



(Translation from the Italian original which remains the definitive version)

# **Alkemy S.p.A.**

Interim Financial Report  
30 June 2022

**Alkemy Group**

Parent Alkemy S.p.A.

Registered office in Milan, at Via San Gregorio 34

Share Capital Euro 595,534.32

VAT no.: 05619950966

Milan Company Registration no. 1835268

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## Corporate bodies of Alkemy S.p.A.

### Board of Directors \*

Alessandro Mattiacci	Chairman
Duccio Vitali	Chief Executive Officer
Massimo Canturi Riccardo Lorenzini	Director with delegations Director
Giulia Bianchi Frangipane	Independent Director
Serenella Sala	Independent Director
Ada Ester Villa	Independent Director

### Board of Statutory Auditors \*

Gabriele Gualeni	Chairman
Mauro Bontempelli	Standing Auditor
Daniela Bruno	Standing Auditor
Marco Garrone	Alternate Auditor
Maria Luisa Sartori	Alternate Auditor

### Independent Auditors

KPMG S.p.A.

\*Appointed by the Shareholders on 26 April 2022.

## Highlights

The Interim Financial Report at 30 June 2022 has been prepared in accordance with Article 154-ter of Italian Legislative Decree no. 58/1998 as subsequently amended (the "Consolidated Law on Finance").

The report complies with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (the "IASB") and endorsed by the European Union, as well as with the provisions of IAS 34- "Interim Financial Reporting".

Below are the key data on operations of the Alkemy Group in H1 2022:

	Figures in thousands of euros	
	<b>H1 2022</b>	<b>H1 2021</b>
Net revenue	49,016	44,549
Adjusted gross operating profit (EBITDA <sup>1</sup> )	5,425	5,041
Adjusted operating profit (EBIT <sup>2</sup> )	4,015	4,033
Profit for the period	2,479	1,576
Average number of employees	765	590

	Figures in thousands of euros	
	<b>H1 2022</b>	<b>H1 2021</b>
Italy revenue	34,562	30,433
Export revenue	14,454	14,116
Net revenue	49,016	44,549

	Figures in thousands of euros	
	<b>30 June 2022</b>	<b>31 Dec. 2021</b>
Net invested capital	58,801	57,891
Net financial debt	(20,101)	(21,192)
Equity	38,700	36,699

<sup>1</sup> Adjusted gross operating profit is the value determined by deducting the Costs for services, goods and other operating costs and Personnel expense, with the exclusion of non-recurring costs, from revenue.

<sup>2</sup> Adjusted operating profit is adjusted gross operating profit less amortisation, depreciation, provisions and impairment losses.

## **The Group and its business**

Alkemy S.p.A. (hereinafter also "Alkemy" or the "Company") is a leading company in the digital transformation segment in Italy, listed on the STAR segment of the Borsa Italiana EURONEXT MILAN market. Alkemy enables the evolution of enterprises' business defining the relevant strategy through the use of technology, data and creativity. The aim is to improve the operations and services supplied by large and medium enterprises, stimulating the evolution of their business model hand-in-hand with technological innovation and consumer conduct. Alkemy develops innovative projects throughout the chains of the various segments, such as, for example, telecommunications, media, consumer services, financial services and utilities, combining advanced technologies with innovative design, big data and creative communication.

The Company's competitive advantage is its capacity to integrate different competences, intervening as a single player in the Customer's processes and operations, supplying multiple services that can impact the whole of the value chain. Indeed, Alkemy manages extensive projects aimed at transforming and evolving its customers' business, assisting them from the definition of the strategy to be pursued through to the relevant implementation and subsequent management.

Alkemy has now entered its tenth year, boasting an ever more extensive alchemy of integrated competences in the areas of Consulting, Communication, Performance, Technology, Data & Analytics and Design, which form a professional community numbering over 700 people offering different experiences and abilities but who are very much united in their values and business culture. Alkemy is today an international business operating in Italy, Spain, Mexico, the USA and the Balkans, established on the basis of a partnership model with customers to enable innovation and growth through digital leverage. Alkemy's aim is, in fact, to construct a long-term relationship with customers, acting not as simple suppliers of services, but rather as an integrated partner to be engaged continuously, in support of programmes of change, transformation and acceleration.

In enabling the innovation process of its customers' business model and, accordingly, their competitiveness in the various industrial segments, Alkemy ultimately seeks to contribute towards the evolution and development of the whole country system.

Alkemy currently numbers 10 offices: in addition to the Milan headquarters, it also operates in Turin, Rome, Cagliari and Rende (Cosenza), Madrid, Belgrade, Mexico City, New York and Reykjavik.

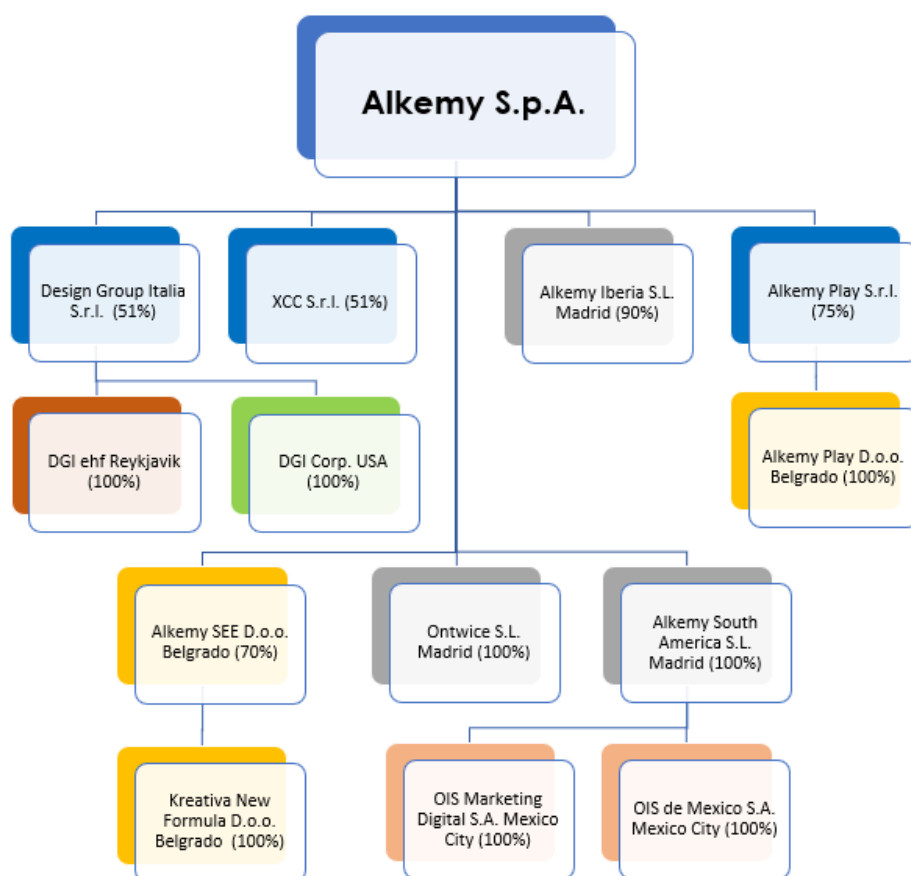
December 2017 saw Alkemy debut on the Borsa Italiana AIM Italia market to gather the capital necessary to finance the growth and expansion of the corporate competences, leaving control over the business with the managers and consequently guaranteeing independence and the possibility of perpetrating the vision.

From when it was listed, in just two years, Alkemy doubled its turnover and in December 2019, it finalised the switch to Borsa Italiana's main market, in the STAR segment dedicated to medium enterprises that undertake to meet standards of excellence in terms of transparency, corporate governance and liquidity.

## Group structure

In just a few years, Alkemy has successfully gained standing as a leader on the digital transformation market, growing both organically and through external lines with acquisitions of other companies.

Below is the Alkemy Group structure at 30 June 2022.



**Alkemy Play S.r.l.:** company established in 2017, operating in digital communication services for SMEs.

**Alkemy Play D.o.o.:** company based in Belgrade, established in 2017, operating in the development of IT and technological services.

**Alkemy SEE D.o.o.:** company based in Belgrade, established in 2016 with 30% held by the Chief Executive Officer, a local entrepreneur; it operates in strategic consultancy and digital advisory services. The company wholly owns **Kreativa New Formula D.o.o.**

**Alkemy Iberia S.L.:** company based in Madrid, established in 2017 with 10% held by local entrepreneurs at 30 June 2022; it operates in strategic consultancy and digital advisory services.

**Ontwice Interactive Service S.L.:** company based in Madrid, acquired in July 2018, of which Alkemy S.p.A. holds 100% of the capital; it is one of the leading digital agencies in Spain.

**Alkemy South America S.L.:** company established in 2021, based in Madrid that wholly owns the two Mexican companies based in Mexico City, **Ontwice Interactive Services de Mexico S.A.** and **OIS Marketing Digital S.A.**, both operating on local markets in digital services, communication and media.

**eXperience Cloud Consulting S.r.l. ("XCC"):** company acquired in April 2021, specialised in Cloud Computing solutions in CRM, Gold Consulting Partner of Salesforce, qualified to implement and develop integrated, multi-channel digital business solutions, from the CRM Cloud through to

Marketing Automation, for B2B, B2C, eCommerce and Retail. The put&call options envisaged by contract, will allow the Parent to acquire the whole of the capital by the first half of 2026.

**Design Group Italia ID S.r.l. ("DGI"):** company operating in "innovation & design", in which the stake held has gone from 20% to 51% of the quota capital, following exercise of the put option in June 2021. The put&call options envisaged by contract, will allow the Parent to acquire the entire capital in 2023. The Company controls two legal entities operating respectively in Iceland and the USA.

## Business units

In response to the continuous evolutions of the market on which the Company operates and to anticipate the needs of its customers, in February 2020, having laid the basis, in 2019, Alkemy modified its mission from "digital enabling" to "enabling evolution". In other words, the Company is now focussed in enabling the evolution of its customers' business, with a new offer for a post-digital scenario too, designed to stimulate the relevant progress and update.

Starting April 2021, with completion scheduled during the third quarter, a new Group organisation has started operating in Italy, structured by function (rather than competence), with the aim of ensuring a better focus on key accounts, with the establishment of a dedicated sales structure ("go-to-market"), supported by a pre-sales/business development unit and a delivery structure, whose priority aim is to execute projects/services offered commercially, through competence centres representing and applying the various disciplines practised within the Group, specifically:

- > **Consulting:** it analyses, designs and quantitatively assesses (business case and business plan) innovative solutions aiming to transform the customer's business model thanks to the use of the digital and omnichannel leverages, liaising closely with the CEOs and Executive Managers to define innovative, alternative strategies to achieve significant results in the long-term.
- > **Digital Marketing:** with the aim of speeding up on-line performance, it offers Alkemy customers the know-how and most innovative tools to promote its on-line brands and products. It thus manages all planning and procurement activities for its customers on the main digital media, search engines and social media, determining the investments needed to strengthen and improve consumer perception of the brands and products and speeding up sales on proprietary and third party e-commerce channels, thereby overcoming conventional marketing approaches;
- > **Tech:** this is Alkemy's technological soul and it is specialised in the design, development and operation of technologies for the digital evolution of the B2B and B2C channels, front-end solutions, CRM, CMS, Portals, Apps, etc. The business unit consolidates and strengthens Alkemy's mission, reinforcing technological competences and the capacity to oversee one of the areas enjoying greatest growth and development: that of Digital Transformation;
- > **Data & Analytics:** it offers concrete support to businesses in order to improve their business performance through the analysis of data available (both that of CRM or of other internal systems, and data coming from all actions on the digital world) and the implementation of analytics models. The techniques used for data analysis range from traditional statistical analysis through to Advanced Analytics & Machine Learning, Real Time Next Best Action, Digital Customer Intelligence, Campaign Plan Optimisation, Data Environment Design, Implementation and Management

- > **Brand Experience:** it plans, designs and realises the enterprises' brand experience, in a fully integrated manner, putting the end consumer right at the heart through digital and physical touchpoints and more "traditional" forms of communication, with the ultimate aim of generating value both for the customer itself and the end consumer. Developing and transforming the touchpoints into a unique experience, which communicates consistently a strong, innovative, distinctive brand, Alkemy offers its services as an essential partner; it assists the customer in preparing and structuring brand strategies and creativity, advertising campaigns, products or services for commercial businesses and, in general, communication with consumers; including through the management of the corporate digitisation process using a BPO (Business Process Outsourcing) model for the digital processes.
- > **Product, Service & Space Design:** on a "design thinking" base, it is devoted to designing services, physical and digital products that impact everyday lives and the physical spaces/environments in which people and brands interact and can share significant experiences; it takes an omni-channel approach, focussing on creating value through innovating the experience. Analysing customers' businesses, including their processes, culture and resources, it aims to foster additional commercial opportunities and innovate the end customer experience.



## Report on Operations

### H1 2022 performance

During Q2 2022, the national and European economic markets maintained a high degree of uncertainty, with non-positive impacts on business and companies' expectations; in actual fact, if on the one hand, the pandemic emergency has gradually eased as contagion reduced and government restrictions were lightened, on the other, the outbreak of the war in Ukraine, accompanied by the major acceleration of inflation, has led to new tensions and negativity.

In this complex macroeconomic context with little in the way of visibility, the general trend of the Alkemy Group's business, as better detailed below, has been reasonably positive. The Alkemy Group closed the first half of the year with 10% growth in revenue and income over the corresponding period of 2021 and with an improvement seen in margins, resulting in an adjusted EBITDA for the period of 5,425 thousand euros (5,041 thousand euros in the corresponding period of the previous year, +7.6%) and a good generation of cash flows from operating activities (+4 million euros compared with +3.9 million euros in the same period of the previous year). An improvement has also been achieved in Net Financial Debt, which went from -21.2 million euros to -20.1 million euros, mainly as a consequence of the positive economic results achieved, which, moreover, supported the doubling up of the investments made during the period.

Finally, please note that, the Group's average number of employees in the period increased by almost 23% (765 vs 590 for the first half of 2021), as confirmation of management's positive expectations in terms of the business performance in future periods.

### Key income statement figures

The Group's reclassified income statement for H1 2022, compared with the figures booked for H1 2021, is as follows:

	Figures in thousands of euros	
	H1 2022	H1 2021
<b>Net revenue</b>	<b>49,016</b>	<b>44,549</b>
Services, goods and other operating costs <sup>3</sup>	22,335	22,197
Personnel expense <sup>4</sup>	21,256	17,311
<b>Adjusted gross operating profit (EBITDA)</b>	<b>5,425</b>	<b>5,041</b>
Amortisation, depreciation and impairment losses	1,410	1,008
<b>Adjusted operating profit (EBIT)</b>	<b>4,015</b>	<b>4,033</b>
Loss (gain) on equity investments	-	308
Net financial (expense)	85	272
Net non-recurring expense	315	855
<b>Pre-tax profit</b>	<b>3,615</b>	<b>2,598</b>
Income taxes	1,136	1,022
<b>Profit for the period</b>	<b>2,479</b>	<b>1,576</b>
Other items recognised in equity	123	28
<b>Comprehensive income</b>	<b>2,602</b>	<b>1,604</b>
Comprehensive income attributable to non-controlling interests	10	18
Comprehensive income attributable to the owners of the parent	2,592	1,586

<sup>3</sup> Costs for services, goods and other operating costs are stated net of the non-recurring portion

<sup>4</sup> Personnel expense is stated net of the non-recurring portion

The Group's financial performance for H1 2022 shows total net revenue of 49,016 thousand euros, as compared with 44,549 thousand euros during the previous period, up 4,467 thousand euros (+10%), due to the Italy segment for 4,129 thousand euros and for 338 thousand euros to the foreign segment.

Revenue recorded in Italy, which accounts for 70.5% of consolidated revenue (68.3% in the same period of 2021), totals 34,562 thousand euros (30,443 thousand euros in the corresponding period of the previous year), up 4,129 thousand euros (+13.6%) mainly due to the inorganic growth consequent to the acquisition, during the second quarter of 2021, of the majority share of Design Group Italia S.r.l. ("DGI") and EXperience Cloud Consulting S.r.l. (XCC), whose consolidated 2022 revenues came to a total of 5,491 thousand euros (1,480 thousand euros in the same period of 2021). Abroad, revenue came to 14,116 thousand euros, compared with the 14,116 thousand euros booked for the same period of 2021 (+2.4%).

The increase of 338 thousand euros in revenue achieved by the foreign companies is mainly the result of the combined provisions of the reduction in revenues of the Spanish subsidiaries (-1,184 thousand euros compared with the corresponding period of the previous year, -17.5%) and the increase in revenues of the Mexican subsidiaries (compared with the same period of 2021, +1,564 thousand euros, i.e. +22.8%, of which 898 thousand euros due to the favourable trend of the Euro-Mexican peso exchange rate). Note that the effect of the Euro-Serbian dinar exchange rate has had insignificant impacts.

Operating costs went from 39,508 thousand euros during the first six months of 2021 (net of non-recurring items) to 43,591 thousand euros during the first six months of 2022, with an increase of 4,083 thousand euros (+10.3%), in line with the growth of revenue achieved and the different consolidation scope. More specifically, services, goods and other operating costs net of non-recurring items, which came to 22,335 thousand euros in the first six months of 2022 (22,197 thousand euros in the first six months 2021), rose by 0.6% on the same period of the previous year and personnel expense (net of non-recurring items), of 21,256 thousand euros in the first six months of 2022 (17,311 thousand euros in the first six months of 2021) rose by 22.8% on the same period of the previous year as a consequence mainly of the different consolidation scope. The incidence of operating costs on revenue, net of non-recurring costs, therefore increased slightly by 0.2 percentage points.

