

WE WORLD GVC ORGANIZZAZIONE NON LUCRATIVA DI UTILITA' SOCIALE

[non-profit-making organization for community work]

Registered Office: Via Serio 6 – Milano (MI)

Taxpayer's Code: 97241280151

Registered at REA [Administrative Economic Index] under No. 1759079

VAT Id No. 03993130966

BALANCE SHEET AS AT 31st December 2022

Statement of Assets and Liabilities

	2022	2021
Assets		
A) Membership fees or contributions still due	850	0
B) Fixed assets		
I - Intangible fixed assets		
1) start-up and expansion costs	5,361	32,921
2) development costs	0	0
3) industrial patent and intellectual property rights	35,281	39,613
4) concessions, licences, trademarks and similar rights	3,495	7,098
5) goodwill	0	0
6) assets under construction and advances	0	0
7) others	0	7,261
Total	44,137	86,893
II – Intangible fixed assets		
1) land and buildings	1,699,721	1,793,220
2) plant and machinery	450	749
3) equipment	0	0
4) other assets	74,709	69,511
5) assets under construction and advances	0	0
Total	1,774,880	1,863,480
III - Financial fixed assets, with separate additional indication, for each item of receivables, of amounts due within the following financial year		
1) equity investments in		
a) subsidiary companies	0	0
b) associated companies	0	0
c) other companies	27,226	27,226
2) receivables		
a) from subsidiary companies	0	0
b) from associated companies	0	0
c) from other third-sector organisations	0	0
d) from others	14,924	13,813
3) other securities	8,832,191	11,897,879
Total	8,874,341	11,938,918
Total fixed assets	10,693,358	13,889,291
C) Current assets		

I - Inventories		
1) raw and ancillary materials and consumables	0	0
2) work in progress and semi-finished goods	0	0
3) contract work in progress	0	0
4) finished products and goods	0	0
5) payments on account	0	0
Total	0	0
II - Receivables, with additional indication, for each item, of amounts due beyond the following financial year		
1) from users and customers	416	0
2) from members and customers	0	0
3) from public bodies	59,197,142	42,501,647
<i>Within the financial year</i>	<i>30,354,192</i>	<i>23,584,128</i>
<i>Beyond the financial year</i>	<i>28,842,950</i>	<i>18,917,519</i>
4) from private organisations for contributions	2,312,897	2,148,056
<i>Within the financial year</i>	<i>1,676,376</i>	<i>1,212,494</i>
<i>Beyond the financial year</i>	<i>636,521</i>	<i>935,562</i>
5) from entities of the same association network	0	0
6) from other third sector organisations	3,605,864	4,132,343
7) from subsidiary companies	0	0
8) from associated companies	0	0
9) tax receivables	20,208	20,208
10) from <i>cinque per mille</i> [five per thousand];	0	0
11) deferred tax assets	0	0
12) from others	391,187	528,300
Total	65,527,714	49,330,554
III - Financial assets not held as fixed assets		
1) equity investments in subsidiary companies	0	0
2) equity investments in associated companies	0	0
3) other securities	0	0
Total	0	0
IV –Cash and cash equivalents		
1) bank and post office deposits	16,041,888	7,862,888
2) cheques	0	0
3) cash on hand	121,143	87,937
Total	16,163,031	7,950,825
Total current assets	81,690,745	57,281,379
D) Accrued income and prepaid expenses	2,456,011	2,411,416
Liabilities		
A) Shareholders' equity		
I - endowment fund of the organisation	300,000	300,000
II – Restricted capital assets		
1) statutory reserves	0	0
2) restricted reserves by decision of institutional bodies	950,000	1,350,000
3) restricted reserves earmarked by third parties	73,921,766	52,514,176
III – Free capital assets		
1) operating profit or surplus reserves	397,782	376,228

2) Other reserves	10,973,812	11,923,812
IV – Surplus / deficit for the year	5,661	21,555
Total	86,549,021	66,485,771
B) Provisions for risks and charges		
1) for retirement and similar obligations	0	0
2) for taxes, including deferred taxes	0	0
3) others	2,065,000	285,000
Total	2,065,000	285,000
C) Employee severance indemnities	1,037,164	884,716
D) Payables, with additional indication, for each item, of amounts due beyond the following financial year		
1) due to banks	808,515	1,049,249
2) due to other financing bodies	0	0
3) due to members and founders for loans	0	0
4) due to entities in the same network of associations	0	0
5) for conditional charitable donations	0	0
6) payments on account	0	0
7) due to suppliers	1,025,633	1,633,492
8) due to subsidiary and associated companies	0	0
9) tax payables	280,511	292,310
10) due to social security institutions	263,347	261,677
11) due to employees and collaborators	855,406	704,287
12) other payables	1,850,061	1,826,991
Total	5,083,473	5,768,006
E) Accrued liabilities and deferred income	106,306	158,593
TOTAL ASSETS	94,840,964	73,582,086
TOTAL LIABILITIES	94,840,964	73,582,086

Management report

Charges and costs	2022	2021	Proceeds and revenues	2022	2021
A) Costs and charges from activities of general interest			A) Revenues, income and proceeds from activities of general interest		
			1) Proceeds from membership fees and founders' contributions	2,600	2,250
1) Raw and ancillary materials, consumables and goods	6,967,171	6,374,355	2) Proceeds from members for mutual activities	0	0
2) Services	16,319,854	16,885,808	3) Revenues from services and sales to members and founders	0	0
3) Use of third-party assets	1,243,669	977,099	4) Charitable donations	654,060	705,512
4) Personnel	6,614,121	5,512,094	5) Proceeds from <i>Cinque per Mille</i>	181,798	187,339
			6) Contributions from private entities	833,690	1,237,874
5) Depreciation	92,334	74,337	7) Revenues from services and sales to third parties	0	0
5 bis) Write-downs of tangible and intangible fixed assets	0	0	8) Contributions from public entities	36,294,359	32,012,544
6) Provisions for risks and charges	1,780,000	200,000	9) Proceeds from contracts with public entities	0	0
7) Other operating charges	11,476,885	7,954,413	10) Other revenues, income and proceeds	3,890,793	2,299,237
8) Opening inventories	0	0	11) Closing inventories	0	0
9) Allocation to restricted reserve by decision of institutional bodies	0	0			
10) Use of restricted reserve by decision of institutional bodies	0	0			
Total	44,494,034	37,978,106	Total	41,857,300	36.444.756
			Surplus/deficit from activities of general interest (+/-)	-2,636,734	-1,533,350
B) Costs and charges from other activities			B) Revenues, income and proceeds from other activities		
1) Raw and ancillary materials, consumables and goods	326	0	1) Revenues from services and sales to members and founders	0	0
2) Services	5,922	0	2) Contributions from private entities	0	0
3) Use of third-party assets	0	0	3) Revenues from services and sales to third parties	1,152	0
4) Personnel	0	0	4) Contributions from private entities	0	0
5) Depreciation	0	0	5) Proceeds from contracts with public entities	0	0
5 bis) write-downs of tangible and intangible fixed assets	0	0			

6) Provisions for risks and charges	0	0	6) Other revenues, income and proceeds	0	0
7) Sundry operating charges	0	0	7) Closing inventories	0	0
8) Opening inventories	0	0			
Total	6,248	0	Total	1,152	0
			Surplus/deficit from other activities (+/-)	-5,096	0
C) Costs and charges from fundraising activities			C) Revenues, income and proceeds from fundraising activities		
1) Charges for regular fundraising	3,009,381	3,402,145	1) Proceeds from regular fundraising	8,234,117	7.419.852
2) Charges for occasional fundraising	171,123	0	2) Proceeds from occasional fundraising	254,681	0
3) Other charges	0	0	3) Other proceeds	0	0
Total	3,180,504	3,402,145	Total	8,488,798	7.419.852
			Surplus/deficit from fundraising (+/-)	5,308,294	4,017,707
D) Costs and charges from financial and asset related activities			D) Revenues, income and proceeds from financial and asset related activities		
1) On banking relations	16,487	8,625	1) From banking relations	13,587	2.642
2) On loans	0	0	2) From other financial investments	217,331	340.058
3) From real-estate assets	0	0	3) From building assets	0	0
4) From other assets	0	0	4) from other assets	0	0
5) Provisions for risks and charges	0	0	5) Other proceeds	0	0
6) Other charges	211,092	106,493			
Total	227,579	115,118	Total	230,918	342.700
			Surplus/deficit from financial and asset related activities (+/-)	3,339	227,582
E) General support costs and charges			E) General support proceeds		
1) Raw and ancillary materials, consumables and goods	14,328	4,766	1) Proceeds from staff secondment	0	0
2) Services	1,080,855	1,139,104	2) Other general support proceeds	29,324	57.410
3) Use of third-party assets	103,743	124,562			
4) Personnel	1,206,367	1,061,591			
5) Depreciation	176,540	194,047			
5 bis) write-downs of tangible and intangible fixed assets					
6) Provisions for risks and charges	0	18			
7) Other charges	62,907	184,500			
9) Use of restricted reserve by decision of institutional bodies	0	0			
Total	2,644,740	2,708,588	Total	29,324	57.410
Total charges and costs	50,553,105	44,203,957	Total charges and costs	50,607,492	44,264,717
			Operating surplus/deficit before tax (+/-)	54,387	60,760
			Taxes	48,726	-39,205
			Operating surplus/deficit after tax (+/-)	5,661	21,555

MISSION REPORT

Balance Sheet as at 31st December 2021 (Amounts expressed in Euro)

A) GENERAL INFORMATION

Introduction

During the 2017 financial year, the Italian Legislative Decree No. 117/17, known as Third Sector Code, aimed at harmonising the regulations applicable to non-profit Organisations, was enacted. With the registration, albeit optional, in the Registro Unico del Terzo Settore (RUNTS) [National Single Register of the Third Sector], the pre-existing non-profit organisation will acquire the status of ETS (Third Sector Organisations) and shall comply with all the provisions set forth in the relevant regulations.

