2022 Consolidated annual financial report

Tatatu S.p.A.
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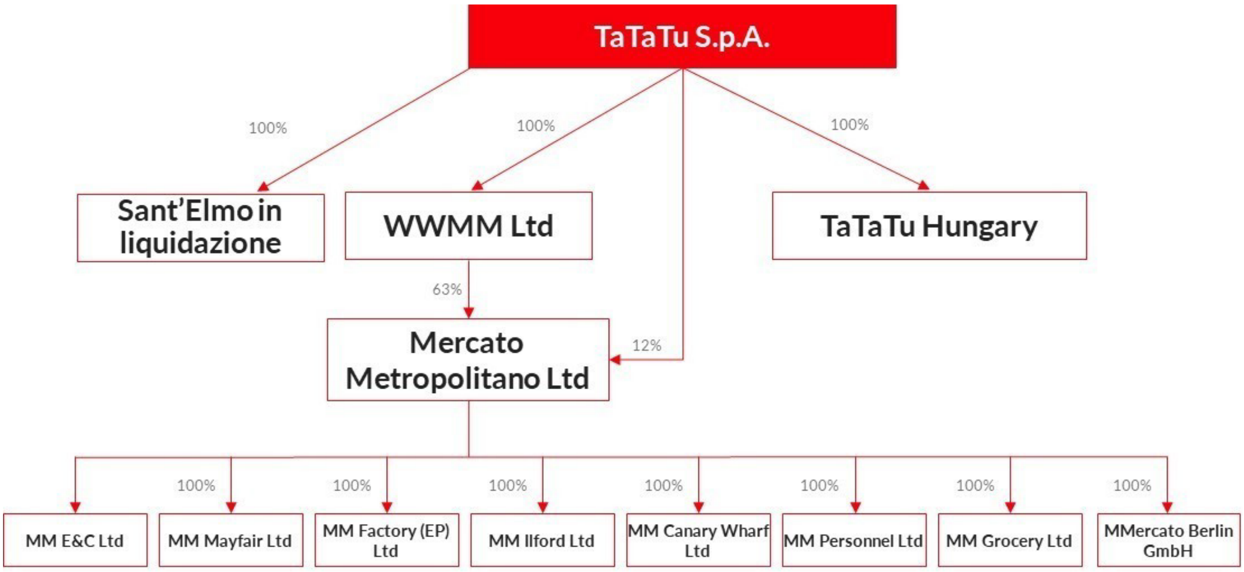
No atypical and/or unusual transactions were carried out in the period between 31/12/2021 and 31/12/2022. 121

REPORT ON OPERATIONS AS AT 31/12/2022

1. Introduction

The management report of the Tatatu S.p.A. Group is presented in a consolidated form to accompany the consolidated financial statements of the Group, whose scope of consolidation are included the parent company Tatatu S.p.A, the wholly-owned subsidiary Tatatu Hungary K.f.t. and the company WWMM LTD which controls - directly and indirectly - the Metropolitan Market Group (hereinafter referred to as the Metropolitan Market Group) at 75% whose purchase was completed by Tatatu on 13 May 2022, as well as Sant'Elmo S.r.l. in liquidation. The following is a graphical representation of the Group and the companies included in the scope of consolidation:



The Tatatu Group, as summarised in the diagram above, operates in the digital sector through its subsidiary TaTaTu Hungary and in the food sector through the WW MM Group.

The acquisition of the Mercato Metropolitano Group is consistent with the 'phygital' business strategy, i.e. to unite the fiscal and digital worlds. This acquisition represents an opportunity, which has already been successfully tested in other sectors, to increase the user base by reducing the marketing costs of user acquisition and retention, offering a further opportunity for the expendability of TTT Coins as the main form of rewarding Tatatu users. As will be amply detailed later in this document, the TTT coin can be spent in the Tatatu App either through e-commerce or by participating in auctions.

The consolidated financial statements as at 31 December 2022 closed with consolidated revenue of Euro 113,357 thousand, an increase of Euro 65,961 thousand compared to 31 December 2021. The contribution of the acquisition of the Mercato Metropolitano Group to the increase, as mentioned earlier in revenue, was Euro 8,601 thousand.

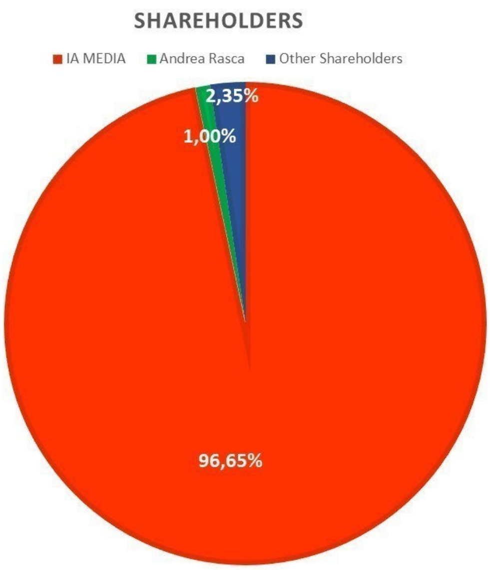
Adjusted EBITDA[1] net of non-recurring expenses[2] (amounting to about Euro 7,369 thousand) for the year 2022 was Euro 4,716 thousand (4.16%) and shows a good level of marginality in line with the business plan.

This achieved result is an excellent goal and confirms the soundness of the strategic vision of having identified '*anchor clients*' to whom important advertising spaces have been sold for an extended period and with which their payment solutions have been accepted through the sale of video content that forms the basis of the company's library. This approach has enabled the Group to continue to enrich its contents, making the platform increasingly more attractive.

2. Information for Group Shareholders

The company Tatatu S.p.A. as of 19 October 2022, is listed on Euronext Growth Paris through a direct listing transaction, and the reference price of the shares on the date of admission to trading on the market was Euro 2.00, equal to the subscription price of a private placement made before listing.

As at 31 December 2022, the composition of the relevant shareholders is shown below:



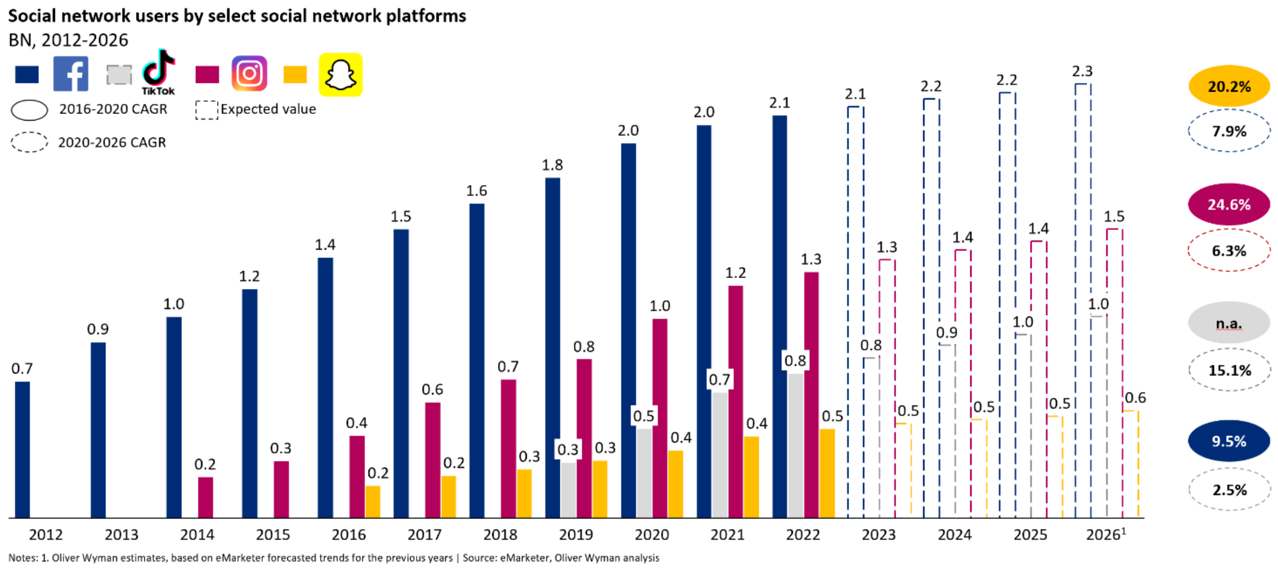
3. The macroeconomic and the reference market

3.1. The macroeconomic and market context

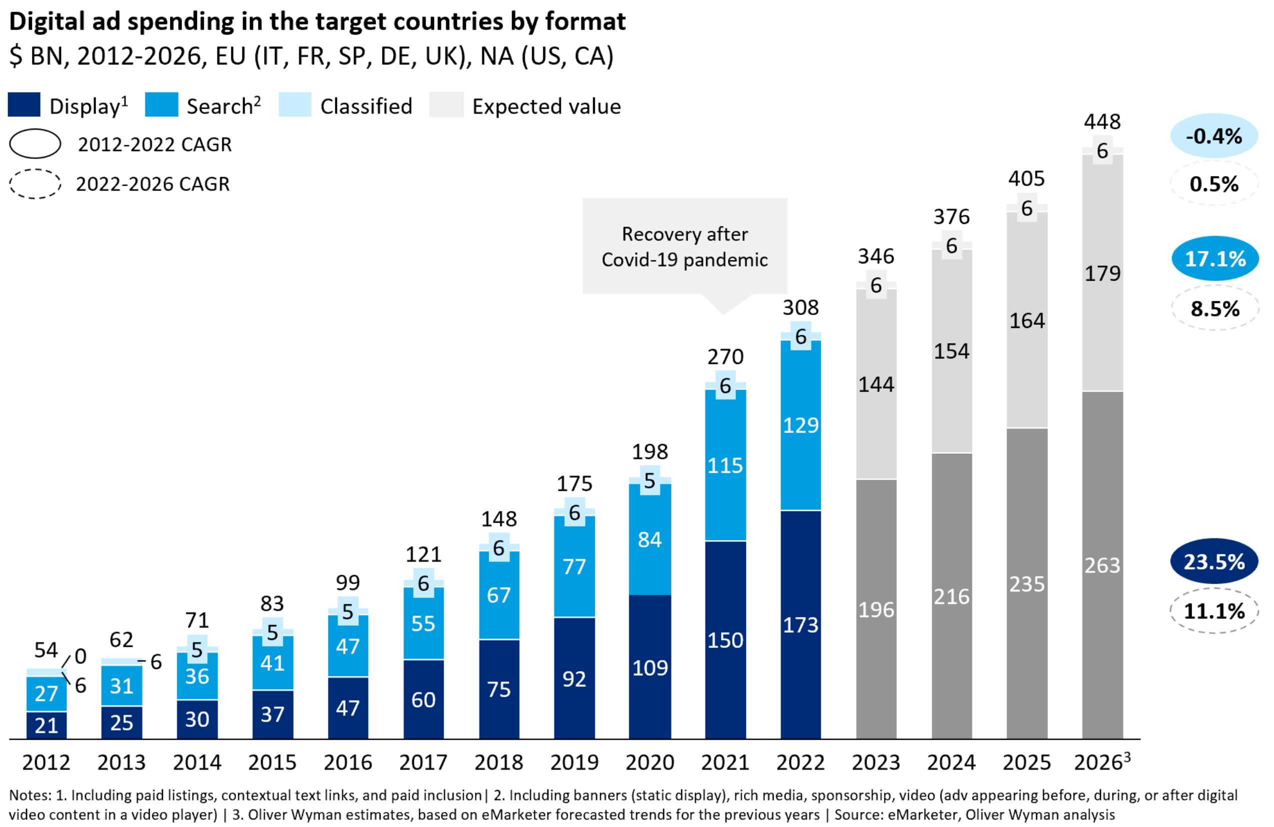
The push for a strong economic recovery, post the effects of the covid pandemic containment measures, partially mitigated by the recent war in Ukraine, confirmed that the social media market still has discrete growth margins, as summarised in the following graph.

[1] 'EBITDA ADJ' is defined as EBITDA (Earning Before Interests, Taxes, Depreciation and Amortisation), including the amortisation of video content, thus classified in cost of sales.

[2] Non-recurring expenses are defined as the costs for legal, advisory and audit advice closely related to the IPO transaction on 19 October 2022 and the costs for the M&A transaction during the 2022 financial year. These costs as at 31 December 2022 amount to approximately EUR 7.4 million.

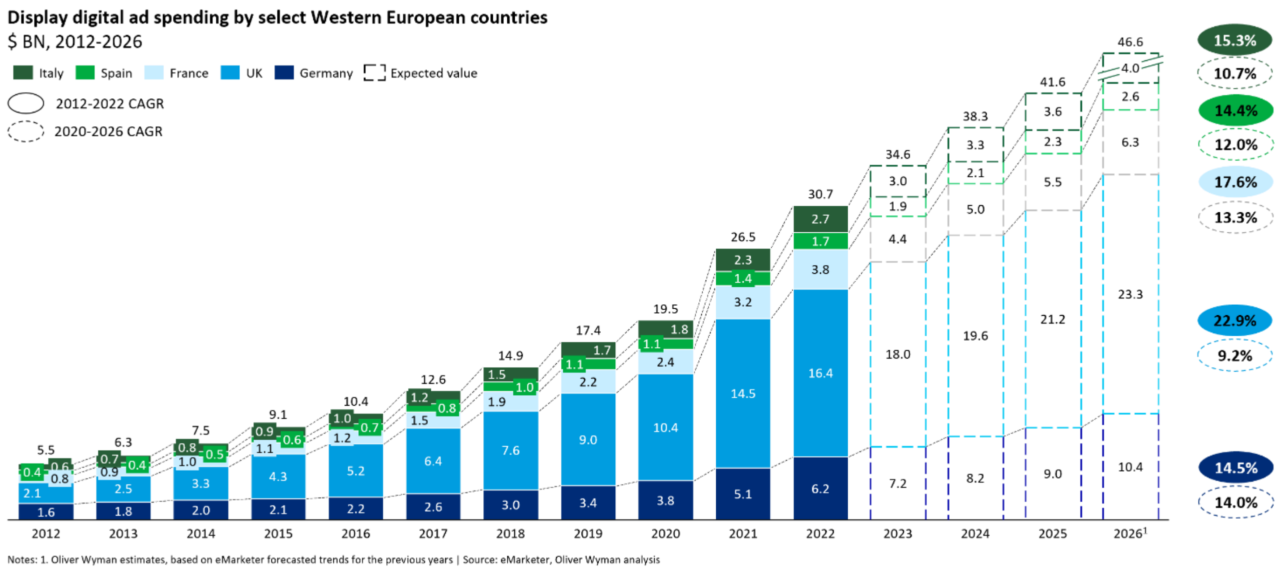


Regardless of the type of content that is consumed, each type of generation routinely uses their devices to obtain information and entertainment, creating a huge opportunity for media companies to engage the public. In this context, the digital advertising market in which the Group operates shows considerable room for growth, as shown in the graph below.



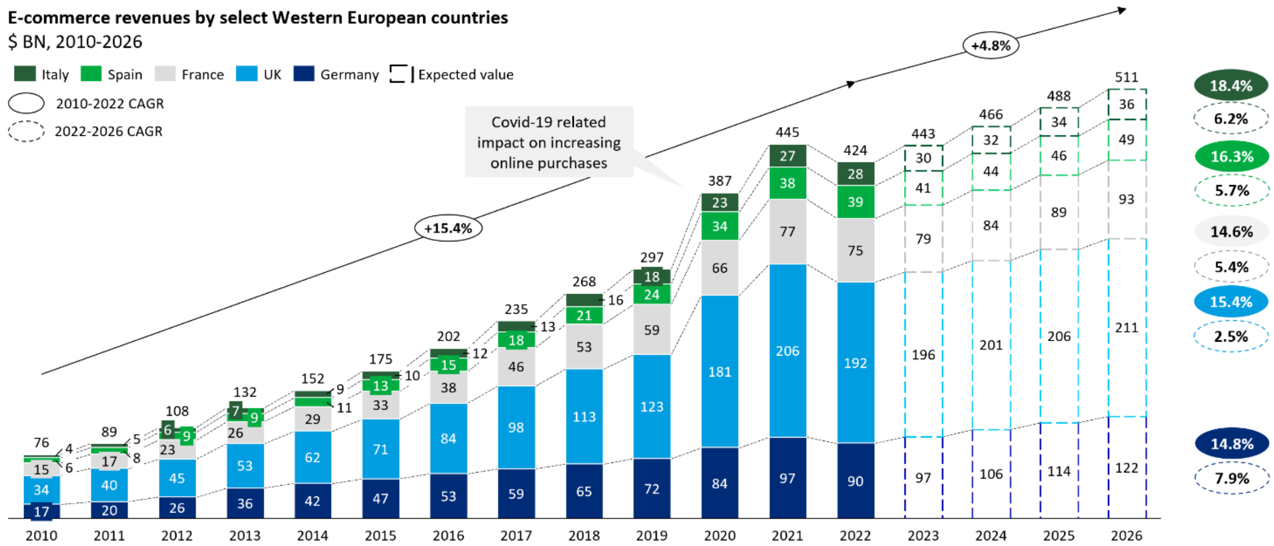
Notes: 1. Including paid listings, contextual text links, and paid inclusion | 2. Including banners (static display), rich media, sponsorship, video (adv appearing before, during, or after digital video content in a video player) | Source: eMarketer

This growth in digital advertising shows a very significant growth especially in the Western Europe area.



Source: eMarketer

The growing use of devices, partly accentuated by the pandemic crisis, has favoured another market segment with high growth potential, namely that of e-commerce, a business line on which the Group is focusing. Below is a graphical representation of the growth expected for the next few years.



Source: eMarketer, Oliver Wyman analysis

3.2. Some considerations on corporate social responsibility

Commitment to and consideration of environmental, social and governance aspects to promote a more sustainable society and economy are at the top of the agendas of global societal and economic players, as follows:

TATATU PAYS SPECIFIC ATTENTION TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS AND IS IMPLEMENTING A SERIES OF SPECIFIC INITIATIVES

ENVIRONMENTAL

Objectives

- To minimise the company's energy consumption, waste and pollution and to maximise the conservation of natural resources
- To monitor every potential environmental risk faced and to learn how to manage it

Commitment

- To select technological **suppliers that comply with the environmental sustainability protocols** and that proactively implement sustainable strategic practices
- To carry out activities mainly supported by **renewable energies** and to keep emissions down

SOCIAL

Objectives

- To maintain business relations only with partners that share the same sustainability values
- To provide a contribution to the local community through charity/voluntary activities
- To guarantee optimal work conditions, paying utmost attention to the health and safety of employees

Commitment

- To promote **contents with a high social impact** (e.g., "Giving Back Generation" vodcast)
- To maintain **flexible working hours and a flexible workplace,** allowing employees to manage their own work as they believe is appropriate
- **To promote diversity** amongst employees and to support the most vulnerable groups

GOVERNANCE

Objectives

- To use accurate and transparent accounting methods
- To offer stakeholders the opportunity to vote regarding important matters
- To avoid conflicts of interest in the choice of members of the Board of Directors

Commitment

- To guarantee **transparent accounting,** providing detailed information on specific accounting choices
- To guarantee a transparent and **clear selection of members of the Board of Directors**

The importance of these factors can be found in the ever-increasing importance of non-financial sustainability reporting (the so-called social report), which, together with an adequate communication policy in compliance with the principle of accountability, constitutes an irreplaceable means of corporate characterisation that is recognised globally.

The preparation of the company's financial statements will be the next step for the Company and the Group to be in line with the objectives of transparency and compliance with ESG issues.
The Tatatu Group pays particular attention to ESG values, and rewarding users for the social activity they perform on the platform makes the Tatatu Group compliant with these requirements, as confirmed by recent studies by leading international consultancies.

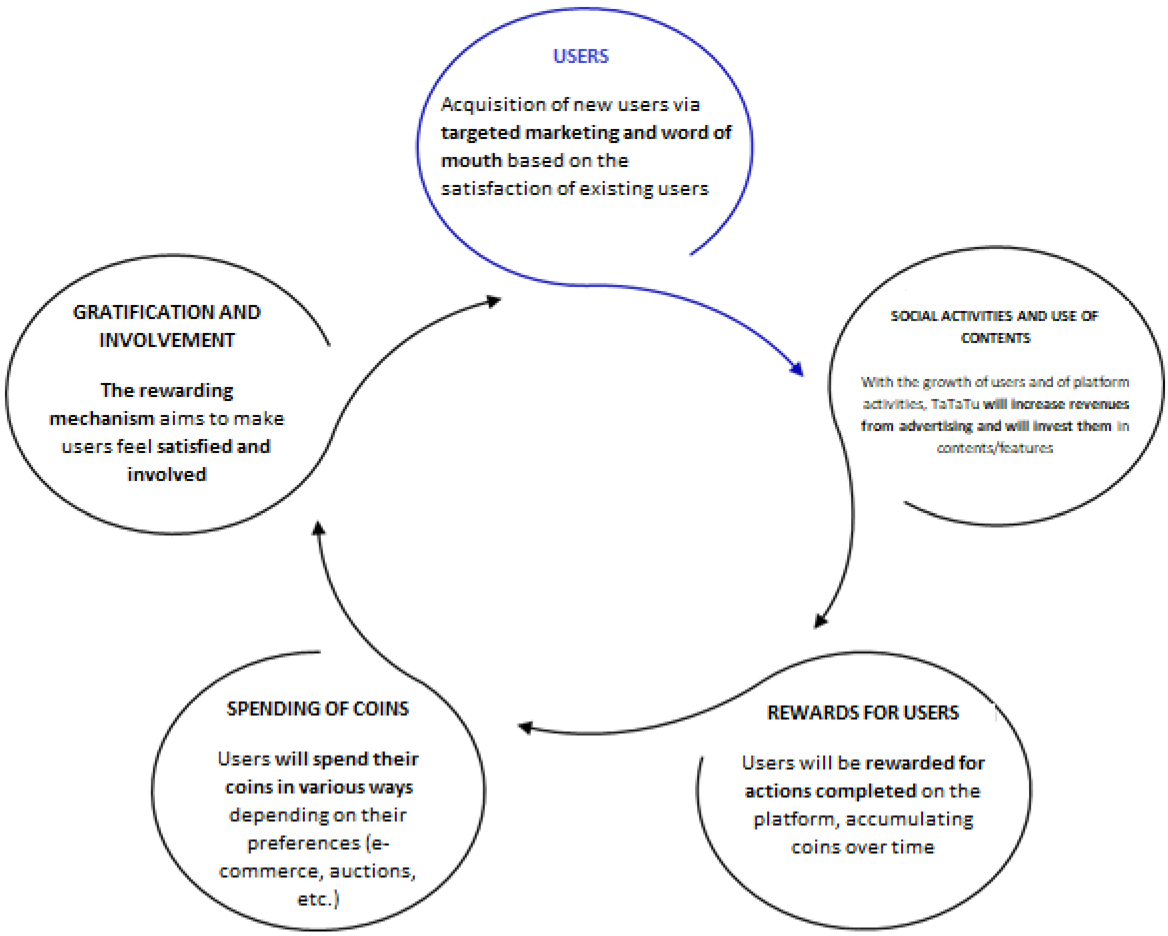
4. The Group's business model

The Tatatu Group owns and manages the Tatatu App. It is the first sharing economy for leisure time (RAVOD: Rewarding Video On Demand) and includes social media activities, posts, video calls and chat, viewing of premium video content (at no cost to end users) and e-commerce. In other words, the user is considered similarly to a stakeholder of the company.

The Group's business model is mainly based on the rewarding mechanism as a distinctive element and as a means of engagement, i.e. after users have registered in the app, through the enjoyment of content and social network-related actions they receive rewarding in the form of TTT coins[3] that can be spent on the app itself either through the use of the e- commerce platform or through participation in auctions that allow the purchase of the latest products and participation in experiences with celebrities from the international film industry. Furthermore, the TTT coin in the business model is 'spendable' through the '*Redeem near by*' formula, i.e., at affiliated merchants that own physical stores in various product sectors, which thus benefit from greater visibility with a consequent increase in their customers within your store, simultaneously increasing the appeal of the App itself. The execution of the business model linked to Redeem nearby took place during the financial year 2022 through the acquisition of the Mercato Metropolitano Group with the specific objective of expanding the user base by combining the physical and digital worlds (so-called phygital), offering further opportunities for TTT Coin spendability.
This business model, therefore, feeds a virtuous circle that will allow the company to achieve growing visibility and attract investments in digital advertising by primary national and international customers with consequent benefits in terms of financial flows which, further reinvested in the company, will facilitate development.
In this way, the interests of the various stakeholders (users, platform, partners, etc.) are aligned, given that all benefit from the growth of the 'community'.

[3] It should be pointed out that the TTT Coin is not a cryptocurrency but a total discount that is granted to the user for the social activities they perform on the platform.

Below is a graph that represents the vision of the 'Circular Economy' of the business model of the Tatatu S.p.A. Group.



Tatatu's vision is therefore based on a fair system in which the creation of value of an app is given by the meeting between Users, Platform, Video content producers and Advertisers (Advertisers), providing for the sharing of the value itself with the users themselves.

In light of the above, a significant part of the platform's revenues is essentially digital advertising, the value of which is shared with users. Conversely, the cost of sales is mainly represented by the amortisation of the video content, the costs of technology to implement the development of the app, and finally, the marketing costs to attract new users to expand the *'community'*.

Tatatu is available on WebApp, iOS, Android, Huawei AppGallery store, Web App and soon on Smart TV and Apple TV.

