



# DESK AS A VALUE

HALF-YEAR CONSOLIDATED REPORT  
AS OF 06 30 2023

Financial Statements prepared according to IAS/IFRS accounting standards

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# Corporate Bodies

## Board of Directors

Pasquale Lambardi

Chairman of the Board of Directors

Gianni Franco Papa

Vice President and Board Member

Silvio Cosoleto

Executive Director

Antonio Patruno

Executive Director

Donatella de Lieto Vollaro

Independent Board Member

## Board of Statutory Auditors

Marcello Del Prete

President of the Board of Statutory Auditors

Giulio Bassi

Statutory Auditor

Maria Carla Bottini

Statutory Auditor

Gianluigi La Pietra

Statutory Auditor

Martino Diletta

Statutory Auditor

## Auditing Firm

BDO ITALIA S.p.A.



# THE GROUP AT A GLANCE

## The Group at a glance

Relatech S.p.A., Digital Enabler Solution Know-how (DESK) Company listed on the Euronext Growth Milan market since June 2019, has been active in the digital technologies sector, particularly in Digital Enabler Technologies, for over twenty years (founded in 2001). Today Relatech is the point of reference for the Digital Innovation of companies and leads a group of ten companies highly specialized in Digital Enabler technologies united by a common mission: to support customers in the digital transformation process. Through enabling technologies (Digital Enabler) and the Know-how deriving from the ecosystem of scientific and technological partners, the Relatech Group develops digital services and solutions capable of innovating the business model of its customers, guaranteeing sustainable growth for the success of their business today and in the near future and generating ethical value in the client company and throughout the territory. Objective summarized briefly as D.E.S.K: Digital Enabler, Solution Know-how. Relatech positions itself as the digital partner of reference for all those companies that see the digitalisation and innovation process of their business as the key to their current and future success.

The Relatech Group today has 5 international offices (Vienna, Munich, Luxembourg, New York, Hong Kong) and 9 offices on the national territory (Milan, Brescia, Turin, Bologna, Parma, Genoa, Rome, Naples, Cosenza), around which it develops real hubs for creating Value also thanks to collaborations with universities, research centers, territorial associations and technological partners with which it does business in a sustainable way. The internal research and development Labs, in addition to developing innovation to anticipate market needs, play the important role of research incubators and talent attractors, thus promoting the valorisation and growth of the territory, local communities and of the Country System.

The business strategy of the Relatech Group pursues an OPEN INNOVATION approach, an activity carried out by the internal R&D Hub in collaboration with the scientific ecosystem, including in particular the University of Calabria (Cosenza), the University of Verona, the Federico II University of Naples,

University of Genoa, Polytechnic of Milan and the ICAR-CNR department and territorial associations, such as Entopan.

The results of the R&D activity, which aim to anticipate market needs, are then industrialized and transformed into solutions thanks to the skills of the internal resources who collaborate with the ecosystem of our technological partners. Thanks to partnerships with the scientific community, Universities and research centres, in recent years more than 30 research projects have been successfully developed, obtaining satisfactory results in innovative fields such as Artificial Intelligence, Cybersecurity, Blockchain, Machine Learning.

Relatech bases its commercial proposition on the proprietary RePlatform platform, the digital Cloud platform par excellence capable of gathering methodologies, technologies, skills and know-how.

RePlatform, a flexible, modular and constantly evolving platform, that is able to integrate the expertise of the companies that become part of the Group, and from which vertical digital services and solutions applicable in different market areas are derived. Examples of this include ReZone, the Artificial Intelligence Solution for customer engagement, ReFab, the end to end solution for the digitalisation and complete control of production for Industry 4.0 and ReSoc, the Security Operation Center of the Relatech Group and ReCloud, which offers professional IaaS services that can be configured according to customer needs, managed by the Relatech Group through latest generation technical infrastructures hosted in Enterprise level Data Centres with the highest quality and security standards.

The Relatech Group proposes itself as the reference digital player of the current panorama and of the near future, to guide the digital transformation of the country system. The Relatech Group is, in fact, well positioned to support companies in the process of i) Modernization: the group supports companies in the digital transition through technological innovation ii) Ecological transition: through digital innovation the company aims at the sustainable redevelopment of the territory iii) Inclusion: the group pursues an approach based on Open Innovation, a continuous and synergistic process which aims to develop Innovation and Skills through the scientific ecosystem (Universities and

research centres) with which it collaborates with the internal R&D activities and scientific Hubs that allow us to achieve continuously evolving results and which can lead to the definition of new objectives in terms of Innovation and Skills.

Today the Relatech Group has a human capital of around 800 people, an essential asset and heart of the company. Human Value is at the top of the Group's value chain and is in fact one of the founding pillars on which Relatech places a lot of attention also with reference to sustainability issues, a path that the Group has undertaken starting from 2020 with the publication of the first non-financial ESG Report. The sensitivity towards the issues of Environment, Social and Governance are demonstrated in the 2022 Sustainability Report.

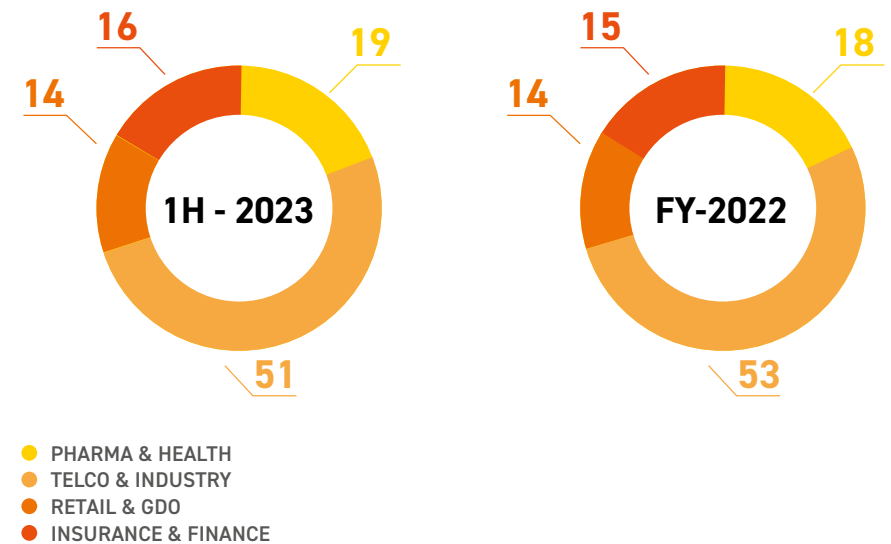
The Relatech Group bases its growth strategy on the 3M strategy (Merge – Management – Margin). The 3M strategy provides for:

- a constant attention to M&A (Merge) activity with the aim of identifying companies with specific latest generation technologies, process expertise and customer base in new sectors;
- careful management of resources and strengthening of the Group structure (Management) in terms of governance, guaranteeing the development of talents with professional training plans and coaching paths aimed at strengthening transversal soft skills through the internal project called ReCoach, which at the beginning of 2023 saw the certification of the first 24 professional Relatech coaches, which involved more than 30% of the population at group level and which established Relatech as a certified company for Sustainable Coaching Management. Furthermore, the objective is to consolidate and increasingly expand the partnerships with research centres and University institutes;
- ensuring sustainable economic growth (Margin) that allows technological leadership thanks to proprietary solutions with recurring revenues.

In addition to the three 3M guidelines, Relatech adopts what has been called Digital Renaissance, a growth driver capable of combining technology with the centrality of the human being who can exploit all its potential to his advantage.