In a press release dated 28th March 2022, the Inland Revenue Agency pointed out that organisations registered in the Onlus [non-profit-making] Registry organisations, the list of which is online on the Agency's website, will be able to complete their registration in the RUNTS from that date and until 31st March of the tax period following the issuance of the required authorisation by the European Commission (Article 101(10) of the Italian Legislative Decree No. 117 of 3rd July 2017). The Onlus Registry will be abolished as of the tax period following the issuance of the authorisation by the Commission, but until that date it will be fully operational and the Organisations that remain registered will be able to take advantage of the benefits specific to Onlus organisations. During the last quarter of the financial year 2022, the Italian government initiated talks with the European Commission aimed at the subsequent sending of the notification of the tax rules subject to authorisation.

In April 2020, the Decree of the Italian Labour Minister dated 5th March 2020 entitled "Adoption of the balance-sheet forms of Third Sector Organisations" was published in the Official Gazette in compliance with the provisions of Article 13(3) of the Third Sector Code. The aforementioned decree contains the balance-sheet schemes and some explanatory notes for the preparation of the balance sheet of this typology of Organisations. As specified by the Italian Ministry of Labour with Note No. 19740 dated 29th December 2021, the balance sheet forms referred to in the Italian Decree dated 5th March 2020, and which the Accounting Standard OIC [Italian Accountancy Board] 35 refers to, are applicable starting from the balance sheet of the financial year 2021 to all Third Sector Organisations whose financial year corresponds to the calendar year and in any case to all APS [Social Promotion Associations], OdV [Voluntary Organisations] and ONLUS even if not yet registered at the National Single Register of the Third Sector (RUNTS).

During February 2022, the *Organismo Italiano di Contabilità* [Italian Accountancy Board] issued the document OIC 35 entitled "ETS Accounting Standard". This standard has the precise aim of "regulating the criteria for: (i) the presentation of the statement of assets and liabilities, the management report and the mission report of Third Sector organisations, with particular regard to their structure and their content; and (ii) the recognition and measurement of specific facts typical of Third Sector organisations".

During March 2023, the *Organismo Italiano di Contabilità* issued the OIC document entitled "Amendments to OIC 35 Accounting Standard ETS". This standard introduced minor amendments to the already issued OC 35 document.

Therefore, Fondazione We World GVC ONLUS (hereinafter also referred to as the “Foundation”), although not yet registered with the RUNTS, has amended its accounting system and as of the last financial year (2021) the balance sheet has therefore been prepared in compliance with the provisions of the Decree of the Italian Labour Minister and with the Accounting Standard OIC 35, as both mentioned hereabove.

The Balance Sheet as at **31st December 2022** consists of the Statement of Assets and Liabilities, the Management Report and the Mission Report.

1 – General information on the Organisation

Fondazione We World GVC ONLUS is a foundation established in 2018 as a result of the merger by incorporation of Associazione Gruppo di Volontariato Civile - GVC ONG/ONLUS (hereinafter referred to also as “GVC”) into Fondazione We World Onlus.

During 2020, the Foundation also joined the ChildFund Alliance: one of the leading international networks for the defence of children’s rights, with two operational offices in New York and Brussels, currently composed of other 11 members based in the following countries: Canada, United States, Australia, New Zealand, Japan, South Korea, Sweden, Germany, Ireland, France and Spain.

ChildFund Alliance has strong advocacy skills and a widespread presence, with operational projects, in dozens of countries around the world, on all continents, which makes us look forward to strengthening the quality of We World’s interventions.

The Foundation’s registered office is in Via Serio 6, Milan (MI), the other main office is in Via Francesco Baracca 3, Bologna (BO); accounting records are kept in both of these offices.

The Foundation also has other offices where projects are implemented, as listed herebelow:

Via Fratelli Cairoli 18/A, Brescia (BS)

Via Sant’Antonio 27, Cosenza (CS)

Via Saffi 11/13, Pescara (PE)

Lungo Grati Gerger - S. Antonio 27, Cosenza (CS)

Via Dei Somaschi 12, Elmas (CA)

Via Don Guanella 20, Naples (NA)

Via Oberdan 16, Agugliano (AN)

Via San Paolo 36, Appiano Sulla Strada Del Vino - Eppan an der Weinstraße (BZ)

Via Antonio Provolo 24, Rome (RM)

Via San Secondo 20, Ventimiglia (IM)

Via Lungo Crati, Cosenza (CS)

Viale Della Resistenza 11/K, Naples (NA)

Via G. Di Vittorio 23, Reggio nell’Emilia (RE)

The Foundation carries out institutional activities (activities of general interest), as set out in Article 5 of the Italian Legislative Decree No. 117/2017. In particular, the object and purposes of We World GVC Onlus are, as stated in Article 2 of its Articles of Association, “*exclusive pursuit of social solidarity and, in particular, social and socio-health care, as well as protection of civil rights with particular attention to the rights of children and women*” through programmes and projects having the following aims: “*development cooperation in favour of economically less developed populations and fight against poverty in general, including access to health, food security, water, socio-economic development and environmental protection; humanitarian aid during natural disasters and emergencies, including post-emergency prevention and rehabilitation; prevention and problem-solving of persons who are abandoned, marginalised, poor or at risk of violence, with special attention to children, young people*”

and women, migrants and refugees; instruction, promotion of teaching quality and global citizenship education; international volunteering.”

The activities referred to hereabove are mainly carried out in favour of the most vulnerable communities. During 2022, the Foundation’s actions reached over 10 million direct beneficiaries and 54 million indirect beneficiaries, in particular women and children - who represent 72% of beneficiaries - disabled, displaced persons, refugees and migrants.

Pursuant to Article 6 of the Third Sector Code, the Foundation may carry out activities other than those of general interest, which are secondary and instrumental to the latter, in accordance with those criteria and limits as defined by specific Italian Ministerial Decree. The Foundation may also carry out fundraising activities, in compliance with the principles of truthfulness, transparency and fairness with supporters and the public, in accordance with the provisions contained in Article 7 of the Italian Legislative Decree No. 117/2017.

Composition of corporate bodies

At the date of approval of this balance sheet, the corporate bodies are composed as follows:

Board of Promoters: 11 natural persons

Board of Participants: 40 natural persons;

Board of Directors: composed of 8 members appointed equally by the two aforementioned Boards. It is vested with all powers of ordinary and extraordinary administration of the Foundation.

The Chairman of the Board of Directors is also the President of the Foundation, appointed by the Board of Directors from among its members.

The Managing Director, also appointed by the Board of Directors from among its members, supervises the management of the Foundation’s activities.

The Board of Auditors consists of 3 regular members, all of whom are enrolled in the Register of Auditors kept by the Italian Ministry of Economy and Finance.

Activities of general interest carried out pursuant to art. 2 of the Articles of Association

During the financial year, the Foundation implemented 165 projects in 27 countries involving 343 partners. Compared to the previous year, activities in Guatemala were discontinued, while offices were opened in 3 new countries: in Ecuador, through ChildFund Alliance as well as in Ukraine and Moldova in response to the humanitarian crisis caused by the conflict started in February 2022.

Deductions allowed to third parties for charitable donations to the Foundation.

Listed below are the allowances and deductions for charitable donations allowed to donors as a result of the Italian Legislative Decree of 3rd July 2017, No. 117, art. 83:

1. an amount equal to 30 per cent of the expenses incurred by the taxpayer for charitable donations in cash or in kind in favour of non-commercial Third Sector organisations referred to in Article 79(5), for a total amount in each tax period not exceeding Euro 30,000, is deducted from the gross personal income tax. The deduction is allowed, for charitable donations in cash, on condition that the payment is made through banks or post offices or through other payment systems as provided for by article 23 of the Italian Legislative Decree No. 241 of 9th July 1997;
2. charitable donations in cash or in kind disbursed in favour of non-commercial Third Sector organisations referred to in Article 79(5), by individuals, entities and companies are deductible from the total net income of the donor within the limit of 10 per cent of the total declared income. If the deduction exceeds the total declared income, minus all deductions, the excess may be calculated as an increase of the amount deductible from the total income of the following tax periods, but not beyond the fourth, up to its amount.

