully covered by the use of the allowance for doubtful accounts allocated at the end of the previous year. There are therefore no amounts charged to the income statement for the year.

Note no. 28 - Amortisation/depreciation and write-downs

For details and considerations on the amounts booked under this item, reference should be made to the relevant sections of the Notes to the financial statements.

Amortisation/depreciation and write-downs (euro/000)	2021	2022	Changes	Δ%
Depreciation of property, plant, equipment and other assets	6,139	5,920	-219	-3.6
Amortisation of intangible assets with a finite useful life	1,362	1,100	-262	-19.3
Write-downs/(revaluations) of tangible and intangible fixed assets	45	67	22	+47.7
Total	**7,546**	**7,087**	**-460**	**-6.1**

The write-downs recognised in the financial statements as at 31 December 2021 result from adjustments to the value of non-current assets that were disposed of during the year.

Note no. 29 - Income and expense from equity investments

For further details, see the Non-current assets section of the Statement of Financial Position.

Net income and expense from equity investments (euro/000)	2021	2022	Changes	Δ%
Revaluation of equity investments	39	2	-37	-94.9

Note no. 30 - Financial income

Interest income is the result of investments of the company's liquidity in money market instruments, which are liquid, have a short maturity and are not correlated to any risk component.

Financial income (euro/000)	2021	2022	Changes	Δ%
Interest income on bank current accounts	30	59	30	+99.1
Other financial income	20	15	-5	-23.0
Financial income from fair value adjustment of securities	0	5	5	--
Total	**50**	**79**	**30**	**+59.6**

Note no. 31 - Financial charges

The trend in interest expense is related to the performance of commitments under financing operations, as detailed in the section of the Notes to the financial statements dedicated to financial liabilities.

Financial charges (euro/000)	2021	2022	Changes	Δ%
Interest expense and charges on loans	15	69	55	+373.7
Other financial charges	13	19	6	+48.6
Foreign exchange losses	3	3	0	-4.3
Total	**30**	**91**	**61**	**+201.9**

Note no. 32 - Income taxes for the year

A breakdown of "Income taxes for the year" is provided below:

Income taxes for the year (euro/000)	2021	2022	Changes	Δ%
IRES	2,045	2,845	799	+39.1
IRAP	551	649	98	+17.8
Deferred tax assets and liabilities	44	22	-22	-49.8
Taxes relating to previous years	0	-858	-858	--
Total	**2,640**	**2,658**	**18**	**+0.7**

The item "Taxes relating to previous years" refers to the benefit deriving from the Patent box accrued by the Parent Company in the years 2019, 2020 and 2021, and recorded in the financial statements following the signing with the Revenue Agency of the preliminary agreement for the definition of the methods and criteria for calculating the economic contribution in the case of direct use of intangible assets. The agreement in question has a five-year duration and covers the 2019-2023 financial years.

For changes in deferred tax assets and deferred tax liabilities, and the consequent effects, reference should be made to the sections of the Notes to the financial statements on "Deferred tax assets" and "Deferred tax liabilities" respectively.

Commitments and guarantees

Commitments and guarantees (euro/000)	2021	2022	Changes	Δ%
Guarantees provided	2,546	2,539	-7	-0.3

The item includes commitments undertaken by the Parent Company through banks that have provided sureties to network operators against contractual obligations to be fulfilled by the Company (Euro 2,510,000) and to other entities against contractual obligations undertaken for the supply of voice and data services.

Contingent liabilities

On the basis of the information available to date, the directors believe that, at the date of approval of these financial statements, the provisions set aside are sufficient to ensure a fair representation of the financial information.

Transactions with related parties

Transactions with related parties are carried out in compliance with the provisions of the laws in force, are part of the normal management of the business and are settled at market prices. The definition of a related party is based on the International Accounting Standards adopted by the European Union (IAS 24). The Group's relations with the associates mainly concern the reciprocal provision of services.

The following table summarises the Company's creditor and debtor relationships with related parties as at 31 December 2022 and 31 December 2021:

	Trade receivables		Trade payables	
Related parties	**2021**	**2022**	**2021**	**2022**
Quinta spa	0	0	4	7
Winitalia srl	0	0	3	3
NextUp srl	--	1	--	0
Awhy srl	--	1	--	0
Directors	0	1	0	0
Total	**0**	**3**	**7**	**10**
Total item	9,908	18,082	12,489	12,079
% Impact on item	0.00	0.01	0.06	0.08

In contrast, the additional table summarises the Company's economic transactions with related parties as at 31 December 2022 and 31 December 2021:

	Revenue and Other income		Costs for services	
Related parties	**2021**	**2022**	**2021**	**2022**
Quinta spa	0	0	84	97
Winitalia srl	3	3	9	15
NextUp srl	--	2	--	27
Awhy srl	--	2	--	3
Directors	7	6	0	0
Total	**10**	**13**	**93**	**142**
Total item	67,270	74,891	35,820	38,175
% Impact on item	0.01	0.02	0.26	0.37

In compliance with the requirements of IAS 24 and the new procedure on related parties, in addition to the directors of the Parent Company, executives with strategic responsibilities must also be identified as related parties.

Remuneration of Directors and the Board of Statutory Auditors

The table below provides the total gross remuneration payable to the Directors and members of the Board of Statutory Auditors:

Remuneration of corporate bodies (euro/000)	**2021**	**2021**	**Changes**	**Δ%**
Directors	1,171	1,165	-6	-0.5
Board of Statutory Auditors	49	49	0	0.0
Total	**1,220**	**1,214**	**-6**	**-0.5**

Remuneration payable to the Independent Auditors

The total gross remuneration contractually agreed upon with the Independent Auditors is provided below:

Remuneration of Independent Auditors (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Audit of financial statements	49	49	0	0.0
Other services	51	59	8	+15.7
Total	**100**	**108**	**8**	**+8.0**

Significant events during the 2022 financial year

Reference should be made to the information provided in the relevant section of the Directors' Report on Operations.

Hierarchical levels of fair value measurement (disclosures pursuant to IFRS 7)

Various accounting standards and certain disclosure obligations require the determination of the fair value of financial and non-financial assets and liabilities. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in a regular transaction between market participants at the measurement date. In order to increase the comparability of data and fair value measurements, the standard establishes a hierarchy identified at three different levels that reflects the significance of the inputs used in determining fair value. The identified levels are distinguished into:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the enterprise has access to at the measurement date. The price quoted in an active and liquid market is the most reliable evidence for measuring fair value, and if the market for the asset/liability is not unique it is necessary to identify the most advantageous market for the instrument;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable, directly or indirectly, for the assets or liabilities being measured. If the asset or liability has a specified duration, a Level 2 input must be observable for the entire duration of the asset or liability. Examples of instruments falling within the second level of the hierarchy include: assets or liabilities in inactive markets or interest rates and yield curves observable at commonly quoted intervals;
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should only be used if Level 1 and Level 2 inputs are not available. Despite this, the purpose remains the same, i.e. to determine a closing price at the measurement date, thereby reflecting the assumptions that market participants would use in pricing the asset or liability, including assumptions related to risk.

The following table provides a breakdown of the Group's financial assets and liabilities by category as at 31 December 2022 and 31 December 2021:

Financial assets measured at fair value (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Cash and cash equivalents	24,871	27,722	2,851	+11.5
Trade receivables	9,908	18,082	8,174	+82.5
Financial assets	671	474	-197	-29.4
Other assets	7,347	9,689	2,342	+31.9
Total	**42,797**	**55,967**	**13,169**	**+30.8**

Financial liabilities measured at fair value (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Financial liabilities	1,595	10,217	8,622	+540.4
Trade payables	12,489	12,079	-410	-3.3
Other liabilities	14,697	15,344	648	+4.4
Other financial liabilities	0	0	0	0.0
Total	**28,781**	**37,640**	**8,859**	**+30.8**

Financial risk management

Reference should be made to the information provided in the relevant section of the Directors' Report on Operations.

Independent Auditors' Report on the Consolidated Financial Statements

KPMG

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Relazione della società di revisione indipendente ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
Vianova S.p.A.

Relazione sulla revisione contabile del bilancio consolidato

Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Vianova (nel seguito anche il "Gruppo"), costituito dai prospetti della situazione patrimoniale e finanziaria al 31 dicembre 2022, del conto economico e del conto economico complessivo, delle variazioni di patrimonio netto e del rendiconto finanziario per l'esercizio chiuso a tale data e dalle note al bilancio che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo Vianova al 31 dicembre 2022, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nel paragrafo "*Responsabilità della società di revisione per la revisione contabile del bilancio consolidato*" della presente relazione. Siamo indipendenti rispetto alla Vianova S.p.A. in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio.

Responsabilità degli Amministratori e del Collegio Sindacale della Vianova S.p.A. per il bilancio consolidato

Gli Amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

KPMG

Gruppo Vianova
Relazione della società di revisione
31 dicembre 2022

Gli Amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare a operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo Vianova S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

Responsabilità della società di revisione per la revisione contabile del bilancio consolidato

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;

- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;

- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;

- siamo giunti a una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di un'incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare a operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;

- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di *governance*, identificati a un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Relazione su altre disposizioni di legge e regolamentari

Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10

Gli Amministratori della Vianova S.p.A. sono responsabili per la predisposizione della relazione sulla gestione del Gruppo Vianova al 31 dicembre 2022, incluse la sua coerenza con il relativo bilancio consolidato e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio consolidato del Gruppo Vianova al 31 dicembre 2022 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Vianova al 31 dicembre 2022 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, comma 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Firenze, 15 marzo 2023

KPMG S.p.A.

Adrea Rossi
Socio

Vianova spa
Separate Financial Statements as at 31 December 2022

Statement of Financial Position

Statement of Financial Position (euro)	Notes	2021	%	2022	%	Δ%
Total Assets (a+b)		**64,238,620**	**100**	**77,714,824**	**100**	**+21.0**
Total non-current assets (a)		**28,761,076**	**44.8**	**31,622,982**	**40.7**	**+10.0**
Owned property, plant and equipment	1	21,167,922	33.0	21,389,821	27.5	+1.0
Intangible assets with a finite useful life	2	1,805,841	2.8	1,576,461	2.0	-12.7
Equity investments in subsidiaries valued using the Equity Method	3	1,655,588	2.6	4,267,364	5.5	+157.8
Equity investments in associates valued using the Equity Method	3	497,074	0.8	0	0.0	--
Non-current financial assets	4	0	0.0	951,424	1.2	--
Sundry receivables and other non-current assets	5	3,318,309	5.2	3,198,777	4.1	-3.6
Deferred tax assets	6	316,341	0.5	239,134	0.3	-24.4
Total current assets (b)		**35,477,544**	**55.2**	**46,091,842**	**59.3**	**+29.9**
Inventories	7	0	0.0	0	0.0	0.0
Trade receivables	8	9,446,802	14.7	16,503,287	21.2	+74.7
Other current assets	9	3,554,225	5.5	5,287,769	6.8	+48.8
Cash and cash equivalents	10	22,476,516	35.0	24,300,785	31.3	+8.1
Total Shareholders' Equity and liabilities (c+d)		**64,238,620**	**100**	**77,714,824**	**100**	**+21.0**
Total Shareholders' Equity (c)	11	**37,580,641**	**58.5**	**45,403,170**	**58.4**	**+20.8**
Share capital		11,000,000	17.1	11,000,000	14.2	0.0
Reserves		19,099,615	29.7	23,977,456	30.9	+25.5
Net result		7,481,027	11.6	10,425,714	13.4	+39.4
Total Liabilities (d=e+f)		**26,657,978**	**41.5**	**32,311,654**	**41.6**	**+21.2**
Total non-current liabilities (e)		**4,143,779**	**6.5**	**8,596,963**	**11.1**	**+107.5**
Non-current financial liabilities	12	191,409	0.3	4,809,850	6.2	+2,412
Employee benefits	13	232,063	0.4	202,585	0.3	-12.7
Provisions for future risks and charges	14	495,324	0.8	549,553	0.7	+10.9
Deferred tax liabilities	15	100,952	0.2	148,270	0.2	+46.9
Sundry payables and other non-current liabilities	16	3,124,031	4.9	2,886,704	3.7	-7.6
Total current liabilities (f)		**22,514,199**	**35.0**	**23,714,691**	**30.5**	**+5.3**
Current financial liabilities	17	240,462	0.4	1,381,559	1.8	+474.5
Trade payables	18	11,926,562	18.6	11,418,859	14.7	-4.3
Other current liabilities	19	10,251,095	16.0	10,103,434	13.0	-1.4
Current tax liabilities	20	96,080	0.1	810,839	1.0	+743.9

Income Statement

Income Statement (euro)	Notes	2021	%	2022	%	Δ%
Revenue and operating income	21	**62,454,524**	**100**	**69,118,929**	**100**	**+10.7**
Purchase of services	22	-33,482,093	53.6	-35,561,753	51.5	+6.2
Staff costs	23	-11,008,821	17.6	-12,823,112	18.6	+16.5
Other operating costs	24	-508,760	0.8	-432,347	0.6	-15.0
Purchase of materials	25	-593,457	1.0	-1,175,489	1.7	+98.1
Change in inventories	24	0	0.0	-16,166	0.0	--
Operating income before amortisation/depreciation and write-downs		**16,861,394**	**27.0**	**19,110,061**	**27.6**	**+13.3**
Amortisation/depreciation and write-downs	26	-7,079,046	11.3	-6,577,083	9.5	-7.1
Operating income		**9,782,348**	**15.7**	**12,532,978**	**18.1**	**+28.1**
Net income/(expense) from equity investments	27	238,388	0.4	362,697	0.5	+52.1
Financial income	28	30,304	0.0	79,393	0.1	+162.0
Financial charges	29	-13,010	0.0	-69,870	0.1	+437.0
Profit before tax		**10,038,029**	**16.1**	**12,905,198**	**18.7**	**+28.6**
Income taxes	30	-2,557,003	4.1	-2,479,483	3.6	-3.0
Net result for the year		**7,481,027**	**12.0**	**10,425,714**	**15.1**	**+39.4**

Statement of Comprehensive Income (euro)	Notes	2021	%	2022	%	Δ%
Net result for the year		**7,481,027**	**12.0**	**10,425,714**	**15.1**	**+39.4**
Other items that will be subsequently reclassified to profit/(loss) for the period						
▪ Profit/(loss) on hedging instruments		0	0.0	446,824	0.6	--
▪ Tax effects on components that will be subsequently reclassified in the net result for the period		0	0.0	-107,238	0.2	--
Other statement of comprehensive income items that will not be subsequently reclassified to profit/(loss) for the period:						
▪ Equity investments accounted for using the Equity Method		-5,299	0.0	28,870	0.0	-644.9
▪ Profit/(loss) from revaluation of defined benefit plans		-6,906	0.0	29,058	0.0	-520.8
▪ Taxes on other components of the income statement		1,990	0.0	-8,374	0.0	-520.8
Total Statement of Comprehensive Income		**7,470,813**	**12.0**	**10,814,853**	**15.6**	**+44.8**