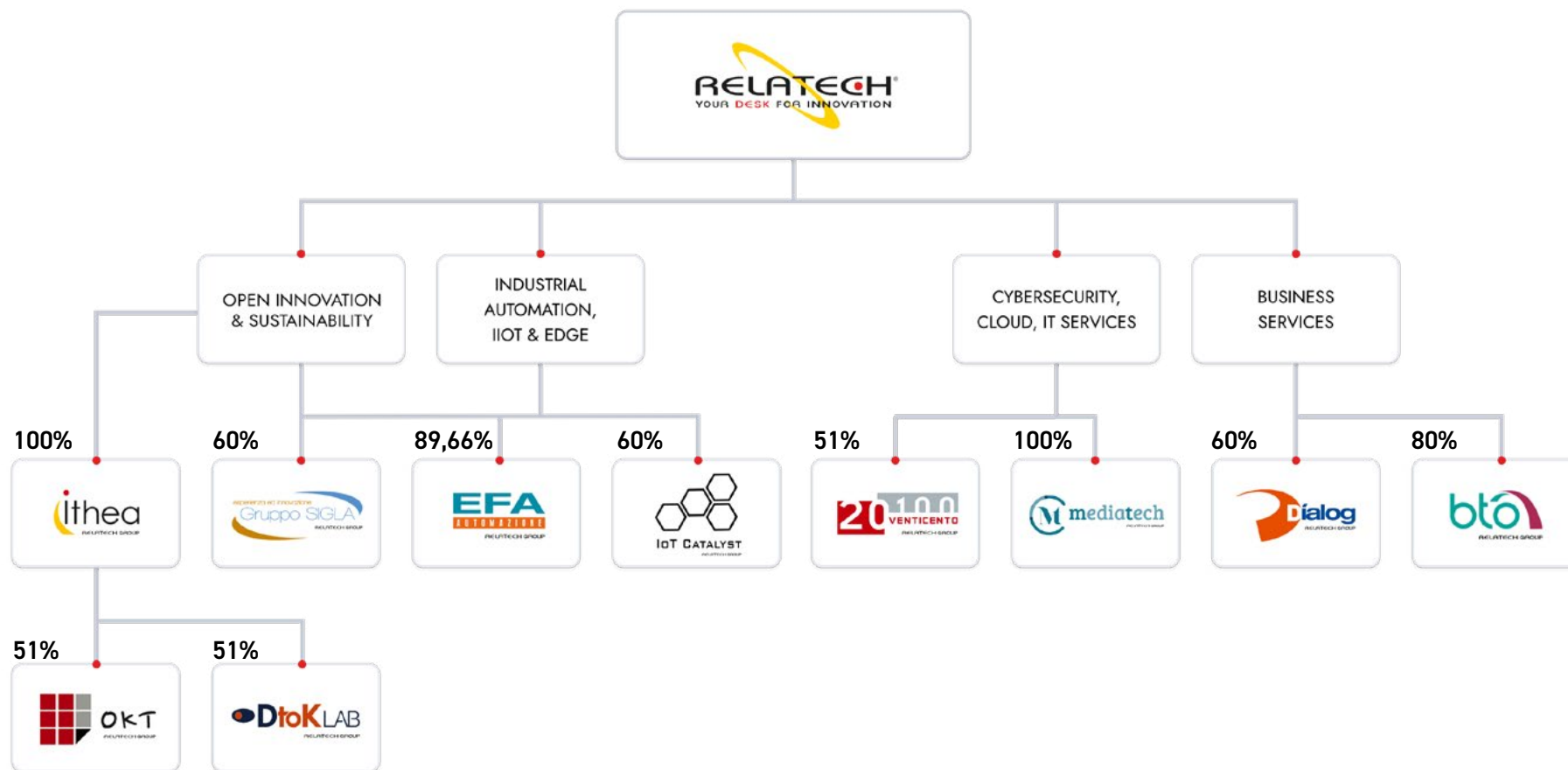
On the customer front, today the Group has a diversified presence on the market, with a market sector that has a greater presence, such as Telco & Industry, which continues to be the main one during 2023 with almost an incidence of more than 50%. During the first half of 2023 the other market sectors are almost equally distributed, with the same percentage incidences compared to the performance of 2022.

#### MARKET DIVERSIFICATION BY TURNOVER



With headquarters in Milan, the Group also has offices in Brescia, Turin, Bologna, Parma, Genoa, Rome, Naples, Cosenza and has 5 international offices, Vienna, Munich, Luxembourg, New York and Hong Kong.

Below the corporate structure of the Relatech Group.



# MANAGEMENT REPORT



## 1. The Reference Market

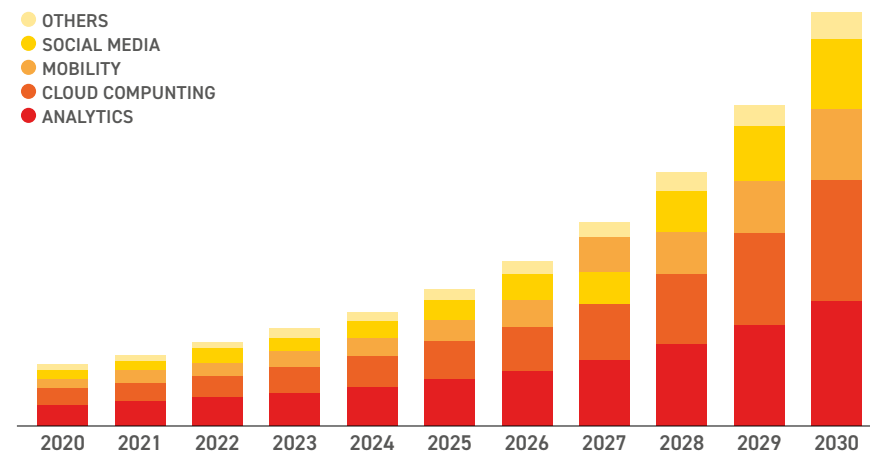
### 1.1 The Global Market

The Relatech Group is active in the international market of innovation and digital transformation, which for several years has represented the fastest growing segment of the ICT sector. In fact, even in 2022 it was this sector that acted as the engine of growth, recording an overall value of approximately \$730B in the world, with an aggregate growth forecast (CAGR) in the period 2023 - 2030 of 26.7% at a global level (<https://www.grandviewresearch.com>). The growth of the market can be predominantly attributed to the increasing adoption of cutting-edge technologies such as cloud, big data analytics, and artificial intelligence (AI), among others, which has caused the growth of companies of all sizes all over the world.

The BigData Analytics segment accounted for the largest market share in 2022, with a share of 35.3%, attributable to the high demand for capturing and analysing huge volumes of business information to generate powerful insights thanks to the use of A.I. algorithms, followed by Cloud Computing with a share of 26.7%, essential for archiving and managing data in a scalable way.

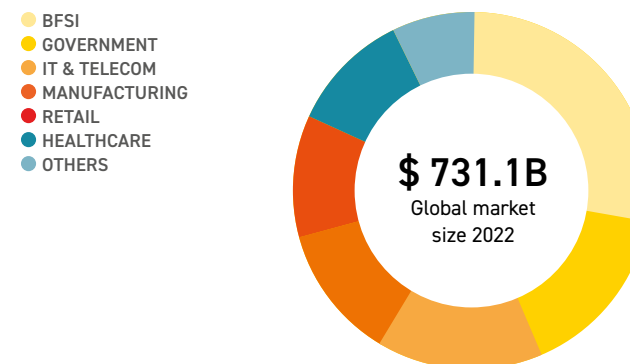
In terms of diffusion on the markets, Digital Transformation at a global level is distributed quite equally, with a slight prevalence in the Banking & Finance sector.

DIGITAL TRANSFORMATION MARKET - size, by solution, 2020 - 2030 (USD Billion)



Source: grandviewresearch

GLOBAL DIGITAL TRANSFORMATION MARKET - share, by end use, 2022 (%)



Source: grandviewresearch

Even for the more technological sectors, very sustained growth is expected:

- **Smart Manufacturing:** The global smart manufacturing market was valued at \$254.24B in 2022 and is expected to grow at a CAGR of 14.9% from 2023 to 2030. The market is expanding at a faster pace due to factors such as increased adoption of Industry 4.0, greater government commitment to supporting industrial automation, greater emphasis on industrial automation in manufacturing processes, increased demand for software systems that save time and costs, increasing supply chain complexities and a greater emphasis on regulatory compliance.

#### GLOBAL SMART MANUFACTURING MARKET - share, by end use, 2022 (%)



Source: grandviewresearch

- **Cybersecurity:** The global cybersecurity market size was valued at \$173.5B in 2022 and is expected to grow to \$266.2B by 2027 at a CAGR of 8.9% during 2023-2027. The main growth driver remains the growing number of attacks and malicious intrusions globally and in every sector, including finance, public, healthcare and industry. In particular, growing investments are expected especially in the healthcare, public administration and industry sectors. For this last sector there is growing attention for the protection of industrial networks also by SMEs. (<https://www.marketsandmarkets.com/Market-Reports/cyber-security-market-505.html>)

## 1.2 The digital market in Europe

At European Community level, the issues of digitalisation and innovation are very important and substantial investments are already planned for the Digital Europe programme, which will focus above all on 5 thematic areas: Cloud, artificial intelligence (AI), Cybersecurity, Digital Skills (skills) and Digital Transformation (processes and methodologies), and for the continuation of the Horizon Europe program for the period 2021-27 (H21-27), for a total investment value of more than 100 billion EUR over the next seven years.

The macro-objectives of the Digital Europe Program are:

- Increase the competitiveness of the EU.
- Develop, strengthen digital skills and accelerate the digital transformation of Member States.
- Digital skills accessible to citizens and businesses.
- Horizon 2021-27 program, continuation of H2020.

The Horizon 21-27 program provides funding for research and innovation which will continue with the already launched Horizon2020 program but will be further strengthened to finance research on health, safety, digital transition and the protection of the green ecosystem. Part of the program budget is reserved for the Digital and Industry sphere in order to develop high standards of research and innovation in Digital Enablers, i.e., technology enabling digital evolution, such as Artificial Intelligence, Robotics, Next Generation Internet (5G etc.), Computing, Big Data.

Several thematic areas addressed by Horizon21-27 and the Digital Europe program appear to overlap, but in reality they are complementary, i.e.:

- The Digital Europe program will focus on large-scale digital capacity and infrastructure building with the aim of broad market deployment and spread of digital solutions.
- Horizon21-27 will support research and technological development.

