



*Today the Board of Directors approved the Half-yearly report ended at June 30<sup>th</sup> 2018.*

**Alkemy's double-digit growth continues: revenues for the first half of 2018 are up to € 30.6 million, +55% compared to the first half of 2017. EBITDA is € 2.2 million, +42% compared to H1 2017.**

- Revenues for € 30.6 million in the first half of 2018, 55% compared to € 19.8 million in the first half of 2017.
- EBITDA H1 2018 is € 2.2 million, +42% compared to € 1.6 million of H1 2017.
- EBIT H1 2018 is € 0.75 million, compared to € 0.78 million in the same period of the previous year.
- Net profit of H1 2018 is € 0.3 million, as in H1 2017.
- Net Financial Position is € 14 million at June 30<sup>th</sup> 2018 compared to € 19.2 million at December 31<sup>st</sup> 2017.

*Milan, September 28<sup>th</sup> 2018* – The Board of Directors of **Alkemy S.p.A.**, leading company in the innovation of the business model of large and medium-sized companies and listed on the AIM Italia market of Borsa Italiana since 5 December 2017 (ticker: ALK), approved today the Half-yearly report ended at June 30<sup>th</sup> 2018, prepared in accordance with Italian GAAP.

**The Group's consolidated net sales for the first half of the year amounted to € 30.6 million, up by 55%** compared to € 19.8 million of H1 2017. This result was achieved by growing organically in the sectors in which Alkemy operates and by offering services which Alkemy developed by integrating the skills it has acquired through M&A activity.

Nunatac's contribution to H1 2018 turnover amounted to approximately € 3.5 million and that of the new companies in Serbia amounted to approximately € 0.2 million.

**Consolidated EBITDA for H1 2018** stands at € 2.2 million, +42% compared to € 1.6 million of the same period of 2017 (+21% compared to H1 2017). This result, on the one hand, takes into account the € 0.3 million contribution generated by Nunatac and the new companies in Serbia and, on the other hand, reflects an increase in structural costs due to the strengthening of the team and the costs associated with being stock listed.

**The Consolidated Operating Income (EBIT)** of the first half of 2018, i.e. € 0.75 million against € 0.78 million of the first half of 2017, was influenced by Alkemy's significant M&A activity and its listing on the AIM Italia stock market (amortization and provisions increased by 0.7 million in H1 2017). **H1 2018 consolidated Net Income** is equal to € 0.3 million, **matching the result of H1 2017.**

**Alkemy's net financial position** at 30 June 2018 **was positive and amounted to € 13.99 million** compared to the positive net financial position of € 19.23 million at 31 December 2017. This change is mainly due to cash flow for M&A activity.

With reference to the Cash Flow Statement, it should be noted that the change in Net Financial Position is significantly influenced by the use of cash to support M&A activities.





*"The first six months of the year show a significant organic growth for the Group, in addition to the growth connected to the integration of new and important elements acquired through M&A activity, such as the expertise in Big Data & Analytics developed by Nunatac, which is directly applied to Alkemy's Transformational projects. If we would add to the total turnover of the year 2017 of Alkemy revenues coming from the acquired companies, it would rise from € 44.9 million to over € 72 million", commented **Alkemy's Chief Executive Officer Duccio Vitali**. "For the second half of 2018 we expect the Group to maintain the same development rates as well as to continue to consolidate our position in a fast-growing market."*

## **MAIN EVENTS OF H1 2018**

In the first half of 2018, in regards to the guidelines for inorganic growth, important results were scored through:

- the establishment of a Joint Venture between the subsidiary Alkemy SEE D.o.o. (51%) and Nelt Co. D.o.o. (49%) - leader in the Balkan area in the distribution, logistics and marketing sectors for the world's major international FMCG (fast-moving consumer goods) brands, announced on February 9<sup>th</sup> 2018;
- the agreement for the initial acquisition of 70% of Nunatac Srl (with completion of the acquisition of the remaining 30% of the share capital within three years), an Italian company specialized in data analysis, big data and predictive modelling for companies, with twenty-five years' experience in advanced analytics for complex national and international organizational contexts, announced on March 15<sup>th</sup> 2018;
- the agreement for the initial acquisition of 51% of Kreativa New Formula D.o.o. (KNF) by Alkemy SEE D.o.o. (with completion of the acquisition of the remaining 49% of the share capital in various parts within five years). KNF is one of the largest independent marketing and advertising agencies in Serbia. The acquisition was announced on April 26<sup>th</sup> 2018 and aimed at consolidating Alkemy's position in South-Eastern Europe. The operation closing took place on July 16<sup>th</sup> 2018 with the effective transfer of the shares held by Alkemy S.E.E., hence the non-inclusion of KNF in H1 2018 financial report.