Cash Flow Statement

Cash Flow Statement (euro)	Notes	2021	2022
Net result		**7,481,027**	**10,425,714**
Amortisation/depreciation	26	7,033,574	6,509,934
Capital losses/(gains) on disposal of assets	21-26	-14,942	3,994
Value adjustments to financial assets	27	-238,388	-366,897
Trade receivables - Decrease (increase)	8	-609,906	-7,056,485
Other current assets - Decrease (increase)	9	-578,721	-1,713,144
Current tax assets - Decrease (increase)		176,098	0
Deferred tax assets - Decrease (increase)	6	133,760	68,833
Other non-current assets - (Acquisition) / Disposal	5	-103,133	119,532
Trade payables - Increase (decrease)	18	2,679,526	-507,703
Provisions for risks - Increase (decrease)	14	-3,671	54,229
Other current liabilities - Increase (decrease)	19	476,891	329,771
Provisions for employee benefits - Increase (decrease)	13	-4,931	-421
Provision for deferred taxes - Increase (decrease)	16	-102,458	-59,919
Dividends received		0	106,465
Cash flow from operations		**16,324,725**	**7,913,504**
Intangible fixed assets - (Acquisition) / Disposal	2	-1,469,714	-793,962
Tangible fixed assets - (Acquisition) / Disposal	1	-2,398,220	-5,712,485
Financial fixed assets - (Acquisition) / Disposal		0	-2,350,000
Cash flow from investments		**-3,867,934**	**-8,856,448**
Financial liabilities - Increase (decrease)	12-17	-849,932	5,759,538
Dividends paid	11	-2,861,775	-2,992,325
Other changes in Shareholders' Equity	11	0	0
Cash flow from financial management		**-3,711,707**	**2,767,213**
Total cash flow		**8,745,085**	**1,824,269**
Opening cash and cash equivalents		13,731,431	22,476,516
Closing cash and cash equivalents	10	22,476,516	24,300,785
Change in cash and cash equivalents		**8,745,085**	**1,824,269**

Statement of Changes in Shareholders' Equity

Statement of Changes in Shareholders' Equity (euro)	Notes	Share capital	Reserves	Statement of Comprehensive Income Reserve	Profit/ (loss) for the year	Total Shareholders' Equity
Balance as at 31 December 2020	11	**11,000,000**	**14,835,435**	**-18,578**	**7,154,748**	**32,971,604**
Allocation of previous year's result		0	4,292,973	0	-4,292,973	0
2021 Dividend distribution		0	0	0	-2,861,775	-2,861,775
Profit/(loss) for 2021		0	0	0	7,481,027	7,481,027
2021 Revaluations of defined benefit plans for employees		0	0	-4,916	0	-4,916
Revaluation of equity investments, other 2021 Statement of Comprehensive Income items		0	0	-5,299	0	-5,299
Balance as at 31 December 2021	11	**11,000,000**	**19,128,407**	**-28,793**	**7,481,027**	**37,580,641**
Allocation of previous year's result		0	4,488,702	0	-4,488,702	0
2022 Dividend distribution		0	0	0	-2,992,325	-2,992,325
Profit/(loss) for 2022		0	0	0	10,425,714	10,425,714
2022 Revaluations of defined benefit plans for employees		0	0	20,683	0	20,683
Revaluation of equity investments, other 2022 Statement of Comprehensive Income items		0	0	28,870	0	28,870
Fair value adjustment of hedging derivatives 2022		0	339,586	0	0	339,586
Balance as at 31 December 2022	11	**11,000,000**	**23,956,695**	**20,761**	**10,425,714**	**45,403,170**

vianova

Notes to the Separate Financial Statements

Structure and Activities of the Company

Vianova spa (hereinafter the "Company") is a public limited company under Italian law with registered office in Massarosa (LU), Via di Montramito 431/a.
Vianova is a landline ICT operator, and from 2018 also a mobile network operator, which directs its voice and data services exclusively to businesses.
Since 2007, the Company has been marketing a single integrated service offering, called Vianova, oriented towards the needs of businesses and inspired by an insourcing policy. In other words, the services are "built" in-house, integrating more traditional services, such as Voice and Data access, with the Collaboration services implemented by the Group, such as Mail, Hosting, Meeting, Conference Call, 800 Line, Fax, IP Centrex, Communicator, Drive, Cloud, Proxy and Analysis.
It should be noted that from 19 July 2022 Vianova was no longer controlled by the company Quinta spa (which held 82.9302% of the share capital), and that, therefore, pursuant to the provisions of Article 2497 et seq. of the Italian Civil Code, it was no longer subject to management and coordination by the same.

Approval of the financial statements for the year ended 31 December 2022

The Financial Statements for the year ended 31 December 2022 were approved by the Board of Directors on 28 February 2023, are audited by KPMG spa and will be presented at the Annual Shareholders' Meeting.

Declaration of compliance with IAS/IFRS and general criteria for the preparation of the Separate Financial Statements

The financial statements for the year ended 31 December 2022 have been prepared in accordance with international accounting standards (International Accounting Standards - IAS or International Financial Reporting Standards - IFRS) and related interpretations (SIC/IFRIC) endorsed by the European Union on that date, hereinafter referred to as IFRS-EU, as well as with the measures issued in implementation of Article 9 of Legislative Decree 38/2005, which also regulates the ability to apply the aforementioned standards on an optional basis.

Financial Statement Tables

The financial statements have been prepared on a going concern basis and, in addition to these notes, comprise the following tables:

- Statement of financial position: the presentation of the statement of financial position takes place through the separate disclosure of current and non-current assets and current and non-current liabilities with a description in the notes for each item of assets and liabilities of the amounts that are expected to be settled or recovered within or beyond 12 months from the reporting date.
- Statement of Comprehensive Income: the classification of costs in the income statement is based on their nature, highlighting the intermediate results relating to gross operating profit, net operating profit and profit before tax. The table also includes income and expenses recognised directly in Shareholders' Equity for transactions other than those carried out with shareholders.
- Cash flow statement: the cash flow statement presents the cash flows from operating, investing and financing activities. Cash flows from operations are reported using the indirect method, whereby net result for the year is adjusted for the effects of non-monetary transactions, any deferrals or accruals of past or future operating cash receipts or payments, and revenue items associated with cash flows from investing or financing activities.
- Statement of changes in Shareholders' Equity: in addition to the statement of comprehensive income, this statement also includes transactions with shareholders and details of each individual

component. Where applicable, the table also includes the effects, for each item of Shareholders' Equity, deriving from changes in accounting principles.

The financial statements are prepared in euro, the Company's working currency. Amounts are expressed in thousands of euro, except where specifically indicated. Rounding is carried out at the level of each individual account and then totalled. It should also be noted that any differences in tables are due to the rounding of amounts expressed in thousands of euro.

Use of estimates and valuations

The preparation of the financial statements and related notes requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date.
Estimates and assumptions are based on elements known at the date of preparation of the financial statements, on management's experience and on other elements that may be considered relevant. Actual results may differ from these estimates.
Estimates are used to test for impairment, to defer assets and liabilities arising from contracts with Customers, to measure assets, amortisation/depreciation, to assess the recoverability of deferred tax assets, to recognise provisions for credit risks, as well as to make actuarial valuations of employee benefits and to measure contingent liabilities.
Estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the income statement.
The following is a summary of the critical valuation processes and key assumptions used in the process of applying the IFRS and which may have a significant effect on the values recognised in the financial statements or for which there is a risk that significant differences in value may emerge with respect to the carrying amount of the assets and liabilities in the financial year subsequent to that of the financial statements.

Recoverable amount of non-current assets

Non-current assets include property, plant, equipment and other assets, investments accounted for using the Equity Method, other investments and other non-current assets. The Company periodically reviews the carrying amount of non-current assets held and used and of assets to be disposed of, when facts and circumstances require such a review. The analysis of the recoverability of the carrying amount of non-current assets is generally carried out using estimates of the expected cash flows from the use or sale of the asset and appropriate discount rates to calculate the present value. When the carrying amount of a non-current asset is impaired, the Company records a write-down equal to the excess between the carrying amount of the asset and its recoverable amount through use or sale of the same, determined with reference to the cash flows contained in the most recent business plans.
The estimates and assumptions used in this analysis reflect the state of knowledge of the Company's management in relation to business developments and take into account forecasts believed to be reasonable about future market and industry developments. It cannot be ruled out that different developments in the markets and sectors in which the Company operates could lead to values that differ from the original estimates and, where necessary, to adjustments in the carrying amount of certain non-current assets.

Amortisation/depreciation

Amortisation/depreciation of fixed assets is a significant cost for the Company. The cost of property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of the related assets. The useful economic life of the Company's fixed assets is determined by the Directors at the time the asset is acquired; it is based on historical experience for similar fixed assets, market conditions and anticipations regarding future events that could have an impact on the useful life, including changes in technology. Therefore, the actual economic life may differ from the estimated useful life. The Company periodically assesses technological and industry changes in order to update the remaining useful life.

This periodic update could result in a change in the amortisation/depreciation period and therefore also in the amortisation/depreciation charge for future years.

Contracts with Customers

The Company recognises in the income statement the revenue components arising from contracts with Customers and the cost components relating to the acquisition of contracts and the costs of fulfilling the contracts. These components are recognised in the income statement on the basis of the estimated average life of the contracts with Customers, which is determined by the Directors on the basis of historical experience. Therefore, the actual economic life may differ from the estimated useful life. The Company periodically reviews its estimate of the average contractual life. This periodic update could lead to a change in the period of recognition of revenue and costs and therefore also of the share of future years.
The estimated average contractual life is in line with previous years and estimated at 72 months.

Recoverability of deferred tax assets

The Company recognises deferred tax assets up to the amount for which recovery is considered probable. Where necessary, the Company recognises adjustment items in order to reduce the value of deferred tax assets to the value for which recovery is considered probable. In assessing the recoverability of deferred tax assets, account is taken of budget results and forecasts for subsequent years described in the paragraph above on the recoverable amount of non-current assets.

Allowance for doubtful accounts

The allowance for doubtful accounts reflects management's estimate of losses related to the customer loan portfolio. The estimate of the allowance for doubtful accounts is based on management's expected losses, determined based on past experience with similar receivables, current and historical past due amounts, losses and collections, careful monitoring of credit quality and projections about general and sector economic conditions.

Defined benefit plans

The Company provide employees with a defined benefit plan (employee severance indemnity).
With reference to employee benefit plans, net financial costs and charges are measured using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation. The actuarial method considers parameters of a financial nature such as, for example, the discount rate, rates of growth of salaries and the probability of occurrence of potential future events through the use of parameters of a demographic nature such as, for example, rates relating to mortality and resignation or retirement of employees. In particular, the discount rates taken as reference are rates or rate curves of corporate bonds with high creditworthiness in their respective markets. A change in any of these parameters could affect the amount of the liability.

Contingent liabilities

The Company recognises a provision for ongoing disputes and legal cases when it considers it probable that a financial outlay will be made and when the amount of the resulting charges can be reasonably estimated. If the amount of the financial outlay cannot be reliably estimated or the probability of such an outlay becomes possible, no provision is recognised and the fact is reported in the Notes to the financial statements.
In the normal course of business, the Company monitors the status of pending litigation and consults with their legal and tax advisors. It is therefore possible that the value of provisions for legal proceedings and disputes of the Company may vary as a result of future developments in the proceedings in progress.

Treatment of foreign currency transactions

The Company does not carry out transactions in foreign currencies and does not hold equity investments in foreign companies.

Relevant accounting standards

Property, plant and equipment

Recognition and measurement

Tangible fixed assets are recognised and measured using the "cost" method, in accordance with IAS 16. Using this criterion, tangible fixed assets are recognised in the financial statements at purchase or production cost, including directly attributable ancillary costs and, subsequently, adjusted to take into account depreciation, any permanent impairment in value and the relative reversals.
If a tangible fixed asset is composed of several components with different useful lives, these components are accounted for separately (if they are significant).
Land is not depreciated, even if purchased together with a building.
The gain or loss generated by the disposal of property, plant, machinery, equipment and other assets is determined as the difference between the net disposal proceeds and the net residual value of the asset, and is recognised in the income statement in the period in which the disposal takes place.

Subsequent costs

Costs incurred subsequent to the purchase of the assets and the cost of replacing certain parts of the assets recorded in this category are added to the carrying amount of the item to which they refer and capitalised only if they increase the future economic benefits inherent in the asset itself. All other costs are recognised in the income statement when incurred.
When the cost of replacing parts of assets is capitalised, the net carrying amount of the replaced parts is recognised in the income statement. Extraordinary maintenance costs that increase the useful life of tangible fixed assets are capitalised and depreciated over the remaining useful life of the asset. Ordinary maintenance costs are recognised in the income statement in the year in which they are incurred.
Assets in the course of construction are recorded at cost under "Fixed assets in progress" until they are available for use; when they are available for use, the cost is classified under the relevant item and depreciated.

Depreciation and impairments

The depreciation period begins when the asset is available for use and ends on the earlier of the date on which the asset is classified as held for sale in accordance with IFRS 5 and the date on which the asset is derecognised. Any changes to depreciation schedules are applied prospectively.
The value to be depreciated is represented by the book value reduced by the presumable net disposal value at the end of its useful life, if significant and reasonably determinable.
Depreciation is calculated on the basis of economic-technical rates determined in relation to the estimated useful life of the individual assets, established in accordance with the company's plans for their use, which also consider physical and technological deterioration, taking into account their estimated realisable value net of scrapping costs. When the tangible asset is made up of several significant components with different useful lives, each component is depreciated separately. When events occur that indicate a possible loss due to reduction in value of tangible fixed assets, or when there is a significant reduction in the market value of the same, significant technological changes or significant obsolescence, the net carrying amount, independently of the depreciation already recorded, is subject to verification based on the estimate of the current value of the estimated future cash flows and adjusted if necessary. Subsequently, if these conditions are no longer met, the impairment loss is reversed up to the carrying amount that would have been determined (net of depreciation) if the asset impairment loss had never been recognised.
Depreciation is calculated with pro-rata temporis criteria on a straight-line basis over the estimated useful life of the asset, by applying the following rates:

Depreciation/Amortisation rates (%)	2021	2022
Plant and equipment, TLC infrastructure, ULL and PoP sites	18	18
Industrial and commercial equipment	12	12
Furnishings	12	12
Fittings	12	12
Equipment on loan for use at Customers' premises	20	20
Electrical and electronic equipment, including electronic telephone systems	20	20
Vehicles	25	25
Buildings	3	3
Fibre (core network)	6.67	6.67
Customer Fibre (access network)	33.33	33.33

Useful lives and residual values are verified at the reporting date and have not been changed from the previous year.

Intangible assets with a finite useful life

Initial recognition and measurement

Intangible assets acquired separately are initially capitalised at cost, while those acquired through business combinations are capitalised at fair value at the date of acquisition. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any impairment losses.

Subsequent costs

Costs incurred after purchase are capitalised only when they increase the expected future economic benefits attributable to the asset to which they refer. All other subsequent costs are charged to the income statement when incurred.