The digitalisation market will therefore have a significant boost in terms of investments from the European Union, not only through the Digital Europe and Horizon21-27 programmes, but also from the European Recovery Plan (Europe 2027 project).

On 17 December 2020, following approval by the European Parliament, the Council of Europe adopted the regulation on the EU's multiannual financial framework (MFF) for the period 2021-2027. The regulation established a long-term EU budget for the EU27 of Euro 1,074.3 billion to help repair the economic and social damage caused by the coronavirus pandemic and to support a recovery plan that will help the EU emerge from the crisis and lay the foundations for a more modern, sustainable and digital Europe.

The MFF, together with the Euro 750 billion in extraordinary recovery tools contained in the Next Generation EU plan, will allow the EU to provide more than Euro 1.8 trillion in financing over the next few years to enable a recovery from the Covid-19 pandemic and help transform the EU by supporting the European Green Deal and digital transformation.

Most of the sector-specific EU funding programs are expected to be adopted in early 2021. In order to access Recovery Plan funds, each Member State is required to submit to the European Union Commission its own national recovery plan.

Expenditure under the 2021-2027 MFF and NGEU must be consistent with:

- EU objective to be "climate-neutral", i.e., not to have a negative but rather positive impact from a climate point of view by 2050;
- EU climate targets planned for 2030;
- Paris Agreement.

### 1.3 The digital market in Italy

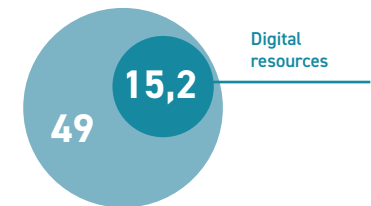
The digital market closed 2022 recording growth of 2.4%, with a total value of 77.1 billion euros. This is a lower increase than the national GDP (+3.7%) and with different trends between the different segments.

The most significant growth concerned ICT Services, Digital Content and Advertising and ICT Software and Solutions. The market was driven above all by certain dynamics: the need for security of company data and information; migration to the cloud; adoption of innovative solutions for customer experience & engagement; use of advanced information analysis systems based on Artificial Intelligence.

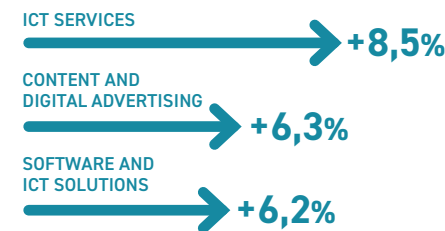
Value of the digital market in Italy in 2022  
(billion euros)



Resources allocated by the PNRR  
(billion euros)



Sectors that have recorded the greatest growth



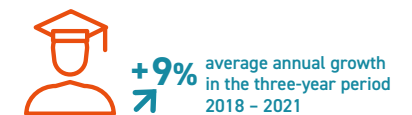
Between 2022 and 2026, companies and institutions will mainly invest in the following **Digital Enabler** and **Transformer**



Estimated average annual growth of the digital market in the period 2022 - 2026



ICT graduates entering the job market

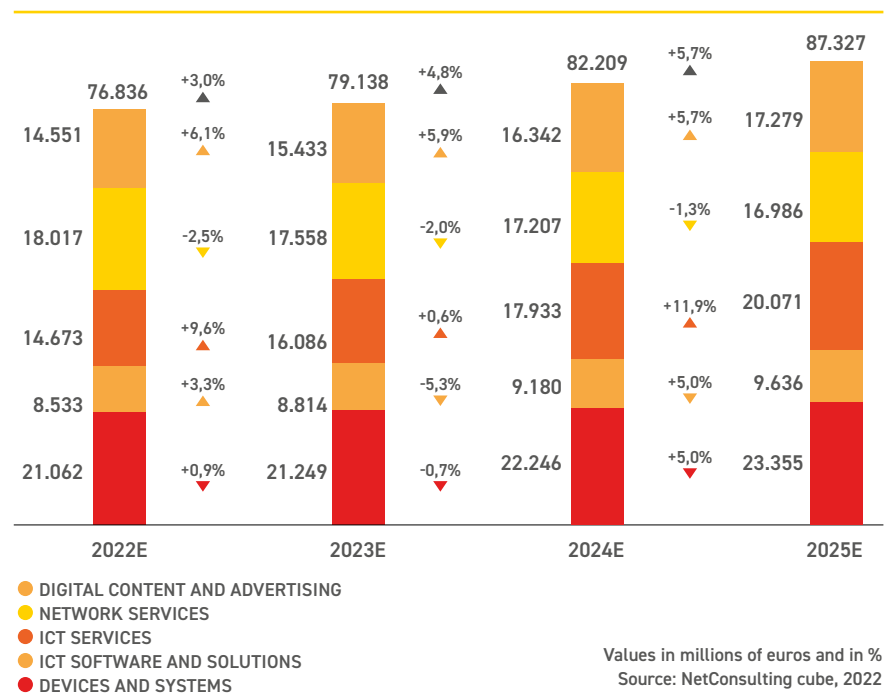


Source: Anitec-Assinform - il digitale in Italia

The trend of the digital market expected for the two-year period 2023-2024 will be influenced by various factors:

- the real use of the PNRR resources intended for the Country's digitalisation projects and their real feasibility in complex territorial and operational contexts;
- the continuation of an uncertain economic situation both nationally and internationally;
- an increase in external and internal costs in the ICT sector which makes the digital transition more expensive.

In 2023, the market is still expected to grow (+3.1%). Some segments will be more affected by the effects of inflation than others: the consumer segment, for example, will be particularly penalized by the increase in prices, especially of consumer goods, with repercussions also on spending on technological goods.



With the launch of new application, infrastructure and digital transformation projects, in many cases linked to the resources made available by the PNRR, the ICT Software and Solutions and ICT Services market segments are expected to increase.

In particular, in 2023, a positive trend is expected for the first sector, mainly in the Middleware and IT Security segments. ICT Services will continue to benefit above all from a growth in digitalisation and application replatforming projects, as well as from a transformation aimed at supporting migration to the Cloud. The Cloud itself will continue its growth (+25%), given the centrality it assumes in the digital transformation plans of companies and the strategic role attributed to it in the digital transition of the PA. Overall, it is expected that ICT Services can reach the considerable value of 20 billion euros in 2025. Investments in Digital Advertising will also grow in the broader market segment of Digital Content and Advertising, which should reach 15,433 million euros in 2023 (+6.1%).

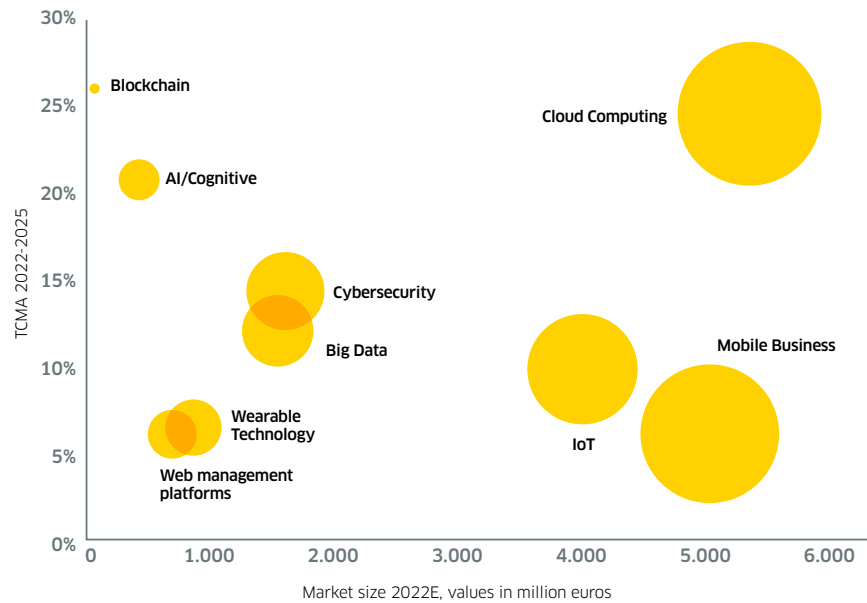
As regards the 2022-2025 prospects of the market specifically relating to Digital Enablers, it is foreseeable that they will continue to be an extraordinary driving force for the development of the Italian digital market, thanks to the many digital transformation initiatives which, despite the period of uncertainty, will continue to be born in companies.

In detail, it is possible to identify three main clusters of technologies. The first includes solutions and platforms that have reached significant market values and which still have good growth prospects. This is the case of Cloud Computing, which is expected to exceed 10 billion euros in 2025 thanks to an average annual growth of 24.5% in the period 2022-2025.

The Cloud has taken on a central role in digital transformation and in supporting technological and business priorities thanks to the now proven advantages in terms of flexibility and scalability compared to traditional on-premise logics. In terms of performance, IoT follows (4 billion euros, +8.8%), which is the basis of the technological innovation of operational and production processes and of the development lines of the PNRR. Finally, Mobile Business should be highlighted (5 billion euros, +6.1%), whose development reflects the continuous increase in

worker mobility despite the growing maturity of the demand for communication devices and services.