The increase in revenue and careful management of operating costs have led to a better gross operating profit (adjusted EBITDA) of 5,425 thousand euros, up 7.6% on the adjusted EBITDA of 5,041 thousand euros of the first six months of 2021. The adjusted EBITDA Margin<sup>5</sup> for the first six months of 2022 came to 11.1%, down 0.2 percentage points on the corresponding period of the previous year (11.3%).

Note that the specified favourable Euro-Mexican peso exchange rate has resulted in an increase in adjusted EBITDA of 69 thousand euros, calculated using the same rates as those of the corresponding period of the previous year.

Adjusted EBIT, gross of financial income and expense and non-recurring expenses, comes to 4,015 thousand euros, in line with the result of the first six months of 2021 (4,033 thousand euros).

Net financial expense comes to 85 thousand euros as compared with 272 thousand euros for the corresponding period of the previous year.

Net non-recurring expense comes to 315 thousand euros and refers to extraordinary costs relative to

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<sup>5</sup> The adjusted EBITDA Margin is calculated by comparing the adjusted gross operating profit to total revenue and income.

staff for 249 thousand euros (Euro 841 thousand in the same period of the previous year) and extraordinary costs relative to acquisitions for 66 thousand euros (Euro 14 thousand in the corresponding period of 2021).

The pre-tax profit comes to 3,615 thousand euros, up 1,017 thousand euros (+39.1%) on the pre-tax profit of the corresponding period (2,598 thousand euros).

The profit for the period is 2,602 thousand euros, as compared with 1,604 thousand euros for the corresponding period of the previous year.

### Key statement of financial position figures

Below is the Group's reclassified statement of financial position at 30 June 2022, compared with that at 31 December 2021:

	Figures in thousands of euros	
	30 June 2022	31 Dec. 2021
<b>Non-current assets</b>	<b>53,461</b>	<b>53,077</b>
Current assets	38,183	40,199
Current liabilities	(25,917)	(28,784)
<b>Net working capital</b>	<b>12,266</b>	<b>11,415</b>
Post-employment benefits	(6,686)	(6,361)
Provision for risks, charges and deferred tax liabilities	(240)	(240)
<b>Net invested capital</b>	<b>58,801</b>	<b>57,891</b>
<b>Equity</b>	<b>38,700</b>	<b>36,699</b>
Non-current financial debt	16,742	21,853
Current financial debt (position)	3,359	(661)
<b>Net financial debt</b>	<b>20,101</b>	<b>21,192</b>
<b>Total sources of finance</b>	<b>58,801</b>	<b>57,891</b>

The reclassified statement of financial position data at 30 June 2022 indicate net invested capital of 58,801 thousand euros, to be compared with 57,891 thousand euros at 31 December 2021, which consists of:

- 53,461 thousand euros of non-current assets (53,077 thousand euros at 31 December 2021) of which 41,255 thousand euros for goodwill and 5,001 thousand euros for right-of-use assets (at the end of the previous year, they respectively came to 41,249 thousand euros and 5,332 thousand euros);
- 12,266 thousand euros of net working capital (11,415 thousand euros at 31 December 2021, +7.5%);
- 6,686 thousand euros of post-employment benefits (6,361 thousand euros at 31 December 2021, +5.1%).

Working capital comes to 12,266 thousand euros (11,415 thousand euros at 31 December 2021) and the related increase on the previous year is mainly due to the reduction in other current liabilities (in particular deferred income), which more than offset the reduction in trade receivables, consequent to the reduction in DSOs (Days Sales Outstanding).

Equity, of 38,700 thousand euros, shows an increase of 2,001 thousand euros on 31 December 2021, mainly due to the comprehensive income for the period (2,602 thousand euros) and the change in the fair value of certain put options (-375 thousand euros); more details are given in the next

paragraph.

Net financial debt is 20,101 thousand euros and the related increase of 1,091 thousand euros on 31 December 2021 (debt of 21,192 thousand euros) is detailed in the next paragraph.

### Main financial figures

The table below details the net financial debt at 30 June 2022 compared with that at 31 December 2021:

	Figures in thousands of euros	
	30 June 2022	31 Dec. 2021
Bank deposits	8,378	10,453
Cash and petty cash	5	5
<b>Cash and cash equivalents</b>	<b>8,383</b>	<b>10,458</b>
<b>Current financial assets</b>	<b>82</b>	<b>84</b>
Bank loans and borrowings	(8,549)	(10,916)
Put option liabilities	(4,125)	(6,575)
Loans and borrowings from other financial backers	(301)	(353)
Lease liabilities from application of IFRS 16	(3,767)	(4,009)
<b>Non-current financial liabilities</b>	<b>(16,742)</b>	<b>(21,853)</b>
Bank loans and borrowings	(6,725)	(5,450)
Put option liabilities	(3,623)	(2,906)
Loans and borrowings from other financial backers	(88)	(52)
Lease liabilities from application of IFRS 16	(1,388)	(1,473)
<b>Current financial liabilities</b>	<b>(11,824)</b>	<b>(9,881)</b>
<b>Net financial debt</b>	<b>(20,101)</b>	<b>(21,192)</b>

The Group's net financial debt at 30 June 2022 amounts to 20,101 thousand euros (21,192 thousand euros at 31 December 2021), with an improvement of 1,091 thousand euros. This change, presented and explained in the Statement of Cash Flows given over the next few pages, is mainly due to:

- +1,733 thousand euros for the decrease in put option liabilities, as the combined result of (i) the exercise of the option for the company Alkemy Iberia S.L. in February for +2,173 thousand euros (ii) the recognition of the new put liability for the company Alkemy Play S.r.l. for -517 thousand euros, (iii) of the adjustment of the remaining liability related to 10% of Alkemy Iberia S.L. shares on the basis of the price paid last July for +143 thousand euros and (iv) the interest expense accrued in the period of -65 thousand euros;
- +1,092 thousand euros for the reduction of bank loans in place, mainly as per the combined effects of (i) the invoice advances implemented in the period for a total of 2,964 thousand euros, (ii) the obtaining of a new loan relative to a subsidised financing project for 114 thousand euros) and (iii) repayment of the instalments envisaged in the repayment plans for 4,209 thousand euros;
- +327 thousand euro for the reduction in lease liabilities for the application of IFRS 16, mainly due to the payment of charges during the period;
- -2,075 thousand euros for the decrease in cash and cash equivalents.

### Significant events during the period

Useful information on the following significant events that took place during the first half of the year, is provided.

On 22 January 2022, the Board of Directors of Alkemy S.p.A. and that of Nunatac S.r.l. approved the planned merger of the latter into the Parent, which is the sole quotaholder; on 4 March 2022, the shareholders of the company being acquired and the Board of Directors of the acquiring company, meeting in an extraordinary session, both approved said merger.

As envisaged by the merger contract, this was completed last 1 June, with accounting and tax effects from 1 January 2022.

On 16 February 2022, Alkemy S.p.A. acquired 24.99% of the capital of the Spanish subsidiary Alkemy Iberia S.L. from a company headed by its CEO, upon payment of Euro 2,173 thousand (Euro 1,700 thousand at closing and the remaining share in 2022); at the same time, the CEO's departure from Alkemy Iberia S.L. has been agreed, and he will remain on the company's Board of Directors until last 22 April, the date on which the financial statements at 31 December 2021 were approved. A new Country Manager has thus been appointed for the Spanish market (Ruth Blanch), a manager with vast experience, including internationally, and an in-depth knowledge of the Spanish market and segment; we expect to see her contribution bring further business growth in this geographic area.

On 22 February, Alkemy S.p.A. and Smog S.r.l., which holds 49% of the quotas of Alkemy Play S.r.l., signed a new quotaholders' agreement regulating the new relations between them in the management of the company for the next three years, as well as the agreement of a new put & call option for the investment held by the minority quotaholder, to be exercised after approval of the financial statements at 31 December 2024, in addition to the terms of the necessary recapitalisation of this same company. The Quotaholders' Meeting held last 26 April of Alkemy Play S.r.l. in fact approved the financial statements at 31 December 2021, showing a loss of more than Euro 0.3 million; as envisaged in the specified new quotaholder agreements, during the first ten days of May, this loss was therefore covered, after reducing the quota capital, by means of the waiver of receivables by the sole parent and subsequent replenishing of the quota capital for Euro 10,000, of which Euro 7,500 by Alkemy S.p.A. and Euro 2,500 by the minority shareholders. This recapitalisation therefore altered the investment percentage held, which went from 51% to 75%.

On 4 March 2022, Alkemy SEE D.o.o. signed a binding letter of intent between its subsidiary Kreativa New Formula D.o.o. and the company Kreativa Unlimited D.o.o. ("KU") aimed at achieving the merger of the business headed by the 2 companies; upon completion of the operation, expected for this coming September, 51% of the capital of the company resulting from the merger will be held by Alkemy SEE and 49% by the shareholder (and current CEO) of KU.

On 30 March 2022, the third tranche started of the buyback plan by Alkemy S.p.A., concluded last 13 April, which, with the repurchase of 25,000 treasury shares, led Alkemy S.p.A. to hold, at that date, a total of 183,268 treasury shares, equal to 3.267% of the share capital.

The Alkemy S.p.A. separate financial statements at 31 December 2021, which were approved by the Company's Board of Directors last 22 March, were submitted to the Shareholders' Meeting on 26 April 2022; they resolved in their favour, ruling that the profit for the year should be carried forward. With the approval of these separate financial statements, the mandate of appointment of the Company's boards of directors and statutory auditors reached its end and, therefore, the Shareholders appointed a new board of directors comprising 7 members (as compared with the previous 9), confirming Alessandro Mattiacci (Chairman), Duccio Vitali, Massimo Canturi, Riccardo Lorenzini, Serenella Sala and Giulia Bianchi Frangipane, with Ada Ester Villa joining and the latter three members as independent directors.

Starting 10 June 2022, the merger of the Serbian company Alkemy Digital Hub D.o.o. into Alkemy SEE D.o.o. took effect, aimed at simplifying the business processes in the Balkans area.

### **Evolution of demand and performance of the markets on which the Group operates**

In Italy, where most of the Group's operations take place, the digital market is less mature than the rest of the continent. If we look at the European Union average, the levels of basic digital competence are "very low", in fact according to the DESI, in 2022, Italy comes in 18th out of the 27 EU Member States, particularly behind France, the English-speaking countries and Northern Europe.

According to our own study, which measures the degree of digital maturity in the main companies listed on the Milan stock exchange, only 26% of companies can be said to be "fully digital". Although this is very low, there has in any case been a significant improvement compared with the 2018 study, in which only 11% were fully digital and this growth is at least partly due to the pandemic contingency. Again as a result of the recent pandemic, both the awareness by top management of major companies of just how inescapable the digital transformation really is and the attention paid by institutions to the need to adopt measures aimed at narrowing some major gaps in digital competences, have grown significantly. In 2020, Italy launched its very first National Digital Competences Strategy and a correlated Operative Plan that lists more than 100 specific actions and sets ambitious targets for 2025. The Italian recovery and resilience plan is the most extensive of the whole of the EU, for a total value of approximately 191.5 billion euros and 25.1% of that amount (approximately 48 billion euros) is allocated to the digital transition.

While we will need to wait until next year to see the first results expected from the public investments, the situation we have been experiencing in recent years is already showing us a significant boost in the behavioural change of all Italians who, with no particular distinction drawn between different ages, income, social classes and geographic areas, rapidly adapted to the new contexts and different working (and other) scenarios as they arose, adopting digital tools with a now irreversible trend. Clear evidence is provided, for example, with: the massive use of the internet, now 85% of the population (it had been 83% in 2021), the increase in e-commerce (+6.9% in absolute value compared with 2021), the extensive adoption of working from home (for at least 36% of workers, the new normal in 2022), the common use of communication platforms, both at work and in teaching, the increased use of home banking and the spread of social networks (more than 43.2 million Italians are active on social media every day (+5.4% on 2021)).

The growth rate expected to characterise Italy over the next few years could be even more significant precisely thanks to the new habits that have been consolidated and the drive on investments in the digital transition, and this would allow for both a partial recovery of the gap with respect to other European countries and an extension of the potential business area associated with Alkemy's business, in light, above all, of the evidence that the use of digitisation has become a need (and no longer an option), but also an opportunity encouraged by the PNRR for all companies of any segment (the disbursement of the loans remains subject to the evolution of the social-political scenario). Following the COVID-19 emergency, in fact, all segments of the economy are forced to approach digital instruments and channels, transforming their business models, insofar as very much impacted by the restrictive measures implemented by the government and the changes in consumer purchasing behaviour, which in some cases, after almost two years, are now irreversible.

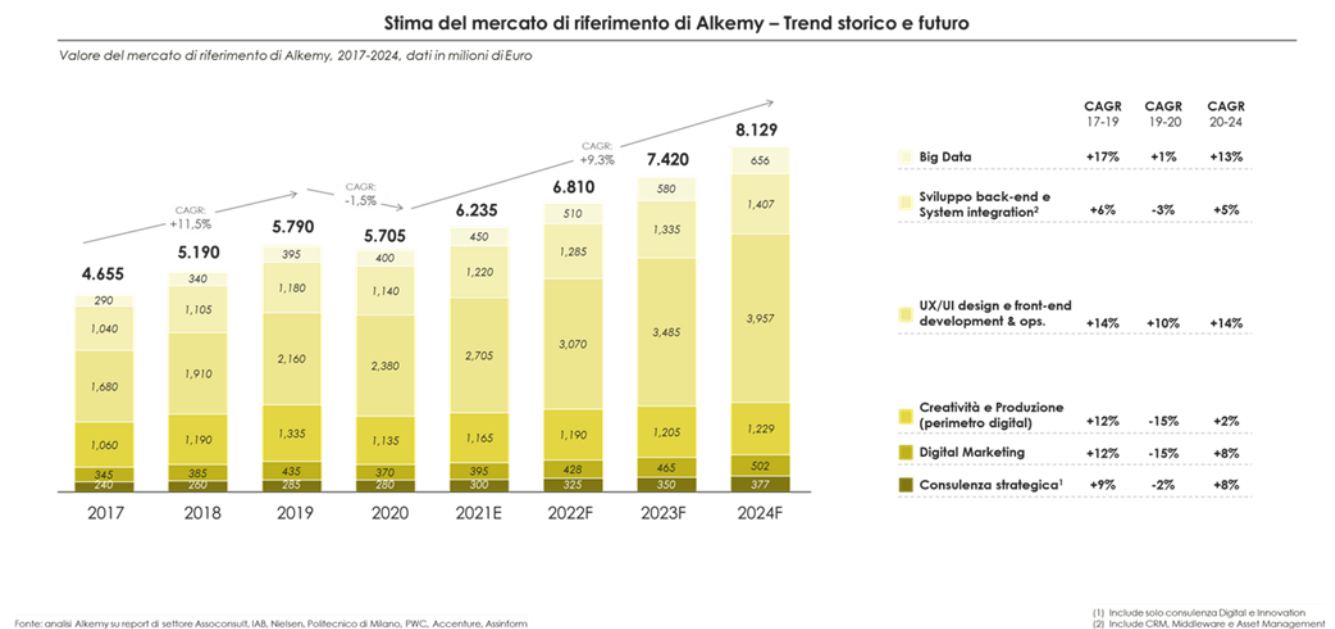
In 2021, Alkemy's reference domestic market was worth approximately 6.2 billion euros, up by +9.3%,

which thereby easily recovers the downturn brought about by the health emergency in the 2019-2020 two-year period. The annual growth expected for the period 2020-2024 is 9.3%.

Instead, as concerns the export markets covered by the Group, the dimension estimated in 2019 is as follows:

- o the Balkans (Slovenia, Croatia, Bosnia-Herzegovina, Serbia, Montenegro, Albania, Macedonia): 0.5 billion euros, with annual growth expected for the the 2020-2024 period of 9.0%;
- o Iberian peninsula: 5.0 billion euros, with annual growth expected for the 2020-2024 period of 10.5%;
- o Mexico: 3.1 billion euros, with annual growth expected for the 2020-2024 period of 12.5%.

Supplementing the Italian market with that of foreign countries, the compound annual growth rate of the potential comprehensive market is forecast to exceed 11% over the next three years.



## Conduct by the competition

In terms of the B2B digital services offer, the Italian market has a limited number of large players in terms of turnover, characterised by supply models that are very much hinged on technological and marketing execution.

Some important foreign consultancy companies have approached the Italian market, operating through the acquisition of certain minor digital agencies and the hiring of specific professionals; they are therefore the operators that are closest to offering the extensive range of services boasted by Alkemy.

The export market is still very fragmented insofar as there are countries with a low level of digital maturity, very similar to the recent past seen in Italy (the Balkans, the Iberian peninsula, Latin America), whilst elsewhere, such as in Anglo-Saxon countries, digital is already well consolidated and properly mature.

More specifically, on the more advanced, digitally more evolved markets, the lead players have consolidated their market positions, aggregating small independent players and thereby

anticipating the same process implemented by Alkemy.