Amortisation and impairments

Intangible assets are amortised over their useful lives and tested for impairment whenever there are indications of possible impairment losses. The period and method of amortisation applied to them shall be reviewed at the end of each financial year or more frequently if necessary. Any changes to amortisation schedules are applied prospectively.
Gains or losses arising from the derecognition of an intangible asset are measured by the difference between the net disposal proceeds and the carrying amount of the intangible asset, and are recognised in the income statement in the period of derecognition.
Amortisation is calculated with pro-rata temporis criteria on a straight-line basis over the estimated useful life of the intangible asset, by applying the following rates:

Depreciation/Amortisation rates (%)	2021	2022
Development costs	33	33
Start-up and expansion expenses	20	20
Industrial patent rights and use of intellectual property	5	5
Software expenses	33	33
Goodwill	20	20
Concessions, licenses, trademarks and similar rights	20	20
Other fixed assets (costs related to technical operations)	20	20

Derecognition

Intangible assets with a finite useful life are derecognised either when they are disposed of or when no future economic benefit is expected from their use or disposal. The relative gain or loss, recognised in the income statement, is determined as the difference between the net consideration deriving from the disposal, if any, and the net carrying amount of the asset derecognised.

Equity investments accounted for using the Equity Method

Equity investments in subsidiaries and associates are valued using the Equity Method and periodically subjected to an impairment test to verify that there are no impairment losses. This test is carried out at least once a year, or whenever there is evidence of a probable impairment loss of the equity investments. The valuation method used is carried out by determining, if available, the value in use of the expected cash flows from the investee company. If it becomes necessary to carry out a write-down, this will be charged to the income statement in the year in which it is recorded. When the reasons for the impairment no longer exist, the carrying amount of the investment is increased to the original cost. This reversal is recognised in the income statement.
Pursuant to the Equity Method, the equity investment is recognised in the statement of financial position at cost increased by changes subsequent to acquisition. The related goodwill is included in the carrying amount of the equity investment and is not subject to amortisation. The income statement reflects the Company's share of the subsidiary's and associate's results for the year. In the event that a company recognises adjustments directly to Shareholders' Equity, the Company recognises its share of these adjustments and reports them, where applicable, in the statement of changes in Shareholders' Equity. Profits and losses arising from transactions between Vianova and the investee company are eliminated.

Assets measured at amortised cost

If there is objective evidence that a loan or a receivable recognised at amortised cost has suffered an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses not yet incurred), discounted using the financial asset's initial effective interest rate (i.e. the effective interest rate calculated at the date of initial recognition or the current effective interest rate in the case of variable rate loans). The carrying amount of the asset is reduced through the use of a provision and the amount of the loss is recognised in the income statement.
The Company assesses, first of all, the existence of objective indications of impairment at an individual level, for financial assets that are individually significant, and then, at an individual or collective level for financial assets that are not. In the absence of objective indications of impairment for an individually assessed financial asset, whether significant or not, that asset is included in a group of financial assets with similar credit risk characteristics and that group is tested for impairment on a collective basis. Assets assessed individually and for which an impairment loss is recognised or continues to be recognised will not be included in a collective assessment.
If, in a subsequent period, the value of the impairment loss decreases and that reduction can be objectively traced to an event occurring after the impairment loss was recognised, the previously reduced value may be reversed. Any subsequent reversals of impairment losses are recognised in the income statement, to the extent that the carrying amount of the asset does not exceed the amortised cost at the date of the reversal.
With reference to trade receivables, a provision for impairment losses is made when there is an objective indication (such as, for example, the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to recover all the amounts due according to the original terms of the invoice. The carrying amount of the receivable is reduced by the use of a specific provision. Receivables subject to impairment losses are reversed when they prove to be unrecoverable.
When, given the terms of payment granted, a financial transaction is involved, receivables are measured at amortised cost by discounting the nominal value to be received, recording the discount as financial income.

IFRS 9 (Financial Instruments)

The Company adopts the expected credit loss model in accordance with IFRS 9, and classifies its financial assets on the basis of the business model chosen by the entity to manage them and on the basis of the characteristics of the contractual cash flows of the financial assets themselves.

As regards the management of trade receivables, Management has defined its business models on the basis of the specific nature of the receivable, the type of counterparty and the collection period; this has been done in order to optimise the management of working capital by continually monitoring the collection performance of customers, setting credit collection policies and managing receivable disposal programmes.
The Business Model adopted by the company for trade receivable management is “Held to Collect”. The company holds the financial assets and trade receivables in order to collect them, not so much to benefit from their sale. The measurement is at amortised cost.
Impairment on trade receivables and contract assets is carried out using the simplified approach allowed by the standard. This approach involves estimating the expected loss over the life of the receivable at initial recognition and in subsequent valuations. For each customer segment, the estimate is made mainly by determining the average expected uncollectible amount, based on historical-statistical indicators, adjusted if necessary using prospective elements. For certain categories of receivables with specific risk elements, specific assessments are carried out on individual credit positions.

Derivative financial instruments and hedge accounting
The Company uses derivative financial instruments (IRS) to hedge financial risks relating to changes in interest rates on medium/long-term loans. These derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is signed and, subsequently, are measured at fair value at each closing date. Derivatives are recognised as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. As required by IFRS 9, hedging derivatives can be accounted for according to the methods established for hedge accounting only when:

- at the start of the hedge, there is formal designation and documentation of the same hedging relationship, the entity’s objectives in managing the risk and the strategy in implementing the hedge;
- the hedge is expected to be highly effective;
- for cash flow hedges, the planned hedged transaction must be highly probable and must present
- an exposure to cash flow valuations that could affect the income statement;
- the effectiveness can be reliably measured; and
- the hedge is highly effective during the various accounting periods for which it is designated.

All derivative financial instruments are measured at fair value. When the derivative instruments have the characteristics to be accounted as *hedge accounting*, the following accounting treatments are applied:

- *Fair value hedge - if a derivative financial instrument is designated as a hedge of the exposure to changes in the current value of an asset or liability in the financial statements or an irrevocable commitment that may have effects on the income statement, the change in the fair value of the derivative hedging is recognised in the income statement and the change in the fair value of the hedged instrument attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in the income statement.* In the case of an irrevocable commitment, the fair value of the component relating to the hedged risk is recognised in the balance sheet as an asset or liability, adjusting the balance sheet item that will be affected by the irrevocable commitment at the time of its realisation.
- *Cash flow hedge* - if a derivative financial instrument is designated as a hedge of the exposure to the variability of the cash flows of an asset or liability in the financial statements or a highly probable forecast transaction or an irrevocable commitment and which could have effects on the income statement, the effective portion of the gains or losses on the financial instrument is recognised in equity and shown in the statement of comprehensive income; the cumulative profit or loss is reversed from equity and recognised in the income statement in the same period in which the hedged transaction is recognised; the gain or loss associated with a hedge, or that part of the hedge that has become ineffective, is recognised in the income statement when the ineffectiveness is recognised.

If the conditions for the application of hedge accounting are not met, the effects deriving from the measurement at fair value of the derivative financial instrument are charged directly to the income statement.

IFRS 16 (Leases)
Pursuant to IFRS 16, at the start date of the leasing contract, the lessee must recognise an asset representing the right to use of the leased asset for the duration of the contract (so-called right-of-use or *RoU*) and a liability for future payments to which the lessee is committed by signing the contract (so-called lease liability).
The financial charges accrued on the lease liability and the amortisation of the right to use the asset are recorded separately in the income statement.
The contracts falling within the scope of application of the standard for the Group concern the rental of office and warehouse premises, TLC infrastructures and vehicles.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and demand and short-term sight deposits, in accordance with IAS 7. For the purposes of the cash flow statement, cash and cash equivalents are represented by cash as defined above net of bank overdrafts.

Share capital and other Shareholders' Equity items
Costs relating to the issue of new shares or options are classified in Shareholders' Equity, net of the related tax benefit, as a deduction from the proceeds from the issue of such instruments.
As envisaged by IAS 32, if equity instruments are repurchased, these instruments (own shares) are deducted directly from Shareholders' Equity under the item "Other reserves". No gain or loss is recognised in the income statement on the purchase, sale or cancellation of own shares.
The consideration paid or received, including any costs incurred directly attributable to the capital transaction, net of any related tax benefit, is recognised directly as a movement in Shareholders' Equity.
Any dividends paid to shareholders are recognised as liabilities in the period in which they are declared.

Financial liabilities
Financial liabilities are initially recognised at the fair value of the consideration received net of transaction costs that are directly attributable to the loan itself. After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Depreciation at the effective interest rate is included among financial charges in the income statement.

Employee benefits
Post-employment benefits may be offered to employees through defined contribution and/or defined benefit plans. These benefits are based on employees' remuneration and years of service.
Defined contribution plans are post-employment benefit plans under which the Company and sometimes its employees make predetermined contributions to a separate entity (a fund) and the Company does not have, and will not have, a legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to meet its obligations to employees.
Defined benefit plans are post-employment benefit plans, other than defined contribution plans. Defined benefit plans may be unfunded or wholly or partly funded by contributions paid by the enterprise, and sometimes by its employees, to a company or fund that is legally separate from the enterprise paying them to employees.
The amount accrued is projected into the future to estimate the amount to be paid at the time of termination of the employment relationship and subsequently discounted to take into account the time elapsed before the actual payment.
Adjustments to liabilities relating to employee benefits are determined on the basis of actuarial assumptions, based on demographic and financial assumptions, and are recognised on an accruals basis in line with the work performed to obtain the benefit. The amount of the rights matured during the year by employees and the share of interest on the amounts accrued at the beginning of the period and on the corresponding movements referring to the same period are recognised in the income statement under "Staff costs", while the figurative financial charge deriving from the actuarial calculation is recognised in

the statement of comprehensive income under the "Profit/(loss) from revaluation of defined benefit plans" item.
The actuarial valuation is entrusted to an actuary external to the Company.
Following the changes made to the rules for the Employee Severance Indemnity (Trattamento di Fine Rapporto - "T.F.R.") by Law no. 296 of 27 December 2006 and subsequent Decrees and Regulations ("Pension Reform") issued in the early months of 2007:

- the T.F.R. accrued at 31 December 2006 is considered a defined benefit plan according to IAS 19. Guaranteed employee benefits, in the form of T.F.R., paid out on termination of employment, are recognised during the period when the right to such benefits accrues;
- the T.F.R. accrued after 1 January 2007 is considered a defined contribution plan and therefore the contributions accrued in the period have been entirely recorded as a cost and, for the portion not yet paid to the funds, shown as a liability in the "Other current liabilities" item.

Provisions for future risks and charges

Provisions for risks and charges are recognised to cover charges for obligations of the Company, whether legal or implicit (contractual or otherwise), arising from a past event. Provisions for risks and charges are recognised if it is probable that a utilisation of resources will be required to settle the obligation and if a reliable estimate of the obligation can be made.
Provisions are recognised at the best estimate of the amount that the enterprise would reasonably pay to extinguish the obligation or to transfer it to third parties at the end of the period.
Provisions are periodically updated to reflect changes in cost estimates, the time needed to complete the project and the discount rate; revisions of provisions are booked to the same income statement item that had previously included the provisions or, when the liability relates to tangible assets, as an offsetting entry to the asset to which it refers.
The provision includes the allocation of future costs for ongoing litigation.

Trade payables

Payables are recorded at nominal value net of discounts, returns or billing adjustments, representing the fair value of the obligation. When, given the payment terms agreed, a financial transaction is involved, the payables, valued using the amortised cost method, are discounted to their nominal value to be paid, recording the discount as a financial charge.

Impairment losses on non-financial assets

The Company assesses whether there are any indicators of impairment of tangible and intangible assets. If there is any indication of this, the Company proceeds to estimate the recoverable amount of the asset (impairment test).
The accounting standard does not require the formal preparation of an estimate of recoverable amount except when there are indicators of impairment losses. The exception to this principle are assets not available for use and goodwill acquired in business combinations, which must be subjected to impairment testing at least once a year and whenever there are indicators of impairment losses. The Company has set the reporting date as the time to perform the impairment test for all those assets where annual analysis is required.

Recognition of Revenue from Contracts with Customers

In accordance with IFRS 15, revenue recognition is carried out by applying a five-step model as outlined below:

- Identification of the contract with the customer: Vianova's bundled service offering meets the requirements of the standard:

  a) the parties to the contract have approved the contract in writing and have undertaken to fulfil their respective obligations;

b) the entity can identify the rights of each party as regards the goods or services to be transferred;

c) the entity can identify the terms of payment for the goods or services to be transferred;

d) the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows are expected to change as a result of the contract);

e) it is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

- Identification of the performance obligations provided for by the contract: the Company identified the bundle offer (packages of Vianova goods and services), consisting of a fixed fee and a monthly variable fee in addition to the up-front fee, as a single performance obligation towards its customers.

  Contracts with customers fall into the category of performance obligations over time: the customer simultaneously receives and uses the benefits arising from the entity's performance as the entity performs it.

  Revenue recognition is therefore based on the amount that the Company is entitled to invoice, in accordance with the paragraphs of IFRS 120/121 and B-15/16 ("as invoiced practical expedient").
- Determination of transaction consideration: in determining the transaction price, the entity shall consider the terms of the contract and its usual business practices. The transaction price is the amount of the consideration that the entity expects to be entitled to in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (e.g. sales taxes). The consideration promised in the contract with the customer includes fixed amounts and variable amounts linked to actual consumption carried out. The latter are not linked to incentives, performance bonuses, penalties or other similar elements that depend on the occurrence or non-occurrence of a future event.
- Allocation of the consideration to individual performance obligations; the objective of allocating the transaction price is to assign each separate performance obligation (or each separate good or service) to an amount that reflects the amount of consideration to which the entity expects to be entitled in return for transferring the promised goods or services to the customer. The bundle offer of Vianova service packages is a single performance obligation and the practical expedient of "as-invoiced" as described above is applied.
- Recognition of revenue at the time of (or during) the satisfaction of the individual performance obligation: revenue is recognised during the satisfaction of the identified performance obligation and on an accruals basis.

  For the purpose of revenue recognition, the Company does not separate the performance obligations included in the contract as separate representation would not change the presentation in the financial statements. Revenue from activation fees (up-front fees) does not represent an important incentive for customers in relation to potential "renewal/non-renewal" and therefore does not transfer a "material right" to the customer. This fee does not represent a separate performance obligation, but is allocated over the average duration of the contract. The portion pertaining to the year is recognised under revenue, while the remaining portion is recorded under Other Current Liabilities. The implicit financial component does not appear to be significant and has therefore not been considered.

Recognition of costs IFRS 15

IFRS 15 governs two types of cost: "Costs to obtain the contract" and "Costs to fulfil the contract".
The entity shall recognise as an asset the incremental costs of obtaining the customer contract if it expects to recover them. The incremental costs of obtaining the contract are costs that the entity incurs to obtain the contract with the customer that it would not have incurred had it not obtained the contract (for example, a sales commission).