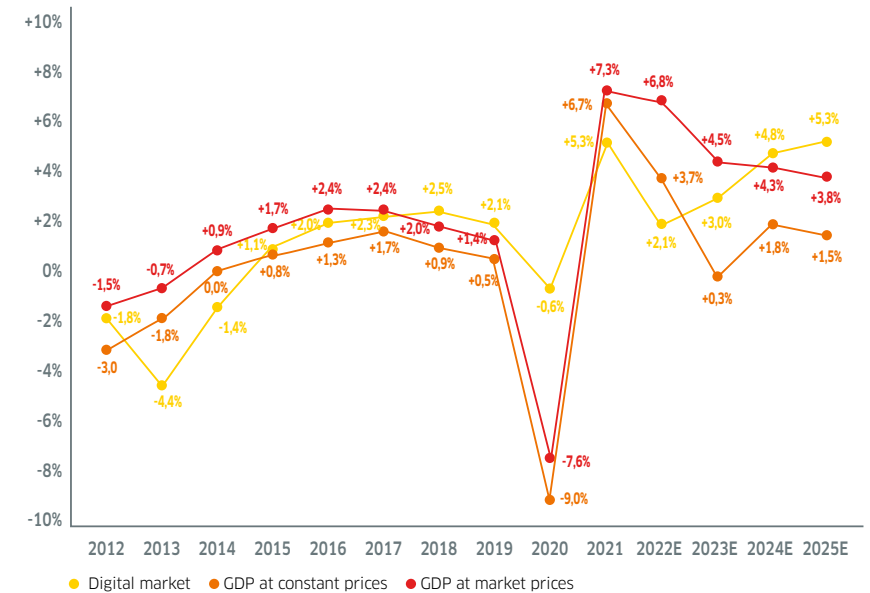
The second cluster includes Cybersecurity (1.6 billion euros, +14%) and Big Data (1.6 billion euros, +12.7%). Finally, niche solutions and technologies fall into the third cluster, either because they are characterized by a very specific use or because their use cases have not yet found full realization, such as web management platforms, wearable technologies.



Source: NetConsulting cube, 2022

Ultimately, the digital market also confirmed itself as a very dynamic segment of the economy during 2022, with performances superior to the entire economy in various areas, from added value, to employees, to the growth in the number of active companies and indicators such as R&D intensity or productivity.

This evolution has been more positive than that of the entire economy for some years now, as emerges from the comparison of the historical series of the annual growth of the ICT market and of the GDP where it is clear that the ICT has driven the growth of the economy at least over the last five years and from a competitive point of view this growth has been accelerated starting from 2020 due to the challenges opened up by the pandemic.



Source: Anitec - Assinform processing on ISTAT, NADEF, NetConsulting Cube

In addition to the impact that the adoption of ICT technologies has on the organization of businesses, the enabling role of these technologies becomes fundamental in creating new business models, new competitors and new markets, as well as in transforming production and processes, with the diffusion of new phenomena such as robotization, automation and artificial intelligence, and pave the way for the international fragmentation of supply chains, the awareness that Digital Enablers and ICT technologies determine competitive power in the knowledge economy.

## 2. Group structure and activities

### 2.1 Group Structure

The following table represents the structure of the Relatech Group as of 30<sup>th</sup> June 2023:

Name	Registered office	Share capital	Shareholding	Consolidation principle
RELATECH SPA	Italy	Euro 215.079,59	Parent Company	-
ITHEA SRL	Italy	Euro 40.000,00	100,00%	Full
OKT SRL	Italy	Euro 96.000,00	51,04%	Full
DtoK Lab SRL	Italy	Euro 11.136,00	51,00%	Full
DIALOG SISTEMI SRL	Italy	Euro 50.000,00	60,00%	Full
Gruppo SIGLA SRL	Italy	Euro 81.600,00	60,00%	Full
MEDIATECH SRL	Italy	Euro 46.800,00	100,00%	Full
EFA AUTOMAZIONE SPA	Italy	Euro 120.000,00	89,66%	Full
VENTICENTO SRL	Italy	Euro 50.000,00	51,00%	Full
IOT Catalyst SRL	Italy	Euro 200.000,00	100,00%	Full
BTO SPA	Italy	Euro 2.465.313,00	80,00%	Full

For the scope of consolidation, please refer to the explanatory notes.

**Ithea Srl**, based in Rende (CS), was born as a spin-off of the University of Calabria with the mission of applying the results of scientific research in the fields of new technologies and data management for commercial purposes, through consulting services and the development of innovative products. With offices in Rende (Cosenza) and Naples, Ithea boasts specialized skills in Digital Customer Analytics and Engagement, Big Data, Business Intelligence, Mobile, Social eCommerce. In the Relatech Group, Ithea S.r.l. operates in research and development activities.

**OKT Srl (Open Knowledge Technologies)**, based in Rende (CS), was born as a spin-off of the University of Calabria, is indirectly part of the Relatech Group through Ithea Srl, focused on enhancing know-how in the areas of Cyber Security, Blockchain and Artificial Intelligence. It deals with the integration and development of proprietary and cutting-edge Open-Source technologies to meet the needs of every economic and industrial reality, making use of the results from the academic world and research. OKT promotes and develops customized solutions in order to carry out a transfer of technologies to companies interested in quickly identifying and integrating advanced solutions for improving the competitiveness of their offer.

**Mediatech Srl**, based in Brescia, it specializes in the development and management of in cloud solutions and infrastructures with a high degree of attention also to Cybersecurity issues, a market in which it also operates as a qualified partner of international big vendors, such as Nutanix. Mediatech joins the Relatech Group in 2020, with the aim of integrating into Relatech's business model, strategically contributing to broadening the Group's ecosystem of technological partnerships and offering services that help customers modernize their data centres and run applications on any scale (on premise and in cloud), with the implementation of new automation features.

**Dialog Sistemi Srl**, based in Milan, it establishes itself as a management control consulting company specializing in the design of "business monitoring and governance" systems and as software manufacturer in the Business Performance Management sector.

**Gruppo SIGLA Srl**, based in Genoa, it is a company with high specialization and experience in the Information Technology field that designs and develops IT solutions for companies and public bodies. Gruppo SIGLA is able to provide solutions and services in the IT and Automation sectors, covering the entire life cycle of the Project: from the analysis of business requirements to the realization of feasibility studies, from design (hardware and software) to the creation of "dedicated applications" for their installation and implementation by end users.

**DtoK Lab Srl**, based in Rende (CS), it is an academic spin-off of the University of Calabria active in providing Big Data management and analysis solutions in corporate domains using cloud-based technologies, and carries out in-depth analyses in terms of sentiment analysis, trajectory discovery, data journalism.

**EFA Automazione S.p.A.** based in Milan, it has been operating for over 35 years in the Industrial Automation sector, developing specific skills in the communication and connectivity of machines and systems. The deep knowledge of communication protocols and drivers, as well as Middleware platforms for the supervision and collection of process data from the OT (Operational Technology) world, makes it a natural interlocutor in the IT (Information Technology) world which, thanks to the technologies offered, it is able to draw on process data in a simple and safe way.

The company operates as a technological vector in the world of industrial automation through products, solutions and services aimed at exchanging data between the two IT/OT worlds, an essential element for the realization of digital transformation projects or models.

**Venticento Srl**, based in Bresso (MI), a company specialized in offering Cybersecurity and Cloud solutions and IT services for the enterprise market. Founded in 2005 in Milan and with offices in the United States and Hong Kong, Venticento's mission is to ensure maximum protection of its customers' data through Cybersecurity technology, while guaranteeing flexibility to the Cloud infrastructure.