The parent believes that the competitive scenario in Italy is basically overseen by three types of players:

- "digital" structures of major multinational enterprises: these players have a primarily technological background and a large offer portfolio, in addition to significant capacity to implement strategies and operative processes thanks to their size. They are also enriching their creative and communication skills through the acquisition of communication agencies. These operators include, in particular, Accenture Interactive, Deloitte Digital and the Reply division assigned to this activity;
- medium-sized digital players: generally part of large communication groups whose dimension in Italy is currently smaller than the large technological players. These operators include, for example, BIP, Razorfish, H-Art, Simple Agency, Ogilvy Interactive or WeAreSocial;
- traditional consulting companies: players with a strong position in traditional strategy and process consultancy services, which are evolving their business model, organically or through acquisitions and partnerships, so as to be able to offer execution services on digital.

On the export markets covered by the Group (the Balkans, the Iberian peninsula and Mexico), the competitive scenario does not differ significantly from that of Italy, except for a lesser maturity of the offer integration process that the main players are developing in the wake of the more evolved markets.

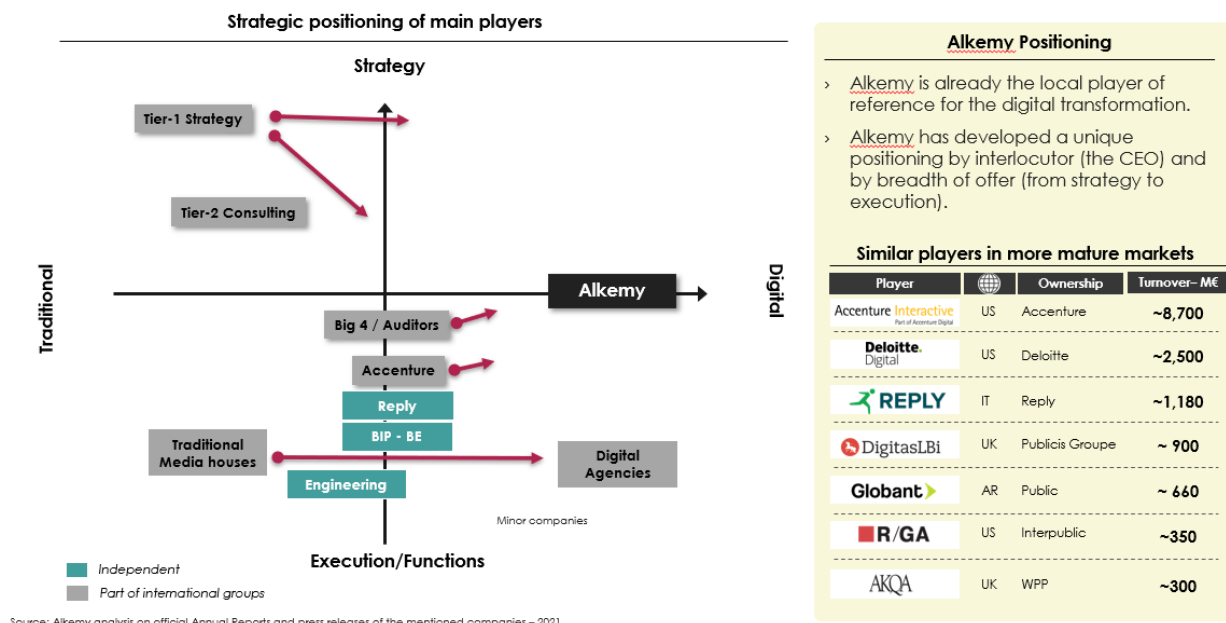
Alkemy enters this context as an independent business with a complete cutting-edge offer portfolio as regards digital services, coupled with a strategic approach that makes it possible to dialogue mainly with chief executive officers of the customer businesses, making it comparable with the digital specialisation structures of the above major multinational enterprises, which, therefore, Alkemy's management believes, are the operators most similar to the parent and its main competitors. Other comparable independent players on the European scene are the Spanish Making Science and the French Artefact.

Due to the large number of integrated services offered, it is the opinion of the parent's management that the Alkemy Group holds a unique competitive position in particular in Italy but also in the export markets covered.



## IN THIS MARKET, ALKEMY HAS DEVELOPED A UNIQUE POSITIONING, BECOMING ALREADY THE LOCAL REFERENCE PLAYER FOR THE DIGITAL TRANSFORMATION

A



### Alkemy on the stock market

Alkemy S.p.A.'s shares were listed on the AIM Italia (Alternative Investment Market) from 5 December 2017 to 16 December 2019. As from 17 December 2019, Alkemy's shares have been listed in the STAR segment of the Borsa Italiana Euronext Milan.

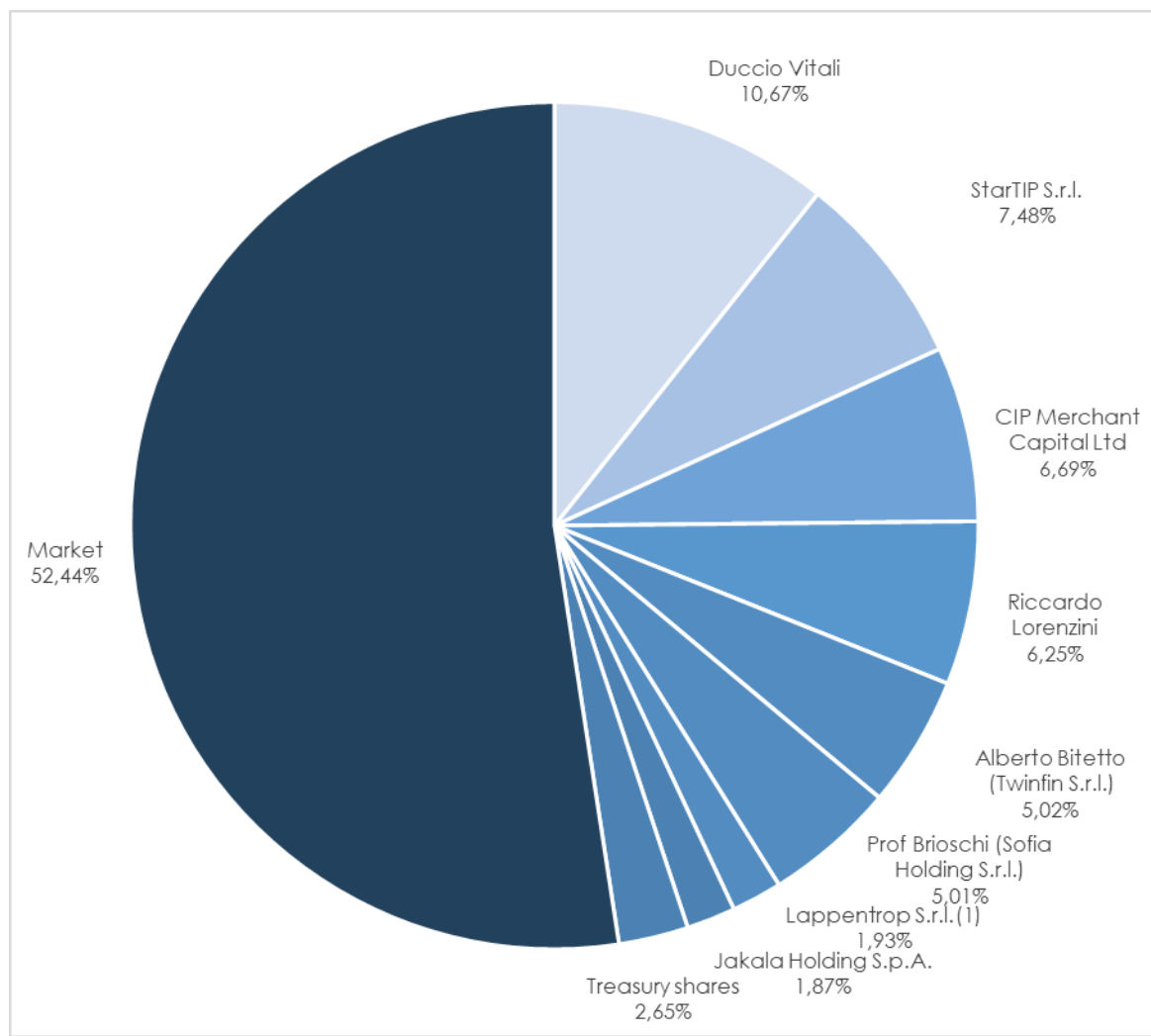
The STAR segment of Borsa Italiana is dedicated to medium enterprises with capitalisation of between 40 million and 1 billion euros, which undertake to respect requirements of excellence in terms of:

- considerable transparency and solid communicative vocation;
- high levels of liquidity (at least 35% float);
- Corporate Governance (the set of rules governing company management) in line with international standards.

The Company's share capital is represented by 5,685,460 ordinary shares, conferring, at 30 June 2022, a total of 6,782,050 voting rights and, specifically:

(i) 4,588,870 ordinary shares, without loyalty shares, conferring 4,588,870 voting rights (ii) 1,096,590 ordinary shares, with loyalty shares, conferring 2,193,180 voting rights.

Ownership structure (significant shareholdings) at 30.06.2022



\*Lappentrop Srl is related to Alessandro Mattiacci, Chairman of Alkemy S.p.A.

Alkemy share

Alphanumerical code: ALK

ISIN stock market code: IT0005314635

REUTERS ALK.MI code

BLOOMBERG ALK.IM code

Specialist: Intermonte Securities SIM

Admission price: €11.75

Price at 30.06.2022: €14.00

Capitalisation at the date of admission: €63,489,127.5

Capitalisation at 30.06.2022: €79,596,440.0

### Alkemy share performance

During H1 2022, following a worsening of the geopolitical situation and despite the positive business trends, the Alkemy share reported a negative trend.

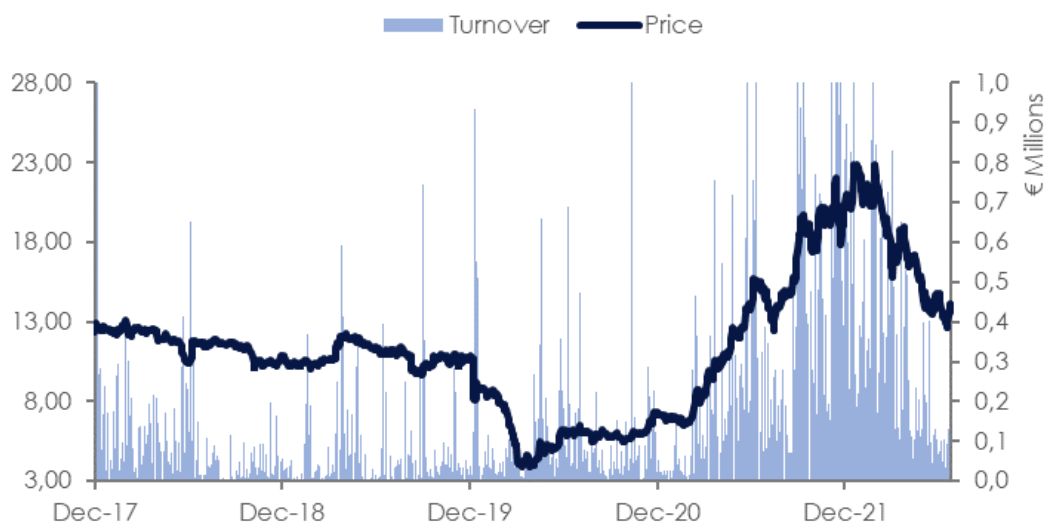
January and February in fact saw a relative stable trend in the share, while with the start of the conflict in Ukraine, a phase of uncertainty began, which caused the Alkemy share to reach an all-time low for the half-year, of 12.66 euros, on 22 June 2022.

The graph below compares the performance of the Alkemy share with the Euronext Small Cap and the Euronext STAR index from the date of admission to trading to 30 June 2022.



A total of 1.741 million Alkemy shares were traded in H1 2022, a 29% decrease on the 2.445 million shares traded in H1 2021. The value of trades booked in H1 2022 came to 31.789 million euros, up 30% on H1 2021's 24.457 million euros.

The graph below shows the performance of the Alkemy share from the date of admission to trading to 30 June 2022 and the daily turnover of trades.



### Analyst Coverage

- Intermonte, IPO Report November 2017 (Joint Global Coordinator & Specialist)  
Research Analyst: Gianluca Bertuzzo

INITIAL COVERAGE: 1 February 2018

- Banca Imi, IPO Report November 2017 (Joint Global Coordinator)  
Research Analyst: Gabriele Berti  
INITIAL COVERAGE: 6 February 2018
- Mediobanca  
Research Analyst: Isacco Brambilla  
INITIAL COVERAGE: 25 June 2020

### Valuation and consensus

- Intermonte: bases the valuation of the Alkemy share on the DCF model and peer analysis. The target price is 23.00 euros with an OUTPERFORM recommendation dating back to November 2021 (previously target price of 25.50 euros with an OUTPERFORM recommendation).
- Banca Imi: bases the valuation of the Alkemy share on the DCF model and peer analysis. The target price is 21.50 euros with a BUY recommendation dating back to May 2022 (previously target price of 22.20 euros with a BUY recommendation).
- Mediobanca: bases the valuation of the Alkemy share on the DCF model and peer analysis. The target price is 24.30 euros with an OUTPERFORM recommendation dating back to April 2022 (previously target price of Euro 26.50 with an OUTPERFORM recommendation).

### **Financial management**

The Alkemy Group's financial management is characterised by procedures aimed at regulating the collection and payment duties, controlling and avoiding any critical liquidity positions.

During the first half of 2022, the Group faced up to its current and non-current financial needs both by using its liquid funds and by means of short-term loans by way of "advances on invoices". In any case, the Group has suitable bank facilities, aimed at managing any short-term liquidity needs, correlated with possible temporary concentrations of revenues.

As regards extraordinary operations, the Group's policy adopted to date was to make priority use of Own Funds, if such should be surplus to current requirements and, only secondarily, of medium-term bank debt (with 12/18 months of interest-only period) for the remainder. The reasoning behind this choice is, on the one hand, the desire not to have non-recurring operations interfere with the Group's ordinary operations, and, on the other, to maintain a suitable period of time for the growth, integration and consolidation of investments made and, therefore, to be able to repay the liability with future income and additional cash flows generated by the latter.

The main risk factors to which the Alkemy Group is exposed are essentially unchanged on those that characterised 2021.

More specifically, as regards the financial risks, below is a list of the main financial risks to which the Alkemy Group is exposed:

- Risk connected with competitiveness: refer to the paragraph on the "Conduct by the competition";
- Risks connected with demand/the macroeconomic cycle: the performance of the segment in which the Group operates is correlated with the performance of the general economic framework and, therefore, any negative outlook, inflation or recession periods may consequently reduce demand for the services supplied;
- Credit risk, relative to customer solvency and, more generally, the potential demand and valuation of the trade receivables and financial assets;
- Liquidity risk, relative to the Group's capacity to source funds with which to finance operations or the capacity of the sources of finance if the Group should take strategic decisions (such as mergers and acquisitions or organisational rationalisation and restructuring), which entail extraordinary outlays;
- Market risk: the risk of changes to interest rates and the currency risk.
  - Interest rate risk: the Group is exposed to the risk of changes in interest rates in connection with the variable rate indexed medium- and long-term loans;
  - Risks connected with exchange rates: the Group's operations in currencies other than the euro, as well as the development strategies on the international markets, expose the Group to the currency exchange risk. The provision and management of this risk is left to the administrative management of Alkemy S.p.A.. This risk consists of the risk that changes in the exchange rates of certain currencies with respect to the consolidation currency should impact both the Alkemy Group profit (loss) and its net financial debt and equity. The Group is also exposed to a limited currency risk generated by commercial and financial transactions implemented by the individual companies in currencies other than the functional currency of the company performing the transaction.

This risks are added to by those determined by the continuation of the Covid-19 pandemic and the conflict in Ukraine. For information on action taken by the Group to mitigate such risks, refer to the data already given in the paragraph entitled "Outlook" of this Report.

## **Investments**

In H1 2022, the Group invested in property, plant and equipment and intangible assets for a total amount of 1,158 thousand euros (562 thousand euros in H1 2021), as follows:

- property, plant and equipment for 581 thousand euros (331 thousand euros in H1 2021), mainly relating to hardware purchases for internal use;
- intangible assets for 577 thousand euros (231 thousand euros in H1 2021), mainly relating to the internal implementation, through its staff, of software and platforms relevant to the conduct of the commercial business of the Group's companies.

## **Related party transactions**

For information on related party transactions, refer to Note 38 of the condensed interim consolidated financial statements.

## **Research and development**

During the period, the Group did not embark on any research and development initiatives.

## **Treasury shares**

The meeting of the Shareholders of Alkemy S.p.A. held on 26 April 2021 resolved to repurchase and dispose of ordinary shares in the Company for the purposes and according to the terms approved by the Board of Directors on 22 March 2021, namely the repurchase of treasury shares for up to eighteen months, in order to: (i) use the treasury shares as an investment, for an efficient use of the cash and cash equivalents generated by the Company's core business and (ii) be able to use the treasury shares to assign to the beneficiaries of potential incentive plans resolved by the competent corporate bodies in the favour of Company employees and directors; and (iii) allow for the use of the treasury shares under the scope of transactions linked to core management, i.e. projects consistent with the growth and expansion lines the Company intends to pursue in connection with which the share exchange opportunities shall take concrete form with the main aim of perfecting the corporate integration with potential strategic partners.