During the year, numerous natural persons and companies made charitable contributions to the

organisation for its institutional purposes. In accordance with sector regulations, the Foundation:

- 1) has kept systematic and chronological records of the charitable donations received, specifying the identification code, date, nature of donation, amount, and payment method thereof;
- 2) has made the entries “one by one” without grouping them either by date, by donor or by method of payment;
- 3) has sent, upon request, receipts certifying receipt and method of use of the sum;
- 4) has drew up the balance-sheet document to adequately represent the equity, economic and financial situation.

2 - Data concerning Associates and Founders: information on the participation of associates in the life of the organisation.

The number of associates as at 31st December 2022 was 51, all natural persons, 16 of whom work for the Foundation under different types of contracts.

Members are regularly informed of the Foundation’s activities during the course of the year, including by attending meetings of the Boards of Participants and Promoters convened during the same year; in 2022, the last meeting of the aforementioned Boards was held in September in Bologna.

B) DISCLOSURE OF THE BALANCE SHEET ITEMS

Criteria used to draw up the balance sheet

Content and form of the balance sheet

The Statement of Assets and Liabilities represents the individual items according to the principle of increasing liquidity. The Management Report, in the form envisaged by the Italian Ministerial Decree of 5th March 2020, with an indication of proceeds and charges represents the costs and revenues for the period.

The Mission Report, drawn up pursuant to the aforementioned Italian Ministerial Decree, also contains all information deemed necessary to provide a correct interpretation of the Balance Sheet, in particular, it discloses the items in the balance sheet, the Foundation’s economic and operating performance and the ways in which it pursues the purposes set forth in its articles of association.

The Mission Report contains, where applicable, all information required by Annex C to the Italian Ministerial Decree of 5th March 2020, as supplemented with the contents of the document OIC 35 - ETS Accounting Standard.

The balance sheet has been voluntarily audited by PricewaterhouseCoopers S.p.A.

Principles adopted for the preparation of the balance sheet

The Balance Sheet clearly and fairly represents the capital and financial position of the Foundation and the results of operations for the year.

The principles used in the preparation and evaluation of the balance sheet for the year ended 31st December 2022 take into account the changes introduced into the national system by the Italian Ministerial Decree dated 5th March 2020, by applying the Accounting Standard OIC 35 and the National Accounting Standards, as published by *Organismo Italiano di Contabilità*.

The following balance sheet complies with the provisions of Article 13 of the Italian Legislative Decree No. 117/2017 as supplemented by the Italian Ministerial Decree of 5th March 20, as shown in this Mission Report, which is an integral part of the balance sheet.

The balance sheet figures are represented in units of euro by rounding the relevant amounts. Any rounding differences have been shown in the item “Euro rounding reserve” under Shareholders’ Equity items.

The Mission Report also contains all information useful to provide a correct interpretation of the balance sheet and of the statement of assets and liabilities and the management report items, according to the order in which the relevant items are shown in the respective balance sheet formats.

The balance sheet corresponds to the results of the accounting records duly kept.

Drafting principles

The valuation of the items in the balance sheet is based on the general principles of prudence and on an accrual basis, and, where required by law, with the consent of the Board of Auditors.

The balance sheet has been prepared on a going-concern basis, as the Directors have verified that there are no financial and management indicators or any other indicators that might highlight significant uncertainties regarding the Foundation’s ability to meet its obligations in the foreseeable future and, in particular, over the next 12 months.

The application of the principle of prudence entailed the individual evaluation of the elements making up the individual items or items of assets or liabilities, in order to avoid offsetting losses that were to be recognised and profits that were not to be recognised because they had not been realised.

In accordance with the accrual principle, the effect of transactions and other events was recognised in the accounts and attributed to the financial year which these transactions and events refer to, and not to the year in which the related cash movements (collections and payments) occur.

In obedience to the principle of materiality, recognition, measurement, presentation and disclosure requirements have not been complied with when compliance with them would have an irrelevant effect on the true and fair view of the balance sheet.

The recognition and presentation of items in the balance sheet was made taking into account the substance of the transaction or contract.

Account has been taken of proceeds and charges pertaining to the financial year, regardless of the date of collection or payment, and of risks and losses pertaining to the financial year, even if they became known after its closure.

Capital assets intended to be used on a long-term basis have been entered under fixed assets. The valuation criteria and accounting principles adopted are explained below for the most significant items.

The continuity of application of the valuation criteria over time is a necessary element for the comparability of the Foundation’s balance sheets over the various financial years.

The principles used in the preparation of the balance sheet for the year ended 31st December 2022 do not differ from those used in the preparation of the balance sheet for the previous year.

Evaluation principles

The most significant evaluation criteria adopted in compliance with the provisions of the Italian Ministerial Decree of 5th March 2020, as supplemented and interpreted by the Accounting Principles issued by the *Organismo Italiano di Contabilità* (OIC), are shown below, with particular reference to those balance sheet items for which the legislator allows for different evaluation and adjustment principles or for which no specific criteria are envisaged.

Fixed assets

Intangible fixed assets

Intangible fixed assets are recorded at historical acquisition cost including accessory charges and shown net of amortisation and depreciation charged directly to the individual items.

Start-up and expansion costs with long-term utility have been capitalised with the approval of the Board of Auditors.

The amortisation of intangible assets was performed in accordance with this pre-determined plan:

INTANGIBLE FIXED ASSETS ITEMS	PERIOD
Start-up costs	5 years – straight line basis
Development costs	5 years – straight line basis
Use of intellectual property	5 years – straight line basis
Capitalised software, licences and trademarks	5 years – straight line basis
Leasehold improvements	Depending on the shorter of useful life and duration of the underlying contract

If, regardless of the depreciation already accounted for, an impairment loss results, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation.

Tangible fixed assets

These are recorded at purchase or production cost and adjusted by the corresponding depreciation provisions. Ancillary expenses and costs incurred for the use of the fixed asset have been taken into account in the book value.

Depreciation rates, charged to the Management Report, have been calculated considering the use, destination and economic-technical life of the assets, based on the criterion of the residual possibility of utilisation, a criterion that we considered to be well represented by the following rates, which have not changed with respect to the previous year:

TANGIBLE FIXED ASSETS ITEMS	Rate %
Buildings	3%
Specific plants	20%
Miscellaneous equipment	7.5%
Furniture and fixtures	12%
Electronic office machines	20%
Mobile phones	50%

For fixed assets purchased during the year, the depreciation rates applied were reduced by half, as they were deemed appropriate for the shorter period of use. The depreciation of assets used in the individual projects is entirely and directly allocated to the costs of the projects and entered under “Costs and charges from activities of general interest”.

If, regardless of the depreciation already accounted for, an impairment loss results, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation.

Financial assets

Financial products held are valued at purchase cost including ancillary charges, such as bank and financial brokerage fees, and for securities without accrued interest at the date of purchase, which were accounted for as such and calculated on an accrual basis. These financial products are written

down in the event of impairment. Notwithstanding the above and the OIC principles, financial investments in “Asset Managements” are valued at their respective year-end market value and the related revaluation/devaluation is recognised in the income/expenses of group D) relating to financial and capital assets.

Inventories

Inventories of materials were valued at the lower of purchase cost and market value.

The value attributed to non-monetary charitable donations (donations of goods received by the Foundation, mainly on the occasion of the Christmas holidays) is recorded at fair value at the date of acquisition, in accordance with the provisions of the Accounting Standard OIC 35.

Receivables

Receivables for which the application of the amortised cost method is deemed irrelevant, for the purpose of giving a true and fair view of the Foundation’s equity and financial situation, are maintained at nominal value net of any provision for bad debts in order to reflect their presumed realisable value. This is the case, for example, in the presence of receivables with a maturity of less than twelve months or, with reference to the amortised cost criterion, in the event that transaction costs, commissions and any other difference between initial value and maturity value are insignificant.

Cash and cash equivalents

These are valued at their nominal value.

Payables

Payables are recognised in the balance sheet according to the amortised cost method, taking into account the time factor. In particular, the initial recognition value is represented by the nominal value of the debt, net of transaction costs and all premiums, discounts and allowances directly resulting from the transaction that generated the debt. Transaction costs, any commission income and expenses and any difference between the initial value and the nominal value at maturity are included in the calculation of amortised cost, by using the effective interest method. Debts for which the application of amortised cost is irrelevant, pursuant to art. 2423, sub-paragraph 4 of the Italian Civil Code, are entered at nominal value.

Accruals and deferrals

Accruals and deferrals are determined according to the method of the actual accrual period.

For accruals and deferrals lasting several years, the conditions that had determined their original recording were verified, by adopting the appropriate changes where necessary.

Provisions for risks and charges

These provisions are set aside to cover losses or payables whose existence is certain or probable, but whose amount or date of occurrence could not be determined at year-end.