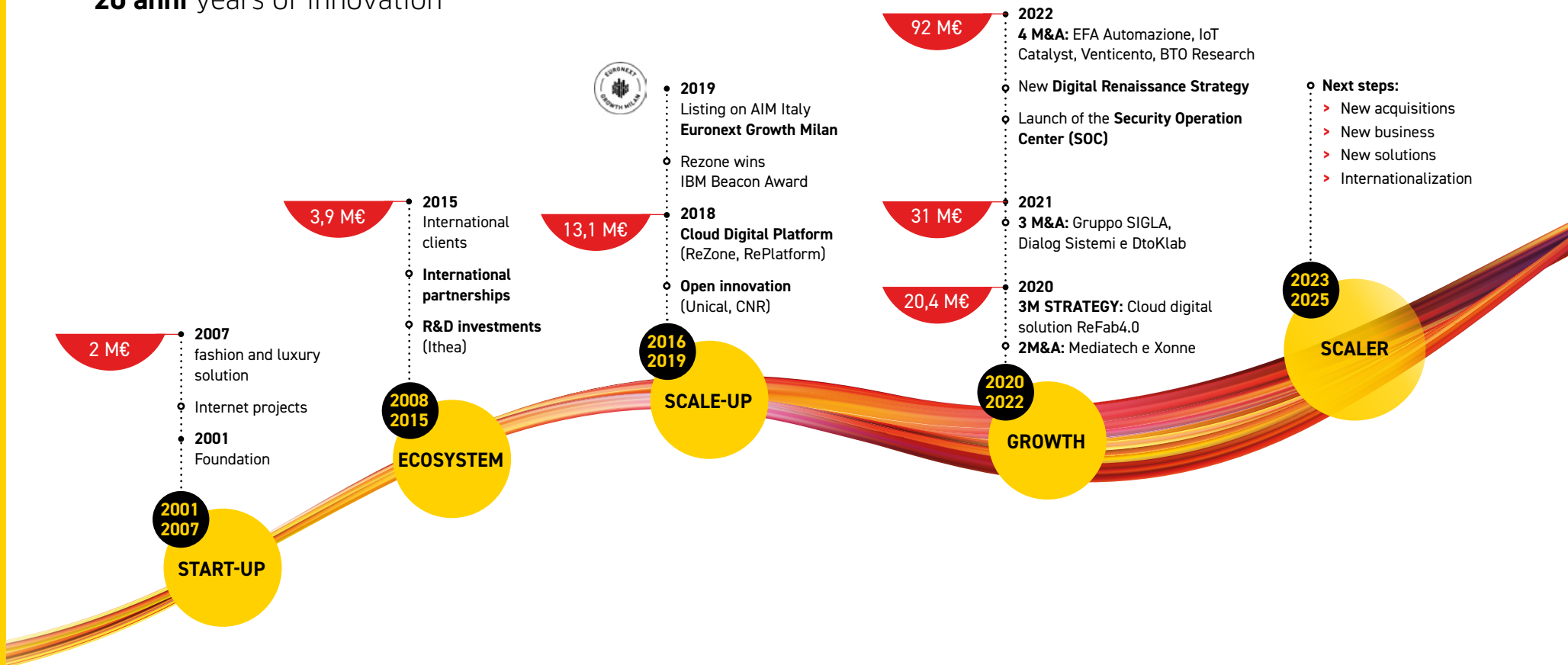
**lot Catalyst Srl**, based in Rome, it is a company specialized in IoT technology and in the development of edge computing solutions in the industry 4.0, telco and smart city fields. lot Catalyst, supports customers in the design, roll-out and maintenance of IoT systems, with the ultimate goal of managing complex networks, infrastructures and industrial plants efficiently, securely and rapidly.

**BTO S.p.A.**, with offices in Italy in Milan, Turin, Bologna, Rome, the company is also present abroad in Munich (Germany), Vienna (Austria) and Luxembourg. BTO Research is one of the main players in management & change advisory, already operating in Italy and abroad in the insurance, banking, utilities, fashion and automotive sectors. Furthermore, BTO boasts high expertise in Digital & Marketing strategy thanks to an international Advisory Board, made up of experts in technology and digital marketing.

## 2.2 The evolution of the Group

The Group has undergone significant evolution over the years. Starting from 2001, the year of incorporation, there has been a constant and progressive transformation of the business model which has had a positive impact on the growth of the Group's perimeter and on the economic-financial performance:

### 20 anni years of innovation





### 3. Business Model

Thanks to its own internal skills and those of the group companies, Relatech is able to support client companies in designing and implementing the best digital transformation path, with an End-to-End business model which combines enabling digital technologies, innovative solutions and constantly updated know-how. Relatech therefore proposes itself as a reliable partner to help the customer to outline the best transformation process and lead it along all the identified paths towards a successful implementation, thanks to the profound knowledge and experience of all the founding components of the digital world:

- **Innovative Technologies:** Relatech is engaged in constant research and development on frontier digital technologies such as Big Data, Cybersecurity, Artificial Intelligence, Blockchain, IoT, Cloud, Augmented and Virtual Reality and others.
- **Digital adoption strategies:** the use of technologies must also be functional to achieving the company's business objectives. Relatech aims to guide customers in the choice of digital technologies and in the re-engineering of business processes to encourage the correct adoption of digital.
- **Development of innovative Solutions and Services:** thanks to the use of technologies and digital strategies, Relatech is able to propose customized Solutions and Services to meet the needs of the end user, in order to maximize the return on business and the sustainability of the production processes and last but not least, guarantee the data security and performance scalability.
- **Constantly updated know-how:** finally, thanks to the skills of all the companies in the group, Relatech is able to guarantee the success of every digitalisation path.



### 3.1 RePlatform

This End-to-End approach is made possible by the internal development of the corporate digital platform RePlatform™, which provides technologies, methodologies and skills that enable the development of innovative solutions, services and business models by leveraging all the experience of the Relatech group.



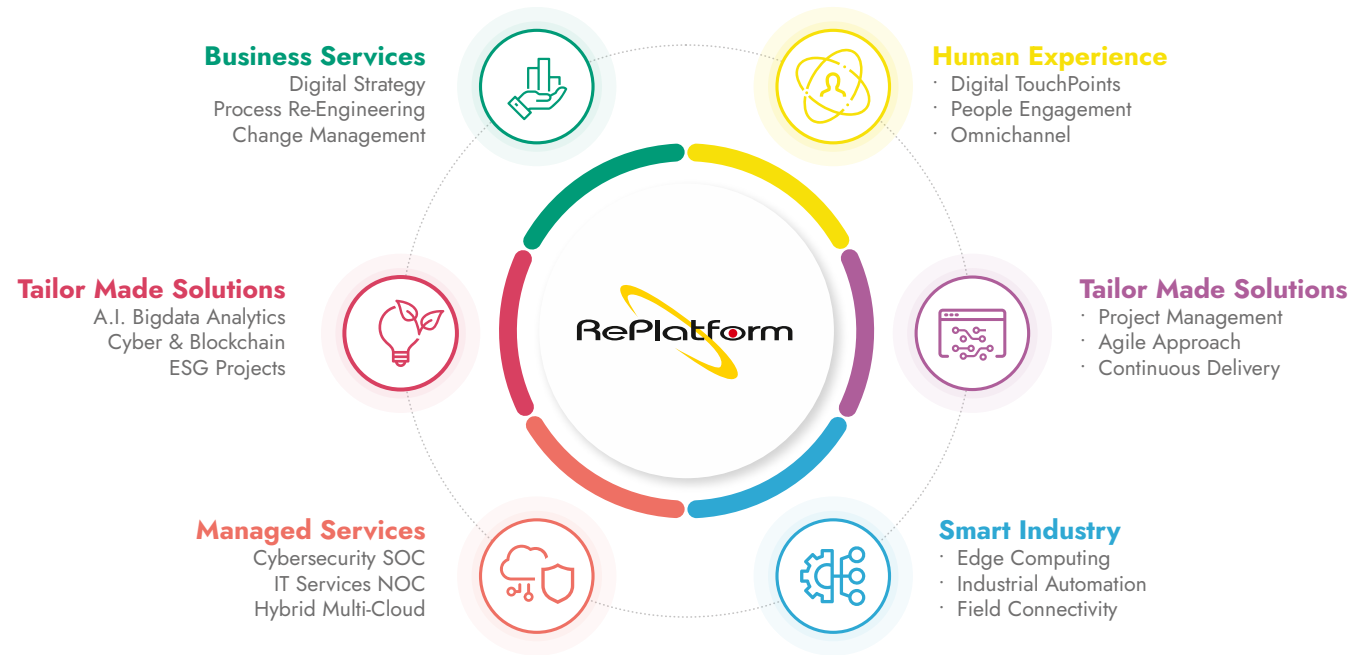
RePlatform™ constitutes the distinctive factor that allows us to guarantee innovation, quality and speed in all digitalisation paths and make our solutions natively cloud based, secure, data-driven and people centred.

### 3.2 Value Proposition

The Relatech Group offers the market digital solutions and innovation services, based on RePlatform, to support customers in the creation of multiple types of customized digital transformation projects, helping them to define new digital strategies and share new technologies within pre-existing architectures.

The target customers are all companies that wish to innovate their processes and evolve their business model to continue to be competitive on the market.

Based on the skills and technologies contained in RePlatform, Relatech has developed various business lines, summarized in the following image, which overall represent Relatech's End-to-End approach to the topic of digital transformation.



The Business lines are macroscopically divided into Innovation Services and Digital Solutions

Innovation Services are:

- **Open Innovation & Sustainability:** research and development activities in partnership with Universities and research Centres to propose new technologies and solutions to keep the company's offering constantly updated.
- **Business Services:** strategic business consultancy and advisory services offered to the customer to help it better analyze its needs and design the most suitable innovation path.
- **Managed Services:** cloud infrastructure design and management services and turnkey managed security services.

Digital Solutions are:

- **Human Experience Solutions**, i.e., solutions based on RePlatform, designed to address needs oriented towards Customer Experience and multi-channel analysis of customer habits.
- **Smart Industry Solutions**, to provide data acquisition solutions, control supervision of industrial plants and processes, and advanced analytics for monitoring business KPIs.
- **Tailor-made Solutions**, customized solutions, developed based on RePlatform functionality, to meet the specific needs of a customer.

Below is a brief description of the individual business lines.