An entity shall recognise as an asset costs incurred in the performance of the contract only if the costs meet all of the following conditions:

- the costs are directly related to the contract or an anticipated contract, which the entity may identify specifically (this may be, for example, costs incurred for services to be provided as part of the renewal of the existing contract or for the design of an asset to be transferred under a specific contract not yet approved);

- the costs provide the entity with new or additional resources to be used to meet (or continue to meet) its obligations to do things in the future,
- the costs are expected to be recovered.

The costs incurred by the Company in obtaining and fulfilling the contract relate to the payment of premiums to agents/commercial partners for procuring customers and the costs incurred in installing equipment and networks at new customers. Both are accounted for on the basis of the average duration of the contract. The portion pertaining to the year is recorded in the Income Statement, while the remaining portion is deferred under Other Current Assets.

Recognition of costs

Costs and other operating expenses are recognised in the income statement when they are incurred on an accrual basis and correlated to revenue, when they do not produce future economic benefits or when they do not qualify for recognition as assets.

Staff costs

Staff costs are represented by wages and salaries, social security charges, charges relating to defined benefit plans, mainly represented by the provision for severance indemnity, staff and directors' benefits, and other staff costs (medical examinations, travel, canteen).

Current taxes

Income taxes are determined on the basis of a realistic forecast of the tax charges to be paid in consideration of the accrual basis of accounting and in application of current tax regulations. The tax rates and regulations used to calculate the amount are those in force, or substantially in force, at the reporting date. Current taxes relating to items recognised outside the income statement are recognised directly in the statement of comprehensive income, and therefore in Shareholders' Equity, consistently with the recognition of the item to which they relate.

Deferred taxes

Deferred taxes are calculated using the so-called "liability method" on temporary differences at the reporting date between the tax bases of assets and liabilities and the values reported in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred taxes arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect neither the profit for the year calculated for financial reporting purposes nor the profit or loss calculated for tax purposes.
Deferred tax assets are recognised for all deductible temporary differences and for tax losses carried forward, to the extent that it is probable that there will be adequate future taxable profits to utilise the deductible temporary differences and tax losses carried forward. The value of deferred tax assets to be recognised is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to recover the asset. Unrecognised deferred tax assets are reviewed periodically at the reporting date and are recognised to the extent that it has become probable that taxable profit will be sufficient to allow these deferred taxes to be recovered.
Deferred taxes are measured at the tax rates that are expected to apply to the period when such assets are realised or such liabilities are settled, considering the rates in force and those already enacted or substantively enacted at the reporting date.
Deferred tax assets and liabilities are offset if they relate to taxes of the same tax authority and there is a legal right to offset current tax assets and liabilities.

Own shares

There are no own shares.

Commitments, guarantees, contingent liabilities not disclosed in the statement of financial position

- These include guarantees, commitments and third-party assets held by the Company and the Company's assets held by third parties. Events that have already been recorded in the statement of financial position, the income statement and/or the Notes to the financial statements, such as the Company's assets held by third parties, are not presented.
- Guarantees are recorded at a value equal to that of the guarantee provided or, if not determined, at the best estimate of the risk assumed in light of the existing situation. Commitments are recorded at their nominal value, while any non-quantifiable commitments are commented on in the Notes to the financial statements. Third-party assets held by the Company are recorded at nominal value, current market value or value deduced from existing documentation, depending on the type of asset.

Events occurring after the end of the financial year

- Events occurring after the end of the financial year that modify conditions already existing at the reporting date and that require changes in the value of assets and liabilities, in accordance with the relevant accounting standard, are recognised in the financial statements, in accordance with the accrual basis of accounting, to reflect the effect that such events have on the financial position and results of operations at the end of the financial year.
- Events occurring after the end of the financial year that modify situations existing at the reporting date, but that do not require a change in the values of the financial statements, in accordance with the reference accounting standard, as they pertain to the following financial year, are not recorded in the financial statements but are illustrated in the notes when necessary for a more complete understanding of the company's situation.
- The time limit within which the event must occur for it to be taken into account is the date of preparation of the draft financial statements by the Directors, except in cases where events occur between that date and the date scheduled for approval of the financial statements by the Shareholders' Meeting that make it necessary to amend the draft financial statements.

Notes to the individual items in the financial statements

Note no. 1 - Owned property, plant and equipment

A breakdown of "Property, plant, equipment and other assets" by category as at 31 December 2022 and 31 December 2021 is provided below:

Property, plant, equipment and other assets (euro/000)	31 December 2021			31 December 2022		
	Historical Cost	Acc. Depreciation	Net Carrying Amount	Historical Cost	Acc. Depreciation	Net Carrying Amount
Land and buildings	8,378	-2,521	5,857	8,583	-2,869	**5,714**
TLC infrastructure	24,022	-16,005	8,017	25,603	-17,589	**8,014**
Equipment and plants	6,279	-4,329	1,950	6,748	-5,005	**1,744**
TLC equipment	22,603	-18,241	4,362	22,618	-18,496	**4,123**
Other assets	4,449	-3,777	672	4,908	-3,976	**932**
Tangible fixed assets in progress	310	0	310	863	0	**863**
Total	**66,041**	**-44,873**	**21,168**	**69,323**	**-47,934**	**21,390**

The main investments for the year refer to the expenses incurred for the expansion and modernisation works of the data centre located at the Massarosa site, for which the Company benefited from the "Tax credit for capital goods - Industry 4.0", to seismic risk adaptation works at the same site, in addition to the usual purchases of equipment necessary for the provision of the services installed at Customers (Euro 1,625 thousand), and the investments incurred for the provision of VoLTE services.

Changes in “Property, plant, equipment and other assets” for the period from 1 January to 31 December 2022 are shown below:

Changes (euro/000)	Land and buildings	TLC infrastructure	Equipment and plants	TLC equipment	Other assets	Tangible fixed assets in progress	Total
Balance as at 1 January 2022	**5,857**	**8,017**	**1,950**	**4,362**	**672**	**310**	**21,168**
Increases	205	2,276	469	1,625	478	731	5,783
Decreases	0	-17	0	-52	-1	-7	-76
Reclassifications	0	57	0	0	114	-171	0
Amortisation/depreciation	-349	-2,318	-675	-1,813	-332	0	-5,487
Write-downs	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
Balance as at 31 December 2022	**5,714**	**8,014**	**1,744**	**4,122**	**932**	**863**	**21,389**

Assets under finance and operating lease

In compliance with the provisions of IFRS 16, the Rights of Use deriving from property lease agreements and the operating lease agreement entered into during the year for the server solution, have been valued and recognised in the assets, respectively in the categories Buildings and TLC infrastructure.

			31 December 2021			31 December 2022
Right-of-Use assets (euro/000)	Historical Cost	Acc. Depreciation	Net Carrying Amount	Historical Cost	Acc. Depreciation	Net Carrying Amount
Land and buildings	840	-540	**300**	840	-720	**120**
TLC infrastructure	173	-47	**126**	173	-78	**95**
Total	**1,013**	**-587**	**426**	**1,013**	**-798**	**215**

For evidence of the accounting treatment as a contra-entry to the Assets described, reference should be made to the subsequent sections of the Notes to the financial statements on “Medium/long-term financial liabilities” and “Current financial liabilities”.

Note no. 2 - Intangible assets with a finite useful life

The table below shows the balance and changes in “Intangible assets with a finite useful life” divided by category for the period from 1 January to 31 December 2021:

Intangible assets with a finite useful life (euro/000)	Software and licenses	Other intangible assets	Intangible assets in progress	Total
Balance as at 1 January 2022	**789**	**797**	**220**	**1,806**
Increases	789	4	0	793
Decreases	0	0	0	0
Reclassifications	220	0	-220	0
Amortisation/depreciation	-813	-210	0	1,023
Write-downs	0	0	0	0
Other changes	0	0	0	0
Balance as at 31 December 2022	**985**	**591**	**0**	**1,576**

The Other intangible assets item includes the one-off amount paid to another operator in order to be able to provide VoLTE services (Euro 300 thousand) and the amounts paid for the purchase of IPv4 addresses (Euro 230 thousand).

Based on the provisions of the reference standards, in the absence of indicators of potential impairment losses, it was not considered necessary to determine the recoverable amount of tangible and intangible fixed assets as at 31 December 2022.

Note no. 3 - Equity investments in subsidiaries and associates

The Company holds a controlling interest in the companies Vola spa, Host spa, Qboxmail srl and NetResults srl.

The equity investments all represent a lasting and strategic investment.

The choices adopted for the valuation of the equity investments adequately take into account the result recorded for the year 2022 and the expectations of future income.

As described in the section on accounting standards, equity investments in subsidiaries and associates are valued using the Equity Method.

Vola spa

The equity investment, acquired in 2006 for the value of Euro 250,000, is equal to 67% of the shares.

The value recorded was determined as a result of the valuation using the fraction of Shareholders' Equity method, duly adjusted in accordance with IFRS, using the 2022 financial year figures as a reference.

In any case, as at 31 December 2021 the directors of Vianova tested the value of the equity investment for impairment.

The impairment test was developed by determining the "value in use" through the "Discounted cash flow" (DCF) method by discounting the operating cash flows of the 2023-2024 plan at a discount rate representative of the average cost of capital (WACC), adding the so-called "Perpetuity" rate, representative of the "Terminal value". The same is determined in a prudent manner with respect to the growth forecasts of the reference market as a growth rate G equal to zero is used.

Upon conclusion of the above impairment test, the directors did not identify any impairment losses.

Host spa

The equity investment, acquired in 2016 for the value of Euro 1,100,000, is equal to 51% of the shares.

At the time of the first valuation, a negative difference between the purchase cost and the fraction of Shareholders' Equity held equal to Euro 751,585 had been recognised, an amount which it had been decided to amortise over 5 years (the amortisation was then suspended at the time of transition to international accounting standards on 1 January 2017).

The value recorded was determined as a result of the valuation using the fraction of Shareholders' Equity method, duly adjusted in accordance with IFRS, using the 2022 financial year figures as a reference.

In any case, as at 31 December 2022 the directors of Vianova tested the value of the equity investment for impairment.

The impairment test was developed by determining the "value in use" through the "Discounted cash flow" (DCF) method by discounting the operating cash flows of the 2023-2024 plan at a discount rate representative of the average cost of capital (WACC), adding the so-called "Perpetuity" rate, representative of the "Terminal value". The same is determined in a prudent manner with respect to the growth forecasts of the reference market as a growth rate G equal to zero is used.

Upon conclusion of the above impairment test, the directors did not identify any impairment losses.

Qboxmail srl

The equity investment, acquired in 2016 for the value of Euro 250,820, is equal to 51% of the shares.

At the time of the first valuation, a negative difference between the purchase cost and the fraction of Shareholders' Equity held equal to Euro 70,338 had been recognised, an amount which it had been decided to amortise over 5 years (the amortisation was then suspended at the time of transition to international accounting standards on 1 January 2017).

The investment was valued using the Equity Method, taking as a reference the value of Shareholders' Equity as at 31 December 2022 updated by IFRS adjustments.

The directors have not identified any impairment losses as at 31 December 2022.

NetResults srl

The equity investment was initially acquired in 2015 for the value of Euro 344,417.

In 2015, at the time of the first valuation, a negative difference between the purchase cost and the fraction of Shareholders' Equity held equal to Euro 172,912 had been recognised, which it had been decided to amortise over 5 years (the amortisation was then suspended at the time of transition to international accounting standards on 1 January 2017).

In December 2022, Vianova completed the purchase of an additional portion of share capital, which increased the percentage of ownership from 40% to 70%. The difference between the purchase cost and the portion of shareholders' equity emerging from the transaction, equal to 1,540,803 euro, is included in the book value of the equity investment.
The investment was valued using the Equity Method, taking as a reference the value of Shareholders' Equity as at 31 December 2022 updated by IFRS adjustments.
The directors have not identified any impairment losses as at 31 December 2022.

The following table provides details of the equity investments held and a summary of the adjustments to the value of financial assets arising from the valuations carried out as described above.

Equity investments in subsidiaries valued using the Equity Method (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Vola spa	815	956	140	+17.2
Host spa	442	537	95	+21.4
Qboxmail srl	398	426	28	+7.0
NetResults srl	0	2,349	2,349	--
Total	**1,656**	**4,267**	**263**	**+15.9**

Equity investments in associates valued using the Equity Method (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
NetResults srl	497	0	-497	--

Description	**Vola spa**	**Host spa**	**Qboxmail srl**	**NetResults srl**
Book value 31.12.2021	**815**	**442**	**398**	**497**
Dividends received	-80	-26	-20	0
Revaluations/(write-downs)	0	0	0	0
Purchase of shares	0	0	0	1,850
Profit/(loss) for the period - Income Statement portion	205	111	46	2
Profit/(loss) for the period - statement of comprehensive income portion	16	10	3	0
Book value 31.12.2022	**956**	**537**	**426**	**2,349**

Note no. 4 - Non-current financial assets

The item "Non-current financial assets" breaks down as follows

Non-current financial assets(euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Derivative instruments, cash-flow hedges	0	447	447	100
Other securities	0	505	505	100
Total	**0**	**951**	**951**	**100**

- The Parent Company signed an Interest Rate Swap (IRS) contract in order to protect itself from the interest risk arising from the opening of a new loan. The supporting elements of the hedging instrument and the hedged element are closely aligned, as the initial nominal amount, amortisation plan, interest settlement dates and maturity are consistent. Changes in the fair value of the instrument are recognised in the Statement of Comprehensive Income.
- The other securities are attributable to investments of the company's liquidity in money market instruments, which are liquid, have a short maturity and are not correlated to any risk component.

Note no. 5 - Sundry receivables and other non-current assets

In order to provide better disclosure, the portion of activities relating to Contract acquisition premiums (Costs to obtain the contract) and Activation costs (Costs to fulfil the contract) that is expected to be recognised in the income statement in a period exceeding 12 months from the at the end of the year was reclassified under the item "Other non-current assets".
The values referring to the year 2021 have been restated to ensure the comparability of the data.

Sundry receivables and other non-current assets(euro/000)	2021	2022	Changes	Δ%
Costs to obtain the contract - Over 12 million	1,911	1,820	-91	-4.8
Costs to fulfil the contract - Over 12 million	1,406	1,378	-28	-2.0
Guarantee deposits	1	1	0	0.0
Total	**3,318**	**3,199**	**-119**	**-3.6**

- The application of the IFRS accounting standards required the Parent Company to allocate to the income statement the so-called "Costs to obtain the contract" and "Costs to fulfil the contract" over a period of time equivalent to the average duration of the contracts, which was estimated and forecast at 72 months. The costs incurred by the Company for bonuses paid to agents and partners to obtain contracts, and the costs incurred for the activation of the services provided have consequently been removed from the income statement and attributed to the same only for the part pertaining to the period. The item includes the portion of these activities that are expected to be carried out more than 12 months after the end of the year.
- Guarantee deposits were released relating to various supply contracts such as electricity, water and gas.

Note no. 6 - Deferred tax assets

The "Deferred tax assets" item is made up as follows:

Deferred tax assets (euro/000)	2021	2022	Changes	Δ%
FTA - Up-front activation fees	81	18	-63	-77.9
FTA - Employee benefits	7	0	-7	--
Receivables	144	144	0	0.0
Provisions for risks	72	72	0	0.0
Intangible assets	4	2	-2	-50.0
Warehouse	8	3	-5	-62.5
Total	**316**	**239**	**-77**	**-24.5**

The FTA - Up-front activation fees item refer to the deferred taxes recognised on accounting items subject to the transition to international accounting standards as of 1 January 2017, related to up-front activation fees received from customers further described in Note no. 7 - Trade receivables and Note no. 8 - Other current assets.

Below are the changes in the item "Deferred tax assets" with reference to the year 2022:

Deferred tax assets - changes (euro/000)	Balance as at 1 January 2022	Provisions/releases to the income statement	Provisions/releases to the statement of comprehensive income	Balance as at 31 December 2022
FTA - Up-front activation fees	81	-63	0	18
FTA - Employee benefits	7	-7	0	0
Receivables	144	0	0	144
Provisions for risks	72	0	0	72
Intangible assets	4	-2	0	2
Warehouse	8	-5	0	3
Total	**316**	**-77**	**0**	**239**

Note no. 7 - Inventories

This item only represents assets relating to the sale, installation and maintenance of telephone systems.

Inventories (euro/000)	2021	2022	Changes	Δ%
Inventories of raw, ancillary and consumable materials	27	11	-16	-60.5
Inventory write-down provision	-27	-11	16	-60.5
Total	**0**	**0**	**0**	**0.0**

Inventories refer to end-of-sale activities prior to the introduction of Vianova services. The amount in stock is unchanged and it was considered appropriate to align the value of the write-down provision to their carrying amount: the presumed realisable value was reduced to zero due to the fact that they are now completely obsolete from a technical and economic point of view.

Note no. 8 - Trade receivables

A breakdown of "Trade receivables" is provided below:

Trade receivables (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Trade receivables for invoices issued	8,116	15,426	7,310	+90.1
Invoices to be issued for service up-front activation fees	1,977	1,693	-284	-14.4
Credit notes to be issued	-46	-16	30	-65.2
Gross trade receivables	**10,047**	**17,103**	**7,056**	**+70.2**
Allowance for doubtful accounts	-600	-600	0	0.0
Total	**9,447**	**16,503**	**7,056**	**+74.7**

- The invoicing, credit granting and collection policies used by the Company have remained substantially unchanged from previous years. The increase in trade receivables is mainly due to the increase in turnover compared to the previous year, as further described in Note no. 20 - Revenue and other operating income.
- There are no receivables from foreign Customers.
- The Invoices to be issued item is largely represented by the valuation of receivables claimed from Customers for the contractually envisaged up-front activation fee. The standard policy adopted by the company provides for the billing of this contribution in monthly instalments up to a maximum of 36, according to the choice made by the Customer. This entry was recognised on the application of international accounting standards, in particular the provisions of IFRS 15 on Revenue Recognition. In fact, the up-front activation fee is recorded in the income statement on an accrual basis and deferred on the basis of the average contractual duration envisaged and estimated at 72 months. Consequently, the receivable from Customers for the amounts due in the form of an up-front activation fee not yet invoiced at the closing date of the financial statements under review was recognised.
- The promissory notes subject to collection advances expiring on 31 December 2022 (holiday) were credited on 2 January 2023 following the banking regulations introduced in 2010, which envisage the postponement of the crediting to the first business day following the expiry. The amount of the item Receivables from Customers, if the effects were recognised as at 31 December, would have amounted to Euro 10,259 thousand. Please refer to the Director's Report on Operations.

It should be noted that the financial year was still characterised by a generally unfavourable economic situation, however, the continuous and careful monitoring of positions made it possible to contain the losses incurred within reasonable limits, also taking into account the increase in turnover.

Losses on receivables (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Balance	257	182	-75	-29.2

The value of losses on receivables was fully covered by the allowance for doubtful accounts allocated at the end of the previous year: considering the slowdown of the general economic environment and the development of revenue expected in 2023, it was decided to replenish the allowance to the level it was prior to its use.
The carrying amount of trade receivables is considered to approximate their fair value.

Allowance for doubtful accounts (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Opening balance	600	600	0	0.0
Increase due to provision for the year	257	182	-75	-29.2
Decrease due to use during the year	-257	-182	75	-29.2
Closing balance	**600**	**600**	**0**	**0.0**

Note no. 9 - Other current assets

A breakdown of "Other current assets" is provided below:

Other current assets (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Prepaid expenses	1,532	1,563	31	+2.0
Tax credits	633	1,812	1,179	+186.3
Costs to obtain the contract - within 12 months	766	774	8	+1.0
Costs to fulfil the contract - within 12 months	551	552	1	+0.2
Other tax receivables	8	11	3	+37.5
Sundry receivables	64	576	512	+798.9
Total	**3,554**	**5,288**	**1,733**	**+48.8**

- Prepaid expenses consist of fees and costs of various kinds charged in advance to the Company in respect of existing commercial relationships.
- Tax credits and other tax receivables not directly attributable to current taxes have been reclassified under this item. The values referring to the year 2021 have been restated to ensure the comparability of the data.
- Specifically, tax credits include:

  Research, Development and Innovation Tax Credit for activities reported in the years 2020, 2021 and 2023, usable to offset equal instalments in the years following the year of accrual.

  Tax credit for investments in other tangible, intangible and Industry 4.0 capital goods, usable in correlation with the depreciation of the assets to which the contribution refers.
- In order to provide better disclosure, the portion of activities relating to Contract acquisition premiums (Costs to obtain the contract) and Activation costs (Costs to fulfil the contract) that is expected to be recognised in the income statement in a period exceeding 12 months from the at the end of the year was reclassified under the item “Other non-current assets”. The values referring to the year 2021 have been restated to ensure the comparability of the data.

Note no. 10 - Cash and cash equivalents

A breakdown of “Cash and cash equivalents” is provided below:

Cash and cash equivalents (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Bank accounts	22,476	24,300	1,824	+8.1
Petty cash	1	1	0	-47.6
Total	**22,477**	**24,301**	**1,824**	**+8.1**

- The promissory notes subject to collection advances expiring on 31 December 2022 (holiday) were credited on 2 January 2023 following the banking regulations introduced in 2010, which envisage the postponement of the crediting to the first business day following the expiry. The amount of the item cash and cash equivalents, if the effects had been recognised as at 31 December, would have amounted to Euro 30,545 thousand.

The amount recorded in the financial statements is aligned with the fair value at the date of preparation of the financial statements. The credit risk is limited since the counterparties are major banking institutions.
For further details on the dynamics affecting cash and cash equivalents, see the Cash Flow Statement.

Note no. 11 - Shareholders’ Equity

The fully paid-up share capital amounts to Euro 11,000,000 and consists of 1,750,000 shares without nominal value. The ordinary shares were converted to special multiple voting shares as resolved by the Extraordinary Shareholders’ Meeting on 22 July 2022. These shares (category “B”):

- give right to three votes in all Shareholders’ Meetings of the Company in compliance with any legal limits;
- they are automatically converted to ordinary shares (category “A”) without the need for any Shareholders’ Meeting resolution in the event of sale and/or change of control of the holder.

For the changes in the Shareholders’ Equity entries, reference should be made to the “Statement of changes in Shareholders’ Equity”. For the sake of clarity, please note that the profit earned in the previous year, amounting to Euro 7,481,026, as approved by the Ordinary Shareholders’ Meeting on 30 March 2022, was allocated as follows:

- Euro 238,387 to the reserve pursuant to Article 2426 of the Italian Civil Code;
- Euro 2,992,325 corresponding to Euro 1.7099 per share as a dividend to shareholders;
- the remaining Euro 4,250,314 to the distributable reserve.

Furthermore, following the distribution of dividends approved and carried out by the subsidiaries Vola spa, Host spa and Qboxmail srl, the reserve established pursuant to Article 2426 of the Italian Civil Code was released for the corresponding portion (Euro 126,865).

Below are the indications provided for in Article 2427, paragraph 1, number 7 bis of the Italian Civil Code.

Shareholders' Equity (euro)	31.12.2022	Possibility of use	Amount available
Share capital	11,000,000	---	---
Legal reserve	2,200,000	B	2,200,000
Reserve pursuant to art. 2426 of the Italian Civil Code	1,157,977	B	1,157,977
Distributable reserve	19,566,907	ABC	19,566,907
Reserve for other components of the statement of comprehensive income	360,347	B	360,347
FTA reserve	692,225	B	692,225
Profit/(loss) for the year	10,425,714	BC	10,425,714

- Key *possibility of use*: A - for share capital increase, B - to cover losses, C - for distribution to shareholders.

Neither capital nor reserves were used in the previous three years to cover losses.

Note no. 12 - Non-current financial liabilities

A breakdown of "Non-current financial liabilities" is provided below:

Non-current financial liabilities (euro/000)	2021	2022	Changes	Δ%
Mortgages and loans	0	4,800	4,800	--
Other financial liabilities (IFRS 16)	191	10	-181	-94.8
Total	**191**	**4,810**	**4,619**	**+2,418.3**

- The Company has never taken advantage of current account overdrafts or subject to collection advances and during the year the Company did not take out any new loans, making regular payments on existing loans until they are repaid.
- In January 2022, an unsecured loan was taken out for Euro 6,000,000, with a maturity of 72 months. The debt, on which interest accrues at the 3-month Euribor rate plus 64 basis points, will be repaid in deferred quarterly instalments, the last of which is due on 31 December 2027. In order to protect itself from an upward trend in interest rates, the Company subscribed an Interest Rate Cap type option.

Note no. 13 - Employee benefits

Changes in "Employee benefits" for the period from 1 January to 31 December 2021 are shown below:

Employee benefits (euro/000)	2021	2022	Changes	Δ%
Balance as at 1 January	230	232	2	+0.9
Service Cost	0	0	0	0
Interest Cost	1	4	3	+300.0
Balance of provisions movements	-6	-4	2	-33.3
Actuarial (gains)/losses	7	-29	-36	-514.3
Balance as at 31 December	**232**	**203**	**-29**	**-12.5**

Details of the economic and demographic assumptions used for the purposes of the actuarial valuations, prepared by external consultants, are provided below:

Employee benefits	2021	2022
Discount rate	0.98%	3.77%
Inflation rate	0.80%	2.30%
Annual rate of increase in employee severance indemnity	2.10%	3.23%
Annual rate of increase in employee salary	1.00%	1.00%

Note no. 14 - Provisions for future risks and charges

Changes in "Provisions for future risks and charges" for the period from 1 January 2022 to 31 December 2022 are shown below:

Provisions for future risks and charges (euro/000)	Balance as at 1 January 2022	Provisions to the income statement	Releases/Uses	Balance as at 31 December 2022
Provision for litigation risks	300	0	0	300
Provision for termination indemnity (TFM)	113	56	0	169
Provision for assessment risks	60	0	0	60
Supplementary Agents Indemnity Fund (FISC - Fondo indennità suppletiva di clientele)	22	0	-1	21
Total	**495**	**56**	**-1**	**550**
▪ of which current portion	*0*	*0*	*0*	*0*
▪ of which non-current portion	*495*	*56*	*-1*	*550*

- In the 2017 financial year, a provision for risks of Euro 300 thousand had been recognised in the financial statements to cover potential charges arising from the appointment of the Regional Solicitor General for Tuscany by INAIL, to take legal action against the Company to obtain the recovery of the legal indemnities paid by the Institute to the insured person who was the subject of a work-related accident that occurred in September 2014 at the Pisa office, during the construction work there. As of the date of preparation of the financial statements, legal action had not yet been taken and therefore the provision was left in place, while noting that the Company has always rejected all charges and that, if it is summoned to appear in court, it is ready to protect its rights, trusting that it will be fully found to be innocent of the alleged offences.
- Also in the 2017 financial year, a provision for risks of Euro 60 thousand had been recognised in the financial statements to cover potential charges arising from an assessment that had been carried out by the Italian Data Protection (Privacy) Authority in June 2017. As of the closing date of the financial year, no decision has yet been made by the Authority and therefore it is deemed necessary to leave the provision open, although we reiterate that the Company has fulfilled its obligations and therefore no penalty should be applied.
- The provision for TFM includes the allocation made during the year, in accordance with the resolution passed by the Company's Shareholders' Meeting.
- The Supplementary Agents Indemnity Fund (FISC - Fondo indennità suppletiva di clientele) has been valued on the basis of the provisions contained in international accounting standard IAS 37

Note no. 15 - Deferred tax liabilities

This item is broken down as follows:

Deferred tax liabilities (euro/000)	2021	2022	Changes	Δ%
FTA - Acquisition premiums	57	13	-44	-77.2
FTA - Up-front activation fees	33	12	-21	-63.6
FTA - F.I.S.C.	11	11	0	0.0
Employee benefits	0	4	4	100
Valuation of hedging derivatives	0	108	108	100
Total	**101**	**148**	**47**	**46.5**

The items listed above represent deferred taxes recognised on accounting items transitioned to IFRS from 1 January 2017.

Changes during the year were as follows:

Deferred tax liabilities - changes (euro/000)	Balance as at 1 January 2022	Provisions/releases to the income statement	Provisions/releases to the statement of comprehensive income	Balance as at 31 December 2022
FTA - Acquisition premiums	57	-44	0	13
FTA - Up-front activation fees	33	-21	0	12
FTA - F.I.S.C.	11	0	0	11
Employee benefits	0	0	4	4
Valuation of hedging derivatives	0	0	108	108
Total	**101**	**-65**	**112**	**148**

Note no. 16 - Other non-current liabilities

In order to provide better information, the portion of liabilities relating to deferred revenues attributable to activation grants, realisable beyond 12 months, was reclassified under the item "Other non-current liabilities".

The values referring to the year 2021 have been restated to ensure the comparability of the data.

Other non-current liabilities (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Current deferred revenue (up-front activation fee) - beyond 12 months	3,124	2,887	-237	-7.6

As already illustrated in the previous section of the Notes to the financial statements dedicated to Trade receivables and in particular to the recognition of IFRS revenue, the application of IFRS 15 on Revenue Recognition requires the Parent Company to allocate to the income statement the revenue component represented by up-front activation fees on the basis of the average expected contractual duration, estimated at 72 months. This is regardless of the billing method of the entry in question, which is carried out by the Company in monthly instalments up to a maximum of 36, according to the choice made by the Customer itself. Therefore, the volume of revenue accruing in future years was calculated by comparing the date of activation of the contracts and the cited average duration of the same, regardless of the invoicing methods.

Note no. 17 - Current financial liabilities

A breakdown of "Current financial liabilities" is provided below:

Current financial liabilities (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Mortgages and loans (current portion)	0	1,200	1,200	--
Other short-term financial liabilities (IFRS 16)	241	181	-60	-24.9
Total	**241**	**1,381**	**1,140**	**+473.0**

Note no. 18 - Trade payables

A breakdown of "Trade payables" is provided below:

Trade payables (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Trade payables to third parties	9,175	8,697	-478	-5.2
Invoices to be received	3,018	2,982	-36	-1.2
Credit notes to be received	-266	-260	6	-2.4
Total	**11,927**	**11,419**	**-508**	**-4.3**

During the year under review, there were no significant changes to the purchasing and payment policies agreed with suppliers. There are no payables to suppliers and other foreign entities expressed in currencies other than the euro.
There are no payables with a duration of more than 5 years or positions of significant debt concentration.