The general criteria of prudence and accrual have been observed in the evaluation of these provisions, and no generic risk provisions without economic justification have been set up.

Contingent liabilities have been recognised in the balance sheet and entered in the provisions as they are considered probable and the amount of the relative charge can be reasonably estimated.

Provision for staff severance pay

This represents the actual debt accrued to employees in accordance with the law and current labour contracts, considering all forms of remuneration of an ongoing nature.

The provision corresponds to the total of the single indemnities accrued in favour of employees at the closing date of the balance sheet, net of advances paid, and is equal to the amount that would have been payable to employees if they had terminated their employment on that date.

Taxes

The Foundation benefits from the favourable regulations for tax purposes provided for by the Italian Legislative Decree No. 460/1997 regarding non-profit organisations due to the transitional regime introduced by article 101 of the Italian Legislative Decree No. 117/2017 and the rules already in force of the latter decree known as the “Third Sector Code” regarding indirect taxes and allowance/deduction of charitable donations received, pursuant to articles 82, 83, 102, subparagraph, e), f) and g).

For VAT purposes, the institutional activity is not subject to tax due to lack of objective and subjective requirements set out in articles 2, 3, 4 of the Italian Presidential Decree No. 633/72. Charitable donations are considered excluded.

For IRES [Italian corporation tax] purposes, the Foundation benefits from the tax reliefs on Non-Profit Organisations provided for by Article 150 of the Italian Presidential Decree No. 917/86.

For IRAP [Italian regional tax on productive activities] purposes, the Foundation calculates the tax on the basis of the so-called “compensation system” benefiting from the facilitations provided for by the Regional Law of 18th December 2001 No. 27 (Lombardy region), as well as the rate reductions provided for by the regions in which it operates.

Revenues

Revenues are posted according to the principle of prudence and on an accrual basis.

Proceeds in the form of subsidies, donations, gifts are recognised as revenues in the Management Report in the financial year in which they are collected, i.e. in the financial year in which the entitlement to collect them is of a legal nature.

Charitable donations are to be deemed as all acts that are characterised by the coexistence of both of the following conditions:

1. the enrichment of the beneficiary with a corresponding reduction of wealth on the part of the person performing the act;
2. the spirit of liberality (i.e. an act of generosity performed in the absence of any form of constraint).

Proceeds constituted by liberal donations may be unrestricted/restricted.

1. Unrestricted donations, i.e., without any restrictions or constraints imposed by the donor, are recognised as proceeds in the financial year in which they are received or in which the right, enforceable in court, to receive them is acquired;
2. Restricted donations are those subject, by the will of the donor, of an external third party or the entity’s administrative body, to a series of restrictions and/ or constraints that limit their use, either temporarily or permanently;
3. Proceeds from donations deriving from the *5 x mille* is accounted for on the basis of the publication of the final lists by *Agenzia delle Entrate* [Revenue Agency]. The Foundation is required to draw up a specific and separate account - accompanied by an explanatory report - clearly and transparently indicating the destination of the sums received. This document shall be drawn up within one year of receiving the grant (Art. 8 of the D.P.C.M. [Italian Prime Minister’s Decree] of 19th March 2008 and amendments thereof).

Proceeds arising from agreements signed with financing bodies for the implementation of specific

projects, recorded among “Contributions from public bodies” or among “Contributions from private individuals” in the Management Report, are subject to a destination restriction and/ or conditions imposed by the donor on the basis of a formal agreement. They are recognised as proceeds when the agreement is signed. At the end of the financial year, they are charged to the Management Report according to the progress of the financed project measured on the corresponding charges incurred and deemed eligible, consistently with the requirements formalised in the agreement with the “Donor”. The amount of income from agreements entered into with financing bodies for the realisation of specific projects in excess of the amount of the charges recorded in the Management Report is reclassified under the caption “Restricted reserves earmarked by third parties” of the Restricted Assets.

Revenues of a financial nature are recognised on an accrual basis.

Charges

Charges comprise the costs incurred by the Foundation in the reporting period for the performance of its activities. These charges are recorded on an accrual basis.

Charges also include amounts allocated to projects whose financial disbursement will occur beyond the financial year. Charges from activities of general interest mainly refer to charges for social solidarity projects incurred for the realisation of a work or set of works that together form a single project of one or more years’ duration.

Evaluation of items in foreign currencies

During the year, foreign currency transactions were accounted for at the exchange rate prevailing at the time of the individual transactions.

Cash available in foreign currency was shown in the balance sheet at the exchange rate in force on the date of the balance sheet. This resulted in the recognition of exchange rate differences based on the application of the Euro/foreign currency exchange rate as at 31st December 2022, in compliance with the Accounting Principles.

The Foundation’s costs, when incurred in a currency other than the Euro, were accounted for according to the exchange rate on the day the cost was incurred. It should be noted that when the reporting is submitted to the donor, and only for the purposes of said reporting, the costs relating to the funded projects are revalued at the exchange rate that may be required by the donor and in compliance with the agreement signed between the Foundation and the funding body: this process may obviously generate differences between the amount of the cost recognised in the accounts and the amount presented to the funding body.

Proceeds originally denominated in a currency other than the Euro were accounted for by applying the exchange rate on the day the proceeds arose.

Exchange rate gains and losses related to the evaluation of current accounts in foreign currencies are respectively credited and debited to the Management Report, under Assets of General Interest, in the items “Other revenues, income and proceeds” and “Other operating expenses”, since foreign currency holdings are only attributable to what is necessary for the implementation of the Foundation’s programmes.

Shareholders’ Equity

Shareholders’ Equity was recognised at its original nominal value, net of any utilisation. It consists of the endowment fund (unavailable fund, pursuant to the Italian Presidential Decree No. 361/2000), unrestricted Assets (assets consisting of the management result of previous years, as well as profit reserves or operating surpluses and other unrestricted reserves) and restricted Assets

(consisting mainly of income from agreements entered into with financing bodies for the implementation of specific projects not yet accounted for in the Management Report, restricted statutory reserves, as well as restricted reserves due to choices made by the institutional bodies or third-party donors), and is allocated for the Foundation’s protection, programmes and emergencies, as per specific resolutions of the Board of Directors. Shareholder’s Equity is used by resolution of the Board of Directors. It should be noted that there are no legal restrictions on the Shareholders’ Equity Reserves.

STATEMENT OF ASSETS AND LIABILITIES

1.B - FIXED ASSETS

B.I - INTANGIBLE FIXED ASSETS

Intangible assets recorded the following changes in historical costs during the year ended 31st December 2022:

	Initial Historical Cost	Purchases	Sales	Final Historical Costs
Start-up and expansion costs	145,509	0	0	145,509
Development costs	44,304	0	0	44,304
Industrial patent rights and rights to use intellectual property	333,041	12,505	0	345,546
Concessions, licences, trademarks and similar rights	283,087	0	0	283,087
Other intangible fixed assets	22,573	0	0	22,573
Total	828,514	12,505	0	841,019

Changes in depreciation funds were as follows:

	Initial Deprec. Fund	Deprec. for the Year	Sales	Final Deprec. Fund
Start-up and expansion costs	112,588	27,560	0	140,147
Development costs	44,304	0	0	44,304
Industrial patent rights and rights to use intellectual property	293,428	16,837	0	310,265
Concessions, licences, trademarks and similar rights	275,989	3,604		279,593
Other intangible fixed assets	15,312	7,261	0	22,573
Total	741,621	55,262	0	796,883

The net value in the balance sheet is therefore as follows:

	Net value as at 31.12.21	Net value as at 31.12.22
Start-up and expansion costs	32,921	5,361

Development costs	0	0
Industrial patent rights and rights to use intellectual property	39,613	35,281
Concessions, licences, trademarks and similar rights	7,098	3,495
Other intangible fixed assets	7,261	0
Total	86,893	44,137

The item “Start-up and expansion costs” refers to costs incurred in the 2018 financial year by both We World Onlus and GVC for the merger transaction, which were recognised with the consent of the Board of Auditors.

The Foundation did not revalue intangible fixed assets, even in previous years.

B.II – TANGIBLE FIXED ASSETS

Tangible fixed assets recorded the following changes in historical costs during the year ended 31st December 2022:

	Initial Historical Cost	Purchases	Sales	Final Historical Costs
Land and buildings	3,312,909	0	0	3,312,909
Plant & machinery	113,665	0	0	113,665
Equipment	3,509	0	0	3,509
Other assets	641,804	136,408	11,528	766,684
Total	4,071,887	136,408	11,528	4,196,767

Changes in depreciation funds were as follows:

	Initial Deprec. Fund	Deprec. for the Year	Sales	Final Deprec. Fund
Land and buildings	1,519,689	93,499	0	1,613,188
Plant & machinery	112,916	300	0	113,216
Equipment	3,509	0	0	3,509
Other assets	572,293	130,671	10,989	691,975
Total	2,208,407	224,470	10,989	2,421,888

Depreciation for the year also includes the share relating to depreciation of assets used in single projects in the amount of Euro 92,334, which is classified in the management report under “Costs and charges from activities of general interest”.