The Tatatu Group pays particular attention to Sustainability: Tatatu believes in creating a positive social impact through content. Tatatu buys original content with an important focus

on the values of inclusion, culture, gender equality and sustainability. During 2022, the Group launched a specific project for the integration of Sustainability and Business. This focus derives both from the growing needs in the financial field and from the awareness that this issue can be a further driver for the development of the company business.
Tatatu S.p.A. is the owner of the technological platform for the App and is the entity in charge of defining the strategic direction of the Group. Tatatu Hungary is specifically the entity that, under the coordination and direction of the parent company, is in charge of worldwide advertising sales activities, as well as the management, use and purchase of audiovisual content to be streamed on the App.

5. Activities carried out in 2022

The financial year 2022 is characterised mainly from a financial point of view by listing the company's shares at EUR 2.00 per share on the Euronext Growth market in Paris.
This year, the Group also benefited from the financial resources it raised from equity and debt, approximately EUR 7 million in cash and EUR 10 million in bank financing, respectively.
From the point of view of operational activities, these resources made it possible to develop the main 'pillars' of the business plan outlined below:

- Video content;
- Marketing costs;
- Costs for Technology;

Concerning video content during the financial year 2022, management focused on consolidating relations with 'anchor clients' to whom important advertising space was sold for an extended period and with whom their payment solutions were accepted through the sale by them of video content constituting the company's library, which constitutes a strategic asset for the company and its development. The library, as described below, was enriched with new content during the financial year 2022.

During 2022, our acquisition strategy continued the focus on premium content with a young and family target audience, including animation products, films and vodcasts on lifestyle, technology and current affairs. Throughout 2022, we have expanded both the quality and quantity of the offering, providing Tatatu's international audience with hundreds of hours of new content.

The new series 'Puffins Impossible' also represents a key investment for 2022 to continue the already distributed series 'Arctic Friends' and 'Puffins' success. During 2022, our anchor clients allowed us to acquire new video content, enabling us to increase our library with new episodes of short animation content. In particular, our library was further enriched as follows (i) we added 18 new episodes of 'Puffins Impossible', (ii) 47 additional episodes of 'Arctic Friends' and finally, 85 additional episodes of 'Puffins'.

The audience, both Millennial and Gen C, continues to appreciate short content with high production value. For this reason, our editorial line will continue to focus on this type of

content.
To this end, we acquired from Frequency Production the second and third seasons of Giving Back Generation featuring great talents from the worlds of entertainment, music, sports and social.

In addition, partnerships with Forbes and Minerva have further enriched our offer with productions on finance, technology, entrepreneurship and cult and classic films, respectively.

Overall, we extended many of our existing offers. This content varies from extreme sports, interviews with film directors, weekly news feeds of celebrities, sports and adventure content, factual film series, short films and documentaries, games and e, football sports content, and cult films and TV programmes.

Marketing expenses increased by about Euro 400 thousand compared to the previous year. These costs were mainly incurred for expanding the user base and retention activities.

Management focused on the development of technology to improve some features of the app and to introduce new ones:

- Launch of the chat function within the app;
- Possibility for users to choose interests to improve the perception of the social network;
- Implementation of post controls;
- Possibility of earning TTT coins on third-party platforms such as Chili;

Consistent with this approach, the company recorded an increase in costs for maintenance technology services in 2022 of about Euro 823 thousand in addition to capitalised development costs (internal staff and external suppliers) of about Euro 263 thousand.
The improvement of the App was also achieved with the contribution of a dedicated structure of qualified personnel based in Serbia consisting of around 30 resources.

The actions implemented during the financial year 2022 affected some non-financial KPIs, such as the number of users and the utilisation of TTT coins.
Concerning the data on users and 'Ttu coins' in circulation, it must be premised that the data provided represent the best estimate obtainable from the Company's current information systems, which, although on the whole sufficiently effective and efficient, are still in BETA mode and are subject to continuous new technical implementations of app functionalities and improvements. This implies that some information, which might also have a bearing on the quantitative aspects of the data, might be improvable. Therefore, these figures represent the best possible estimate that management can provide at this time.

Users who completed the registration process for Tatatu's web or mobile App, excluding the user detected as fraudulent or false by the Company's current internal detection tools, increased from approximately 95 thousand as of 31 January 2022 to approximately 350 thousand as of 31 August 2022 and to approximately 900 thousand as of 31 December 2022. These users are mainly based in European countries, reflecting the spread of the Company by word of mouth.

The 'Ttu coins' in circulation as at 31 December 2022, excluding those related to users detected as fraudulent or false by the Company's current internal detection tools, amounted to 54,288 thousand. The related cost is accounted for on an annual accrual basis.

The gradual implementation of the expendability of TTT coins both through auctions in which users can obtain high-value products and through e-commerce has led, from an accounting point of view, to a provision in the balance sheet of some Euro 36thousand given the likelihood that these costs will also arise in the following year. The provision of Euro 36 thousand made in the year 2022 represents management's best estimate for contingent liabilities deemed probable, also based on historical data on the use of TTT Coin, for products that are reasonably expected to be purchased in the next financial year and attributed to users of the Tatatu App.

6. Summary data and alternative performance indicators (APIs)

The summary data illustrated in this management report refer to the Tatatu Group's consolidated financial statements as at 31 December 2022, prepared following the IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and approved by the European Union.

Therefore, the report should be read in conjunction with the financial statements and related notes to the consolidated financial statements for the year ended 31 December 2022.

In addition, to facilitate understanding of the Group's economic and financial performance, several alternative performance indicators (the 'Alternative Performance Indicators' or 'APIs') have also been presented to illustrate the operating performance achieved.

For a correct interpretation of these HICs, the following should be noted:

- these indicators are constructed exclusively from historical data of the Group and are not indicative of the Group's future performance;
- IFRS does not require IAPs and, although derived from the Group's consolidated financial statements, are not audited;
- IAPs should not be considered as a substitute for the indicators required by the relevant accounting standards (IFRS);
- these HICPs must be read in conjunction with the Group's financial information taken from the Group's comparative consolidated financial statements;
- the definitions of the indicators used by the Group, as they are not derived from IFRS, may not be homogeneous with those adopted by other groups and therefore comparable with them;
- Adjusted EBITDA net of non-recurring expenses is defined as EBITDA (Earning Before Interests, Taxes, Depreciation and Amortisation), including the amortisation of video content, therefore classified in cost of sales net of non-recurring costs such as legal,

advisory and auditing costs strictly related to the IPO transaction, as well as M&A transaction costs.

- PFN ADJ means PFN net of financial debt attributable to the application of IFRS 16.

The economic performance of consolidated operations for the period is illustrated below:

Description	31/12/2022	31/12/2021
Revenue	**113,357**	**47,396**
Operating costs	214	192
Costs for services	14,609	6,837
Staff cost	4,078	180
Cost per material	164	-
EBITDA	**94,292**	**40,187**
Video rights amortisation	96,945	38,264
Adj. EBITDA	**(2,653)**	**1,923**
Non-recurring charges	7,369	-
EBITDA Adj net of recurring charges (net non-recurring charges)	**4,716**	**1,923**
Amortisation, depreciation, write-downs and provisions	1,965	892
EBIT	**(4,618)**	**1,031**
EBIT Adj net of charges	**2,751**	**1,031**
Net financial charges (net interest expenses)	(2,554)	(3)
Pre-tax result	**(7,172)**	**1,028**
Taxes	1,870	(281)
Net income for the period	**(9,042)**	**1,309**

The reclassified Group balance sheet is shown below:

Description	31/12/2022	31/12/2021
Intangible fixed assets	**48,487**	**13,205**
Audiovisual rights	10,052	6,368
Software	2,157	2,541
Brand	4,043	4,296
Other real estate assets	3	-
Assets under construction	13,055	-
Goodwill	19,177	-
Non-current financial assets	**403**	**-**
Tangible assets	**19,764**	**4**
Real estate installations	339	4
Rights of Use	19,425	-
Deferred tax assets	**63**	**1,018**
Total non-current assets	**68,717**	**14,227**
Trade receivables	80,338	22,298
Tax receivables	89	26
Inventories	262	-

Other current assets	3,381	449
Cash-in-hand and cash and cash equivalents	4,723	816
Current financial assets	194	-
Total current assets	**88,987**	**23,589**
Total Assets	**157,704**	**37,816**
Share capital	8,143	8,013
Share premium reserve	23,776	297
Legal reserve	32	-
Other reserves	10,201	(32)
Profit/ (Loss carried forward)	(1,266)	(465)
Profit (loss) for the year	(9,042)	1,309
Third-party PN	(1,813)	-
Total Shareholders' Equity	**30,031**	**9,122**
Non-current trade liabilities towards related parties	1,701	1,721
Other provisions	36	-
Severance Fund	22	4
Other non-current liabilities	30	-
Non-current financial liabilities	25,586	1,630
Total non-current liabilities	**27,375**	**3,355**
Current financial liabilities	3,172	583
Trade payables	93,054	23,619
Other current liabilities	2,890	124
Tax payables	1,182	1,013
Total current liabilities	**100,298**	**25,339**
Total liabilities and shareholders' equity	**157,704**	**37,816**

The Group's key balance sheet and financial indicators are shown below:

Main Balance Sheet Indicators	**31/12/2022**	**31/12/2021**
Intangible assets	48,487	13,205
Tangible assets	19,764	4
Non-current financial assets	403	
Deferred tax assets	63	1,018
Total non-current assets	**68,717**	**14,227**
Trade receivables	80,338	22,298
Inventories	262	
Trade payables	93,054	23,619
CCNO	**(12,454)**	**(1,321)**
Other current assets/(liabilities)	(602)	(662)
CCN	**(13,056)**	**(1,983)**
Other non current assets/(liabilities)	(1.731)	(1.721)
Provisions	(58)	(4)
CIN	**53,872**	**10,519**

	31/12/2022	31/12/2021
Shareholders' Equity	**30,031**	**9,122**
Cash and cash equivalents	(4,723)	(816)
Other current fin. assets	(194)	
Financial liabilities	28,758	2,213
PFN	**23,841**	**1,397**
Sources of finance	**53,872**	**10,519**

The main indicators of the Group's cash flow statement are shown below:

Description	31/12/2022	31/12/2021
A - Net cash flow provided by/(used in) operating activities	(11,605)	(1,747)
B - Net cash flow provided by/(used in) investing activities	(3,368)	(4)
C - Net cash flow generated/(absorbed) by financing activities	18,880	2,506
D - Total cash flow generated/(absorbed) in the period (A+B+C)	**3,907**	**755**
E - Cash and cash equivalents at the beginning of the period	816	**61**
F - Cash and cash equivalents at the end of the period (D+E)	**4,723**	**816**

7. Operating performance and financial results

Consolidated Revenues and Other Income for 2022 amounted to Euro 113,357 thousand, an increase of Euro 65,961 thousand compared to the previous year, of which Euro 104,756thousand relates to the organic perimeter and Euro 8,601 thousand to revenues related to the Mercato Metropolitano LTD Group consolidated as of 1 June 2022. The increase in revenues from the organic perimeter amounted to euro 57,360
thousand. It was attributable to the sale of advertising space mainly by the subsidiary Tatatu Hungary K.f.t. to anchor clients with whom relations were further consolidated compared to the previous year.

EBITDA adj net of non-recurring charges (as defined in the previous section) amounted to Euro 4,716 thousand with a percentage on revenues of 4.16, substantially in line with the 4.06 of the previous year. Here are the main dynamics:

- Organic contribution of euro 2,095 thousand as a percentage of revenues of 2.0%, compared to about 4% in the previous year. This trend is mainly attributable to listing costs as well as higher operating costs incurred by the company for the development of activities to implement the business plan;
- M&A contribution of Euro 2,621 thousand, representing 30.5% of revenues.

From an operational point of view, the Ebitda margin adj net of non-recurring expenses is substantially in line with the business plan.

The net income for the period was a loss of Euro 9,042 thousand compared to the profit for the previous year. This change was mainly due to (i) non-recurring charges incurred mainly for the listing of the company in the amount of euro 7,369 thousand, (ii) net financial expenses in the amount of euro 1,957 thousand arising from foreign exchange differences due to the loss of value of the Hungarian exchange rate, charges that with the adoption of the euro as the functional currency by Tatatu Hungary as of 2023 will not arise in the following year, (iii) taxes related to previous years in the amount of euro 764 thousand for a dispute that arose in November 2022 with the municipality of Budapest and was settled with a settlement at the beginning of 2023. Consequently, in light of the effects mentioned above, the result for the year, after deducting non-recurring operating and financial expenses, would be a profit of Euro 1,048 thousand.

From a balance sheet - financial point of view, the Tatatu Group has a net invested capital (NIC) of Euro 53,872 thousand, mainly represented by fixed assets and specifically by intangible assets, such as Goodwill for the Metropolitan Market CGU, Audiovisual Rights, Trademarks and Technological Software, in the amount of Euro 68,717 thousand.

The Group's net working capital (NWC) is negative for €13,056 thousand.

The sources of financing for net invested capital consisted of shareholders' equity in the amount of Euro 30,031 thousand and PFN (excess of financial debt over cash and cash equivalents) in the amount of Euro 23,841 thousand. More specifically, the PFN consists of financial payables totalling euro 28,758 thousand and cash and cash equivalents of euro 4,917 thousand.

The composition of the Group's PFN Esma is detailed below:

	Consolidated data	31/12/2022	31/12/2021	changes
B	Cash and cash equivalents	(4,723)	(816)	(3,907)
B	Equivalent means	-	-	-
C	Othercurrent fin. assets	(194)	-	(194)
D	**Liquidity**	**(4,917)**	**(816)**	**(4,101)**
AND	Current financial debt	791	583	208
F	Current part of non-current financial debt	2,381	-	2,381
G	**Current financial debt**	**3,172**	**583**	**2,589**
H	**Net current financial debt**	**(1,745)**	**(233)**	**(1,512)**
I	Non-current financial debt	25,586	1,630	23,956
J	Debt instruments	-	-	-
K	current trade payables and other current payables	-	-	-
L	**Non-current financial debt**	**25,586**	**1,630**	**23,956**
M	**Total financial debt**	**23,841**	**1,397**	**22,444**

However, it should be noted that rental contracts were booked at a cost in the period they were incurred per the relevant accounting principles. The liability for future fees to be paid in future years amounts to EUR 6,741 million.

The following table shows the Adj PFN, i.e., excluding the impact of the application of IFRS 16 amounting to euro 18,460 thousand (of which euro 752 thousand within the year and euro 17,708 beyond the year) arising from the consolidation of the Mercato Metropolitano Group:

Description	31/12/2022	31/12/2021	Changes
Cash and cash equivalents	(4,723)	(816)	(3.907)
Other current fin. assets	(194)		(194)
Liquidity	**(4,917)**	**(816)**	**(4,101)**

Current financial debt	2,419	583	1.836
Non-current financial debt	7,877	1,63	6,247
Total financial debt	**10.296**	**2.213**	**8.083**
PFN ADJ	**5.379**	**1.397**	**3.982**

TRANSACTIONS WITH RELATED PARTIES

Related party transactions relating to the consolidated financial statements as at 31 December 2022 are summarised below.

Company name	**Trade payables**		**Revenue**		**(Expense)**	
€/000	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Ilbe S.p.A.	1,701	1,721	-	-	-	
Arte Video S.r.l.	7	20	-	-	102	33
Lab 81 .2 S.r.l.	11	6	-	-	23	38
R.E.D. Carpet		2	-	-	-	1
Ambi Media Italia S.r.l.	-	-	-	61	-	-
Total transactions	**1,719**	**1,749**	**0**	**61**	**125**	**72**
Total Financial Statement items	94,755	25,340		47,196	116,008	46,365
Percentual of Financial Statement items	1.81%	6.90%	0%		0.11%	0.16%

8. Human Resources

As at 31 December 2022, the Group had 164 employees.

9. Secondary offices

As of September 2022, the company opened a branch in Serbia with highly qualified personnel dedicated to developing the app. The office is located in Požarevac at 26/9 Svetosavska Street.

10. Disclosure of principal risks and uncertainties

10.1. Management of financial risks and cash flow variation

Liquidity risk

The current operational management of the Group, still in the start-up phase, has absorbed financial flows destined to the needs and absorbed by the current management for the regular payment of suppliers. The Tatatu Group business model involves the use of a compensation system that allows, through agreements with customers and suppliers, to help manage liquidity risk.
Additional financial resources for investment are raised either through financial or capital transactions.

Foreign exchange rate risk

The Group is limited to financial risks related to exchange rate fluctuations regarding transactions with countries outside the Eurozone. It should also be noted that almost all receivables and payables are in the same foreign currency (US dollar).

The Group has not implemented any exchange rate risk hedging transactions as they are significantly reduced by offsetting costs incurred in the same currency as revenues.

Interest Rate Risk

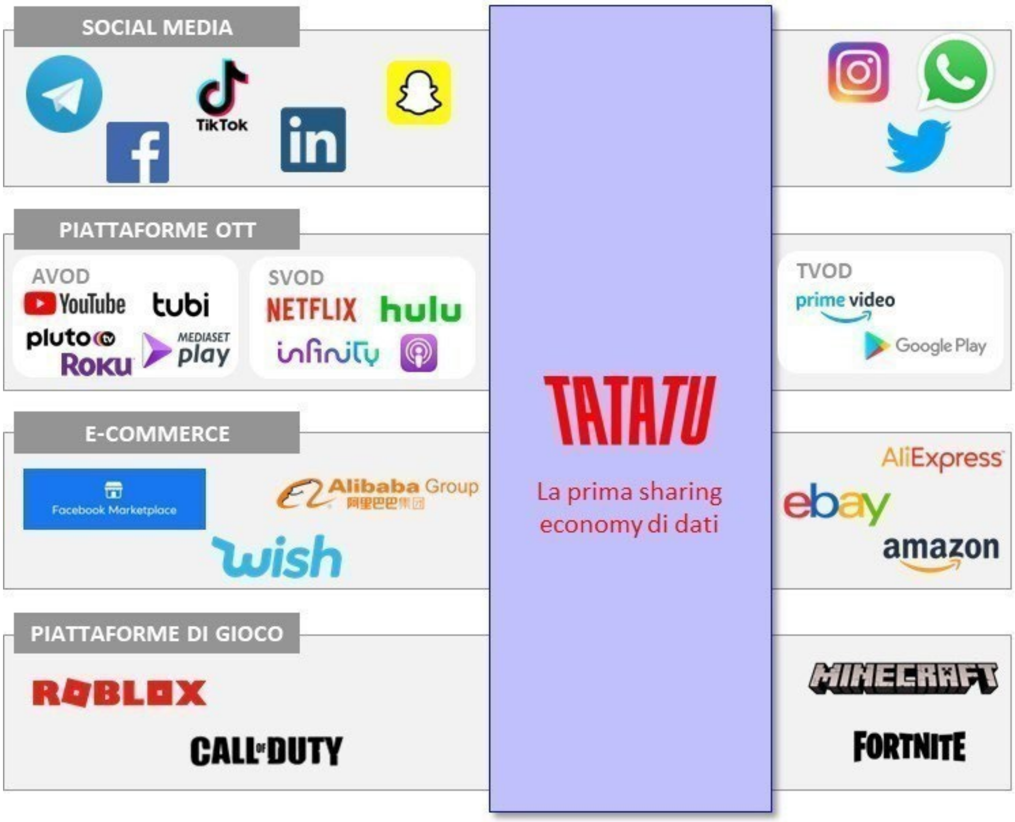
The Group has no derivative contracts in place to hedge risks related to interest rate fluctuations as this risk exposure is marginal.

Market risk, credit risk and price risk

Market risk is mainly attributable to the eventuality of an increase in competitiveness and cyclicality within the sector in which the Group operates. It should be noted that the business model adopted by the Group allows it to position itself as the first data sharing economy by combining:

- RAVOD platform that offers online streaming based on digital advertising with rewarding for users per minute watched through TTT Coins;
- functionality related to social networks (follow, comment, post, chat, call, etc.) with a prize consisting of TTT Coins;
- gaming content;
- e-commerce platform on which use the TTT coins accumulated by users through the social activities carried out on the platform can be used.

Below there is a graphic representation that ~~can immediately~~ shows how the Tatatu Group is creating an entirely new market ~~in which~~ where no direct competitor is ~~yet~~ already present.



Another element that increasingly characterises the entertainment market is the growing importance of the content offered. To mitigate this risk, the Group has consolidated relations with its 'anchor clients' to have a constantly updated and innovative library.

Credit risk

The Group has receivables from several customers and, therefore, a moderate credit risk that is constantly monitored by management through the main actions:

- Assessment of customers' credit standing, taking into account creditworthiness;

- Appropriate reminder actions;
- Possible recovery actions.

These actions are therefore aimed at minimising credit risk, which is also mitigated by the fact that relations with customers are mainly related to barter transactions for which the Group can offset receivables against related trade payables.

11. Significant events occurring after the end of the financial year

On 16 January 2023, TaTaTu signed a new contract with Giglio Group, an e-commerce company, to manage and develop Tatatu S.p.A.'s e-commerce portal.

On 31 January 2023, TaTatu signed a partnership with Basara, a Japanese restaurant chain, to further implement the expendability of the TTT Coin.
Lastly, it is noted that the geopolitical dynamics relating to the conflict between Russia and Ukraine have not had an appreciable impact on the evolution of business management which, still in an embryonic and developmental phase, has not been affected by the adverse conditions resulting therefrom.

12. Research and development

During the financial year 2022, the company continued the development of its platform, both by introducing new features, such as chats, and by fixing some bugs in the system. The management pays special attention to the App development activity as it is preparatory to implementing the business plan.

13. Foreseeable development of operations

Also, for the financial year 2023, the company is focused on finding new investors and new finance to ensure the growth and development of its activities. Any delays in financing the business plan will be managed by adjusting activities.

Based on the contract backlog, turnover growth with stable margins is expected.

Rome, 29 March 2023

For the Board of Directors,

Andrea Iervolino

[signature]

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE OF CONSOLIDATED FINANCIAL POSITION AS OF 31/12/2022 - Amounts in Euro/thousand

ACTIVITIES

Non-current assets	**31/12/2022**	**From the affiliated companies**	**31/12/2021**	**From the affiliated companies**	**Notes**
Intangible fixed assets					
Rights over audiovisual content	10,052		6,368		Note 4
Trademarks	4,043		4,296		Note 4
Technological software	2,157		2,541		Note 4
Other intangible activities	3		-		Note 4
Assets under construction	13,055		-		Note 4
Goodwill	19,177		-		Note 4
Total Intangible Assets	**48,487**		**13,205**		
Tangible assets					
Property, plant and equipment	328		4		Note 5
Electronic office machines	11				Note 5
Assets by right of use	19,425		-		Note 5
Total tangible assets	**19,764**		**4**		
Pre-paid tax assets	63		1,018		Note 6
Fixed financial assets	**403**		**-**		Note 7
Total non-current assets	**68,717**		**14,227**		
Current assets					
Trade receivables	80,338		22,298		Note 8
Other current assets	3,381		449		Note 9
Inventories	262				Note 10
Tax receivables	89		20		Note 11
Cash and cash equivalents	4,723		816		Note 13
Short-term financial assets	194		-		Note 12
Total current assets	**88,987**		**23,589**		
Total assets	**157,704**		**37,816**		
NET EQUITY AND LIABILITIES					
Shareholders' Equity					
Share capital	8,143		8,013		Note 14
Share premium reserve	23,776		297		Note 14
Legal reserve	32		-		Note 14
Other reserves	10,201		(32)		Note 14
Profit and loss carried forward	(1,266)		(465)		Note 14
Group share of profit/(loss) for the year	(9,348)		1,309		Note 14

Assets attributable to the shareholders of the parent company	**31,538**		**9,122**		
Profit/(loss) for the year attributable to minority interests	**306**		**-**		
Interests of third parties	**(1,813)**		**-**		
Total Shareholders' equity	**33,031**		**-**		
Non-current liabilities					
Non-current trade payables	1,701	1,701	1,721	1,721	Note 15
Non-current financial liabilities	25,586		1,630		Note 16
Provision for risks and charges	36		**-**		Note 17
Other non-current liabilities	30		-		
Provision for employee benefits	22		4		
Total non-current liabilities	**27,375**		**3,355**		
Current liabilities					
Current financial liabilities	3,172		583		Note 18
Trade payables	93,054	18	23,619	28	Note 19
Other current liabilities	2,890		124		Note 20
Tax payables	1,182		1,013		Note 21
Total current liabilities	**100,298**		**25,339**		
Total (Shareholders' equity)and liabilities	**157,704**		**37,816**		

SCHEDULE OF CONSOLIDATED COMPREHENSIVE INCOME/(LOSS) AS OF 31/12/2022 - **Values in euro thousands**

Thousands Euro	**31/12/2022**	**From the affiliated companies**	**31/12/2021**	**From the affiliated companies**	**Notes**
Sales revenue	112,064		47,196		Note 22
Other positive entries	1,293		200	61	Note 22
Total revenues	**113,357**		**38,647**		
Purchase of raw, ancillary and consumable materials	164		-		Note 23
Costs for services	14,694	125	6,837	72	Note 24
Staff cost	4,255		180		Note 25
Capitalised costs	*(262)*				Note 27
Other operating costs	178		192		Note 26
Depreciation	98,630		39,156		Note 28
Provisions	316				Note 29
Operating result	**(4,618)**		**1,031**		
Financial expense	4,792		897		Note 30
Financial income	2,238		894		Note 31
Financial ~~management~~ result	**(2,554)**		**(3)**		
Earnings before taxes	**(7,172)**		**1,028**		
Taxes	1,870		(281)		Note 32
Profit/(loss) for the period	**(9,042)**		**1,309**		
Other comprehensive income statement components that may be subsequently reclassified to profit/loss for the year (net of tax):	458		-		
Translation differences of foreign statements	458		-		
Total other comprehensive income statement that may be subsequently reclassified to profit/(loss) for the year net of taxes	-		-		
Other comprehensive income statement components that will not be subsequently reclassified to profit/(loss) for the year (net of tax):	-		-		
Revaluation gain/(loss) on defined benefit plans	-		-		
Total other comprehensive income statement that will not be subsequently	-		-		

reclassified to profit/(loss) for the year net of taxes			
Total other comprehensive income statement after tax	-	-	
Total comprehensive profit/(loss) after tax	(8,584)		
Share of interest of Group	(9,348)	1,309	
Minority interest	306	-	
Basic earnings/(loss) per share	(0.011)	0.163	Note 33
Diluted earnings/(loss) per share	(0.011)	0.163	Note 33

