UNIDATA

SEMESTRAL CONSOLIDATED REPORT 2023

UNIDATA S.p.A.

Alexandre Gustave Eiffel 100 Avenue - 00148 ROME

Tax Code, VAT Number and Rome Business Register Number 06187081002

R.E.A. Number RM-956645

Share capital Euro 3,088,661

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COMPOSITION CORPORATE AND SUPERVISORY BODIES

BOARD OF DIRECTORS

President	Renato Brunetti
Vice - President	Marcello Vispi
Counselors	Giampaolo Rossini Paul Bianchi Michela Colli
Independent directors	Alessandra Bucci Barbara Ricciardi Stefania Argentieri Piuma

BOARD OF AUDITORS

President	Pierluigi Scibetta
Standing auditors	Antonia Coppola Luca Damiani
Alternate auditors	Antonella Cipriano Luigi Rizzi

MANAGER IN CHARGE

Roberto Giacometti

STATUTORY AUDITOR

EY S.p.A.

SUPERVISORY BODY

President	Maria Teresa Colacino
Adjunct member	Michele Ciuffi

REPORT ON MANAGEMENT

Councilors,

the consolidated half-yearly report for the six months ended June 30, 2023, which we submit for your approval consists of the balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity, statement of comprehensive income, as well as the notes to the financial statements and has been prepared in accordance with IAS 34 Interim Financial Reporting, with the application of the recognition and measurement criteria and provided for in International Financial Reporting Standards (hereinafter referred to as IFRS or IAS) issued by the International Accounting Standard Boards (IASB), as interpreted by the International Financial Reporting Interpretation Committee (IFRIC) and adopted by the European Union, and in particular under IAS 34 "Interim Financial Reporting." Following Unidata's acquisition on February 28, 2023, of the TWT Group (consisting of the companies TWT, Berenix, Voisoft, and Domitilla), as described in detail below, we are therefore presenting to you for the first time a consolidated Group situation.

The half year just ended reported total consolidated revenues of 41,722,495 euros, consolidated EBITDA of 8,577,523 euros and consolidated net income of 2,427,746 euros.

All this testifies to the continued growth and development of the now parent company Unidata, with increases in volume and performance not only at the consolidated level, but also at the level of individual legal entities. Please refer to the continuation of the management report for a more detailed analysis of the company's accounting situation as of June 30, 2023.

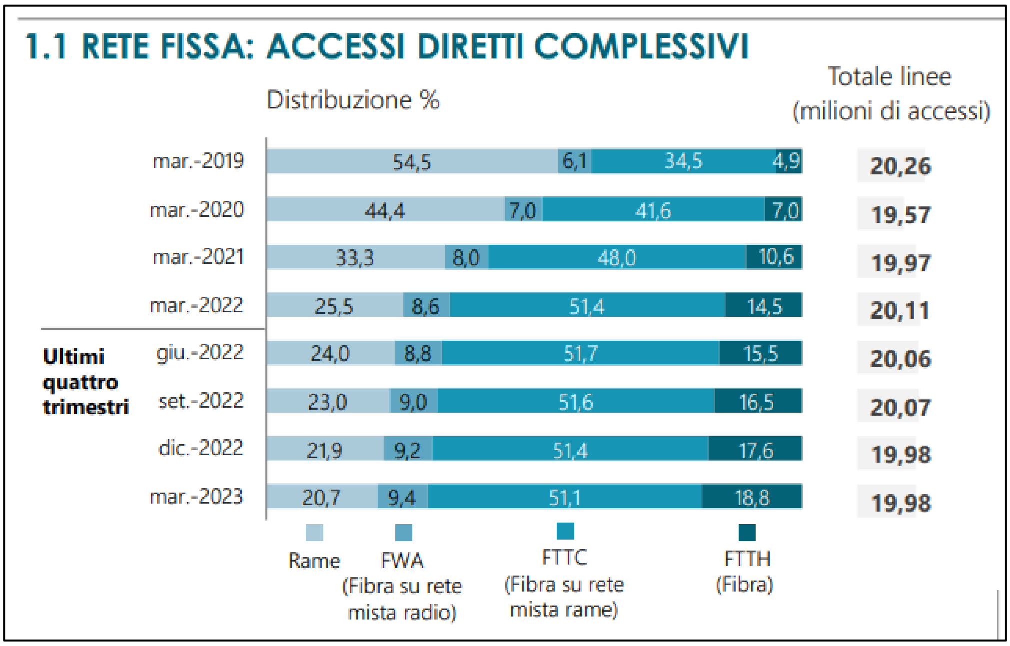
The Italian market for telecommunications services

Unidata operates in the electronic communications sector as an *Internet Service Provider* and, specifically, its business is currently organized into three business lines distinguished by types of services offered: Fiber & Networking, Cloud & Data Center and IoT & Smart Solutions, there is then a fourth line dedicated to specific projects (defined as a residual category: Managed Services).

Extraordinary operations in recent years, such as the creation of the newco Unifiber, for fiber optic cabling of so-called gray areas, together with the CEBF infrastructure fund; the creation of the newco Unitirreno, for cabling with submarine fiber cables from Liguria to Sicily, together with the Azimut Libera Impresa SGR S.p.A. fund, the acquisition of Milan-based operator and ISP TWT S.p.A. and the interest in issues such as cyber security, project Unidata toward future expansion and greater diversification of its business and, in part, of its offerings.

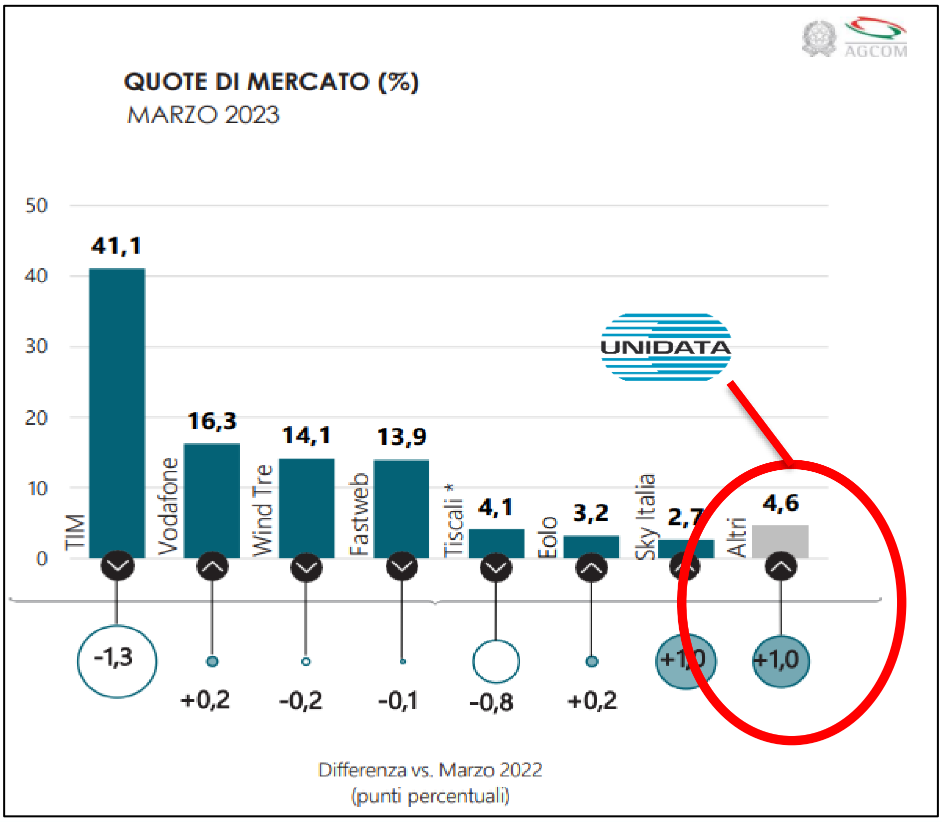
The Company, on the strength of two key infrastructures: its proprietary fiber optic network and its own Data Center, TIER IV *compliant*, offers its services and products mainly-but not exclusively-to Business and Public Administration customers, as well as to other Operators and Consumer Customers. The range of solutions and services offered is already wide and differentiated.

The year 2023 continued to show, in the Telecommunications sector, a shift in the type of accesses toward higher-bandwidth network technologies and architectures, as highlighted by Agcom's Quarterly Communications Observatory (No. 2/2023). Also confirmed in the following graph of total direct accesses on fixed networks is the stagnation, already evident throughout 2022, in the total number of lines, stationary at around 20 million accesses.

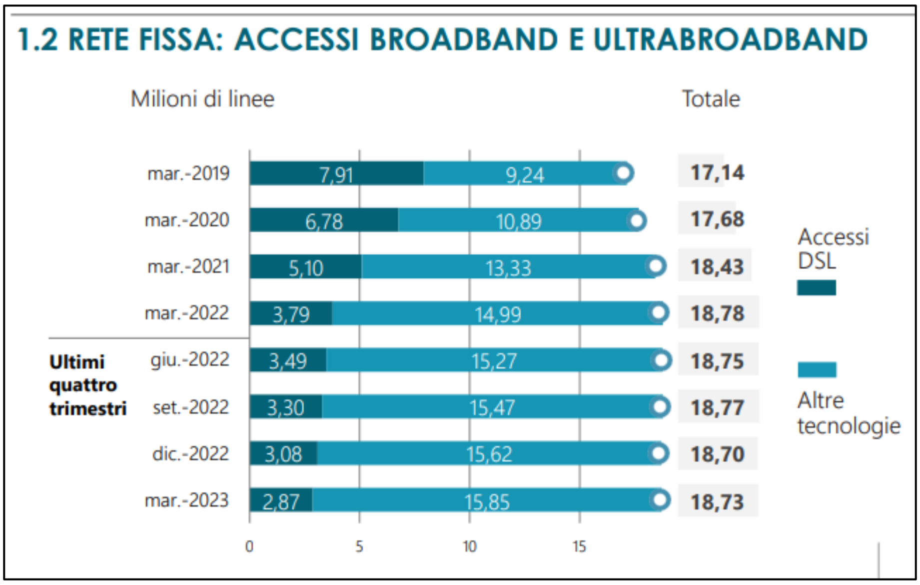


Source: Agcom Quarterly Observatory, latest survey available (No. 2/2023)

In terms of market share, the access network picture shows a decrease over the YoY March 2022 - March 2023 by the incumbent TIM in favor of other operators: it is the smaller operators that show the most growth.



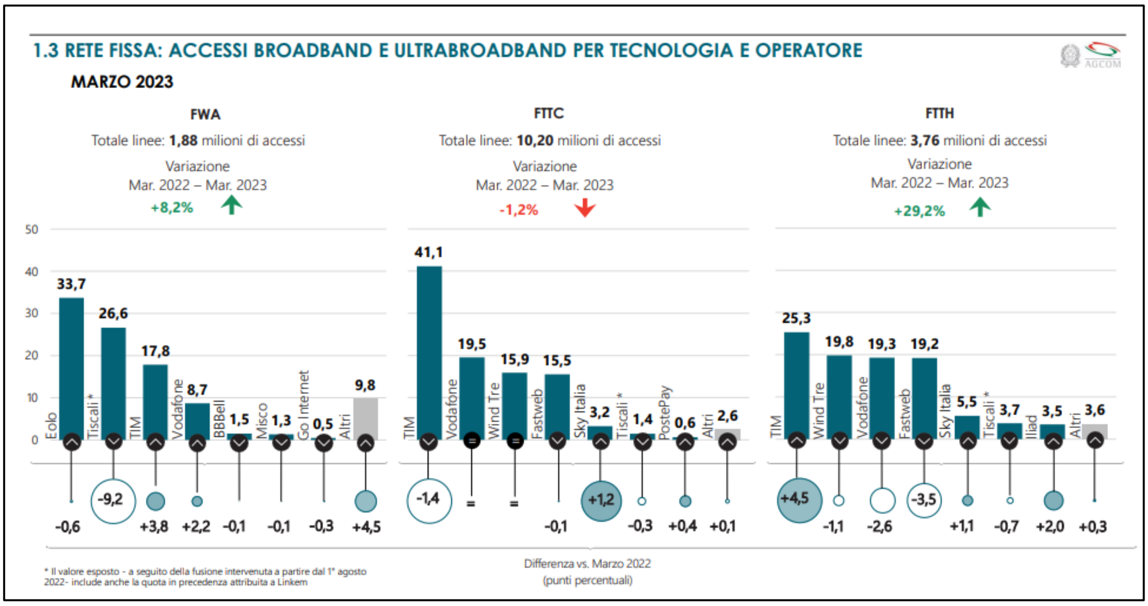
With regard to broadband and ultra-broadband access, there is evidence during the last months of 2022 and the first three months of 2023 of a substantial general stagnation in total access lines, accompanied by a steady growth in the number of networks in alternative technologies to xDSL.



Source: Agcom Quarterly Observatory, latest survey available (No. 2/2023)

From a Market and Competition point of view, it is useful to note how the hierarchy of Telecommunications operators changes, even significantly, when switching from one technology to another.

TIM, for example, is incumbent in both FTTH and mixed fiber-copper (FTTC), but is in third position after Eolo and Tiscali for FWA-type radio technologies. The reduced weight represented by "Others" under FTTH (which marked, overall, a +5 % in YoY to March 2022-2023) shows, once again, the relevance of Unidata and the other medium and small companies, FTTH being a very concentrated access market among the four largest operators.



Source: Agcom Quarterly Observatory, latest survey available (No. 2/2023)

Acquisition of TWT Group

As previously anticipated in the 2022 Annual Report, on February 28, 2023, the sale was finalized in favor of Unidata, through the special purpose vehicle Unitwt S.p.A. (a wholly owned subsidiary of Unidata) of the entire share capital of the TWT Group (consisting of Berenix S.r.l. and its subsidiaries TWT S.p.A, Domitilla S.p.A., and Voisoft S.p.A.), a major player in the field of telecommunications and connection and communication services based in Milan, for a consideration of €65,344 thousand.

For the purpose of finalizing the acquisition of the TWT Group, Unidata signed a loan agreement with a pool of lending banks on market terms for a total amount of approximately 40 million euros.

In the context of the acquisition, Dr. Michela Colli, already a shareholder in the acquired package, subscribed, through the wholly owned subsidiary Upperhand S.r.l., to a capital increase tranche in the amount of 8 million euros reserved for her by resolution of Unidata's Board of Directors on February 20, 2023, thus reaching a shareholding of approximately 6.2 percent of the share capital. Dr. Colli herself was then appointed as a director on Unidata's Board of Directors.

Previously, on Feb. 21, 2023, Unidata had carried out a share capital increase through a share placement at a price of 42.00 euros per share for a total value of the increase of 15,120,000 euros.

This acquisition will enable the diversification and strengthening of Unidata's commercial offering by leveraging the reseller channel present throughout Italy and the TWT Group's proprietary platform dedicated to reseller channel customers, having a unique character in the current competitive environment

national. In addition, the integration with the TWT Group will enable Unidata to expand its geographic presence and enter new markets not currently covered by it, as well as realize potential synergies.

The completion of the acquisition will thus determine the expansion of Unidata's market share in the Italian territory, going beyond the borders of Lazio, its current operational headquarters, consistent with what has taken place through the opening of a new office in Bari by means of which Unidata has already begun operating in the Apulian market.

Translisting and listing on the main market

Consistent with the developments expected following the acquisition of the TWT Group, the company decided to further strengthen its market positioning through the move ("translisting") to the regulated market Euronext Milan - STAR Segment, which took place on June 2, 2023 through the provision of Borsa Italiana, with trading commencing on June 6, 2023

Considering the performance of Unidata's share price from January 1, 2023 through the end of August 2023, the relevant graph is shown below. As of June 30, 2023, the capitalization value of Unidata is approximately 125 million euros.

Unidata stock performance January 1, 2023 to August 31, 2023

Considerations on the military conflict between Russia and Ukraine

With reference to the war conflict that erupted in February 2022 between Russia and Ukraine, as also outlined in Budget 2022, the Directorate is closely monitoring any consequences from an operational, economic, and financial perspective that might result. However, there are no specific updates to what has already been outlined in Budget 2022.

The Company, as in the last fiscal year, and also the entire Group, has no exposure either to the countries involved in the war or to companies operating in them, consequently, as of the date of preparation of this consolidated half-yearly report, there are no factors or evidence that could affect the balance sheet items as of June 30, 2023.

Key consolidated data as of June 30, 2023

The analysis of the consolidated income statement, as per the table below, shows very positive results in terms of growth and improvement of key economic indicators.

in euro	**As of June 30, 2023 (Consolidated)**	**As of June 30, 2022 (Unidata)**
Revenues from customers	41.722.495	21.591.150
TOTAL REVENUES.	**41.722.495**	**21.591.150**
Raw and consumable materials	13.700.294	5.239.513
Personnel cost	4.740.592	1.830.611
Costs for services	13.724.436	8.400.760
Other operating costs	830.727	264.411
Write-downs	148.923	260.566
TOTAL COSTS OF PRODUCTION	**33.144.972**	**15.995.861**
EBITDA	**8.577.523**	**5.595.290**
EBITDA Margin	***20,56%***	***25,91%***
ADJUSTED EBITDA	**9.423.859**	
Adjusted EBITDA Margin	***22,59%***	
Depreciation	3.723.140	2.548.105
OPERATING RESULT	**4.854.383**	**3.047.185**
ADJUSTED OPERATING INCOME	**5.700.719**	
Financial income	268.521	164.143
Financial charges	1.566.654	81.834
TOTAL FINANCIAL INCOME AND EXPENSES	**-1.298.133**	**82.309**
PROFIT BEFORE TAX	**3.556.250**	**3.129.493**
Income taxes	1.128.504	1.024.770
RESULT FOR THE YEAR	**2.427.746**	**2.104.723**

It should be noted that the Adjusted EBIDA was calculated by not taking into account the extraordinary costs, incurred in H1 2023, related to consulting services rendered for the acquisition of the TWT Group and for the finalization of the Translisting, amounting to approximately 846 thousand euros.

In order to provide a better understanding of the company's financial position, a reclassification of the Balance Sheet in the version showing net financial position (financial debt) is provided below.

	30.06.2023 (Consolidated)	**12/31/2022 (Unidata)**
Trade receivables	22.225.036	23.221.515
(Trade payables)	-22.895.980	-16.462.185
Closing inventory	4.221.768	4.150.526
Contractual activities	1.206.906	0
Other assets - (liabilities) short-term	-9.379.074	-9.815.686
NET WORKING CAPITAL	***-4.621.344***	***1.094.169***
Intangible assets and goodwill	53.267.938	421.178

Usage rights	10.043.989	9.289.031
Plant and machinery	52.848.993	38.953.533
Participations	8.573.376	3.481.548
FIXED ASSETS	***124.734.295***	***52.145.289***
Derivative financial instruments	-213.344	293.201
Employee benefits (severance pay).	-3.197.726	-1.290.228
Deferred taxation / (deferred)	646.092	181.264
Other assets - (liabilities) non-current	-5.988.809	-5.884.113
NET INVESTED CAPITAL	**111.359.164**	**46.539.582**
NET FINANCIAL POSITION (FINANCIAL DEBT)	**49.624.471**	**9.618.974**
Share Capital	3.088.661	2.538.185
Reserves	56.218.285	26.878.204
Profit (loss) for the year	2.427.746	7.504.220
NET WORTH (PN)	**61.734.692**	**36.920.608**
TOTAL SOURCES (PFN + PN)	**111.359.164**	**46.539.582**

With reference to the depicted evolution of balance sheet items, the year ended with a negative financial debt (net financial position) of 49,624,471 euros, mainly due to the loan taken out for the acquisition of the TWT Group.

The Financial Indebtedness Statement, prepared in accordance with European Securities and Markets Authority (ESMA) Document ESMA32-382-1138 dated March 4, 2021, is detailed below.

	30.06.2023 (consolidated)	12/31/2022 (Unidata)
A Cash and cash equivalents	12.283.533	12.516.539
B Cash equivalents	-	-
C Other current financial assets	196.788	195.128
D Liquidity (A + B + C)	**12.480.321**	**12.711.667**
E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	3.228.738	2.897.939
F Current part of non-current financial debt	7.482.960	2.120.549
G Current financial debt (E + F)	**10.711.699**	**5.018.487**
H Net current financial debt (G - D)	**- 1.768.622**	**- 7.693.180**
I Non-current financial debt (excluding current portion and debt instruments)	51.393.094	17.312.154
J Debt instruments	-	-
K Trade and other non-current payables	-	-
L Non-current financial debt (I + J + K)	**51.393.094**	**17.312.154**
M Total financial debt (H + L)	**49.624.471**	**9.618.974**

Revenue Analysis

The activity is organized according to the following areas:

- As for Unidata, revenues are divided between Retail (and specifically Consumer, Business, Wholesale, Public Administration and Project) and Infrastructure;

- As for TWT, revenues are divided between Retail and Voice trading & Voice Network.

