ANNUAL FINANCIAL REPORT AT 31/12/2021

This English version of Tinexta's 2021 Annual Financial Report is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail. Only the original text in Italian language is authoritative and constitutes the official version which is compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

TINEXTA

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COMPANY DATA and COMPOSITION OF CORPORATE BODIES

Parent Company's Registered Office

TINEXTA S.p.A.
Piazza Sallustio 9
00187 Rome - Italy

Statutory Information about the Parent Company

Share capital resolved, subscribed and paid-in €47,207,120
Rome Corporate Registry No. RM 1247386
Tax ID and VAT No. 10654631000
Institutional website www.tinexta.com

Corporate bodies currently in office

Board of Directors

Enrico Salza	Chairman
Riccardo Ranalli	Deputy Chairman
Pier Andrea Chevallard	Chief Executive Officer
Laura Benedetto	Director
Eugenio Rossetti	Director (independent)
Valerio Veronesi	Director (independent)
Elisa Corghi	Director (independent)
Paola Generali	Director (independent)
Caterina Giomi	Director (independent)
Laura Rovizzi	Director (independent)
Gianmarco Montanari	Director (independent)

Control, Risks and Sustainability Committee

Eugenio Rossetti	Chairman
Riccardo Ranalli	
Laura Rovizzi	

Related Party Committee

Valerio Veronesi	Chairman
Paola Generali	
Caterina Giomi	

Remuneration Committee

Elisa Corghi	Chairman
Laura Benedetto	
Gianmarco Montanari	

Board of Statutory Auditors

Luca Laurini	Chairman
Andrea Bignami	Standing Auditor
Monica Mannino	Standing Auditor
Anna Maria Mantovani	Alternate Auditor
Maria Cristina Ramenzoni	Alternate Auditor

Independent Auditors

KPMG S.p.A.

Manager responsible for the preparation of the corporate accounting documents

Nicola Di Liello

Registered and operating headquarters
Piazza Sallustio 9 - 00187 Rome

Operating headquarters
Via Meravigli, 7 – 20123 Milan
Piazza Luigi Da Porto, 3 – 35131 Padua
Via Principi d'Acaia, 12 – 10138 Turin

SUMMARY OF GROUP RESULTS

Summary income statement data *(Amounts in thousands of Euro)*	2021	2020[1]	Change	Change %
Revenues	375,353	269,084	106,269	39.5%
EBITDA	93,024	77,912	15,112	19.4%
Adjusted EBITDA	98,717	81,219	17,498	21.5%
Operating profit	56,944	52,691	4,253	8.1%
Adjusted operating profit	74,290	62,160	12,130	19.5%
Net profit	39,644	37,778	1,866	4.9%
Adjusted net profit	49,492	40,595	8,898	21.9%
Free cash flow	56,375	66,708	-10,333	-15.5%
Earnings per Share (in €)	0.83	0.79	0.04	5.5%
Adjusted earnings per Share (in €)	1.07	0.87	0.20	23.4
Dividend (in €)	TBD	12,046	n.a.	n.a.
Dividend per Share (in €)	TBD	0.26	n.a.	n.a.

Summary income statement data *(Amounts in thousands of Euro)*	4th quarter 2021	4th quarter 2020[1]	Change	Change %
Revenues	113,796	80,183	33,612	41.9%
EBITDA	33,409	22,340	11,069	49.5%
Adjusted EBITDA	35,385	24,280	11,105	45.7%
Operating profit	24,078	15,595	8,483	54.4%
Adjusted operating profit	28,787	19,275	9,513	49.4%
Net profit	15,514	11,444	4,070	35.6%
Adjusted net profit	20,070	12,122	7,948	65.6%
Free cash flow	12,114	14,152	-2,038	-14.4%

Summary financial data *(Amounts in thousands of Euro)*	31/12/2021	31/12/2020[2]	Change	Change %
Share capital	47,207	47,207	0	0.0%
Shareholders' equity	243,651	173,745	69,906	40.2%
Net financial indebtedness	263,296	91,972	171,324	186.3%

[1] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

[2] The comparative figures at 31 December 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020 and Euroquality S.A.S., consolidated on a line-by-line basis from 31 December 2020.

LETTER TO SHAREHOLDERS

Dear Shareholders,

The annual appointment is a precious opportunity to take stock, not only financial, of the progress made, and of the opportunities seized with the desire to make our company grow together with the country's economy.

2021 was a complex year, still characterised by the presence of the Covid-19 pandemic and therefore influenced by the economic repercussions of this contingency, but at the same time illuminated by the continuation of the intensive vaccination campaign which is favouring a context that we hope for will recover overall.

The experience of 2020 tested companies with the widest possible need to use remote work. Our company took steps in time and with interventions that were unanimously appreciated by our collaborators. The need to use a non-traditional way of working has become good practice.

In 2021, our Group formally completed the path that led it to acquire some of the most interesting cyber companies in this area and to create the fourth *business unit*, called *Cybersecurity*, thus taking a fundamental step in completing its corporate structure and at the same time creating a "cyber pole" of national dimensions. The cyber operation also confirms the original objective that Tinexta has wanted to pursue from the beginning: to be a driving force of the growth and competitiveness dynamics of companies and at the same time a functional partner for the digital transition of the country.

2021 saw the completion - or finalisation - of other strategically important actions, intended to strengthen the presence of our Group in France, thus consolidating our specific weight as an international operator already present also in other European countries, and destined to consolidate guidelines development in already relevant sectors, such as digital trust, subsidized finance, digital marketing.

We then entered into essential binding agreements with global partners to seize new opportunities deriving from the rapid evolution of the *Digital Trust*.

However, I would like to underline how the strategy of consolidation and integration between the various companies of the group continued at the same time and with excellent results, with attention to cross selling (cross-selling strategy of different and advantageous services for the customer) on the one hand and with the commitment to the enhancement of people, a real resource for business success, on the other.

Tinexta is confirmed today as a dynamic company, careful to offer high-level services to the business system, to professionals, to the public administration.

The near future will be particularly important: Tinexta will pursue its growth strategy, aiming to further strengthen its leadership in all the key markets in which it already has this position and paying particular attention to vertical integration in the segments of Digital Trust, Cybersecurity, Digital Innovation and Digital Marketing, accelerating the presence in the public administration market and promoting transversal strategic initiatives (Open Innovation & Academy).

Growth by external lines will continue to be one of the cornerstones of the Group's strategy. As shown by the recent acquisitions in France and Spain, the Company will keep making progress in development through M&A operations as well, following rigid and selective criteria in identifying new assets.

In agreement, it will increase the level of integration of the assets by developing operational tools and synergies within the organisation and - by promoting a distinctive corporate culture - Tinexta wishes to invest more into its people in order to back their ability to deliver, the sharing of best practices within the Group and the engagement and enticement of the most talented resources.

In short, we intend to ensure that Tinexta continues to increasingly play a leading role. Supported and assisted by its shareholders and with some absolutely distinctive characteristics: that of being a listed company with a capital widely distributed among funds and savers, but at the same time also a company that can count on an institutional shareholder of reference that is the expression of the universe of businesses.

We want and can be among the key figures of a new period of development and, we hope, of peace.

Enrico Salza

Chairman

Tinexta S.p.A.

DIRECTORS' REPORT ON OPERATIONS

INTRODUCTION

This Directors' Report on Operations relates to the Financial Statements and Consolidated Financial Statements of Tinexta at 31 December 2021, prepared in accordance with the *International Financial Reporting Standards* (IFRS) and *International Accounting Standards* (IAS) issued by the *International Accounting Standards Board* (IASB) and approved by the European Union. The Report should be read together with the corresponding Tables and related Notes, which together make up the Separate and Consolidated Financial Statements for the year ended 31 December 2021.

Unless otherwise indicated, all the amounts in this Report are in thousands of Euro.

GROUP ACTIVITIES

The Tinexta Group operates in Italy and, to a lesser extent abroad, in a broad range of services: *Digital Trust*, *Cybersecurity*, *Credit Information & Management* and *Innovation & Marketing Services*. The Group has developed rapidly in recent years, due to both organic growth and acquisitions, aimed at expanding the portfolio of products/services and extending the offering to market sectors considered strategic and synergistic.

The Group operates through four *Business Units* (*BUs*):

1. the *Digital Trust BU* offers the market IT solutions for the digital identity and dematerialisation of processes in line with applicable regulations (including eIDAS European regulations issued in 2016, EU Regulation 910/2014) and compliance standards of customers and industry. Products can also be broken down between *Off the Shelf* products *(Telematic Trust Solutions)* such as certified e-mail (Legalmail), electronic storage, digital signature, e-invoicing and *Enterprise Solutions* such as *Trusted Onboarding Platform (TOP)* and *GoSign*, within the market of Digital Transaction Management. *Digital Trust* activities are provided by the Group through InfoCert S.p.A., its subsidiaries and associates and Visura S.p.A.

   For the purpose of carrying out activities as a manager of certified e-mail, electronic storage and Digital Signature, InfoCert is qualified as a *Certification Authority* and accredited by the AgID (Agenzia per l'Italia Digitale - Italian Digital Agency) of the Italian Presidency of the Council of Ministers. The ability to provide said IT solutions is reserved for entities that meet certain legal requirements, in terms of both assets and organic and technological infrastructure. InfoCert has also been accredited by AgID as a *Qualified Trust Service Provider ("QTPS")*, i.e. a Digital Identity manager, which can issue digital identities to citizens and businesses, managing in total security the authentication of clients.

   Sixtema S.p.A., 80%-owned by InfoCert since April 2017, provides IT and management services to companies, entities, associations and institutions, with a particular focus on the world of the CNA - Confederazione Nazionale dell'Artigianato (National Confederation of Artisans). It has its own *data centre* through which it provides software services in ASP and/or SaaS mode. Moreover, as *service provider*, it provides an integrated technological infrastructure service. Its offer includes software solutions to comply with all tax obligations, employment legislation and other regulations in general.

   AC Camerfirma S.A. (hereinafter also "Camerfirma"), 51%-owned by InfoCert since May 2018, operating in Spain in the *Digital Trust* sector and present in the South American market as well (Camerfirma Perù S.A.C. and Camerfirma Colombia S.A.S.), offers mainly digital certification services.

It has launched the marketing of higher value-added InfoCert products to banks and large companies operating on the Spanish market.

Visura S.p.A. is active in the *Digital Trust* market mainly through the sale of *Telematic Trust Solutions* and resale services of products such as certified e-mail, digital signature and electronic invoicing. It offers also IT products and services to professional associations such as telematic certificates, Quadra (electronic filing of documents and management of civil proceedings), electronic filing of practices and financial statements, and CAF Facile (the filing of 730 tax returns and ISEE). It manages around 450 thousand customer records including professionals, professional firms, public administrations, professional associations and companies.

In November 2021, InfoCert S.p.A. completed the acquisition of CertEurope S.A.S. CertEurope, based in Paris. It is one of the three largest Certification Authorities in France with a very well-known brand and a market share of around 40% in the eIDAS certificate sector. The company has the authorisations and accreditations necessary to issue all types of certificates required by the French market, in compliance with the technical requirements established by the French Agency for the Security of Information Systems (ANSSI). Through the acquisition, Tinexta is entering the French market, the second largest in the European Community, and InfoCert, the largest Certification Authority in Europe, will be able to sell its solutions on the territory. CertEurope's well-established business relationships with a number of important trade associations (attorneys, inter alia) and with large national retailers (resellers of digital services) represent a potentially significant accelerator for the penetration of InfoCert solutions into the French market.

2. On 12 October 2020 Tinexta announced the creation of the *Cybersecurity BU* to assist private and public customers in *digital transformation* processes with the best technologies and protocols for digital security and identity. Tinexta signed binding agreements for the acquisition of the majority of the share capital of three major Italian companies: the company containing the Projects and Solutions - IT and R&D divisions of Corvallis (acquisition completed on 22 January 2021), Yoroi S.r.l. (acquisition completed on 26 January 2021) and Swascan S.r.l. (acquisition completed on 20 October 2020).

   The IT and R&D divisions of Corvallis (now merged into Corvallis S.r.l. together with the 100% stake in Payotik S.r.l.) have a long experience on the market as a provider of high value solutions. The skills developed by Corvallis are essential to create solutions for large projects of financial companies and other sectors. This activity is based on a broad client base, developed on strong relationships and processes aligned to international best practices. It boasts also a training model based on an "Academy", also thanks to the collaboration with the University of Padua and the University of Milan-Bicocca.

   Yoroi S.r.l. (which had incorporated Cybaze and @Mediaservice, before joining Tinexta) provides cutting-edge solutions to companies and organisations that must contain and manage all levels of IT risk, in order to prevent or reduce the damages potentially deriving from a cyber attack. The company has a diversified commercial offer that covers the entire IT security value chain for large companies, with highly specialised technologies and well-known brands such as Cybaze, Emaze, Yoroi and Mediaservice.net. Lastly, Yoroi carries out extensive R&D activities, collaborating with the University of Bologna, La Sapienza University in Rome, and the University of Sannio.

   Swascan S.r.l. is an innovative Italian *Cybersecurity* start-up, owner of the *Swascan Cloud Security Testing* platform and a recognised *Cyber Competence Centre*. The combination of the “SaaS ready to use” platform and the company's vertical and highly specialised skills make it a point of reference for SMEs for IT security and legislative compliance requirements.

3. The *Credit Information & Management BU* provides standard and value-added services mainly aimed at supporting processes for the granting, assessment and recovery of credit in both the banking and business sectors.

   In relation to *Credit Information & Management*, the Group operates through Innolva S.p.A. and RE Valuta S.p.A. Innolva S.p.A. (created from the merger of Assicom S.p.A. and Ribes S.p.A. in 2017, and which in 2020 merged by incorporation with Promozioni Servizi S.r.l.) and its subsidiaries Comas S.r.l. and Innolva Relazioni Investigative S.r.l. offer a complete range of information services to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and *business information* services. The aim is to support banks and SMEs at every stage of the credit management and recovery cycle. Since 2018, Innolva has controlled Comas (which in 2020 merged Webber S.r.l. by incorporation) established in 1976 and predominantly active in the resale, through the internet, of business information such as filings with Chambers of Commerce, cadastral property registries, the Driver and Vehicle Licensing Agency and the Registry Office, court certificates, reports on natural and legal persons and other information services. Forvalue S.p.A., acquired in July 2021, offers services and products through a network of partners to support business innovation, growth and the efficiency of management processes.

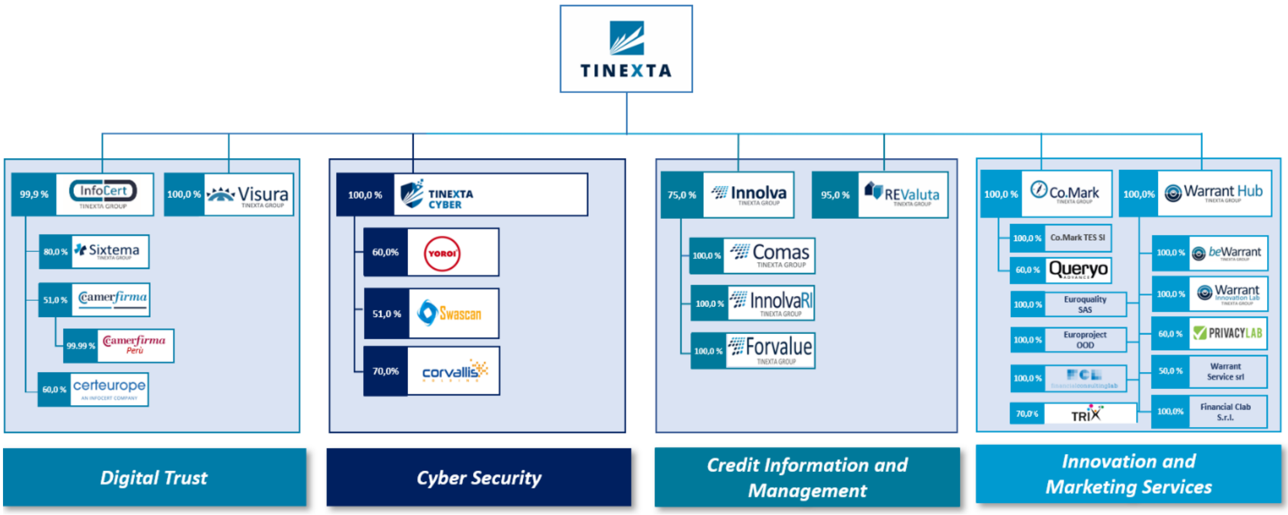
   RE Valuta identifies and provides assessment services to define the value of real estate collateral during the granting of loans or during the process of assessing the value of real estate assets recognised in the Financial Statements, primarily for banking customers.

4. The *Innovation & Marketing Services BU* operates in the market through Co.Mark S.p.A. (acquired in 2016) and its subsidiaries and Warrant Hub S.p.A. and its subsidiaries acquired in November 2017. Through a team of TES® (*Temporary Export Specialists®*), Co.Mark provides value-added services aimed at supporting small and medium-sized companies or networks of companies in their internationalisation, in the search for customers and in creating business opportunities in Italy and abroad. In July 2015, Co.Mark TES was established in Barcelona with the objective of developing the innovative export model to support Spanish SMEs, which operate in a market very similar to the Italian one. On 28 January 2021, Co.Mark S.p.A. completed the acquisition of control of Queryo Advance S.r.l. (Queryo), a *Digital Agency* founded in 2014, which offers mainly services for the design and management of *Digital ADV*, SEM (*Search Engine Marketing*) - SEA (*Search Engine Advertising*) and SEO (*Search Engine Optimization*), *Social Media Marketing*, *Remarketing* and *advanced Web Analytics* campaigns, with a distinctly *Data Driven* and *performance-oriented* vision.

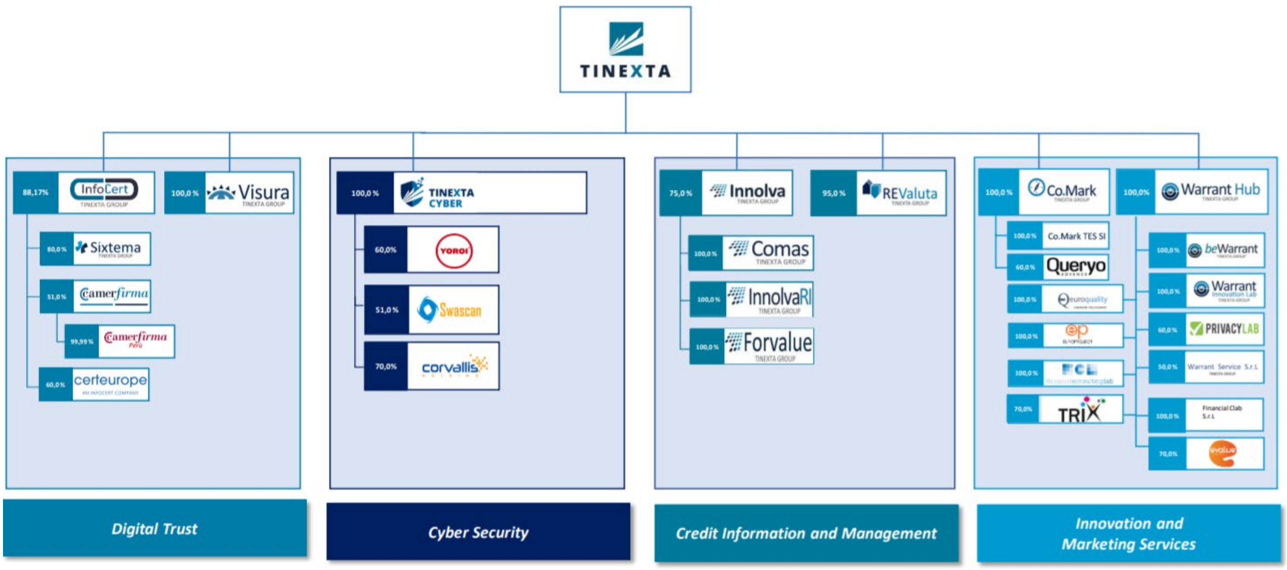
   Warrant Hub and its subsidiaries offer mainly consulting services to companies that invest in productivity and innovation/R&D to obtain subsidised and integrated loans primarily from the Italian Ministry of Economic Development and the Regions, as well as the tools provided by the National Industry Plan 4.0. BeWarrant and the *European Funding Division* of Warrant Hub support European projects for research, development or innovation, facilitating access to the European co-financing through dedicated programmes such as *Horizon 2020* (in the future *Horizon Europe*), *Life*, *SME Instruments* and *Fast Track to Innovation*. Warrant Hub offers specific support to companies in managing relations with banks and in analysing company ratings in order to identify the most critical variables on which to implement actions to improve the company in view of Basel 2. Warrant Innovation Lab focuses on promoting the sharing of knowledge, ideas, products, technologies and methodologies among companies, universities and research centres, in order to systematically generate and support industrial innovation. Privacy Lab, acquired in January 2020, operates in the sale of licenses, consulting, training and tools for managing GDPR compliance. On 11 November 2020, Warrant Hub S.p.A. finalised the acquisition of Euroquality SAS, based in Paris, and its affiliate Europroject OOD ("Europroject"), based in Sofia (Bulgaria), consulting companies specialised in supporting their own customers in accessing European funds for innovation.

In January 2022, the Tinexta Group, through its subsidiary Warrant Hub SpA, acquired the majority of the Spanish company Evalue Innovación SL ("Evalue"), leader in consulting to companies for subsidized finance operations in support of innovation and development projects. The new acquisition strengthens the European vocation of Warrant Hub, already present in Belgium, France and Bulgaria, allowing it to exploit both commercial development potential - especially as regards opportunities linked to European finance - and industrial, starting a virtuous exchange of know-how and best practices. Evalue boasts a widespread presence throughout the Spanish territory with offices in Valencia, Madrid, Barcelona, Seville and Murcia. The company offers support services for obtaining tax incentives for R&D and technological innovation projects and national and European subsidized finance services.

Structure of the Tinexta Group, including only controlling interests held, at 31 December 2021:



Structure of the Tinexta Group, including only controlling interests held, at the date of this meeting of the Board of Directors:



ECONOMIC CONTEXT

The Tinexta Group's business activities are currently concentrated mostly in Italy, with a growing share of the business in Europe.

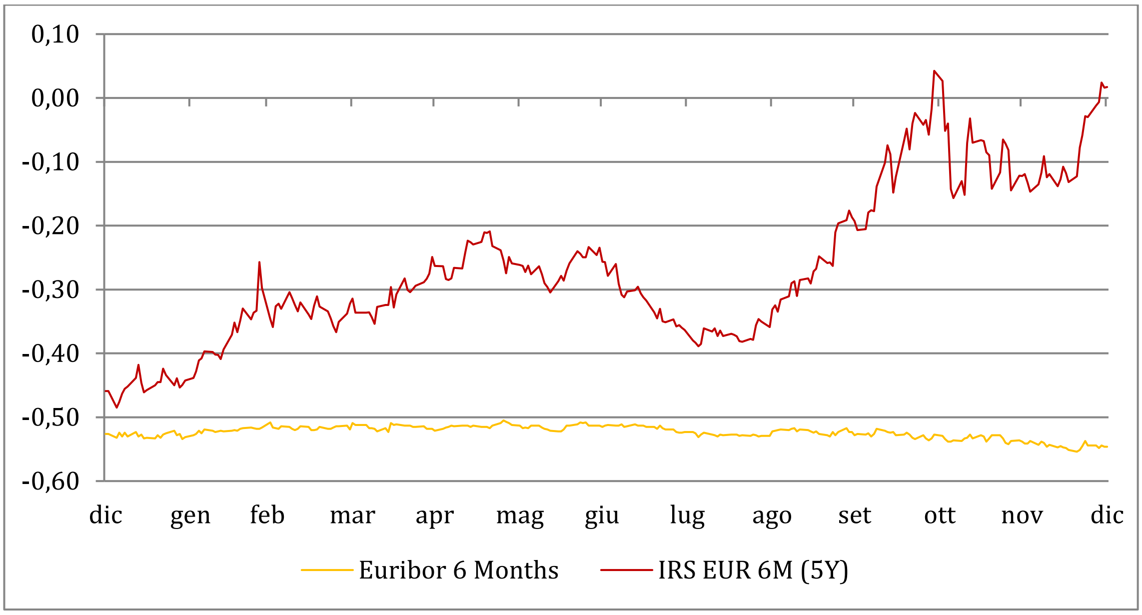
2021 was a year characterized by the prolongation of the emergency caused by the virus COVID-19 which from China, in 2020, spread to the rest of the world.
Starting from the beginning of 2021, in the main world economies, vaccination campaigns have made it possible to avoid the stringent lockdowns that characterized a large part of 2020, thus allowing a lowering of prevention/restriction measures, where health conditions have it permitted. Despite the lighter containment measures compared to 2020, the outbreak of the Delta and Omicron variants, above all, still had an impact on the economy, especially affecting the demand for services and non-food goods. In this context, electronic commerce has had, as in 2020, a leading role for many sectors.

As a result of the extension of the pandemic crisis, national governments and the main central banks have continued to implement significant measures to support the income of households and businesses, with the aim of mitigating the drop in production levels heavily affected by the lockdowns of the previous year.
The markets, in 2021, anticipated an economic recovery which, in 2022, should see the world economy exceed $100 trillion of global GDP for the first time, two years ahead of forecasts. Specifically, according to OECD estimates revised in December, globally 2021 should record an economic growth of 5.6% per year, with a marginal slowdown in 2022 and 2023, where growth is estimated to be equal to +4.5% and +3.2% respectively.
The driving force behind the expansion will be the United States and China. The former, thanks to the approved tax reforms, should see the Gross Domestic Product in 2021 rise by 5.6%, with growth that will remain sustained also the following year, albeit falling to +3.7%. The Chinese economy, for its part, will record an even more dizzying rise, with the 2021 GDP expected to grow by 8.1% and that of 2022 in further expansion, with a forecast equal to +5.1%. Europe will be the straggler. Again according to OECD analysts, it will see GDP in 2021 rise by 5.2%, with an almost stable growth in 2022 and equal to +4.3%. It should be noted that Italy should be able to exceed the European average with an expected growth of +6.3% and +4.6% for the year just ended and for the following one.

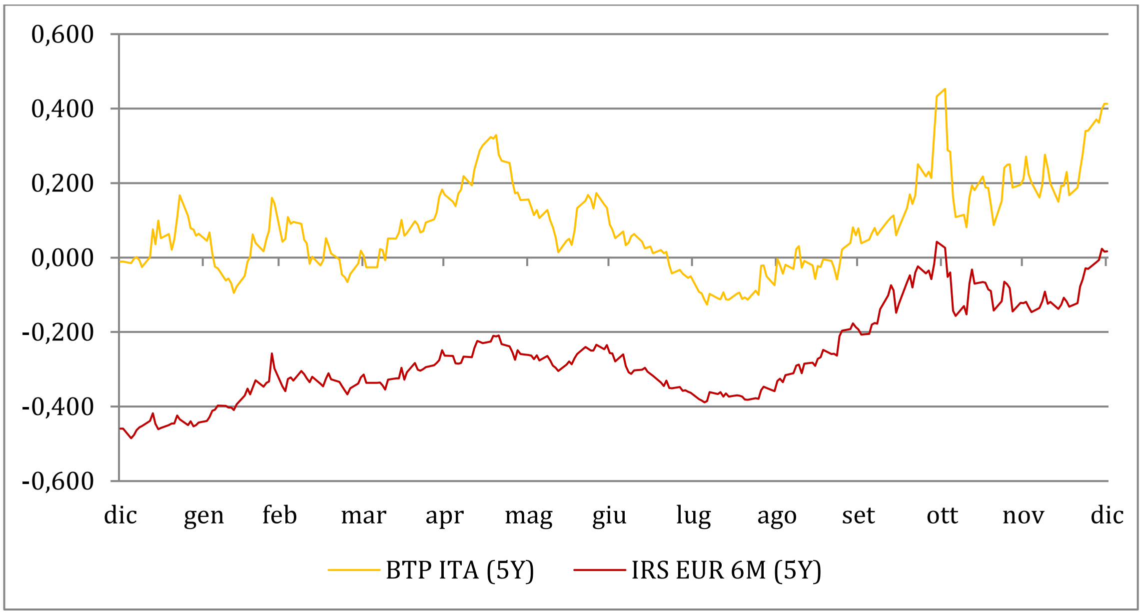
In detail, in 2021, the Biden plan for the support of families and businesses (financed entirely in deficit) and the plan for the revitalization of infrastructures (financed through an increase in corporate taxation) were approved in the United States; In Europe the first tranches of resources from the Recovery Fund were disbursed, while in China, despite the rosy growth forecasts, the difficulties of the real estate sector and the shortage of raw materials weighed.

The impacts of the health emergency on prices saw the prevalence in 2021, unlike in 2020, of inflationary effects caused by a shortage of raw materials and bottlenecks in supply chains. Annual inflation in the Eurozone in December 2021 hit 5% while in the United States it stood at 5.5%, the highest in several years. Central banks, while maintaining accommodative policies, announced a decrease in asset purchases towards the end of the year while maintaining interest rates unchanged. The Federal Reserve took the monthly reduction in Quantitative Easing from $15 billion to $30 billion, while the European Central Bank announced a slowdown and the end of the PEPP in March 2022. The only exception was the Bank of England which decided in December for a 15 bps increase in the reference rate. In a context in which operators are already pricing in multiple rate hikes in 2022 by the Fed and to a lesser extent by the ECB, despite still accommodative monetary policies, the reference interest rates, both short and medium-long term, have increased compared to the lows recorded in 2020.

GRAPH: 2020 6-MONTH EURIBOR AND 5-YEAR EUR IRS FIGURES



GRAPH: 2020 5-YEAR BTP YIELD AND 5-YEAR EUR IRS FIGURES



At the end of February 2022, the macro-economic context, already extremely complex due to the various issues related to the procurement of raw materials, inflationary pressures and a still uncertain health situation, was characterized by an intensification of tensions between Russia and Ukraine. From this, the world financial markets reacted by further amplifying the volatility seen in the first months of 2022 and rewarding “protective” assets.

KEY EVENTS OF THE PERIOD

Key events that occurred during the year to 31 December 2021:

1. On **7 January 2021**, Tinexta S.p.A. established a joint-stock company called Tinexta Cyber S.p.A. with sole shareholder and registered office in Rome. The share capital amounts to €1,000,000 divided into 1,000,000 ordinary shares with no nominal value and was fully paid up. In January and February, Tinexta S.p.A. made capital contribution payments totalling €50 million.

2. On **22 January 2021**, following the *signing* on 12 October 2020, Tinexta S.p.A., through the newly established Tinexta Cyber S.p.A., finalised the acquisition of 70% of the share capital of Corvallis S.r.l. consisting of the Projects and Solutions business unit and the research and development activities of Corvallis S.p.A., and the entire share capital of Payotik S.r.l. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business. The price for the 70% share is €25.0 million, plus total price adjustments, defined and already paid, of €3.4 million. The agreements set forth that the *Put & Call* option rights relating to the minority interests may be exercised in 2024, after the approval of the 2023 financial statements. As part of Tinexta's new *Cybersecurity* business unit ("BU"), the skills developed by Corvallis and the size of the division are essential to create advanced solutions and tackle the most complex projects. High skills, highly specialised resources and advanced technologies will make it possible to seize the growing opportunities in the rapidly expanding digital market.

3. On **26 January 2021**, following the *signing* announced on 12 October 2020, Tinexta S.p.A., through the newly established Tinexta Cyber S.p.A., finalised the acquisition of 60% of the share capital of Yoroi, one of the most advanced players in the Cybersecurity sector with its Cybaze, Emaze and @Mediaservice.net brands. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business. The price for the 60% share is €19.1 million, plus a defined and already paid price adjustment of €0.6 million. The agreements set forth that the *Put & Call* option rights relating to the minority interests may be exercised in 2024, after the approval of the 2023 financial statements. As part of the new *Cybersecurity* business unit ("BU") of Tinexta, in addition to the further development of Yoroi's skills in the field of Research & Development, the dedicated team will be responsible for providing cutting-edge responses to companies and organisations that have the need to contain and manage all cyber risks, in order to prevent or reduce the damages potentially deriving from a cyber attack.

4. On **28 January 2021**, Co.Mark S.p.A. finalised the investment in Queryo Advance S.r.l. (Queryo) for a 60% stake in the share capital for an amount of €8.9 million, of which €4.2 million paid at closing and €4.7 million as price adjustment (already paid for €3.7 million). Queryo is a *Digital Agency* founded in 2014, which offers mainly services for the design and management of *Digital ADV*, SEM (*Search Engine Marketing*) - SEA (*Search Engine Advertising*) and SEO (*Search Engine Optimization*), *Social Media Marketing*, *Remarketing and advanced Web Analytics* campaigns, with a distinctly *Data Driven* and *performance-oriented* vision. Co.Mark enters the share capital of Queryo with the aim of extending its offer and supporting the company's development plan over the next few years. The agreements set forth that the *Put & Call* option rights relating to the minority shares of the share capital may be exercised in 2025, after the approval of the 2024 financial statements.

5. On **18 February 2021**, Tinexta S.p.A. sold the shareholding representing 51% of the share capital of Swascan S.r.l. at a "spot" price of €2,200 thousand to Tinexta Cyber S.p.A.

6. On **27 April 2021**, the Shareholders' Meeting has:

- approved the proposed dividend of €12,035,392.98, i.e. €0.26 per share for the 46,289,973 outstanding shares, at the date of the Meeting. The Shareholders' Meeting resolved also to allocate the remainder of the Profit for the year (€13,784,800.20) to Retained Earnings, less 5% to be allocated to the legal reserve, amounting to €1,358,957.54.
- set up the number of members of the Board of Directors at 11 for the financial years 2021-2022-2023, as well as resolving on the remuneration of the Board and confirming the appointment as Chairman of the Board of Directors of Enrico Salza. The newly elected Board of Directors of Tinexta S.p.A. has appointed Pier Andrea Chevallard as Chief Executive Officer and Riccardo Ranalli as Deputy Chairman.
- appointed the Board of Statutory Auditors, consisting of three standing auditors and two alternate auditors, and determined their remuneration.
- approved the *2021-2023 Stock Option Plan* in favour of executive directors and executives with strategic responsibilities and other management figures of Tinexta and other Tinexta Group companies. The Plan is intended to award the beneficiaries a maximum total amount of 300,000 options that give the right to buy and, if appropriate, possibly subscribe to, ordinary shares of the Company in the ratio of one share for each option exercised.
- granted the Board of Directors the power to increase the share capital, also in divisible form (in one or more tranches) with or without warrants and also to service the exercise of warrants, no later than 26 April 2026, by a maximum of €100 million including share premium, in compliance with the option right pursuant to Article 2441 of the Italian Civil Code, or also with the exclusion of the option right pursuant to Article 2441, paragraphs 4 and 5, of the Italian Civil Code.

7. On **16 June 2021**, the Deed of Merger by incorporation of Payotik S.r.l. into Corvallis S.r.l. was signed: the actual effects of the merger took place from the last of the registrations, which took place on 21 June 2021. The accounting and tax effects apply retroactively from 1 January 2021.
8. On **23 June 2021**, the Board of Directors of Tinexta S.p.A. resolved to allocate 190,000 options in execution of the stock option-based incentive scheme known as the "2021-2023 Stock Option Plan", as approved by the Shareholders' Meeting on 27 April 2021. Details can be found in the paragraph **2021-2023 Stock Option Plan**.
9. On **2 July 2021**, an agreement was signed with the majority shareholder of Camerfirma Colombia S.A.S. for the purchase of a further 26% by A.C. Camerfirma S.A. The company is already 25%-owned by the Tinexta Group (24% through A.C. Camerfirma S.A. and 1% through InfoCert S.p.A.). The transaction was completed in November with the payment of €99 thousand, however, as of 31 December 2021, the conditions for the full consolidation of the company have not yet been satisfied.
10. On **21 July 2021**, the Tinexta Group completed the closing of the transaction involving the contribution by Intesa Sanpaolo of the 100% stake of Intesa Sanpaolo Forvalue S.p.A. in Innolva S.p.A. – a subsidiary of Tinexta – and the simultaneous subscription of newly issued shares of Innolva, resulting from a reserved capital increase. The amount of the contribution was set at €55 million. As a result of the transaction, Innolva's share capital is therefore 75% held by Tinexta, which retains the majority of corporate governance, and 25% by Intesa Sanpaolo. The transaction aims to establish a single, integrated domestic hub for higher value-added services for SMEs. This is a strategic partnership that strengthens the Tinexta Group's mission to support Italian SMEs in their growth: through Forvalue's widespread network, which boasts a unique, distinctive and top quality positioning, Italian companies will have access to a wide and qualified platform of products and services to support their business**.** There are *Put & Call* option rights on the 25% stake held by Intesa Sanpaolo in the share capital of Innolva S.p.A., subject to the termination of the partnership and/or

on some results with respect to the plan objectives, and exercisable in two time windows within the two-year period 2025-2026. An earn-out is also envisaged in the event that certain plan objectives are exceeded, ratified with the approval of Forvalue's 2025 financial statements, which will allow Intesa Sanpaolo to increase its equity investment in Innolva up to a further 5% of the share capital.

11. On **5 October 2021**, the Board of Directors of Tinexta S.p.A. resolved to allocate 100,000 options in execution of the stock option-based incentive scheme known as the "2021-2023 Stock Option Plan", as approved by the Shareholders' Meeting on 27 April 2021. Details can be found in the paragraph **2021-2023 Stock Option Plan**.
12. On **14 October 2021**, through the subsidiary Warrant Hub S.p.A., the closing was signed for the acquisition of 100% of Financial Consulting Lab S.r.l. and Financial CLab S.r.l. for a total value of €5.2 million. Both companies are based in Brescia. Financial Consulting Lab S.r.l. has a proven and consolidated expertise in the management of Chambers of Commerce and regional calls for tenders for small-sized businesses in the area of Special Subsidised Finance, while Financial CLab specialises in offering innovative digital tools for businesses that want to access public funds autonomously and independently.
13. On **27 October 2021**, Tinexta S.p.A. signed a binding agreement for the Bregal Milestone entry into the share capital of InfoCert with a minority interest. Bregal Milestone is a European private equity fund managing more than €1.1 billion dedicated to investments in the technology sector, and part of Bregal Investments, a global group that has invested more than €15 billion since 2002 and currently has more than €12 billion in assets under management. The strategic and capital strengthening resulting from this transaction will allow InfoCert to accelerate the internationalisation process already started with the acquisition of Camerfirma and, more recently, with the acquisition of CertEurope and Authada. The support of a global partner such as Bregal Milestone, which has specific know-how in the technology sector and an extensive relationship network of companies in Europe, will make it possible to seize the opportunities arising from the consolidation process in the Digital Trust sector, which has seen an acceleration with the entry into force of the eIDAS regulation. The transaction involves an investment by Bregal Milestone of €100 million (of which €70 million at closing and €30 million within the following 12 months) for the subscription of a dedicated capital increase up to a total stake of 16.09% of the InfoCert's share capital. The agreements also provide for the possibility for Bregal Milestone to further increase this investment – again within 12 months from the closing – up to a maximum percentage of the InfoCert's share capital equal to 19.95%, with a total investment of €130 million. The transaction is based on a valuation of InfoCert equal to a *pre-money Enterprise Value* of €501 million, calculated on the basis of a multiple equal to 20x *LTM adjusted EBITDA* of InfoCert and its subsidiaries (pro-rata) plus *Adjusted NFP*, as booked in June 2021. The transaction is subject to the usual closing conditions, including the Golden Power authorisation received from Bregal Milestone and the adoption of the resolution for the reserved capital increase and the approval of the new articles of association. The entry of Bregal Milestone in the share capital of InfoCert is also conditional on the closing of the acquisition of CertEurope, finalised on 3 November. The shares of InfoCert owned by Bregal Milestone and Tinexta will not be transferable for a period of three years from the execution date, unless the transfer takes place in favour of wholly owned subsidiaries. The agreements do not entail Put options in favour of Bregal Milestone, but regulate possible exit forms of the fund, which in any case may not be initiated before the third year from closing and which also include capital market transactions, as well as the repurchase of the equity investment by Tinexta. The governance of InfoCert shall remain the expression of the majority shareholder Tinexta S.p.A. The shareholder Bregal Milestone shall be represented by two directors on the Board of Directors of InfoCert S.p.A., which will be composed of eleven members. Bregal Milestone manages funds dedicated to investments in the technology sector and in the last three years has completed eleven investments in eight different European countries, in addition to eleven

strategic acquisitions completed by the companies in the portfolio. The fund was selected for its ability to support the development and international expansion of investees, positioning itself as a financial and strategic partner.

14. On **3 November 2021**, Tinexta S.p.A., through its subsidiary InfoCert S.p.A., completed the acquisition of 60% of the share capital of CertEurope S.A.S. CertEurope, based in Paris, is one of the three largest Certification Authorities in France with a very well-known brand and a market share of around 40% in the eIDAS certificate sector. The company has the authorisations and accreditations necessary to issue all types of certificates required by the French market, in compliance with the technical requirements established by the French Agency for the Security of Information Systems (ANSSI). Through the acquisition, Tinexta is entering the French market, the second largest in the European Community, and InfoCert, the largest Certification Authority in Europe, will be able to sell its solutions on the territory. CertEurope's well-established business relationships with a number of important trade associations (attorneys, inter alia) and with large national retailers (resellers of digital services) represent a potentially significant accelerator for the penetration of InfoCert solutions into the French market. The agreement provides for the purchase of 60% of the capital of CertEurope for an estimated total consideration of €46.2 million which includes an Earn-out of €3.8 million based on the 2021 and 2022 results (at 31 December 2021 the conditions for accruing the Earn-out on the 2021 results did not exist). The option right inherent in the minority interests in the company's share capital may be exercised in 2023, on the basis of specific *Put/Call* agreements. The discounted value of the *Put* option of the minority interests is estimated at approximately €32.3 million and was recognised among financial liabilities against the reversal of the interests of the minority shareholders. The acquisition of CertEurope was financed with the existing liquid assets. The Enterprise Value of the company is €66.7 million. In 2020, CertEurope recorded Revenues of €14.1 million, up 6.9% compared to the previous year and a pro-forma EBITDA[3] of €5.2 million with an EBITDA Margin of 37%. The total value of the Digital Trust market in France is estimated at approximately €150 million, with a 23% growth forecast per year over the next few years to reach €500 million in 2025. The competitive context is composed of some major brands (including CertEurope, with around 10% of the market share, the third largest player) and a wide range of smaller competitors.

IMPLICATIONS OF THE COVID-19 PANDEMIC ON THE ANNUAL FINANCIAL REPORT AT 31 DECEMBER 2021

The Tinexta Group monitors the evolution of the Covid-19 pandemic at all its sites, adopting measures to prevent, control and contain contagions and aiming at protecting the health of its employees and collaborators.

The results of 2021 show the Tinexta Group's resilience, which in the first months of 2020 had been marginally affected by the pandemic crisis. All the indicators were positive and confirm the stable growth of Group business activities.

Also note that the results at 31 December 2021 include tax income (recognised in taxes) of €2.1 million deriving from the realignment (pursuant to Article 110 of Decree Law no. 104/2020) of statutory/tax differentials. The amount was included in the non-recurring components referred to in Note *43. Taxes* of the Consolidated Financial Statements.

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[3] The scope of the transaction refers to the legal entity CertEurope S.A.S. following a carve out and carve in process completed prior to closing. In particular, with the carve out some assets and 13 Human Resources were transferred, while 24 Human Resources have joined CertEurope as a result of the carve in.

Goodwill is annually tested to determine if any impairment exist. The *impairment tests* at 31 December 2021 did not identify any impairment in the recognised goodwill. For details, please refer to Note 15. Intangible assets and goodwill in the Consolidated Financial Statements.

From the analyses carried out within the Tinexta Group, there is no significant uncertainty regarding events or circumstances, including those related to the Covid-19 pandemic, which may give rise to significant doubts on the ability of the Parent Company and the Group to continue to operate as a going concern.

DEFINITION OF “NON-GAAP” ALTERNATIVE PERFORMANCE INDICATORS

Tinexta management evaluates the performance of the Group and of the business segments also on the basis of a number of indicators not envisaged by the IFRS.
With regard to said indicators, on 3 December 2015, CONSOB issued Communication no. 0092543/15, authorising application of the Guidelines issued on 5 October 2015 by the *European Securities and Markets Authority* (ESMA/2015/1415), regarding their presentation in the regulated information disclosed or in the statements published starting from 3 July 2016. These guidelines are intended to promote the usefulness and transparency of the alternative performance indicators included in the regulated information or in the statements falling within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility, when such indicators are not defined or envisaged by the financial reporting framework. The criteria used to calculate these indicators are provided below, in line with the aforementioned communications.

EBITDA: is calculated as “Net Profit” before “Tax”, “Net financial income (charges)”, “Quota of profit of equity-accounted investments”, “Amortisation and depreciation”, “Provisions” and “Impairment”, or as “Revenues” net of “Costs of raw materials”, “Service costs”, “Personnel costs”, “Contract costs” and “Other operating costs”.

***Adjusted* EBITDA**: is calculated as EBITDA before the cost relating to the Stock Option Plans and medium-term incentive plan reserved for the Group's key manager (both recognised under "Personnel costs”) and before the non-recurring components.

Operating profit: although the IFRS do not contain a definition of Operating profit, it is presented in the Statement of Profit or Loss and other comprehensive income and is calculated by subtracting “Amortisation/depreciation”, “Provisions” and “Impairment” from EBITDA.

***Adjusted* operating profit**: is calculated as “Operating profit” before the non-recurring components, before the cost relating to the Stock Option Plans and medium-term incentive plan reserved for the Group's key manager and before the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in Business Combinations.

***Adjusted* net profit**: is calculated as “Net profit” before the non-recurring components, before the cost relating to the Stock Option Plans and medium-term incentive plan reserved for the Group's key manager, before the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in Business Combinations, and before the adjustment of liabilities for contingent considerations related to the acquisitions, net of the related tax effects. This indicator reflects the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its business.

***Adjusted* earnings per share**: obtained from the ratio of *Adjusted net profit* and the weighted average number of ordinary shares outstanding during the period.

Total financial indebtedness (also **Net financial indebtedness)**: is calculated in accordance with CONSOB Communication no. 6064293 of 28 July 2006 and in compliance with the Warning Notice No. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021, by adding together “Cash and cash equivalents”, “Other current financial assets” and “Current derivative financial instruments receivable", "Non-current derivative financial instruments receivable[4]", "Current financial liabilities", "Derivative financial instruments payable" and "Non-current financial liabilities".

Total adjusted financial indebtedness: is calculated by adding to the *Total financial indebtedness* the amount of "Other non-current financial assets" and "Non-current derivative financial instruments receivable"[5].

Free Cash Flow: represents the cash flow available for the Group and is the difference between the cash flow from operating activities and the cash flow from investments in fixed capital. It is equal to the difference between "Net cash and cash equivalents generated by operations" and the sum of "Investments in property, plant and equipment" and "Investments in intangible assets" included in the Statement of Cash Flows.

Net non-current assets: this is the algebraic sum of:

- "Property, plant and equipment";
- "Intangible assets and goodwill";
- "Investment property";
- "Equity-accounted investments";
- "Other investments";
- "Non-current financial assets".[6]

Net working capital: this is the algebraic sum of:
+ "Inventories";
+ "Trade and other current receivables";
+ "Contract assets";
+ "Contract cost assets";
+ "Current and deferred tax assets";
- Current and non-current "Trade and other payables";
- "Contract liabilities and deferred income";
- "Current and deferred tax liabilities".

Total net working capital and provisions: this is the algebraic sum of:
+ "Net working capital" as determined above;
- Current and non-current "Provisions";
- Current and non-current "Employee benefits".

Net invested capital: is the algebraic sum of "Net non-current assets", "Total net working capital and provisions" and "Assets (Liabilities) held for sale".

SUMMARY OF 2021 RESULTS

The Group closed 2021 with Revenues of €375,353 thousand. EBITDA amounted to €93,024 thousand, equal to 24.8% of Revenues. Operating profit and Net profit amounted to €56,944 thousand and €39,644 thousand respectively, equal to 15.2% and 10.6% of Revenues.

[4] Limited to derivative instruments used for hedging purposes on financial liabilities
[5] Limited to derivative instruments used for non-hedging purposes on financial liabilities
[6] With the exception of derivative instruments used for non-hedging purposes on financial liabilities

Condensed Consolidated Income Statement ***(Amounts in thousand of Euro)***	**2021**	**%**	**2020**[7]	**%**	**Change**	**% change**
Revenues	375,353	*100.0%*	269,084	*100.0%*	106,269	*39.5%*
Adjusted EBITDA	98,717	*26.3%*	81,219	*30.2%*	17,498	*21.5%*
EBITDA	93,024	*24.8%*	77,912	*29.0%*	15,112	*19.4%*
Operating profit	56,944	*15.2%*	52,691	*19.6%*	4,253	*8.1%*
Net profit	39,644	*10.6%*	37,778	*14.0%*	1,866	*4.9%*

Revenues increased by €106,269 thousand compared to 2020 (39.5%), and EBITDA by €17,498 thousand (19.4%), Operating profit was also up by €4,253 thousand (8.1%), and Net profit by €1,866 thousand (4.9%).

The results for the period include contributions from the acquisitions: Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l. (consolidated as of 1 January 2021), Swascan S.r.l. (consolidated as of 1 October 2020), Euroquality S.A.S. and Europroject O.O.D. (consolidated as of 31 December 2020), Trix S.r.l. (incorporated at the end of December 2020), Tinexta Cyber S.p.A. (incorporated in January 2021), Forvalue S.p.A. (consolidated as of 1 July 2021), Financial Consulting Lab S.r.l. and Financial CLab S.r.l. (consolidated as of 1 October 2021) and CertEurope S.A.S (consolidated as of 1 November 2021). The contributions from these companies are shown below as a change in the scope of consolidation.

2021 Income statement, compared with the same period of the previous year:

Consolidated Income Statement (Amounts in thousand of Euro)	**2021**	**%**	**2020**[8]	**%**	**Change**	**% change**
Revenues*	**375,353**	**100.0%**	**269,010**	**100.0%**	**106,343**	**39.5%**
Total Operating Costs*	**276,636**	**73.7%**	**187,791**	**69.8%**	**88,845**	**47.3%**
Costs of raw materials	12,668	3.4%	8,869	3.3%	3,798	42.8%
Service costs	115,950	30.9%	85,666	31.8%	30,284	35.4%
Personnel costs*	137,699	36.7%	83,851	31.2%	53,848	64.2%
Contract costs	7,809	2.1%	7,436	2.8%	373	5.0%
Other operating costs	2,510	0.7%	1,968	0.7%	542	27.6%
Adjusted EBITDA	**98,717**	**26.3%**	**81,219**	**30.2%**	**17,498**	**21.5%**
Stock Option cost**	2,804	0.7%	909	0.3%	1,895	208.5%
Non-recurring components	2,889	0.8%	2,398	0.9%	491	20.5%
EBITDA	**93,024**	**24.8%**	**77,912**	**29.0%**	**15,112**	**19.4%**
Amortisation and depreciation	33,631	9.0%	22,453	8.3%	11,178	49.8%
Provisions	1,225	0.3%	628	0.2%	598	95.2%
Impairment	1,224	0.3%	2,140	0.8%	-917	-42.8%
Operating profit	**56,944**	**15.2%**	**52,691**	**19.6%**	**4,253**	**8.1%**
Financial income	1,116	0.3%	3,559	1.3%	-2,443	-68.6%
Financial charges	4,415	1.2%	2,959	1.1%	1,457	49.2%
Net financial charges	**3,299**	**0.9%**	**-600**	**-0.2%**	**3,899**	**-649.8%**
Profit of equity-accounted investments	-200	-0.1%	-969	-0.4%	769	-79.4%
Profit before tax	**53,445**	**14.2%**	**52,322**	**19.4%**	**1,123**	**2.1%**
Income taxes	13,802	3.7%	14,544	5.4%	-742	-5.1%
Net profit	**39,644**	**10.6%**	**37,778**	**14.0%**	**1,866**	**4.9%**
of which minority interests	***1,323***	***0.4%***	***635***	***0.2%***	***688***	***108.4%***

* *Revenues* and *Operating Costs* are stated net of non-recurring components and net of the cost relating to the Stock Option Plans and medium-term incentive plan reserved for the Group's key manager (both recognised under "Personnel costs").
** The Stock Option Cost includes the cost of the medium-term incentive plan reserved for the Group's key manager.

[7] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

[8] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

Revenues increased from €269,010 thousand in 2020 to €375,353 thousand in 2021, with an increase of €106,343 thousand, equal to 39.5%. The increase in Revenues attributable to the change in the scope of consolidation was 31.8% (€85,572 thousand), while organic growth was 7.7% (€20,772 thousand).

Operating costs increased from €187,791 thousand in 2020 to €276,636 thousand in 2021, with an increase of €88,845 thousand, equal to 47.3%. The increase in Operating costs attributable to the change in the scope of consolidation was 37.4% (€70,261 thousand), while the remaining 9.9% is due to organic growth (€18,585 thousand).

***Adjusted* EBITDA** rose from €81,219 thousand in 2020 to €98,717 thousand in 2021, with an increase of €17,498 thousand, or 21.5%. The increase in *adjusted* EBITDA attributable to the change in the scope of consolidation was 18.9% (€15,311 thousand), while organic growth was 2.7% (€2,187 thousand).

EBITDA increased from €77,912 thousand in 2020 to €93,024 thousand in 2021, with an increase of €15,112 thousand or 19.4%. The increase in EBITDA attributable to the change in the scope of consolidation was 17.9% (€13.928 thousand), while organic growth was 1.5% (€1,184 thousand).

The item **Amortisation and depreciation, impairment and provisions**, for €36,080 thousand (€25,221 thousand in 2020) includes €11,653 thousand in amortisation of Other intangible assets arising upon allocation of the price paid in Business Combinations (€6,162 thousand in 2020), mainly relating to Cybersecurity, Warrant Hub, Innolva Queryo and Visura. The increase in this item is substantially attributable to amortisation of *Intangible assets* (+ €9,464 thousand), the aforesaid Other intangible assets arising from Business Combinations and Databases and Software, and *Property, plant and equipment* (+ €1,713 thousand) partially offset by lower *Impairment* (- €917 thousand). *Provisions for risks* increased by €598 thousand.

In 2021, **Net financial charges** totalled €3,299 thousand, compared to Net financial income of €600 thousand in 2020. The increase in *Net financial charges* is affected by non-recurring income recognised in 2020 for the capital gain of €2,151 thousand from the sale of LuxTrust and the renegotiation of loans amounting to €1,075 thousand. The further increase in Financial charges is attributable to the increase in bank debt to support the acquisitions made.

Income taxes amounted to €13,802 thousand (€14,544 thousand in 2020). The *tax rate* was 25.8%, (27.8% in 2020) due to non-recurring tax income of €2,722 thousand mainly attributable to the realignment (pursuant to Article 110 of Law Decree no. 104/2020) and the redemption (pursuant to Article 176, paragraph 2-ter of Presidential Decree no. 917/86 and Article 15, paragraph 10, of Law Decree no. 185/2008) of statutory/fiscal value differentials for a total of €2,653 thousand. 2020 also benefited from non-recurring tax income of €1,410 thousand.

Net profit for 2021 was €39,644 thousand (of which €1,323 thousand from minority interests) compared to €37,778 thousand for 2020.

Adjusted Group Results

Adjusted income statement results calculated before the non-recurring components, before the cost relating to the Stock Option Plans and medium-term incentive plan reserved for the Group's key manager, before the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in *Business Combinations*, and before the adjustment of liabilities for contingent considerations related to the acquisitions, net of the related tax effects. These indicators reflect the Group's economic performance, excluding non-recurring factors not strictly related to the activities and management of the business.

Adjusted Income Statement ***(Amounts in thousand of Euro)***	**2021**	**%**	**2020**	**%**	**Change**	**% change**
Adjusted revenues	375,353	*100.0%*	269,010	*100.0%*	106,343	*39.5%*
Adjusted EBITDA	98,717	*26.3%*	81,219	*30.2%*	17,498	*21.5%*
Adjusted operating profit	74,290	*19.8%*	62,160	*23.1%*	12,130	*19.5%*
Adjusted net profit	49,492	*13.2%*	40,595	*15.1%*	8,898	*21.9%*

Adjusted results show an increase in revenues compared to 2020 of 39.5%, EBITDA of 21.5%, Operating profit of 19.5% and Net profit of 21.9%.

Non-recurring components

Over the course of 2021, *Non-recurring operating costs* of €2,889 thousand were recognised, of which €2,529 thousand for acquisitions of target companies.

Non-recurring income taxes includes non-recurring income of €3.150 thousand referring:

- for €2.653 thousand to the realignment and redemption of statutory/fiscal value differentials;
- for €216 thousand to the *Patent Box* benefit;
- for - €147 thousand to the reversal of the rebate of the first advance payment of IRAP 2020 already recognized in previous years and reversed by virtue of the clarifications on the reduction of the benefit ceiling;
- for €428 thousand to the tax effect on the non-recurring components of the profit before tax.

In 2020, the following was recorded: *Non-recurring revenues* for €74 thousand, *Non-recurring operating costs* for €2,472 thousand, *Non-recurring financial income* for €3,225 thousand and income in *Non-recurring taxes* for €1,319 thousand.

Stock Option cost

The costs recognised in the period, amounting to €2,227 thousand, refer to the 2020-2022 Stock Option Plan as detailed in paragraph **2020-2022 Stock Option Plan** for €1,776 thousand and to the 2021-2023 Stock Option Plan as detailed in the paragraph **2021-2023 Stock Option Plan** for €451 thousand.
In the year, costs of €577 thousand related to the medium-term incentive plan for the Group's key manager were recorded.

Amortisation of Other intangible assets from Business Combinations

The amortisation of *Other intangible assets* that emerged at the time of the allocation of the price paid in *Business Combinations* came to €11,653 thousand (€6,162 thousand in the previous year).

Adjustment of the contingent considerations connected to acquisitions

Adjustments of the contingent considerations connected to acquisitions entailed the recognition of *Net financial income* for €364 thousand (€161 thousand in Financial income in the same period of the previous year).

Method of calculation of the *adjusted* economic indicators:

Calculation of adjusted economic results	**EBITDA**		**Operating profit**		**Net profit**	
(Amounts in thousand of Euro)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Income statement results *reported*	**93,024**	**77,912**	**56,944**	**52,691**	**39,644**	**37,778**
Non-recurring revenues	0	-74	0	-74	0	-74
Non-recurring service costs	2,846	2,472	2,846	2,472	2,846	2,472
Stock Option cost	2,804	909	2,804	909	2,804	909
Other non-recurring operating costs	43	0	43	0	43	0
Amortisation of Other intangible assets from *business combinations*			11,653	6,162	11,653	6,162
Non-recurring financial income					0	-3,225
Adjustment of contingent consideration					-364	-161
Tax effect on adjustments					-4,411	-1,857
Non-recurring taxes					-2,722	-1,410
***Adjusted* income statement results**	**98,717**	**81,219**	**74,290**	**62,160**	**49,492**	**40,595**

Results by business segment

Condensed Income Statement by business segment	2021	EBITDA % 2021	2020	EBITDA % 2020	Change	% change		
						Total	Organic	Scope of consolidation
Revenues								
Digital Trust	131,296		115,917		15,378	13.3%	10.9%	2.3%
Cybersecurity	72,825		743		72,082	9700,3%	104.2%	9596.1%
Credit Information & Management	78,989		77,251		1,738	2.2%	-2.4%	4.7%
Innovation & Marketing Services	94,833		76,511		18,322	23.9%	11.3%	12.7%
Other Segments (Parent Company)	2,317		2,186		131	6.0%	6.0%	0.0%
Intra-segment	-4,906		-3,524		-1,382	39.2%	-10.6%	49.8%
Total Revenues	**375,353**		**269,084**		**106,269**	**39.5%**	**7.7%**	**31.8%**
EBITDA								
Digital Trust	34,924	26.6%	30,432	26.3%	4,491	14.8%	10.9%	3.8%
Cybersecurity	8,727	12.0%	140	18.8%	8,587	6138,5%	215.6%	5922,8%
Credit Information & Management	22,209	28.1%	23,545	30.5%	-1,336	-5.7%	-9.0%	3.3%
Innovation & Marketing Services	40,353	42.6%	34,760	45.4%	5,593	16.1%	5.5%	10.6%
Other Segments (Parent Company)	-13,189	n.a.	-10,965	n.a.	-2,224	-20.3%	-20.3%	0.0%
Total EBITDA	**93,024**	**24.8%**	**77,912**	**29.0%**	**15,112**	**19.4%**	**1.5%**	**17.9%**

Adjusted income statement results by business segment:

Adjusted condensed Income Statement by business segment	2021	EBITDA % 2021	2020	EBITDA % 2020	Change	% change		
						Total	Organic	Scope of consolidation
Revenues								
Digital Trust	131,296		115,843		15,452	13.3%	11.0%	2.3%
Cybersecurity	72,825		743		72,082	9700,3%	104.2%	9596.1%
Credit Information & Management	78,989		77,251		1,738	2.2%	-2.4%	4.7%
Innovation & Marketing Services	94,833		76,511		18,322	23.9%	11.3%	12.7%
Other Segments (Parent Company)	2,317		2,186		131	6.0%	6.0%	0.0%
Intra-segment	-4,906		-3,524		-1,382	39.2%	-10.6%	49.8%
Total adjusted revenues	**375,353**		**269,010**		**106,343**	**39.5%**	**7.7%**	**31.8%**
EBITDA								
Digital Trust	36,392	27.7%	31,045	26.8%	5,347	17.2%	13.5%	3.8%
Cybersecurity	10,098	13.9%	140	18.8%	9,958	7118,7%	215.6%	6903,1%
Credit Information & Management	22,812	28.9%	23,678	30.7%	-866	-3.7%	-7.0%	3.3%
Innovation & Marketing Services	41,100	43.3%	36,067	47.1%	5,033	14.0%	3.7%	10.3%
Other Segments (Parent Company)	-11,686	n.a.	-9,711	n.a.	-1,974	-20.3%	-20.3%	0.0%
Total adjusted EBITDA	**98,717**	**26.3%**	**81,219**	**30.2%**	**17,498**	**21.5%**	**2.7%**	**18.9%**

Digital Trust

Adjusted revenues from the *Digital Trust* segment amounted to €131.296 thousand. The increase over 2020 is equal to 13.3%, in absolute terms to €15,452 thousand, 11.0% of which is attributable to organic growth and 2.3% to the change in the scope of consolidation, due to the consolidation of CertEurope S.A.S. from 1 November 2021. During 2021, the growth in demand for digital and dematerialisation services continued, such as Certified Electronic Mail (*Legalmail*) in both the private market and public administration and healthcare tenders, Digital Signature, which includes signature-related products (*LegalCert*), the enterprise signature service called *GoSign* (which has received significant investment in recent years) as well as time stamping and signature *software*. Growth continued in *Off the Shelf* revenues (*Telematic Trust Solutions*), also sold through the proprietary *e-commerce* channel and through its distributors, and in the product linked to SPID (Sistema Pubblico di Identità Digitale - Public Digital Identity System), also for the introduction of identities for professional use. Revenues related to *Enterprise Solutions* also increased, featuring a significant share of *recurring revenues*- for fees and consumption, as a result of both the consolidation of existing projects and new commercial initiatives, and for the *Cybersecurity* component. Numerous projects and/or service integrations have been launched, such as the *Face Matching* and *Self Id*. Third-party resales are also growing, especially in the world of document management *software*, particularly in the *Utilities* sector. The BU continues to develop its *digital onboarding* offering, which enables it to provide remote business continuity to its customers with high *standards* of security and functionality.

Adjusted EBITDA for the segment was €36.392 thousand. The increase compared to 2020 is equal to 17.2%, in absolute terms to €5,347 thousand, attributable for 13.5% to organic growth and for 3.8% to the change in the scope of consolidation. In percentage terms, the EBITDA *margin* is 27.7% compared to 26.8% in 2020.

Cybersecurity

Adjusted revenues of the *Cybersecurity* segment amounted to €72,825 thousand, while Adjusted EBITDA amounted to €10,098 thousand, and the EBITDA *margin* to 13.9%. The results achieved by the BU during 2021 are in line with expectations at both the revenues and margins level. The areas of greatest development concern the *Finance* sector, mainly aimed at the banking sector characterised by innovative products such as asset management and payments, as well as the insurance sector with dedicated products with respect to anti-money laundering and compliance issues and important functional skills in the CRM, motor and life claims areas. In the *Industry* sector, in addition to consultancy on third-party products, typically provided to *Oil&Gas* and Large-Scale Projects markets, a significant innovation activity on *IoT (Internet of Things)* processes was launched, in order to exploit the important skills acquired in *R&D* projects. The BU is active in *Implementation Services* related to security architecture for its customers, as well as in the development of *cyber* products with solutions for *Data Loss Prevention*, SASE, *identity & access management*; *data security* and *application security*.

Credit Information & Management

In the *Credit Information & Management* segment, *adjusted* revenues amounted to €78,989 thousand, an increase of 2.2% compared to 2020, in absolute terms €1,738 thousand, of which 4.7% was attributable to the change in the scope due to the consolidation of Forvalue S.p.A. from 1 July 2021 and 2.4% to organic contraction. External growth more than offset an organic contraction of 2.4% caused by the lower number of files handled for access to the Central Guarantee Fund during the second half of 2021 compared to 2020. The BU's activities benefited both from a market more oriented towards the use of the digital channel and web sales, and from the contribution of the Forvalue sales channel, due to the widespread network distributed throughout the country. During the period, there was a recovery in demand for Real Estate appraisal services from major national banking groups and an increase in *Business Information* activities, overcoming the contraction caused in 2020 by the health emergency.

Adjusted *EBITDA* decreased by 3.7% compared to the same period of last year to €22,812 thousand. The increase for the change in the scope of consolidation is 3.3%, the organic contraction amounts to 7.0%. In percentage terms, the EBITDA *margin* is 28.9% compared to 30.7% in 2020. The reduction in the marginality can be accounted for by the higher volume of activity in the previous year caused by companies' recourse to the Central Guarantee Fund.