The net value in the balance sheet is therefore as follows:

	31.12.21	31.12.22
Land and buildings	1,793,220	1,699,721
Plant & machinery	749	450

Equipment	0	0
Other assets	69,511	74,709
Total	1,863,480	1,774,880

The item “Land and buildings” comprises the value of a property arising from a testamentary bequest in favour of the Foundation; the amount recorded therein, in addition to the amounts recorded under “Receivables from others” also deriving from this bequest, is offset by an increase in the Restricted Shareholders’ Equity in compliance with the provisions of the Accounting Principle OIC 35.

The Foundation has not carried out any revaluations of tangible fixed assets, even in previous years.

B.III – FINANCIAL FIXED ASSETS

Income from securities, coupons and interest, accrued during the year, was recognised on an accrual basis, through the recognition of the related accruals.

Product	31.12.22	31.12.21
Funds	1,536,443	1,536,444
Insurance policies	6,339,453	9,321,437
Asset managements	956,295	1,039,998
Total	8,832,191	11,897,879

These items are classified as fixed assets since they are sums in excess of the Foundation’s current operating needs and are therefore intended for long-term investment of the corporate assets.

The main purpose of investments remains the defence and preservation of invested capital. Despite the volatility characterising the markets, there is no impairment of value.

As an exception to the OIC principles, and as previously indicated in the section “Valuation Criteria”, financial investments in “Asset Managements” are recorded at market value at year-end. The write-down made during the year is charged to expenses in the group “D) Costs and charges from financial and asset related activities”.

C.I – INVENTORIES OF GOODS

Inventories of goods are valued at the lower of purchase cost and realisable value inferable from market trends.

During the final months of the financial year, the Foundation received charitable donations in kind of goods that were subsequently subject to promotional and fundraising activities. Once this activity ceased, the assets received free of charge and not disposed of, were recognised among the final inventories at their fair value of Euro 96 thousand. Taking into account that these assets have been in turn subsequently donated to other parties, in compliance with the provisions of sub-paragraph 10 of art. 2426 of the Italian Civil Code, a write-down reserve of the same amount was set aside.

C.II – RECEIVABLES NOT HELD AS FIXED ASSETS

Receivables are stated in the financial statements at their estimated realisable value, in accordance with art. 2426 of the Italian Civil Code.

There are no receivables with a residual duration of more than five years.

The main amounts that make up this item are represented by:

3) Receivables from Public Entities

Receivables from Public Entities shown under current assets refer to receivables claimed for projects approved mainly by Italian and European public institutions and by the United Nations system, which at year-end had not yet been collected.

The change during the year is as follows:

Receivables from Public Entities	Amount
Receivables as at 31/12/21	42,501,647
Change during the year	16,979,158
Balance as at 31/12/22	59,197,142

The increase in the balance as at 31st December 2022 is due to new agreements entered into with donor entities during the year, which increased significantly compared to previous years.

The breakdown of receivables by line of credit as at 31st December 2022, divided between receivables due within and beyond one year, is as follows:

Description	Receivables due within the year	Receivables due beyond the year
AICS [Italian Agency for Development Cooperation] projects and other government agencies	6,471,655	4,768,049
European Commission projects	14,263,841	19,071,300
Local entities projects	355,380	27,242
United Nations projects	6,772,864	1,462,088
Foreign Governments projects	2,490,452	3,514,271
Total	30,354,192	28.842.950

4) Receivables from Private Entities for contributions

Receivables from Private Entities shown under current assets refer to receivables claimed for projects approved mainly by Foundations that had not yet been collected at year-end.

The change during the year is as follows:

Receivables from Private Entities	Amount
Receivables as at 31/12/21	2,148,056
Change during the year	118,821
Balance as at 31/12/22	2,312,897

The receivables as at 31st December 2022, broken down between receivables due within and beyond one year, is as follows:

Description	Receivables due within the year	Receivables due beyond the year
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Foundations	1,012,148	297,385
Others	664,228	339,136
Total	1,676,376	636,521

6) Receivables from other Third Sector Entities

Receivables from Third Sector organisations entered in current assets refer to receivables claimed from project counterparties for instalments paid to them by the Foundation but not yet accounted for by the counterparties.

The change during the year is as follows:

Receivables from other Third Sector Entities	Amount
Receivables as at 31/12/21	4,132,343
Change during the year	-526,479
Balance as at 31/12/22	3,605,864

Under the term “other Third Sector Entities”, the Foundation reports in this item receivables it has from Italian and foreign entities with which it works to implement its various projects. These entities are therefore not exclusively those regulated by the Italian Legislative Decree No. 117/17, known as the Third Sector Code.

9) Tax receivables

No changes occurred during the year as shown in the table below:

Tax receivables	Amount
Values as at al 31/12/21	20,208
Change during the year	0
Balance as at 31/12/22	20,208

Tax receivables include Euro 9,000 relating to tax receivables provided for by “Sostegni-bis” decree for investments made in daily, including online, newspapers and periodicals and in local and national, analogue or digital, television and radio stations not owned by the State.

12) Receivables from others

The change during the year is as follows:

Receivables from others	Amount
Values as at al 31/12/21	528,300
Change during the year	-137,113
Balance as at 31/12/22	391,187

Receivables from others include amounts due from suppliers totalling Euro 186 thousand, as well as receivable related to a testamentary bequest in the amount of Euro 74 thousand. This amount relates to investments in securities that the deed of inheritance has legitimately assigned to the Foundation but whose actual transfer to the Foundation’s available assets, due to the protracted formalities with credit institutions, took place only at the end of 2022 financial year.

C.IV – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank and postal deposits as well as sums in cash mainly in the foreign countries where the Foundation implements its various projects.

The change during the year is as follows:

Cash and cash equivalents	Amount
Values as at 31/12/21	7,950,825
Change during the year	8,212,206
Balance as at 31/12/22	16,163,031

Bank deposits are also represented by current accounts opened in the various countries in which the Foundation carries out its activities.

The breakdown of cash and cash equivalents at the end of the year, compared to the values at the end of the previous year, is as follows:

Description	31.12.22	31.12.21
Italian banks	9,193,898	3,137,526
On-site banks	6,847,990	4,725,362
Cash available at head office	37,358	7,384
On-site funds	83,785	80,553
Total	16,163,031	7,950,825

The increase in cash holdings in Italy is due to the high value of amounts collected from institutional donors in the last two months of 2022.

D - ACCRUED INCOME AND PREPAID EXPENSES

The change during the year is as follows:

Description	31.12.22	31.12.21
Accrued income on financial assets	332,391	470,033
Prepaid expenses on projects	1,878,345	1,784,074
Prepaid expenses	245,274	157,309
Total	2,456,010	2,411,416

The item “Prepaid expenses on projects” refers to suspension and deferral to future years of charges on programmes incurred during the year by the Foundation, programmes for which it was not possible to record the related income, either because the Foundation is awaiting the conclusion of an agreement with the financing body regarding the contribution to cover such charges or because the charges relate to multi-year programmes whose coverage will be guaranteed by particular lines of fundraising proceeds, already allocated in a binding manner to cover such charges, as already resolved by the Board of Directors.

This item does not include accrued income and prepaid expenses with a duration of more than five years.

A – FOUNDATION’S ASSETS

Our organisation, established in 1999, obtained legal recognition from the *Prefettura* of Milan in 2009 and was entered in the Register of Legal Persons under number 1018, page 5238, vol. V.

In March 2013, the organisation was then enrolled in the register of foundations, while by notarial deed dated 31st May 2014 it took the name We World Onlus. On the occasion of the deed's registration with the register of legal persons of the *Prefettura* of Milan, the current unavailable endowment Fund was determined at the same time, pursuant to Italian Presidential Decree No. 361/2000.

On 1st December 2018, the merger by incorporation of Associazione G.V.C. ONG/ONLUS into Fondazione We World Onlus took legal effect, as set forth in the Merger Deed dated 24th October 2018, under the hand and seal of Dr Guido Peregalli, Notary in Milan.

STATEMENT OF CHANGES IN THE COMPONENTS OF (UNRESTRICTED AND RESTRICTED) SHAREHOLDERS' EQUITY.

In accordance with OIC 35, the statement of changes in Restricted Shareholders' Equity is shown herebelow.

Restricted assets	Statutory reserves	Restricted reserves earmarked by third parties	Reserves restricted by decision of the institutional bodies	Total
Opening year 2021	0	52,514,176	1,350,000	53,864,176
Change due to allocation to projects	0	21,676,183	0	21,780,341
Increases	0	0	950,000	950,000
Decreases	0	-278,593	-1,350,000	-1,722,751
Rounding	0	0	0	0
Year-end situation 2022	0	73,921,766	950,000	74,871,766

In accordance with OIC 35, the statement of changes in Unrestricted Assets is shown below.