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER’S EQUITY

SCHEDULE OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 31/12/2021 - **Values in euro thousands**

Details of post movements of equity	**Notes**	**Share Capital**	**Share premium reserve**	**Other reserves**	**Retained earnings (losses)**	**Profits and losses for the financial year**	**Total shareholders’ equity**
Shareholders’ equity as at 31/ 12/ 2020	**14**	**8,010**		**(9)**		**(488)**	**7,513**
Capital increase of 28/09/2021	14	3	297				**300**
Translation of subsidiaries' financial statements expressed in foreign currencies foreign	14			(23)			**(23)**
Distribution of retained earnings	14				(465)	488	**23**
Group profit/ (loss) for the year	14					1,309	**1,309**
Shareholders’ equity as at 31/ 12/ 2021		**8,013**	**297**	**(32)**	**(465)**	**1,309**	**9,122**

SCHEDULE OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 31/12/2022 - Amounts in Euro/thousand

Breakdown of changes in shareholders' equity entries	Notes	Share Capital	Share premium reserve	Legal Reserve	Payment on account of future capital increase	Capital Contribution	Other reserves	Profit/(Loss) carried forward	Operating result	Group net equity	Third-party equity	Total shareholders' equity
Shareholders' equity as at 31 December 2021	14	8,013	297	0			(32)	(465)	1,309	**9,122**		**9,122**
Capital increases	14	47	6,922		6,500	2,650				**16,119**		**16,119**
Translation of financial statements of subsidiaries expressed in foreign currencies	14						458			**458**		**458**
Acquisition of subsidiary WWMM	14	69	13,816							**13,885**	(2,677)	**11,208**
Acquisition of third-party interests	14	14	2,741					(3,619)		**(864)**	864	**0**
Purchase of own shares	14						(6)			**(6)**		**(6)**
Other changes	14						20	2,152		**2,172**	0	**2,172**
Allocation of the operating result	14			32			611	666	(1,309)	**0**		**0**
Group profit/(loss) for the financial year	14								(9,348)	**(9,348)**	306	**(9,042)**
Shareholders' equity as at 31 December 2022	14	**8,143**	**23,776**	**32**	**6,500**	**2,650**	**1,051**	**(1,266)**	**(9,348)**	**31,538**	**(1,507)**	**30,031**

CONSOLIDATED CASH FLOW STATEMENT
as at 31 December 2022 - amounts in euro thousands

		2,022	**2,021**
OPERATING ACTIVITIES	**Notes**	**€/000**	**€/000**
Group profit/(loss)		(9,042)	1,309
Adjustments for			
Income taxes	Note 32	1,870	(281)
Financial (income)/expenses	Note 30.31	558	3
Depreciation	Note 28	98,630	39,156
Severance Indemnity Provision	Note 29	54	5
Exchange rate differences from valuation		1,996	
Changes in net current assets			
Inventories	Note 10	(262)	-
Decrease/ (Increase) in trade receivables	Note 8	(58,563)	(39,291)
Increase / (decrease) in trade payables	Note 15-19	(41,956)	(1,077)
Decrease/ (Increase) in other current and non-current assets		(3,459)	(1,508)
Increases/(Decrease) in other current and non-current liabilities		(663)	(72)
Other adjustments		-	
Income tax paid		(162)	-
Financial income/(expenses) collected/paid	Note 30.31	(606)	6
A. Net cash and cash equivalents generated/(used) in operating activities		**(11,605)**	**(1,747)**
INVESTMENT ACTIVITIES			
Acquisition of:			
Property, plant and equipment	Note 5	(446)	-
Intangible ~~fixed~~ assets	Note 4	(1,918)	(4)
Financial assets	Note 7.12	(403)	-
Acquisition of subsidiaries net of cash acquired	Note 2.9	(601)	-
A. Cash and cash equivalents generated/(used) in investment activities		**(3,368)**	**(4)**
FINANCING ACTIVITIES			
Equity			
Approved capital increases	Note 14	6,969	300
Payments on account of future capital increase	Note 14	6,500	
Purchase of own shares	Note 14	(6)	
Loan capital			
Increase / (decrease) of short-term loans		(601)	-
New financing agreements	Note 16-18	7,968	2,419
Repayment of loans	Note 16-18	(1,541)	(213)
Capital payments of lease liabilities		(409)	
A. Cash and cash equivalents generated/(used) in lending activities		**18,881**	**2,506**
D. Increase/(decreases) in net cash and cash equivalents (A+B+C)		**3,907**	**755**
CASH AND CASH EQUIVALENTS - BEGINNING OF THE PERIOD		**816**	**61**
CASH AND CASH EQUIVALENTS - END OF THE PERIOD		**4,723**	**816**

Notes to the Consolidated Financial Statements of the Tatatu Group

1) Corporate and Group information

The publication of the consolidated financial statements of Tatatu S.p.A. and its subsidiaries (together with the Group) for the year ended 31 December 2022 was authorised by the Board of Directors on 29 March 2023. Tatatu S.p.A. is a listed public limited company registered and domiciled in Europe. The registered office is at Via Barberini 29, 00187, in Rome.
Tatatu S.p.A. (hereinafter, Tatatu, or the Company) and its subsidiary Tatatu Hungary Kft. (hereinafter jointly the 'Group' or the 'Tatatu Group') is
the global operator engaged in the innovative sharing economy project for users' leisure time.
Tatatu is the owner of the App of the same name which includes social media, video calls and chat, premium video content and e-commerce, which starts from the Vision of a fair system where the creation of value takes place through the meeting between Users, platform and advertisers. The Tatatu App is the first platform that allows users to receive a fee for sharing and viewing content. The users' reward is realised through the attribution of TTU coins that are recognised for the use of the App.
Tatatu thus proposes an alternative model to traditional business models, identifying the business model based on the 'RAVOD' (Reward Advertising Video on Demand), thanks to which users can be remunerated for the time they devote to using the app.
The platform offers different content and functionalities, such as films, podcasts, sports, fashion, games and celebrity content. The various versions of the app allow users to publish advertising spaces that are sold to customers. To expand the platform's user base, the Group acquired a majority shareholding in WWMM, a Company operating in the mass market and beverage.
This company provides its trading partners with the know-how to offer the London community excellent quality food at affordable prices while adhering to strict ESG criteria. For this service, Mercato Metropolitano receives remuneration from its partners and vice versa. It mainly bears the costs of renting space.

This operation allows, on the one hand, to diversify the business risk by extending the presence in new sectors and, on the other hand, exploiting the synergies arising from the opportunity to attribute the 'tatatu coin' to the customers of the Metropolitan Market, thus increasing the app's user traffic.

The consolidating company, Tatatu S.p.A., is a listed joint-stock company registered and domiciled in Italy. The registered office is located in Via Barberini 29, 00187 Rome.
The companies that make up the Group are Tatatu S.p.A., Tatatu Hungary Kft., whose entire shareholding is held by Tatatu S.p.A. The parent company also controls 100% of WWMM Ltd (parent company of Mercato Metropolitano) and Sant'Elmo in liquidation.

2) Significant accounting standards

2.1. Basis of preparation

The consolidated financial statements have been prepared following the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).
The consolidated financial statements have been prepared under the historical cost convention.
The consolidated financial statements are presented in euros, and all amounts are expressed in thousands of euros unless otherwise indicated.
These financial statements have been prepared on a going concern basis. The Directors have verified that there are no financial, operational or other indicators that may indicate that the Group will be able to meet its obligations in the foreseeable future. Risks and uncertainties related to the business are described in the relevant sections of the Report on Operations. A description of how the Group manages financial risks, including liquidity risks and capital risks, is contained in the section Additional information on financial instruments and risk management policies of these Notes. The main accounting principles and valuation criteria applied in preparing the consolidated financial statements are described below.
Following the relevant accounting standards, the Directors have made the following choices regarding their financial statements.

2.2 Financial statements

The Consolidated Financial Statements consist of the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the Notes to the Consolidated Financial Statements.
The Group's Statement of Financial Position shows the separate presentation of current and non-current assets and current and non-current liabilities.
An asset is classified as current when it meets one of the following criteria:

- it is held for sale or consumption, or expects its realisation, in the normal course of its operating cycle;
- it is owned mainly for the purpose of negotiating it;
- it is expected to be realised within twelve months from the closing date of the financial year; or
- it consists of cash or equivalent means, the use of which is not subject to constraints or restrictions such as to prevent its use for at least twelve months from the closing date of the financial year.

All assets that do not meet the conditions listed above are classified as non-current.
A liability is classified as current when:

- it is expected to settle the liability in its normal operating cycle;
- it is owned mainly for the purpose of negotiating it;
- it must be paid off within twelve months from the closing date of the financial year; or it does not have an unconditional right to defer the settlement of the liability for at least twelve months from the closing date of the financial year.

The contractual conditions could, at the option of the counterparty, lead to the extinction of the assets by assigning rights or consideration of various kinds.
The Consolidated Statement of Comprehensive Profit/(Loss) has been prepared by classifying costs according to their nature to arrive at the net result for the period by showing the operating result. Operating income is determined as the difference between revenues and other income and operating expenses (the latter including non-cash expenses related to write-downs and amortisation of current and non-current assets, net of any reversals). The operating result is the main measure used by the company management to monitor the performance of the Group, in this start-up phase where the operational management is strongly impacted by *barter* transactions.
Finally, the Consolidated Cash Flow Statement presents cash flows from operating activities according to the 'indirect method', showing only the effects of transactions that impact cash flows.

2.3 Principles and Scope of Consolidation

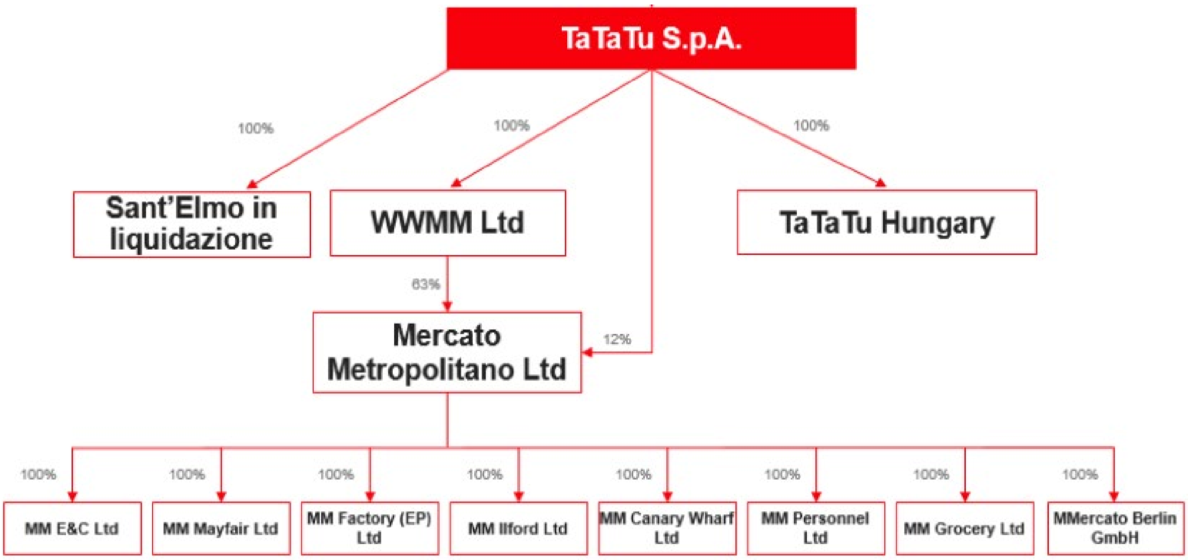
The consolidated financial statements include the financial statements of Tatatu S.p.A. and its subsidiaries at 31 December 2022.
Control is achieved when the Group is exposed to or entitled to variable returns from its relationship with the entity being invested in and, at the same time, can affect those returns by exercising its power over that entity.
There is a presumption that most voting rights involve control. To support this presumption and when the Group holds less than a majority of the voting (or similar) rights, the Group considers all relevant facts and circumstances to determine whether it controls the investee, including:

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

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.
Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.
If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, non-controlling interests and other items of shareholders' equity, and any gain or loss is recognised in the income statement.
The Group's scope of consolidation is represented by the following:

- Tatatu S.p.A.
- Tatatu Hungary Kft.
- WWMM Group
- St. Elmo (in liquidation)

Below is a graphic representation of what is described:



2.2 Summary of Accounting Principles and Valuation Criteria

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value as at the date of acquisition and the amount of the minority stake in the acquisition. For each business combination, the Group defines whether to measure the minority stake in the acquisition at fair value or in proportion to the share of the minority stake in the net identifiable assets of the acquisition. Acquisition costs are expensed during the year and classified under administrative expenses.

The Group determines that it has acquired a business activity when the integrated set of assets and goods includes at least one production factor and one substantial process which, together, significantly contribute to the ability to generate an output. The acquired process is considered substantial if it is crucial for the ability to continue to generate an output and the acquired production factors include an organised workforce that has the necessary skills, knowledge or experience to carry out that process or to significantly contribute to generating an output and is considered unique or scare or cannot be replaced at no cost, without effort or significant delays for the ability to generate an output.

When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms, economic conditions and other relevant conditions existing as at the acquisition date. This includes verifying whether an embedded derivative should be separated from the primary contract.

Any potential consideration to be recognised is recorded by the buyer at fair value as at the date of acquisition. The potential consideration classified as equity not subject to remeasurement and its subsequent payment is accounted for with the balancing entry of shareholders' equity. The change in fair value of contingent consideration classified as an asset or liability, such as a financial instrument within the scope of IFRS 9 Financial Instruments, shall be recognised in the income statement following IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the balance sheet date, and changes in fair value are recognised in the income statement.

Goodwill is initially recognised at cost, represented by the excess of the total amount paid and the amount recorded for minority interests, compared with the identifiable net assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to determine the amount to be recognised at the acquisition date. If the new valuation still shows a fair value of the net assets acquired higher than the consideration, the difference (profit) is recognised in the income statement.

After initial recognition, goodwill is valued at cost, net of accumulated impairment losses. For the purpose of the impairment test, the goodwill acquired in a business combination is allocated, as of the date of acquisition, to each cash-generating unit of the Group which is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to said units.

If the goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the divested business is included in the carrying amount of the asset when determining the profit or the loss of disposal.
The goodwill associated with the divested business is determined on the basis of the relative values of the divested business and the retained part of the cash-generating unit.

Intangible fixed assets

Intangible assets acquired separately are initially recognised at cost, whilst those acquired through business combinations are recognised at fair value at the acquisition date.
After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally produced intangible assets, except for development costs, are not capitalised and are recognised in the year's income statement in which they are incurred.
The useful life of intangible assets is assessed as finite or indefinite.
Intangible assets with a finite useful life are amortised over their useful life and are subject to a verification of the adequacy of their value whenever there are indications of a possible loss in value. The amortisation period and the amortization method of an intangible asset with a definite useful life is reconsidered at least at each financial year end. Changes in the expected useful life or in the ways in which the future economic benefits related to the asset will be realized are recognized by changing the depreciation period or method, as appropriate, and are considered changes in accounting estimates. The amortisation rates of intangible assets with a finite useful life are recognised in the profit/(loss) for the year in the cost category consistent with the function of the intangible asset.
The principles applied by the Group for intangible assets are summarised below:

	Trademarks	**Technological software**	**Video rights**
Useful Life	Definite (18 years)	Definite (5 years)	Definite (3 years)
Depreciation method used	Amortised on a straight-line basis	Amortised on a straight-line basis	Film forecast computation method

Rights are amortised using the film forecast computation method, under which amortisation at the reporting date is determined over the time horizon over which the intangible asset will generate revenue.
The amortisation plan provides for the application, in the first year of use of the audiovisual rights, of a depreciation rate of 91.5%.
An intangible asset is eliminated at the time of disposal (i.e., on the date on which the buyer obtains control of it) or when no future economic benefits are expected from its use or disposal.
Any profit or loss resulting from the elimination of the asset (calculated as the difference between the net consideration for the disposal and the book value of the asset) is included in the income statement.

Specifically, the intangible assets were recognized at the fair value resulting from the appraisal drawn up at the time of the capital increase by contribution in kind.

Fair value valuation

The company assesses the rights acquired through barter-type transactions equivalent to fair value at the time they were recognised in the financial statements.
The fair value is the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in a regular transaction between market operators on the valuation date. A fair value assessment assumes that the sale of the asset or the 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 assessed by adopting the assumptions that market operators would use in determining the price of the asset or liability, assuming that they act to best satisfy their economic interest.
A fair value measurement of a non-financial asset considers the ability of a market operator to generate economic benefits by using the asset to its maximum and best use or by selling it to another market operator who would use it to its maximum and best use.
The company uses valuation techniques that are suitable for the circumstances and for which there is sufficient data available to assess the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which the fair value is measured or shown in the financial statements are categorised according to the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the valuation date;
- Level 2 - Inputs other than the listed prices included in Level 1, observable directly or indirectly for the asset or liability;
- Level 3 - valuation techniques for which the input data are not observable for the asset or liability.

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

Tangible assets

Tangible assets include physical capital goods and are recognised at historical cost, including directly attributable ancillary costs necessary for the commissioning of the asset for the use for which it was purchased.
This cost includes the costs for the replacement of part of machinery and plants when they are incurred, provided that they comply with the recognition criteria. Office systems and machines are shown net of the related accumulated depreciation and any impairment losses determined according to the methods described below. Depreciation is calculated on a straight-line basis based on the estimated useful life of the asset for the company, which is reviewed annually and any changes, if necessary, are applied prospectively.
The estimated useful life of the main classes of tangible assets is as follows:

	Office systems and electronic equipment
Useful Life	Definite (5 years)
Depreciation method used	Amortised on a straight-line basis

The book value of property, plant and equipment is subject to verification, to detect any losses in value, if events or changes in the situation indicate that the book value cannot be recovered, following the rules described below.

Leases

The Group assesses whether it is, or contains, a lease when entering into a contract. In other words, if the contract confers the right to control using an identified asset for some time in return for a consideration.

The Group as the tenant

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognises liabilities relating to lease payments and the right-of-use asset representing the right to use the underlying asset.

i) *Assets by right of use*

The Group recognises assets for the right of use on the lease commencement date (i.e. the date the underlying asset is available). Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the sum of lease liabilities recorded, initial direct costs incurred and lease payments made at or before the lease commencement date, minus any incentives received. Assets for the right of use are amortised on a straight-line basis from the commencement date and up to the end of the useful life of the right-of-use asset or the end of the lease, whichever comes first, as follows:

- Buildings from 3 to 15 years

If the lease transfers ownership of the underlying asset to the lessee when the lease ends, or if the cost of the right-of-use asset reflects the fact that the lessee will exercise the purchase option, the lessee may amortise the right-of-use asset from the commencement date up until the end of the finite life of the underlying asset.

ii) Leasing liabilities

At the lease inception date, the Group recognises lease liabilities by measuring them at the present value of unpaid lease payments due. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid as security for the residual value. Lease payments also include the exercise price of a purchase option if it is reasonably sure that such an option will be exercised by the Group and lease termination penalty payments if the lease term considers the Group's exercise of its lease termination option.
Variable lease payments that do not depend on an index or rate are recognised as expenses in the period (unless incurred in the production of inventories) in which the event or condition that generated the payment occurs.

For calculation of the current value of the payments due, the Group uses the incremental borrowing rate at the start date, if the implicit interest rate cannot be easily determined. After the effective date, the amount of the leasing liability increases to reflect interest on the leasing liability and decreases to reflect payments made. In addition, the carrying amount of lease payables is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments.
The Group's leasing liabilities are included under Financial Liabilities.

Short-term leasing and leasing of low-value assets

The Group applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e., leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). The Group also applied the low-value asset exemption in respect of leasing contracts for office equipment whose value is considered low (i.e., under €5 *thousand*). Lease payments for short-term and low-value asset leases are recognised as straight-line expenses over the lease term.

Financial assets

Upon initial recognition, financial assets are classified, as appropriate, accorUpon initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortised cost, at fair value through the OCI comprehensive income statement and at fair value through the income statement.ding to subsequent measurement methods, i.e. at amortised cost, at fair value through OCI and at fair value through the income statement.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value, through the income statement, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price as illustrated in the section on Revenues.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (so-called 'solely payments of principal and interest (SPPI)'). This evaluation is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g., the cash flow from the sale of the asset to the buyer) are subject to the following conditions SPPI) are classified and measured at fair value through the income statement.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, the sale of financial assets or both.

Financial assets classified and measured at amortised cost are held as part of a business model whose objective is to own financial assets to collect contractual cash flows. In contrast, financial assets that are classified and measured at fair value through OCI are held as part of a business model whose objective is to collect contractual cash flows and sell financial assets.

The purchase or sale of a financial asset that requires delivery within a period generally established by regulation or market convention (a so-called standardised sale or regular way trade) is recognised on the trade date, i.e. the date on which the Group has committed to purchase or sell the asset.

Subsequent evaluation

For subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income statement with the reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income statement without a reversal of accumulated gains and losses on derecognition (equity instruments);
- Financial assets at fair value through the income statement.

Financial assets at amortised cost (debt instruments)
This category is the most relevant for the Group. The Group measures financial assets at amortised cost if both of the following requirements are met:

- the financial asset is held as part of a business model whose objective is to own financial assets to collect contractual cash flows;
  and
- the contractual terms of the financial asset provide for cash flows at specified dates consisting solely of principal payments and interest on the principal amount to be repaid.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment as indicated below. When the asset is derecognised, modified, or revalued, gains and losses are recognised in the income statement.
The Group's financial assets at amortised cost include trade receivables.

Cancellation
A financial asset is derecognised in the first instance (e.g. removed from the statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished,
  or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred all the risks and rewards of ownership of the financial asset substantially, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of it.
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In cases where the Group has transferred rights to receive cash flows from an asset or has entered into an arrangement under which it retains the contractual rights to receive the cash flows from the financial asset. Still, it assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through). Therefore, it assesses how it has retained the risks and rewards of ownership. If it has neither transferred nor retained substantially all risks and rewards or has not lost control over it, the asset continues to be recognised in the Group's financial statements to the extent of its continuing involvement in the asset. In this case, the Group also recognises an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Group.
When the entity's continuing involvement is a guarantee of the transferred asset, involvement is measured at the lower of the amount of the asset, and the maximum amount of consideration received that the entity could be required to repay.

Impairment of financial assets
The Group recognises an expected credit loss ('ECL') write-down for all financial assets represented by debt instruments not held at fair value through the income statement. ECLs are based on the difference between the contractual cash flows due following the contract. All cash flows that the Group expects to receive are discounted to approximate the original effective interest rate. Expected cash flows will include cash flows arising from the enforcement of collateral held or other credit guarantees that are integral to the contractual terms.

For credit exposures for which there has been no significant increase in credit risk since initial recognition, credit losses arising from estimated default events that are possible within the next 12 months (12-month ECL) must be recognised. For credit exposures for which there has been a significant increase in credit risk since initial recognition, expected losses that relate to the remaining life of the exposure must be recognised in full, regardless of when the event of default is expected to occur ('Lifetime ECL').

Trade receivables

A receivable is recorded if the consideration is unconditionally owed by the customer (i.e., it is only necessary that the time elapses for the payment of the consideration to be obtained).

Inventories

Inventories are recorded at the lower of the cost and net presumable realisation value.
The costs incurred in bringing each asset to its present location and condition are recognised at FIFO.
The cost of inventories includes the transfer, from other comprehensive income statement, of profits and losses from qualified cash flow hedging transactions related to the purchase of raw materials.
Net realisable value is the estimated average selling price in the ordinary course of business, less estimated completion costs and estimated costs to realise the sale.

Financial liabilities

Initial detection and assessment
Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through the income statement, as loans and borrowings, or as derivatives designated as hedging instruments.
All financial liabilities are initially recognised at fair value plus, in the case of mortgages, loans and borrowings, directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, mortgages and loans, including overdrafts.

Subsequent evaluation
The measurement of financial liabilities depends on their classification, as described below:

Assets and liabilities at amortised cost
This is the most relevant category for the Group. After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished and through the amortisation process.
Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial charges in the statement of profit/(loss).

Cancellation
A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled or fulfilled. When an existing financial liability is exchanged for another financial liability of the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any difference between the carrying amounts recognised in the consolidated statement of profit or loss.