Innovation & Marketing Services

Adjusted *revenues* for the *Innovation & Marketing Services* segment amounted to €94,833 thousand, an increase over 2020 of 23.9%, in absolute terms €18,322 thousand, of which 11.3% was attributable to organic growth and the remainder to changes in the scope of consolidation (12.7%), due to the impact of the consolidation from 1 January 2021 of Euroquality SAS, Europroject OOD, Queryo Advance S.r.l. and Trix S.r.l. and Financial Consulting Lab S.r.l. and Financial CLab S.r.l. consolidated from 1 October 2021. The companies of the BU developed innovative services and products, increasing the turnover generated through an increase in files handled and the acquisition of new customers. There was a good *performance* in the business asset revaluation and hyper-depreciation practices, which more than offset the negative impact of the regulatory review on how to calculate the R&D tax credit benefit. *European Funding* activities also increased due to higher volumes. During the year, *Digital Innovation* activities also generated higher volumes and revenues, mainly for *Digital Transformation* projects and the new corporate asset revaluation service; *Data Protection* activities, carried out by a specialised Group company; *IP Management*, for the valorisation of intangibles with specific regard to *Patent Box* regulations and the new Corporate Training activity. There was also a significant upturn in internationalisation services during the year, despite the continuing pandemic, partly due to the support provided by subsidised finance calls aimed at the sector, and an increase in innovation advisory services. In 2021, there was also the full definition and integration of activities related to *Digital Marketing* consulting. The BU is the ideal *partner* for optimising the communication, *marketing* and *performance* strategies of its clients, including the design and management of communication campaigns *Digital ADV*, SEM (*Search Engine Marketing*), SEA (*Search Engine Advertising*) e SEO (*Search Engine Optimization*), *Social Media Marketing*, *Remarketing and advanced Web Analytics*.

Adjusted EBITDA for the segment was €41.100 thousand. The increase over 2020 EBITDA is 14.0%. Growth due to changes in the scope of consolidation was 10.3%, organic growth amounted to 3.7%. In percentage terms, the EBITDA *margin* is 43.3% compared to 47.1% in 2020. The reduction in margins is to be attributed to the temporary reduction in tax rates and caps on tax credits.

SUMMARY OF RESULTS FOR THE FOURTH QUARTER OF 2021

The Group closed the fourth quarter of 2021 with revenues of €113,796 thousand. EBITDA amounted to €33,409 thousand, equal to 29.4% of revenues. Operating profit and Net profit amounted to €24,078 thousand and €15,514 thousand respectively, equal to 21.2% and 13.6% of Revenues.

Condensed Consolidated Income Statement ***(Amounts in thousand of Euro)***	**4th quarter 2021**	**%**	**4th quarter 2020[9]**	**%**	**Change**	**% change**
Revenues	113,796	*100.0%*	80,183	*100.0%*	33,612	*41.9%*
Adjusted EBITDA	35,385	*31.1%*	24,280	*30.3%*	11,105	*45.7%*
EBITDA	33,409	*29.4%*	22,340	*27.9%*	11,069	*49.5%*
Operating profit	24,078	*21.2%*	15,595	*19.4%*	8,483	*54.4%*
Net profit	15,514	*13.6%*	11,444	*14.3%*	4,070	*35.6%*

Revenues increased compared to the fourth quarter of 2020 by €33,612 thousand or 41.9%, EBITDA by €11,069 thousand or 49.5%, Operating profit by €8,483 thousand or 54.4%, and Net profit by €4,070 thousand or 35.6%.

[9] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

The results for the period include contributions from the following acquisitions: Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l. (consolidated from 1 January 2021), Euroquality S.A.S. and Europroject O.O.D. (consolidated from 31 December 2020), Trix S.r.l. (incorporated at the end of December 2020), Tinexta Cyber S.p.A. (incorporated in January 2021), Forvalue S.p.A. (consolidated as of 1 July 2021), Financial Consulting Lab S.r.l. and Financial CLab S.r.l. (consolidated as of 1 October 2021) and CertEurope S.A.S (consolidated as of 1 November 2021). The contributions from these companies are shown below as a change in the scope of consolidation.

Income statement for the fourth quarter of 2021 compared with the same period of last year:

Consolidated Income Statement (Amounts in thousand of Euro)	4th quarter 2021	%	4th quarter 2020[10]	%	Change	% change
Revenues*	**113,796**	**100.0%**	**80,183**	**100.0%**	**33,612**	**41.9%**
Total Operating Costs*	**78,411**	**68.9%**	**55,903**	**69.7%**	**22,507**	**40.3%**
Costs of raw materials	4,198	3.7%	2,267	2.8%	1,931	85.2%
Service costs	34,254	30.1%	27,550	34.4%	6,704	24.3%
Personnel costs	36,658	32.2%	23,379	29.2%	13,279	56.8%
Contract costs	2,303	2.0%	2,075	2.6%	227	11.0%
Other operating costs	998	0.9%	632	0.8%	366	57.9%
Adjusted EBITDA	**35,385**	**31.1%**	**24,280**	**30.3%**	**11,105**	**45.7%**
Stock Option cost**	850	0.7%	427	0.5%	424	99.2%
Non-recurring components	1,126	1.0%	1,513	1.9%	-387	-25.6%
EBITDA	**33,409**	**29.4%**	**22,340**	**27.9%**	**11,069**	**49.5%**
Amortisation and depreciation	8,886	7.8%	6,467	8.1%	2,419	37.4%
Provisions	175	0.2%	201	0.3%	-26	-13.0%
Impairment	269	0.2%	76	0.1%	193	253.1%
Operating profit	**24,078**	**21.2%**	**15,595**	**19.4%**	**8,483**	**54.4%**
Financial income	992	0.9%	2,219	2.8%	-1,227	-55.3%
Financial charges	1,414	1.2%	858	1.1%	557	64.9%
Net financial charges	**422**	**0.4%**	**-1,361**	**-1.7%**	**1,783**	**-131.0%**
Profit of equity-accounted investments	40	0.0%	-1,058	-1.3%	1,098	-103.8%
Profit before tax	**23,696**	**20.8%**	**15,899**	**19.8%**	**7,798**	**49.0%**
Income taxes	8,182	7.2%	4,455	5.6%	3,728	83.7%
Net profit	**15,514**	**13.6%**	**11,444**	**14.3%**	**4,070**	**35.6%**
of which minority interests	***680***	***0.6%***	***346***	**0.1%**	**333**	**96.3%**

* *Revenues* and *Operating Costs* are stated net of non-recurring components and net of the cost relating to the Stock Option Plans and medium-term incentive plan reserved for the Group's key manager (both recognised under "Personnel costs").
** The Stock Option Cost includes the cost of the medium-term incentive plan reserved for the Group's key manager.

Revenues increased from €80,183 thousand in the 4th quarter of 2020 to €113,796 thousand in the same period of 2021, with an increase of €33,612 thousand, equal to 41.9%. The increase in Revenues attributable to the change in the scope of consolidation was 34.0% (€27,285 thousand), while organic growth was 7.9% (€6,328 thousand).

Operating costs increased from €55,903 thousand in 2020 to €78,411 thousand in 2021, with an increase of €22,507 thousand, equal to 40.3%. The increase in Operating costs attributable to the change in the scope of consolidation was 36.2% (€20,215 thousand), while the remaining 4.1% is due to organic growth (€2,292 thousand).

***Adjusted* EBITDA** rose from €24,280 thousand in 2020 to €35,385 thousand in 2021, with an increase of €11,105 thousand, or 45.7%. The increase in *adjusted* EBITDA attributable to the change in the scope of consolidation was 29.1% (€7,061 thousand), while organic growth was 16.7% (€4,044 thousand).

[10] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

EBITDA rose from €22,340 thousand in 2020 to €33,409 thousand in 2021, with an increase of €11,069 thousand, or 49.5%. The increase in adjusted EBITDA attributable to the change in the scope of consolidation was 29.4% (€6,579 thousand), while organic growth was 20.1% (€4,490 thousand).

Adjusted Group Results

Adjusted income statement results calculated before the non-recurring components, before the cost relating to the Stock Option Plans and medium-term incentive plan reserved for the Group's key manager, before the amortisation of Other intangible assets that emerged at the time of allocation of the price paid in *Business Combinations*, and before the adjustment of liabilities for contingent considerations related to the acquisitions, net of the related tax effects. These indicators reflect the Group's economic performance, excluding non-recurring factors not strictly related to the activities and management of the business.

Adjusted Income Statement *(Amounts in thousand of Euro)*	**4th quarter 2021**	**%**	**4th quarter 2020**	**%**	**Change**	**% change**
Adjusted revenues	113,796	*100.0%*	80,183	*100.0%*	33,612	*41.9%*
Adjusted EBITDA	35,385	*31.1%*	24,280	*30.3%*	11,105	*45.7%*
Adjusted operating profit	28,787	*25.3%*	19,275	*24.0%*	9,513	*49.4%*
Adjusted net profit	20,070	*17.6%*	12,122	*15.1%*	7,948	*65.6%*

Adjusted results show an increase in revenue compared to the fourth quarter of 2020 of 41.9%, EBITDA of 45.7%, Operating profit of 49.4% and Net profit of 65.6%.

Method of calculation of the *adjusted* economic indicators:

Calculation of adjusted economic results	**EBITDA**		**Operating profit**		**Net profit**	
(Amounts in thousand of Euro)	**4th quarter 2021**	**4th quarter 2020**	**4th quarter 2021**	**4th quarter 2020**	**4th quarter 2021**	**4th quarter 2020**
Income statement results *reported*	**33,409**	**22,340**	**24,078**	**15,595**	**15,514**	**11,444**
Non-recurring service costs	1,083	1,513	1,083	1,513	1,083	1,513
Stock Option cost	850	427	850	427	850	427
Other non-recurring operating costs	43	0	43	0	43	0
Amortisation of Other intangible assets from *business combinations*			2,733	1,739	2,733	1,739
Non-recurring financial income					0	-2,151
Adjustment of contingent consideration					-598	0
Tax effect on adjustments					-1,261	-531
Non-recurring taxes					1,706	-319
***Adjusted* income statement results**	**35,385**	**24,280**	**28,787**	**19,275**	**20,070**	**12,122**

Results by business segment

Condensed Income Statement by business segment	4th quarter 2021	EBITDA % 4th Quarter 2021	4th quarter 2020	EBITDA % 4th quarter 2020	Change	% change		
						Total	Organic	Scope of consolidation
Revenues								
Digital Trust	38,072		32,793		5,278	16.1%	7.9%	8.2%
Cybersecurity	21,352		743		20,609	2773.4%	104.2%	2669.3%
Credit Information & Management	22,035		21,403		632	3.0%	-7.3%	10.2%
Innovation & Marketing Services	33,571		25,753		7,819	30.4%	16.3%	14.1%
Other Segments (Parent Company)	481		587		-106	-18.1%	-18.1%	0.0%
Intra-segment	-1,715		-1,096		-619	56.5%	-41.4%	97.9%
Total Revenues	**113,796**		**80,183**		**33,612**	**41.9%**	**7.9%**	**34.0%**
EBITDA								
Digital Trust	11,869	31.2%	8,533	26.0%	3,335	39.1%	25.4%	13.7%
Cybersecurity	3,665	17.2%	140	18.8%	3,525	2519,8%	215.6%	2304,2%
Credit Information & Management	6,410	29.1%	6,029	28.2%	381	6.3%	-4.8%	11.1%
Innovation & Marketing Services	16,099	48.0%	11,842	46.0%	4,257	35.9%	23.2%	12.8%
Other Segments (Parent Company)	-4,634	n.a.	-4,204	n.a.	-430	-10.2%	-10.2%	0.0%
Total EBITDA	**33,409**	**29.4%**	**22,340**	**27.9%**	**11,069**	**49.5%**	**20.1%**	**29.4%**

Adjusted income statement results by business segment:

***Adjusted* condensed Income Statement by business segment**	4th quarter 2021	EBITDA % 4th Quarter 2021	4th quarter 2020	EBITDA % 4th quarter 2020	Change	% change		
						Total	Organic	Scope of consolidation
Revenues								
Digital Trust	38,072		32,793		5,278	16.1%	7.9%	8.2%
Cybersecurity	21,352		743		20,609	2773.4%	104.2%	2669.3%
Credit Information & Management	22,035		21,403		632	3.0%	-7.3%	10.2%
Innovation & Marketing Services	33,571		25,753		7,819	30.4%	16.3%	14.1%
Other Segments (Parent Company)	481		587		-106	-18.1%	-18.1%	0.0%
Intra-segment	-1,715		-1,096		-619	56.5%	-41.4%	97.9%
Total *adjusted* revenues	**113,796**		**80,183**		**33,612**	**41.9%**	**7.9%**	**34.0%**
EBITDA								
Digital Trust	12,170	32.0%	9,053	27.6%	3,117	34.4%	21.5%	12.9%
Cybersecurity	4,280	20.0%	140	18.8%	4,140	2959,7%	215.6%	2744,0%
Credit Information & Management	6,474	29.4%	6,092	28.5%	381	6.3%	-3.6%	9.9%
Innovation & Marketing Services	16,115	48.0%	12,475	48.4%	3,639	29.2%	17.5%	11.6%
Other Segments (Parent Company)	-3,653	n.a.	-3,481	n.a.	-172	-4.9%	-4.9%	0.0%
Total *adjusted* EBITDA	**35,385**	**31.1%**	**24,280**	**30.3%**	**11,105**	**45.7%**	**16.7%**	**29.1%**

FINANCIAL POSITION OF THE GROUP

The Group's financial position at 31 December 2021 compared with 31 December 2020:

Amounts in thousands of Euro	31/12/2021	%	31/12/2020[11]	%	Change	% change
Intangible assets	139,291	27.5%	74,230	27.9%	65,061	87.6%
Goodwill	399,207	78.7%	211,975	79.8%	187,232	88.3%
Tangible fixed assets	6,837	1.3%	5,977	2.2%	860	14.4%
Leased tangible fixed assets	19,032	3.8%	13,736	5.2%	5,296	38.6%
Financial assets	7,514	1.5%	7,148	2.7%	366	5.1%
Net non-current assets	**571,881**	**112.8%**	**313,066**	**117.8%**	**258,815**	**82.7%**
Inventories	1,342	0.3%	1,154	0.4%	187	16.2%
Trade receivables	100,525	19.8%	75,829	28.5%	24,696	32.6%
Contract assets	16,880	3.3%	9,231	3.5%	7,649	82.9%
Contract cost assets	7,138	1.4%	6,481	2.4%	657	10.1%
Trade payables	-47,636	-9.4%	-34,580	-13.0%	-13,056	37.8%
Contract liabilities and deferred income	-77,058	-15.2%	-59,229	-22.3%	-17,829	30.1%
of which current	*-59,511*	-11.7%	*-48,264*	-18.2%	-11,246	23.3%
of which non-current	*-17,548*	-3.5%	*-10,965*	-4.1%	-6,583	60.0%
Payables to employees	-19,618	-3.9%	-12,011	-4.5%	-7,607	63.3%
Other receivables	22,461	4.4%	10,797	4.1%	11,664	108.0%
Other payables	-22,435	-4.4%	-13,658	-5.1%	-8,777	64.3%
Current tax assets (liabilities)	-893	-0.2%	-4,835	-1.8%	3,942	-81.5%
Deferred tax assets (liabilities)	-21,390	-4.2%	-9,383	-3.5%	-12,007	128.0%
Net working capital	**-40,685**	**-8.0%**	**-30,204**	**-11.4%**	**-10,482**	**34.7%**
Employee benefits	-19,826	-3.9%	-12,923	-4.9%	-6,903	53.4%
Provisions for risks and charges	-4,423	-0.9%	-4,223	-1.6%	-200	4.7%
Total NWC and Provisions	**-64,934**	**-12.8%**	**-47,349**	**-17.8%**	**-17,585**	**37.1%**
Assets (Liabilities) held for sale	0	0.0%	0	0.0%	0	n.a.
TOTAL LOANS - NET INVESTED CAPITAL	**506,948**	**100.0%**	**265,717**	**100.0%**	**241,231**	**90.8%**
Shareholders' equity attributable to the Group	196,665	38.8%	169,698	63.9%	26,967	15.9%
Minority interests	46,986	9.3%	4,047	1.5%	42,939	1061,0%
Shareholders' equity	**243,651**	**48.1%**	**173,745**	**65.4%**	**69,906**	**40.2%**
Net financial indebtedness	**263,296**	**51.9%**	**91,972**	**34.6%**	**171,324**	**186.3%**
TOTAL SOURCES	**506,948**	**100.0%**	**265,717**	**100.0%**	**241,231**	**90.8%**

Net invested capital grew by €241.2 million compared to 31 December 2020 due to the acquisitions of the year that led to a significant increase of €258.8 million in *Net non-current assets*, partially offset by the decrease in *Net working capital* and *Provisions* for €17.6 million.

Net non-current assets at 31 December 2021 totalled €571,881 thousand, with an increase of €258,815 thousand (82.7%) compared to 31 December 2020 (€313,066 thousand). The change was affected by goodwill and intangible assets allocated to the acquisitions of the year:

- CertEurope goodwill equal to €73,488 thousand provisionally allocated;
- Forvalue goodwill equal to €54,286 thousand provisionally allocated;
- Corvallis goodwill equal to €20,297 thousand plus Intangible assets for *Customer list* for €43,797 thousand;

[11]The comparative figures at 31 December 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020 and Euroquality S.A.S., consolidated on a line-by-line basis from 31 December 2020.

- Yoroi goodwill equal to €27,576 thousand plus Intangible assets for *Customer list* for €10,670 thousand;
- Queryo Advance goodwill equal to €7,195 thousand plus Intangible assets for *Customer lists* and Software for a total of €12,611 thousand;
- Financial Consulting Lab goodwill equal to €4,389 thousand provisionally allocated.

Investments in *Tangible and intangible assets* amounted to €16,162 thousand at 31 December 2021 (€14,869 thousand in 2020) while amortisation and depreciation, net of *Other intangible assets* that emerged at the time of allocation of the price paid in *Business Combinations*, amounted to €16,391 thousand (€12,058 thousand in 2020).

Net Working Capital went from -€30,204 thousand at 31 December 2020 to -€40,685 thousand at 31 December 2021:

- The sum of *Trade receivables* and *Contract assets* increased by €32,345 thousand, equal to 38.0%, of which 36.9% due to the change in the scope of consolidation[12] and 1.1% due to organic change;
- *Trade payables* increased by €13,056 thousand, equal to 37.8%, of which 31.0% due to the change in the scope of consolidation and 6.7% due to organic change;
- *Contract liabilities and deferred income* increased by €17,829 thousand, equal to 30.1%, of which 25.5% due to the change in the scope of consolidation and 4.6% due to organic change;
- *Payables to employees* increased by €7,607 thousand, equal to 63.3%, of which 39.1% due to the change in the scope of consolidation and 24.2% due to organic change.
- the increase in *Deferred tax liabilities* of €12,007 thousand is influenced by the allocations to the Corvallis, Yoroi and Queryo acquisitions for a total of €20,400 thousand, partially offset by deferred taxes recognised in the comprehensive income statement for a total of €7,260 thousand and by *Deferred assets* contributed due to the change in the scope of consolidation for €1,132 thousand.

Net working capital at 31 December 2021 would have been €-22,005 thousand with the same scope of consolidation as 2020 (excluding the changes in Net Working Capital generated by the consolidation of the companies Tinexta Cyber S.p.A., Corvallis S.r.l., Payotik S.r.l., Yoroi S.r.l., Queryo Advance S.r.l., Swascan S.r.l., Euroquality S.A.S., Europroject O.O.D., Trix S.r.l., Forvalue S.p.A., CertEurope S.A.S., Financial Consulting Lab S.r.l., and Financial CLab S.r.l.) compared to - €30,204 thousand at 31 December 2020.

Employee benefits at 31 December 2021 amounted to €19,826 thousand and increased by €6,903 thousand compared to 31 December 2020 (€12,923 thousand). The increase of 53.4% is attributable for 36.9% to the change in the scope of consolidation and for 16.5% to organic change. *Provisions for risks and charges* at 31 December 2021 amounted to €4,423 thousand and were essentially in line with the value at 31 December 2020 of €4,223 thousand.

Shareholders' equity increased by €69.906 thousand due primarily to the combined effect of:

- an increase due to the transfer to Innolva S.p.A. of the equity investment Forvalue S.p.A. by Intesa Sanpaolo set at €55,000 thousand. Through this transaction, Intesa Sanpaolo holds 25% of Innolva S.p.A. The benefit on the Group's Shareholders' equity amounts to €12,785 thousand;
- positive comprehensive income for the period of €40,055 thousand;
- dividends for €12,573 (of which €109 thousand not yet collected by those entitled) approved and €588 thousand of which distributed by the Group companies to minority interests;
- a decrease due to the adjustment of *Put* options on minority interests for a total of €5,273thousand (of which: €6,027 thousand on Corvallis S.r.l., €687 thousand on Queryo Advance €309 thousand on Yoroi, -€396 thousand on CertEurope, -€1,397 thousand on Swascan, and the remaining €42

[12] The change in the scope of consolidation means the balances contributed by the consolidated companies at the date of the first consolidation.

thousand on Sixtema, PrivacyLab, Trix) due to the change in the expected results of the companies concerned, as well as the revaluation due to the passage of time and the change in the discount rate;
- treasury shares acquired in the period (343,233, equal to 0.727% of the Share Capital) for a total purchase value of €9,327 thousand (details can be found in the paragraph **Treasury share purchase programme**);
- increase of €2,227 thousand in the Stock Option Reserve.

The investments in *Net non-current assets* of €258,815 thousand, partially offset by the increase in *Shareholders' equity* of €69,906 thousand and by the cash generated by *Net Working Capital and Provisions* of €17,585 thousand, resulted in an increase of €171,324 thousand in *Total Financial Indebtedness*.

Group's total financial Indebtedness

Total financial indebtedness of the Group at 31 December 2021 compared with 31 December 2020:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change	%
A Cash	68,253	92,813	-24,560	-26.5%
B Cash equivalents	0	0	0	n.a.
C Other current financial assets	4,144	7,320	-3,176	-43.4%
D Liquidity (A+B+C)	**72,397**	**100,132**	**-27,736**	**-27.7%**
E Current financial debt	7,811	8,196	-385	-4.7%
F Current portion of non-current financial debt	46,307	32,258	14,048	43.5%
G Current financial indebtedness (E+F)	**54,118**	**40,455**	**13,663**	**33.8%**
H Net current financial indebtedness (G-D)	**-18,279**	**-59,678**	**41,399**	**-69.4%**
I Non-current financial debt	281,575	151,650	129,925	85.7%
J Debt instruments	0	0	0	n.a.
K Non-current trade and other payables	0	0	0	n.a.
L Non-current financial indebtedness (I+J+K)	**281,575**	**151,650**	**129,925**	**85.7%**
M Total financial indebtedness (H+L) (*)	**263,296**	**91,972**	**171,324**	**186.3%**
N Other non-current financial assets	736	1,246	-510	-41.0%
O Total adjusted financial indebtedness (M-N)	**262,561**	**90,726**	**171,835**	**189.4%**

(*) **Total financial indebtedness** *calculated in accordance with the provisions of CONSOB Communication no. 6064293 of 28 July 2006 and in compliance with the Warning Notice no. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021.*

Total financial indebtedness amounted to €263,296 thousand, with an increase of €171,324 thousand compared to 31 December 2020.

Composition of *Total financial indebtedness:*

Composition of Total financial indebtedness	31/12/2021		31/12/2020	
	Balance	Incidence	Balance	Incidence
Total financial indebtedness	**-263,296**		**-91,972**	
Gross financial indebtedness	-335,693	100.0%	-192,104	100.0%
Bank debt	-205,588	61.2%	-152,395	79.3%
Payable for acquisition of equity investments	-106,457	31.7%	-22,226	11.6%
Liabilities related to the purchase of minority interests	*-97,535*	*29.1%*	*-12,554*	*6.5%*
Contingent consideration connected to acquisitions	*-4,540*	*1.4%*	*-4,135*	*2.2%*
Price deferments granted by sellers	*-4,382*	*1.3%*	*-5,537*	*2.9%*
Lease payables	-19,284	5.7%	-12,870	6.7%
Other financial payables (including derivative financial instruments)	-4,364	1.3%	-4,614	2.4%
Liquidity	72,397	100.0%	100,132	100.0%
Cash and cash equivalents	68,253	94.3%	92,813	92.7%
Other financial assets	4,144	5.7%	7,320	7.3%

Change in Total financial indebtedness in 2021 compared to 2020:

Amounts in thousands of Euro	*2021*	*2020*
Net financial indebtedness - opening balance	**91,972**	**129,138**
Free cash flow	-56,375	-66,708
Net financial (income) charges	3,239	1,465
Approved dividends	12,573	2,195
New leases and adjustments to existing contracts	5,837	1,274
Acquisitions	193,334	24,248
Disposals	0	-12,000
Adjustment of *put* options	5,273	1,326
Purchase of treasury shares	9,327	10,001
OCI derivatives	-1,108	819
Other residual	-777	215
Net financial indebtedness - closing balance	**263,296**	**91,972**

- The *Free Cash Flow* generated in 2021 amounted to €56,375 thousand, of which €72,537 thousand in *Net cash and cash equivalents generated by operations*, excluding €16,162 thousand absorbed by investments in *Property, plant and equipment* and *Intangible assets*. *Free Cash Flow* was down by 15.5% compared to 2020 (€66,708 thousand) mainly due to higher taxes paid (€25,784 thousand in 2021 compared to €13,943 thousand in 2020), and the unrepeatable cash management of the 2020 Net working capital.
- Approved dividends for €12,573 thousand, of which €11,985 thousand from Tinexta S.p.A. (not collected by those entitled for €109 thousand) and €588 thousand from the Group's companies to minority shareholders.
- New leases and adjustments to existing contracts resulted in a total increase in financial indebtedness of €5.837 thousand;
- Details of the *Acquisitions* with their impact on *Net financial indebtedness* at the date of the respective closing:

Details of NFI impacts for Acquisitions *(Amounts in thousand of Euro)*	
CertEurope S.A.S.	76,206
Corvallis S.r.l.	56,049
Yoroi S.r.l.	38,567
Queryo Advance S.r.l.	18,063
Financial Consulting Lab	4,564
Forvalue S.p.A.	-1,330
Investments in equity-accounted shareholdings	1,215
Total	**193,334**

- *Put* option adjustment on minority interests for a total of €5,273 thousand (of which: €6,027 thousand on Corvallis S.r.l., €687 thousand on Queryo Advance €309 thousand on Yoroi, -€396 thousand on CertEurope, -€1,397 thousand on Swascan, and the remaining €42 thousand on Sixtema, PrivacyLab, Trix) due to the change in the expected results of the companies concerned, as well as the revaluation due to the passage of time and the change in the discount rate;
- During the year, the Parent Company Tinexta S.p.A. purchased 343,233 treasury shares (equal to 0.727% of the Share Capital) for a total purchase value of €9,327 thousand (details can be found in the paragraph **Treasury share purchase programme**).

RESULTS OF THE PARENT COMPANY

Main values related to the economic results and Balance Sheet and Financial Position of the Parent Company Tinexta S.p.A.

ECONOMIC RESULTS OF THE PARENT COMPANY

Income Statement (Amounts in thousand of Euro)	2021	2020	Change	% change
Revenues	**2,317**	**2,186**	**131**	**6.0%**
Total Operating Costs*	**14,003**	**11,894**	**2,109**	**17.7%**
Service costs	5,464	5,311	153	2.9%
Personnel costs	8,180	6,303	1,877	29.8%
Other operating costs	358	279	79	28.3%
Adjusted EBITDA	**-11,686**	**-9,707**	**-1,978**	**20.4%**
Stock Option cost	579	233	346	148.6%
Non-recurring components	924	19	905	4724,1%
EBITDA	**-13,189**	**-9,959**	**-3,229**	**32.4%**
Amortisation and depreciation	812	613	199	32.5%
Provisions	0	0	0	0.0%
Impairment	0	0	0	0.0%
Operating profit	**-14,001**	**-10,572**	**-3,429**	**32.4%**
Financial income	43,419	37,547	5,872	15.6%
Financial charges	3,149	2,369	780	32.9%
Net financial income	**40,270**	**35,178**	**5,092**	**14.5%**
Profit before tax	**26,269**	**24,606**	**1,664**	**6.8%**
Income taxes	-3,267	-2,574	-693	26.9%
Net profit	**29,536**	**27,179**	**2,357**	**8.7%**

* *Revenues* and *Operating Costs* are stated net of non-recurring components and net of the cost relating to the Stock Option Plans recognised under "Personnel costs".

Revenues increased from €2,186 thousand in 2020 to €2,317 thousand in 2021, with an increase of €131 thousand, equal to 6.0%. Revenues relate to services charged to subsidiaries as part of the industrial holding company activities provided by the Parent Company for the Legal assistance and *compliance*, *Internal audit*, corporate administrative services functions, as well as to the chargebacks to the same subsidiaries of specific costs incurred by the Parent Company, in particular for software licenses and seconded personnel.

Personnel costs increased from €6,303 thousand in 2020 to €8,180 thousand in 2021, with an increase of €1,877 thousand, equal to 29.8%. The increase reflects the expansion of the structure for the governance of the Group's activities.

Net financial income increased from €35,178 thousand in 2020 to €40,270 thousand in 2021, with an increase of €5,092 thousand, equal to 14.5%. The increase is influenced by the higher dividends approved and distributed by the subsidiaries in 2021 (€43,319 thousand) compared to 2020 (€36,588 thousand) as indicated below. It should also be noted that in 2020 non-recurring financial income of €933 thousand was recognised for the renegotiation of loans.

Dividends from subsidiaries *(Amounts in thousand of Euro)*	2021	2020	Change
Warrant Hub S.p.A.	20,232	14,440	5,792
InfoCert S.p.A.	11,129	10,623	506
Innolva S.p.A.	5,475	3,786	1,689
Visura S.p.A.	4,704	3,887	816
RE Valuta S.p.A.	950	851	99
Co.Mark S.p.A.	830	3,000	-2,170
Dividends from subsidiaries	**43,319**	**36,588**	**6,732**

BALANCE SHEET AND FINANCIAL POSITION OF THE PARENT COMPANY

Statement of Financial Position of Tinexta S.p.A.

Amounts in thousands of Euro	31/12/2021	% of Net invested capital/Total sources	31/12/2020	% of Net invested capital/Total sources	Change	% change
Intangible assets	358	0.1%	570	0.2%	-212	-37.2%
Property, plant and equipment	114	0.0%	110	0.0%	4	4.0%
Leased property, plant and equipment	1,045	0.3%	843	0.3%	202	24.0%
Financial assets	366,556	100.5%	308,328	99.8%	58,228	18.9%
Net non-current assets	**368,073**	**100.9%**	**309,850**	**100.3%**	**58,223**	**18.8%**
Trade receivables	634	0.2%	671	0.2%	-38	-5.6%
Contract assets	294	0.1%	309	0.1%	-15	-4.9%
Trade payables	-3,134	-0.9%	-2,665	-0.9%	-469	17.6%
Payables to employees	-1,415	-0.4%	-977	-0.3%	-438	44.9%
Other receivables	891	0.2%	2,181	0.7%	-1,290	-59.1%
Other payables	-966	-0.3%	-828	-0.3%	-139	16.7%
Current tax assets (liabilities)	555	0.2%	265	0.1%	291	109.8%
Deferred tax assets (liabilities)	569	0.2%	769	0.2%	-200	-26.0%
Net working capital	**-2,573**	**-0.7%**	**-275**	**-0.1%**	**-2,298**	**836.9%**
Employee benefits	-713	-0.2%	-591	-0.2%	-122	20.6%
Total NWC and Provisions	**-3,286**	**-0.9%**	**-866**	**-0.3%**	**-2,420**	**279.5%**
TOTAL LOANS - NET INVESTED CAPITAL	**364,787**	**100.0%**	**308,984**	**100.0%**	**55,803**	**18.1%**
Shareholders' equity	**181,006**	**49.6%**	**169,787**	**54.9%**	**11,220**	**6.6%**
Total financial indebtedness	**183,781**	**50.4%**	**139,197**	**45.1%**	**44,584**	**32.0%**
TOTAL SOURCES	**364,787**	**100.0%**	**308,984**	**100.0%**	**55,803**	**18.1%**

Net invested capital grew by €55.8 million due to the €58.2 million increase in *Net non-current assets* and a reduction in *Net working capital* and *Provisions* of €2.4 million.

Net non-current assets at 31 December 2021 totalled €368,073 thousand, with an increase of €58,223 thousand (18.8%) compared to 31 December 2020 (€309,850 thousand). The change is the result of the following factors:

- the establishment of Tinexta Cyber SpA with a payment of €51,000 thousand (of which €1,000 thousand for the full subscription of the Share Capital and €50,000 thousand as a share capital increase contribution) and transfer to the same of the investment in Swascan Srl at book value of €4,261 thousand;
- the revaluation of equity investments in subsidiaries to employees who have been assigned the 2020-2022 Stock Option Plan and the 2021-2023 Stock Option Plan for a total of €1,648 thousand;
- the disbursement of non-current loans to subsidiaries for a total of €9,800 thousand.

Shareholders' Equity increased by €11,220 thousand due to the combined effect of:

- positive result from comprehensive income for the period of €30.305 thousand;
- dividends approved for €11,985 thousand (not collected by those entitled for €109 thousand);
- treasury shares acquired in the period (343,233, equal to 0.727% of the Share Capital) for a total purchase value of €9,327 thousand (details can be found in the paragraph **Treasury share purchase programme**);
- increase of €2,227 thousand in the Stock Option Reserve;

The increases in *Net non-current assets* (€58,223 thousand), partially offset by the reduction in *Net working capital* and *Provisions* (€2,420 thousand), and the increase of €11,220 thousand in Shareholders' equity, resulted in an increase of €44,584 thousand in *Net financial indebtedness*.

Total financial indebtedness of Tinexta S.p.A.

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change	%
A Cash	23,448	61,170	-37,722	-61.7%
B Cash equivalents	0	0	0	n.a.
C Other current financial assets	21,423	15,120	6,303	41.7%
D Liquidity (A+B+C)	**44,871**	**76,290**	**-31,419**	**-41.2%**
E Current financial debt	31,556	65,491	-33,935	-51.8%
F Current portion of non-current financial debt	37,335	26,032	11,302	43.4%
G Current financial indebtedness (E+F)	**68,890**	**91,523**	**-22,633**	**-24.7%**
H Net current financial indebtedness (G-D)	**24,019**	**15,234**	**8,786**	**57.7%**
I Non-current financial debt	159,762	123,964	35,798	28.9%
J Debt instruments	0	0	0	n.a.
K Non-current trade and other payables	0	0	0	n.a.
L Non-current financial indebtedness (I+J+K)	**159,762**	**123,964**	**35,798**	**28.9%**
M Total financial indebtedness (H+L) (*)	**183,781**	**139,197**	**44,584**	**32.0%**
N Other non-current financial assets	9,878	37	9,842	26769,4%
O Total adjusted financial indebtedness (M-N)	**173,903**	**139,161**	**34,742**	**25.0%**

(*) **Total financial indebtedness** *calculated in accordance with the provisions of CONSOB Communication no. 6064293 of 28 July 2006 and in compliance with the Warning Notice no. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021.*

Total net financial indebtedness amounted to €183,781 thousand, with an increase of €44,584 thousand compared to 2020.

Change in Total financial indebtedness in 2021 compared to 2020:

Amounts in thousands of Euro	31/12/2021	31/12/2020
Net financial indebtedness - opening balance	**139,197**	**132,189**
Free Cash Flow including the dividends collected	-35,765	-28,786
Investments in shareholdings	51,000	23,374
Disposal of shareholdings	-4,261	0
Approved dividends	11,985	0
Non-current loans to subsidiaries	9,800	0
Purchase of treasury shares	9,327	10,001
Financial charges	3,046	1,407
OCI derivatives	-1,050	797
New leases and adjustments to existing contracts	458	214
Other changes	43	1
Net financial indebtedness - closing balance	**183,781**	**139,197**

- The *Free Cash Flow* generated, including the dividends collected in 2021, was €35,765 thousand. This figure increased by 24.2% compared to 2020 (€28,786 thousand).
- *Investments in shareholdings* refer to the establishment of Tinexta Cyber S.p.A. The amount of the *Disposal of shareholdings* relates to the sale of Swascan S.r.l. to Tinexta Cyber S.p.A.

- During the year, Tinexta S.p.A. purchased 343,233 treasury shares (equal to 0.727% of the Share Capital) for a total purchase value of €9,327 thousand (details can be found in the paragraph **Treasury share purchase programme**).

KEY EVENTS SUBSEQUENT TO YEAR-END

On **18 January 2022**, the Tinexta Group acquired the majority of the Spanish company Evalue Innovación SL ("Evalue"), through the company Warrant Hub S.p.A., leader in consulting to companies for subsidised finance operations in support of innovation and development projects. Evalue boasts a widespread presence throughout the Spanish territory with offices in Valencia, Madrid, Barcelona, Seville and Murcia. The company offers support services for obtaining tax incentives for R&D and technological innovation projects and national and European subsidised finance services. In 2020, the company recorded revenues of €8.5 million, up 17.6% compared to the previous year and €4.3 million in EBITDA (with an EBITDA *Margin* of approximately 50%).
The agreement marks a new stage in Tinexta's internationalisation process, in line with the announced strategic lines. Furthermore, the new acquisition strengthens the European vocation of Warrant Hub, already present in Belgium, France and Bulgaria, allowing it to exploit both commercial development potential - especially as regards opportunities linked to European finance - and industrial, starting a virtuous exchange of *know-how* and *best practices*. The acquisition of 70.0% of Evalue Innovación provides for the payment of a consideration equal to €20.6 million, including the pro-rata financial indebtedness at 31.12.2021 equal to €0.4 million (corresponding to an implicit multiple on 2020 EBITDA of approximately 7x), which was paid with the Group's existing liquidity. The remaining 30% of Evalue, held by the founding shareholders, will be regulated through Put/Call options that can be exercised in 2024 on a 15% stake and in 2026 on a further 15% stake, based on specific agreements. The transaction is assisted by the usual representations and warranties.

On **3 February 2022**, the transaction involving the entry into the share capital of InfoCert by Bregal Milestone with a 16.09% interest was completed. In executing agreements already signed on 27 October 2021, the transaction involves an investment by Bregal Milestone of €100 million (of which €70 million at closing and €30 million within the following 12 months) through subscribing a dedicated capital increase of InfoCert. Following the subscription of the first €70 million, Bregal Milestone comes to hold 11.83% of InfoCert S.p.A.; Tinexta S.p.A.'s investment in InfoCert drops to 88.17%. Bregal Milestone is an important European private equity fund, with specific know-how in the technology sector and an extensive relational network of companies in Europe, and will support the Tinexta Group and, in particular, InfoCert to accelerate the internationalisation process already started with some recent acquisitions (Camerfirma, CertEurope and Authada).

On **16 March 2022**, Tinexta S.p.A. concluded the acquisition of the company Enhancers S.p.A. (Enhancers), through its subsidiary Warrant Hub which operates in consulting to companies for subsidised finance operations and in support of innovation and development projects. The transaction presents a high degree of complementarity between the Warrant Hub offer in the Digital Manufacturing area and the skills of Enhancers. In fact, the Warrant Innovation Lab structure, which currently operates in consultancy and project management activities in projects for the optimisation of digitisation processes, will be able to integrate its offer downstream with the development and implementation of the technological component. Enhancers, with offices in Turin and Bologna, combines design and planning activities, aimed at improving the *user experience*, with the creation of digital products and, in particular, the development of "task-oriented" digital systems (Digital Product Suite) and services aimed at manufacturing companies on products in the Internet of Things (IoT) and Human Machine Interface (HMI) fields. The transaction provides for the acquisition of

100% of the shares of Enhancers against a consideration of €16.4 million, paid with the Group's existing liquidity and the payment of an Earn Out calculated on the basis of 2024 results.

BUSINESS OUTLOOK

On 28 February 2022, the Board of Directors analysed and approved the strategic guidelines and objectives of the 2022-2024 Three-Year Plan. Over the next three years, Tinexta will continue to pursue its growth strategy aimed at consolidating *leadership* in its target markets. The guidelines of the approved growth strategy and plan are:

- Strengthening *leadership* in target markets;
- Constant focus on organic growth;
- Selective growth by external lines (M&A);
- Development of business integration;
- Investments into the Company's most important *assets*: people & organisation;
- Prudent financial policy.

The Plan envisages[13] that 2022 consolidated revenues, on a like-for-like basis, will grow between 10% and 12% compared to 2021, with Adjusted EBITDA growing between 8% and 10%.

In 2022, consolidated revenues - including the acquisitions completed during 2021 and up to the time of plan approval - are expected to grow between 18% and 20%, with Adjusted EBITDA growing between 20% and 22% compared to 2021. Tinexta expects consolidated revenues 2022-2024 to increase at an average annual compound rate (CAGR'22-24) "*low double digit*" and Adjusted EBITDA (CAGR'22-24) "*mid double digit*".

The Adjusted NFP/EBITDA ratio, expected to be about 2x at the end of 2022, is expected to gradually decrease to less than 1x at the end of the Plan period, including an annual dividend distribution, thus confirming a solid operating cash flow generation by the Group.

The *targets* set out do not contain the opportunities for growth through external strands that the Group, in line with the strategy it has set out, intends to continue to pursue, supported by the solid equity and financial situation and by the significant generation of operating cash that is expected.

At the end of February, the macroeconomic environment, already extremely complex due to various issues related to the supply of raw materials, inflationary pressures and a still uncertain health situation, was further characterised by an escalation of tensions between Russia and Ukraine. The development of the conflict and the possible effects and/or repercussions of this macroeconomic context are not currently known and therefore not reflected in the above-mentioned foreseeable evolution of operations.

TREASURY SHARE PURCHASE PROGRAMME

28 October 2021 was the expiration date of the authorisation granted by the Shareholders' Meeting of 28 April 2020 for the Company to purchase and sell treasury shares with no nominal value, pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of the Consolidated Finance Act, up to a maximum

[13] It is important to note that these forecasts are based on different assumptions, expectations, projections and provisional data relating to future events and are subject to a number of uncertainties and other factors that are out of the control of the Tinexta Group. There are many factors that can generate results
and trends that differ materially from those contained, implicitly or explicitly, in the forward-looking information and therefore such information is not a reliable guarantee of future performance.

number, which, taking into account the ordinary Company shares held at the time by the Company and its subsidiaries, does not exceed 10% (4,720,712 ordinary shares) of the Company's share capital.

The authorisation allowed the Company to purchase and sell ordinary Tinexta shares, in compliance with current EU and Italian regulations and permitted market practices recognised by CONSOB, for the following purposes:

- to purchase treasury shares to service the "2020-2022 Stock Option Plan", as well as any other share-based incentive schemes;
- to purchase treasury shares to service, if necessary, any extraordinary equity or financing transactions that imply the allocation or disposal of treasury shares;
- to provide the Company with an instrument used by listed companies to seize investment opportunities for all purposes permitted under current regulations;
- to set up a "stockpile", useful in any future extraordinary financial transactions.

On 28 April 2020 the Shareholders' Meeting resolved also to authorise the Board of Directors, pursuant to Article 2357-ter of the Italian Civil Code, to sell all or part, in one or more tranches, of the ordinary shares purchased under the terms of the aforementioned resolution. The purchase could have been completed in one or more tranches within 18 months of the date of the Shareholders' Meeting resolution. The authorisation to sell ordinary treasury shares, however, has no time limits.

At the date of 31 December 2021, the Company holds 1,200,247 treasury shares, equal to 2,543% of the Share Capital, for a total purchase value of €19,327 thousand (including commissions for €26 thousand). The Company purchased 343,233 treasury shares in the year, equal to 0.727% of the share capital, for a total purchase value of €9,327 thousand (including commissions for €13 thousand).

2020-2022 STOCK OPTION PLAN

On 23 June 2020, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the "2020-2022 Stock Option Plan" (hereinafter also "Plan"), as approved by the Shareholders' Meeting on 28 April 2020. The Plan envisages the allocation of a maximum 1,700,000 options. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 29 beneficiaries to whom a total of 1,670,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan provides for a single option allocation cycle and envisages a *vesting* period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2022 of > 80% of the approved budget value. If EBITDA proves to be between > 80% and > 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month *Vesting* Period as from the Allocation Date. The exercise price is established as €10.97367, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Finance Act") and Article 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2020 section of the Company's web site (www.tinexta.com/assemblea-azionisti-2020), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation.

At the grant date, 23 June 2020, the *fair value* for each option was equal to €3.46.

At 31 December 2021, 1,670,000 options had been allocated.

2021-2023 STOCK OPTION PLAN

On 23 June 2021, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the "2021-2023 Stock Option Plan" (hereinafter also "Plan"), as approved by the Shareholders' Meeting on 27 April 2021. The Plan envisages the allocation of a maximum 300,000 options. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 3 beneficiaries to whom a total of 190,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan provides for a single option allocation cycle and envisages a *vesting* period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2023 of ≥ 80% of the approved budget value. If EBITDA proves to be ≥ 80% and ≥ 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month *Vesting* Period as from the Allocation Date. The exercise price is established as €23.49, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Finance Act") and Article 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2021 section of the Company's web site (www.tinexta.com/assemblea-azionisti-2021), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation.

At the grant date, 23 June 2021, the *fair value* for each option was equal to €12.00.

On 5 October 2021 the Board of Directors of Tinexta S.p.A. resolved to grant a further 100,000 options at an exercise price set at €32.2852.

At 31 December 2021, a total of 290,000 options had been allocated.

HUMAN RESOURCES

At 31 December 2021, the Group had 2,393 employees (1,520 at 31 December 2020, on a like-for-like basis) compared to 1,403 at 31 December 2020. The *FTE (Full Time Equivalents)* workforce is 2,276 units (1,422 on a like-for-like basis at 31 December 2020), compared to 1,342 at 31 December 2020. The average number of employees in the Tinexta Group in 2021 amounted to 2,215 units.

Number of employees	***Annual Average***		***FTE***		***31 December***	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Senior Management	71	44	78	44	80	45
Middle Management	309	179	310	194	325	202
Employees	1,834	1,094	1,888	1,104	1,987	1,156
Workers	0	0	0	0	1	0
Total	**2,215**	**1,317**	**2,276**	**1,342**	**2,393**	**1,403**

The national labour contracts applied are:

- Services sector: commerce, distribution and services
- Industry metalworking sector

MAIN RISKS AND UNCERTAINTIES

The Group is exposed to some financial risks: interest rate risk, liquidity risk, credit risk and exchange rate risk. As regards the interest rate risk, the Group assesses on a regular basis its exposure to changes in interest rates and actively manages it by also using financial derivatives for exclusive hedging purposes. The credit risk related to trading receivables is mitigated through internal procedures that provide for a preliminary assessment of the customer solvency, as well as through procedures for credit recovery and management. Liquidity risk is managed through careful management and control of operating cash flows and use of a *cash pooling* system between the Group companies. As regards foreign exchange rate, the Group carries out most of its activity in Italy, and in any case most of the sales or purchases of services with foreign countries are carried out with EU countries and the transactions are settled almost exclusively in Euro; therefore, it is not greatly exposed to the risk of fluctuation of the exchange rates of foreign currencies against the Euro. For additional information on the main risks and uncertainties to which the Group is exposed, see the paragraph “Management of financial risk” in the Notes to the Financial Statements.

Among the uncertainties, we note the outbreak of the Russia-Ukraine conflict at the end of February, the evolution of which is not foreseeable to date. The Tinexta Group has no direct exposure to the Russian and Ukrainian markets.

INFORMATION ON THE ENVIRONMENT

The Parent Company and the other companies of the Group operate in an environmentally responsible and friendly manner in order to ensure a sustainable development of its business. However, environmental issues are not crucial within the service sector in which the Group operates. For additional information, see the Non-Financial Declaration.

INFORMATION ON CORPORATE GOVERNANCE

The Company has modified its corporate governance system to meet the requirements established by Italian Legislative Decree no. 58/1998 (“Consolidated Finance Act”) and the Code of Corporate Governance for Listed Companies, promoted by Borsa Italiana (the “Corporate Governance Code”).
Pursuant to Article 123-bis of the Consolidated Finance Act, the Company is required to prepare the annual report on Corporate Governance and Ownership Structures containing a general description of the corporate governance system adopted by the Group and which includes, among other things, information on the ownership structure and on the main governance practices implemented and the characteristics of the internal control and risk management system, also with reference to the financial reporting process.
The Report on Corporate Governance and Ownership Structures, approved by the Board of Directors on 17 March 2022, is available at the registered office of the Company and on the Company website (www.tinexta.com/relazione-sul-governo-societario).

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties of the Group do not qualify as atypical nor as unusual, as they are part of the normal activities of the Group. These transactions are carried out on behalf of the Group at normal market conditions. Reference is made to the section “Transactions with Related parties” in the Notes for further information on transactions with Related parties, also in relation to information to be provided on the basis of Consob Resolution no. 17221 of 12 March 2010, amended by Resolution no. 17389 of 23 June 2010. The “Procedure for Transactions with Related Parties” is available on the Company’s website (www.tinexta.com/procedura-sulle-operazioni-con-parti-correlate).

RESEARCH & DEVELOPMENT

DIGITAL TRUST

During the 2021 financial year, the Group continued to carry out innovative activities aimed at research, development and innovation of company products and processes in order to support the competitiveness of the Group and increase the efficiency of internal processes. In continuity with the previous year, it focused its efforts on two areas of activity:

- study and research for the experimentation of innovative products trying to evolve the contents of its *offering* and to respond quickly and flexibly to the countless needs deriving from the markets served;
- technological innovation aimed at improving products and services in terms of technical characteristics, incorporated software, simplification of use procedures and greater flexibility regarding performance and functionality.
- technological innovation with the objective of digital innovation 4.0, including the improvement of business processes in order to achieve a higher level of efficiency of the resources used and a good degree of reliability and integration between applications.

The discipline of the R&D tax credit, pursuant to Article 3 of Law Decree 145/2013, operational since 2015, was replaced by the aforementioned Budget Law which expanded, starting from the 2020 financial year, the scope of activity subject to the tax credit and the methods of calculating the subsidy, abandoning the incremental logic in relation to a fixed historical reference parameter (average 2012-2014) to acquire a volumetric nature.

The tax credit can only be used as compensation, in three annual instalments of the same amount, starting from the tax period following that of accrual, subject to the fulfilment of the certification obligations. Furthermore, the tax credit does not contribute to the formation of business income or to the tax base of the regional tax on productive activities.

In consideration of the continuation of the investment programmes and projects, the Group intends to avail itself of the incentives envisaged in Law no. 160, of 27 December 2019 Article 1, paragraphs 198 et seq. (Tax credit for research and development activities, in ecological transition 4.0 and other innovative activities). The benefit due for the current year has been estimated at €360 thousand for the InfoCert S.p.A. company and €157 thousand for the subsidiary Sixtema S.p.A.

To this benefit is added that deriving from the contributions received during 2021 for the participation in Projects Financed by the European Community by InfoCert S.p.A.

CYBERSECURITY

During the 2021 financial year, the Group carried out precompetitive activities of an innovative nature, focusing its efforts in particular on the following projects in the various companies of the Business Unit:

Corvallis S.r.l.

- *RESEARCH AND DEVELOPMENT ACTIVITIES IN THE FIELD OF "SMARTCITIES": SAMOA* Continuation of the project which involves the creation of an experimental system capable of analysing, with semantic technologies, the data collected from heterogeneous sources to improve urban mobility and provide information support to mobility managers, transport service companies, citizens and tourists.

- *RESEARCH AND DEVELOPMENT ACTIVITIES CARRIED OUT IN THE FIELD OF PLANT HEALTH DEFENCE: AGREED* Continuation of the AGREED project, which aims to use different technologies to create an integrated system of surveillance, traceability, forecasting and low environmental impact management of the most serious biotic adversities (quarantine and not) affecting the main fruit and vegetable productions of Southern Italy, namely the olive tree, the vine, the citrus fruit and the tomato.
- *INDUSTRIAL RESEARCH ACTIVITY NECESSARY FOR THE DEVELOPMENT OF INNOVATIVE FUNCTIONALITIES AND NEW ORIGINAL ALGORITHMS IN THE SOFTWARE FIELD: CORVALLIS 4.0* Continuation of the CORVALLIS 4.0 project divided into the following research lines:
    - LR1 - Innovative Corporate Performance Management system
    - LR2 - New tool for tourism enhancement and territory promotion
    - LR3 - Health-remote assistance system
    - LR4 - Blockchain at the service of agri-food chains
    - LR5 - System for Cultural Heritage Restoration and Monitoring
    - LR6 - Platform for the integration of social and health welfare services
- *INDUSTRIAL RESEARCH ACTIVITY NECESSARY FOR THE DEVELOPMENT OF INNOVATIVE FUNCTIONALITIES AND NEW ALGORITHMS* Continuation of the project allows the creation of a technological infrastructure for the traceability and trackability of agri-food products capable of overcoming the model centred on protection consortia and/or certifier entities.
- *RESEARCH AND DEVELOPMENT ACTIVITIES TO SUPPORT THE MANAGEMENT OF THE LIFE CYCLE OF A TOURIST PRODUCT: JEDI.* Continuation of the project which, in the field of digital tourism, aims to test an ecosystem of new tourist services and related services based on the enabling technology of Big Data and Open Data and characterised by high competitiveness aimed at enhancing the tangible and intangible assets held by operators which operate on the Italian territory in the Tourism and Culture application sector with the consequent repercussions also in other application sectors.
- *R&D ACTIVITIES - HYBRID WORD* The aim of the project start-up is to support everyday scenarios and practices through the use of digital, virtual, and interactive hybrid systems. In the logic of KET, these technologies will unfold in four complex situations (Work and Construction, Marketing and Commerce, Access to Culture, Education and Training) and particularly threatened by the current situation, experimentally showing the potential of virtual-real hybrid systems.
- *R&D ACTIVITIES - MY PASS (Passenger Mobility as a Service)* The aim of the project is to develop actions that favour the diffusion of the MaaS model in Italy in order to achieve:

    - integration between the various systems that enable new forms of mobility as a service;
    - user behaviour processing models;
    - innovative business models for MaaS systems;
    - identification and promotion of the regulatory and legal context for the development and implementation of MaaS schemes at national level;
    - strategies to facilitate the behavioural change of citizens towards the concept of sustainable mobility.

For the development of these projects the Group incurred costs totalling €4,236 thousand, €2,774 thousand of which eligible, for the purposes of a Tax Credit for research, development, technological innovation, design and aesthetic conception activities pursuant to Article 1, paragraphs 198-209, of Law no. 160 of 27 December 2019 as amended and supplemented.

Yoroi S.r.l.

- Yomi Legalmail The project aims to develop an email security service, explicitly conceived for Certified Electronic Mail (PEC). Yomi is Yoroi's proprietary sandbox technology: a "synthetic" computing environment that simulates the recipient's PC. When the PEC analysed contains attachments (files), these are deposited in this "synthetic" environment, opened and used as if they were inside the recipient's computer. Any anomalous behaviour by the same file, which would identify it as a suspected malware, are detected, preventing the user's PC from being infected. The whole service is automated and takes place transparently for the user and has already been integrated into the service offered by InfoCert. This offer addresses both the mass market for small and SOHO and the Large enterprise and GOV solutions;
- Cyber Exposure Index (CEI) The project aims to define an index, called Cyber Exposure Index (CEI), capable of measuring the level of cyber exposure of an organisation. The CEI represents an objective metric that allows companies to compare themselves with each other, in terms of their exposure to cyber threats. The measurement of the CEI is a "passive" process, i.e. it does not require the active participation of the company for which the measurement is being carried out: this characteristic makes the CEI particularly attractive as an assessment tool with respect to supply chain security issues. The purpose of the activity is to create a service that can be easily integrated into portals and company records, then offering a sort of "cyber profile" to the users of the service;
- Security Appliance The project aims to deploy a large-scale Yoroi defence service. The aforementioned solution, currently implemented through the Genku asset, is a network probe that offers traffic inspection, Intrusion Detection (IDS) and honeypot services (creation of fake targets to attract malware). The collected data are then transferred to the Yoroi cyber defence centre (CSDC) for their analysis and correlation, to detect and react quickly to cyber-attack attempts. The Security Appliance project targets MSS providers, for a very widespread market penetration;
- Cybsec.club The project aims to create an exclusive closed network (by invitation), dedicated to Italian CISOs and CIOs. The project involves the creation of a portal, which acts as an aggregator of information sources and infographics related to: the main trending topics in the cyber field, main threat trends over time, main vulnerabilities and their classification with respect to their impact, monographic insights on domain issues, information sharing on a voluntary basis. The idea is to increase the collective defence capacity of the country by pooling the knowledge base. The service includes an invitation-only access and an annual subscription fee.

For the development of these projects the Group incurred eligible costs totalling €279 thousand for the purpose of a Tax Credit for research, development, technological innovation, design and aesthetic conception activities pursuant to Article 1, paragraphs 198-209, of Law no. 160 of 27 December 2019 as amended and supplemented.

Swascan S.r.l.

- SOC H24: The SOC H24 project aims to create a software and process infrastructure dedicated to the provision of the "Security Operation Center" service in "as a service" mode. The SOC "as a service" is configured as an end-to-end solution for cyber security management. This proposition makes it particularly suitable for medium and small companies, which very often do not have an adequate structure for managing security issues.
- Platform: reconstruction of the Vulnerability Assessment proprietary platform in order to allow the provision of the following additional services in Software as a Service mode:

- Malware Threat Intelligence;
- Early Warning System;
- Technology Monitoring.

For the development of these projects the Group incurred eligible costs totalling €635 thousand for the purpose of a Tax Credit for research, development, technological innovation, design and aesthetic conception activities pursuant to Article 1, paragraphs 198-209, of Law no. 160 of 27 December 2019 as amended and supplemented.

STOCK PERFORMANCE

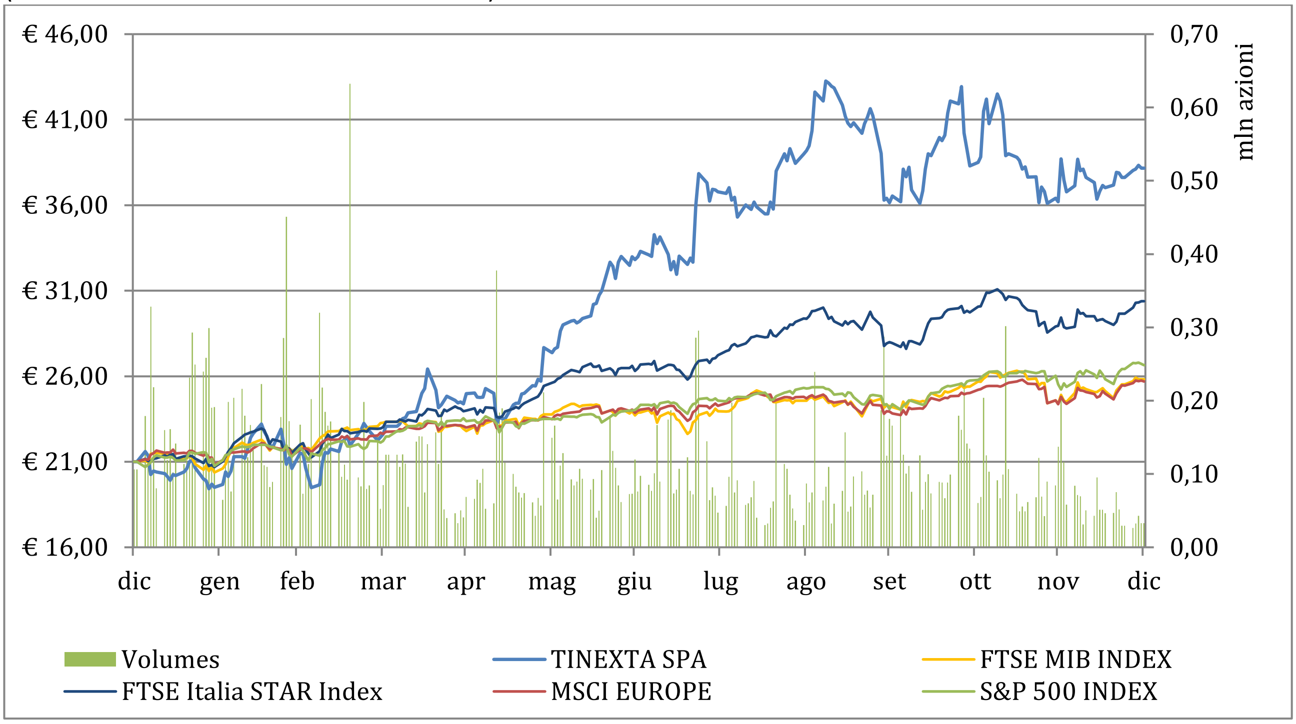
The Tinexta share price (Ticker: TNXT) closed 2021 at a price of €38.16 per share, compared to €21.00 per share at 31 December 2020, with an increase of €17.16 (+81.71%). At 31 December 2021, the market capitalisation was €1,801.42 million.
The lowest closing price in 2021 was €19.42, recorded on 27 January, while the highest closing price was €43.26, recorded on 7 September. During 2021, trading of Tinexta shares on the market managed by Borsa Italiana S.p.A. reached an average daily value of €3,407,804.39 (+49.31% compared with the average value for 2020) and an average daily volume of 116,092.39 shares (-23.59% compared with the average daily volume in 2020). In 2021, the Company distributed dividends of €0.260 per share (it did not distribute dividends in 2020).

Market Cap	
Price @ 30 December 2020 (€)	38.16
No. of shares (mn n.)	47.21
Mkt Cap (€ Mn)	1,801.42

	Closing price			
	1 month	**3 months**	**6 months**	**12 months**
from (included)	01/12/2021	01/10/2021	01/07/2021	31/12/2020
to (included)	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Simple average (€)	37.64	38.47	37.89	31.05
Max (€)	38.70	42.94	43.26	43.26
Min (€)	36.36	36.10	31.96	19.42

In 2021, the FTSE MIB Index went up 23.00%, and the FTSE STAR, the index for the STAR segment (Segment of Equities with High Requirements), managed by Borsa Italiana, which includes medium-sized joint-stock companies, rose by 44.71%. In Europe, the MSCI Europe index rose 22.38% in 2021, while in the United States the S&P500 index rose 26.89%.

Comparison of the trend of Tinexta with the main reference indexes
(31 December 2020 - 31 December 2021)



In a positive market context, supported by the substantial economic incentives promoted by the various world governments, in 2021 the Tinexta share recorded a performance significantly higher than that of the reference indices, with particularly positive results in the summer months (June, July and August) thanks to a corporate newsflow that saw the company consolidate its presence at national and international level, a strategic partnership with *Intesa Sanpaolo in support of Italian SMEs* and *the acquisition in France of the majority stake in CertEurope* first and foremost.

During 2021, Investor Relations activities were again influenced by the measures promoted at national and international level by the various governments for the containment of Covid-19. Despite the continuation of restrictions imposed on the movement of persons and provisions on physical distancing, the Company managed to meet active investors in the main European financial markets of Milan, London, Paris, Frankfurt, Amsterdam, and New York thanks to participation in "virtual" conferences organised by the Chief Investor Relations Officer, Borsa Italiana and by various financial intermediaries. The Company has held regular conference calls following the year results and has facilitated interactions with management ("2021-2023 Business Plan Presentation") in order to provide in-depth information on the structure and growth strategies of the Group.

The Company is supported in its Investor Relations by a Specialist (Intermonte) and two Corporate Brokers (Bank IMI and Mediobanca).

In the first two months of 2022 (from 01/01/2022 to 28/02/2022), the stock recorded a partial slowdown, mainly due to macroeconomic dynamics, such as geopolitical tensions in Ukraine, a generalised sectoral adjustment and a structured review process of portfolios by global investors, which led the price per share to trade at €28.82 on 28 February (-24.48% compared to the end of 2021).

STATEMENT OF RECONCILIATION OF SHAREHOLDERS' EQUITY/NET PROFIT OF THE PARENT COMPANY WITH CONSOLIDATED FIGURES

The reconciliation between Shareholders' Equity and Profit for the year, highlighted in the Parent Company's statements, and the Group Shareholders' Equity and Net profit for the year, presented in the Consolidated Financial Statements, shows that at 31 December 2021, Group Shareholders' Equity was €15,659 thousand higher than that of Tinexta S.p.A., and the Group's Net profit of €38,321 thousand was €8,785 thousand higher than that of Tinexta S.p.A.

Amounts in thousands of Euro	**2021 net profit**	**Shareholders' Equity 31/12/2021**	**2020 net profit**	**Shareholders' Equity 31/12/2020**
Tinexta S.p.A.	**29,536**	**181,006**	**27,179**	**169,787**
Shareholders' Equity of consolidated companies and allocation of their results	55,188	212,062	51,734	99,449
Book value of consolidated equity investments		-354,675		-306,288
Recognition of liabilities for put options				-10,448
Allocation of goodwill		181,291		195,391
Allocation of intangible assets	-2,757	23,986	-3,738	26,878
Recognition in the Income statement of the adjustment of contingent consideration	-209		161	0
Recognition in the income statement of ancillary expenses for acquisition of shareholdings	901	0	-1,002	-901
Derecognition of intra-group dividends	-43,319	0	-36,588	0
Use of non-deductible interest expense in tax consolidation	201	358	-84	157
Equity Method valuation of associated companies	0	3	4	4
Other consolidation adjustments	103	-380	111	-284
Shareholders' Equity and profit for the year attributable to minorities	-1,323	-46,986	-635	-4,047
Tinexta Group - Consolidated Financial Statements	**38,321**	**196,665**	**37,143**	**169,698**

PROPOSED ALLOCATION OF THE 2021 PROFIT OF TINEXTA S.P.A.

In inviting you to approve the Financial Statements and the Report as presented, we invite you to approve the allocation of the profit for the year, amounting to €29,536,035.87, as follows:

- 5% of the profit for the year to legal reserve, in the amount of €1,476,801.79;
- €13,802,061.90 for dividend distribution, equal to €0.30 per share;
- €14,257,172.18 to profits carried forward.