The following table shows the breakdown among these revenues, expressed in thousands of euros.

	30/06/2023 (Unidata)	30/06/2023 (TWT)	Elisions	06/30/2023 (Consolidated)	30/06/2022 (Unidata)
Consumer	2.009			2.009	1.616
Business	5.050		- 19	5.031	4.332
Wholesale	902			902	763
PA	214			214	567
Project	1.636			1.636	557
Voice Trading and Voice Network		2.074		2.074	
TWT Reseller and Business		13.301	- 53	13.248	
Retail	**9.811**	**15.375**	**- 72**	**25.114**	**7.835**
Wholesale IFRS 16	4.405			4.405	4.597
Unifiber	9.628			9.628	4.291
Materials trading	1.668			1.668	4.020
Infrastructure	**15.701**	**-**	**-**	**15.701**	**12.908**
Deferred income	**697**			**697**	**610**
Miscellaneous income	**59**	**151**		**210**	**238**
Total	**26.268**	**15.526**	**- 72**	**41.722**	**21.591**

Revenues from customers show a significant increase both considering the performance of Unidata alone and taking into account the consolidated figures. It should be noted that TWT revenues refer to only 4 months, from March 1, 2023 to June 30, 2023, considering that TWT was acquired by Unidata on February 28, 2023.

With regard to the Retail line, which mainly accommodates revenues from Internet access services in Fiber Optic, XDSL and wireless modes, there is a substantial increase in production in the main customer categories, due to the acquisition of new contracts of Internet services signed with customers.
Below is an explanatory table of the calculation of average revenue per user (ARPU) broken down by major customer categories and compared with the figure for the same period last year.

Customer type	Number of customers as of 30/06/2023	ARPU to 30/06/2023	Number of customers as of 12/31/2022	ARPU as of 12/31/2022
Consumer Unidata	16.260	21	13.921	23
Unidata Business	2.207	380	2.063	370
Business TWT	2.489	348	2.308	342

"Project" mainly includes revenues related to the construction of a video surveillance system at the Bari ASI Consortium in the amount of 1,356,665 euros.

As for the Infrastructure line, it includes:

- The activity related to the granting of I.R.U. (Indefeasible Right of Use) concession rights to other operators on the fiber optic network infrastructure built by Unidata. This concession of rights was accounted for as a true sale of the infrastructure, consistent with IFRS 16 accounting standard. Revenues from this transfer, together with revenues from design, "vertical" network-related work and maintenance, amounted to 4,405,035 euros.
- Revenues for the construction of telecommunication infrastructure attributable to work related to the Unifiber project, amounting to 9,627,648 Euros, a significant increase of 60%.
- Revenues from the sale of materials sold to so-called "System" suppliers for the implementation of the network mentioned in the two previous points, which are shown net of the cost of repurchasing the same materials from System suppliers ("Materials trading"). This item amounted to 1,668,034 euros as of June 30, 2023. It should be noted that the decrease in revenues from sales of materials is due to a different representation of the same as of the financial statements ended December 31, 2022. They, in fact are now shown net of the cost of repurchasing the same materials from System suppliers; conversely, the figure as of June 30, 2022 contained only sales revenues and not also repurchase costs.

Deferred income, amounting to 697,328 euros, mainly includes capital grants pertaining to the half-year in the amount of 172,323 euros and the reversal of deferred income related to I.R.U. projects before 2019 in the amount of 484,024 euros.

Research and Development Activities

Unidata owes its growth over the decades, and its very birth, to the momentum of interest that has always characterized the founders and key players in its history. What most characterizes Unidata is, even today, its curiosity and serious dedication to the most relevant technological innovations.

The company is fully operational in the EU H2020-funded research and development project called "Elegant," was awarded, together with the Rome Technopole foundation of which it is one of the founding partners, the Rome Technopole project, funded by PNRR "Ecosystems of Innovation" Mission 4 Education and Research - Component 2 - Investment 1.5.

Currently in IoT/BigData/AI systems, there is a clear separation between the physical devices and the Cloud part of BigData and artificial intelligence. All the dynamic and intelligent part is relegated to the Cloud, while the devices are only tasked with generating the data that will be used.

ELEGANT's solution aims to create a continuous loop between devices and BigData/AI, enabling the central system to dynamically distribute intelligence and data analytics capabilities even to low-cost heterogeneous peripheral objects (IoT network concentrators and devices).

To achieve this, ELEGANT aims to study and develop innovative methods and tools designed to solve the problem of the ever-increasing complexity of software technologies needed to create and deploy intelligence in an "EdGe to cloud" process.

The application areas and industrial use cases are automotive, health, smart metering and video surveillance.

In the ELEGANT project, Unidata will focus on LPWA LoraWan networks, with an emphasis on using the project results to increase IoT network security, reduce system energy consumption, and to optimally manage radio spectrum.
The use case chosen by Unidata to validate the results will be smart metering of water consumption.
The Rome Technopole project is funded under "ECOSYSTEMS OF INNOVATION Public Notice No. 3277" within the National Recovery and Resilience Plan - Mission 4 Education and Research - Component 2 - Investment 1.5, funded by the European Union - Next GenerationEU"
Unidata is an innovative company, both because of the sector in which it operates and because of its vocation and strategic choice to always devote resources and investment to R&D activities.
The 3-year project, which started in June 2022, sees Unidata engaged in SPOKE 1 (Research and Innovation) and FLAGSHIP PROJECT 8 dedicated to Artificial Intelligence USER CENTRIC, with a special focus on the use of AI and IoT Technologies, for responsible and optimized use of water resources. In addition to Industrial Research and Experimental Development activities Unidata will provide HPC(High Performance Computing), IaaS and Paas infrastructures that will be used for the project and the companies in the area.
The company has established, within the organization itself, a working group (Unidata Lab) composed of very young graduates, led by a figure totally dedicated to this, engaged in the study, testing and development of wireless technologies suitable for the Internet of Things (IoT).
Among the various technologies available for these kinds of solutions, Unidata has chosen to focus and specifically devote its attentions and investments on LoRa™ technology and the related LoRaWAN™ network standard.
This innovative technology enables, thanks to profound specific advantages-such as, for example, wide coverage range, extremely long battery life, bidirectional data transmission, and significant deep indoor penetration-to make countless IoT solutions a concrete and truly cost-effective reality. It is specified that the brands previously mentioned are in the ownership of Semtech Corporation and the LoRa technology is developed and operated by the latter.
In 2023, R&D activities continued to increasingly consolidate on the application of artificial intelligence on time series of data acquired through IoT networks, with a focus on the application of these innovations to Water Networks, with a vision to begin a process of transforming the traditional water infrastructure into a new smart Smart Grid. Neural models of water utility clustering and water consumption prediction were developed.

Relationships with parent companies, affiliates, subsidiaries and other related parties

The company is not subject to any management and coordination activities.
For the definition of "related party," reference is made to International Accounting Standard IAS 24, which defines related parties as all those "persons who have the ability to control another person, or to exercise significant influence over the making of financial operating decisions by the reporting entity, or key management personnel of the entity."
Transactions made with related parties comply with principles and criteria of transparency and substantive and procedural fairness, are not classifiable as atypical or unusual, and are part of the company's ordinary course of business, when not concluded on standard terms or dictated by specific regulatory conditions, were in any case settled with terms and conditions equivalent to those prevailing in free transactions.

During fiscal year 2020, the company Unifiber S.p.A. was established, initially with Unidata as the sole shareholder, into whose capital the Connecting Europe Broadband Fund (CEBF) entered in December 2020, bringing the company's shareholding down to 30 percent; by virtue of existing shareholders' agreements, Unifiber S.p.A. is subject to "joint control" by Unidata and CEBF shareholders.

During the current fiscal year, the company carried out, through its suppliers, fiber optic network infrastructure construction activities in favor of the investee Unifiber, realizing revenues to the same as of June 30, 2023, amounting to 5,980,335 euros, by way of design revenues and revenues for processing and 50,000 euros for the service contract for the use of common spaces and administrative service.

Regarding investments in other companies and consortia, please refer to the Notes to the Financial Statements.

The company Unihold s.r.l., whose shareholders are some of the same shareholders as Unidata, can be classified as a related party.

It should be noted that, as more fully described in the Notes to the Financial Statements, the company owes Unihold s.r.l. a total of Euro 717,247 in rent and utilities to be paid with reference to the lease agreement for the company's registered office and administrative headquarters (owned by Unihold s.r.l. Finally, it should be noted that the company applied IFRS 16 for the lease agreement with Unihold s.r.l. for the company's registered office, as a result, Euro 2,222,018 in usage rights, Euro 2,301,256 in financial payables, Euro 153,243 as the amortization portion of the same usage rights, and Euro 18,746 in financial charges were recognized. Finally, costs related to the electricity charge of the company's registered office amount to Euro 327,155.

No guarantees have been provided or received for debts and receivables contracted with related parties.

Finally, with reference to Unitirreno Holding S.p.A., as indicated in the Notes to the Financial Statements, Unidata has a receivable of 1,028,258 euros as a non-interest-bearing loan.

Below is the summary table of assets, liabilities, expenses and income with related parties as of December 31, 2022.

Related part	Activities	Liabilities	Costs	Revenues
Unifiber SpA	5.533.437	23.910	99.033	9.677.648
Unitirreno Holding SpA	1.028.258			
Unihold Ltd.	2.222.018	3.018.503	499.143	
Total	**8.783.712**	**3.042.413**	**598.176**	**9.677.648**

Management of risks and uncertainties

In compliance with the provisions of Article 2428 of the Civil Code, the main risks to which Unidata (and its Group) is exposed and the actions planned to cope with them are outlined below.

Risk related to telecommunications market performance

The continuation of the economic downturn that characterized the macroeconomic environment during 2022 and the early months of 2023 represents a non-secondary component of the contraction suffered by the telecommunications sector during the same year. The Telecommunications Market continued to be characterized by an overall increase in volume but a higher rate contraction. The Telecommunications

Market is competitive in terms of innovation, pricing and efficiency, and ICT technologies can be the basis for productivity recovery, improved international competition and for the creation of new skilled employment. The company is competing with larger companies and industry groups and specialized operators that may be endowed with superior resources such that they can be better positioned in the target market.
The high level of customer loyalty in the geographical area of activity and the high quality level of the services offered contribute to the success of the company's activities, enabling it to maintain and increase the market shares in which it operates through, precisely, offering innovative services capable of ensuring adequate levels of profitability.

Sector risk

The Italian telecommunications sector is highly regulated and governed by extensive and articulated legislative and regulatory legislation especially in relation to licensing, competition, leased lines, interconnection agreements and pricing. The constantly changing regulatory and policy framework can be a major risk factor.
Changes in existing legislation and regulations, both at the national and EU level, could adversely affect the economic performance of companies in the sector through the introduction of new charges or the increase of existing ones, and any sanction measures by the Communications Regulatory Authority (AGCOM) could adversely affect the company's business and its economic, asset and financial situation.
Changes in the regulatory framework could in fact result in the company finding it difficult to obtain services from other operators at competitive prices or restricting access to services necessary to conduct its business.
The possibility of a regulatory development that mitigates the effectiveness of the current regulations established by the regulatory bodies (AGCOM) and may benefit the dominant operator at the expense of other operators appears to be an element of potential risk.
The company pays constant attention to the evolution of the regulatory framework of the sector, through constant monitoring and constructive dialogue with the institutions, aimed at seeking moments of contradictory and timely evaluation of the changes made, working to minimize any economic impact resulting from them

Risks related to the technological dependence of the telecommunications sector

The company operates in a market that is technologically complex and exposed to the high risk that is inherent in Information Technology (IT) and Information and Communication Technology (ICT) systems, and invests adequate resources to prevent the risks associated with damage and malfunction of these systems.
The company's ability to adapt its infrastructure in relation to technological developments and has enabled the company to be constantly evolving and in line with its main competitors. Recent fiscal years have seen the company invest in the reliability of its core business systems. The data centers in Rome are highly reliable, equipped with the main security, fire and anti-flooding systems, and the operating personnel make back-up copies of data, guaranteeing a good level of reliability.
The company strives to respond to rapid technological changes and develop the features of its services and products so as to adapt promptly to changing market needs and in order to maintain its competitive position in the market unchanged.

Credit risk

No particular critical issues are noted for the receivable recorded in the balance sheet.

The prevailing amount of receivables relates to commercial dealings with customers and even in this case the risk can be considered limited in view of the activities punctually carried out by the company aimed at identifying possible impairment losses related to the occurrence of events that may prove the existence of significant financial difficulties of the debtor (non-payment, opening of bankruptcy proceedings).

The company's credit exposure is spread over a large number of customers and the target market is exclusively the domestic market.

Continuous monitoring of customers, increasing acquisition of customers with payment methods of an inertial nature (credit card, SDD Bank Domiciliation) have shown a lower risk of default over time. The responsiveness of the debt collection department in suspending services in case of delinquency due to non-payment of fees due has further minimized the risk of credit enhancement of individual positions.

Liquidity risk

Liquidity risk should be understood as potential difficulty in meeting financial liabilities and, while closely related to delays in collections from customers, is absorbed by a liquidity reserve created by the company at the Intesa Sanpaolo S.p.A credit institution and one at BNP Paribas S.p.A.

Risk associated with fluctuations in exchange and interest rates

The company purchases and operates mainly in Italy, although some supplies, albeit for insignificant amounts, are made from foreign suppliers; therefore, the risk of exchange rate fluctuations to which the company is exposed is minimal.

Risks related to fluctuations in interest rates mainly relate to the risk of interest rate changes on medium- and long-term loans signed during the year. The company has entered into "*Interest Swap Rate*" and "*Floor"* derivative financial contracts with banking institutions Intesa Sanpaolo and BNP Paribas, aimed at cancelling the risk of interest rate fluctuation related to the loans. Please refer to the notes to the financial statements for a detailed analysis of the derivative financial instruments and the loans covered by them.

Financial risk arising from fluctuating interest rates on bank credit facilities is not considered significant due to the active management of all bank relationships with financial institutions. However, short-term bank credit facilities for current management activities are regulated at contractually defined market conditions and rates.

Liquidity risk is the risk that the enterprise will be unable to meet its payment commitments due to difficulties in raising funds. The consequence is a negative impact on the economic result in the event that the company is forced to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that puts the company's ability to continue as a going concern at risk. The cash generated is maintained in current accounts with leading banking institutions.

Risk associated with financial resource requirements

It should be noted that, in order to acquire the TWT Group, Unidata in February 2023 entered into a loan of approximately 40 million euros with a pool of 4 leading banking institutions. For more details about this transaction, please refer to the Notes to the Financial Statements. It should be noted that, with reference to this loan, there are three financial covenants (*Leveraged Ratio*, *Gearing Ratio* and *Interest Cover Ratio*), which will be applicable as of December 31, 2023.

Delegation risk

The company has already adopted the Organization, Management and Control Model required by Legislative Decree No. 231 of June 8, 2001, which introduced a system of administrative liability for companies in relation to certain types of crimes committed in the interest or to the advantage of the company itself.

The adoption of the model represents a means of prevention against the risk of crimes and administrative offenses provided for in the relevant legislation, as well as being a tool of those who work on behalf of the company, to keep the behavior in the performance of their activities, but also constitutes a signal of the company on transparency and accountability in external relations.

For this reason, the activity of checking and updating the Organizational model is constant and careful to include any possible changes introduced by legislation.

Corporate governance procedures

With reference to the procedures adopted by the Company with regard to governance, there are no changes from what has already been described in the 2022 budget.

Information pertaining to the environment and personnel

The company does not detect any environmental risks due to the type of activity it carries out. The company conducts full business in full compliance with environmental and hygiene regulations in the workplace. Relations with employees are managed in full compliance with human rights, fundamental rights at work, the criterion of equal opportunities, and labor law and occupational safety regulations. The company applies the C.C.N.L. for the Private Metalworking and Plant Installation Industry and the Contract of Managers of Tertiary Companies for the figure of C.F.O.

The company will prepare, starting from fiscal year 2020, the sustainability report (DNF).

It should be noted that a Unitary Trade Union Representative (RSU) has been established as of 2021. In this regard, several results have been achieved under Level II bargaining, among them we can mention the Results Bonus, which is referred to in the next section, the granting of paid leave for medical examinations, the recognition of meal vouchers, and the possibility of smart working once a week, where applicable.

Information pertaining to the corporate welfare plan

The company adopts a corporate welfare plan for employees with two different forms of funding, one of which is derived from national bargaining and one on the basis of company rules. Based on the realization of the positive economic results achieved in FY2022, employees took advantage of the benefits granted by the welfare platform.

The goal achieved by the company was to introduce a benefits program that can increase the benefits for employees in order to increase their individual and family well-being, allowing them to access benefits and services that can be customized according to their specific needs, increase the protection of public welfare benefits (social security, health, assistance d education of children), obtain an improvement in the purchasing power of total remuneration, thanks to the tax and contribution benefits that the law recognizes.

The platform used as of 2022 is BNP Paribas' "WellMakers." It should also be noted that, based on the Level II bargaining between Unidata and the RSU, a supplementary company agreement was reached regarding the Results Bonus that will be paid annually to employees in June. This bonus will be calculated with reference to measurable and quantifiable results increases on profitability, productivity and process efficiency/innovation objectives.

Transparency obligations under Law No. 124/2017

Law No. 124/207, introduces in Article 1, paragraphs 125 to 129 measures that appear to be aimed at ensuring transparency in public disbursements. Companies are required to publish information on grants, contributions, paid assignments and otherwise economic benefits of any kind received in the previous year in the notes to the financial statements.

Own shares

The company, in execution of and in accordance with the terms and conditions set forth in the resolution of the Ordinary Shareholders' Meeting of May 14, 2021, initiated the share buyback program. Specifically, the Shareholders' Meeting authorized the plan for the purchase and disposal of treasury shares in strict compliance with applicable EU and national regulations including Regulation (EU) 596/2014 (the "MAR Regulation") and Delegated Regulation (EU) 1052/2016 (the "Delegated Regulation") as well as, to the extent applicable, Legislative Decree. 58/98 (the "TUF") and the Consob regulation adopted by resolution no. 11971 of May 14, 1999 (the "Issuers' Regulations"), and of accepted market practices with the purposes of supporting the liquidity of the stock, endowing the Company with a stock of treasury shares that can be disposed of in the context of any future extraordinary transactions, and operating in the market with a view to medium- and long-term investment.
Authorization to purchase is granted for 18 months from the date of the resolution of the same meeting.
The share buyback transactions, in accordance with the provisions of the Unidata Shareholders' Meeting, were carried out at a price that did not deviate, downward or upward, by more than 25% from the official price of Borsa Italiana S.p.A. recorded on the day preceding the day on which the individual transaction was carried out.
That said, as of June 30, 2023, the company has purchased and holds a total of 29,964 treasury shares for a total value of 1,403,043 euros, which is classified in an unavailable reserve as a direct deduction from corporate equity, as required by IAS 32.

Secondary locations

The company has a branch office in Rome, via Cornelia 498, and one, opened July 1, 2022, in Modugno (BA), via delle Dalie 5.

Management performance forecast

After the good performance achieved in the last fiscal year, the first half of 2023 was marked as mentioned above not only by the consolidation of the parent company Unidata, but also by the acquisition of the TWT Group and the Translisting to the main regulated market. These events will be a driving force for the continuation of growth and development not only at the individual entity level, but also and especially from the perspective of the Corporate Group.
Various initiatives and activities will be put in place in the coming months such as:

- integration with the TWT Group and the development of related synergies;
- The increase in customer base regarding the Retail aera;

- The implementation of the Unitirreno project activities to build a submarine fiber system in the Tyrrhenian Sea;
- Participation in public tenders with reference to public administration and the area of IoT (Internet of Things);
- The continuation of the investment in Unifiber to build a fiber optic network in the gray areas of Lazio.

All this, with a view to consolidating the Group and increasing market penetration nationwide.

Rome, September 12, 2023

Renato Brunetti

Chairman of the B.o.D.

FINANCIAL STATEMENTS AND SCHEDULES

UNIDATA S.P.A.