Clearing of financial instruments
A financial asset and a financial liability may be offset and the net balance presented in the statement of financial position if there is a present legal right to offset the recognised amounts and there is an intention to settle the net balance or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each balance sheet date, the Group assesses whether indicators of asset impairment exist.
In this case, or in cases where an annual impairment test is required, the Group estimates the recoverable amount. The recoverable amount is the higher of the fair value of the asset or cash-generating unit, less costs to sell, and its value in use. The recoverable amount is determined for each individual asset, except when that asset generates cash flows that are largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is greater than its recoverable amount, the asset is impaired and written down to its recoverable amount accordingly.
In determining value in use, the Group discounts estimated future cash flows to present value using a pre-tax discount rate that reflects market assessments of the present value of money and the risks specific to the asset. Recent market transactions are considered when determining the fair value less costs to sell. An appropriate valuation model is used if such transactions cannot be identified. These calculations are supported by appropriate valuation multiples, quoted share prices for investees whose securities are traded in the market, and other available fair value indicators.

The Group bases its impairment test on the most recent budgets and forecast calculations, prepared separately for each of the Group's cash-generating units to which individual assets are allocated.
These budgets and forecast calculations generally cover five years. A long-term growth rate is calculated to project future cash flows beyond the fifth year.
Impairment losses on continuing operations are recognised in the consolidated statement of comprehensive income in the cost categories consistent with the function of the asset that caused the impairment loss. An exception is made for previously revalued fixed assets, where the revaluation has been recognised in other comprehensive income statement. In such cases, the impairment loss is recognised in other comprehensive income statement up to the amount of the previous revaluation. For assets other than goodwill, at each reporting date, the Group assesses whether any indicators previously recognised impairment losses

have ceased to exist (or have decreased) and, if such indicators exist, estimates the recoverable amount of the asset or CGU. The value of a previously impaired asset may be reinstated only if there has been a change in the assumptions underlying the calculation of the determined recoverable amount since the last impairment loss was recognised.
The reversal may not exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised in prior periods. This reversal is recognised in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount. In this case, the reversal is treated as a revaluation increase.

Goodwill is frequently tested for impairment at least once a year or more if circumstances indicate that the carrying amount may be impaired.
Goodwill impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the cash-generating unit's recoverable amount is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognised.
Goodwill impairment cannot be reversed in future periods.
Intangible assets with indefinite useful lives are tested for impairment at least annually at the cash-generating unit level and when circumstances indicate that an impairment loss may occur.

Cash and cash equivalents and short-term deposits

Cash and short-term deposits comprise cash on hand and demand and short-term deposits with maturities of three months or less, which are held to meet short-term cash commitments rather than for investment or other purposes, and which are not subject to a significant risk of changes in value.
For presentation in the cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of bank overdrafts, as these are considered an integral part of the Group's cash management.

Provisions for risks and charges

Provisions for liabilities and contingencies are recognised when, at the reporting date, in the presence of a legal or constructive obligation arising from a past event, it is probable that an outflow of resources, the amount of which can be reliably estimated, will be required to settle the obligation.
If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market valuation of the time value of money and, if applicable, the specific risk attributable to the obligation. When the provision is discounted, the periodic adjustment of the present value due to the time factor is reflected in the income statement as a finance cost.
Where it is assumed that a third party will reimburse all or part of the expenses required to settle an obligation, the indemnity, if virtually certain, is recognised as a separate asset.
Provisions do not include liabilities to reflect uncertainties in income tax treatments recognised as tax liabilities.

For contracts whose non-discretionary costs necessary to perform the obligations undertaken are more significant than the economic benefits expected to be obtained from the contract (onerous contracts), the Company recognises a provision equal to the lower of the cost necessary to perform and any compensation or penalties resulting from the breach of the contract. Changes in estimates of provisions are reflected in the Income statement for the year in which the change occurs.

The provision made in the year amounting to euro 36,484 represents management's best estimate for liabilities deemed probable, also based on historical data on TTT Coin, for products that are reasonably expected to be purchased in the next financial year and attributed to users of the Tatatu App. This provision, therefore, represents evidence of the progressive implementation of the Company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform. Please refer to Note 2.3 for the assumptions underlying the estimate.

Treasury Shares

Repurchased treasury shares are recognised at cost and deducted from shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. In the case of a new issue, the difference between the purchase price and the consideration is recognised in the share premium reserve.

Revenue

Revenues from sales and services are recognised respectively when the actual transfer of control occurs. A summary description of the applied recognition, measurement, and measurement process is provided below for each of the main revenue streams identified.

Revenues from the sale of advertising in 'barter equivalent' transactions

Revenues relating to the sale of advertising in “barter equivalent” transactions are recognised according to an accounting policy developed by the company based on the IFRS15 standard. Specifically, the revenue is recognised if the 'barter' transaction meets the following conditions: i) the contract was stipulated for advertising services rendered in the ordinary activities of the entity; ii) the contract has commercial substance in accordance with the provisions of IFRS 15 paragraph 9.d.; iii) the service to be transferred to the customer has been identified; iv) the company has obtained control of any non-monetary consideration; v) the fair value of the service can be reliably estimated and corresponds to the fair value of the acquired right or of the active contract. In assessing the fair value of barter transactions, under IFRS 15, which requires the revenue to be measured based on the service/goods received in exchange or, alternatively, if this is difficult to measure, based on the fair value of the revenue itself, the company determined the fair value based on a price list aligned to market values.

In carrying out the analysis of the contracts, the company, in compliance with the provisions of IFRS 15, considered the discipline of the combination of contracts, also for the application of the policy described above.
Customers are given the opportunity to choose how to regulate the consideration for the services provided by the group. If the payment of a right in kind falls within the possibilities, the revenues for the services provided are not recognised, provided that as the option is not exercised and, therefore, the value of the consideration to which one is entitled is known.

Revenues from leasing to tenants of the Metropolitan Market Group are recognised as the service is rendered.

Revenues are shown net of returns, discounts, allowances and premiums, and directly related taxes.

Current taxes

Current tax assets and liabilities for the year are valued at the amount expected to recover from or pay to the tax authorities. The tax rates and regulations used to calculate the amount are enacted or substantively enacted at the balance sheet date in the country where the Group operates and generates its taxable income.
Current income taxes relating to items recognised directly in equity are also recognised in equity and not in the profit/(loss) statement for the period. Management periodically assesses the position taken in the tax return in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

Deferred taxes

Deferred taxes are calculated by applying the liability method to temporary differences between the tax bases of assets and liabilities and their corresponding carrying amounts at the balance sheet date.
Deferred tax assets are recognised for all temporary deductible differences and unused tax credits and losses carried forward to the extent that sufficient future taxable profit will probably be available against which the temporary deductible differences and tax credits and losses carried forward can be utilised, except to the extent that the deferred tax asset associated with the temporary deductible difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss reported in the financial statements nor the tax profit or loss. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future to allow all or part of that credit to be utilised. Unrecognised deferred tax assets are reviewed at each balance sheet date. They are recognised to the extent that it becomes probable that taxable profit will be sufficient to allow the recovery of those deferred tax assets.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when those assets are realised, or those liabilities are settled, taking into account tax rates that have been enacted or substantively enacted by the balance sheet date.
Deferred taxes relating to items recognised outside the income statement are

also recognised outside the income statement. Therefore, in equity or the statement of comprehensive income statement, consistently with the item they relate.

Currency conversion

In the Consolidated Financial Statements, the results of transactions, assets and liabilities are expressed in Euro, which is the presentation currency of the Parent Company, Tatatu S.p.A.. To prepare the Consolidated Financial Statements, the financial statements of the group's WWMM and Tatatu Hungary Kft investees are converted into euros by applying to assets and liabilities, the exchange rate prevailing at the balance sheet date, and to income statement items, the average exchange rates for the year if they approximate the exchange rates prevailing at the date of the respective transactions.
The Group uses the direct consolidation method; the gain or loss reclassified to the income statement upon disposal of a foreign subsidiary represents the amount that arises from using this method.

Foreign currency transactions and balances

Foreign currency transactions are initially recognised in the functional currency, applying the spot exchange rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date.
The exchange differences realised or those deriving from the conversion of monetary items are recorded in the income statement, with the exception of the monetary elements that constitute part of the hedge of a net investment in a foreign operation. These differences are recognized in the statement of comprehensive income until the sale of the net investment, and only then is the total amount reclassified to the income statement. The taxes attributable to foreign exchange differences on monetary items are also recognized in the comprehensive income statement.
In preparing the cash flow statement, presented using the indirect method, the cash flow from operating activities is determined by adjusting profit for the effects of unrealised foreign exchange gains or losses, as these are non-monetary items.
Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rates on the date of initial recognition of the transaction. Non-monetary items recorded at fair value in foreign currency are converted at the exchange rate on the date of determination of this value. The the income statement that emerges from the conversion of non-monetary items is treated consistently with the recognition of profits and losses related to the change in the fair value of the aforementioned items (i.e. the translation differences on the items whose variation in fair value is recognized in the comprehensive income statement or in the income statement, respectively, recorded in the comprehensive income statement or in the income statement).
In determining the spot exchange rate to be used when initially recognising the related asset, expense or income (or portion thereof) upon derecognition of a non-monetary asset or non-monetary liability related to the upfront consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability resulting from the upfront consideration. If there are several payments or advances, the Group determines the transaction date for each payment or advance.

Cost recognition

Costs are recognised when the good or service is acquired or consumed.

2.3 Discretionary evaluations and significant accounting estimates

The preparation of the Group's financial statements requires management to make discretionary judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that will require a significant adjustment to the carrying amount of these assets and/or liabilities in the future.
The main evaluations that require management's judgement are as follows:

Assessments on the existence of control

According to the provisions of IFRS 10, control is achieved when the Group is exposed to, or has the right to, the variable returns from its relationship with the investee and has the ability, through the exercise of power over the investee, to affect those returns. Power is defined as the current ability to direct the relevant activities of the investee under existing substantive rights.
The existence of control does not depend solely on the possession of a majority of voting rights but on the investor's substantive rights over the investee. Accordingly, management judgement is required to assess specific situations that give rise to substantial rights giving the Group the power to direct the relevant activities of the investee to influence its performance.
Management analyses all facts and circumstances to assess the control requirement, including agreements with other investors, rights arising from other contractual arrangements, and potential voting rights. These other facts and circumstances may be particularly relevant in the context of this assessment, especially in cases where the Group holds less than a majority of the investee's voting rights or similar rights.
The Group reviews the existence of the conditions of control over an investee when facts and circumstances indicate that there has been a change in one or more of the elements considered to verify its existence.

Amortisation and verification of the recoverable amount of Intangible Assets

The most significant valuation used in the preparation of the statement of profit/(loss) relates to the film forecast computation method, which affects the determination of amortisation of Intangible Assets. The application of the 'film forecast computation method', according to which the amortisation at the date of the financial statements is determined based on the time horizon, referring to the ratio existing between the revenues realised and the total revenues to be received throughout the life cycle of the film, requires the application of an estimation criterion to determine the future revenues in which the intangible asset will produce revenues.

With reference to the Tatatu App, the management has estimated a useful life of 5 years considering its technological obsolescence. With reference to the brand, at present, the management, in consideration of the start-up phase of the company, has prudently estimated a useful life of 18 years.

Revenue

Management assesses at the outset of each contract with customers the appropriate method of measuring the fulfilment of the performance obligation contained in the contract. The management considers this to be the moment when the service is provided.

Approach to accounting for bartering transactions

In the year under review, the Group concluded important commercial agreements with customers operating in the entertainment and advertising sectors, in line with the business development strategy. Specifically, the transactions underlying these agreements are attributable to two contractual models:

• “Pure” advertising “Barter”:

Specifically, the advertising barter transactions provide for the exchange of advertising implemented through separate contracts which provide for the reciprocal obligation to provide advertising services. These contracts have led to the recognition of receivables and payables, which are extinguished when the parties declare that they wish to make use of the offsetting between the reciprocal balance sheet items.

• “Barter” equivalent:

Barter equivalent transactions specifically involve the sale of advertising in exchange for the purchase of video rights. These contracts have led to the recognition of receivables and payables, which are extinguished when the parties declare that they wish to make use of the offsetting between the reciprocal balance sheet items.

Revenues relating to the sale of advertising in “barter equivalent” transactions are recognised according to an accounting policy developed by the company based on the IFRS15 standard. Specifically, the revenue is recognised if the 'barter' transaction meets the following conditions: i) the contract was stipulated for advertising services rendered in the ordinary activities of the entity; ii) the contract has commercial substance in accordance with the provisions of IFRS 15 paragraph 9.d.; iii) the service to be transferred to the customer has been identified; iv) the company has obtained control of any non-monetary consideration; v) the fair value of the service can be reliably estimated and corresponds to the fair value of the acquired right (level 3 in the fair value hierarchy)..

In carrying out the analysis of the contracts, the company, in compliance with the provisions of IFRS 15, considered the discipline of the combination of contracts, also for the application of the policy described above.

With reference to point ii), the directors have assessed that the contract has commercial substance through the analysis of the sales of the advertising spaces planned for the following years, specifically, the cash flows deriving from the exploitation of the right.

Determination of Fair Value

Management determines the criteria and procedures for recurring fair value assessments, such as video rights and revenues deriving from barter transactions.

For the fair value of the equivalent barter transactions, the company determined the fair value on the basis of the specific features of the single acquired right.

The company determined a level 3 fair value for barter transactions for fair value reporting purposes.

Under IFRS 15, which requires the revenue to be measured based on the service/goods received in exchange or, alternatively, if this is difficult to measure, based on the fair value of the revenue itself, the company determines the fair value based on a price list aligned to market values.

Pre-paid tax assets

Deferred tax assets are recognised against the connected accounting of negative items, the deduction of which is deferred to the years in which the cost is financially incurred.

For the purposes of the allocation, a significant estimate is required by the company management to determine the amount of tax assets that can be recognised on the basis of the level of future taxable profits, the timing of their occurrence and the applicable tax planning strategies.

Lease - Estimation of marginal funding rate

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

Estimated provision for liabilities related to the free-of-charge Tatatu coin issue

The provision made in the year amounting to Euro 36 *thousand* represents management's best estimate for liabilities deemed probable, also based on historical data on the use of TTT Coin, for products that will reasonably be purchased in the following year and attributed to users of the Tatatu App.
This provision, therefore, represents evidence of the progressive implementation of the Company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform.
In detail, the estimate is based on the projection of the average cost per auction concerning the number of successful auctions during the year.

The utilisation estimate is subject to periodic revisions to reflect in the balance sheet the value of the probable liability associated with the potential utilisation of the points granted to each user. The budgeted allocation will be refined in subsequent years based on empirical evidence reflecting user behaviour and level of interaction within the app.

2.6. Changes in accounting standards and disclosures

2.6.1. New accounting standards, interpretations and amendments adopted by the Group

The Group has not early adopted any new standards, interpretations or amendments issued but are not yet in force.
Several changes were applied for the first time in 2022 but did not impact the Group's consolidated financial statements.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37
An onerous contract is a contract in which the non-discretionary costs (i.e., the costs that the Group cannot avoid because it is a party to a contract) necessary to perform the obligations undertaken are higher than the economic benefits are supposed to be obtainable from the contract.
The amendment specifies that in determining whether a contract is onerous or generates losses, an entity must consider costs directly related to the contract to provide goods or services that include incremental costs (ie. The cost of direct labour and materials) as well as costs directly attributable to contractual activities (i.e. depreciation of equipment used for the performance of the contract as well as costs for the management and supervision of the contract). General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party based on the contract.
These changes have no impact on the Group's financial statements.

Reference to the Conceptual Framework - Amendments to IFRS 3

The amendments are intended to replace references to the Framework for the Preparation and Presentation of Financial Statements with references to the Conceptual Framework for Financial Reporting published in March 2018 without a significant change to the Standard's requirements.
The Board also added an exception to the valuation principles of IFRS 3 to avoid the risk of potential 'day-after' losses or gains arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if contracted separately. The exemption requires entities to apply the requirements of IAS 37 or IFRIC 21, rather than the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.
The amendment added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify as recognisable assets at the acquisition date.

These changes did not impact the Group's financial statements as no contingent assets, liabilities or contingent liabilities were recognised in the year for these changes.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold during the period in which that asset is brought to the location or condition

necessary for it to be capable of operating in the manner intended by management. Instead, an entity accounts for the revenues from selling such products and the costs to produce those products in the income statement.
These changes did not impact the Group's consolidated financial statements, as there were no sales related to these items of property, plant and equipment before or after the beginning of the previous comparative period.

IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

This amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts recognised by the parent, taking into account the date of transition to IFRSs by the parent. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1.
This change had no impact on the Group's consolidated financial statements as the Group is not a first-time adopter.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

This amendment clarifies what fees an entity includes in determining whether the terms and conditions of a new or amended financial liability materially differ from those of the original financial liability. These fees include only those paid or received between the debtor and the lender, including fees paid or received by the debtor or the lender on behalf of others. No such amendment has been proposed concerning IAS 39 Financial Instruments: Recognition and Measurement.
This change had no impact on the Group's consolidated financial statements, as there were no changes in the Group's financial liabilities during the half-year.

IAS 41 Agriculture - Taxation in Fair Value Measurements

The amendment removes the requirements in paragraph 22 of IAS 41 concerning the exclusion of cash flows for taxes when measuring the fair value of an asset for IAS 41.
This amendment had no impact on the Group's consolidated financial statements as the Group did not hold any assets for IAS 41 at the balance sheet date.

2.7 Financial risk management

Liquidity risk

The current operational management of the Group, still in the start-up phase, has absorbed financial flows destined to the needs and absorbed by the current management for the regular payment of suppliers. The Tatatu Group business model involves the use of a compensation system that allows, through agreements with customers and suppliers, to help manage liquidity risk.
Additional financial resources for investment are raised either through financial or capital transactions.

		Payables beyond the financial year			
€/000	**Payables within the financial year**	**Debts from 1 to 5 years**	**Debts over 5 years**	**Interest rate**	**Due date Debt**
TTU ITALY:					
Banca Progetto	419	1,373	-	4.75%	31/03/2027
Deutsche Bank	1,247	3,119	-	2.76%	03/06/2026
Mediocredito Centrale	84	664	246	5.17%	30/06/2029
Istituto per il Credito Sportivo	83	666	242	4.67%	30/06/2029
Montepaschi di Siena	82	667	247	(3.89%)	30/06/2029
MPS Bank Deposit	9	-	-		
Financial payables for interest	36	-	-		
I.A. Media	5	-	-		
Financial Payables Serbia Branches	1	-			
WMMM Ltd:					
CIBL Loan #1	243	384	-		28/07/2025
CIBL Loan #2	188	270	-		19/03/2026
HSBC Credit Card	24	-	-		
Barclays Credit Card	1	-	-		
IFRS 16 bills of exchange	752	5,348	12,361		
TTU HUNGARY:					
Exchange rate valuation effects on intercompany eliminations	(2)				
Overall total	**3,172**	**12,490**	**13,096**		
Total current financial liabilities	**3,172**				
Total non-current financial liabilities	**25,586**				

Foreign exchange rate risk

The Group is limited to financial risks related to exchange rate fluctuations regarding transactions with countries outside the Eurozone. It should also be noted that almost all receivables and payables are in the same foreign currency (US dollar).

The Group has not implemented any exchange rate risk hedging transactions as they are significantly reduced by offsetting costs incurred in the same currency as revenues.

Interest Rate Risk

The Group has no derivative contracts in place to hedge risks related to interest rate fluctuations as this risk exposure is marginal.

Market risk, credit risk and price risk

Risks related to the competitiveness and cyclicality of the sector
An element that increasingly characterises the entertainment market is the growing importance of the contents offered, which are increasingly differentiated according to the transmission channels.

Credit risk

The Group has receivables from several customers and, therefore, a moderate credit risk that is constantly monitored by management through the main actions:

- Assessment of customers' credit standing, taking into account creditworthiness;
- Appropriate reminder actions;
- Possible recovery actions.

These actions are therefore aimed at minimising credit risk, which is also mitigated by the fact that relations with customers are mainly related to barter transactions for which the Group can offset receivables against related trade payables.

2.8. Operating sectors: disclosure

Since the acquisition of the WWMM group, the group has extended its operations into the Metropolitan Market segment. Therefore the segment assets and liabilities at the balance sheet date are shown, comparing them with the values at the end of the previous year.
The following tables present, respectively, the revenue and profit information of the Group's operating segments for the year ended 31 December 2022 and 31 December 2021:

Amounts as at 31 December 2022	€/000 **App**	**Metropolitan Market**	**Total Sectors**	**Corrections and elisions**	**Consolidated**
	€ 000	**€ 000**	**€ 000**	**€ 000**	**€ 000**
Revenues €/000					
Sales to customers	104,755	8,601	113,356		113,356
Intra-industry sales	325		325	(325)	
Total revenues	**105,080**	**8,601**	**113,681**	**(325)**	**113,356**
Total costs	110,029	6,304	116,333	(325)	116,008
Gross operating margin	**(4,949)**	**2,297**	**(2,652)**	**0**	**(2,652)**
Amortisation and write-downs	903	1,062	1,965		1,965
Operating result	**(5,852)**	**1,235**	**(4,617)**		**(4,617)**

Amounts as at 31 December 2021	**App.**	**Metropolitan Market**	**Total Sectors**	**Corrections and elisions**	**Consolidated**
	€ 000	**€ 000**	**€ 000**	**€ 000**	**€ 000**
Revenue					
Sales to customers	47,396	-	47,396		47,396
Intra-industry sales				0	
Total revenues	**47,396**		**47,396**	**0**	**47,396**
Total costs	45,472		45,472	0	45,472
Gross operating margin	**1924**		**1924**		**1924**
Amortisation and write-downs	893		893		893

Operating result	**1,031**		**1,031**	**0**	**1,031**

The Tatatu Group owns and manages the Tatatu App. Is the first sharing economy for leisure time (RAVOD: Rewarding Video On Demand) and includes social media activities, posts, video calls and chat, viewing of premium video content (at no cost to end users) and e-commerce. In other words, the user is considered similarly to a stakeholder of the company.
Mercato Metropolitano's business primarily provides its trading partners with the know-how to offer the London community good quality food at affordable prices in compliance with strict ESG criteria. For this service, Mercato Metropolitano receives remuneration from its partners and vice versa. It mainly bears the costs of renting space.

The APP segment shows a negative operating result of euro 5,853, influenced by non-recurring costs related to the IPO process amounting to euro 7,233 *thousand*, in the absence of which the APP segment's operating result would show a positive value of euro 1,380 *thousand*.
The following table presents the assets and liabilities for the Group's operating segments as at 31 December 2022 and 31 December 2021:

€/000	**[App]**	**[Metropolitan Market]**	**Total Sectors**	**Corrections and elisions**	**Consolidated**
	€ 000	**€ 000**	**€ 000**	**€ 000**	**€ 000**
Sector activities					
As at 31 December 2022	**158,600**	**23,576**	**182,176**	**(24,472)**	**157,704**
As at 31 December 2021	**44,401**		**44,401**	**(6,585)**	**37,816**
Sector liabilities					
As at 31 December 2022	**124,248**	**29,708**	**153,957**	**(26,284)**	**127,673**
As at 31 December 2021	**35,259**		**35,259**	**(6,565)**	**28,694**

2.9. Business Combinations

On 13/5/2022, the Group acquired 100% of the voting shares of WWMM Ltd, an unlisted European-based company specialising in catering. The acquisition was accounted for using the acquisition method. The consolidated annual

financial statements incorporate the WWMM group result for one month from the date of acquisition.
The fair value of the WWMM Group's assets and liabilities at the date of acquisition was:

€/000	**Final fair value on the acquisition**	**Provisional fair value on acquisition**
Cash and cash equivalents	115	94
Tangible assets	292	582
Trade receivables	1,409	1,399
Assets by right of use	11,572	11,572
Other current assets	182	663
Accrued income and prepayments	-	301
Total assets	**13,570**	**14,611**
Current financial liabilities	1,019	1,440
Non-current financial liabilities	12,474	12,854
Trade payables	4,051	2,578
Other current liabilities	3,280	1,408
Other non-current liabilities	-	780
Total liabilities	**20,824**	**19,060**
Total net identifiable assets at *fair value*	**(7,254)**	**(4,449)**
Non-controlling interests	**(2,677)**	**(1,642)**
Goodwill arising on the acquisition	19,177	17,407
Acquisition fee	**14,601**	**14,601**
- of which paid in cash	716	716
- of which equity issue	13,885	13,885
Acquisition cash flow analysis:		

Net cash acquired with subsidiary	115	94
Fee paid	716	716
Net cash flow	**601**	**622**

The recognition of business combinations implies the allocation of the assets and liabilities of the acquired company of the difference between the acquisition cost and the net book value. The difference is allocated for most assets and liabilities by recognising the assets and liabilities at their fair value. The unallocated portion, if positive, is allocated to goodwill; if negative, it is charged to the income statement account. In the allocation process, the Group makes use of available information.

The Group decided to value the non-controlling interests of the acquired company by the corresponding fraction of the acquired company's equity.
The Group measures acquired lease liabilities by considering the present value of the remaining lease payments at the acquisition date. The right-of-use asset was recognised at the same value as the lease liability and was adjusted to take into account the favourable terms of the contract compared to market terms.

WWMM's goodwill includes the value of the expected synergies from the aggregation of the entertainment activities on the app and those related to the Metropolitan Market. Goodwill was allocated entirely to the Metropolitan Market sector.
Since the date of acquisition, the WWMM Group has contributed Euro 8,601 *thousand* to the Group's revenues and Euro 863 *thousand* to the Group's pre-tax net profit. If the combination had been effective from the beginning of the year, revenues from operating activities would have amounted to Euro 16,957 *thousand*, and the profit from operating activities for the Group would have amounted to Euro 691 *thousand*.
It should be noted that at the date of preparation of the consolidated financial statements as at 31 December 2022, the valuation procedure for the assets and liabilities acquired had been completed. Also, based on an independent expert's report, under IFRS 3, the company decided to allocate the difference between the fair value of assets and liabilities entirely to the item goodwill, for which an impairment test was performed that did not show any impairment losses. The values included as a provisional allocation process are those provided in the interim half-yearly financial statements as of 30 June 2022 and will be amended in preparing the interim half-yearly financial statements as of 30 June 2023 under the relevant standard.