During the second quarter, the Company therefore repurchased a total of 25,000 treasury shares (0.43% of the Company's share capital) at the weighted average price of Euro 17.3739 each, net of commission, for a total outlay of 435 thousand euros.

These purchases were made in compliance with current legislation, in particular with the provisions of Art. 132 of Italian Legislative Decree no. 58 of 24 February 1998 and Art. 144-bis of the Regulation approved by Consob Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, with the operating procedures established by the Regulation of markets organised and managed by Borsa Italiana S.p.A.

The Company has also assigned and transferred 32,404 shares, worth 385 thousand euros, to the Parent's Chairman, CEO and a director with delegations, in execution of the "Long Term Incentive Plan", in connection with 50% of the shares accrued by them on the 2021 result.

At 30 June 2022, the Company held 150,864 treasury shares, accounting for 2.65% of the share capital (158,268 at 31 December 2021, equal to 2.78% of the share capital) for an equivalent value of 1,793 thousand euros, deriving from buy-back plans carried out by the Company.

The company's equity includes a specific undistributable reserve of an equal amount.

## **Stock Option Plans**

The Group has always taken a positive view of the opportunity of adopting stock option plans, holding them to be an appropriate manner to foster and encourage the relationship between the group companies and the employees, offering a valid incentive for a lasting, professional relationship. During the last six years (2014, 2015, 2016, 2017, 2018 and 2019), the Group has adopted various stock option plans, thereby confirming its appreciation of this instrument, which is believed to strengthen the bond between the companies and its employees.

Of the various assignments of stock option plans that have taken place over the years, to date only the last plan can still be exercised, resolved by the Board of Directors of Alkemy S.p.A. on 10 July 2019. More specifically, by this coming 31 December, 2 managers with strategic appointments in the Parent can still exercise 20,000 options, for the issue of the same number of new shares in Alkemy spa,

at a price of Euro 11.75 each.

### **Events after the reporting period**

Useful information on the following significant events that took place after period end is provided.

In order to provide employees with a participatory instrument that can align the interests of workers with those of the Alkemy Group, increasing the sense of belonging, participation and engagement of Group employees, as well as obtaining the loyalty of each and every employee and increasing the average duration of the contract of employment, starting last 1 July, Alkemy S.p.A. has launched a voluntary share purchase plan for employees, called "MyShare". Those adhering to MyShare dedicate part of their monthly salary (up to 5% or 400 euros) to buying Alkemy shares on the market, which, if held uninterruptedly for at least 36 months, grant one free share from the Company for every 4 shares purchased. This plan has to date been offered to employees of the Parent and, starting 2023, will be extended subsequently to employees of the other Italian companies and, finally, to those of the external subsidiaries.

Last 7 July, the Parent became the sole shareholder of Alkemy Iberia S.L., through the purchase of 10% of its capital from the minority Spanish shareholders, following the exercise of the put option by the latter. The next step envisaged is to perform, by the end of this year, the merger of this latter company into the Spanish related company Ontwice Interactive Service S.L., with the aim of simplifying and concentrating operations on the Iberian market.

Last 19 July, the Parent signed a binding agreement for the purchase of 100% of the share capital of INNOCV Solutions S.L. ("INNOCV"), a company based in Madrid, market leaders in Spain in the digital transformation segment, in tech and data analytics. The operation was completed on 27 July 2022, upon the simultaneous payment of 5 million euros, with a contractual provision for additional price supplements ("earnouts") for up to a maximum additional 11 million euros, to be recognised and paid in multiple tranches through to 2027, according to the performance achieved by Innocv in 2022 - 2025. For this operation, the Company was financially backed by IntesaSanPaolo, which disbursed a loan of Euro 5 million with a five-year term, with a 12 month interest-only period and repayment in 16 quarterly instalments of equal amount.

The operation comes as part of the reorganisation project, strengthening Alkemy's presence in Spain, which began in 2022 with the entrance of Ruth Blanch as new Chief Executive Officer of Alkemy Iberia S.L.: a new form of industrialisation has in fact been launched of the Spanish business, seeking to integrate the entire geographic area of Southern Europe, laying the basis for the incremental results expected starting 2023, also consequent to the extension of the Group's perimeter on the Iberian market.

### **Outlook**

As at the date of approval of these condensed interim consolidated financial statements at 30 June 2022, despite the fact that the government pandemic emergency measures have come to an end, workers of the Italian and foreign companies of the Group continue to mainly work from home, even if a progressive return on site is underway, and to the customer businesses, with different levels according to the geographic areas. After the holiday break, the expectation is for a further increase

in work on site, with a gradual return to a pre-pandemic situation.

The evolution of operations during the second half of 2022 will mainly depend on exogenous factors that are not related to the pandemic emergency, which would in fact appear to be essentially under control and almost solved, but rather, above all, to the evolution of the war in Ukraine. The economic effects deriving from this war have helped drive the increase in inflation caused above all by the widespread increase in the prices of energy products: there are therefore significant negative impacts on many economic segments and, in general, on the companies' expectations, which are not always positive due to the widespread general uncertainty of the markets, above all the national market, also due to the unexpected early political elections. At present, no significant effects have yet been seen on Alkemy Group customers, except that some may suffer more and indirectly the difficulties generated by inflation, with possible fallout on the purchase of the services proposed by the Group.

Taking into account the results achieved during the first half of 2022 and the current progress made on the orders in the portfolio and contracts started during the early months of the third quarter, save any further turns for the worse, which are not currently easy to predict, the Group confirms its expectation to continue organic growth, both in terms of revenues and margins.

#### Impacts of Covid and the Russia-Ukraine conflict on business

The unforeseeable dynamics of the geopolitical, military and economic evolutions of the Russia-Ukraine crisis, combined with the complex inter-dependencies of the world supply chains and economies, prevent us from providing any sure estimates on the future impacts of such crisis. The expected results of core business remain impacted by the evolution of the global macroeconomic context and consequent effects on the cost of energy and commodities.

However, the Group's direct exposure in Russia, Ukraine and Belarus is marginal. Turnover for H1 2022 in Russia was irrelevant. The forecasts for the whole of 2022, prepared prior to the crisis, also confirm the irrelevance of these markets.

The Group also has no suppliers from these countries and has in any case decided to suspend all commercial activity in respect of Russia as a precautionary measure.

During the first half of 2022, there were just some indirect effects of the conflict, relative to the energy impact and the procurement chains, which resulted in a rise in certain costs but that are in any case deemed immaterial and, in part, already included in the forecasts.

*Milan, 13 September 2022*

for the Board of Directors  
the Chief Executive Officer  
Duccio Vitali





# **Alkemy S.p.A.**

Condensed Interim consolidated financial statements  
at 30 June 2022



## Financial statements

### Income statement (\*)

		Figures in thousands of euros	
	Notes	H1 2022	H1 2021
Revenue from sales and services	1	48,324	43,750
Other revenue and income	2	692	799
<b>Total revenue and income</b>		<b>49,016</b>	<b>44,549</b>
Services, goods and other operating costs	3	(22,401)	(22,211)
- of which non-recurring		(66)	(14)
Personnel expense	4	(21,505)	(18,152)
- of which non-recurring		(249)	(841)
<b>Total costs and other operating costs</b>		<b>(43,906)</b>	<b>(40,363)</b>
<b>Gross operating profit</b>		<b>5,110</b>	<b>4,186</b>
Amortisation/depreciation	5	(1,340)	(1,005)
Provisions and impairment losses	6	(70)	(3)
<b>Operating profit</b>		<b>3,700</b>	<b>3,178</b>
Net gains (losses) on equity investments	7	-	(308)
Financial income	8	509	143
Financial expense	9	(594)	(415)
<b>Pre-tax profit</b>		<b>3,615</b>	<b>2,598</b>
Income taxes	10	(1,136)	(1,022)
<b>Profit for the period</b>		<b>2,479</b>	<b>1,576</b>
<b>Attributable to:</b>			
- Owners of the parent		2,469	1,558
- Non-controlling interests		10	18
<b>Earnings per share</b>	11		
Basic		0.441	0.282
Diluted		0.443	0.282

(\*) In accordance with CONSOB Resolution no. 15519 of 27 July 2006, the effects of related party transactions on the Income Statement are highlighted in the specific table in annex 2 and are also described in Note 38.

The notes given below are an integral part of these condensed interim consolidated financial statements.



## Statement of comprehensive income

Figures in thousands of euros			
	Notes	H1 2022	H1 2021
<b>Profit for the period</b>		<b>2,479</b>	<b>1,576</b>
<b>Items that will be reclassified to profit or loss:</b>			
Foreign operations - foreign currency translation differences		123	28
<b>Total items that will be reclassified to profit or loss</b>	25	<b>123</b>	<b>28</b>
<b>Total other comprehensive income</b>		<b>123</b>	<b>28</b>
<b>Comprehensive income</b>		<b>2,602</b>	<b>1,604</b>
<b>Attributable to:</b>			
- Owners of the parent		2,592	1,586
- Non-controlling interests		10	18

The notes given below are an integral part of these condensed interim consolidated financial statements.



## Statement of financial position (\*)

Figures in thousands of euros			
Assets	Notes	30 June 2022	31 Dec. 2021
<b>Non-current assets</b>			
Property, plant and equipment	12	2,086	1,809
Right-of-use assets	13	5,001	5,332
Goodwill	14	41,255	41,249
Intangible assets with a finite useful life	15	1,225	863
Equity investments	16	5	5
Non-current financial assets	17	2,281	1,789
Deferred tax assets	18	1,369	1,789
Other non-current assets	19	239	241
<b>Total non-current assets</b>		<b>53,461</b>	<b>53,077</b>
<b>Current assets</b>			
Trade receivables	20	33,602	36,040
Current financial assets	21	82	84
Tax assets	22	1,745	1,274
Other current assets	23	2,836	2,885
Cash and cash equivalents	24	8,383	10,458
<b>Total current assets</b>		<b>46,648</b>	<b>50,741</b>
<b>Total assets</b>		<b>100,109</b>	<b>103,818</b>

(\*) In accordance with CONSOB Resolution no. 15519 of 27 July 2006, the effects of related party transactions on the Statement of financial position are highlighted in the specific table in annex 2 and are also described in Note 38.

The notes given below are an integral part of these condensed interim consolidated financial statements.



## Statement of financial position (\*)

Figures in thousands of euros			
Liabilities and Equity	Notes	30 June 2022	31 Dec. 2021
<b>Equity</b>	25		
Share capital		596	596
Reserves		35,300	31,517
Profit for the period/year		2,469	4,263
<b>Equity attributable to owners of the parent</b>		<b>38,365</b>	<b>36,376</b>
<b>Equity attributable to non-controlling interests</b>	26	335	323
<b>Total equity</b>		<b>38,700</b>	<b>36,699</b>
<b>Non-current liabilities</b>			
Financial liabilities	27	8,850	11,269
Lease liabilities	29	3,767	4,009
Put option liabilities	30	4,125	6,575
Employee benefits	31	6,686	6,361
Provisions for risks and charges	32	222	222
Deferred tax liabilities	33	18	18
<b>Total non-current liabilities</b>		<b>23,668</b>	<b>28,454</b>
<b>Current liabilities</b>			
Financial liabilities	27	6,813	5,502
Lease liabilities	29	1,388	1,473
Put option liabilities	30	3,623	2,906
Trade payables	34	13,987	14,184
Tax liabilities	35	2,674	2,281
Other liabilities	36	9,256	12,319
<b>Total current liabilities</b>		<b>37,741</b>	<b>38,665</b>
<b>Total liabilities</b>		<b>61,409</b>	<b>67,119</b>
<b>Total liabilities and equity</b>		<b>100,109</b>	<b>103,818</b>

(\*) In accordance with CONSOB Resolution no. 15519 of 27 July 2006, the effects of related party transactions on the Statement of financial position are highlighted in the specific table in annex 2 and are also described in Note 38.

The notes given below are an integral part of these condensed interim consolidated financial statements.



## Statement of cash flows

Figures in thousands of euros			
	Notes	H1 2022	H1 2021
<b>Cash flows from operating activities</b>			
Profit for the period		2,479	1,576
Net gains on equity investments	7	-	308
Financial income	8	(509)	(143)
Financial expense	9	594	415
Income taxes	10	1,136	1,022
Amortisation/depreciation	5	1,340	1,005
Provisions and impairment losses	6	70	3
Cost for share-based payments	4	206	390
Decrease (increase) in trade receivables		2,369	3,565
Increase (decrease) in trade payables		(74)	(1,443)
Decrease (increase) in other assets		(456)	(310)
Increase (decrease) in other liabilities		(2,575)	(2,144)
Interest paid		(157)	(163)
Income tax paid		(428)	(216)
<b>Net cash flows from operating activities</b>		<b>3,996</b>	<b>3,865</b>
<b>Cash flows from investing activities</b>			
(Investments) divestments of property, plant and equipment and intangible assets		(1,158)	(562)
Decrease (increase) in financial assets		(305)	(226)
Change in the consolidation scope net of cash and cash equivalents		-	(1,949)
<b>Net cash flows used in investing activities</b>		<b>(1,463)</b>	<b>(2,737)</b>
<b>Cash flows from financing activities</b>			
Change in financial liabilities		(1,131)	(2,479)
Change in financial liabilities pursuant to IFRS 16		(817)	(600)
Change in treasury shares		(435)	(456)
Dividends paid to non-controlling investors		(304)	(1,023)
Exercise of put options		(1,920)	-
Other changes		-	(21)
<b>Net cash flows used in financing activities</b>		<b>(4,607)</b>	<b>(4,579)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,075)</b>	<b>(3,451)</b>
<b>Opening net cash and cash equivalents</b>		<b>10,458</b>	<b>18,840</b>
<b>Closing net cash and cash equivalents</b>		<b>8,383</b>	<b>15,389</b>

The statement of cash flows was prepared in accordance with the indirect method.

The notes given below are an integral part of these condensed interim consolidated financial statements.



## Statement of changes in equity

Figures in thousands of euros

	Share capital	Treasury shares	Legal reserve	Other reserves	Retained earnings	Profit for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
<b>Balance at 31 December 2020</b>	<b>588</b>	<b>(1,093)</b>	<b>202</b>	<b>29,418</b>	<b>235</b>	<b>1,792</b>	<b>31,142</b>	<b>254</b>	<b>31,396</b>
Allocation of profit for the period	-	-	-	-	1,792	(1,792)	-	-	-
Stock options	-	-	-	53	-	-	53	-	53
Change in long-term incentive plan reserve	-	-	-	596	-	-	596	-	596
Repurchase of treasury shares	-	(456)	-	-	-	-	(456)	-	(456)
Assignment of treasury shares	-	93	-	-	-	-	93	-	93
Dividends to non-controlling investors	-	-	-	-	(706)	-	(706)	-	(706)
Other comprehensive income	-	-	-	28	-	-	28	-	28
Profit for the period	-	-	-	-	-	1,558	1,558	18	1,576
<b>Balance at 30 June 2021</b>	<b>588</b>	<b>(1,456)</b>	<b>202</b>	<b>30,095</b>	<b>1,321</b>	<b>1,558</b>	<b>32,308</b>	<b>272</b>	<b>32,580</b>

Figures in thousands of euros

	Share capital	Treasury shares	Legal reserve	Other reserves	Retained earnings	Profit/(loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
<b>Balance at 31 December 2021</b>	<b>596</b>	<b>(1,743)</b>	<b>202</b>	<b>31,215</b>	<b>1,843</b>	<b>4,263</b>	<b>36,376</b>	<b>323</b>	<b>36,699</b>
Allocation of profit for the period	-	-	-	-	4,263	(4,263)	-	-	-
Repurchase of treasury shares	-	(435)	-	-	-	-	(435)	-	(435)
Assignment of treasury shares	-	385	-	-	(133)	-	252	-	252
Stock options	-	-	-	9	-	-	9	-	9
Change in put option liabilities	-	-	-	-	(375)	-	(375)	-	(375)
Change in long-term incentive plan reserves	-	-	-	(55)	-	-	(55)	-	(55)
Other movements	-	-	-	-	1	-	1	2	3
Other comprehensive income	-	-	-	123	-	-	123	-	123
Profit for the period	-	-	-	-	-	2,469	2,469	10	2,479
<b>Balance at 30 June 2022</b>	<b>596</b>	<b>(1,793)</b>	<b>202</b>	<b>31,292</b>	<b>5,599</b>	<b>2,469</b>	<b>38,365</b>	<b>335</b>	<b>38,700</b>



## **Notes to the condensed interim consolidated financial statements**

### **General information**

Alkemy S.p.A. (hereinafter also "Alkemy" or the "Company"), Parent of the Group by the same name (hereinafter also the "Group" or the "Alkemy Group") is a leading company in the digital transformation segment in Italy, listed on the STAR segment of the EURONEXT MILAN market since 17 December 2019. Alkemy enables the evolution of enterprises' business defining the relevant strategy through the use of technology, data and creativity. The aim is to improve the operations and services supplied by large and medium enterprises, stimulating the evolution of their business model hand-in-hand with technological innovation and consumer conduct.

The parent's registered and administrative office is at Via San Gregorio 34, Milan, Italy and it is registered with the Milan Company Register under Economic and Administrative Index (REA) no. 1835268.

These condensed interim consolidated financial statements are prepared in euros, which is the currency of the economy in which the Parent operates. The Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and figures given in the Notes are all expressed in thousands of euros.