### 3.2.1 Open Innovation & Sustainability

Relatech has always been engaged in research and innovation activities in collaboration with prestigious **Italian and foreign Universities and Research Centres**. Our **Innovation Lab** is focused on the development of research projects which, by applying the latest technologies such as AI, BigData, Blockchain, CyberSecurity, propose innovative solutions to support the improvement of the **sustainability** footprint in terms of reducing environmental impact, improving production efficiency, waste reduction and support for inclusiveness and the most vulnerable people.

These activities also have the aim of fuelling the company Value Proposition with innovative solutions and more generally:

- Anticipate market evolution;
- Increase internal skills on innovative technologies;
- Develop a value proposition based on constantly updated solutions;
- Propose innovative solutions on ESG issues.

Thanks to these skills, the laboratory has been able to develop projects and prototypes on various topics of interest and current affairs:

- Traceability in the world of Supply Chains
- Environmental monitoring
- Energy saving
- Mobility and consumption
- Smart Cities
- Circular Economy
- Industry 4.0
- Digital Health (E-Health)
- Predictive Maintenance

More information on the activities of the Research Laboratory is reported in the next chapter.

### 3.2.2 Business Services, strategic consultancy and process re-engineering

Relatech offers Strategic Advisory services to help customers define the best Digital Transformation strategies and plan the technology adoption roadmap to achieve the set business objectives.

It also offers activities for the analysis and improvement of company processes through **Assessment** services, **Process Reengineering** and development of **enterprise applications, particularly in the areas:**

- **MES – Manufacturing Execution Systems**
- **ERP – Enterprise Resource Management**
- **EPM – Enterprise Performance Management**



#### CHANGE MANAGEMENT

Govern the change with methodologies, tools and training courses to ensure the transformation process

#### BUSINESS STRATEGY

Define strategic choices for Digital Transformation, adoption and review plans and roadmaps



#### TECH TRENDS

Strategically and operationally outline the changes, impact and opportunities of various technologies thanks to digital transformation



#### PROCESS RE-ENGINEERING

Design and implement the digitalization strategy through assessment services and re-engineering of business processes



#### DIGITAL MARKETING STRATEGY

Show their customers authentic "values", truths and role models

### 3.2.3 Managed Services: CyberSecurity, Cloud and IT Services

Relatech offers 24/7 managed services for the management of technological infrastructures and IT security:

- **ReSOC:** the Security Operation Centre of the Relatech group, equipped with a control room at the highest levels of security, which offers managed MDR (Managed Detection and Response) and EDR (Endpoint Detection and Response) services.

- **ReCloud:** The professional Cloud services managed by the Relatech Group provided through proprietary technical infrastructures hosted in Enterprise-level Data Centres, with the highest quality and security standards.
- **ReDESK:** The IT services of the Relatech group which include a Network Operation Centre and first and second level Help Desk.



### 3.2.4 Human Experience Solutions, the user at the centre of attention

The objective of this business line is to create an effective Engagement Journey by placing the person's needs at the centre of attention to offer personalized experiences and establish an ongoing and satisfying relationship for the end user.

- Customization of the omnichannel platform for data acquisition from heterogeneous sources (CRM, eCommerce, App ...) and the development of A.I-based Data Analytics.
- Development of personalized experiences based on the user profile, to improve loyalty and customer satisfaction.

Know in depth the needs and habits of the user as a person close to us



Define a personalized Experience to establish a relationship both digitally and through human contact



Manage data in maximum security to ensure privacy and compliance with current regulations



Create an engagement path consistent with the needs and expectations of the person



Analyze user habits and interactions and measure their performance across all channels



**ReZone** is Relatech's Customer Engagement solution aimed at obtaining these results thanks to the use of innovative digital technologies.

The ReZone solution includes:

- Engagement strategy design
- Development of digital touch points through technologies such as: Web & Mobile App, Phygital Environment, AR/VR, chatbot ...

ReZone has been verticalized for different market sectors:

- ReZone-Retail, to improve the shopping experience and loyalty of consumers of commercial establishments;
- ReZone-Health, to improve the experience of using healthcare services at clinics and treatment centres;
- ReZone-Art, to improve the experience of visitors to museum, cultural and artistic locations.

### 3.2.5 Smart Industry Solutions, connected factory and Digital Twin

The objective of the business line is to propose an End-to-end digitalisation path for the connected factory.



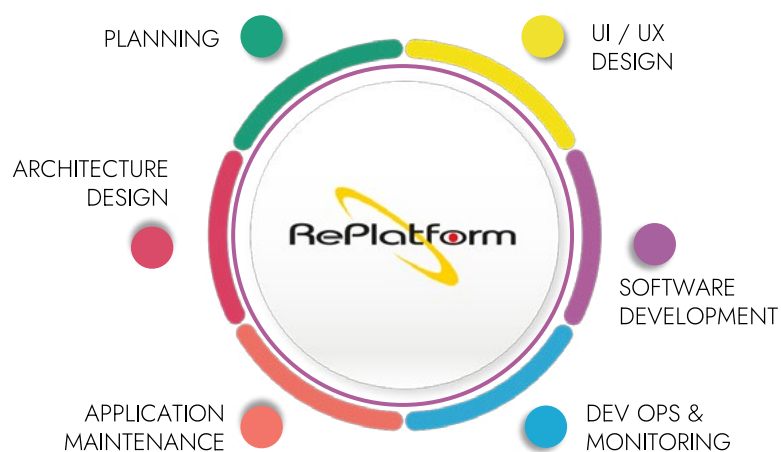
**ReFab** is the Relatech solution that allows to achieve complete digitalisation of the factory through different lines of intervention:

- Connect machinery and plants and collect operating data in real time;
- Automate production processes and check their correct functioning
- Re-engineer processes for greater production efficiency;
- Improve man-machine synergy with innovative digital tools;
- Efficient energy consumption and reduce waste by keeping processes under control;
- Secure data and OT infrastructures with updated cyber security tools;
- Reduce costs related to IT infrastructures thanks to advanced cloud solutions;
- Create the **Digital Twin** of the factory by collecting all the data coming from the factory systems and management systems and creating advanced analytics to measure, predict and optimize business performance.

### 3.2.6 Tailor-Made Solutions

Relatech proposes and develops Tailor Made solutions based on RePlatform to digitize the customer's business processes and ideas. The added value of Relatech is the methodological and technical skills which, combined with in-depth design experience, allow to satisfy every need and achieve the set objectives:

- Analysis of business, functional and technical requirements
- Project Management
- Agile methodologies
- Solution Design & Software Architecture
- Full Stack SW Development
- CX, Web & Mobile Development
- Data Modelling & database management
- Blockchain & Cybersecurity
- AI & Big Data Analytics
- IT & Cloud Architectures



This activity is carried out in the Digital Factory where the key skills and experiences are developed to design and provide new solutions to customers. Our Talents are the key resource of the Factory, they are all highly qualified and experts in one or more of the digital technologies that are part of the Group's offer.

Innovative skills, methodologies and technologies continuously fuel the growth of RePlatform, on the basis of which we design custom solutions by combining the different RePlatform modules and/or exploiting the technologies of our partners.

### 3.3 Significant activities on the markets

All this allows Relatech to position itself among the most innovative companies in the Italian technological panorama and to respond to the needs of the main customers in very diversified market segments such as Pharma & Health, Telco & Utilities, Manufacturing, Retail & Distribution and Finance & Insurance.

The adoption of solutions based on RePlatform and the possibility of offering services and solutions in an as-a-service model have guaranteed flexibility, scalability, effectiveness and cost reduction and the shift of IT provisioning towards an opex-based spending model, which allows a "pay as you go" payment method.

In particular, in Pharma & Health the supply of solutions and services has been expanded aimed at creating a competence centre in the field of Machine Learning and Artificial Intelligence capable of managing, designing and implementing all Innovation initiatives in support of the various product lines.

In the Telco & Industry market, the convergence between physical and virtual is revolutionizing the relationship with customers and also in this context operators must respond to new challenges with personalized offers and services. In this scenario, the Relatech Group has strengthened its customer base by enriching it with IoT-Catalyst, an innovative solution acquired during 2022 for Edge Computing and Device management in the Industrial IoT world.



In the Finance & Insurance market, digital is imposing a major transformation of traditional processes. There is a growing demand for AI and robotics-based solutions made possible by the growing amount of data resulting from the digitalisation of services.

Below are some of the most recent implementations developed:

- HEALTH & LOYALTY SOLUTION
- CUSTOMER ENGAGEMENT SOLUTION
- ORDER MANAGEMENT SOLUTION
- RESOURCE MANAGEMENT SOLUTION
- PRODUCTION PLANNING SOLUTION
- BUSINESS PERFORMANCE MANAGEMENT SOLUTION
- DATA & PRIVACY PROTECTION SOLUTION

Equally important is the development of the commercial ecosystem, which boasts important partnerships with international companies such as IBM, Oracle, Microsoft, Nutanix, Red Hat, Ignition, HMS, Cynet and several others.