3) Main changes in the scope of consolidation

The Consolidated Financial Statements include the financial statements of Tatatu S.p.A., the wholly-owned subsidiary Tatatu Hungary and Sant'Elmo in liquidation. As of 13 May 2022, the company acquired 100 % of WWMM Ltd by holding 75 % of its subsidiaries directly and indirectly.
Below is a representation of the companies included in the scope of consolidation:

Company	Registered office	Nation	Relationship with the Parent Company	Method of Consolidation	Percentage ownership (direct and indirect) as at 31 December 2022	Percentage ownership (direct and indirect) as at 31 December 2021
Tatatu S.p.A.	Rome Via Barberini 29	Italy	Parent company	**Full**	Parent company	Parent company
Tatatu Hungary	Budapest Ady Endre utca 15 - 2724 Ujlenyel	Hungary	Subsidiary	**Full**	100%	100%
St. Elmo (in liquidation)	Naples Via Orazio Petrucelli 12	Italy	Subsidiary	**Full**	100%	100%
WWMM Ltd	London 20-22 Wenlock Road	UK	Subsidiary	**Full**	63%	0%
Metropolitan Market Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MM E&C Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MM Mayfair Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MM Ilford Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MM Factory (EP) Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MM Grocery Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MM Canary Wharf Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MM Personnel Ltd	London 42 Newington Causeway	UK	Subsidiary	**Full**	75%	0%
MMercato Berlin GmbH	Beedstraße 54, 40468 Düsseldorf, Germany	Germany	Subsidiary	**Full**	75%	0%

4) Intangible fixed assets

The Group shows intangible assets in the consolidated financial statements attributable to the following asset categories:

€/000	Net book value 31.12.2021	Increases/acquisitions	Depreciation	Effect of valuation at the year-end exchange rate	Net book value 31.12.2022
Tatatu Brand	4,296	-	253	-	4,043
Tatatu App	2,541	263	647		2,157
Audiovisual content	6,368	98,853	96,945	1,776	10,052
Assets under construction	-	13,055	-	-	13,055
Other noncurrent intangible assets	-	4	1	-	3
Goodwill	-	19,177	-	-	19,177
Total Intangible Assets	**13,205**	**131,352**	**97,846**	**1,776**	**48,487**

More specifically, the Tatatu trademark and Tatatu App are owned and accounted for by Tatatu S.p.A. at a net book value of Euro 4,043 *thousand* and Euro 2,517 *thousand*, respectively. During the year, the value of the technological asset related to the app increased due to the capitalisation of platform development and improvement costs, amounting to Euro 263 *thousand*.
On the other hand, Audiovisual rights are owned by Tatatu Hungary Kft. and are shown at a net book value of Euro 10,052 *thousand*. These assets are mostly acquired from third party suppliers through barter agreements and refer to "Ravod" audiovisual rights. Assets under construction of euro 13,055 *thousand* refer to audiovisual content for euro 12,845 *thousand* and advance to suppliers for technological solutions not yet available for use for technical reasons for euro 210 *thousand*.
During the period, there were no indications of a possible impairment concerning Intangible Assets; the exploitation of Intangible Assets is considered in the latest Business Plan approved by the Board of Directors.

€/000	Tatatu Brand	Tatatu App	Contents audiovisual	Assets under construction	Other fixed assets	Goodwill	Total
Net equity at 31 December 2021	4,296	2,541	6,368	-	-	-	13,205
Increases	-	263	98,853	13,055	4		112,175
Depreciation	253	647	96,945	-	1	-	97,846
Exchange rate valuation effect as at 31/12/2022	-	-	1,776	-	-	-	1,776
Accounts/Reclassifications	-	-	-	-		-	0
Change in scope of consolidation	-	-	-	-		19,177	19,177
Net equity at 31 December 22	**4,043**	**2,157**	**10,052**	**13,055**	**3**	**19,177**	**48,487**

The item 'Change in Scope of Consolidation' shows a change of 19,177 *thousand* compared to 31 December 2021, mainly due to WWMM Ltd's entry into the consolidation scope.

Goodwill, to which the expansion of the scope of consolidation is attributable, was recognised following the acquisition of the WWMM Group. For a discussion of the transaction, please refer to section *Business Combinations*.

Testing Goodwill for Impairment

The Group engaged an independent third-party professional to perform the impairment test, the analysis of which includes the following steps:

- processing of cash flows *unlevered* from the CGU Plan data approved by the Boards of Directors of the individual companies;
- congruence analysis of the panel of comparables;
- estimation of the WACC;
- determination of the Enterprise Value of the CGUs subject to impairment;
- Analysis of the CGU definition methodology and the carrying amount of the CGU subject to impairment testing;
- Comparison of the recoverable amount, as worked out independently by the expert himself, with the carrying amount.

The Group performed the impairment test considering both the provisions of IAS 36.

Evaluation system

The value in use is estimated by discounting the operating cash flows, i.e. the cash flows available before repayment of financial debts and shareholders' remuneration (the Unlevered Discounted Cash Flow or UDCF method). Operating cash flows are discounted at a rate equal to the weighted average cost of debt and equity (Weighted Average Cost of Capital or WACC) to obtain the value of the Company's operating capital (Enterprise Value).
The projected cash flows used in the impairment test at 31 December 2022 result from the Business Plans of the individual CGUs for 2023-2026, approved at the end of March 2023. Certain timeframe of the Plans is four years. It is clarified that the impairment test was approved by the Board of Directors of the Parent Company on 29 March 2023.
The projected cash flows used in the impairment test were calculated by taking as a reference the expected ebitda net of imputed taxes and deducting the imputed contribution of fixed assets and working capital. The assumptions and methodology used are consistent with the historical results of the Company and its market. In light of the above, referring to a growth rate g of zero for the impairment test was prudently considered appropriate.
The discounted cash flow rate (WACC) used for impairment testing as at 31 December 2022 was 9.408 %.

Sensitivity to changes in recruitment
The Group also performed sensitivity analyses on the test results concerning changes in the basic assumptions affecting the CGU's enterprise value, assuming a change in WACC of +/-1% with a change in the CGU's prospective EBITDA level +/-5%. This would not result in any impairment of the Metropolitan Market CGU.

5) Tangible assets

The Group shows tangible assets in the consolidated financial statements that fall into the following asset categories:

€/000	Net book value 31.12.2021	Changes Consolidation Area	Increases	Depreciation	Exchange rate valuation effect as at 31.12.22	Net book value as at 31/12/2022
Property, plant and equipment	-	292	171	128	(7)	328
Electrical Machinery For Office	3	-	9	1	-	11
Rights of Use of Tangible Fixed Assets	-	11,572	8,946	654	(439)	19,425
TOTAL	**3**	**11,864**	**9,126**	**783**	**(446)**	**19,764**

The Group acquired several tangible assets during the period. This result is mainly due to the acquisition of the WWMM group since the core business of the subsidiary is leasing hubs to third-party partners. For this reason, the items 'Machinery', 'Plant' and 'Equipment' increased. In addition, in line with previous years, the Group purchased instrumental goods for its administrative and non-administrative activities. This equipment is used by the employees of the company and refers to telephones, PCs and other similar instruments of modest value.
The item 'rights of use of tangible fixed assets' also includes the value in use (i.e., the 'value in use') of the tangible fixed assets. RoU) of the buildings leased by the WWMM group and the associated improvements. The net book value of these assets amounted to Euro 19,764*thousand* and was capitalised under IFRS 16. Based on WWMM's plan broken down by location, no indicators of impairment emerged, taking into account the cash flows estimated by management.

6) Pre-paid tax assets

Non-current assets also include deferred tax assets in the amount of Euro 63 *thousand* due to temporary increases in the parent company's tax base, made in the application of Italian provisions on the determination of IRES taxable income.

€/000	31/12/2022	31/12/2021	Changes
Tatatu S.p.A. Prepaid tax assets	63	10	53
Pre-paid tax assets WWMM Group	-	-	-
Deferred Tax Assets Tatatu Hungary	-	1,008	(1,008)
Total deferred tax assets	**63**	**1,018**	**(955)**

More specifically, the movement in deferred tax assets is due to the following:

- the allocation of IRES deferred tax assets, equal to Euro 53 *thousand*, corresponding to the higher taxes related to the temporary reversal of some negative income components of the Parent Company.
- The reabsorption of deferred tax assets allocated to the previous year's consolidated financial statements, for €1,008, to harmonise the accounting treatment of the Group entities.

7) Fixed financial assets

This item includes certain financial assets whose recoverability is expected beyond twelve months. Specifically, these are deposits and pledges used by the parent company Tatatu S.p.a., amounting to Euro 250 *thousand*, and by the subsidiary WWMM, amounting to Euro 153 *thousand*.

€/000	31-Dec-22	31-Dec-21	Changes
Guarantee deposits	203	0	203
Other fixed financial assets	200	0	200
Total Financial Assets not held as fixed assets.	**403**	**0**	**403**

8) Trade receivables

The Group's trade receivables amounted to Euro 80,388 *thousand* as at 31 December 2022, compared to Euro 22,298 *thousand* as at 31 December 2021, and refer mainly to the sale of advertising space.

In particular, the breakdown of receivables among the Group's various investees is as follows:

€/000	31/12/2022	31/12/2021	Changes
Trade receivables Tatatu S.p.A.	698	238	460
Trade credits Tatatu Hungary Kft	77,995	22,060	55,935

WWMM Commercial Credits	1,645	-	1,645
Total Receivables	**80,338**	**22,298**	**58,040**

Most of the exposed claims accrued to Tatatu Hungary Kft. These claims, over the next 12 months, will essentially be realised not in monetary form but through possible offsets under contractual agreements that legitimise the parties to extinguish their mutual debtor-creditor positions (so-called *barter agreements*).

At the balance sheet date, this item did not include any transactions with related parties or past due receivables for which it will be possible to settle the receivable by offsetting it against the related payable, as described above.

The positive change in trade receivables of the WWMM Group is due to the inclusion of the company's consolidation scope following the acquisition of 75% of the Company's shares of the same name.

WWMM's trade receivables have an average collection time of fewer than 60 days.

9) Other current assets

As of 31 December 2022, the Group had other current assets of Euro 3,381 *thousand*, which mainly refer to:

- Tatatu S.p.a.'s credits corresponding to: the net VAT credit surplus accrued regarding the 2021 and 2022 tax years; the advertising investment tax credit under Article 57-bis, Decree-Law 50/2017, recognised in 2021 regarding advertising costs incurred in 2020 and tax credits related to employee payroll.
- Tatatu Hungary's receivables correspond to the net surplus of VAT credits and tax credits related to employee payroll.
- other current assets recorded by the WWMM Group relating mainly to advances to suppliers

€/000	**Net book value as at 31/12/2022**	**Net book value 31.12.2021**	**Changes**
Tax credits in the ownership of Tatatu S.p.a.	221	203	18
Excess VAT paid by Tatatu S.p.A.	908	226	682
Advances to suppliers paid by Tatatu S.p.a.	1,488	0	1,488
Prepaid expenses	6	0	6
Excess VAT paid by Tatatu Hungary Kft.	84	0	84
Other advances for personnel-related contributions paid by Tatatu Hungary Kft.	62	20	42
IFRS 16 and other payments on account to WWMM suppliers	612	0	612

Total	3,381	449	2,932

10) Inventories

The balance of inventories at 31.12.2022 is the closing stock of goods and raw materials purchased by the Group during the financial year 2022.
These inventories refer to the following items:

- Goods purchased in 2022 by the Parent Company to feed the e-commerce platform and enable the preparation of products to be awarded to users in auctions held periodically on the app.
- Balance of raw materials, consumables and goods stored at the subsidiary MM Grocery Ltd.

This item is valued at acquisition cost, and no elements could lead to a write-down of the amount recorded.

€/000	Net book value as at 31/12/2022	Net book value 31.12.2021	Changes
Inventories of goods Tatatu S.p.A.	50	-	50
Inventories of raw materials and goods WWMM	212	-	212
Total	**262**	**-**	**262**

11) Tax receivables

The Group shows advance payments for income tax for the year of Euro 89 *thousand* paid by the Parent Company and the subsidiary Tatatu Hungary K.f.t.

12) Short-term financial assets

Non-current financial assets recognised by the Group at the end of the financial year refer to temporary liquidity investments in securities and other financial assets held by the Parent Company.

€/000	31/12/2022	31/12/2021	Changes
BNP Securities Deposit	183	0	183
Other financial assets	11	0	11
Total Financial Assets not held as fixed assets.	**194**	**0**	**194**

As at 31 December 2022, the assets valued at FVTPL consist of the investment in investment funds for EUR 183 *thousand*, whose fair value level is 2.

13) Cash and cash equivalents

The item, equal to €4.723 *thousand*, only includes the balance of the bank current account relations held by the Group companies with credit institutions. Cash and cash equivalents are not burdened by restrictions that limit their full use. Please refer to the cash flow statement and the liquidity risk management disclosure to analyse movements. Below is a detailed breakdown of the current account balances held by each company:

€/000	**31/12/2022**	**31/12/2021**	**Changes**
Tatatu S.p.a.	3,390	790	2,579
Tatatu Hungary Kft.	132	26	106
WWMM Group	1,201	-	1,225
Total	**4,723**	**816**	**3,907**

14) Group net equity

The Group's shareholders' equity consists of share capital, share premium reserve and other reserves, as well as the loss carried forward from the previous period and the profit for the current year.
As of 31 December 2022, the fully subscribed and paid-up share capital of Tatatu S.p.A. was EUR 8,143 *thousand*, represented by 814,265,232 ordinary shares.
In particular, shareholders' equity changed as a result of share capital increases in favour of Tatatu S.p.A. that took place during the year, with the exclusion of option rights according to Article 2441, paragraph 4, second sentence, of the Italian Civil Code, as resolved by the Extraordinary Shareholders' Meeting during the year.
More in detail, 12,964,832 ordinary shares were issued against the capital increases released through cash contributions and contribution of equity investments for the acquisition of WWMM Ltd (Extraordinary Shareholders' Meeting resolution of 13/05/2022).

Consequently:

- the share capital increased by Euro 130 *thousand* ;
  the share premium reserve was increased by Euro 23,479 *thousand*.
  The legal reserve increased by Euro 32 *thousand* due to the allocation of Tatatu S.p.A.'s 2021 financial year result, which was resolved in 2022, as did the extraordinary reserve, which increased by Euro 611 *thousand* and was reclassified under 'other reserves'.
  On 20 December 2022, the Extraordinary Shareholders' Meeting resolved to increase +the share capital in cash by excluding pre-emptive rights by issuing 1,325 thousand ordinary shares with voting rights in favour of Anivad Consulting Ltd amount of EUR 2,650,00. This transaction, finalised at the commercial register on 20 January 2023, was recorded at the end of the financial year in the item 'Capital contribution'.
  On 21 December 2022, Tatatu S.p.A. and the parent company IA Media SA defined the

payment of EUR 6.5 million to Tatatu as a payment for future capital increases in a specific equity reserve. The contract does not provide for any charges or guarantees to be borne by the Company.

€/000	**31/12/2022**	**31/12/2021**	**Changes**
Share capital	8,143	8,013	130
Share premium reserve	23,776	297	23,479
Currency conversion reserve	452	-	452
Legal reserve	32	-	32
Payment on account of future capital increase	6,500	-	6,500
Capital contribution	2,650	-	2,650
Other reserves	599	(32)	631
Profit and loss carried forward	(1,266)	(465)	(801)
Profit (loss) for the financial year	(9,042)	1,309	(10,351)
Equity attributable to minority interests	(1,813)	-	(1,813)
Total shareholders' equity	**30,031**	**9,122**	**20,909**

Tatatu's objectives in managing capital are inspired by the creation of shareholder value, guaranteeing the interests of stakeholders and safeguarding business continuity, and maintaining an adequate level of capitalisation that allows economic access to external sources of finance to support the development of the Group's activities adequately.

15) Non-current trade liabilities

As of 31 December 2022, the Group had a trade payable over twelve months with the related party Iervolino & Lady Bacardi Entertainment S.p.A., in the amount of Euro 1,701 *thousand*.
The liability arose from the contribution of assets and liabilities related to the capital increase subscribed by the sole shareholder IA Media on 23 December 2020.

16) Non-current financial liabilities

This item includes the financial payable due after 2022 and the impact of the application of IFRS 16 in the amount of Euro 17,708 *thousand* beyond the financial year arising from the consolidation of the Mercato Metropolitano Group.

The figure for the long-term portion of bank loans are due after 2022 shows a total of Euro 7,877 *thousand* (Euro 1,630 *thousand* as of 31 December 2021), increased due to

the fulfilment of the underlying obligations of four new loans received from leading banks in the year 2022.
Concerning drawn loans, the items are recognised at the amortised cost of the liability, determined under IFRS 9, and specifically, corresponds to the value at which the financial liability was measured upon initial recognition net of principal repayments, increased or decreased by the cumulative amortisation using the effective interest method on any difference between the initial value and the maturity value.
In this regard, the discounting of the loan at the market rate was not deemed necessary, taking into account the fact that the rate inferable from the contractual terms and conditions is not significantly different from the market interest rate, to be understood as the rate that would have been applied if two independent parties had negotiated a similar transaction with comparable terms and conditions to the one under examination that generated the debt.

		Payables beyond the financial year			
€/000	**Payables within the financial year**	**Debts from 1 to 5 years**	**Debts over 5 years**	**Interest rate**	**Due date Debt**
TTU ITALY:					
Banca Progetto	419	1,373	-	4.75%	31/03/2027
Deutsche Bank	1,247	3,119	-	2.76%	03/06/2026
Mediocredito Centrale	84	664	246	5.17%	30/06/2029
Istituto per il Credito Sportivo	83	666	242	4.67%	30/06/2029
Montepaschi di Siena	82	667	247	3,89%	30/06/2029
MPS Bank Deposit	9	-	-		
Financial payables for interest	36	-	-		
I.A. Media	5	-	-		
Financial Payables Serbia Branches	1	-			
WMMM Ltd:					
CIBL Loan #1	243	384	-		28/07/2025
CIBL Loan #2	188	270	-		19/03/2026
HSBC Credit Card	24	-	-		
Barclays Credit Card	1	-	-		
IFRS 16 bills of exchange	752	5,348	12,361		
TTU HUNGARY:					
Exchange rate valuation effects on intercompany eliminations	(2)				
Overall total	**3,172**	**12,490**	**13,096**		

Total current financial liabilities	**3,172**
Total non-current financial liabilities	**25,586**

All loans outstanding as at 31 December 2022 do not have covenants and/or negative pledges and, except for the loan with Deutsche Bank, are backed by a Sace guarantee

17) Provision for risks and charges

The provision of Euro 36 *thousand* made in the year 2022 represents management's best estimate for contingent liabilities deemed probable, also based on historical data on the use of TTT Coin, for products that are reasonably expected to be purchased in the next financial year and attributed to users of the Tatatu App.
This provision, therefore, represents evidence of the progressive implementation of the Company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform.

18) Current financial liabilities

This item mainly includes the financial liability due within 12 months in connection with bank loans received from the Parent Company and the non-banking liability due within 12 months that arose as a result of the application of IFRS 16 to lease agreements payable.
Payables due to bank loans refer to liabilities incurred with Banca Progetto, Deutsche Bank and HSBC.

		Payables beyond the financial year			
€/000	**Payables within the financial year**	**Debts from 1 to 5 years**	**Debts over 5 years**	**Interest rate**	**Due date Debt**
TTU ITALY:					
Banca Progetto	419	1,373	-	4.75%	31/03/2027
Deutsche Bank	1,247	3,119	-	2.76%	03/06/2026
Mediocredito Centrale	84	664	246	5.17%	30/06/2029
Istituto per il Credito Sportivo	83	666	242	4.67%	30/06/2029
Montepaschi di Siena	82	667	247	3,89%	30/06/2029
MPS Bank Deposit	9	-	-		
Financial payables for interest	36	-	-		
I.A. Media	5	-	-		
Financial Payables Serbia Branches	1	-			

WMMM Ltd:					
CIBL Loan #1	243	384	-		28/07/2025
CIBL Loan #2	188	270	-		19/03/2026
HSBC Credit Card	24	-	-		
Barclays Credit Card	1	-	-		
IFRS 16 bills of exchange	752	5,348	12,361		
TTU HUNGARY:					
Exchange rate valuation effects on intercompany eliminations	(2)				
Overall total	**3,172**	**12,490**	**13,096**		
Total current financial liabilities	**3,172**				
Total non-current financial liabilities	**25,586**				

19) Trade payables

Trade payables, for a total amount of €93,054 *thousand*, refer to liabilities incurred by the Group.

Payables specifically refer to the following expense items:

- purchase of administrative and technical services of various kinds necessary for the operation of the company;
- purchase of content made available to users on the Tatatu platform;
- Debts for App development activities;
- Trade debts assumed by the WWMM Group to finance the company's operations.

The majority of the trade debts mentioned above about Hungary are to be offset within the framework of trade exchange relationships (so-called *barter agreements*), under which the parties are allowed to settle their mutual debt-credit positions.

€/000	**31/12/2022**	**31/12/2021**	**Changes**
Trade payables TTU Italy	3,330	1,631	1,699
Trade payables TTU Hungary	86,671	21,988	64,683
Trade payables WWMM Ltd	3,053	-	3,053
Total trade payables	**93,054**	**23,619**	**69,435**

Furthermore, it should be noted that the trade payables in question include some liabilities towards related parties, totalling €18 *thousand*. This payable is distributed amongst the following suppliers:

€/000	31/12/2022	31/12/2021	Changes
Arte Video S.r.l.	7	20	(13)
Lab81.2 S.r.l.	11	6	5
R.E.D. Carpet S.r.l.	-	2	(2)
Total	**18**	**28**	**(10)**

20) Other current liabilities

The Company has current liabilities totalling Euro 2,890 *thousand*, mainly attributable to payroll payables and tax and social security payables related to payroll. Below is a detailed breakdown of this item:

€/000	31/12/2022	31/12/2021	Changes
Payables to staff and other current liabilities	1,496	77	1,419
Tax and social security debts	914	47	867
Deferred income	480	-	480
Total	**2,890**	**124**	**2,766**

21) Tax payables

Tax payables refer to liabilities relating to direct taxes that have accrued to the Group. In particular, the total debt amounted to Euro 1,182 *thousand*.

€/000	31/12/2022	31/12/2021	Changes
Tax payables TTU Italy	259	269	43
Tax payables TTU Hungary	769	744	25
Tax payables WWMM Ltd	154	-	154
Total tax payables	**1,182**	**1,013**	**169**

22) Sales revenues and other positive items

The sales revenues shown refer to the sale of advertising space. Specifically, the advertising spaces include promotional notifications and other forms of advertising conveyed via the *Tatatu* app throughout Italy.
The revenues in question were accounted for by applying the accrual principle and with particular reference to *bartering equivalent* transactions.
With reference to the latter, it is important to point out that the company has put in place two main categories of bartering transactions:
- Advertising Barter: having, as its object, specifically, the exchange of advertising against advertising by netting the respective economic positions;

- Equivalent Barter: relating, specifically, to the sale of advertising for content that contributes to enriching the entertainment offer of the app.

Advertising barter transactions were specifically excluded from the scope of IFRS 15. Equivalent barter transactions fall within the scope of IFRS15 because the company has performed a timely assessment on each contract to identify whether: i) the transaction was carried out in the ordinary course of business; ii) the transaction has commercial substance in that it allows the company to obtain inputs that will generate future revenue; iii) the service to be transferred to the customer has been identified; iv) the company has obtained control of any non-monetary consideration; and v) the fair value has been determined. In valuing barter transactions, in compliance with IFRS15, which requires the revenue to be measured based on the Fair Value of the service/goods received in exchange or, alternatively, if difficult to measure, based on the Fair Value of the revenue itself, the company determined Fair Value based on a price list aligned with market values.
Revenues were recognised *at point in time.*
Revenues as at 31 December 2022 showed a double-digit increase over the previous year. The distribution of sales revenue is shown below:

€/000	**31-Dec-22**	**31-Dec-21**	**Changes**
Revenues from the sale of advertising space	104,660	47,134	57,526
Revenues from Metropolitan Market-beverage	7,400	0	7,400
E-commerce	3	1	2
Inter-sector revenues	325	0	325
Total (A)	**112,388**	**47,135**	**65,253**
Services From the affiliated companies	0	61	-61
Other positive entries	1,294	200	1,094
Intercompany Eliminations	-325	0	-325
Total (B)	**969**	**261**	**708**
Total '(C) = (A) + (B)	**113,357**	**47,396**	**65,961**

Revenues from sales increased by Euro 65,961 *thousand*compared to the previous year due to the consolidation of relations with anchor clients to whom important advertising space was sold for an extended period and with whom their payment solutions were accepted through the sale of video content, thus favouring an expansion of the company's library, making the App more attractive. Although the business model in the start-up phase mainly involves the use of barter-equivalent transactions, around EUR 2 million was received from one of the anchor clients with whom the company has a relationship during the financial year 2022.
The value of revenues also benefits from the acquisition of Mercato Metropolitano in the amount of Euro 8,601 *thousand*, with average collection times of less than 60 days.