The publication of this interim financial report at 30 June 2022, reviewed by KPMG S.p.A., was authorised by resolution passed by the Board of Directors on 13 September 2022.

### **Reporting standards**

#### **Basis of preparation**

The condensed interim consolidated financial statements at 30 June 2022 have been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term "IFRS" is used to also refer to all the revised International Accounting Standards reviewed ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

More specifically, the condensed interim consolidated financial statements have been prepared in accordance with IAS 34 relative to interim financial statements and do not include all the information and notes required in the annual consolidated financial statements; as such, they must be read together with the consolidated financial statements at 31 December 2021.

In the preparation of the interim condensed consolidated financial statements at 30 June 2022, the same accounting policies have been applied as those adopted in the preparation of the consolidated financial statements at 31 December 2021, to which reference is made, with the exception of that specified in the paragraph on "New standards, amendments and interpretations applied starting 1 January 2022".

The condensed interim consolidated financial statements were also prepared in compliance with





the provisions adopted by CONSOB for financial statements in application of article 9 of Legislative Decree 38/2005 and other rules and provisions issued by CONSOB regarding financial statements.

They are prepared on a going concern and historical cost basis, with the exception of certain financial instruments, which are measured at fair value.

The preparation of the condensed interim consolidated financial statements and notes thereto in accordance with the IFRS requires the Directors to make estimates and assumptions that impact the revenue, costs, assets and liabilities of the interim financial report and the disclosure of contingent assets and liabilities at 30 June 2022. If, in the future, these estimates and assumptions, which are based on the best assessments by the Directors, should differ from the effective circumstances, they will be altered appropriately in the period in which such circumstances change. The estimates and assumptions are reviewed periodically, and any changes are immediately reflected in the income statement and equity.

It is also noted that certain assessment processes, in particular the more complex ones, such as the determination of any impairment losses of non-current assets, are generally performed completely only when preparing the annual financial statements, when all information as may be necessary is available, save for cases where there are impairment indicators requiring an immediate assessment of any impairment losses.

With reference to this Interim Financial Report, no indicators have been seen of impairment, which would require impairment testing to be carried out ahead of the usual year-end process.

### **Format and contents of the financial statements**

The financial statements have the following characteristics:

- the income Statement classifies revenue and costs by nature;
- the statement of financial position is prepared and separately presents both current and non-current assets and current and non-current liabilities.
- The statement of cash flows is drawn up in accordance with the indirect method.

The format used, as described above, is that considered best able to represent the elements that determined the Group's financial position, financial performance and cash flows.

In order to fulfil the requirements set out in CONSOB Resolution 15519 of 27 July 2006 on the financial statements, specific income statement and statement of financial position tables have been prepared to show any significant related party transactions, and any transactions that can be classified as non-recurring, atypical and/or unusual, are indicated on the tables and then highlighted in the notes.

### **Basis of consolidation**

The Consolidated Financial Statements have been prepared consolidating the financial statements of the Parent and those of all companies in which the company directly or indirectly holds the majority of voting rights on a line-by-line basis.

The consolidated financial statements refer to the same reporting date as the Parent.



The profit (loss) of the subsidiaries acquired or sold during the period are included in the income statement as from the date of acquisition and until the effective date of disposal. Where necessary, adjustments are made to the financial statements of subsidiaries in order to bring the accounting policies used into line with those adopted by the Group.

in relation to the consolidation scope, note the following:

- On 16 February 2022, Alkemy S.p.A. purchased 24.99% of the capital of the Spanish subsidiary Alkemy Iberia S.L.;
- On 22 February, Alkemy S.p.A. and Smog S.r.l. signed a new shareholders' agreement regulating the relations between them in the management of the company Alkemy Play S.r.l. for the next three years, as well as the agreement of a new put & call option held by the minority shareholder, whose stake held has gone from 49% to 25% following the specified loss coverage;
- On 1 June 2022, the merger took effect between the Parent and Nunatac S.r.l., with accounting and tax effects from 1 January 2022;
- From 10 June 2022, the merger took effect of the Serbian company Alkemy Digital Hub D.o.o. into Alkemy SEE D.o.o.

At 30 June 2022, the consolidation scope was as follows:

Company name	% held	Registered office
<b>Direct subsidiaries:</b>		
Alkemy Play S.r.l.	75%	Milan
Alkemy SEE D.o.o.	70%	Serbia – Belgrade
Alkemy Iberia S.L.	90%	Spain - Madrid
Design Group Italia ID S.r.l.	51%	Milan
eXperience Cloud Consulting S.r.l.	51%	Rome
Alkemy South America S.L.	100%	Spain - Madrid
Ontwice Interactive Service S.L.	100%	Spain - Madrid
<b>Indirect subsidiaries:</b>		
Alkemy Play D.o.o.	75%	Serbia – Belgrade
Kreativa New Formula D.o.o.	70%	Serbia – Belgrade
Ontwice Interactive Service S.A. Mexico City	100%	Mexico - Mexico City
Ontwice Interactive Service Digital S.A. Mexico City	100%	Mexico - Mexico City
Design Group Italia ehf.	51%	Iceland - Reykjavik
Design Group Italia Corp.	51%	USA - New York

### **New standards, amendments and interpretations applicable starting 1 January 2022**

Below is a list of the standards, amendments, interpretations and improvements in force starting 1 January 2022, for which there has been no significant impact on the Group's 2022 Interim Financial Report.

- **IFRS 3 “Reference to the Conceptual Framework”**: the amendments aim to: (i) update the references to the Conceptual Framework for Financial Reporting in the standard; (ii) provide clarification on the assumptions for the recognition, at the date on which control is acquired, of provisions, contingent liabilities and tax liabilities (so-called levies) assumed as part of a



business combination; (iii) clarify that contingent assets cannot be recognised as to part of a business combination. The amendments apply to financial years starting on or after 1 January 2022;

- **IAS 16 “Proceeds before Intended Use”:** the changes have established that the proceeds deriving from the sale of goods produced by an asset during the period prior to the date on which the asset is in the place and conditions necessary for its operation, in the manner understood by the management team, must be noted in period profit/(loss). The amendments apply to financial years starting on or after 1 January 2022;
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the IASB has clarified that the costs necessary to fulfil a contract in order to note a provision for an onerous contract, must include all costs directly related to the contract and, therefore: (i) the incremental costs, i.e. the costs that would not have been incurred in the absence of the contract (for example, raw materials, costs of direct labour, etc.) and (ii) a portion of the other costs that, although not incremental, are directly correlated with the contract (for example, portion of amortisation/depreciation of assets used to fulfil the contract). The amendments apply to financial years starting on or after 1 January 2022;
- **Improvements to the IFRS Standards (2018 – 2020 cycle):** these contain changes to certain standards (IFRS 1, IFRS 9 and IAS 41) with the aim of clarifying some minor application aspects. The amendments apply to financial years starting on or after 1 January 2022.

#### **IFRS and IFRIC standards, amendments and interpretations approved by the European Union, not yet applicable and not endorsed in advance by the Company as at 30 June 2022**

Below are the standards, amendments, interpretations and improvements not yet in force and which are expected to have significant effects on the Group's consolidated financial statements:

- **IAS 1 “Disclosure of accounting policies”:** the changes come as part of the more extensive IASB project “Better communication in financial reporting” and, in particular, the sub-project “Disclosure Initiative”, which aims to improve the information given in the notes to the financial statements. With the changes to IAS 1, the IASB has defined certain guidelines to select the accounting standards to be described in the notes to the financial statements, which should be those relevant to the user of the financial statements and not those merely held to be significant. The amendments apply to financial years starting on or after 1 January 2023;
- **IAS 8 “Definition of Accounting Estimates”:** the changes aim to clarify the differences between a change in accounting standard and a change in an accounting estimate and apply from the years starting on or after 1 January 2023;
- **IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”:** the changes aim to restrict the field of application of the exemption to the initial recording of the deferred tax assets and liabilities envisaged by paragraphs 15 and 24 of IAS 12, so that such exemptions do not apply to the individual operations that, at initial recognition, entail the booking in financial statements of an asset and liability for which temporary taxable and



deductible differences are identifiable in equal amounts. The amendments apply to financial years starting on or after 1 January 2023;

- **IFRS 17 “Insurance contracts”**: is the new standard for the recognition, measurement, presentation and disclosure in the financial statements for insurance contracts issued by an entity and that will replace IFRS 4. It will come into force for financial years starting on or after 1 January 2023.

At the reference date of this financial report, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and standards described below.

At present, the directors are weighing up the possible effects of the introduction of these amendments on the Group's consolidated financial statements.

- **IFRS 17 “Insurance contracts: Initial application of IFRS 17 and IFRS 9; comparative information”**. The amendments apply to financial years starting on or after 1 January 2023;
- **IAS 1**: the changes regards the definitions of current and non-current liabilities and provide a more general approach to the classification of liabilities based on contractual agreements. The amendments apply to financial years starting on or after 1 January 2023.

### **Financial risk management**

Under the scope of its operations, the Group is exposed to financial risks connected with:

- credit risk;
- liquidity risk;
- market risk and, specifically, interest rate and currency risks.

Below is information about the Group's exposure to each of the above risks; reference is made to the more extensive description given in the Report on Operations for a description of how financial risks are monitored in order to prevent any potential negative effects thereof, and, consequently, take corrective action.

#### **Credit risk**

Credit risk is the exposure to potential losses deriving from the failure by commercial or financial counterparties to fulfil the commitments made.

The Group's credit risk essentially relates to the amount of trade receivables due for the provision of services.

The very nature of the services provided means that the Group has no significant concentration of the credit risk and is subject to moderate credit risk, insofar as debtors are large, highly-solvent private companies.

#### **Liquidity risk**



The Group's financial management is characterised by procedures aimed at regulating the collection and payment duties, controlling and avoiding any critical liquidity positions.

During H1 2022, the Group met its current and non-current financial needs through use of loans and advances on invoices. In any case, the Group has suitable bank facilities, aimed at managing any short-term financial needs.

### **Market risk**

The market risk to which the Group is mainly exposed consists of the risk of changes to interest rates and the currency risk (limited to the companies based in Serbia and Mexico).

### **Interest rate risk**

The Group is exposed to the risk of changes in interest rates in connection with the variable rate indexed medium- and long-term loans.

Note that there are five "cap" options in place (at fixed rate, already paid), in connection with the medium-term loans stipulated in 2019, 2020 and 2021 to hedge the risk of future rises in interest rates, in connection with an equal number of loans that are worth approximately 85% of the bank debt for loans in place at 30 June 2022. Of the remaining 15% of the bank loans in place at that date, in addition to 8% at fixed rate, therefore less than 7% are without cover. Financial liabilities of 28,566 thousand euros at 30 June 2022 and 31,734 thousand euros at 31 December 2021 include variable rate loans of 14,638 thousand euros and 12,735 thousand euros, respectively.

### **Currency risk**

The Group's assets are subject to the currency risk.

The Group is therefore exposed to the currency risk, i.e. the risk that changes in the exchange rates of certain currencies with respect to the consolidation currency impact both the Alkemy Group profit (loss) and its net financial debt and equity.

The Group is also exposed to a limited currency risk generated by commercial and financial transactions implemented by the individual companies in currencies other than the functional currency of the company performing the transaction.

This exposure is monitored, but at the date of the Interim Financial Report, the Alkemy Group policy is not to hedge said currency risk insofar as there are no transactions of significant amounts in currencies other than the euro between Group companies, except for the annual payment of dividends resolved by the Mexican companies. A significant fluctuation of Mexican pesos or the other currencies in which the Group operates may in any case negatively impact the Group's financial position and financial performance, proportionally to the impact of the business carried out by said companies, with respect to the comprehensive business pursued by the Group as a whole.



## Other information

### Segment reporting

The Group has identified the operating segments on the basis of two geographical areas, which represent the organisational components according to which the business is managed and monitored, namely, as envisaged by IFRS 8, "a component... whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance".

Said segments are "Italy" and "Abroad".

Below is the data of H1 2022 and 2021, broken down by segment as required by IFRS 8, indicating any inter-segment adjustments.

Figures in thousands of euros				
Period closed at 30 June 2022	Italy	Abroad	Inter-segment adjustments	Total
Revenue from sales and services	34,096	14,426	(198)	<b>48,324</b>
Other revenue and income	605	89	(2)	<b>692</b>
<b>Total revenue and income</b>	<b>34,701</b>	<b>14,515</b>	<b>(200)</b>	<b>49,016</b>
Services, goods and other operating costs	(13,392)	(9,209)	200	<b>(22,401)</b>
- of which non-recurring	(66)	-	-	<b>(66)</b>
Personnel expense	(17,136)	(4,369)	-	<b>(21,505)</b>
- of which non-recurring	-	(249)	-	<b>(249)</b>
<b>Total costs and other operating costs</b>	<b>(30,528)</b>	<b>(13,578)</b>	<b>200</b>	<b>(43,906)</b>
<b>Gross operating profit</b>	<b>4,173</b>	<b>937</b>	<b>-</b>	<b>5,110</b>
Amortisation/depreciation	(1,212)	(128)	-	<b>(1,340)</b>
Impairment losses and provisions	(78)	8	-	<b>(70)</b>
<b>Operating profit</b>	<b>2,883</b>	<b>817</b>	<b>-</b>	<b>3,700</b>
Financial income	1,358	312	(1,161)	<b>509</b>
Financial expense	(274)	(320)	-	<b>(594)</b>
<b>Pre-tax profit</b>	<b>3,967</b>	<b>809</b>	<b>(1,161)</b>	<b>3,615</b>
Income taxes	(850)	(286)	-	<b>(1,136)</b>
<b>Profit for the period</b>	<b>3,117</b>	<b>523</b>	<b>(1,161)</b>	<b>2,479</b>
<b>Attributable to:</b>				
- Owners of the parent	3,117	513	(1,161)	<b>2,469</b>
- Non-controlling interests	-	10	-	<b>10</b>

Figures in thousands of euros				
Period closed at 30 June 2021	Italy	Abroad	Inter-segment adjustments	Total



Revenue from sales and services	30,259	13,998	(507)	<b>43,750</b>
Other revenue and income	681	124	(6)	<b>799</b>
<b>Total revenue and income</b>	<b>30,940</b>	<b>14,122</b>	<b>(513)</b>	<b>44,549</b>
Services, goods and other operating costs	(13,827)	(8,897)	513	<b>(22,211)</b>
- of which non-recurring	(14)	-	-	<b>(14)</b>
Personnel expense	(14,443)	(3,709)	-	<b>(18,152)</b>
- of which non-recurring	(841)	-	-	<b>(841)</b>
<b>Total costs and other operating costs</b>	<b>(28,270)</b>	<b>(12,606)</b>	<b>513</b>	<b>(40,363)</b>
<b>Gross operating profit</b>	<b>2,670</b>	<b>1,516</b>	<b>-</b>	<b>4,186</b>
Amortisation/depreciation	(880)	(125)	-	<b>(1,005)</b>
Impairment losses and provisions	(37)	34	-	<b>(3)</b>
<b>Operating profit</b>	<b>1,753</b>	<b>1,425</b>	<b>-</b>	<b>3,178</b>
Financial income	1,221	137	(1,215)	<b>143</b>
Financial expense	(577)	(146)	-	<b>(723)</b>
<b>Pre-tax profit</b>	<b>2,397</b>	<b>1,416</b>	<b>(1,215)</b>	<b>2,598</b>
Income taxes	(620)	(402)	-	<b>(1,022)</b>
<b>Profit for the period</b>	<b>1,777</b>	<b>1,014</b>	<b>(1,215)</b>	<b>1,576</b>
<b>Attributable to:</b>				
- Owners of the parent	1,777	996	(1,215)	<b>1,558</b>
- Non-controlling interests	-	18	-	<b>18</b>

### Italy segment

The Italy segment includes the following companies: Alkemy S.p.A. (which since 1 June 2022 also includes Nunatac S.r.l., merged into it), Alkemy Play S.r.l., XCC S.r.l., DGI S.r.l.. It also includes DGI ehf, DGI Corp. and Alkemy Play D.o.o., which operate exclusively for the Italian parent companies of the same names.

Revenues from the Italy segment of the first half of 2022 came to 34,701 thousand euros, with an increase of 3,761 thousand euros compared with the previous period (+12.2%), mainly due to the inorganic growth following the acquisition of the majority shares of Design Group Italia S.r.l. (DGI) and eXperience Cloud Consulting S.r.l. (XCC) during the second quarter of 2021.

Revenue of 34,096 thousand euros comprises revenue from sales and services (30,259 thousand euros in H1 2021) and 605 thousand euros for other revenue and income (681 thousand euros in H1 2021); details are given in the notes.

Operating costs, represented by costs for services, goods and other items and for personnel expenses, total 30,528 thousand euros, up 2,258 thousand euros (+8 %) on the previous period, mainly in relation to the increase in costs for staff also following the insourcing of certain activities.

Gross operating profit came to 4,173 thousand euros (2,670 thousand euros in H1 2021) up 1,503 thousand euros.

Amortisation, depreciation and impairment losses came to 1,290 thousand euros, up 373 thousand



euros on H1 2021 (+40.7%). This item includes:

- amortisation/depreciation for property, plant and equipment and intangible assets with a finite useful life for a period total of 1,212 thousand euros (880 thousand euros in H1 2021);
- the accrual to the loss allowance of 78 thousand euros (37 thousand euros in H1 2021), allocated mainly in view of potential future losses connected with specific disputed loans at the reporting date.