Furthermore, on February 19<sup>th</sup> 2018, the first part of the Buy Back Plan was launched (in execution of the Shareholders' Meeting resolution of November 16<sup>th</sup> 2017) with the aim of creating a stock of securities prior to the use of the shares for extraordinary transactions. On May 30<sup>th</sup> 2018, following the positive closing of the first tranche, a second tranche of the Buy Back Plan was launched.

## **SIGNIFICANT EVENTS AFTER JUNE 30<sup>th</sup> 2018**

On July 19<sup>th</sup> 2018, Alkemy signed an agreement for the initial acquisition of 51% of the share capital of Ontwice Interactive Services SL – with completion of the acquisition of the





remaining 49% within four years. The acquisition aims at consolidating Alkemy's presence in Spain, where its subsidiary Alkemy Iberia initially focused on Advisory activities. The integration of technology and the development of activities, in fact, will allow the transfer to Spanish customers of the same value chain that has already been developed and successfully tested in Italy. At the same time, thanks to the presence of Ontwice Interactive Services SL in Mexico, the operation paves the way for growth in Latin America.

For the coming months, the Group intends to continue its development and growth strategy, maintaining its specialization in the technological and digital innovation market, to provide value-added and innovative services that can improve the economic performance of its clients.

*"We are very satisfied with the results we have obtained so far and we are proud to attract entrepreneurs who want to continue their growth within a larger Group. The ability to create a long-term organic growth strategy, integrating the skills of acquired companies, has also led to the inclusion of institutional investors such as StarTIP (Tamburi), Kairos and CIP in our corporate structure, with a longer investment period,"* comments **Alessandro Mattiacci, Chairman of Alkemy S.p.A. and Head of Corporate Development.**

*Alkemy S.p.A.'s Half Year Report of June 30<sup>th</sup> 2018 presents a positive Net Income of € 281,937 (€ 272,356 in the first half of 2017).*

*For more information, please refer to the attached documents. With reference to the accounting data shown in this press release, it should be noted that these data have already been audited by an Independent Auditor.*

*The Interim Report of June 30<sup>th</sup> 2018 is available on the Company's website: [www.alkemy.com](http://www.alkemy.com) section Investor Relations.*



## CONSOLIDATED BALANCE SHEET

Values in '000 EURO	30/06/2018	31/12/2017
<b>ASSETS</b>		
intangible fixed assets	12.681	8.448
tagible fixed assets	800	657
financial fixed assets	57	7
other not current assets	131	114
<b>Total fixed assets</b>	<b>13.669</b>	<b>9.226</b>
Inventory	249	251
receivables from customers	20.434	18.170
tax receivables	404	370
deferred tax assets	153	190
receivables from others	1.377	40
accrued income and prepaid expenses	3.079	2.454
cash and cash equivalent	16.622	23.452
<b>Total current assets</b>	<b>42.317</b>	<b>44.927</b>
<b>TOTAL ASSETS</b>	<b>55.986</b>	<b>54.153</b>
<b>LIABILITIES</b>		
share capital	567	567
paid-in capital in excess of par	28.881	28.880
legal reserves	104	68
other reserves	764	304
treasury shares reserve	(574)	-
retained earnings (losses)	3.444	1.918
current earnings (losses)	282	1.526
<b>Total net equity</b>	<b>33.467</b>	<b>33.262</b>
bank financing (long terms)	1.502	2.033
employees' termination benefits provision	2.410	1.440
<b>Total non-current liabilities</b>	<b>3.912</b>	<b>3.473</b>
provisions	631	5
payables to suppliers	11.224	10.626
bank financing (short terms)	1.066	1.439
other financing	63	750
tax payables	1.588	1.032
other current debts, accruals and deferrals	4.033	3.566
<b>Total current liabilities</b>	<b>18.606</b>	<b>17.418</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>55.986</b>	<b>54.153</b>