A detail is shown to classify the incidence of revenues among the various group companies:

€/000	31-Dec-22	31-Dec-21	Changes
Tatatu S.p.a.	145	262	(117)
Tatatu Hungary	104,611	47,134	57,477
WWMM Group	8,601	-	8,601
Total Revenues	**113,357**	**47,396**	**65,961**

The geographical distribution of sales revenues is as follows:

AREA	31-dic-2022	31 Dec. 2021	Changes
ITALY	3,523	17,398	(13,875)
USA	101,141	29,798	71,343
UK	7,400	-	7,400
TOTAL	**112,064**	**47,196**	**64,868**

23) Purchasing raw materials, consumables and goods

This item amounts to Euro 164 *thousand* and mainly includes goods for resale through the e-commerce platform, consumables and office materials net of returns, allowances and discounts granted.

24) Costs for services

Costs for services as at 31 December 2022 amounted to Euro 14,694 *thousand*. They increased by Euro 7,857 *thousand* compared to the previous year, gross of capitalised costs of Euro 85 *thousand* incurred for the technological development of the App. The increase in this item is also attributable for Euro 2,550 *thousand* to the change in the scope of consolidation. The increase in service costs of euro 7,857 *thousand* is mainly attributable to (i) IPO costs of euro 4,624 *thousand*, (ii) Financial Advisory costs of euro 2,610 *thousand*, (iii) the change in scope of consolidation of euro 2,550 *thousand*, net of some decreases in certain items.
The increase in costs also affected the main items of expenditure necessary to ensure business development and, in particular:
(i) an increase in technology costs of euro 823 *thousand* necessary to implement new functions of the App and improve existing ones (ii) an increase in marketing costs of euro 411 thousand to increase the user base (iii) an increase in user fees of euro 492 *thousand*, transaction costs of euro 329 *thousand*, and content costs of euro 319 *thousand* aimed at increasing the *library* of the company to make the App more attractive.

TTU Group Service Costs			
€/000	**31-Dec-22**	**31-Dec-21**	**Changes**
Other consultancy services	1,001	1,013	12
Other services	1,668	2,218	552
Insurance companies	47	-	47
Stationary	26	-	26
Fuels	199	-	199
Bank fees	24	6	18
Tax consultancy	205	108	97
Contents	415	96	319
Financial advisor costs	2,610	-	2,610
Ipo costs	4,624	-	4,624
Technological costs	1,455	632	823
Settlement costs	329	-	329
Leases/use of assets	313	-	(313)
Marketing	868	457	411
Public Relations	-	2	(2)
Advertising expenses	-	2,222	(2,222)
Cleaning and rodent removal services	64	-	64
Transport	142	3	139
Telephone	24		24
Utilities	492		492
Security Services	351		351
Travel Expenses	256	7	249
Ordinary maintenance	197	63	134
Editorial advice	10	10	-
Overall total	**14,694**	**6,837**	**7,857**

In 2022, the Group capitalised on the cost of external suppliers dedicated to developing the App in the amount of Euro 85 *thousand*.

Costs for Services WWMM Ltd	
Security Services	351
Other services	378
Settlement costs	329
Utilities	492
Other consultancy services	342
Fuels	199
Ordinary maintenance	197
Trips and stays	126
Transport services	136
Cleaning services	64
Contents	61
Insurance companies	47
Technological costs	44
Marketing	35
Stationary	26

Telephone	24
Bank fees	14
Leases/use of assets	- 313
Overall total	**2,550**

25) Staff costs

As at 31 December 2022, this item totalled Euro 4,255 *thousand*, gross of capitalised costs for the development of the App of Euro 177 *thousand*, an increase of Euro 3,898, of which Euro 3,303 related to the change in the scope of consolidation.
On a like-for-like basis, therefore, the increase in the item is mainly related to the establishment of the Serbia branch, where technical staff dedicated to the development of the App has been hired since September 2022.

€/000	31-Dec-22	31-Dec-21	Changes
Employee salaries	3,606	156	3,450
Social security contributions	441	19	422
Severance Indemnity Provision	21	5	16
Other staff costs	187	-	187
Total	**4,255**	**180**	**4,075**

In 2022, the Group capitalised on the cost of Serbian personnel dedicated to implementing new App features in the amount of Euro 177 *thousand*.

26) Other operating costs

The item 'other operating costs' includes operating expenses of various kinds, including payments for taxes and other operating charges.

€/000	31/12/2022	31/12/2021	Changes
Total other operating costs	178	192	(14)

27) Capitalised costs

This item shows the costs for the technological development of the app incurred during the year, which were added to the app's value recorded under intangible assets. These components relate to the following expenditure items:

€/000	31/12/2022
Costs for app technology development services	(85)
Personnel costs for app development	(177)
Total	**(262)**

Capitalisations determined:
- the increase in the historical cost of the app;
- the allocation of a higher depreciation rate calculated by applying the rate

corresponding to the fixed asset class to which the above expenses were allocated.

28) Depreciation

This item mainly refers to amortisation quotas calculated on fixed assets with a finite useful life, relating to video rights acquired by Tatatu Hungary K.f.t., amortisation quotas of the brand and technological software recorded in the financial statements of Tatatu S.p.a., and the rights of use of the physical Hub by WWMM.
In addition, the Group has accounted for the depreciation allowances set aside for the purchase, which took place during the year, of some office tools.
As regards the trademarks and technological software registered in the assets of Tatatu S.p.A., an amortisation period of 18 years has been estimated. As regards the technological software instrumental to the App, the five-year amortisation has been planned.
Below is the analytical indication of the quotas allocated.

€/000	**31/12/2022**	**31/12/2021**	**Changes**
Tatatu brand amortisation rate	253	253	0
Tatatu App technology amortisation rate	647	639	8
Audiovisual content amortisation rate	96,945	38,263	58,682
Amortisation quota of other intangible assets	1	-	1
Amortisation quota of telephone systems and office equipment	2	-	2
Amortisation quota for rights of use	654	-	654
Amortisation quota of real estate	128	-	128
Total depreciation	**98,630**	**39,155**	**59,475**

29) Provisions

The Group has made a prudential provision of Euro 316 *thousand* attributable to (i) Euro 280 *thousand* relating to WWMM to bring receivables to their presumed realisable value; (ii) Euro 36 *thousand* for the Tatatu coin provision whose methodological approach was described earlier.

30) Financial charges

As of 31 December 2022, financial expenses amounted to Euro 4,792 *thousand* compared to a balance of Euro 61*thousand* in the previous year. The increase of Euro 4,731 *thousand*is attributable to (i) negative exchange rate differences realised during the year under review in the amount of Euro 4,184 *thousand*. Specifically, the item captures the change due to the fluctuation of the exchange rate in the period between the date of the transaction and the settlement date of the credit or debit arising as a result of

the transaction itself. Under IAS 21, the initial recognition of the transaction takes place in the functional currency, applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency in effect at the date of the transaction (ii) the amount of interest expense accrued in the year 2022 on bank loans payable, calculated using the effective interest method, equal to Euro 341 *thousand*.
Below is a breakdown of the financial expenses incurred by the Group:

Type of financial burden	**31/12/2022**
Realised exchange losses	4,184
Interest expenses and financial charges	341
Interest from the application of IFRS 16	267
Total	**4,792**

31) Financial income

The recognised positive components refer to exchange rate differences during the year under observation. Financial income accrued by the Group amounted to Euro 2,238 *thousand*.
These proceeds are realised as a result of the extinction of monetary elements occurred at rates different from those at which they were converted at the time of the initial recognition of the transaction.

32) Taxes

The item represents the amount of direct taxes payable by the Group recognised according to the accrual principle. The amount shows a negative value of €1.870 *thousand*. This item consists of taxes for the year pertaining to Tatatu S.p.A., amounting to Euro 99 *thousand*, which includes the tax burden related to IRES and IRAP taxes (due to the Italian Treasury) and the tax levy in the Serbian territory. In addition, the item includes taxes attributable to Tatatu Hungary K.f.t., amounting to Euro 1,772 *thousand*. The aforementioned negative amount is significantly affected by the adverse movement in deferred tax assets due to the adjustments to the economic balances recorded by Tatatu Hungary to harmonise the accounting treatment of the entities within the Group. Below is a summary table with the summary elements of the tax item.

Taxes	€/000
Ires attributable to Tatatu S.p.a.	63
Accrued IRAP payable to Tatatu S.p.A.	25
Tatatu S.p.A bears direct taxes of the Serbian branch.	11
Local business tax Tatatu Hungary	764
Reversal of deferred tax assets on consolidation	1,007
Total taxes	**1,870**

Concerning the tax burden on the Parent Company, a reconciliation of the theoretical and actual tax credit is provided below:

Reconciliation IRES / IRAP and ETR as at 31 December 2022		
€/000	**2022**	**%**
Profit before tax	**195**	
Current IRES rate	24.00%	
Theoretical IRES tax burden	**47**	24%
Permanent tax increases	16	8.06%
Permanent tax decreases	-	0%
Temporary tax increases	52	26.92%
Temporary downward tax changes	-	0%
Total effective IRES	**115**	**58.98%**
Difference between value and costs of production relevant for IRAP purposes	**1,147**	
IRAP rate in force	4.82%	
Theoretical IRAP tax burden	**55**	4.82%
Permanent tax increases	9	0.81%
Permanent tax decreases	(18)	-1.63%
Temporary tax increases	-	0%
Temporary downward tax changes	-	0%
Value of production produced abroad	(21)	-1.82%
Total actual IRAP	**25,022**	**2.18%**

At the consolidated level, the overall burden on the Group is summarised below:

IRES tax	115
IRAP	25
Prepaid taxes	(52)
Deferred taxes	0
Foreign taxes from previous years	(1,772)
Foreign Taxes	(11)
Total taxes in the income statement account	**1,870**

33) Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.
Diluted earnings per share are calculated by dividing the profit attributable to the parent company's ordinary shareholders (after adjustment for interest on bonds convertible into preference shares) by the weighted average number of ordinary shares outstanding during the year and those potentially arising from the conversion of all convertible bonds.
The result and share information used in the calculation of basic and diluted earnings per share are presented below:

€	**31-dic-2022**	**31 Dec. 2021**
Number of Shares	814,265,233	8,013,004
Net profit/(loss) attributable to ordinary shareholders of the parent company	(9,041,809)	1,309,434
Basic earnings/(loss) per share	(0.011)	0.163
Diluted earnings/(loss) per share	(0.011)	0.163

34) More information

34.1.1. Transactions with related parties

The Company's financial and economic transactions with related parties from 1 January 2022 to 31 December 2022 are set out below. It is specified that the payable to Ilbe S.p.A., resulting from the transfer made in December 2020 by IA Media of assets and liabilities has not had any changes. The related payment is expected as of 2023.

Company name	Trade payables		Revenue		(Expens)	
€/000	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Ilbe S.p.A.	1,701	1,721	-	-	-	
Arte Video S.r.l.	7	20	-	-	102	33
Lab 81 .2 S.r.l.	11	6	-	-	23	38
R.E.D. Carpet		2	-	-	-	1
Ambi Media Italia S.r.l.	-	-	-	61	-	-
Total transactions	**1,719**	**1,749**	**0**	**61**	**125**	**72**
Total budget items	94,755	25,340		47,196	116,008	46,365
Weight on budget items	1.81%	6.90%	0%		0.11%	0.16%

34.1.2. Amount of fees payable to the Auditors and Auditing Firm

The Directors' remuneration is Euro 182 *thousand*, while the Statutory Auditors cost approximately Euro 26 *thousand*.
The following statement shows the fees for audit and non-audit services provided by the same audit firm.

Type of service	Service supplier	Fees (euro thousand)
TATATU S.P.A.		
Audting	EY S.p.A.	75
Certification services	EY S.p.A.	67
Limited revision	EY S.p.A.	70
Other services (IPO)	EY S.p.A.	78
Other services	EY Network Entities	35
Total Tatatu S.p.A.		**325**
Subsidiaries		
Other services	EY Network Entities	205

34.1.3. Commitments and guarantees provided for by the Group

In financial year 2022, Tatatu obtained guarantees to meet the payment obligations resulting from unsecured mortgages. The guarantee was issued by Sace pursuant to Article 1 of the Liquidity Decree.
In particular, the Sace guarantee is provided in favour of Tatatu's contractors, and the guaranteed amount is equivalent to 80% of the loan.

34.2. Information pursuant to article 1, paragraph 125 of law no. 124 of 4 august 2017

In compliance with the obligations of transparency of public disbursements introduced by Article 1, paragraphs 125-129 of Law No. 124/2017, we report that the tax credit for advertising investments accrued in 2022 amounted to approximately Euro 92 *thousand*.

35.) Significant Events After the Close of the Financial Year

On 16 January 2023, TaTaTu signed a new contract with Giglio Group, an e-commerce company, to manage the e-commerce portal of Tatatu S.p.A.

On 31 January 2023, TaTatu signed a partnership with Basara, a Japanese restaurant chain, to further implement the expendability of the TTT Coin.

Concerning the situation related to the impacts of Covid - 19, it is noted that the loosening of the restrictions of the containment measures enacted by governments did not directly impact the Company's equity, financial and economic situation. Lastly, it is noted that the geopolitical dynamics relating to the conflict between Russia and Ukraine have not had an appreciable impact on the evolution of business management which, still in an embryonic and developmental phase, has not been affected by the adverse conditions resulting therefrom. Analyses were also carried out to provide measures to contain the risks associated with the resulting market uncertainty.

36 Transactions arising from atypical and/or unusual operations

No atypical and/or unusual transactions were carried out in the period between 31/12/2021 and 31/12/2022.

Rome, 29 March 2023

For the Board of Directors,

Andrea Iervolino

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SEPARATE FINANCIAL STATEMENTS AS AT 31.12.2022

1. SEPARATE FINANCIAL STATEMENTS OF TATATU S.P.A.

1.1. FINANCIAL BALANCE SHEET AS AT 31.12.2022 - Values in euro

ASSETS	2022	*of which from related parties*	2021	*of which from related parties*	*Notes*
Non-current assets					
Intangible fixed assets					
Rights over audiovisual content	-		-		*3*
Trademarks	4,042,649		4,295,705		*3*
Technological software	2,156,769		2,541,039		*3*
Other intangible activities	3,200		-		*3*
Assets under construction	210,000				*3*
Total Intangible Assets	**6,412,618**		**6,836,744**		
Tangible assets					
Property, plant and equipment	10,736		2,902		*4*
Total tangible assets	**10,736**		**2,902**		
Financial fixed assets					
Equity investments	17,364,084		8,244		*5*
Other financial assets	250,000		-		*6*
Total Financial fixed assets	**17,614,084**		**8,244**		
Pre-paid tax assets	62,990		10,494		7
Total non-current assets	**24,100,428**		**6,858,384**		
Current assets					
Trade receivables	20,678,283	*19,980,617*	6,477,136	*6,238,620*	*8*
Other current assets	2,623,236		428,761		*9*
Inventories	50,000		-		
Current financial assets	6,242,919	*6,048,620*	329,003	*329,003*	*10*
Cash and cash equivalents	3,390,317		790,045		*11*
Total current assets	**32,984,755**		**8,024,946**		
Total assets	**57,085,183**		**14,883,330**		
LIABILITIES	**2022**	***of which from related parties***	**2021**	***of which from related parties***	***Notes***
Shareholders' Equity					
Share capital	8,142,652		8,013,004		*12*
Legal reserve	32,151		-		
Share premium reserve	23,776,226		296,996		*12*
Reserve treasury shares in portfolio	(5,775)		-		
Other reserves	9,734,826		(26,085)		*12*
Profit and loss carried forward	(6,987)		(6,987)		*12*

Operating profit	96,859		643,014		*12*
Total shareholders' equity	**41,769,952**		**8,919,942**		
Non-current liabilities					
Trade payables	1,701,000	*1,701,000*	1,721,000	*1,721,000*	*13*
Non-current financial liabilities	7,223,286		1,631,606		*14*
Liabilities and charges	36,484		-		*15*
Severance Fund	21,892		3,744		*16*
Total non-current liabilities	**8,982,662**		**3,356,350**		
Current liabilities					
Current financial liabilities	1,965,973		582,625		*17*
Trade payables	3,329,682	*18,368*	1,631,268	*28,440*	*18*
Other current liabilities	778,339		123,152		*19*
Tax payables	258,575		269,993		*20*
Total current liabilities	**6,332,569**		**2,607,039**		
Total liabilities and shareholders' equity	**57,085,183**		**14,883,330**		

1.2. STATEMENT OF COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR Amounts in euro

Revenue	**2022**	***of which towards related parties***	**2021**	***of which towards related parties***	***Notes***
Sales revenue	2,102,822	2,050,000	2,183,032	*2,110,600*	*21*
Other positive entries	11,784,085	11,691,997	2,403,626	*2,203,620*	*22*
Total revenues	**13,886,907**		**4,586,658**		
Purchases of raw materials, consumables and supplies	37,565		-		*23*
Costs for services	11,700,753	*124,257*	2,429,900	*71,500*	*24*
of which: non-recurring charges	*7,233,461*		-		
Staff cost	873,814		103,823		*25*
Capitalised costs for internal work	*(262,852)*		-		*26*
Other operating costs	177,419		185,034		*27*
Provisions for risks	36,484				*29*
Amortisation and write-downs	902,293		892,578		*28*
Operating result	**421,431**		**975,323**		
Financial charges	296,064		81,703		*30*
Financial income	69,646	*60,315*	19,032	*1,753*	*31*
Financial management result	**(226,418)**		**(62,672)**		
Earnings before taxes	**195,013**		**912,652**		
Income tax for the year	98,154		269,637		*32*
Profit (Loss) for the Period	**96,859**		**643,014**		
Other comprehensive income statement components that will not be subsequently reclassified to profit/(loss) for the year (net of tax):	-		-		
Revaluation gain/(loss) on defined benefit plans	**-**		**-**		
Other comprehensive income statement components that will be subsequently reclassified to profit/(loss) for the year (net of tax)	**47**				

Translation differences of foreign statements	**47**				
Total profit /(loss)	**96,859**		**643,014**		
Basic earnings per share	**0.00012**		**0.00080**		33
Diluted earnings per share	**0.00012**		**0.00080**		33

1.3. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31/12/2021 - Amounts in euro

Movements in equity items	**Notes**	**Share Capital**	**Share premium reserve**	**Other reserves**	**Profit and loss carried forward**	**Fiscal year result**	**Total shareholders' equity**
Equity as at 31.12.2020	12	8,010,000		(26,085)		-6,987	7,976,928
Capital increases	12	3,004	296,996				300,000
Allocation Previous year's profit/(loss)					-6,987	6,987	0
Profit/(loss) for the financial year	12					643,014	643,014
Shareholders' equity as at 31 December 2021		**8,013,004**	**296,996**	**(26,085)**	**-6,987**	**643,014**	**8,919,942**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31/12/2022 - Amounts in euro

Movements in equity items	**Notes**	**Share Capital**	**Share premium reserve**	**Legal Reserve**	**Payment on account of future capital increase**	**Capital Contribution**	**Other reserves**	**Negative reserve for treasury shares in the portfolio.**	**Profit and loss carried forward**	**Fiscal year result**	**Total shareholders' equity**
Shareholders' equity as at 31 December 2021	**12**	**8,013,004**	**296,996**				**(26,085)**		**(6,987)**	**643,014**	**8,919,942**
Capital increases	12	129,648	23,479,230		6,500,000	2,650,000		(5,775)			**32,753,103**

Allocation Previous year's profit/(loss)	12			32,151			610,863			(643,014)	-
Foreign Currency Translation Reserve	12						48				**48**
Profit/loss for the year	12									96,859	**96,859**
Shareholders' equity as at 31 December 2022	**12**	**8,142,652**	**23,776,226**	**32,151**	**6,500,000**	**2,650,000**	**584,826**	**(5,775)**	**(6,987)**	**96,859**	**41,769,952**

1.4. CASH FLOW STATEMENT **Values in euro**

	Notes	2022	2021
Cash and cash equivalents as at 01/01/2022		**790,045**	**51,230**
OPERATING ACTIVITIES			
Operating profit		96,859	643,014
Adjustments for			
Income taxes	32	98,154	269,637
Financial (income)/charges	30.31	226,419	62,672
Amortisation and write-downs	28	902,293	892,578
Provisions	29	56,060	5,051
(capital gains) / capital losses from transfer of assets			(10,000)
Exchange rate differences from valuation			
Changes in net current assets			
Inventories		(50,000)	-
Decrease/ (Increase) in trade receivables	8	(14,201,147)	(3,094,131)
Increase / (decrease) in trade payables	13, 18	4,328,414	180,524
Decrease/ (Increase) in other current and non-current assets	6.9	(2,205,276)	(410,735)
Increases/(Decrease) in other current and non-current liabilities	19.20	655,339	103,298
Other adjustments			
Income tax paid		(161,834)	-
(Use of provisions)	15	(1,429)	(1,307)
Financial income/(expenses) collected/paid	30.31	(228,213)	(77,643)
A. Net cash and cash equivalents generated/(used) in operating activities		**(10,484,361)**	**(1,437,042)**
INVESTMENT ACTIVITIES			
Acquisition of:			
Tangible fixed assets	4	(9,948)	(3,225)
Intangible assets	3	(3,200)	-
Capitalised costs related to intangible fixed assets with a finite useful life	3	(472,852)	
Purchase of subsidiaries	5	(715,705)	-
Fixed financial assets	6	(250,000)	
Short-term financial assets	10	(5,842,799)	(327,250)
A. Cash and cash equivalents generated/(used) in investment activities		**(7,294,505)**	**(330,475)**
FINANCING ACTIVITIES			
Equity			
Approved capital increases/capital contributions	12	16,069,015	300,000
Loan capital			
Financing expenses	14.17	7,967,756	2,419,375
Loan repayment	14.17	(1,051,587)	(213,043)
Purchase of own shares		(5,775)	
A. Cash and cash equivalents generated/(used) in lending activities		**22,979,408**	**2,506,332**
D. Increase/(decreases) in net cash and cash equivalents (A+B+C)		**2,600,271**	**738,815**
CASH AND CASH EQUIVALENTS - BEGINNING OF THE PERIOD		**790,045**	**51,230**
CASH AND CASH EQUIVALENTS - END OF THE PERIOD		**3,390,317**	**790,045**

2. NOTES THE FINANCIAL STATEMENTS

2.1. Overview

Tatatu S.p.A. is a joint stock company regulated according to the legal system in force in Italy and registered with the Companies' Register of Rome under no. 15653581003. The Company's registered office is located in Rome, at Via Barberini, no. 29. The publication of the financial statements of Tatatu S.p.A. (The Company) for the period ended 31 December 2022 was authorised by the Board of Directors on 29 March 2023. The company is the head of the Tatatu Group and is the owner of the Tatatu App, the exploitation of which is licensed to Tatatu Hungary Kft. Tatatu is the first sharing economy for leisure time (RAVOD: Rewarding Video On Demand) and includes social media activities, posts, video calls and chat, viewing of premium video content (at no cost to end users) and e-commerce.

The Company was incorporated on 20 February 2020, in the legal form of a Limited Liability Company. On 22 December 2020, the Company approved the capital increase and contextual transformation of the legal form into a joint stock company.

These financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Profit/(Loss) for the year, the Statement of Cash Flows and the Statement of Changes in Shareholders' Equity, as well as the Notes to the Financial Statements.

The statements of the Statement of Financial Position, the Income Statement, the Statement of Changes in Shareholders' Equity and the Cash Flow Statement are expressed in units of Euro. The numerical data reported in the Notes to the Financial Statements are expressed in thousands of Euros, unless otherwise indicated.

These financial statements are audited in full by EY S.p.A.

2.2. Significant accounting standards

2.2.1. Basis of preparation

These financial statements as at 31 December 2022 have been prepared in compliance with the International Accounting Standards (hereinafter also referred to as the 'IFRS'), issued by the *International Accounting Standards Board* ('IASB') and adopted by the European Commission. IFRS refers to the *International Financial Reporting Standards*, the revised international accounting standards ('IAS'), all the interpretations of the *International Financial Reporting Interpretations Committee* ('IFRIC'), previously referred to as the *Standing Interpretations Committee* ('SIC'). These financial statements prepared in accordance with IFRS have been prepared on the assumption of business continuity.

2.2.2. Financial statements

This document consists of the Statement of Financial Position, the Consolidated Statement of Comprehensive Profit/(Loss) for the Year, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the Notes to the Financial

Statements.

The Statement of Financial Position shows the separate presentation of current and non-current assets and current and non-current liabilities.

An asset is classified as current when it meets one of the following criteria:

- it is held for sale or consumption, or expects its realisation, in the normal course of its operating cycle;
- it is owned mainly for the purpose of negotiating it;
- it is expected to be realised within twelve months from the closing date of the financial year; or
- it consists of cash or equivalent means, the use of which is not subject to constraints or restrictions such as to prevent its use for at least twelve months from the closing date of the financial year.

All assets that do not meet the conditions listed above are classified as non-current.

A liability is classified as current when:

- it is expected to settle the liability in its normal operating cycle;
- it is owned mainly for the purpose of negotiating it;
- it must be paid off within twelve months from the closing date of the financial year; or it does not have an unconditional right to defer the settlement of the liability for at least twelve months from the closing date of the financial year.

The Comprehensive Profit/(Loss) Statement was drawn up by classifying the costs based on their nature, so as to arrive at the net result for the period by highlighting the operating result. Operating income is determined as the difference between revenues and other income and operating expenses (the latter including non-cash expenses related to write-downs and amortisation of current and non-current assets, net of any reversals).

Lastly, the Cash Flow Statement shows the cash flows resulting from operating activities according to the 'indirect method', in compliance with IAS 7, classifying the cash flows between operating, investment and financing activities.