The Italy segment therefore recorded a pre-tax profit of 3,967 thousand euros (2,397 thousand euros in H1 2021), which, after tax, gave rise to a profit of 3,117 thousand euros, as compared with a profit of 1,777 thousand euros for the previous period.

### Abroad segment

The Abroad segment regards all the export markets on which the Group operates, namely Spain, Mexico and Serbia.

The following companies are included: Ontwice Madrid S.L. (Spain), Alkemy Iberia S.L., Alkemy South America S.L., OIS Digital S.L. (Mexico), OIS Service S.L. (Mexico), Kreativa New Formula D.o.o. (Serbia), Alkemy SEE D.o.o. (Serbia).

H1 2022 Abroad segment revenue came to 14,515 thousand euros as compared with 14,122 thousand euros in H1 2021 (+2.8%). The increase in revenue is mainly due to the positive results booked by the Mexican subsidiaries.

Operating costs and personnel expense go from 12,606 thousand euros in the first half of 2021 to 13,578 thousand euros.

Gross operating profit therefore comes to 937 thousand euros, as compared with 1,516 thousand euros in H1 2021.

Operating profit comes to 817 thousand euros, as compared with last period's 1,425 thousand euros.

The profit for the period totals 523 thousand euros, as compared with 1,014 thousand euros in H1 2021.

Additionally, in order to assure a complete disclosure, below are the trade receivables at 30 June 2022 and at 31 December 2021, divided by segment:

Figures in thousands of euros				
Period closed at 30 June 2022	Italy	Abroad	Inter-segment adjustments	Total
Trade receivables	27,053	6,889	(340)	<b>33,601</b>

Figures in thousands of euros				
Year closed at 31 December 2021	Italy	Abroad	Inter-segment adjustments	Total
Trade receivables	29,330	7,692	(982)	<b>36,040</b>





## Notes to the condensed interim consolidated financial statements

### Consolidated income statement

#### 1. Revenue from sales and services

Revenue from sales and services comes to 48,324 thousand euros (43,750 thousand euros in the first half of 2021) and relates entirely to the sale of services. The increase in turnover achieved during the first six months of 2022 is 4,574 thousand euros (+10.5%) on the same period of the previous year and is mainly due to inorganic growth following the acquisition of the majority share of Design Group Italia S.r.l. and eXperience Cloud Consulting S.r.l. (during the second quarter of 2021) for a total of 4,053 thousand euros and the key foreign accounts, in particular relative to the Mexican subsidiaries.

The increase of 371 thousand euros in revenue achieved by the foreign companies is mainly the result of the combined provisions of the reduction in revenues of the Spanish subsidiaries (-1,194 thousand euros compared with the corresponding period of the previous year) and the increase in revenues of the Mexican subsidiaries (+1,580 thousand euros, of which 898 thousand euros due to the favourable trend of the euro-Mexican peso exchange rate, compared with the same period of 2021).

Note that the effect of the Euro-Serbian dinar exchange rate is not significant.

#### 2. Other revenue and income

Other revenue and income totals 692 thousand euros (799 thousand euros during the first half of 2021), as follows:

	Figures in thousands of euros	
	H1 2022	H1 2021
Revenue for capitalised costs	378	242
Tax asset	250	347
Government grants	4	131
Other revenue	60	79
<b>Total other revenue and income</b>	<b>692</b>	<b>799</b>

Revenue for capitalised costs came to 378 thousand euros and mainly relate to the internal implementation of software and platforms relative to the pursuit of the Group's commercial activities.

The tax asset is accrued on the investments made by the Parent in 4.0 training pursuant to Art. 1, paragraph 78-81 of Italian Law no. 145 of 30.12.2018.

#### 3. Services, goods and other operating costs

Services, goods and other operating costs come to 22,401 thousand euros (22,211 thousand euros in H1 2021).

In order to ensure a correct comparison and understanding of the effective trend of this item in the 2 years, it should be noted that in the first half of 2021 "pro forma" (i.e. assuming the inclusion of XCC



S.r.l. and DGI S.r.l. from 01/01/2021), it came to 23,170 thousand euros; therefore, it reduces "effectively" by 769 thousand euros (-3%) compared with the same period of 2022, as a consequence of the choice to insource certain activities previously entrusted to external providers. In this respect, reference is made to paragraph 4 below relative to the personnel expense.

Below are details of the breakdown of these Costs:

	Figures in thousands of euros	
	H1 2022	H1 2021
Services	22,206	22,055
Purchase of raw materials	63	54
Lease costs	60	6
Other operating costs	72	96
<b>Total costs for services, goods and other operating costs</b>	<b>22,401</b>	<b>22,211</b>

### Services

Costs for services come to 22,206 thousand euros (22,055 thousand euros in H1 2021) and are detailed below:

	Figures in thousands of euros	
	H1 2022	H1 2021
Services for customers	19,473	20,205
Other consultancy	358	219
Maintenance services	293	172
Travel and transfer expenses	276	130
Consultancy and legal expenses	255	284
Marketing services	244	59
Meal vouchers	203	123
Administrative services	189	180
Insurance	172	118
Postal, telephone and data transmission services	122	103
Audit fees	100	113
Collaborators' fees	88	36
Costs for non-recurring services	66	14
Cleaning expenses	66	41
Condominium and supervisory expenses	63	50
Payslip processing	55	69
Banking services	42	21
Utilities	36	16
Commercial services	33	53
Statutory Auditors' fees	31	31
Other services	41	18
<b>Total services</b>	<b>22,206</b>	<b>22,055</b>

Services mainly include commercial costs incurred for activities provided to customers, media space, costs for third party services, distribution costs and costs for collaborators. The period increase is connected with the positive period results and the Group's inorganic growth.



### **Purchase of raw materials**

Costs for the purchase of raw materials total 63 thousand euros (54 thousand euros in H1 2021) and mainly regard the purchase of licenses for resale and consumable materials.

### **Lease costs**

Lease costs come to 60 thousand euros (6 thousand euros in H1 2021) and relate to costs that, by nature, do not come under the scope of application of IFRS 16.

### **Other operating costs**

Other operating costs come to 72 thousand euros (96 thousand euros in H1 2021) and mainly regard costs from previous years and membership fees, as well as, to a lesser extent, sanctions, stamp duty and levies.

## **4. Personnel expense**

Personnel expense come to 21,505 thousand euros (compared with 18,152 thousand euros in H1 2021). Note that the “pro forma” value of the personnel expense at 30 June 2021 is 20,549 thousand euros and, therefore, the “effective” increase of this item compared with the same figure of 2022 is 956 thousand euros (+4.7%), as confirmation of the change in progress in the operative model, as specified in the previous paragraph 3.

Below are details of the breakdown of these costs:

	Figures in thousands of euros	
	<b>H1 2022</b>	<b>H1 2021</b>
Wages and salaries	15,131	12,250
Non-recurring wages and salaries	249	841
Directors' fees	928	842
Social security expenses	4,115	3,208
Costs for defined benefit plans	851	580
Cost for share-based payments	206	390
Other personnel expense	25	41
<b>Total personnel expense</b>	<b>21,505</b>	<b>18,152</b>

This item includes all costs incurred during the period, directly or indirectly relating to employees and collaborators, as well as directors' fees for 928 thousand euros.

“Non-recurring wages and salaries” includes all costs incurred for incentives to take redundancy pertaining to the period.

The cost of share-based payments includes the cost relative to the long-term incentive plan for three strategic managers, as well as the Chairman, Chief Executive Officer and General Manager of the Parent.

776 employees were on the workforce at 30 June 2022, as compared with 676 in the same period of the previous year.



The decrease in average salaries and wages per employee is correlated to the decrease in variable fees estimated for the period, in respect of more positive results than in 2021.

## **5. Amortisation/depreciation**

Amortisation/depreciation comes to 1,340 thousand euros (1,005 thousand euros in H1 2021) and consists of:

- 821 thousand euros (632 thousand euros in H1 2021) and relate to the depreciation of leased property, plant and equipment;
- 304 thousand euros (176 thousand euros in H1 2021) for the depreciation of property, plant and equipment;
- 215 thousand euros (197 thousand euros in H1 2021) for the amortisation of intangible fixed assets.

## **6. Provisions and impairment losses**

Provisions recorded come to 70 thousand euros (3 thousand euros in the first half of 2021) and refer to the impairment of trade receivables.

## **7. Net gains (losses) on equity investments**

Net gains (losses) on equity investments come to zero during H1 2022. The item in the corresponding period of the previous year highlighted a net loss of 308 thousand euros relative to:

- -235 thousand euros to the adjustment to fair value of the equity investment in Design Group Italia held before acquiring the majority share, as envisaged by IFRS 3;
- -73 thousand euros to the equity measurement of the same investment, prepared at 31 May 2021, to include the results of the Company, which was already an associate before its full consolidation.

## **8. Financial income**

Financial income comes to 509 thousand euros (143 thousand euros in the first half of 2021) and includes (i) 187 thousand euros for the adjustment of the value of derivatives, stipulated in the second quarter of 2021 to hedge interest rates on loans and (ii) 322 thousand euros for the effects of exchange gains (139 thousand euros during the same period of the previous year), mainly traceable to the subsidiary Ontwice Interactive Services S.A. (Mexico City); the latter effectively causes most of the exchange losses (321 thousand euros compared with 125 thousand euros during the first half of 2021), included under financial expenses, as detailed in the following item.

Exchange gains and losses, which offset each other, increase on the previous period and relate to purchases and sales made in USD by the Mexican subsidiaries; they reflect the greater volatility of the Mexican currency compared with the dollar, as compared with the early months of 2021.



## 9. Financial expense

Financial expense comes to 594 thousand euros (415 thousand euros in H1 2021) and is detailed below:

	Figures in thousands of euros	
	H1 2022	H1 2021
Exchange losses	321	125
Interest expense on loans	106	103
Interest on put option liabilities	65	112
Interest on leases	57	53
Interest expense on employee benefits (IAS 19)	28	8
Interest expense on current accounts	3	-
Other financial expense	14	14
<b>Total financial expense</b>	<b>594</b>	<b>415</b>

The increase in the item is mainly due to the growth in exchange losses, as described in the previous paragraph.

## 10. Income taxes

Taxes have been calculated on the basis of management's best estimates in compliance with current tax legislation and are detailed hereto:

	Figures in thousands of euros	
	H1 2022	H1 2021
Current income tax	499	583
Current IRAP tax	180	110
Previous years' tax	-	(39)
Change in deferred tax assets	458	361
Change in deferred tax liabilities	(1)	7
<b>Total taxes</b>	<b>1,136</b>	<b>1,022</b>

## 11. Earnings per share

Basic earnings per share are calculated by dividing the Group's profit by the weighted average of outstanding shares during the period, excluding any treasury shares held in the portfolio.

In calculating diluted earnings per share, the weighted average of the outstanding shares takes into account the conversion of all instruments having a dilutive effect and, therefore, the options assigned to stock option plan beneficiaries.



The calculation of earnings per share is shown in the table below:

euros	Figures expressed in units of	
	H1 2022	H1 2021
<b>Profit</b>		
Group profit for the period	2,469,000	1,558,000
Group profit for the period, attributable to ordinary shares	2,469,000	1,558,000
<b>Number of shares</b>		
Average number of outstanding ordinary shares	5,592,472	5,527,074
Adjusted average number of ordinary shares	5,578,882	5,530,908
Basic earnings per share	0.441	0.282
Diluted earnings per share	0.443	0.282



## Statement of financial position

### Assets

#### Non-current assets

##### 12. Property, plant and equipment

The item totals 2,086 thousand euros (1,809 thousand euros at 31 December 2021); changes are shown below:

Figures in thousands of euros				
	Land and buildings	Plant and machinery	Other assets	Total
<b>Balance at 31 December 2021</b>	<b>70</b>	<b>12</b>	<b>1,728</b>	<b>1,809</b>
Investments	-	2	579	581
Depreciation	(2)	(1)	(301)	(304)
<b>Balance at 30 June 2022</b>	<b>68</b>	<b>13</b>	<b>2,006</b>	<b>2,086</b>

Land and buildings includes a property owned in Rende (CZ).

“Other” mainly includes computers and IT equipment purchased for Group employees, as well as furniture and furnishings of the company office and secondary offices.

Period increases are mainly due to the purchase of computers and IT equipment.

##### 13. Right-of-use assets

The item totals 5,001 thousand euros (5,332 thousand euros at 31 December 2021); period changes are shown below:

Figures in thousands of euros			
	Land and buildings	Other assets	Total
<b>Balance at 31 December 2021</b>	<b>4,591</b>	<b>741</b>	<b>5,332</b>
Investments	134	356	490
Depreciation	(581)	(240)	(821)
<b>Balance at 30 June 2022</b>	<b>4,144</b>	<b>857</b>	<b>5,001</b>

“Other assets” includes leased company cars and increases in the year mainly relate to the signing of new lease contracts to replace those that expired during the period.

The increase in the leased land and buildings mainly relates to the effects of the adjustment of charges of some of the contracts in place.

##### 14. Goodwill and impairment

Goodwill comes to 41,255 thousand euros (41,249 thousand euros at 31 December 2021), as detailed hereto:

Figures in thousands of euros



	30 June 2022	31 Dec. 2021
<b>Goodwill for CGU - ITALY</b>	<b>27,598</b>	<b>27,598</b>
- Goodwill for Bizup	6,883	6,883
- Goodwill for Nunatac	6,603	6,603
- Goodwill for XCC	4,885	4,885
- Goodwill for DGI	4,610	4,610
- Goodwill for Alkemy Tech	2,898	2,898
- Goodwill for Seolab	1,167	1,167
- Goodwill for Between	552	552
<b>Goodwill CGU - SPAIN</b>	<b>9,455</b>	<b>9,455</b>
- Goodwill Ontwice Interactive Service	9,455	9,455
<b>Goodwill CGU - MEXICO</b>	<b>3,218</b>	<b>3,218</b>
- Goodwill Alkemy South America	3,218	3,218
<b>Goodwill CGU – BALKANS</b>	<b>984</b>	<b>978</b>
- Goodwill for Kreativa	984	978
<b>Total goodwill</b>	<b>41,255</b>	<b>41,249</b>

The Group expects to obtain a positive contribution in terms of cash flows from these assets, for an indefinite period of time.

The increase in goodwill on last year is due to the exchange effect.

Goodwill is not amortised, but only tested for impairment. The Group checks the potential recovery of goodwill and other non-current assets with an indefinite useful life once a year, testing each identified cash generating unit ("CGU").

Goodwill has been allocated to the four CGUs corresponding to the four geographic areas in which the Group operates, as summarised below:

- CGU - Italy;
- CGU - Spain;
- CGU - Mexico;
- CGU - the Balkans.

At 31 December 2021, the Group tested for impairment; you are referred to the Consolidated financial statements at 31 December 2021.

At 30 June 2022, a preventive analysis was instead performed with a view to identifying possible impairment indicators of Group intangible assets with an indefinite useful life, in consideration in particular of the significant increase in the interest rates correlated with the high levels of inflation in place. The results of this analysis, based on data booked for the current half-year compared with the provisional budget data and best estimates for 2022, despite possible higher benchmark rates, showed no elements indicating the need for a new impairment test ahead of 31 December 2022.

## 15. Intangible assets with a finite useful life

Intangible fixed assets amount to 1,225 thousand euros (863 thousand euros at 31 December 2021). Below are details on changes therein:





Figures in thousands of euros				
	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other	Total
<b>Balance at 31 December 2021</b>	<b>297</b>	<b>15</b>	<b>551</b>	<b>863</b>
Investments	48	-	529	577
Amortisation	(101)	(2)	(112)	(215)
<b>Balance at 30 June 2022</b>	<b>244</b>	<b>13</b>	<b>968</b>	<b>1,225</b>

#### Industrial patents and intellectual property rights

This item mainly includes the costs incurred for the purchase of company management software.

#### Concessions, licences, trademarks and similar rights

This item mainly includes costs incurred by the Parent to register trademarks.

#### Other

This item includes long-term costs that, due to their different nature, do not fit under any of the other items of this category. More specifically, the item includes: (i) costs incurred by the subsidiary Alkemy Play S.r.l., including through the subsidiary Alkemy Play D.o.o., in relation to the programming and development of a web platform dedicated to the supply of digital services for small and medium enterprises and (ii) costs incurred by the Parent in relation to the development of a platform dedicated to services for branded content of customer companies and (iii) costs relating to the internal implementation of software and platforms relative to the conduct of the commercial business of the Group companies.

### **16. Equity investments**

Equity investments amount to 5 thousand euros (amount unchanged compared with 31 December 2021).

The amount refers to the investment in the consortium company ICT SUD S.C.r.l., held by the Parent.

### **17. Non-current financial assets**

Non-current financial assets come to 2,281 thousand euros (1,789 thousand euros at 31 December 2021) and are detailed below:

Figures in thousands of euros		
	<b>30 June 2022</b>	<b>31 Dec. 2021</b>
Amounts due from insurance companies	2,039	1,729
Derivatives	239	55
Amounts due from employees	3	5
<b>Total non-current financial assets</b>	<b>2,281</b>	<b>1,789</b>

Amounts due from insurance companies refers to insurance policies signed to cover directors' end-of-office entitlement and employees' post-employment benefits related to the company Nunatac



S.r.l., now merged into the Parent.

Derivatives refer to the hedging transactions implemented in connection with certain medium/long-term bank loans.