Alexandre Gustave Eiffel 100 Avenue - 00148 ROME

Tax Code, VAT Number and Rome Business Register Number 06187081002

R.E.A. Number RM-956645

Share capital Euro 3,088,661.00

Statement of financial position as of June 30, 2023

Euro values	Notes	As of June 30, 2023 (Consolidated)	*Of which with related parties*	As of December 31, 2022 (Unidata)	*Of which with related parties*
Property, plant and equipment	5	52.848.993		38.953.533	
Right-of-use activities	6	10.043.989	*2.222.018*	9.289.031	*2.375.260*
Goodwill	7	51.322.428		0	
Other intangible assets	8	1.945.509		421.178	
Investments	9	0		50.000	*50.000*
Equity investments in equity affiliates	10	8.573.376	*8.573.376*	3.431.548	*3.431.548*
Deferred tax assets	11	662.517		262.273	
Non-current derivative financial instruments	12	258.425		293.201	
Other non-current financial receivables	13	9.115.813	*1.028.258*	79.261	
Other non-current financial assets	14	93.596		2.940.262	
Other non-current receivables	15	2.281.319		1.113.548	
TOTAL NON-CURRENT ASSETS		**137.145.965**	***11.823.651***	**56.833.834**	***5.856.809***
Inventories	16	4.221.768		4.150.526	
Contractual activities	17	1.206.906			
Trade receivables	18	22.225.036	*5.533.437*	23.221.534	*9.747.355*
Other short-term receivables	19	3.312.130		801.311	
Tax credits	20	2.151.365		3.907.798	
Marketable securities measured at fair value	21	134.875		133.635	
Cash and cash equivalents	22	12.283.533		12.516.539	
TOTAL CURRENT ASSETS		**45.535.612**	***5.533.437***	**44.731.343**	***9.747.355***
TOTAL ASSETS.		**182.681.577**	***17.357.088***	**101.565.177**	***15.604.163***
Share capital		3.088.661		2.538.185	
Share premium		29.414.176		6.844.652	
Reserves for own shares		-1.403.043		-1.301.432	
Other reserves		6.622.717		7.210.400	
Undivided profit (loss)		21.584.434		14.124.584	
Net income (loss) for the year		2.427.746		7.504.220	
TOTAL GROUP SHAREHOLDERS' EQUITY	23	**61.734.692**	***0***	**36.920.608**	***0***
Long-term financing	24	51.393.093	*301.694*	17.312.154	*299.402*
Long-term derivative financial instruments	12	471.770		0	
Deferred tax liabilities	11	16.425		81.009	
Employee benefits	25	3.197.726		1.290.228	
Long-term funds	26	8.018.743		3.511	
Other long-term liabilities	27	9.460.793		10.013.672	
TOTAL NON-CURRENT LIABILITIES		**72.558.550**	***301.694***	**28.700.574**	***299.402***
Trade payables	28	22.895.980	*741.157*	16.462.185	*1.289.026*
Other current liabilities	29	11.703.882		10.900.215	
Tax debts	30	3.076.774		3.563.107	
Short-term financing	24	10.711.699	*1.999.562*	5.018.487	*2.151.109*
TOTAL CURRENT LIABILITIES		**48.388.334**	***2.740.719***	**35.943.994**	***3.440.135***
TOTAL LIABILITIES.		**182.681.577**	***3.042.413***	**101.565.177**	***3.739.536***

Income statement as of June 30, 2023

in euro	Notes	As of June 30, 2023 (Consolidated)	*Of which with related parties*	As of June 30, 2022 (Unidata)	*Of which with related parties*
Revenues from customers	31	41.722.495	*9.677.648*	21.591.150	*4.291.456*
TOTAL REVENUES.		**41.722.495**	***9.677.648***	**21.591.150**	***4.291.456***
Raw and consumable materials	32	13.700.294		5.239.513	
Personnel cost	33	4.740.592		1.830.611	
Costs for services	34	13.724.436	*426.188*	8.400.760	*287.351*
Other operating costs	35	830.727		264.411	
Write-downs	36	148.923		260.566	
TOTAL COSTS OF PRODUCTION		**33.144.972**	***426.188***	**15.995.861**	***287.351***
EBITDA		**8.577.523**	***9.251.460***	**5.595.290**	***4.004.105***
Depreciation	37	3.723.140	*153.243*	2.548.105	*153.243*
OPERATING RESULT		**4.854.383**	***9.098.217***	**3.047.185**	***3.850.862***
Financial income	38	268.521		164.143	
Financial charges	39	1.566.654	*18.746*	81.834	*21.093*
TOTAL FINANCIAL INCOME AND EXPENSES		**-1.298.133**	***-18.746***	**82.309**	***-21.093***
PROFIT BEFORE TAX		**3.556.250**	***9.079.471***	**3.129.493**	***3.829.769***
Income taxes	40	1.128.504		1.024.770	
RESULT FOR THE YEAR		**2.427.746**	***9.079.471***	**2.104.723**	***3.829.769***
Basic and diluted earnings per share	23	**0,79**		**0,83**	

Statement of comprehensive income as of June 30, 2023

Values in Euros	**As of June 30, 2023 consolidated**	**As of June 30, 2022 Unidata**
Net income	**2.427.746**	**2.104.723**
Gain/(loss) on cash flow hedging instruments ("cash flow hedge")	-506.546	171.603
Fiscal effect	121.571	-41.185
Total gain/(loss) on cash flow hedging instruments ("cash flow hedge")	*-384.975*	*130.418*
Total gains/(losses) to be reclassified subsequently to net income/(loss) for the year	**-384.975**	**130.418**
Actuarial gains/(losses) on defined benefit plans	87.384	-316.067
Fiscal effect	-21.006	75.669
Total actuarial gains/(losses) on defined benefit plans	*66.379*	*-240.399*
Total gains/(losses) that will not be reclassified subsequently to net income/(loss) for the year	**66.379**	**-240.399**
Other gains/(losses) of other components net of tax effect	**-7.650**	**-7.650**
Total gains/(losses) of other components net of tax effect	***-326.246***	***-117.631***
Total overall result	**2.101.500**	**1.987.093**

Cash flow statement as of June 30, 2023

	06/30/2023 (Consolidated)	30/06/2022 (Unidata)
A) Cash flow from operating activities		
Profit (loss) for the period	2.427.746	2.104.723
Income taxes	1.128.504	1.024.770
Interest expense/(Interest income)	1.298.133	-82.309
(Plus) capital loss from equity-accounted investments under the equity method	-178.829	-155.409
Profit (loss) for the year before income tax, interest, dividends and gains/losses on disposal	**4.675.553**	**2.891.776**
Adjustments for non-cash items		
Provisions for funds / (Release) funds	396.364	399.182
Depreciation	3.723.140	2.548.105
Cash flow before changes in net working capital	**8.795.057**	**5.839.063**
Changes in net working capital		
(Increase) Decrease in inventories and product recovery rights for customer returns	-3.718.556	-508.197
(Increase) Decrease in receivables from customers	7.046.961	480.686
Increase (Decrease) in accounts payable and liabilities for future repayments to customers	-4.281.803	368.809
Other changes in net working capital	1.140.064	-739.332
Cash flow after changes in net working capital	**8.981.723**	**5.441.028**
Other adjustments		
Interest collected/(paid)	-1.298.133	82.309
(Income Taxes)	-1.128.504	-1.024.770
Increases (Use of Funds)	7.287.965	
Increase / (Utilization of employee benefit liability)	-250.032	-70.192
Cash flow from operating activities (A)	**13.593.019**	**4.428.375**
B) Cash flow from investing activities		
(Investments)/Disinvestments in intangible assets.	-1.508.301	-3.974.150
(Investment)/Disinvestment in tangible assets	-7.353.154	-1.299.762
(Investments)/Disposals of equity investments.	-4.912.998	-250.000
TWT Group Acquisition	-46.672.079	
Other changes in non-current assets	-7.096.449	
Cash flow from investing activities (B)	**-67.542.982**	**-5.523.912**
C) Cash flow from financing activities		
Third-party means		
Increase (decrease) short-term payables to banks	-1.058.814	-6.326
Ignition financing	41.200.000	1.377.372
(Financing repayment)	-775.565	-1.049.766
Increase (Decrease) lease financing	-188.249	-225.812
Increase (Decrease) in financial instruments payable.	471.770	-1.598
Own means		
Dividends paid	-306.126	-246.465
Other changes in equity	14.373.940	-442.600
Cash flow from financing activities (C)	**53.716.956**	**-595.195**
D) Increase (decrease) in cash and cash equivalents (A+B+C)	**-233.007**	**-1.690.731**
Cash and cash equivalents at the beginning of the fiscal year	**12.516.539**	**8.269.206**
Cash and cash equivalents at the end of the fiscal year	**12.283.533**	**6.578.475**

Statement of Changes in Shareholders' Equity

	12/31/2022 (Unidata)	Destination result	Dividend distribution	Capital stock increase	Purchase of own shares	Change in the scope of consolidation	Profit/(loss) for the year	Other comprehensive income/(loss)	06/30/2023 (Consolidated)
Share capital	2.538.185			550.476					3.088.661
Share premium reserve	6.844.652			22.569.524					29.414.176
Treasury stock reserve	-1.301.432				-101.611				-1.403.043
Legal reserve	492.929	14.706							507.635
Extraordinary reserve	57.006								57.006
F.T.A. Reserve.	5.298.437					-16.697			5.281.740
Available reserve L.145/2018 Art.1 c.28-34	1.520.779								1.520.779
Cash flow hedging reserve	222.833							-384.975	-162.142
Re-measurement of defined benefit plans (IAS19)	-264.161					-259.444		66.379	-457.226
AIM listing reserve	-117.424							-7.650	-125.074
Undivided profit (loss)	14.124.584	7.183.388				276.463			21.584.435
Net income (loss) for the year	7.504.220	-7.198.094	-306.126				2.427.746		2.427.746
TOTAL shareholders' equity	**36.920.607**	**0**	**-306.126**	**23.120.000**	**-101.611**	**322**	**2.427.746**	**-326.246**	**61.734.692**

NOTE SUPPLEMENTARY

PART A - BUSINESS ACTIVITIES, FINANCIAL STATEMENT FORMATS AND ACCOUNTING POLICIES

Note No. 1 - Corporate Information

Unidata S.p.A. is a joint stock company listed, registered and domiciled in Italy. Its registered office is located in Rome, Viale Alexandre Gustave Eiffel 100.

Note No. 2 - Main accounting principles

Principles of drafting

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and in force as of the date of the financial statements, applying for all fiscal years presented, as of January 1, 2019, the date of first application of IFRSs ("FTA").

Beginning in fiscal year 2023, with the acquisition of the TWT Group, as fully described in the Management Report, Unidata will prepare the Group's consolidated financial statements. The first consolidated accounting close is for June 30, 2023. Please note that the comparative balances as of December 31, 2022 (for the Balance Sheet) and June 30, 2022 (for the Income Statement) refer to Unidata's separate (individual) financial statements.

The notes to the financial statements have been supplemented with the additional information required by the Civil Code. "IFRS" also means the International Accounting Standards ("IAS") still in force, as well as all interpretative documents issued by the IFRS Interpretation Committee, formerly known as the International Financial Reporting Interpretations Committee ("IFRIC") and even earlier as the Standing Interpretations Committee ("SIC") and endorsed by the European Commission, in force at the date of the financial statements.

The schemes adopted by the company are composed as follows:

- Statement of Financial Position-The presentation of the statement of financial position is done through separate disclosure between current and non-current assets and current and non-current liabilities distinguishing for each item of assets and liabilities the amounts expected to be settled or recovered within or beyond 12 months from the reporting date.
- Income statement - reports items by nature, as it is considered the one that provides the most explanatory information.
- Statement of comprehensive income - includes items recognized directly in equity when IFRS allows.
- Cash flow statement - the cash flow statement presents cash flows from operating, investing and financing activities. Cash flows from operating activities are presented through the indirect method, whereby the result for the year or period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of previous or future operating cash receipts or payments, and items of income or expense associated with cash flows from investing or financing activities.
- Statement of Changes in Shareholders' Equity - The statement of changes in shareholders' equity shows the comprehensive income for the year and the effect, for each item of equity, of changes in accounting policies and corrections of errors as required by International Accounting Standard No. 8. In addition, the schedule presents the balance of accumulated gains or losses at the beginning of the year, movements during the year and at the end of the year.

The financial statements have been prepared on the historical cost basis, except for derivative financial instruments and financial assets represented by equities or bonds in the portfolio, which are carried at fair value, as well as on the going concern basis. The carrying amount of assets and liabilities that are the subject of fair value hedges and would otherwise be recorded at amortized cost is adjusted for changes in fair value attributable to the hedged risks.
The financial statements are presented in euros, and all values are rounded to the nearest euro unless otherwise indicated.

Note No. 3 - Summary of the main accounting principles

a) Current/non-current classification

Assets and liabilities in the Company's financial statements are classified on a current/non-current basis.
An asset is current when:

- is supposed to be realized, or is owned for sale or consumption, in the normal course of operation;
- Is held primarily for the purpose of trading it;
- is assumed to be realized within twelve months after the end of the fiscal year;
- consists of cash or cash equivalents unless it is prohibited to be exchanged or used to settle a liability for at least 12 months after the end of the fiscal year.

All other assets are classified as non-current.
A liability is current when:

- Is expected to die out in its normal operating cycle;
- Is held primarily for the purpose of trading it;
- Must be paid off within twelve months after the end of the fiscal year; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the fiscal year-end date.

Contractual terms of the liability that could, at the option of the counterparty, result in its settlement through the issuance of equity instruments do not affect its classification.
All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) *Fair value* measurement

The Group values financial instruments such as derivatives at *fair value* at each balance sheet date.

Fair value is the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in a regular transaction between market participants on the valuation date. A *fair value* measurement assumes that the transaction to sell the asset or transfer the liability takes place:

- In the *main market of* the asset or liability;

  or

- in the absence of a main market, in the *most advantageous market* for the asset or liability.

The main or most advantageous market must be accessible to the Society.

The *fair value* of an asset or liability is measured by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that they would act to satisfy their economic interest in the best way possible.

An assessment of the *fair value of* a nonfinancial asset considers the ability of a market participant to generate economic benefits by employing the asset to its highest *and* best use or by selling it to another market participant who would employ it to its highest and best use.

The Group uses valuation techniques that are appropriate to the circumstances and for which there is sufficient data available to assess *fair value*, maximizing the use of relevant observable inputs and minimizing the use of unobservable *inputs.*

All assets and liabilities for which *fair value* is measured or disclosed in the financial statements are categorized according to the *fair value* hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Inputs other than quoted prices included in Level 1, observable directly or indirectly for the asset or liability;
- Level 3--valuation techniques for which the input data are unobservable for the asset or liability.

The fair value measurement is classified entirely in the same level of the *fair value* hierarchy in which the lowest level of the hierarchy input used for the measurement is classified.

For assets and liabilities recognized in the financial statements at *fair value* on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reviewing the categorization (based on the lowest level input that is significant to the *fair value* measurement in its entirety) at each financial statement closing.

At each financial statement closing, the Group Finance Department analyzes changes in the values of assets and liabilities for which revaluation or restatement is required under the Group's accounting policies.

For this analysis, the main inputs applied in the most recent valuation are verified, linking the information used in the valuation to contracts and other relevant documents.

The Group's Finance Department performs a comparison of each change in the *fair value* of each asset and liability with relevant external sources to determine whether the change is reasonable. The results of the valuations are presented periodically to the Group's Board of Statutory Auditors and auditors. This presentation includes a discussion of the major assumptions used in the valuations.

For the purpose of *fair value* disclosures, the Company determines the classes of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the *fair value* hierarchy as explained above.

c) Revenues from contracts with customers

The Group's revenues consist mainly of income from telecommunication services and granting of rights of use to confer access to its network infrastructure. Revenues are recognized when The Company has transferred control over a good or service to the customer (at a point in time) or over time (over the time) based on the provision of services.

Concessions of rights of use include income from leases of fiber optic, cable and transmission systems (terrestrial) that do not qualify as financial leases (as described in the note "Lease") and the related maintenance service that the Group renders on its infrastructure.
Since in most cases the value of the right-of-use concession is paid in a lump sum at the conclusion of the contract, the recognition of the fee results in the recognition of a liability arising from contracts that represent the obligation to transfer to the customer the service for which the Company has received consideration in advance from the customer.

d) Costs

Costs are recorded when related to goods and services sold or consumed during the year or by systematic allocation, or when the future utility of the same cannot be identified.
Advertising and research costs, in accordance with IAS 38, are fully charged to the income statement when the service has been rendered and delivered to the Company.
Costs are recorded according to their nature considering the applicable principles under IFRS.

e) Quotation costs

As part of the listing project, the Company and/or the selling shareholders incur specific costs, such as (i) fees that are paid to the banks coordinating the offering, (ii) fees that are paid to consultants, specialists, and attorneys; (iii) other costs such as, but not limited to, communication costs, prospectus printing costs, and out-of-pocket expenses.

Listing costs will be accounted for in accordance with the provisions of IAS 32, which stipulates that they will be deducted from any capital increase or charged to the income statement upon successful listing.

f) Public grants

Government grants are recognized when there is reasonable certainty that they will be received and that all conditions referring to them are met. Grants related to cost components are recognized as revenue, but are systematically allocated between periods so as to be commensurate with the recognition of the costs they are intended to offset. A grant related to an asset is recognized as revenue on a straight-line basis over the expected useful life of the related asset.

Where the Company receives a non-monetary contribution, the asset and the related contribution are recognized at nominal value and released to the income statement on a straight-line basis over the expected useful life of the relevant asset.

g) Financial income and expenses

Financial income and expenses are recognized on an accrual basis based on the interest earned on the net value of the related financial assets and liabilities, using the effective interest rate.

h) Income taxes

Current taxes

Current tax assets and liabilities for the year are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are the national rates enacted, or substantially in effect, at the balance sheet date. Italy is precisely the country where the Company operates and generates its taxable income.

Current taxes related to items recognized directly in equity are also recognized in equity and not in the statement of profit/(loss) for the year. Management periodically assesses the position taken in the tax return in cases where tax rules are subject to interpretation and makes provisions where appropriate.

Deferred taxes

Deferred taxes are calculated by applying the *liability method* to temporary differences at the balance sheet date between the tax bases of assets and liabilities and the corresponding values in the financial statements.

Deferred tax liabilities are recognized on all taxable temporary differences, with the following exceptions:

- deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- the reversal of taxable temporary differences, associated with investments in subsidiaries, associates and *joint ventures,* can be controlled, and it is likely that it will not occur in the foreseeable future.

Deferred tax assets are recognized against all deductible temporary differences and unused tax credits and tax losses carried forward to the extent that it is probable that sufficient future taxable income will be available to allow the use of deductible temporary differences and tax credits and tax losses carried forward, except where:

- the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- in the case of deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, deferred tax assets are recognized only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow recovery of such temporary differences.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow all or part of this credit to be utilized. Unrecognized deferred tax assets are reexamined at each balance sheet date and are recognized to the extent that it becomes probable that sufficient taxable income will be available in the future to permit recovery of such deferred tax assets.

Deferred tax assets and liabilities are measured by the tax rates that are expected to apply in the year in which such assets are realized or such liabilities are settled, considering the rates in effect and those already enacted, or substantially in effect, as of the balance sheet date.

Deferred taxes related to items recognized outside the income statement are also recognized outside the income statement and, therefore, in equity or comprehensive income, consistent with the item to which they relate.

The Group offsets deferred tax assets and deferred tax liabilities if and only if there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities refer to income taxes owed to the same taxing authority by the same taxpayer or by different taxpayers who intend to settle the current tax assets and liabilities on a net basis or realize the asset and settle the liability simultaneously, with reference to each future period in which the deferred tax assets and liabilities are expected to be settled or recovered.

i) Foreign currency transactions and balances

Foreign currency transactions are initially recognized in the functional currency by applying the spot exchange rate on the date of the transaction.

Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency at the exchange rate on the balance sheet date.

Realized exchange differences or those arising from the translation of monetary items are recognized in the statement of income, with the exception of monetary items that are part of the hedge of a net investment in a foreign operation. Such differences are recognized in the statement of comprehensive income until the net investment is disposed of, and only then is the total amount reclassified to the income statement. Taxes attributable to foreign exchange differences on monetary items are also to be recognized in the statement of comprehensive income.

Non-monetary items measured at historical cost in foreign currencies are translated at the exchange rates on the date of initial recognition of the transaction. Non-monetary items recorded at fair value in foreign currency are translated at the exchange rate on the date of determination of that value. The gain or loss arising from the translation of nonmonetary items is treated consistently with the recognition of gains and losses related to the change in fair value of those items.