17 March 2022

Enrico Salza
Chairman
Tinexta S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS 2021

Statements and Notes

Consolidated Financial Statements

Consolidated Statement of Financial Position

Amounts in thousands of Euro	Notes	31/12/2021	31/12/2020[1]
ASSETS			
Property, plant and equipment	14	25,172	18,990
Intangible assets and goodwill	15	538,498	286,205
Investment property	16	698	724
Equity-accounted investments	17	6,630	5,880
Other investments	17	149	22
Other financial assets, excluding derivative financial instruments	18	736	1,246
- of which vs. related parties	*45*	*38*	*0*
Derivative financial instruments	26	112	0
Deferred tax assets	19	8,843	6,041
Trade and other receivables	22	3,516	2,517
Contract cost assets	20	6,669	5,275
NON-CURRENT ASSETS		**591,022**	**326,899**
Inventories	23	1,342	1,154
Other financial assets, excluding derivative financial instruments	18	4,144	7,320
- of which vs. related parties	*45*	*290*	*0*
Current tax assets	25	2,666	311
- of which vs. related parties	*45*	*0*	*6*
Trade and other receivables	22	119,470	84,110
- of which vs. related parties	*45*	*748*	*48*
Contract assets	21	16,880	9,231
- of which vs. related parties	*45*	*1*	*0*
Contract cost assets	20	469	1,206
Cash and cash equivalents	27	68,253	92,813
- of which vs. related parties	*45*	*3,325*	*0*
CURRENT ASSETS		**213,224**	**196,146**
TOTAL ASSETS		**804,246**	**523,044**
EQUITY AND LIABILITIES			
Share capital		47,207	47,207
Treasury shares		-19,327	-10,001
Share premium reserve		55,439	55,439
Other reserves		113,347	77,053
Shareholders' equity attributable to the Group		*196,665*	*169,698*
Minority interests		*46,986*	*4,047*
TOTAL SHAREHOLDERS' EQUITY	**28**	**243,651**	**173,745**
LIABILITIES			
Provisions	29	3,857	3,471
Employee benefits	30	19,738	12,792
Financial liabilities, excluding derivative financial instruments	31	281,517	150,508
- of which vs. related parties	*45*	*3,718*	*2,269*
Derivative financial instruments	26	170	1,142
Deferred tax liabilities	19	30,234	15,424
Contract liabilities	33	17,423	10,961
- of which vs. related parties	*45*	*48*	*0*
Deferred income	34	125	4
NON-CURRENT LIABILITIES		**353,063**	**194,301**
Provisions	29	566	752
Employee benefits	30	88	131
Financial liabilities, excluding derivative financial instruments	31	54,118	40,455
- of which vs. related parties	*45*	*1,387*	*1,248*
Trade and other payables	32	89,689	60,249
- of which vs. related parties	*45*	*458*	*280*
Contract liabilities	33	57,102	46,411
- of which vs. related parties	*45*	*85*	*0*
Deferred income	34	2,409	1,854
Current tax liabilities	25	3,559	5,147
CURRENT LIABILITIES		**207,531**	**154,998**
TOTAL LIABILITIES		**560,595**	**349,299**
TOTAL EQUITY AND LIABILITIES		**804,246**	**523,044**

[1] The comparative figures at 31 December 2020 were restated in relation to the completion in 2021 of the activities to identify the fair values of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020 and Euroquality S.A.S., consolidated on a line-by-line basis from 31 December 2020.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Amounts in thousands of Euro	**Notes**	***Twelve-month period closed at 31 December*** **2021**	**2020[2]**
Revenues	**35**	**375,353**	**269,084**
- *of which vs. related parties*	*45*	*540*	*6*
- *of which non-recurring*	*35*	*0*	*74*
Costs of raw materials	36	12,668	8,869
Service costs	37	118,796	88,138
- *of which vs. related parties*	*45*	*2,891*	*1,696*
- *of which non-recurring*	*37*	*2,846*	*2,472*
Personnel costs	38	140,503	84,760
Contract costs	39	7,809	7,436
Other operating costs	40	2,553	1,968
- *of which vs. related parties*	*45*	*4*	*2*
- *of which non-recurring*	*40*	*43*	*0*
Amortisation and depreciation	41	33,631	22,453
Provisions	41	1,225	628
Impairment	41	1,224	2,140
Total Costs		**318,409**	**216,393**
OPERATING PROFIT		**56,944**	**52,691**
Financial income	42	1,116	3,559
- *of which non-recurring*	*42*	*0*	*3,225*
Financial charges	42	4,415	2,959
- *of which vs. related parties*	*45*	*55*	*65*
Net financial income (charges)		**-3,299**	**600**
Share of profit of equity-accounted investments, net of tax	17	-200	-969
PROFIT BEFORE TAX		**53,445**	**52,322**
Income taxes	43	13,802	14,544
- *of which non-recurring*	*43*	*-3,150*	*-1,319*
NET PROFIT FROM CONTINUING OPERATIONS		**39,644**	**37,778**
Profit (loss) from discontinued operations		0	0
NET PROFIT		**39,644**	**37,778**
Other components of the comprehensive income statement			
Components that will never be reclassified to profit or loss			
Actuarial gains (losses) of employee benefit provisions	30	-588	-285
Tax effect		141	68
Total components that will never be reclassified to profit or loss		**-447**	**-217**
Components that are or may be later reclassified to profit or loss:			
Exchange rate differences from the translation of foreign financial statements		-7	-59
Profits (losses) from measurement at fair value of derivative financial instruments	26	1,108	-819
Equity-accounted investments - share of Other comprehensive income	17	22	-11
Tax effect		-266	197
Total components that are or may be later reclassified to profit or loss		**858**	**-692**
Total other components of comprehensive income, net of tax		**411**	**-909**
Total comprehensive income for the period		**40,055**	**36,869**
Net profit attributable to:			
Group		38,321	37,143
Minority interests		1,323	635
Total comprehensive income for the period attributable to:			
Group		38,742	36,270
Minority interests		1,312	599
Earnings per share			
Basic earnings per Share (€)	44	0.83	0.79
Diluted earnings per share (€)	44	0.81	0.79

[2] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

Consolidated Statement of Changes in Shareholders' Equity

Amounts in thousands of Euro	Share capital	Treasury shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' equity
											Twelve-month period closed at 31 December 2021
Balance at 1 January 2021	47,207	-10,001	4,315	55,439	-864	-1,061	908	73,756	169,698	4,047	173,745
Comprehensive income for the period											
Profit for the period								38,321	38,321	1,323	39,644
Other components of the comprehensive income statement					836	-437		23	421	-11	411
Total comprehensive income for the period	*0*	*0*	*0*	*0*	*836*	*-437*	*0*	*38,344*	*38,742*	*1,312*	*40,055*
Transactions with Shareholders											
Dividends								-11,985	-11,985	-588	-12,573
Allocation to legal reserve			1,359					-1,359	0		0
Purchase of treasury shares		-9,327							-9,327		-9,327
Put adjustment on minority interests								-5,273	-5,273		-5,273
Stock Options							2,199		2,199	28	2,227
Sale of minority interests in subsidiaries					6	11	-51	12,819	12,785	42,215	55,000
Acquisitions of minority interests in subsidiaries								26	26	-28	-3
Other changes								-199	-199		-199
Total transactions with Shareholders	*0*	*-9,327*	*1,359*	*0*	*6*	*11*	*2,148*	*-5,972*	*-11,775*	*41,627*	*29,852*
Balance at 31 December 2021	47,207	-19,327	5,673	55,439	-21	-1,487	3,056	106,127	196,665	46,986	243,651

Amounts in thousands of Euro	Share capital	Treasury shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' equity
											Twelve-month period closed at 31 December 2020[3]
Balance at 1 January 2020	47,207	0	3,112	55,439	-241	-846	0	40,896	145,567	3,859	149,426
Comprehensive income for the period											
Profit for the period								37,143	37,143	635	37,778
Other components of the comprehensive income statement					-623	-215		-36	-873	-35	-909
Total comprehensive income for the period	*0*	*0*	*0*	*0*	*-623*	*-215*	*0*	*37,108*	*36,270*	*599*	*36,869*
Transactions with Shareholders											
Dividends								-1,682	-1,682	-513	-2,195
Allocation to legal reserve			1,202					-1,202	0		0
Purchase of treasury shares		-10,001							-10,001		-10,001
Put adjustment on minority interests								-1,326	-1,326		-1,326
Acquisitions									0	100	100
Stock Options							908		908	1	909
Acquisitions of minority interests in subsidiaries								-38	-38		-38
Total transactions with Shareholders	*0*	*-10,001*	*1,202*	*0*	*0*	*0*	*908*	*-4,248*	*-12,138*	*-412*	*-12,550*
Balance at 31 December 2020	47,207	-10,001	4,315	55,439	-864	-1,061	908	73,756	169,698	4,047	173,745

[3] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

Consolidated Statement of Cash Flows

(Amounts in thousand of Euro)	*Twelve-month period closed at 31 December*		
	Notes	**2021**	**2020[4]**
Cash flows from operations			
Net profit		**39,644**	**37,778**
Adjustments for:			
- Amortisation and depreciation	41	33,631	22,453
- Impairment (Revaluations)	41	1,224	2,140
- Provisions	41	1,225	628
- Provisions for Stock Options	38	2,227	909
- Net financial charges	42	3,299	-600
- of which vs. related parties	*45*	*55*	*65*
- Share of profit of equity-accounted investments	17	200	969
- Income taxes	43	13,802	14,544
Changes in:			
- Inventories	23	46	-10
- Contract cost assets	20	-657	27
- Trade and other receivables and Contract assets	22	-6,365	1,773
- of which vs. related parties	*45*	*-472*	*219*
- Trade and other payables	32	6,943	3,797
- of which vs. related parties	*45*	*167*	*75*
- Provisions and employee benefits	29.30	397	220
- Contract liabilities and deferred income, including public contributions	33.34	2,706	10,890
- of which vs. related parties	*45*	*133*	*-203*
Cash and cash equivalents generated by operations		**98,321**	**95,519**
Income taxes paid		-25,784	-13,943
Net cash and cash equivalents generated by operations		**72,537**	**81,577**
Cash flows from investments			
Interest collected		46	31
Collections from sale or repayment of financial assets		6,844	12,246
Investments in equity-accounted shareholdings	17	-1,215	-5,255
Investments in property, plant and equipment	15	-1,611	-2,699
Investments in other financial assets		-212	-1,073
Investments in intangible assets	14	-14,551	-12,169
Increases in the scope of consolidation, net of liquidity acquired	13	-92,797	-3,336
Net cash and cash equivalents generated/(absorbed) by investments		**-103,495**	**-12,256**
Cash flows from financing			
Purchase of minority interests in subsidiaries		-3	-17,271
- of which vs. related parties		*0*	*-14,839*
Interest paid		-2,314	-1,972
- of which vs. related parties		*-67*	*-41*
MLT bank loans taken out	31	82,717	49,642
Repayment of MLT bank loans	31	-30,546	-12,269
Repayment of price deferment liabilities on acquisitions of equity investments	31	-2,695	-2,638
- of which vs. related parties	*45*	*-665*	*0*
Repayment of contingent consideration liabilities	31	-4,062	-7,581
Change in other current bank payables		-7,369	-2,470
Change in other financial payables		-1,883	493
Repayment of lease liabilities	31	-5,657	-3,850
- of which vs. related parties		*-621*	*-576*
Purchase of treasury shares	28	-9,327	-10,001
Capital increases - subsidiaries		0	3
Dividends paid		-12,464	-2,195
Net cash and cash equivalents generated/(absorbed) by financing		**6,398**	**-10,108**
Net increase (decrease) in cash and cash equivalents		-24,560	59,213
Cash and cash equivalents at 1 January	27	92,813	33,600
Cash and cash equivalents at 31 December	**27**	**68,253**	**92,813**

[4] The comparative figures for 2020 were restated in relation to the completion in 2021 of the activities to identify the *fair values* of assets and liabilities of Swascan S.r.l., consolidated on a line-by-line basis from 1 October 2020.

Notes to the Consolidated Financial Statements at 31 December 2021

1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tinexta S.p.A. ("Parent Company'") has its offices in Italy, in Rome, Piazza Sallustio n. 9. These Consolidated Financial Statements at 31 December 2021 include the Financial Statements of the Parent Company and its subsidiaries (jointly, the "Group"). The Group is mainly active in the *Digital Trust*, *Cybersecurity*, *Credit Information & Management* and *Innovation & Marketing Services* sectors. These Consolidated Financial Statements at 31 December 2021 were approved and authorised for publication by the Board of Directors of Tinexta S.p.A. at its meeting on 17 March 2022.

The Shares of the Parent Company are listed on the Electronic Equity Market (MTA) managed by Borsa Italiana S.p.A., STAR segment. At the date of preparation of these Consolidated Financial Statements, Tecno Holding S.p.A. (the 'Controlling Shareholder') is the shareholder with an absolute majority of Tinexta S.p.A. shares. The Controlling Shareholder does not exercise management nor coordination activities for Tinexta.

2. PREPARATION CRITERIA AND COMPLIANCE WITH IFRS

These Consolidated Financial Statements prepared in accordance with Article 154-ter of Legislative Decree no. 58/98 - CFA - and subsequent amendments and additions, have been prepared in accordance with the *International Financial Reporting Standards* (IFRS), the interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC), approved by the European Commission and in force at the reporting date, as well as the previous *International Accounting Standards* (IAS). Furthermore, reference was made to the provisions issued by Consob in implementation of paragraph 3 of Article 9 of Legislative Decree 38/2005.
The Consolidated Financial Statements were drafted on a going concern basis, as the Directors have verified that there are no financial, managerial or other indicators that suggest critical issues concerning the Group capacity to fulfil its commitments in the foreseeable future and, in particular, over the next 12 months. The description of the procedures through which the Group manages financial risks is provided in the note below on Financial risk management.

3. PRESENTATION CRITERIA

The Consolidated Financial Statements consist of the Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, and these Notes.

It is specified that:

- the Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Statement of Profit or Loss and Other Comprehensive Income is classified on the basis of the nature of costs;
- the Statement of Cash Flows is presented using the indirect method.

In accordance with Consob Resolution no. 15519 of 28 July 2006, the Statement of Profit or Loss separately identifies, if any, income and charges arising from non-recurring transactions; similarly, shown separately in the Financial Statements are the Balances of transactions with Related Parties which are further described in Note *45. Transactions with Related Parties*.

The Consolidated Financial Statements are presented in Euro, i.e. the functional currency of the Parent Company and of its subsidiaries (except for Camerfirma Perù S.A.C., whose functional currency is the Peruvian Nuevo Sol - PEN and Europroject OOD whose functional currency is the Bulgarian Lev - BGN) and all values are expressed in thousands of Euro unless otherwise indicated.

4. SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The Consolidated Financial Statements include the Financial Statements of the Parent Company Tinexta S.p.A. and of the companies on which the Company has the right to exercise control, directly or indirectly, as defined by IFRS 10 "Consolidated Financial Statements".
For the purposes of the assessment of the existence of control, the three necessary elements are all present:
• power over the company;
• exposure to the risk or rights arising from the variable returns linked to its involvement;
• ability to influence the company, so as to have an impact on the results (positive or negative) for the investor (correlation between power and own exposure to risks and benefits).

Control can be exercised both on the basis of the direct or indirect possession of the majority of the shares with voting rights, on the basis of contractual or legal agreements, independently from the possession of stocks. In assessing these rights, we take into account the power to exercise these rights independently from their effective exercise and all potential voting rights are considered.

The list of companies consolidated on a line-by-line basis or with the equity method at 31 December 2021 is shown in the following table.

Company	Registered office	at 31 December 2021					
		Share capital		% ownership	via	% contribution to the Group	Consolidation method
		Amount (Amounts in thousand of Euro)	Currency				
Tinexta S.p.A. (Parent Company)	Rome	47,207	€	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	€	99.99%	n.a.	99.99%	Line-by-line
Innolva S.p.A.	Buja (UD)	4,000	€	75.00%	n.a.	75.00%	Line-by-line
Re Valuta S.p.A.	Milan	200	€	95.00%	n.a.	95.00%	Line-by-line
Co.Mark S.p.A.	Bergamo	150	€	100.00%	n.a.	100.00%	Line-by-line
Visura S.p.A.	Rome	1,000	€	100.00%	n.a.	100.00%	Line-by-line
Warrant Hub S.p.A.	Correggio (RE)	58	€	100.00%	n.a.	100.00%	Line-by-line
Tinexta Cyber S.p.A.	Rome	1,000	€	100.00%	n.a.	100.00%	Line-by-line
Sixtema S.p.A.	Rome	6,180	€	80.00%	InfoCert S.p.A.	99.99%	Line-by-line
AC Camerfirma S.A.	Spain	3,421	€	51.00%	InfoCert S.p.A.	50.99%	Line-by-line
CertEurope S.A.S.	France	500	€	60.00%	InfoCert S.p.A.	99.99%	Line-by-line
Comas S.r.l.	Arezzo	100	€	100.00%	Innolva S.p.A.	75.00%	Line-by-line
Innolva Relazioni Investigative S.r.l.	Brescia	10	€	100.00%	Innolva S.p.A.	75.00%	Line-by-line
Forvalue S.p.A.	Milan	150	€	100.00%	Innolva S.p.A.	75.00%	Line-by-line
Co.Mark TES S.L.	Spain	36	€	100.00%	Co.Mark S.p.A.	100.00%	Line-by-line
Queryo Advance S.r.l.	Quartu Sant'Elena (CA)	10	€	60.00%	Co.Mark S.p.A.	100.00%	Line-by-line
Warrant Innovation Lab S.r.l.	Correggio (RE)	25	€	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Warrant Service S.r.l.	Correggio (RE)	40	€	50.00%	Warrant Hub S.p.A.	50.00%	Line-by-line
BeWarrant S.p.r.l.	Belgium	12	€	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
PrivacyLab S.r.l.	Reggio Emilia	10	€	60.00%	Warrant Hub S.p.A.	90.00%	Line-by-line
Trix S.r.l.	Correggio (RE)	10	€	70.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Euroquality SAS	France	16	€	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Europroject OOD	Bulgaria	10	BGN	100.00%	90.00% Warrant Hub S.p.A. 10.00% Euroquality SAS	100.00%	Line-by-line
Financial Consulting Lab S.r.l.	Brescia	16	€	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Financial CLab S.r.l.	Brescia	10	€	100.00%	Warrant Hub S.p.A.	100.00%	Line-by-line
Swascan S.r.l.	Milan	178	€	51.00%	Tinexta Cyber S.p.A.	100.00%	Line-by-line
Corvallis S.r.l.	Padua	1,000	€	70.00%	Tinexta Cyber S.p.A.	100.00%	Line-by-line

Yoroi S.r.l.	Rome	100	€	60.00%	Tinexta Cyber S.p.A.	100.00%	Line-by-line
Camerfirma Perù S.A.C.	Peru	84	PEN	99.99%	AC Camerfirma S.A.	50.99%	Line-by-line
FBS Next S.p.A.	Ravenna	2,000	€	30.00%	Tinexta S.p.A.	30.00%	Equity method
Etuitus S.r.l.	Salerno	50	€	24.00%	InfoCert S.p.A.	24.00%	Equity method
Authada GmbH	Germany	74	€	16.67%	InfoCert S.p.A.	16.67%	Equity method
Camerfirma Colombia S.A.S.	Colombia	1,200,000	COP	51.00%	1% InfoCert S.p.A. 50% AC Camerfirma S.A.	26.50%	Equity method
IDecys S.A.S.	France	1	€	30.00%	CertEurope S.A.S.	30.00%	Equity method
Creditreform GPA Ticino S.A.	Switzerland	100	CHF	30.00%	Innolva S.p.A.	22.50%	Equity method
Wisee S.r.l. Benefit company	Milan	14	€	18.80%	Innolva S.p.A.	14.10%	Equity method
Innovazione 2 Sagl	Switzerland	20	CHF	30.00%	Warrant Hub S.p.A.	30.00%	Equity method
Studio Fieschi & Soci S.r.l.	Turin	13	€	20.00%	Warrant Hub S.p.A.	20.00%	Equity method
Opera S.r.l.	Bassano del Grappa (VI)	13	€	20.00%	Warrant Service S.r.l.	10.00%	Equity method
Digital Hub S.r.l.	Reggio Emilia	10	€	30.00%	PrivacyLab S.r.l.	27.00%	Equity method

The percentage of ownership indicated in the table refers to the portions actually owned by the Group at the reporting date. The contribution percentage refers to the contribution to the Shareholders' equity of the Group made by the individual companies following the recognition of additional equity investments in the consolidated companies as a result of the recognition of the *Put* options granted to the minority shareholders on the shares held by them.
The financial statements of the subsidiaries are consolidated starting from the date on which the control was acquired.

All the financial statements used for the preparation of the Consolidated Financial Statements were drafted at 31 December 2021 and adjusted, where necessary, to make them consistent with the accounting standards applied by the Parent Company.

The criteria adopted for line-by-line consolidation are the following:

- assets and liabilities, charges and income of the subsidiaries are consolidated line by line, attributing to the minority interests, if applicable, the portion of Shareholders' Equity and Net Profit for the period that pertains to them; these portions are shown separately within Shareholders' Equity and the Income Statement.
- business combinations are recognised in accordance with the provisions of IFRS 3 Business Combinations according to the *Acquisition method*. The cost of acquisition is represented by the current value ("*fair value*") at the time of the acquisition of the assets sold, the liabilities taken on and the equity instruments issued. The identifiable assets, liabilities and potential liabilities acquired are recognised at their current value at the time of the acquisition, with the exception of deferred tax assets and liabilities, assets and liabilities for employee benefit obligations, and assets held for sale, which are recognised on the basis of the corresponding reference accounting standards. The difference between the cost of acquisition and the current value of the assets and liabilities acquired is recognised as goodwill in intangible assets, if positive; if negative, after checking the correct measurement of the current values of the assets and liabilities acquired and the acquisition cost, it is recognised directly in the Income Statement, as income.
- The accessory charges related to the acquisition are recognised in the Income Statement at the time in which the services are provided.
- In the case of purchase of controlling interests of less than 100% of share capital, goodwill is recognised only for the part attributable to the Parent Company. The value of minority interests is calculated in proportion to the portions of equity investment held by third parties in the net identifiable assets of the acquired company.
- If the business combination was carried out in multiple stages, at the time of the acquisition of the control the equity investments previously held are re-measured at *fair value* and any difference (positive or negative) is recognised in the Income Statement.

- In the case of the purchase of minority interests, after control has been obtained, the difference between the acquisition cost and book value of the minority interests acquired is deducted from or added to the Shareholders' Equity of the Parent Company. In the case of sales of equity investments that do not involve a loss of control, instead, the difference between sale price and carrying amount of the equity investments sold is recognised directly to Shareholders' Equity (as an increase), without passing through the Income Statement.
- The items deriving from relations between the consolidated companies are cancelled, especially those deriving from outstanding receivables and payables at the end of the period, costs and revenues as well as financial charges and income recognised in the Income Statements of these companies. Realised profits and losses between the consolidated companies with the related tax adjustments are also cancelled.

ASSOCIATED COMPANIES

Associated companies are those on which the Group exercises a significant influence, which is assumed to exist when the equity investment holds between 20% and 50% of voting rights. Equity investments in associated companies are valued with the equity method and are initially recognised at cost. The equity method is described below:

- the carrying amount of the equity investments is aligned with the Shareholders' Equity adjusted, if necessary, to reflect the application of IFRS and includes the recognition of the greater/lower values allocated to the assets and to the liabilities, and any goodwill identified at the time of the acquisition;
- the profits or losses attributable to the Group are recognised from the date on which the significant influence starts and until the date the significant influence ceases. If, as a result of the losses, the Company measured with the method in question reports negative shareholders' equity, the carrying value of the equity investment is cancelled and any excess attributable to the Group, where the latter is committed to fulfil legal or implicit obligations of the associated company, or in any case to cover its losses, is recognised in a specific reserve; the changes in the shareholders' equity of the Company valued with the equity method are not represented in the Income Statement, but are recognised directly among the other components of comprehensive income;
- unrealised profits and losses on transactions carried out between the Company/subsidiaries and the associated company measured with the equity method, including distributed dividends, are eliminated on the basis of the value of the equity investment of the Group in the associated company, excluding losses if these are representative of a decrease in value of the underlying assets.

5. TRANSLATION OF FINANCIAL STATEMENTS EXPRESSED IN CURRENCIES OTHER THAN THE PRESENTATION CURRENCY

The rules for the translation of the Financial Statements expressed in currencies different from the currency of presentation (excluding situations in which the currency belongs to a hyper-inflation country, which is not the case for the Group), are the following:
• assets and liabilities included in the statements presented have been converted at the exchange rate on the closing date of the period;
• costs and revenues, expenses and income, included in the statements presented are translated at the average exchange rate for the period, or at the exchange rate on the transaction date if it differs significantly from the average exchange rate;
• the "conversion reserve" includes both the exchange rate differences generated from the conversion of economic amounts at an exchange rate different from the closing exchange rate and those generated from the conversion of opening shareholders' equity at a different exchange rate than that of the closing of the

reporting period. The translation reserve is transferred to the Income Statement at the time of the full or partial sale of the equity investment when this sale involves the loss of control.
Goodwill and the adjustments deriving from the measurement at fair value of the assets and liabilities resulting from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the end of period exchange rate.

6. SEGMENT REPORTING

Information regarding the business segments has been prepared in accordance with IFRS 8 "Operating Segments", which provides information consistently with the manner adopted by management to make operating decisions. Therefore, the identification of the operating segments and the information presented are defined on the basis of the internal reports used by the management to allocate resources to the different units and to analyse their performance.
An operating segment is defined by IFRS 8 as the component of an entity (i) that carries out business activities generating revenues and costs (including revenues and costs for transactions with other components of the same entity); (ii) the operating results of which are reviewed regularly at the highest decisional level of the entity to make decisions on the resources to be allocated to the sector and the measurement of the performance; (iii) for which separate financial statement information is available.
The operating units identified by management, which encompass all the services and products provided to the customers, are:

- *Digital Trust*
- *Credit Information & Management*
- *Innovation & Marketing Services*
- *Cybersecurity*

With respect to 2020, the consolidated economic data for 2021 include:

- the balances of CertEurope S.A. (*Digital Trust* segment) consolidated as from 1 November 2021;
- the balances of Corvallis S.r.l. (*Cybersecurity* segment) consolidated as from 1 January 2021;
- the balances of Yoroi S.r.l. (*Cybersecurity* segment) consolidated as from 1 January 2021;
- the balances of Swascan S.r.l. (*Cybersecurity* segment) consolidated as from 1 October 2020;
- the balances of Tinexta Cyber S.p.A. (*Cybersecurity* segment) established on 1 January 2021;
- the balances of Forvalue S.p.A. (*Credit Information & Management* segment) consolidated as from 1 July 2021;
- the balances of Queryo Advance S.r.l. (*Innovation & Marketing Services* segment) consolidated as from 1 January 2021;
- the balances of Euroquality SAS and Europroject OOD (*Innovation & Marketing Services* segment) consolidated as from 31 December 2020;
- the balances of Trix S.r.l. (*Innovation & Marketing Services* segment) established on 16 December 2020;
- the balances of Financial Consulting Lab S.r.l. and Financial CLab S.r.l. (*Innovation & Marketing Services* segment) consolidated as from 1 October 2021.

The results of the operating segments are measured and revised periodically by management by analysing trends in EBITDA, defined as "Net Profit" before "Income taxes", "Net financial income (charges)", "Portion of profits from equity-accounted investments", "Amortisation/depreciation", "Provisions" and "Impairment", i.e., as "Revenues" net of "Costs of raw materials", "Service costs", "Personnel costs", "Contract costs" and "Other operating costs".

In particular, management believes that EBITDA provides a good indication of performance as it is not affected by tax regulations and amortisation and depreciation policies.

Breakdown of the Revenues and EBITDA for the individual operating units:

Amounts in thousands of Euro ***Twelve-month period closed at 31 December***	***Digital Trust***		***Cybersecurity***		***Credit Information & Management***		***Innovation & Marketing Services***		**Other sectors (Holding costs)**		***Total***	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Segment revenues	131,296	115,917	72,825	743	78,989	77,251	94,833	76,511	2,317	2,186	380,260	272,608
Intra-segment revenues	513	720	809	0	996	380	275	245	2,313	2,180	4,906	3,524
Revenues from third parties	**130,782**	**115,197**	**72,016**	**743**	**77,993**	**76,871**	**94,558**	**76,266**	**4**	**7**	**375,353**	**269,084**
EBITDA[5]	**34,924**	**30,432**	**8,727**	**140**	**22,209**	**23,545**	**40,353**	**34,760**	**-13,189**	**-10,965**	**93,024**	**77,912**
Amortisation/depreciation, provisions and impairment											36,080	25,221
Operating profit											**56,944**	**52,691**
Net financial income (charges)											-3,299	600
Result of equity-accounted investments											-200	-969
Profit before tax											**53,445**	**52,322**
Income taxes											13,802	14,544
Net profit											**39,644**	**37,778**

Breakdown of assets and liabilities by operating segment:

Amounts in thousands of Euro	***Digital Trust***		***Cybersecurity***		***Credit Information & Management***		***Innovation & Marketing Services***		**Other sectors (Parent Company)**		***Total***	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Amounts in thousands of Euro												
Assets	210,288	153,351	158,734	15,539	191,035	161,014	216,043	171,087	28,146	22,053	**804,246**	**523,044**
Liabilities	156,892	109,009	122,829	12,378	51,380	57,524	120,965	114,594	108,528	55,794	**560,595**	**349,299**

7. NEW STANDARDS OR AMENDMENTS FOR 2021 AND FUTURE REQUIREMENTS

As required by IAS 8 - Accounting standards, changes in accounting estimates and errors - the new accounting standards and interpretations are indicated below, as well as changes to existing standards and interpretations already applicable, not yet in force at the balance sheet date, which could be applied in the future in the consolidated financial statements of the Group:

a) New documents issued by the IASB and endorsed by the EU to be mandatorily adopted starting from the financial statements for the years starting on 1 January 2021

[5] EBITDA: is defined as "Net Profit" before "Income taxes", "Net financial income (charges)", "Portion of profit from equity-accounted investments", "Amortisation and depreciation", "Provisions" and "Impairment", or as "Revenues" net of "Costs of raw materials", "Service costs", "Personnel costs", "Contract costs" and "Other operating costs".

Document title	Date of issue	Date of entry into force	Date of endorsement	EU regulation and publication date
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	August 2020	1 January 2021	13 January 2021	(EU) 2021/25 14 January 2021
Covid-19 Related Rent Concessions after 30 June 2021 (Amendment to IFRS 16)	March 2021	1 April 2021	30 August 2021	(EU) 2021/1421 31 August 2021
Extension of the Temporary Exemption from applying IFRS 9 (Amendments to IFRS 4)	June 2020	1 January 2021	15 December 2020	(EU) 2020/2097 16 December 2020

- **Amendments to IFRS 9, IAS 39, IFRS 7 regarding "Interest Rate Benchmark Reform" (phase 2) - extension beyond June 2021**

  With effect from 1 January 2021, as part of the IBOR (Interbank Offered Rates) reform process, the document "Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform - phase 2" is effective. For the assessment and definition of hedging relationships of financial instruments affected by these rates: (i) clarifies that the replacement of the existing IBOR rate with the new risk-free rate does not represent an event of derecognition of assets and liabilities; (ii) introduces provisions on hedge accounting aimed at not creating discontinuity in existing hedging relationships; (iii) requests qualitative and quantitative information on the nature and risks associated with this reform, on the management of such risks and on progress in the transition process to the new rates.

- **Covid-19 Related Rent Concessions after 30 June 2021 (Amendment to IFRS 16)**

  With Regulation (EU) no. 2021/1421 of 30 August 2021, published in the Official Journal of the European Union on 31 August 2021, the document "Covid-19 Related Rent Concessions after 30 June 2021 (amendment to IFRS 16 Leases)" was adopted, approved by the IASB Board on 31 March 2021 and which expanded the scope of application of the practical expedient for accounting for "rent concessions" obtained by lessees as a direct consequence of the Covid-19 pandemic. With the 2021 Amendment, the IASB has published some amendments to IFRS 16 which move the deadline from 30 June 2021 to 30 June 2022 to take advantage of the practical expedient for the valuation of leasing contracts, in the event that following the Covid-19 rents have been renegotiated. The lessee may choose to account for the concession as a variable rent over the period in which a lower payment is recognised.

The adoption of the new standards applicable from 1 January 2021 had no impact.

b) IAS/IFRS and related IFRIC interpretations applicable to financial statements starting after 1 January 2021, documents endorsed by the EU at 31 December 2021

Document title	Date of issue	Date of entry into force	Date of endorsement	EU regulation and publication date
Improvements to IFRS (2018-2020 cycle) (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Property, plant and equipment - Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Onerous contracts - Costs of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021

Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021

The accounting standards, amendments and interpretations, in force from 1 January 2022 and endorsed by the European Commission, are set out below:

- With Regulation (EU) no. 2021/1080 of 28 June 2021, published in the Official Journal of the European Union of 2 July 2021, the following documents published by the IASB Board on 14 May 2020 were endorsed:

  - **Amendments to IFRS 3 - Reference to the Conceptual Framework**

    The amendments update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of the standard. With the amendment to IFRS 3, to identify assets and liabilities of the acquiree, reference must be made to the new definitions of assets and liabilities of the new Conceptual Framework published in March 2018, with the sole exception of the liabilities assumed in the acquiree, which after the acquisition date are accounted for in accordance with IAS 37 - Provisions, contingent liabilities and contingent assets or IFRIC 21 - Levies;

  - **Amendments to IAS 16 - Property, plant and equipment: proceeds before intended use**

    The IASB Board clarified that proceeds from the sale of goods produced by an asset during the period prior to the date in which the asset is in the necessary location and condition for it to function in the manner intended by management, they must be recognised in profit/(loss) for the year. As a result of the aforementioned amendment, it will no longer be allowed to recognise as a direct reduction in the cost of the asset the proceeds deriving from the sale of goods produced before the asset is available for its use, for example, proceeds from the sale of samples produced during the testing of the correct functioning of the asset;

  - **Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract**

    The IASB Board clarified that the costs necessary for the fulfilment of a contract include all costs directly related to the contract and therefore include:

    - incremental costs, i.e. costs that would not have been incurred in the absence of the contract (for example, raw materials, costs for direct labour, etc.);
    - a portion of the other costs which, although not incremental, are directly related to the contract (for example, the depreciation rate of the assets used to fulfil the contract).

    Furthermore, the IASB Board confirmed that, before recognising a provision for an onerous contract, the entity must recognise any impairment losses on non-current assets and clarified that impairment losses must be determined with reference not only to activities dedicated entirely to the contract, but also to other activities that are partially used for the fulfilment of the contract itself;

  - **Improvements to IFRS - 2018-2020 cycle (Amendments to IFRS 1, IFRS 9 and IAS 41)**

    The Improvements to IFRS Standards are the result of the annual improvement process aimed at resolving non-urgent issues relating to inconsistencies or unclear terminologies identified in the International Accounting Principles. Please note that the document "Improvements to IFRS - 2018-2020 cycle" also includes an amendment to IFRS 16 which is not subject to approval by the European Union as it refers to an illustrative example that is not an integral part of IFRS 16.

These amendments, endorsed by the European Union on 28 June 2021 (EU regulation no. 2021/1080), will apply starting from the financial years starting on 1 January 2022 and are not expected to have significant effects on the financial statements of the Company. Early application is permitted.

c) IAS/IFRS and related IFRIC interpretations applicable to financial statements starting after 1 January 2021, documents NOT yet endorsed by the EU at 31 December 2021

At the date of approval of these Consolidated Financial Statements, the IASB had issued certain accounting standards, interpretations and amendments not yet approved by the European Union and some still in the consultation phase, including:

- **Amendments to IAS 1 - Presentation of financial statements - Classification of liabilities as current or non-current**

  On 23 January 2020, the IASB issued the document "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", clarifying the criteria that must be used in order to determine whether the liabilities should be classified as current or non-current. The provisions are effective starting from financial years starting on 1 January 2023 or later. The amendments aim to promote consistency in the application of the requirements by helping companies to determine whether payables, and other liabilities with an uncertain settlement date, should be classified as current (due or potentially to be paid within one year) or non-current. In addition, they include clarifications regarding the classification requirements for liabilities that an entity could settle through conversion into equity instruments.

- **Amendments to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2: Presentation of accounting principles**

  On 12 February 2021, the IASB issued the document "Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)" with the aim of indicating the accounting principles to be illustrated in the financial statements. The amendments are effective for financial years starting on or after 1 January 2023 and operate as follows: (i) the notes to the financial statements illustrate the relevant accounting principles instead of the significant accounting principles; (ii) information on accounting principles is material if users of the financial statements need it to understand other material information in the financial statements; (iii) information on immaterial accounting principles must not obscure information on relevant accounting principles.

- **Amendments to IAS 8 - Accounting standards, changes in accounting estimates and errors: definition of accounting estimates**

  On 12 February 2021, the IASB issued the document "Definition of Accounting Estimates (Amendments to IAS 8)". The amendments to IAS 8, effective for financial years starting on or after 1 January 2023, clarify that: (i) the accounting estimates are “monetary amounts in the financial statements subject to measurement uncertainty”; (ii) entities make accounting estimates if accounting policies require items in the financial statements to be measured in a way that results in measurement uncertainty; (iii) a change in the accounting estimate resulting from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or measurement technique used to make an accounting estimate are changes in accounting estimates if they do not result from the correction of errors from previous periods; (iv) a change in an accounting estimate can only affect the profit or loss for the current year, or profit or loss for both the current and future years. The effect of the change relating to the current year is recognised as income or expense in the current year. Any effect on future periods is recognised as income or expense in such future periods.

- **Amendments to IAS 12 - Income taxes: deferred taxes relating to assets and liabilities arising from a single transaction**

  On 7 May 2021 the IASB issued the document "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)" to clarify that in the recognition of deferred taxes on lease agreements and dismantling obligations the exemption provided for by IAS 12.15 (b) and by IAS 12.24 is not applied. The amendments are effective from financial years starting on 1 January 2023 or later. Early application is permitted. The potential impact that the accounting standards, amendments and interpretations to be applied in the near future may have on the financial reporting of the Company are being examined and assessed.

For all the newly issued standards, as well as for the revisions and amendments to existing standards, the Tinexta Group is evaluating any impacts currently not reasonably estimated deriving from their future application.

8. MEASUREMENT CRITERIA

The accounting standards and the most significant measurement criteria used for the preparation of the Consolidated Financial Statements:

PROPERTY, PLANT AND EQUIPMENT

Tangible assets are valued at the cost of purchase or production and net of accumulated depreciation and impairment, if any. The cost includes all the charges directly incurred to prepare the assets to be used, as well as any dismantling and removal charge that shall be incurred to bring the work site back to its original conditions.
The charges incurred for ordinary and/or regular maintenance and repair are directly recognised in the income statement in the year in which they are incurred. The capitalisation of the costs for the expansion, modernisation or improvement of the structural items owned or in use by third parties is carried out only to the extent to which they meet the requirement for a separate classification as assets or part of an asset. Any public contributions to tangible assets are recorded as deferred revenues and recognised as income in the income statement on a systematic and rational basis over the useful life of the related asset.
The value of an asset is adjusted for systematic depreciation, calculated on the basis of its estimated useful life. When the asset is recognised for the first time, the depreciation is calculated keeping into account the effective date on which the asset is ready for use. The useful life estimated by the Group, for the different classes of assets, is the following:

	Estimated useful life
Land	indefinite
Buildings	33 years
Electronic machines	2.5 - 6 years
Other assets	2.5 - 8 years
Leasehold improvements	6 years

The estimates of the useful life and of the residual value are reviewed at least once a year.
Depreciation ends when the asset is transferred or reclassified as held for sale.
If the asset subject to depreciation includes distinctly identifiable and significant components, with different estimated useful life, the depreciation is calculated separately for each of the different components, in application of the *component approach* standard.
Gains and losses realised on the sale of assets or groups of assets are calculated by comparing the sale price with the corresponding net carrying amount.

The assets related to the rights of use concerning lease agreements are recognised under the item Property, plant and equipment. As regards the initial recognition and subsequent measurement criteria applied to these assets, see the section *LEASED ASSETS*.

LEASED ASSETS

The Group assesses if the agreement is or contains a lease at its effective date. The agreement is or contains, a lease if, against payment, gives the right to control the use of a specific asset, for a given period of time. At the date when the lessor makes the underlying asset available to the Group (effective date of the lease), the latter recognises the asset consisting of the right of use, and recognises the lease liability, except for short term leases (as in the case of lease agreements of a duration equal to or less than 12 months) and for the leases of assets of a modest value (namely, with a value less than €5,000 when new). For the latter, the Group recognises the payments due for said leases as a cost, on a straight-line basis for the duration of the lease, or according to another criterion that is a better representative of the way the benefits are obtained.

Financial liabilities deriving from the lease are initially recognised at the current value of the future payments at the effective date of the agreement, discounted at the implicit rate of the lease. If this rate is not promptly determinable, the rate used is the marginal loan rate of the Group, understood as the rate that the Group should pay for a loan with a similar duration and guarantees, necessary to obtain an asset of a value similar to the asset consisting of the right of use within a similar economic context.

At their maturity dates, the payments due for the lease, included in the measurement of lease liabilities, comprise the following payments for the right of use of the underlying asset throughout the duration of the lease, not yet made at the maturity date:

- fixed payments, net of any lease incentive to be received;
- variable payments due for the leases that depend on an index or a rate, valued initially by using an index or a rate at their start date (e.g. instalments revalued according to ISTAT or associated to the EURIBOR);
- amounts that the Group is expected to pay as a guarantee on the residual value;
- penalties to be paid for the termination of a lease if the duration of the lease provides for the exercise by the Group of the option of lease termination.

After the start date, the Group assesses the lease liability:

- increasing the accounting value considering the interest on the lease liability;
- decreasing the accounting value considering the payments due for the executed leases; and
- re-determining the accounting value considering any new assessment or change in the lease or the revision of the fixed payments due for the lease.

After the effective date, the Group re-determines the lease liability as an adjustment of the asset consisting of the right of use:

- in the case of a change in the duration of the lease, by discounting the revised lease payments using a revised discounting rate;
- in the case of a change in the assessment of an option for the purchase of the underlying asset, by discounting the revised lease payments using a revised discounting rate;
- in the case of a change in the payments following a change in the index or in the rate used to determine the payments, by discounting the revised lease payments using the same discounting rate.

The initial cost of the asset consisting of the right of use includes: the amount of the initial measurement of the lease liability, the lease payments made at or before the effective date, net of the lease incentives received, the initial direct costs incurred by the Group, i.e. those incremental costs incurred for obtaining the lease that would have not been incurred if the lease had not been obtained and the estimate of the costs that the Group must bear for the dismissal and removal of the underlying asset and for the restoration of the site where it is located or for the restoration of the underlying assets in the conditions set forth in lease, unless these costs are incurred for producing inventory.

The Group opted for the recognition of assets consisting of the right of use under the item Property, plant and equipment under the same categories where the corresponding assets would have been recognised if they were owned.
The asset consisting of the right of use is subsequently measured by applying the cost model, net of the accumulated amortisation and impairment of the accumulated value, adjusted in order to take into account any re-measurement of the lease liability. If the lease transfers the ownership of the underlying asset to the Group at the end of the *lease* or if the cost of the asset consisting of the right of use reflects the fact that the Group will exercise the purchase option, the Group amortises the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset. Conversely, the Group depreciates the asset consisting of the right of use from the effective date to the end of the useful life of said asset or, if prior, to the end of the lease duration.

INTANGIBLE ASSETS

Intangible assets consist of non-monetary items without physical form, but which can be clearly identified and able to generate future economic benefits for the company. These items are recognised at the acquisition and/or production cost, inclusive of the expenses directly attributable to the stage of preparation to the activity to make it operational, net of accumulated amortisation (with the exception of intangible assets with indefinite useful life) and any impairment. The amortisation starts when the asset becomes available for use and is allocated systematically with regard to its residual possibility of use, that is, on the basis of its useful life. When the intangible asset is recognised for the first time, amortisation is calculated taking into account the effective use of the asset. Specifically, within the Group, the following main categories of intangible assets can be identified:

- *Goodwill*: goodwill recognised among intangible assets is related to business combination transactions and represents the difference between the cost incurred for the acquisition of a company or a business unit and the sum of the fair value assigned, at the time of acquisition, to the individual assets and liabilities that make up the capital of that company or business unit. Having indefinite useful life, goodwill is not subject to *systematic amortisation but undergoes an impairment test* at least once a year. For the purposes of the *execution of the impairment test,* the goodwill acquired in a business combination is allocated to the individual *Cash Generating Unit* (CGU) or to groups of CGUs that are expected to benefit of the synergies of the aggregation, in compliance with the minimum level at which this goodwill is monitored within the Group. Goodwill related to associated companies, *joint ventures* or non-consolidated subsidiaries is included in the value of the equity investments.
- *Software:* Software is recognised at its acquisition and/or development cost net of accumulated amortisation and impairment, if any. The amortisation is carried out from the year in which the software, either acquired or internally developed, is available for use and is calculated taking as reference the shorter period between that of expected use and that of ownership. The useful life varies according to the business of the companies and is between 3 and 8 years.
- *Concessions, licences and trademarks:* Costs for the acquisition, internal production and user licenses of the trademarks fall under this category. The costs, inclusive of the direct and indirect expenses incurred to obtain the rights, may be capitalised as assets after obtaining their ownership and are systematically amortised taking as reference the shorter period between that of expected use and that of ownership of the rights. Useful life is 5 years.

- *Databases:* the costs to acquire financial information are recognised in intangible assets only to the extent to which the Group is able to reliably measure for these costs the future benefits deriving from the acquisition of the information assets. The useful life is between 3 and 4 years.
- *Intangible assets from business combination transactions*: These concern the allocation during PPA (*purchase price allocation*) of the *excess cost* paid for the acquisition of control:
  - ✓ of Ribes, now merged into Innolva S.p.A., at the beginning of 2013, which has involved the recognition of an intangible asset for *backlog orders* for an amount of €434 thousand, fully recognised as a deduction from shareholders' equity at the time of the transition since, for the duration of the contracts which it refers to, it exhausts its future utility in a single year, and an intangible asset for *customer lists* for an amount of €7,232 thousand that, on the basis of the rate of turnover of customers, is believed it may exhaust its future utility in a period of 20 years from the acquisition date;
  - ✓ of Assicom, now merged into Innolva S.p.A., carried out at the end of 2014, which has involved the recognition of an intangible asset for *backlog orders* for an amount of €1,302 thousand to be amortised in 4 years from 2015, to date fully amortised, and an intangible asset for *customer lists* for an amount of €14,304 thousand that, on the basis of the rate of turnover of customer, it is believed may exhaust its future utility in a period of 14 years from the acquisition date;
  - ✓ of the former subsidiary Infonet S.r.l., today merged into Innolva S.p.A., carried out at the end of 2014, which has involved the recognition of an intangible asset for *backlog orders* for an amount of €272 thousand fully recognised in the income statement in 2015 and an intangible asset for *customer lists* for an amount of €5,728 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 16 years from the acquisition date;
  - ✓ of the former subsidiary Datafin S.r.l., now merged into Innolva S.p.A., carried out at the end of 2015, which has involved the recognition of an intangible asset for *customer lists* for an amount of €741 thousand that, on the basis of the rate of turnover of customers of the former subsidiary, it is believed may exhaust its future utility in a period of 10 years from the acquisition date;
  - ✓ of Warrant Hub and its subsidiaries, carried out in November 2017, which has involved the recognition of an intangible asset for *customer lists* for an amount of €29,451 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 17 years from the acquisition date;
  - ✓ of Camerfirma and its subsidiaries, carried out in May 2018, which has involved the recognition of an intangible asset for *customer lists* for an amount of €360 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 7 years from the acquisition date;
  - ✓ of Promozioni Servizi, merged with Innolva S.p.A. in October 2018, which has involved the recognition of an intangible asset for *customer lists* for an amount of €2,454 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 13 years from the acquisition date;
  - ✓ of Privacy Lab now, which occurred in January 2020, which has involved the recognition of an intangible asset for *customer lists* for an amount of €687 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 9 years from the acquisition date;
  - ✓ of Swascan, carried out in October 2020, which has involved the recognition of an intangible asset for *customer lists* for an amount of €3,774 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 5 years from the acquisition date;
  - ✓ of Euroquality, carried out in December 2020, which has involved the recognition of an intangible asset for *backlog orders* for an amount of €575 thousand that, on the basis of the term of the

contracts, it is believed may exhaust its future utility in a period of 6 years from the acquisition date;

- ✓ of Corvallis, which occurred in January 2021, which has involved the recognition of an intangible asset for *customer lists* for an amount of €46,535 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 17 years from the acquisition date;
- ✓ of Yoroi, which occurred in January 2021, which has involved the recognition of an intangible asset for *customer lists* for an amount of €13,338 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 5 years from the acquisition date;
- ✓ of Queryo Advance, which occurred in January 2021, which has involved the recognition of an intangible asset for *customer lists* for an amount of €12,245 thousand that, on the basis of the rate of turnover of customers, it is believed may exhaust its future utility in a period of 15 years from the acquisition date.

INVESTMENT PROPERTY

Property held for the purpose of obtaining rents or for the appreciation of invested capital, or both (other than those intended for use in the production or supply of goods or services or in the administration of the company, recorded in the item Property, plant and equipment), are valued at cost and subject to depreciation. The estimated useful life of buildings classified as Investment property is estimated at 33 years.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (ASSET IMPAIRMENT)

Goodwill and intangible assets with indefinite useful life

Assets with indefinite useful life are not subject to amortisation, but undergo, at least once a year, an assessment of the recoverability of the value recognised in the Financial Statements (*impairment test*). As previously indicated, goodwill undergoes an *impairment test*, annually or more frequently, if there are indications that it may have suffered a decrease in value.
The *impairment test* is carried out on each of the cash-generating units ("CGU") to which goodwill was allocated and monitored by management.
Any decrease in value of goodwill is recognised if the recoverable amount of the CGU to which goodwill is allocated is less than the corresponding value recognised in the Financial Statements.
The recoverable amount is understood as the greater between the *fair value* of the CGU, net of sale charges, and the corresponding value in use, the latter being the current value of the expected future cash flows for the assets that make up the CGU. In calculating the value in use, the expected future cash flows are discounted using a discount rate inclusive of taxes, which reflects the current market assessments of the cost of cash, in proportion to the period of the investment and the specific risk of the asset. If the decrease in value identified through impairment testing is greater than the value of the goodwill allocated to the CGU, the residual excess is allocated to the assets included in the CGU in proportion to their carrying value. This allocation has as minimum the highest of:
(i) *fair value* of the asset, net of sale costs;
(ii) value in use, as above defined;
(iii) zero.
The original value of goodwill cannot be restored if the reasons for its impairment no longer apply.

Intangible and tangible assets with definite useful life

For the assets subject to amortisation, at each reporting date an assessment is carried out as to the existence of indications of impairment, internal and external. If such indications are observed, the recoverable amount of said assets is estimated, and any impairment with respect to the corresponding book value is recognised in the income statement. The recoverable amount of an asset is represented by the greater between the *fair value*, net of accessory sale costs, and the corresponding value in use, the latter being the current value of the expected future cash flows from the assets. In calculating the value in use, the expected future cash flows are discounted using a discount rate inclusive of taxes, which reflects the current market assessments of the cost of cash, in proportion to the period of the investment and the specific risk of the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is calculated with regard to the *cash generating unit* to which this asset pertains.

An impairment is recognised in the income statement if the value of recognition of the asset, or of the corresponding CGU to which this is allocated, exceeds the recoverable amount. The impairment of a CGU is recognised first as a decrease in the carrying amount of any allocated goodwill and, then, as a decrease in other assets, in proportion to their carrying amount and within the limits of the corresponding recoverable amount. If the conditions for an impairment previously carried out no longer apply, the carrying amount of the assets is restored to the income statement, within the limits of the net carrying amount that the asset in question would have had if the write-down had not been carried out and the corresponding amortisation and depreciation had been carried out.

RECEIVABLES AND FINANCIAL ASSETS

The Group classifies financial assets in the following categories:
• Financial assets at amortised cost;
• Financial assets at *fair value* through other comprehensive income;
•Financial assets at *fair value* through profit or loss;

The management decides on the classification of a financial asset at the time of its first recognition.

Financial assets at amortised cost. This category includes financial assets that meet both of the following conditions: (i) the financial asset is held within the framework of a hold-to-collect business model and (ii) the contractual terms of the financial assets call for cash flows at specific dates represented solely by payments of principal and interest on the amount of principal to be made.

In the above-mentioned business model, the goal is to collect the contractual cash flows generated by the individual financial assets and not to maximise the overall return on the portfolio by holding and selling the financial assets. The use of this portfolio does not necessarily assume that the financial asset will be held to maturity. In particular, sales of financial assets following a deterioration in credit risk are not incompatible with the objective of collecting contractual cash flows, as activities intending to minimise losses due to credit risk are an integral part of this *business model*. The sale of a financial asset because it no longer satisfies requirements in terms of credit risk set forth in the company policy is an example of a "permitted" sale. Sales justified by other reasons could also be consistent with this *business model*, but in this case the frequency and relevance of such sales is checked.

The value of financial assets at amortised cost is determined at each reporting date until they are derecognised using the effective interest method. The gain or loss on the financial asset at amortised cost which is not part of a hedging relationship is recognised in Profit (loss) for the year when the financial asset is derecognised or reclassified to *Financial assets at fair value through profit or loss*, through the amortisation process, or in order to recognise gains or losses caused by impairment.

Financial assets at fair value through other comprehensive income (FVOCI): This category includes assets that meet both of the following conditions: (i) the financial asset is held within the framework of a hold-to-collect-and-sell business model and (ii) the contractual terms of the financial assets call for cash flows at specific dates represented solely by payments of principal and interest on the amount of principal to be made. This type of business model entails more sales, in terms of frequency as well as relevance, than the hold-to-collect business model, as the sale of financial assets is an integral part of this *business model.* The value of *Financial assets at fair value through other comprehensive income* is determined at each reporting date until they are derecognised. The gain or loss on the financial asset is recognised in other comprehensive income, with the exception of gains and losses due to impairment and exchange gains or losses, until the financial asset is derecognised or reclassified. If the financial asset is derecognised, the cumulative profit or loss previously recognised in other comprehensive income is reclassified from Shareholders' Equity to Profit (loss) for the year by means of a reclassification adjustment. The interest calculated using the effective interest approach is recognised in Profit (loss) for the year.

Financial assets at fair value through profit or loss: The assets that are part of a *business model* that is not hold-to-collect or hold-to-collect-and-sell and therefore are not measured at amortised cost or at *fair value* through other comprehensive income are measured at *fair value* through profit or loss (FVTPL). An example of this *business model* is a portfolio managed with a view to generating cash flows from the sale of financial assets. Indeed, decisions are taken based on the *fair value* of the financial assets and, the fact that the entity collects contractual cash flows while it holds the financial assets does not in any event make it possible to claim that the *business model* is one of those described above. Likewise, a portfolio that is managed and the performance of which is evaluated on the basis of *fair value* can never be classified in the business models described previously. Furthermore, it is possible to exercise the *fair value option* upon initial recognition, based on which the Group may irrevocably designate the financial asset as measured at *fair value* through profit or loss if by so doing it eliminates or significantly reduces a measurement or recognition inconsistency which would otherwise result from the measurement of the assets or liabilities or the recognition of the relative gains and losses on a different basis. The value of these financial assets is determined at each reporting date until they are derecognised. The gains and losses arising from fluctuations in *fair value* are included in the income statement for the year in which they take place and include gains and losses realised from the disposal of the assets.

Impairment

The Group adopts a forecasting model for *expected credit losses* ("ECL"). The model assumes a significant level of assessment regarding the impact of changes in economic factors on the ECL, which are weighted based on probabilities.
The impairment model applies to financial assets measured at amortised cost or at FVOCI, with the exception of equity securities and assets deriving from contracts with customers.
The standard envisages that provisions covering receivables are measured using the "*General deterioration method*", which requires that financial instruments included in the scope of application of IFRS 9 are classified into three stages. The three stages reflect the level of deterioration in credit quality from the moment the financial instrument is acquired and involve different methods of calculating ECL.
The Group uses the "*Simplified approach*" for trade receivables. Under the simplified approach, the loss must be recognised for the *lifetime* of the receivable. The Group uses an allocation matrix based on historical experience to estimate expected losses on receivables. Depending on the type of customer, the Group may use groupings if the historical experience for credit losses is significantly different than the loss models by different customer segments.

DERIVATIVES

In line with the provisions of IFRS 9, the Group has decided to exercise the option of continuing to apply the hedge accounting provisions set forth in IAS 39. Thus, the provisions regarding derivatives have remained the same.

Derivative instruments are always treated as assets held for trading and recognised at *fair value* through profit or loss, unless they represent effective instruments to hedge a specific risk related to underlying assets or liabilities or commitments taken by the Group.

The effectiveness of the hedging transactions is documented and tested both at the beginning of the transaction and regularly (at least at each reporting date) and is measured by comparing the changes in the *fair value/cash flow* of the hedging instrument with those of the hedged item or, in the case of more complex instruments, through a statistical analysis based on the change of the risk.

The changes in the *fair value* of derivatives indicated as *fair value hedges* (not used by the Group) and that are qualified as such, are recognised in the income statement, in the same way as it is done for the changes in the *fair value* of hedged assets or liabilities due to the risk hedged with the hedging transaction.

The changes in the *fair value* of the derivatives indicated as *cash flow hedges* and qualified as such are recognised, only for the "effective" portion, among the other components of the comprehensive income statement through a special equity reserve ("*cash flow hedge reserve*"), which is transferred to the income statement at the time the underlying hedged asset produces effects on the balance sheet or income statement. The change in *fair value* due to the ineffective portion is immediately recognised in the income statement. If the execution of the underlying transaction is no longer considered highly likely, the corresponding portion of the "*cash flow hedge reserve*" is immediately transferred to income statement. If, instead, the derivative instrument is sold, expires or no longer qualifies as effective hedge of the risk against which the transaction had been initiated, the corresponding portion of "*cash flow hedge reserve*" is kept until when the underlying contract produces effects. The hedging is then derecognised as cash flow hedge.

The Group uses derivative instruments within hedging strategies aimed at neutralising the risk of changes in the expected cash flows from transactions contractually defined or highly likely (*cash flow hedge*).

FAIR VALUE MEASUREMENT

The Group assesses financial instruments, such as derivatives, at *fair value* at each reporting date. *Fair value* is the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm's length transaction at the measurement date.
A *fair value* measurement assumes that the sale transaction of the asset or transfer of 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 market or the most advantageous market must be accessible to the Group.

The *fair value* of an asset or liability is valued by adopting the assumptions that market operators would use in the determination of price of the asset or liability, assuming that market operators act to best meet their own economic interest. An assessment of the *fair value* of a non-financial asset does not consider the ability of a market operator to generate economic benefits by making highest and best use of the asset or by selling it to another market operator that would make the highest and best use of it.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure *fair value*, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The *fair value* of the instruments listed in public markets is calculated on the basis of the quoted prices at the end of the year. The *fair value* of unlisted instruments is measured with reference to financial valuation techniques. In particular, the *fair value* of *interest rate swaps* is measured by discounting the expected cash flows.

All assets and liabilities for which the *fair value* is measured or recognised in the Financial Statements are categorised according to the *fair value* hierarchy, as described below:

- Level 1: financial assets and liabilities the *fair value* of which is calculated on the basis of the (unadjusted) prices quoted in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: financial assets and liabilities the *fair value* of which is calculated on the basis of input different from listed prices specified in Level 1 but observable, either directly (prices) or indirectly (from prices);
- Level 3: financial assets and liabilities the *fair value* of which is calculated through valuation models that use unobservable input data.

If the input data used to calculate the *fair value* of an asset or liability may be classified at different levels of the *fair value* hierarchy, the entire measurement is placed at the level of hierarchy of the input at the lowest level that is significant for the entire measurement. The Group records the transfers between the different levels of the *fair value* hierarchy at the end for the year in which the transfer has taken place.

CONTRACT COST ASSETS

The following are recognised under "Contract cost assets":

- incremental costs to obtain the sales contract;
- sales contract fulfilment costs.

Incremental costs to obtain the sales contract are recognised in non-current assets.

Contract fulfilment costs are recognised under current assets if it is believed that the transfer to the customer of the goods or services to which the asset refers will take place as part of the normal operating cycle, including when it is expected that the transfer will not occur within twelve months of the closing date for the year. In fact, the operating cycle is identified as the time between the acquisition of goods for the production process and their realisation in terms of cash and cash equivalents. When the normal operating cycle cannot be clearly identified, it is assumed to have a duration of twelve months. Non-current assets include costs to fulfil the sales contract if the transfer to the customer of the goods and services to which the asset refers is carried out after the normal operating cycle.

The Group recognises incremental costs to obtain the sales contract if it expects to recover these costs. These incremental costs to obtain the contract are costs that the Company incurs to obtain the contract with the customer, and which would not have been incurred if the contract had not been obtained. Costs to obtain the contract that would have been incurred even if the contract had not been obtained are recognised as expenses at the time they are incurred, unless they are explicitly chargeable to the customer even if the contract is not obtained.

Contract cost assets are amortised on a straight-line basis in correspondence with the transfer to the customer of the goods and services to which the asset refers and are recognised in the item Contract costs in the income statement.

INVENTORIES

Inventories are recognised at the lower of cost, calculated making reference to the method of weighted average cost, and the net realisable value, excluding the financial charges and the general structure expenses. The net realisable value is the sale price in the normal management, net of estimated completion costs and those costs needed to carry out the sale.

CONTRACT ASSETS AND LIABILITIES

Contract assets represent the Group's right to consideration in exchange for goods or services transferred to the customer when the right is subject to something other than the passing of time. If the Group fulfilled its obligations, the contract is represented in the Statement of Financial Position as Contract assets, for the amount exceeding the service performed and the receivable recognised. Thus, the item includes invoices to be issued, the gross amount due from customers for project work and accrued trade assets.

Contract liabilities represent the Group's obligation to transfer goods or services to customers, for which the Group has received consideration from the customer or for which consideration is due. If the customer pays the consideration, or if the Group is entitled to an amount of the consideration that is unconditional (i.e., a receivable), before transferring the good or service to the customer, the contract is shown as a contract liability, at the moment when payment is made or (if earlier) when the payment is due. This item includes deferred trade income, advances and thus prepaid trade amounts, the gross amount due to customers for project work and the value of options (*material rights*) which allow the customer to acquire additional goods or services free of charge or with a discount.

Contract assets and liabilities are included in, respectively, current assets and liabilities if it is believed that the assets will be realised (or the liability will be extinguished) during the normal operating cycle, including when it is expected that they will not be realised/extinguished within twelve months of the closing date for the year. In fact, the operating cycle is identified as the time between the acquisition of goods for the production process and their realisation in terms of cash and cash equivalents. When the normal operating cycle cannot be clearly identified, it is assumed to have a duration of twelve months.

CASH AND CASH EQUIVALENTS

These include cash, deposits at banks or at other credit institutes available for current transactions, postal accounts and other equivalent values as well as investments maturing in the three months of the date of purchase. The cash and cash equivalents are recognised at *fair value*, usually, coinciding with the nominal value.

SHAREHOLDERS' EQUITY

Share capital
Share capital is represented by the subscribed and paid in capital of the Parent Company.

Treasury shares reserve
This is a negative reserve which includes the purchase cost of treasury shares, including the related transaction costs, as a deduction from shareholders' equity.

Share premium reserve
This item consists of the amounts collected by the Company for the issuance of shares at a price above nominal value.

Other reserves
This item includes the reserves of most common use, which may have a generic or specific allocation. The item includes the net profit of previous years, which was not distributed or allocated, or uncovered losses.

Transaction costs relating to the issue of capital instruments

The transaction costs relating to the issue of capital instruments are recognised as a decrease (net of any related tax benefit) of the Share premium reserve, generated by the same transaction, to the extent that they are marginal costs directly attributable to the capital transaction that would have otherwise been avoided. The costs of a capital transaction that is abandoned are recognised in the income statement.
Listing costs not relating to the issue of new shares are recognised in the income statement.
If the listing involves the sale of existing shares and the issue of new shares, the costs directly attributable to the issue of new shares are recognised as a decrease in the Share premium reserve, the costs directly attributable to the listing of existing shares are recognised in the income statement. Costs related to both transactions are recognised as a decrease of the Share premium reserve, in relation to the ratio between issued shares and existing shares, and the remainder is recognised in the income statement.

PAYABLES AND OTHER FINANCIAL LIABILITIES

Payables and other financial liabilities are initially recognised at *fair value* net of transaction costs. Subsequently they are recognised at amortised cost, using the effective interest rate method. If there is a change in the estimate of future cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the current value of the new expected cash flows and the effective interest rate originally calculated.
Payables and the other liabilities are classified as current liabilities, unless the Group has contractual rights to repay its obligations at least more than 12 months after the date of the annual or infra-annual periodic Financial Statements.

As regards the criteria for the initial recognition and subsequent measurement of the financial liabilities related to *lease* agreements, see the section *LEASED ASSETS*.

PUT OPTIONS ON MINORITY INTERESTS

An option contract that contains an obligation for an entity to buy the equity investments of the minority shareholders of a subsidiary in exchange for cash or other financial assets generates in the Consolidated Financial Statements a financial liability for the current value of the amount to be paid against the reversal of the interest of these minority shareholders. This financial liability will have the offsetting entry in either goodwill or other intangible assets, if the *put* option was underwritten within a *business combination*, or Shareholders' Equity if underwritten after this date. Any change in the financial liability, for any reason recognised, after the date of recognition, is recognised with offsetting item in Shareholders' Equity.

CONTINGENT CONSIDERATION

A contingent consideration agreed in a *business combination* gives rise in the Consolidated Financial Statements to a financial liability for the present value of the amount to be paid at the agreed maturity. Such financial liability will have the offsetting entry in either goodwill or other intangible assets. Any change in the financial liability related to the same after the date of recognition, is recognised in the income statement.

INCOME TAXES

The tax burden of the Group is composed of current and deferred taxes. If due to items recognised in the proceeds and charges recognised to Shareholders' Equity within the other components of comprehensive income, said taxes are recognised as an offsetting item in the same item.
Current taxes are calculated on the basis of the tax laws in force at the reporting date; any risk related to different interpretations of positive or negative income items, like disputes with the tax authorities, are

recognised as taxes in the income statement with offsetting adjustment made to the liabilities to adjust the provisions recognised in the Financial Statements.
Deferred taxes are calculated on the basis of the temporary differences that are generated between the carrying amount of the assets and liabilities and their value for tax purposes, as well as on tax losses. The measurement of deferred tax assets and liabilities is carried out by applying the tax rate that is expected to be in force at the time in which the temporary differences will be reversed; this forecast is made on the basis of the tax laws in force or substantially in force at the reporting date for the year. Deferred tax assets, including those deriving from tax losses, are recognised only if it is believed that taxable income sufficient for their recovery will be generated in the following years.

In 2021, the Parent Company Tinexta S.p.A., in its capacity as fiscal consolidator, initiated the tacit renewal for the 2021-2023 three-year period of the consolidated taxation regime pursuant to Article 117 et seq. of Presidential Decree no. 917/86 (Consolidated Law on Income Taxes - TUIR). The companies already belonging, as consolidated companies, to the scope of consolidation subject to renewal are: Co.Mark S.p.A., InfoCert S.p.A., Innolva S.p.A., RE Valuta S.p.A., Sixtema S.p.A., Visura S.p.A., Warrant Hub S.p.A., Warrant Innovation Lab S.r.l. Starting from the 2021 tax period, the following additional entities in possession of the legal requirements have been included in the *fiscal unit*: Tinexta Cyber S.p.A., Swascan S.r.l., Comas S.r.l., Innolva Relazioni Investigative S.r.l. PrivacyLab S.r.l.
The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the Parent Company and the consolidated companies are defined in the corresponding tax consolidation regulations. Accordingly, the Group has reported in these Consolidated Financial Statements the balance sheet items related to current IRES (i.e. Corporate Income Tax) taxes for companies participating in the Tinexta tax consolidation. The recognition of current taxes for IRAP purposes remains unchanged.