### 3.4 The Growth Strategy: From 3M Strategy to Digital Renaissance

**The creation of long-term value is at the centre of Relatech's strategy.**

The Group manages to define synergies with high added value that combine the quality of the operating model and of the service provided with the innovative ability to evolve its business model towards new frontiers of Digital Innovation, through effective collaboration between customers, employees, suppliers and partners.

Relatech bases its growth strategy on the 3M Strategy (Merge – Management – Margin). The 3M strategy includes: constant attention to M&A (Merge) activity with the aim of identifying companies with high and specific expertise in cutting-edge digital enabler technologies, know-how and process skills and with a

customer base on new sectors; careful management of the Group's resources (Management) to strengthen governance, guarantee talent development plans through professional training plans and coaching courses aimed at developing transversal soft skills, consolidate and expand partnerships with research centres and university institutes; and finally ensure sustainable economic growth (Margin) that allows technological leadership through proprietary solutions with recurring revenues.

The Relatech Group intends to pursue its growth strategy through six drivers:

#### 1. Innovation

- a. Continue with investments in research and development in the areas of AI, Blockchain, Cybersecurity, IoT, Cloud.
- b. Increase partnerships with Universities, Research Centres, Territorial Associations to create new areas of expertise at the forefront and develop an ecosystem of harmonious partnerships aimed at promoting sustainable business growth and the creation of circular Value.
- c. Increase the offer of technological services and solutions with new specialist skills in the technological areas of RePlatform, able to support customers in the digitization process and ensure sustainable growth of their business.

#### 2. Human Capital

- a. Enhancement of its own Human Capital: increase internal know-how and skills with training plans and professionalising paths, as well as improve the soft skills and potential of individuals and teams with coaching paths. In this regard, Relatech has started an internal coaching project called ReCoach, which aims at the growth of Relatech collaborators, who through coaching are able to discover their potential, further enhance personal soft skills and focus on private and professional life objectives, encouraging team building and the growth of the Group. ReCoach takes on the dual function of increasing personal skills and creating solid links within the Relatech ecosystem. Precisely in this regard it is necessary to underline that the ReCoach project is extended to all the companies part of Relatech and this facilitates and accelerates the integration process

between collaborators from all the group. Furthermore, ReCoach is a facilitator of the dissemination of the 12 Relatech Values in which the whole group recognizes itself and among these we mention Trust, Transparency, Respect, Innovation and Coaching, which is an integral part of those that can be defined and interpreted as attitudinal values that all the resources of the Relatech world must make their own. The project was born in collaboration with the ICU university (International Coaching University) which in May 2023 awarded Relatech and its President and CEO Pasquale Lambardi the seal of certified company for **Sustainable Coaching Management** through the ReCoach program, started more than three years ago. The ReCoach project, which involved more than 30% of the collaborators of the Relatech group, responds to the quality and sustainability requirements of ICU coaching and becomes a concrete manifestation of the key principles of corporate identity and ethics, as well as an expression summary of what was pursued and declared in the **Relatech ESG report**.

- b. Improve loyalty and talent attraction actions with stock option incentive plans and stock-grant.
- c. Create innovative HUBs distributed across the territory to encourage the creation of a harmonious ecosystem aimed at promoting the development of local communities.

### 3. Scalability

- a. Evolution of recurring revenues with replicable digital solutions.
- b. Use of the results of research and development activities within RePlatform.
- c. Increase technological and commercial partnerships.

### 4. Diversification

- a. Introduce new vertical solutions in emerging sectors (Industry 4.0, Agrifood, Life science).
- b. Increase cross-selling activities thanks to the modularity of the offer of solutions (Digital Solutions).
- c. Maximize penetration in Europe and in the USA and enter international markets.

### 5. Loyalty

- a. Increase Up-Selling activities thanks to the modular offer of solutions (Digital Solutions).
- b. Increase the personalization of “tailor-made” solutions based on customer needs (Custom Solutions).
- c. Strengthen the activities of Innovation Services with new specialized figures in the business areas of existing customers.

### 6. Offer

- a. Identify targets with Research and Development Activities in the Cloud, AR / VR, Metaverse, RPA, IoT sectors.
- b. Acquire targets with new international technological partnerships to enrich the offer within RePlatform.
- c. New targets to increase the customer base in new market sectors.

The three directions of 3M are part of a new strategy called **Relatech Digital Renaissance**, a growth driver capable of combining technology with the centrality of the human being: technology becomes the commodity at the service of the Person and of the Country, to contribute to the construction of that new technological humanism, of that growing democratization of technology, which loom on the horizon. The Relatech Group, thanks also to the numerous Partners in its ecosystem, is able today to combine data governance with chance management and management advisory, to put together consolidated **Digital Transformation** proposals with the analysis and reformulation of processes

and activities, to propose solutions aimed at an overall upgrade of Customers, not only technologically but such as to place at the centre of the work people's quality of life, their well-being, the respect for the environment.

## 4. Research and Development Activities

The Relatech Group's commitment to R&D is evidenced by the huge investments in this area, through which it contributes to scientific research and supports its commercial offer. The business model and strategy of the Relatech Group are based on continuous investments in research and development, which make it possible to:

- anticipate the evolution of the market;
- keep products and solutions on the technological frontier.

The Relatech Group focuses on combining university-based research with applied research. In fact, research is fuelled both by collaborations with various university centres that originate pure innovation, and by an internal research team that develops applied research.

The Research and Development investment areas are in the following fastest growing technological areas:

- Digital Customer Experience
- Artificial Intelligence and Big Data Analytics
- IoT and Industry 4.0
- Cybersecurity and Blockchain
- Cloud

In particular, the research activities are configured as experimental research aimed at defining new tools, new techniques for the development of alternative prototype platforms.

For example, the companies of the Relatech Group have recently participated in projects financed both at National (PON) and Regional level (POR) on the most innovative digital technologies, such as:

- the analysis of reviews in E-commerce systems for the Retail market to improve the Customer Experience and provide commercial recommendations, applying Clustering and Information Filtering techniques (Digital CX, AI);
- the definition of a new advanced food traceability system to improve production planning and food well-being, in the agri-food sector (CX, AI, IOT, Blockchain);
- the certification of critical information exchanged within digital transactions, for example in supply-chain processes, financial transactions or other (AI, Blockchain);
- the certification of stakeholder identities in businesses based on sharing economy models, for the protection of shared information from unauthorized use (Blockchain, Cybersecurity);
- the development of protection systems against cyber-attacks based on "trap" agents (honeypots) that aim to emulate real services on the network in order to attract, identify and defuse malicious software (AI, Cybersecurity);
- the development of machine learning algorithms in order to obtain predictions on imminent failures and enable the predictive maintenance process in industrial production processes (AI/ML, Big Data, IoT).

## 4.1 Scientific ecosystem

The Relatech Group, through its R&D HUB managed by Ithea, can count on a qualified and articulated scientific community thanks to close collaborative relationships with the university world and with important research centres.



The most significant relationship is certainly the one with UNICAL, University of Calabria based in Rende (CS), within which the spin-offs Ithea, OKT, Dtok Lab and, recently, Bigtech were born, which today are part of the Relatech galaxy. Each of the spin-offs follows certain research themes.

- OKT deals with research mainly on Block Chain and Cyber Security.
- Dtok Lab specializes in providing Big Data and Machine Learning analysis solutions, using cloud-based technology and in-depth analyses in terms of sentiment analysis, trajectory discovery, data journalism.
- Bigtech works in the IoT and A.I.

The Relatech scientific ecosystem thus sees the presence, in the corporate structure of the Spin Offs, of around 40 academics of great name and valid researchers in the sector of advanced ICT research.

Unical is listed among the best universities in the IT area and renowned internationally: in fact, it ranks among the top 100 universities in the world and around a hundred companies collaborate there, including other important multinationals in the IT world. The research laboratories of the Relatech HUB are all located in university spaces so as to be able to work closely with researchers on industrial research and experimental development projects. In the Calabrian context, the Group also boasts an important relationship with the ICAR-CNR, the Institute for Calculation of High-Performance Networks, with strong skills in the field of Artificial Intelligence, and the one with ICT-Sud, a long-standing consortium experience which, made up of Universities, Research Centres, various qualified companies in the sector, specifically deals with drafting and developing research projects on advanced technologies.

Important are the collaborations with the other Calabrian university, the Magna Graecia of Catanzaro, renowned in the field of medicine, with which various projects are carried out in the Healthcare sector with applications of Artificial Intelligence, Machine Learning, Data mining, E-Medicine. One example is the ongoing development of a platform that will have as its main component a DSS with an AI model for patient neurological trend analysis and patient frailty/risk index analysis. Furthermore, AI models will be defined, mainly based on the analysis of neurological images, for the generation of ad hoc rehabilitation paths for each patient. Also, in the context of Catanzaro, a collaboration was recently launched with Biotechnomed, a consortium company made up of Public Research Bodies and Small, Medium and Large Enterprises which, with its 19 laboratories, is a highly specialized structure in the health sector of the man and of Biotechnology.