In determining the spot exchange rate to be used when initially recognizing the related asset, expense, or revenue (or portion thereof) upon derecognition of a nonmonetary asset or nonmonetary liability related to the advance consideration, the transaction date is the date on which the Company initially recognizes the nonmonetary asset or nonmonetary liability resulting from the advance consideration. If there are multiple payments or advances, the Company determines the transaction date for each payment or advance.

(l) Other intangible assets

Intangible assets acquired separately are initially recorded at cost, while those acquired through business combinations are recorded at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Internally produced intangible assets, with the exception of development costs, are not capitalized and are recognized in the income statement in the period in which they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful lives and are tested for impairment whenever there are indications of possible impairment. The amortization period and amortization method for an intangible asset with a finite useful life is reconsidered at least at each fiscal year-end. Changes in the expected useful life or the manner in which the future economic benefits associated with the asset will be realized are recognized through changes in the amortization period or method, as appropriate, and are considered changes in accounting estimates. Amortization expense for intangible assets with finite useful lives is recognized in net income/(loss) for the year in the cost category consistent with the function of the intangible asset.

No intangible assets with indefinite useful lives are recognized in the balance sheet.

An intangible asset is derecognized upon disposal (i.e., on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from the elimination of the asset (calculated as the difference between the net disposal consideration and the carrying amount of the asset) is included in the income statement.

Details of the amortization periods applied are given below:

- Industrial patent and intellectual property rights 6 years
- Mi.S.E. concession Radio frequencies 24.5-26.5 Ghz 6 years
- Licenses, software right of use 3 years
- Development costs 5 years

The concession for the use of 24.5-26.5 Ghz radio frequencies in the Lazio region awarded by the Ministry of Economic Development was capitalized for the concession period of 6 years.

Software license costs are amortized over a period of three years.

Costs incurred for the purchase of multi-year rights to use the fiber optic network, cable ducts and transmission systems from other operators (IRU liabilities) are recorded under "Rights of use assets" on the basis of historical cost and amortized over the shorter period between the technical term and the contractual term of the concession.

Research and development costs

Research costs are charged to the income statement in the year in which they are incurred. Development costs incurred in connection with a particular project are recognized as intangible assets when the Group is able to demonstrate:

- the technical possibility of completing the intangible asset so that it is available for use or sale;
- the intention to complete the business and one's ability and intention to use or sell it;
- The ways in which the activity will generate future economic benefits;
- The availability of resources to complete the activity;
- The ability to reliably estimate the cost attributable to the activity during development.

After initial recognition, development assets are measured at cost decreased by accumulated depreciation or impairment losses. Amortization of the asset begins when the development is completed and the asset is available for use. Development assets are depreciated by reference to the period of expected benefits and the related depreciation allowances are included in cost of sales. During the development period, the asset is subject to annual impairment testing.

Licenses

Licenses for the use of intellectual property were granted for a period of five to ten years, depending on the specific license. Licenses could be renewed at no or minimal cost. As a result, these licenses are considered to have an indefinite useful life.

m) Leasing

The Company as lessee

The Society assesses when entering into a contract whether it is, or contains, a lease. In other words, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets, and recognizes liabilities related to lease payments and the right-of-use asset that represents the right to use the underlying asset under the contract.

a. Activities by right of use

The Company recognizes right-of-use assets on the lease commencement date (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of recognized lease liabilities, initial direct costs incurred, and lease payments made on or before the effective date net of any incentives received. Right-of-use assets are amortized on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right-of-use or the end of the lease term, whichever is earlier.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the option to purchase, the lessee shall depreciate the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset.

Right-of-use assets are subject to Impairment. Please refer to the section on Impairment of non-financial assets.

b. Liabilities related to leasing

On the effective date of the lease, the Company also recognizes lease liabilities by measuring them at the present value of unpaid lease payments due on that date. Lease payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be payable as residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that such an option will be exercised by the company and lease termination penalty payments if the lease term takes into account the exercise of the lease termination option.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period (unless incurred in the production of inventories) in which the event or condition that generated the payment occurs.

In calculating the present value of payments due, the Company uses the marginal borrowing rate at the inception date if the implied interest rate cannot be easily determined. After the effective date, the amount of the lease liability increases to take into account the interest on the lease liability and decreases to consider the payments made. In addition, the carrying amount of the lease liability is restated in the event of any changes in the lease or for revision of the contractual terms for the change in payments; it is also restated if there are changes regarding the valuation of the option of the purchase of the underlying asset

or for changes in future payments that results from a change in the index or rate used to determine such payments.
The Company's lease liabilities are included under Current and noncurrent financial debts.

Short-term leases and leasing of low-value assets

The Company applies the exemption for the recognition of short-term leases related to machinery and equipment (i.e., leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applied the exemption for leases related to low-value assets in reference to leases related to office equipment whose value is considered low. Fees related to short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

The Company as lessor

As lessor, the Company must classify each contract as either a finance lease or an operating lease. Specifically, if a contract is classified as a finance lease, the Company proceeds to eliminate from the statement of financial position, the value of the asset sold, recording as a balancing entry a receivable from the counterparty or cash in the case of immediate collection, and to recognize in the Statement of Comprehensive Income the difference between:

- revenues equal to the agreed consideration representative of the fair value of the underlying asset. In the case of deferred payments, this value will be calculated on the basis of the present value of payments due from the lessee, discounted using a market interest rate;
- The book value of the underlying asset sold.

The Company provides its customers with access to its network infrastructure by stipulating
of contracts that grant the right to use fiber optics, cable, and (terrestrial) transmission systems for a specified period of time, however, the Company remains the owner of the underlying asset.
Income generated from the granting of user rights is recognized over the term of the contracts
corresponding, except when these are defined as financial leases, in which case the underlying asset is considered to be sold.
Given that the transaction relates to the Company's typical business, the revenue and book value of the underlying asset sold are shown net in the balance sheet item "Revenue from customers."
Leases that essentially leave the Company with all the risks and rewards associated with ownership of the asset are classified as operating leases. Lease income from operating leases must be recognized on a straight-line basis over the lease term, and is included in income in the income statement given their operating nature. Initial trading costs are added to the book value of the leased asset and recognized over the lease term on the same basis as rental income. Unbudgeted rents are recognized as revenue in the period in which they accrue.

(o) Property, plant and equipment

Property, plant and equipment are recognized at historical cost less accumulated depreciation and accumulated impairment losses. This cost includes the costs of replacing part of plant and equipment as they are incurred, if they meet the recognition criteria. Where periodic replacement of significant parts of plant and equipment is necessary, the Group depreciates them separately based on their specific useful lives. Similarly, when major overhauls take place, the cost is included in the carrying amount of the plant or machinery as in the case of replacement, where the criteria for recognition is met. All other repair and maintenance costs are recognized in the income statement when incurred. The present value of the cost of dismantling and removing the asset at the end of its useful life is included in the cost of the asset if the criteria for recognition for a provision are met.

The depreciation rates applied, consistent with those of previous years, are shown below for the main categories of assets:

- Light construction	10%
- Fixed plant and machinery	15%
- Concessions rights I.R.U fiber optics	10-15 years
- Specific facilities (owned network infrastructure and fiber)	6,67%
- Specific facilities (fiber-optic customer activation)	33,33%
- Specific facilities (Datacenter - POP points of presence)	18%
- Industrial and commercial equipment	15%
- Passenger cars	25%
- Trucks	20%
- Supporting assets (commodities)	33,33%
- Furniture and furnishings	15%
- Electronic office machines	20%
- Depreciable assets of less than 516.46 euros	100%
- Contribution to set up central co-location facilities	5 years
- Costs for leasehold improvements	5 years

The carrying amount of an item of property, plant and equipment and any significant component initially recognized is eliminated upon disposal (i.e., on the date the acquirer obtains control) or when no future economic benefit is expected from its use or disposal. The gain/loss arising when the asset is derecognized (calculated as the difference between the net book value of the asset and the consideration received) is recognized in the income statement when the item is derecognized.

The residual values, useful lives, and depreciation methods of property, plant, and equipment are reviewed at each fiscal year-end and, where appropriate, adjusted prospectively.

As of June 30, 2023, tangible assets were not encumbered by mortgages or liens.

(p) Financial instruments - Recognition and measurement.

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

i. Financial assets

Initial survey and evaluation

Upon initial recognition, financial assets are classified according to the subsequent measurement methods, as appropriate, i.e., amortized cost, *fair value recognized in the* OCI statement of comprehensive income, and *fair value* recognized in the income statement.

The classification of financial assets upon initial recognition depends on the characteristics of the financial assets' contractual cash flows and the business model the Company uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its *fair value* plus, in the case of a financial asset not at *fair value* through profit or loss, transaction costs. Trade receivables that do not

contain a significant financing component or for which the Company has applied the practical expedient are valued at the transaction price as explained in the section Revenue from contracts with customers.
For a financial asset to be classified and measured at amortized cost or *fair value* recognized in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (so-called 'solely payments of principal and interest (SPPI)'). This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g. SPPI) are classified and measured at *fair value* through profit or loss.
The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will come from collecting contractual cash flows, selling financial assets, or both.
Financial assets that are classified and measured at amortized cost are held within the framework of a business model whose objective is to own financial assets aimed at collecting contractual cash flows while financial assets that are classified and measured at fair value recognized in OCI are held within the framework of a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Subsequent evaluation

For the purpose of subsequent evaluation, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at *fair value* through comprehensive income with reclassification of accumulated gains and losses (debt instruments);
- Financial assets at *fair value recognized* in other comprehensive income without reversal of accumulated gains and losses on derecognition (equity instruments);
- Financial assets at *fair value* through profit or loss.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to *impairment.* Gains and losses are recognized in the income statement when the asset is derecognized, modified or revalued.
Financial assets recorded by the Company at amortized cost include trade receivables.

Financial assets at *fair value* recognized in OCI (debt instruments)

For assets from debt instruments measured at *fair value recognized* in OCI, interest income, changes in exchange rate differences, and impairment losses, together with reversals, are recognized in the income statement and are calculated in the same way as for financial assets measured at amortized cost. The remaining changes in fair value are recognized in OCI. Upon derecognition, the cumulative change in *fair value recognized in OCI* is reclassified to the income statement.
The Company has not recorded financial assets in the balance sheet at the *fair value* recorded in OCI.
Upon initial recognition, the Company may irrevocably elect to classify its equity investments as equity instruments recognized at *fair value* reworked in OCI when they meet the definition of equity instruments

under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument.

Gains and losses earned on such financial assets are never recaptured in the income statement. Dividends are recognized as other income in the income statement when the right to payment has been resolved, except when the Company benefits from such income as recovery of part of the cost of the financial asset, in which case such gains are recognized in OCI. Equity instruments recorded at *fair value* recognized in OCI are not subject to *impairment testing.*

The Company has chosen to irrevocably classify its unlisted holdings in this category.

Financial assets at *fair value* through profit or loss

Financial instruments at *fair value* with changes recognized in the income statement are recognized in the statement of financial position at *fair value* and net changes in *fair value* recognized in the statement of profit/(loss) for the year.

This category includes derivative instruments and listed equity investments. Dividends on listed equity investments are recognized as other income in the statement of profit/(loss) for the year when the right to payment has been established.

The embedded derivative contained in a hybrid non-derivative contract, financial liability, or master non-financial contract is separated from the master contract and accounted for as a separate derivative if: its economic characteristics and associated risks are not closely related to those of the master contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at *fair value* through profit or loss. Embedded derivatives are measured at fair *value,* with changes in *fair value recognized* in the income statement. A restatement occurs only if there is a change in the terms of the contract that significantly alters the otherwise expected cash flows or a reclassification of a financial asset to a category other than *fair value* through profit or loss.

Cancellation

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized in the first instance (e.g., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Company transferred to a third party the right to receive cash flows from the asset or assumed a contractual obligation to pay them in full and without delay and (a) transferred substantially all the risks and rewards of ownership of the financial asset, or (b) neither transferred nor retained substantially all the risks and rewards of the asset, but transferred control of it.

In cases where the Company has transferred the rights to receive cash flows from an asset or has entered into an agreement under which it retains the contractual rights to receive the cash flows from the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it assesses whether and to what extent it has retained the risks and rewards inherent in ownership. In the event that it has neither transferred nor retained substantially all of the risks and rewards or has not lost control over it, the asset continues to be recognized in the Company's financial statements to the extent of its remaining involvement in the asset. In this case, the Company also recognizes an associated liability.

The transferred asset and associated liability are valued to reflect the rights and obligations that remain with the Company.

When the entity's residual involvement is a guarantee on the transferred asset, involvement is measured by the lower of the amount of the asset and the maximum amount of consideration received that the entity may have to repay.

Loss of value

The Company records an expected credit loss ('ECL') write-down for all financial assets represented by debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Company expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows will include cash flows from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.

Expected losses are recognized in two stages. Relative to credit exposures for which there has not been a significant increase in credit risk since initial recognition, one must recognize credit losses that result from estimated default events that are possible within the next 12 months (12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, you must recognize in full the expected losses that relate to the remaining life of the exposure, regardless of when the default event is expected to occur (''Lifetime ECL'').

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected losses. Therefore, the Company does not monitor changes in credit risk, but fully recognizes the expected loss at each reporting date. The Company has established a matrix system based on historical information, revised to consider prospective elements with reference to the specific types of debtors and their economic environment, as a tool for determining expected losses.

The Company considers a financial asset to be in default when contractual payments are 180 days past due. In some cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to fully recover contractual amounts before considering the credit collateral held by the Company. A financial asset is derecognized when there is no reasonable expectation of recovery of contractual cash flows.

ii. Financial liabilities

Survey and initial assessment

Financial liabilities are classified upon initial recognition as financial liabilities at *fair value* through profit or loss, as loans and borrowings, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognized at *fair value* plus, in the case of mortgages, loans and debts, the transaction costs directly attributable to them.

The Company's financial liabilities include trade and other payables, mortgages and loans, including overdrafts and derivative financial instruments.

Subsequent evaluation

For the purpose of subsequent measurement, financial liabilities are classified into two categories:

- Financial liabilities at *fair value* through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at *fair value* through profit or loss

Financial liabilities at *fair value* with changes recognized in the income statement include liabilities held for trading and financial liabilities initially recognized at *fair value* with changes recognized in the income statement.

Liabilities held for trading are all those assumed with the intention of extinguishing or transferring them in the short term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedging relationship defined by IFRS 9. Embedded derivatives, unbundled from the main contract, are classified as financial instruments held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit/(loss) for the year. Financial liabilities are designated at *fair value* with changes recognized in the income statement from the date of initial recognition only if the criteria of IFRS 9 are met. At initial recognition, the Company has not designated financial liabilities at *fair value with changes recognized* in the income statement.

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liability is settled, as well as through the amortization process.

Amortized cost is calculated by recognizing the discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Amortization at the effective interest rate is included in finance charges in the statement of income/(loss).

This category generally includes interest-bearing loans and receivables.

Cancellation

A financial liability is cancelled when the obligation underlying the liability is extinguished, canceled, or fulfilled. Where an existing financial liability is exchanged for another from the same lender, on substantially different terms, or the terms of an existing liability are substantially changed, such an exchange or change is treated as an accounting cancellation of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognized in net income/(loss).

Clearing of financial instruments

A financial asset and financial liability can be offset and the net balance shown in the statement of financial position if there is a current legal right to offset the amounts recognized in the accounts and there is an intention to settle the net residual, or realize the asset and simultaneously settle the liability.

As of 06/30/2023, the Group has not made any match offsets.

(q) Derivative financial instruments and hedge accounting

Initial survey and subsequent evaluation

The Group uses derivative financial instruments, including interest rate swaps, to hedge interest rate risks. These derivative financial instruments are initially recognized at *fair value* on the date the derivative contract is entered into and are subsequently remeasured at *fair value*. Derivatives are accounted for as financial assets when the *fair value* is positive and as financial liabilities when the *fair value* is negative.

For hedge accounting purposes, hedges are of two types:

- fair value hedge where the exposure is hedged against changes in the fair value of the recognized asset or liability or unrecognized firm commitment;
- cash flow hedge where exposure is hedged against variability in cash flows attributable to a particular risk associated with all recognized assets or liabilities or a highly probable planned transaction or foreign currency risk on unrecognized firm commitment;

The initiation of a hedging transaction, the Group formally designates and documents the hedging relationship, to which it intends to apply hedge accounting, its objectives in risk management, and the strategy pursued.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not override the changes in value resulting from the above economic report;
- the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Company actually hedges and the amount of the hedging instrument that the Company actually uses to hedge that amount of the hedged item.

Transactions that meet all qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedging

The change in *fair value* of hedging derivatives is recognized in net income/(loss) in other expenses. The change in the *fair value of the hedged* item attributable to the hedged risk is recognized as part of the carrying value of the hedged item and is also recognized in operating profit/(loss) in other expenses.

With regard to fair value hedges referring to items accounted for under the amortized cost method, any adjustment to the carrying amount is amortized to net income/(loss) over the remaining period of the hedge using the effective interest rate (EIR) method. The amortization thus determined may begin as soon as an adjustment exists but may not extend beyond the date on which the hedged item ceases to be adjusted for changes in *fair value* attributable to the hedged risk.

If the hedged item is cancelled, the unamortized *fair value* is recognized immediately in the statement of profit/(loss) for the year.

When an unrecorded firm commitment is designated as a hedged item, subsequent cumulative changes in its *fair value* attributable to the hedged risk are accounted for as assets or liabilities and the corresponding gains or losses recognized in net income/(loss).

Cash flow hedging

The portion of gain or loss on the hedged instrument related to the effective portion of the hedge is recognized in other comprehensive income in the "*cash flow hedge*" reserve, while the ineffective portion is recognized directly in net income/(loss) for the year. The *cash flow hedge* reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the *fair value* of the hedged item.

Amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a nonfinancial component, the amount accumulated in equity is removed from the separate component of equity and included in the cost or other carrying amount of the hedged asset or liability. This is not considered a reclassification of items recognized in OCI for the period. This also applies in the case of a hedged forecast transaction of a nonfinancial asset or nonfinancial liability that subsequently becomes a firm commitment to which fair value hedge accounting applies.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows impact the income statement.

If cash flow hedge accounting is discontinued, the amount accumulated in OCI must remain as such if the hedged future cash flows are expected to occur. Otherwise, the amount should be immediately reclassified to net income/(loss) for the year as a reclassification adjustment. After suspension, once the covered cash flow occurs, any accumulated amount remaining in OCI should be accounted for depending on the nature of the underlying transaction as previously described.

Business Combinations and Startup

Business combinations are accounted for using the purchase method. The consideration transferred in a business combination is determined on the date control is assumed and is equal to the fair value of the assets transferred, liabilities incurred, and any equity instruments issued by the acquirer. The consideration transferred also includes the fair value of any assets or liabilities for contingent consideration that are contractually stipulated and contingent upon the realization of future events. Costs directly attributable to the transaction are recognized in the income statement when incurred. At the date of acquisition of control, the equity of investee companies is determined by attributing their fair value to the individual identifiable assets and liabilities in the balance sheet, except where IFRS provisions establish a different measurement criterion. Any difference between the consideration paid and the fair value of the net assets acquired, if positive, is recognized as "goodwill" in the assets; if negative, it is recognized in the income statement. In case of non-total assumption of control, the equity share of minority interests is determined on the basis of the share of current values attributed to the assets and liabilities as of the date of assumption of control, excluding any goodwill attributable to them. In the case of assumption of control in stages, the acquisition cost is determined by adding the fair value of the interest previously held in the acquiree and the amount paid for the additional equity interest. The difference between the fair value of the previously held equity interest and its carrying value is charged to the income statement. In addition, upon assumption of control, any amounts previously recognized in other comprehensive income are charged to the income statement

When the determination of the values of the acquiree's assets and liabilities is made provisionally in the fiscal year in which the business combination is completed, the recognized values are adjusted retroactively, no later than twelve months after the acquisition date, to take into account new information on facts and circumstances existing at the acquisition date. For the purpose of the fairness analysis, goodwill acquired in a business combination is allocated, as of the acquisition date, to the individual cash-generating units of the Group, or groups of cash-generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the Group are assigned to those units or groupings of units. Each unit or group of units to which goodwill is allocated: a) represents the lowest level, within the Group, at which goodwill is monitored for internal management purposes; b) is no larger than the segments identified on the basis of the Group's segment reporting schedule, determined in accordance with IFRS 8 "Operating Segments." When goodwill constitutes part of a cash-generating unit (so-called group of cash-generating units) and part of the business internal to that unit is disposed of, the goodwill associated with the disposed business is included in the carrying amount of the business to determine the gain or loss on disposal. Goodwill disposed of in such circumstances is measured based on the relative values of the asset disposed of and the portion of the unit retained. When the disposal involves a subsidiary, the difference between the disposal price and the net assets plus accumulated translation differences and goodwill is recognized in the income statement

Investments in associates and joint ventures

An associate is a company over which the Group exercises significant influence. Significant influence is defined as the power to participate in determining the financial and management policies of the investee without having control or joint control over it.