## 18. Deferred tax assets

Deferred tax assets amount to 1,369 thousand euros (1,789 thousand euros at 31 December 2021), as follows:

Figures in thousands of euros				
	Temporary differences at 30 June 2022	Tax effect 30 June 2022	Temporary differences at 31 December 2021	Tax effect 31 Dec. 2021
Personnel expense	1,323	320	1,471	355
Loss allowance and provision for other risks	2,390	590	2,390	590
Prior year losses	0	0	1,528	367
Consolidation adjustments and other items	1,743	459	1,743	477
<b>Total</b>	<b>5,456</b>	<b>1,369</b>	<b>7,133</b>	<b>1,789</b>

They are determined on the temporary differences between the carrying amounts of the assets and liabilities taken in order to prepare the financial statements and the respective tax bases, as well as on tax losses that can be carried forward indefinitely.

The period decrease mainly relates to use of deferred tax assets generated by previous tax losses, as a result of the taxable profit generated during the period.

Deferred tax assets are recognised when it is considered, on the basis of forecasts for future results, that their recovery in future years is reasonably certain.

## 19. Other non-current assets

Other non-current assets come to 239 thousand euros (241 thousand euros at 31 December 2021) and mainly relate to guarantee deposits for leased offices.

## 20. Trade receivables

Trade receivables come to 33,602 thousand euros (36,040 thousand euros at 31 December 2021), as detailed herewith:

Figures in thousands of euros		
	30 June 2022	31 Dec. 2021
Italy	22,049	26,029
EU	5,424	6,561
Non-EU	6,129	3,450
<b>Total trade receivables</b>	<b>33,602</b>	<b>36,040</b>

There are no amounts due after one year.



The reduction in the item is mainly due to a better management of customer collections. trade receivables are stated net of a loss allowance of 2,119 thousand euros (2,037 thousand euros at 31 December 2021). The loss allowance was calculated on the basis of the lifetime expected credit loss, from when the trade receivable is first recognised and during subsequent measurements. The estimate is mainly prepared by determining the average expected non-recoverability, based on historical indicators. For some categories, characterised by specific risk elements, specific valuations are instead made on the individual positions.

Below are period changes to the loss allowance:

Figures in thousands of euros	
<b>Balance at 31 December 2021</b>	<b>2,037</b>
Accruals	70
Other changes (exchange effect)	12
<b>Balance at 30 June 2022</b>	<b>2,119</b>

## 21. Current financial assets

Current financial assets amount to 82 thousand euros (84 thousand euros at 31 December 2021).

## 22. Tax assets

Tax assets come to 1,745 thousand euros (1,274 thousand at 31 December 2021) and are detailed as follows:

Figures in thousands of euros		
	<b>30 June 2022</b>	<b>31 Dec. 2021</b>
VAT asset	1,217	793
Tax asset	452	325
Current tax assets	39	123
Other tax assets	37	33
<b>Total tax assets</b>	<b>1,745</b>	<b>1,274</b>

The increase in tax assets is mainly due to the increase in the VAT asset.

The tax asset for 452 thousand euros is for the amount accrued mainly in connection with subsidised finance projects for investments made in research and development, pursuant to Decree Law no. 145/2013 and in training 4.0 pursuant to Art. 1, paragraph 78-81 of Italian Law no. 145 of 30.12.2018.

## 23. Other current assets

Other assets of 2,836 thousand euros (2,885 thousand euros at 31 December 2021) are detailed as follows:

Figures in thousands of euros		
	<b>30 June 2022</b>	<b>31 Dec. 2021</b>
Government grants	2,463	2,612



Impairment of government grants	(497)	(497)
Prepayments	638	675
Other assets	232	95
<b>Total other current assets</b>	<b>2,836</b>	<b>2,885</b>

It is specified that the government grants decreased during the half-year of 149 thousand euros in respect of payments received.

The increase in other assets of 137 thousand euros is mainly due for 66 thousand euros to a receivable due from a director and 63 thousand euros for a short-term security deposit.

## 24. Cash and cash equivalents

The balance of 8,383 thousand euros (10,458 thousand euros at 31 December 2021) is detailed hereto:

	Figures in thousands of euros	
	<b>30 June 2022</b>	<b>31 Dec. 2021</b>
Bank deposits	8,378	10,453
Cash and petty cash	5	5
<b>Total cash and cash equivalents</b>	<b>8,383</b>	<b>10,458</b>

Generation and use of cash flows for the period are analysed in the statement of cash flows.



## **Liabilities and equity**

### **Non-current liabilities**

#### **25. Equity**

Changes in and a breakdown of equity are given in the changes to the equity items, to which you are referred.

#### **Share capital**

The Parent's share capital comes to 596 thousand euros (no change on 31 December 2021) and is fully paid-up.

The share capital at 30 June 2022, in line with last year, is therefore represented by 5,685,460 shares, without nominal value.

#### **Treasury shares**

The negative reserve for treasury shares comes to 1,793 thousand euros, for a total of 150,864 treasury shares, accounting for 2.65% of the share capital (1,743 thousand euros for a total of 158,268 treasury shares or 2.78% of the share capital at 31 December 2021). The period change is due (i) to the repurchase of treasury shares worth 435 thousand euros, in the number of 25,000 treasury shares and (ii) for 385 thousand euros, to the assignment of 32,404 treasury shares to the Chairman, CEO and General Manager of the Parent in execution of the "Long Term Incentive Plan", in connection with 50% of the shares accrued by them on the 2021 profit.

At the date of approval of this interim financial report, no new repurchases or assignments of treasury shares by the Parent have been made.

#### **Legal reserve**

The legal reserve totals 202 thousand euros, in line with the balance at 31 December 2021.

#### **Other reserves**

Other reserves come to 31,292 thousand euros (31,215 thousand euros at 31 December 2021), as follows:

- share premium reserve for 27,372 thousand euros (31,849 thousand euros at 31 December 2021);
- reserve for the long term incentive plan for 906 thousand euros (962 thousand euros at 31 December 2021);
- stock option reserve of 47 thousand euros (37 thousand euros at 31 December 2021);
- FTA reserve for a negative 147 thousand euros (no change on 31 December 2021);
- Reserve for the tax alignment of goodwill of 4,477 thousand euros (zero at 31 December 2021)



- other reserves for a negative balance of 1,164 thousand euros (unchanged on 31 December 2021) in relation to the put option liabilities of the companies established in 2017;
- actuarial reserve of a negative 282 thousand euros (no change on 31 December 2021); the item relates to the discounting of post-employment benefits, envisaged by IAS 19.
- reserve for the translation of financial statements prepared in foreign currencies for 83 thousand euros (negative for 40 thousand euros at 31 December 2021).

The change in the share premium reserve of 4,477 thousand euros is correlated with the creation of the unavailable reserve for the tax alignment of goodwill, which took place in 2021.

The change in the reserve for the long-term incentive plan, negative for 55 thousand euros, is due to the combined effect of (i) the accrual for the period for +197 thousand euros and (ii) the reduction in the reserve following the specified assignment of treasury shares, equal to -252 thousand euros.

The change in the stock option reserve is due to the cost of the first half of 2022 of the stock option plans in place.

### **Retained earnings**

Retained earnings come to 5,599 thousand euros (1,843 thousand euros at 31 December 2021); the period change is mainly due to:

- 4,263 thousand euros, the increase relative to the allocation of last year's profit, in accordance with the resolution passed by the shareholders' meeting of the Parent on 26 April 2022;
- -375 thousand euros, to the effects of the fair value measurement of put option liabilities.

### **26. Equity attributable to non-controlling interests**

Equity attributable to non-controlling interests comes to 335 thousand euros (323 thousand euros at 31 December 2021) and mainly refers to the portion pertaining to the non-controlling investors of the subsidiaries in the Balkans area.

### **27. Financial liabilities**

Current and non-current financial liabilities come to 15,663 thousand euros (16,771 thousand euros at 31 December 2021) and are broken down below according to due dates:

- 8,850 thousand euros (11,269 thousand euros at 31 December 2021) refer to non-current financial liabilities;
- 6,813 thousand euros (5,502 thousand euros at 31 December 2021) refer to current financial liabilities.

There are financial liabilities due after 5 years, for the amount of 186 thousand euros.

The decrease in financial liabilities for 1,108 thousand euros is mainly due to:

- -4,209 thousand euros for repayments made during the first half of the year
- +2,964 thousand euros for the invoice advance operations agreed in the period;
- +114 thousand euros for the long-term loan correlated to subsidised finance projects,



obtained by the Parent from Mediocredito Centrale at special rates and conditions.

Unless otherwise specified, the financial liabilities, all held by the parent Alkemy S.p.A., are detailed below:

- 3,494 thousand euros (4,361 thousand euros at 31 December 2021) relative to a medium/long-term bank loan obtained from Mediocredito Italiano in 2019 for a nominal 7,000 thousand euros. Repayment is on a straight-line basis every six months, starting 31 December 2020 with each instalment being for 875 thousand euros. The interest rate applied is the 6M Euribor, increased by a spread of 1.5 points. At disbursement, an up-front fee was withheld of 35 thousand euros. The contract shall meet two financial covenants, specifically: (i) leverage ratio, i.e. net financial debt/gross operating profit  $<3$ ; and (ii) the ratio of net financial debt to equity  $<1$ , both to be calculated annually at the year end;
- 3,505 thousand euros (3,499 thousand euros at 31 December 2021), the loan obtained from Banca Intesa Sanpaolo on 17 July 2020 with a term of 60 months, including an interest-only period of 24 months, with repayment of principal in twelve quarterly instalments, the first due on 17 October 2022;
- 3,494 thousand euros (3,494 thousand euros at 31 December 2021) relative to the medium/long-term bank loan obtained from UniCredit in September 2021, with a duration of 60 months, including an interest-only period of 12 months, for a nominal amount of 3,500 thousand euros. Repayment is on a straight-line basis once a quarter, starting during 2022. The interest rate applied is the 3M Euribor, increased by a spread of 1.2 points. At disbursement, an up-front fee was withheld of 7 thousand euros;
- 914 thousand euros (912 thousand euros at 31 December 2021) refer to the nine loans obtained from Mediocredito Centrale, at a fixed interest rate, correlated to subsidised finance projects, of which one for 114 thousand euros obtained in 2022;
- 1,794 thousand euros (882 thousand euros at 31 December 2021) relative to the advance on invoices obtained respectively for 1,172 thousand euros from Unicredit, 496 thousand euros from Banca Credem and for 126 thousand euros from Banca Intesa Sanpaolo in the period;
- 289 thousand euros (861 thousand euros at 31 December 2021), the medium-term loan agreement entered into with Banco BPM to facilitate the Group's financial operations, with a term of 24 months, with repayment in quarterly instalments ending on 16 September 2022;
- 800 thousand euros (same amount at 31 December 2021) obtained in total in 2021, respectively for 480 thousand euros from Banca Popolare di Sondrio and for 320 thousand euros from Finlombarda by the company Design Group Italia ID S.r.l. in 2017, with a term of 66 months including a 12 month interest-only period, with the repayment of principal in 12 six-monthly instalments, the first falling due on 1 October 2022;
- 509 thousand euros (631 thousand euros at 31 December 2021) refer to an additional Intesa Sanpaolo loan entered into in 2019 with a term of 30 months, with repayment in five straight-line six-monthly instalments due in 2024. The contract shall meet two financial covenants, specifically: (i) leverage ratio, i.e. net financial debt/gross operating profit  $<3$ ; and (ii) the ratio of net financial debt to equity  $<1$ , both to be calculated annually at the year end;



- 434 thousand euros (576 thousand euros at 31 December 2021) refer to the medium-term loan agreement entered into with Banco BPM to facilitate the Group's financial operations, with a term of 42 months, plus a 9 month interest-only period, with repayment in quarterly instalments ending on 29 December 2023;
- 204 thousand euros (406 thousand euros at 31 December 2021) refer to a loan disbursed by Intesa on 30 September 2019, for research and development. The contract shall meet two financial covenants, specifically: (i) leverage ratio, i.e. net financial debt/gross operating profit <3; and (ii) the ratio of net financial debt to equity <1, both to be calculated annually at the year end;
- 152 thousand euros (252 thousand euros at 31 December 2021) relate to the medium/long-term loan entered into in February 2020 to facilitate the Group's financial operations, with CREDEM, for a term of 36 months, with repayment in quarterly instalments with the last one falling due in February 2023;
- 69 thousand euros (86 thousand euros at 31 December 2021) refer to loans and borrowings from other backers in the medium/long-term, provided to Ontwice Interactive Services s.l. of Madrid by the Spanish Ministry for the Economy;

At 31 December 2021, the item also included 10 thousand euros relative to the medium/long-term bank loan obtained from Banca Popolare di Sondrio by the company Design Group Italia S.r.l., fully repaid during the period.

## 28. Net financial debt

In accordance with the requirements laid down by CONSOB communication of 28 July 2006 and in compliance with the ESMA update in regard to the "Guidelines on disclosure obligations under the Prospectus Regulation" and with CONSOB's "Warning no. 5/21" dated 29 April 2021, below is the Group's Net financial debt at 30 June 2021:

	Figures in thousands of euros	
	30 June 2022	31 Dec. 2021
A Cash	8,383	10,458
B Cash equivalents	-	-
C Other current financial assets	82	84
<b>D Cash and cash equivalents (A + B + C)</b>	<b>8,465</b>	<b>10,542</b>
E Current financial liabilities (including debt instruments but excluding the current portion of non-current financial liabilities)	6,893	5,314
F Current portion of non-current financial liabilities	4,931	4,567
<b>G Current financial debt (E + F)</b>	<b>11,824</b>	<b>9,881</b>
<b>H Net current financial debt (position) G - D)</b>	<b>3,359</b>	<b>(661)</b>
I Non-current financial liabilities (excluding the current portion and debt instruments)	16,742	21,853
J Debt instruments	-	-
K Trade payables and other non-current liabilities	-	-
<b>L Non-current financial debt (I + J + K)</b>	<b>16,742</b>	<b>21,853</b>
<b>M Total financial debt (H + L)</b>	<b>20,101</b>	<b>21,192</b>

Current financial liabilities include the current lease liabilities, the current portion of put option





liabilities, the mentioned advances on invoices obtained during the period and the current portion of loans and borrowings from other financial backers.

Non-current financial liabilities include the non-current portion of bank loans and borrowings, non-current lease liabilities, the non-current portion of put option liabilities and the non-current portion of loans and borrowings from other financial backers.

## **29. Lease liabilities**

Lease liabilities total 5,155 thousand euros (5,482 thousand euros at 31 December 2021) and are broken down below according to due dates:

- 3,767 thousand euros refers to non-current lease liabilities (4,009 thousand euros at 31 December 2021);
- 1,388 thousand euros refers to current lease liabilities (1,473 thousand euros at 31 December 2021).

The reduction on the previous year, of -327 thousand euros, is mainly related to (i) the payment of periodic charges for -729 thousand euros and (ii) the stipulation of new contracts and changes to contracts in place for +402 thousand euros.

Note that there are no lease liabilities with a maturity in excess of 5 years.

## **30. Put option liabilities**

The current and non-current liabilities to non-controlling investors total 7,748 thousand euros (9,481 thousand euros at 31 December 2021) and refer to the commitment relating to the acquisition of the residual portion of the investment in the subsidiaries DGI S.r.l., XCC S.r.l., Alkemy Play S.r.l. and Alkemy Iberia S.L., comprising a contractual structure of put and call options between the Company and the non-controlling investors. As is frequently the case in purchases of majority investments, the contractual arrangements in fact include a put option in the favour of the remaining non-controlling investors and a call option in the favour of Alkemy. The liabilities due to non-controlling investors were recognised with a balancing entry in goodwill in the case of companies acquired, whereas for companies established with non-controlling investors, the put option liability was recognised as a reduction of equity. In accordance with the provisions of IAS 32, the assignment of a put option in fact requires the initial recognition of a liability corresponding to the estimated redemption value, expected when the option is exercised, discounted at a factor calculated on the basis of the risk-free rate and credit spread of Alkemy and for which the fair value at 31 December 2021 was determined in consideration of the new redemption values expected at the time the option is exercised.

The put options whose exercise is contractually envisaged by 30 June 2023, are classified as current financial liabilities; in particular, they refer specifically to 49% of the capital of DGI S.r.l., the exercise of which is envisaged for June 2023 and 10% the capital of Alkemy Iberia S.L, the exercise of which was envisaged for July last.

The remaining put option liabilities can contractually be exercised after 30 June 2023.



The decrease of 1,733 thousand euros is due to:

- -2,173 thousand euros the exercise of the option over 24.99% of Alkemy Iberia S.L., during February 2022;
- 517 thousand euros, the recognition of the new put option on 25% of the quota capital of Alkemy Play S.r.l., to be exercised in June 2025;
- -142 thousand euros, the adjustment of the value of the put option on the remaining 10% of the share capital of Alkemy Iberia S.L., on the basis of the price paid last July;
- 65 thousand euros, the increase in interest on the passing of time (unwinding of the discounting of the strike price).

An analysis was performed of any impacts of the increase in market interest rates on the value of put option liabilities in place at 30 June 2022.

Specifically, the increase in the interest rates would on the one hand lead to the reduction in the related current payable at the same reference date, with a counter-entry of an increase in both interest of competence and in the equity reserves.

Amongst others, it is noted that at present, no significant effects are seen on the Group's business and, therefore, there are not yet adequate indicators for a review of the 2022-2024 plans (approved by the company's BoD on 21 January 2022), on which basis the most recent measurements at 31 December 2021, were performed. Therefore, the decision has been made to not change the put option liabilities at 30 June 2022, considering it more appropriate to offer a more prudent overview of the Group's effective financial position.

### 31. Employee benefits

Employee benefits come to 6,686 thousand euros (6,361 thousand euros at 31 December 2021) and refer to the post-employment benefits of employees and the end-of-office entitlement of the directors of the subsidiary Nunatac S.r.l., now merged into the Parent.

The change during the period was instead as follows:

	Figures in thousands of euros
<b>Balance at 31 December 2021</b>	<b>6,361</b>
Accruals	851
Utilisation	(526)
<b>Balance at 30 June 2022</b>	<b>6,686</b>

### 32. Provisions for risks and charges

The provision for risks and charges comes to 222 thousand euros (no change on 31 December 2021) and relates to:

- 152 thousand euros accrued by the Spanish subsidiary Ontwice, following a claim for compensation for damages made by a Spanish customer;
- 42 thousand euros for risks relative to an assessment by the labour inspectorate at the Spanish subsidiary Ontwice, following which it received a request for payment of sanctions, against which the subsidiary has lodged an appeal.



### 33. Deferred tax liabilities

Deferred tax liabilities come to 18 thousand euros (unchanged on 31 December 2021).

## Current liabilities

### 34. Trade payables

Trade liabilities come to 13,987 thousand euros (14,184 thousand euros at 31 December 2021).

Below is a breakdown of trade liabilities by geographical segment:

Figures in thousands of euros		
	30 June 2022	31 Dec. 2021
Italy	6,024	6,510
EU	4,326	4,775
Non-EU countries	3,637	2,899
<b>Total trade liabilities</b>	<b>13,987</b>	<b>14,184</b>

### 35. Tax liabilities

Tax liabilities come to 2,674 thousand euros (2,281 thousand euros at 31 December 2021).

The item includes liabilities for tax that is both certain and quantified, in relation to VAT, income tax and withholdings, as substitute tax; the relevant breakdown is as follows:

Figures in thousands of euros		
	30 June 2022	31 Dec. 2021
Current tax liabilities	936	715
Withholdings	972	943
VAT	669	520
Other tax liabilities	97	103
<b>Total tax liabilities</b>	<b>2,674</b>	<b>2,281</b>

Together with the subsidiaries Alkemy Play S.r.l., DGI S.r.l. and XCC S.r.l., the Parent has opted for the national tax consolidation scheme.

### 36. Other current liabilities

Other current liabilities come to 9,256 thousand euros (12,319 thousand euros at 31 December 2021), detailed as follows:

Figures in thousands of euros		
	30 June 2022	31 Dec. 2021
Social security charges	2,031	1,916
Due to employees	4,433	5,213
Accrued expenses and deferred income	2,357	4,722
Other liabilities	435	468
<b>Total current financial liabilities</b>	<b>9,256</b>	<b>12,319</b>

Due to employees includes the amounts due to employees, directors and collaborators; the item



includes accruals for 2022 not yet paid, in relation to bonuses, holidays, permits and 13th month salaries.

Accrued expenses and deferred income are recognised on an accruals basis. At 30 June 2022, there were no accruals or deferrals with a residual term of more than five years.

Other liabilities came to 435 thousand euros (468 thousand euros at 31 December 2021). At 30 June 2022, the item mainly includes 255 thousand euros relative to the residual payable due from a minority shareholder for the acquisition of 24.99% of Alkemy Iberia S.L. and 102 thousand euros relative to credit card payables.

### **37. Guarantees given and other commitments**

#### **Guarantees given**

At 30 June 2022, there are three insurance sureties for 522 thousand euros of the Parent issued to guarantee its correct fulfilment of its contractual obligations with a customer and following participation in calls for tenders, as well as a bank bond for 80 thousand euros held by DGI S.r.l., issued in the favour of the Lombardy Region, in order to guarantee the obligations envisaged in connection with a financed project.

### **38. Related party transactions**

Related party transactions are part of the group companies' routine business and were settled at arm's length (see Annex 2). No atypical or unusual transactions were noted.

No transactions took place with companies identified as related parties but not Group members, the effects of which have therefore been eliminated during the consolidation process.

As permitted by Articles 117 to 128 of the Consolidated Law on Income Tax, the Parent opted for the national tax consolidation scheme with the subsidiaries DGI S.r.l., XCC S.r.l. and Alkemy Play S.r.l.

### **Fees paid to directors, statutory auditors and key management personnel**

The fees paid in H1 2022 to the Parent's Board of Directors totalled 543 thousand euros (537 thousand euros in H1 2021), whilst those due to the Board of Statutory Auditors came to 31 thousand euros (same amount during the previous period). The fees due to the Board of Directors also includes the remuneration of the Chief Executive Officer for the role of key manager.

The fees due to the other five key managers in force at 30 June 2022 came to 471 thousand euros (cost of 657 thousand euros) as compared with 305 thousand euros in H1 2021 (cost of 426 thousand euros).

### **39. Contingent liabilities and main disputes**

The Group does not have any significant contingent liabilities for which information has not been disclosed in this report and which are not covered by suitable provisions.



In 2014, the Parent was served an amicable notice by the Revenue Agency relative to the 2011 tax period, on the offsetting of an asset for investment in research and development for 21 thousand euros. The Parent has broken the amount demanded down into instalments and has completed payment thereof. At the same time, Alkemy S.p.A. has submitted a supplementary return for the tax period under review, along with a claim for the reimbursement of the amount paid to date, as it believes that the amount in question is, indeed, due.

In 2018, the Parent was notified a writ of summons by a customer, with a demand for compensation for damage. After the outcome in the first instance proceedings in Alkemy S.p.A.'s favour, obtained in June 2021, on 15 July 2021, the opposing party submitted a writ of summons, lodging an appeal with statement of defence and response given by the Company on 4 February 2021. On the basis of the evidence and the positive outcome obtained in the first instance proceedings, Alkemy's lawyers believe the risk of losing to be remote.

As mentioned in Note 32, the Spanish subsidiary Ontwice has two disputes in progress:

- a claim for compensation for damages made by a customer for an amount of 303 thousand euros, in connection with which the directors of the subsidiary chose make a provision for risks in the amount of 152 thousand euros;
- following an assessment by the labour inspectorate, a provision has been made for risks of 42 thousand euros, which coincides with the liability connected with said dispute. The total amount demanded by the authorities comes to 84 thousand euros, for which the subsidiary has prepared an appeal and in connection with which the directors have prudently provisioned half the amount.

#### **40. Events after the reporting period**

Useful information on the following significant events that took place after period end is provided.

In order to provide employees with a participatory instrument that can align the interests of workers with those of the Alkemy Group, increasing the sense of belonging, participation and engagement of Group employees, as well as obtaining the loyalty of each and every employee and increasing the average duration of the contract of employment, starting last 1 July, Alkemy S.p.A. has launched a voluntary share purchase plan for employees, called "MyShare". Those adhering to MyShare dedicate part of their monthly salary (up to 5% or 400 euros) to buying Alkemy shares on the market, which, if held uninterruptedly for at least 36 months, grant one free share from the Company for every 4 shares purchased. This plan has to date been offered to employees of the Parent and, starting 2023, will be extended first to employees of the other Italian companies and, thereafter, to those of the external subsidiaries.

Last 7 July, the Parent became the sole shareholder of Alkemy Iberia S.L., following the purchase of 10% of its capital from the minority Spanish shareholders, following the exercise of the put option by the latter. The next step envisaged is to perform, by the end of this year, the merger of this latter company into the Spanish related company Ontwice Interactive Service S.L., with the aim of simplifying and concentrating operations on the Iberian market.



Last 19 July, the Parent signed a binding agreement for the purchase of 100% of the share capital of INNOCV Solutions S.L. ("INNOCV"), a company based in Madrid, market leaders in Spain in the digital transformation segment, in tech and data analytics. The operation was completed on 27 July 2022, upon the simultaneous payment of 5 million euros, with a contractual provision for additional price supplements ("earnouts") for up to a maximum additional 11 million euros, to be recognised and paid in multiple tranches through to 2026, according to the performance achieved by Innocv in 2022 - 2025. For this operation, the Company was financially backed by IntesaSanPaolo, which disbursed a loan of Euro 5 million with a five-year term, with a 12 month interest-only period and repayment in 16 quarterly instalments of equal amount.

The operation comes as part of the reorganisation project, strengthening Alkemy's presence in Spain, which began in 2022 with the entrance of Ruth Blanch as new Chief Executive Officer of Alkemy Iberia S.L.: a new form of industrialisation has in fact been launched of the Spanish business, seeking to integrate the entire geographic area of Southern Europe, laying the basis for the incremental results expected starting 2023, also consequent to the extension of the Group's perimeter on the Iberian market.

*Milan, 13 September 2022*

for the Board of Directors

the Chief Executive Officer

*Duccio Vitali*

## Annex 1

### THE ALKEMY GROUP COMPANIES AT 30 JUNE 2022

Below is a list of companies and significant equity investments of the Group with the indications required by Consob communication no. 6064293 of 28 July 2006.

The list indicates the companies divided by type of control and consolidation method.

For each company, moreover, the following information is given: business name, registered office and share/quota capital. The percentage held by Alkemy, directly or indirectly, is also shown.

Figures expressed in thousands

Business name	Registered office	Currency	Share/quota capital (in local currency)	Held by	Percentage of control
<b>Parent</b>					
Alkemy S.p.A.	Milan	Euro	596		
<b>Subsidiaries consolidated on a line-by-line basis:</b>					
Alkemy Play S.r.l.	Milan	Euro	10	Alkemy S.p.A.	75
Design Group Italia I.D. S.r.l.	Milan	Euro	119	Alkemy S.p.A.	51
eXperience Cloud Consulting S.r.l.	Rome	Euro	10	Alkemy S.p.A.	51
Ontwice Interactive Service S.L.	Madrid	Euro	6	Alkemy S.p.A.	100
Alkemy South America S.L.	Madrid	Euro	89	Alkemy S.p.A.	100
Alkemy Iberia S.L.	Madrid	Euro	10	Alkemy S.p.A.	90
Alkemy SEE D.o.o.	Belgrade	Serbian dinar	48,402	Alkemy S.p.A.	70
Ontwice Interactive Service S.A. Mexico City	Mexico City	Mexican peso	100	Alkemy South America S.L.	100
Ontwice Interactive Service Digital S.A. Mexico City	Mexico City	Mexican peso	50	Alkemy South America S.L.	100
Kreativa New Formula D.o.o.	Belgrade	Serbian dinar	601	Alkemy SEE D.o.o.	70
Alkemy Play D.o.o.	Belgrade	Serbian dinar	-	Alkemy Play S.r.l.	75
Design Group Italia ehf.	Reykjavik	Icelandic króna	500	Design Group Italia I.D. S.r.l.	51
Design Group Italia Corp.	New York	USD	10	Design Group Italia I.D. S.r.l.	51

## Annex 2

### INCOME STATEMENT PREPARED IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

In compliance with the provisions of Consob resolution no. 15519 of 27 July 2006 and Consob communication no. DEM/6064293 of 28 July 2006, below is the Income Statement with separate indication of related party transactions.

Figures in thousands of euros

	H1 2022	of which with related parties	H1 2021	of which with related parties
Revenue from sales and services	48,324		43,750	
Other revenue and income	692		799	
<b>Total revenue and income</b>	<b>49,016</b>	<b>-</b>	<b>44,549</b>	<b>-</b>
Services, goods and other operating costs	(22,401)	(31)	(22,211)	(31)
- of which non-recurring	(66)		(14)	
Personnel expense	(21,505)	(1,014)	(18,152)	(842)
- of which non-recurring	(249)		(841)	
<b>Total costs and other operating costs</b>	<b>(43,906)</b>	<b>(1,045)</b>	<b>(40,363)</b>	<b>(873)</b>
<b>Gross operating profit</b>	<b>5,110</b>	<b>(1,045)</b>	<b>4,186</b>	<b>(873)</b>
Amortisation/depreciation	(1,340)		(1,005)	
Provisions and impairment losses	(70)		(3)	
<b>Operating profit</b>	<b>3,700</b>	<b>(1,045)</b>	<b>3,178</b>	<b>(873)</b>
Net gains (losses) on equity investments	-		(308)	
Financial income	509		143	
Financial expense	(594)		(415)	
<b>Pre-tax profit</b>	<b>3,615</b>	<b>(1,045)</b>	<b>2,598</b>	<b>(873)</b>
Income taxes	(1,136)		(1,022)	
<b>Profit for the period</b>	<b>2,479</b>	<b>(1,045)</b>	<b>1,576</b>	<b>(873)</b>



## STATEMENT OF FINANCIAL POSITION PREPARED IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

In compliance with the provisions of Consob resolution no. 15519 of 27 July 2006 and Consob communication no. DEM/6064293 of 28 July 2006, below is the Statement of Financial Position with separate indication of related party transactions.

Figures in thousands of euros				
Assets	30 June 2022	of which with related parties	31 Dec. 2021	of which with related parties
<b>Non-current assets</b>				
Property, plant and equipment	2,086		1,809	
Right-of-use assets	5,001		5,332	
Goodwill	41,255		41,249	
Intangible assets with a finite useful life	1,225		863	
Equity investments	5		5	
Non-current financial assets	2,281		1,789	
Deferred tax assets	1,369		1,789	
Other non-current assets	239		241	
<b>Total non-current assets</b>	<b>53,461</b>	<b>-</b>	<b>53,077</b>	<b>-</b>
<b>Current assets</b>				
Trade receivables	33,602		36,040	
Current financial assets	82		84	
Tax assets	1,745		1,274	
Other current assets	2,836	66	2,885	
Cash	8,383		10,458	
<b>Total current assets</b>	<b>46,648</b>	<b>66</b>	<b>50,741</b>	<b>-</b>
<b>Total assets</b>	<b>100,109</b>	<b>66</b>	<b>103,818</b>	<b>-</b>

Figures in thousands of euros

Liabilities and Equity	30 June 2022	of which with related parties	31 Dec. 2021	of which with related parties
<b>Equity</b>				
Share capital	596		596	
Reserves	35,300		31,517	
Profit for the period/year	2,469		4,263	
<b>Equity attributable to owners of the parent</b>	<b>38,365</b>	<b>-</b>	<b>36,376</b>	<b>-</b>
<b>Equity attributable to non-controlling interests</b>	<b>335</b>		<b>323</b>	
<b>Total equity</b>	<b>38,700</b>	<b>-</b>	<b>36,699</b>	<b>-</b>
<b>Non-current liabilities</b>				
Financial liabilities	8,850		11,269	
Lease liabilities	3,767		4,009	
Put option liabilities	4,125		6,575	
Employee benefits	6,686		6,361	
Provisions for risks and charges	222		222	
Deferred tax liabilities	18		18	
<b>Total non-current liabilities</b>	<b>23,668</b>	<b>-</b>	<b>28,454</b>	<b>-</b>
<b>Current liabilities</b>				
Financial liabilities	6,813		5,502	
Lease liabilities	1,388		1,473	
Put option liabilities	3,623		2,906	
Trade payables	13,987		14,184	
Tax liabilities	2,674		2,281	
Other liabilities	9,256	79	12,319	98
<b>Total current liabilities</b>	<b>37,741</b>	<b>79</b>	<b>38,665</b>	<b>98</b>
<b>Total liabilities</b>	<b>61,409</b>	<b>79</b>	<b>67,119</b>	<b>98</b>
<b>Total liabilities and equity</b>	<b>100,109</b>	<b>79</b>	<b>103,818</b>	<b>98</b>

**ATTESTATION ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS SUBSEQUENTLY AMENDED AND INTEGRATED**

1. We the undersigned, Duccio Vitali, Chief Executive Officer and Claudio Benasso, the manager appointed to prepare the company's accounting documents of Alkemy S.p.A., having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree no. 58 dated 24 February 1998, hereby certify:

- the adequacy, considering the Group's characteristics, and
- the effective application

of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements during H1 2022.

2. It is also attested that the condensed interim consolidated financial statements:

- are consistent with the underlying books and accounting records;
- have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- give a true and fair view of the financial position, financial performance and cash flows of the issuer and the group of companies included in the consolidation scope.

3. Finally, it is certified that the Report on Operations contains a reliable analysis of the business outlook and results of operations, the financial position of the Company and group of companies included in the consolidation scope and a description of the main risks and uncertainties to which they are exposed. The Report on Operations also contains a reliable analysis of information on significant related party transactions.

*Milan, 13 September 2022*

Chief Executive Officer

Manager appointed to prepare the  
company's accounting documents

**(signed on the original)**

**(signed on the original)**

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Duccio Vitali

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Claudio Benasso



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**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

## **Report on review of condensed interim consolidated financial statements**

*To the shareholders of  
Alkemy S.p.A.*

### **Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of the Alkemy Group, comprising the statement of financial position as at 30 June 2022, the income statement and the statements of comprehensive income, cash flows and changes in equity for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### **Scope of the review**

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.



**Alkemy Group**

*Report on review of condensed interim consolidated financial statements  
30 June 2022*

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Alkemy Group as at and for the six months ended 30 June 2022 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 13 September 2022

KPMG S.p.A.

(signed on the original)

Luigi Garavaglia  
Director of Audit