2.2.3. Summary of accounting standards and valuation criteria

Intangible fixed assets

Intangible assets relate to identifiable assets without physical consistency, controlled by the Company and capable of producing future economic benefits, as well as goodwill when acquired for consideration. Identifiability is defined with reference to the possibility of distinguishing the intangible asset acquired from goodwill. This requirement is normally met when:

- the intangible asset is attributable to a legal or contractual right; or
- the business is separable, that is, it can be sold, transferred, rented or exchanged independently or as an integral part of other assets.

Intangible assets are recognised at purchase or production cost including directly attributable ancillary charges necessary to make the assets ready for use. Revaluations are not allowed, not even in application of specific laws.

Intangible assets with a finite useful life are amortised systematically over their useful life, understood as the estimate of the period in which the assets will be used by the Company.
The principles applied by the Company for intangible assets are summarised below:

	Trademarks	**Technological software**
Useful Life	Definite (18 years)	Definite (5 years)
Depreciation method used	Amortised on a straight-line basis	Amortised on a straight-line basis

An intangible asset is eliminated at the time of disposal (i.e., on the date on which the buyer obtains control of it) or when no future economic benefits are expected from its use or disposal.
Any profit or loss resulting from the elimination of the asset (calculated as the difference between the net consideration for the disposal and the book value of the asset) is included in the income statement.

Tangible assets

Tangible assets include physical capital goods and are recognised at historical cost, including directly attributable ancillary costs necessary for the commissioning of the asset for the use for which it was purchased.
This cost includes the costs for the replacement of part of machinery and plants when they are incurred, provided that they comply with the recognition criteria.
Office systems and machines are shown net of the related accumulated depreciation and any impairment losses determined according to the methods described below. Depreciation is calculated on a straight-line basis based on the estimated useful life of the asset for the company, which is reviewed annually and any changes, if necessary, are applied prospectively.
The estimated useful life of the main classes of tangible assets is as follows:

	Office systems and electronic equipment
Useful Life	Definite (5 years)
Depreciation method used	Amortised on a straight-line basis

The book value of property, plant and equipment is subject to verification, to detect any losses in value, if events or changes in the situation indicate that the book value cannot be recovered, following the rules described below.

Fair value valuation

The company owns assets in kind and the rights acquired through conferral operations that took place during financial year 2020, measured at fair value when they were recognised in the financial statements.

The fair value is the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in a regular transaction between market operators on the valuation date. A fair value assessment assumes that the sale of the asset or the 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 assessed by adopting the assumptions that market operators would use in determining the price of the asset or liability, assuming that they act to best satisfy their economic interest.

A fair value measurement of a non-financial asset considers the ability of a market operator to generate economic benefits by using the asset to its maximum and best use or by selling it to another market operator who would use it to its maximum and best use.

The company uses valuation techniques that are suitable for the circumstances and for which there is sufficient data available to assess the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 - listed (unadjusted) prices in active markets for identical assets or liabilities which the entity can access on the valuation date;

Level 2 - Inputs other than the quoted prices included in Level 1, which can be observed directly or
indirectly for the asset or liability;

Level 3 - valuation techniques for which the input data are not observable for
the asset or liability.

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

Financial assets

Upon initial recognition, financial assets must be classified into one of the three categories below based on the following elements:

- the entity's business model for managing financial assets;
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are subsequently derecognised from the financial statements only if the sale entailed the substantial transfer of all the risks and benefits associated with the assets themselves. On the other hand, if a significant portion of the risks and benefits relating to the financial assets sold has been maintained, they continue to be recognised in the financial statements, even if legal ownership of the assets has actually been transferred.

Financial assets valued at amortised cost

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is owned according to a business model the objective of which is achieved
- through the collection of the financial flows provided for in the contract ('*Hold to Collect*' '*Business Model*');
- the contractual terms of the financial asset provide for cash flows at specified dates consisting solely of principal payments and interest on the principal amount to be repaid (i.e., "SPPI test" passed).

Upon initial recognition, these assets are accounted for at *fair value*, including transaction costs or income directly attributable to the instrument itself. After initial recognition, the financial assets in question are valued at amortised cost, using the effective interest rate method. The amortised cost method is not used for assets - valued at historical cost - the short term of which makes the effect of applying the discounting logic negligible, for those without a defined deadline and for revocable credits.

Impairment of financial assets

In accordance with the provisions of IFRS 9, the entity applies a simplified approach to estimate the expected credit losses over the entire life of the instrument and takes into account its historically gained experience regarding credit losses, corrected on the basis of prospective factors specific to the nature of the Company's receivables and the economic context.

In summary, the Company evaluates the expected losses of financial assets in a way that reflects:

- a target, probability-weighted amount determined by evaluating a range of possible outcomes;
- the time value of money;
- reasonable and demonstrable information that is available without excessive cost or effort
- as at the date of the financial statements on past events, current conditions and forecasts of future economic conditions.

The financial asset is impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of the financial asset. Observable data on the following events constitute evidence that the financial asset is impaired (it is possible that no single event can be identified: the impairment of financial assets may be due to the combined effect of several events):

a) significant financial difficulties of the issuer or debtor;
b) a breach of contract, such as default or a missed deadline;
c) for economic or contractual reasons relating to the debtor's financial difficulties, the creditor extends to the debtor a concession that the creditor would not otherwise have taken into consideration;
d) there is a likelihood that the debtor will enter bankruptcy or other financial restructuring procedures;

e) the disappearance of an active market for that financial asset due to financial difficulties;
f) The purchase or creation of the financial asset with significant discounts reflecting the credit losses incurred.

For financial assets accounted for using the amortised cost criterion, when an impairment has been identified, its value is measured as the difference between the book value of the asset and the present value of the expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognised in the income statement.

Accounting elimination of financial assets and liabilities

Financial assets are derecognised when one of the following conditions is met:

- the contractual right to receive cash flows from the business has expired;
- the entity has substantially transferred all the risks and benefits associated with the asset;
- the entity has neither transferred nor substantially maintained all risks and benefits associated with the financial asset, but has transferred control.

Financial liabilities are eliminated from the accounts when they are extinguished, i.e., when the contractual obligation is fulfilled, cancelled or required. An exchange of debt instruments with substantially different contractual terms must be accounted for as an extinction of the original financial liability and the recognition of a new financial liability.
Similarly, a substantial change in the contractual terms of an existing financial liability, even partial, must be accounted for as an extinction of the original financial liability and the recognition of a new financial liability.

Offsetting of financial assets and liabilities

The company offsets financial assets and liabilities if and only if:

- there is a legally exercisable right to offset the values recognised in the financial statements;
- there is an intention either to offset on a net basis or to realise the asset and regulate the liabilities simultaneously.

Equity investments

Equity investments in subsidiaries, jointly-controlled companies and associated companies are valued using the cost method, including the costs directly attributable thereto, adjusted for impairment.

At each balance sheet date, the Company reviews the book value of the equity investments to determine if there are any indications that these assets have undergone a reduction in value and, if so, carries out the *impairment* test.

In the presence of objective evidence of impairment, recoverability is verified by comparing the book value with the recoverable value, represented by the greater of the *fair value* (net of disposal costs) and the value in use determined, generally, within the limits on the relative portion of shareholders' equity.

The Company restores the value of the equity investments if the reasons that led to their write-down no longer exist.

Dividends are recognised on the date the resolution is taken by the Shareholders' Meeting and charged to the income statement even if they result from the distribution of profit reserves generated prior to the date of acquisition. The distribution of such profit reserves represents an event that gives rise to the presumption of an impairment loss and, therefore, entails the need to verify the recoverability of the carrying value of the investment.

Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits as well as financial assets with an original maturity equal to or less than three months, readily convertible into cash and subject to an insignificant risk of change in value. The elements included under cash and cash equivalents are measured at fair value. Time deposits that do not comply with the requirements of the IFRS are not included under cash and cash equivalents.

Collection transactions are recorded by bank transaction date, while for payment transactions the disposition date is also taken into account.

Financial liabilities and trade payables

Financial liabilities and trade payables are recognised when the Company becomes a party to the related contractual clauses and are initially measured at fair value adjusted for directly attributable transaction costs.

They are subsequently valued using the amortised cost criterion, using the effective interest rate method.

Provision for risks and charges

Provisions for liabilities and contingencies are recognised when, at the reporting date, in the presence of a legal or constructive obligation arising from a past event, it is probable that an outflow of resources, the amount of which can be reliably estimated, will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market valuation of the time value of money and, if applicable, the specific risk attributable to the obligation. When the provision is discounted, the periodic adjustment of the present value due to the time factor is reflected in the income statement as a finance cost.

Where it is assumed that a third party will reimburse all or part of the expenses required to settle an obligation, the indemnity, if virtually certain, is recognised as a separate asset.

Provisions do not include liabilities to reflect uncertainties in income tax treatments recognised as tax liabilities.

For contracts whose non-discretionary costs necessary to perform the obligations undertaken are more significant than the economic benefits expected to be obtained from the contract (onerous contracts), the Company recognises a provision equal to the lower of the cost necessary to perform and any compensation or penalties resulting from the breach of the contract. Changes in estimates of provisions are reflected in the Income statement for the year in which the change occurs.

The provision made in the year amounting to euro 36,484 represents management's best estimate for liabilities deemed probable, also based on historical data on TTT Coin, for products that are reasonably expected to be purchased in the next financial year and attributed to users of the Tatatu App.

This provision, therefore, represents evidence of the progressive implementation of the Company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform. Please refer to Note 2.3 for the assumptions underlying the estimate.

Revenue

Revenues resulting from contracts with customers are recognised when control of the services is transferred to the customer for an amount that reflects the consideration that the company expects to receive in exchange for said services.

Current taxes

Current tax assets and liabilities for the year are valued at the amount expected to recover from or pay to the tax authorities. The tax rates and regulations used to calculate the amount are enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates its taxable income. Current income taxes relating to items recognised directly in equity are also recognised in equity and not in the profit/(loss) statement for the period. Management periodically assesses the position taken in the tax return in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

Deferred taxes

Deferred taxes are calculated by applying the liability method to temporary differences between the tax bases of assets and liabilities and their corresponding carrying amounts at the balance sheet date.

Deferred tax assets are recognised for all temporary deductible differences and unused tax credits and losses carried forward to the extent that sufficient future taxable profit will probably be available against which the temporary deductible differences and tax credits and losses carried forward can be utilised, except to the extent that the deferred tax asset associated with the temporary deductible difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss reported in the financial statements nor the tax profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future to allow all or part of that credit to be utilised. Unrecognised deferred tax assets are reviewed at each balance sheet date. They are recognised to the extent that it becomes probable that taxable profit will be sufficient to allow the recovery of those deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when those assets are realised, or those liabilities are settled, taking into account tax rates that have been enacted or substantively enacted by the balance sheet date.

Cost recognition
Costs are recognised when the good or service is acquired or consumed.

2.3. Discretionary evaluations and significant accounting estimates

The preparation of the Company's financial statements requires management to make discretionary judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that will require a significant adjustment to the carrying amount of these assets and/or liabilities in the future.
The main evaluations that require management's judgement are as follows:

Recoverability of equity investments
The Company assesses, at least annually, the presence of impairment indicators of each investment, in line with its management strategy of the legal entities within the Group and, if they occur, subjects these activities to impairment tests. The processes and methods for assessing and determining the recoverable value of each equity investment are based on sometimes complex assumptions which, by their nature, imply recourse to the judgement of the Directors, specifically with reference to the identification of impairment indicators and the forecast of their future profitability for the period of the Group business plan, the determination of the normalised cash flows on the basis of the estimate of the terminal value and the determination of the long-term growth and discounting rates applied to the forecasts of future cash flows.

Depreciation of intangible assets
With reference to the Tatatu App, the management has estimated a useful life of 5 years considering its technological obsolescence. With reference to the brand, at present, the management, in consideration of the start-up phase of the company, has prudently estimated a useful life of 18 years.

Depreciation of tangible assets
With reference to tangible assets consisting of electronic equipment necessary for the company for administrative and technical tasks. The useful life of the aforementioned assets is estimated at 5 years. This amortisation plan is also aligned with the ministerial coefficients referred to in Ministerial Decree 31/12/1988 associated with the business sector in which the company operates.

Application of IFRS 15
Management assesses at the outset of each contract with customers the appropriate method of measuring the fulfilment of the performance obligation contained in the contract. The management considers this to be the moment when the service is provided.

The licensing grants the customer the right to access the intellectual property as it exists during the term of the licence (right to access). The licence was granted for use only for the current year and, therefore, the revenues were recognised, in accordance with IFRS

15 during 2022.

Pre-paid tax assets

Deferred tax assets are recognised for all temporary deductible differences and unused tax credits and tax losses carried forward to the extent that sufficient future taxable income will probably be available to allow the utilisation of deductible temporary differences and tax credits and tax losses carried forward, except where:

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

The taxation of these charges is postponed to subsequent years pursuant to the Consolidated Income Tax Act.

With reference to the residual deferred tax assets resulting as at 31 December 2022, associated with the accrual of tax losses that can be carried forward, it should be noted that they were fully realised following the use of deduction from the taxable income attributable to the 2022 tax period, in compliance with Article 84, paragraph 2 of the aforementioned Consolidated Law.

In assessing the recoverability of deferred tax assets, the Company relies on the same forward-looking assumptions used elsewhere in the financial statements and other management reports, which, among other things, reflect the potential impact of developments related to business development, such as increased production costs as a result of measures to increase the development of the app.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when those assets are realised, or those liabilities are settled, taking into account tax rates that have been enacted or substantively enacted by the balance sheet date.

Estimated provision for liabilities related to the free-of-charge Tatatu coin issue

The provision made in the year amounting to Euro 36 *thousand* represents management's best estimate for liabilities deemed probable, also based on historical data on the use of TTT Coin, for products that will reasonably be purchased in the following year and attributed to users of the Tatatu App.

This provision, therefore, represents evidence of the progressive implementation of the Company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform.

In detail, the estimate is based on the projection of the average cost per auction concerning the number of successful auctions during the year.

The utilisation estimate is subject to periodic revisions to reflect in the balance sheet the value of the probable liability associated with the potential utilisation of the points granted to each user. The budgeted allocation will be refined in subsequent years based on empirical evidence reflecting user behaviour and level of interaction within the app.

2.4. Changes in accounting standards and disclosures

2.4.1. New accounting standards, interpretations and amendments adopted by the company

The accounting standards adopted for preparing the annual financial statements are consistent with those used for preparing the annual financial statements as of 31 December 2021, except for adopting new standards and amendments effective 1 January 2022. The Company has not early adopted any new standards, interpretations or amendments issued but not yet in force.
Several amendments apply for the first time in 2022 but did not impact the Company's annual financial statements.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

An onerous contract is a contract in which the non-discretionary costs (e.g., costs that the Company cannot avoid because it is a party to a contract) necessary to perform the obligations undertaken are more significant than the economic benefits are supposed to be obtainable from the contract.
The amendment clarifies that in determining whether a contract is onerous or generates a loss, an entity must consider costs directly related to the contract for the provision of goods or services that include both incremental costs (e.g., direct labour and material costs) and costs directly attributable to contractual activities (e.g., depreciation of equipment used to perform the contract as well as costs for managing and supervising the contract). General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party based on the contract.
These changes had no impact on the Company's financial statements.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

An onerous contract is a contract in which the non-discretionary costs (e.g., costs that the Company cannot avoid because it is a party to a contract) necessary to perform the obligations undertaken are more significant than the economic benefits are supposed to be obtainable from the contract.
The amendment clarifies that in determining whether a contract is onerous or generates a loss, an entity must consider costs directly related to the contract for the provision of goods or services that include both incremental costs (e.g., direct labour and material costs) and costs directly attributable to contractual activities (e.g., depreciation of equipment used to perform the contract as well as costs for managing and supervising the contract). General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party based on the contract.

These changes had no impact on the Company's financial statements.

Reference to the Conceptual Framework - Amendments to IFRS 3

The amendments are intended to replace references to the Framework for the Preparation and Presentation of Financial Statements with references to the Conceptual Framework for Financial Reporting published in March 2018 without a significant change to the Standard's requirements.
The Board also added an exception to the valuation principles of IFRS 3 to avoid the risk of potential 'day-after' losses or gains arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if contracted separately. The exemption requires entities to apply the requirements of IAS 37 or IFRIC 21, rather than the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.
The amendment added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify as recognisable assets at the acquisition date.
These changes did not impact the Company's annual financial statements as no contingent assets, liabilities and contingent liabilities were recognised in the half-year period for these changes.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold during the period in which that asset is brought to the location or condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity accounts for the revenues from selling such products and the costs to produce those products in the income statement.
These changes did not impact the Company's financial statements as there were no sales related to these items of property, plant and equipment before or after the beginning of the previous comparative period.

IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

This amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts recognised by the parent, taking into account the date of transition to IFRSs by the parent. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1.
This amendment did not impact the Company's annual financial statements as the Company is not a first-time adopter.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

This amendment clarifies what fees an entity includes in determining whether the terms and conditions of a new or amended financial liability materially differ from those of the original financial liability. These fees include only those paid or received between the debtor and the lender, including fees paid or received by the debtor or the lender on behalf of others. No such amendment has been proposed concerning IAS 39 Financial Instruments: Recognition and Measurement.

This change did not impact the Company's financial statements, as there were no changes in the Company's financial liabilities during the reporting period.

IAS 41 Agriculture - Taxation in Fair Value Measurements

The amendment removes the requirements in paragraph 22 of IAS 41 concerning the exclusion of cash flows for taxes when measuring the fair value of an asset for IAS 41. This amendment did not impact the Company's financial statements as the Company did not hold any assets for IAS 41 at the balance sheet date.

2.5. Financial risk management

Liquidity risk

The current operational management of the Company, still in the start-up phase, has absorbed financial flows destined to the needs and absorbed by the current management for the regular payment of suppliers. The Company's business model involves the use of a compensation system that allows, through agreements with customers and suppliers, to help manage liquidity risk.
Additional financial resources for investment are raised either through financial or capital transactions.

		Payables beyond the financial year			
€	**Payables within the financial year**	**Debts from 1 to 5 years**	**Debts over 5 years**	**Interest rate**	**Due date Debt**
Banca Progetto	418,708	1,373,493	-	4.75%	31/03/2027
Deutsche Bank	1,247,151	3,118,694	-	2.76%	03/06/2026
Mediocredito Centrale	84,027	663,891	245,872	5.17%	30/06/2029
Istituto per il Credito Sportivo	83,266	665,982	241,606	4.67%	30/06/2029
Montepaschi di Siena	82,170	666,672	247,076	3,89%	30/06/2029
MPS Bank Deposit	9,333	-	-		
Financial payables for interest	35,632	-	-		
I.A. Media	5,000	-	-		
Branche Serbia	686	-			
Overall total	**1,965,973**	**6,488,732**	**734,554**		

Foreign exchange rate risk

The Company is limited to financial risks related to exchange rate fluctuations regarding transactions with countries outside the Eurozone. It should also be noted that almost all receivables and payables are in the same foreign currency (US dollar).

The Company did not carry out any exchange rate risk hedging transactions, as these were significantly reduced by offsetting costs incurred in the same currency as revenues.

Interest Rate Risk

The Company has no derivative contracts in place to hedge the risks relating to the fluctuation
of interest rates, given that this risk exposure is marginal. Market risk, credit risk and

price risk

Risks related to the competitiveness and cyclicality of the sector

An element that increasingly characterises the entertainment market is the growing importance of the contents offered, which are increasingly differentiated according to the transmission channels.
Market risk is mainly due to the possibility of increased competition and cyclicality within the sector in which the Company operates. It should be noted that the business model adopted by the Company allows it to position itself as the first data-sharing economy by combining the:

- RAVOD platform that offers online streaming based on digital advertising with rewarding for users per minute watched through TTT Coins;
- Features related to social networks (follow, comment, post, chat, call, etc.) with rewards consisting of TTT coins;
- Gaming content;
- E-commerce platform where TTT coins accumulated by users through social activities can be used.

Another element that increasingly characterises the entertainment market is the growing importance of the content offered. To mitigate this risk, the Company has consolidated its relationships with its 'anchor clients' to have a constantly updated and innovative library.

Credit risk

The Group has receivables from several customers and, therefore, a moderate credit risk that is constantly monitored by management through the main actions:
1. assessment of customers' credit standing, taking into account creditworthiness;
2. appropriate reminder actions;
3. possible recovery actions.
These actions are therefore aimed at minimising credit risk, which is also mitigated by the fact that relations with customers are mainly related to barter transactions for which the Group can offset receivables against related trade payables.

3. Intangible fixed assets

Tatatu S.p.A. exhibits intangible assets attributable to the following asset categories:

€/000	As at 31 December 2021	Increases	Divestments	(Amortisation)	As at 31 December 2022
Tatatu Brand	4,296	-	-	253	4,043

Tatatu App	2,541	263	-	647	2,157
Other intangible activities	-	4	(1)		3
Intangible fixed assets in progress	-	210	-	-	210
Total Intangible Assets	**6,837**	**477**	**(1)**	**900**	**6,413**

The Tatatu brand and App are owned and accounted for by Tatatu S.p.A. at a net book value of Euro 4,043 *thousand* and Euro 2,157 *thousand*, respectively.
The increases related to the Tatatu App of euro 263 *thousand* are related to the capitalisation of personnel costs of the Serbian Branch in charge of software development.
Assets under construction, amounting to Euro 210 *thousand*, refer to advances paid to suppliers for the technological improvement of the app.
The value of the assets also decreased due to the depreciation charges attributable to the period.
As at 31 December 2022, no impairment indicators were identified.

4. Property, plant and equipment

In line with previous years, the Company purchased capital goods functional to exercise its administrative and non-administrative activities. The company's employees use this equipment and refer to telephones, PCs and other similar tools. Below is a summary of the type of asset. In the first year of business, these assets are depreciated at a halved depreciation rate.

€/000	31/12/2021	Increases	Divestments	Depreciation	31/12/2022
Telephone systems	1	0.1	-	0.2	1
Office machines	2	9	-	1	10
Total tangible assets	**3**	**9**	**-**	**1**	**11**

5. Equity investments

As at 31 December 2022, Tatatu S.p.A. held investments totalling Euro 17,364 *thousand*. Significant shareholdings in companies are presented below:

€/000	31/12/2022	31/12/2021	Changes
Participation WWMM Ltd	17,356	-	17,356
Tatatu Hungary Participation	8	8	-
Total equity investments	**17,364**	**8**	**17,356**

The increase in this item during the financial year 2022 is attributable to the acquisition of the company WWMM in two tranches through the contribution of equity investments. In the first tranche on 13 May 2022, the controlling shareholder of WWMM Ltd transferred its 100 % stake to Tatatu in exchange for shares in the company. WWMM LTD in turn controlled Mercato Metropolitano LTD to the extent of 63% for a total value of Euro 13,884,953, of which Euro 69,424 was allocated to share capital and Euro 13,815,528 to the share premium reserve. In the second tranche, the same shareholder contributed its 11.906% stake in the share capital of the company Mercato Metropolitano Ltd, receiving in exchange shares in the company itself for a total value of €2,755,182, of which €13,776 was allocated to share capital and €2,741,406 to the share premium reserve.
As a result, as at 31 December 2022, Tatatu S.p.A., due to the transactions of contribution above of equity investments, directly holds 63% of WWMM Ltd and 12% of Mercato Metropolitano LTD with a total percentage held of 75%.

Company Name	***Registered Office***	***Share capital***	***Currency***	***Profit (Loss) as at 31 December 2021/€***	***Equity as at 31 December 2021/€***	***Shareholders' equity pro rata as at 31 December 2021/€***	***Share held***	***Book value December 2022***
Tatatu Hungary	Újlengyel, Hungary	3,000	HUF	1,927	1,478	1,478	100%	8,244
WWMM	London, UK	1	GBP	(5,891)	(59,504)	(37,488)	63%	14,600,658
MM Holding Ltd	London, UK	14,618	GBP	(87,522)	(2,373,203)	(1,779,902)	75%[4]	2,755,182
St. Elmo (in liquidation)	Naples	No data	EUR	No data	No data	No data	100%	0

Evaluation system

The value in use is estimated by discounting the operating cash flows, i.e. the cash flows available before repayment of financial debts and shareholders' remuneration (the Unlevered Discounted Cash Flow or UDCF method). Operating cash flows are discounted at a rate equal to the weighted average cost of debt and equity (Weighted Average Cost of Capital or WACC) to obtain the value of the Company's operating capital (Enterprise Value).
The projected cash flows used in the impairment test at 31 December 2022 result from the Business Plans of the individual CGUs for 2023-2026, approved at the end of March 2023. Certain timeframe of the Plans is four years. It is clarified that the impairment test was approved by the Board of Directors of the Parent Company on 29 March 2023.
The projected cash flows used in the impairment test were calculated by taking as a reference the expected ebitda net of imputed taxes and deducting the imputed contribution of fixed assets and working capital. The assumptions and methodology used are consistent with the historical results of the Company and its market. In light of the above, referring to a growth rate g of zero for the impairment test was prudently considered appropriate.
The discounted cash flow rate (WACC) used for the impairment test of goodwill in the consolidated financial statements as at 31 December 2022 is 9.408 %.

[4] The Company directly owns 12% and indirectly the remaining 63%.

Sensitivity to changes in recruitment

The Group also performed sensitivity analyses on the test results concerning changes in the basic assumptions affecting the CGU's enterprise value, assuming a change in WACC of +/-1% with a change in the CGU's prospective EBITDA level +/-5%. This would not result in any impairment of the Metropolitan Market CGU.