A joint venture is a jointly controlled arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint control is defined as sharing control of an arrangement on a contractual basis, which exists only when decisions on relevant activities require unanimous consent of all parties sharing control.

The considerations made to determine significant influence or joint control are similar to those required to determine control over subsidiaries. Investments in associates and joint ventures are valued using the equity method.

Under the equity method, an investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is increased or decreased to recognize the investor's share of the investee's profits and losses realized after the date of acquisition. Goodwill pertaining to the associate or joint venture is included in the carrying amount of the investment and is not subject to a separate impairment test.

The company's aggregate share of the profit/(loss) for the year of associates and joint ventures is recognized in the statement of profit/(loss) for the year after operating profit/(loss) and represents the profit/(loss) after tax and the shares due to other shareholders of the joint venture.

The financial statements of the associate and joint venture are prepared as of the same closing date as the company's financial statements. Where necessary, the financial statements are adjusted to conform to the company's accounting principles.

Following the application of the equity method, the company assesses whether it is necessary to recognize an impairment of its investment in the associate and joint venture. The company assesses at each balance sheet date whether there is objective evidence that the investment in the joint ventures is impaired. If this is the case, the company calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and the carrying amount of the associate or joint venture in its financial statements, and recognizes this difference in net income/(loss) for the year.

Upon the loss of joint control over an associate or joint venture, the company measures and recognizes the residual investment at fair value. The difference between the carrying value of the investment at the date of loss of joint control and the fair value of the residual investment and the consideration received is recognized in the income statement.

Inventories

Inventories are valued at the lower of cost and net realizable value.

The costs incurred in bringing each asset to its present location and condition are recognized as follows:

1. Raw materials: purchase cost calculated by the FIFO method
2. Finished and semi-finished goods: direct cost of materials and labor plus a share of production overhead, defined on the basis of normal production capacity, excluding finance charges.

Inventory cost includes the transfer, from other comprehensive income, of gains and losses from qualified cash flow hedging transactions related to the purchase of raw materials.

Net realizable value is the estimated normal selling price in the normal course of business, less estimated costs of completion and estimated costs to realize the sale.

Impairment of non-financial assets (Impairment test)

At each financial statement closing, the Group assesses whether there are any indicators of impairment of assets. If so, or in cases where an annual impairment review is required, the Group makes an estimate of recoverable amount. Recoverable amount is the higher of the *fair value of* the asset or cash-generating unit, less costs to sell, and its value in use. Recoverable amount is determined on a per-asset basis, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is greater than its recoverable amount, that asset has been impaired and is consequently written down to its recoverable amount.

In determining value in use, the Group discounts estimated future cash flows to present value using a pre-tax discount rate, which reflects market assessments of the present value of money and asset-specific risks. Recent transactions that have occurred in the market are taken into account when determining *fair value* less costs to sell. If such transactions cannot be identified, an appropriate valuation model is used. These calculations are supported by appropriate valuation multipliers, quoted share prices for investees whose securities are traded in the market, and other available *fair value* indicators.

The Group bases its *impairment* test on the most recent budgets and forecast calculations, prepared separately for each cash-generating unit of the Group to which individual assets are allocated. These budgets and forward-looking calculations generally cover a five-year period. To project future cash flows beyond the fifth year, a long-term growth rate is calculated.

Impairment losses of operating assets are recognized in net income/(loss) for the year in the cost categories consistent with the intended use of the asset that showed the impairment loss. Exceptions are made for previously revalued fixed assets, where the revaluation has been recognized in other comprehensive income. In such cases, the impairment loss is in turn recognized in other comprehensive income up to the amount of the previous revaluation.

For intangible assets, at each reporting date, the Group assesses whether there are any indicators of the reversal (or reduction) of previously recognized impairment losses and, if such indicators exist, estimates the recoverable amount of the asset or CGU. The value of a previously impaired asset may be reinstated only if there have been changes in the assumptions on which the calculation of the determined recoverable amount was based, subsequent to the recognition of the last impairment loss. The reversal may not exceed the carrying value that would have been determined, net of depreciation and amortization, had no impairment loss been recognized in prior periods. Such reversal is recognized in net income/(loss) for the year unless the fixed asset is recorded at revalued amount, in which case the reversal is treated as a revaluation increase.

Cash and cash equivalents and short-term deposits

Cash and cash equivalents and short-term deposits include cash on hand and demand, highly liquid deposits with a maturity of three months or less, which are readily convertible into a given amount of money and subject to insignificant risk of changes in value.

For the purposes of presentation in the consolidated cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of bank overdrafts as these are considered an integral part of the Group's cash management.

Own shares

Repurchased treasury shares are recognized at cost and deducted from shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any gain or loss in the income statement. The difference between the purchase value and the consideration, in case of reissue, is recognized in the share premium reserve.

Provisions for risks and charges

Provisions for risks and charges are made when the Group is faced with a present obligation (legal or constructive) resulting from a past event, an outlay of resources to meet that obligation is probable, and a reliable estimate of its amount can be made. When the Group believes that a provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognized separately and distinctly as an asset if, and only if, it is practically certain. In such a case, the cost of any provision is presented in the statement of profit/(loss) for the year net of the amount recognized for the indemnity.

Provisions for employee benefits

Post-employment benefits are defined on the basis of programs, albeit not formalized, which according to their characteristics are distinguished into "defined benefit" and "defined contribution" programs.

Italian legislation (Article 2120 of the Civil Code) provides that, on the date each employee terminates his or her employment contract with the company, he or she receives an indemnity called TFR. The calculation of this indemnity is based on certain items that form the employee's annual salary for each year of employment (appropriately revalued) and the length of the employment relationship. According to Italian civil law, this indemnity is reflected in the financial statements according to a calculation methodology based on the indemnity accrued by each employee as of the balance sheet date, assuming that all employees terminate their employment on that date.

The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) has addressed the topic of Italian TFR and concluded that, in application of IAS 19, it should be calculated according to a methodology, called the Projected Unit Credit Method (the so-called "PUCM"), according to which the amount of the liability for the benefits acquired should reflect the expected date of resignation and should be discounted.

The actuarial assumptions and their effects take into account regulatory changes introduced by the Italian legislature, which provided the option for the employee to allocate the severance pay accrued as of July 1, 2007, to INPS or to supplementary pension funds.
The Company's net obligation arising from defined benefit plans is calculated by estimating the amount of future benefit that employees have accrued in exchange for their service in the current and previous years; this benefit is discounted to calculate the present value. Actuarial gains and losses referring to defined benefit plans, accumulated up to the previous year and reflecting the effects of changes in actuarial assumptions used, are recognized in full in the statement of comprehensive income.
Revaluations of the net defined benefit liability (asset) recognized in other comprehensive income need not be reclassified to net income (loss) in a subsequent period. However, an entity may reclassify amounts recognized in other comprehensive income into equity.
The actuarial valuation of the liability was entrusted to an independent actuary. The Company has no other defined benefit pension plans.
The Company's obligations arising from defined contribution plans, is limited to the payment of contributions to the state or to a legally distinct asset or entity (so-called fund), and is determined on the basis of contributions due.

Principles of consolidation (IAS 27)

Subsidiaries are those over which the Group exercises control. Control exists when the Group directly or indirectly has the power to determine both the financial and operational policies of an enterprise for the purpose of obtaining benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control is assumed until such control ceases to exist. All subsidiaries are included in the scope of consolidation.

Scope of consolidation

The scope of consolidation of the Unidata Group includes the financial statements of the parent company Unidata and all its subsidiaries.
The consolidated financial statements have been prepared on the basis of the financial statements of the Company and its subsidiaries, adjusted as appropriate to conform to IFRS. Control is achieved when the Group is exposed or entitled to variable returns, arising from its relationship with the entity being invested in and, at the same time, has the ability to affect those returns by exercising its power over that entity. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the entity being invested in (i.e., he holds valid rights that give him the current ability to direct the relevant activities of the entity being invested in);
- exposure or rights to variable returns arising from the relationship with the entity being invested in;
- The ability to exert their power over the entity being invested in to affect the amount of its returns.

When the Group holds less than a majority of voting rights (or similar rights), it must consider all relevant facts and circumstances to determine whether it controls the entity being invested in, including:

- Contractual arrangements with other holders of voting rights;
- Rights arising from contractual agreements;
- voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or sold during the year are included in the statement of comprehensive income from the date the Group obtains control until the date the Group no longer exercises control over the company. All intercompany balances and transactions, including any unrealized gains and losses arising from transactions between Group companies are eliminated.

Acquisitions of subsidiaries are accounted for using the purchase method, which involves allocating the cost of the business combination to the fair values of the assets, liabilities, and contingent liabilities acquired at the acquisition date and including the profit or loss of the acquired company from the date of acquisition to the end of the fiscal year. Minority interest earnings and equity represent the portion of profit or loss and equity related to net assets not held by the Group and are shown in a separate line item in the consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of financial position separately from Group earnings and equity.

Information on subsidiaries is provided in the Appendix to the Notes to the Financial Statements.

Scope of consolidation

Consolidated company	Parent company	% of participation	Consolidation method
Unitwt S.p.A.	Unidata S.p.A.	100%	Integral
Berenix S.p.A.	Unitwt S.p.A.	100%	Integral
TWT S.p.A.	Berenix S.p.A.	100%	Integral
Domitilla S.p.A.	Berenix S.p.A.	100%	Integral
Voisoft S.p.A.	Berenix S.p.A.	100%	Integral

As of June 30, 2023, the Unidata Group held the following investments in associated and jointly controlled companies:

	Type of participation	Book value	% of participation	Shareholders' equity investee	Equity share
Unifiber SpA	Jointly controlled	4.139.416	30,01%	22.718.396	4.139.416
Unitirreno Holding SpA	Connected	4.433.959	33,33%	13.335.213	4.433.959
Total		**8.573.376**		**36.053.609**	**8.573.376**

Transactions eliminated in the consolidation process

In preparing the consolidated financial statements, all significant balances and transactions between Group companies, as well as realized gains and losses on intercompany transactions, have been eliminated.

Consolidation criteria

The consolidated financial statements include the sum of all assets, liabilities, expenses, and revenues of Group companies, net of intercompany eliminations, as described above.

The carrying value of equity investments has been eliminated against equity with goodwill recognized if deemed recoverable.

Note no. 3a

New accounting standards, interpretations and amendments adopted by the Company

The accounting standards adopted for the preparation of the consolidated half-year report are consistent with those used for the preparation of Unidata's separate financial statements as of December 31, 2022, except for the adoption of new standards and amendments effective January 1, 2023. The Group has not early adopted any new standards, interpretations or amendments issued but not yet in force.
Several changes apply for the first time in 2023, but did not impact the consolidated half-year report.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard for insurance contracts that considers recognition and measurement, presentation, and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g., life, non-life, direct insurance, and reinsurance), regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation features; some exceptions apply with respect to scope. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts for insurers. In contrast to the requirements of IFRS 4, which are largely based on maintaining previous local accounting standards, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting issues. IFRS 17 is based on a general model, supplemented by:

-A specific adaptation for contracts with direct participation features (the variable fee approach).

-A simplified approach (the premium allocation approach) mainly for short-term contracts.

The amendments had no impact on the Group's condensed interim consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8.

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies, and correction of errors. They also clarify how entities use valuation techniques and inputs to develop accounting estimates.
The amendments had no impact on the Group's condensed interim consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and by adding guidance on how entities apply the concept of materiality in making accounting policy disclosure decisions.
The amendments had no impact on the Group's condensed interim consolidated financial statements.
but are expected to affect the disclosure of accounting standards in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12.

The amendments to IAS 12 Income Taxes narrow the scope of the exception to initial recognition so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's condensed consolidated interim financial statements.

Accounting standards, amendments and interpretations issued but not yet in effect

There are no accounting standards, amendments and interpretations issued but not yet in effect that could have a significant impact on these Condensed Consolidated Financial Statements and the next annual financial statements.

Note 3.1 - Discretionary evaluations and significant accounting estimates.

The preparation of the Company's financial statements requires the directors to make discretionary judgments, estimates, and assumptions that affect the values of revenues, expenses, assets, and liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that will require, in the future, a significant adjustment to the carrying value of these assets and/or liabilities. In applying accounting standards, the directors have made decisions based on the following discretionary judgments with a significant effect on the amounts recorded in the financial statements.

Key assumptions regarding the future and other major causes of measurement uncertainty that, as of the reporting date, have a material risk of resulting in significant adjustments to the carrying amounts of assets and liabilities within the next fiscal year are discussed below. The Company has based its estimates and assumptions on parameters available at the time the financial statements were prepared. However, current circumstances and assumptions about future events could change due to changes in the market or events beyond the Company's control. Such changes, if they occur, are reflected in the assumptions when they occur.

Impairment of assets (Impairment test)

At each financial statement closing, the Company assesses whether there are indicators of impairment of Intangible Assets, Right of Use, Property, Plant and Equipment, Equity Investments and other non-current assets. If such indicators emerge, an impairment test is conducted.

In cases where the carrying value (book value) of assets exceeds the recoverable amount, they are written down to reflect the latter. Recoverable value is determined as the higher of the fair value of an asset or cash-generating unit net of costs to sell and its value in use, and is determined on a per-asset basis, except where that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets, in which case the Company estimates the recoverable value of the cash-generating unit to which the asset belongs.

In determining value in use, the Company discounts estimated future cash flows to present value, using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks. For the purpose of estimating value in use, future cash flows are derived from the business plans approved by the Board of Directors, which are the Company's best estimate of expected economic conditions over the plan period. Plan projections normally cover a time frame of three fiscal years; the long-term growth rate used for the purpose of estimating the terminal value of the business or unit is normally lower than

the average long-term growth rate for the relevant industry, country, or market. Future cash flows are estimated with reference to current conditions: the estimates therefore do not consider either benefits from future restructuring to which the Company is not yet committed or future investments in improving or optimizing the business or unit.
If the carrying amount of an asset or cash-generating unit is greater than its recoverable amount, that asset is impaired and is consequently written down to its recoverable amount.

Liabilities for employee benefits (Severance pay - "TFR")

The valuation of Severance Pay for the Company is done using actuarial valuations. Actuarial valuations require the development of assumptions about discount rates, future salary increases (for Severance Pay only), turnover and mortality rates. Because of the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty.

Fair value of financial instruments

When the fair value of a financial asset or liability recognized in the statement of financial position cannot be measured based on quotations in an active market, fair value is determined using various valuation techniques, including the discounted cash flow model. Inputs entered into this model are taken from observable markets where possible, but where this is not possible, some degree of estimation is required to define fair values. Estimates include considerations of variables such as liquidity risk, credit risk, and volatility. Changes in assumptions about these elements could have an impact on the fair value of the recognized financial instrument.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences between the values of assets and liabilities expressed in the financial statements compared with the corresponding tax values and tax loss carryforwards, to the extent that it is probable that there will be adequate future taxable profits against which such losses can be utilized. A discretionary assessment is required of the directors to determine the amount of deferred tax assets that can be recognized which depends on the estimate of the probable timing and amount of future taxable profits.

Lease - Estimating the marginal financing rate

The Company cannot easily determine the implicit lease interest rate and therefore uses the marginal financing rate to measure the lease liability. The marginal financing rate is the interest rate that the lessee would have to pay for a loan, with a similar term and with similar collateral, required to obtain an asset of similar value to the asset consisting of the right of use in a similar economic environment. The marginal borrowing rate thus reflects what the group would have to pay, and this requires estimation when there is no observable data (as in the case of investees that are not direct counterparties to financial transactions) or when rates need to be adjusted to reflect the terms and conditions of the lease (for example, when the leases are not in the investee's functional currency). The Company estimates the marginal borrowing rate using observable data (such as market interest rates) if available, and by making specific considerations about the conditions of the investee (such as the creditworthiness of the investee alone).

Lease - Identifying the duration of leases

The Company shall determine the lease term as the noncancelable period of the lease to which shall be added both the periods covered by the option to extend the lease if there is reasonable certainty of exercising such option and the periods covered by the option to terminate the lease if there is reasonable certainty of not exercising such option

The Company has the option, for some of its leases, to extend the lease or terminate it early. The Company applies its judgment in assessing whether there is reasonable certainty of exercising the renewal options. That said, the Company considers all factors noted that may result in an economic incentive to exercise the renewal options or terminate the lease. After the effective date, the Company revises its estimates about the lease term in the event of a significant event or significant change in circumstances within its control that may affect the ability to exercise (or not exercise) the renewal or early cancellation option (e.g., investment in leasehold improvements or significant specific changes on the leased asset).

Recoverability of Holdings

The Company assesses at least annually for indicators of impairment of each equity investment, consistent with its strategy for managing legal entities within the company, and subjects those assets to impairment testing if they arise.

The processes and methods for assessing and determining the recoverable value of each equity investment are based on assumptions involving the judgment of the directors, particularly with regard to identifying indicators of impairment, forecasting their future profitability for the period of the companies' business plan, determining the normalized cash flows underlying the estimate of terminal value, and determining the growth and discount rates applied to the forecasts of future cash flows.

Depreciation period of tangible and intangible assets

Depreciation of the finite-lived assets of property, plant, and equipment and intangible assets requires a discretionary assessment by the directors, which is reviewed at each balance sheet date to verify that the amounts recorded are representative.

Value Adjustments on Receivables

Loan impairments represent the best possible estimate made by management, based on information available at the date of preparation of the financial statements. Estimates and assumptions are made by the directors with the support of business functions and, when appropriate, independent specialists and are reviewed periodically.

The Company applies the simplified approach and records expected losses on all trade receivables on the basis of remaining maturity, defining a criterion for allocation based on the Company's historical experience with regard to credit losses, adjusted also to take into account specific forecast factors referring to creditors and the economic environment. The amount of expected losses is sensitive to changes in expected economic circumstances and conditions.

Note no. 4 - Operational sectors: disclosure

The Balance Sheet and Income Statement as of June 30, 2023, separated between Unidata, TWT Group, and Unitwt, with evidence of consolidation eliminations and adjustments, are shown below.