EMPLOYEE BENEFITS

The short-term benefits are represented by salaries, wages, corresponding social security contributions, pay in lieu of vacation and incentives paid as bonuses to be paid in the twelve months from the date of the Financial Statements. These benefits are recognised as items of personnel expenses in the period of employment.
The benefits after the termination of the employment are divided into two categories:

- *Defined-contribution plans*, in which the company pays fixed contributions to a separate entity (for example a pension fund) without a legal or implicit obligation to pay additional contributions if said entity does not have sufficient assets to pay the benefits corresponding to the service provided during employment at the company. The company recognises the contributions to the plan only when the employees have provided their activity in exchange for those contributions;
- *Defined-benefit plans*, which include both the severance indemnity due to employees pursuant to Article 2120 of the Italian Civil Code ("TFR"), for the portion accrued until 31 December 2006, and the Supplementary Client Indemnities for agents and representatives, in which the company commits to grant the benefits agreed with the employees in service taking the actuarial and investment risks related to the plan. The cost of this plan is therefore not defined on the basis of the contributions due for the year, but is recalculated on the basis of demographic assumptions, statistics and on the wage trends. The methodology applied is called "projected unit credit method". The value of the liability recognised in the Financial Statements is, therefore, in line with the value resulting from its actuarial measurement, with full and immediate recognition of actuarial profits and losses, in the period in which they arise as other components of the comprehensive income statement, through a special equity reserve ("*Employee benefits reserve*"). In the calculation of the amount to be recognised in the balance sheet, the current value of the obligation for defined-benefit plans is decreased by the *fair value* of the assets servicing the plan, calculated using the interest rate adopted to discount the obligation.

For the companies with more than 50 employees, starting from 1 January 2007, the so-called Budget Act of 2007 and the corresponding implementation decrees have made significant changes to the TFR rules, including the option given to the worker to choose the destination of his/her TFR. Specifically, the new TFR flows can be directed by the workers to pension schemes of their choice or else kept in the company. In both cases, from this date the newly accrued portions represent defined-contribution plans not subject to actuarial measurement.
With reference to the classification of the costs related to the TFR contributions, service costs are recognised under “Personnel costs” and interest charges under “Financial charges”, while actuarial profits/losses are recognised among the other components of the comprehensive income statement.

SHARE-BASED PAYMENTS

In the event of transactions with share-based payments settled with equity instruments of the Company, the *fair value* on the allocation date of the options on shares granted to employees is recognised under personnel costs, with a corresponding increase in Shareholders’ Equity in the "*Stock Options Reserve*" item, throughout the period during which employees obtain the unconditional right to incentives. The amount recognised as cost will be adjusted to reflect the actual number of incentives (options) for which the conditions of permanence in service have accrued achievement of *non-market conditions*, so the final amount recognised as cost is based on the number of incentives that will definitively accrue. Similarly, when estimating the *fair value* of the options granted, all non-vesting conditions must be considered. With reference to the non-vesting conditions, any differences between the assumptions on the allocation date and the actual ones will have no impact on the Financial Statements.
In the event of transactions with share-based payments settled in cash (or shares or other financial instruments not belonging to the Company), the *fair value* of the amount to be paid to employees is recorded as cost, with a corresponding increase of liabilities for employee benefits throughout the period during which employees will accrue the unconditional right to receive payment. The liability is measured at each year-end date and settlement date on the basis of the *fair value* of share revaluation rights. Any changes in the *fair value* of liabilities are recognised in the profit or loss for the year under personnel costs.

PROVISIONS FOR RISKS AND CHARGES

Provisions to the reserve for risks and charges are recognised when, at the reference date, in the presence of a legal or implicit obligation towards third parties, deriving from a past event, it is likely that meeting the obligation will require an outlay of resources, the amount of which can be reliably estimated.
This amount represents the current value, if the financial effect of time is significant, of the best estimate of the expense needed to extinguish the obligation. The rate used in the calculation of the current value of the liability reflects current market values and includes the additional effects related to the specific risk associated to each liability. The changes in the estimate are reflected in the income statement of the year in which the change takes place.
If the Group is exposed to risks for which the occurrence of a liability is only a possibility, these risks are described in the Notes and no provision is made.

The *Provision for Risks and charges* includes the Provisions for pensions referring to the supplemental Agents’ Leaving Indemnity due, in the cases set forth by the Law, to agents. This liability is estimated based on the actuarial valuation by quantifying future payments, through the projection of the indemnities accrued at the performance evaluation date of the agents until the assumed time of termination of the contractual relationship. Provisions are recognised, by their nature, under *Service costs*.

Provisions for litigation matters are recognised, by their nature, under *Personnel costs*.

REVENUES

The methodological approach followed by the Group in recognising Revenues from contracts with customers (also referred to below as Revenues from sales and services) is broken down into five basic steps (*five-step model*):

1. Identify the contract with the customer;
2. Identify the *performance obligations* in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the *performance obligations*;
5. Recognise the revenue when the *performance obligation* is satisfied.

Revenues are measured taking into account the contractual terms and commercial practices generally applied in relations with customers. The transaction price is the amount of the consideration (which may include fixed amounts, variable amounts or both) to which the seller believes it is entitled in exchange for the transfer of control over the promised goods/services. Control refers generically to the ability to decide on the use of the asset (good/service) and to substantially draw all remaining benefits from it. The total consideration of service agreements is broken down between all of the services on the basis of the sale price of the relative services as if they had been sold individually.

Within each contract, the reference element for the recognition of revenues is the individual *performance obligation*. For each individually identified performance obligation, the Group recognises revenues when (or as) it fulfils the obligation by transferring the promised good/service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.
For performance obligations fulfilled *over time*, revenues are recognised over time, measuring the progress made towards fulfilling the obligation in full at the end of each year. To measure its progress, the Group uses the input-based method (*cost-to-cost method*). Revenues are recognised on the basis of the inputs used to fulfil the obligation until that date, with respect to the total inputs assumed that will be used to fulfil the entire obligation. When the inputs are distributed uniformly over time, the Group recognises the corresponding revenues on a straight-line basis. In specific circumstances, when it is not possible to reasonably assess the result of the performance obligation, revenues are recognised only up to the amount of costs incurred.

If the contractual consideration includes a variable amount (e.g., as a result of reductions, discounts, refunds, credits, price concessions, incentives, performance bonuses, penalties, or because the fee itself depends on whether or not an uncertain future event occurs), the amount of the consideration to which the Group is entitled must be estimated. The Group estimates the variable charges consistently for similar cases, using the expected value or the value of the most probable amount; subsequently, it includes the estimated amount of the variable consideration in the transaction price only to the extent that this amount is highly probable.

The Group's revenues are adjusted for significant financial components, both if it is financed by the customer (advance collection), and if it is financed by the Group (deferred collections). The presence of a significant financial component is identified at the signing of the contract, comparing the expected revenues with the payments to be received. The significant financial component is not recorded if the time between the time of transfer of the good/service and the time of payment is less than 12 months.

The Group breaks down revenues from contracts with customers by business segment, by geographic area, and into the following product/service categories:

Digital Trust products: this category includes product sales (certified e-mail, digital signature, time stamps, e-invoicing, digital preservation, and digital identity) that do not include project elements. Revenue is mostly recognised over time*, that is,* throughout the duration of the contract or based on the consumption recorded.

Digital Trust solutions: regards the sale of complex dematerialisation solutions to companies, which, as such, include project elements. Revenue is recognised *over time, that is,* throughout the duration of the contract.

Data distribution platforms, software and electronic services: this category includes the supply of software, management, and infrastructure services and solutions, as well as solutions for access to the electronic process for businesses and professionals. Consulting and training services provided are also included. Revenue is predominantly recognised *over time, that is,* throughout the duration of the contract or based on the consumption recorded.

Commercial information and credit recovery: includes the range of standard and value-added information services, mainly aimed at supporting and facilitating the processes of credit assessment, disbursement, and, as necessary, collection. These services are provided either through fee or prepaid contracts, in which the revenue is recorded *over time,* throughout the duration of the contract, or based on consumption recorded, or the services are provided through consumption contracts, in which the revenue is recognised *at a point in time, that is,* when the service is provided.

Real estate information and real estate appraisal services: this category includes services, mainly intended for the banking sector, which support property assessment and management processes, including as a guarantee for credit. These services are provided either through fee or prepaid contracts, in which the revenue is recorded *over time,* throughout the duration of the contract, or based on consumption recorded, or the services are provided through consumption contracts, in which the revenue is recognised *at a point in time, that is,* when the service is provided.

Marketing consulting: this category includes the consulting service to support customers' globalisation. Revenue is recognised *over time, that is,* throughout the duration of the consulting contract.

Innovation consulting: refers to consulting services for businesses that invest in productivity, innovation, research, and development in order to obtain incentives, contributions and subsidised financing. The service includes a fixed component and a variable component calculated on the benefits obtained by the customer. Revenue is recognised *at a point in time,* upon delivery to the customer of the reporting file.

Other innovation services: refer to other innovation services and consulting, including activities related to European projects, energy, and technology transfer. Revenue is predominantly recognised *at a point in time,* upon delivery to the customer of the reporting file.

Cybersecurity and IT services: refers to Cybersecurity and IT services. These services are provided either through project activities in which the revenue is recorded *over time*, or through consumption contracts, in which the revenue is recognised *at a point in time*, that is, when the service is provided.

COSTS

The costs related to the purchase of assets are recognised when the risks and benefits of the assets traded are transferred; the service costs received are recognised proportionally when the service is provided.
The Group recognises incremental costs to obtain the sales contract and contract fulfilment costs in accordance with the principles discussed in the section *Contract cost assets*. Contract costs include the amortisation on a straight-line basis in correspondence with the transfer to the customer of the goods and services to which the asset refers.

FINANCIAL INCOME AND CHARGES

Interest is recognised on an accrual basis on the basis of the effective interest method, using in other words the interest rate that makes financially equivalent all inflows and outflows (including any premium, discount, commissions etc.) from a transaction.

EARNINGS PER SHARE

Earnings per share - basic
The basic EPS is calculated by dividing the Net profit attributable to the Group by the weighted average of Ordinary Shares outstanding during the year, excluding Treasury Shares.

Earnings per share - diluted
The diluted EPS is calculated by dividing the Net profit attributable to the Group by the weighted average of Ordinary Shares outstanding during the year, excluding Treasury Shares. For the purposes of the calculation of the diluted EPS, the weighted average of the Shares outstanding is modified assuming that all the rights with a potential diluting effect are exercised, while the Net profit attributable to the Group is adjusted for the effect, net of taxes, of the exercise of said rights.

9. USE OF ESTIMATES

In drafting these Consolidated Financial Statements, in application of the reference accounting standards, the Directors had to formulate assessments, estimates and assumptions which influence the amounts of the assets, liabilities, and costs and revenues recognised in the Financial Statements, as well as the disclosure provided. Therefore, the final results of the items for which said estimates were used could differ from those reported in these Financial Statements, given the uncertainty that characterises the assumptions and the hypotheses on which the estimates are based.
The accounting standards and the financial statement items that involve a greater subjectivity by the Directors in the estimation process are the following:

- *Intangible assets with indefinite life*: goodwill is assessed on an annual basis, to identify whether there is an impairment that should be recognised in the Income Statement. Specifically, the assessment in question requires the calculation of the recoverable amount of the CGU (Cash Generating Unit) to which goodwill is allocated. The recoverable amount is calculated by estimating the value in use or the *fair value* net of disposal costs; if the recoverable amount is less than the carrying amount of the CGU, goodwill is written down. The calculation of the recoverable amount of the CGU requires estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by Directors. With particular reference to the determination of the value in use with the method of discounting expected future cash flows, it should be noted that this method is characterised by a high degree of complexity and by the use of estimates, which are uncertain and subjective by nature, approximately:
    - the cash flows expected from the CGUs, determined taking into account the general economic performance of the sector to which they belong, the cash flows recorded in the last few years and the forecast growth rates;
    - the financial parameters used to determine the discount rate.

- *Allocation of the price paid for the acquisition of control over an entity (purchase price allocation):* in terms of business combinations, in exchange for the consideration transferred for the acquisition of control over a company, the identifiable assets acquired and the liabilities assumed are recognised in the Consolidated Financial Statements at current values (*fair value*) at the acquisition date, through a *purchase price allocation process*. Generally, the Group determines the *fair value* of the assets acquired and the liabilities assumed using methods based on the discounting of expected cash flows and on the *royalty* rates recognised under license agreements. This method is characterised by a high degree of complexity and by the use of estimates, which are by their nature uncertain and subjective, about:

- the expected cash flows, determined taking into account the economic performance of the acquired companies and the sectors to which they belong, the cash flows recorded in the last few years and the forecast growth rates;
- the financial parameters used to determine the discount rate;
- the quantitative and qualitative parameters relating to the royalty rates used.

- *Impairment of fixed assets*: property, plant and equipment and intangible assets with finite useful life are assessed to establish whether there was a decrease in value, to be recognised through impairment, if there are indications that it will be difficult to recover their net accounting value through use. To establish the presence of said indications, Directors must make subjective assessments on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, this loss is calculated using appropriate measurement techniques. The correct identification of the factors indicating the occurrence of a potential decrease in value, as well as the estimates for the calculation of these depend on factors that may vary over time, affecting the assessments and estimates carried out by the Directors.
- *Liabilities for the purchase of minority interests* and *Liabilities for contingent consideration*: they are determined at the present value of the amounts to be paid at the contractually envisaged due dates. The assessment of liabilities entails the use of estimates tied to the prospective results of the entities to which they refer, which depend on factors that may change over time, with a subsequent potentially significant impact on the assessments carried out by the Directors.
- *Measurement at fair value*: in measuring the *fair value* of an asset or liability, the Group makes use of observable market data as far as possible. *Fair values* are allocated to different hierarchical levels on the basis of the input data used in the valuation techniques.
- *Measurement of lease liabilities*: the measurement of lease liabilities is affected by the duration of the lease, understood as the non-cancellable leasing period to which these two periods must be added: a) periods covered by a leasing extension option if the lessee has the reasonable certainty to exercise this option; and b) periods covered by the option of terminating the lease, if the lessee has the reasonable certainty not to exercise the option. The assessment of the duration of the lease entails the use of estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by the Directors.
- *Valuation of the provision for expected impairment of commercial receivables*: the Group uses an allocation matrix based on historical experience to estimate expected losses on receivables. Depending on the type of customer, the Group may use groupings if the historical experience for credit losses is significantly different than the loss models by different customer segments. Estimates and assumptions are periodically reviewed, and the effects of each change are reflected in the income statement for that period.
- *Valuation of the defined benefit plans*: actuarial valuation requires the formulation of various assumptions that may differ from actual future developments. The results depend on the technical basis adopted such as, among others, the actualisation rate, the inflation rate, the wage increase rate and the expected turnover. All assumptions are reviewed on an annual basis.

10. MANAGEMENT OF FINANCIAL RISK

The Group is exposed to financial risks connected with its operations, especially to the following:

- interest rate risks, from the financial exposure of the Group;
- exchange rate risks, from operations in currencies different from the functional currency;
- liquidity risks, related to the availability of financial resources and access to credit markets;
- credit risks, resulting from normal business transactions or liquidity management activities.

The Tinexta Group monitors each financial risk closely, intervening with the objective of minimising them promptly also by making use of hedging derivatives.

Interest rate risk

The Group uses external financial resources in the form of debt and deposits the liquidity in bank deposit accounts. Changes in market interest rates influence the cost and return of the different types of borrowing and depositing and therefore have an impact on the level of the financial charges and income.
Being exposed to interest rate fluctuations with regard to the extent of the financial charges incurred to borrow funds, the Group periodically reviews its exposure to the risk of changes in interest rates and actively manages it also by making use of interest rate derivatives, specifically through *Interest Rate Swaps* (IRS), *Interest Rate Floors* (Floors), *Interest Rate Caps* (Caps) and *Interest Rate Collars* (Collars) purely for hedging purposes. Cash and cash equivalents are mainly represented by deposits on floating rate bank accounts with no term restriction, and therefore their *fair value* is equivalent to the value recognised in the financial statements; it should be noted that in this particular market context, with negative monetary rates, the counterparty banks have not yet transferred the negative rates to the accounts of the Group, which currently receives a positive or zero rate on its cash. The interest rate benchmark to which the Group is most exposed on indebtedness is the 6-month Euribor. Therefore, the risk of interest rate appears adequately monitored, owing to the current forecast of short-term stability and moderate growth in the medium to long term for the 6-month EURIBOR index (*forward* rates curve) and the structure of the debt portfolio.

The *Cash Flow Hedge* strategy on bank loans at 31 December 2021:

Bank loans at 31 December 2021 *Amounts in thousands of Euro*		***Cash flow hedge*** **derivatives Notional values by type at 31 December 2021**			
	Nominal amount	**IRS**	**Capped Swap**	**Collar**	**Total**
Floating rate loans	202,695	90,061	59,016	27,456	**176,533**
Fixed rate loans	4,951				**0**
	207,647	**90,061**	**59,016**	**27,456**	**176,533**

The hedging rate of floating-rate bank loans is 87.1% (88.0% at 31 December 2020).

Sensitivity analysis on interest rate risk which shows the effects (net of any related tax effects) on the income statement, on an annual basis, and on the net equity at 31 December 2021, from the following changes in the Euribor rate: +300 bps, +100 bps, -100 bps limited to bank loans at 31 December 2021:

Sensitivity analysis of interest rate risk	**Profit (loss) on an annual basis**			**Shareholders' Equity at 31 December 2021**		
(Amounts in thousand of Euro)	300 bps increase	100 bps increase	100 bps decrease	300 bps increase	100 bps increase	100 bps decrease
Floating rate bank loans	**-3,556**	**-1,151**	**757**	**0**	**0**	**0**
Interest rate swap	1,546	506	-455	4,223	1,470	-1,480
Capped Swap	688	13	0	2,301	563	-246
Collar	259	29	-168	789	200	-347
Financial flow sensitivity (net)	**-1,063**	**-603**	**135**	**7,313**	**2,233**	**-2,073**

Exchange rate risk

The exposure to the risk of changes in exchange rates derives from the execution of activities in currencies different from the Euro. The Group carries out most of its activity in Italy, and in any case most of the sales or purchases of services with foreign countries are carried out with EU countries and the transactions are settled almost exclusively in Euro; therefore, it is not greatly exposed to the risk of fluctuation of the exchange rates of foreign currencies against the Euro. To be noted is an exposure in PEN (Peruvian Nuevo Sol) referring to the activities carried out by Camerfirma Perù S.A.C. in its national territory, and in BGN (Bulgarian Lev) referring to the activity undertaken by Europroject OOD in its territory. Therefore, considering the very limited exposure to foreign currencies, at the Group level, no exchange rate hedging has been set up.

Credit risk

Financial credit risk results from the inability of a counterparty to fulfil its obligations. At 31 December 2021, the liquidity of the Group was deposited in bank accounts held at prime credit institutions.

Trade credit risk derives essentially from receivables from customers. To mitigate credit risk from trade counterparties, each Group entity has implemented internal procedures requiring a preliminary assessment of the solvency of the client before accepting a contract, through a scoring analysis. There are also procedures for the recovery and management of trade receivables, which provide for written reminders to be sent in the case of late payments and gradually more targeted actions (letters, phone reminders, legal actions). The Group uses an allocation matrix to calculate the expected losses, based on historical data. Depending on the type of customer, the Group may use groupings if the historical experience for credit losses is significantly different than the loss models by different customer segments.

The table is in Note *22. Trade and Other Receivables* provides a breakdown of current trade receivables from customers at 31 December 2021, grouped by maturity, gross and net of the related bad debts provision.

Liquidity risk

Liquidity risk may take the form of an inability to promptly raise, at market conditions, the financial resources needed for the Group to operate. The two main factors that influence the liquidity of the Group are:

(i) the financial resources generated or absorbed by operating and investing activities;
(ii) the maturity of financial debt.

Liquidity risk is managed through careful control of operating cash flows and use of a *cash pooling* system between the Group companies. The liquidity requirements of the Group are monitored by the Group treasury function, with the objective of ensuring that financial resources can be effectively and promptly obtained and an adequate investment/return of liquidity.

The management believes that the cash and the credit lines currently available, in addition to those that will be generated by operating and financing activities, will allow the Group to meet its requirements, deriving from investing activities, management of working capital and repayment of loans at their contractual maturity. The extraordinary Shareholders' Meeting held on 27 April 2021 resolved also on the right of the Board of Directors to increase the share capital against payment and indivisibly in one or more tranches, with or without warrants, even excluding pre-emption rights pursuant to Article 2441, paragraphs 4 and 5 of the Italian Civil Code, for a maximum of €100 million including share premium.

The table is in Note *31. Financial liabilities, excluding derivative financial instruments*: the financial liabilities recognised in the Financial Statements at 31 December 2021 are summarised and classified according to contractual maturity.

11. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Reconciliation between financial asset and liability classes as identified in the Statement of Financial Position of the Company and the types of financial assets and liabilities identified on the basis of IFRS 7 requirements:

Amounts in thousands of Euro	*Assets measured at fair value and recognised in the Income Statement*	*Assets/Liabilities designated at fair value and recognised in the Income Statement*	*Liabilities held for trading measured at fair value and recognised in the Income Statement*	*Fair Value Hedging instruments*	*Assets/Liabilities measured at amortised cost*	*Assets measured at fair value through OCI*	*Investments in instruments representing OCI capital*	***Total***
NON-CURRENT ASSETS	**0**	**0**	**0**	**112**	**4,252**	**0**	**0**	**4,364**
Other financial assets, excluding derivative financial instruments					736			**736**
Derivative financial instruments				112				**112**
Trade and other receivables					3,516			**3,516**
CURRENT ASSETS	**0**	**2,469**	**0**	**0**	**189,398**	**0**	**0**	**191,867**
Other financial assets, excluding derivative financial instruments		2,469			1,675			**4,144**
Trade and other receivables					119,470			**119,470**
Cash and cash equivalents					68,253			**68,253**
NON-CURRENT LIABILITIES	**0**	**99,260**	**0**	**170**	**182,258**	**0**	**0**	**281,687**
Financial liabilities, excluding derivative financial instruments		99,260*			182,258			**281,517**
Derivative financial instruments				170				**170**
CURRENT LIABILITIES	**0**	**2,815**	**0**	**0**	**140,992**	**0**	**0**	**143,807**
Financial liabilities, excluding derivative financial instruments		2,815*			51,303			**54,118**
Trade and other payables					89,689			**89,689**

* This item includes *Liabilities for the purchase of Minority interests* and *Liabilities for contingent consideration linked to the acquisitions* (more details are provided in Note *31*). As indicated in Note *8. Measurement criteria Liabilities for the purchase of Minority interests* are recognised at their *fair value* with changes recorded as a counter-entry of Shareholders' equity, *Liabilities for contingent consideration linked to acquisitions* are recognised at their *fair value* with changes recorded as counter-entries of the Income Statement.

12. FAIR VALUE HIERARCHY

IFRS 13 establishes a *fair value* hierarchy which classifies the inputs of the valuation techniques adopted to measure *fair value* into three levels. The *fair value* hierarchy assigns the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

Fair value hierarchy for assets and liabilities of the Group.

Amounts in thousands of Euro	*Fair Value*			
	Level 1	*Level 2*	*Level 3*	***Total***
NON-CURRENT ASSETS	**0**	**112**	**0**	**112**
Derivative financial instruments		*112*		*112*
CURRENT ASSETS	**2,469**	**0**	**0**	**2,469**
Other financial assets, excluding derivative financial instruments	*2,469*			*2,469*
Capitalisation policy	2,469			2,469
NON-CURRENT LIABILITIES	**0**	**170**	**99,260**	**99,430**
Derivative financial instruments		*170*		170
Other financial liabilities, excluding derivative financial instruments			*99,260*	*99,260*
Liabilities for the purchase of minority interests			96,395	96,395
Contingent consideration			2,865	2,865
CURRENT LIABILITIES	**0**	**0**	**2,815**	**2,815**
Other financial liabilities, excluding derivative financial instruments			*2,815*	*2,815*
Liabilities for put options			1,140	1,140
Contingent consideration			1,676	1,676

13. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS BEEN COMPLETED

Acquisition of Swascan S.r.l.

On 20 October 2020, Tinexta S.p.A. completed the acquisition of 51% of the share capital of Swascan S.r.l., which is part of the project to create a new national hub of digital identity and digital security services. Swascan S.r.l., with registered office in Milan, is an innovative Italian Cybersecurity company, owner of the Swascan *Cloud Security Testing* platform and of a recognised *Cyber Competence Centre*. The combination of the "SaaS ready to use" platform and vertical and highly specialised skills make it a point of reference for small and medium-sized enterprises for IT security and legislative compliance requirements.

An advance payment on the acquisition price equal to 51% of the share capital of Swascan was made on the *closing* date, amounting to €2,100 thousand. As regards this transaction, it was established that with the approval of the financial statements at 31 December 2020, an earn-out would be recognised, calculated on the basis of 2020 EBITDA (contractually defined). This earn-out was estimated at *closing* at €2,061 thousand, and took account of the price adjustment deriving from the net financial position at *closing*. The price integration actually paid in 2021 was equal to €2,271 thousand; the difference of €210 thousand compared to what was originally estimated was recognised in the income statement in 2021. The accessory charges to the acquisition amounted to €101 thousand and were fully recognised in 2020.

On the remaining 49% held by the selling shareholders, *Put & Call* option rights are provided that can be exercised after approval of the 2023 financial statements, at a price calculated on the basis of a multiple of Swascan S.r.l.'s 2023 EBITDA (contractually defined), taking into account the NFP (contractually defined), estimated on the acquisition date at €11,849 thousand.

The company has therefore been consolidated on a line-by-line basis from 1 October 2020 and contributed €4,583 thousand to the Tinexta Group's 2021 revenues and €253 thousand to consolidated net profit.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Cash and cash equivalents for 51%	2,100
Contingent consideration on 51%	2,061
Fair value of *Put* options on 49%	9,534
Total consideration transferred	**13,695**

The *fair value* of the acquired assets and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the *fair value* of net assets acquired
was recognised as goodwill. The following is a summary of the amounts recognised with reference to the assets
acquired and liabilities assumed at the acquisition date:

Amounts in thousands of Euro	Book values	*Fair value* adjustments	*Fair value*
Property, plant and equipment	129		129
Intangible assets	472	3,774	4,246
Current and deferred tax assets	11		11
Trade and other receivables	1,207		1,207
Cash and cash equivalents	123		123
Total assets acquired	**1,944**	**3,774**	**5,717**
Employee benefits	38		38
Non-current financial liabilities	154		154
Current financial liabilities	40		40
Trade and other payables	853		853
Contract liabilities	21		21
Current and deferred tax liabilities	70	1,053	1,123
Total liabilities assumed	**1,175**	**1,053**	**2,228**
Net assets acquired	**768**	**2,721**	**3,489**

The recognition at *fair value* of the acquisition of Swascan's assets and liabilities resulted in the recognition of an intangible asset for *customer lists* for an amount of €3,774 thousand (before taxes), which, according to the customer turnover rate, it is deemed may deplete its future useful life in a period of 5 years from the acquisition date.

Goodwill arising from the acquisition was recognised as shown in the following table:

(Amounts in thousand of Euro)	
Total consideration transferred	13,695
Net assets acquired	3,489
Goodwill	**10,206**

As established by IFRS 3, the values reported above, determined definitively, were recognised retrospectively at 1 October 2020, with the consequent modification and integration of the Balance Sheet and Income Statement values included in the Consolidated Financial Statements for the year ended 31 December 2020.

Acquisition of Euroquality SAS and Europroject OOD

On 11 November 2020, Warrant Hub S.p.A. finalised the acquisition of Euroquality SAS (Euroquality), based in Paris, and the affiliate Europroject OOD (Europroject), based in Sofia (Bulgaria), consulting companies specialised in supporting the customers in accessing European funds for innovation. The acquisition is part of the process of geographical expansion of the Warrant Group, giving priority to countries such as France, which has an entrepreneurial fabric and a legislative framework similar to those of the Italian market.

The two companies were consolidated on a line-by-line basis from 31 December 2020 and contributed €2,974 thousand to the Tinexta Group's 2021 revenues and €582 thousand to consolidated net profit.

The consideration for the acquisition of both companies was set at €1,988 thousand paid at *closing*, plus price adjustments overall estimated at €2,074 thousand at *closing*. At the date of these financial statements, €1,791 thousand had been paid and further contingent consideration is estimated at €688 thousand. Following the payment of the contingent consideration, the amount of €350 thousand paid in 2020 to an independent third party, in compliance with the contractual agreements, to guarantee part of the contingent consideration on 2020 results, was released; this amount was recorded under *Other current financial assets* at 31 December 2020.

A portion of the purchase price paid, amounting to €500 thousand, was paid to an independent third party, in compliance with contractual agreements, to guarantee the contractual guarantee commitments undertaken by the sellers.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Cash and cash equivalents paid at *closing*	1,988
Contingent consideration	2,074
Total consideration transferred	**4,062**

The *fair value* of the acquired assets and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the *fair value* of net assets acquired
was recognised as goodwill. The following is a summary of the amounts recognised with reference to the assets
acquired and liabilities assumed at the acquisition date:

Amounts in thousands of Euro	Book values EQ	Book values EP	IC adjustments	Sum Book values	*Fair value* adjustments	*Fair value*
Property, plant and equipment	303	3		306		306
Intangible assets	0	0		0	575	575
Non-current financial assets	32	0	-2	31		31
Trade and other receivables	762	85	-30	817		817
Cash and cash equivalents	1,291	134		1,425		1,425
Current and deferred tax assets	10	0		10		10
Total assets acquired	**2,399**	**222**	**-31**	**2,590**	**575**	**3,165**
Non-current financial liabilities	203	0		203		203
Current financial liabilities	513	90		603		603
Trade and other payables	313	75	-30	358		358
Contract liabilities	9	0		9		9
Current and deferred tax liabilities	0	1		1	144	145
Total liabilities assumed	**1,038**	**165**	**-30**	**1,174**	**144**	**1,318**
Net assets acquired	**1,361**	**57**	**-2**	**1,416**	**431**	**1,847**

The recognition at *fair value* of the acquisition of assets and liabilities of the two companies resulted in the recognition of an intangible asset for *backlog orders* for an amount of €575 thousand, before taxes, which, according to the duration of the contracts, it is deemed may deplete its future useful life in a period of 6 years from the acquisition date.

Goodwill arising from the acquisition was recognised as shown in the following table:

Amounts in thousands of Euro	
Total consideration transferred	4,062
Net assets acquired	1,847
Goodwill	**2,214**

As established by IFRS 3, the values reported above, determined definitively, were recognised retrospectively at 31 December 2020, with the consequent modification and integration of the Balance Sheet values included in the Consolidated Financial Statements for the year ended 31 December 2020.

Acquisition of Corvallis S.r.l.

On 22 January 2021, following the *signing* on 12 October 2020, Tinexta S.p.A., through the newly established Tinexta Cyber S.p.A., finalised the acquisition of 70% of the share capital of Corvallis S.r.l. consisting of the Projects and Solutions divisions and the research and development activities of Corvallis S.p.A., and all the share capital of Payotik S.r.l. (on 16 June 2021, the Deed of Merger by incorporation of Payotik Srl into Corvallis Srl was signed: the actual effects of the merger took place from the last of the registrations, which took place on 21 June 2021. The accounting and tax effects apply retroactively from 1 January 2021). The acquired divisions of Corvallis have an in depth expertise in the market as a provider of high-value solutions. The skills developed by Corvallis are essential to create solutions for large projects of financial companies and other sectors. This activity is based on a broad client base, developed on strong relationships and processes aligned to international best practices. It boasts also a training model based on an "Academy", also thanks to the collaboration with the University of Padua and the University of Milan-Bicocca. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business. As part of Tinexta's new Cybersecurity business unit, the skills developed by Corvallis and the size of the division are essential to create advanced solutions and tackle the most complex projects.

The price for the 70% share paid at *closing* was €25,031 thousand, to which must be added price adjustments paid for a total of €3,409 thousand based on contractually defined EBITDA and NFP (of which: - €329 thousand collected in the first half of the year based on NFP and €3,738 thousand currently estimated based on EBITDA). Accessory charges to the acquisition amounted to €575 thousand, of which €527 thousand already recognised in the 2020 financial year.

On the remaining 30% held by the selling shareholders, *Put & Call* option rights are provided that can be exercised after approval of the 2023 financial statements, at a price calculated on the basis of a multiple of Corvallis S.r.l.'s 2023 EBITDA (contractually defined), taking into account the NFP (contractually defined), estimated on the acquisition date at €23,114 thousand.

The company has therefore been consolidated on a line-by-line basis from 1 January 2021 and contributed €59,986 thousand to the Tinexta Group's 2021 revenues and €4,236 thousand to consolidated net profit.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 70%	28,441
Fair value of *Put* options on 30%	18,835
Total consideration transferred	**47,275**

The *fair value* of the acquired assets and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the *fair value* of net assets acquired was recognised as goodwill. The following is a summary of the amounts recognised with reference to the assets acquired and liabilities assumed at the acquisition date:

Amounts in thousands of Euro	**Book values**	**Fair value *adjustments***	***Fair value***
Property, plant and equipment	5,346		5,346
Intangible assets	2,077	46,535	48,612
Equity investments	71		71
Non-current financial assets	20		20
Deferred tax assets	65		65
Trade and other receivables	19,115		19,115
Contract assets	4,629		4,629
Cash and cash equivalents	2,934		2,934
Total assets acquired	**34,258**	**46,535**	**80,793**
Employee benefits	3,103		3,103
Non-current financial liabilities	3,669		3,669
Current financial liabilities	8,038		8,038
Trade and other payables	17,223		17,223
Contract liabilities	8,611		8,611
Current and deferred tax liabilities	188	12,983	13,171
Total liabilities assumed	**40,831**	**12,983**	**53,814**
Net assets acquired	**-6,573**	**33,552**	**26,978**

The recognition at *fair value* of the acquisition of Corvallis's assets and liabilities resulted in the recognition of an intangible asset for *customer lists* for an amount of €46,535 thousand, before taxes, which, according to the customer turnover rate, it is deemed may deplete its future useful life in a period of 17 years from the acquisition date.

Goodwill arising from the acquisition was recognised as shown in the following table:

Amounts in thousands of Euro	
Total consideration transferred	47,275
Net assets acquired	26,978
Goodwill	**20,297**

The net cash flow deriving from consolidation of the company is shown below:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 70%	-28,441
Cash and cash equivalents acquired at *closing*	2,934
Net cash flow deriving from consolidation	**-25,507**

Acquisition of Yoroi S.r.l.

On 26 January 2021, Tinexta S.p.A., through the newly formed Tinexta Cyber S.p.A., completed the acquisition of 60% of the share capital of Yoroi S.r.l. The company (which had incorporated Cybaze and @Mediaservice, before joining Tinexta) provides cutting-edge solutions to companies and organisations that must contain and manage all levels of IT risk, in order to prevent or reduce the damages potentially deriving from a cyber attack. The company has a diversified commercial offer that covers the entire IT security value chain for large companies, with highly specialised technologies and well-known brands such as Cybaze, Emaze, Yoroi and Mediaservice.net. Lastly, Yoroi carries out intense R&D activities, collaborating with the University of Bologna, La Sapienza University in Rome, and the University of Sannio. The acquisition is part of the project for Tinexta to create a new Italian hub of digital security services, supporting the other businesses of the Group, in particular the digital identity business.

The price for the 60% share defined at *closing* was €19,636 thousand, plus a price adjustment for a total of €78 thousand paid on the basis of the NFP (contractually defined) at *closing*. Accessory charges to the acquisition amount to €440 thousand, of which €373 thousand already recognised in the 2020 financial year.

On the remaining 40% held by the selling shareholders, *Put& Call* option rights are provided that can be exercised after approval of the 2023 financial statements, at a price calculated on the basis of a multiple of Yoroi S.r.l.'s 2023 EBITDA (contractually defined), taking into account the NFP (contractually defined), estimated on the acquisition date at €23,629 thousand.

The company has therefore been consolidated on a line-by-line basis from 1 January 2021 and contributed €8,350 thousand to the Tinexta Group's 2021 revenues and €875 thousand to consolidated net profit.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 60%	19,714
Fair value of *Put* options on 40%	19,254
Total consideration transferred	**38,968**

The *fair value* of the acquired assets and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the *fair value* of net assets acquired
was recognised as goodwill. The following is a summary of the amounts recognised with reference to the assets
acquired and liabilities assumed at the acquisition date:

Amounts in thousands of Euro	Book values	*Fair value* adjustments	*Fair value*
Property, plant and equipment	880		880
Intangible assets	6	13,338	13,344
Non-current financial assets	11		11
Deferred tax assets	171		171
Trade and other receivables	3,750		3,750
Contract assets	430		430
Cash and cash equivalents	1,010		1,010
Total assets acquired	**6,257**	**13,338**	**19,595**
Employee benefits	1,214		1,214
Non-current financial liabilities	445		445
Current financial liabilities	164		164
Trade and other payables	1,882		1,882
Contract liabilities	596		596
Current tax liabilities	182	3,721	3,903
Total liabilities assumed	**4,482**	**3,721**	**8,203**
Net assets acquired	**1,775**	**9,617**	**11,392**

The recognition at *fair value* of the acquisition of Yoroi's assets and liabilities resulted in the recognition of an intangible asset for *customer lists* for an amount of €13,338 thousand, before taxes, which, according to the customer turnover rate, it is deemed may deplete its future useful life in a period of 5 years from the acquisition date.

Goodwill arising from the acquisition was recognised as shown in the following table:

Amounts in thousands of Euro	
Total consideration transferred	38,968
Net assets acquired	11,392
Goodwill	**27,576**

The net cash flow deriving from consolidation of the company is shown below:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 60%	-19,714
Cash and cash equivalents acquired at *closing*	1,010
Net cash flow deriving from consolidation	**-18,704**

Acquisition of Queryo Advance S.r.l.

On 28 January 2021, Tinexta S.p.A., through the subsidiary Co.Mark S.p.A., completed the acquisition of 60% of Queryo Advance S.r.l. (Queryo). The company is a *Digital Agency* founded in 2014, which offers mainly services for the design and management of *Digital ADV*, SEM (*Search Engine Marketing*) - SEA (*Search Engine Advertising*) and SEO (*Search Engine Optimization*), *Social Media Marketing*, *Remarketing and advanced Web Analytics* campaigns, with a distinctly *Data Driven* and *performance-oriented* vision. Co.Mark S.p.A. enters the share capital of Queryo with the aim of extending its offer and supporting the company's development plan over the next few years.

The price for the 60% share defined at *closing* was €4,200 thousand, plus a price adjustment for a total of €4,731 thousand (€3,743 thousand paid in 2021) based on EBITDA (contractually defined) for the 2020 financial year, the NFP (contractually defined) at *closing* and including dividends on the 2020 financial year collected after the *closing* by Co.Mark S.p.A. The accessory charges to the acquisition amounted to €125 thousand, of which €43 thousand were already recorded in 2020.

On the remaining 40% held by the selling shareholders, *Put & Call* option rights are provided that can exercise after the approval of the 2024 financial statements, at a price calculated on the basis of a multiple of Queryo's 2024 EBITDA (contractually defined), taking into account the NFP (contractually defined), estimated on the acquisition date to be €12,213 thousand.

The company has therefore been consolidated on a line-by-line basis from 1 January 2021 and contributed €6,265 thousand to the Tinexta Group's 2021 revenues and €1,881thousand to consolidated net profit.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 60%	7,943
Contingent consideration for 60%	988
Fair value of *Put* options on 40%	9,342
Total consideration transferred	**18,272**

The *fair value* of the acquired assets and contingent liabilities was determined according to IFRS 3. The excess of the acquisition price over the *fair value* of net assets acquired was recognised as goodwill. The following is a summary of the amounts recognised with reference to the assets acquired and liabilities assumed at the acquisition date:

Amounts in thousands of Euro	**Book values**	***Fair value* adjustments**	***Fair Value***
Property, plant and equipment	155		155
Intangible assets	0	13,723	13,723
Non-current financial assets	3		3
Deferred tax assets	54		54
Trade and other receivables	1,246		1,246
Contract assets	629		629
Cash and cash equivalents	989		989
Total assets acquired	**3,077**	**13,723**	**16,800**
Employee benefits	95		95
Non-current financial liabilities	42		42
Current financial liabilities	738		738
Trade and other payables	816		816
Contract liabilities	1		1
Current tax liabilities	337	3,696	4,032
Total liabilities assumed	**2,027**	**3,696**	**5,723**
Net assets acquired	**1,050**	**10,027**	**11,077**

The recognition at *fair value* of the acquired assets and liabilities of Queryo Advance entailed:

- the recognition of an intangible asset for *customer lists* for an amount of €12,245 thousand, before taxes, which, according to the customer turnover rate, it is deemed may deplete its future useful life in a period of 15 years from the acquisition date;
- the recognition of a higher value of intangible assets for an amount of €1,478 thousand, before taxes, relating to the proprietary software platform for the design and management of the *Digital Advertising* campaigns, which deemed may deplete its future useful life in a period of 5 years from the acquisition date;

Goodwill arising from the acquisition was recognised as shown in the following table:

Amounts in thousands of Euro	
Total consideration transferred	18,272
Net assets acquired	11,077
Goodwill	**7,195**

The net cash flow deriving from consolidation of the company is shown below:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 60%	-7,943
Cash and cash equivalents acquired at *closing*	989
Net cash flow deriving from consolidation	**-6,954**

BUSINESS COMBINATIONS FOR WHICH ACCOUNTING RECOGNITION HAS NOT BEEN COMPLETED

Acquisition of Forvalue S.p.A.

On 21 July 2021, the Tinexta Group completed the closing of the transaction which involved the contribution by Intesa Sanpaolo of the 100% stake of Intesa Sanpaolo Forvalue S.p.A. in Innolva S.p.A. – a subsidiary of Tinexta – and the simultaneous subscription of newly issued shares of Innolva, resulting from a reserved capital increase. The amount of the contribution was set at €55 million. As a result of the transaction, Innolva S.p.A.'s share capital is therefore 75% held by Tinexta S.p.A., which retains the majority of corporate governance, and 25% by Intesa Sanpaolo S.p.A. The transaction aims to establish a single, integrated domestic hub for higher value-added services for SMEs. This is a strategic partnership that strengthens the Tinexta Group's mission to support Italian SMEs in their growth: through Forvalue's widespread network, which boasts a unique, distinctive and top quality positioning, Italian companies will have access to a wide and qualified platform of products and services to support their business. There are *Put & Call* option rights on the 25% stake held by Intesa Sanpaolo in the share capital of Innolva S.p.A., subject to the termination of the partnership and/or on some results with respect to the plan objectives, and exercisable in two time windows within the two-year period 2025-2026. An earn-out is also envisaged in the event that certain plan objectives are exceeded, ratified with the approval of Forvalue's 2025 financial statements, which will allow Intesa Sanpaolo to increase its equity investment in Innolva up to a further 5% of the share capital.

The company Forvalue S.p.A. was consolidated on a line-by-line basis from 1 July 2021 and contributed €3,804 thousand to the Tinexta Group's 2021 revenues and €549 thousand to consolidated net profit.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Fair value Forvalue SpA transferred to Innolva SpA	55,000
Total consideration transferred	**55,000**

The following is a summary of book values recognised with reference to the assets acquired and liabilities assumed at the acquisition
date of the companies:

Amounts in thousands of Euro	**Book values**
Current and deferred tax assets	37
Trade and other receivables	823
Contract assets	295
Cash and cash equivalents	3,280
Total assets acquired	**4,435**
Provisions	46
Current financial liabilities	1,950
Trade and other payables	786
Contract liabilities	699
Current and deferred tax liabilities	240
Total liabilities assumed	**3,721**
Net assets acquired	**714**

Goodwill arising from the acquisition has been provisionally recognised as shown in the following table:

Amounts in thousands of Euro	
Total consideration transferred	55,000
Net assets acquired	714
Goodwill	**54,286**

The goodwill deriving from the acquisition has been provisionally allocated to the CGUs which are expected to benefit from the synergies of the business combination. Of the total €54,286 thousand: €28,452 thousand were allocated to the Innolva CGU, €22,063 thousand were allocated to the Warrant Hub CGU, €3,771 thousand were allocated to the Co.Mark CGU.

The net cash flow, at the acquisition date, deriving from consolidation of the companies is shown below:

Amounts in thousands of Euro	
Cash and cash equivalents acquired at *closing*	3,280
Net cash flow deriving from consolidation	**3,280**

Acquisition of Financial Consulting Lab Srl and Financial CLab S.r.l.

On 14 October 2021, through the subsidiary Warrant Hub S.p.A., the *closing* was signed for the acquisition of 100% of Financial Consulting Lab S.r.l. and Financial CLab S.r.l. for a total value of €5,241 thousand. Both companies are based in Brescia. Financial Consulting Lab S.r.l. has a proven and consolidated expertise in the management of Chambers of Commerce and regional calls for tenders for small-sized businesses in the area of Special Subsidised Finance, while Financial CLab specialises in offering innovative digital tools for businesses that want to access public funds autonomously and independently.

An advance payment on the acquisition price equal to €3,669 thousand (corresponding to 70% of the total price) was made on the *closing* date. The residual 30% of the total price (equal to €1,572 thousand) will be paid 50% by 31 December 2022 and the remaining 50% by 31 December 2024. Interest conventionally agreed on the residual consideration accrues at an annual rate of 0.50%. The accessory charges to the acquisition amounted to €100 thousand and were fully recognised in 2021.

The two companies are then consolidated on a line-by-line basis from 1 October 2021 and contributed €552 thousand to the Tinexta Group's 2021 revenues and €10 thousand to consolidated net profit.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Cash and cash equivalents paid	3,669
Price deferment	1,572
Total consideration transferred	**5,241**

The following is a summary of book values recognised with reference to the assets acquired and liabilities assumed at the acquisition
date of the companies:

Amounts in thousands of Euro	**Financial Consulting Lab book values**	**Financial CLab book values**	**Aggregate**
Property, plant and equipment	292		292
Intangible assets	1		1
Equity investments	13		13
Current and deferred tax assets	2		2
Trade and other receivables	349	0	349
Cash and cash equivalents	943	8	951
Total assets acquired	**1,599**	**8**	**1,608**
Employee benefits	74	3	77
Non-current financial liabilities	230		230
Current financial liabilities	43		43
Trade and other payables	261	13	274
Current and deferred tax liabilities	131		131
Total liabilities assumed	**740**	**16**	**756**
Net assets acquired	**860**	**-8**	**852**

Goodwill arising from the acquisition has been provisionally recognised as shown in the following table:

Amounts in thousands of Euro	
Total consideration transferred	5,241
Net assets acquired	852
Goodwill	**4,389**

The net cash flow, at the acquisition date, deriving from consolidation of the companies is shown below:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 60%	-3,669
Cash and cash equivalents acquired at *closing*	951
Net cash flow deriving from consolidation	**-2,718**

Acquisition of CertEurope S.A.

On 3 November 2021, Tinexta S.p.A., through its subsidiary InfoCert S.p.A., completed the acquisition of 60% of the share capital of CertEurope S.A.S. CertEurope, based in Paris, is one of the three largest Certification Authorities in France with a very well-known brand and a market share of around 40% in the eIDAS certificate sector. The company has the authorisations and accreditations necessary to issue all types of certificates required by the French market, in compliance with the technical requirements established by the French Agency for the Security of Information Systems (ANSSI). Through the acquisition, Tinexta is entering the French market, the second largest in the European Community, and InfoCert, the largest Certification Authority in Europe, will be able to sell its solutions on the territory. CertEurope's well-established business relationships with a number of important trade associations (attorneys, inter alia) and with large national retailers (resellers of digital services) represent a potentially significant accelerator for the penetration of InfoCert solutions into the French market.

The agreement provides for the purchase of 60% of the share capital of CertEurope for a total consideration of €46,235 thousand [6] which includes a contingent consideration of €3,824 thousand based on the *performance* of the results for 2021 and 2022. At the date of these financial statements, the conditions for

[6] The price paid at *closing* of €42,411 thousand was calculated on the basis of a provisional net financial position (contractually defined) which will be subject to checks and possible adjustments in the contractual terms.

the accrual of the contingent consideration on the results of the 2021 financial year did not occur. The accessory charges to the acquisition amounted to €921 thousand and were fully recognised in 2021.

On the remaining 40% held by the selling shareholders, *Put& Call* option rights are provided that can be exercised after approval of the 2022 financial statements, at a price calculated on the basis of a multiple of CertEurope S.A.S.'s 2022 EBITDA (contractually defined), taking into account the NFP (contractually defined), estimated on the acquisition date at €35,479 thousand.

The company has therefore been consolidated on a line-by-line basis from 1 November 2021, and contributed €2,704 thousand to Tinexta Group's 2021 revenues and €829 thousand to consolidated net profit.

The following table summarises the *fair value* at the acquisition date of the main components of the consideration transferred:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 60%	42,411
Contingent consideration on 60% Earn-Out 2022	2,369
Contingent consideration on 60% Earn-Out 2023	1,455
Fair value of *Put* options on 40%	32,276
Total consideration transferred	**78,511**

The following is a summary of book values recognised with reference to the assets acquired and liabilities assumed at the acquisition
date of the company:

Amounts in thousands of Euro	**Book values**
Property, plant and equipment	688
Intangible assets	17
Equity investments	0
Non-current financial assets	1
Current and deferred tax assets	798
Inventories	285
Trade and other receivables	6,417
Contract assets	1.613%
Current financial assets	2,756
Cash and cash equivalents	217
Total assets acquired	**12,792**
Provisions	25
Employee benefits	281
Non-current financial liabilities	409
Current financial liabilities	259
Trade and other payables	1,490
Contract liabilities	5,217
Current and deferred tax liabilities	87
Total liabilities assumed	**7,769**
Net assets acquired	**5,023**

Goodwill arising from the acquisition has been provisionally recognised as shown in the following table:

Amounts in thousands of Euro	
Total consideration transferred	78,511
Net assets acquired	5,023
Goodwill	**73,488**

The net cash flow, at the acquisition date, deriving from consolidation of the company is shown below:

Amounts in thousands of Euro	
Cash and cash equivalents paid for 60%	-42.411
Cash and cash equivalents acquired at *closing*	217
Net cash flow deriving from consolidation	**-42,194**

Information on the Statement of Financial Position

The items of the Consolidated Statement of Financial Position at 31 December 2021 are commented hereunder. The comparative balances at 31 December 2020 were restated (as indicated in Note *13. Business Combinations*) in relation to the completion during the year of the activities for the identification of the *fair values*
of the assets and liabilities of Swascan S.r.l., which is consolidated on a line-by-line basis from 1 October 2020, and for the identification of the *fair values* of the assets and liabilities of Euroquality S.A.S., which is consolidated on a line-by-line basis from 31 December 2020.

Amounts in thousands of Euro	**31/12 2020**	**Completion of Swascan Business Combination**	**Completion of Euroquality Business Combination**	**31/12 2020 Restated**
ASSETS				
Property, plant and equipment	18,990			18,990
Intangible assets and goodwill	285,106	864	235	286,205
Investment property	724			724
Equity-accounted investments	5,880			5,880
Other investments	22			22
Other financial assets, excluding derivative financial instruments	1,246			1,246
Deferred tax assets	6,041			6,041
Trade and other receivables	2,517			2,517
Contract cost assets	5,275			5,275
NON-CURRENT ASSETS	**325,799**	**864**	**235**	**326,899**
Inventories	1,154			1,154
Other financial assets, excluding derivative financial instruments	7,320			7,320
Derivative financial instruments	0			0
Current tax assets	311			311
Trade and other receivables	84,110			84,110
Contract assets	9,231			9,231
Contract cost assets	1,206			1,206
Cash and cash equivalents	92,813			92,813
CURRENT ASSETS	**196,146**	**0**	**0**	**196,146**
TOTAL ASSETS	**521,945**	**864**	**235**	**523,044**
EQUITY AND LIABILITIES				
Share capital	47,207			47,207
Treasury shares	-10,001			-10,001
Share premium reserve	55,439			55,439
Other reserves	77,189	-136		77,053
Shareholders' equity attributable to the Group	*169,834*	*-136*	*0*	*169,698*
Minority interests	*4,047*			4,047
TOTAL SHAREHOLDERS' EQUITY	**173,881**	**-136**	**0**	**173,745**
LIABILITIES				
Provisions	3,471			3,471
Employee benefits	12,792			12,792
Financial liabilities, excluding derivative financial instruments	150,508			150,508
Derivative financial instruments	1,142			1,142
Deferred tax liabilities	14,279	1,000	145	15,424
Contract liabilities	10,961			10,961
Deferred income	4			4
NON-CURRENT LIABILITIES	**193,156**	**1,000**	**145**	**194,301**
Provisions	752			752
Employee benefits	131			131
Financial liabilities, excluding derivative financial instruments	40,365		90	40,455
Trade and other payables	60,249			60,249
Contract liabilities	46,411			46,411
Deferred income	1,854			1,854
Current tax liabilities	5,147			5,147
Liabilities held for sale	0			0
CURRENT LIABILITIES	**154,908**	**0**	**90**	**154,998**
TOTAL LIABILITIES	**348,064**	**1,000**	**235**	**349,299**
TOTAL EQUITY AND LIABILITIES	**521,945**	**864**	**235**	**523,044**

The tables of changes in equity items show the effects on the consolidated data of changes in the scope of consolidation (the values of assets and liabilities acquired from Corvallis S.p.A., Yoroi S.r.l. and Queryo Advance S.r.l. and the provisional estimated values of the assets and liabilities acquired from Forvalue S.p.A., CertEurope S.A.S., CertEurope S.A.S., Financial Consulting Lab S.r.l. and Financial CLab S.r.l., as illustrated in Note *13. Business Combinations*.

14. PROPERTY, PLANT AND EQUIPMENT

Changes in investments in property, plant and equipment:

Amounts in thousands of Euro	**31/12/2020**	**Invest ments**	**Divest ments**	**Depreciation**	**Reclassifications**	**Change in scope**	**Reva luations**	**Impair ments**	**Exchange rate delta**	**31/12/2021**
Land										
Cost	148	0	0	0	157	0	0	0	0	*304*
Net value	**148**	**0**	**0**	**0**	**157**	**0**	**0**	**0**	**0**	**304**
Leased land										
Cost	303	0	0	0	-157	370	0	0	0	*517*
Net value	**303**	**0**	**0**	**0**	**-157**	**370**	**0**	**0**	**0**	**517**
Buildings										
Cost	1,054	4	0	0	2,474	0	0	0	0	*3,532*
Accumulated Depreciation	-468	0	0	-40	-1,511	0	0	0	0	*-2,019*
Net value	**587**	**4**	**0**	**-40**	**963**	**0**	**0**	**0**	**0**	**1,514**
Leased buildings										
Cost	18,152	1,955	-2,593	0	-2,161	5,375	3,958	-2,019	0	*22,667*
Accumulated Depreciation	-6,769	0	2,593	-3,971	1,199	0	0	0	0	*-6,948*
Net value	**11,383**	**1,955**	**0**	**-3,971**	**-962**	**5,375**	**3,958**	**-2,019**	**0**	**15,719**
Electronic machines										
Cost	21,254	1,245	-2,390	0	291	3,077	0	0	0	*23,478*
Accumulated Depreciation	-18,931	0	2,386	-1,954	0	-2.756	0	0	-2	*-21,256*
Net value	**2,323**	**1,245**	**-4**	**-1,954**	**291**	**322**	**0**	**0**	**-2**	**2,221**
Leased electronic machines										
Cost	637	0	0	0	0	54	0	0	0	*692*
Accumulated Depreciation	-319	0	0	-232	0	0	0	0	0	*-551*
Net value	**319**	**0**	**0**	**-232**	**0**	**54**	**0**	**0**	**0**	**141**
Leasehold improvements										
Cost	2,252	43	-156	0	-313	1,457	0	-472	0	*2,812*
Accumulated Depreciation	-1,737	0	152	-278	311	-870	0	264	0	*-2,157*
Net value	**516**	**43**	**-4**	**-278**	**-1**	**587**	**0**	**-208**	**0**	**655**
Assets in progress and advances										
Cost	290	0	0	0	-291	1	0	0	0	*0*
Net value	**290**	**0**	0	**0**	**-291**	**1**	**0**	**0**	**0**	**0**
Other assets										
Cost	8,204	366	-1,686	0	90	2,013	0	0	0	*8,986*
Accumulated Depreciation	-6,813	0	1,652	-558	-55	-1,768	0	0	0	*-7,542*
Net value	**1,391**	**366**	**-34**	**-558**	**35**	**246**	**0**	**0**	**0**	**1,445**
Other leased assets										
Cost	3,237	1,695	-635	0	-90	406	306	-62	0	*4,858*
Accumulated Depreciation	-1,506	0	633	-1,384	55	0	0	0	0	*-2,202*
Net value	**1,731**	**1,695**	**-2**	**-1,384**	**-35**	**406**	**306**	**-62**	**0**	**2,656**
Property, plant and equipment	**18,990**	**5,309**	**-44**	**-8,417**	**0**	**7,361**	**4,264**	**-2,289**	**-2**	**25,172**
of which leased	***13,736***	***3,651***	***-2***	***-5,587***	***-1,154***	***6,205***	***4,264***	***-2,081***	***0***	***19,032***

Investments during the year amounted to €5,309 thousand (of which €3,651 thousand for new leases) against depreciation of €8,417 thousand (of which €5,587 thousand on leases).

The Group has opted to recognise right-of-use assets from leases under *Property, plant and equipment*, in the same categories in which the underlying assets would have been recognised if owned. Right-of-use assets on properties are recognised under *leased buildings*, whilst right-of-use assets on vehicles are recorded under *other leased assets*. *Revaluations* include adjustments to rights of use due to increases in lease payments or to lease extensions; *Impairment* refers solely to early terminations of leases.

Investments in *Electronic machines* totalling €1,245 thousand include €720 thousand attributable to the *Digital Trust* segment, and refer mainly to acquisitions of hardware and electronic devices required for company *Data centre* operations, and €326 thousand attributable to the *Cybersecurity* segment.

15. INTANGIBLE ASSETS AND GOODWILL

This item includes intangible assets with indefinite (goodwill) or definite (intangible assets) useful life as follows:

Amounts in thousands of Euro	**31/12/2020**	**Invest ments**	**Disinvest ments**	**Amorti sation**	**Reclassi fications**	**Change in scope**	**Alloca tions**	**Exchange rate delta**	**31/12/2021**
Goodwill									
Original cost	211,975	0	0	0	0	0	187,232	0	399,207
Net value	**211,975**	**0**	**0**	**0**	**0**	**0**	**187,232**	**0**	**399,207**
Other intangible assets with indefinite useful life	**0**								
Original cost	405	0	0	0	0			0	405
Bad debts provision	0								0
Net value	**405**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**405**
Software									
Original cost	66,309	3,207	-9,058	0	6,675	27,606			94,740
Accumulated Amortisation	-53,823	0	9,058	-8,192	0	-25,038			-77,996
Net value	**12,486**	**3,207**	**0**	**-8,192**	**6,675**	**2,568**	**0**	**0**	**16,744**
Concessions, licences, trademarks and similar rights									
Original cost	297	30	-33	0	0	3			297
Accumulated Amortisation	-208	0	26	-13	0	-2			-197
Net value	**90**	**30**	**-7**	**-13**	**0**	**1**	**0**	**0**	**100**
Other intangible assets from consolidation									
Original cost	78,865	0	0	0	0	72,118			150,983
Accumulated Amortisation	-30,600	0	0	-11,653	0	0			-42,253
Net value	**48,265**	**0**	**0**	**-11,653**	**0**	**72,118**	**0**	**0**	**108,730**
Assets in progress and advances									
Original cost	5,559	6,311	0	0	-6,675	1,010			6,205
Net value	**5,559**	**6,311**	**0**	**0**	**-6,675**	**1,010**	**0**	**0**	**6,205**
Databases									
Original cost	18,437	5,009	-85	0	0				23,361
Accumulated Amortisation	-11,012	0	85	-5,329	0				-16,256
Net value	**7,425**	**5,009**	**0**	**-5,329**	**0**	**0**	**0**	**0**	**7,105**
Other									
Original cost	46	1	0	0	0	0		0	46
Accumulated Amortisation	-45	0	0	0	0	0		0	-45
Net value	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Intangible assets with definite and indefinite useful life	**286,205**	**14,558**	**-7**	**-25,188**	**0**	**75,698**	**187,232**	**0**	**538,498**

Investments in the year amounted to €14,558 thousand against amortisation of €25,188 thousand (of which €11,653 thousand on *Other intangible assets from consolidation* deriving from the price allocation on business combinations).

Goodwill

At 31 December 2021 the item amounts to €399,207 thousand and can be broken down as follows among the CGUs/Operating segments:

Amounts in thousands of Euro **CGUs** ***Operating segments***		**31/12/2021**	**31/12/2020**	**Change**
Goodwill Innolva	(*Credit Information & Management*)	118,419	89,967	28,452
Goodwill RE Valuta	(*Credit Information & Management*)	4,578	4,578	0
Goodwill Warrant	(*Innovation & Marketing Services*)	61,795	35,343	26,452
Goodwill Co.Mark	(*Innovation & Marketing Services*)	57,629	46,663	10,966
Goodwill Visura	(*Digital Trust*)	25,191	25,191	0
Goodwill InfoCert	(*Digital Trust*)	73,515	27	73,488
Goodwill Tinexta Cyber (	*Cybersecurity*)	58,080	10,206	47,874
	Goodwill	**399,207**	**211,975**	**187,232**

The goodwill allocated to the Innolva CGU increased by €28,452 thousand due to the goodwill allocated provisionally from the Forvalue acquisition; this goodwill was also provisionally allocated to the CGU Warrant for €22,063 thousand and to the CGU Co.Mark for €3,771 thousand in relation to the expected benefits from the synergies of the business combination. Warrant goodwill increases by a further €4,389 thousand due to the provisional allocation deriving from the Financial Consulting Lab acquisition. Co.Mark goodwill also grows due to the final allocation deriving from the Queryo Advance acquisition. The goodwill provisionally allocated from the CertEurope acquisition is recorded in InfoCert. Cybersecurity goodwill grows due to the final allocation resulting from the Corvallis and Yoroi acquisitions. In Note *13. Business Combinations* details are given on the allocation of the listed goodwill.

In compliance with the requirements of IAS 36, the CGUs were defined as the smallest identifiable asset group that generates cash flows that are largely independent from the cash flows generated by other assets or groups of assets and represent the minimum level at which goodwill is monitored for internal management purposes.

The identified CGUs to which goodwill has been allocated are indicated in the table above. In particular, goodwill was allocated to the CGUs, as defined above, at the time of the acquisition of control of each individual company or group of companies.

The related recoverable amount was determined on the basis of an estimate of the value in use, as the *fair value* of the individual CGUs could not be determined in a reliable manner. Goodwill emerging from the CertEurope and Financial Consulting Lab *business combinations* were not subject to *impairment tests* as these acquisitions were made close to the end of the year and no elements emerged that would suggest that the valuation made at the time of the acquisition has changed.

The value in use has been determined by using the *discounted cash flow* method, in the *unlevered* version, applied to forecasts prepared by the Directors of each CGU in relation to the three-year period from 2022 to 2024. The cash flows used for the determination of the value in use are related to the operational management of each CGU and do not include financial charges and extraordinary items; they include the investments envisaged in the plans and changes in cash attributable to working capital, without taking into consideration the effects of future restructuring not yet approved by the directors or future investments to improve future profitability. The forecast growth in the plans used as the basis for *impairment tests* is in line with the corresponding growth forecast in the respective sectors. An explicit period of three years was used, beyond which the above flows were projected according to the perpetual return method (*terminal value*) using a growth rate (g-rate) for the market within which the individual CGUs operate, of 1.3% for the *Cybersecurity* sector and 1.2% for the other sectors. The macroeconomic assumptions at the base of the plans, when available, were determined based on external sources of information, while the estimates in terms of growth and profitability used by the directors, are derived from historical trends and expectations related to the markets in which Group companies operate.

The cash flows of the CGUs of the *Credit Information & Management*, *Innovation & Marketing Services* and *Digital Trust* sectors were discounted using a WACC equal to 6.75% after tax, estimated with a *Capital Asset Pricing Model* approach, as represented below:

- risk-free rate of 0.8%, equal to the gross average return of Italian ten-year BTPs;
- *market risk premium* of 4.6%;
- additional risk factor equal to 2.0%;
- sector *levered* beta of 0.96, determined considering a list of comparable listed companies;
- financial structure of the Company set to 12.1%, considering the average of the D/E ratio recorded by comparable companies;
- cost of debt applicable to the Group, equal to 3.1%.

The cash flows of the CGU of the *Cybersecurity* sector were discounted using a WACC equal to 6.80% after tax, estimated with a *Capital Asset Pricing Model* approach, with the following change compared to the WACC of the other sectors:

- sector *levered* beta of 1.03 determined considering a list of comparable listed companies;
- financial structure of the company set to 18.1%, considering the average of the D/E ratio recorded by comparable companies;

The *impairment tests* at 31 December 2021 did not identify any impairment in the recognised goodwill.

The plans underlying the *impairment tests* mentioned above were approved by the Boards of Directors of the individual companies, or sub-groups, to which goodwill has been allocated. The *impairment tests* were approved by the Board of Directors of Tinexta on 17 March 2022.

The excess of the recoverable value of the main CGU with respect to the book value, determined on the basis of the assumptions described above, is equal to:

Amounts in thousands of Euro		31/12/2021
CGUs	***Operating segments***	
Goodwill Innolva	(*Credit Information & Management*)	74,875
Goodwill RE Valuta	(*Credit Information & Management*)	60,089
Goodwill Warrant	(*Innovation & Marketing Services*)	351,428
Goodwill Co.Mark	(*Innovation & Marketing Services*)	47,505
Goodwill Visura	(*Digital Trust*)	75,647
Goodwill Tinexta Cyber	(*Cybersecurity*)	127,473
	Total	**737,017**

The following table sets out the excess of the recoverable value of the CGUs with respect to the book value, compared with the following sensitivity analyses: (i) increase in WACC used to develop cash flows of all CGUs of 50 basis points all other conditions being equal; (ii) decrease in the growth rate in the calculation of the *terminal value* of 50 basis points, all other conditions being equal.