Unrestricted assets	Profit reserves or operating surplus	Other reserves	Surplus (deficit) for the year	Total
Opening year 2021	376,228	11,923,812	21,555	12,321,595
Allocation/use	21,555	0	-21,555	0
Increases	0	0	0	0
Decreases	-1	-950,000	0	-950,001
Surplus of 2022 management	0	0	5,661	5,661
Year-end situation 2022	397,782	10,973,812	5,661	11,377,255

In November 2022, the Board of Directors resolved to use Euro 1,350 thousand of the "Restricted reserves by decision of the institutional bodies" to support the Foundation's institutional activities in the year 2022. The aforementioned amount had been set aside in the aforementioned Restricted Assets Reserves when the 2022 budget was approved.

The Board of Directors also resolved, when approving the 2023 budget, to set aside a restricted reserve in the amount of Euro 950 thousand to support institutional activities in future years.

The "Restricted Reserves earmarked by third parties" include the surplus of income with respect to the expenses recognised for each project at the end of the financial year, generated by the signing

of agreements with donor bodies aimed at implementing specific projects.

Also included is the value of the testamentary bequest with destination restriction in the amount of Euro 191 thousand, consisting of a flat and securities included respectively under the item “Land and Buildings” of tangible fixed assets and under the item “Receivables from others”. The bequest was accepted with the benefit of inventory and acceptance was subsequently formalised with a declaration of inheritance. The value of the bequest at 31st December 2021 was Euro 460 thousand and the related change is shown in the table above.

B - PROVISIONS FOR RISKS AND CHARGES

The provision for risks represents an estimate of risks related to the probability of incurring future charges for costs deemed ineligible by the donor.

Movements during the year are shown in the table below:

Other provisions	Amount
Values as ta 31/12/22	285,000
Provision	1,780,000
Balance as at 31/12/22	2,065,000

The increase for the year refers to the provision for likely higher future charges on certain projects in foreign countries, particularly those being implemented in Lebanon and Syria, countries characterised by very high losses in the value of the local currency. The likely higher charges are due, as already indicated among the valuation principles in the paragraph “Valuation of items in foreign currencies”, to the difference between the exchange rates contractually envisaged in the agreement with the donor and those used in the accounts in compliance with the Accounting Principles; in particular, the higher charges have been set aside in relation to the probable cost increases that are reasonably expected to be incurred on the aforesaid projects based on the reporting methods required by the donor bodies. It should also be noted that, against these future charges and due to the particular situations of the two countries mentioned above, exchange rate gains totalling Euro 2,194 thousand were recognised in the year 2022, which were generated by the difference between the exchange rate applied by the local banking system and the official exchange rate of *Unione Italiana Cambi*. In the management report, the amount set aside was classified in item “A6 - Provisions for risks and charges” included in section “A - Costs and charges from activities of general interest”.

C – EMPLOYEE SEVERANCE INDEMNITY

The severance indemnity fund was calculated in accordance with art. 2120 of the Italian Civil Code, taking into account the specific nature of contracts and professional categories, and includes the annual amounts accrued and the revaluations made on the basis of ISTAT [Italian Statistics Institute] coefficients.

Movements during the year are set forth in the following table:

Provision for severance indemnities	Amount
Values as at 31/12/21	884,716
Severance pays/advances	-83,747
Provision	250,539
Substitute tax	-14,344

Balance sheet as at 31/12/22	1,037,164
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D - PAYABLES

There are no payables with a residual duration of more than five years, nor are there any debts secured by collateral on corporate assets.

The main amounts comprising this item are as follows:

D.1 Due to banks

The change during the year is as follows:

Due to banks	Amount
Values as at 31/12/21	1,049,249
Change during the year	-240,734
Balance al 31/12/22	808,515

Amounts due to banks show, at the end of the financial year 2022, include the amount of Euro 807 thousand (including the share of interest) related to the advance payment received by Banca Intesa San Paolo of the share of a contribution expected within the framework of a project financed by the Italian Development Cooperation Agency.

D.7 Trade payables

The change during the year is as follows:

Trade payables	Amount
Values as at 31/12/21	1,633,492
Change during the year	-607,859
Balance as at 31/12/22	1,025,633

The value as at 31.12.2022 includes invoices to be received in the amount of Euro 324 thousand.

D.9 Tax payables

The change during the year is as follows:

Tax payables	Amount
Values as at 31/12/21	292,310
Change during the year	- 11,799
Balance as at 31/12/22	280,511

The value as at 31.12.2022 includes IRPEF [personal income tax] withholdings in the amount of Euro 101 thousand, as well as withholdings on interest not yet paid on investments in the amount of Euro 138 thousand.

D.10 Payables to social security institutions

The change during the year is as follows:

Payables to social security institutions	Amount
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Values as at 31/12/21	261,677
Change during the year	1,670
Balance as at 31/12/22	263,347

The value as at 31.12.2022 includes INPS [Italian social security Institute] contributions due and relating to both employees and collaborators.

D.11 Payables to employees and collaborators

The change during the year is as follows:

Payables to employees	Amount
Values as at 31/12/21	704,287
Change during the year	151,119
Balance as at 31/12/22	855,406

This balance sheet item includes payables to employees, both for wages and salaries not yet paid and for holidays still to be taken at the closing date of the financial year.

D.12 Other payables

Other payables are broken down as follows:

Description	31.12.22	31.12.21
Payables to other NGOs and/or local counterparties	1,828,384	1,744,867
Other payables	21,677	82,124
Total	1,850,061	1,826,991

This item includes payables to counterparties for expenses reported but not yet reimbursed by the Foundation.

E - ACCRUED LIABILITIES AND DEFERRED INCOME

Accrued liabilities and deferred income at the end of 2022, compared to the values at the end of the previous year, are broken down as follows:

Description	31.12.22	31.12.21
Accrued liabilities on financial assets	105,733	158,020
Deferred income	573	573
Total	106,306	158,593

This item does not include accrued expenses and deferred income with a duration of more than five years.

MANAGEMENT REPORT

PROCEEDS AND REVENUES

Proceeds and revenues are broken down in the different section of the Management Report as follows:

Total proceeds and revenues	31.12.22	31.12.21

A – Revenues and income from activities of general interest	41,857,300	36,444,745
B – Revenues, income and proceeds from other activities	1,152	0
C - Revenues, income and proceeds from fundraising	8,488,798	7,419,852
D - Revenues, income and proceeds from financial and asset related activities	230,918	342,700
E – Proceeds of general support	29,324	57,410
Total proceeds	50,607,492	44,264,717

Group A proceeds represent all income earned to enable the Foundation’s activities of general interest carried out in Italy and abroad.

A – Revenues, income and proceeds from activities of general interest	31.12.22	31.12.21
Charitable donations	654,060	705,512
Proceeds from membership fees and contributions from founders	2,600	2,250
Proceeds from <i>5 per Mille</i>	181,798	187,339
Contributions from private individuals	833,690	1,237,874
Proceeds from contracts with public bodies	36,294,359	32,012,544
Other revenues and proceeds	3,890,793	2,299,237
Total A – Revenues, income and proceeds from activities of general interest	41,857,300	36,444,756

Group A includes contributions from public and private bodies recognised as a result of specific agreements entered into with the donor body, for which a ‘narrative’ and financial reporting is required. These are therefore proceeds with a clear restriction of destination. The increase in proceeds from activities of general interest is mainly due to increase in contributions from public bodies, resulting from the progressive increase in agreements entered into with public donor bodies.

Charitable donations, on the other hand, of an unrestricted nature, refer to donations of goods received by the Foundation, mainly on the occasion of the Christmas holidays and used for a fundraising activity. The remaining goods at the end of the financial year at the end of this activity were donated to other organisations of the Third Sector during the first months of the year 2023. The remaining part of charitable donations relates to donations of goods that can be used within the framework of the programmes managed by the Foundation in Ukraine.

There is also a *5 per mille* contribution amounting to Euro 182 thousand that represents the result of the options exercised by taxpayers in their income tax returns, the amount of which was collected during the year.

The item “Other revenues, income and proceeds” includes the use of the Shareholders’ Equity Reserves, amounting to Euro 1,350 thousand for the year 2022: this amount had been collected in previous years, but not recognised in the Management Report in the balance sheets of those previous years and therefore had not been previously reported as proceeds of the Foundation. For further details, please refer to the section “Statement of changes in the (unrestricted and restricted) components of shareholders’ equity”. The item “Other revenues, income and proceeds” also includes exchange rate gains related to the valuation of foreign currency exchange transactions and the valuation of foreign currency accounts as at 31st December 2022 according to the UIC euro/foreign currency exchange rate and amount to Euro 2,194 thousand. Charges related to exchange rate losses are classified under “Other operating charges ” in activities of general interest and amount to Euro 435 thousand. As already mentioned in the comment on the item “Provisions for risks and charges”, it should be noted that a provision of Euro 1,780 thousand was made,

classified under item “A6 - Provisions for risks and charges” in section “A - Costs and charges from activities of general interest”.

Income in group "B - Revenues, income and proceeds from sundry activities", refers to the sale of virtual gifts or party favours to individuals and the provision of services of no significant value in favour of the Municipality of Milan and a private company.