Euro values	**As of June 30, 2023 (Unidata)**	**As of June 30, 2023 (TWT Group)**	**As of June 30, 2023 (Unitwt).**	**Elisions**	**Consolidation adjustments**	**As of June 30, 2023 (Consolidated)**	**As of December 31, 2022 (Unidata)**
Property, plant and equipment	43.520.115	9.328.878				52.848.993	38.953.533
Right-of-use activities	9.546.366	497.623				10.043.989	9.289.031
Goodwill					51.322.428	51.322.428	0
Other intangible assets	546.847	1.398.663				1.945.509	421.178
Investments	50.000	7.156.615	57.343.679		-64.550.294	0	50.000
Equity investments in equity affiliates	8.573.376					8.573.376	3.431.548
Deferred tax assets	268.657	209.749	184.111			662.517	262.273
Non-current derivative financial instruments	258.425					258.425	293.201
Other non-current financial receivables	40.854.185	8.008.295	2.400.000	-42.146.667		9.115.813	79.261
Other non-current financial assets	93.596					93.596	2.940.262
Other non-current receivables	2.282.333	-1.014				2.281.319	1.113.548
TOTAL NON-CURRENT ASSETS	**105.993.900**	**26.598.808**	**59.927.790**	**-42.146.667**	**-13.227.866**	**137.145.965**	**56.833.834**
Inventories	4.221.768					4.221.768	4.150.526
Contractual activities	1.206.906					1.206.906	0
Comm.credits	16.331.693	11.318.232		-5.424.889		22.225.036	23.221.534
Other short-term receivables	1.154.218	67.518.508		-65.360.597		3.312.130	801.311
Tax credits	1.564.309	569.115	17.941			2.151.365	3.907.798
Marketable securities measured at fair value	134.875					134.875	133.635
Cash and cash equivalents	6.772.850	5.509.762	921			12.283.533	12.516.539
TOTAL CURRENT ASSETS	**31.386.619**	**84.915.616**	**18.862**	**-70.785.486**	**0**	**45.535.612**	**44.731.343**
TOTAL ASSETS.	**137.380.519**	**111.514.424**	**59.946.653**	**-112.932.153**	**-13.227.866**	**182.681.577**	**101.565.177**
Share capital	3.088.661	1.821.000	50.000		-1.871.000	3.088.661	2.538.185
Share premium	29.414.176					29.414.176	6.844.652
Reserves for own shares	-1.403.043					-1.403.043	-1.301.432
Other reserves	6.982.110	15.567.525	-173.717		-15.753.200	6.622.717	7.210.400
Undivided profit (loss)	21.307.971	3.880.129			-3.603.666	21.584.434	14.124.584
Net income (loss) for the year	1.528.824	1.308.073	-409.152	0	0	2.427.746	7.504.220
TOTAL GROUP SHAREHOLDERS' EQUITY	**60.918.700**	**22.576.727**	**-532.870**	**0**	**-21.227.866**	**61.734.691**	**36.920.608**
Long-term financing	34.377.901	2.596.620	56.565.239	-42.146.667		51.393.094	17.312.154
Long-term derivative financial instruments	243.195		228.575			471.770	0
Deferred tax liabilities	16.425					16.425	81.009
Employee benefits	1.366.326	1.831.400				3.197.726	1.290.228
Long-term funds	8.883	9.861			8.000.000	8.018.743	3.511
Other long-term liabilities	9.360.850	99.944				9.460.793	10.013.672
TOTAL NON-CURRENT LIABILITIES	**45.373.580**	**4.537.824**	**56.793.814**	**-42.146.667**	**8.000.000**	**72.558.551**	**28.700.574**
Trade payables	15.545.485	78.135.980		-70.785.486		22.895.980	16.462.185
Other current liabilities	7.039.249	4.270.898	393.735			11.703.883	10.900.215
Tax debts	1.385.805	1.690.970				3.076.774	3.563.107
Short-term financing	7.117.700	302.025	3.291.973			10.711.699	5.018.487
TOTAL CURRENT LIABILITIES	**31.088.240**	**84.399.874**	**3.685.708**	**-70.785.486**	**0**	**48.388.336**	**35.943.994**
TOTAL LIABILITIES.	**137.380.519**	**111.514.424**	**59.946.653**	**-112.932.152**	**-13.227.866**	**182.681.577**	**101.565.177**

in euro	As of June 30, 2023 (Unidata)	As of June 30, 2023 (TWT Group)	As of June 30, 2023 (Unitwt).	Elisions	Consolidation adjustments	As of June 30, 2023 (Consolidated)	As of June 30, 2022 (Unidata)
Revenues from customers	26.267.681	16.521.134		-1.066.321		41.722.495	21.591.150
TOTAL REVENUES.	**26.267.681**	**16.521.134**	**0**	**-1.066.321**	**0**	**41.722.495**	**21.591.150**
Raw and consumable materials	4.802.306	8.902.453		-4.465		13.700.294	5.239.513
Personnel cost	2.762.709	1.982.183		-4.300		4.740.591	1.830.611
Costs for services	12.107.754	2.260.311	140.594	-784.223		13.724.436	8.400.760
Other operating costs	511.352	588.672	4.036	-273.333		830.728	264.411
Write-downs	117.787	31.136				148.923	260.566
TOTAL COSTS OF PRODUCTION	**20.301.908**	**13.764.755**	**144.631**	**-1.066.321**	**0**	**33.144.973**	**15.995.861**
EBITDA	**5.965.773**	**2.756.379**	**-144.631**	**0**	**0**	**8.577.522**	**5.595.290**
Depreciation	2.960.329	762.810				3.723.140	2.548.105
OPERATING RESULT	**3.005.444**	**1.993.569**	**-144.631**	**0**	**0**	**4.854.383**	**3.047.185**
FINANCIAL INCOME AND EXPENSES	**-874.796**	**-29.563**	**-393.775**	**0**	**0**	**-1.298.133**	**82.309**
PROFIT BEFORE TAX	**2.130.649**	**1.964.006**	**-538.406**	**0**	**0**	**3.556.250**	**3.129.493**
Income taxes	601.824	655.933	-129.253			1.128.504	1.024.770
RESULT FOR THE YEAR	**1.528.824**	**1.308.073**	**-409.152**	**0**	**0**	**2.427.746**	**2.104.723**

PART B - INFORMATION ON THE BALANCE SHEET

ACTIVE

Non-current assets

Note No. 5 Property, plant and equipment

They amounted to 52,848,993 euros as of June 30, 2023 (38,953,533 euros as of December 31, 2022), as shown in the following table.

	30/06/2023 (consolidated)	12/31/2022 (Unidata)	Change
Land and buildings	6.828.841	0	6.828.841
Plant and machinery	43.329.388	37.789.326	5.540.062
Industrial and commercial equipment	396.402	478.770	-82.368
Other assets	2.272.005	685.436	1.586.569
Assets under construction	22.356	0	22.356
Total	**52.848.992**	**38.953.533**	**13.895.459**

Changes during the year are shown in the following table:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction	Total
Net worth as of December 31, 2022	**0**	**37.789.326**	**478.770**	**685.437**	**0**	**38.953.533**
Change in the scope of consolidation	6.918.722	1.282.107		1.021.521		**9.222.350**
Period increase		6.364.682	2.790	1.053.877	22.356	**7.443.705**
Decreases for the period				8.229		**8.229**
Reclassifications		-59.005		59.005	0	**0**
Depreciation	-89.881	-2.047.722	-85.158	-556.063		**-2.778.825**
Net value as of June 30, 2023	**6.828.841**	**43.329.388**	**396.402**	**2.272.005**	**22.356**	**52.848.992**

"Land and buildings" increased due to the property owned by Domitilla, which entered the scope of consolidation during the first half of the year.

"Plant and machinery," as shown in the table, increased by 7,587,784 euros (before depreciation for the six-month period, amounting to 2,047,722 euros), mainly due to the following capitalizations:

- 6,364,682 euros for investments in fiber optic network infrastructure resulting from the processing of Unidata's "Systems" suppliers, not subject to any transfer in IRU to other telecommunications operators, including capitalization of personnel costs and public land occupation taxes (TOSAP) directly referable to these investments.

"Other assets," amounting to EUR 2,272,005 as of June 30, 2023, increased by EUR 1,586,569, mainly due to the capitalization of assets granted on loan for use to customers in the amount of EUR 356,551 and the entry of assets owned by TWT following its acquisition in the amount of EUR 1,021,521.

During the six-month period, no indicators of possible impairment emerged with reference to tangible assets.

Note No. 6 Activities for rights of use

This item is composed as follows:

	30/06/2023 (consolidated)	12/31/2022 (Unidata)	Change
IRU Usage Rights	5.941.911	5.542.943	398.968
Real estate use rights	3.069.456	3.295.799	-226.343
Machinery usage rights	148.703	170.849	-22.146
Rights to use cars	883.920	279.440	604.480
Total	**10.043.989**	**9.289.031**	**754.958**

Changes in usage rights during the current half year are shown in the table below:

	IRU Usage Rights	Real estate use rights	Machinery usage rights	Rights to use cars	Total
Net worth as of December 31, 2022	**5.542.943**	**3.295.799**	**170.849**	**279.440**	**9.289.031**
Change in the scope of consolidation				598.329	598.329
Period increase	709.610			170.411	880.021
Depreciation	-310.642	-226.343	-22.146	-164.260	-723.392
Net value as of June 30, 2023	**5.941.911**	**3.069.456**	**148.703**	**883.920**	**10.043.989**

The investments made by the company in the six-month period are attributable to:

- the acquisition of rights of use related to passenger cars in the amount of 170,411 euros, both recorded in accordance with IFRS 16, in addition to the rights of use of TWT and Berenix cars that entered the scope of consolidation in the first half of the year. Leasing contracts for passenger cars were entered into with leading long-term rental companies and classified as leases under IFRS 16.

With respect to contracts that the company has treated as leases under IFRS 16, the marginal financing rate considered is the rate that the lessee would have to pay for a loan, with similar term and collateral, required to obtain an asset of similar value to the asset consisting of the right of use in a similar economic environment. The marginal financing rate used for the registration of usage rights on buildings and cars is 1.50 percent. The marginal financing rate used for the recognition of rights of use of machinery is 1.3%, and corresponds to what is stipulated in the contracts.

- the acquisition of IRU rights acquired from leading telecommunication companies, which amounted to 709,610 euros during the six-month period.

Note no. 7 Goodwill

On February 28, 2023, the purchase of the entire share capital of Berenix S.r.l. (Berenix and its subsidiaries, jointly the TWT Group), a major player in the field of telecommunications and connection and communication services based in Milan, was finalized for a total consideration of 65,344,000 euros.
The fair value of TWT Group's identifiable assets and liabilities as of the acquisition date is depicted below:

Activities	
Property, plant and equipment	9.220.425
Imm. Intangibles	1.217.682
Activities by right of use	598.329
Other non-current financial receivables	8.295
Other non-current receivables	233.406
Case	13.071.921
Trade receivables	6.199.386
Inventories	0
Other short-term receivables	2.377.375
Tax credits	347.076
	33.273.894
Liabilities	
Long-term financing	293.527
Post-employment benefits (severance pay)	1.864.715
Long-term funds	9.861
Other long-term liabilities	99.944
Trade payables	10.715.597
Other current liabilities	5.024.698
Tax debts	940.727
Short-term financing	303.253
	19.252.322
Total net identifiable assets at *fair value*	**14.021.572**
Goodwill arising from the acquisition	51.322.428
Consideration paid for the acquisition	**65.344.000**
	0

Cash flow analysis at acquisition:	
Net cash acquired with subsidiary (included in cash flows from investing activities)	13.071.921

Fee paid	-65.344.000
Consideration offset through capital increase	8.000.000
Vendor loan VOISOFT	-2.400.000
Net cash flow of the acquisition	**-46.672.079**

The surplus arising from the acquisition was provisionally recorded, availing itself of the provisions of IFRS 3, under the item "Goodwill" in the amount of 51,322 thousand euros. It should be noted that as of the date of these financial statements, the valuation procedure of the acquired assets and liabilities is still preliminary; therefore, the goodwill determined is still provisional in nature.

The impairment test on indefinite-lived assets will be carried out at the close of business on December 31, 2023.

Note No. 8 Other intangible assets

A breakdown of investments in other intangible assets is given below.

	30/06/2023 (consolidated)	12/31/2022 (Unidata)	Change
Development expenses	70.858	109.799	-38.941
Industrial patent rights	422	616	-193
Concessions, user licenses and trademarks	1.393.854	200.753	1.193.101
Other intangible assets	112.826	104.010	8.816
Intangible assets in progress	367.548	6.000	361.548
Total	**1.945.509**	**421.178**	**1.524.331**

Changes in intangible assets during the six-month period compared with the six-month period ended December 31, 2022 are shown in the table below.

	Development expenses	Industrial patent rights	Concessions, user licenses and trademarks	Other intangible assets	Immobil. in progress	Total
Net worth as of December 31, 2022	**109.799**	**616**	**200.753**	**104.010**	**6.000**	**421.178**
Change in the scope of consolidation			1.071.500	45.475		1.116.975
Period increase			263.459	3.274	361.548	628.281
Decreases for the period						0

Depreciation	-38.941	-193	-141.858	-39.933		-220.925
Net value as of June 30, 2023	**70.858**	**422**	**1.393.854**	**112.826**	**367.548**	**1.945.509**

Intangible assets mainly refer to the following intangible assets such as:

- development expenses, which refer to the capitalization of costs incurred for participation in development projects during the previous year that will produce future economic benefits. The projects in question are named Elegant and Fragile;
- user licenses purchased, which during the year resulted in capitalization of 263,459 euros, as part of the development of company software systems; it should be noted that during the six-month period the company Voisoft contributed 971,514 euros with proprietary software.
- network set-up and connection contributions requested by other network operators, which amounted to 3,274 euros during the six-month period.

As for the change in the scope of consolidation in the amount of 1,116,975 euros, it mainly includes software developed by Voisoft Srl. The company develops, implements and maintains the platforms purchased by TWT to carry out its core business, a list of which is provided for illustrative purposes:

- Billing Software;
- CRM;
- Client Portals;
- Integrations with external Software.

During the six-month period, no indicators of possible impairment emerged with reference to other intangible assets.

Note No. 9 - Investments

The item "Investments," amounting to 50,000 euros as of December 31, 2022, referred to the 100 percent stake in Unitirreno Holding, two-thirds of whose shares were sold during the first half of the year, thus becoming an associated company (see "Investments in equity affiliates" below. Conversely, as of June 30, 2023, the item is zero because all investments in subsidiaries (TWT, Voisoft, Berenix, Domitilla, and Unitwt), acquired (or, in the case of Unitwt, formed) during the six-month period, were properly elided as part of the consolidation process.

Note No. 10 Equity investments in equity affiliates

Details of investments in associated companies (Unitirreno Holding S.p.A.) and jointly controlled companies (Unifiber S.p.A.), valued by the equity method, are shown.

	30/06/2023 (consolidated)	12/31/2022 (Unidata)	Change

Unifiber SpA	4.139.416	3.414.882	724.534
Unitirreno Holding SpA	4.433.959	0	4.433.959
Unitirreno Submarine Network SpA	0	16.666	-16.666
Total	**8.573.376**	**3.431.548**	**5.141.828**

Also shown below is a comparison of the value of equity investments with their respective equity.

	Type of participation	Book value	% of participation	Shareholders' equity investee	Equity share
Unifiber SpA	Jointly controlled	4.139.416	30,01%	22.718.396	4.139.416
Unitirreno Holding SpA	Connected	4.433.959	33,33%	13.335.213	4.433.959
Total		**8.573.376**		**36.053.609**	**8.573.376**

With reference to Unifiber SpA, it should be noted that the Shareholders' Equity shown is that prepared in accordance with International Accounting Standards IAS/IFRS, while the Shareholders' Equity resulting from the financial statements of the investee company prepared in accordance with the Accounting Standards OIC (and subject to the approval of Unifiber's Shareholders' Meeting) is 20,775,434 euros. The share of equity shown in the above table was calculated by applying the 30% share to the share capital, while the share of capital contributions paid by Unidata into Unifiber turns out to be about 19%, according to the agreements signed between the shareholders of the investee.

As mentioned, Unifiber SpA is owned by Unidata with a 30 percent share. The other shareholder of Unifiber SpA, with a 70 percent stake, is the Connecting Europe Braodband Fund (CEBF), which in turn is participated by Cassa Depositi e Prestiti (Italy), Caisse des Depots (France), KFW (Germany), European Investments Bank, European Commission and other private investors.
Pursuant to IFRS 12, Unifiber S.p.A. is a jointly controlled investment with CEBF, as a result, the equity method was applied as of June 30, 2023, which resulted in a positive change in the value of the investment of 199,646 euros:

- a positive income component, in favor of Unidata, amounting to 199,785 euros, classified under financial income (and corresponding to Unifiber's IFRS economic result as of June 30, 2023, limited to the 30% shareholding);
- a negative change in Unidata's statement of comprehensive income in the amount of 139 euros, due to the application in Unifiber of IAS 19 in the subsidiary's employee benefit liabilities.

In addition, it should be noted that, during the year, the company made capital contributions to Unifiber in the amount of 1,125,782 euros, consistent with agreements with the shareholder CEBF and the development of the subsidiary's business.

Regarding the investment in Unitirreno Holding SpA, Unidata made capital contributions in the amount of 4,438,249 euros and recorded a write-down of the investment by application of the equity method in the amount of 20,956 euros.

The shareholding in Unitirreno Submarine Network, amounting to 16,666 euros as of December 31, 2022, was sold to Unitirreno Holding in 2023 at the nominal value of the zioni, thus not recognizing any economic result.

Note No. 11 - Deferred tax assets and deferred tax liabilities.

The composition of Deferred Tax Assets and Liabilities as of June 30, 2023, compared with the situation as of December 31, 2022, and with the TWT Group's interim situation as of February 28, 2023 (the date of acquisition of the TWT Group by Unidata), is shown below:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Deferred tax assets	662.517	231.984	262.273
Total	**662.517**	**231.984**	**262.273**
Deferred tax liabilities	-16.425	0	-81.009
Total	**-16.425**	**0**	**-81.009**
Net total	**646.092**	**231.984**	**181.264**

Deferred tax assets represent the amount of income taxes recoverable in future years referable to deductible temporary differences.

Deferred tax assets are calculated by applying the tax rates in effect in the year in which the temporary differences will reverse, as provided by the tax laws in effect at the balance sheet date.

Deferred tax assets are recognized in the financial statements only if there is reasonable certainty of their recovery. With regard to deferred tax assets of 662,517 euros as of June 30, 2023, it is believed that they can be largely recovered through positive future economic results.

These receivables refer to 268,657 euros for Unidata, 184,111 euros for Unitwt and 209,749 euros for the TWT Group.

Deferred tax liabilities refer entirely to Unidata.

The following table shows the composition of deferred tax assets and deferred tax liabilities as of June 30, 2023, with evidence of the effect of the change in deferred taxation on the income statement and equity (i.e., comprehensive income).

	Statement of financial position		Comprehensive income statement		Profit and loss account	
	06/30/2023 (Consolidated)	12/31/2022 (Unidata)	06/30/2023 (Consolidated)	12/31/2022 (Unidata)	06/30/2023 (Consolidated)	12/31/2022 (Unidata)
IFRS 16 Leasing	-15.524	-9.556	0	0	5.968	6.872
IAS 19 SEVERANCE PAY	136.019	76.886	21.006	-6.733	-8.678	0
IAS 32 Listing Costs	7.650	15.301	7.650	7.650	0	0
Derivative Instruments	51.203	-70.368	-121.571	69.338	0	0
Tax losses	272.396	0	0	0	-129.253	0
Allowance for doubtful accounts	131.414	114.717	0	0	-7.967	4.876
Allowance for inventory depreciation	54.284	54.284	0	0	0	0
Other deferred tax assets	8.650	0	0	0	0	0
Total	**646.092**	**181.264**	**-92.915**	**70.255**	**-139.930**	**11.748**

Note No. 12 Derivative financial instruments

Regarding, derivative activity, the Group uses such financial instruments to hedge interest rate fluctuations. These derivative financial instruments are initially recognized at fair value (or fair value) on the date they are entered into and thereafter this fair value is periodically remeasured.

Interest rate derivatives, are "Over The Counter" (OTC) instruments, i.e., bilaterally traded with market counterparties, and the determination of their current value is based on valuation techniques that take as reference input parameters (such as rate curves) that can be observed in the market (level 2 of the fair value hierarchy under IFRS 7).

With reference to existing financial instruments as of June 30, 2023, the following is reported:

- all financial instruments measured at fair value fall into level 2 (identical situation in 2021);
- During 2021 and 2022, there are no transfers from level 1 to level 2 and vice versa;
- During 2021 and 2022, there are no transfers from Level 3 to other levels and vice versa.

In order to reduce the risks of adverse changes in interest rates, derivative contracts were entered into for hedging purposes (IRS, Floor).

The derivative contracts entered into find correlation with the liabilities related to the financing contracts entered into (referred to in the specific paragraph in Liabilities). There is a high correlation between the technical/financial characteristics of the hedged liabilities and those of the hedging contract, and in addition there is an intent to put in place the hedge. Transactions in derivative financial instruments are accounted for in a manner consistent with the principal transactions against which they are entered into, or at market in applicable cases. It should be noted that, in accordance with IAS 39, the Group carried out the hedge effectiveness test as of June 30, 2023, analytically for each derivative, noting perfect hedge effectiveness.

In this regard, the Group recognized derivative financial instruments in the financial statements by applying the accounting prescribed by IAS 39 for *hedge* accounting. Specifically, the cumulative effect recognized in equity reserves was negative and amounted to 162,142 euros, net of deferred taxation. As reported in the note on Financial Expenses and Financial Income, during the year the Group paid negative differentials on derivative financial instruments in the amount of 50,731 euros, and collected positive differentials on the same instruments in the amount of 57,169 euros.