Amounts in thousands of Euro		WACC +0.5%	*g-rate* -0.5%
CGUs	***Operating segments***		
Goodwill Innolva	(*Credit Information & Management*)	55,842	57,759
Goodwill RE Valuta	(*Credit Information & Management*)	54,813	55,342
Goodwill Warrant	(*Innovation & Marketing Services*)	315,356	319,060
Goodwill Co.Mark	(*Innovation & Marketing Services*)	37,734	38,720
Goodwill Visura	(*Digital Trust*)	68,012	68,810
Goodwill Tinexta Cyber	(*Cybersecurity*)	107,624	109,573
	Total	**639,381**	**649,264**

The following table shows the values of the WACC or *g-rate* that would result in the recoverable value of each CGU equal to the related book value, with all other parameters used in the respective *impairment tests* remaining the same.

%		WACC	*g-rate*
CGUs	***Operating segments***		
Goodwill Innolva	(*Credit Information & Management*)	9.42	-1.9
Goodwill RE Valuta	(*Credit Information & Management*)	n.a.	n.a.
Goodwill Warrant	(*Innovation & Marketing Services*)	29.25	-47.3
Goodwill Co.Mark	(*Innovation & Marketing Services*)	10.48	-3.3
Goodwill Visura	(*Digital Trust*)	30.71	-58.1
Goodwill Tinexta Cyber	(*Cybersecurity*)	13.16	-6.7

Other intangible assets with indefinite useful life

The item *Other intangible assets with indefinite useful life* consists of the value of the press review database called AZ Press attributable to Innolva S.p.A. (€376 thousand). Considering the specific nature of this database, it is not possible to define criteria to link the value of individual data with the historical value and determine a useful life. Each verification of the value of the database as a whole, as well as that of the ability to express useful life, can therefore only be by means of periodic analysis of the recoverability of the investment. The *impairment test* at 31 December 2021 did not reveal any impairment loss of the database itself.

Intangible assets with definite useful life

Software

The item *Software* includes both the expenses for maintenance and development of the platform related to the software application for the management of *Credit Information & Management* databases and the costs for the purchase of software licences used for the supply of *Digital Trust* and *Cybersecurity* services. Investments for the year, totalling €3,207 thousand, plus €6,675 thousand for the production start-up of investments made in previous years, are attributable to the *Digital Trust* (€4,731 thousand), *Cybersecurity* (€2,443 thousand) and *Credit Information & Management* (€2,252 thousand) segments.

Databases

The *Databases* increased by €5.009 thousand due to investments made during the period. Investment in the *Credit Information & Management* segment, specifically in the company Innolva S.p.A., envisaged the establishment of the initial structure and constant updating of the positions in the proprietary archives through steady annual investments. The underlying reasons for the investment are: the possibility of developing an *offering* aligned with market demand, which calls for the launch of innovative products and *proposition* of associated additional services; independence in the procurement phases from the main competitors and the possibility of guaranteeing the highest quality standards with respect to the depth of the data underlying the analyses and the accuracy guaranteed by their continuous updating.

Other intangible assets from consolidation

Other intangible assets from consolidation consist of the intangible assets recognised during the *fair value* measurement of the assets acquired as part of the following business combinations:

Amounts in thousands of Euro *CGU*	*Operating segments*	31/12/2020	Change in scope	Amorti sation	31/12/2021
Tinexta Cyber *customer list*	*(Cybersecurity)*	3,585	*59,873*	-6,160	*57,298*
Warrant Hub customer list	*(Innovation & Marketing Services)*	24,720	0	-1,809	22,911
Warrant Hub backlog	*(Innovation & Marketing Services)*	575	*0*	-96	*479*
Co.Mark customer list	*(Innovation & Marketing Services)*	0	12,245	-816	11,429
Innolva customer list	*(Credit Information & Management)*	18,441		-2,000	16,442
InfoCert customer list	*(Digital Trust)*	223		-51	171
Visura customer list	*(Digital Trust)*	721		-721	0
	Other intangible assets from consolidation	**48,265**	**72,118**	**-11,653**	**108,730**

Assets in progress and advances

Assets in progress rose by €6,311 thousand, of which €4,601 thousand in the *Digital Trust* segment for the implementation of various innovative solutions with different purposes and characteristics; both direct costs, referring to internal personnel costs, and external costs for technical consultation necessary for the development and implementation of the solutions, were capitalised. An additional €1.215 thousand refers to software development regarding projects not yet finalised in the *Credit Information & Management* segment.

16. INVESTMENT PROPERTY

Changes in investment property:

Amounts in thousands of Euro	31/12/2020	Investments	Divestments	Depreciation	Reclassifications	31/12/2021
Buildings - investment property						
Original cost	1,090					1,090
Accumulated depreciation	-366			-26		-392
Net value	**724**	**0**	**0**	**-26**	**0**	**698**
Investment property	**724**	**0**	**0**	**-26**	**0**	**698**

Revenues for rents from *Investment Property* recognised during the year amounted to €55 thousand and are included in *Other revenues and income*.

17. EQUITY INVESTMENTS

Equity-accounted investments

Table with details on the valuation of companies consolidated using the equity method:

Amounts in thousands of Euro	% ownership	31/12/2020	Increases/Decreases in the Income Statement	Acquisitions	Distribution of dividends	Exchange rate delta	31/12/2021	% ownership
Authada GmbH	16.7%	3,139	-318				2,821	16.7%
FBS Next S.p.A.	30.0%	2,006	0				2,006	30.0%
Innovazione 2 Sagl	30.0%	483	171		-288	30	396	30.0%
Wisee S.r.l. Benefit company	-	-	-17	505			488	18.8%
Opera S.r.l.	-	-	0	300			300	20.0%
Studio Fieschi & Soci S.r.l.	-	-	0	297			297	20.0%
Creditreform GPA Ticino S.A.	30.0%	101	-28			0	73	30.0%
Camerfirma Colombia S.A.S.	25.0%	89	-27	113		-8	166	51.0%
eTuitus S.r.l.	24.0%	59	10				69	24.0%
Digital Hub S.r.l.	30.0%	3	10				13	30.0%
IDecys S.A.S.	-	-					0	30.0%
Investments in associated companies		**5,880**	**-200**	**1,215**	**-288**	**22**	**6,630**	

Authada GmbH investment

On 22 September 2020, subsidiary InfoCert S.p.A. signed a strategic agreement with Authada GmbH (Authada), a *Digital Identity Provider* with state-of-the-art technology, based in Darmstadt in Germany. Authada is active in the finance, telecommunications and betting markets - with well-known customers such as Vodafone, Comdirect (Commerzbank Group) and Sparkassenfinanzgruppe - and is currently expanding in the insurance, e-commerce and e-health sectors. Authada was financed by FinLab AG, a listed *venture capital* company, and Main Incubator GmbH, *early stage investor* as well as research and development company of Commerzbank Group. The signed agreement defines the terms of a strategic collaboration between InfoCert and Authada, including the distribution - for the German market - of the main *Enterprise* digital solutions of InfoCert and their integration with the advanced Authada eID solution. The strategic agreement envisaged a €3 million capital increase for Authada subscribed by InfoCert in exchange for a 16.7% interest held in shares with pre-emption rights. *Put & Call* options are envisaged that can be exercised following the approval of the 2021 and 2022 financial statements, allowing InfoCert to obtain control of 100% of Authada, if certain performance conditions are met. Based on the 2021 results, the conditions for exercising the *Call* option were not met; the possibility of exercising the *Put & Call* options on the 2022 results remains unchanged.

Data from the financial statements of Authada GmbH at 31 December 2021.

Authada GmbH			
Amounts in millions of euros at 31.12.2021			
Non-current assets	0.2	Revenues	0.6
Current assets	0.6	Impairment and amortisations	0.0
of which cash and cash equivalents	*0.4*	Interest expenses	0.0
Current liabilities	0.2	Income tax expense	0.0
of which financial	*0*	Profit (loss) for the year	-1.9

FBS Next S.p.A. investment

On 28 October 2020, with an investment of €1,960 thousand (plus acquisition-related accessory costs), Tinexta S.p.A. acquired 30% of the share capital of FBS Next S.p.A., an operating company that organises and implements transactions in the non-performing loans sector (NPL/UTP), performing *servicer* activities and managing portfolios of non-performing loans, acting as *promoter* and undertaking other related activities. The company will operate in synergy with the companies of the Re Valuta S.p.A. and Innolva S.p.A. Group.

Data from the financial statements of FBS Next S.p.A. at 31 December 2021:

FBS Next S.p.A.			
Amounts in millions of euros at 31.12.2021			
Non-current assets	2.5	Revenues	0.6
Current assets	5.7	Financial income	1.1
of which cash and cash equivalents	*3.1*	Impairment and amortisations	0.0
Non-current liabilities	4.0	Interest expenses	0.0
Current liabilities	0.3	Income tax expense	0.0
of which financial	*0.0*	Profit (loss) for the year	0.0

Other minor investments

In March, Warrant Hub S.p.A. through Warrant Service S.r.l. (subsidiary at 50%) made an investment in the start-up **Opera S.r.l.** by subscribing to a capital increase of €300 thousand (of which €297 thousand for premium), acquiring a stake equal to 20% of the share capital.

In May, Warrant Hub S.p.A. acquired a 20% stake in the share capital of **Studio Fieschi & soci Srl** for €225 thousand (plus accessory charges). Studio Fieschi & soci Srl is an innovative SME with offices in Turin and Venice, with a strong strategic, scientific and operational expertise covering all aspects of sustainability: environmental, social and economic. The agreement strengthens the strategic commitment of Warrant Hub on the issue of the ecological transition of customer companies, addressed over the years with automatic subsidized finance tools, with European tenders and with specialist advice on eco-innovation and energy. The operation is based on the successful experiences born from the collaboration between the two companies on the European projects LifeZeroGWP, LifeREskiboot and Intelwatt, as part of the Life and Horizon 2020 framework programs. The agreement allows Warrant Hub to accelerate its expansion strategy also in the area of sustainability services by offering an even broader and more qualified support to the competitiveness and growth of companies. The signed agreement provides for Put & Call options that give Warrant Hub the opportunity to acquire control (51%) of Studio Fieschi & soci Srl in 2023 and to reach the whole control over the company in 2026.

In July, Innolva SpA concluded an investment agreement in the share capital of the company **Wisee S.r.l. Benefit Company** achieved through the subscription of a capital increase for an amount equal to €470 thousand towards the acquisition of a minority stake of 18.8% of the company's share capital. The investment in Wisee, an innovative SME, will allow Innolva to access data sales channels on currently unmanned markets and to further integrate its commercial offer in relation to marketing services.

On 2 July 2021, an agreement was signed with the majority shareholder of **Camerfirma Colombia S.A.S.** for the purchase of a further 26% by A.C. Camerfirma S.A. The company was already 25%-owned by the Tinexta Group (24% through A.C. Camerfirma S.A. and 1% through InfoCert S.p.A.). In November, the transaction was completed with the payment of €99 thousand. At 31 December 2021, the conditions for the full consolidation of the company have not yet been satisfied; it is believed that this will take place after the approval of the 2021 financial statements.

Other investments

The item in question includes equity investments in other companies for an amount of €149 thousand (€22 thousand
at 31 December 2020) and refers to minority stakes in companies/consortia. The increase for the period refers to minority interests contributed by Corvallis Srl and Financial Consulting Lab for €84 thousand, in addition to further investments in the period for €42 thousand.

18. OTHER NON-CURRENT FINANCIAL ASSETS, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Other financial assets, excluding derivative financial instruments	**736**	**1,246**	**-510**

The item includes mainly receivables for security deposits. The decrease compared to the balance at 31 December 2020 was due to the reclassification in *Other current financial assets* of capitalisation policies for an amount of €443 thousand.

19. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets/liabilities, due to temporary deductible and taxable differences generated also as a result of consolidation adjustments, can be broken down as follows:

Deferred tax assets:	**31/12/2020**	**Allocations (Releases) Income statement**	**Allocations (Releases) Comprehensive income statement**	**Allocations (Releases) Shareholders' Equity**	**Change in scope**	**31/12/2021**
Deductible goodwill	78	1,285	0	0	9	1,373
Provisions for risks and charges	882	68	0	0	0	950
Impairment of fixed assets	28	0	0	0	0	28
Impairment of receivables and inventory	1,259	-119	0	0	23	1,163
Decreases in hedging financial instruments	271	0	-239	0	0	32
Differences between statutory and tax amortisation rates	1,011	-39	0	0	0	972
Interest expenses	165	201	0	0	0	366
Employee benefits	679	6	141	0	208	1,034
Losses that can be carried forward for tax purposes	936	-7	0	0	656	1,584
Contract liabilities	73	-32	0	0	0	40
Other temporary differences	657	404	0	0	238	1,299
Total Deferred tax assets	**6,041**	**1,766**	**-98**	**0**	**1,134**	**8,843**
Deferred tax liabilities:	**31/12/2020**	**Allocations (Releases) Income statement**	**Allocations (Releases) Comprehensive income statement**	**Allocations (Releases) Shareholders' Equity**	**Change in scope**	**31/12/2021**
Difference between the book values and the *fair values* of assets and liabilities acquired from business combinations	14,524	-5,436	0	0	20,400	29,489
Increases in hedging financial instruments	-2	0	27	0	0	25
Early and excess amortisation	244	-27	0	0	0	217
Employee benefits	2	0	0	0	0	2
Deductible goodwill	201	-103	0	0	0	97
Contract liabilities	-8	-4	0	0	0	-13
Contract cost assets	20	-12	0	0	0	8
Other temporary differences	444	-37	0	0	2	409
Total Deferred tax liabilities	**15,424**	**-5,620**	**27**	**0**	**20,402**	**30,234**
Net Balance	**-9,384**	**7,385**	**-125**	**0**	**-19,269**	**-21,391**

Deferred tax liabilities refer primarily to the *fair value* of assets emerging on the allocation of the *excess cost* paid in business combinations (€29,489 thousand), issued during the period for €5,436 thousand.

20. CONTRACT COST ASSETS

The following are recognised under contract cost assets, pursuant to IFRS 15 "*Revenue from Contracts with Customers*":

- incremental costs to obtain the sales contract;
- sales contract fulfilment costs.

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Contract obtainment cost assets	2,011	1,655	356
Contract fulfilment cost assets	4,657	3,620	1,038
Non-current contract cost assets	**6,669**	**5,275**	**1,394**
Contract fulfilment cost assets	469	1,206	-737
Current contract cost assets	**469**	**1,206**	**-737**
Contract cost assets	**7,138**	**6,481**	**657**

The incremental costs to obtain a sales contract are recognised under Non-current assets; the Group recognises as expenses the incremental costs to obtain the contract when they are sustained, in the case in which the amortisation period of the assets that the Group would have otherwise recognised does not exceed one year.

Contract acquisition cost assets, equal to €2,011 thousand at 31 December 2020 (versus €1,655 thousand at 31 December 2020) include commissions paid to agents to obtain contracts predominantly in the *Credit Information & Management* and *Innovation & Marketing Services* sectors. These costs are systematically depreciated over the average life of the contracts to which they refer. The periodic release of the amount relating to 2021 totalled €4,938 thousand (€4,821 thousand in 2020) with no impairment losses on the capitalised costs recorded.

Contract fulfilment costs are recognised under Current assets if it is believed that the transfer to the customer of the goods or services to which the asset refers will take place within twelve months. Non-current assets include costs to fulfil the sales contract if the transfer to the customer of the goods and services to which the asset refers is carried out after twelve months.

Non-current contract fulfilment cost assets include costs sustained in *Digital Trust* to implement "ad hoc" customer platforms to provide a series of services within a time frame of over twelve months. *Current contract fulfilment cost assets* include costs sustained to provide consulting services, primarily with regard to innovation consulting, in *Innovation & Marketing Services*, with respect to which the relative income has not yet been recognised. The periodic release of contract fulfilment cost assets relating to 2021, was equal to €2,871 thousand (versus €2,615 thousand in 2020), with no impairment losses on the capitalised costs recorded.

21. CONTRACT ASSETS

Contract assets of €16,880 thousand at 31 December 2021 (€9,231 thousand at 31 December 2020) predominantly comprise the Group's right to receive consideration for work completed but not yet invoiced at the end of the period. These assets are reclassified under *Trade receivables* when the right becomes unconditional. The item thus includes invoices to be issued, the gross amount due from customers for project work and accrued trade assets. The increase is attributable for €7,595 thousand to the balances made at the date of the first consolidation by the companies acquired during the year.

22. TRADE AND OTHER RECEIVABLES

Trade and other receivables totalled €122,986 thousand (€86,627 thousand at 31 December 2020) and can be detailed as follows:

(Amounts in thousand of Euro)	**31/12/2021**	**31/12/2020**	**Change**
Trade receivables from customers	58	141	-83
Prepaid expense	2,697	2,324	373
Other tax receivables	709	0	709
Receivables from others	52	52	0
Trade receivables and other non-current receivables	**3,516**	**2,517**	**999**
Trade receivables from customers	100,138	75,537	24,601
Trade receivables from associated companies	329	151	178
Current trade receivables	**100,467**	**75,688**	**24,779**
Receivables from others	4,946	1,807	3,139
VAT credit	2,610	530	2,080
Other tax receivables	2,431	573	1,857
Prepaid expense	9,016	5,511	3,505
Other current receivables	**19,003**	**8,422**	**10,581**
Trade and other current receivables	**119,470**	**84,110**	**35,360**
of which vs. related parties	***748***	***48***	***700***
Trade and other receivables	**122,986**	**86,627**	**36,359**

Receivables from customers are shown net of the related bad debts provision of €7,014 thousand (€7,117 thousand at 31 December 2020).

The following table provides a breakdown of *Current trade receivables from customers* at 31 December 2021 (which includes the balances contributed by the companies that entered the scope of consolidation in 2021) grouped by maturity brackets, gross and net of the related bad debts provision, compared with the situation at 31 December 2020:

Amounts in thousands of Euro	**31/12/2021**	due	past due within 90 days	past due between 91 and 180 days	past due between 181 days and 1 year	past due beyond 1 year
Trade receivables from current customers	**107,153**	83,486	9,284	4,170	3,793	6,420
Bad debts provision	**7,014**	1,021	386	359	782	4,466
% Bad debts provision	**6.5%**	1.2%	4.2%	8.6%	20.6%	69.6%
Net value	**100,138**	82,465	8,898	3,811	3,011	1,954

Amounts in thousands of Euro	**31/12/2020**	due	past due within 90 days	past due between 91 and 180 days	past due between 181 days and 1 year	past due beyond 1 year
Trade receivables from current customers	**82,654**	59,676	7,695	3,888	3,940	7,455
Bad debts provision	**7,117**	574	313	315	941	4,974
% Bad debts provision	**8.6%**	1.0%	4.1%	8.1%	23.9%	66.7%
Net value	**75,537**	59,102	7,383	3,573	2,999	2,481

The following table shows changes in the period in the Bad debts provision.

Amounts in thousands of Euro	
Bad debts provision at 31 December 2020	**7,117**
Provisions 2021	964
Uses 2021	-1,357
Change in scope of consolidation	291
Bad debts provision at 31 December 2021	**7,014**

The balance of *Receivables from others* at 31 December 2021 included Receivables for operating grants on research and development projects whose residual balance is mainly attributable to advances to suppliers and agents. The increase in the year is attributable to the change in the scope of consolidation for €2,505 thousand.

As regards the *VAT credit*, note that the Group companies (with the exception of foreign companies, Warrant Service S.r.l., Swascan S.r.l. and companies entering the scope of consolidation during 2021) are among the entities to which the split payment rule applies pursuant to Article 17-ter of Italian Presidential Decree no. 633 of 26 October 1972. As a result, VAT is not paid to those suppliers (who are not professionals subject to withholding tax). The increase in the year is attributable to the change in the scope of consolidation for €2,347 thousand.

Other tax credits mainly include tax credits for Research and Development projects and, to a residual extent, for super-amortization.

Prepaid expense represents charges deferred to beyond the quantification/recording date; it does not depend on the payment date of the corresponding charges, pertains to two or more fiscal years and is proportionally allocated based on time. The increase in the year is attributable to the change in the scope of consolidation for €1,952 thousand.

23. INVENTORIES

Inventories at 31 December 2021 amounted to €1,342 thousand (€1,154 thousand at 31 December 2020) and can be broken down as follows:

(Amounts in thousand of Euro)	**31/12/2021**	**31/12/2020**	**Change**
Raw and ancillary materials and consumables	910	733	177
Finished products and goods	432	421	11
Inventories	**1,342**	**1,154**	**187**

Inventories of raw materials are mainly attributable to the *Digital Trust* sector and consist primarily of chips for *business keys*, *smart cards*, CNS and other electronic components available for sale. Inventories of raw materials are shown net of the related bad debts provision equal to €157 thousand; said provision sustained allocations during the year totalling €52 thousand. Inventories of finished products and goods are also primarily attributable to the *Digital Trust* sector and relate to inventories of digital signature readers, *smart cards* and *business keys*.

24. OTHER CURRENT FINANCIAL ASSETS, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

Other current financial assets amounted to €4,144 thousand at 31 December 2021 (€7,320 thousand at 31 December 2020).

(Amounts in thousand of Euro)	31/12/2021	31/12/2020	Change
Guarantee deposits	0	4,350	-4,350
Capitalisation insurance contracts	2,469	2,014	455
Other financial assets	1,675	956	719
Other current financial assets	**4,144**	**7,320**	**-3,176**

The item *Guarantee deposits* at 31 December 2020 included the payment, made by InfoCert, of €4 million to an independent third party in accordance with contractual arrangements to guarantee the contingent consideration to be paid to the sellers of LuxTrust S.A. Following the sale of the aforementioned equity investment, the amount was released, and therefore collected, in January 2021. The additional €350 thousand related to the payment made by Warrant Hub to an independent third party,
in compliance with contractual agreements, to guarantee the contingent consideration to be disbursed to the sellers of Euroquality SAS; the deposit was released following payment of the contingent consideration in 2021.

The item *Capitalisation insurance contracts* includes the reclassification from non-current financial assets of capitalisation policies for a value of €443 thousand.

The increase in *Other financial assets* is affected by the current financial assets contributed by the companies that entered the scope of consolidation for €852 thousand at 31 December 2021 as well as the financial receivable for the dividend of the associate Innovazione 2 Sagl for €290 thousand partially offset by the release of prepaid expenses of €424 thousand for transaction costs associated with obtaining ISP and ICREEA loans (described in Note *31. Financial liabilities*) whose use took place in 2021.

25. CURRENT TAX ASSETS AND LIABILITIES

At 31 December 2021, the Group showed an overall net debt position for current taxes equal to €893 thousand (€4,835 thousand at 31 December 2020) as detailed below:

(Amounts in thousand of Euro)	31/12/2021	31/12/2020	Change
Current tax assets	2,666	311	2,354
of which vs. related parties	***0***	***6***	***-6***
Current tax liabilities	3,559	5,147	-1,588
Net current tax assets (liabilities)	**-893**	**-4,835**	**3,942**

As stated, in 2021, the Parent Company Tinexta S.p.A., in its capacity as fiscal consolidator, initiated the tacit renewal for the 2021-2023 three-year period of the consolidated taxation regime pursuant to Article 117 et seq. of Presidential Decree no. 917/86 (Consolidated Law on Income Taxes - TUIR). The companies already belonging, as consolidated companies, to the scope of consolidation subject to renewal are: Co.Mark S.p.A., InfoCert S.p.A., Innolva S.p.A., RE Valuta S.p.A., Sixtema S.p.A., Visura S.p.A., Warrant Hub S.p.A., Warrant Innovation Lab S.r.l. Starting from the 2021 tax period, the following additional entities in possession of the legal requirements have been included in the *fiscal unit*: Tinexta Cyber S.p.A., Swascan S.r.l., Comas S.r.l., Innolva Relazioni Investigative S.r.l. PrivacyLab S.r.l.
The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the Parent Company and the consolidated companies are defined in the corresponding tax consolidation regulations.

26. DERIVATIVE FINANCIAL INSTRUMENTS

The financial assets and liabilities for derivative instruments may be broken down as follows:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Non-current financial assets for hedging derivatives	112	0	112
Non-current financial liabilities for hedging derivatives	170	1,142	-972
Liabilities for net hedging derivative financial instruments	**58**	**1,142**	**-1.084**

The current *Derivative financial instruments* at 31 December 2021 refer to the contracts executed by the Group in order to hedge the risk of financial flow changes due to the fluctuations of the interest rates on a portion of the bank loans (for details, see Note *31. Financial liabilities, excluding derivative financial instruments*).

Table illustrating the contract type, notional value, loan hedged and *fair value* of current derivatives at 31 December 2021:

Amounts in thousands of Euro

Type	Loan hedged	Notional	Maturity date	Rate received	Rate paid	*Fair value* at 31/12/2021	*Fair value* at 31/12/2020
IRS	CA line A	3,429	30/06/2023	6-month EURIBOR[1]	0.600%	-20	-52
IRS	CA line A	1,071	30/06/2023	6-month EURIBOR[1]	0.640%	-7	-17
IRS	CA line C	9,000	31/12/2024	6-month Euribor	-0.220%	-11	-78
IRS	CA line A	12,021	30/06/2025	6-month Euribor	-0.146%	15	-189
IRS	CA line A	3,079	30/06/2025	6-month Euribor	-0.155%	3	-44
IRS	CA line B	7,778	30/06/2025	6-month Euribor	-0.276%	8	-56
IRS	ISP Group	27,112	31/12/2025	6-month Euribor[2]	-0.163%	-9	-311
IRS	Unicredit	18,000	31/12/2025	6-month Euribor	-0.008%	-9	n.a.
IRS	BPER	8,571	31/12/2027	6-month Euribor[3]	-0.182%	36	n.a.
Total Interest Rate Swap hedging instruments		**90,061**				**5**	**-747**

1 the index has a lower limit (Floor) of zero

2 the index has a lower limit (Floor) of -1.40%

3 the index has a lower limit (Floor) of -1.40%

Amounts in thousands of Euro

Type	Loan hedged	Notional	Maturity date	Hedged rate	Strike	*Fair value* at 31/12/2021	Fair value at 31/12/2020
Capped Swap	CA line A	3,750	30/06/2023	6-month Euribor	1.500%	-4	-9
Capped Swap	BPS	3,333	30/06/2023	6-month Euribor	1.500%	-3	-8
Capped Swap	UBI	7,500	29/05/2023	6-month Euribor	0.500%	-6	-19
Capped Swap	ISP Group	6,833	30/06/2026	6-month Euribor	0.600%	15	-57
Capped Swap	ISP Group	27,600	30/06/2026	6-month Euribor	0.500%	37	n.a.
Capped Swap	BPM	10,000	31/12/2026	6-month Euribor	0.500%	-22	n.a.
Total *Capped Swap* hedging instruments[1]		**59,016**				**17**	**-93**

1 the derivatives provide for a periodic 6-monthly premium

Amounts in thousands of Euro

Type	Loan hedged	Notional	Maturity date	Hedged rate	Strike	*Fair value* at 31/12/2021	Fair value at 31/12/2020
Floor	BNL	19,000	31/12/2025	6-month Euribor	-1.450%	-47	-62
Total *Floor Option* hedging instruments[1]		**19,000**				**-47**	**-62**

1 the derivatives provide for a periodic 6-monthly premium

Amounts in thousands of Euro

Type	Loan hedged	Notional	Maturity date	Hedged rate	Strike	*Fair value* at 31/12/2021	Fair value at 31/12/2020
Collar	ISP Group	8,456	31/12/2025	6-month Euribor	1.75%/-0.33%	-13	-64
Collar	BNL	19,000	31/12/2025	6-month Euribor	1.00%/-0.30%	-20	-176
Total *Collar Option* hedging instruments		**27,456**				**-32**	**-240**

Derivative financial instruments fall within Level 2 of the *fair value* hierarchy.

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to €68,253 thousand at 31 December 2021 (€92,813 thousand at 31 December 2020) and the breakdown is as follows:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Bank and postal deposits	68,126	92,741	-24,615
Cheques	0	4	-4
Cash and cash equivalents	127	68	59
Cash and cash equivalents	**68,253**	**92,813**	**-24,560**

The balance is mainly represented by the cash and cash equivalents held in bank accounts at leading banks. The Statement of Cash Flows provides a detailed analysis of the changes shown.

28. SHAREHOLDERS' EQUITY

The approved, subscribed and paid-in share capital amounted to €47,207,120 at 31 December 2021 and consists of 47,207,120 Ordinary Shares.

At the date 31 December 2021, the Parent Company holds 1,200,247 treasury shares, equal to 2,543% of the Share Capital, for a total purchase value of €19,327 thousand. The Parent Company purchased 343,233 treasury shares in the year, equal to 0.727% of the share capital, for a total purchase value of €9,327 thousand.

Consolidated Shareholders' Equity at 31 December 2021 amounted to €243,651 thousand (€173,745 thousand at 31 December 2020) and can be analysed as follows:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Share capital	47,207	47,207	0
Treasury shares held	-19,327	-10,001	-9,327
Legal reserve	5,674	4,315	1,359
Share premium reserve	55,439	55,439	0
Stock Option reserve	3,056	908	2,148
Reserve from valuation of hedging derivatives	-21	-864	842
Defined-benefit plans reserve	-1,487	-1,061	-426
Other reserves	67,806	36,612	31,193
Profit (loss) for the Group	38,321	37,143	1,178
Total Group Shareholders' Equity	**196,665**	**169,698**	**26,967**
Share capital and reserves attributable to minority interests	45,663	3,412	42,251
Profit (loss) attributable to minority interests	1,323	635	688
Total Minority interests	**46,986**	**4,047**	**42,939**
Total Shareholders' Equity	**243,651**	**173,745**	**69,906**

Treasury shares held include the cost incurred for purchase of the treasury shares and related transaction costs.

The *Stock Option reserve* refers to the allocation recognised under *personnel costs* (to which reference should be made for details) on the 2020-2022 Stock Option Plan and on the 2021-2023 Stock Option Plan.

The *Reserve from valuation of hedging derivatives* refers to the *fair value* measurement of hedging derivatives (referred to in Note *26. Derivative financial instruments*).

The *Defined-benefit plan reserve* refers to the actuarial component of the Employee severance indemnity according to the requirements of IAS 19 (for further details, see Note *30. Employee benefits*).

Other reserves include retained earnings from previous years. The significant increase in the item equal to €31,193 thousand reflects:

- the distribution of dividends by the Parent Company Tinexta SpA for €11,985 thousand relating to the Group profit for the year 2020 equal to €37,143 thousand;
- the consolidation income of €12,785 thousand deriving from the dilution of the interest in Innolva SpA from 100% to 75% against the contribution of Intesa Sanpaolo of Forvalue SpA valued at €55,000 thousand;
- the negative adjustment of liabilities for the purchase of minority interests for €5,273 thousand.

29. PROVISIONS

Provisions, amounting to €4,423 thousand at 31 December 2021 (€4,223 thousand at 31 December 2020) are detailed as follows:

Amounts in thousands of Euro	31/12/2020	Provisions	Uses	Releases	Change in scope	31/12/2021
Provision for pensions	1,181	207	-224	-90	216	1,290
Other non-current provisions	2,290	1,287	-758	-251	0	2,567
Non-current provisions	**3,471**	**1,494**	**-982**	**-341**	**216**	**3,857**
Provision for disputes with employees	436	25	-130	-156	25	200
Other current provisions	316	340	-140	-150	0	366
Current provisions	**752**	**365**	**-270**	**-306**	**25**	**566**
Provisions	**4,223**	**1,859**	**-1,253**	**-648**	**241**	**4,423**

The *provision for pensions* relates to the provision of the supplementary indemnity due to agents, in the cases provided by law, based on the actuarial valuation of the liability quantifying future payments, through the projection of indemnities accrued on the valuation date by agents until the estimated time of interruption of the contract. Provisions net of releases are recognised by nature under *service costs*.

Other non-current provisions include allocations for litigations with customers, agents and tax authorities, where the risk of losing is considered to be likely.

The item *Provision for disputes with employees* includes allocations for litigations with current employees or with employees whose work relationship was terminated at 31 December 2021. Provisions for disputes with employees, net of releases, are recognised by nature in *Personnel costs* for an overall release effect during the year of €131 thousand.

Other information

Following a personal data breach sustained by the subsidiary Visura S.p.A. in May 2019 that also affected InfoCert S.p.A., the Italian Data Protection Authority started an investigation requesting information and inspections at the companies' offices. During September 2021, the companies received a communication from the Italian Data Protection Authority with which it notified the conclusion of the investigation conducted by the same Authority following the personal data breach which occurred in May 2019. To the communication, carried out also pursuant to Article 166, paragraph 5 of Legislative Decree 196/2003 as amended and supplemented ("Privacy Code") and Article 58, paragraph 1, letter d) of Regulation (EU) 2016/679 on the protection of individuals with regard to the processing of personal data ("GDPR"), the companies have given prompt and analytical feedback. At present there is no evidence of further requests or decisions, and, therefore, in light of the complex factual/legal situation, although it is not possible to exclude the imposition of sanctions, it is not possible to indicate with certainty whether they will be imposed or, if they were, to provide a reliable estimate.

30. EMPLOYEE BENEFITS

Employee benefits, amounting to €19,826 thousand at 31 December 2021 (€12,923 thousand at 31 December 2020) are detailed as follows:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Employee severance indemnity	18,756	12,792	5,964
Other non-current employee benefits	982	0	982
Non-current employee benefits	**19,738**	**12,792**	**6,946**
Other current employee benefits	88	131	-43
Current employee benefits	**88**	**131**	**-43**
Employee benefits	**19,826**	**12,923**	**6,903**

The Employee severance indemnity (TFR) includes the effects of the actuarial calculations made pursuant to IAS 19.

The following are the changes in liabilities for TFR:

Amounts in thousands of Euro	2021	2020	Change
Liabilities at the beginning of the year	**12,792**	**11,813**	**979**
Change in scope of consolidation	4,280	45	4,235
Current service cost	2,204	1,596	608
Financial charges	60	86	-26
Benefits paid	-1,460	-1,033	-427
Actuarial (profits)/losses recognised in the year	588	285	303
Other changes	293	0	293
Liabilities at the end of the year	**18,756**	**12,792**	**5,964**

The details of the economic and demographic assumptions used for the purposes of the actuarial calculations are provided below.

Parameters	31/12/2021	31/12/2020
Discount rate	0.98%	0.34%
Inflation rate	1.75%	0.80%
TFR rate of increase	2.813%	2.100%
Real rate of increase in wages	1.00%	1.00%
Expected mortality rate	RG48 from General Accounting Office	RG48 from General Accounting Office
Expected invalidity rate	INPS tables broken down by age and gender	INPS tables broken down by age and gender
Resignations expected	10% - 2.5%	10% - 2.5%
Advances expected	1.5% - 6.0%	1.5% - 2.5%

The table below sets out an analysis of the sensitivity of the main actuarial assumptions included in the calculation model considering as the scenario previously described as base, and increasing and decreasing the average annual discount rate, the average inflation rate and the turnover rate by a quarter, a quarter and one percentage point, respectively.

Amounts in thousands of Euro	31/12/2021
Turnover rate +1%	18,443
Turnover rate -1%	18,931
Inflation rate +0.25%	19,005
Inflation rate +0.25%	18,345
Discount rate +0.25%	18,229
Discount rate -0.25%	19,131

The item *Other employee benefits* at 31 December 2021 includes the provision relating to medium and long-term incentive schemes in favour of employees and directors of the Group, of which €577 thousand linked to a medium-term incentive to a strategic manager of the Group.

31. FINANCIAL LIABILITIES, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

This item includes financial liabilities assumed by the Group for a variety of reasons, with the exception of those deriving from the underwriting of derivative financial instruments, and is broken down as follows:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Current portion of bank loans	39,268	25,214	14,055
Non-current portion of bank loans	165,631	126,274	39,357
Other current bank payables	689	907	-218
Liabilities for the purchase of minority interests, current	1,140	0	1,140
Liabilities for the purchase of minority interests, non-current	96,395	12,554	83,841
Liabilities for current contingent consideration	1,676	3,818	-2,142
Liabilities for non-current contingent consideration	2,865	317	2,547
Current price deferment liabilities	1,266	2,763	-1,497
Non-current price deferment liabilities	3,116	2,774	341
Liabilities for the purchase of current leased assets	5,772	4,282	1,490
Liabilities for the purchase of non-current leased assets	13,512	8,588	4,924
Current payables to other lenders	4,307	3,472	835
Current financial liabilities	**54,118**	**40,455**	**13,663**
of which vs. related parties	**1,387**	**1,248**	***139***
Non-current financial liabilities	**281,517**	**150,508**	**131,010**
of which vs. related parties	***3,718***	***2,269***	***1,449***
Total	**335,635**	**190,962**	**144,673**

A total of €6,806 thousand of the non-current financial liabilities are scheduled to become due more than 5 years after the date of the Financial Statements of which €4,695 thousand is for bank loans and €2,110 thousand for lease liabilities. The following is a summary of the financial liabilities recognised in the Financial Statements at 31 December 2021, classified according to the contractual due dates:

Amounts in Euro	within one year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	more than 5 years	Book value at 31/12/2021
Bank loans	39,268	42,341	42,906	42,694	32,994	4,695	**204,899**
Other current bank payables	689						**689**
Liabilities for the purchase of minority interests	1,140	32,875	53,491	10,029			**97,535**
Liabilities for contingent consideration	1,676	2,865					**4,540**
Price deferment liabilities	1,266	2,035	147	933			**4,382**
Lease liabilities	5,772	4,227	3,219	2,447	1,509	2,110	**19,284**
Liabilities to other lenders	4,307						**4,307**
Total financial liabilities	**54,118**	**84,343**	**99,764**	**56,103**	**34,503**	**6,806**	**335,635**

Bank loans

Breakdown of *Bank loans* at 31 December 2021 showing the current and non-current portions of their book value, including the effects of measurement at amortised cost.

Bank loans *(Amounts in thousand of Euro)*	Counterparty	Rate	Maturity date	Nominal amount	Book value	Current portion	Non-current portion
UBI loan	Former UBI Banca	6-month Euribor[1] + 1.20% spread	28/05/2023	7,500	7,453	4,961	2,492
BPS loan	Banca Popolare di Sondrio	6-month Euribor[1] + 1.25% spread[2]	31/12/2023	4,000	3,980	1,986	1,994
Credem loan	Credem	6-month Euribor + 1.20% spread	30/01/2024	2,109	2,105	1,005	1,099
CA line C loan	Crédit Agricole	6-month Euribor + 1.20% spread [2]	31/12/2024	9,000	8,948	2,973	5,975
CA line A loan	Crédit Agricole	6-month Euribor + 1.05% spread[2]	30/06/2025	23,350	22,536	2,183	20,353
CA line B loan	Crédit Agricole	6-month Euribor + 1.05% spread[2]	30/06/2025	7,778	7,727	2,199	5,528
ISP Group line A1 loan	Intesa Sanpaolo Group	6-month Euribor + 0.9% spread	30/06/2026	42,400	41,367	7,831	33,536
ISP Group line A2 loan	Intesa Sanpaolo Group	6-month Euribor + 1.15% spread	30/06/2026	27,600	27,327	2,329	24,998
BNL loan	BNL	6-month Euribor + 1.45% spread	31/12/2025	19,000	18,847	2,347	16,501
Mediobanca loan	Mediobanca	6-month Euribor + 1.65% spread[2]	11/11/2025	13,333	13,285	3,325	9,960
ICCREA-BCC loan	ICCREA-BCC	6-month Euribor + 1.00% spread[1]	15/12/2026	10,000	9,926	1,973	7,953
BPM loan	Banco BPM	6-month Euribor + 1.20% spread	31/12/2026	10,000	9,972	1,102	8,870
BPER loan	BPER	6-month Euribor + 1.2% spread[2]	31/12/2027	8,571	8,489	1,405	7,085
Unicredit loan	Unicredit	6-month Euribor + 1.25% spread	30/09/2027	18,000	17,939	1,644	16,295
Other minor loans		Fixed rate		4,951	4,944	1,986	2,958
Other minor loans		Variable rate		54	54	20	34
				207,647	**204,899**	**39,268**	**165,631**

[1] Floor at 0 on 6-month Euribor
[2] Spread subject to change on the NFP/EBITDA parameter defined contractually

Former UBI loan signed on 28 May 2020 to renegotiate the loan obtained on 30 November 2017, originally for €10 million with the same counterparty. The line for a total of €10 million matures on 28 May 2023, envisages principal repayments in deferred semi-annual instalments from 28 November 2021 and interest at the floating 6-month Euribor rate, with zero floor, plus a 120 bps margin. The interest is payable half-yearly from 28 November 2020. From 31 December 2020 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and *NFP/Shareholders' Equity* below 2.0. At 31 December 2021 these parameters were found to have been respected.

BPS loan of an original amount of €10 million to support the acquisition of Lux Trust S.A. The loan was disbursed on 27 November 2018 at 6-month Euribor with a zero floor, plus 140 bps, and requires repayment of principal in semi-annual instalments starting from 30 June 2019 and terminating on 31 December 2023, with interest paid on a half-yearly basis starting from 30 June 2019. The applicable margin is updated annually based on the ratio of NFP to EBITDA determined contractually, as follows: *NFP/EBITDA* ≥ 3 margin 165 bps; *NFP/EBITDA* <3 and ≥ 2 margin 140 bps; *NFP/EBITDA* <2 margin 125 bps. From 31 December 2018 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 31 December 2021 these parameters were found to have been respected. Based on the parameters indicated above, the margin paid was 125 bps.

Credem loan of an original amount of €5 million to support the acquisition of Lux Trust S.A. The loan was disbursed on 29 January 2019 at the 6-month Euribor plus 120 bps and requires repayment of principal in increasing half-yearly instalments starting from 28 February 2019 and maturing on 30 January 2024, with interest paid on a monthly basis starting from 28 February 2019.

A €15 million **Crédit Agricole line C loan** was drawn down on 28 June 2019 to meet the financial commitment deriving from the repayment of the loan with the Controlling Shareholder Tecno Holding S.p.A. The main terms of the contract are as follows: ends on 31 December 2024, repayment of equal semi-annual instalments of principal with a first pre-amortisation period (until 31 December 2019) and interest settled at the floating 6-month Euribor rate plus a margin updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 2 margin 150 bps; NFP/EBITDA ≤ 2 and > 1.5 margin 135 bps; NFP/EBITDA ≤ 1.5 margin 120 bps. At 31 December, based on the parameters indicated above, the margin paid was 120 bps.

The **Crédit Agricole line A loan** was signed on 18 June 2020 with a *pool* of banks, with Crédit Agricole Italia S.p.A. as the *mandated lead arranger*, to renegotiate the previous **Crédit Agricole line A** and **Crédit Agricole line B** loans (which had in turn been renegotiated in 2017 with the same counterparties) due on 30 June 2023. The new **line A**, for a total of €31 million, matures on 30 June 2025, includes repayment of principal in deferred semi-annual instalments starting from 31 December 2020 and interest settled at the floating 6-month EURIBOR rate plus a margin updated every year based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 1.75 margin 110 bps; NFP/EBITDA ≤ 1.75 margin 105 bps. At 31 December, based on the parameters indicated above, the margin paid was 105 bps.

The loan agreement executed on 18 June 2020 envisages an additional credit facility (**Crédit Agricole line B**) for €10 million, which had been disbursed in full on 10 December 2020. The main terms of the line are: maturity on 30 June 2025, repayment of principal in deferred semi-annual instalments and interest settled at the floating 6-month EURIBOR rate plus a margin updated every year based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 1.75 margin 110 bps; NFP/EBITDA ≤ 1.75 margin 105 bps. At 31 December, based on the parameters indicated above, the margin paid was 105 bps.

On the Crédit Agricole loans, the Company is committed, for each reference half-year, to respecting the following limits: maximum *NFP/EBITDA* ratio threshold of 3.5 and *NFP/Shareholders' Equity* ratio of 2.0. At 31 December 2021 these parameters were found to have been respected.

BNL loan for a total of €20 million, for which Tinexta S.p.A. signed the agreement on 20 December 2019. The loan was used in its entirety in 2020 to finance the payment of the price supplement and the acquisition of the minority interests in Warrant Hub. The rate applied is the 6-month Euribor plus 145 bps and requires repayment of principal in increasing semi-annual instalments starting from 30 June 2021 and maturing on 31 December 2025, with interest paid semi-annually starting from 31 December 2020. From 31 December 2018 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 31 December 2021 these parameters were found to have been respected.

The **Intesa Sanpaolo loan** was stipulated on 31 July 2020 with Intesa Sanpaolo in order to renegotiate the previous loan of €50 million, also with Intesa Sanpaolo, maturing on 31 December 2025. **Line A1**, for a total of €50 million, matures on 30 June 2026 and envisages repayment of principal in deferred semi-annual instalments from 30 June 2021 and interest settled at the floating 6-month Euribor rate plus a margin of 90 bps. The Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 31 December 2021 these parameters were found to have been respected. The executed loan agreement envisages an additional credit line (**line A2**) for €30 million used in full on 25 January 2021. The main terms of the line A2 are: maturity on 30 June 2026, repayment of principal in deferred semi-annual instalments and interest settled at the floating 6-month Euribor rate plus a margin of 115 bps.

The **Mediobanca loan** was signed on 11 November 2020 and disbursed for €15 million on 30 December 2020. The main terms of the contract are as follows: maturity on 11 November 2025, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 11 May 2021) and interest settled at the floating 6-month Euribor rate, with a zero floor, plus a margin updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 3 margin 190 bps; NFP/EBITDA ≤ 3 and > 2 margin 165 bps; NFP/EBITDA ≤ 2.0 margin 145 bps. The Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 31 December 2021 these parameters were found to have been respected. Based on the parameters indicated above, the margin paid was 165 bps.

The **ICCREA-BCC loan** was signed on 15 December 2020 with a pool of banks comprising ICCREA Banca and BCC Milano for €10 million. The amount was fully disbursed on 29 January 2021. The main terms of the contract are as follows: maturity on 15 December 2026, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 31 December 2021) and interest settled at the floating 6-month Euribor rate with a zero floor, plus a margin of 100 bps. The Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity less than 2.0.

The **BPM Loan** was signed and fully disbursed on 30 April 2021 for €10 million. The main terms of the agreement are as follows: maturity on 31 December 2026, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 30 June 2022) and interest settled at the floating 6-month Euribor rate, plus a margin of 120 bps. Starting from 31 December 2021, the Group has committed to respect the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 31 December 2021 these parameters were found to have been respected.

The **BPER Loan** was signed on 19 February 2021 for €10 million, the amount was fully disbursed on 24 February 2021. The main terms of the agreement are as follows: maturity on 31 December 2027, repayment of semi-annual equal instalments of principal starting on 30 June 2021 and interest settled at the floating 6-month Euribor rate plus a margin updated every year based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 1.75 margin 125 bps; NFP/EBITDA ≤ 1.75 margin 120 bps. The Group has committed to respect the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity below 2.0. At 31 December 2021 these parameters were found to have been respected. Based on the parameters indicated above, the margin paid was 120 bps.

The **Unicredit Loan** was signed on 21 September 2021 for €18 million, the amount was fully disbursed on the same date. The main terms of the agreement are as follows: maturity on 30 September 2027, repayment of semi-annual equal instalments of principal starting from 30 September 2022 and interest settled at the floating 6-month Euribor rate (with a zero *floor*), plus a margin of 125 bps. The Group has committed to respect the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 31 December 2021 these parameters were found to have been respected.

Changes in *Bank loans*:

Amounts in Euro	31/12/2020	Disbursements	Principal payments	Interest paid	Accrued interest	31/12/2021
Bank loans	**151,488**	82,717	-30,546	-1,456	2,696	**204,899**

Disbursements for the period refer to **Intesa Sanpaolo, ICREEA-BCC, BPM, BPER, Unicredit** loans net of transaction costs incurred for the disbursement and other minor loans for a total of €5,409 thousand.

Interest accrued includes €1,202 thousand of charges accrued by applying the effective interest criterion.

Other current bank payables

Other current bank payables amounted to €689 thousand at 31 December 2021 (€907 thousand at 31 December 2020) and are composed primarily of bank current account overdrafts and short-term loans.

Liabilities for the purchase of minority interests

The item *Liabilities for the purchase of minority interests* includes the liabilities for *Put* options granted by the Group to the minority shareholders of CertEurope S.A.S. (40%), Corvallis S.r.l. (30%), Yoroi S.r.l. (40%), Queryo Advance S.r.l. (40%), Swascan S.r.l. (49%), Privacy Lab S.r.l. (30%), Sixtema S.p.A. (20%) and Trix S.r.l. (30%). The value of these liabilities was determined as the current value of the amount to be paid at the contractual maturities against the reversal of the interests of these minority shareholders. At 31 December 2021, the discount rate used was equal to the WACC used for the purposes of the *impairment test* of the goodwill at 31 December 2021.

Amounts in thousands of Euro	31/12/2021	*31/12/2021*		31/12/2020	*31/12/2020*		Change
		Current	*Non-current*		*Current*	*Non-current*	
CertEurope Put options	**31,881**		*31,881*	**0**			**31,881**
Corvallis Put options	**24,862**		*24,862*	**0**			**24,862**
Yoroi Put options	**19,563**		*19,563*	**0**			**19,563**
Queryo Advance Put options	**10,029**		*10,029*	**0**			**10,029**
Swascan Put options	**9,051**		*9,051*	**10,448**		*10,448*	**-1,397**
PrivacyLab Put options	**1,140**	*1,140*		**1,166**		*1,166*	**-27**
Sixtema Put options	**994**		*994*	**937**		*937*	**57**
Trix Put options	**15**		*15*	**3**		*3*	**12**
Total Liabilities for the purchase of minority interests	**97,535**	*1,140*	*96,395*	**12,554**	*0*	*12,554*	**84,980**

The changes in liabilities for the purchase of minority interests, subsequent to the first accounting of the *business combination* (for details, please refer to Note *13. Business combinations)* to which they refer, are recognised in equity: the overall effect of the change recognized during the year is negative for €5,273 thousand.

Liabilities for contingent consideration

Liabilities for contingent consideration linked to acquisitions were determined at the present value of the amount to be paid at the contractual expiries, if the payment is envisaged more than 12 months after initial recognition.

Amounts in thousands of Euro	31/12/2021	*31/12/2021*		31/12/2020	*31/12/2020*		Change
		Current	*Non-current*		*Current*	*Non-current*	
CertEurope contingent consideration	**2,865**		*2,865*	**0**			**2,865**
Queryo Advance contingent consideration	**988**	*988*		**0**	*0*		**988**
Euroquality - Europroject contingent consideration	**688**	*688*		**2,074**	*1,757*	*317*	**-1,386**
Swascan contingent consideration	**0**	*0*		**2,061**	*2,061*		**-2,061**
Total liabilities for contingent consideration	**4,540**	**1,676**	**2,865**	**4,135**	**3,818**	**317**	**406**

The changes in contingent consideration, subsequent to the first accounting of the *business combination* (for details, please refer to Note *13. Business combinations)* to which they refer, are recognised in the income statement under *Financial income* (*charges)*: the overall effect of the change recognised during the year is positive for €364 thousand.

During the period, the payment of contingent consideration for a total of €4,062 thousand was recorded:

- to the selling shareholders of Swascan for €2,271 thousand;
- to the selling shareholders of Euroquality for €1,791 thousand.

Price deferment liabilities

Price deferment liabilities represent the payable at the reporting date referring to deferments obtained from the selling shareholders of Warrant Hub S.p.A., Comas S.r.l., Promozioni Servizi S.r.l., Financial Consulting Lab S.r.l.

Changes in *Price deferment liabilities*:

Amounts in Euro	**31/12/2020**	**Principal payments**	**Interest paid**	**Accrued interest**	***Other non-cash flow changes***	**31/12/2021**
Price deferment liabilities	**5,537**	-2,695	-97	64	1,572	**4,382**

The price deferment granted by the selling shareholders of Financial Consulting Lab Srl is recognised in *Other non-cash flow changes* (for details, please refer to Note *13. Business combinations)*.

Lease liabilities

Lease liabilities includes the present value of payments due on the leases falling under the application of IFRS 16.

Changes of *lease liabilities*:

Amounts in Euro	**31/12/2020**	**New leases**	**Principal payments**	**Interest paid**	**Accrued interest**	**Change in scope of consolidation**	***Other non-cash flow changes***	**31/12/2021**
Lease liabilities	**12,870**	3,650	-5,657	-285	292	6,228	2,188	**19,284**

Other non-cash flow changes include adjustments to lease liabilities for changes in lease payments (e.g. ISTAT adjustments), extensions and early terminations.

Liabilities to other lenders

Liabilities to other lenders amounted to €4,307 thousand (€3,472 thousand at 31 December 2020). The item mainly includes:

- €2,293 thousand prepaid by customers for the purchase of stamps and rights and not yet used at 31 December 2021 (€2,155 thousand at 31 December 2020);
- €769 thousand of payables for dividends to be paid (€659 thousand of Queryo Advance Srl and €110 thousand of the parent company Tinexta SpA);
- €499 thousand of payables to customers for amounts recovered to be retroceded as part of the credit collection activities of the *Credit Information & Management* segment (€797 thousand at 31 December 2020);
- €155 thousand in liabilities of Warrant Hub in relation to the cash collected for projects and initiatives approved by the European Commission and to be paid to the partner companies in such projects and initiatives (€425 thousand at 31 December 2020).

32. TRADE AND OTHER CURRENT PAYABLES

The item *Trade and other current payables* totalled €89,689 thousand (€60,249 thousand at 31 December 2020) and is detailed as follows:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Trade payables due to suppliers	47,183	34,313	12,869
Trade payables to Controlling Shareholder	181	169	13
Trade payables to associated companies	272	98	174
Trade payables	**47,636**	**34,580**	**13,056**
Due to social security institutions	10,968	6,717	4,251
VAT payable	6,024	3,826	2,198
Payable for withholding taxes to be paid	4,328	2,683	1,645
Other tax liabilities	499	0	499
Payables to employees	19,618	12,011	7,607
Due to others	616	432	184
Other current payables	**42,053**	**25,669**	**16,384**
Trade and other current payables	**89,689**	**60,249**	**29,440**
of which vs. related parties	***458***	***280***	***178***

The increase in the item compared to 31 December 2020 was affected by the balances contributed by the companies that entered the consolidation scope at the date of first-time consolidation, for a total of €22,470 thousand.

Trade payables due to suppliers are summarised below by past due brackets:

Trade payables due to suppliers *Amounts in thousands of Euro*	Balance	Accruals and invoices to be received	Invoices received					
				due	past due within 90 days	past due between 91 and 180 days	past due between 181 days and 1 year	past due beyond 1 year
31 December 2021	**47,183**	**18,460**	**28,723**	20,830	6,248	745	567	332
31 December 2020	**34,313**	**17,289**	**17,024**	13,700	2,429	224	373	299

The item *Payables to employees* includes payables for wages to be paid, pay in lieu of vacation, expense reports to be reimbursed and bonuses to be paid.

33. CONTRACT LIABILITIES

Contract liabilities represent the Group's obligation to transfer to the customer goods or services for which the Group has received consideration from the customer or for which consideration is due. This item includes deferred trade income, advances and thus prepaid trade amounts, the gross amount due to customers for project work and the value of options (*material rights*) which allow the customer to acquire additional goods or services free of charge or with a discount.

This item amounted to a total of €74,525 thousand (€57,372 thousand at 31 December 2020). *Contract liabilities* at 31 December 2020 and those incorporated by the Group in acquisitions generated an income for the year in the amount of €54,020 thousand; the overall changes in this item are illustrated below.

Amounts in thousands of Euro	31/12 2020	Decreases revenues 2021	Increases	Reclassifications	Change in scope	31/12 2021
Non-current contract liabilities	**10,961**	0	12,737	-6,276	0	**17,423**
Current contract liabilities	**46,411**	-54,020	43,314	6,276	15,123	**57,102**
Contract liabilities	**57,372**	**-54,020**	**56,050**	**0**	**15,123**	**74,525**

34. DEFERRED INCOME

The item *Deferred income* totalled €2,534 thousand (€1,857 thousand at 31 December 2020) and includes primarily prepayment and deferrals for government grants; €125 thousand are included in *Non-current liabilities*.

Information on the Comprehensive Income Statement

With respect to 2020, the consolidated economic data for 2021 include:

- the balances of CertEurope S.A. (*Digital Trust* segment) consolidated as from 1 November 2021;
- the balances of Corvallis S.r.l. (*Cybersecurity* segment) consolidated as from 1 January 2021;
- the balances of Yoroi S.r.l. (*Cybersecurity* segment) consolidated as from 1 January 2021;
- the balances of Swascan S.r.l. (*Cybersecurity* segment) consolidated as from 1 October 2020;
- the balances of Tinexta Cyber S.p.A. (*Cybersecurity* segment) established on 1 January 2021;
- the balances of Forvalue S.p.A. (*Credit Information & Management* segment) consolidated as from 1 July 2021;
- the balances of Queryo Advance S.r.l. (*Innovation & Marketing Services* segment) consolidated as from 1 January 2021;
- the balances of Euroquality SAS and Europroject OOD (*Innovation & Marketing Services* segment) consolidated as from 31 December 2020;
- the balances of Trix S.r.l. (*Innovation & Marketing Services* segment) established on 16 December 2020;
- the balances of Financial Consulting Lab S.r.l. and Financial CLab S.r.l. (*Innovation & Marketing Services* segment) consolidated as from 1 October 2021.

The cumulative effect of these updates on changes with respect to the previous year is specified in the notes below as a change in the scope of consolidation.

Please note that, as already commented on in Note *13. Business Combinations* in relation to the completion of activities for the identification of the *fair values* of assets and liabilities of Swascan S.r.l., at the acquisition date (consolidated from 1 October 2020), the comparative balances in 2020 were restated as follows:

Amounts in thousands of Euro	2020	Completion of Swascan Business Combination	2020 Restated
Revenues	**269,084**		**269,084**
Costs of raw materials	8,869		8,869
Service costs	88,138		88,138
Personnel costs	84,760		84,760
Contract costs	7,436		7,436
Other operating costs	1,968		1,968
Amortisation and depreciation	22,264	189	22,453
Provisions	628		628
Impairment	2,140		2,140
Total Costs	**216,204**	**189**	**216,393**
OPERATING PROFIT	**52,880**	**-189**	**52,691**
Financial income	3,559		3,559
Financial charges	2,959		2,959
Net financial income (charges)	**600**	**0**	**600**
Share of profit of equity-accounted investments, net of tax	-969		-969
PROFIT BEFORE TAX	**52,511**	**-189**	**52,322**
Income taxes	14,597	-53	14,544
NET PROFIT FROM CONTINUING OPERATIONS	**37,914**	**-136**	**37,778**
Profit (loss) from discontinued operations	0	0	0
NET PROFIT	**37,914**	**-136**	**37,778**
Profit for the period attributable to the Group	37,279	-136	37,143
Profit for the period attributable to minority interests	635	0	635

35. REVENUES

In 2021, *Revenues* totalled €375,353 thousand (€269,084 thousand in 2020). Revenues rose compared with the previous year by 39.5%, of which 7.7% due to organic growth and 31.8% to the change in the scope of consolidation.

Amounts in thousands of Euro	**2021**	**2020**	**Change**
Revenues from sales and services	369,036	266,219	102,817
Other revenues and income	6,318	2,865	3,453
Revenues	**375,353**	**269,084**	**106,269**
of which vs. related parties	***540***	***6***	***534***
of which non-recurring	***0***	***74***	***-74***

Breakdown of revenues by business segment:

Amounts in thousands of Euro ***Twelve-month period closed at 31 December***	***Digital Trust***		***Cybersecurity***		***Credit Information & Management***		***Innovation & Marketing Services***		**Other sectors (Holding costs)**		***Total***	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Segment revenues	131,296	115,917	72,825	743	78,989	77,251	94,833	76,511	2,317	2,186	380,260	272,608
Intra-segment revenues	513	720	809	0	996	380	275	245	2,313	2,180	4,906	3,524
Revenues from third parties	**130,782**	**115,197**	**72,016**	**743**	**77,993**	**76,871**	**94,558**	**76,266**	**4**	**7**	**375,353**	**269,084**

Revenues from sales and services

This item includes revenues from contracts with customers. Summary table providing the breakdown of *Revenues from sales and services* recognised during the year by business segment, geographic area and type of product or service:

Amounts in thousands of Euro	**2021**					**2020**				
	Digital Trust	*Credit Information & Management*	*Innovation & Marketing Services*	*Cybersecurity*	**Total**	*Digital Trust*	*Credit Information & Management*	*Innovation & Marketing Services*	*Cybersecurity*	**Total**
Italy	119,251	77,591	88,439	68,062	**353,343**	106,649	76,426	73,818	710	**257,603**
EU	10,033	96	4,355	204	**14,688**	6,659	76	1,029	4	**7,768**
Non-EU	198	197	103	506	**1,005**	652	149	46		**847**
Total by Geographical area	*129,482*	*77,884*	*92,897*	*68,773*	**369,036**	*113,959*	*76,652*	*74,894*	*714*	**266,219**
Digital Trust products	61,920				**61,920**	52,259				**52,259**
Digital Trust solutions	41,431				**41,431**	35,906				**35,906**
Data distribution platforms, software and electronic services	26,131				**26,131**	25,793				**25,793**
Commercial information and credit recovery and other services		52,078			**52,078**		53,906			**53,906**
Real estate information and Real estate appraisal services		25,806			**25,806**		22,746			**22,746**
Marketing consulting			20,899		**20,899**			11,672		**11,672**
Innovation consulting			47,240		**47,240**			45,932		**45,932**
Other innovation services			24,758		**24,758**			17,289		**17,289**
Cybersecurity and IT services				68,773	**68,773**				714	**714**
Total by type of product/service	*129,482*	*77,884*	*92,897*	*68,773*	**369,036**	*113,959*	*76,652*	*74,894*	*714*	**266,219**

* For more detailed information on product/service categories, please refer to Note *8. Measurement criteria - Revenues.*

Other revenues and income

Amounts in thousands of Euro	**2021**	**2020**	**Change**
Government grants	5,508	2,074	3,434
Capital gains on the sale of assets	60	77	-17
Rental income on investment property	55	52	3
Other	695	663	31
Other revenues and income	**6,318**	**2,865**	**3,453**
of which non-recurring	***0***	***74***	***-74***

Other revenues and income totalled €6,318 thousand (€2,865 thousand in 2020).

36. COSTS OF RAW MATERIALS

Costs of raw materials in 2021 amounted to €12,668 thousand (€8,869 thousand in 2020) and refer almost entirely to the *Digital Trust Business Unit*, in large part to InfoCert, and mainly include the amounts relating to the purchase of IT products intended for resale to customers. Costs of raw materials grew 42.8% compared to the prior year, of which 29.8% attributable to organic increase and 13.0% to the changes in the scope of consolidation.

Amounts in thousands of Euro	**2021**	**2020**	**Change**
Hardware, software	12,622	8,879	3,742
Change in inventories of raw and ancillary materials, consumables and goods	46	-10	56
Costs of raw materials	**12,668**	**8,869**	**3,798**

37. SERVICE COSTS

In 2021, *Service costs* totalled €118,796 thousand (€88,138 thousand in 2020). Service costs rose compared with the previous period by 34.8%, of which 9.0% attributable to organic growth and 25.8% to the change in the scope of consolidation.

Amounts in thousands of Euro	**2021**	**2020**	**Change**
Technical services	55,036	37,028	18,008
IT structure costs	18,793	10,906	7,887
Access to databases and commercial information	10,703	11,458	-755
Outsourcing services	7,717	8,732	-1,014
Specialist professional services	7,552	6,432	1,120
Advertising, marketing and communication	5,512	4,520	991
Property, plant and vehicle management costs	2,927	2,060	868
Costs for agent network	2,538	893	1,645
Consultancy	2,134	2,148	-14
Travel, assignments, and lodging expenses	2,117	1,462	655
Utilities and telephone costs	1,739	1,222	517
Other costs of the commercial network	1,491	2,158	-668
Banking costs	1,281	1,040	240
Insurance	892	689	203
Rental costs excluding IFRS 16	723	419	305
Remuneration of the Board of Statutory Auditors and Supervisory Body	710	574	136
Independent auditors’ fees for audit and other services	585	530	55
Other service costs	1,458	506	952
Capitalised service costs	-5,112	-4,640	-472
Service costs	**118,796**	**88,138**	**30,659**
of which vs. related parties	***2,891***	***1,696***	***1,196***
of which non-recurring	***2,846***	***2,472***	***374***

Technical services represent professional and technical services relating to the Group's ordinary operations, which can be potentially insourced and are activated only for technical and organisational reasons or business practice. These include €18,583 thousand for *Digital Trust* (€18,711 thousand in 2020), €13,012 thousand for *Credit Information & Management* (€10,198 thousand in 2020), €13,320 thousand for *Innovation & Marketing Services* (€7,935 thousand in 2020) and €10,122 thousand for *Cybersecurity* (€184 thousand in 2020).

The *IT structure costs* represent the costs incurred for the operation (including the software license fees, the housing/hosting services and the network and connectivity costs) and the maintenance of the IT equipment. They mainly refer to the *Digital Trust* (€9,753 thousand) and *Cybersecurity* (€4,235 thousand) segments.

Specialist professional services include *Non-recurring costs* amounting to €2,265 thousand, mainly for cost linked to acquisitions of target companies.

The *Costs for use of third-party assets* at 31 December 2021 include €477 thousand in property and vehicle lease instalments for which the lease term is less than 12 months (€385 thousand in 2020), and €246 thousand in instalments on low value assets (€34 thousand in 2020).

Capitalised service costs refer for €1,649 thousand (€1,456 thousand in 2020) to *costs incurred for fulfilling contract obligations*, for the external costs incurred in *Digital Trust*, to implement "ad hoc" customer platforms to provide a series of services within a time frame of over twelve months, and for external costs sustained for the provision of consulting services, primarily relating to innovation consulting in *Innovation & Marketing Services*, for which the related revenue has not yet been recognised. The additional capitalised costs totalled €3,463 thousand (€3,183 thousand in 2020) and refer to software development activities, in particular in *Digital Trust*.

38. PERSONNEL COSTS

In 2021, *Personnel costs* totalled €140,503 thousand (€84,760 thousand in 2020). Personnel costs rose compared with the previous period by 65.8%, of which 10.3% attributable to organic growth and 55.5% to the change in the scope of consolidation.