## CONSOLIDATED PROFIT &amp; LOSS

Values in '000 EURO	30/06/2018	30/06/2017
<b>Revenues and Income</b>		
revenues from sales and services	29.165	19.396
change in work in process	102	-
other income and revenues	1.366	385
<b>Total revenues and income</b>	<b>30.634</b>	<b>19.781</b>
<b>Operating Costs</b>		
cost of raw materials, consumables and merchandise	1.377	1.334
cost of services	16.755	10.528
cost of rents and leases	444	376
personnel costs	9.502	5.931
amortisation, depreciation and write-downs	1.474	788
change in raw materials and consumables	36	(10)
others accruals	7	-
other operating expenses	292	52
<b>Total operating costs</b>	<b>29.887</b>	<b>19.000</b>
<b>Earning before interests and tax</b>	<b>747</b>	<b>780</b>
other financial income	2	0
interest and other financial expenses	(39)	(40)
gains and losses on foreign currency translation	(5)	(1)
write-downs	(1)	(1)
<b>Earning before tax</b>	<b>703</b>	<b>738</b>
current and deferred income taxes	421	466
<b>Net Profit (Loss)</b>	<b>282</b>	<b>272</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

Values in '000 EURO	30/06/2018	30/06/2017
A) Cash flow generated by operating activities		
Net income of the period	282	272
Income tax	421	466
Financial interests	37	42
<b>1) Profit (loss) of the period before tax, interests and dividends</b>	<b>740</b>	<b>780</b>
Adjustments relating to items without effect on liquidity:		
Increase (decrease) provisions	864	390
Depreciation and amortisation	1.189	699
<b>Total adjustments relating to items without effect on liquidity</b>	<b>2.053</b>	<b>1.089</b>
<b>2) Cash flows from operating activities before changes in net working capital</b>	<b>2.793</b>	<b>1.869</b>
Changes in current assets and liabilities:		
Decrease (Increase) Inventory	36	(10)
Decrease (Increase) Receivables	(167)	(191)
Increase (Decrease) payables	(251)	(118)
Increase (Decrease) Other current assets and liabilities	(1.418)	(590)
<b>Total changes in net working capital</b>	<b>(1.801)</b>	<b>(908)</b>
<b>3) Cash Flow after changes in net working capital</b>	<b>992</b>	<b>961</b>
Other changes		
Interest (paid)/ collected	(37)	(42)
Income taxes paid	-	(101)
Use of provisions	(219)	(122)
<b>Total other changes</b>	<b>(256)</b>	<b>(264)</b>
<b>Cash Flow generated by operating activities (A)</b>	<b>736</b>	<b>696</b>
B) Cash flow generated by investing activities		
Net increase tangible assets	(154)	(132)
Net increase intangible assets	(317)	(259)
Equity Acquisitions (net of cash acquired )	(4.715)	-
<b>Total cash flow generated by investing activities (B)</b>	<b>(5.185)</b>	<b>(391)</b>
C) Cash flow from financial activities		
Increase (Decrease) bank overdrafts	(341)	104
Other financial loans	63	-
Repayment of loans	(1.312)	(358)
Changes in consolidation area	-	116
Sale/(purchase) of treasury shares	(572)	-
Distribution of dividends	(217)	-
<b>Total cash flow generated by financial activities (C)</b>	<b>(2.380)</b>	<b>(137)</b>
<b>NET Increase (Decrease) Cash and cash equivalents (A ± B ± C)</b>	<b>(6.829)</b>	<b>168</b>
<b>Cash and cash equivalents - starting period</b>	<b>23.451</b>	<b>2.915</b>
<b>Cash and cash equivalents - end period</b>	<b>16.621</b>	<b>3.083</b>
<b>NET Increase (Decrease) Cash and cash equivalents</b>	<b>(6.829)</b>	<b>168</b>



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Born in 2012 thanks to a group of entrepreneurs that had gained significant experience at leading international companies in the world of business consultancy and technological innovation, Alkemy S.p.A. works to improve the market position and competitiveness of large and medium-sized companies - innovating and transforming their business model according to the evolution of technology and consumer behaviour. The Company integrates skills and expertise in the areas of strategy, e-commerce, communication, performance and technology into its offer, and manages wide-ranging digital transformation projects that cover the entire value chain, from strategy to implementation.

#### **For further info**

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