During the six-month period, assets and liabilities for derivative financial instruments changed as follows:

	06/30/2023 (Consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)	Change
Assets for derivative instruments to hedge interest rate risk	258.425	0	293.201	-34.776
Liabilities for derivative instruments to hedge interest rate risk	-471.770	0	0	-471.770
Net balance of derivative instruments hedging interest rate risk	**-213.344**	**0**	**293.201**	**-506.546**

Derivative instrument transactions with *Interest Swap Rate* (IRS) contract type and *Interest Rate Floor* outstanding as of June 30, 2023 have the following characteristics and *fair values*:

Counterparty and contract number	Financing	Derivative type	Notional value (06/30/23)	Financial risk	Mark to market	Effective date	Deadline
Intesa Sanpaolo contract no. 36863860	0IR1010534135	IRS	2.730.000	Interest risk	169.159	30/09/2020	30/09/2026
Intesa Sanpaolo contract no. 27817405	0IC1048457472	IRS	27.778	Interest risk	228	10/10/2018	28/09/2023
BNP Paribas contracts No. 25939660 and 25939666	GEFI6163629	IRS + FLOOR	1.225.000	Interest risk	89.038	22/07/2021	22/07/2027
Intesa Sanpaolo contract no. 97394544	TWT Group Purchase	IRS	1.500.000	Interest risk	-30.029	01/03/2023	30/06/2029
Intesa Sanpaolo contract no. 97394639	TWT Group Purchase	IRS	3.650.000	Interest risk	-30.140	01/03/2023	30/06/2029
BPM contract no. 21541869	TWT Group Purchase	IRS	1.500.000	Interest risk	-31.256	01/03/2023	30/06/2029
BPM contract no. 21541866	TWT Group Purchase	IRS	3.650.000	Interest risk	-30.704	01/03/2023	30/06/2029
Unicredit contract no. MMX32365266	TWT Group Purchase	IRS	1.500.000	Interest risk	-31.055	01/03/2023	30/06/2029
Unicredit contract no. MMX32365277	TWT Group Purchase	IRS	3.650.000	Interest risk	-30.211	01/03/2023	30/06/2029
BNP Paribas contract no. 0030266852	TWT Group Purchase	IRS	1.500.000	Interest risk	-30.032	01/03/2023	30/06/2029
BNP Paribas contract no. 0030266858	TWT Group Purchase	IRS	3.650.000	Interest risk	-29.768	01/03/2023	30/06/2029
Intesa Sanpaolo contract no. 97394674	TWT Group Purchase	IRS	5.150.000	Interest risk	-56.740	01/03/2023	30/06/2029
BPM contract no. 21541861	TWT Group Purchase	IRS	5.150.000	Interest risk	-58.278	01/03/2023	30/06/2029
Unicredit contract no. MMX32365259	TWT Group Purchase	IRS	5.150.000	Interest risk	-57.017	01/03/2023	30/06/2029
BNP Paribas contract no. 0025939660	TWT Group Purchase	IRS	5.150.000	Interest risk	-56.541	01/03/2023	30/06/2029
					-213.344		

Note No. 13 Other non-current financial receivables

The breakdown of Other non-current financial receivables as of June 30, 2023 is shown below.

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Non-interest bearing loans	1.028.258	0	0
Non-current liquidity	8.000.000	8.000.000	0
Escrow deposits	74.760	29.838	66.465
Other credits	12.796	8.295	12.796
Total	**9.115.814**	**8.038.133**	**79.261**

"Non-interest-bearing loans" includes a non-interest-bearing loan provided by Unidata to Unitirreno Holding to carry out its activities.

"Non-current liquidity" includes the amount that will be disbursed to the state treasury if the tax litigation is unsuccessful (see Note No. 24 Long-term provision).

Note No. 14 Other non-current financial assets

The breakdown of Other non-current financial assets as of June 30, 2023 is shown below.

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Deposit for TWT Group purchase	0		2.846.667
RomaWireless Consortium Membership Fee	7.500		7.500
Voipex Consortium membership fee	2.950		2.950
ICT Consortium membership fee	0		0
Digital World Foundation Membership Fee	51.646		51.646
Digital Regions Consortium Membership Fee	1.500		1.500
Kleos S.c.a.r.l. membership fee.	0		0
Rome Technopole Foundation membership fee	30.000		30.000
Total	**93.596**	**0**	**2.940.262**

The change from last year is due to the deposit paid in 2022 to TWT shareholders, which was used as part of the TWT acquisition during 2023.

With reference to membership dues representing shareholdings in other enterprises and consortia, further details regarding the composition are given below, with evidence of accounting data referring to the latest available financial statements:

	Share capital	Shareholders' Equity	Profit (Loss) Last exercise	Book value
Digital World Foundation Via Umbria 7 - Rome	2.181.603	2.462.766	25.408	51.646
Rome Technopole Foundation Piazzale Aldo Moro 5 - Rome	375.000	375.000	-	30.000
KLEOS Consortium a r.l. Piazza della Repubblica 1- Milan	30.000	146.567	-5.360	0
Consortium for the Audiovisual and I.C.T. District. Via Noale 206 - Rome	85.822	78.682	-7.503	0
Digital Regions Consortium A.G.Eiffel Avenue 100 - Rome	19.500	67.552	-5.543	1.500
Romawireless consortium in liq. Via S.Martino della Battaglia 31 - Rome	41.250	47.192	8.028	7.500
Voipex Consortium A.G.Eiffel Avenue 100 - Rome	36.300	47.470	-868	2.950
			Total	**93.596**

Note No. 15 Other non-current receivables

The breakdown of Other non-current receivables as of June 30, 2023 is shown below.

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Receivables for subleases over 12 months	1.023.486	0	1.054.604
Restricted deposits	1.258.847	0	58.944
Other miscellaneous matches	-1.014	1.423	0
Total	**2.281.319**	**1.423**	**1.113.548**

This item mainly consists of:

- noncurrent financial receivables on sublease contracts valued as leases in accordance with IFRS 16, in the amount of 1,023,486 euros.With reference to the change in these receivables, it is mainly due to the repayment of principal amounts on the relevant contracts. The amount of these receivables represents the sum of the principal amounts of sublease fees due beyond 12 months. It should be noted that the value of non-current lease receivables due beyond 5 years amounts to 766,093 euros.
- term deposits with credit institutions in the amount of 1,258,847 euros, mainly composed of the deposit set up with BNP Paribas for approximately 1.2 million euros to guarantee the loan taken out in 2023 for the acquisition of the TWT Group.

Current Assets

Note no. 16 Inventories

Inventories as of June 30, 2023 are composed as follows:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Gross value of inventory - raw materials	4.447.950	0	4.376.708
Provision for depreciation	-226.182	0	-226.182
Total Inventories	**4.221.768**	**0**	**4.150.526**

Specifically, these inventories consist of the goods that refer to the business of installation, maintenance and sale of telecommunications equipment, are shown net of an inventory write-down provision of 226,182 euros in order to adjust the cost of inventories to their presumed market realizable value.

Note no. 17 Contractual activities

Contract assets as of June 30, 2023 are composed as follows:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Contract work in progress	3.647.313	**0**	

Contractual advances received	-2.440.408	0	
Total Contractual Activities	**1.206.906**	**0**	**0**

Specifically, the item refers to contract work in progress amounting to 3,647,313 euros, related to revenues accrued but not yet invoiced to the investee Unifiber, calculated according to the percentage-of-completion method, net in the related advance payments collected until June 30, 2023.

Note no.18 Trade receivables

All of the Company's trade receivables are due within 12 months.

Accounts receivable as of June 30, 2023 are composed as follows:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Gross trade receivables	23.207.600	6.361.141	23.970.212
Allowance for doubtful accounts	-1.011.464	-161.755	-748.697
Other trade receivables from related parties	28.899	0	19
Total Receivables net of Fund Impairment Receivables	**22.225.036**	**6.199.386**	**23.221.534**

Detailed changes in the allowance for doubtful accounts as of December 31, 2022 are shown in the table below:

	Allowance for doubtful accounts
Balance as of 12/31/2022	**-748.697**
TWT Fund as of 02/28/2023	-161.755
Uses for the year	47.911
Provisions for the year	-148.923
Balance as of 06/30/2023	**-1.011.464**

The allowance for doubtful accounts represents the best possible estimate made by management, based on information available at the date of preparation of the financial statements. The estimates and assumptions are made by the directors with the support of the business function in accordance with IFRS 9.

Impairment on trade receivables is carried out through the simplified approach allowed by the standard. This approach involves estimating the expected loss throughout the life of the loan at initial recognition and in subsequent valuations. For each customer segment, the estimate is made primarily by determining the average expected uncollectibility, based on historical-statistical indicators, adjusted if necessary using prospective elements. On the other hand, for some categories of receivables characterized by peculiar risk elements, specific assessments are carried out on individual credit positions.

It should be noted, however, that trade receivables positions, for which legal action is being taken by the company to recover the receivable, have been analytically evaluated for the purpose of estimating the allowance for doubtful accounts.

The following is a statement of receivables (for invoices issued) past due and overdue.

	30/06/2023 (TWT)	30/06/2023 (Unidata)	Total
Overdue trade receivables from:			
More than 120 days	764.078	1.393.572	2.157.650
91 to 120 days	149.878	337.712	487.590
61 to 90 days	53.965	421.321	475.286
31 to 60 days	112.172	281.057	393.229
Up to 30 days	152.937	1.486.260	1.639.196
Total overdue receivables	**1.233.030**	**3.919.921**	**5.152.951**
Total accounts receivable past due	**4.894.919**	**13.099.380**	**17.994.299**
Total trade receivables (for invoices issued)	**6.127.948**	**17.019.302**	**23.147.250**
Receivables for invoices and credit notes to be issued	-2.246	102.076	99.830
Intercompany eliminations			-39.480
Total gross trade receivables	**6.125.702**	**17.121.378**	**23.207.600**

Note No. 19 Other short-term receivables

Other short-term receivables as of June 30, 2023 consisted of the following.

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Accounts receivable for advance payments to suppliers	397.409	0	320.131
Receivables from employees	36.296	0	35.389
Receivables for subleases within 12 months	61.913	0	61.493
Miscellaneous receivables	32.440	0	34.064
Prepaid expenses	2.784.072	2.377.375	350.235
Total	**3.312.130**	**2.377.375**	**801.311**

This item is mainly composed of:

- Accounts receivable for advance payments to suppliers in the amount of 397,409 euros, entirely from Unidata, mainly due to the work that was carried out in 2023 related to the network infrastructure construction works.
- Prepaid expenses in the amount of Euro 2,784,072 on costs pertaining to subsequent months. This item mainly refers to TWT for Euro 2,080,850 and Unidata for Euro 647,298. They are mainly composed of advance fees charged by suppliers, service fees with accrual beyond closing, annual licenses and annual insurance premiums.
- financial receivables for leases due within 12 months in the amount of 61,913 euros, consisting of the principal amounts related to 3 sublease agreements valued in accordance with IFRS 16.

Regarding financial receivables for leases, which represent future principal amounts, the following is a summary detail including also the future interest amounts that will be collected by the Company, by due date.

	Capital shares	Future interest shares	Total future installments
Lease finance receivables within 12 months	61.913	16.037	**77.950**
Lease finance receivables over 12 months	1.023.486	116.671	**1.140.157**
Lease finance receivables over 5 years	766.093	62.264	**828.357**

Note no. 20 Tax credits

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Inland Revenue c/VAT	1.300.829	347.076	1.243.195
IRES and IRAP Credits	425.965		2.616.141
Other tax receivables	424.571		48.462
Total	**2.151.365**	**347.076**	**3.907.798**

As of June 30, 2023, this item amounted to 2,151,365 euros and consisted of IRAP and IRES tax advances of 425,965 euros paid during the year, VAT credits on supplier invoices payable of 1,300,829 euros, and various tax credits pertaining to both Unidata and TWT of 424,571 euros.

Note No. 21 Marketable securities measured at fair value

This item consists of the subscription fees to the Intesa Sanpaolo management liquidity fund in the amount of 134,875 euros, which were used as collateral for Unidata's surety bond issues to TIM SpA;

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Securities for surety bonds	134.875	0	133.635
Total	**134.875**	**0**	**133.635**

Note No. 22 Cash and cash equivalents

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Bank and postal deposits	12.279.133	5.071.120	12.514.701
Cash and valuables on hand	4.400	801	1.838

Total	**12.283.533**	**5.071.921**	**12.516.539**

Bank balances are valued at their nominal value and consist of the cash on ordinary current accounts at various banks with which the company has dealings.

The amounts shown can be readily converted into cash and are subject to an insignificant risk of change in value. The company believes that the credit risk related to cash and cash equivalents is limited because they are mainly fractional deposits on domestic banking institutions

The above item is also subject to the general rule of impairment, and the "*loss rate approach*" has been used. However, in view of the fact that these are on-demand accounts, the expected 12-month losses and the expected lifetime losses coincide and are not significant.

For more details of the sources and uses that originated the changes in cash and cash equivalents, please refer to the statement of cash flows.

PASSIVE

Note no. 23 Shareholders' equity

For changes in the composition of Shareholders' Equity as of June 30, 2023, please refer to the Statement of Changes in Shareholders' Equity, which is an integral part of these financial statements.

That being said, the main changes for the year related to shareholders' equity are as follows:

- Unidata's profit earned in the previous year amounting to 7,504,220 euros was allocated, as per the resolution of the Ordinary Shareholders' Meeting:
  - To increase the legal reserve by 14,706 euros;
  - To retained earnings in the amount of 7,183,388 euros;
  - To dividends amounting to 306,126 euros.
- purchase of treasury shares in the amount of 101,611 euros, recognized directly in an unavailable reserve, as a deduction from shareholders' equity, in accordance with IAS 32;
- share capital increase of 550,476 euros and simultaneous increase in the share premium reserve of 22,569,524 euros;
- Achievement of the consolidated half-year profit in the amount of 2,427,746 euros.

Regarding other changes in shareholders' equity, mainly related to the effects of cash flow hedges on hedging derivatives and the adjustment of the provision for severance pay in accordance with IAS 19, please refer to the Statement of Comprehensive Income.

We report below the information required by Article 2427, Paragraph I, Number 7 bis of the Civil Code, specifying that neither capital nor reserves were used in the previous three years to cover losses.

	30/06/2023	Possibilities for use
Capital	3.088.661	
Legal Reserve	507.635	B
Reserve for treasury stock	-1.403.043	
Extraordinary Reserve	57.007	A, B, C
Share premium reserve	29.414.176	A, B, C
Available reserve Law 145/2018	1.520.779	A, B
Expected cash flow reserve	-162.142	B
Reserve *First Time Adoption (FTA)* IAS	5.281.740	B
IAS 19 Reserve for Employee Benefits (severance pay)	-457.226	
Stock market listing reserve	-125.075	
Retained earnings (loss)	21.584.434	A, B, C
Profit/(loss) for the year	2.427.746	B, C

Legend possibility of use: A - for capital increase, B - for loss coverage, C - for distribution to shareholders

The share premium reserve consists of the excess of the issue price of shares over their par value and as of June 30, 2023 amounted to 29,414,176 euros.

The available reserve was established as provided for in Article 1, paragraphs 28 to 34 of Law 145 of 12/30/2018 (the so-called "2019 Budget Law") by specific allocation of the profit for the year 2018 and amounts to 1,520,779 euros.

The IAS First Time Adoption (FTA) reserve shows a positive value as a result of IFRS adjustments made to items recorded under IFRS. The value amounts to 5,281,740 euros and is the result of adjustments related to the recognition of expected credit losses and the fair value recognition of the network.

The reserve for employee benefits established in accordance with IAS 19 shows a negative value of 457,226 euros, as a result of the discounting of the Employee Severance Indemnity Reserve (TFR) net of tax effects.

The stock market listing reserve shows a negative value, net of the tax effect for the shares not yet deducted, of 125,075 euros and derives from the application of international accounting standards to the costs of the company's capitalization on the AIM market that were previously immobilized.

Basic and diluted earnings per share as of June 30, 2023, compared with the previous six months are shown below.

	30/06/2023 (consolidated)	30/06/2022 Unidata)	Change
Basic and diluted earnings per share	0,79	0,83	-0,04

Non-current liabilities

Note No. 24 Long-term financing and short-term financing.

This item is composed as follows

	30/06/2023 (consolidated)		02/28/2023 (TWT Group)		12/31/2022 (Unidata)	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Payables to banks for advance invoices	1.899.632				2.891.000	
Due to banks c/confirming	985.749					
Due to banks for loans	6.820.144	37.470.311			1.334.444	3.385.000
Due to banks for Bond	0	9.781.641			162.067	9.755.603
Due to banks for items to be settled	25.415					
Financial debts for leasing	964.843	4.141.142	303.253	293.527	624.037	4.171.551
Due to other lenders	15.918				6.939	
Total financial debt	**10.711.699**	**51.393.093**	**303.253**	**293.527**	**5.018.487**	**17.312.154**

Due to banks

Indebtedness to banks amounted to 56,982,891 euros (17,528,115 euros as of December 31, 2022). This increase is mainly due to the signing of the loan agreement with a pool of 4 leading banks, aimed at the acquisition of the TWT Group for approximately 41.2 million euros.

Outstanding loans and main terms are summarized in the following table:

Financing	Months	Deadline	Rate	Reference rate	Spread	Amount financed

Intesa Sanpaolo No. 0IC1048457472	60	28/09/2023	variable	Euribor 3 months	2,40%	500.000
Intesa Sanpaolo No. 0IC1048601256	60	30/11/2023	variable	Euribor 3 months	2,40%	500.000
Intesa Sanpaolo No. 01R1010534135	72	30/09/2026	variable	Euribor 1 month	1,20%	4.200.000
BNP Paribas No. GEFI6163629	60	22/07/2027	variable	Euribor 1 month	0,95%	1.500.000
Pool (Intesa San Paolo, Unicredit, BNP Paribas, BPM) - Line A1	72	30/06/2029	variable	Euribor 6 months	Variable	14.600.000
Pool (Intesa San Paolo, Unicredit, BNP Paribas, BPM) - Line A2	72	30/06/2029	variable	Euribor 6 months	Variable	20.600.000
Pool (Intesa San Paolo, Unicredit, BNP Paribas, BPM) - Line B	72	30/06/2029	variable	Euribor 6 months	Variable	6.000.000
Elite Intesa Sanpaolo Basket Bond	84	28/07/2029	fixed	3,74%	-	10.000.000

All loans granted were issued without collateral, either collateral or personal.

It should be noted that there are financial covenants on certain loans, which are to be calculated on the Group's consolidated financial statements on a semi-annual basis as of December 31, 2023.

The outstanding debt as of June 30, 2023 of each loan is shown in the following table:

Financing	Outstanding debt	Within 12 months	Over 12 months	Over 5 years
Intesa Sanpaolo No. 0IC1048457472	27.778	27.778		
Intesa Sanpaolo No. 0IC1048601256	55.555	55.555		
Intesa Sanpaolo No. 01R1010534135	2.730.000	840.000	1.890.000	
BNP Paribas No. GEFI6163629	1.225.000	300.000	925.000	
Pool (Intesa San Paolo, Unicredit, BNP Paribas, BPM) - Line A1	14.141.575	2.304.837	11.836.738	
Pool (Intesa San Paolo, Unicredit, BNP Paribas, BPM) - Line A2	20.110.546	3.291.973	16.818.573	
Pool (Intesa San Paolo, Unicredit, BNP Paribas, BPM) - Line B	6.000.000		6.000.000	6.000.000
Elite Intesa Sanpaolo Basket Bond	9.781.641		9.781.641	2.141.916
Total	**54.072.095**	**6.820.144**	**47.251.951**	**8.141.916**

Financial debts for leasing

Finance lease payables refer to the recognition of the remaining financial debt in accordance with IFRS 16. It should be noted that the value of non-current lease payables with maturity beyond 5 years amounts to 1,705,394 euros.

Due to other lenders

The item refers to payables to credit card circuits.

Note No. 25 Employee benefits

The item includes the total value of severance pay accrued by staff in service as of June 30, 2023, in application of current laws and labor contracts, net of advances granted, determined in accordance with

Article 2120 of the Civil Code, and the transfer to other institutions as supplementary pension benefits. The liability in question was then adjusted in accordance with IAS 19.