Amounts in thousands of Euro	**2021**	**2020**	**Change**
Wages and salaries	95,580	57,921	37,659
Social security contributions	28,793	17,418	11,375
Employee severance indemnity	6,096	3,697	2400
Retirement incentives	162	273	-111
Provisions for disputes with personnel	-131	232	-364
Stock Option costs	2,227	909	1,318
Other personnel costs	4,088	2,925	1,163
Capitalised personnel costs	-5,219	-3,824	-1,395
Directors' fees	8,145	4,705	3,440
Ongoing partnerships	764	506	258
Personnel costs	**140,503**	**84,760**	**55,743**

The increase in costs for wages and salaries, social security charges and post-employment benefits is consistent with the increase in the average number of employees employed in the Group compared to the previous year. The number of employees at 31 December 2021 along with the average number of employees in 2021 compared with the average number of employees in 2020:

Number of employees	*31/12/2021*	Average 2021	Average 2020
Senior Management	80	71	44
Middle Management	325	309	179
Employees	1,987	1,834	1,094
Workers	1	0	0
Total	**2,393**	**2,215**	**1,317**

The costs for the 2021 *Provisions for Stock Options* refer to the 2020-2022 and 2021-2023 Stock Option Plans.

Capitalised personnel costs refer for €1,509 thousand (€1,491 thousand in 2020) *to costs incurred for fulfilling contract obligations*, for personnel costs incurred in *Digital Trust*, to implement “ad hoc” customer platforms to provide a series of services within a time frame of over twelve months, and for costs sustained for the provision of consulting services, primarily relating to innovation consulting in *Innovation & Marketing Services*, for which the relative revenue has not yet been recognised. The additional capitalised costs of €3,710 thousand (€2,333 thousand in 2020) refer to software development activities, in particular in *Digital Trust* (€1,822 thousand) and in *Cybersecurity* (€1,205 thousand).

Information on the 2020-2022 Stock Option Plan

On 23 June 2020, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the “2020-2022 Stock Option Plan” (hereinafter also “Plan”), as approved by the Shareholders' Meeting on 28 April 2020. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 29 beneficiaries to whom a total of 1,670,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan provides for a single option allocation cycle and envisages a *vesting* period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2022 of ≥ 80% of the approved budget value. If EBITDA proves to be ≥ 80% and ≥ 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month *Vesting* Period as from the Allocation Date. The exercise price is established as €10.97367, based on the arithmetic mean of official prices recorded by the Company’s shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the “Consolidated Finance Act”) and Article 84-bis, paragraph 1 of the Issuers’ Regulation, in the Corporate Governance/Shareholders’ Meeting/2020 section of the Company’s web site (www.tinexta.com/assemblea-azionisti-2020), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation.

In application of IFRS 2, the option rights underlying the Plan were measured at *fair value* at the time of assignment.

At the grant date, 23 June 2020, the *fair value* for each option right was equal to €3.463892. The *fair value* of the options assigned was calculated by an independent expert, reflecting the “no arbitrage” and “risk neutral framework” characteristics common to the basic *pricing* models for options, by means of the calculation parameters indicated below:

- *risk-free* rate curve obtained from market *IRS* rates at the measurement date;
- expected dividends: 2%;
- share price volatility: 40%;

- annual probability of beneficiary exits: 3%.

At 31 December 2021, 1,670,000 options had been allocated.

The accrued cost recognised at 31 December 2021 for the aforementioned plan, under *Personnel costs*, was €1,776 thousand.

Information on the 2021-2023 Stock Option Plan

On 23 June 2021, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the "2021-2023 Stock Option Plan" (hereinafter also "Plan"), as approved by the Shareholders' Meeting on 27 April 2021. The Plan envisages the allocation of a maximum 300,000 options. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 3 beneficiaries to whom a total of 190,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan provides for a single option allocation cycle and envisages a *vesting* period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2023 of ≥ 80% of the approved budget value. If EBITDA proves to be ≥ 80% and ≥ 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month *Vesting* Period as from the Allocation Date. The exercise price is established as €23.49, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Finance Act") and Article 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2021 section of the Company's web site (www.tinexta.com/assemblea-azionisti-2021), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation.

In application of IFRS 2, the option rights underlying the Plan were measured at *fair value* at the time of assignment.

At the grant date, 23 June 2021, the *fair value* for each option was equal to €12.000555. The *fair value* of the options assigned was calculated by an independent expert, reflecting the "no arbitrage" and "risk neutral framework" characteristics common to the basic *pricing* models for options, by means of the calculation parameters indicated below:

- risk-free rate curve obtained from market *IRS* rates at the measurement date;
- expected dividends: 2%;
- share price volatility: 40%;
- annual probability of beneficiary exits: 3%.

On 5 October 2021 the Board of Directors of Tinexta S.p.A. resolved to grant a further 100,000 options at an exercise price set at €32.2852. The *fair value* for each option right was equal to €12.1476 using the same parameters of the assignment of 23 June 2021.

At 31 December 2021, a total of 290,000 options had been allocated.

The accrued cost recognised in 2021 for the aforementioned plan, under *Personnel costs*, was €451 thousand.

39. CONTRACT COSTS

The item *Contract costs* includes the periodic release of the year's share of the incremental cost assets capitalised for obtaining or fulfilling the contract (better described in Note *20. Contract cost assets*).

Amounts in thousands of Euro	2021	2020	Change
Contract obtainment costs	4,938	4,821	117
Contract fulfilment costs	2,871	2,615	256
Contract costs	**7,809**	**7,436**	**373**

40. OTHER OPERATING COSTS

Other operating costs amounted to €2,553 thousand in 2021 (€1,968 thousand in 2020) of which €4 thousand from related parties and €43 thousand non-recurring for charges related to acquisitions of target companies. Other operating costs increased 29.7% on those of the previous year, of which 36.2% attributable to the change in scope of consolidation and 6.5% to organic contraction. These costs refer to items of a residual nature, the most significant of which include: sundry taxes and duties of €626 thousand (€526 thousand in 2020) and membership fees, donations and gifts totalling €570 thousand (€475 thousand in 2020).

41. AMORTISATION AND DEPRECIATION, PROVISIONS AND IMPAIRMENT

Details of depreciation/amortisation, provisions and impairment line items:

Amounts in thousands of Euro	2021	2020	Change
Depreciation of property, plant and equipment	8,417	6,704	1,713
of which leased	*5,587*	*4,018*	*1,569*
Amortisation of intangible assets	25,188	15,723	9,464
Depreciation of investment property	26	26	0
Amortisation and depreciation	**33,631**	**22,453**	**11,178**
Provisions	**1,225**	**628**	**598**
Impairment	**1,224**	**2,140**	**-917**

Amortisation and depreciation in 2021 amounted to €33,631 thousand (€22,453 thousand in 2020), of which €8,417 thousand referring to *Property, plant and equipment* (€5,587 thousand to rights of use), €25,188 thousand to *Intangible assets*, and €26 thousand to *Investment property*.

Regarding the nature of *Provisions* for the period, see Note *29. Provisions*.

Impairment for the period (€1,224 thousand) refer to:

- expected losses on trade receivables for €964 thousand (in this regard, please refer to Note *22. Trade and other receivables)*;
- impairments of *Leasehold improvements* for €208 thousand for the termination of a lease contract on which these improvements were made;
- impairments of *Inventories* for €52 thousand.

42. NET FINANCIAL INCOME (CHARGES)

Net financial charges totalled €3,299 thousand (Net financial income of €600 thousand in 2020).

Amounts in thousands of Euro	2021	2020	Change
Financial income	1,116	3,559	-2,443
of which non-recurring	*0*	*3,225*	*-3,225*
Financial charges	4,415	2,959	1,457
of which vs. related parties	*55*	*65*	*-10*
Net financial income (charges)	**-3,299**	**600**	**-3,899**

Financial income

Amounts in thousands of Euro	2021	2020	Change
Positive *fair value* adjustment of contingent consideration	981	161	821
Exchange gains	69	67	2
Positive adjustment to financial instruments at *fair value*	24	61	-38
Income on financial assets at amortised cost	19	31	-12
Bank and postal interest	12	13	-1
Other financial income	11	3,225	-3,214
Financial income	**1,116**	**3,559**	**-2,443**
of which non-recurring	***0***	***3,225***	***-3,225***

The *Positive fair value adjustment of contingent consideration* is mainly affected by the estimated price adjustment on the CertEurope acquisition.

Other financial income in 2020 included *Non-recurring financial income* for €3,225 thousand.

Financial charges

Amounts in thousands of Euro	2021	2020	Change
Interest expenses on bank loans	1,493	1,356	137
Amortised cost adjustment on bank loans	1,202	791	410
Negative fair value *adjustment* of contingent consideration	617	0	617
Charges on hedging derivatives	503	204	299
Interest expenses on leases	292	288	4
Exchange losses	104	44	60
Interest expenses on payment deferments	64	119	-55
Financial component of employee benefits	60	86	-26
Other interest expenses	66	4	63
Other financial charges	15	67	-52
Financial charges	**4,415**	**2,959**	**1,457**
of which vs. related parties	***55***	***65***	***-10***

The increase in *Interest expenses on bank loans* reflected the increase in the bank debt compared with the previous year. The total financial charges for the period attributable to bank loans also included €1,202 thousand for charges accrued by applying the effective interest criterion, and €503 thousand for *Charges on hedging derivatives* (the ineffective component amounted to €4 thousand).

The *Negative fair value adjustment of contingent consideration* is affected by the estimated price adjustment on the Swascan and Euroquality acquisitions.

43. INCOME TAXES

Income taxes for 2021 totalled €13,802 thousand, and can be detailed as follows:

Amounts in thousands of Euro	2021	2020	Change
IRES	15,572	14,454	1,118
IRAP	3,902	3,277	625
Current foreign taxes	368	35	333
Deferred tax liabilities	-5,620	-1,897	-3,723
Deferred tax assets	-1,766	-134	-1,631
Income taxes for previous years	453	-1,192	1,645
Taxes other than the above	891	0	891
Income taxes	**13,802**	**14,544**	**-742**
of which non-recurring	***-3,150***	***-1,319***	***-1,831***

Non-recurring income taxes includes non-recurring income of €3.150 thousand referring:

- for €2.653 thousand to the realignment and redemption of statutory/fiscal value differentials. More specifically, the Group made use of the option to obtain full recognition for tax purposes of the differences between the carrying amounts and the tax bases of some intangible assets arising from the merger by incorporation of Promozioni Servizi S.r.l. in 2020 (pursuant to Article 176, paragraph 2-*ter*, of Italian Presidential Decree no. 917/86 and Article 15, paragraph 10, of Italian Law Decree no. 185/2008), as well as other intangible assets recognised in connection with the extraordinary transactions in prior years , based on the realignment law in Article 110 of Italian Law Decree no. 104/2020). This option resulted in provisions of Deferred tax assets for €1,322 thousand, releases of Deferred tax liabilities for €2,222 thousand, as well as the recognition of a substitute tax of €891 thousand under the item *Taxes other than the above*.
- for €216 thousand to the *Patent Box* benefit;
- for - €147 thousand to the reversal of the rebate of the first advance payment of IRAP 2020 already recognized in previous years and reversed by virtue of the clarifications received in January 2022 on the reduction of the allowed benefit ceiling;
- for €428 thousand to the tax effect on the non-recurring components of the profit before tax.

The item *Deferred tax liabilities* refers predominantly to the releases of deferred tax liabilities relating to the amortisation of intangible assets recorded at the time of the accounting of business combinations at *fair value*, as better detailed in Note *19. Deferred tax assets and liabilities*, as well as the aforementioned non-recurring income linked to the realignment and redemption option.

Reconciliation between the theoretical current tax and the balance of the item *Income Taxes*:

Amounts in millions of Euro			
Profit before tax		**53.4**	
Income taxes (% Tax Rate)		**-13.8**	**-25.8%**
	IRES		**IRAP**
Profit before tax	**53.4**		**53.4**
PEX tax on dividends eliminated in the Consolidation	2.3		0
Business Combination costs capitalised in separate financial statements	1.2		1.2
Adjustment of contingent consideration	-0.4		0
Revaluations/Impairment of equity-accounted investments	0.2		0.2
Financial charges (income)	0		3.3
ACE benefit	-3.0		0
EBIT of Tinexta S.p.A.	0		14.0
EBIT of Tinexta Cyber S.p.A.	0		2.5
EBIT of consolidated foreign companies	0		-1.4
Fees of directors and statutory auditors	0		6.7
Personnel costs net of deductions	0		3.4
Leased staff and seconded personnel	0		2.0
Write-downs and losses on receivables	0		1.1
Contingent liabilities	1.1		0.9
Tax credit contributions	-1.3		-1.3
Car/telephony/hospitality costs	1.3		1.3
Super-depreciation/amortisation	-0.5		0.0
Patent Box	-0.6		-0.6
IRES deduction on IRAP	-0.7		0
Other residual changes	-0.1		-0.2
Taxable amount	**53.2**		**86.7**
Tax rate	24%		4.0%
Current and deferred tax	**12.8**		**3.5**
		16.3	
CNM interest expenses			-0.2
Realignment/Redemption Effect of Intangible Assets			-2.7
Contingent Taxes			0.4
Income taxes			**13.8**

Additional information

44. EARNINGS PER SHARE

Basic earnings per Share are calculated by dividing Net Profit for the period attributable to the Group by the weighted average number of Ordinary Shares outstanding during the period (net of any Treasury Shares):

	2021	2020
Group Net Profit (*thousands of Euro*)	38,321	37,143
Weighted average number of outstanding Ordinary Shares	46,157,893	46,734,735
Basic earnings per Share (*in Euro*)	0.83	0.79

The diluted earnings per share for 2021 is obtained by dividing Group net profit for the year by the weighted average number of outstanding shares during the year, adjusted for the dilutive effects of weighted average of shares based on the period in which they are outstanding. In the outstanding shares calculation, purchases and sales of treasury shares were considered cancellations and issues of shares, respectively. The categories of potential ordinary shares derive from the possible conversion of stock options assigned to Group directors and employees. The average *fair value* of shares in the period was used to calculate the average number of potential shares outstanding.

	2021	2020
Group Net Profit (*thousands of Euro*)	38,321	37,143
Diluted weighted average number of shares	47,245,273	47,068,031
Diluted earnings per share (*in Euro*)	0.81	0.79

45. TRANSACTIONS WITH RELATED PARTIES

All transactions with Related Parties are part of normal business operations and are regulated at normal market conditions.

Below is a table that summarises all the equity balances and their incidence on the related items in the Statement of Financial Position at 31 December 202 and the corresponding comparative figures at 31 December 2020:

31/12/2021											
Amounts in thousands of Euro	**Non-current financial assets**	**Current financial assets**	**Current tax assets**	**Trade and other current receivables**	**Contract assets**	**Cash and cash equivalents**	**Non-current financial liabilities**	**Non-current contract liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Current contract liabilities**
Controlling Shareholder	38	0	0	21	0	0	484	0	147	181	0
Associated companies	0	290	0	329	1	0	0	48	0	272	85
Other Related Parties	0	0	0	3984	0	3,325	3,233	0	1,240	5	0
Total Related Parties	***38***	***290***	***0***	***748***	***1***	***3,325***	***3,718***	***48***	***1,387***	***458***	***85***
Total financial statement item	**736**	**4,144**	**2,666**	**119,470**	**16,880**	**68,253**	**281,517**	**17,423**	**54,118**	**89,689**	**57,102**
% Incidence on Total	*5.1%*	*7.0%*	*0.0%*	*0.6%*	*0.0%*	*4.9%*	*1.3%*	*0.3%*	*2.6%*	*0.5%*	*0.1%*
31/12/2020											
Amounts in thousands of Euro	**Non-current financial assets**	**Current financial assets**	**Current tax assets**	**Trade and other current receivables**	**Contract assets**	**Cash and cash equivalents**	**Non-current financial liabilities**	**Non-current contract liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Current contract liabilities**
Controlling Shareholder	0	0	6	20	0	0	333	0	71	169	0
Associated companies	0	0	0	2	0	0	0	0	0	83	0
Other Related Parties	0	0	0	27	0	0	1,936	0	1,177	28	0
Total Related Parties	***0***	***0***	***6***	***48***	***0***	***0***	***2,269***	***0***	***1,248***	***280***	***0***
Total financial statement item	**1,246**	**7,320**	**311**	**84,110**	**9,231**	**92,813**	**150,508**	**10,961**	**40,455**	**60,249**	**46,411**
% Incidence on Total	*0.0%*	*0.0%*	*1.8%*	*0.1%*	*0.0%*	*0.0%*	*1.5%*	*0.0%*	*3.1%*	*0.5%*	*0.0%*

The receivable from associates for approved but not collected dividends is recognised in *Current financial assets*.

Cash and cash equivalents include *Bank deposits* of Innolva S.p.A. and its subsidiaries at the Intesa Sanpaolo Group (minority shares with significant influence in Innolva S.p.A.).

Financial liabilities include the payable due to the Controlling Shareholder Tecno Holding S.p.A. for property lease agreements already in existence on 31 December 2021 (€632 thousand) and to other related parties of the Group (€3,093 thousand). In addition, at 31 December 2021 liabilities include the payable for price deferments (€1,380 thousand) granted in previous years by shareholders selling their stakes, now considered other related parties, as strategic managers of the Group.

The table below summarises all economic transactions and their incidence on the associated items of the income statement in 2021 and the corresponding comparative figures for 2020:

Twelve-month period closed at 31 December 2021				
Amounts in thousands of Euro	**Revenues**	**Service costs**	**Other operating costs**	**Financial charges**
Controlling Shareholder	1	439	2	12
Associated companies	235	1,138	0	0
Other Related Parties	305	1,315	2	43
Total Related Parties	**540**	**2,891**	**4**	**55**
Total financial statement item	**375,353**	**118,796**	**2,553**	**4,415**
% Incidence on Total	*0.1%*	*2.4%*	*0.1%*	*1.2%*
Twelve-month period closed at 31 December 2020				
Amounts in thousands of Euro	**Revenues**	**Service costs**	**Other operating costs**	**Financial charges**
Controlling Shareholder	0	373	0	12
Associated companies	6	1,287	0	0
Other Related Parties	0	36	2	53
Total Related Parties	**6**	**1,696**	**2**	**65**
Total financial statement item	**269,084**	**88,138**	**1,968**	**2,959**
% Incidence on Total	*0.0%*	*1.9%*	*0.1%*	*2.2%*

Revenues from other related parties relate for €252 thousand to Innolva S.p.A.'s revenues from the Intesa Sanpaolo Group, which were recorded in the second half of 2021 after the shareholder joined its corporate structure.

Service costs to the Controlling Shareholder relate mainly to the service contracts in place for the offices used by the Parent Company and RE Valuta S.p.A., as well as for personnel seconded by the Parent Company. *Financial charges to the Controlling Shareholder* refer to the interest expense accrued on property lease agreements.

Services costs to other related parties refer to purchases made by Corvallis S.p.A. from the minority shareholder (or by companies related to them) for €1,039 thousand and from Forvalue S.p.A. from the Intesa Sanpaolo Group with significant influence in Innolva S.p.A.

Additional financial charges to related parties refer to interest expense on lease agreements and the price deferment mentioned above.

46. TOTAL FINANCIAL INDEBTEDNESS

Total financial indebtedness of the Group at 31 December 2021, compared with 31 December 2020, as required by Consob communication no. DEM/6064293 of 28 July 2006, and in compliance with the Warning Notice no. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021, was:

Amounts in thousands of Euro	31/12/2021	*of which vs. related parties*	31/12/2020	*of which vs. related parties*
A Cash	68,253	*3,325*	92,813	
B Cash equivalents	0		0	
C Other current financial assets	4,144		7,320	
D Liquidity (A+B+C)	**72,397**		**100,132**	
E Current financial debt	7,811		8,196	
F Current portion of non-current financial debt	46,307	*1,387*	32,258	*1,248*
G Current financial indebtedness (E+F)	**54,118**		**40,455**	
H Net current financial indebtedness (G-D)	**-18,279**		**-59,678**	
I Non-current financial debt	281,575	*3,718*	151,650	*2,269*
J Debt instruments	0		0	
K Non-current trade and other payables	0		0	
L Non-current financial indebtedness (I+J+K)	**281,575**		**151,650**	
M Total financial indebtedness (H+L) (*)	**263,296**		**91,972**	

47. OTHER INFORMATION

Commitments made by the Group

In relation to the entry of InfoCert into the capital of Authada GmbH (Authada), *Put & Call* options are envisaged that can be exercised following the approval of the 2021 and 2022 financial statements, allowing InfoCert to acquire 100% of Authada, if certain performance conditions are met. Based on the 2021 results, the conditions for exercising the *Call* option were not met and the *Put* option was not exercised by the remaining shareholders. Upon approval of the Authada 2022 financial statements, *Put & Call* options are envisaged on the capital held by the remaining shareholders. In the event that InfoCert exercises its *Call* option at an *Enterprise Value* lower than a predetermined threshold, the remaining shareholders will have the right to find, within a specific time interval, an alternative offer from a third party, provided it applies to 100% of the shares of the company; in the presence of such an offer, InfoCert will have the pre-emptive right and may exercise its *Call* option at the same price offered by the third party in terms of Enterprise Value. If the remaining shareholders are not able to find said third party, the same remaining shareholders may acquire 100% of the company with an *Enterprise Value* equal to the aforementioned threshold.

In relation to the Forvalue transaction, which saw the contribution by Intesa Sanpaolo of the 100% stake of Intesa Sanpaolo Forvalue S.p.A. in Innolva S.p.A. - a subsidiary of Tinexta - and the simultaneous subscription of newly issued Innolva shares, deriving from a reserved capital increase, *Put & Call* option rights are envisaged on the 25% stake held by Intesa Sanpaolo in the share capital of Innolva S.p.A., subject to the termination of the partnership and/or to certain results with respect to the plan objectives, and exercisable in two time windows, in the 2025-2026 two-year period. The price of the *Put* option may be paid, at Tinexta's choice: in cash, or through the assignment to Intesa of existing or newly issued Tinexta shares. An earn-out is also envisaged in the event that certain plan objectives are exceeded, ratified with the approval of Forvalue's 2025 financial statements, which will allow Intesa Sanpaolo to increase its equity investment in Innolva up to a further 5% of the share capital.

Public funding

Italian Law 124/2017 requires companies to provide information on funding received from national or supranational bodies. The funding received by the Group during the year is detailed below:

Beneficiary	Funder	Disbursement *in thousands of Euro*	Reason for economic benefit received
Corvallis S.r.l.	Apulia Region	1,861	PROGRAMME AGREEMENT FSC - AQP LOCAL DEVELOPMENT 2007/2013 POR PUGLIA - FESR 2014-2020 of the Apulia Region
InfoCert S.p.A.	European Commission	293	Horizon 2020 - IMPULSE Project
InfoCert S.p.A.	European Commission	179	KRAKEN project
InfoCert S.p.A.	European Commission	116	SCALES Project - Contribution to Connecting Europe Facility (CEF)
InfoCert S.p.A.	European Commission	38	FICEP Project - Contribution to Connecting Europe Facility (CEF)
InfoCert S.p.A.	European Commission	31	PRESENT Project
Warrant Hub S.p.A.	European Commission	296	H-ALO Project
Warrant Hub S.p.A.	European Commission	291	IOTWINS Project
Warrant Hub S.p.A.	European Commission	225	SOMIRO Project
Warrant Hub S.p.A.	European Commission	187	FBD-BModel Project
Warrant Hub S.p.A.	European Commission	186	DREAM Project
Warrant Hub S.p.A.	European Commission	142	INTELWATT Project
Warrant Hub S.p.A.	European Commission	69	NANOINFORMATIX Project
Warrant Hub S.p.A.	European Commission	66	SUNRISE Project
Warrant Hub S.p.A.	European Commission	47	SUNSHINE EFD Project

The Group also received state aid and "de minimis" aid from Italian public bodies. For detailed information, please refer to the Registro Nazionale degli Aiuti di Stato (National Registry of State Aid).

Remuneration to Directors, Statutory auditors, General Managers and Key Management Personnel of the Parent Company

With reference to disclosures on the remuneration paid to Directors, Statutory auditors, General Managers and other Key Management Personnel of the Parent Company, reference is made to the table below with the policy on remunerations paid pursuant to Article 123-ter of the Consolidated Law of Finance for further details.

Amounts in thousands of Euro	Fixed remuneration	Remuneration for participation in Committees	Variable remuneration non-equity (Bonus and other incentives)	Non-monetary benefits	Other remuneration	Total
Directors and General Manager	1,661	180	115	0	0	**1,956**
Statutory Auditors	186	0	0	0	0	**186**
Other Key Management Personnel	2,211	0	1,262	24	0	**3,496**

On 23 June 2020, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the "2020-

2022 Stock Option Plan", as approved by the Shareholders' Meeting on 28 April 2020. The options allocated on 31 December 2021 totalled 200,000 to the Chief Executive Officer and 560,000 to other Key Management Personnel.

On 23 June 2021, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the "2021-2023 Stock Option Plan", as approved by the Shareholders' Meeting on 27 April 2021. The options allocated on 31 December 2021 totalled 230,000 to other Key Management Personnel.

For details, see Report on Remuneration pursuant to Article 123-ter of the Consolidated Law on Finance (TUF).

Independent Auditors' fees

Below are details of the remuneration of the Independent Auditors and of other companies belonging to the network pursuant to Article 149-duodecies of the Implementing Regulation of Legislative Decree no. 58 of 24 February 1998. The fees shown in the table, applicable to the year 2021, are those agreed upon in the contract, inclusive of any index-linking (but not out-of-pocket expenses, supervisory contribution, if any, or VAT).

Amounts in thousands of Euro	KPMG S.p.A.	KPMG network entities	Total KPMG
Auditing Services	**580**		**580**
- Parent Company Tinexta S.p.A.	*85*		***85***
- Subsidiaries	*494*		***494***
Certification Services	**43**		**43**
- Parent Company Tinexta S.p.A.	*23*		***23***
- Subsidiaries	*20*		***20***
Other services	***23***	***12***	***35***
- Parent Company Tinexta S.p.A.	*23*		***23***
- Subsidiaries		*12*	***12***
Total	**645**	**12**	**657**

IMPLICATIONS OF THE COVID-19 PANDEMIC ON THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

The Tinexta Group monitors the evolution of the Covid-19 pandemic at all its sites, adopting measures to prevent, control and contain contagions and aiming at protecting the health of its employees and collaborators.

The results of 2021 show the Tinexta Group's resilience, which in the first months of 2020 had been marginally affected by the pandemic crisis. All the indicators were positive and confirm the stable growth of Group business activities.

Also note that the results at 31 December 2021 include income of €2.1 million deriving from the realignment (pursuant to Article 110 of Decree Law no. 104/2020) of statutory/tax differentials. The amount was included in the non-recurring components.

Goodwill is annually tested to determine if any impairment exist. The *impairment tests* at 31 December 2021 did not identify any impairment in the recognised goodwill. For details, please refer to Note 15. *Intangible assets and goodwill*.

From the analyses carried out within the Tinexta Group, there is no significant uncertainty regarding events or circumstances, including those related to the Covid-19 pandemic, which may give rise to significant doubts on the ability of the Parent Company and the Group to continue to operate as a going concern.

48. KEY EVENTS SUBSEQUENT TO YEAR-END

On **18 January 2022**, the Tinexta Group acquired the majority of the Spanish company Evalue Innovación SL ("Evalue"), through the company Warrant Hub S.p.A., leader in consulting to companies for subsidised finance operations in support of innovation and development projects. Evalue boasts a widespread presence throughout the Spanish territory with offices in Valencia, Madrid, Barcelona, Seville and Murcia. The company offers support services for obtaining tax incentives for R&D and technological innovation projects and national and European subsidised finance services. In 2020, the company recorded revenues of €8.5 million, up 17.6% compared to the previous year and €4.3 million in EBITDA (with an EBITDA *Margin* of approximately 50%).
The agreement marks a new stage in Tinexta's internationalisation process, in line with the announced strategic lines. Furthermore, the new acquisition strengthens the European vocation of Warrant Hub, already present in Belgium, France and Bulgaria, allowing it to exploit both commercial development potential - especially as regards opportunities linked to European finance - and industrial, starting a virtuous exchange of *know-how* and *best practices*. The acquisition of 70.0% of Evalue Innovación provides for the payment of a consideration equal to €20.6 million, including the pro-rata financial indebtedness at 31.12.2021 equal to €0.4 million (corresponding to an implicit multiple on 2020 EBITDA of approximately 7x), which was paid with the Group's existing liquidity. The remaining 30% of Evalue, held by the founding shareholders, will be regulated through Put/Call options that can be exercised in 2024 on a 15% stake and in 2026 on a further 15% stake, based on specific agreements. The transaction is assisted by the usual representations and warranties.

On **3 February 2022**, the transaction involving the entry into the share capital of InfoCert by Bregal Milestone with a 16.09% interest was completed. In executing agreements already signed on 27 October 2021, the transaction involves an investment by Bregal Milestone of €100 million (of which €70 million at closing and €30 million within the following 12 months) through subscribing a dedicated capital increase of InfoCert. Following the subscription of the first €70 million, Bregal Milestone comes to hold 11.83% of InfoCert S.p.A.; Tinexta S.p.A.'s investment in InfoCert drops to 88.17%. Bregal Milestone is an important European private equity fund, with specific know-how in the technology sector and an extensive relational network of companies in Europe, and will support the Tinexta Group and, in particular, InfoCert to accelerate the internationalisation process already started with some recent acquisitions (Camerfirma, CertEurope and Authada).

On **16 March 2022**, Tinexta S.p.A. concluded the acquisition of the company Enhancers S.p.A. (Enhancers), through its subsidiary Warrant Hub which operates in consulting to companies for subsidised finance operations and in support of innovation and development projects. The transaction presents a high degree of complementarity between the Warrant Hub offer in the Digital Manufacturing area and the skills of Enhancers. In fact, the Warrant Innovation Lab structure, which currently operates in consultancy and project management activities in projects for the optimisation of digitisation processes, will be able to integrate its offer downstream with the development and implementation of the technological component. Enhancers, with offices in Turin and Bologna, combines design and planning activities, aimed at improving the *user experience*, with the creation of digital products and, in particular, the development of "task-oriented" digital systems (Digital Product Suite) and services aimed at manufacturing companies on products in the Internet of Things (IoT) and Human Machine Interface (HMI) fields. The transaction provides for the acquisition of

100% of the shares of Enhancers against a consideration of €16.4 million, paid with the Group's existing liquidity and the payment of an Earn Out calculated on the basis of 2024 results.

17 March 2022
Enrico Salza
Chairman
Tinexta S.p.A.

E-MARKET
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CERTIFIED

SEPARATE FINANCIAL STATEMENTS 2021
Statements and Notes

Separate Financial Statements of Tinexta S.p.A.

Statement of Financial Position

In Euro	Notes	31/12/2021	31/12/2020
ASSETS			
Property, plant and equipment	10	1,159,336	952,617
Intangible assets	11	357,988	569,742
Equity investments recognised at cost	12	356,677,648	308,290,884
Financial assets, excluding derivative financial instruments	16	9,878,335	36,764
- of which vs. related parties	*30*	*9,837,800*	*0*
Derivative financial instruments	21	109,623	0
Deferred tax assets	13	629,012	817,716
Trade and other receivables	14	5,200	87,470
NON-CURRENT ASSETS		**368,817,142**	**310,755,194**
Financial assets, excluding derivative financial instruments	16	21,423,056	15,119,781
- of which vs. related parties	*30*	*21,396,808*	*14,672,727*
Current tax assets	15	3,984,364	3,502,594
- of which vs. related parties	*30*	*1,866,854*	*3,502,594*
Trade and other receivables	14	1,519,611	2,764,725
- of which vs. related parties	*30*	*703,190*	*710,009*
Contract assets	14	293,650	308,680
- of which vs. related parties	*30*	*292,641*	*308,680*
Cash and cash equivalents	17	23,448,113	61,170,071
CURRENT ASSETS		**50,668,794**	**82,865,851**
TOTAL ASSETS		**419,485,936**	**393,621,045**
EQUITY AND LIABILITIES			
Share capital		47,207,120	47,207,120
Treasury shares reserve		-19,327,481	-10,000,693
Share premium reserve		55,438,803	55,438,803
Other reserves		97,687,865	77,141,361
TOTAL SHAREHOLDERS' EQUITY	**18**	**181,006,307**	**169,786,591**
LIABILITIES			
Employee benefits	19	713,231	591,344
Financial liabilities, excluding derivative financial instruments	20	159,708,294	122,883,387
- of which vs. related parties	*30*	*1,169,570*	*1,693,214*
Derivative financial instruments	21	163,278	1,080,470
Deferred tax liabilities	13	59,552	48,416
NON-CURRENT LIABILITIES		**160,644,356**	**124,603,617**
Financial liabilities, excluding derivative financial instruments	20	68,890,390	91,523,468
- of which vs. related parties	*30*	*32,278,560*	*64,131,814*
Trade and other payables	22	5,515,974	4,469,529
- of which vs. related parties	*30*	*578,366*	*417,959*
Current tax liabilities	15	3,428,910	3,237,840
- of which vs. related parties	*30*	*3,428,910*	*87,279*
CURRENT LIABILITIES		**77,835,274**	**99,230,836**
TOTAL LIABILITIES		**238,479,629**	**223,834,454**
TOTAL EQUITY AND LIABILITIES		**419,485,936**	**393,621,045**

Statement of Profit or Loss and other comprehensive income

		for the year ended 31 December	
In Euro	**Notes**	**2021**	**2020**
Revenues	**23**	**2,317,180**	**2,186,257**
- *of which vs. related parties*	*30*	*2,313,086*	*2,179,652*
Service costs	24	6,388,711	5,330,221
- *of which vs. related parties*	*30*	*618,734*	*505,655*
- *of which non-recurring*	*24*	*924,248*	*19,159*
Personnel costs	25	8,758,671	6,535,826
Other operating costs	26	358,477	279,432
- *of which vs. related parties*	*30*	*2,712*	*0*
Amortisation and depreciation	27	812,292	612,953
Provisions		0	0
Impairment		0	0
Total Costs		**16,318,150**	**12,758,432**
OPERATING PROFIT		**-14,000,970**	**-10,572,175**
Financial income	28	43,419,074	37,546,957
- *of which vs. related parties*	*30*	*43,411,202*	*36,604,085*
- *of which non-recurring*	*28*	*0*	*933,018*
Financial charges	28	3,148,904	2,369,137
- *of which vs. related parties*	*30*	*95,999*	*87,979*
Net financial income (charges)		**40,270,170**	**35,177,820**
PROFIT BEFORE TAX		**26,269,201**	**24,605,645**
Income taxes	29	-3,266,835	-2,573,506
- *of which non-recurring*	*29*	*-221,820*	*219,326*
NET PROFIT		**29,536,036**	**27,179,151**
Other components of the comprehensive income statement			
Components that will never be reclassified to profit or loss			
Actuarial gains (losses) of employee benefit provisions	19	-39,030	-56,929
Tax effect		9,367	13,663
Total components that will never be reclassified to profit or loss		**-29,663**	**-43,266**
Components that are or may be reclassified subsequently to profit or loss:			
Profits (losses) from measurement at fair value of derivative financial instruments	21	1,050,248	-797,404
Tax effect		-252,060	191,377
Total components that are or may be reclassified subsequently to profit or loss		**798,189**	**-606,027**
Total other components of comprehensive income, net of tax		**768,526**	**-649,293**
Total comprehensive income for the year		**30,304,561**	**26,529,858**

Statement of Changes in Equity

For the year ended 31 December 2021									
Amounts in Euro	Share capital	Treasury shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Total
Balance at 1 January 2021	47,207,120	-10,000,693	4,314,574	55,438,803	-818,598	-117,711	909,042	72,854,055	169,786,591
Comprehensive income for the year									
Profit for the year								29,536,036	29,536,036
Other components of the comprehensive income statement					798,189	-29,663			768,526
Total comprehensive income for the year	*0*	*0*	*0*	*0*	*798,189*	*-29,663*	*0*	*29,536,036*	*30,304,561*
Transactions with Shareholders									
Allocation to legal reserve			1,358,958					-1.358.958	0
Dividends								-11,984,953	-11,984,953
Stock options							2,226,895		2,226,895
Purchase of treasury shares		-9,326,787							-9,326,787
Total transactions with Shareholders	*0*	*-9,326,787*	*1,358,958*	*0*	*0*	*0*	*2,226,895*	*-13,343,911*	*-19,084,845*
Balance at 31 December 2021	47,207,120	-19,327,481	5,673,531	55,438,803	-20,410	-147,374	3,135,937	89,046,181	181,006,307

For the year ended 31 December 2020									
Amounts in Euro	Share capital	Treasury shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Total
Balance at 1 January 2020	47,207,120	0	3,112,305	55,438,803	-212,571	-74,445	0	46,877,173	152,348,385
Comprehensive income for the year									
Profit for the year								27,179,151	27,179,151
Other components of the comprehensive income statement					-606,027	-43,266			-649,293
Total comprehensive income for the year	0	0	0	0	-606,027	-43,266	0	27,179,151	26,529,858
Transactions with Shareholders									
Allocation to legal reserve			1,202,269					-1,202,269	0
Stock options							909,042		909,042
Purchase of treasury shares		-10,000,693							-10,000,693
Total transactions with Shareholders	*0*	*-10,000,693*	*1,202,269*	*0*	*0*	*0*	*909,042*	*-1,202,269*	*-9,091,651*
Balance at 31 December 2020	47,207,120	-10,000,693	4,314,574	55,438,803	-818,598	-117,711	909,042	72,854,055	169,786,591

Statement of Cash Flows

	Notes	2021	2020
		for the year ended 31 December	
Cash flows from operations			
Profit for the year		29,536,036	27,179,151
Adjustments for:			
- Amortisation and depreciation	27	812,292	612,953
- Net financial charges (income)	28	-40.270.170	-35,177,820
- of which vs. related parties	*30*	*-43,315,204*	*-36,516,106*
- Provisions for stock option	25	578,772	232,803
- Income taxes	29	-3,266,835	-2,573,506
Changes in:			
- Trade and other receivables and Contract assets	14	1,342,413	-1,536,411
of which vs. related parties	*30*	*22,858*	*-74,049*
- Trade and other payables	22	1,046,445	489,517
of which vs. related parties	*30*	*160,407*	*100,829*
- Provisions and employee benefits	19	80,977	92,760
Cash and cash equivalents generated/(absorbed) by operations		**-10,140,071**	**-10,680,553**
Income taxes collected/(paid)		2,933,143	3,240,678
Net cash and cash equivalents generated/(absorbed) by operations		**-7,206,927**	**-7,439,875**
Cash flows from investments			
Dividends collected	28	43,319,302	36,587,757
- of which vs. related parties	*30*	*43,319,302*	*36,587,757*
Interest collected		29,690	29,826
- of which vs. related parties		*18,728*	*14,520*
Investments in shareholdings	12	-51,000,000	-21,474,003
- of which vs. related parties	*12*	*-51,000,000*	*-14,839,139*
Disposal of shareholdings	12	2,200,000	*0*
- of which vs. related parties	*12*	*2,200,000*	*0*
Investments in property, plant and equipment	10	-58,411	-68,517
Investments in other financial assets	16	-44,940	-281,424
Collections from sale or repayment of financial assets	16	424,176	0
Investments in intangible assets	11	-288,950	-293,831
Granting of loans to subsidiaries	16	-13,800,000	0
- of which vs. related parties	*16*	*-13,800,000*	*0*
Current accounts with subsidiaries	16	-2,693,160	-4,273,140
- of which vs. related parties	*16*	*-2,693,160*	*-4,273,140*
Net cash and cash equivalents generated/(absorbed) by investments		**-21,912,293**	**10,226,667**
Cash flows from financing			
Interest paid		-1,983,469	-1,568,666
- of which vs. related parties		*-93,773*	*-52,348*
Change in other current bank payables		-26,414	-6,303
Bank loans taken out	20	77,308,264	49,552,675
Bank loans repaid	20	-28,117,461	-10,424,197
Repayment of price deferment liabilities on acquisitions of equity investments	20	-2,422,809	-2,407,714
- of which vs. related parties		*-664,826*	*0*
Repayment of contingent consideration liabilities	20	0	-7,580,530
Repayment of lease liabilities	20	-217,081	-184,404
- of which vs. related parties		*-64,895*	*-65,844*
Current accounts with subsidiaries	20	-31,941,499	21,604,789
- of which vs. related parties		*-31,941,499*	*21,604,789*
Purchase of treasury shares	18	-9,326,787	-10,000,693
Dividends paid		-11,875,481	0
Net cash and cash equivalents generated/(absorbed) by financing		**-8,602,738**	**38,984,956**
Net increase (decrease) in cash and cash equivalents		*-37,721,958*	*41,771,748*
Cash and cash equivalents at 1 January		61,170,071	19,398,324
Cash and cash equivalents at 31 December		**23,448,113**	**61,170,072**

Notes to the Separate Financial Statements at 31 December 2021

1. ENTITY THAT PREPARES THE FINANCIAL STATEMENTS

Tinexta S.p.A. (the Company) is based in Rome (Italy) – Piazza Sallustio 9 and has been listed on the STAR segment of Borsa Italiana since August 2016.

Tinexta operates, through its subsidiaries, primarily in Italy, with diversified and customisable services through four *business units*: *Digital Trust*, *Credit Information & Management*, *Innovation & Marketing Services* and *Cybersecurity*.

At the date of preparation of these Financial Statements, Tecno Holding S.p.A. (the 'Controlling Shareholder') is the shareholder that holds the absolute majority of the shares of Tinexta S.p.A. The Controlling Shareholder does not exercise any management and coordination activities for the Company.

It is noted that as the Company has significant controlling interests in other companies, it also prepares the Group Consolidated Financial Statements, published together with the Separate Financial Statements.

These Financial Statements were approved and authorised for publication by the Board of Directors of the Company at its meeting on 17 March 2022.

2. PREPARATION CRITERIA AND COMPLIANCE WITH IFRS

These Separate Financial Statements have been prepared in accordance with the *International Financial Reporting Standards* (IFRS), the interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC), approved by the European Commission and in force at the reporting date, as well as the *previous International Accounting Standards* (IAS). Furthermore, reference was made to the provisions issued by Consob in implementation of paragraph 3 of Article 9 of Legislative Decree 38/2005.

These Financial Statements have been prepared under the going concern assumption. The general policy adopted in preparing these Financial Statements is the historical cost, with the exception of items that, under IFRS, are obligatorily measured at *fair value*, as indicated in the measurement criteria of individual items.

3. PRESENTATION CRITERIA

The Separate Financial Statements consist of the Statement of Financial Position, the Statement of Profit/(Loss) and Other comprehensive income, the Statement of Changes in Equity, the Statement of Cash Flows, and these Notes.

It is specified that:

- the Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" criteria;
- The Statement of Profit or Loss and Other Comprehensive Income is classified on the basis of the nature of costs;
- the Statement of Cash Flows is presented using the indirect method.

In accordance with Consob Resolution no. 15519 of 28 July 2006, the Statement of Profit/(Loss) separately identifies, if any, income and charges arising from non-recurring transactions; similarly, shown separately in the Financial Statements are the Balances of transactions with Related Parties which are further described in Note *30. Transactions with Related Parties*.
The Separate Financial Statements have been prepared in Euro, which is the functional currency of the Company. The Financial Statements are expressed in Euro, as well as the related notes, unless otherwise specified.

4. NEW STANDARDS OR AMENDMENTS FOR 2021 AND FUTURE REQUIREMENTS

As required by IAS 8 - Accounting standards, changes in accounting estimates and errors - the new accounting standards and interpretations are indicated below, as well as changes to existing standards and interpretations already applicable, not yet in force at the balance sheet date, which could be applied in the future in the separate financial statements:

a) New documents issued by the IASB and endorsed by the EU to be mandatorily adopted starting from the financial statements for the years starting on 1 January 2021

Document title	Date of issue	Date of entry into force	Date of endorsement	EU regulation and publication date
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	August 2020	1 January 2021	13 January 2021	(EU) 2021/25 14 January 2021
Covid-19 Related Rent Concessions after 30 June 2021 (Amendment to IFRS 16)	March 2021	1 April 2021	30 August 2021	(EU) 2021/1421 31 August 2021
Extension of the Temporary Exemption from applying IFRS 9 (Amendments to IFRS 4)	June 2020	1 January 2021	15 December 2020	(EU) 2020/2097 16 December 2020

b) Amendments to IFRS 9, IAS 39, IFRS 7 regarding "Interest Rate Benchmark Reform" (phase 2) - extension beyond June 2021

With effect from 1 January 2021, as part of the IBOR (Interbank Offered Rates) reform process, the document "Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform - phase 2" is effective. For the assessment and definition of hedging relationships of financial instruments affected by these rates: (i) clarifies that the replacement of the existing IBOR rate with the new risk-free rate does not represent an event of derecognition of assets and liabilities; (ii) introduces provisions on hedge accounting aimed at not creating discontinuity in existing hedging relationships; (iii) requests qualitative and quantitative information on the nature and risks associated with this reform, on the management of such risks and on progress in the transition process to the new rates.

c) Covid-19 Related Rent Concessions after 30 June 2021 (Amendment to IFRS 16)

With Regulation (EU) no. 2021/1421 of 30 August 2021, published in the Official Journal of the European Union on 31 August 2021, the document "Covid-19 Related Rent Concessions after 30 June 2021 (amendment to IFRS 16 Leases)" was adopted, approved by the IASB Board on 31 March 2021 and which expanded the scope of application of the practical expedient for accounting for "rent concessions" obtained by lessees as a direct consequence of the Covid-19 pandemic. With the 2021 Amendment, the IASB has published some amendments to IFRS 16 which move the deadline from 30 June 2021 to 30 June 2022 to take advantage of the practical expedient for the valuation of leasing contracts, in the event that following the Covid-19 rents have been renegotiated. The lessee may choose to account for the concession as a variable rent over the period in which a lower payment is recognised.

The adoption of the new standards applicable from 1 January 2021 had no impact.

b) IAS/IFRS and related IFRIC interpretations applicable to financial statements starting after 1 January 2021, documents endorsed by the EU at 31 December 2021

Document title	Date of issue	Date of entry into force	Date of endorsement	EU regulation and publication date
Improvements to IFRS (2018-2020 cycle) (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Property, plant and equipment - Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Onerous contracts - Costs of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(EU) 2021/1080 2 July 2021

The accounting standards, amendments and interpretations, in force from 1 January 2022 and endorsed by the European Commission, are set out below:

- **Amendments to IFRS 3 - Reference to the Conceptual Framework**

  The amendments update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of the standard. With the amendment to IFRS 3, to identify assets and liabilities of the acquiree, reference must be made to the new definitions of assets and liabilities of the new Conceptual Framework published in March 2018, with the sole exception of the liabilities assumed in the acquiree, which after the acquisition date are accounted for in accordance with IAS 37 - Provisions, contingent liabilities and contingent assets or IFRIC 21 - Levies;

- **Amendments to IAS 16 - Property, plant and equipment: proceeds before intended use**

  The IASB Board clarified that proceeds from the sale of goods produced by an asset during the period prior to the date in which the asset is in the necessary location and condition for it to function in the manner intended by management, they must be recognised in profit/(loss) for the year. As a result of the aforementioned amendment, it will no longer be allowed to recognise as a direct reduction in the cost of the asset the proceeds deriving from the sale of goods produced before the asset is available for its use, for example, proceeds from the sale of samples produced during the testing of the correct functioning of the asset;

- **Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract**

  The IASB Board clarified that the costs necessary for the fulfilment of a contract include all costs directly related to the contract and therefore include:

  - incremental costs, i.e. costs that would not have been incurred in the absence of the contract (for example, raw materials, costs for direct labour, etc.);

- a portion of the other costs which, although not incremental, are directly related to the contract (for example, the depreciation rate of the assets used to fulfil the contract).

Furthermore, the IASB Board confirmed that, before recognising a provision for an onerous contract, the entity must recognise any impairment losses on non-current assets and clarified that impairment losses must be determined with reference not only to activities dedicated entirely to the contract, but also to other activities that are partially used for the fulfilment of the contract itself;

- **Improvements to IFRS - 2018-2020 cycle (Amendments to IFRS 1, IFRS 9 and IAS 41)**

The Improvements to IFRS Standards are the result of the annual improvement process aimed at resolving non-urgent issues relating to inconsistencies or unclear terminologies identified in the International Accounting Principles. Please note that the document "Improvements to IFRS - 2018-2020 cycle" also includes an amendment to IFRS 16 which is not subject to approval by the European Union as it refers to an illustrative example that is not an integral part of IFRS 16.

These amendments, endorsed by the European Union on 28 June 2021 (EU regulation no. 2021/1080), will apply starting from the financial years starting on 1 January 2022 and are not expected to have significant effects on the financial statements of the Company. Early application is permitted.

c) IAS/IFRS and related IFRIC interpretations applicable to financial statements starting after 1 January 2021, documents NOT yet endorsed by the EU at 31 December 2021

Document title	Date of issue by the IASB	Date of entry into force of the IASB document	Date of expected endorsement by the EU
Standards			
Classification of Liabilities as Current or Non-current (Amendments to IAS 1), including subsequent amendment issued in July 2020	January 2020 July 2020	1 January 2023	TBD
Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)	February 2021	1 January 2023	TBD
Definition of Accounting Estimates (Amendments to IAS 8)	February 2021	1 January 2023	TBD
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	TBD

At the date of approval of these Separate Financial Statements, the IASB had issued certain accounting standards, interpretations and amendments not yet approved by the European Union and some still in the consultation phase, including:

- **Amendments to IAS 1 - Presentation of financial statements - Classification of liabilities as current or non-current**

  On 23 January 2020, the IASB issued the document "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", clarifying the criteria that must be used in order to determine whether the liabilities should be classified as current or non-current. The provisions are effective starting from financial years starting on 1 January 2023 or later. The amendments aim to promote consistency in the application of the requirements by helping companies to determine whether payables, and other liabilities with an uncertain settlement date, should be classified as current (due or potentially to be paid within one year) or non-current. In addition, they include clarifications regarding the classification requirements for liabilities that an entity could settle through conversion into equity instruments.

- **Amendments to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2: Presentation of accounting principles**

  On 12 February 2021, the IASB issued the document "Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)" with the aim of indicating the accounting principles to be illustrated in the financial statements. The amendments are effective for financial years starting on or after 1 January 2023 and operate as follows: (i) the notes to the financial statements illustrate the relevant accounting principles instead of the significant accounting principles; (ii) information on accounting principles is material if users of the financial statements need it to understand other material information in the financial statements; (iii) information on immaterial accounting principles must not obscure information on relevant accounting principles.

- **Amendments to IAS 8 - Accounting standards, changes in accounting estimates and errors: definition of accounting estimates**

  On 12 February 2021, the IASB issued the document "Definition of Accounting Estimates (Amendments to IAS 8)". The amendments to IAS 8, effective for financial years starting on or after 1 January 2023, clarify that: (i) the accounting estimates are “monetary amounts in the financial statements subject to measurement uncertainty”; (ii) entities make accounting estimates if accounting policies require items in the financial statements to be measured in a way that results in measurement uncertainty; (iii) a change in the accounting estimate resulting from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or measurement technique used to make an accounting estimate are changes in accounting estimates if they do not result from the correction of errors from previous periods; (iv) a change in an accounting estimate can only affect the profit or loss for the current year, or profit or loss for both the current and future years. The effect of the change relating to the current year is recognised as income or expense in the current year. Any effect on future periods is recognised as income or expense in such future periods.

- **Amendments to IAS 12 - Income taxes: deferred taxes relating to assets and liabilities arising from a single transaction**

  On 7 May 2021 the IASB issued the document "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)" to clarify that in the recognition of deferred taxes on lease agreements and dismantling obligations the exemption provided for by IAS 12.15 (b) and by IAS 12.24 is not applied. The amendments are effective from financial years starting on 1 January 2023 or later. Early application is permitted. The potential impact that the accounting standards, amendments and interpretations to be applied in the near future may have on the financial reporting of the Company are being examined and assessed.

  For all the newly issued standards, as well as for the revisions and amendments to existing standards, Tinexta is evaluating any impacts currently not reasonably estimated deriving from their future application.

5. MEASUREMENT CRITERIA

Described below are the accounting standards and the most significant measurement criteria used for the preparation of these Financial Statements:

PROPERTY, PLANT AND EQUIPMENT

Tangible assets are valued at the cost of purchase or production and net of accumulated depreciation and impairment, if any. The cost includes all the charges directly incurred to prepare the assets to be used, as

well as any dismantling and removal charge that shall be incurred to bring the work site back to its original conditions.
The charges incurred for ordinary and/or regular maintenance and repair are directly recognised in the income statement in the year in which they are incurred. The capitalisation of the costs for the expansion, modernisation or improvement of the structural items owned or in use by third parties is carried out only to the extent to which they meet the requirement for a separate classification as assets or part of an asset. Any public contributions to tangible assets are recorded as deferred revenues and recognised as income in the income statement on a systematic and rational basis over the useful life of the related asset.
The value of an asset is adjusted for systematic depreciation, calculated on the basis of its estimated useful life. When the asset is recognised for the first time, the depreciation is calculated keeping into account the effective date on which the asset is ready for use. The useful life estimated by the Company, for the different classes of assets, is the following:

	Estimated useful life
Electronic machines	2.5
Other assets	2.5 - 6 years
Leasehold improvements	6 years

The estimates of the useful life and of the residual value are reviewed at least once a year.
Depreciation ends when the asset is transferred or reclassified as held for sale.
If the asset subject to depreciation includes distinctly identifiable and significant components, with different estimated useful life, the depreciation is calculated separately for each of the different components, in application of the *component approach* standard.
Gains and losses realised on the sale of assets or groups of assets are calculated by comparing the sale price with the corresponding net carrying amount.
The assets related to the rights of use concerning lease agreements are recognised under the item Property, plant and equipment. As regards the initial recognition and subsequent measurement criteria applied to these assets, see the section *LEASED ASSETS*.

LEASED ASSETS

The Company assesses if the agreement is or contains a lease at its effective date. The agreement is or contains, a lease if, against payment, gives the right to control the use of a specific asset, for a given period of time. At the date when the lessor makes the underlying asset available to the Company (effective date of the lease), the latter recognises the asset consisting of the right of use, and recognises the lease liability, except for short term leases (as in the case of lease agreements of a duration equal to or less than 12 months) and for the leases of assets of a modest value (namely, with a value less than €5,000 euro when new). For the latter, the Company recognises the payments due for said leases as a cost, on a straight-line basis for the duration of the lease, or according to another criterion that is a better representative of the way the benefits are obtained.

Financial liabilities deriving from the lease are initially recognised at the current value of the future payments at the effective date of the agreement, discounted at the implicit rate of the lease. If this rate is not promptly determinable, the rate used is the marginal loan rate of the Company, understood as the rate that the Company should pay for a loan with a similar duration and guarantees, necessary to obtain an asset of a value similar to the asset consisting of the right of use within a similar economic context.

At their maturity dates, the payments due for the lease, included in the measurement of lease liabilities, comprise the following payments for the right of use of the underlying asset throughout the duration of the lease, not yet made at the maturity date:

- fixed payments, net of any lease incentive to be received;
- variable payments due for the leases that depend on an index or a rate, valued initially by using an index or a rate at their start date (e.g. instalments revalued according to ISTAT or associated to the EURIBOR);
- amounts that the Company is expected to pay as a guarantee on the residual value;
- penalties to be paid for the termination of a lease if the duration of the lease provides for the exercise by the Company of the option of lease termination.

After the start date, the Company assesses the lease liability:
- increasing the accounting value considering the interest on the lease liability;
- decreasing the accounting value considering the payments due for the executed leases; and
- re-determining the accounting value considering any new assessment or change in the lease or the revision of the fixed payments due for the lease.

After the effective date, the Company re-determines the lease liability as an adjustment of the asset consisting of the right of use:
- in the case of a change in the duration of the lease, by discounting the revised lease payments using a revised discounting rate;
- in the case of a change in the assessment of an option for the purchase of the underlying asset, by discounting the revised lease payments using a revised discounting rate;
- in the case of a change in the payments following a change in the index or in the rate used to determine the payments, by discounting the revised lease payments using the same discounting rate.

The initial cost of the asset consisting of the right of use includes: the amount of the initial measurement of the lease liability, the lease payments made at or before the effective date, net of the lease incentives received, the initial direct costs incurred by the Company, i.e. those incremental costs incurred for obtaining the lease that would have not been incurred if the lease had not been obtained and the estimate of the costs that the Company must bear for the dismissal and removal of the underlying asset and for the restoration of the site where it is located or for the restoration of the underlying assets in the conditions set forth in the lease, unless these costs are incurred for producing inventory.

The Company opted for the recognition of assets consisting of the right of use under the item *Property, plant and equipment* under the same categories where the corresponding assets would have been recognised if they were owned.

The asset consisting of the right of use is subsequently measured by applying the cost model, net of the accumulated amortisation and impairment of the accumulated value, adjusted in order to take into account any re-measurement of the lease liability. If the lease transfers the ownership of the underlying asset to the Group at the end of the lease or if the cost of the asset consisting of the right of use reflects the fact that the Group will exercise the purchase option, the Group amortises the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset. Conversely, the Company depreciates the asset consisting of the right of use from the effective date to the end of the useful life of said asset or, if prior, to the end of the lease duration.

INTANGIBLE ASSETS

Intangible assets consist of non-monetary items without physical form, but which can be clearly identified and able to generate future economic benefits for the company. These items are recognised at the acquisition and/or production cost, inclusive of the expenses directly attributable to the stage of preparation to the activity to make it operational, net of accumulated amortisation (with the exception of intangible assets with indefinite useful life) and any impairment. The amortisation starts when the asset becomes available for use and is allocated systematically with regard to its residual possibility of use, that is, on the basis of its useful life. When the intangible asset is recognised for the first time, amortisation is calculated taking into account the effective use of the asset. Specifically, within the Company, the following main categories of intangible assets can be identified:

- *Software:* Software is recognised at its acquisition and/or development cost net of accumulated amortisation and impairment, if any. The amortisation is carried out from the year in which the software, acquired or internally developed, is available for use and is calculated taking as reference the shorter period between that of expected use and that of ownership. Estimated useful life is between 3 and 5 years.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (ASSET IMPAIRMENT)

For the assets subject to amortisation, at each reporting date an assessment is carried out as to the existence of indications of impairment, internal and external. If such indications are observed, the recoverable amount of said assets is estimated, and any impairment with respect to the corresponding book value is recognised in the income statement. The recoverable amount of an asset is represented by the greater between the *fair value*, net of accessory sale costs, and the corresponding value in use, the latter being the current value of the expected future cash flows from the assets. In calculating the value in use, the expected future cash flows are discounted using a discount rate inclusive of taxes, which reflects the current market assessments of the cost of cash, in proportion to the period of the investment and the specific risk of the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is calculated with regard to the *cash generating unit* to which this asset pertains.
An impairment is recognised in the income statement if the value of recognition of the asset, or of the corresponding CGU to which this is allocated, exceeds the recoverable amount. The impairment of a CGU is recognised first as a decrease in the carrying amount of any allocated goodwill and, then, as a decrease in other assets, in proportion to their carrying amount and within the limits of the corresponding recoverable amount. If the conditions for an impairment previously carried out no longer apply, the carrying amount of the assets is restored to the income statement, within the limits of the net carrying amount that the asset in question would have had if the write-down had not been carried out and the corresponding amortisation and depreciation had been carried out.

INVESTMENTS IN SHAREHOLDINGS

Shareholdings in subsidiaries, associates and joint ventures are classified as “investments in shareholdings” and measured at cost in accordance with IAS 27. In the presence of objective evidence of impairment, the recoverability is tested by comparing the book value of the asset with the recoverable value represented by the higher of the *fair value* (net of disposal costs) and the value in use.
Shareholdings in companies other than subsidiaries, affiliates and joint ventures (in general with a percentage of ownership of less than 20%) are classified, at the time of acquisition, among “investments in shareholdings”. These instruments are initially recognised at cost at the transaction date, as representative of the *fair value*, including transaction costs directly attributable to the related transaction. Subsequent to initial recognition, these investments are measured at *fair value*, if determinable, with recognition of the effects in the comprehensive income statement and, therefore, in a specific equity reserve. Upon realisation or recognition of an *impairment* loss, when there is objective evidence that such instruments have suffered a material and prolonged impairment, gains and losses accumulated in said reserve are reclassified in the income statement. If upon the outcome of the update of the related *fair value*, any impairment is recovered,

in whole or in part, the related effects will also be recognised in the comprehensive income statement recognising in an offsetting item the specific reserve already established.

The contingent consideration related to the acquisition of shareholdings is recognised at the acquisition date, as an increase of the shareholding to which it refers, at the present value of the estimated liability. Subsequent changes, due to both changes in the estimate, and to the capitalisation of the present value, are recognised as an increase or decrease of the shareholding.

The cost of equity investments is increased in the presence of share-based payment agreements concerning equity instruments of the controlling shareholder assigned to employees of the subsidiaries. The controlling shareholder has an obligation to settle the transaction with the employees of the subsidiary by providing the representative instruments of the controlling shareholder. Therefore, the controlling shareholder must measure its obligation according to the requirements applicable to share-based payment transactions settled with equity instruments.

RECEIVABLES AND FINANCIAL ASSETS

The Company classifies financial assets in the following categories:
• Financial assets at amortised cost;
• Financial assets at *fair value* through other comprehensive income;
•Financial assets at *fair value* through profit or loss;

The management decides on the classification of a financial asset at the time of its first recognition.

Financial assets at amortised cost. This category includes financial assets that meet both of the following conditions: (i) the financial asset is held within the framework of a hold-to-collect business model and (ii) the contractual terms of the financial assets call for cash flows at specific dates represented solely by payments of principal and interest on the amount of principal to be made.
In the above-mentioned business model, the goal is to collect the contractual cash flows generated by the individual financial assets and not to maximise the overall return on the portfolio by holding and selling the financial assets. The use of this portfolio does not necessarily assume that the financial asset will be held to maturity. In particular, sales of financial assets following a deterioration in credit risk are not incompatible with the objective of collecting contractual cash flows, as activities intending to minimise losses due to credit risk are an integral part of this *business model*. The sale of a financial asset because it no longer satisfies requirements in terms of credit risk set forth in the company policy is an example of a "permitted" sale. Sales justified by other reasons could also be consistent with this *business model*, but in this case the frequency and relevance of such sales is checked.
The value of financial assets at amortised cost is determined at each reporting date until they are derecognised using the effective interest method. The gain or loss on the financial asset at amortised cost which is not part of a hedging relationship is recognised in Profit (loss) for the year when the financial asset is derecognised or reclassified to *Financial assets at fair value through profit or loss*, through the amortisation process, or in order to recognise gains or losses caused by impairment.

Financial assets at fair value through other comprehensive income (FVOCI): This category includes assets that meet both of the following conditions: (i) the financial asset is held within the framework of a hold-to-collect-and-sell business model and (ii) the contractual terms of the financial assets call for cash flows at specific dates represented solely by payments of principal and interest on the amount of principal to be made. This type of business model entails more sales, in terms of frequency as well as relevance, than the hold-to-collect business model, as the sale of financial assets is an integral part of this *business model.* The value of *Financial* *assets at fair value through other comprehensive income* is determined at each reporting date until they are derecognised. The gain or loss on the financial asset is recognised in other comprehensive income, with the exception of gains and losses due to impairment and exchange gains or losses, until the financial asset is derecognised or reclassified. If the financial asset is derecognised, the cumulative profit or loss previously recognised in other comprehensive income is reclassified from Shareholders' Equity to Profit (loss) for the year by means of a reclassification adjustment. The interest calculated using the effective interest approach is recognised in Profit (loss) for the year.

Financial assets at fair value through profit or loss: The assets that are part of a business model that is not hold-to-collect or hold-to-collect-and-sell and therefore are not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss (FVTPL). An example of this *business model* is a portfolio managed with a view to generating cash flows from the sale of financial assets. Indeed, decisions are taken based on the *fair value* of the financial assets and, the fact that the entity collects contractual cash flows while it holds the financial assets does not in any event make it possible to claim that the *business model* is one of those described above. Likewise, a portfolio that is managed and the performance of which is evaluated on the basis of *fair value* can never be classified in the business models described previously. Furthermore, it is possible to exercise the *fair value option* upon initial recognition, based on which the Group may irrevocably designate the financial asset as measured at *fair value* through profit or loss if by so doing it eliminates or significantly reduces a measurement or recognition inconsistency which would otherwise result from the measurement of the assets or liabilities or the recognition of the relative gains and losses on a different basis. The value of these financial assets is determined at each reporting date until they are derecognised. The gains and losses arising from fluctuations in *fair value* are included in the income statement for the year in which they take place and include gains and losses realised from the disposal of the assets.

DERIVATIVES

In line with the provisions of IFRS 9, the Group has decided to exercise the option of continuing to apply the hedge accounting provisions set forth in IAS 39. Thus, the provisions regarding derivatives have remained the same.

Derivative instruments are always treated as assets held for trading and recognised at *fair value* through profit or loss, unless they represent effective instruments to hedge a specific risk related to underlying assets or liabilities or commitments taken by the Company.

The effectiveness of the hedging transactions is documented and tested both at the beginning of the transaction and regularly (at least at each reporting date) and is measured by comparing the changes in the *fair value/cash flow* of the hedging instrument with those of the hedged item or, in the case of more complex instruments, through a statistical analysis based on the change of the risk.

The changes in the *fair value* of derivatives indicated as *fair value hedges* (not used by the Company) and that are qualified as such, are recognised in the income statement, in the same way as it is done for the changes in the *fair value* of hedged assets or liabilities due to the risk hedged with the hedging transaction.

The changes in the *fair value* of the derivatives indicated as *cash flow hedges* and qualified as such are recognised, only for the "effective" portion, among the other components of the comprehensive income statement through a special equity reserve ("*cash flow hedge reserve*"), which is transferred to the income statement at the time the underlying hedged asset produces effects on the balance sheet or income statement. The change in *fair value* due to the ineffective portion is immediately recognised in the income statement. If the execution of the underlying transaction is no longer considered highly likely, the corresponding portion of the "*cash flow hedge reserve*" is immediately transferred to income statement. If, instead, the derivative instrument is sold, expires or no longer qualifies as effective hedge of the risk against which the transaction had been initiated, the corresponding portion of "*cash flow hedge reserve*" is kept until when the underlying contract produces effects. The hedging is then derecognised as cash flow hedge.

The Company uses derivative instruments within hedging strategies aimed at neutralising the risk of changes in the expected cash flows from transactions contractually defined or highly likely (*cash flow hedge*).

FAIR VALUE MEASUREMENT

The Company assesses financial instruments, such as derivatives, at *fair value* at each reporting date. *Fair value* is the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm's length transaction at the measurement date.
A *fair value* measurement assumes that the sale transaction of the asset or transfer of 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 market or the most advantageous market must be accessible to the Company.