As regards the proceeds under group "C - Revenues, income and proceeds from fundraising activities”, they include all contributions and donations received, aimed at supporting the Foundation’s activities, which are broken down between regular and occasional fundraising activities.

C- Revenues, income and proceeds from fundraising	31.12.22	31.12.21
Proceeds from regular fundraising	8,234,117	7,419,852
Proceeds from occasional fundraising	254,681	0
Other proceeds	0	0
Total C - Revenues, income and proceeds from fundraising	8,488,798	7,419,852

Fundraising proceeds come from both natural and legal persons and are broken down as shown in the table below:

C- Revenues, income and proceeds from fundraising	31.12.22	31.12.21
Proceeds from natural persons	6,886,614	6,586,143
Proceeds from legal persons	1,602,184	833,709
Total C - Revenues, income and proceeds from fundraising	8,488,798	7,419,852

The increase in proceeds from fundraising activities is mainly attributable to the so-called “corporate” area, i.e., the increase of over Euro 750 thousand compared to the previous financial year in income from legal persons.

Proceeds from occasional fundraising is related to the creation of a virtual market, i.e. the sale of goods of modest value through a web platform during the Christmas holidays. The report on this activity is annexed to the Foundation’s balance sheet pursuant to Art. 13 para. 1 of the CTS.

It should be noted that donations to the Foundation confer to the donors tax benefits as provided by the Consolidated Income Tax Act (TUIR) and other tax regulations with reference to donations to socially useful non-profit Organisations and recognised non-governmental Organisations.

As regards income under D, this originates almost exclusively from interest accrued on the Foundation’s invested assets in the amount of Euro 215 thousand, a decrease compared to the previous year mainly due to the divestment of policies in the amount of Euro 3 million during 2022.

As regards the residual income, letter E “General support proceeds”, these include modest amounts and of little significance in the context of the values expressed in this Statement.

CHARGES AND COSTS

Charges and costs are broken down as follows:

Total charges and costs	31.12.22	31.12.21

A – Costs and charges from activities of general interest	44,494,034	37,978,106
B – Costs and charges from other activities	6,248	0
C – Costs and charges from fundraising	3,180,504	3,402,145
D – Costs and charges from financial and asset related activities	227,579	115,118
E – Costs and charges of general support	2,644,740	2,708,588
Total charges	50,553,105	44,203,957

Group A charges represent all costs incurred for the implementation of activities of general interest. In the table below, the total value for the financial year 2022 is broken down by individual items that make it up, and the corresponding figure for revenues is also shown in order to provide evidence of surplus or deficit related to the specific area of the management report, in compliance with the guidelines for the compilation of balance sheets of Third Sector Organisations.

The increase in charges is related to the greater activity carried out in the financial year 2022, to be linked to the progressive increase in agreements entered into with donor organisations.

A – Costs and charges from activities of general interest	31.12.22	31.12.21
Raw and ancillary materials, consumables and goods	6,967,171	6,374,355
Services	16,319,854	16,885,808
Use of third-party assets	1,243,669	977,099
Personnel	6,614,121	5,512,094
Depreciation	92,334	74,337
Provisions for risks and charges	1,780,000	200,000
Sundry operating charges	11,476,885	7,954,413
Total A – Costs and charges from activities of general interest	44,494,034	37,978,106
Total A – Revenues, income and proceeds from activities of general interest	41,857,300	36,444,756
Surplus/deficit from activities of general interest	-2,636,734	-1,533,350

Charges for activities of general interest include all direct charges incurred for the implementation of the Foundation's activities in the 27 countries in which it operates.

Charges for services include over Euro 3 million related to expatriate personnel working in the countries abroad, with coordinated and continuous collaboration contracts.

Personnel charges include Euro 5 million related to local personnel hired by the Foundation in the foreign countries where it operated in 2022.

Sundry operating charges mainly refer to charges incurred by project counterparts and reported to the Foundation. Also included here are charges for exchange losses due to the valuation of cash in hand in foreign currencies, used directly for project implementation, at the exchange rate of 31.12.22.

The balance of activities of general interest is "naturally" negative, as part of the activities is supported by proceeds from fundraising. It should also be noted that the worsening of this balance is offset by the increase in fundraising proceeds aimed at supporting the Foundation's programmatic activities.

Charges in the group "B - Costs and charges from sundry activities" are attributable to activities incurred to dispose of the services and goods mentioned with reference to group B proceeds. This area of the Foundation's activities is in an early stage and the values remain insignificant.

B – Costs and charges from sundry activities	31.12.22	31.12.21
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Raw materials and consumables	326	0
Services	5,922	0
Other charges	0	0
Total C – Costs and charges from sundry activities	6,248	0
Total C - Revenues, income and proceeds from sundry activities	1,152	0
Surplus/deficit from sundry activities	5,096	0

Charges relating to group C – “Costs and Charges from Fundraising Activities”, amount to Euro 3,181 thousand and include all the activities carried out by the Organisation to receive donations and other contributions aimed at obtaining the financial resources needed to support and guarantee the pursuit of institutional purposes.

C – Costs and charges from fundraising	31.12.22	31.12.21
Charges from regular fundraising	3,009,381	3,402,145
Charges from occasional fundraising	171,123	0
Other charges	0	0
Total C - Costs and charges from fundraising	3,180,504	3,402,145
Total C - Revenues, income and proceeds from fundraising	8,488,798	7,419,852
Surplus/Deficit from fundraising	5,308,294	4,017,707

Charges related to fundraising activities are mainly incurred for fundraising from individuals.

In addition to its donors’ retention activities, the Foundation invested during the financial year in acquiring new donors through Face to Face, Web and DRTV channels: these activities account for the main share of fundraising charges.

The balance of fundraising activities is “naturally” positive as the purpose of the fundraising activity is to support and finance the Foundation’s programmatic activities.

The costs reclassified under group “D - Costs and charges from financial and asset related activities” refer to bank charges for the year and charges for managing Foundation’s investments. Also recorded herein are charges generated by the valuation at market value as at 31.12.22 of investments in “Asset Managements”.

As a result of the foregoing and the lower proceeds as shown hereabove, the balance of financial and asset related activities substantially broke even, thus showing a significant deterioration compared to the previous year, as shown in the following table:

D – Balance of financial and asset related activities	31.12.22	31.12.21
Surplus/deficit of financial and asset related activities	3,339	227,582

As for the charges of the group “E - Costs and charges of general support”, their totalled Euro 2,649 thousand, in line with the year 2021, and their breakdown is shown in the following table.

E – Costs and Charges of General Support	31.12.22	31.12.21
Raw and ancillary materials, consumables and goods	14,328	4,766
Services	1,080,855	1,139,104
Use of third-party services	103,743	124,562
Personnel	1,206,367	1,061,591

Depreciations	176,540	194,047
Provision for risks and charges	0	0
Other charges	62,907	184,500
Opening inventories	0	0
Allocation to restricted reserve by decision of institutional bodies	0	0
Use of restricted reserve by decision of the institutional bodies	0	0
Total E – Costs and charges of general support	2,644,740	2,708,588

Activities of general support refer to direction, administration and management of the organisation's human resources that guarantee the Foundation's management and administrative operations.

Costs for services include all utilities necessary for the operation of the two main offices in Italy (Milan and Bologna), consultancy services provided for various reasons, emoluments of corporate bodies where provided for, auditing expenses and maintenance of the Foundation's assets.

Costs for the use of third-party assets include rental charges for the Bologna premises.

Personnel costs relate to all employees not employed in activities of general interest or fundraising activities.

Total charges from general support activities do not show any significant changes compared to the previous year.

Taxes and duties charged on an accrual basis refer to IRAP in the amount of Euro 43 thousand and IRES [Italian corporate income tax] in the amount of Euro 5 thousand.

ADDITIONAL INFORMATION

Economic relations with Public Administrations

Pursuant to the provisions of sub-paragraph 125 of art. 1 of the Italian Law No. 124/17, the publication of "information relating to grants, contributions, remunerated appointments and in any case to economic benefits of any kind received" will take place as provided for through the Foundation's website by and no later than 30th June of the year following the year of receipt, as set by art. 35 of the 2019 Decreto "Crescita" ["Growth" Decree].

Information on financial instruments

In compliance with the provisions of art. 2427-*bis* of the Italian Civil Code, it should be noted that as at 31st December 2022, the Foundation had no derivative contracts in place.

Average number of employees, broken down by category

Average number	Qualification	Average
Employees	QUA	8
Employees	IMP	59
COCOCO [term-contract workers] in Italy	ITA	37
Expatriate COCOCO	EST	74
Average		178

There were no significant changes in the composition of personnel employed on a fixed-term or permanent basis compared to the previous year.

The increase in the number of collaborators (19), on the other hand, can be attributed to the higher

volume of projects realised

The Foundation did not make use of the work of volunteers pursuant to Article 17 of the Italian Legislative Decree No. 117/17.