Note no. 19 - Other current liabilities

A breakdown of "Other current liabilities" is provided below:

Other current liabilities (euro/000)	**2021**	**2022**	**Changes**	**Δ%**
Accrued expenses and deferred income	4,963	5,633	670	+13.5
Payables to employees	1,601	1,360	-241	-15.1
Current deferred revenue (up-front activation fee)	1,205	1,192	-14	-1.2
Payables to social security institutions	1,029	863	-166	-16.1
Tax payables	1,110	739	-371	-33.4
Sundry payables	343	317	-26	-7.7
Total	**10,251**	**10,103**	**-148**	**-1.4**

- Deferred income is accounted for as a result of monthly advance billing of fees pertaining to January of the following year. The increase is mainly due to the increase in the number of customers compared to the previous year.
- The Current deferred revenue item, in applying IFRS 15 on Revenue Recognition, provides for the attribution to the income statement of the revenue component represented by the up-front activation fees on the basis of the average expected contractual duration, estimated at 72 months. This is regardless of the billing method of the entry in question, which is carried out by the Company in monthly instalments up to a maximum of 36, according to the choice made by the Customer itself. Therefore, the volume of revenue accruing in future years was calculated by comparing the date of activation of the contracts and the cited average duration of the same, regardless of the invoicing methods.

  In order to provide better information, the portion of deferred income realisable beyond 12 months was reclassified under the item "Other non-current liabilities".
- Payables relating to VAT and other tax payables were also reclassified under this item not directly attributable to current taxes. The values referring to the year 2021 have been restated to ensure the comparability of the data.

Payables to employees are made up as follows:

Payables to employees (euro/000)	2021	2022	Changes	Δ%
Payables to employees holiday pay	579	831	252	+43.5
Payables to employees	1,022	529	-493	-48.3
Total	**1,601**	**1,360**	**-241**	**-15.1**

All amounts, with the exception of payables related to the amount of holiday pay accrued by employees, were regularly settled at their natural due date in the new year.

Tax payables are made up as follows:

Tax payables (euro/000)	2021	2022	Changes	Δ%
Tax authorities employees and collaborators for IRPEF	840	500	-340	-40.5
VAT payable	265	182	-84	-31.6
Tax authorities withholding tax on various payments on account	5	57	52	+1,040
Total	**1,110**	**739**	**-372**	**-33.5**

All the amounts relating to IRPEF and various withholding taxes were regularly paid at their natural due date in the first months of the new financial year.

Payables to social security institutions and sundry payables are made up as follows:

Payables to social security institutions (euro/000)	2021	2022	Changes	Δ%
Tax authorities employees and collaborators INPS	744	480	-265	-35.6
Tax authorities employees holiday pay INPS	173	248	76	+43.7
Payables to other entities	102	130	28	+27.5
Tax authorities ENASARCO account	2	3	0	+15.5
Payables to INAIL	7	2	-5	-71.3
Total	**1,029**	**863**	**-166**	**-16.1**

All amounts, with the exception of payables related to the amount of holiday pay accrued by employees, were regularly settled at their natural due date in the first months of the new financial year.

Sundry payables (euro/000)	2021	2022	Changes	Δ%
Payables to directors	74	59	-15	-20.3
Other payables	269	258	-11	-4.1
Total	**343**	**317**	**-26**	**-7.6**

Note no. 20 - Current tax liabilities

A breakdown of "Current tax liabilities" is provided below:

Current tax liabilities (euro/000)	2021	2022	Changes	Δ%
IRES payable	87	729	642	+737.9
IRAP payable	9	82	73	+811.1
Total	**96**	**811**	**259**	**+269.8**

Changes in IRES and IRAP provisions and advances during the year are shown below:

IRES balance (euro/000)	2021	2022	Changes	Δ%
Provision for IRES	2,011	2,731	720	+35.8
Advances paid	-1,924	-2,002	-78	+4.1
Balance - Payable (Receivable)	87	729	642	+737.9

IRAP balance (euro/000)	2021	2022	Changes	Δ%
Provision for IRAP	515	597	82	+15.9
Advances paid	-506	-515	-9	+1.8
Balance - Payable (Receivable)	9	82	73	+811.1

For evidence of the balance of income taxes for the year as at 31 December 2022, reference should also be made to the subsequent section of the Notes to the financial statements on income taxes.

Note no. 21 - Revenue and other operating income

A breakdown of "Revenue" is provided below:

Revenue and other operating income (euro/000)	2021	2022	Changes	Δ%
Revenue from fees	49,577	53,637	4,060	+8.2
Revenue from pay-per-use services	9,203	10,630	1,427	+15.5
Revenue from activations	1,750	1,687	-63	-3.6
Revenue from sales	394	991	596	+151.2
Revenue from interconnection	675	685	10	+1.5
Other revenue and income	203	511	307	+151.3
Public grants	331	446	115	+34.7
Income from access and pay-per-use charges adjustments	225	418	193	+85.7
Gains on disposal of non-current assets	60	63	3	+4.5
Revenue from assistance and interventions	37	36	-1	-3.2
Release of surplus funds	0	18	18	100
Revenue adjustments	-1	-2	0	+35.3
Total	**62,455**	**69,119**	**6,664**	**+10.7**

- Revenue and other operating income increased compared to the previous year mainly due to the increase in the number of customers served through the Vianova offering, both for the Vianova Landline and Vianova Mobile services.
- The increase in revenues from sales derives from the volume increase of terminals (smartphones) whose marketing is linked to use of the mobile telephone services provided by the Company.
- The item public grants includes grants for R&D activities for the year 2022 (Euro 192 thousand), grants for electricity (Euro 104 thousand) and for advertising investments (Euro 34 thousand), as well as grants for investments in capital goods (tangible, intangible and industry 4.0). With the latter, it should be noted that the total amount of the tax credit due is recognised in relation to the depreciation of the assets to which the grant relates. The amount recorded in this item therefore represents the portion pertaining to the year 2022 only.
- The Other revenue item mainly consists of sundry contingent assets (for Euro 305 thousand), fees invoiced to Business partners for Vianova Phone users (Euro 84 thousand) and revenues for contractual penalties (Euro 77 thousand).

In 2022, the Company developed innovative pre-competitive activities (trusting that the positive outcome of these activities would generate a competitive strengthening of the company with favourable economic effects), directing its efforts in particular on the project of analysis, studies, design, review and testing for new product development in the area of telecommunications software.
For the development of the aforementioned projects, the company has incurred eligible costs of Euro 1,918 thousand for which it intends to access the benefits provided by the tax credit for research, development, technological innovation, design and aesthetic conception activities pursuant to Art. 1, paragraphs 198 - 209 of Law no. 160 of 27 December 2019.

Note no. 22 - Purchase of services

These are closely related to core business activities and revenue performance.

Costs for services (euro/000)	2021	2022	Changes	Δ%
Purchase of services - fees and activations	12,028	13,722	1,694	+14.1
Commercial costs	8,190	8,932	742	+9.1
Interconnection costs	3,155	2,921	-234	-7.4
Purchase of services - pay-per-use	1,861	2,039	178	+9.6
Industrial overheads	1,415	1,730	315	+22.3
Costs for technical interventions	1,715	1,523	-193	-11.2
Network maintenance costs	1,079	1,264	185	+17.2
Advertising and promotional costs	1,616	990	-625	-38.7
Costs for collaborations, directors	895	899	4	+0.4
Consultancy costs	507	532	26	+5.1
Operator licence contributions	448	409	-40	-8.8
Maintenance costs	404	359	-45	-11.1
Bank charges	125	145	20	+15.6
Travelling expenses	44	96	53	+119.9
Total	**33,482**	**35,562**	**2,080**	**+6.2**

- The increase in the cost of services is generally due to the increased volume of turnover recorded during the year.

Note no. 23 - Staff costs

Staff costs are broken down as follows:

Staff costs (euro/000)	2021	2022	Changes	Δ%
Wages and salaries	7,777	8,892	1,115	+14.3
Social security charges	2,240	2,567	327	+14.6
Employee severance indemnity and pension funds	461	590	129	+28.0
Other staff costs	530	773	243	+45.8
Total	**11,009**	**12,823**	**1,814**	**+16.5**

Below is information relating to staff, also referring to that better illustrated in the Directors' Report on Operations:

Staff	2021	%	2022	%	Δ%
no. of persons as at 31 December	**208**	**100**	**235**	**100**	+13.0
Full Time Equivalent (FTE) as at 31 December (qty)	204.4	98.3	231.3	98.4	+13.2
Average FTE (qty)	196.7	96.2	221.8	94.4	+12.8
Non-employee collaborators (qty)	5	2.4	5	2.1	0.0
Average age (years)	41.2		40.5		-1.7
Average length of service (years)	9.2		8.0		-13.0
Women (qty)	58	27.9	68	28.9	+17.2
Graduates (qty)	105	50.5	122	51.9	+16.2
Revenue per FTE (euro)	318		312		-1.9
Cost per FTE (euro)	61		62		+1.6
EBITDA per FTE (euro)	86		86		0.0

Note no. 24 - Other operating costs and change in inventories

A breakdown of "Other operating costs" and "Change in inventories" is provided below:

Other operating costs and change in inventories (euro/000)	2021	2022	Changes	Δ%
Provision for doubtful accounts	257	182	-75	-29.2
Other operating expenses	207	218	11	+5.3
Duties, taxes and registration fees	45	32	-13	-28.9
Total other operating costs	**509**	**432**	**-77**	**-15.1**
Change in inventories	0	0	0	0
Total	**509**	**432**	**-77**	**-15.1**

The actual losses on receivables incurred in 2022, amounting to Euro 182 thousand were fully covered by the use of the allowance for doubtful accounts allocated at the end of the previous year. There are therefore no amounts charged to the income statement for the year.

Note no. 25 - Purchase of materials

A breakdown of "Purchase of materials" is provided below:

Purchase of materials (euro/000)	2021	2022	Changes	Δ%
MVNO cost, terminal purchase	364	934	570	+156.6
Cost of assets expensed during the year	64	87	23	+35.4
Fuel costs	52	77	25	+48.0
ICT equipment purchase	70	46	-24	-33.7
Cost of stationery and materials for internal use	17	18	1	+3.2
MVNO cost, consumables	25	9	-16	-64.0
Cost of consumables for external use	1	5	4	+419.1
Total	**593**	**1,176**	**583**	**+98.3**

The increase in the costs of purchasing materials is primarily linked to the purchase of terminals (smartphones) to be sold to customers who utilise mobile telephone services provided by the Company.

Note no. 26 - Amortisation/depreciation and write-downs

For details and considerations on the amounts booked under this item, reference should be made to the relevant sections of the Notes to the financial statements.

Amortisation/depreciation and write-downs (euro/000)	2021	2022	Changes	Δ%
Depreciation of property, plant, equipment and other assets	5,752	5,487	-265	-4.6
Amortisation of intangible assets with a finite useful life	1,282	1,023	-259	-20.2
Write-downs/(revaluations) of tangible and intangible fixed assets	45	67	22	+48.9
Total	**7,079**	**6,577**	**-502**	**-7.1**

Note no. 27 - Income and expense from equity investments

For further details, see the Non-current assets section of the Statement of Financial Position.

Net income and expense from equity investments (euro/000)	2021	2022	Changes	Δ%
Revaluation of equity investments	238	363	124	+52.1

Note no. 28 - Financial income

Interest income is the result of investments of the company's liquidity in money market instruments, which are liquid, have a short maturity and are not correlated to any risk component.

Financial income (euro/000)	2021	2022	Changes	Δ%
Interest income on bank current accounts	30	59	30	+99.1
Interest income on securities and similar	0	15	15	--
Income from fair value adjustment of securities	0	5	5	--
Total	**30**	**79**	**49**	**+162.0**

Note no. 29 - Financial charges

The trend in interest expense is related to the performance of commitments under financing operations, as detailed in the section of the Notes to the financial statements dedicated to financial liabilities.

Financial charges (euro/000)	2021	2022	Changes	Δ%
Interest expense and charges on loans	3	60	57	+2,142.0
Other financial charges	8	8	0	0.0
Foreign exchange losses	3	2	-1	-23.6
Total	**13**	**70**	**57**	**+423.7**

Note no. 30 - Income taxes for the year

A breakdown of "Income taxes for the year" is provided below:

Income taxes for the year (euro/000)	2021	2022	Changes	Δ%
IRES	2,011	2,732	721	+35.9
IRAP	515	596	81	+15.8
Deferred tax assets and liabilities	31	9	-22	-71.0
Taxes relating to previous years	0	-858	-858	100
Total	**2,557**	**2,479**	**-78**	**-3.0**

The item "Taxes relating to previous years" refers to the benefit deriving from the Patent box accrued by the Parent Company in the years 2019, 2020 and 2021, and recorded in the financial statements following the signing with the Revenue Agency of the preliminary agreement for the definition of the methods and criteria for calculating the economic contribution in the case of direct use of intangible assets. The agreement in question has a five-year duration and covers the 2019-2023 financial years.

The following tables allow for the reconciliation of the theoretical tax charge in the financial statements (ordinary rate) with the taxable income, also showing the rate actually applied.

IRES - Reconciliation of result for the year and taxable income (euro/000)	2021	2022
Profit before tax	10,038	12,905
Ordinary rate applicable (%)	24.00%	24.00%
Theoretical tax burden	2,409	3,097
Income after taxes	7,481	10,426
Increases	3,602	4,228
Decreases	2,419	3,206
ACE deduction	276	55
Taxable income	8,387	11,392
Tax corresponding to taxable income	2,013	2,734
Tax credits	2	2
Income taxes for the year	2,011	2,732
Effective rate	20.03%	21.17%

IRAP - Reconciliation of result for the year and taxable income (euro/000)	2021	2022
Positive components of production value	62,472	69,141
Negative components of production value	41,368	43,546
Increases	1,353	1,269
Decreases	1,272	2,269
Gross production value	21,185	24,595
Ordinary rate applicable (%)	4.82%	4.82%
Theoretical tax burden (euro)	1,021	1,185
Deductions Art. 11, para.1, lett. a) of Legislative Decree 446	10,507	12,227
Net production value	10,677	12,369
IRAP for the year	515	596

In the year under review, as in previous years, the IRAP rate was increased by 0.92% as the Company falls within the economic activities identified by the Regional Law of Tuscany for which this increase is compulsory. The rate applied is therefore 4.82%.

For changes in deferred tax assets and deferred tax liabilities, and the consequent effects, reference should be made to the sections of the Notes to the financial statements on “Deferred tax assets” and “Deferred tax liabilities” respectively.

Commitments and guarantees not disclosed in the statement of financial position

Commitments, guarantees, contingent liabilities (euro/000)	2021	2022	Changes	Δ%
Other guarantees provided	2,546	2,539	-7	-0.3

The item includes commitments undertaken by the Company through banks that have provided sureties to network operators against contractual obligations to be fulfilled by the Company (Euro 2,510,000) and to other entities against contractual obligations undertaken for the supply of voice and data services.

Contingent liabilities

On the basis of the information available to date, the directors of the Company believe that, at the date of approval of these financial statements, the provisions set aside are sufficient to ensure a fair representation of the financial information.

Transactions with related parties

Transactions with related parties are carried out in compliance with the provisions of the laws in force, are part of the normal management of the business and are settled at market prices. The definition of a related party is based on the International Accounting Standards adopted by the European Union (IAS 24).

Relations with the associates mainly concern the reciprocal provision of services. The following table summarises the Company’s creditor and debtor relationships with related parties as at 31 December 2022 and 31 December 2021:

	Trade receivables		Trade payables	
Related parties	2021	2022	2021	2022
Quinta spa	0	0	4	7
Vola spa	3	8	5	6
Host spa	13	13	18	29
Qboxmail srl	3	4	0	0
NetResults srl	1	1	277	175
Winitalia srl	0	0	3	3

Related parties	Trade receivables 2021	Trade receivables 2022	Trade payables 2021	Trade payables 2022
Directors	0	1	0	0
Board of Statutory Auditors	2	2	0	0
Total	**22**	**29**	**307**	**220**
Total item	9,447	16,503	11,927	11,419
% Impact on item	0.23	0.17	2.57	1.93

In contrast, the additional table summarises the Company's economic transactions with related parties as at 31 December 2022 and 31 December 2021:

Related parties	Revenue and Other income 2021	Revenue and Other income 2022	Costs for services 2021	Costs for services 2022
Quinta spa	0	0	84	97
Vola spa	31	32	29	41
Host spa	56	61	141	144
Qboxmail srl	27	42	2	5
NetResults srl	14	18	390	481
Winitalia srl	3	3	9	15
Directors	7	6	0	0
Board of Statutory Auditors	10	10	0	0
Total	**148**	**172**	**655**	**783**
Total item	62,455	69,119	33,482	35,562
% Impact on item	0.24	0.25	1.96	2.20

In compliance with the requirements of IAS 24 and the new procedure on related parties, in addition to the directors of the Parent Company, executives with strategic responsibilities must also be identified as related parties. In the current year, there are no other executives with strategic responsibilities in the company other than the Chief Executive Officer.

Remuneration of Directors and the Board of Statutory Auditors

In accordance with the law, Article 2427, paragraph 1, no. 16 of the Italian Civil Code, the total gross remuneration payable to the Directors and members of the Board of Statutory Auditors is provided below, noting that the corporate bodies were renewed by resolution of the Shareholders' Meeting for the 2020-2022 three-year period and their mandate expires with the approval of these Financial Statements.

Remuneration of corporate bodies (euro/000)	2021	2022	Changes	Δ%
Directors	744	744	0	0.0
Board of Statutory Auditors	26	26	0	0.0
Total	**770**	**770**	**0**	**0.0**

Remuneration payable to the Independent Auditors

The total remuneration contractually agreed with the Independent Auditors is provided below, noting that the engagement for the statutory audit was for the 2022 - 2025 three-year period and expires with the approval of these Financial Statements.

Remuneration of Independent Auditors (euro/000)	2021	2022	Changes	Δ%
Audit of financial statements	33	33	0	0.0
Other services	47	55	8	+17.0
Total	**80**	**88**	**8**	**+10.0**

Significant events during the 2022 financial year

Reference should be made to the information provided in the relevant section of the Directors' Report on Operations.

Business outlook

Reference should be made to the information provided in the relevant section of the Directors' Report on Operations.

Hierarchical levels of fair value measurement (disclosures pursuant to IFRS 7)

Various accounting standards and certain disclosure obligations require the determination of the fair value of financial and non-financial assets and liabilities. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in a regular transaction between market participants at the measurement date. In order to increase the comparability of data and fair value measurements, the standard establishes a hierarchy identified at three different levels that reflects the significance of the inputs used in determining fair value. The identified levels are distinguished into:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the enterprise has access to at the measurement date. The price quoted in an active and liquid market is the most reliable evidence for measuring fair value, and if the market for the asset/liability is not unique it is necessary to identify the most advantageous market for the instrument;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable, directly or indirectly, for the assets or liabilities being measured. If the asset or liability has a specified duration, a Level 2 input must be observable for the entire duration of the asset or liability. Examples of instruments falling within the second level of the hierarchy include: assets or liabilities in inactive markets or interest rates and yield curves observable at commonly quoted intervals;
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should only be used if Level 1 and Level 2 inputs are not available. Despite this, the purpose remains the same, i.e. to determine a closing price at the measurement date, thereby reflecting the assumptions that market participants would use in pricing the asset or liability, including assumptions related to risk.

The following table provides a breakdown of the Company's financial assets and liabilities by category as at 31 December 2022 and 31 December 2021:

Financial assets measured at fair value (euro/000)	2021	2022	Changes	Δ%
Cash and cash equivalents	22,477	24,301	1,824	+8.1
Trade receivables	9,447	16,503	7,056	+74.7
Financial assets	2,153	4,267	2,115	+98.2
Other assets	6,873	8,487	1,614	+23.5
Total	**40,949**	**53,558**	**12,609**	**+30.8**

Financial liabilities measured at fair value (euro/000)	2021	2022	Changes	Δ%
Financial liabilities	432	6,191	5,760	+1,333.6
Trade payables	11,927	11,419	-508	-4.3
Other liabilities	13,375	12,990	-385	-2.9
Total	**25,734**	**30,600**	**4,867**	**+18.9**

Financial risk management

Reference should be made to the information provided in the relevant section of the Directors' Report on Operations.

Further information

Information on agreements not reported in the statement of financial position (Article 2427, paragraph 1, from number 18 to number 21 of the Italian Civil Code)

Pursuant to the provisions of the aforementioned article, the following is hereby acknowledged:

- the Company has not issued securities with the characteristics of dividend-right shares, bonds convertible into shares, securities or similar instruments;
- the Company has not issued any other financial instruments;
- the Company has not raised financing from its shareholders;
- there are no assets earmarked for a specific business;
- there are no loans for a specific business.

Information on agreements not reported in the statement of financial position (Article 2427, paragraph 1, number 22-ter of the Italian Civil Code)

There are no such agreements.

Certifications

The Company holds the following certifications, both issued by DNV-GL:

- ISO 9001:2015 Quality Management System valid for the application field: Design and provision of integrated services, voice, data, Internet access, value-added services and related assistance. The Company obtained the renewal of its certification in April 2021 with validity until April 2024.
- ISO/IEC 27001:2013 Information Security Management System valid for the application field: Implementation, provision, maintenance and continuity management of integrated services, voice, data, Internet access and colocation services. The Company obtained the renewal of its certification and of the relative ISO 27017 and ISO 27018 extensions in November 2022, with validity until November 2025.

Licenses and authorisations

The Company holds the following authorisation titles:

- general authorisation pursuant to Art. 25 of the Electronic Communications Code for the installation of a telecommunications network for the purpose of providing the voice telephony service with coverage area of Italy, issued on 23 May 2019 (formerly an individual licence dated 26 May 1999) expiring on 31 December 2039;
- general authorisation pursuant to Art. 25 of the Electronic Communications Code for the supply of Internet access services;
- general authorisation for the provision of Mobile and Personal Services (MVNO - Mobile Virtual Network Operator) with coverage area of Italy issued on 26 July 2016, expiring on 31 December 2036.

The Company is also registered in the R.O.C. (Registro degli operatori di Comunicazione - Register of Communication Operators) held at Agcom under number 8823.

Privacy

The entry into force of Regulation (EU) 679/2016, better known as the GDPR, and Legislative Decree 101/2018 which amended Legislative Decree 196/2003 (Code for the Protection of Personal Data or the so-called Privacy Code) has required Vianova to undertake and continue a plan to verify the compliance of procedures and processes with the new regulatory requirements (i.e. accountability, privacy-by-design and privacy-by-default, adequacy of security measures adopted, etc.).

The key principle underlying the new legislation is "Privacy by design", i.e. to ensure data protection from the conception and design of a process or a system, and to adopt behaviours that will prevent possible problems.
With the collaboration of the Data Protection Officer, Vianova has therefore continued to update the internal procedures and documentation adopted, providing new impetus to the evolutionary process of continuous updating and monitoring that embodies today's approach to the processing of personal data.
To this end, additional emphasis was placed on the accountability of the owners and senior management of the Company, i.e., on the adoption of proactive behaviours that demonstrate the concrete adoption of measures aimed at ensuring the application of the regulations, by assigning a specific task to the managers of the areas involved.

Cybersecurity

At the same time, the Company has equipped itself with the infrastructure and skills necessary to manage Cybersecurity, to guarantee the protection of systems, networks and programs from digital attacks, usually aimed at accessing, transforming or destroying sensitive information, as well as to the extortion of money from users or the interruption of normal business processes.

To this end, Vianova adopts an integrated Management System for:

- the control and optimisation of business processes
- data and information protection
- the provision of services
- guaranteeing business continuity

For Vianova, the Integrated Management System is a governance tool based on the principle of continuous improvement and on best practices dictated by international standards.
Vianova has decided to establish, implement, review, maintain and continuously improve the Integrated Management System for Information Quality and Security compliant with the requirements of ISO 9001, ISO 27001 and related extensions ISO 27017 and ISO 27018, which allow for of:

- carefully assess all risks related to the business
- provide, in a consistent and constant manner, products and services able to meet the requirements of Customers and the applicable mandatory requirements
- improve Customer satisfaction through effective application of the system, including processes to continuously improve the system itself and to ensure compliance with Customers' requirements and the applicable mandatory requirements
- demonstrate its ability to guarantee business continuity by ensuring information security.

Allocation of profit for the year

We therefore invite you to approve the financial statements, as presented, resolving to allocate the net profit of Euro 10,425,714.25 as follows:

- Euro 362,696.68 to the reserve pursuant to Article 2426 of the Italian Civil Code;
- Euro 4,173,750.00 corresponding to Euro 2.385 per share as a dividend to shareholders;
- the remaining Euro 5,889,267.57 to the distributable reserve.

These financial statements, consisting of the "Statement of Financial Position", "Statement of Comprehensive Income", "Cash Flow Statement" and "Statement of Changes in Shareholders' Equity" are consistent with the accounting records and give a true and fair view of the financial position and results of operations for the year.

For the Board of Directors
The Chairman
Stefano Luisotti

Board of Statutory Auditors’ Report

RELAZIONE DEL COLLEGIO SINDACALE AL BILANCIO D'ESERCIZIO

CHIUSO AL 31/12/2022

AI SENSI DELL'ART. 2429, COMMA 2 DEL CODICE CIVILE

All'Assemblea degli Azionisti di Vianova s.p.a.

Il Collegio Sindacale, ai sensi dell'art. 2429, comma 2, del codice civile, è chiamato a riferire all'Assemblea dei Soci sui risultati dell'esercizio sociale e sull'attività svolta nell'adempimento dei propri doveri, nonché a fare osservazioni e proposte in ordine al bilancio e alla sua approvazione.

Preliminarmente si evidenzia che l'attività di revisione legale dei conti di Vianova s.p.a. è svolta dalla società di revisione KPMG s.p.a. da Voi incaricata con nomina Assembleare del 30/03/2022 per gli esercizi 2022, 2023, 2024.

Osservazioni in merito al Bilancio d'esercizio
Il Bilancio al 31 dicembre 2022 è stato predisposto dagli Amministratori in conformità ai principi contabili internazionali (International Accounting Standards – IAS o International Financial Reporting Standards – IFRS) e alle relative interpretazioni (SIC/IFRIC) omologati dall'Unione Europea alla suddetta data, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.lgs. 38/2005 che disciplina la possibilità di applicare i suddetti principi in via facoltativa.

Nel bilancio vengono, inoltre, fornite tutte le informazioni ritenute necessarie a dare una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società e del risultato economico dell'esercizio, anche se non richieste da specifiche disposizioni di legge.

Il progetto di bilancio dell'esercizio chiuso al 31 dicembre 2022 è stato approvato dal Consiglio di Amministrazione e consegnato al Collegio Sindacale nel rispetto dei termini di cui all'art. 2429 c.c.

Nella relazione sulla gestione sono riepilogati i principali rischi e incertezze e si dà conto dell'evoluzione prevedibile della gestione.

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Collegio Sindacale
Il Collegio Sindacale in carica alla data della presente relazione è stato nominato dall'Assemblea dei Soci del 31 marzo 2020 ed è composto da Andrea Mariani (Presidente), Sergio Maffei (Sindaco effettivo) e Simone Sartini (Sindaco effettivo).

L'Assemblea convocata per l'approvazione del Bilancio al 31/12/2022 è quindi chiamata a deliberare in merito alla nomina del Collegio Sindacale per gli esercizi 2023, 2024, 2025 e sino all'approvazione del Bilancio al 31/12/2025.

Operazioni atipiche o inusuali

Non ci risultano operazioni atipiche o inusuali.

Operazioni infragruppo o con parti correlate

Nel corso dell'esercizio 2022 sono state effettuate operazioni con parti correlate rientranti nella normale gestione dell'attività d'impresa e regolate a prezzi di mercato.

Nei commenti alle voci di bilancio è specificata, laddove significativa, la tipologia delle operazioni infragruppo realizzate, con indicazione dei relativi importi.

Attività di vigilanza

In merito all'attività di vigilanza prevista dalla legge, in linea con i principi di comportamento del Collegio Sindacale raccomandati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, rappresentiamo quanto segue:

- abbiamo vigilato sull'osservanza della legge e dello statuto e sul rispetto dei principi di corretta amministrazione. Sulla base delle informazioni acquisite e disponibili non abbiamo rilevato violazioni di quanto disposto dalla legge e/o dallo statuto adottato dalla Società, né è emerso il compimento di operazioni manifestamente imprudenti, azzardate, in potenziale conflitto di interessi e/o tali da compromettere l'integrità del patrimonio sociale;

- al fine di acquisire conoscenza e di vigilare sull'adeguatezza e sul funzionamento dell'assetto organizzativo della Società, abbiamo richiesto ai responsabili delle funzioni informazioni sulla composizione dell'organico della Società, sulla struttura interna, sull'operatività e sui rapporti interni in essere tra le funzioni aziendali di maggior rilievo, nonché sull'adeguatezza del sistema di controllo interno. A tale riguardo non abbiamo osservazioni particolari da riferire;

- abbiamo acquisito conoscenza e vigilato, per quanto di nostra competenza, sull'adeguatezza e sul funzionamento del sistema amministrativo-contabile e sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione mediante l'ottenimento di informazioni dai responsabili delle funzioni e dal soggetto incaricato della revisione legale dei conti, nonché mediante l'esame dei documenti aziendali relativi alle procedure impiegate e l'analisi del lavoro svolto dalla Società di Revisione. A tale riguardo non abbiamo osservazioni particolari da riferire;

- abbiamo verificato l'osservanza delle norme di legge inerenti alla formazione del bilancio e della relazione sulla gestione tramite verifiche dirette e informazioni assunte dalla Società di Revisione;

- abbiamo partecipato alle riunioni del Consiglio di Amministrazione, nel corso delle quali abbiamo acquisito informazioni sull'andamento della gestione, sulla sua prevedibile evoluzione e sui fatti di maggior rilievo avvenuti nel corso dell'esercizio, dettagliatamente riportati e descritti nella relazione sulla gestione predisposta dagli Amministratori. In base alle informazioni acquisite, non abbiamo osservazioni particolari da riferire;

- abbiamo incontrato la Società di Revisione incaricata della revisione legale dei conti. Gli incontri hanno avuto ad oggetto scambi informativi circa la correttezza delle procedure adottate dalla Società, l'adeguatezza del sistema di controllo interno, nonché l'esito dei controlli effettuati sui processi aziendali. Relativamente all'attività di revisione siamo stati informati circa l'attività svolta da KPMG e, in particolare, l'impianto metodologico, l'approccio di revisione utilizzato per le diverse aree significative di bilancio e la pianificazione del lavoro di revisione; abbiamo, altresì, condiviso con la Società di Revisione le problematiche relative ai rischi aziendali, potendo così apprezzare l'adeguatezza della risposta pianificata dal revisore in termini di approccio di revisione con i profili, strutturali e di rischio, della Società. Nel corso dell'attività di vigilanza svolta e sulla base delle informazioni ottenute dalla Società di Revisione, non sono state rilevate omissioni, fatti censurabili, irregolarità e/o comunque fatti significativi tali da richiederne la segnalazione agli organi di controllo o menzione nella presente relazione;

Delle attività in precedenza descritte, svoltesi in forma collegiale, è stato dato atto nei verbali delle riunioni del Collegio Sindacale tenutesi nel corso del 2022.

Struttura organizzativa

Il Collegio Sindacale ha valutato la struttura organizzativa della Società sostanzialmente adeguata alle necessità della stessa e idonea a garantire il rispetto dei principi di corretta amministrazione.

Ulteriori attività del Collegio Sindacale

Il Collegio Sindacale dà atto che la relazione sulla gestione per l'esercizio 2022 risulta conforme alle norme vigenti e coerente con le deliberazioni dell'organo amministrativo e con le risultanze del bilancio. Essa contiene, inoltre, un'adeguata informazione sull'attività dell'esercizio, sulla situazione economica, patrimoniale e finanziaria della Società, sui fatti di rilievo avvenuti dopo la data di chiusura dell'esercizio e sui rischi e le incertezze cui la Società è esposta.

Segnaliamo, inoltre, che il Collegio Sindacale:

- ha sempre assistito alle riunioni del Consiglio di Amministrazione;
- non ha ricevuto denunce *ex* art. 2408 del codice civile;
- ha rilasciato in data 15 Marzo 2022 proposta motivata per il conferimento dell'incarico di revisione legale dei conti ai sensi dell'art. 13, D.lgs. n. 39/2010.

Il Collegio Sindacale rappresenta, inoltre, che la relazione sulla revisione del bilancio d'esercizio rilasciata da KPMG in data 15 marzo 2023 contiene:

(i) il giudizio di rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria di Vianova s.p.a. al 31 dicembre 2022, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità alle norme di legge;
(ii) il giudizio di coerenza della relazione sulla gestione con il bilancio d'esercizio al 31 dicembre 2022 e di conformità della stessa alle norme di legge.

Con riferimento al Bilancio Consolidato al 31/12/2022 la Società di Revisione KPMG ha rilasciato in data 15 marzo 2023 la relazione ai sensi dell'art. 14 del D.lgs. 39/2010 dalla quale risulta che il Bilancio Consolidato al 31/12/2022 è conforme agli IFRS, è stato redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico e i flussi di cassa del Gruppo Vianova s.p.a. per l'esercizio chiuso a tale data.

La relazione sulla revisione del Bilancio Consolidato contiene inoltre un giudizio di coerenza della relazione sulla gestione del Gruppo con il Bilancio Consolidato al 31/12/2022.

Nel corso dell'attività di vigilanza, come sopra descritta, non sono emersi fatti significativi tali da richiederne la segnalazione agli organi di controllo o menzione nella presente relazione.

Proposta all'Assemblea

Il Collegio Sindacale, tenuto conto di quanto sopra esposto, per quanto di propria competenza non rileva motivi ostativi all'approvazione del bilancio al 31 dicembre 2022 e non ha obiezioni da formulare in merito alla proposta di deliberazione presentata dal Consiglio di Amministrazione sulla destinazione del risultato d'esercizio.

***

Massarosa, 15 Marzo 2023

Il Collegio Sindacale

Andrea Mariani	(Presidente)	
Sergio Maffei	(Sindaco Effettivo)	
Simone Sartini	(Sindaco Effettivo)	

Independent Auditors’ Report

KPMG S.p.A.
Revisione e organizzazione contabile
Viale Niccolò Machiavelli, 29
50125 FIRENZE FI
Telefono +39 055 213391
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

Relazione della società di revisione indipendente ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
Vianova S.p.A.

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Vianova S.p.A. (nel seguito anche la "Società"), costituito dai prospetti della situazione patrimoniale e finanziaria al 31 dicembre 2022, del conto economico e del conto economico complessivo, delle variazioni di patrimonio netto e del rendiconto finanziario per l'esercizio chiuso a tale data e dalle note al bilancio che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Vianova S.p.A. al 31 dicembre 2022, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nel paragrafo "*Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio*" della presente relazione. Siamo indipendenti rispetto alla Vianova S.p.A. in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio.

Responsabilità degli Amministratori e del Collegio Sindacale della Vianova S.p.A. per il bilancio d'esercizio

Gli Amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

KPMG

Vianova S.p.A.
Relazione della società di revisione
31 dicembre 2022

Gli Amministratori sono responsabili per la valutazione della capacità della Società di continuare a operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;

- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno della Società;

- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;

- siamo giunti a una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di un'incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare a operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;

- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di *governance*, identificati a un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Relazione su altre disposizioni di legge e regolamentari

Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10

Gli Amministratori della Vianova S.p.A. sono responsabili per la predisposizione della relazione sulla gestione della Vianova S.p.A. al 31 dicembre 2022, incluse la sua coerenza con il relativo bilancio d'esercizio e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio della Vianova S.p.A. al 31 dicembre 2022 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio della Vianova S.p.A. al 31 dicembre 2022 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, comma 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Firenze, 15 marzo 2023

KPMG S.p.A.

Andrea Rossi
Socio

Resolutions of the Shareholders' Meeting

The Ordinary Shareholders' Meeting of Vianova Spa met on 31 March 2023 at 3.00 p.m. in first call, to discuss and resolve on the following Agenda:

1. approval of the Financial Statements for the year ended 31 December 2022
2. measures pursuant to article 2364, paragraph no. 1, point no. 2
3. measures pursuant to article 2364, paragraph no. 1, point no. 3
4. any other business.

By unanimous designation of those present, the Chairman of the Board of Directors Stefano Luisotti took the chair, who, at the invitation of the Shareholders' Meeting, appointed Marco D'Ascoli to act as Secretary. The Chairman noted that:

- the Shareholders' Meeting was duly convened by means of certified email sent on 21 March 2023;
- the Shareholders' Meeting is being held via video conference, as provided for in the notices of call and in compliance with the Articles of Association.

The Chairman then acknowledges the identity and legitimacy of the participants, specifying that each is asked to submit a duly signed attendance sheet to be kept on file and he then acknowledges that the following are connected:

- on their own behalf or by proxy, Shareholders representing 99.972% of the share capital.
- Directors Claudio Berretti, Giovanni Luisotti, Marco Bolognini, Marco D'Ascoli, Massimo Di Puccio and Nicola Gallico.
- for the Board of Statutory Auditors, Mr. Andrea Mariani, Chairman, Mr. Sergio Maffei and Mr. Simone Sartini, Standing Auditors.

The Chairman therefore declared the meeting validly constituted and able to deliberate on the items on the agenda.

1. Approval of the financial statements for the year ended 31 December 2022

The Chairman sets out the Financial Statements for the year ended 31 December 2022, prepared in accordance with international accounting standards (IAS/IFRS), including the Statement of Financial Position, the Income Statement, the Cash Flow Statement, the Statement of Changes in Shareholders' Equity and the Notes to the financial statements. The Directors' Report on Operations and the reports of the Board of Statutory Auditors and the Independent Auditors are also presented, but are not read out loud by unanimous consent of those present.

After discussion, the Shareholders' Meeting unanimously resolves:

1. to approve the Financial Statements as at 31 December 2022 and the related Directors' Report on Operations;
2. to allocate the net profit for the year of Euro 10,425,714.25 as follows:

- Euro 362,696.68 to the reserve pursuant to Article 2426 of the Italian Civil Code;
- Euro 4,173,750.00 corresponding to Euro 2.385 per share as a dividend to shareholders;
- the remaining Euro 5,889,267.57 to the distributable reserve.

The Chairman then presents the Consolidated Financial Statements for the year ended 31 December 2022, including the equity, financial and income statements, the Notes to the financial statements, the Directors' Report on Operations and the reports of the Board of Statutory Auditors and the Independent Auditors. The Shareholders' Meeting took note and, since it was not required to approve, asked the Board of Directors to file the consolidated financial statements with the Office of the Register of Companies, together with the separate financial statements, within the statutory deadline.

.... omissis ....

4. Any other business

At 3.30 p.m., having read and approved these minutes and there being nothing else to resolve, the Chairman declares the Meeting closed.

The Secretary	The Chairman
Marco D'Ascoli	Stefano Luisotti

Acknowledgements

Staff

Adolfo Burgio, Adriano Bertuccelli, Alberto Durigon, Alberto Mario Francesco Rondelli, Aldo Daini, Alessandra Pizzolini, Alessandro Benassi, Alessandro Cangelmi, Alessandro Ciuti, Alessandro Gemignani, Alessandro Luporini, Alessandro Mendola, Alessandro Morini, Alessandro Perrucci, Alessandro Rizzo, Alessandro Rossini, Alessia Di Cosmo, Alessio Barsacchi, Alessio Cortini, Alessio Nuti, Alessio Santoro, Andrea Belluomini, Andrea Bernardini, Andrea Canestrelli, Andrea D'Alessandro, Andrea Di Mauro, Andrea Donetti, Andrea Galli, Andrea Luchini, Andrea Paolinelli, Andrea Signorini, Angela Ambrogini, Angela Crestani, Angelo Colucci, Aniello Alma, Aniello Barletta, Anna Giorgetti, Antonio Fubiani, Antonio Pomponio, Antonio Tolu, Barbara Pardini, Barbara Romboni, Barbara Zucchi, Brunella Bolognini, Carlo Barbafiera, Chiara Ceragioli, Christian Raggi, Claudia Amato, Coliman Miconi, Cristina Luporini, Cristina Pardini, Daniela Iozzia, Daniele Bevilacqua, Daniele Bonuccelli, Daniele Cecconami, Daniele Petrucci, Daniele Pommella, Dario Maurich, Dario Possenti, Davide Lulli, Debora Carlotti, Debora Lavorini, Desiree Athena Stevenson, Diego Sartorio, Domenico Carrano, Elena Baroni, Elena Ferrari, Eleonora Lucchi, Eleonora Scala, Emanuela Simonini, Emanuele Bronzini, Emiliano Pecchia, Emmanuele Guida, Enrico Barsanti, Enrico Stinco, Erika Papini, Ernesto Traettino, Fabiana Statua, Fabio Falletta, Fabio La Martina, Fabrizio Puccinelli, Federico Benetton, Federico De Luca, Federico Vannozzi, Filippo Fanciulli, Flavio Di Vita, Fortunato De Pasquale, Francesca Di Puccio, Gabriele Dini, Gabriele Gelli, Gabriele Gerini, Gherardo Carra, Giacomo Rossi, Giada Raffaelli, Gian Luca Gianni, Gianluca Epifano, Gianni Fiorentini, Gioia Sabbatini, Giois Guerrera, Giorgio Luchi, Giorgio Paiotti, Giorgio Pede, Giorgio Zamparelli, Giovanni Agozzino, Giovanni Galfano, Giulia Mari, Giuseppe Diciolla, Giuseppe Muraca, Guglielmo Nannetti, Iacopo Da Prato, Ida Lamanna, Ilaria Ricci, Ivan Croce, Jlenia Groccia, Kamran Bahadori, Lapo Cioni, Lara Martini, Laura Castagnetta, Laura Giannecchini, Laura Giunti, Laura Nicastro, Laura Orlandi, Letizia Ciampi, Lorenzo Barsotti, Lorenzo Brunetti, Lorenzo Dal Pino, Lorenzo Mannucci, Lorenzo Marinsalda, Luca Castellini, Luca Del Carlo, Luca Lulli, Luca Navarrini, Luca Oronzo, Luca Scurci, Luca Vallesi, Lucia Marchi, Luigi Bertoneri, Luigi Innocenti, Manola Degl'innocenti, Manuela Cinquini, Marco La Rocca, Marco Marzialetti, Marco Matassini, Marco Scammacca, Marco Urso, Marco Venturini, Maria Elena Benedetti, Mariarosaria Fimiani, Massimiliano Brocchini, Massimiliano Monti, Massimiliano Puosi, Massimiliano Santini, Massimo Guida, Matteo Bachini, Matteo Boschi, Matteo Bruno, Matteo Buonamici, Matteo Costa, Matteo Distefano, Matteo Doni, Matteo Lottaroli, Matteo Luchini, Matteo Menchini, Matteo Taccola, Mauro Benedetti, Mauro Cardillo, Michael Mazzoni, Michele Angeli, Michele Barone, Michele Fioravanti, Michele Gemignani, Michele Lunardi, Michele Reale, Milena Lorenzini, Mirela Dan, Monica Bonuccelli, Mor Ngoundji Fall, Nicholas Diana, Nicola Da Prato, Nicola Di Giusto, Paolo Avezzano, Paolo Balzacchi, Paolo Ghini, Paolo Mazzolini, Paolo Orlandini, Paolo Piccini, Paolo Stevanin, Paolo Zanoni, Pierrenato Rufolo, Raffaele Roberto Laricchia, Ramona Di Grazia, Riccardo Dini, Riccardo Diodati, Roberta Conidi, Roberto Bettarini, Roberto Pacini, Robson Filho Colodeti, Rosalba Scifo, Rosario Lumia, Rossana Vicini, Sabrina Bonelli, Samuele Salmaso, Samuele Sbacco, Sandro Gemignani, Sandro Giuntoni, Sara Provenzano, Sara Samanta Baccheschi, Serena Cortesi, Serena Ferri Bernardini, Serena Malito, Serena Martelli, Silvia Agostini, Silvia Botti, Silvia Sbragia, Simona Birga, Simone Caneschi, Simone Galli, Simone Madiai, Simone Pellicciotti, Simone Pierucci, Stefania Pucci, Stefania Rocchi, Stefania Turini, Stefano Domenici, Stefano Lotti, Stefano Signore, Valentina Romeo, Valeria Palmiotto, Vania Vitali, Veronica Dolfi.

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