The *fair value* of an asset or liability is valued by adopting the assumptions that market operators would use in the determination of price of the asset or liability, assuming that market operators act to best meet their own economic interest. An assessment of the *fair value* of a non-financial asset does not consider the ability of a market operator to generate economic benefits by making highest and best use of the asset or by selling it to another market operator that would make the highest and best use of it.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure *fair value*, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The *fair value* of the instruments listed in public markets is calculated on the basis of the quoted prices at the end of the year. The *fair value* of instruments not listed is calculated with financial measurement techniques: specifically, the *fair value* of the interest rate swap is measured discounting the expected cash flows.

All assets and liabilities for which the *fair value* is measured or recognised in the Financial Statements are categorised according to the *fair value* hierarchy, as described below:

- Level 1: financial assets and liabilities the *fair value* of which is calculated on the basis of the (unadjusted) prices quoted in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: financial assets and liabilities the *fair value* of which is calculated on the basis of input different from listed prices specified in Level 1 but observable, either directly (prices) or indirectly (from prices);
- Level 3: financial assets and liabilities the *fair value* of which is calculated through valuation models that use unobservable input data.

If the input data used to calculate the *fair value* of an asset or liability may be classified at different levels of the *fair value* hierarchy, the entire measurement is placed at the level of hierarchy of the input at the lowest level that is significant for the entire measurement. The Company records the transfers between the different levels of the *fair value* hierarchy at the end for the year in which the transfer has taken place.

CONTRACT ASSETS AND LIABILITIES

Contract assets represent the Company's right to consideration in exchange for goods or services transferred to the customer when the right is subject to something other than the passing of time. If the Company fulfilled its obligations, the contract is represented in the Statement of Financial Position as *Contract assets*, for the amount exceeding the service performed and the receivable recognised. Thus, the item includes invoices to be issued, the gross amount due from customers for project work and accrued trade assets.

Contract liabilities represent the Company's obligation to transfer goods or services to customers, for which the Company has received consideration from the customer or for which consideration is due. If the customer pays the consideration, or if the Company is entitled to an amount of the consideration that is unconditional (i.e., a receivable), before transferring the good or service to the customer, the contract is shown as a contract liability, at the moment when payment is made or (if earlier) when the payment is due. This item includes deferred trade income, advances and thus prepaid trade amounts, the gross amount due to customers for project work and the value of options (*material rights*) which allow the customer to acquire additional goods or services free of charge or with a discount.

Contract assets and liabilities are included in, respectively, current assets and liabilities if it is believed that the assets will be realised (or the liability will be extinguished) during the normal operating cycle, including when it is expected that they will not be realised/extinguished within twelve months of the closing date for the year. In fact, the operating cycle is identified as the time between the acquisition of goods for the production process and their realisation in terms of cash and cash equivalents. When the normal operating cycle cannot be clearly identified, it is assumed to have a duration of twelve months.

CASH AND CASH EQUIVALENTS

These include cash, deposits at banks or at other credit institutes available for current transactions, postal accounts and other equivalent values as well as investments maturing in the three months of the date of purchase. The cash and cash equivalents are recognised at *fair value*, usually, coinciding with the nominal value.

SHAREHOLDERS' EQUITY

Share capital
Share capital is represented by the subscribed and paid in capital of the Parent Company.

Treasury shares reserve
This is a negative reserve which includes the purchase cost of treasury shares, including the related transaction costs, as a deduction from shareholders' equity.

Share premium reserve
This item consists of the amounts collected by the Company for the issuance of shares at a price above nominal value.

Other reserves
This item includes the reserves of most common use, which may have a generic or specific allocation. The item includes the net profit of previous years, which was not distributed or allocated, or uncovered losses.

Transaction costs relating to the issue of capital instruments

The transaction costs relating to the issue of capital instruments are recognised as a decrease (net of any related tax benefit) of the Share premium reserve, generated by the same transaction, to the extent that they are marginal costs directly attributable to the capital transaction that would have otherwise been avoided. The costs of a capital transaction that is abandoned are recognised in the income statement.
Listing costs not relating to the issue of new shares are recognised in the income statement.
If the listing involves the sale of existing shares and the issue of new shares, the costs directly attributable to the issue of new shares are recognised as a decrease in the Share premium reserve, the costs directly attributable to the listing of existing shares are recognised in the income statement. Costs related to both transactions are recognised as a decrease of the Share premium reserve, in relation to the ratio between issued shares and existing shares, and the remainder is recognised in the income statement.

PAYABLES AND OTHER FINANCIAL LIABILITIES

Payables and other financial liabilities are initially recognised at *fair value* net of transaction costs: subsequently they are recognised at amortised cost, using the effective interest rate method. If there is a change in the estimate of future cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the current value of the new expected cash flows and the effective interest rate originally calculated.
Payables and the other liabilities are classified as current liabilities, unless the Company has the contractual right to extinguish its obligations more than 12 months after the date of the annual or infra-annual periodic Financial Statements.

As regards the criteria for the initial recognition and subsequent measurement of the financial liabilities related to *lease* agreements, see the section *LEASED ASSETS*.

CONTINGENT CONSIDERATION

A contingent consideration agreed upon during the acquisition of a shareholding, gives rise in the Financial Statements to a financial liability for the current value of the amount to be paid at the agreed upon maturity. This financial liability will have as a counter-entry the cost of the shareholding. Any change in the financial liability related thereto after the recording date, is recognised as an increase or decrease of the cost of the shareholding itself.

INCOME TAXES

The tax expense of the Company is given by current and deferred taxes. If due to items recognised in the proceeds and charges recognised to Shareholders' Equity within the other components of comprehensive income, said taxes are recognised as an offsetting item in the same item.
Current taxes are calculated on the basis of the tax laws in force at the reporting date; any risk related to different interpretations of positive or negative income items, like disputes with the tax authorities, are recognised as taxes in the income statement with offsetting adjustment made to the liabilities to adjust the provisions recognised in the Financial Statements.
Deferred taxes are calculated on the basis of the temporary differences that are generated between the carrying amount of the assets and liabilities and their value for tax purposes, as well as on tax losses. The measurement of deferred tax assets and liabilities is carried out by applying the tax rate that is expected to be in force at the time in which the temporary differences will be reversed; this forecast is made on the basis of the tax laws in force or substantially in force at the reporting date for the year. Deferred tax assets, including those deriving from tax losses, are recognised only if it is believed that taxable income sufficient for their recovery will be generated in the following years.

In 2021, the Parent Company Tinexta S.p.A., in its capacity as fiscal consolidator, initiated the tacit renewal for the 2021-2023 three-year period of the consolidated taxation regime pursuant to Article 117 et seq. of Presidential Decree no. 917/86 (Consolidated Law on Income Taxes - TUIR). The companies already belonging, as consolidated companies, to the scope of consolidation subject to renewal are: Co.Mark S.p.A., InfoCert S.p.A., Innolva S.p.A., RE Valuta S.p.A., Sixtema S.p.A., Visura S.p.A., Warrant Hub S.p.A., Warrant Innovation Lab S.r.l. Starting from the 2021 tax period, the following additional entities in possession of the legal requirements have been included in the *fiscal unit*: Tinexta Cyber S.p.A., Swascan S.r.l., Comas S.r.l., Innolva Relazioni Investigative S.r.l. PrivacyLab S.r.l. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the Parent Company and the consolidated companies are defined in the corresponding tax consolidation regulations. As a result, in current tax assets/liabilities in these Financial Statements the Company has listed both the amounts due to the tax authorities for IRES relating to the Tinexta tax consolidation as well as balance sheet items with the companies participating in the tax consolidation for the receivable/payable transferred as part of the above-mentioned tax consolidation.

EMPLOYEE BENEFITS

The short-term benefits are represented by salaries, wages, corresponding social security contributions, pay in lieu of vacation and incentives paid as bonuses to be paid in the twelve months from the date of the Financial Statements. These benefits are recognised as items of personnel expenses in the period of employment.
The benefits after the termination of the employment are divided into two categories:

- *Defined-contribution plans* in which the Company pays fixed contributions to a separate entity (for example a pension fund) without a legal or implicit obligation to pay additional contributions if said entity does not have sufficient assets to pay the benefits corresponding to the service provided during employment at the company. The Company recognises the contributions to the plan only when the employees have provided their activity in exchange for those contributions;
- *Defined-benefit plans*, which include both the severance indemnity due to employees pursuant to article 2120 of the Italian Civil Code ("TFR"), for the portion accrued until 31 December 2006, and the Supplementary Client Indemnities for agents and representatives, in which the company commits to grant the benefits agreed with the employees in service taking the actuarial and investment risks related to the plan. The cost of this plan is therefore not defined on the basis of the contributions due for the year, but is recalculated on the basis of demographic assumptions, statistics and on the wage trends. The methodology applied is called "projected unit credit method". The value of the liability recognised in the Financial Statements is, therefore, in line with the value resulting from its actuarial measurement, with full and immediate recognition of actuarial profits and losses, in the period in which they arise as other components of the comprehensive income statement, through a special equity reserve (*Employee benefits reserve*).

For the companies with more than 50 employees, starting from 1 January 2007, the so-called Budget Act of 2007 and the corresponding implementation decrees have made significant changes to the TFR rules, including the option given to the worker to choose the destination of his/her TFR. Specifically, the new TFR flows can be directed by the workers to pension schemes of their choice or else kept in the company. In both cases, from this date the newly accrued portions represent defined-contribution plans not subject to actuarial measurement.

With reference to the classification of the costs related to the TFR contributions, service costs are recognised under "*Personnel costs*" and interest charges under "*Financial charges*", while actuarial profits/losses are recognised among the other components of the comprehensive income statement.

SHARE-BASED PAYMENTS

In the event of transactions with share-based payments settled with equity instruments of the Company, the *fair value* on the allocation date of the options on shares granted to employees is recognised under personnel costs, with a corresponding increase in Shareholders' Equity throughout the period during which employees obtain the unconditional right to incentives. The amount recognised as cost will be adjusted to reflect the actual number of incentives (options) for which the conditions of permanence in service have accrued achievement of *non-market conditions*, so the final amount recognised as cost is based on the number of incentives that will definitively accrue. Similarly, when estimating the *fair value* of the options granted, all non-vesting conditions must be considered. With reference to the non-vesting conditions, any differences between the assumptions on the allocation date and the actual ones will have no impact on the Financial Statements.
In the event of transactions with share-based payments settled in cash (or shares or other financial instruments not belonging to the Company), the *fair value* of the amount to be paid to employees is recorded as cost, with a corresponding increase of liabilities for employee benefits throughout the period during which employees will accrue the unconditional right to receive payment. The liability is measured at each year-end date and settlement date on the basis of the *fair value* of share revaluation rights. Any changes in the *fair value* of liabilities are recognised in the profit or loss for the year under *Personnel costs*.

PROVISIONS FOR RISKS AND CHARGES

Provisions to the reserve for risks and charges are recognised when, at the reference date, in the presence of a legal or implicit obligation towards third parties, deriving from a past event, it is likely that meeting the obligation will require an outlay of resources, the amount of which can be reliably estimated.
This amount represents the current value, if the financial effect of time is significant, of the best estimate of the expense needed to extinguish the obligation. The rate used in the calculation of the current value of the liability reflects current market values and includes the additional effects related to the specific risk associated to each liability. The changes in the estimate are reflected in the income statement of the year in which the change takes place.
If the Company is exposed to risks for which the occurrence of a liability is only a possibility, these risks are described in the Notes and no provision is made.

REVENUES

The methodological approach followed by the Company in recognising revenues from contracts with customers (also referred to below as revenues from sales and services) is broken down into five basic steps (*five-step model*):
1. Identify the contract with the customer;
2. Identify the *performance obligations* in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the *performance obligations*;
5. Recognise the revenue when the *performance obligation* is satisfied.

Revenues are measured taking into account the contractual terms and commercial practices generally applied in relations with customers. The transaction price is the amount of the consideration (which may include fixed amounts, variable amounts or both) to which the seller believes it is entitled in exchange for the transfer of control over the promised goods/services. Control refers generically to the ability to decide on the use of the asset (good/service) and to substantially draw all remaining benefits from it. The total consideration of service agreements is broken down between all of the services on the basis of the sale price of the relative services as if they had been sold individually.

Within each contract, the reference element for the recognition of revenues is the individual *performance obligation*. For each individually identified performance obligation, the Group recognises revenues when (or as) it fulfils the obligation by transferring the promised good/service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.
For performance obligations fulfilled *over time*, revenues are recognised over time, measuring the progress made towards fulfilling the obligation in full at the end of each year. To measure its progress, the Company uses the input-based method (*cost-to-cost method*). Revenues are recognised on the basis of the inputs used to fulfil the obligation until that date, with respect to the total inputs assumed that will be used to fulfil the entire obligation. When the inputs are distributed uniformly over time, the Company recognises the corresponding revenues on a straight-line basis. In specific circumstances, when it is not possible to reasonably assess the result of the performance obligation, revenues are recognised only up to the amount of costs incurred.

COSTS

The costs related to the purchase of assets are recognised when the risks and benefits of the assets traded are transferred; the service costs received are recognised proportionally when the service is provided.

FINANCIAL INCOME AND CHARGES

Interest is recognised on an accrual basis on the basis of the effective interest method, using in other words the interest rate that makes financially equivalent all inflows and outflows (including any premium, discount, commissions etc.) from a transaction.

6. USE OF ESTIMATES

As part of the preparation of these Financial Statements, in application of the reference accounting standards, the Directors had to make assessments, estimates and assumptions that influence the amounts of the assets, liabilities, costs, and revenues recognised in the Financial Statements, as well as the information provided. Therefore, the final results of the items for which said estimates were used could differ from those reported in these Financial Statements, given the uncertainty that characterises the assumptions and the hypotheses on which the estimates are based.

The accounting standards and the financial statement items that involve a greater subjectivity by the Directors in the estimation process are the following:

- *Equity investments recognised at cost*: equity investments recognised at cost, the carrying amount of which is higher than the relative Shareholders' Equity, are assessed on an annual basis to identify whether there is an impairment that should be recognised in the income statement. Specifically, the assessment in question requires the calculation of the recoverable amount of the investment by estimating the value in use or the *fair value* net of disposal costs; if the recoverable amount is less than the carrying amount, the investment is written down. The calculation of the recoverable amount of the equity investments requires estimates based on factors that may change over time, with a potentially significant impact on the assessments carried out by Directors. With particular reference to the determination of the value in use with the method of discounting expected future cash flows, it should be noted that this method is characterised by a high degree of complexity and by the use of estimates, which are uncertain and subjective by nature, approximately:

- the expected cash flows of these investees, determined taking into account the general economic performance, the sector to which they belong, the cash flows recorded in the last few years and the forecast growth rates;
- the financial parameters used to determine the discount rate.

- *Impairment of fixed assets*: property, plant and equipment and intangible assets with finite useful life are assessed to establish whether there was a decrease in value, to be recognised through impairment, if there are indications that it will be difficult to recover their net accounting value through use. To establish the presence of said indications, Directors must make subjective assessments on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, this loss is calculated using appropriate measurement techniques. The correct identification of the factors indicating the occurrence of a potential decrease in value, as well as the estimates for the calculation of these depend on factors that may vary over time, affecting the assessments and estimates carried out by the Directors.
- *Measurement at fair value*: in measuring the *fair value* of an asset or liability, the Company makes use of observable market data as far as possible. *Fair values* are allocated to different hierarchical levels on the basis of the input data used in the valuation techniques.
- *Measurement of lease liabilities*: the measurement of lease liabilities is affected by the duration of the lease, understood as the non-cancellable leasing period to which these two periods must be added: a) periods covered by a leasing extension option if the lessee has the reasonable certainty to exercise this option; and b) periods covered by the option of terminating the lease, if the lessee has the reasonable certainty not to exercise the option. The assessment of the duration of the lease entails the use of estimates based on factors that may change over time, with a subsequent potentially significant impact on the assessments carried out by the Directors.
- *Valuation of the defined benefit plans*: actuarial valuation requires the formulation of various assumptions that may differ from actual future developments. The results depend on the technical basis adopted such as, among others, the actualisation rate, the inflation rate, the wage increase rate and the expected turnover. All assumptions are reviewed on an annual basis.

7. MANAGEMENT OF FINANCIAL RISK

The Company is exposed to financial risks connected with its operations, especially related to the following:

- interest rate risks, from the financial exposure of the Company;
- exchange rate risks, from operations in currencies different from the functional currency;
- liquidity risks, related to the availability of financial resources and access to credit markets;
- credit risks, resulting from normal business transactions or liquidity management activities.

The Company monitors each financial risk closely, intervening with the objective of minimising them promptly also by making use of hedging derivatives.

Interest rate risk

The Company uses external financial resources in the form of debt and deposits the liquidity in bank deposit accounts. Changes in market interest rates influence the cost and return of the different types of borrowing and depositing and therefore have an impact on the level of the financial charges and income.
Being exposed to interest rate fluctuations with regard to the extent of the financial charges incurred to borrow funds, the Company periodically reviews its exposure to the risk of changes in interest rates and actively manages it also by making use of interest rate derivatives, specifically through *Interest Rate Swaps* (IRS), *Interest Rate Floors* (Floors), *Interest Rate Caps* (Caps) and *Interest Rate Collars* (Collars) purely for hedging purposes. Cash and cash equivalents are mainly represented by deposits on floating rate bank accounts with no term restriction, and therefore their *fair value* is equivalent to the value recognised in the financial statements; it should be noted that in this particular market context, with negative monetary rates, the counterparty banks have not yet transferred the negative rates to the accounts of the Group, which currently receives a positive or zero rate on its cash. The interest rate benchmark to which the Group is most exposed on indebtedness is the 6-month Euribor. Therefore, the risk of interest rate appears adequately monitored, owing to the current forecast of short-term stability and moderate growth in the medium to long term for the 6-month EURIBOR index (*forward* rates curve) and the structure of the debt portfolio.

The *Cash Flow Hedge* strategy on bank loans at 31 December 2021:

Bank loans at 31 December 2021 *Amounts in thousands of Euro*		***Cash flow hedge*** **derivatives Notional values by type at 31 December 2021**			
	Nominal amount	***IRS***	***Capped Swap***	***Collar***	**Total**
Floating rate loans	196,383	85,911	59,016	27,456	**172,383**
Fixed rate loans	0				**0**
	196,383	**85,911**	**59,016**	**27,456**	**172,383**

The hedging rate of bank loans is 87,8%.

Sensitivity analysis on interest rate risk which shows the effects (net of any related tax effects) on the income statement, on an annual basis, and on the net equity at 31 December 2021, from the following changes in the Euribor rate: +300 bps, +100 bps, -100 bps limited to bank loans at 31 December 2021:

Sensitivity analysis of interest rate risk	**Profit (loss) on an annual basis**			**Shareholders' Equity at 31 December 2021**		
(Amounts in thousand of Euro)	300 bps increase	100 bps decrease	100 bps decrease	300 bps increase	100 bps increase	100 bps decrease
Floating rate bank loans	**-3,469**	**-1,122**	**738**	**0**	**0**	**0**
Interest rate swap	1,480	486	-437	4,032	1,404	-1,413
Capped Swap	694	13	0	2,301	563	-246
Collar	261	29	-169	789	200	-347
Financial flow sensitivity (net)	**-1,035**	**-593**	**132**	**7,122**	**2,167**	**-2,006**

Exchange rate risk

The exposure to the risk of changes in exchange rates derives from the execution of activities in currencies different from the Euro. The Company conducts its business exclusively in Italy, the entire turnover and almost all purchases are carried out with countries members of the EU and the transactions are almost exclusively settled in Euro; therefore, it is not significantly exposed to the risk of fluctuations in foreign currency exchange rates against the Euro.

Credit risk

Financial credit risk results from the inability of a counterparty to fulfil its obligations. At 31 December 2021, the liquidity of the Company was deposited in bank accounts held at prime credit institutions.

The trade receivable risk mainly arises from receivables from subsidiaries deriving from the charge-back of infra-group services; therefore, the Company is not significantly exposed to the trade receivable risk.

Liquidity risk

Liquidity risk consists of an inability to raise, on adequate terms, the financial resources needed for the Company to operate. The main factors that influence the liquidity of the Company are:

(i) the financial resources generated or absorbed by operating and investing activities;

(ii) the financial resources generated or absorbed by the direct and indirect subsidiaries, given the Group's centralised treasury management system (*cash pooling*);

(ii) the maturity of financial debt.

The liquidity requirements of the Company and the Group are monitored by the treasury function, with the objective of ensuring that financial resources can be effectively found and an adequate investment/return of liquidity.

The management believes that the cash and the credit lines currently available, in addition to those that will be generated by operating and financing activities, will allow the Company to meet its requirements, deriving from investing activities, management of working capital and repayment of loans at their contractual maturity. The extraordinary Shareholders' Meeting held on 27 April 2021 resolved also on the right of the Board of Directors to increase the share capital against payment and indivisibly in one or more tranches, with or without warrants, even excluding pre-emption rights pursuant to Article 2441, paragraphs 4 and 5 of the Italian Civil Code, for a maximum of €100 million including share premium.

In Note *20. Financial liabilities, excluding derivative financial instruments*: the financial liabilities recognised in the Financial Statements at 31 December 2021 are summarised and classified according to contractual maturity.

8. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Reconciliation between financial asset and liability classes as identified in the Statement of Financial Position of the Company and the types of financial assets and liabilities identified on the basis of IFRS 7 requirements:

Amounts in thousands of Euro	*Assets measured at fair value and recognised in the Income Statement*	*Assets/Liabilities designated at fair value and recognised in the Income Statement*	*Liabilities held for trading measured at fair value and recognised in the Income Statement*	*Fair Value Hedging instruments*	*Assets/Liabilities measured at amortised cost*	*Assets measured at fair value through OCI*	*Investments in instruments representing OCI capital*	***Total***
NON-CURRENT ASSETS	**0**	**0**	**0**	**110**	**9,884**	**0**	**0**	**9,993**
Other financial assets, excluding derivative financial instruments					9,878			**9,878**
Derivative financial instruments				110				**110**
Trade and other receivables					5			**5**
CURRENT ASSETS	**0**	**0**	**0**	**0**	**46,391**	**0**	**0**	**46,391**
Other financial assets, excluding derivative financial instruments					21,423			**21,423**
Trade and other receivables					1,520			**1,520**
Cash and cash equivalents					23,448			**23,448**
NON-CURRENT LIABILITIES	**0**	**0**	**0**	**163**	**159,708**	**0**	**0**	**159,872**
Financial liabilities, excluding derivative financial instruments				0	159,708			**159,708**
Derivative financial instruments				163				**163**
CURRENT LIABILITIES	**0**	**0**	**0**	**0**	**74,406**	**0**	**0**	**74,406**
Financial liabilities, excluding derivative financial instruments					68,890			**68,890**
Trade and other payables					5,516			**5,516**

9. FAIR VALUE HIERARCHY

IFRS 13 establishes a *fair value* hierarchy which classifies the inputs of the valuation techniques adopted to measure *fair value* into three levels. The *fair value* hierarchy assigns the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

Fair value hierarchy for assets and liabilities of the Company:

Amounts in thousands of Euro	*Fair Value*			
	Level 1	*Level 2*	*Level 3*	***Total***
NON-CURRENT ASSETS	**0**	**110**	**0**	**110**
Derivative financial instruments		*110*		*110*
NON-CURRENT LIABILITIES	**0**	**163**	**0**	**163**
Derivative financial instruments		*163*		*163*

Information on the Statement of Financial Position

10. PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment.

Amounts in Euro	**31/12/2020**	**Invest ments**	**Divest ments**	**Depreciation**	**Reclassifications**	**Reva luations**	**Impair ments**	**31/12/2021**
Leased buildings								
Cost	1,008,671	403,335				7,274		1,419,280
Accumulated Depreciation	-267,276			-210,299				-477,575
Net value	**741,395**	**403,335**		**-210,299**		**7,274**		**941,705**
Electronic machines								
Cost	126,088	32,306	-4,883					153,511
Accumulated Depreciation	-92,185		4,883	-27,554				-114,856
Net value	**33,904**	**32,306**	**0**	**-27,554**				**38,656**
Leasehold improvements								
Cost	19,038							19,038
Accumulated Depreciation	-5,732			-3,173				-8,905
Net value	**13,306**			**-3,173**				**10,133**
Other assets								
Cost	186,802	26,106						212,908
Accumulated Depreciation	-124,056			-23,232				-147,288
Net value	**62,746**	**26,106**		**-23,232**				**65,620**
Other leased assets								
Cost	152,073	50,653	-22,801			2,449	-3,815	178,559
Accumulated Depreciation	-50,808		22,801	-47,330				-75,337
Net value	**101,265**	**50,653**	**0**	**-47,330**		**2,449**	**-3,815**	**103,222**
Property, plant and equipment	**952,617**	**512,400**	**0**	**-311,588**	**0**	**9,722**	**-3,815**	**1,159,336**
of which leased	***842,660***	***453,988***	***0***	***-257,629***	***0***	***9,722***	***-3,815***	***1,044,927***

The Company opted for the recognition of rights of use in the item *Property, plant and equipment* in the same categories in which the corresponding underlying assets would have been shown if they had been owned. Assets for rights of use on properties are included under *Leased buildings*, while the assets for rights of use on vehicles are recognised in *Other leased assets*. *Revaluations* include the adjustments of the rights of use for increases in leases or extensions of leasing contracts; *Impairments* refer to early terminations of *leasing* contracts.

11. INTANGIBLE ASSETS

The item comprises intangible assets with definite useful life as follows:

Amounts in Euro	31/12/2020	Investments	Divestments	Amortisation	Reclassifications	31/12/2021
Software						
Cost	1,208,152	57,950			93,000	1,359,102
Accumulated Amortisation	-731,409			-500,704		-1,232,113
Net value	**476,742**	**57,950**	**0**	**-500,704**	**93,000**	**126,988**
Assets in progress and advances						
Net value	**93,000**	**231,000**	**0**	**0**	**-93,000**	**231,000**
Intangible assets with definite useful life	**569,742**	**288,950**	**0**	**-500,704**	**0**	**357,988**

The increase during the period in the item *Assets in progress* relates to capitalised costs for the implementation of the new ERP whose entry into production is expected in 2022.

12. EQUITY INVESTMENTS RECOGNISED AT COST

The increase of €48,387 thousand, compared to the figure at 31 December 2020 is mainly due to the establishment of Tinexta Cyber S.p.A. and to the sale to it of the investment in Swascan S.r.l.

Balance of the item Equity investments recognised at cost divided between Equity investments in subsidiaries and Equity investments in associates:

Amounts in Euro	31/12/2021	31/12/2020	Change
Shareholdings in subsidiaries	354,675,045	306,288,281	48,386,764
Investments in associated companies	2,002,603	2,002,603	0
Equity investments recognised at cost	**356,677,648**	**308,290,884**	**48,386,764**

Shareholdings in subsidiaries

The following tables provide:

- the opening and closing balances of the investments held by the Company, and the related changes in the year;
- details of the investments, including, among other information, the ownership percentages and the related carrying value at 31 December 2021.

Amounts in Euro	31/12/2020				Changes in the year			31/12/2021			
	% ownership	Cost	Accumulated impairment	Net balance	Investments	Divestments	Stock Option increases	% ownership	Cost	Accumulated impairment	Net balance
InfoCert S.p.A.	99.99	18,499,107	0	*18,499,107*			495,245	99.99	18,994,352	0	*18,994,352*
Innolva S.p.A.	100.00	111,225,051	0	*111,225,051*			200,205	75.00	111,425,257	0	*111,425,257*
Co.Mark S.p.A.	100.00	51,003,519	0	*51,003,519*			158,057	100.00	51,161,576	0	*51,161,576*
Visura S.p.A.	100.00	38,425,677	0	*38,425,677*			52,686	100.00	38,478,362	0	*38,478,362*
RE Valuta S.p.A.	95.00	3,551,890	0	*3,551,890*			52,686	95.00	3,604,576	0	*3,604,576*
Warrant Hub S.p.A.	100.00	79,321,677	0	*79,321,677*			326,651	100.00	79,648,328	0	*79,648,328*
Swascan S.r.l.	51.00	4,261,359	0	*4,261,359*		-4,261,359		-	-	-	*-*
Tinexta Cyber	-	-	-	*-*	51,000,000		362,594	100.00	51,362,594		*51,362,594*
Investments in subsidiaries		**306,288,281**	**0**	**306,288,281**	**51,000,000**	**-4,261,359**	**1,648,123**		**354,675,045**	**0**	**354,675,045**

Amounts in Euro	**% ownership**	**Cost**	**Registered office**	**Share capital at 31/12/2021**	**Shareholders' Equity at 31/12/2021**	**Profit for the year 2021**
InfoCert S.p.A.	99.99	18,499,107	Rome	17,704,890	30,125,238	15,143,711
Innolva S.p.A.	75.00	111,225,051	Buja (UD)	4,000,000	85,800,364	8,321,278
Co.Mark S.p.A.	100.00	51,003,519	Milan	150,000	9,145,721	3,545,972
Visura S.p.A.	100.00	38,425,677	Rome	1,000,000	7,470,634	4,678,542
RE Valuta S.p.A.	95.00	3,551,890	Milan	200,000	4,345,590	2,461,562
Warrant Hub S.p.A.	100.00	79,321,677	Correggio (RE)	57,692	19,970,055	19,015,365
Tinexta Cyber S.p.A.	100.00	4,261,359	Rome	1,000,000	49,705,696	-1,656,898

With reference to the equity investments for which the cost value is higher than the relative Shareholders' Equity, please note that *impairment tests* were conducted in relation to the carrying amounts at 31 December 2021.

The related recoverable amount was determined on the basis of an estimate of the value in use, as the *fair value* of the individual equity investments could not be determined in a reliable manner.

The value in use has been determined by using the *discounted cash flow* method, in the *unlevered* version, applied to forecasts prepared by the Directors of each investee in relation to the three-year period from 2022 to 2024. The cash flows used for the determination of the value in use are related to the operational management of each investee and do not include financial charges and extraordinary items; they include the investments envisaged in the plans and changes in cash attributable to working capital, without taking into consideration the effects of future restructuring not yet approved by the directors or future investments to improve future profitability. The forecast growth in the plans used as the basis for *impairment tests* is in line with the corresponding growth forecast in the respective sectors. An explicit period of three years was used, beyond which the above flows were projected according to the perpetual return method (*terminal value*) using a growth rate (g-rate) for the market within which the individual investees operate, of 1.3% for the *Cybersecurity* sector and 1.2% for the other sectors. The macroeconomic assumptions at the base of the plans, when available, were determined based on external sources of information, while the estimates in terms of growth and profitability used by the directors, are derived from historical trends and expectations related to the markets in which Group companies operate.

The cash flows of the investees of the *Credit Information & Management*, *Innovation & Marketing Services* and *Digital Trust* sectors were discounted using a WACC equal to 6.75% after tax, estimated with a *Capital Asset Pricing Model* approach, as represented below:

- risk-free rate of 0.8%, equal to the gross average return of Italian ten-year BTPs;
- *market risk premium* of 4.6%;
- additional risk factor equal to 2.0%;
- sector *levered* beta of 0.96, determined considering a list of comparable listed companies;
- financial structure of the Company set to 12.1%, considering the average of the D/E ratio recorded by comparable companies;
- cost of debt applicable to the Group, equal to 3.1%.

The cash flows of Tinexta Cyber of the *Cybersecurity* sector were discounted using a WACC equal to 6.80% after tax, estimated with a *Capital Asset Pricing Model* approach, with the following change compared to the WACC of the other sectors:

- sector *levered* beta of 1.03 determined considering a list of comparable listed companies;
- financial structure of the company set to 18.1%, considering the average of the D/E ratio recorded by comparable companies;

The plans underlying the *impairment tests* mentioned above were approved by the Boards of Directors of the individual investees. The *impairment tests* were approved by the Board of Directors of Tinexta on 17 March 2022.

The *impairments test* carried out did not show any long-standing impairment.

Changes during the year recognised in the item are illustrated below.

Tinexta Cyber S.p.A.

On 7 January 2021, Tinexta S.p.A. established a joint-stock company called Tinexta Cyber S.p.A. with sole shareholder and registered office in Rome. The share capital amounts to €1,000,000 divided into 1,000,000 ordinary shares with no nominal value and was fully paid up. In January and February, Tinexta S.p.A. made capital contribution payments totalling €50 million.

Swascan S.r.l.

On 18 February 2021, Tinexta S.p.A. sold at the book value of €4,261 thousand (net of a capital loss of €1 thousand) the investment representing 51% of the share capital of Swascan S.r.l. - a "spot" consideration of €2,200 thousand in addition to the assumption of the debt for contingent consideration estimated at €2,061 thousand - to the company Tinexta Cyber S.p.A.

Innolva S.p.A.

On 21 July 2021, the Tinexta Group completed the *closing* of the transaction which involved the contribution by Intesa Sanpaolo of the 100% stake of Intesa Sanpaolo Forvalue S.p.A. (today Forvalue S.p.A.) in Innolva S.p.A. and the simultaneous subscription of newly issued shares of Innolva, resulting from a reserved capital increase. The amount of the contribution was set at €55 million. As a result of the transaction, Innolva's share capital is therefore 75% held by Tinexta, which retains the majority of corporate governance, and 25% by Intesa Sanpaolo.

Provisions for Stock Options

The 2020-2022 and 2021-2023 Stock Option Plans approved by Tinexta S.p.A. led to an increase in equity investments for the portion of options assigned by Tinexta S.p.A. to directors and employees of the subsidiaries. The 2020-2022 Stock Option Plan provides for a total of 1,220,000 options assigned to directors and employees of the subsidiaries, the provision for the year is equal to €1,286 thousand. The 2021-2023 Stock Option Plan provides for a total of 190,000 options assigned to directors and employees of the subsidiaries, the provision for the year is equal to €363 thousand.

Investments in associated companies

The whole amount refers to the 30% stake in FBS Next S.p.A. On 28 October 2020, with an investment of €1,960 thousand (plus €42 thousand of acquisition-related accessory costs), Tinexta S.p.A. acquired 30% of the share capital of FBS Next S.p.A., an operating company that organises and implements transactions in the non-performing loans sector (NPL/UTP), performing servicer activities and managing portfolios of non-performing loans, acting as promoter and undertaking other related activities. The company will operate in synergy with the companies of the Re Valuta S.p.A. and Innolva S.p.A. Group.

Amounts in Euro	% ownership	Cost	Registered office	Share capital at 31/12/2021	Shareholders' Equity at 31/12/2020	Loss for the year 2020
FBS Next S.p.A.	30.00	2,002,603	Ravenna	2,000,000	3,873,906	126,094

13. DEFERRED TAX ASSETS/LIABILITIES

Detail of Deferred Tax Assets and Liabilities and changes during the year:

Amounts in Euro	**31/12/2020**	**Allocations (Releases) Income statement**	**Allocations (Releases) Comprehensive Income Statement**	**Allocations (Releases) Shareholders' equity**	**31/12/2021**
Deferred tax assets:					
Impairments of equity investments	20,202				20,202
Decreases in hedging financial instruments	258,506		-225,750		32,756
Differences between statutory and tax amortisation rates	16,513	2,068			18,581
Employee benefits	23,911	-5,686	9,367		27,592
Losses that can be carried forward for tax purposes	457,573				457,573
Other temporary differences	41,013	31,296			72,309
Deferred tax assets	**817,716**	**27,678**	**-216,383**	**0**	**629,012**
Deferred tax liabilities:					
Increases in hedging financial instruments	0		26,310		26,310
Revaluations of equity investments	22,930				22,930
Financial liabilities (FTA IFRS 9)	25,487	-15,173			10,314
Deferred tax liabilities	**48,416**	**-15,173**	**26,310**	**0**	**59,552**
Net deferred tax assets (liabilities)	**769,301**	**42,851**	**-242,693**	**0**	**569,460**

Deferred tax assets have been recognised at 31 December 2021 as the management of the Company has deemed them to be recoverable in future years.

14. TRADE AND OTHER RECEIVABLES and CONTRACT ASSETS

The item *Trade and other receivables* totalled €1,525 thousand (€2,852 thousand at 31 December 2020) and can be detailed as follows:

Amounts in Euro	**31/12/2021**	**31/12/2020**	**Change**
Prepaid expense	5,200	87,470	-82,270
Trade receivables and other non-current receivables	**5,200**	**87,470**	**-82,270**
Trade receivables from subsidiaries	633,739	671,434	-37,695
Other receivables from subsidiaries	518	11,283	-10,765
Other receivables	97,704	124,311	-26,607
VAT credit	104,916	426,473	-321,557
Prepaid expense	682,734	1,531,224	-848,489
Trade and other current receivables	**1,519,611**	**2,764,725**	**-1,245,114**
of which vs. related parties	*703,190*	*710,009*	*-6,820*
Trade and other receivables	**1,524,811**	**2,852,195**	**-1,327,383**

There is no bad debts provision as the book value is considered fully recoverable.

As regards *VAT receivable*, it should be noted that the Company is among the subjects to which the *split payment* rule, under Article 17 of Italian Presidential Decree no. 633 of 26 October 1972, applies. As a result, VAT is not paid to suppliers and periodic required payments are made to the tax authorities. The *VAT* *receivable* mainly relates to relations with professionals subject to withholding tax, excluded from the aforementioned regulations.

Amounts in Euro	31/12/2021	31/12/2020	Change
Contract assets	**293,650**	**308,680**	**-15,030**
of which vs. related parties	292,641	308,680	-16,038

Contract assets of €294 thousand at 31 December 2021 (€309 thousand at 31 December 2020), almost entirely from subsidiaries, predominantly comprise the Company's right to receive consideration for work completed but not yet invoiced at the end of the year. These assets are reclassified under *Trade receivables* when the right becomes unconditional.

15. CURRENT TAX ASSETS AND LIABILITIES

The table shows the Company's exposure, in its capacity as consolidating company, to the tax authorities, as well as the amounts receivable from/payable to the consolidated companies.

Amounts in Euro	31/12/2021	31/12/2020	Change
Receivables from tax authorities for IRES	2,117,510	0	2,117,510
Receivables from subsidiaries participating in Tinexta tax consolidation	1,866,854	3,502,594	-1,635,740
Current tax assets	**3,984,364**	**3,502,594**	**481,769**
of which vs. related parties	*1,866,854*	*3,502,594*	*-1,635,740*
Payables to tax authorities for IRES	0	3,150,562	-3,150,562
Payables to subsidiaries participating in Tinexta tax consolidation	3,428,910	87,279	3,341,631
Current tax liabilities	**3,428,910**	**3,237,840**	**191,069**
of which vs. related parties	*3,428,910*	*87,279*	*3,341,631*
Net current tax assets/(liabilities)	**555,454**	**264,754**	**290,700**

In 2021, the Parent Company Tinexta S.p.A., in its capacity as fiscal consolidator, initiated the tacit renewal for the 2021-2023 three-year period of the consolidated taxation regime pursuant to Article 117 et seq. of Presidential Decree no. 917/86 (Consolidated Law on Income Taxes - TUIR). The companies already belonging, as consolidated companies, to the scope of consolidation subject to renewal are: Co.Mark S.p.A., InfoCert S.p.A., Innolva S.p.A., RE Valuta S.p.A., Sixtema S.p.A., Visura S.p.A., Warrant Hub S.p.A., Warrant Innovation Lab S.r.l. Starting from the 2021 tax period, the following additional entities in possession of the legal requirements have been included in the *fiscal unit*: Tinexta Cyber S.p.A., Swascan S.r.l., Comas S.r.l., Innolva Relazioni Investigative S.r.l. PrivacyLab S.r.l. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the Parent Company and the consolidated companies are defined in the corresponding tax consolidation regulations.

16. OTHER FINANCIAL ASSETS, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

Amounts in Euro	31/12/2021	31/12/2020	Change
Non-current loans to subsidiaries	9,800,000	0	9,800,000
Other non-current financial assets	78,335	36,764	41,571
Other non-current financial assets, excluding derivative financial instruments	**9,878,335**	**36,764**	**9,841,571**
of which vs. related parties	*9,837,800*	*0*	*9,837,800*
Positive balance current accounts with subsidiaries	17,359,897	14,672,727	2,687,170
Current receivables from subsidiaries	4,036,911	0	4,036,911
Other current financial assets	26,247	447,054	-420,807
Other current financial assets, excluding derivative financial instruments	**21,423,056**	**15,119,781**	**6,303,275**
of which vs. related parties	*21,396,808*	*14,672,727*	*6,724,081*

During the year, Tinexta S.p.A. disbursed the following non-current loans to subsidiaries to support the extraordinary activity relating to acquisitions:

- Co.Mark S.p.A.: €3,000 thousand at a fixed rate of 1.1% and bullet maturity on 29/03/2024
- Innolva S.p.A.: €1,500 thousand at a fixed rate of 1.2% and bullet maturity on 31/12/2024
- Tinexta Cyber S.p.A.: €5,300 thousand at a fixed rate of 1.2% and bullet maturity on 31/12/2024

During the year, Tinexta S.p.A. financed the Tinexta Cyber S.p.A.'s subsidiary Corvallis S.p.A. in the short term for €4,000 thousand to support it in its ordinary operations following the demerger aimed at the acquisition. This loan was fully repaid on 14 January 2022.

Other non-current financial assets include guarantee deposits.

The item *Positive balance current accounts with subsidiaries* refers to positive balance current accounts with subsidiaries as a result of the application of the centralised Group treasury management system (*cash pooling*) by the Company.

Recognised amongst the *Other current financial assets* is the release of pending costs of €424 thousand for transaction costs linked to obtaining the **ISP** and **ICREEA** loans (described in Note *20. Financial liabilities*) used in 2021.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents can be broken down as follows:

Amounts in Euro	**31/12/2021**	**31/12/2020**	**Change**
Bank and postal deposits	23,447,416	61,169,577	-37,722,161
Cash and cash equivalents	697	494	203
Cash and cash equivalents	**23,448,113**	**61,170,071**	**-37,721,958**

The balance is mainly represented by the cash and cash equivalents held in bank accounts at leading national banks.

A centralised treasury management system (*cash pooling*) has been set up at the Group level by the Company. The subsidiaries, both direct and indirect, that participate in the *cash pooling*, are Co.Mark S.p.A., InfoCert S.p.A., Innolva S.p.A., Comas S.r.l. (subsidiary of Innolva S.p.A.), RE Valuta S.p.A., Sixtema S.p.A. (subsidiary of InfoCert S.p.A.), Visura S.p.A. and Warrant Hub S.p.A. The balance payable to the subsidiaries, recognised under current financial liabilities, amounted to €31,437 thousand (for details see Note *20. Financial liabilities, excluding derivative financial instruments*); the balance receivable from subsidiaries, recognised under current financial assets, amounted to €17,360 thousand (for details see Note *16. Financial assets, excluding derivative financial instruments*).

The change in the period as detailed in the Cash Flow Statement is attributable to the liquidity absorbed by operating activities for €7,207 thousand; to the liquidity used in investing activities for €21,912 thousand mainly for investments in equity investments and loans to subsidiaries, partially offset by the dividends collected; to the liquidity absorbed by the financing activity for €8,603 thousand, in particular for the reduction of the exposure to *Cash Pooling* towards subsidiaries, the repayment of bank loans, the purchase of treasury shares and the payment of dividends partially offset from taking out additional bank loans.

18. SHAREHOLDERS' EQUITY

The approved, subscribed and paid-in share capital amounted to €47,207,120 at 31 December 2021 and consists of 47,207,120 Ordinary Shares.

At the date 31 December 2021, the Tinexta S.p.A. holds 1,200,247 treasury shares, equal to 2,543% of the Share Capital, for a total purchase value of €19,327 thousand. The Company purchased 343,233 treasury shares in the year, equal to 0.727% of the share capital, for a total purchase value of €9,327 thousand.

Shareholders' Equity at 31 December 2021 amounted to €181,006 thousand (€169,787 thousand at 31 December 20) and can be broken down as follows:

Amounts in Euro	31/12/2021	31/12/2020	Change
Share capital	47,207,120	47,207,120	0
Treasury shares held	-19,327,481	-10,000,693	-9,326,787
Legal reserve	5,673,531	4,314,574	1,358,958
Share premium reserve	55,438,803	55,438,803	0
Extraordinary reserve	8,223,589	8,223,589	0
Revaluation reserve pursuant to art. 2426 Civil Code	554,012	554,012	0
First Time Adoption Reserve	4,393	4,393	0
Stock Option reserve	3,135,937	909,042	2,226,895
Profits (losses) previous years	50,728,151	36,892,911	13,835,240
Reserve from valuation of hedging derivatives	-20,410	-818,599	798,189
Defined-benefit plans reserve	-147,374	-117,711	-29,663
Profit (loss) for the year	29,536,036	27,179,151	2,356,885
Total Equity	**181,006,307**	**169,786,591**	**11,219,716**

The items of Shareholders' Equity are broken down as follows according to their origin, possible use, allocation and use in the three prior years:

Amounts in Euro	31/12/2021	Possibility of use	Available portion	Distributable portion	Summary of uses in the three previous years	
					For loss coverage	For other reasons
Share capital	47,207,120		0	0		
Treasury shares held	-19,327,481		-19,327,481	-19,327,481		
Legal reserve	5,673,531	B	0	0		
Share premium reserve	55,438,803	A, B, C	55,438,803	53,147,712		
Extraordinary reserve	8,223,589	A, B, C	8,223,589	8,223,589		
Revaluation reserve pursuant to art. 2426 Civil Code	554,012	A, B	554,012	0		
First Time Adoption Reserve	4,393	A	0	0		
Stock Option reserve	3,135,937	A, B	3,135,937	0		
Profits (losses) previous years	50,728,151	A, B, C	50,728,151	50,728,151		
Valuation reserve for hedging derivatives*	-20,410		-20,410	-20,410		
Defined-benefit plans reserve	-147,374		-147,374	-147,374		
Profit (loss) for the year	29,536,036		29,536,036	28,059,234		
Total	**181,006,307**	**0**	**128,121,263**	**120,663,421**		

Key
A: For capital increase
B: To cover losses
C: For distribution to shareholders
* Note that the *Valuation reserve for hedging derivatives*, with its negative balance, has an impact on the availability and distributability of the reserves, also taking into account the provisions of Article 2426, paragraph 1, no. 11bis of the Italian Civil Code and therefore must not be considered ".... in the calculation of shareholders' equity for the purposes set forth in Articles 2412, 2433, 2442, 2446 and 2447"

The *Stock Option reserve* refers to the allocation recognised on the 2020-2022 Stock Option Plan and on the 2021-2023 Stock Option Plan.

The *Valuation reserve for hedging derivatives* refers to the *fair value* measurement of hedging derivatives (referred to in Note *21. Derivative financial instruments*).

The *Defined-benefit plan reserve* refers to the actuarial component of the Employee severance indemnity according to the requirements of IAS 19 (for further details, see Note *19. Employee benefits*).

19. EMPLOYEE BENEFITS

Liabilities for *Employee benefits* amounted to €713 thousand at 31 December 2021 (€591 thousand at 31 December 2020) and may be broken down as follows:

Amounts in Euro	**31/12/2021**	**31/12/2020**	**Change**
Employee severance indemnity	713,231	591,344	121,887
Total non-current employee benefits	**713,231**	**591,344**	**121,887**
Total employee benefits	**713,231**	**591,344**	**121,887**

This item refers to the Employee severance indemnity (TFR). The TFR includes the effects of the actuarial calculations according to the requirements of IAS 19.

The changes in the TFR liability were as follows:

Amounts in Euro	**2021**	**2020**	**Change**
Liabilities at the beginning of the year	**591,344**	**438,336**	**153,008**
Current service cost	154,858	107,097	47,761
Financial charges	1,879	3,319	-1,440
Benefits paid	-57,476	-24,475	-33,001
Transfers	-16,405	10,138	-26,542
Actuarial (profits)/losses recognised in the year	39,030	56,929	-17,898
Liabilities at the end of the year	**713,231**	**591,344**	**121,887**

The details of the economic and demographic assumptions used for the purposes of the actuarial calculations are provided below.

Parameters	**31/12/2021**	**31/12/2020**
Discount rate	0.98%	0.34%
Inflation rate	1.75%	0.80%
TFR rate of increase	2.813%	2.100%
Real rate of increase in wages	1.00%	1.00%
Expected mortality rate	RG48 from General Accounting Office	RG48 from General Accounting Office
Expected invalidity rate	INPS tables broken down by age and gender	INPS tables broken down by age and gender
Resignations expected	4.50%	4.50%
Advances expected	2.50%	2.50%

Below is a sensitivity analysis of the main actuarial assumptions included in the calculation model considering as the base scenario the one previously described and increasing and decreasing the average annual discounting rate, the average inflation rate and turnover rate, respectively, by a quarter, a quarter and one percentage point. The results obtained are summarised in the following table:

Amounts in Euro	31/12/2021
Turnover rate +1%	703,376
Turnover rate -1%	724,772
Inflation rate +0.25%	726,896
Inflation rate -0.25%	700,060
Discount rate +0.25%	696,651
Discount rate -0.25%	730,675

20. FINANCIAL LIABILITIES, EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

This item includes financial liabilities incurred by the Company for a variety of reasons, with the exception of those deriving from the underwriting of derivative financial instruments, and is broken down as follows:

Amounts in Euro	31/12/2021	31/12/2020	Change
Current liabilities for bank loans	35,885,076	23,339,659	12,545,417
Non-current liabilities for bank loans	157,952,449	120,156,453	37,795,996
Other current bank payables	9,815	63,486	-53,671
Current price deferment liabilities	1,064,136	2,481,241	-1,417,105
Non-current price deferment liabilities	1,054,076	2,092,465	-1,038,389
Current liabilities for contingent consideration	0	2,060,538	-2,060,538
Current liabilities for leases	385,358	211,564	173,795
Non-current liabilities for leases	701,769	634,469	67,301
Negative balance current accounts with subsidiaries	31,436,533	63,366,980	-31,930,448
Current payables to other lenders	109,472	0	109,472
Current financial liabilities	**68,890,390**	**91,523,468**	**-22,633,078**
of which vs. related parties	*32,278,560*	*64,131,814*	*-31,853,253*
Non-current financial liabilities	**159,708,294**	**122,883,387**	**36,824,907**
of which vs. related parties	*1,169,570*	*1,693,214*	*-523,644*
Total financial liabilities	**228,598,684**	**214,406,855**	**14,191,829**

A total of €4,720 thousand of the non-current financial liabilities are scheduled to become due more than 5 years after the date of the Financial Statements of which €4,695 thousand is for bank loans and €25 thousand for lease liabilities. The following is a summary of the financial liabilities recognised in the Financial Statements at 31 December 2021, classified according to the contractual due dates:

Amounts in Euro	within one year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	Beyond 5 years	Total
Bank loans	35,885,076	38,769,419	40,631,854	40,904,593	32,951,211	4,695,373	193,837,525
Other current bank payables	9,815						9,815
Price deferment liabilities	1,064,136	1,054,076					2,118,212
Lease liabilities	385,358	238,926	169,955	141,518	126,282	25,088	1,087,127
Negative balance current accounts with subsidiaries	31,436,533						31,436,533
Current payables to other lenders	109,472						109,472
Total financial liabilities	**68,890,390**	**40,062,421**	**40,801,809**	**41,046,110**	**33,077,493**	**4,720,461**	**228,598,684**

Bank loans

Breakdown of *Bank loans* at 31 December 2021 showing the current and non-current portions of their book value, including the effects of measurement at amortised cost:

Bank loans *(Amounts in thousand of Euro)*	Counterparty	Rate	Maturity date	Nominal amount	Book value	Current portion	Non-current portion
UBI loan	Former UBI Banca	6-month Euribor[1] + 1.20% spread	28/05/2023	7,500	7,453	4,961	2,492
BPS loan	Banca Popolare di Sondrio	6-month Euribor[1] + 1.25% spread[2]	31/12/2023	4,000	3,980	1,986	1,994
CA line C loan	Crédit Agricole	6-month Euribor + 1.20% spread [2]	31/12/2024	9,000	8,948	2,973	5,975
CA line A loan	Crédit Agricole	6-month Euribor + 1.05% spread[2]	30/06/2025	19,200	18,577	1,811	16,765
CA line B loan	Crédit Agricole	6-month Euribor + 1.05% spread[2]	30/06/2025	7,778	7,727	2,199	5,528
ISP Group line A1 loan	Intesa Sanpaolo Group	6-month Euribor + 0.9% spread	30/06/2026	42,400	41,367	7,831	33,536
ISP Group line A2 loan	Intesa Sanpaolo Group	6-month Euribor + 1.15% spread	30/06/2026	27,600	27,327	2,329	24,998
BNL loan	BNL	6-month Euribor + 1.45% spread	31/12/2025	19,000	18,847	2,347	16,501
Mediobanca loan	Mediobanca	6-month Euribor + 1.65% spread[2]	11/11/2025	13,333	13,285	3,325	9,960
ICCREA-BCC loan	ICCREA-BCC	6-month Euribor + 1.00% spread[1]	15/12/2026	10,000	9,926	1,973	7,953
BPM loan	Banco BPM	6-month Euribor + 1.20% spread	31/12/2026	10,000	9,972	1,102	8,870
BPER loan	BPER	6-month Euribor + 1.2% spread[2]	31/12/2027	8,571	8,489	1,405	7,085
Unicredit loan	Unicredit	6-month Euribor + 1.25% spread	30/09/2027	18,000	17,939	1,644	16,295
				196,383	**193,838**	**35,885**	**157,952**

[1] Floor at 0 on 6-month Euribor
[2] Spread subject to change on the NFP/EBITDA parameter defined contractually

Former UBI loan signed on 28 May 2020 to renegotiate the loan obtained on 30 November 2017, originally for €10 million with the same counterparty. The line for a total of €10 million matures on 28 May 2023, envisages principal repayments in deferred semi-annual instalments from 28 November 2021 and interest at the floating 6-month Euribor rate, with zero floor, plus a 120 bps margin. The interest is payable half-yearly from 28 November 2020. From 31 December 2020 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and *NFP/Shareholders' Equity* below 2.0. At 31 December 2021 these parameters were found to have been respected.

BPS loan of an original amount of €10 million to support the acquisition of Lux Trust S.A. The loan was disbursed on 27 November 2018 at 6-month Euribor with a zero floor, plus 140 bps, and requires repayment of principal in semi-annual instalments starting from 30 June 2019 and terminating on 31 December 2023, with interest paid on a half-yearly basis starting from 30 June 2019. The applicable margin is updated annually based on the ratio of NFP to EBITDA determined contractually, as follows: *NFP/EBITDA* ≥ 3 margin 165 bps; *NFP/EBITDA* <3 and ≥ 2 margin 140 bps; *NFP/EBITDA* <2 margin 125 bps. From 31 December 2018 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 31 December 2021 these parameters were found to have been respected. Based on the parameters indicated above, the margin paid was 125 bps.

A €15 million **Crédit Agricole line C loan** was drawn down on 28 June 2019 to meet the financial commitment deriving from the repayment of the loan with the Controlling Shareholder Tecno Holding S.p.A. The main terms of the contract are as follows: ends on 31 December 2024, repayment of equal semi-annual instalments of principal with a first pre-amortisation period (until 31 December 2019) and interest settled at the floating 6-month Euribor rate plus a margin updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 2 margin 150 bps; NFP/EBITDA ≤ 2 and > 1.5 margin 135 bps; NFP/EBITDA ≤ 1.5 margin 120 bps. At 31 December, based on the parameters indicated above, the margin paid was 120 bps.

The **Crédit Agricole line A loan** was signed on 18 June 2020 with a *pool* of banks, with Crédit Agricole Italia S.p.A. as the *mandated lead arranger*, to renegotiate the previous **Crédit Agricole line A** and **Crédit Agricole line B** loans (which had in turn been renegotiated in 2017 with the same counterparties) due on 30 June 2023. The new **line A**, for a total of €25.5 million, matures on 30 June 2025, includes repayment of principal in deferred semi-annual instalments starting from 31 December 2020 and interest settled at the floating 6-month EURIBOR rate plus a margin updated every year based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 1.75 margin 110 bps; NFP/EBITDA ≤ 1.75 margin 105 bps. At 31 December, based on the parameters indicated above, the margin paid was 105 bps.

The loan agreement executed on 18 June 2020 envisages an additional credit facility (**Crédit Agricole line B**) for €10 million, which had been disbursed in full on 10 December 2020. The main terms of the new line are: maturity on 30 June 2025, repayment of principal in deferred semi-annual instalments and interest settled at the floating 6-month EURIBOR rate plus a margin updated every year based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 1.75 margin 110 bps; NFP/EBITDA ≤ 1.75 margin 105 bps. At 31 December, based on the parameters indicated above, the margin paid was 105 bps.

On the Crédit Agricole loans, the Company is committed, for each reference half-year, to respecting the following limits: maximum *NFP/EBITDA* ratio threshold of 3.5 and *NFP/Shareholders' Equity* ratio of 2.0. At 31 December 2021 these parameters were found to have been respected.

BNL loan for a total of €20 million, whose agreement was signed on 20 December 2019. The loan was used in its entirety in 2020 to finance the payment of the price supplement and the acquisition of the minority interests in Warrant Hub. The rate applied is the 6-month Euribor plus 145 bps and requires repayment of principal in increasing semi-annual instalments starting from 30 June 2021 and maturing on 31 December 2025, with interest paid semi-annually starting from 31 December 2020. From 31 December 2018 and for each reference half-year, the Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 31 December 2021 these parameters were found to have been respected.

The **Intesa Sanpaolo loan** was stipulated on 31 July 2020 with Intesa Sanpaolo in order to renegotiate the previous loan of €50 million, also with Intesa Sanpaolo, maturing on 31 December 2025. **Line A1**, for a total of €50 million, matures on 30 June 2026 and envisages repayment of principal in deferred semi-annual instalments from 30 June 2021 and interest settled at the floating 6-month Euribor rate plus a margin of 90 bps. The Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 31 December 2021 these parameters were found to have been respected. The executed loan agreement envisages an additional credit line (**line A2**) for €30 million used in full on 25 January 2021. The main terms of the line A2 are: maturity on 30 June 2026, repayment of principal in deferred semi-annual instalments and interest settled at the floating 6-month Euribor rate plus a margin of 115 bps.

The **Mediobanca loan** was signed on 11 November 2020 and disbursed for €15 million on 30 December 2020. The main terms of the contract are as follows: maturity on 11 November 2025, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 11 May 2021) and interest settled at the floating 6-month Euribor rate, with a zero floor, plus a margin updated every six months based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 3 margin 190 bps; NFP/EBITDA ≤ 3 and > 2 margin 165 bps; NFP/EBITDA ≤ 2.0 margin 145 bps. The Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity below 2.0. At 31 December 2021 these parameters were found to have been respected. Based on the parameters indicated above, the margin paid was 165 bps.

The **ICCREA-BCC loan** was signed on 15 December 2020 with a pool of banks comprising ICCREA Banca and BCC Milano for €10 million. The amount was fully disbursed on 29 January 2021. The main terms of the contract are as follows: maturity on 15 December 2026, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 31 December 2021) and interest settled at the floating 6-month Euribor rate with a zero floor, plus a margin of 100 bps. The Group has committed to respect the following financial limits: *NFP/EBITDA* less than 3.5 and NFP/Shareholders' Equity less than 2.0.

The **BPM Loan** was signed and fully disbursed on 30 April 2021 for €10 million. The main terms of the agreement are as follows: maturity on 31 December 2026, repayment of semi-annual equal instalments of principal with a first pre-amortisation period (until 30 June 2022) and interest settled at the floating 6-month Euribor rate, plus a margin of 120 bps. Starting from 31 December 2021, the Group has committed to respect the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 31 December 2021 these parameters were found to have been respected.

The **BPER Loan** was signed on 19 February 2021 for €10 million, the amount was fully disbursed on 24 February 2021. The main terms of the agreement are as follows: maturity on 31 December 2027, repayment of semi-annual equal instalments of principal starting on 30 June 2021 and interest settled at the floating 6-month Euribor rate plus a margin updated every year based on the ratio of NFP to EBITDA, defined contractually, as follows: NFP/EBITDA > 1.75 margin 125 bps; NFP/EBITDA ≤ 1.75 margin 120 bps. The Group has committed to respect the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 30 June 2021 these parameters were found to have been respected. At 31 December 2021, these parameters were respected. Based on the parameters indicated previously, the margin paid is 120 bps.

The **Unicredit Loan** was signed on 21 September 2021 for €18 million, the amount was fully disbursed on the same date. The main terms of the agreement are as follows: maturity on 30 September 2027, repayment of semi-annual equal instalments of principal starting from 30 September 2022 and interest settled at the floating 6-month Euribor rate (with a zero *floor*), plus a margin of 125 bps. The Group has committed to respect the following financial limits: NFP/EBITDA less than 3.5 and NFP/Shareholders' Equity less than 2.0. At 31 December 2021 these parameters were found to have been respected.

Changes in *Bank loans*:

Amounts in Euro	**31/12/2020**	**Disbursements**	**Principal payments**	**Interest paid**	**Accrued interest**	**31/12/2021**
Bank loans	**143,496,112**	77,308,264	-28,117,461	-1,379,016	2,529,626	**193,837,525**

Disbursements for the period refer to **Intesa Sanpaolo, ICREEA-BCC, BPM, BPER, Unicredit** loans net of transaction costs incurred for the disbursement.

Interest accrued includes €1.112 thousand of charges accrued by applying the effective interest criterion.

Other current bank payables

Other current bank payables refer to the balance of accrued charges for commissions for non-use of loans and the debt balance on company credit cards not charged to the current account at 31 December 2021.

Price deferment liabilities

Price deferment liabilities represent the payable at the reporting date referring to deferments obtained from the selling shareholders of Warrant Hub S.p.A.

Changes in *Price deferment liabilities*:

Amounts in Euro	31/12/2020	Principal payments	Interest paid	Accrued interest	31/12/2021
Price deferment liabilities	**4,573,706**	-2,422,809	-80,210	47,525	**2,118,212**

Liabilities for contingent consideration

Liabilities for contingent consideration at 31 December 2020 was sold to Tinexta Cyber S.p.A. as part of the sale of the investment in Swascan S.r.l. to which this liability referred.

Liabilities for the purchase of leased assets

Lease liabilities includes the present value of payments due on the leases falling under the application of IFRS 16.

The changes in *Lease liabilities* are shown below, to allow for a better understanding of cash flows recognised under Financing activities in the Statement of Cash Flows:

Amounts in Euro	31/12/2020	New leases	Principal payments	Interest paid	Accrued interest	Other no cash flow changes	31/12/2021
Lease liabilities	**846,032**	452,388	-217,081	-17,837	17,732	5,893	**1,087,127**

Other no cash-flow changes include adjustments to *Lease liabilities* for changes in lease payments (e.g. ISTAT adjustments), extensions and early terminations.

Negative balance current accounts with subsidiaries

This item refers to negative balance current accounts with subsidiaries as a result of the application of the centralised Group treasury management system (*cash pooling*) by the Company.

21. DERIVATIVE FINANCIAL INSTRUMENTS

The financial assets and liabilities for derivative instruments may be broken down as follows:

Amounts in thousands of Euro	31/12/2021	31/12/2020	Change
Non-current financial assets for hedging derivatives	109,623	0	109,623
Non-current financial liabilities for hedging derivatives	163,278	1,080,470	-917,192
Liabilities for net hedging derivative financial instruments	**53,656**	**1,080,470**	**-1,026,814**

The current *Derivative financial instruments* at 31 December 2021 refer to the contracts executed by the Company in order to hedge the risk of financial flow changes due to the fluctuations of the interest rates on a portion of the bank loans (for details, see Note *20. Financial liabilities, excluding derivative financial instruments*).

Table illustrating the contract type, notional value, loan hedged and *fair value* of current derivatives at 31 December 2021:

Amounts in Euro

Type	Loan hedged	Notional in thousands of Euro	Maturity date	Rate received	Rate paid	*Fair value* at 31/12/2021	*Fair value* at 31/12/2020
IRS	CA line A	3,429	30/06/2023	6-month Euribor	0.600%	-19,778	-52,111
IRS	CA line C	9,000	31/12/2024	6-month Euribor	-0.220%	-10,571	-77,610
IRS	CA line A	12,021	30/06/2025	6-month Euribor	-0.146%	14,547	-188,525
IRS	CA line B	7,778	30/06/2025	6-month Euribor	-0.276%	7,566	-56,257
IRS	ISP Group	27,112	31/12/2025	6-month Euribor	-0.163%	-9,455	-310,574
IRS	Unicredit	18,000	31/12/2025	6-month Euribor	-0.008%	-9,371	
IRS	BPER	8,571	31/12/2027	6-month Euribor	-0.182%	35,860	
Total Interest Rate Swap hedging instruments		**85,911**				**8,798**	**-685,076**

1 the index has a lower limit (Floor) of zero

2 the index has a lower limit (Floor) of -1.40%

Type	Loan hedged	Notional in thousands of Euro	Maturity date	Hedged rate	Strike	*Fair value* at 31/12/2021	Fair value at 31/12/2020
Capped Swap	CA line A	3,750	30/06/2023	6-month Euribor	1.500%	-3,807	-9,453
Capped Swap	BPS	3,333	30/06/2023	6-month Euribor	1.500%	-3,138	-8,233
Capped Swap	UBI	7,500	29/05/2023	6-month Euribor	0.500%	-6,492	-18,870
Capped Swap	ISP Group	6,833	30/06/2026	6-month Euribor	0.600%	14,690	-56,532
Capped Swap	ISP Group	27,600	30/06/2026	6-month Euribor	0.500%	36,960	
Capped Swap	BPM	10,000	31/12/2026	6-month Euribor	0.500%	-21,621	
Total *Capped Swap* hedging instruments[1]		**59,016**				**16,592**	**-93,089**

[1] the derivatives provide for a periodic 6-monthly premium

Type	Loan hedged	Notional in thousands of Euro	Maturity date	Hedged rate	Strike	*Fair value* at 31/12/2021	Fair value at 31/12/2020
Floor	BNL	19,000	31/12/2025	6-month Euribor	-1.450%	-46,697	-62,053
Total *Floor Option* hedging instruments[1]		**19,000**				**-46,697**	**-62,053**

[1] the derivatives provide for a periodic 6-monthly premium

Type	Loan hedged	Notional in thousands of Euro	Maturity date	Hedged rate	Strike	*Fair value* at 31/12/2021	*Fair value* at 31/12/2020
Collar	ISP Group	8,456	31/12/2025	6-month Euribor	1.75%/-0.33%	-12,739	-63,997
Collar	BNL	19,000	31/12/2025	6-month Euribor	1.00%/-0.30%	-19,611	-176,256
Total *Collar Option* hedging instruments		**27,456**				**-32,349**	**-240,253**

Derivative financial instruments fall within Level 2 of the *fair value* hierarchy.