6. Other non-current financial assets

Financial assets for a total amount of euro 250 *thousand* include amounts tied up at a primary credit institution against the loan received in 2022 for euro 200 *thousand* and amounts paid as a security deposit of euro 50 *thousand*.

€/000	**31/12/2022**	**31/12/2021**	**Changes**
Financial assets	200	-	200
Various security deposits	50	-	50
Total other financial assets	**250**	**-**	**250**

7. Pre-paid tax assets

Deferred tax assets' amounting to euro 63 *thousand* as of 31 December 2022 (euro 10 *thousand* as of 31 December 2021) essentially refer to deferred IRES taxation about 2022 (amounting to euro 52 *thousand*) corresponding to temporary increases in the taxable base that refer to harmful components about the year, the deduction of which is expressly deferred to subsequent years under the provisions of the Consolidated Income Tax Act.
The value of deferred tax assets and liabilities was determined by applying the IRES rate of 24%.

8. Trade receivables

Total trade receivables amounted to Euro 20,678 *thousand* (Euro 6,477 *thousand* as at 31 December 2021) and arose mainly from trade relations with the subsidiary Tatatu Hungary.
During the year, the company recorded a receivable of Euro 11,692 *thousand* from Tatatu Hungary for intra-group services rendered in its favour. In particular, following the IPO transaction on 19 October 2022, the costs recharged to Tatatu Hungary amounted to Euro 7,209 *thousand*.
In addition, the Company recognised revenues from Tatatu Hungary K.f.t. in the amount of Euro 2,050*thousand* for the licence to use the platform.

€/000	**31/12/2022**	**31/12/2021**	**Changes**
Receivables from TTU Hungary	19,981	6,239	13,742
Trade receivables from third party customers	698	238	460

Total trade receivables	**20,679**	**6,477**	**14,202**

9. Other current assets

The item 'Other current assets', totalling Euro 2,623 *thousand*, includes advances to suppliers for leasing rights not yet available for utilisation in the amount of Euro 1,488 *thousand*.

€/000	**31-Dec-22**	**31-Dec-21**	**Changes**
Supplier payments on account	1,488	-	1,488
Other current assets	13	2	-11
Tax credits	207	203	4
Prepaid expenses	6		6
VAT credits	908	225	683
Total Other current assets	**2,623**	**430**	**2,193**

10. Current financial assets

The current financial assets of Tatatu S.p.A. as at 31.12.2022 refer to receivables for interest-bearing loans granted to subsidiaries for a total amount of Euro 5,986 *thousand*. More specifically, this item refers to Tatatu Hungary K.f.t. for Euro 1,487 *thousand* and WWMM Ltd. for Euro 4,499 *thousand*.
In addition, this item includes accrued interest income for the year from the loan granted to Tatatu Hungary K.f.t., amounting to about Euro 26 *thousand* and WWMM Ltd, amounting to about Euro 35 thousand. This item includes the investment of Euro 183 *thousand* in an investment fund related to the liquidity agreement.

€/000	**31-Dec-22**	**31-Dec-21**	**Changes**
Receivables from Tatatu Hungary	1,487	327	1,160
Receivables from WWMM LTD	4,499	-	4,499
			-
Other assets	11	-	11
Accrued income	62	-	62
BNP Securities Deposit	183		183
Total Financial Assets not held as fixed assets.	**6,243**	**327**	**5,915**

As at 31 December 2022, the assets valued at FVTPL consist of the investment in investment funds for EUR 183 *thousand*, whose fair value level is 2.

11. Cash and cash equivalents

The item, equal to €3.390 *thousand*, only includes the balance of the bank current account relations held by the Company with credit institutions. Cash and cash equivalents are not burdened by restrictions that limit their full use.

The displayed values can be readily converted into cash and are not subject to a risk of change in value.

12. Shareholders' Equity

The company's shareholders' equity consists of the items relating to the share capital, the capital reserves, the profit for the year and the loss (2021) carried forward.
As at 31 December 2022, the fully subscribed and paid-up share capital of Tatatu S.p.A amounted to EUR 8,143 *thousand*, represented by 814,265,232 ordinary shares.
In particular, shareholders' equity changed as a result of share capital increases in favour of Tatatu S.p.A. that took place during the year, with the exclusion of option rights according to Article 2441, paragraph 4, second sentence, of the Italian Civil Code, as resolved by the Extraordinary Shareholders' Meeting during the year.
More in detail, 12,964,832 ordinary shares were issued against the capital increases released through cash contributions and contribution of equity investments for the acquisition of WWMM Ltd (Extraordinary Shareholders' Meeting resolution of 13/05/2022). Consequently:

- the share capital increased by Euro 130 *thousand*;
- the share premium reserve was increased by Euro 23,479 *thousand*.

The legal reserve increased by Euro 32 *thousand* due to the allocation of Tatatu Spa's 2021 result, which was resolved in 2022, as did the extraordinary reserve, which increased by Euro 611 *thousand* and was reclassified under 'other reserves'.

On 20 December 2022, the Extraordinary Shareholders' Meeting resolved to increase +the share capital in cash by excluding pre-emptive rights by issuing 1,325 *thousand* ordinary shares with voting rights in favour of Anivad Consulting Ltd amount of EUR 2,650,00. This transaction was finalised at the commercial register in January 2023 and was recorded at the end of the financial year in the item 'Capital contribution'.

On 21 December 2022, Tatatu S.p.A. and the parent company IA Media SA defined the payment of EUR 6.5 million to Tatatu as a payment for future capital increases in a specific equity reserve. The contract does not provide for any charges or guarantees to be borne by the Company.

€/000	31-Dec-22	31-Dec-21	Changes
Share capital	8,143	8,013	130
Legal reserve	32	-	32
Share premium reserve	23,776	297	23,479
Payment on account of future capital increase	6,500	-	6,500
Capital contribution	2,650	-	2,650
Other reserves	585	- 26	611
Negative reserve for treasury shares in the portfolio.	-6	-	-6
Profit and loss carried forward	-7	- 7	0
Operating profit	97	643	-546

Total shareholders' equity	41,770	8,920	32,850

13. Non-current trade payables

As at 31/12/2022, Tatatu S.p.A. presents a trade payable to be paid off over twelve months with the related party Iervolino Entertainment S.p.A., equal to €1,701 *thousand*. The liability originated following the transfer of assets and liabilities relating to the capital
increase subscribed by the single shareholder IA Media on 23 December 2020.

14. Non-current financial liabilities

This item includes the long-term portion of bank loans due after 2022. The value, totalling euro 7,223 *thousand* (euro 1,632 *thousand* as of 31 December 2021), increased due to fulfilling the underlying obligations of four new loans received from leading banks in 2022.
Concerning drawn loans, the items are recognised at the amortised cost of the liability, determined under IFRS 9, and specifically, corresponds to the value at which the financial liability was measured upon initial recognition net of principal repayments, increased or decreased by the cumulative amortisation using the effective interest method on any difference between the initial value and the maturity value.
In this regard, the discounting of the loan at the market rate was not deemed necessary, taking into account the fact that the rate inferable from the contractual terms and conditions is not significantly different from the market interest rate, to be understood as the rate that would have been applied if two independent parties had negotiated a similar transaction with comparable terms and conditions to the one under examination that generated the debt.

		Payables beyond the financial year			
€	Payables within the financial year	Debts from 1 to 5 years	Debts over 5 years	Interest rate	Due date Debt
Banca Progetto	418,708	1,373,493	-	4.75%	31/03/2027
Deutsche Bank	1,247,151	3,118,694	-	2.76%	03/06/2026
Mediocredito Centrale	84,027	663,891	245,872	5.17%	30/06/2029
Istituto per il Credito Sportivo	83,266	665,982	241,606	4.67%	30/06/2029
Montepaschi di Siena	82,170	666,672	247,076	3,89%	30/06/2029
MPS Bank Deposit	9,333	-	-		
Financial payables for interest	35,632	-	-		
I.A. Media	5,000	-	-		
Branche Serbia	686	-			
Overall total	**1,965,973**	**6,488,732**	**734,554**		

15. Provision for risks and charges

The provision of euro 36,484 made in the year 2022 represents management's best estimate for liabilities deemed probable, also based on historical data on TTT Coin, for products reasonably expected to be purchased in the next financial year and attributed to users of the Tatatu App.

This provision, therefore, represents evidence of the progressive implementation of the Company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform.

16. Severance Fund

The company, in the year under review, exposes an employee severance indemnity provision equal to €22 *thousand*, equal to the allocation of the portion accrued in 2022, net of the disbursements made in the same year and the tax burden.

€/000	31-Dec-22	31-Dec-21	Changes
Initial Fund	4	-	4
Provision to the fund	20	5	15
Use of the severance indemnity provision	1	1	-
Withholding taxes	1		1
Total	22	4	18

17. Current financial liabilities

This item refers to the short-term portion, determined using the amortised cost method, of bank loans taken out with leading banks:

		Payables beyond the financial year			
€	Payables within the financial year	Debts from 1 to 5 years	Debts over 5 years	Interest rate	Due date Debt
Banca Progetto	418,708	1,373,493	-	4.75%	31/03/2027
Deutsche Bank	1,247,151	3,118,694	-	2.76%	03/06/2026
Mediocredito Centrale	84,027	663,891	245,872	5.17%	30/06/2029
Istituto per il Credito Sportivo	83,266	665,982	241,606	4.67%	30/06/2029
Montepaschi di Siena	82,170	666,672	247,076	3,89%	30/06/2029
MPS Bank Deposit	9,333	-	-		
Financial payables for interest	35,632	-	-		
I.A. Media	5,000	-	-		
Branche Serbia	686	-			
Overall total	**1,965,973**	**6,488,732**	**734,554**		

Current bank loans of euro 1,966 *thousand* increased due to signing new loan agreements with leading banks during the reporting period.

18. Trade payables

In the financial year ending 31/12/2022, Tatatu discloses current liabilities for operating payables totalling €3,329 *thousand*. This item includes payables for admission to the listing at Euronext Growth in Paris through the direct listing technique, which was finalised in the second half of 2022, and payables to suppliers of technological and other services necessary for the development of the business.

Below is a summary table of the main debt items, broken down by geographical area of the counterparty:

€/000	31-Dec-22	31-Dec-21	Changes
Trade payables to foreign suppliers	2,206	582	**1,624**
Trade payables to domestic suppliers	1,124	1,049	**75**
Total trade payables	**3,329**	**1,631**	**1,698**

Furthermore, it should be noted that the trade payables in question include some liabilities towards related parties, totalling €18 *thousand*. This payable is distributed amongst the following suppliers:

€/000	31/12/2022	31/12/2021	Changes
Arte Video S.r.l.	7	20	(13)
Lab81.2 S.r.l.	11	6	5
R.E.D. Carpet S.r.l.	-	2	(2)
Total	**18**	**28**	**(10)**

19. Other current liabilities

The item 'other current liabilities' of euro 779 *thousand* mainly includes deferred income related to revenues accruing in the next year amounting to euro 480 *thousand* and social security charges to social security and welfare institutions amounting to euro 158 *thousand*.

€/000	31-Dec-22	31-Dec-21	Changes
Employees	18	16	**12**
Director	61	61	**-**
Payables for holidays and leave	46	-	**46**
Tax withholding	158	27	**131**
Social security payables	16	19	
Deferred income	480	-	**480**
Total other current liabilities	**779**	**123**	**656**

20. Tax payables

The item 'tax payables', amounting to Euro 259 *thousand* as at 31.12.2022, includes tax payables to the tax authorities. These obligations arose mainly in the year ending and are further broken down in the following table:

€/000	31-Dec-22	31-Dec-21	Changes
Current IRES	214	220	**(6)**
Current IRAP	45	50	**(5)**
Total tax payables	**259**	**270**	**(11)**

21. Sales revenue

The sales revenues of Tatatu S.p.a., equal to €2,103 *thousand*, include commercial income resulting from the performance of the company's operating activities.

More specifically, the revenues in question result from the following services:

- sales of advertising spaces, promotional notifications and other forms of advertising conveyed via the Tatatu app throughout Italy;
- marketing of products on the e-commerce portal attached to the platform;
- provision of intragroup services and other consultancy services to related parties.

Below is a detailed explanation of the positive income components that make up the aggregate:

€/000	31-Dec-22	31-Dec-21	Changes
Advertising and other advisory services	50	132	**-82**
Selling goods on an e-commerce channel	3	1	
Licences fees for related parties	2,050	2,050	**-**
Total	**2,103**	**2,183**	**-80**

It should be noted that the item which includes advertising services and other consultancy refers to revenues accrued exclusively in Italy.
Revenues were recognised *at point in time.*

22. Other positive entries

The item includes income components that are unrelated to the ordinary and commercial management of the company. More in detail, the item consists first of all of the services rendered by the parent company in favour of the subsidiary Tatatu Hungary K.f.t. during the year 2022, amounting to Euro 11,692 *thousand*, of which Euro 7,209 *thousand* relating to the chargeback of costs related to the IPO transaction that took place on 19 October 2022 and Euro 5,138 *thousand* relating to the chargeback of operating costs that increased compared to the previous year for the implementation of the industrial plan.

The item also includes positive aspects of obtaining the advertising investment tax credit under Article 57-bis, Decree-Law. 50/2017, recognised in 2022 with reference to advertising costs incurred in 2021. This contribution amounts to €92 *thousand*.
Below is a detailed summary of the item:

€/000	31-Dec-22	31-Dec-21	Changes
Contributions in the form of a tax credit	92	200	**-108**
Holding services	11,692	2,194	**9,498**
Gains on intangible fixed assets	-	10	**-10**
Total	**11,784**	**2,404**	**9,380**

23. Purchases of raw materials, consumables and supplies

As at 31 December 2022, Tatatu's raw materials, consumables and goods amounted to Euro 38 thousand.

€/000	31/12/2022	31/12/2021	Changes
Purchase of goods	80	-	80
Miscellaneous materials	8	-	8
Finished goods inventories	- 50		- 50
Total	**38**	**-**	**38**

24. Costs for services

Costs for services, totalling Euro 11,701 thousand (Euro 2,430 as of 31 December 2021), include the following negative components about the year shown in the table below:

€/000	31/12/2022	31/12/2021	Changes
IPO costs	4,624	-	**4,624**
Financial Advisory Costs	2,610	-	**2,610**
Total non-recurring expenses	***7,234***	-	***7,234***
Strategic advice	**-**	517	**(517)**
Technological services	1,411	632	**779**
Other services	1,017	123	**894**
Other minor services (consultancy, fees, administrative expenses, etc.)	851	605	**246**
Marketing advice	834	457	**377**
Contents advice	354	96	**258**
Total costs for services	**11,701**	**2,430**	**9,271**

In detail, there was a significant increase in the item 'costs for services' compared to the previous year, equal to euro 9,271 *thousand* due to the costs incurred for the listing at Euronext Growth in Paris through the direct listing technical formula, which was finalised in the second half of the year 2022 equal to euro 4,624 *thousand*.
In addition, this item includes costs incurred for financial advisory services aimed exclusively at raising financial resources (Euro 2,610 *thousand* as at 31 December 2022).
The item 'technological services' includes all costs incurred for the technological development of the app, amounting to Euro 1,411 *thousand* (Euro 632 *thousand* in the previous year), while the item 'marketing consultancy' amounting to
Euro 834 *thousand* increased by Euro 377 *thousand* as a result of the marketing campaigns carried out during the year to increase the user base.

25. Staff costs

As at 31 December 2022, personnel costs totalled Euro 696 *thousand* (+ Euro 592 *thousand* compared to the previous year). The positive change mainly refers to hiring personnel at the branch in Serbia established effective 1 September 2022 and, in addition, to the combined effect of hiring new personnel and full-time employees hired in 2021.
This item reflects the total cost of personnel employed. It includes wages, social security and welfare contributions borne by the company and the employee, and the accrual of the severance indemnity provision allocated during the period and determined under Article 2120 of the Civil Code.

€/000	**31-Dec-22**	**31-Dec-21**	**Changes**
Employee salaries	693	80	613
Social security contributions	160	19	141
Severance Indemnity Provision	21	5	16
Total	**874**	**104**	**770**

26. Capitalised costs for internal work

Capitalised costs, amounting to euro -262 *thousand* as at 31 December 2022, refer to euro -177 *thousand* to technical personnel hired in the Serbian branch dedicated to the development of the App and for an amount of euro -85 *thousand* to the cost of external suppliers dedicated to the development of the App.

€/000	**31-Dec-22**
Capitalised personnel costs	(85)
Capitalised service costs	(177)
Total	**(262)**

27. Other operating costs

Item '*Other operating costs*', amounting to Euro 177 *thousand* (a decrease of Euro 8 *thousand* compared to the previous year), includes certain other operating expense items, including payments for taxes and other operating expenses.

28. Amortisation and write-downs

In the year under review, the Company recognised the amortisation for 2021 on intangible and tangible assets with a defined useful life. The following intangible assets are specifically recorded under assets:

- Tatatu brand, amortised at a rate of 5.56%;

- Tatatu instrumental technological software amortised at a rate of 20%.

As regards tangible assets, the depreciation of certain capital goods of modest value acquired during 2022 was charged. The depreciation rate used is 20%, reduced by one-half in the case of the first year of use.

€/000	31-Dec-22	31-Dec-21	Changes
Tatatu brand amortisation rate	253	253.1	-0.0
Tatatu App technology amortisation rate	647	639.2	7.9
Other intangible activities	1	0	1
Depreciation of tangible fixed assets	1	0	1
Total amortisation 2022	**902**	**893**	**9**

29. Provisions

The Group made a prudential provision of Euro 36 *thousand* for the Tatatu coin.
The allocation made in 2022 represents management's best estimate for contingent liabilities deemed probable, also based on historical data on the use of TTT Coins, for products that will reasonably be purchased in the following year and attributed to users of the Tatatu App.
This provision, therefore, represents evidence of the progressive implementation of the Company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform.

30. Financial charges

Financial expenses, amounting to Euro 296 *thousand* as of 31 December 2022, include the interest expense of the financial year 2022 generated on bank loans payable, calculated using the effective interest method, in the amount of Euro 236 *thousand* (Euro 61 *thousand* the previous year). The increase compared to the previous year is due to the increase in bank debt, which occurred through signing new loan agreements with leading banks to support business development.
The residual part, equal to €55 *thousand*, refers to the exchange differences that occurred during the year under review. Specifically, the item captures the change

due to the fluctuation of the exchange rate in the period between the date of the transaction and the settlement date of the credit or debit arising as a result of the transaction itself.
In accordance with IAS 21, the initial recognition of the transaction takes place in the functional currency, applying the spot exchange rate between the functional currency and the foreign currency in force on the date of the transaction to the amount in foreign currency.

31. Financial income

The positive components recorded in the amount of Euro 69,6 *thousand* mainly refer to interest income, calculated *pro rata temporis*, referring to the financing transaction of the affiliate Tatatu Hungary Kft and WWMM Ltd. The accrual accrued in 2022 amounts to €62 thousand.
Financial income' also includes exchange rate differences arising during the year under review.
More specifically, the profits on foreign exchange rates amount to €8,2 *thousand*.
These proceeds are realised as a result of the extinction of monetary elements occurred at rates different from those at which they were converted at the time of the initial recognition of the transaction.

32. Taxes

The item 'Taxes' includes the tax charge for the year 2022 related to the levy for income tax IRES and IRAP.
For IRES purposes, the company has recognised current taxes for €115 *thousand*. At the same time, the company generated a tax profit of Euro 479 *thousand* by allocating deferred tax assets of Euro 52 *thousand*. In addition, in financial year 2022, additional deferred tax assets were allocated in equal measure, relating to the accounting of negative items, the deduction of which is postponed to the years in which the cost is financially incurred.

Reconciliation IRES / IRAP and ETR as at 31 December 2022		
	2022	**%**
Profit before tax	**195,012**	
Current IRES rate	24.00%	
Theoretical IRES tax burden	**46,803**	24%
Permanent tax increases	15,721	8.06%
Permanent tax decreases	-	0%
Temporary tax increases	52,496	26.92%
Temporary downward tax changes	-	0%
Total effective IRES	**115,020**	**58.98%**

Difference between value and costs of production relevant for IRAP purposes	**1,146,738**	
IRAP rate in force	4.82%	
Theoretical IRAP tax burden	**55,273**	4.82%
Permanent tax increases	9,303	0.81%
Permanent tax decreases	-18,655	-1.63%
Temporary tax increases	-	0%
Temporary downward tax changes	-	0%
Value of production produced abroad	-20,899	-1.82%
Total actual IRAP	**25,022**	**2.18%**
IRES tax	115,020	58.98%
IRAP	25,022	12.83%
Prepaid taxes	- 52,496	-26.92%
Deferred taxes	-	0%
Taxes of previous years	-	0%
Foreign Taxes	10,608	5%
Total taxes in the income statement	**98,154**	**50.33%**

For IRAP purposes, the company recorded taxes equal to €25 *thousand*, calculated on the value of taxable net production equal to €952 *thousand*.

IRES (Corporate Income Tax)	115
Dta allocation	(52)
IRAP (Regional Income Tax)	25
Taxes Branch Serbia	11
Total taxes	**98**

33. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.
Diluted earnings per share are calculated by dividing the profit attributable to the parent company's ordinary shareholders (after adjustment for interest on

bonds convertible into preference shares) by the weighted average number of ordinary shares outstanding during the year and those potentially arising from the conversion of all convertible bonds.

The result and share information used in the calculation of basic and diluted earnings per share are presented below:

€	31-dic-2022	31 Dec. 2021
Number of Shares	814,265,233	801,300,400
Net profit/(loss) attributable to ordinary shareholders of the parent company	96,859	643,014
Basic earnings/(loss) per share	0.00012	0.00080
Diluted earnings/(loss) per share	0.00012	0.00080

34. More information

34.1. Transactions with related parties

The Company's financial and economic transactions with related parties from 1 January 2022 to 31 December 2022 are set out below:

Company name	**Trade receivables**	**Trade payables**	**Other current assets**	**Short-term financial assets**	**Revenue**	**Expansion (Expenses)**	**Financial income**
	€/000	**€/000**	**€/000**	**€/000**	**€/000**	**€/000**	**€/000**
Ilbe S.p.A.		1,701					
Arte Video S.r.l.		7				102	
Lab 81 .2 S.r.l.		11				23	
Tatatu Hungary K.f.t.	19,980		2	1,517	13,742		26
WWMM LTD				4,538			35
Total transactions	**19,980**	**1,719**	**2**	**6,055**	**13,742**	**124**	**60**
Total Financial Statement items	**20,678**	**5,030**	**2,609**	**6,243**	**13,887**	**12,489**	**69**
Percentual of Financial Statement items	**97%**	**34%**	**0%**	**97%**	**99%**	**1%**	**87%**

34.2. Amount of fees payable to the Auditors and Auditing Firm

The Directors' remuneration is Euro 182 *thousand*, while the Statutory Auditors cost approximately Euro 26 *thousand*. The following statement shows the fees for audit and non-audit services provided by the same audit firm:

Type of service	Service supplier	Fees (euro thousand)
TATATU		
Auditing	EY S.p.A.	75
Certification services	EY S.p.A.	67
Limited review	EY S.p.A.	70
Other services	EY S.p.A.	78
Other services	EY Network Entities	35
Total		**325**

34.3. Guarantees and loans

In financial year 2022, Tatatu obtained guarantees to meet the payment obligations resulting from unsecured mortgages. The guarantee was issued by Sace pursuant to Article 1 of the Liquidity Decree.
In particular, the Sace guarantee is provided in favour of Tatatu's contractors, and the guaranteed amount is equivalent to 80% of the loan.

34.4. Information pursuant to article 1, paragraph 125 of law no. 124 of 4 august 2017

In compliance with the obligations of transparency of public disbursements introduced by Article 1, paragraphs 125-129 of Law No. 124/2017, we report that the tax credit for advertising investments accrued in 2022 amounted to approximately Euro 92 *thousand*.

34.5. Allocation of profits for the period

Noting the absence of the legal reserve, the directors propose to allocate a portion of the net profit for the year to the legal reserve in order to comply with the provisions of Article 2430 of the Italian Civil Code. The allocation of the profit to the legal reserve is thus proposed in an amount equal to €4,834, corresponding to the twentieth part of the net result for the period. The residual part, equal to €92,016, is set aside in the extraordinary reserve.

Tatatu S.p.A.	**€**
2022 operating profit	96,859
Proposed allocation to the legal reserve (1/20 profit of the year)	4,843
Profit allocated to the extraordinary reserve	92,016

34.6. Significant Events After the Close of the Financial Year

On 16 January 2023, TaTaTu signed a new contract with Giglio Group, an e-commerce company, to manage the e-commerce portal of Tatatu S.p.A.

On 31 January 2023, TaTatu signed a partnership with Basara, a Japanese restaurant chain, to further implement the expendability of the TTT Coin.

Concerning the situation related to the impacts of Covid - 19, it is noted that the loosening of the restrictions of the containment measures enacted by governments did not directly impact the Company's equity, financial and economic situation. Lastly, it is noted that the geopolitical dynamics relating to the conflict between Russia and Ukraine have not had an appreciable impact on the evolution of business management which, still in an embryonic and developmental phase, has not been affected by the adverse conditions resulting therefrom. Analyses were also carried out to provide measures to contain the risks associated with the resulting market uncertainty.

34.7. Transactions arising from atypical and/or unusual operations

No atypical and/or unusual transactions were carried out in the period between 31/12/2021 and 31/12/2022.

Rome, 29 March 2023

For the Board of Directors,

Andrea Iervolino

[signature]