Changes in employee benefits are shown below:

	30/06/2023 (consolidated)	12/31/2022 (Unidata)	Change
Present value of the obligation at the beginning of the year	1.290.228	1.068.990	221.238
Change in the scope of consolidation	1.829.214		1.829.214
Service Cost	247.441	195.339	52.102
Advances and liquidations	-94.693	-92.157	-2.536
Other movements	-29.112	-76.988	47.876
Financial losses/(gains)	42.170	0	42.170
Actuarial losses/(gains)	-87.522	195.044	-282.566
Total liabilities for employee benefits	**3.197.726**	**1.290.228**	**1.907.498**

The technical bases, as required by IAS 19, on which actuarial considerations were made are briefly summarized below:

- demographic-type hypothesis: the traditional "Table of permanence in the active position" RG48 constructed by the State Accounting Office was used as the basis for evaluating survival, with reference to the selected 1948 generation, projected and distinguished by gender, supplemented by the additional causes of exit (resignations, advances, which constitute a financial-type cause of exit, assessable in terms of probability of elimination, and other);
- Financial assumptions: these assumptions concern:
  - future annual inflation rates, set equal to the average of inflation rates that have occurred in Italy in recent years (source: ISTAT);
  - future annual revaluation rates of the existing fund and subsequent payments, set, as established by current rules, at 75% of the inflation rate + 1.50%, net of statutory taxes;
  - future annual discount rates, in compliance with the express indication by IAS 19 (§ 78) of the use of interest rates correlated to the epochs of presumed maturity of the various payments. As of the valuation date, rates are to be set to vary with respect to time, adopting the rate curve constructed on the basis of the effective rates of return on Euro-denominated bonds of leading companies rated AA or higher;
  - the future rates of real wage increases needed to obtain, separately for different categories of employees, the future annual rates of nominal wage increase. These values constitute a forecast of the average future career wage development of a generic employee, depending on length of service and in the presence of monetary and contractual stability. Based on the information provided and taking into account the consistency of the available data, actual rates can be considered undistinguished by gender and, in case of lack of a reliable sample, they are considered constant over time, according to the different levels of contractual classification. From the information provided and taking into account the consistency of available information, it was decided to consider real rates undistinguished by sex and constant over time, according to the following scheme:
    Category Executives: real annual rate 2.60 percent
    Cadre category: real annual rate 1.70 percent
    Employee category: real annual rate 1.40 percent

It should also be noted that, in the liability analysis, changes in the liability measured in accordance with IAS19 were evaluated in absolute and relative terms under the assumption of a 10% positive or negative change in the revaluation and/or discount rates.

Note no. 26 Long-term funds

This item is composed as follows.

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Quiescence agents IAS 37	18.743	9.861	3.511
Provision for tax risks	8.000.000	0	0
Total	**8.018.743**	**9.861**	**3.511**

The provision for tax risks, amounting to €8,000,000 as of June 30, 2023, set up upon the acquisition of control of the TWT group, refers to a VAT dispute related to the years 2012-2016 and served through notices of assessment between March 23, 2022 and April 01, 2022. The dispute relates to VAT paid by TWT on invoices issued by a telephone traffic supplier that the Office considers "subjectively nonexistent." The appeal timely filed by the company was argued before the Tax Court of First Instance in Milan on February 22, 2023, with a ruling that saw TWT S.p.A. convicted. It filed an appeal, taking into account the motivational flaws in the ruling and the factual circumstances and the usual defense arguments already represented, trusting in the reform of the first instance ruling and the consequent annulment of the contested notices. The amount of 8,000,000 euros to date is present in the company's financial assets until the settlement of the litigation, when, in case of a positive outcome of the dispute, they will go to complete the consideration for the purchase of control of the TWT group.

Note No. 27 Other long-term liabilities

This item is composed as follows:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Deferred income I.R.U. fees fiber optics	8.665.798	0	9.191.445
Deferred income fiber network maintenance	32.723	0	42.903
Deferred income R&D project contributions	662.217	0	776.692
Other non-current liabilities	100.056	99.944	2.633
Total	**9.460.794**	**99.944**	**10.013.672**

For better understanding, it should be noted that this item consists mainly of the following accounting positions:

- deferred income for I.R.U. rights originated from the sale of rights of use on fiber optics for multi-year contracts in the amount of Euro 8,665,798;

- deferred income for revenues on maintenance services of the fiber optic network granted under right of use with multi-year contracts in the amount of 32,723 euros;

- Deferred income for capital grants received for research and development projects in the amount of 662,217 euros.

Current liabilities

Note No. 28 Trade payables

This item concerns trade payables to suppliers of a commercial nature, which arose in the course of carrying out core business activities. The exposure amounted to 22,895,980 euros as of June 30, 2023, and the composition is shown in the following table:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Suppliers for invoices received	14.581.903	7.145.186	10.606.360
Suppliers for invoices to be received	7.596.830	1.370.873	5.111.035
Payables to other related parties	717.247	0	744.790
Total	**22.895.980**	**8.516.059**	**16.462.185**

The composition of the balance of accounts payable largely includes accounts payable to Systems suppliers as part of the construction of the fiber-optic network infrastructure.

"Accounts payable to affiliated companies" in the amount of 717,247 euros includes the amount payable to the affiliated company Unihold Srl for rent and electricity utilities to be paid by December 31, 2023, as per agreements with the affiliated company.

During the year under review, there were no major changes to the purchasing and payment policies agreed with suppliers.

Note No. 29 Other current liabilities

This item consists of the following:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
Payables to staff (including accrued vacation leave)	1.798.684	1.880.809	624.249
Social security debts	226.770	167.373	
Miscellaneous debts	750.646	108.985	373.764
Customers w/ contractual advances	2.498.308	254.870	6.878.749
Accrued expenses	393.735		
Deferred income from internet contracts	4.717.744	2.612.662	1.688.066
Deferred income Royalties I.R.U. fiber optics	1.050.653		1.050.011
Network maintenance deferred income	15.269		10.179
Deferred income contributions on R&D Projects.	252.073		275.196
Total	**11.703.882**	**5.024.699**	**10.900.215**

The item "Customer contract advances" of EUR 2,498,308 as of June 30, 2023 mainly refers to contract advances obtained from customers as part of the construction of the fiber optic network infrastructure. These advances will be reversed to revenues in subsequent periods based on the progress of work at the respective construction sites. It should be noted that, compared to last year, the advances received from the investee Unifiber, which as of June 30, 2023 amounted to 2,440,408 euros, have been classified as a decrease in the item "Contractual assets."

Note no.30 Tax liabilities

This item consists of the following:

	30/06/2023 (consolidated)	02/28/2023 (TWT Group)	12/31/2022 (Unidata)
IRES and IRAP payables	2.321.848	551.801	3.137.985
VAT debts	243.140	189.572	0
Other tax liabilities	511.786	361.877	425.122
Total	**3.076.774**	**1.103.250**	**3.563.107**

"Other tax payables" mainly includes payables to the Treasury for IRPEF withheld from employees and the self-employed.

Liabilities not shown on the balance sheet

Following the repeal of paragraph 3 of Article 2424 of the Civil Code, information on memorandum accounts is provided in the Notes to the Financial Statements without evidence of the same in the balance sheet and without the relevant accounting entries. Memorandum accounts are important only for legal purposes and therefore there are no documentary details to record the transaction in terms of its balance sheet, financial position and income statement.

Pursuant to Article 6, paragraph 8, letter c) of Legislative Decree 139/2015, the Notes to the Financial Statements will report the total amount of commitments, guarantees and contingent liabilities not shown in the Balance Sheet, with indications of the nature and collateral provided.

Bonds and sureties given

Sureties granted to third parties, mainly to guarantee the company's obligations under signed service contracts, amounted to 293,359 euros as of June 30, 2023, and there were no changes from December 31, 2022.

PART C - INCOME STATEMENT INFORMATION

Before proceeding to the analysis of the individual items, it should be recalled that the analytical presentation of positive and negative income components in the Income Statement and the previous comments on the items in the Balance Sheet allow the comments set out below to be limited to the main items.

REVENUES

Note No.31 Revenue from customers

Please refer to the specific paragraph in the Management Report for a specific analysis of revenues. It should be noted that the change in contract work in progress, amounting to 3,647,313 euros, related to revenues accrued but not yet invoiced to the investee Unifiber, calculated according to the percentage of completion method.

The following is the geographical breakdown, in thousands of euros, of revenues as of June 30, 2023.

	30/06/2023 (consolidated)			30/06/2022 (Unidata)		
	Italy	**Foreign**	**Total**	**Italy**	**Foreign**	**Total**
Retail	23.401	1.634	25.035	7.835	0	7.835
Infrastructure	15.701	0	15.701	12.908	0	12.908
More	986	0	986	848	0	848
TOTAL	**40.088**	**1.634**	**41.722**	**21.591**	**0**	**21.591**

Foreign revenues refer entirely to the company TWT.

PRODUCTION COSTS

Note No. 32 Costs of raw materials and consumables

They amount to June 30, 2023, and consist of costs for purchases of networking equipment, peripherals for data centers, as well as costs for TWT's acquisition of voice and data services.

	30/06/2023 (consolidated)	01/03/2023-30/06/2023 (TWT Group)	30/06/2022 (Unidata)
Raw material costs	4.873.549	0	5.747.710
TWT voice and data acquisition costs	8.897.988	8.897.988	0
Opening inventories raw materials	4.376.708	0	2.296.772
Raw materials ending inventory	-4.447.951	0	-2.804.969
Total raw material costs	**13.700.294**	**8.897.988**	**5.239.513**

Note no. 33 Personnel costs

As of June 30, 2023, total labor costs amounted to 4,784,293,483 euros, and consisted of the following

	30/06/2023 (consolidated)	01/03/2023 - 30/06/2023 (TWT Group)	30/06/2022 (Unidata)
Wages and salaries	3.403.618	1.466.870	1.415.385
Social charges	1.016.487	412.626	449.781
Severance pay and pension funds	249.243	98.387	138.616
Other personnel costs	71.243	0	-173.172
Total Personnel Costs	**4.740.592**	**1.977.883**	**1.830.611**

It should be noted that "Severance pay" also includes the portion of severance pay set aside and then paid to Supplementary Pension Funds in the amount of 38,864 euros.

The following table shows the number of employees by contractual classification as of June 30, 2023, with evidence of changes during the year:

	12/31/2022 (Unidata)	TWT Group Employees 01/03/2023	Increasing change	Decreasing change	30/06/2023 (consolidated)
Executives	2	2	2		6
Workers	11	0	5	-4	12
Employees	89	105	4	-2	196
Total	**102**	**107**	**11**	**-6**	**214**

The increase in personnel costs is due to the significant increase in the number of employees, mainly related to the acquisition of the TWT Group, and the increase that occurred in 2023 resulting from the renewal of the collective bargaining agreement for the metalworking industry.

Note No. 34 Costs for services

They amounted to 13,724,436 euros as of June 30, 2023. These costs, which are closely related to the implementation of the Group's business, are made up as follows:

	30/06/2023 (consolidated)	01/03/2023-30/06/2023 (TWT Group)	30/06/2022 (Unidata)
External processing	6.832.678	-	4.150.724
External maintenance	111.103	39.602	188.054
Technical Assistance	107.182	-	162.981
Transportation and duties	53.062	15.325	49.468
Promotion & advertising fees	228.864	119.248	166.055
Premiums and commissions	368.794	129.285	192.572
Administrative services	8.698	8.698	-
Miscellaneous consulting	383.747	140.890	205.321

Audit expenses	112.141	-	56.425
Administrative consultations	242.180	23.020	72.103
Other consulting	605.888	6.579	62.905
Insurance	362.503	277.153	46.236
Banking services and fees	210.226	6.561	55.430
Expense reimbursements to employees	29.024	15.262	17.071
Research project costs	8.233	-	60.462
Representation expenses	22.890	-	13.201
Fixed telephone charges	2.475	-	2.790
Mobile phone charges	13.784	11.008	501
Postage	18.711	53	16.530
Legal fees	133.469	17.987	17.729
Cleaning fees	73.056	15.230	64.559
Fuels	149.336	17.363	104.835
Other corporate events	113.571	112.471	500
Utilities and services inherent to Enterprise activities	2.283.236	206.727	1.883.402
Emoluments and compensation for auditors	20.340	20.340	20.000
Directors' emoluments and compensation	157.333	43.333	114.000
Staff services	107.827	62.423	50.137
Costs of staying in the stock exchange	121.693	-	131.877
Other utilities	482.568	119.124	337.000
Rents payable	175.519	1.057	98.897
Rentals and others	175.474	58.519	58.995
Leasing fees	8.831	8.831	
Total	**13.724.436**	**1.476.088**	**8.400.760**

It should be noted that the increase in external processing will result in increased billing in the coming months, due to a time discontinuity with a peak at the end of the year for infrastructure activity.

Note no.35 Other operating costs

Other operating costs amounted to a total of 830,656 euros, see the relevant breakdown in the following table:

	30/06/2023 (consolidated)	01/03/2023-30/06/2023 (TWT Group)	30/06/2022 (Unidata)
Non-income taxes and fees	377.869	37.674	132.022
Subscriptions and magazines	111.922	97.699	33.008
Losses on receivables	22.193		1.754
Occupancy Tax (TOSAP)			
Miscellaneous charges and capital losses	141.123	25.724	49.111
Grants and disbursements	154.018	154.018	
Other costs	23.602	224	48.515
Total Other Operating Costs	**830.727**	**315.339**	**264.411**

The item "Miscellaneous charges and capital losses," amounting to 141,123 euros, includes miscellaneous costs and capital losses, including charges pertaining to previous years, which cannot be classified in the other respective sub-items of the financial statements.

Note no. 36 Write-downs

This item amounted to 148,923 euros as of June 30, 2023 (260,566 euros as of June 30, 2022) and consisted entirely of the provision for doubtful trade receivables. For more details, please refer to the statement of allowance for doubtful accounts shown in the notes to the balance sheet.

Note no. 37 Depreciation and amortization

This item amounts to a total of 3,723,140 euros and is composed of amortization of intangible assets amounting to 220,925 euros, amortization for rights of use amounting to 723,391 euros, and depreciation of property, plant and equipment amounting to 2,778,824 euros, calculated on the basis of economic-technical rates deemed representative of the remaining possibility of use and the useful life of tangible assets.

For details of items related to depreciation and amortization, see the schedules of tangible and intangible assets shown in the notes to the balance sheet.

Note no. 38 Financial income

This item amounted to 268,521 euros as of June 30, 2023 and included the following items:

	30/06/2023 (consolidated)	01/03/2023-30/06/2023 (TWT Group)	30/06/2022 (Unidata)
Interest income from leasing contracts	8.277		8.734
Positive differentials derivative instruments	57.169		
Income from equity method investee valuation	199.785		155.409
Foreign exchange differences and other financial income	3.290	1.023	
Total financial income	**268.521**	**1.023**	**164.143**

Financial income was recognized due to the valuation of the investee Unifiber using the equity method in the amount of 199,785 euros.

Note no. 39 Financial charges

The item for interest and other financial expenses is composed as follows:

	30/06/2023 (consolidated)	01/03/2023-30/06/2023 (TWT Group)	30/06/2022 (Unidata)
Interest expense on bank accounts	26.664		6.523
Interest payable on deferred payment	0		67
Interest paid on loans	1.076.277		20.622
Interest payable on tax amends	3.746		231
Lease interest expense (IFRS16)	38.724	2.285	42.336
Interest, penalties and costs Equitalia folder	101		110
Interest costs IAS 19	42.170	24.728	
Financial charges on capital stock increase	302.400		
Negative differentials derivative instruments	50.731		9.426
Write-down of securities and investments	21.373		738
Passive foreign exchange adjustments	4.467	3.572	1.781
Total Financial Charges	**1.566.654**	**30.585**	**81.834**

The increase from last half year is mainly due to interest expenses on the loan taken out in 2023 for the acquisition of the TWT Group.

Note No. 40 Income Taxes

	30/06/2023 (consolidated)	01/03/2023-30/06/2023 (TWT Group)	30/06/2022 (Unidata)
IRES	1.050.148	568.573	852.543
IRAP	218.285	93.694	163.793
Deferred tax assets	-142.058	-6.334	6.494
Deferred tax liabilities	2.128		1.940
Total Income Taxes	**1.128.503**	**655.933**	**1.024.770**

Income taxes for the year are recognized in the financial statements on the basis of a realistic forecast of taxable income, determined in accordance with current tax regulations, by applying the tax rates in effect at the date of the financial statements. The related tax liability is recognized in the balance sheet at face value, taking into account any applicable exemptions. In the event that payments on account, withholdings and any credits exceed the taxes due, the related tax receivable is recognized.

Taxes were charged to the income statement according to ordinary taxation principles on an accrual basis, recognizing current taxes as well as deferred and prepaid taxes whenever there is an actual divergence between taxable income and statutory profit due to the presence of any temporary differences.

The total amount of IRAP was determined by subjecting the net value of production, appropriately adjusted for the upward and downward changes provided for in current tax legislation, to the basic rate set at the national level for each category of private-sector taxpayers, increased by 0.92 percentage points (Decree Law No. 206/2006 converted with amendments to Law No. 234/006). The applied rate is therefore 4.82 percent.

Deferred and prepaid taxes are recorded in the income statement in order to represent the tax burden for the period, taking into account the tax effects related to temporary differences between the profit in the financial statements and taxable income.

PART D - OTHER INFORMATION

Corporate body emoluments

Pursuant to Article 2427, Paragraph 1, No. 16 of the Civil Code, the total gross compensation for the year due to the directors and members of the Board of Statutory Auditors of the parent company Unidata is shown below:

	2023	2022	Change
Administrative body	248.000	228.000	20.000
Board of Auditors	40.000	40.000	0
Total	**288.000**	**268.000**	**20.000**

Fees to the statutory auditor or auditing firm

The following table shows the fees payable to the Parent Company's auditing firm.

	2023	2022	Variations
Legal audit	86.500	45.000	41.500
Audit of separate and consolidated financial statements	*66.500*	*35.000*	*31.500*
Auditing half-yearly financial statements	*20.000*	*10.000*	*10.000*
Other attestation activities	3.500	3.500	0
Total	**90.000**	**48.500**	**41.500**

Supervisory Board Law 231/2001

The internal control system of the parent company Unidata is strengthened through the adoption of an Organization, Management and Control Model, pursuant to Legislative Decree 231/2001, approved by the Board of Directors on June 30, 2009, and subsequently supplemented following regulatory developments (most recently by resolution of the Board of Directors on April 14, 2021).

With the adoption of its Organizational Model, understood as a set of rules of a general and operational nature, Unidata has set itself the goal of endowing itself with a general set of principles of behavior that responds to the purposes and requirements of Legislative Decree 231/01 both in terms of prevention of crimes and administrative offenses, and in terms of control of its implementation and the possible imposition of sanctions.

The Oversight and Control Board was renewed by the Board of Directors at its meeting on April 30, 2021, after ascertaining the requirements of honorability, professionalism appropriate to the role to be filled, and exemption from causes of incompatibility and reasons of conflict of interest with other functions and/or corporate positions that would undermine its independence and freedom of action and judgment. The Supervisory and Control Board will expire with the approval of the financial statements as of December 31, 2023. It is composed of two members in the person of Messrs. Maria Teresa Colacino (Chairman) and Michele Ciuffi.

With a view to raising the level of usability of the Model of organization, management and control by complying even more with the requirement of "adequacy" required by the legislator for the benefit of all those who, with different roles, are involved in the Model itself, The Board of Directors, at the request of the SB, in its meeting of April 14, 2021 approved the updating of the Model ex Legislative Decree 231/2001.

Privacy and data protection

In compliance with the provisions of the European Privacy Regulation No.679/2016 art.13 (GDPR), laying down provisions on the technical and organizational methods to be adopted for the protection of sensitive data with information technology tools, the company has followed up on all the necessary activities to ensure compliance with the regulations in force.

Significant events after the end of the fiscal year

As of the date of preparation of this half-yearly report, there were no significant events occurring after the close of June 30, 2023 that would have an impact on the financial statement balances.

Regarding the IoT area, it should be noted that Unidata was awarded, in August 2023, the concession by Acqua Pubblica Sabina (APS) through project financing, cd PPP pursuant to Art. 183, paragraph 15, Legislative Decree 50/2016, for the implementation and management of a smart metering system for the automation of meter reading and management processes of Acqua Pubblica Sabina and the implementation of a data-driven water resource management process management system. The intervention worth more than 9.5 million euros, which will be implemented through the creation of a special purpose company wholly owned by Unidata, includes one year for the implementation of the LoraWAN network on the Sabina municipalities managed by APS and the realization of the remote reading station, and 13 years of management of the remote reading service, maintenance and supervision of the network. Particularly relevant among the innovative services provided will be artificial intelligence services for utility clustering, and consumption prediction through consumption models based on neural networks. All the platforms will be hosted on the IaaS and PaaS infrastructures of Unidata's datacenters, which will also make its HPC (High Performance Computing) infrastructure available to the AI services.
Also in August 2023, Unidata was awarded a contract by Rome Metropolitan City for a project, worth 139 thousand euros, to test on 60 secondary schools an IoT infrastructure (network and sensors) dedicated to air quality measurement and comfort management in classrooms.