22. TRADE AND OTHER CURRENT PAYABLES

The item *Trade and other payables* totalled €5,516 thousand (€4,470 thousand at 31 December 2020) and can be detailed as follows:

Amounts in Euro	31/12/2021	31/12/2020	Change
Trade payables due to suppliers	2,556,079	2,251,461	304,618
Trade payables to Controlling Shareholder	181,450	168,634	12,816
Trade payables to subsidiaries	396,916	244,880	152,036
Other payables to Controlling Shareholder	0	4,445	-4,445
Due to social security institutions	585,324	471,758	113,566
Payable for withholding taxes to be paid	378,889	339,830	39,058
Payables to employees	1,415,268	976,904	438,364
Due to others	2,049	11,616	-9,568
Trade and other current payables	**5,515,974**	**4,469,529**	**1,046,445**
of which vs. related parties	***578,366***	***417,959***	***160,407***

Trade payables due to suppliers include €690 thousand of payables for invoices to be received (€732 thousand at 31 December 2020).

The item *Payables to employees* includes payables for wages to be paid, pay in lieu of vacation, expense reports to be reimbursed and bonuses to be paid.

Information on the Comprehensive Income Statement

23. REVENUES

Revenues for 2021 amounted to €2,317 thousand (€2,186 thousand for 2020) and can be broken down as follows:

Amounts in Euro	2021	2020	Change
Revenues from sales and services	945,555	1,068,152	-122,597
Other revenues and income	1,371,625	1,118,105	253,520
Revenues	**2,317,180**	**2,186,257**	**130,923**
of which vs. related parties	***2,313,086***	***2,179,652***	***133,434***

Revenues from sales and services are related to services charged back to the subsidiaries as part of the management Holding activities provided by the Company for the Strategic planning, Management control, Legal assistance and *compliance*, *Internal audit*, and Corporate administrative services functions.

Other revenue and income include primarily chargebacks to the subsidiaries related to the reversal of costs incurred by the Parent Company, in particular for software licenses and seconded personnel.

24. SERVICE COSTS

Service costs for 2021 amounted to €6,389 thousand (€5,330 thousand for 2020) and can be broken down as follows:

Amounts in Euro	2021	2020	Change
Specialist professional services	2,326,186	1,429,254	896,931
IT structure costs	1,710,710	924,510	786,200
Consultancy	819,796	1,457,911	-638,115
Advertising, marketing and communication	306,115	320,645	-14,531
Travel, assignments, and lodging expenses	211,885	152,880	59,004
Outsourcing services	192,743	319,245	-126,502
Property, plant and vehicle management costs	189,985	129,251	60,734
Remuneration of the statutory auditors and Supervisory Body	159,165	169,888	-10,723
Independent auditors' fees for audit and other services	128,908	125,992	2,916
Banking costs	45,415	53,396	-7,981
Insurance	44,396	48,225	-3,830
Telephone costs	30,298	35,863	-5,565
Rental costs excluding IFRS 16	26,550	17,874	8,676
Other costs for services other than the previous ones	196,563	145,287	51,276
Service costs	**6,388,711**	**5,330,221**	**1,058,490**
of which vs. related parties	***618,734***	***505,655***	***113,079***
of which non-recurring	***924,248***	***19,159***	***905,089***

Costs for non-recurring services for the year amounted to €924 thousand, recognised under *Specialist professional services*, for charges related to acquisitions of target companies and for other extraordinary transactions.

25. PERSONNEL COSTS

Personnel costs for 2021 amounted to €8,759 thousand (€6,536 thousand for 2020) and can be broken down as follows:

Amounts in Euro	**2021**	**2020**	**Change**
Wages and salaries	4,704,070	3,576,285	1,127,785
Social security contributions	1,431,064	1,083,993	347,071
Employee severance indemnity	260,955	203,845	57,110
Other personnel costs	359,433	329,562	29,871
Provisions for Stock Option Plan	578,772	232,803	345,969
Directors' fees	1,424,376	1,109,337	315,039
Personnel costs	**8,758,671**	**6,535,826**	**2,222,845**

Average number of employees of Tinexta S.p.A. in 2021 and the number of employees at 31 December 2021, broken down by category, compared with 2020:

Number of employees	Average		Year-end	
	2021	2020	2021	2020
Senior Management	9	9	10	8
Middle Management	15	10	17	10
Employees	29	28	30	29
Total	**53**	**46**	**57**	**47**

Information on the 2020-2022 Stock Option Plan

On 23 June 2020, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the "2020-2022 Stock Option Plan" (hereinafter also "Plan"), as approved by the Shareholders' Meeting on 28 April 2020. In particular, among the executive directors, executives with strategic responsibilities and/or other employees and managerial roles in the Company and/or subsidiaries, the Board of Directors has identified 29 beneficiaries to whom a total of 1,670,000 options have been allocated. The options offer the right to purchase and, if appropriate, subscribe Company shares in the ratio of 1 share for every 1 option exercised. The Plan provides for a single option allocation cycle and envisages a vesting period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2022 of ≥ 80% of the approved budget value. If EBITDA proves to be ≥ 80% and ≥ 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month Vesting Period as from the Allocation Date. The exercise price is established as €10.97367, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Finance Law" or "TUF") and Article 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2020 section of the Company's web site (www.tinexta.com/assembleaazionisti-2020), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation. In application of IFRS 2, the option rights underlying the Plan were measured at *fair value* at the time of assignment.

At the grant date, 23 June 2020, the *fair value* for each option right was equal to €3.463892.

The fair value of the options assigned was calculated by an independent expert, reflecting the "no arbitrage" and "risk neutral framework" characteristics common to the basic pricing models for options, by means of the calculation parameters indicated below:

- risk-free rate curve obtained from market IRS rates at the measurement date;
- expected dividends: 2%;
- share price volatility: 40%;
- annual probability of beneficiary exits: 3%.

The options assigned to the beneficiaries of Tinexta S.p.A. at 31 December 2021 totalled 450,000.

The accrued cost recognised by Tinexta S.p.A. at 31 December 2021 for the aforementioned plan, under *Personnel costs*, was €491 thousand.

Information on the 2021-2023 Stock Option Plan

On 23 June 2021, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the "2021-2023 Stock Option Plan" (hereinafter also "Plan"), as approved by the Shareholders' Meeting on 27 April 2021. The Plan envisages the allocation of a maximum 300,000 options. The Plan provides for a single option allocation cycle and envisages a *vesting* period of 36 months from the date the options are allocated to beneficiaries. Exercise of the options is subordinated to achieving EBITDA in the financial statements at 31 December 2023 of ≥ 80% of the approved budget value. If EBITDA proves to be ≥ 80% and ≥ 100%, the option vesting will be proportionate. The Options accrued may be exercised at the end of a 36-month *Vesting* Period as from the Allocation Date. The exercise price is established as €23.49, based on the arithmetic mean of official prices recorded by the Company's shares on the MTA market in the half-year prior to the option allocation date. Further details of the Plan can be found in the Information Document already disclosed to the public pursuant to Article 114-bis, Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Finance Act") and Article 84-bis, paragraph 1 of the Issuers' Regulation, in the Corporate Governance/Shareholders' Meeting/2021 section of the Company's web site (www.tinexta.com/assemblea-azionisti-2021), which will be updated in compliance with the provisions of Article 84-bis, paragraph 5 of the Issuers' Regulation.

In application of IFRS 2, the option rights underlying the Plan were measured at *fair value* at the time of assignment.

On 5 October 2021 the Board of Directors of Tinexta S.p.A. resolved to grant 100,000 options at an exercise price set at €32.2852 to one Tinexta S.p.A. beneficiary. The *fair value* for each option right was equal to €12.1476. The *fair value* of the options assigned was calculated by an independent expert, reflecting the "no arbitrage" and "risk neutral framework" characteristics common to the basic *pricing* models for options, by means of the calculation parameters indicated below:

- risk-free rate curve obtained from market *IRS* rates at the measurement date;
- expected dividends: 2%;
- share price volatility: 40%;
- annual probability of beneficiary exits: 3%.

The options assigned to the beneficiaries of Tinexta S.p.A. at 31 December 2021 totalled 100,000.

The accrued cost recognised by Tinexta S.p.A. at 31 December 2021 for the aforementioned plan, under *Personnel costs*, was €88 thousand.

26. OTHER OPERATING COSTS

Other operating costs amounted in 2021 to €358 thousand (€279 thousand in 2020).

Amounts in Euro	2021	2020	Change
Other operating costs	169,265	100,842	68,423
Donations, gifts and membership fees	142,148	126,808	15,340
Taxes and duties	47,064	51,783	-4,719
Other operating costs	**358,477**	**279,432**	**79,044**
of which vs. related parties	*2,712*	*0*	*2,712*

27. AMORTISATION AND DEPRECIATION, PROVISIONS AND IMPAIRMENT

Amounts in Euro	2021	2020	Change
Depreciation of property, plant and equipment	311,588	255,439	56,148
of which leased	*257,629*	*193,511*	64,118
Amortisation of intangible assets	500,704	357,514	143,190
Amortisation and depreciation, provisions and impairment	**812,292**	**612,953**	**199,339**

Amortisation and depreciation in 2021 amounted to €812 thousand (€613 thousand in 2020), of which €312 thousand referring to *Property, plant and equipment* (€258 thousand to rights of use) and €501 thousand to *Intangible assets*.

For further details regarding amortisation and depreciation, reference is made to as specified in Notes *10* and *11*.

28. NET FINANCIAL INCOME (CHARGES)

Financial income

Financial income for 2021 amounted to €43,419 thousand (€37,547 thousand for 2020) and can be broken down as follows:

Amounts in Euro	2021	2020	Change
Dividends from subsidiaries	43,319,302	36,587,757	6,731,545
Interest income on loans from subsidiaries	81,563	0	81,563
Interest income on current accounts with subsidiaries	10,338	16,328	-5,990
Bank and postal interest	7,872	9,836	-1,964
Other interest income	0	19	-19
Other financial income	0	933,018	-933,018
Financial income	**43,419,074**	**37,546,957**	**5,872,117**
of which vs. related parties	***43,411,202***	***36,604,085***	***6,807,118***
of which non-recurring	***0***	***933,018***	***-933,018***

Dividends from subsidiaries recognised in 2021, the year in which the respective Shareholders' Meetings approved their distribution, compared with those recognised in the previous period:

Amounts in Euro	2021	2020	Change
Warrant Hub S.p.A.	20,231,678	14,440,000	5,791,678
InfoCert S.p.A.	11,128,691	10,622,842	505,849
Visura S.p.A.	4,703,607	3,887,416	816,191
Innolva S.p.A.	5,475,325	3,786,014	1,689,311
Co.Mark S.p.A.	830,000	3,000,000	-2,170,000
RE Valuta S.p.A.	950,000	851,485	98,515
Dividends from subsidiaries	**43,319,302**	**36,587,757**	**6,731,545**

Financial charges

Financial charges for 2021 amounted to €3,149 thousand (€2,639 thousand for 2020) and can be broken down as follows:

Amounts in Euro	2021	2020	Change
Interest expenses on bank loans	1,418,053	1,252,145	165,908
Amortised cost on bank loans	1,111,573	705,905	405,668
Charges on hedging derivatives	479,297	174,944	304,353
Interest expenses on payment deferments connected to acquisitions	47,525	95,495	-47,971
Interest expenses on current accounts with subsidiaries	62,181	51,129	11,051
Interest expenses on leases	17,732	18,916	-1,185
Financial component of employee benefits	1,879	3,319	-1,440
Charges on shareholdings in subsidiaries	821	0	821
Other financial charges	9,844	67,283	-57,440
Financial charges	**3,148,904**	**2,369,137**	**779,766**
of which vs. related parties	***95,999***	***87,979***	***8,020***

The increase in *Interest expenses on bank loans* reflected the increase in the bank debt compared with the previous year. The total financial charges for the period attributable to bank loans also included €1,112 thousand for charges accrued by applying the effective interest criterion, and €479 thousand for *Charges on hedging derivatives* (the ineffective component of *Charges on hedging derivatives* amounted to €4 thousand).

29. INCOME TAXES

Income taxes for 2021 were negative for €3,267 thousand (€2,574 thousand for 2020) and can be broken down as follows:

Amounts in Euro	2021	2020	Change
Deferred tax assets	-27,678	-950	-26,728
Deferred tax liabilities	-15,173	-21,587	6,414
Income taxes for previous years	0	-27,965	27,965
Income from tax consolidation	-3,223,984	-2,523,003	-700,981
Income taxes	**-3,266,835**	**-2,573,506**	**-693,330**
of which non-recurring	***-221,820***	***219,326***	***-441,146***

For a breakdown and changes, during the period, in prepaid taxes, reference is made to what is outlined in Note *13. Deferred tax assets and liabilities.*

The Company closed the year 2021 with a tax loss and, therefore, no current taxes have been recognised for IRES and IRAP purposes. The income from the tax consolidation recognised during the year refers to the 2021 IRES tax loss, the 2021 ACE benefit and the non-deductible interest expense transferred by the Company to the tax consolidation for use in the *fiscal unit*.

The non-recurring portion of taxes, amounting to €222 thousand, refers to the IRES tax effect (24.0%) of non-recurring *Service costs*.

Reconciliation between the theoretical current IRES tax and the *Income from tax consolidation.*

Amounts in thousands of Euro		*IRES Rate*
Profit before tax	**26,269**	
Theoretical current tax on income	**6,305**	**24.0%**
Decreases		
Dividends from subsidiaries (PEX Regime)	-10,397	
ACE benefit (Law Decree 201/2011)	-104	
Directors' fees	-12	
Statutory/fiscal amortisation	-2	
Other decreases	-19	
Total Decreases	**-10,534**	
Increases		
Taxable portion of dividends from subsidiaries (PEX Regime)	520	
Non-deductible interest expense (ROL - Gross operating profit)	358	
Directors' fees	43	
Adjustment of financial charges IFRS 9	15	
Statutory/fiscal amortisation	5	
Other increases	65	
Total Increases	**1,006**	
Income from tax consolidation	**-3,224**	**-12.3**

Additional information

30. TRANSACTIONS WITH RELATED PARTIES

All transactions with Related Parties are part of normal business operations and are regulated at normal market conditions.

Summary table of all equity balances and the incidence on the related items of the Statement of Financial Position at 31 December 2021 and the relative comparative figures at 31 December 2020:

	31/12/2021								
Amounts in Euro	**Non-current financial assets**	**Current financial assets**	**Current tax assets**	**Trade and other current receivables**	**Contract assets**	**Non-current financial liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Current tax liabilities**
Controlling Shareholder	37,800			19,643		484,421	147,372	181,450	
Subsidiaries	9,800,000	21,396,808	1,866,854	635,180	292,641		31,436,533	396,916	3,428,910
Other Related Parties				48,367		685,149	694,656		
Total Related Parties	**9,837,800**	**21,396,808**	**1,866,854**	**703,190**	**292,641**	**1,169,570**	**32,278,560**	**578,366**	**3,428,910**
Total financial statement item	**9,878,335**	**21,423,056**	**3,984,364**	**1,519,611**	**293,650**	**159,708,294**	**68,890,390**	**5,515,974**	**3,428,910**
% Incidence on Total	*99.6%*	*99.9%*	*46.9%*	*46.3%*	*99.7%*	*0.7%*	*46.9%*	*10.5%*	*100.0%*

31/12/2020									
Amounts in Euro	**Non-current financial assets**	**Current financial assets**	**Current tax assets**	**Trade and other current receivables**	**Contract assets**	**Non-current financial liabilities**	**Current financial liabilities**	**Trade and other current payables**	**Current tax liabilities**
Controlling Shareholder				19,643		333,112	70,591	168,634	
Subsidiaries		14,672,727	3,502,594	690,367	308,680		63,366,980	249,325	87,279
Other Related Parties						1,360,102	694,243		
Total Related Parties	**0**	**14,672,727**	**3,502,594**	**710,009**	**308,680**	**1,693,214**	**64,131,814**	**417,959**	**87,279**
Total financial statement item	**36,764**	**15,119,781**	**3,502,594**	**2,764,725**	**308,680**	**122,883,387**	**91,523,468**	**4,469,529**	**3,237,840**
% Incidence on Total	*0.0%*	*97.0%*	*100.0%*	*25.7%*	*100.0%*	*1.4%*	*70.1%*	*9.4%*	*2.7%*

Non-current financial assets include the following loans to subsidiaries to support extraordinary activities relating to acquisitions:

- Co.Mark S.p.A.: €3,000 thousand at a fixed rate of 1.1% and bullet maturity on 29/03/2024
- Innolva S.p.A.: €1,500 thousand at a fixed rate of 1.2% and bullet maturity on 31/12/2024
- Tinexta Cyber S.p.A.: €5,300 thousand at a fixed rate of 1.2% and bullet maturity on 31/12/2024

Current financial assets include the receivable of €17,360 thousand referable to positive balance current accounts with subsidiaries due to the application of the Group's centralised treasury management system (*cash pooling*) by the Company; it also includes a short-term loan for €4,000 thousand (plus interest) to Corvallis S.p.A., a subsidiary of Tinexta Cyber S.p.A., to support it in its ordinary operations following the demerger aimed at the acquisition. This last loan was fully repaid on 14 January 2022. *Current financial liabilities* include the payable of €31.437 thousand relating to negative balance current accounts with subsidiaries. The rate applied on negative balances to the subsidiaries is equal to the 6M Euribor less 25 bps; the rate applied on positive balances from the subsidiaries is equal to the 6M Euribor plus 50 bps; the rate applied on receivable/payable balances can be no lower than 0.10%.

In 2021, the Parent Company Tinexta S.p.A., in its capacity as fiscal consolidator, initiated the tacit renewal for the 2021-2023 three-year period of the consolidated taxation regime pursuant to Article 117 et seq. of Presidential Decree no. 917/86 (Consolidated Law on Income Taxes - TUIR). The companies already belonging, as consolidated companies, to the scope of consolidation subject to renewal are: Co.Mark S.p.A., InfoCert S.p.A., Innolva S.p.A., RE Valuta S.p.A., Sixtema S.p.A., Visura S.p.A., Warrant Hub S.p.A., Warrant Innovation Lab S.r.l. Starting from the 2021 tax period, the following additional entities in possession of the legal requirements have been included in the *fiscal unit*: Tinexta Cyber S.p.A., Swascan S.r.l., Comas S.r.l., Innolva Relazioni Investigative S.r.l. PrivacyLab S.r.l. The economic and financial relations, as well as the reciprocal responsibilities and obligations, between the Parent Company and the consolidated companies are defined in the corresponding tax consolidation regulations.

Financial liabilities due to the Controlling Shareholder at 31 December 2021 refer to lease payables related to current lease agreements for the offices in Rome and Turin. *Financial liabilities to other related parties* include the payable for price deferment (€1.380 thousand) granted in previous years by the shareholders selling equity investments, now considered other related parties in their capacity as strategic managers of the Company.

Summary table of all economic transactions and the incidence on the related items of the 2021 income statement and the relative comparative figures of 2020:

2021					
Amounts in Euro	**Revenues**	**Service costs**	**Other operating costs**	**Financial income**	**Financial charges**
Controlling Shareholder		218,534	1,828		12,037
Subsidiaries	2,313,086	400,200	884	43,411,202	63,002
Other Related Parties					20,960
Total Related Parties	**2,313,086**	**618,734**	**2,712**	**43,411,202**	**95,999**
Total financial statement item	**2,317,180**	**6,388,711**	**358,477**	**43,419,074**	**3,148,904**
% Incidence on Total	*99.8%*	*9.7%*	*0.8%*	*100.0%*	*3.0%*
2020					
Amounts in Euro	**Revenues**	**Service costs**	**Other operating costs**	**Financial income**	**Financial charges**
Controlling Shareholder		152,925			12,222
Subsidiaries	2,179,652	352,730		36,604,085	51,129
Other Related Parties					24,627
Total Related Parties	**2,179,652**	**505,655**	**0**	**36,604,085**	**87,979**
Total financial statement item	**2,186,257**	**5,330,221**	**279,432**	**37,546,957**	**2,369,137**
% Incidence on Total	*99.7%*	*9.5%*	*0.0%*	*97.5%*	*3.7%*

Revenues from subsidiaries are related to the services provided as part of the management holding activities for the Strategic planning, Management control, Legal assistance and *compliance*, *Internal audit*, and Corporate administrative services functions. This item includes also the chargebacks to the subsidiaries related to the reversal of costs incurred by the Parent Company, in particular for software licenses and seconded personnel.

Service costs to the Controlling Shareholder consist of the costs for seconded personnel and costs related to service instalments for the offices in Milan.

Financial income from subsidiaries refers to the dividends approved and distributed in the amount of €43,319 thousand as well as interest income for the disbursement of loans (€82 thousand) and application of the Group centralised treasury management system (*cash pooling*) by the Company (€10 thousand).

Interest on existing lease contracts is recognised under *Financial charges to the Controlling Shareholder*. *Financial charges to subsidiaries* refer to the interest expense of *cash pooling*. *Financial charges to other related parties* refer to the aforementioned price deferment liability.

31. TOTAL FINANCIAL INDEBTEDNESS

Total financial indebtedness of the Company at 31 December 2021, compared with 31 December 2020, as required by Consob communication no. DEM/6064293 of 28 July 2006, and in compliance with the Warning Notice no. 5/21 issued by CONSOB on 29 April 2021 with reference to the Guideline ESMA32-382-1138 dated 4 March 2021, was:

Amounts in thousands of Euro	31/12/2021	*of which vs. related parties*	31/12/2020	*of which vs. related parties*
A Cash	23,448,113		61,170,071	
B Cash equivalents	0		0	
C Other current financial assets	21,423,056	*21,396,808*	15,119,781	*14,672,727*
D Liquidity (A+B+C)	**44,871,169**		**76,289,852**	
E Current financial debt	31,555,820	*31,436,533*	65,491,004	*63,366,980*
F Current portion of non-current financial debt	37,334,570	*842,028*	26,032,463	*764,834*
G Current financial indebtedness (E+F)	**68,890,390**		**91,523,467**	
H Net current financial indebtedness (G-D)	**24,019,221**		**15,233,615**	
I Non-current financial debt	159,761,950	*1,169,570*	123,963,857	*1,693,214*
J Debt instruments	0		0	
K Non-current trade and other payables	0		0	
L Non-current financial indebtedness (I+J+K)	**159,761,950**		**123,963,857**	
M Total financial indebtedness (H+L) (*)	**183,781,171**		**139,197,472**	

32. OTHER INFORMATION

Commitments undertaken by the Company

With reference to the **Crédit Agricole line A loan** agreement dated 18 June 2020, as per Note *20. Financial liabilities, excluding derivative financial instruments*, please note that the contract was entered into jointly with the subsidiary Innolva S.p.A. and that Tinexta S.p.A. bears joint and several liability in the fulfilment of all contractual obligations assumed by the subsidiary by virtue of the contract. The financial liability borne by the subsidiary Innolva S.p.A. by virtue of the loan is equal to a nominal amount of €4,150 thousand at 31 December 2021.

In relation to the Forvalue transaction, which saw the contribution by Intesa Sanpaolo of the 100% stake of Intesa Sanpaolo Forvalue S.p.A. in Innolva S.p.A. - a subsidiary of Tinexta - and the simultaneous subscription of newly issued Innolva shares, deriving from a reserved capital increase, *Put & Call* option rights are envisaged on the 25% stake held by Intesa Sanpaolo in the share capital of Innolva S.p.A., subject to the termination of the partnership and/or to certain results with respect to the plan objectives, and exercisable in two time windows, in the 2025-2026 two-year period. The price of the Put option may be paid, at Tinexta's choice: in cash, or through the assignment to Intesa of existing or newly issued Tinexta shares. An earn-out is also envisaged in the event that certain plan objectives are exceeded, ratified with the approval of Forvalue's 2025 financial statements, which will allow Intesa Sanpaolo to increase its equity investment in Innolva up to a further 5% of the share capital.

Tinexta S.p.A. is included, as a co-obligator, within the insurance policy of the value of €1,861 thousand underwritten by Corvallis S.r.l. in favour of the Apulia Region Department of Economic Development, Innovation, Education, Training and Work for the disbursement of the first instalment of subsidies as an advance with reference to the PROGRAM CONTRACT FSC - AQP LOCAL DEVELOPMENT 2007/2013 POR PUGLIA - FESR 2014-2020 of the Apulia Region.

Remuneration to Directors, Statutory Auditors, General Managers and Key Management Personnel of the Company

With reference to disclosures on the remuneration paid to Directors, Statutory Auditors, General Managers and other Key management personnel of the Company, reference is made to the table below referring to the Remuneration Report pursuant to Article 123-ter of the Consolidated Finance Act for further details.

Amounts in thousands of Euro	Fixed remuneration	Remuneration for participation in Committees	Variable remuneration non-equity (Bonus and other incentives)	Non-monetary benefits	Other remuneration	Total
Directors and General Manager	1,438	178	115	0	0	**1,731**
Statutory Auditors	113	0	0	0	0	**113**
Other Key Management Personnel	551	0	416	12	0	**980**

On 23 June 2020, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the “2020-2022 Stock Option Plan”, as approved by the Shareholders' Meeting on 28 April 2020. The options allocated on 31 December 2021 totalled 200,000 to the Chief Executive Officer and 100,000 to other Key Management Personnel.

On 23 June 2021, after obtaining opinion from the Remuneration Committee, the Board of Directors resolved to allocate options in execution of the long-term stock option-based incentive scheme known as the “2021-2023 Stock Option Plan”, as approved by the Shareholders' Meeting on 27 April 2021. The options allocated on 31 December 2021 totalled 100,000 to other Key Management Personnel.

For details, see Report on Remuneration pursuant to Article 123-ter of the Consolidated Law on Finance (TUF).

Independent Auditors’ fees

Below are details of the remuneration of the Independent Auditors and other companies belonging to the network pursuant to Article 149-duodecies of Implementing Regulation of Legislative Decree no. 58 of 24 February 98. The fees shown in the table, applicable to the year 2020, are those agreed upon in the contract, inclusive of any index-linking (but not out-of-pocket expenses, supervisory contribution, if any, or VAT).

Amounts in thousands of Euro	KPMG S.p.A.	KPMG network entities	Total KPMG
Auditing Services	**85**		**85**
Attestation services	**23**		**23**
Other services	**23**		**23**
Total	**131**	**0**	**131**

33. KEY EVENTS SUBSEQUENT TO YEAR-END

On **18 January 2022**, the Tinexta Group acquired the majority of the Spanish company Evalue Innovación SL ("Evalue"), through the company Warrant Hub S.p.A., leader in consulting to companies for subsidised finance operations in support of innovation and development projects. Evalue boasts a widespread presence throughout the Spanish territory with offices in Valencia, Madrid, Barcelona, Seville and Murcia. The company offers support services for obtaining tax incentives for R&D and technological innovation projects and national and European subsidised finance services. In 2020, the company recorded revenues of €8.5 million, up 17.6% compared to the previous year and €4.3 million in EBITDA (with an EBITDA *Margin* of approximately 50%).
The agreement marks a new stage in Tinexta's internationalisation process, in line with the announced strategic lines. Furthermore, the new acquisition strengthens the European vocation of Warrant Hub, already present in Belgium, France and Bulgaria, allowing it to exploit both commercial development potential -

especially as regards opportunities linked to European finance - and industrial, starting a virtuous exchange of *know-how* and *best practices*. The acquisition of 70.0% of Evalue Innovación provides for the payment of a consideration equal to €20.6 million, including the pro-rata financial indebtedness at 31.12.2021 equal to €0.4 million (corresponding to an implicit multiple on 2020 EBITDA of approximately 7x), which was paid with the Group's existing liquidity. The remaining 30% of Evalue, held by the founding shareholders, will be regulated through Put/Call options that can be exercised in 2024 on a 15% stake and in 2026 on a further 15% stake, based on specific agreements. The transaction is assisted by the usual representations and warranties.

On **3 February 2022**, the transaction involving the entry into the share capital of InfoCert by Bregal Milestone with a 16.09% interest was completed. In executing agreements already signed on 27 October 2021, the transaction involves an investment by Bregal Milestone of €100 million (of which €70 million at closing and €30 million within the following 12 months) through subscribing a dedicated capital increase of InfoCert. Following the subscription of the first €70 million, Bregal Milestone comes to hold 11.83% of InfoCert S.p.A.; Tinexta S.p.A.'s investment in InfoCert drops to 88.17%. Bregal Milestone is an important European private equity fund, with specific know-how in the technology sector and an extensive relational network of companies in Europe, and will support the Tinexta Group and, in particular, InfoCert to accelerate the internationalisation process already started with some recent acquisitions (Camerfirma, CertEurope and Authada).

On **16 March 2022**, Tinexta S.p.A. concluded the acquisition of the company Enhancers S.p.A. (Enhancers), through its subsidiary Warrant Hub which operates in consulting to companies for subsidised finance operations and in support of innovation and development projects. The transaction presents a high degree of complementarity between the Warrant Hub offer in the Digital Manufacturing area and the skills of Enhancers. In fact, the Warrant Innovation Lab structure, which currently operates in consultancy and project management activities in projects for the optimisation of digitisation processes, will be able to integrate its offer downstream with the development and implementation of the technological component. Enhancers, with offices in Turin and Bologna, combines design and planning activities, aimed at improving the *user experience*, with the creation of digital products and, in particular, the development of "task-oriented" digital systems (Digital Product Suite) and services aimed at manufacturing companies on products in the Internet of Things (IoT) and Human Machine Interface (HMI) fields. The transaction provides for the acquisition of 100% of the shares of Enhancers against a consideration of €16.4 million, paid with the Group's existing liquidity and the payment of an Earn Out calculated on the basis of 2024 results.

34. PROPOSED ALLOCATION OF THE 2021 PROFIT OF TINEXTA S.P.A.

In inviting you to approve the Financial Statements and the Report as presented, we invite you to approve the allocation of the profit for the year, amounting to €29,536,035.87, as follows:

- 5% of the profit for the year to legal reserve, in the amount of €1,476,801.79;
- €13,802,061.90 for dividend distribution, equal to €0.30 per share;
- €14,257,172.18 to profits carried forward.

17 March 2022
Enrico Salza
Chairman
Tinexta S.p.A.

Certification of the Consolidated Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented

1. The undersigned Pier Andrea Chevallard and Nicola Di Liello, as Chief Executive Officer and Manager responsible for the preparation of the corporate accounting documents of Tinexta S.p.A., respectively, certify, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 24 February 1998 n. 58:

- the adequacy in relation to the characteristics and
- the effective application of the administrative and accounting procedures in drawing up the Consolidated Financial Statements during 2021.

2. In this regard, it is to be noted that:

a) administrative and accounting procedures for the preparation of the Consolidated Financial Statements at 31 December 2021 were defined and an adequacy assessment was carried out on the basis of defined rules and methodologies by Tinexta S.p.A. in line with the ''Internal Control - Integrated Framework" issued by the "Committee of Sponsoring Organizations of the Treadway Commission", which represents a generally accepted reference framework for an internal control system on an international level;

b) such valuation assessment did not identify any material aspects.

3. It is also certified that

3.1 The Consolidated Financial Statements:

a) are drawn up in accordance with the applicable international accounting standards recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) correspond to the results of the books and accounting records;

c) are suitable in providing a true and accurate representation of the balance sheet, income statement and financial position of the issuer and of the set of companies included within the scope of consolidation;

3.2 the Directors’ Report on operations includes a reliable analysis of the operating performance and results, as well as the the situation of the Issuer and all of the companies included within the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 17 March 2022

Pier Andrea Chevallard
Chief Executive Officer

Nicola Di Liello
Manager responsible for the preparation of the corporate accounting documents

Certification of the Separate Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented

1. The undersigned, Pier Andrea Chevallard and Nicola Di Liello, as Chief Executive Officer and Manager responsible for the preparation of the corporate accounting documents of Tinexta S.p.A., respectively, certify, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 24 February 1998 n. 58:

- the adequacy in relation to the characteristics and
- the actual application of the administrative and accounting procedures in drawing up the Financial Statements during 2021.

2. In this regard, it is to be noted that:

a) administrative and accounting procedures for the preparation of the Financial Statements at 31 December 2021 were defined and an adequacy assessment was carried out on the basis of defined rules and methodologies by Tinexta S.p.A. in line with the ''Internal Control - Integrated Framework" issued by the "Committee of Sponsoring Organizations of the Treadway Commission", which represents a generally accepted reference framework for an internal control system on an international level;

b) such valuation assessment did not identify any material aspects.

3. It is also certified that

3.1 The Financial Statements:

a) are drawn up in accordance with the applicable international accounting standards recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) correspond to the results of the books and accounting records;

c) are suitable in providing a true and accurate representation of the balance sheet, income statement and financial position of the issuer;

3.2 the Directors' Report on operations includes a reliable analysis of the operating performance and results, as well as the Issuer's situation, together with a description of the main risks and uncertainties to which it is exposed.

Rome, 17 March 2022

Pier Andrea Chevallard Chief Executive Officer	Nicola Di Liello Manager responsible for the preparation of the corporate accounting documents

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(The accompanying translated consolidated financial statements of the Tinexta Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

*To the shareholders of
Tinexta S.p.A.*

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Tinexta Group (the "group"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Tinexta Group as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Tinexta S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of goodwill

Notes to the consolidated financial statements: note 8 "Accounting policies" - "Impairment losses on property, plant and equipment, investment property and intangible assets (impairment of assets)", note 9 "Use of estimates" and note 15 "Intangible assets and goodwill"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2021 include goodwill of €399,207 thousand. The directors tested goodwill for impairment in order to identify any impairment losses on the cash-generating units (CGU), to which goodwill is allocated, compared to their recoverable amount. The recoverable amount is based on value in use, calculated using the discounted cash flow model. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective about: — the expected cash flows, calculated by taking into account the general economic performance and that of the group's sector, the actual cash flows for recent years and the projected growth rates; — the financial parameters used to calculate the discount rate. For the above reasons and considering the materiality of the financial statements caption, we believe that the recoverability of goodwill is a key audit matter.	Our audit procedures included: — understanding the process adopted for impairment testing approved by the parent's board of directors; — analysing the criteria used to identify the CGU and tracing the amount of the CGU assets and liabilities to the relevant carrying amounts in the consolidated financial statements; — understanding the process adopted to prepare the 2022-2024 business plan approved by the parent's board of directors (the "2022-2024 plan") from which the expected cash flows used for impairment testing have been derived, as well as analysing the reasonableness of the assumptions used; — analysing the most significant discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; — comparing the cash flows used for impairment testing to the cash flows forecast in the 2022-2024 plan and analysing any discrepancies; — involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing model and related assumptions, including by means of a comparison with external data and information; — assessing the appropriateness of the disclosures provided in the notes about goodwill and related impairment tests.

Purchase price allocation as part of the acquisitions of Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l., Swascan S.r.l., Euroquality SAS and Europroject OOD

Notes to the consolidated financial statements: note 4 "Consolidation scope and basis of consolidation", note 9 "Use of estimates" and note 13 "Business combinations"

Key audit matter	Audit procedures addressing the key audit matter
During 2021, in accordance with IFRS 3 Business combinations, the group completed the recognition of the acquisition-date fair value of the assets acquired and liabilities assumed with the acquisition of control over Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l., Swascan S.r.l., Euroquality SAS and Europroject OOD ("purchase price allocation"). Assisted by external experts, the group also measured the fair value of the assets acquired and liabilities assumed using methods based on the discounting of the expected cash flows and the royalty rates provided for in the licence agreements.The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: — the expected cash flows, calculated by taking into account the acquirees' performance and that of their sector, the actual cash flows for recent years and the projected growth rates; — the financial parameters used to calculate the discount rate. For the above reasons, we believe that the allocation of the consideration paid for the above acquisitions is a key audit matter.	Our audit procedures included: — understanding the process adopted for the purchase price allocation as part of the acquisitions of Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l., Swascan S.r.l., Euroquality SAS and Europroject OOD; — analysing the reports prepared by the external experts engaged by the group to measure the fair value of the assets acquired and liabilities assumed with the acquisition of control over Corvallis S.r.l., Yoroi S.r.l., Queryo Advance S.r.l., Swascan S.r.l., Euroquality SAS and Europroject OOD; — involving experts of the KPMG network in the assessment of the reasonableness of the allocation models and related assumptions, including by means of comparison with external data and information; — assessing the appropriateness of the disclosures provided in the notes about the allocation of the consideration paid for the above acquisitions.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 29 April 2016, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2016 to 31 December 2024.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2021 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Tinexta S.p.A. are responsible for the preparation of a non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Rome, 30 March 2022

KPMG S.p.A.

(signed on the original)

Arrigo Parisi
Director of Audit

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(The accompanying translated separate financial statements of Tinexta S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Tinexta S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Tinexta S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Tinexta S.p.A. as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of the carrying amount of investments in subsidiaries

Notes to the separate financial statements: note 5 "Accounting policies" – paragraph "Equity investments", note 6 "Use of estimates" and note 12 "Equity investments recognised at cost"

Key audit matter	**Audit procedures addressing the key audit matter**
In the caption "Equity investments recognised at cost", the separate financial statements at 31 December 2021 include investments in subsidiaries of €354,675 thousand, recognised at acquisition or incorporation cost. When they identify indicators of impairment, the directors check their recoverability by comparing their carrying amount to their value in use calculated using the discounted cash flow model. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: — the subsidiaries' expected cash flows, calculated by taking into account the general economic performance and that of the subsidiaries' sector, the actual cash flows for recent years and the projected growth rates; — the financial parameters used to calculate the discount rate. For the above reasons and considering the materiality of the financial statements caption, we believe that the recoverability of the carrying amount of investments in subsidiaries is a key audit matter.	Our audit procedures included: — understanding the process adopted for impairment testing approved by the company's board of directors; — understanding the process adopted to prepare the 2022-2024 business plan approved by the company's board of directors (the "2022-2024 plan") from which the expected cash flows used for impairment testing have been derived, as well as analysing the reasonableness of the assumptions used; — analysing the most significant discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; — comparing the cash flows used for impairment testing to the cash flows forecast in the 2022-2024 plan and analysing any discrepancies; — involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing model and related assumptions, including by means of a comparison with external data and information; — assessing the appropriateness of the disclosures provided in the notes about the measurement of investments in subsidiaries.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

— conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;

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

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 29 April 2016, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2016 to 31 December 2024.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2021 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's separate financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Rome, 30 March 2022

KPMG S.p.A.

(signed on the original)

Arrigo Parisi
Director of Audit

Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to

Article 153 of the Consolidated Finance Law (TUF) and Article 2429, paragraph 2, of the Italian Civil Code

To the Shareholders' Meeting of Tinexta S.p.A.

Dear Shareholders,

As a preliminary point, please recall that the Board of Statutory Auditors appointed by the Shareholders' Meeting of Tinexta S.p.A. (hereinafter Company) on 27 April 2021 and in office for the 2021-2023 three-year period, i.e. until the date of the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2023, is formed as follows:

• Standing Auditors: Luca Laurini (Chairman), Andrea Bignami and Monica Mannino;

• Alternate Auditors: Anna Maria Mantovani and Maria Cristina Ramenzoni.

During the financial year ended 31 December 2021, the Board of Statutory Auditors carried out the supervisory activities required by the applicable legislation, in the performance of its own duties, to the extent of its responsibilities, as regards compliance with the law and with the Articles of Association, compliance with the principles of correct management, adequacy of the organisational structure, internal audit and administrative and accounting systems, as well as the reliability of the latter in correctly representing management events and the methods of practical implementation of the governance rules.

REFERENCE LEGAL FRAMEWORK

The performance of the functions assigned to us as Board of Statutory Auditors has been carried out in compliance with the applicable laws, and in particular with the provisions set forth under Article 149 of the Consolidated Law on Finance ("TUF"). More generally, we acknowledge that we assumed as inspiring values of our institutional activities the principles contained in the code of conduct of the Board of Statutory Auditors of listed companies issued by the Italian National Board of Chartered and Public Accountants (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili), the recommendations of the National Commission for Companies and the Stock Exchange (CONSOB) regarding corporate control and activities of the Board of Statutory Auditors, as well as the guidelines of the Corporate Governance Code of the Italian Stock Exchange.

The Board of Statutory Auditors is invested with the role of Internal Control and Auditing Committee pursuant to Article 19 of Legislative Decree 39/2010, taking into account the supplements and amendments to this made by Legislative Decree no. 135 of 17 July 2016, in implementation of Directive 2014/56/EU. The Board of Statutory Auditors is also entrusted with a supervisory role with regard to the obligations relating to non-financial information pursuant to Italian Legislative Decree 254/2016. As the Internal Control Committee, we acknowledge that we have received and examined the additional report pursuant to Article 11 of EU Regulation no. 537/2014 received from the Auditing Firm, transmitting it to the Board of Directors accompanied by our observations.

ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors planned its activities during 2021, on the basis of the reference regulatory framework, as well as carrying out the checks deemed most appropriate in relation to the activities and structural size of the Company.

The Board of Statutory Auditors' activities were as follows:

- regular meetings with the Heads of the different corporate functions;
- attendance at meetings of the corporate bodies, in particular of the Board of Directors and the Shareholders' Meeting;
- regular exchange of information with the Auditing Firm, in compliance with applicable law;
- exchange of information with the boards of statutory auditors of Subsidiaries;
- attendance of the Board of Statutory Auditors at the meetings of the board committees: Remuneration Committee, Related Parties Committee and Control, Risks and Sustainability Committee.
- acquisition of relevant information and assessment of the results of activities carried out by the Supervisory Board pursuant to Italian Legislative Decree 231/2001, with direct meetings and through Alberto Sodini, member of the Board of Statutory Auditors in his position of member of the same Supervisory Board until 27 April 2021 and, afterwards, through Monica Mannino, member of the Board of Statutory Auditors, in her position of member of the same Supervisory Board.

In drafting this report, the Board of Statutory Auditors performed a self-assessment of its work, recognising the adequacy of its members to perform the assigned functions in terms of professionalism, competence, time availability and independence requirements, as well as mutually acknowledging the absence of economic and financial conditions that could constitute a risk for the independence requirement. The report on the self-assessment of the members of the Board of Statutory Auditors was sent to the Board of Directors, which acknowledge it at the meeting held on 17 March 2022.

The remuneration of the Board of Statutory Auditors was established by the Shareholders' Meeting at the time of the appointment and is deemed by the Board to be adequate for the commitment required to carry out the role.

Frequency and number of meetings of the Board of Directors, the board committees and the Board of Statutory Auditors

We attended all 14 meetings of the Board of Directors held during the course of 2021, acquiring, in accordance with the provisions set forth under Article 2381, paragraph 5, of the Italian Civil Code and under the Articles of Association, timely and suitable information on the general management trend and on the Company's foreseeable evolution, as well as on the most significant transactions, for their size or characteristics, carried out by the Company.

We attended 12 meetings of the Control, Risks and Sustainability Committee, 9 meetings of the Remuneration Committee, and 1 meeting of the Related Parties Committee.

We attended one Ordinary Shareholders' Meeting held during the year. In this regard, the Board of Statutory Auditors verified the due constitution of the above-mentioned Board and Shareholders' meetings, together with the compliance of the resolutions taken by the Administrative Body and by the Shareholders' Meeting with the provisions of the Italian Civil Code and with the current Articles of Association. The adopted resolutions were deemed to comply with the principles of prudence and correct management and such resolutions were not in conflict with any provisions set forth under laws or the Articles of Association.

We held a central role in the overall control system, carrying out the supervisory activities through 17 meetings.

Comments in relation to the most relevant economic, financial and patrimonial transactions carried out by the Company and their compliance with the law and the Articles of Association

The information gathered in relation to the most relevant economic, financial and patrimonial transactions carried out by the Company and its subsidiaries, allowed us to ascertain their compliance with applicable laws, the Articles of Association and the conformity with the corporate interest.

In this respect, we consider that such transactions have been exhaustively described in the Report on Operations in the paragraph "Key events of the period", to which the reader is referred.

For our part we acknowledge that the work of the Board of Directors effectively responds to the requirement to be informed when taking the relevant resolutions.

In particular, the Administrative Body assessed the opportunities and the consequences of the transactions carried out on the basis of forecast estimates, due diligence, the financial impact of the transactions and a preliminary general assessment of the deriving impacts.

The transactions were disclosed to the market within the terms and with the required transparency.

Remarks regarding the compliance with the principles of correct management

We acquired information and supervised, to the extent of our responsibilities, on the compliance with the fundamental standard of correct and prudent management of the Company and with the more general principle of diligence, all the above thanks to our attendance at the Board of Directors' meetings, of the documentation and timely information directly received from the management bodies with regard to the transactions carried out by the Group.

The acquired information allowed us to verify the compliance with the law and the Articles of Association of the activities resolved and implemented and that such activities were not manifestly imprudent or risky.

As far as we have knowledge, the Delegated Body has acted within the extent of the powers granted to it.

The Board of Directors has received adequate information from the Delegated Body on the management trend of the Company and its Subsidiaries.

With reference to the Legislative Decree 231/2001, the Supervisory Body has carried out the control activities relating to the adequacy, the observance and the updating of the Management Model), without noting any critical points.

Remarks on the adequacy of the organisational structure

The composition of the Administrative Body complies with the provisions of Article 148, paragraph 3, of the Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4, with reference to the presence in the Board of independent directors drawn from minority lists and gender quotas.

During the financial year in question, we acquired information and supervised, to the extent of our responsibilities, on the adequacy of the Company's organisational structure in relation to the size and nature of the Company activities, having in this regard no particular remarks to report.

The Company centralised the protection, direction, coordination and monitoring activities of the subsidiaries.

The organisational structure is sufficiently adequate for the Group's structure. In particular, the Company has the following main functions overseen by its appointed managers:

- Administration and Finance Function;
- Legal and Corporate Function;
- Human Resources and Organisation Function;

- Internal Audit Function;
- Policies, Procedures & Quality Management System Function;
- Planning and Management Control Function;
- Information Security Function, with the appointment of a manager who also acts as DPO under the Privacy Policy (GDPR);
- Compliance Function;
- ICT Function;
- Purchasing Function.

We acknowledge that, in accordance with the principles of the Corporate Governance Code regarding the remuneration of executive directors and in line with the international best practices on the matter, the Company has a stock option plan that aims to constitute a medium-long term remuneration system favouring the alignment of the interests of senior executives with strategic responsibilities of the Group and with those of investors. In our opinion, the plan is a suitable instrument for developing a remuneration system correlated to the growth of the market value of the shares.

Lastly, we monitored the attribution of powers conferred to the Delegated Body and the definition of decision-making powers.

In compliance with the Corporate Governance Code prepared by the Committee for the Corporate Governance of Listed Companies, the Company has initiated a self-assessment by the members of the Board of Directors, entrusting the Compliance Function Manager with the task of setting up the analysis process and evaluating its outcome. For our part, we have monitored the process to assess its effectiveness. No particular suggestions for improving the process were ascertained.

At procedural level, in ascertaining that the Company has adopted an internal set of rules to meet the requirements deriving from listing on the Electronic Equity Market (Mercato Telematico Azionario - MTA), we note that, following the changes introduced in the reference regulatory framework, the internal procedures on Market Abuse are adequate and in line with the MAR Directive.

Independent directors constitute the majority of Directors.

The Board of Statutory Auditors has verified the correct application by the Board of Directors of the criteria for assessing the independence of its members, pursuant to Article 148, paragraph 3 of the Consolidated Law on Finance and Article 3 of the Corporate Governance Code of Borsa Italiana, a topic discussed by the Board of Directors at its meeting of 17 March 2022.

Remarks on the adequacy of the internal control system and in particular on the activity carried out by the persons in charge of Internal Control.

We oversaw the internal control system and its extension to the subsidiaries. We believe, also as a result of the increase in the number of staff dedicated to the internal control system, that the same is appropriate for the management characteristics of the Company and of the Group, meeting the requirements of efficiency and effectiveness in the management of risks and in compliance with the procedures and internal and external provisions.

The Company's control system is based on first, second and third level controls:

- of first level as implicit in the procedures or hierarchically entrusted to the same functions;
- of second level as attributed to Management Control and the *Compliance* Function;
- of third level, on the other hand, as entrusted to the *Internal Audit* function.

We verified the adequacy of the Internal Audit plan and interacted regularly with the head of the function.

As to the effectiveness of the internal control and risk management system – aimed at ensuring the protection of the corporate assets, the efficiency of the business processes, the reliability of the financial information and, more generally, the compliance with laws, the Articles of Association and internal procedures – we confirm to have assessed the completeness, appropriateness and effectiveness of the Risk Management Internal Control System noting that the planning process is supported by adequate informative systems and procedures that make it possible to reliably match the key economic and financial information with the outcomes of the informative systems used within each subsidiary.

The process ensures the accuracy and integrity of such information.

Remarks on the adequacy of the administrative/accounting system and its reliability to correctly represent management events

We assessed, to the extent of our responsibilities, the reliability of the administrative and accounting system to detect and correctly represent management events, by acquiring information directly from the Heads of the various Functions and through regular meetings with the Auditing Firm.

In this regard the Model created to comply with Italian Law 262/2005 and the controls implemented by the Financial Reporting Manager assume fundamental importance, also through the internal control function within the financial administrative governance framework.

The Company adopts a unique IT system (SAP system) for all the Group companies, aimed at ensuring a significant improvement in the management and control of business performance.

Comments and proposals in relation to the separate financial statements and their approval

With reference to the audit of the accounting records and the correct reporting of the management activities in the accounting records, as well as the matching verification between the financial statements information and the outcomes of the accounting records and the compliance of the financial statements with the reference normative framework, it should be noted that these duties are conferred to the Auditing Firm.

The opinion rendered by the Auditing Firm with reference to the separate and consolidated financial statements is “without modification"; therefore, it does not highlight any critical issues, situations of uncertainty or any limitations in the checks, nor does it call for informational requests.

From our side, we supervised the general approach given to the Financial Statements being examined. In particular, as already shown, having previously ascertained – through meetings with the Heads of the concerned Functions and with the Auditing Firm – the adequacy of the administrative and accounting system in detecting and correctly representing the management activities, we acknowledge that:

- the Financial Statements have been prepared with the application of the *International Financial Reporting Standards* (IFRS) and in accordance with the interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC), approved by the European Commission and effective on the date of the financial statements, as well as previous *International Accounting Standards* (IAS);
- the production, the setting and the presentation formats of the Annual Financial Statements comply with the reference normative framework;
- the Financial Statements are consistent with the events and the information of which we became aware following the attendance at the meetings of the Corporate Bodies which allowed the obtainment of adequate information in relation to the most significant transactions, from an economic, financial and patrimonial standpoint, carried out by the Company;
- to the knowledge of the Board of Statutory Auditors, the Board of Directors in drafting the Financial Statements did not derogate from the legal provisions established by Article 2423, fifth paragraph, of the Italian Civil Code;
- during the performance of the *impairment test* procedures, the Company adopted the internal model, properly reviewed and updated.

We ascertained that the Report on Operations is compliant with applicable laws, as well as consistent with the resolutions taken by the Board of Directors and with the information available to the Board of Statutory Auditors; we deem that the report described into said document meets the relevant provisions and contains a true, balanced and exhaustive analysis of the Company’s situation, of the management performance and result, as well as an indication of the main risks which the Company is subject to and provides express evidence of the elements which may affect the management development.

Furthermore, as stated by the Board of Directors in the Financial Report (paragraph "Implications of the Covid-19 pandemic on the Annual Financial Report as at 31 December 2021"), the analyses carried out within the Tinexta Group do not reveal any significant uncertainties or risks related to Covid-19 that would call into question the company's ability to continue as a going concern.

With reference to Consob's warning notice dated 18 March 2022 concerning the impacts of the Russia-Ukraine crisis and the need to provide information, on both qualitative and quantitative bases as far as possible, on the current and foreseeable, direct and indirect, effects of the crisis, the Company assessed that it has no direct exposure to the Russian and Ukrainian markets and for this reason as of today, although uncertain of how the conflict will develop, effects on operations cannot be predicted.

In this regard, to the extent of our competence, supervisory activities will also be carried out this year to ascertain the adequacy of the governance actions that the Board of Directors shall deem appropriate to support and protect the company's assets and business continuity, as well as the safety of the working environment and employees is concerned.

With respect to the financial statements as of 31 December 2021, we have no further comments or proposals to submit. The supervisory and control activity carried out by the Board of Statutory Auditors during the financial year, also in relation to the tasks attributed to the same as Committee for the Internal Control and Audit of the accounts, as described in this report, did not highlight further events to be reported to the Shareholders' Meeting.

Furthermore, the Board of Statutory Auditors verified that the Company has fulfilled the obligations set out in Legislative Decree 254/2016 and that, in particular, it has drawn up the Consolidated Non-Financial Declaration in compliance with the provisions of Articles 3 and 4 of said decree.

In exercising its functions, the Board of Statutory Auditors supervised compliance with the provisions contained in Legislative Decree 254 of 30 December 2016 and in the Consob Regulation implementing the decree adopted with resolution no. 20267 of 18 January 2018, particularly with reference to the preparation process and the contents of the Non-Financial Declaration ("NFD") prepared by the Tinexta Group.

On 17 March 2022, the Board of Directors approved the NFD as a document separate from the Report on Operations accompanying the consolidated financial statements as at 31 December 2021.

The Auditing Firm tasked with the limited examination of the NFD pursuant to Article 3, paragraph 10 of Legislative Decree 254/2016 pointed out in their report issued on 30

March 2022 that no elements such as to find the NFD of the Tinexta Group regarding the year ended on 31 December 2021 not prepared in all important aspects in compliance with the requirements under Articles 3 and 4 of Legislative Decree 254/2016 and in the "*Global Reporting Initiative Sustainability Reporting Standards*" came to their attention.

In addition, the Auditing Firm reported that the conclusions set forth in said report do not extend to the information contained in the paragraph "Taxonomy" of the NFD, required by Article 8 of European Regulation 2020/852.

Remarks regarding the consolidated financial statements

The Consolidated Financial Statements as at 31 December 2021, as already noted, were drawn up through the application of the *International Financial Reporting Standards* (IFRS), in accordance with the interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC), approved by the European Commission and in force at the reporting date, as well as the previous *International Accounting Standards* (IAS).

The consolidation area includes InfoCert S.p.A., Innolva S.p.A., RE Valuta S.p.A., Co.Mark S.p.A., Visura S.p.A., Warrant Hub S.p.A., Tinexta Cyber S.p.a., Sixtema S.p.A., AC Camerfirma SA, Certeurope S.A.S., Comas S.r.l., Innolva Relazioni Investigative S.r.l., Forvalue Spa, Co.Mark TES S.L., Queryo Advance srl, Warrant Innovation Lab S.r.l., Warrant Service S.r.l., Bewarrant S.p.R.l., Privacylab S.r.l., Trix S.r.l., Euroquality SAS, Europroject OOD, Financial Consulting Lab srl, Financial Clab srl, Swascan srl, Corvallis srl, Yoroi srl, Camerfirma Perù S.A.C., FBS Next S.p.A., Etuitus S.r.l., Authada GmbH, Camerfirma Colombia S.A.S., IDecys S.A.S., Creditreform GPA Ticino S.A., Wisee srl società benefit, Innovazione 2 Sagl, Studio Fieschi & soci srl, Opera Srl, and Digital Hub S.r.l..

Following the supervisory activity carried out on the Consolidated Financial Statements and on the basis of the direct disclosures and the information obtained, the Board of Statutory Auditors has ascertained and may acknowledge, that:

– the provisions concerning the establishment and the framework of the Consolidated Financial Statements and of the accompanying Report on Operations have been complied with;
– the documents taken on the basis of the full consolidation process are represented by the draft Financial Statements referring to 31 December 2021, as approved by the competent Administrative Bodies of the subsidiaries, and adjusted, where necessary, to make them consistent with the accounting standards applied by the Parent Company. For companies whose control was acquired during the year, the relative financial statements have been consolidated starting from the date on which control was acquired;
– no subsidiary company is excluded from the consolidation area;

– the scope, valuation criteria and consolidation principles adopted are adequately illustrated by the Directors in the Explanatory Notes.

The Board of Statutory Auditors took note of the "without modification" opinion expressed by the Auditing Firm with specific reference to the statutory audit of the consolidated accounts, and thus the absence of uncertainty or any limitations in the verifications or information recalls.

Information regarding the adherence of the Company to the Corporate Governance Code issued by the Committee for the Corporate Governance of Listed Companies

As already mentioned above, the Company has decided to adhere to the Corporate Governance Code, prepared by the Committee for the Corporate Governance of Listed Companies.

It should be noted that the Company has not set up an Appointments Committee, a choice justified by the following circumstances, which also arose from the self-assessment carried out by the members of the Board of Directors: the majority of directors on the Board are independent, the Chairman is extraneous with respect to the management of the business and he has made contributions to ensure the transparency of how Board workings are conducted.

Remarks on the adequacy of the instructions issued by the Company to its subsidiaries pursuant to Article 114, paragraph 2, of the Consolidated Finance Law (TUF)

The Board of Statutory Auditors oversaw the adequacy of the instructions given by the Company to its subsidiaries pursuant to Article 114, paragraph 2, of the Consolidated Finance Law (TUF), and the correct flow of information between them, and believes that these instructions allowed the latter to promptly provide the Company with the information necessary to comply with the disclosure requirements set forth by the legislation. The information flow to the central Auditor, articulated on the various levels of the corporate control chain, active throughout the year and functional to the control activities of annual and interim accounts, was considered effective.

The Board of Statutory Auditors met and maintained a liaison with the Supervisory Bodies of the subsidiaries in order to share issues of common relevance for the various Group companies: as a result of these meetings, no critical issues worthy of mention arose.

Finally, we activated a process to monitor the progress achieved for the implementation by the subsidiaries of the internal procedural framework.

Related Party transactions. Indication of the possible existence of atypical and/or unusual transactions, including intragroup or related party transactions

The Company has adopted a Procedure for Transactions with Related Parties. The Control and Risk Committee was also entrusted with the role of Related Parties Committee until the latter was formed on 27 April 2021: the Related Parties Committee is called to carry out a preliminary exam and to provide an opinion concerning the various typologies of related party transactions, except for those transactions which, pursuant to the same procedure, are excluded.

For our part we acknowledge that we have found the substantial suitability of the procedure adopted. The mapping of the Related Parties is updated periodically on an annual basis.

As a result of our control activities and attendance at the Board of Directors meetings, we acquired appropriate information on intragroup and related party transactions that are adequately described in the Report on Operations and in the Explanatory Notes, in compliance with the indications to be provided in this context on the basis of the CONSOB resolutions.

These are transactions with and between Tinexta's subsidiaries, which are part of the company's normal operations and were settled at normal market conditions. Therefore, they fall within the scope of operations excluded from the application of the procedure and the scrutiny of the related Committee.

We also acknowledge the compliance of these transactions with law and the Articles of Association, their compliance with the company's interest, and the absence of situations that would entail further considerations and comments.

The Company has not carried out any intragroup, related party, or third party transactions which are atypical and/or unusual during the financial year.

Indication of the potential submission of complaints pursuant to Article 2408 of the Italian Civil Code, of petitions, of the potential initiatives taken and their relevant outcomes.

We acknowledge that during the 2021 financial year no complaints pursuant to Article 2408 of the Italian Civil Code or petitions have been submitted to the Board of Statutory Auditors.

Remarks on the possible significant issues arising during the meetings with the Auditors pursuant to Article 150, paragraph 3, of the Consolidated Finance Law (TUF)

In 2021, the Board of Statutory Auditors met and held 5 meetings (including meetings held during the current year) with the Auditing Firm. The results are presented in the section of this Report, related to the activity carried out by the Board in its role as Internal Control and Auditing Committee (ICAC).

Final evaluations concerning the supervisory activity carried out, as well as any omissions, reprehensible facts or irregularities detected performing such activity

We certify that our supervisory activity, carried out during the 2021 financial year, has been performed under normal circumstances, and that it has not revealed any significant events that would require a specific mention in this report. Pursuant to Article 153, paragraph 2 of the Consolidated Finance Law (TUF) regarding the Board's competence, the Board does not believe it has to make additional proposals or comments.

Indications on the content of the Auditing Firm's Report and judgement of the Financial Statements

The audit report for the year ended on 31 December 2021 presents:

- the paragraph containing the key audit matters;
- the paragraph on the responsibilities of the Auditing Firm in order to provide more information on the activities carried out within the audit process, including the communications to the persons responsible for the *governance* activities;
- the paragraph containing specific declarations required by Regulation (EU) 537/14;
- the paragraph containing not only the opinion on consistency of the report on operations with the financial statements, but also that of its compliance with legal provisions and the declaration on any significant errors found;
- the paragraph containing the opinion on the compliance of the financial statements with the provisions of Delegated Regulation (EU) 2019/815 on the subject of European Single Electronic Format (ESEF).

The report issued by the Auditing Firm contains an unqualified opinion that does not require disclosure.

Indication of possible conferral of further assignments on the Auditing Firm and related costs

On the basis of the information acquired, the Auditing Firm were appointed for the financial years up to 31 December 2024 to carry out a limited review of the Group's Consolidated non-financial declaration prepared in accordance with Italian Legislative Decree 254/2016.

The Board of Statutory Auditors, as ICAC, has examined KPMG S.p.A.'s proposal and has positively assessed the appropriateness and consistency of the procedures indicated in it, also considering the greater effectiveness and efficiency of the work carried out for this purpose by the same person appointed to audit the accounts.

Furthermore, the ICAC, having evaluated the economic offer, verified the maintenance of the requirements in terms of independence in accordance with Article 5.4 of Regulation no. 537/2016 and expressed approval for the assignment to certify the Declaration of Non-Financial Data.

Indication of the possible appointment granted to parties which have relationships with the Auditing firm

During the financial year, no assignments were appointed to entities belonging to the KPMG S.p.A. network. There have also been no assignments to the shareholders, directors, members of the control bodies or employees of the Auditing Firm itself and to companies controlled or connected to it.

The Auditing Firm issued the declaration on their independence in relation to which reference should be made to the section of this report concerning the activity carried out by the Board in its role as ICAC.

Indication of the existence of opinions, proposals and remarks issued in compliance with law during the financial year

In 2021 financial year, the Board of Statutory Auditors expressed its opinion in all those cases in which it was requested by the Board of Directors, also in compliance with regulatory provisions requiring prior consultation with the Board of Statutory Auditors.

The Board notes that it has issued, in 2021, the following opinions:

- approval in relation to the proposals of the Remuneration Committee regarding the Group's remuneration policies;
- favourable opinion to co-opt a member of the Board of Directors.

ROLE OF THE COMMITTEE FOR INTERNAL CONTROL AND AUDITING ACTIVITY

Pursuant to Article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors acts as the Internal Control and Audit Committee (ICAC) and in this capacity has carried out the activities required by law.

As a preliminary point, the Board declares that it has carried out the necessary self-assessment in this regard by recognising in itself, also in its capacity as members of the ICAC, the possession of the competence requisites with respect to the sector in which the Company operates.

The supervision of the financial reporting process by the Board in its capacity as ICAC is summarised below.

- The ICAC monitored the independence of the Auditor, as required by Article 10-bis of Legislative Decree 39/2010 and Article 6 of the European Regulation no. 537 of 16 April 2014, to carry out the task in terms of independence and objectivity, definition of appropriate measures to mitigate the risks of independence, availability of competent professional staff, authorisation of the person responsible for the assignment to perform the legal audit.

- In relation to the above, the Auditing Firm was appointed to carry out a limited review of the Group's Consolidated non-financial declaration, the Gap analysis of Yoroi Srl, Queryo Advance Srl, and for covenant certifications for a credit institution.
- The ICAC monitored the work of the Auditing Firm and, in this regard, acknowledges that it has assessed ex-ante the planning of the activity by the Auditing Firm, and that it is consistent with the size and characteristics of the Company, as well as the risk assessment of errors or frauds conducted by the Auditor itself, which appeared consistent with the information available to the ICAC.
- With regard to the assessment of the effectiveness of the internal control and risk management systems of the Company related to financial reporting, the ICAC took account of the controls adopted, pursuant to Italian Law 262/2005, by the Financial Reporting Manager and of the improvements the same suggested also by the Internal Audit function as a result of the ad hoc tests carried out. In particular, we believe that the Company's decision to have adopted a Group ERP (SAP system) represents the consolidation of the administrative and financial governance system.
- The ICAC has taken note of the methods adopted by the Auditing Firm for the performance of the assignment, which consist of, with risk-adjusted graduation, process evaluations, direct detailed procedures and analysis procedures, comparative to the previous year.
- With reference to the work of the Auditor, the ICAC has verified the absence of objections by the Auditor in relation to the evaluation methods adopted by the Company with regard to their correctness, to the adequacy of their application with particular regard to coherence with the de facto situation of the options exercised and the reasonableness of the parameters assumed.
- The Board of Statutory Auditors, in its capacity as ICAC, notes that it has ascertained, as has the Auditor, the absence of events or circumstances that could raise significant doubts regarding the continuity of the business, as well as the absence of significant weaknesses in the internal control system for financial information and/or accounting system.
- In its capacity as ICAC, the Board acknowledges that it has not ascertained, as the Auditor has not, the presence of significant events concerning cases of non-compliance, actual or presumed, with laws and regulations or provisions of the Articles of Association detected during the audit, deemed important for allowing the ICAC to carry out its functions.

With regard to the key audit matters, the ICAC acknowledges that they were discussed by the Auditor with the Financial Reporting Manager and with the ICAC itself, analysing in depth the reasons for which key aspects were considered, the related auditing procedures performed in response to these risks and the main observations made by the Company. The *key audit matters* (KAM) identified by the Auditor relate to:

- the individual financial statements: recoverability of the value of investments;
- the consolidated financial statements: recoverability of goodwill and allocation of the price paid for the acquisition of the subsidiary companies.

The ICAC shares the identified KAMs and acknowledges that the auditing procedures adopted by the Auditor are adequate relative to the risk.

With regard to the other significant aspects, the ICAC acknowledges having discussed them with the Auditing Firm, examining the reasons and the related audit procedures implemented in response to these risks. These concern:

– Management forcing controls;
– *revenue recognition* (for the consolidated financial statements).

In this regard, it acknowledges that the control procedures adopted by the Auditor appear to be adequate.

CONCLUSIONS

As a result of the supervisory activity carried out during the 2021 financial year and taking into account the findings of the activity performed by the entity in charge of the auditing of the accounts, included in the relevant accompanying report to the Financial Statements:

a) we acknowledge the adequacy of the organisational, administrative and accounting structure adopted by the Company and its concrete functioning, as well as the efficiency and effectiveness of the internal controls, internal audit and risk management system;

b) we do not see, for the reasons for which we are responsible, any reasons preventing the approval of the financial statements for the year ended 31 December 2021, as drafted by the Board of Directors, and the proposal made by the same Administrative Body regarding the allocation of the profit earned.

Milan, 30 March 2022

STATUTORY AUDITORS

Luca Laurini, Chairperson

Monica Mannino, Standing Auditor

Andrea Bignami, Standing Auditor