Capital assets allocated to a specific purpose

It is hereby certified that there were no capital assets intended for a specific business at the balance sheet date.

Information on transactions with related parties

During the financial year, transactions were carried out with related parties; these transactions were concluded according to market conditions, therefore, in accordance with the regulations in force, no additional information is provided with respect to what has already been set out in this document.

Notional Costs

Notional costs and proceeds have not been reported at the foot of the Statement of Assets and Liabilities as the Foundation does not make use of the work of volunteers, goods and services have been purchased at their fair value and the Foundation does not make free donations of money, goods or services.

Directors' and Statutory Auditors' Fees

The amount of the fees due for the financial year 2022 to directors holding special offices within the Board of Directors and members of the Board of Auditors is indicated for taxable value in the following table:

Directors' Emoluments	50.000
Board of Auditors' Emoluments	24.000

C) PRESENTATION OF THE ECONOMIC AND FINANCIAL PERFORMANCE AND THE MANNER IN WHICH THE PURPOSES OF THE ARTICLES OF ASSOCIATION ARE PURSUED

Situation of the organisation and management performance

During the year, the Foundation implemented 149 projects abroad (Africa, Latin America, Middle East), 16 global citizenship education projects, promoting awareness-raising, information and policy and advocacy activities in Italy and Europe to influence the policies and actions of policy makers. Two festivals were also organised, one in Milan and one in Bologna, and projects were implemented in the suburbs of several Italian cities to fight educational poverty and violence against women, as well as in Ventimiglia where the Foundation offered support to migrants in transit.

Resources amounting to Euro 44,500 thousand were used to support the most vulnerable communities. 20% of the funds were used for programmes in Italy and Europe (broadly in line with previous years' figures: 18% in 2020 and 25% in 2021) to finance direct aid activities (fight against educational poverty, support programmes for women victims of violence and support for migrants in transit in Ventimiglia) and actions to raise awareness, inform and promote initiatives to demand concrete changes in social and environmental policies. The remaining 80% of the funds was used in local communities around the world, where the impact of poverty, war, effects of climate change and, in general, lack of rights is higher.

Below is a summary of aid by geographical area:

Aid by geographical area	Valore	%
Latin America and the Caribbean	3,512,738	8%
North-Western Africa	6,141,474	14%
South-Eastern Africa	9,554,958	21%
Middle East	14,979,790	34%
Asia	1,486,075	3%
Europe and Italy	8,818,999	20%
Total	44,494,034	100%

During 2022, the Foundation entered into new agreements with public or private Donors for a total value of almost Euro 60 million. The amount of these agreements was the highest ever recorded by the Foundation and the value almost doubled compared to last year.

It is noteworthy that the volume of activities managed by the Foundation has steadily increased in recent years, particularly since 2018, the year of merger between We World and GVC, reaching and exceeding the 50-million-euro budget for the first time.

Also in 2022, the Foundation has confirmed an approach aimed at working in partnership with local and international organisations: there are 343 active partners in various capacities (386 in 2021, 382 in 2020, 319 in 2019), stakeholders who have a direct involvement from the programme design phase to the closure phase, according to a logic of participatory intervention and responsibility for a share of the activity budget.

We World is a member of several national and international networks and associations. Among these, as already mentioned, is the participation, as the only Italian member, in the international Child Fund Alliance network.

Foreseeable evolution of management

In the course of 2023, the Foundation expects to consolidate the business volumes achieved by maintaining a similar level of agreements with new donors as in 2022.

Furthermore, from the point of view of fundraising towards private individuals, a consolidation of the result achieved in 2022 is also expected, despite the fact that the economic and social context does not seem to favour this activity.

The increase in the managed budget, from the point of view of economic balance, may represent a strength allowing to optimise some economies of scale and to guarantee the coverage of general charges through the structure costs recognised by the different donors. Particular attention must be paid to the management of financial balances: emergency activities that are increasingly being pursued and related payment methods of institutional donors very frequently generate situations of immediate need for liquidity that the Foundation must anticipate while waiting for the collection of subsequent tranches from institutional donors.

Among the most significant events that marked the first months of 2023 with respect to the Foundation's activities, the earthquake that struck Turkey and Syria in February must unfortunately be mentioned. In the latter country, We World has had an established presence for several years and thanks to its structure has been able to organise humanitarian aid activities from the very first hours after the earthquake.

Currently, operations in the country are continuing, thanks to the contribution of both public and private donors; the support of other ChildFund Alliance members is also worth mentioning.

Methods of pursuing the articles of association purposes

The Foundation has ensured the pursuit of its aims through the implementation of projects in the 27 countries in which it is involved, as described above.

Fundraising activities

Below is an overview of fundraising activities by line of acquisition.

Line	Proceeds	Direct collection charges
Natural persons – regular donations	6,153,568	2,195,499
Natural persons – non-regular donations	733,045	41,980
Enterprises and foundations	1,602,184	191,442
Other fundraising direct charges	0	106,300
Fundraising personnel charges	0	645,283
Total	8,488,797	3,180,504

Regular donations, accounted for at the time of their collection, mainly consist of donations for *sostegno a distanza* [sponsorship] in the amount of Euro 4,509 thousand and unrestricted donations in the amount of Euro 1,461 thousand.

Donations from the corporate area (enterprises and foundations) may or may not be unrestricted. Non-regular donations from natural persons are linked to campaigns launched by the Foundation to support specific activities.

Lastly, it should be noted that a testamentary bequest was formalised with a declaration of inheritance in 2022. In addition to the proceeds recognised during the year for the sums collected in connection therewith in the amount of Euro 207 thousand, there remain receivables to be collected in the amount of Euro 74 thousand and a flat with *vincolo di destinazione* [restricted use] has been recorded as a fixed asset.

Final comments

Board members,

in light of the foregoing, we propose to approve the balance sheet and the accompanying documents and to allocate the operating Surplus for the year 2022 in the amount of Euro 5,660.62 to the Unrestricted Assets item “Reserves of operating profit or surplus”,

We World – G.V.C. Onlus

The President

Marco Chiesara

[signed]

Annex I

Statement of individual occasional public fundraising drawn up pursuant to articles 87(6) and 79(4)(a) of the Italian Legislative Decree No. 117 of 3 August 2017.

Description of celebration, anniversary or awareness-raising campaign: assignment of goods of modest value during the Christmas period.

Duration of fundraising event: December 2022

Fundraising report:

a) Proceeds / revenue of occasional fundraising	
- monetary donations	254,681
b) Charges / expenditures for occasional fundraising	
- charges for purchase of services	171,123
Result of the single fundraising (a-b)	83,558

Description of the initiative

In December, Fondazione We World Onlus set up an initiative called the Christmas Market. Funds totalling Euro 254,681 were collected on a bank account. The costs incurred to accomplish the event are detailed in the following table:

Storage services	77,831
Transport and couriers	60,697
IT consultancy	17,934
Marketing and advertising consultancy	11,590
Bank fees	3,071
Total	171,123

The funds raised, net of total expenses incurred, amount to Euro 83,558, and are earmarked for the following activities of general interest and for the following purposes: *promotion and protection of human and civil rights*. In particular, fundraising is aimed at supporting the activities carried out by the Foundation in Bologna and Pescara to fight violence against women and educational poverty. It was performed through the sale of goods of modest value of various kinds using a web platform with different payment methods accepted. The management of goods storage and shipment services was carried out by specialised companies.



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the board of directors of We World – GVC Onlus

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of We World – GVC Onlus (hereinafter also the “Foundation”), which comprise the balance sheet as of 31 December 2022, the statement of activities for the year then ended and the sections “General part” and “Illustration of financial statements items” included in the mission report. The aforementioned financial statements are prepared in compliance with the Italian laws governing the criteria for their preparation.

In our opinion, the financial statements give a true and fair view of the financial position of We World – GVC Onlus as of 31 December 2022 and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of We World – GVC Onlus pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and the Board of Auditors of We World – GVC Onlus for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Foundation's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements,

PricewaterhouseCoopers SpA

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the directors use the going concern basis of accounting unless it finds reasons for striking off and dissolving, and consequently liquidating, the Foundation or it intends to cease operations, or has no realistic alternative but to do so.

The board of auditors is responsible for overseeing, in the terms prescribed by law, the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and



significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010

The board of directors of We World – GVC Onlus is responsible for preparing the section “Illustration of the entity’s performance and the manner of pursuit of its statutory purposes” included in the mission report of We World – GVC Onlus as of 31 December 2022, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the section “Illustration of the entity’s financial performance and the manner of pursuit of its statutory purposes” included in the mission report with the financial statements of We World – GVC Onlus as of 31 December 2022 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the section “Illustration of the entity’s performance and the manner of pursuit of its statutory purposes” included in the mission report is consistent with the financial statements of We World – GVC Onlus as of 31 December 2022 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Entity and its environment obtained in the course of the audit, we have nothing to report.

Milan, 12 June 2023

PricewaterhouseCoopers SpA

Signed by

Nicola Fierro
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers