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

Alkemy S.p.A.

Interim Financial Report at 30 June 2024

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

Contents

Corporate bodies of Alkemy S.p.A.

Board of Directors

Alessandro Mattiacci	Chairman
Duccio Vitali	Chief Executive Officer
Massimo Canturi	Director
Riccardo Lorenzini	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.

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Highlights

Below are the performance data of the Alkemy Group in H1 2024:

Figures in thousands of euros	H1 2024	H1 2023
Net revenue (1)	58,237	57,477
Adjusted gross operating profit (EBITDA) (2)	4,759	5,979
Adjusted operating profit (3)	2,126	3,673
Profit for the period	(855)	1,409
Average number of employees	903	934

Figures in thousands of euros	H1 2024	H1 2023
Italy net revenue	36,915	35,559
Abroad net revenue	21,322	21,918
Net revenue	58,237	57,477

Figures in thousands of euros	30 Jun. 2024	31 Dec. 2023
Net invested capital	78,400	79,489
Net financial debt	(31,093)	(31,773)
Equity	47,307	47,716

(1) Net revenue is defined as the sum of revenue and other income
(2) 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.
(3) 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 "Parent") 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-sized enterprises, stimulating the evolution of their business model hand-in-hand with technological innovation and consumer habit. 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 Parent'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 eleventh 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 1000 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 has 11 offices: in addition to the Milan headquarters, it also operates in Turin, Rome, Naples, Potenza, Cagliari, Rende (Cosenza), Madrid, Belgrade, Mexico City and New York.

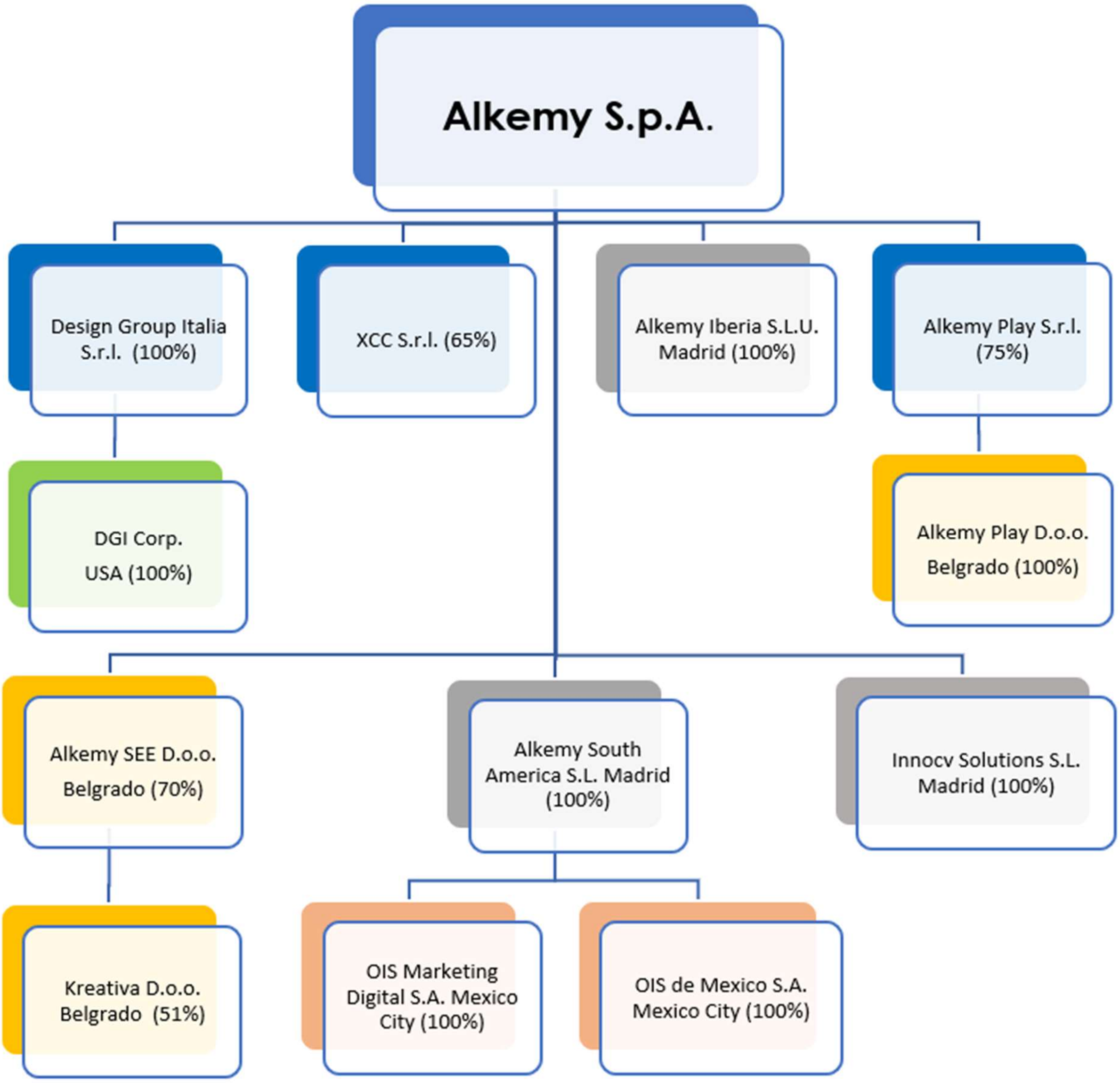
December 2017 saw Alkemy début on the Borsa Italiana AIM Italia market to gather the capital necessary to finance the growth and expansion of the corporate competences, leaving control over the business with the managers and consequently guaranteeing independence and the possibility of perpetrating the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

From when it was listed, in just two years, Alkemy has managed to almost double its turnover and in December 2019, it finalised the switch to Borsa Italiana's main market, in the STAR segment dedicated to medium-sized 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.

At 30 June 2024, the Alkemy Group structure is as follows:



Alkemy Play S.r.l.: company established in 2017, operating in digital communication services for SMEs. The company controls a legal entity that operates in the development of IT and technological services in Serbia, **Alkemy Play D.o.o.**.

Alkemy SEE D.o.o.: company based in Belgrade, established in 2016 with 30% of its share capital held by the Chief Executive Officer, a local entrepreneur; it operates in strategic consultancy and digital advisory services. The company holds a 51% stake in **Kreativa D.o.o.**.

Alkemy Iberia S.L.U.: formerly Ontwice Interactive Service S.L., merged with Alkemy Iberia S.L. in 2022 and taking on its name. The company is based in Madrid and operates in strategic consultancy and digital advisory and is one of Spain's most important digital agencies.

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 in the first half of 2026.

Design Group Italia ID S.r.l. ("DGI"): company operating in the field of 'innovation & design'. The put & call options envisaged by contract, enabled the Parent to acquire the entire capital in the third quarter of 2023. The Company controls a legal entity operating in the USA: **DGI Corp.**.

Innocv Solution S.L.: , a company acquired in 2022, based in Madrid, and a market leader in Spain in the digital transformation segment, specifically in tech and data analytics.

Business units

As of January 2024, the Group has implemented a new organisation in Italy with a commercial structure divided into 5 Industries, whose managers are assigned the full management of all customers belonging to each business area and who are also accountable for project delivery, to be carried out by the various Competence Centres.
The five Industries are:

1) Entertainment & life style;
2) Energy & utilities;
3) Technology & telco;
4) Financial services & institutions;
5) Healthcare & pharma.

The Competence Centres, which represent and apply the different disciplines practised within the Group, are as follows:

> **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;

> **Marketing & Media**: 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.

The Competence Centre Brand Experience has integrated the disciplines of DGI, a leader in **Product, Service & Space Design**: on a 'design thinking' basis, the company is dedicated to the design of services, physical and digital products that affect everyday life and physical spaces/environments in which people and brands can interact and share meaningful experiences; it operates in an omni-channel logic, with a focus on value creation through experiential innovation. Analysing customers' businesses, including their processes, culture and resources, it aims to foster additional commercial opportunities and innovate the end customer experience.

This 'client-driven' organisation confirms Alkemy's growing focus on customers' needs, with the aim of further developing the portfolio of companies served with an increase in the average size and duration of projects, through the widespread proposal of the Group's entire commercial offer, further characterised and tailored to the specificities of each Industry. This approach will be applied for the supply of all national companies, with expected improvements in terms of margin growth from 2025 onwards.

Report on Operations

H1 2024 performance

In the first half of 2024, the macroeconomic and geopolitical environment continues to be characterised by great uncertainty, especially as a result of unpredictable developments in geo-political tensions, and shows generally moderate growth prospects, with unfavourable impacts on business and corporate expectations. It should be noted that in any case, Italian GDP is expected to grow by 1% in the current year and just over 1% in 2025, moderately accelerating from 2023 (source: Istat - The Outlook for the Italian Economy in 2024- 2025 - 6 June 2024). The reduction in interest rates expected in the last quarter of the year, as a result of the reduced inflationary trend, could bring benefits in this respect.

In this complex and low visibility macroeconomic context, the Alkemy Group's overall business performance, as detailed below, was reasonably non-negative.
Indeed, the Alkemy Group reported slightly higher net revenues compared to H1 2023 (+1.3%), due to the expected effect of the combination of a good business performance in Italy, which was partially offset by the expected impact of certain dynamics on specific customers of the subsidiaries Alkemy Iberia and Alkemy Latam. Conversely, there was a significant decrease in margins, resulting in an adjusted consolidated EBITDA of EUR 4,759 thousand (EUR 5,979 thousand in the comparative period, -20.4%), mainly due to the different mix of services sold. Operating cash flow generation in the first half of 2024 was EUR +3.1 million. The Net Financial Position as at 30 June 2024 amounted to EUR -31.1 million (EUR -31.8 million as at 31 December 2023), an improvement of EUR 680 thousand (2.14%).

Finally, it should be noted that at the end of the first half of 2024, the average number of Group employees decreased by 3% (903 compared to 934 at 30 June 2023).

Reclassified income statement

The Group's reclassified income statement for H1 2024, compared with the figures for H1 2023, is as follows [4]:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Net revenue	**58,237**	**57,477**
Services, goods and other operating costs	(26,237)	(24,138)
Personnel expense	(27,241)	(27,360)
Adjusted gross operating profit (EBITDA)	**4,759**	**5,979**
Amortisation, depreciation and impairment losses	(2,633)	(2,306)
Adjusted operating profit	**2,126**	**3,673**
Net Financial income (expense)	(896)	(915)
Non-recurring expense	(2,108)	(668)
Pre-tax profit (loss)	**(878)**	**2,090**
Income taxes	23	(681)
Profit (loss) for the period	**(855)**	**1,409**
Other comprehensive income recognised in equity	74	195
Comprehensive income for the period	**(781)**	**1,604**
Profit for the year attributable to non-controlling interests	2	(18)
Profit for the year attributable to the owners of the parent	(783)	1,622

The Group's consolidated economic situation for the first half of 2024 shows total net revenue of euro 58,237 thousand, compared to euro 57,477 thousand in the comparative period, with an increase of euro 760 thousand (+1.3%), which is the result of the combined effect of the increase in net revenue from the Italian segment of euro 1,356 thousand and the decrease in net revenue from the foreign segment of euro -596 thousand.

Net revenue recorded in Italy, which accounts for 63.4% of consolidated revenue (61.9% in the same period of 2023), totals 36,915 thousand euros (35,559 thousand euros in the corresponding period of the previous year), up 1,356 thousand euros (+3.8%).

Abroad, net revenue comes to 21,322 thousand euros, compared with the 21,918 thousand euros in the same period of 2023 (-2.7%).

The overall decrease of euro 596 thousand in net revenue from foreign companies is mainly the result of the combined effect of (i) the increase in revenue from DGI Corp, Kreativa D.o.o. and Innocv Solution S.L. (compared to the comparative period, respectively + 1,006 thousand euro, + 727 thousand euro and + 669 thousand euro) and (ii) the decrease in revenue of Alkemy Iberia S.L.U and

(4) Costs for services, goods and other operating costs as well as personnel expense, are stated net of the non-recurring portion
For the definition of Net revenue, Adjusted EBITDA and Adjusted operating profit, please refer to the footnotes in the "Highlights" section.

the Mexican companies (compared to the comparative period, respectively -2,274 thousand euro and -679 thousand euro).

Operating costs (net of non-recurring items) increased from 51,498 thousand euro in H1 2023 to 53,478 thousand euro in H1 2024, an increase of 1,980 thousand euro (+3.8%), more than proportional to the growth in net revenue achieved. Specifically:

- Costs for services, goods and other operating costs net of non-recurring items, which amounted to 26,237 thousand euro in the first half of 2024 (24,138 thousand euro in the first half of 2023), increased by 8.7% compared to the same period of the previous year, mainly as a result of the different type of services rendered to customers;
- Personnel expense net of non-recurring items, amounting to 27,241 thousand euro in the first half of 2024, were substantially in line with the same period of the previous year (27,360 thousand euro in the first half of 2023).

The incidence of operating costs on revenue, net of non-recurring costs, therefore increased to 91.8% compared to 89.6% in H1 2023.

The effects of the above resulted in an adjusted EBITDA of EUR 4,759 thousand, down 20.4% from the adjusted EBITDA of the first half of 2023 (EUR 5,979 thousand). The adjusted gross operating profit margin (5) for H1 2024 came to 8.2% (10.4% in H1 2023).

Note that the favourable euro-Mexican peso exchange rate has resulted in an increase in adjusted EBITDA of 53 thousand euros, calculated at equal rates with respect to the same period in 2023.

Adjusted operating profit, gross of financial income and expense and non-recurring expense, comes to 2,126 thousand euros, down 1,547 thousand euros on H1 2023 (3,673 thousand euros), mainly as a result of higher operating costs (+1,980 thousand euros on the comparative period).

Financial expense, net of related income, amounted to 896 thousand euros, in line with the same period of the previous year (915 thousand euros).

Non-recurring expense comes to 2,108 thousand euros (668 thousand euros in the comparative period) and mostly refers to non-recurring personnel expense (2,062 thousand euros). This amount is mainly related for 1,806 thousand euros to costs for the early implementation of the effects of the 2024-2026 Long-Term Incentive Plan, as a consequence of the presentation of the Tender Offer on the company's shares (better described in the following paragraphs) and in compliance with the Plan regulation.

The pre-tax loss is -878 thousand euros, down 2,968 thousand euros (-142%) on the pre-tax profit of the first half of 2023 (2,090 thousand euros), mainly as a result of the effect of higher operating costs and non-recurring items, compared to the same period of the previous year.

The net loss for the period was euro -855 thousand, compared to a profit of euro 1,409 thousand in

(5) The adjusted gross operating profit margin is calculated by comparing the adjusted gross operating profit to total net revenue

the first half of 2023.

Reclassified statement of financial position

Below is the Group's reclassified statement of financial position at 30 June 2024, compared with that at 31 December 2023:

		Figures in thousands of euros
	30 Jun. 2024	**31 Dec. 2023**
Non-current assets	**67,579**	**67,526**
Current assets	48,591	50,678
Current liabilities	(30,995)	(32,113)
Net working capital	**17,596**	**18,565**
Post-employment benefits	(6,655)	(6,477)
Provision for risks, charges and deferred tax liabilities	(120)	(125)
Net invested capital	**78,400**	**79,489**
Equity	**47,307**	**47,716**
Non-current financial debt	26,979	25,956
Current financial debt	4,114	5,817
Net financial debt	**31,093**	**31,773**
Total sources of finance	**78,400**	**79,489**

The reclassified statement of financial position at 30 June 2024 indicates net invested capital of 78,400 thousand euros, compared with 79,489 thousand euros at 31 December 2023, which consists of:

- non-current assets of 67,579 thousand euros (67,526 thousand euros at 31 December 2023) of which 54,870 thousand euros for goodwill and 5,511 thousand euros for right-of-use assets (at 31 December 2023 they came to 54,871 thousand euros and 6,274 thousand euros, respectively);
- net working capital of 17,596 thousand euros (18,565 thousand euros at 31 December 2023);
- post-employment benefits of 6,655 thousand euros (6,477 thousand euros at 31 December 2023);
- provisions for risks, charges and deferred tax liabilities of 120 thousand euros (125 thousand euros at 31 December 2023).

Equity of 47,307 thousand euros decreased by 409 thousand euros on 31 December 2023 (-0.9%), mainly due to:

- -855 thousand euro as the overall net loss for the period;
- +420 thousand euro as the fair value gains on put option liabilities.

The net financial debt is 31,093 thousand euros (debt of 31,773 thousand euros at 31 December 2023) and its change with respect to the previous year end is detailed in the next paragraph.

Main financial figures

The table below details the net financial debt at 30 June 2024 compared with that at 31 December 2023:

		Figures in thousands of euros
	30 Jun. 2024	**31 Dec. 2023**
Bank deposits	7,382	12,025
Cash on hand	4	4
Cash and cash equivalents	**7,386**	**12,029**
Current financial assets	**0**	**86**
Bank loans and borrowings	(12,254)	(10,314)
Put option and earn-out liabilities	(9,373)	(9,553)
Loans and borrowings from other financial backers	(1,794)	(1,693)
Lease liabilities – IFRS 16	(3,558)	(4,396)
Non-current financial liabilities	**(26,979)**	**(25,956)**
Bank loans and borrowings	(9,216)	(11,532)
Put option and earn-out liabilities	0	(4,202)
Loans and borrowings from other financial backers	(92)	(88)
Lease liabilities – IFRS 16	(2,192)	(2,110)
Current financial liabilities	**(11,500)**	**(17,932)**
Net financial debt	**(31,093)**	**(31,773)**

The Group's net financial debt at 30 June 2024 is 31,093 thousand euros (31,773 thousand euros at 31 December 2023), with a period improvement of 680 thousand euros. This change, detailed and explained in the Statement of Cash Flows given over the next few pages, is mainly due for:

- + 4,382 thousand euro to the decrease in put option and earn-out liabilities, mainly due to the exercise of the put option on 14% of the share capital of XCC S.r.l. (620 thousand euros) and the payment of the first tranche of earn-outs provided for in favour of the former shareholders of Innocv Solutions S.L. (3,595 thousand euros);
- +756 thousand euros for the decrease in lease liabilities, mainly due to the effect of the payment of rentals for the period, only partially offset by the signing of new contracts and the extension of existing contracts;
- +271 thousand euros for the decrease in bank loans and borrowings and loans and borrowings from other financial backers, mainly due to the combined effect (i) of the repayment of instalments envisaged by the bank loan repayment plans (+3,733 thousand euros), (ii) +1,726 thousand euros for invoice discounting (net of the disbursements made by

the Parent) and (iii) -5,187 thousand euros for new loans;
- -4,643 thousand euros for the decrease in cash and cash equivalents.

Significant events during the period

In addition to what has already been indicated in the section "H1 2024 performance", it is deemed useful to provide information on the following events that occurred during the first half of the year.

Alkemy S.p.A.'s separate financial statements at 31 December 2023, which were approved by the Parent's Board of Directors on 28 March this year, were submitted to the Shareholders' Meeting on 29 April 2024. The Shareholders resolved to approve them and to carry forward the profit for the year.

During the aforementioned Board of Directors of 28 March, Mr Paolo Cederle was appointed General Manager of Alkemy S.p.A.; he is a senior manager of high standing, with extensive experience, including international experience, in various large groups, to whom, on 29 April, the appropriate powers were conferred regarding the management of all the national and Spanish companies, to support both the implementation of the new organisation active from the current financial year and the development of the Group's business.

On 3 June of this year, Retex S.p.A. Società Benefit (controlled by Fondo Strategico Italiano SGR) announced, by means of a notice published pursuant to article 102, paragraph 1, of Legislative Decree no. 58 of 24 February 1998, a voluntary public takeover bid (hereinafter the "Takeover Bid") concerning a total number of 5,685,460 shares of Alkemy S.p.A., representing 100% of the Company's share capital, at the price of 12 euro per share. The promotion of the Takeover Bid was completed by Retex S.p.A. on 24 June with the filing of the Offer Document with Consob, which was approved on 24 July. Acceptance of the Bid commenced on 19 August and will end on 20 September next, subject to any extensions. Please refer to (i) Notes 26 and 29 for a description of the potential effects, (ii) Note 4 for a description of the accounting effects of the Takeover Bid on the Alkemy Group's consolidated financial statements, and (iii) Note 39 and the relevant paragraph of this interim Report on Operations for a description of the significant events occurring after the end of the period, relating to the aforementioned takeover bid.

On 14 June, the provisions of the agreement with the previous shareholders of Innocv Solutions S.L. were implemented with the payment of the first earn-out tranche.

On 18 June, the purchase of a further 14% of XCC S.r.l.'s share capital from minority shareholders was formalised, bringing the company's stake to 65%.

The liquidity required for both transactions was raised through the signing of a medium- to long-term loan with Unicredit, in the amount of EUR 4.5 million, to be repaid in five years (with 12 months grace period) in quarterly instalments at a variable rate equal to the Euribor reference rate plus a spread of 1.35%. To hedge against the risk of future increases in interest rates, the Company entered into a derivative instrument ("collar") with Unicredit, constructed in a manner consistent with the repayment terms of said loan.

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 EU average, the levels of basic digital competence are "very low". In fact, according to DESI, despite the fact that Italy has substantially improved its performance in recent years, in particular thanks to the establishment of a Ministry for Technological Innovation and Digital Transition, it comes in 18th out of the 27 EU Member States, particularly behind France, 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, partly due to pandemic-related contingencies, there has in any case been a significant improvement compared to the 2018 study, in which only 11% of companies were fully digital. 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 precisely to the digital transition.

While we 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 in 2023, 86.1% of the population (70% in 2019), the increase in e-commerce (+20% in absolute value compared with 2021), the extensive adoption of working from home schemes (by over 45% of companies 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 43.9 million Italians were active on social media every day in 2023 (+24% on 2019).

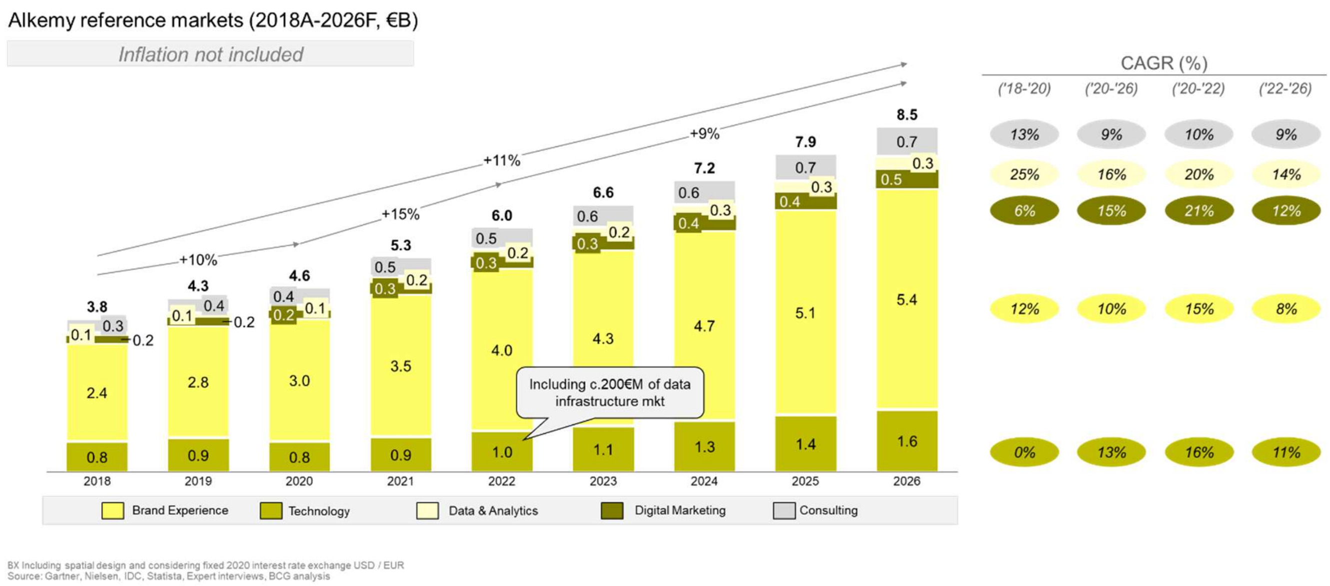
The growth rate set to characterise Italy over the next few years could be even more significant precisely thanks to the new habits that have been consolidated and the drive on investments in the digital transition. This would allow for both a partial recovery of the gap with respect to other European 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 (Italian National Resilience and Recovery Plan) for all companies of any segment. Following the COVID-19 emergency, in fact, all segments of the economy were 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.

Alkemy's national target market, Digital Transformation, was worth more than 6 billion euros already in 2022, with year-on-year growth rates of more than 10% (15% in 2021). The main market drivers include, with an expected double-digit CAGR 2022-2026, the Data and Tech areas (+14% and +11% respectively), which encompass and enable new emerging technologies: in 2012 the digital world, now artificial intelligence. Market data refer to the specific sector in which the Group operates, i.e. that of Digital Transformation services for the Marketing&Sales chain (e.g. the Tech area includes only the market for the development, maintenance and implementation of e-commerce, CRM, websites). With lower expected growth (8%), but significant sizing, we then find the Brand and Design segment, which alone exceeds 65% of the market value.

As regards the export markets covered by the Group, instead, the estimated figures are as follows:

- the Balkans (Slovenia, Croatia, Bosnia-Herzegovina, Serbia, Montenegro, Albania, Macedonia): 0.5 billion euros in 2022, with annual growth expected for the 2022-2026 period of 9.0%;
- Iberian peninsula: 5.0 billion euros in 2022, with annual growth of 10.5% expected for the 2022-2026 period. However, growth is expected to be more significant as a result of the consolidation of the offer of the Spanish-based InnoCV, which was acquired in 2022,
- Mexico: 3.1 billion euros in 2022, with annual growth expected for the 2022-2026 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.



Competitors

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 English-speaking 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.

Indeed, Alkemy is the only player that is 'natively' integrated and that operates by synergistically combining different competences, whereas other players are either focused on only a few ingredients or maintain a strong legacy with respect to a specific competence (e.g. Accenture with Tech). This peculiarity makes Alkemy the ideal partner to accompany companies in their Digital Transformation, a true 'chemical transformation', which cannot be carried out with only one competence (e.g. technology), but which requires the combination of many elements ranging from strategy to technology, from data to creativity which, when combined together, accomplish the alchemy of transformation.

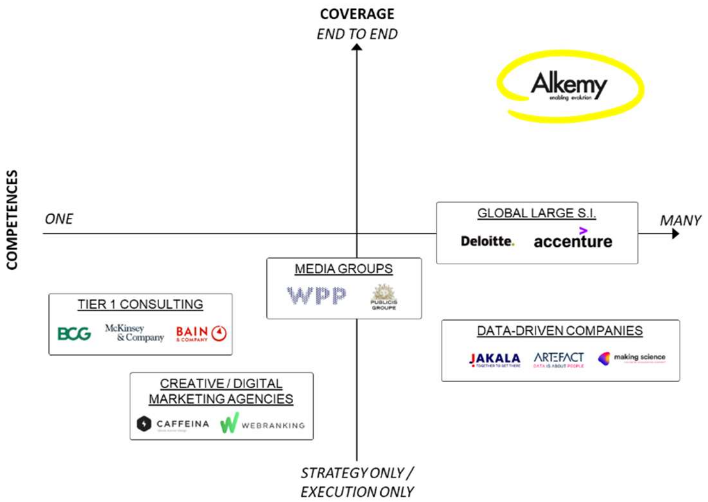
The Parent believes that the competitive scenario in Italy is basically overseen by three types of players: peers (independent mid-size players and cross-competence), large tech or media groups (such as Deloitte, Accenture, Engineering or Publicis, Wpp) and specialists (small-size and vertical players on a specific competence).

At the macro level:

- the **large Tech/System Integrator Groups** are consolidating. 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 skills through the acquisition of communication agencies. These operators include, when focusing specifically on the digital segment, Accenture Interactive, Deloitte Digital and the Reply division assigned to this activity. Also falling within this segment are the **big Media Centres** such as Publicis or WPP, whose size in Italy is currently smaller than that of the big technology players and whose strength remains their large transactional volumes with specific reference to the Digital Marketing market;

- **Specialists**, on the opposite side of the spectrum, are on average smaller players recognised in the market for their specific competence (e.g: Webranking for digital marketing, Caffeina among communication agencies) though, in a competitive market, they are exposed to the risk of being consolidated by larger groups (this is the case, for instance, of Simple Agency, acquired by Dentsu as early as 2013);
- **Peers**, including **Data driven companies**, are independent mid-size players mainly oriented towards strategy or execution only (in Europe, they include Jakala, the Spanish Making Science and the French Artefact). Lastly, potential peers include **Traditional consulting** companies, which have a strong position in traditional strategy and process consultancy services and which are evolving their business model, organically or through acquisitions and partnerships, so as to be able to offer execution services on digital (e.g. BCG Platinon).

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.



(Source: internal study)

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.

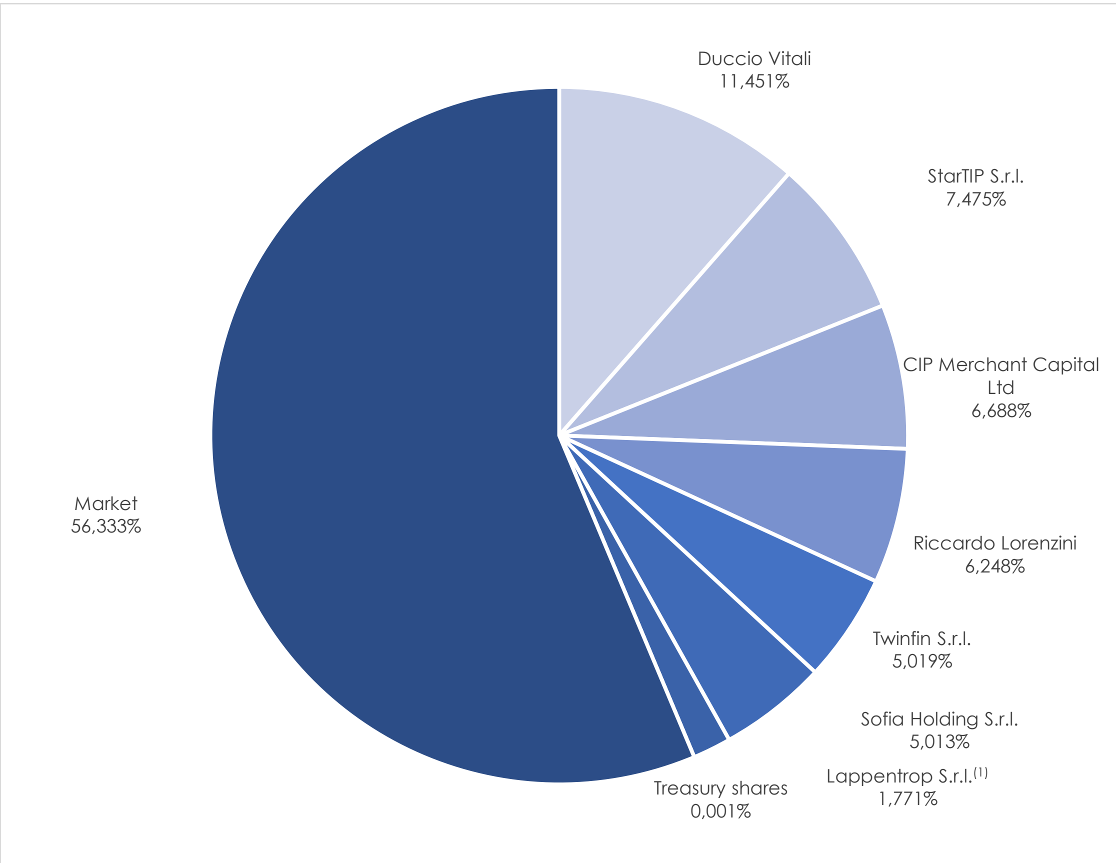
The STAR segment of Borsa Italiana is dedicated to medium-sized enterprises with capitalisation of between 40 million and 1 billion euros, which undertake to respect requirements of excellence in terms of:

- 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 Parent's share capital is represented by 5,685,460 ordinary shares, conferring, at 30 June 2024, a total of 6,832,660 voting rights and, specifically:

(i) 4,538,692 ordinary shares, without loyalty shares, conferring 4,538,692 voting rights (ii) 1,146,768 ordinary shares, with loyalty shares, conferring 2,293,536 voting rights.

Ownership structure (significant shareholdings) at 30.06.2024



(1) Lappentrop S.r.l. 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 30.06.2024: €12.10
Capitalisation at the date of admission: €63,489,127.50
Capitalisation at 30.06.2024: €68,794,066

Alkemy share performance

During H1 2024, the Alkemy share performed positively compared to 30 December 2023.

In particular, during the first quarter, the share price rose steadily, reaching its half-year peak on 20 March, with a price per share of Euro 12.70 (+38% compared to the closing price at 31.12.2023). Despite the fact that the results for the financial year ending 31.12.2023, which were released on 28 March, were in line with market expectations, the share price has been on a downward trend since the announcement. The trend is only partially justified by the announcements of the impact of certain customer dynamics on the expected 2024 results, which accompanied the release of the first quarter results on 15 May. On 21 May, the share reached its lowest closing price for the quarter, at EUR 8.90 per share (-3.16% compared to the closing price on 31.12.2023).

With the announcement on 3 June by Retex S.p.A. - Società Benefit of its intention to promote a voluntary total takeover bid on Alkemy S.p.A. shares, with a proposed price of Euro 12.00 per share, the Alkemy share price reached Euro 12.00 per share as early as 7 June, and then remained steadily above the offered price until the end of the half-year period. The share then ended the semester with a price per share of Euro 12.10.

The Alkemy share thus closed the six-month period with +31.7% growth compared to the end of the previous year, performing better than the STAR segment in the same period (+0.39%).

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 2023.

The Alkemy shares traded during the first half of 2024 amounted to 1.657 million, up 95% from the 847,905 shares traded during the same period in 2023. The value of trades in the first half of 2024 was EUR 18.833 million, up 78% compared to the value for the same period in 2023 of EUR 10.584 million.

The graph below shows the performance of the Alkemy share and the turnover of trades from the date of admission to trading to 30 June 2024 and the daily turnover of trades.

Analyst Coverage

- Intermonte, IPO Report November 2017 (Joint Global Coordinator & Specialist)
  Research Analyst: Gianluca Bertuzzo
  INITIAL COVERAGE: 01 February 2018

- Intesa Sanpaolo, IPO Report November 2017 (Joint Global Coordinator)
  Research Analyst: Gabriele Berti
  INITIAL COVERAGE: 06 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. As of 30 June 2024, the valuation expressed on the Alkemy share is suspended as Intermonte acts as advisor to Retex S.p.A. - Benefit Company (previously Target Price of EUR 11.40 with OUTPERFORM recommendation).
- Intesa Sanpaolo: bases the valuation of the Alkemy share on the DCF model and peer analysis. The target price is 12.00 euros with a HOLD recommendation dating back to June 2024 (previous target price of Euro 14.50 with a BUY recommendation).
- Mediobanca: bases the valuation of the Alkemy share on the DCF model and peer analysis. As of 30 June 2024, the valuation expressed on the Alkemy share is suspended as Mediobanca acts as advisor to Retex S.p.A. - Benefit Company (previously Target Price of EUR 11.00 with Neutral recommendation).

Description of the main risks and uncertainties to which the Group is exposed

In a context characterised by market instability and the rapid evolution of business and regulatory dynamics, a careful and effective management of risks and opportunities is essential in order to support an informed decision-making process that is consistent with the strategic objectives and guarantee business sustainability and the creation of value in the medium/long-term.

In going about its business, the Group is exposed to risks and uncertainties deriving from exogenous factors connected with the general or specific macroeconomic context of the operating segments in which it operates, as well as risks deriving from strategic choices and internal operating risks.

Such risks have been systematically identified and mitigated through the monitoring and timely oversight of risks as they arose.

Risk management is centralised in the Group, although individual managers are responsible for the identification, monitoring and mitigation of such, also in order to better measure the impact of each risk on business operations, reducing the onset and/or limiting the effects depending on the trigger.

Under the scope of business risks, below are the principles governing the Group in application of Art. 2428 of the Italian Civil Code.

Risk connected with competitiveness

Reference is made to the information given in the paragraph “Competitors”.

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 products and services supplied.

Risk of customer dependency

The Group offers its services mainly to medium and large-sized companies operating in diversified sectors and in different geographical areas. A limited part of the Group's revenue is concentrated on a relatively small number of customers, any losses of which might thus affect the Group's business and financial position. Moreover, South American customers account for over 80% of the Mexican subsidiary's revenue.

Climate risks

In relation to climate risks, in particular connected with climate change, the Group conducted a preliminary internal assessment in order to identify their extent and pervasiveness at both actual and forecast level. Possible impacts on estimates, changes in the useful life of assets, and potential impairment of trade receivables and other assets were analysed. It is noted that in view of the business model and the analyses performed, the Group has no significant exposure to environmental risks in particular connected with climate change.

Russia-Ukraine military conflict

The Group does not operate directly in the countries involved in the Russia-Ukraine conflict. However, in this context, various types of risk become important, in particular those connected with:

- the development of the business of the Group’s direct customers in these countries;
- macroeconomic and financial factors, such as the volatility of the price of energy commodities, volatility of the prices of raw materials, volatility envisaged on the global financial markets, in exchange rates and in interest rates;
- cyber crime, e.g. direct attacks against the assets of companies operating *in situ* or in neighbouring countries, or the intensification of such with a potential impact on the interruption of service and critical infrastructures.

The Group has equipped itself with processes and procedures that support the identification, management and monitoring of events with potential significant impacts on resources and the business. These processes seek to maximise a timely and effective response.

A

Risk connected with financial operations

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.

Credit risk

With reference to the risk of potential losses deriving from failure by the various counterparties with which it operates to fulfil the commitments made, the Group has established a suitable loss allowance based on the type of its customers and statistical assessments. The particular concentration of the business on high credit standing customers, the number of such and the segment diversification guarantee another substantial lowering of the credit risk.

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 the year, the Group met its financial requirements using own funds and bank overdrafts and loans.

As regards trade payables and other liabilities, the cash flows expected from the related contracts are within 12 months.

Market risk

The market risk to which the Group is exposed consists of 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.

It should be noted that there are cap options (at a fixed price, already paid) and two collar options in place, in relation to certain medium-term loans contracted starting in 2020, to hedge the risk of future increases in interest rates.

Currency risk

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 risk.

The monitoring and management of this risk is left to the administrative management of Alkemy S.p.A..

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 the Alkemy Group policy is not to hedge said currency risk insofar as there are no significant transactions implemented 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 general business pursued by the Group as a whole.

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 2024, the Group met its current financial needs and partly those tied to extraordinary transactions by means of use of Own Funds and loans, as well as through the use of short-term bank facilities. In any case, the Group has suitable bank facilities, aimed at managing any short-term financial needs.

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 6-12 months of grace 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 mainly with future income and cash flows the latter generated.

In accordance with Art. 2428, point 6-bis of the Italian Civil Code, it is acknowledged that the Group does not use financial instruments (derivatives and others) except for the mentioned put options over the minority shares in subsidiaries and 6 cap options and 2 collar options to hedge the risk of a rise in interest rates for the majority of the medium-term loans agreed starting 2020.

The Group is also marginally exposed to the currency risk on assets expressed in a currency other than the euro, mainly relating to the companies in Serbia and Mexico.

Finally, the very nature of the services provided means that the Group is subject to moderate credit risk, insofar as debtors are mainly large, highly-solvent private companies.

Investments

In H1 2024, the Group invested in property, plant and equipment and intangible assets for a total amount of 1,437 thousand euros (1,103 thousand euros in H1 2023), as follows:

- property, plant and equipment for 370 thousand euros (380 thousand euros in H1 2023), mainly relating to hardware purchases for internal use;
- intangible assets for 1,067 thousand euros (723 thousand euros in H1 2023), mainly relating to the purchase of software and internal implementation of platforms relevant to the conduct of the commercial business of the Group's companies.

Research and development

During the period, the Group did not carry out any research and development (R&D) activities.

Treasury shares

The meeting of the Shareholders of Alkemy S.p.A. held on 29 April 2024 resolved to repurchase and dispose of ordinary shares in the Parent 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 Parent'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 Parent employees and directors; and (iii) allow for the use of the treasury shares under the scope of transactions linked to the core business, i.e. projects consistent with the growth and expansion lines the Parent 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 period, the Parent therefore acquired a total of 3,500 treasury shares (0.1% of the Company's share capital), for a total outlay of 43 thousand euros.

These repurchases were made in compliance with current legislation, in particular with the provisions of Art. 132 of 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 Parent also assigned and transferred 152,757 shares, valued at € 1,818 thousand euros, to the Chairman, the Chief Executive Officer, a Director of the Parent and certain executives, in execution of the 'Long-Term Incentive Plan', in relation to the shares accrued by them on the 2020-2023 results and not yet paid.

As at 30 June 2024, the Parent held 58 treasury shares, equal to 0.001% of the share capital (149,315 as at 31 December 2023, or 2.63% of the share capital), for a countervalue of EUR 1 thousand.

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

Events after the reporting period

It is considered useful to report on the following event that occurred after the end of the period.

On 8 August this year, the Board of Directors of Alkemy S.p.A. approved the 'Issuer's Statement', drafted pursuant to Article 103, paragraphs 3 and 3-bis, of Legislative Decree No. 58 of 24 February 1998 (the 'TUF') and Article 39 of CONSOB Regulation No. 11971 of 14 May 1999 (the 'Issuers' Regulation'). This press release reported the Board of Directors' reasoned assessment of the Takeover Bid and the inadequacy, from a financial point of view, of the proposed consideration for each share included in the Bid (Euro 12.00).

On 9 September of this year, the Board of Directors of Alkemy S.p.A. supplemented the above-mentioned "Issuer's Statement", prepared at the request of Consob, which had been received on 4 September.

Outlook

As at the date of approval of this interim financial report as at and for the period ended 30 June 2024, it is believed that the Alkemy Group's business development in the second half of the current year will be consistent with what has been seen in the first part of 2024. Indeed, based on the current status of orders in the portfolio, new contracts activated and bids/tenders being confirmed, expectations are to continue both the slight growth in revenue compared to 2023, mainly in the domestic market, and the trend in overall profitability, still mainly attributable to the different mix of services to be rendered, generally characterised by lower marginality. The positive effects of the new organisation, the ongoing operational measures and the induction of some new sales managers with high seniority expected during the second half of the year, will only be reasonably noticeable from 2025 onwards.

Milan, 13 September 2024

On behalf of the Board of Directors

the Chief Executive Officer

Duccio Vitali

Alkemy S.p.A.

Condensed interim consolidated financial statements
at 30 June 2024

Financial statements

Income statement

	Notes	H1 2024	H1 2023
		Figures in thousands of euros	
Revenue	1	57,125	56,309
Other income	2	1,112	1,168
Total revenue and other income		**58,237**	**57,477**
Services, goods and other operating costs	3	(26,283)	(24,151)
- of which non-recurring		(46)	(13)
Personnel expense	4	(29,303)	(28,015)
- of which non-recurring		(2,062)	(655)
Total costs and other operating costs		**(55,586)**	**(52,166)**
Gross operating profit		**2,651**	**5,311**
Amortisation/depreciation	5	(2,207)	(1,979)
Provisions and impairment losses	6	(426)	(327)
Operating profit		**18**	**3,005**
Other financial income	7	522	521
Other financial expense	8	(1,418)	(1,436)
Pre-tax profit (loss)		**(878)**	**2,090**
Income taxes	9	23	(681)
Profit/(loss) for the period		**(855)**	**1,409**
- Owners of the parent		(857)	1,427
- Non-controlling investors		2	(18)
Earnings (loss) per share	10		
Basic		(0.15)	0.26
Diluted		(0.15)	0.26

The notes given below are an integral part of these condensed interim consolidated financial statements.
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 of the Income Statement given in annex 2 and are also described in the paragraph on "Related party transactions" in the notes to the condensed interim consolidated financial statements.

Statement of comprehensive income

			Figures in thousands of euros
	Note	**H1 2024**	**H1 2023**
Profit/(loss) for the period		**(855)**	**1,409**
Items that will be reclassified to profit or loss:			
Translation differences on foreign operations		3	104
Total items that will be reclassified to profit or loss	24	**3**	**104**
Items that will not be reclassified to profit or loss			
Actuarial gains (losses)		93	120
Related tax		(22)	(29)
Total	24	**71**	**91**
Other comprehensive income (expense) net of tax		**74**	**195**
Comprehensive income for the period		**(781)**	**1,604**
Attributable to:			
- Owners of the parent		(783)	1,622
- Non-controlling investors		2	(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 Jun. 2024**	**31 Dec. 2023**
Property, plant and equipment	11	1,934	1,939
Right-of-use assets	12	5,511	6,274
Goodwill	13	54,870	54,871
Intangible assets	14	2,461	2,079
Equity investments	15	5	5
Other financial assets	16	189	245
Deferred tax assets	17	2,267	1,818
Other assets	18	342	295
Non-current assets		**67,579**	**67,526**
Trade receivables	19	42,082	45,929
Other financial assets	20	-	107
Tax assets	21	2,731	2,258
Other assets	22	3,778	2,470
Cash and cash equivalents	23	7,386	12,029
Current assets		**55,977**	**62,793**
Total assets		**123,556**	**130,319**

The notes given below are an integral part of these condensed interim consolidated financial statements.
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 of the Statement of Financial Position given in annex 2 and are also described in the paragraph on “Related party transactions” in the notes to the condensed interim consolidated financial statements.

		Figures in thousands of euros	
Liabilities and Equity	**Note**	**30 Jun. 2024**	**31 Dec. 2023**
Equity	24		
Share capital		596	596
Reserves		47,094	43,184
Profit/(loss) for the period		(857)	3,463
Equity attributable to owners of the parent		**46,833**	**47,243**
Equity attributable to non-controlling investors	25	474	473
Total equity		**47,307**	**47,716**
Financial liabilities	26	14,048	12,007
Lease liabilities	28	3,558	4,396
Put option and earn-out liabilities	29	9,373	9,553
Employee benefits	30	6,655	6,477
Provisions	31	97	107
Deferred tax liabilities	32	23	18
Non-current liabilities		**33,754**	**32,558**
Financial liabilities	26	9,308	11,620
Lease liabilities	28	2,192	2,110
Put option and earn-out liabilities	29	-	4,202
Trade payables	33	15,745	16,196
Tax liabilities	34	4,111	3,174
Other liabilities	35	11,139	12,743
Current liabilities		**42,495**	**50,045**
Total liabilities		**76,249**	**82,603**
Total liabilities and equity		**123,556**	**130,319**

The notes given below are an integral part of these condensed interim consolidated financial statements.
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 of the Statement of Financial Position given in annex 2 and are also described in the paragraph on "Related party transactions" in the notes to the condensed interim consolidated financial statements.

Statement of cash flows

	Notes	H1 2024	H1 2023
		Figures in thousands of euros	
Cash flow from operating activities			
Profit/(loss) for the period		(855)	1,409
Financial income	7	(522)	(521)
Financial expense	8	1,418	1,436
Income taxes	9	(23)	681
Amortisation/depreciation	5	2,207	1,979
Provisions and impairment losses	6	426	327
Cost for share-based payments	4	1,841	93
Other non monetary elements	24	-	(162)
Decrease (increase) in trade receivables	19	3,446	1,757
Increase (decrease) in trade payables	33	(448)	(1,895)
Decrease (increase) in other assets	21, 22	(1,790)	(770)
Increase (decrease) in other liabilities	34, 35	(2,632)	34
Cash flows from operating activities		**3,068**	**4,368**
Net interest paid	7, 8	(534)	(270)
Income tax paid	9	(205)	(539)
Net cash flows from operating activities		**2,329**	**3,559**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	11, 14	(1,433)	(1,103)
Decrease (increase) in financial assets	16, 20	84	2
Net cash flows used in investing activities		**(1,349)**	**(1,101)**
Cash flows from financing activities			
Change in financial liabilities	26	(222)	(3,665)
Change in lease liabilities – IFRS 16	28	(1,143)	(987)
Change in treasury shares	24	(43)	(120)
Dividends paid to non-controlling investors	35	-	(749)
Payment of put options	29	(4,215)	(40)
Net cash flows from (used in) financing activities		**(5,623)**	**(5,561)**
Net increase/(decrease) in cash and cash equivalents		**(4,643)**	**(3,103)**
Opening balance		**12,029**	**9,115**
Closing balance		**7,386**	**6,012**

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.

A

Statement of changes in equity

Figures in thousands of euros

	Notes	Share capital	Treasury shares	Legal reserve	Other riserves	Retained earnings	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling	Total equity
Balance at 31 Dec. 2022		**596**	**(1,793)**	**202**	**33,284**	**5,135**	**5,583**	**43,007**	**399**	**43,406**
Allocation of profit for the year		-	-	-	-	5,583	(5,583)	-	-	-
Repurchase of treasury shares	24	-	(120)	-	-	-	-	(120)	-	(120)
Assignment of treasury shares	24	-	137	-	-	(47)	-	90	-	90
Change in put option liabilities	29	-	-	-	-	416	-	416	-	416
Long Terms Incentive Plan	4	-	-	-	(163)	-	-	(163)	-	(163)
Other movements		-	-	-	4	-	-	4	1	5
Other comprehensive income (expense)		-	-	-	195	-	-	195	-	195
Profit/(loss) for the period		-	-	-	-	-	1,427	1,427	(18)	1,409
Balance at 30 Jun. 2023		**596**	**(1,776)**	**202**	**33,320**	**11,087**	**1,427**	**44,856**	**382**	**45,238**

Figures in thousands of euros

	Notes	Share capital	Treasury shares	Legal reserve	Other riserves	Retained earnings	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling	Total equity
Balance at 31 Dec. 2023		**596**	**(1,776)**	**202**	**33,426**	**11,332**	**3,463**	**47,243**	**473**	**47,716**
Allocation of profit for the year		-	-	-	-	3,463	(3,463)	-	-	-
Repurchase of treasury shares	24	-	(43)	-	-	-	-	(43)	-	(43)
Assignment of treasury shares	24	-	1,818	-	-	(652)	-	1,166	-	1,166
Change in put option liabilities	29	-	-	-	-	420	-	420	-	420
Long Terms Incentive Plan		-	-	-	(1,166)	-	-	(1,166)	-	(1,166)
Other movements		-	-	-	(5)	1	-	(4)	(1)	(5)
Other comprehensive income (expense)		-	-	-	74	-	-	74	-	74
Profit/(loss) for the period		-	-	-	-	-	(857)	(857)	2	(855)
Balance at 30 Jun. 2024		**596**	**(1)**	**202**	**32,329**	**14,564**	**(857)**	**46,833**	**474**	**47,307**

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

Notes to the condensed interim consolidated financial statements

General information

The Alkemy Group (hereinafter the "Group") works to improve the market position and competitiveness of large and medium-sized enterprises, innovating and transforming the business model to keep pace with the evolution of technology and new consumer habit. The Group integrates into its offer, competences in the areas of strategy, e-commerce, communication, performance, technology and data management, developing complete digital transformation projects that cover the whole of the value chain, from strategy to implementation.

The parent, Alkemy S.p.A. has its registered and administrative office at Via San Gregorio 34, Milan, Italy and it is registered with the Milan Company Register under Economic and Administrative Index (REA) no. 1835268.

The shares of Alkemy S.p.A. (hereinafter the "Company", "Alkemy" or the "Parent") have been listed on the STAR segment of the EURONEXT MILAN market organised and managed by Borsa Italiana since 17 December 2019.

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 2024, reviewed by KPMG S.p.A., was authorised by resolution passed by the Board of Directors on 13 September 2024.

Reporting standards

Basis of preparation

These condensed interim consolidated financial statements at 30 June 2024 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 ("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 2023.

In the preparation of the condensed interim consolidated financial statements at 30 June 2024, the same accounting policies have been applied, as those adopted in the preparation of the consolidated financial statements at 31 December 2023, to which reference is made, with the exception of that specified in the paragraph on "New standards, amendments and interpretations applied starting 1 January 2024".

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 2024. 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.

Certain assessment processes, in particular the more complex ones, such as the determination of any impairment losses on non-current assets, are generally performed completely only when preparing the annual financial statements, save for cases where there are impairment indicators requiring an immediate assessment of any impairment losses. The results obtained as at 30 June 2024, which were lower than both those of the same date in 2023 and those of the annual financial statements, and the forecasts for the second half of this year, were interpreted as indicators of possible impairment of the goodwill recognised and therefore an impairment test was performed, as detailed in Note 13.

In relation to the aforementioned takeover bid promoted by Retex S.p.A., please refer to (i) Notes 26 and 29 for a description of the potential effects, (ii) Note 4 for a description of the accounting effects of the takeover bid on the Alkemy Group's consolidated financial statements, and (iii) Note 39 for a description of the significant events occurring after the end of the period.

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 condensed interim consolidated financial statements have been prepared consolidating the financial statements of the Parent and those of all companies in which the Parent directly or indirectly holds the majority of voting rights on a line-by-line basis.

These financial statements have 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.

On 18 June, the purchase of a further 14% of XCC S.r.l.'s share capital from non-controlling investors was formalised, bringing the Parent’s share to 65%.

At 30 June 2024, the consolidation scope was as follows:

Company name	% held	Registered office
Direct subsidiaries:		
Alkemy Play S.r.l.	75%	Milan
Alkemy SEE D.o.o.	70%	Serbia – Belgrade
Alkemy Iberia S.L.U.	100%	Spain - Madrid
Design Group Italia ID S.r.l.	100%	Milan
eXperience Cloud Consulting S.r.l.	65%	Rome
Alkemy South America S.L.	100%	Spain - Madrid
Innocv Solutions S.L.	100%	Spain - Madrid
Indirect subsidiaries:		
Alkemy Play D.o.o.	75%	Serbia – Belgrade
Kreativa D.o.o.	36%	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 Corp.	100%	USA - New York

New standards, amendments and interpretations applicable starting 1 January 2024

Below is a list of the standards, amendments, interpretations and improvements in force starting 1 January 2024, for which there has been no significant impact on the Group's interim financial report at 30 June 2024:

Lease Liabilities in a Sale and leaseback transaction (Amendments to IFRS 16) (issued in September 2022);

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (issued in January 2020);

Non-current Liabilities with Covenants (Amendments to IAS 1) (issued in October 2022);

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) in (issued May 2023);

IFRS and IFRIC standards, amendments and interpretations endorsed by the European Union, not yet mandatory and not adopted early by the Parent? as at 30 June 2024

Below are the standards, amendments, interpretations and improvements not yet into force:

Lack of Exchangeability (Amendments to IAS 21) (published in August 2023). The amendments apply to reporting periods starting on or after 1 January 2025;

Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7) (published in May 2024). The amendments apply to reporting periods starting on or after 1 January 2026;

Annual improvements to IFRS® Accounting Standards - Volume 11(Amendments to IAS 7 and IFRS 1, 7, 9, 10) (published in July 2024). The amendments apply to reporting periods starting on or after 1 January 2026;

IFRS 18 Presentation and disclosures in financial statements (published in April 2024). The amendments apply to reporting periods starting on or after 1 January 2027;

IFRS 19 Subsidiaries without public accountability: disclosures (published in May 2024). The amendments apply to reporting periods starting on or after 1 January 2027.

The adoption of the above standards and amendments is not expected to have a significant impact on the Group.

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

IFRS 14 Regulatory deferral accounts (published in January 2014). Endorsement process suspended pending the new standard on rate-regulated activities;

Sales or contributions of assets between an investor and its associate/joint venture (Amendments to IFRS 10 and IAS 28) (published in September 2014). Endorsement process suspended pending conclusion of the IASB project on the equity method.

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

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 Group has set aside an appropriate loss allowance, adjusted according to the type of its customers and statistical evaluations.

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.

As regards trade payables and other liabilities, the cash flows expected from the related contracts are within 12 months.

Market risk

The market risk to which the Group is exposed consists of 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. When significant, this risk is mitigated also by entering into specific hedging instruments.

It should be noted that there are cap options (at a fixed price, already paid) and 2 collar options in place, in relation to certain medium-term loans contracted starting in 2020, to hedge the risk of future increases in interest rates.

Currency risk

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 risk.

The monitoring and management of this risk is left to the administrative management of Alkemy S.p.A..

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 reporting date, the Alkemy Group policy is not to hedge said currency risk insofar as there are no significant transactions implemented 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 general 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 2024 and H1 2023, broken down by segment as required by IFRS 8, indicating any inter-segment adjustments.

Figures in thousands of euros

H1 2024	Italy	Abroad	Inter-segment adjustments	Total
Revenue	36,586	20,846	(307)	**57,125**
Other income	576	585	(49)	**1,112**
Total revenue and other income	**37,162**	**21,431**	**(356)**	**58,237**
Services, goods and other operating costs	(15,189)	(11,448)	354	**(26,283)**
- of which non-recurring	(46)	-	-	**(46)**
Personnel expense	(21,250)	(8,053)	-	**(29,303)**
- of which non-recurring	(2,012)	(50)	-	**(2,062)**
Total costs and other operating costs	**(36,439)**	**(19,500)**	**354**	**(55,586)**
Gross operating profit	**722**	**1,931**	**(2)**	**2,651**
Amortisation/depreciation	(1,782)	(424)	-	**(2,207)**
Provisions and impairment losses	(381)	(45)	-	**(426)**
Operating profit	**(1,441)**	**1,461**	**(2)**	**18**
Net gains (losses) on equity investments	2,142	-	(2,142)	**-**
Other financial income	234	305	(17)	**522**
Other financial expense	(1,068)	(369)	19	**(1,418)**
Pre-tax profit (loss)	**(132)**	**1,396**	**(2,142)**	**(878)**
Income taxes	443	(419)	-	**23**
Profit/(loss) for the period	**310**	**977**	**(2,142)**	**(855)**

				Figures in thousands of euros
H1 2023	**Italy**	**Abroad**	**Inter-segment adjustments**	**Total**
Revenue	34,747	21,685	(123)	**56,309**
Other income	892	278	(2)	**1,168**
Total revenue and other income	**35,639**	**21,964**	**(125)**	**57,477**
Services, goods and other operating costs	(13,142)	(11,134)	125	**(24,151)**
- of which non-recurring	(13)	-	-	**(13)**
Personnel expense	(19,563)	(8,454)	1	**(28,015)**
- of which non-recurring	(655)	-	-	**(655)**
Total costs and other operating costs	**(32,705)**	**(19,588)**	**126**	**(52,166)**
Gross operating profit	**2,934**	**2,376**	**1**	**5,311**
Amortisation/depreciation	(1,633)	(345)	-	**(1,979)**
Provisions and impairment losses	(46)	(281)	-	**(327)**
Operating profit	**1,255**	**1,750**	**1**	**3,005**
Net gains (losses) on equity investments	1,691	-	(1,691)	**-**
Other financial income	140	391	(11)	**521**
Other financial expense	(1,123)	(322)	9	**(1,436)**
Pre-tax profit (loss)	**1,963**	**1,818**	**(1,692)**	**2,090**
Income taxes	(198)	(484)	1	**(681)**
Profit/(loss) for the period	**1,765**	**1,335**	**(1,691)**	**1,409**

Italy segment

The Italy segment includes the following companies: Alkemy S.p.A., Alkemy Play S.r.l., XCC S.r.l., DGI S.r.l.. It also includes Alkemy Play D.o.o. (Serbia) which operates exclusively for the Italian parent.

Revenue and other income in the Italy segment in the first half of 2024 amounted to EUR 37,162 thousand, an increase of EUR 1,523 thousand over the same period of the previous year (+4.3%).

These 36,586 thousand euros comprise revenue from sales and services (34,747 thousand euros in H1 2023) and 576 thousand euros for other revenue and income (892 thousand euros in H1 2023); details are given in the relevant note.

Operating costs, consisting of services, goods and other costs, and personnel expense, totalled € 36,439 thousand, an increase of € 3,735 thousand (+11.4%) compared to the same period of the previous year, mainly due to the increase in service costs (net of non-recurring items) related to the different mix of services provided to customers.

EBIT amounted to €722 thousand (2,934 thousand euros in H1 2023), a decrease of 2,212 thousand euros, due to the higher incidence of operating costs, which included non-recurring personnel expense of 2,012 thousand euros and service costs of 46 thousand euros.

Amortisation, depreciation and impairment losses came to 2,163 thousand euros, up by a total of 484 thousand euros on the same period of the previous year (+28.8%). This item includes:

- amortisation/depreciation of property, plant and equipment and intangible assets with a finite useful life for a total of 1,782 thousand euros (1,633 thousand euros in H1 2023);
- the accrual to the loss allowance of 381 thousand euros (46 thousand euros in H1 2023) essentially recognised in view of potential future losses connected with specific disputed loans at the reporting date.

The Italy segment therefore recorded a pre-tax loss 132 thousand euros (1,963 thousand euros profit in H1 2023), which, after tax, gave rise to a profit of 310 thousand euros, as compared with 1,765 thousand euros for the same period of the previous year.

Abroad segment

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

The following companies are included: Alkemy Iberia S.L.U. (Spain) Alkemy South America S.L. (Spain), Innocv Solutions S.L. (Spain), OIS Digital S.L. (Mexico), OIS Service S.L. (Mexico), Kreativa D.o.o. (Serbia), Alkemy SEE D.o.o. (Serbia) and DGI Corp. (USA).

The Abroad segment revenue and other income for H1 2024 came to 21,431 thousand euros as compared with 21,964 thousand euros in the comparison period. This is the combined result of the contraction in revenue of the Spanish subsidiary Alkemy Ibera S.L.U. and the Mexican subsidiaries, the effect of which was partially offset by the increase in revenue recorded by DGI Corp., Innocv Solutions S.L. and Kreativa D.o.o., as detailed in the following pages.

Operating costs and personnel expense remained in line with the same period of the previous year, i.e. EUR 19,500 thousand (EUR 19,588 thousand in H1 2023).

Gross operating profit therefore comes to 1,931 thousand euros, as compared with 2,376 thousand euros in the same period of the previous year.

Operating profit comes to 1,461 thousand euros, as compared with 1,750 thousand euros in H1 2022.

The profit for the period therefore totals 977 thousand euros, as compared with 1,335 thousand euros in H1 2023.

Additionally, in order to assure a complete disclosure, below are the trade receivables and payables at 30 June 2024 and at 31 December 2023, divided up by segment:

Figures in thousands of euros

30 Jun. 2024	Italy	Abroad	Inter-segment	Total
Trade receivables	32,671	10,227	(816)	**42,082**
Trade payables	11,654	5,784	(1,693)	**15,745**

				Figures in thousands of euros
31 Dec. 2023	**Italy**	**Abroad**	**Inter-segment**	**Total**
Trade receivables	34,211	12,175	(457)	**45,929**
Trade payables	10,342	7,637	(1,783)	**16,196**

Notes to the condensed interim consolidated financial statements

Income statement

1. Revenue

Revenue comes to 57,125 thousand euros (56,309 thousand euros in H1 2023) and relates entirely to the sale of services.

Turnover for H1 2024 rose by 816 thousand euros (+1,4%) on the same period of the previous year. This increase, albeit small, should be interpreted as a first positive sign resulting from the start of the new organisation in the domestic market, compensating for the contraction in foreign markets.

It should be noted that the favourable trend of the Euro-Mexican peso exchange rate led to an increase in revenue of 487 thousand euros, calculated on a like-for-like basis with respect to the same period of the previous year.

The effect of the Euro-Serbian dinar and the Euro-US dollar exchange rate had no significant impact.

2. Other income

Other income totals 1,112 thousand euros (1,168 thousand euros in H1 2023) and may be analysed as follows:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Capitalisation of costs	896	562
Tax credit	164	476
Government grants	14	95
Other revenue	38	35
Total other income	**1,112**	**1,168**

Revenue for capitalisation of costs amounted to EUR 896 thousand and mainly related to the internal implementation of software and platforms inherent to the Group companies' business activities, specifically: the development of an AI reporting platform, software based on Deep Learning and Big Data technologies, and the customisation of Salesforce CRM software.
The tax credit amounted to EUR 164 thousand (EUR 476 thousand in the first half of 2023) and related to investments made by the Spanish subsidiary Innocv Solutions S.L. in technological innovation.
Revenue from public grants amounting to EUR 14 thousand (EUR 95 thousand in the first half of 2023) relates to the contribution for training activities obtained from Fondimpresa.
Other revenue amounted to EUR 38 thousand (EUR 35 thousand in H1 2023) and mainly consisted of refunds and other income items.

3. Services, goods and other operating costs

Services, goods and other operating costs come to 26,283 thousand euros (24,151 thousand euros in H1 2023). They may be analysed as follows:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Services	25,773	23,805
Purchase of goods	264	126
Lease costs	154	134
Other operating costs	92	86
Total	**26,283**	**24,151**

Services

Costs for services come to 25,773 thousand euros (23,805 thousand euros in H1 2023) and are detailed below:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Services for customers	22,786	20,244
Maintenance services	461	450
Restaurant vouchers	346	349
Travel and transfer expenses	332	419
Marketing services	295	370
Consultancy and legal expenses	250	219
Other consultancy	220	275
Insurance	207	204
Administrative services	165	582
Audit and attestation fees	145	120
Postal, telephone and data transmission services	108	106
Condominium and supervisory expenses	84	87
Payslip processing	65	50
Cleaning expenses	65	79
Costs for non-recurring services	46	13
Banking services	46	41
Utilities	44	66
Statutory Auditors' fees	35	36
Commercial services	21	-
Collaborators' fees	-	16
Other services	52	79
Total services	**25,773**	**23,805**

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 increase for the period, amounting to € 1,968 thousand (+8.3% compared to the same period of the previous year), is related to the different services rendered in favour of customers, as a result of the different mix of sales realised by the Group, with a negative impact on the overall marginality, as previously mentioned.

Purchase of goods

Costs for the purchase of goods total 264 thousand euros (126 thousand euros in the first six months of 2023) and mainly regard the purchase of materials related to some projects and consumable office materials.

Lease costs

Lease costs come to 154 thousand euros (134 thousand euros in H1 2023) and relate to costs that, by nature, do not come under the scope of IFRS 16.

Other operating costs

Other operating costs amounted to € 92 thousand (€ 86 thousand in the first half of 2023) and mainly related to entertainment expenses and other operating expenses.

4. Personnel expense

Personnel expense comes to 29,303 thousand euros (28,015 thousand euros in the first six months of 2023), an increase of 1,288 thousand on the same period in 2023 (+4.6%); this comprises:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Wages and salaries	20,215	20,310
Non-recurring personnel expense	2,062	655
Directors' fees	603	583
Social security expenses	5,478	5,476
Costs for defined benefit plans	893	856
Cost of share-based payments	21	93
Other personnel expense	31	42
Total personnel expense	**29,303**	**28,015**

This item includes all costs incurred during the period, directly or indirectly relating to employees and collaborators, as well as directors' fees for 603 thousand euros.

The item "Non-recurring personnel expense" mainly includes (i) € 1,806 thousand related to costs for the early execution of the effects of the 2024-2026 Long-Term Incentive Plan, as a consequence of the presentation of the aforementioned Takeover on the company's shares and in compliance with the Plan's regulation and (ii) € 135 thousand related to an extraordinary fee paid to a director.

The average number of employees during the period was 903, compared with 934 in the same period of the previous year.

The Group had 894 employees at 30 June 2024, as compared with 931 in the same period of the previous year.

The amount of average wages and salaries per employee, net of directors' fees, costs of share-based payment and non-recurring personnel expense, is in line with that of the same period last year.

5. Amortisation/depreciation

Amortisation/depreciation comes to 2,207 thousand euros (1,979 thousand euros in H1 2023) and consists of:

- 1,151 thousand euros (994 thousand euros in H1 2023) related to the depreciation of right-of-use assets;
- 685 thousand euros (595 thousand euros in H1 2023) related to the amortisation of intangible assets;
- 371 thousand euros (390 thousand euros in H1 2023) related to the depreciation of property, plant and equipment.

Amortisation is up 90 thousand euros as a result of the internal capitalisations carried out in the second half of 2024.

6. Provisions and impairment losses

Provisions amount to 426 thousand euros (327 thousand euros in the first six months of 2023) and mainly refer to impairment losses on trade receivables.

7. Other financial income

Other financial income comes to 522 thousand euros (521 thousand euros in H1 2023) and is detailed below:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Exchange gains	290	388
Earn-out gain	54	-
Other financial income	178	133
Total other financial income	**522**	**521**

Exchange gains come to 290 thousand euros (388 thousand euros in H1 2023) and essentially refer to the subsidiary Ontwice Interactive Services S.A. Mexico City, which also generated most of the exchange losses totalling 360 thousand euros (323 thousand euros in the comparison period), included in financial expense, as detailed below.

Exchange gains and losses, which almost offset each other, are in line with the comparison period and refer to purchases and sales made in US dollars by the Mexican subsidiaries.

Other financial income amounts to 178 thousand euros (133 thousand euros in H1 2023) and mainly refers to the return on the derivatives entered into to hedge the interest rate of loans.

8. Other financial expense

Financial expense comes to 1,418 thousand euros (1,436 thousand euros in H1 2023) and is detailed below:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Interest expense on put option and earn-out liabilities	307	453
Interest expense on loans	394	337
Exchange losses	360	323
Interest expense on employee benefits (IAS 19)	104	113
Interest on leases	94	83
Interest expense on current accounts	42	22
Fair value loss on derivatives	72	73
Other financial expense	45	32
Total other financial expense	**1.418**	**1.436**

9. Income taxes

Income taxes amount to -23 thousand euros (681 thousand euros in the first half of 2023) and were calculated in accordance with ruling tax legislation. They are detailed below:

	Figures in thousands of euros	
	H1 2024	**H1 2023**
Current income tax	419	450
Current IRAP	43	124
Change in deferred tax assets	(487)	113
Change in deferred tax liabilities	2	(6)
Total income taxes	**(23)**	**681**

The decrease in total current taxes, amounting to 112 thousand euros, is related to the decrease in pre-tax profit and the dynamics in calculating the tax base.

Note 17 provides additional information about deferred taxes.

10. Earnings (loss) 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:

Figures expressed in units of euros	H1 2024	H1 2023
Profit		
Group profit for the period	(857,000)	1427000
Group profit for the period, attributable to ordinary shares	(857,000)	1427000
Number of shares		
Average number of outstanding ordinary shares	5,587,669	5,535,391
Adjusted average number of ordinary shares	5,587,669	5,535,391
Basic earnings (loss) per share	(0.15)	0.26
Diluted earnings (loss) per share	(0.15)	0.26

Statement of financial position

Assets

Non-current assets

11. Property, plant and equipment

The item totals 1,934 thousand euros (1,939 thousand euros at 31 December 2023); changes are shown below:

Figures in thousands of euros

	Lands and buildings	Plant and machinery	Other assets	Total
Balance at 31 Dec. 2023	**60**	**16**	**1,863**	**1,939**
Investments	-	2	368	370
Amortisation	(2)	(2)	(367)	(371)
Other movements	-	-	(4)	(4)
Balance at 30 Jun. 2024	**58**	**16**	**1,860**	**1,934**

Lands and buildings include a property owned in Rende (CS).

Other assets mainly include computers and IT equipment purchased for Group employees, as well as furniture and furnishings of the company offices and sites.
The increases of the period are mainly due to the purchase of computers and IT equipment.

12. Right-of-use assets

The item totals 5,511 thousand euros (6,274 thousand euros at 31 December 2023); changes are shown below:

Figures in thousands of euros

	Buildings	Other assets	Total
Balance at 31 Dec. 2023	**5,036**	**1,238**	**6,274**
Investments	118	293	411
Amortisation	(846)	(305)	(1,151)
Other movements	(22)	(1)	(23)
Balance at 30 Jun. 2024	**4,286**	**1,225**	**5,511**

Others movements include rights of use on company cars and increases in the year mainly relate to the signing of new rental contracts to replace those that expired during the period.
The increase in the rights of use on land and buildings mainly relates to the ISTAT adjustments envisaged by contract.

13. Goodwill

Goodwill comes to 54,870 thousand euros (54,871 thousand euros at 31 December 2023), as detailed below:

		Figures in thousands of euros
	30 June 2024	**31 Dec. 2023**
Goodwill CGU - ITALY	**2,7598**	**2,7598**
- Bizup acquisition	6,883	6,883
- Nunatac acquisition	6,603	6,603
- XCC acquisition	4,885	4,885
- DGI acquisition	4,610	4,610
- Alkemy Tech acquisition	2,898	2,898
- Seolab acquisition	1,167	1,167
- Between acquisition	552	552
Goodwill CGU - SPAIN	**23,051**	**23,051**
- Acquisition of Alkemy Iberia (formerly Ontwice Interactive Service)	9,455	9,455
- Innocv acquisition	13,596	13,596
Goodwill CGU - MEXICO	**3,218**	**3,218**
- Alkemy South America acquisition	3,218	3,218
Goodwill CGU - BALKANS	**1,003**	**1,004**
- Kreativa acquisition	1,003	1,004
Total goodwill	**54,870**	**54,871**

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

Goodwill is not amortised, but only tested for impairment. This valuation process is generally only carried out in full during the preparation of the annual financial statements, except in cases where there are impairment indicators that require an immediate assessment of impairment. The results achieved as at 30 June 2024, which were lower than both those of the same date in 2023 and those of the annual financial statements, and the forecasts for the second half of this year, were interpreted as indicators of possible impairment of the goodwill recognised and therefore an impairment test was performed.

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

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

The recoverable amount of the four identified CGUs, to which the individual goodwill entries refer, has been verified through the value in use, determined by applying the unlevered discounted cash flow. If the recoverable amount exceeds the carrying amount of the CGU's goodwill, no impairment is recognised; if not, the difference between the carrying amount and the recoverable amount, as resulting from the impairment test, determines the amount of the adjustment to be made.

The main assumptions on which the recoverable amount is calculated regard the discount rate, the use of the latest budgets and medium-term forecasts and the projected growth rate at the end of the explicit forecasting period.
A new three-year plan (H2-2024 - 2027) was thus prepared, being supported by the analysis of an external consultant and approved by the Board of Directors of Alkemy S.p.A. on 9 September 2024.
It is considered useful to specify that this plan was prepared, according to the principle of prudence, with the exclusive aim of supporting the economic and equity measurements correlated to certain items entered into the consolidated financial statements at 30 June 2024.
The hypotheses underlying this plan consider, amongst others:

- the best estimate of the H1 2024 pre-closure data;
- for H2 2024, the 2024 forecast prepared by management and developed on the basis of the Group's current trading as at June 2024;
- for 2025, 2026 and 2027, the figures considered are derived from general economic and asset logics, valid for each company of the Group, which assume ordinary business continuity (same commercial offer, same organisational structure, same type of customers, constant investments over the three-year period), under conditions of market "normality" (in the absence of: pandemics, new conflicts, further energy shocks, hyperinflation). These forecasts include (i) the impact of the new commercial organisation operating in Alkemy S.p.A. from January 2024 and (ii) the expected change in the sales mix in favour of higher-margin disciplines, also as a result of the development of synergies between Group-wide competences.
- complete compliance with all present and future commitments already made by the Group, including (i) the exercise of existing put and earn-out options on minority shares and (ii) the regular repayment of loans.

The terminal value was calculated using the “perpetuity growth” model determined by the normalised cash flow projection relative to the first year after the explicit projection period, assuming a growth rate of 1.8% for the CGU - Italy, 1.9% for the CGU - Spain and 2% for the CGU - Mexico and the Balkans.
In discounting cash flows, the Group adopted a rate that expresses the weighted average cost of capital (WACC) comprising a weighted average of the cost of capital and the cost of debt. The rates were differentiated for each CGU, taking into account the specific risk level of the countries in which the subsidiaries are based.
More specifically, with reference to the valuations at 30 June 2024, the Group applied a rate of 11.1% for the CGU - Italy, 10.5% for the CGU - Spain, 15.5% for the CGU - Mexico and 14% for the CGU - the Balkans.
The impairment test results revealed for each CGU that the recoverable amount exceeded the carrying amount, accordingly no impairment losses were recognised.

The Cover values, i.e. the differential between Enterprise value and Carrying amount as at 30 June 2024, are: 6,084 thousand euro for the CGU - Italy, 9,521 thousand euro for the CGU - Spain, 542 thousand euro for the CGU - Mexico and 2,733 thousand euro for the CGU - Balkans.
It should also be noted that at 30 June 2024, Alkemy's capitalisation amounted to 68,794,066 euros, compared to Group equity of over 47 million euros.

A sensitivity analysis has also been carried out, hypothesising changes in the WACC discounting rate with an increase/decrease of 1 percentage point, matched with (i) an increase/decrease of 1 percentage point of the perpetual g-rate, (ii) a different determination of the gross operating profit of the terminal value, in respect of changes in results envisaged by the three-year plan (mean gross operating profit 2025-2027, mean 2026-2027 and just 2027).
These analyses showed that, for CGU - Italy only, the range of variation in the first case is around +24 million euro to -5 million euro and in the second case it ranges from -20 million euro to +14 million euro.
As regards the other CGUs, these analyses failed to reveal any significant impairment loss on goodwill.
In order to assure a more in-depth sensitivity analysis, break-even thresholds were identified for the main parameters, namely the values beyond which the cover for each CGU is zeroed and, therefore, impairment losses start to apply to goodwill.
The table below provides a summary of these results.

H1 2024 PARAMETER		**CGU Italy**	**CGU Spain**	**CGU Mexico**	**CGU the Balkans**
	basic	11.10%	10.46%	15.48%	14.04%
WACC	break-even	12.01%	13.19%	17.75%	29.60%
	delta	*0.91%*	*2.72%*	*2.27%*	*15.55%*
	basic	1.80%	1.90%	2.00%	2.00%
G-rate	break-even	0.73%	-1.43%	-0.99%	-22.30%
	delta	*-1.07%*	*-3.33%*	*-2.99%*	*-24.30%*
Reduction in gross operating profit BP and TV	break-even	-5.71%	-20.46%	-12.05%	-52.06%

2023 PARAMETER		CGU Italy	CGU Spain	CGU Mexico	CGU the Balkans
	basic	11.48%	11.15%	15.79%	16.99%
WACC	break-even	13.63%	14.18%	36.96%	53.26%
	delta	*2.15%*	*3.03%*	*21.17%*	*36.27%*
	basic	1.90%	2.00%	2.00%	2.00%
G-rate	break-even	-0.61%	-1.53%	-33.50%	-88.03%
	delta	*-2.51%*	*-3.53%*	*-35.50%*	*-90.03%*
Reduction in gross operating profit BP and TV	break-even	-11.57%	-21.37%	-51.80%	-64.31%

14. Intangible assets

Intangible assets come to 2,461 thousand euros (2,079 thousand euros at 31 December 2023) and are detailed below:

Figures in thousands of euros

	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other	Total
Balance at 31 Dec. 2023	**346**	**8**	**1,725**	**2,079**
Investments	121	-	946	1,067
Amortisation	(123)	(1)	(561)	(685)
Balance at 30 Jun. 2024	**344**	**7**	**2,110**	**2,461**

<u>Industrial patents and intellectual property rights</u>

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

<u>Concessions, licences, trademarks and similar rights</u>

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

<u>Other</u>

This item includes deferred 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) the 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 for the supply of digital services for small- and medium-sized enterprises and (ii) the costs relating to the internal implementation of software and platforms to conduct the commercial business of the group companies; in this respect, for information about the increases of the period, reference should be made to note 2 of these condensed interim consolidated financial statements.

15. Equity investments

The item totals 5 thousand euros, in line with the balance at 31 December 2023.
The amount refers to the investment in the consortium company ICT SUD S.c.r.l., held by the Parent.

16. Other financial assets

Other non-current financial assets amount to 189 thousand euros (245 thousand euros at 31 December 2023) and comprise 178 thousand euros related to derivatives and 11 thousand euros related to loans granted to employees (236 thousand euros and 9 thousand euros at 31 December 2023, respectively).

Derivatives refer to the hedging transactions carried out in connection with certain medium/long-term bank loans, as described earlier. The 58 thousand euros decrease is mainly due to fair value measurement.

17. Deferred tax assets

Deferred tax assets amount to 2,266 thousand euros (1,818 thousand euros at 31 December 2023).

and are detailed below:

Figures in thousands of euros

	Temporary differences at 30 June 2024	Tax effect 30 June 2024	Temporary differences at 31 December 2023	Tax effect 31 Dec. 2023
Personnel expense	946	244	950	245
Loss allowance and provision for other risks	1573	379	1530	369
Prior year losses	2047	491	223	53
Tax credit	2933	730	2835	706
Consolidation adjustments and other items	1171	442	1195	445
Total	**8670**	**2266**	**6733**	**1818**

They are determined on the temporary differences between the carrying amounts of the assets and liabilities used in order to prepare the financial statements and the respective tax bases (mainly loss allowances and outstanding directors' fees), as well as on tax losses that can be carried forward.

The increase compared to the previous year, amounting to 448 thousand euros, is mainly attributable to the carry-forward of tax losses generated by the Italian companies (part of the tax consolidation scheme) in the first half of 2024.

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.

18. Other non-current assets

Other non-current assets come to 342 thousand euros (295 thousand euros at 31 December 2023) and mainly relate to guarantee deposits for leased offices.

Current assets

19. Trade receivables

Trade receivables come to 42,082 thousand euros (45,929 thousand euros at 31 December 2023), as detailed below:

	Figures in thousands of euros	
	30 Jun. 2024	**31 Dec. 2023**
Italy	28,782	28,057
EU	3,508	6,717
Non-EU	9,792	11,155
Total trade receivables	**42,082**	**45,929**

There are no amounts due after one year.

Trade receivables are stated net of a loss allowance of 1,935 thousand euros (1,582 thousand euros at 31 December 2023). The loss allowance was calculated on the basis of the lifetime expected credit losses from initial recognition and during subsequent measurements. The estimate is mainly prepared by determining the average expected credit losses, based on historical indicators. For some categories, characterised by specific risk elements, specific valuations are instead made on the individual positions.

Below are the changes of the period to the loss allowance:

	Figures in thousands of euros
Balance at 31 Dec. 2023	**(1,582)**
Accruals	(401)
Uses	53
Others	(5)
Balance at 30 Jun. 2024	**(1,935)**

20. Other financial assets

Other current financial assets amounted to zero (107 thousand euros as of 31 December 2023) and their decrease compared to the previous year is related to the different classification of the aforementioned derivative financial instruments, based on the relative maturity date, and to the sale during the period of the financial assets held by the subsidiary Alkemy Iberia S.L.U.

21. Tax assets

Tax assets come to 2,731 thousand euros (2,258 thousand at 31 December 2023) and are detailed as follows:

	Figures in thousands of euros	
	30 Jun. 2024	**31 Dec. 2023**
VAT asset	1,390	936
Tax credit	901	818
Current tax assets	393	415
Other tax assets	47	89
Total tax assets	**2,731**	**2,258**

The tax credit for 901 thousand euros may be analysed as follows: (i) 889 thousand euros related to technological innovation projects for investments carried out by the Spanish subsidiary Innocv Solutions S.L. and (ii) 12 thousand euros related to subsidised project financing for past investments in research and development by DGI S.r.l. pursuant to Decree Law no. 145/2013.
The increase in current tax assets is mainly attributable to the increase in the VAT asset, particularly of the Mexican subsidiary, in connection with the invoicing dynamics of June 2024.
At the reporting date and at the prior year reporting date, there were no current assets due after 5 years.

22. Other current assets

Other current assets of 3,778 thousand euros (2,470 thousand euros at 31 December 2023) are detailed as follows:

	Figures in thousands of euros	
	30 Jun. 2024	**31 Dec. 2023**
Government grants	1,814	1,848
Impairment of government grants	(497)	(497)
Prepayments	1,203	742
Other	1,258	377
Total other current assets	**3,778**	**2,470**

Government grants, net of the related write-down, amounted to €1,317 thousand (in line with the previous year) and refer to 919 thousand euro for the New Skills Fund grant (arising in 2023) and 398 thousand euro for research and development activities.

Other amounted to 1,258 thousand euro and the increase compared to the previous year was mainly due to (i) 643 thousand euro for the increase in assets from employees of the Parent, in relation to tax withholdings suffered by them as a result of the assignment of treasury shares, in execution of the provisions of the LTIP 2020-2023 plan, and (ii) 198 thousand euro for amounts paid by Alkemy Iberia S.L.U. to guarantee contractual obligations in place with a Spanish customer.

At the reporting date and at the prior year reporting date, there were no current assets due after 5 years.
Furthermore, there is no accrued income. Prepayments total 1,203 thousand euros and are summarised below:

		Figures in thousands of euros
	30 June 2024	**31 Dec. 2023**
Services for customers	429	338
Hire, rental and licence costs	269	19
IT costs	206	154
Insurance	131	17
Stock exchange costs	5	4
Other	163	210
Total prepayments	**1,203**	**742**

23. Cash and cash equivalents

The balance of 7,386 thousand euros (12,029 thousand euros at 31 December 2023) is detailed below:

		Figures in thousands of euros
	30 Jun. 2024	**31 Dec. 2023**
Bank deposits	7,382	12,025
Cash on hand	4	4
Total cash and cash equivalents	**7,386**	**12,029**

The cash inflows and outflows of the period are analysed in the statement of cash flows.

Liabilities and equity

Non-current liabilities

24. Equity

Changes in and a breakdown of equity are given in the changes to the equity items, to which reference should be made.

Share capital

The Parent's share capital comes to 596 thousand euros (unchanged from the previous year end), is fully paid-up and is comprised of 5,685,460 shares (unchanged from the previous year end), with no par value.

Treasury shares

The reserve for treasury shares comes to 1 thousand euros, for a total of 58 treasury shares, accounting for 0.001% of share capital (1,776 thousand euros for a total of 149,315 treasury shares or 2.63% of share capital at 31 December 2023). The period change is due to (i) the repurchase of treasury shares worth 43 thousand euros, in the number of 3,500 treasury shares and (ii) the assignment of treasury shares, worth 1,818 thousand euros, in the number of 152,757, to the Chairman, CEO, a Director and some managers of the Parent in execution of the "Long Term Incentive Plan", in connection with the remaining 50% of the shares accrued by them on the profit for 2020 to 2023.

Legal reserve

The legal reserve amounts to 202 thousand euros (unchanged from 31 December 2023).

Other reserves

Other reserves come to 32,329 thousand euros (33,426 thousand euros at 31 December 2023) and may be analysed as follows:

- share premium reserve for 27,372 thousand euros (unchanged from 31 December 2023);
- the FTA reserve of 147 thousand euros (unchanged from 31 December 2023);
- the reserve for tax alignment of goodwill of 4,478 thousand euros (unchanged from 31 December 2023);
- actuarial gains of 463 thousand euros (391 thousand euros at 31 December 2023); the item relates to the discounting of post-employment benefits, envisaged by IAS 19;
- the reserve for the translation of the financial statements of foreign operations of 163 thousand euros (160 thousand euros at 31 December 2023).

At 31 December 2023, this item also included the reserve for Long-Term Incentive Plan in the amount of 1,213 thousand euro.
The zeroing of this reserve is due to the full implementation of the provisions of the plan for the years 2020-2023, which led to the aforementioned assignment of treasury shares.

Retained earnings

Retained earnings come to 14,564 thousand euros (11,332 thousand euros at 31 December 2023); the change for the period is mainly due:

- for +3,463 thousand euros to the allocation of the profit for the previous year, in accordance with the resolution passed by the shareholders' meeting of the Parent on 29 April 2024;
- for +420 thousand euros to fair value gain on put option liabilities;
- -652 thousand euros due to the difference between the carrying amount of the above-mentioned 152,757 treasury shares assigned in execution of the Long-Term Incentive Plan and their carrying amount in the Long-Term Incentive Plan, calculated on the basis of the applicable contractual provisions.

25. Equity attributable to non-controlling investors

Equity attributable to non-controlling investors comes to 474 thousand euros (473 thousand euros at 31 December 2023) and mainly refers to the portion pertaining to the non-controlling investors of the subsidiaries in the Balkans area.

26. Financial liabilities

Current and non-current financial liabilities come to 23,356 thousand euros (23,627 thousand euros at 31 December 2023) and are broken down below by due dates:

- 14,048 thousand euros (12,007 thousand euros at 31 December 2023) related to non-current financial liabilities;
- 9,308 thousand euros (11,620 thousand euros at 31 December 2023) related to current financial liabilities.

There are financial liabilities due after 5 years and amounting to 840 thousand euros.
The decrease in financial liabilities (271 thousand euros) is mainly due to:

- for +5,187 thousand euros to loans underwritten during the period and better described below;
- -1,726 thousand euro for the net effect of advance invoice transactions performed in the period and related refunds;
- the repayments of the period (-3,733 thousand euros).

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

Figures in thousands of euros

Bank	Year of disbursement	Original amount	Term	30 June 2024	31 Dec. 2023
Unicredit	2024	4500	5 years	4501	-
Intesa Sanpaolo	2022	5000	5 years	4107	4755
Banco di Desio e della Brianza	2023	3000	5 years	3011	3013
Unicredit (invoices advance)	2023-2024	-	-	2513	3154
CDTI (Innocv, 4 loans)	2021-2024	1191	Sundry	1569	1415
Intesa Sanpaolo	2020	3500	5 years	1494	2097
Unicredit	2021	3500	4 years	1473	2069
Credem	2023	1500	3 years	1244	1503
Mediocredito Centrale (11 loans)	2019-2023	1290	Sundry	765	851
Santander (Innocv, 6 loans)	2019-2024	1892	Sundry	673	373
Banco BPM	2022	1000	3 years	465	649
Invoice advance (Innocv)	2023	-	-	425	632
Credem (invoice discounting)	2023	-	-	400	207
Banca popolare di Sondrio (DGI)	2021	480	5.5 years	267	320
Finlombarda (DGI)	2021	320	5.5 years	178	213
Intesa Sanpaolo	2019	1000	5 years	133	269
Founders loan (Kreativa)	2022	14	-	100	100
Ministerio de Economia (Alkemy Iberia)	2015-2017	116	Sundry	35	52
Bank entrustment (Alkemy Play D.o.o)	2024	4	-	4	-
Mediocredito Italiano	2019	7000	5 years	-	883
Invoice advance (DGI Italia S.r.l.)	2023	-	-	-	1072
Total financial liabilities				**23356**	**23627**

It should be noted that the weighted average rate of current bank loans and borrowings is 4.9% and the average spread of variable-rate loans is 1.7%.
There are cap options (at fixed rate, already paid) and 2 collar options in place in connection with some medium-term loans agreed from 2020 onwards to hedge the risk of future rises in interest rates, in connection with an equal number of loans that are worth approximately 84% of the bank debt for loans in place at 30 June 2024.
It should be noted that the aforementioned Takeover Bid launched on the Parent's share capital, as of 30 June 2024, had no effect on the maturity of the outstanding loans. According to the checks carried out with regard to the change of control clauses of the existing loan agreements, in the event of a successful takeover bid, only one loan would be entitled to early repayment of the outstanding debt. However, the company has already obtained a waiver letter from that lending bank, confirming its waiver of the request for early repayment.

27. 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 2024:

			Figures in thousands of euros
		30 Jun. 2024	**31 Dec. 2023**
A	Cash	7,386	12,029
B	Cash equivalents	-	-
C	Other current financial assets	-	86
D	**Cash and cash equivalents (A + B + C)**	**7,386**	**12,115**
E	Current financial liabilities (including debt instruments but excluding the current portion of non-current financial liabilities)	5,622	11,472
F	Current portion of non-current financial liabilities	5,878	6,460
G	**Current financial debt (E + F)**	**11,500**	**17,932**
H	**Net current financial debt (G - D)**	**4,114**	**5,817**
I	Non-current financial liabilities (excluding the current portion and debt instruments)	26,979	25,956
J	Debt instruments	-	-
K	Trade payables and other non-current liabilities	-	-
L	**Non-current financial debt (I + J + K)**	**26,979**	**25,956**
M	**Total financial debt (H + L)**	**31,093**	**31,773**

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

28. Lease liabilities

Current and non-current lease liabilities total 5,750 thousand euros (6,506 thousand euros at 31 December 2023) and are broken down below by due dates:

- 3,558 thousand euros (4,396 thousand euros at 31 December 2023) related to non-current lease liabilities;
- 2,192 thousand euros (2,110 thousand euros at 31 December 2023) related to current lease liabilities.

The decrease compared to the previous year end, amounting to 756 thousand euro, is mainly related to the payment of rentals for the period, only partially offset by the signing and extension of existing contracts.

Note that as at 30 June 2024 there are no lease liabilities with a maturity in excess of 5 years.

29. Put option and earn-out liabilities

The liabilities recorded to non-controlling investors and for earn-outs amounted to 9,373 thousand euros (13,755 thousand euros as of 31 December 2023) and refer to the commitment related to the acquisition of the remaining stake in the subsidiaries XCC S.r.l. in the amount of 2,459 thousand euros, consisting of a contractual structure of put and call options between the Parent? and the non-controlling investors, as well as the amounts to be paid to the previous shareholders of Innocv S.L. as earn-out, amounting to 6,914 thousand euros. These debts are classified as non-current liabilities, as they are contractually due after 30 June 2025.

As is frequently the case in purchases of controlling investments, the contractual arrangements include a put option in favour of the remaining non-controlling investors and a call option in favour of Alkemy. The liabilities 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 in 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 whose recalculation at 30 June 2024 was obtained using the present value of the redemption price method, with the help of an independent expert.

The earn-out liability that arose in 2022 refers to the acquisition of Innocv and, in accordance with IFRS 3, it was measured at the acquisition-date fair value. This liability has been adjusted to the fair value at the reporting date, taking the difference to profit and loss with the help of an independent expert.

The decrease of 4,382 thousand euros is due:

- for -4,215 thousand euro to the exercise of the option on 14% of the share capital of XCC S.r.l. (620 thousand euro) and the payment of contractually agreed earn-outs to the former shareholders of Innocv Solutions S.L. (3,595 thousand euros);
- for -420 thousand euros to the fair value measurement of liabilities for put options;
- for -54 thousand euros to the fair value measurement of earn-out liabilities;
- for +307 thousand euros to interest related to the simple passage of time (unwinding of the discounting of the exercise price).

It should be noted that the aforementioned Takeover Bid launched on the Parent's share capital had no effect on the expiry of the existing Put Options and Earn-outs.

It should be noted, however, that the agreement in place with the non-controlling investors of XCC S.r.l., provides for a specific clause to anticipate the exercise of the PUT options in the event of a "change of control", which can potentially be activated in the event of a successful takeover bid. Should this occur, for 35% of XCC's capital, it is estimated that the Parent? would have to pay the non-controlling investors around 2 million euro, to be paid within 90 days of the approval of the 2024 financial statements. It should also be noted that the aforementioned early exercise of options also applies to the CALL options held by Alkemy S.p.A.

It should also be noted that the agreement in place with the former shareholders of Innocv s.l. also provides for the latter's right to request an advance payment of the accrued earnouts, to be settled within 20 days from the occurrence of the "change of control" event. In this case, the amount to be paid would not differ significantly from the amount recognised as at 30 June 2024.

30. Employee benefits

Employee benefits come to 6,655 thousand euros (6,477 thousand euros at 31 December 2023) and refer to the post-employment benefits of employees.

The change during the period was as follows:

	Figures in thousands of euros
Balance at 31 Dec. 2023	**6,477**
Accruals	893
Actuarial (gains)/losses	(93)
Utilisation of the year	(622)
Balance at 30 Jun. 2024	**6,655**

In accordance with IAS 19, this liability is recognised as a defined benefit plan and measured using the projected unit credit method, in line with the following economic-financial assumptions:

Economic-financial assumptions		**30 June 2024**	**31 Dec. 2023**
Discount rate		3.61%	3.17%
Remuneration increase rate			
	Alkemy S.p.A.	3%	Inflation + 2%
	Alkemy Play S.r.l.	3%	Inflation + 2%
	XCC S.r.l.	3%	Inflation + 2%
	DGI S.r.l.	3%	Inflation + 2%
Increase in the cost of living		2024: 2.4%, 2025: 2% and 2026 2%	2023: 5.6%, 2024: 2.4% and 2025 2%

The following demographic assumptions have also been made:

- for the probability of death, those determined by the General State Accountancy called RG48, broken down by gender;
- for the probability of incapacity, those, broken down by gender, adopted in the INPS model for 2010 projections;
- for retirement age, it was assumed that active employees would stop working as soon as they reach the first pre-requisite for retirement as set forth in the mandatory general insurance scheme;
- for the probability of leaving work for reasons other than death, annual frequencies have been considered of 2.50% for XCC S.r.l. and DGI S.r.l. and 12.5% for other companies;

- for the probability of advances being paid, a year-on-year value has been assumed of 3.00%.

As part of the measurement of post-employment benefits in compliance with IAS 19, with respect to the discount rate, reference was made to the iBoxx Eurozone Corporates AA 10+ index, at the measurement date.
In accordance with IAS 19, a sensitivity analysis to changes in the main actuarial assumptions was carried out.
The most significant assumptions were increased and decreased, namely average annual discount rate, average inflation rate and turnover rate respectively by half, a quarter and two percentage points. The results have not shown any significant change.

31. Provisions

Provisions come to 97 thousand euros (107 thousand euros at 31 December 2023) and mainly relate for:

- 54 thousand euros (unchanged from 31 December 2023) to risks relative to an assessment by the employment inspectorate at the Spanish subsidiary Alkemy Iberia S.L.U., following which it received a request for payment of sanctions, against which the subsidiary has lodged an appeal;
- 30 thousand euros (40 thousand euros as at 31 December 2023) to contingent liabilities of a contributory nature in the Parent Company;
- 13 thousand euros (same amount as at 31 December 2023) for risks related to a claim for compensation for damages made by a customer in 2022 to the Mexican subsidiary Ontwice Interactive Service de Mexico S.A.

32. Deferred tax liabilities

Deferred tax liabilities amount to 23 thousand euros (18 thousand euros at 31 December 2023).

Current liabilities

33. Trade payables

Trade payable come to 15,745 thousand euros (16,196 thousand euros at 31 December 2023).

Below is a breakdown of trade liabilities by geographical segment

	Figures in thousands of euros	
	30 Jun. 2024	**31 Dec. 2023**
Italy	9,240	8,580
EU	3,124	3,136
Non-EU countries	3,381	4,481
Total trade payables	**15,745**	**16,196**

34. Tax liabilities

Tax liabilities come to 4,111 thousand euros (3,174 thousand euros at 31 December 2023) and include liabilities for tax that is both certain and quantified, in relation to VAT, income tax and withholdings applied as a tax substitute; the breakdown is as follows:

	Figures in thousands of euros	
	30 Jun. 2024	**31 Dec. 2023**
Current tax liabilities	443	206
Withholdings	1,796	1,248
VAT	1,835	1,695
Other tax liabilities	37	25
Total tax liabilities	**4,111**	**3,174**

The increase in tax liabilities is mainly attributable to the increase in withholdings (paid in July) and the increase in current tax labilities, which reflects the accounting of tax liabilities for taxes for the period and the payment of advances, determined on the basis of tax regulations.

The Parent and the Italian subsidiaries DGI S.r.l, XCC S.r.l. and Alkemy Play S.r.l. participate in the national tax consolidation scheme.

35. Other current liabilities

Other current liabilities come to 11,139 thousand euros (12,273 thousand euros at 31 December 2023), detailed as follows:

	Figures in thousands of euros	
	30 Jun. 2024	**31 Dec. 2023**
Social security charges	2,514	2,311
Due to employees	6,081	5,249
Accrued expenses and deferred income	2,174	4,766
Other liabilities	370	417
Total other liabilities	**11,139**	**12,743**

Amounts due to employees include those due to employees, directors and contractors; this item includes accruals pertaining to the first half of 2024 that have not yet been paid in respect of bonuses, holidays, leaves of absence and 13th month's pay, as well as the offsetting entry for costs related to the aforementioned early execution of the LTIP 2024-2026, following the tender offer.
Other payables amounted to 370 thousand euro (417 thousand euro as of 31 December 2023) and mainly related for 234 thousand euro to the payable still to be paid to the former shareholders of DGI S.r.l., as per contractual provisions, and for the remainder from other current payables.

Accrued expenses and deferred income for the period are recognised on an accruals basis.
At 30 June 2024, there are no accrued expenses (31 thousand euros at 31 December 2023).
Deferred income totals 2,174 thousand euros (4,766 thousand euros at 31 December 2023) and essentially relates to the revenue from the core business pertaining to subsequent periods, but invoiced during the period.
At 30 June 2024, there were no accrued expenses or deferred income relating to more than five years.

36. Guarantees given and other commitments

At 30 June 2024, there were five sureties totalling 1,147 thousand euros in the Parent's favour issued in favour of the same number of customers in order to guarantee the correct performance by the Companies of their contractual obligations.

At the reporting date, there are no commitments.

37. 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.. In this respect, the Parent also has an amount due to subsidiaries for the tax consolidation scheme of 169 thousand euros.

Fees paid to directors, statutory auditors and key management personnel

The fees paid in H1 2024 to the Parent's Board of Directors totalled 430 thousand euros (438 thousand euros in H1 2023), whilst those due to the Board of Statutory Auditors came to 30 thousand euros (33 thousand euros in H1 2023). The fees due to the Board of Directors also include 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 2024 and to the General Manager came to 489 thousand euros (company cost of 703 thousand euros) compared with 545 thousand euros in H1 2023 (company cost of 699 thousand euros).

38. 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 not covered by suitable provisions.

As mentioned in Note 31, in 2021, the Spanish subsidiary Alkemy Iberia S.L.U. was audited by the employment inspectorate hence a provision for risks has been made for 54 thousand euros, which corresponds to the contingent liability connected with such 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 more than half the amount.

In 2022, the Mexican subsidiary OIS de Mexico S.A. received a claim for compensation for damages from a customer, in connection with which a provision for risk of 13 thousand euros was accrued, including potential legal fees.

39. Events after the reporting period

It is considered useful to report on the following event that occurred after the close of the period.
On 8 August this year, the Board of Directors of Alkemy S.p.A. approved the 'Issuer's Statement', drafted pursuant to Article 103, paragraphs 3 and 3-bis, of Legislative Decree No. 58 of 24 February 1998 (the 'TUF') and Article 39 of CONSOB Regulation No. 11971 of 14 May 1999 (the 'Issuers' Regulation'). This press release reported the Board of Directors' reasoned assessment of the Takeover Bid and the inadequacy, from a financial point of view, of the proposed consideration for each share included in the Bid (Euro 12.00).
On 9 September of this year, the Board of Directors of Alkemy S.p.A. supplemented the above-mentioned "Issuer's Statement", prepared at the request of Consob, which had been received on 4 September.

Milan, 13 September 2024

On behalf of the Board of Directors

the Chief Executive Officer

Duccio Vitali

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Annex 1

THE ALKEMY GROUP COMPANIES at 30 June 2024

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
Parent					
Alkemy S.p.A.	Milan	Euro	596		
Subsidiaries consolidated on a line-by-line basis:					
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.	100
eXperience Cloud Consulting S.r.l.	Rome	Euro	10	Alkemy S.p.A.	65
Innocv Solutions S.L.	Madrid	Euro	246	Alkemy S.p.A.	100
Alkemy South America S.L.	Madrid	Euro	89	Alkemy S.p.A.	100
Alkemy Iberia S.L.U.	Madrid	Euro	6	Alkemy S.p.A.	100
Alkemy SEE D.o.o.	Belgrade	Serbian dinar	48402	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 D.o.o.	Belgrade	Serbian dinar	1168	Alkemy SEE D.o.o.	51
Alkemy Play D.o.o.	Belgrade	Serbian dinar	625	Alkemy Play S.r.l.	100
Design Group Italia Corp.	New York	USD	10	Design Group Italia I.D. S.r.l.	100

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 2024	related parties	H1 2023	related parties
Revenue	57,125	-	56,309	-
Other income	1,112		1,168	
Total revenue and other income	**58,237**	**-**	**57,477**	**-**
Services, goods and other operating costs	(26,283)	-	(24,151)	-
- of which non-recurring	(46)	-	(13)	-
Personnel expense	(29,303)	(2,667)	(28,015)	(1,228)
- of which non-recurring	(2,062)	(135)	(655)	-
Total costs and other operating costs	**(55,586)**	**(2,667)**	**(52,166)**	**(1,228)**
Gross operating profit	**2,651**	**(2,667)**	**5,311**	**(1,228)**
Amortisation/depreciation	(2,207)		(1,979)	
Provisions and impairment losses	(426)		(327)	
Operating profit	**18**	**(2,667)**	**3,005**	**(1,228)**
Other financial income	522		521	
Other financial expense	(1,418)		(1,436)	
Pre-tax profit (loss)	**(878)**	**(2,667)**	**2,090**	**(1,228)**
Income taxes	23		(681)	
Profit/(loss) for the period	**(855)**	**(2,667)**	**1,409**	**(1,228)**

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 Jun. 2024**	**related parties**	**31 Dec. 2023**	**related parties**
Property, plant and equipment	1,934		1,939	
Right-of-use assets	5,511		6,274	
Goodwill	54,870		54,871	
Intangible assets	2,461		2,079	
Equity investments	5		5	
Other financial assets	189	-	245	-
Deferred tax assets	2,267		1,818	
Other assets	342		295	
Non-current assets	**67,579**	**-**	**67,526**	**-**
Trade receivables	42,082	-	45,929	-
Other financial assets	-		107	
Tax assets	2,731		2,258	
Other assets	3,778	643	2,470	-
Cash and cash equivalents	7,386		12,029	
Current assets	**55,977**	**643**	**62,793**	**-**
Total assets	**123,556**	**643**	**130,319**	**-**

				Figures in thousands of euros
Liabilities and Equity	**30 Jun. 2024**	**related parties**	**31 Dec. 2023**	**related parties**
Equity				
Share capital	596		596	
Reserves	47,094		43,184	
Profit/(loss) for the period	(857)		3,463	
Equity attributable to owners of the parent	**46,833**		**47,243**	
Equity attributable to non-controlling investors	474		473	
Total equity	**47,307**		**47,716**	
Financial liabilities	14,048		12,007	
Lease liabilities	3,558		4,396	
Put option and earn-out liabilities	9,373		9,553	
Employee benefits	6,655		6,477	
Provisions	97		107	
Deferred tax liabilities	23		18	
Non-current liabilities	**33,754**	**-**	**32,558**	**-**
Financial liabilities	9,308		11,620	
Lease liabilities	2,192		2,110	
Put option and earn-out liabilities	-		4,202	
Trade payables	15,745	-	16,196	-
Tax liabilities	4,111		3,174	
Other liabilities	11,139	1,576	12,743	90
Current liabilities	**42,495**	**1,576**	**50,045**	**90**
Total liabilities	**76,249**	**1,576**	**82,603**	**90**
Total liabilities and equity	**123,556**	**1,576**	**130,319**	**90**

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 in charge of financial reporting of Alkemy S.p.A., having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of 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 2024.

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 parent and the group of companies included in the consolidation scope.

3. Finally, the Report on Operations contains a reliable analysis of the business outlook and results of operations, the financial position of the parent 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 2024

Chief Executive Officer	Manager in charge of financial reporting
Duccio Vitali	Claudio Benasso
(Signed on the Italian original version)	(Signed on the Italian original version)

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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 2024, 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.

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 2024 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 2024

KPMG S.p.A.

(signed on the original)

Alain Rigamonti
Director of Audit