The Relatech scientific Ecosystem sees relationships with the Federico II University of Naples with which, together with the Universities of Turin and Padua, it works for cutting-edge applications in Agrifood. In particular, the creation of advanced digital and collaborative environments to support the Living Labs for the experimentation and sharing of innovative technologies for Sustainable Agriculture and Forestry should be mentioned. Innovative systems will provide for the collection and sharing of data (also georeferenced) on risks in agroforestry systems, will predict the productivity of crops and forests in different scenarios using machine learning techniques, will follow the risk management associated with climate change based on data-driven approaches,

will design traceability for the enhancement of the territorial agritourism economy.

A long-standing relationship exists with the University of Genoa for research on the environment and, in particular, on the natural ecosystem such as research on the marine system, or other example, with data-driven approaches for analysis, forecasting, simulation and optimization of vehicular traffic flows (public/private)/goods, towards the reduction of the impact of traffic on the environment or, again, in healthcare for the development of augmented reality devices dedicated to the reproduction of the alterations of the visual capacities to support vision rehabilitation.

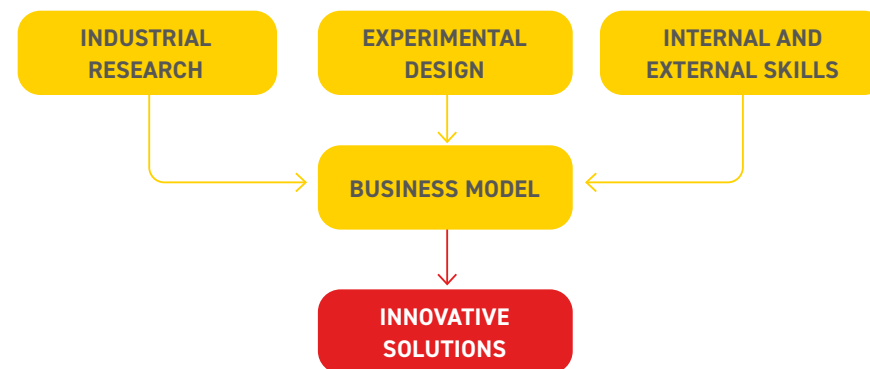
There are other Italian Universities with which the Relatech Group collaborates. There are close relationships with the University of Verona on Cyber Security issues, with the University of Brescia, the University of Parma, the University of Milan (Polytechnic, Bicocca). There are frequent collaborations with prestigious foreign Universities with which R&D projects are carried out under European tenders.

The scientific community on which Relatech can count therefore allows the right combination of university research with applied research, research fuelled by academic knowledge that brings cutting-edge innovation, combined with the work of the internal research team that develops applications.

The results of these research collaborations very frequently lead to the drafting of scientific articles published in important international journals and end up contributing to the development of new applications on the Group platform, Replatform, to have POCs and cutting-edge components for customer projects. Lastly, relations with the university world allow Relatech to come more easily into contact, also through events and career days, with young high-potential students who intend to do research theses in the corporate context, young talented graduates, as well as to start collaborations with young doctoral students who apply themselves to scientific research with the desire to then enter the business context. The best of them can then be considered for opportunities to join the Group.

## 4.2 Internal Activities

At the same time, the Group is characterized by the development of internal Research and Development activities, not linked to funded research calls, to accelerate the development of skills and application modules that are particularly relevant for the evolution of the company's offering.



## 4.3 The Research Projects conducted in the year 2023

The following table shows the description of the Research and Development projects financed by national programs (PON) carried out during the reference period of the first half of the year 2023:

Funded R&D Projects	Short description Activities/Objectives	Tender	Start date End Date	Replatform forms	Company	Consulting and Collaborations
<b>AGRITECH</b>	The project involves the study, design and implementation of an integrated system capable of generating and accelerating innovation according to the Open Labs model. The system must allow the virtualization of shared work places (coworking) for the experimentation and sharing of innovative technologies for agriculture and forestry. In particular, the system will have to offer virtual work spaces in which to carry out experiments and evaluate the results obtained.	PNRR MUR - Directorial Decree n. 3138 of 16 December 2021 and subsequent amendments	01/06/2022, 31/05/2025	REDATA, RETHING, REYOU, RESEC, REHUB	RELATECH	University of Naples Federico II, University of Padua, University of Turin, etc.
<b>InMOTO</b>	The objective of the project is to offer patients suffering from neuromotor and neurocognitive pathologies a home environment connected and monitored by the healthcare environment through digital tools. For this purpose, smart devices will be developed for assistance and rehabilitation which will allow the patient's status to be precisely monitored, integrating the diagnostic and prognostic processes defined at a healthcare level. These devices will form the basis for an intelligent and personalized system which, thanks to Artificial Intelligence algorithms, will be able to adapt to the needs of each subject and to those of all the actors in the healthcare process dedicated to care. The data collected by the devices and appropriately processed through AI techniques will allow to quantitatively measure the state of the pathology, predict its evolution and propose possible interventions, effectively allowing for remotely managed home neurocognitive rehabilitation.	FUNDING FOR SUSTAINABLE GROWTH (F.C.S.) Innovation Agreements Ministerial Decree 31 December 2021 and D.D. March 18, 2022	March 2023/ February 2026	REDATA, RETHING	RELATECH	Sant'Anna Institute, University of CZ, University of Brescia, Khymeia
<b>DIGITAL BRAND</b>	The project involves the creation of an evolutionary and adaptive digital platform for companies in the fashion and lifestyle sector for the management of large flows of materials and information coming from different sources (customers, suppliers and social media) so as to synchronize production with real customer needs (demand-driven). A new technology aimed at improving data governance, both consumer and product, thanks to an innovative connection along the entire value chain, from product design to production, up to the entire logistics path.	FUNDING FOR SUSTAINABLE GROWTH (F.C.S.) Innovation Agreements Ministerial Decree 2 August 2019 & subsequent amendments	March 2023/ February 2026	REDATA, RETHING	RELATECH	LARDINI s.p.a., ABACO INFORMATICA s.r.l.

Funded R&D Projects	Short description Activities/Objectives	Tender	Start date End Date	Replatform forms	Company	Consulting and Collaborations
<b>EMPHASIS</b>	The objective of this project concerns the industrialization of research results called "Distributed software systems based on highly interactive honeypots for the prevention, capture and morphological and behavioural analysis of malware", produced by the University of Calabria and published on the INGEGNO showcase.	POR CALABRIA FESR-ESF 2014-2020	01/01/2022, 30/09/2023	RESEC REDATA	ITHEA	ICTSUD UNICAL
<b>ZHENIT</b>	The ZHENIT project aims to design and implement a system to route the excess heat present on board the ship produced by the engine towards different systems depending on the temperature range of the vapour/liquid in order to optimize the reuse of excess heat. As part of the project, Gruppo SIGLA collaborates with partners for the design and implementation of the customized controller for the automation of the waste heat use logic and for the optimization of the energy parameters of all the systems involved on board the ship.	Project funded under the Horizon Europe Framework Program EU	01/06/2022, 31/05/2025	REDATA, RETHING	SIGLA	RINA Consulting SpA, RINA Services SpA, The University of Birmingham (UK), National Technical University of Athens (Greece), KYMA AS (Norway), Fundacion Tecnalia Research and Innovation (ES), Universidad Del Pais Vasco/ Euskal Herriko Unibertsitatea (ES), ANEK S.A. (Greece), National Research Council - ITAE (IT), Consorzio di Ricerca per l'Innovazione Tecnologica, Sicilia Trasporti Navali, Commerciali e da Diporto SCARL, Sorption Technologies GmbH (Germany), Bound 4 blue S.L. (ES), Encontech BV (Netherlands).

Funded R&D Projects	Short description Activities/Objectives	Tender	Start date End Date	Replatform forms	Company	Consulting and Collaborations
<b>CITYSCAPE</b>	The project aims to study the main cyber-security critical issues of multimodal, urban and extra-urban transport infrastructures, and to create a platform that allows the prevention of threats and the identification of attacks thanks to the use of the most advanced technologies available (Artificial Intelligence, Mobile, Cloud and much more). Specifically, Gruppo SIGLA developed, at the same time as the project, the SIGLAMoving application, a fully customizable turnkey solution, founded and designed on the concepts of modularity and interoperability. This makes it completely adaptable to the needs of each local transport company and allows quick integration with their digital systems and their graphic requirements. The mobile applications, for passengers and transport company staff, are also highly customizable according to customer requirements and created to be multiplatform, i.e. available for iOS and Android. Last but not least, SIGLAMoving is designed using a "security by design" approach. For transport companies that wish it, it is therefore possible to include the module dedicated to mobile security, which includes the "Mobile Security toolkit" implemented within the CitySCAPE project and created together with Kaspersky with latest generation mobile cybersecurity technologies, aimed at guaranteeing maximum protection for end users.	Project funded under the Horizon 2020 Framework Program EU	01/09/2020, 30/10/2023	RESEC, REHUB	SIGLA	Institute of Communication and Computer Systems, Airbus Cybersecu (FR), European Dynamics Luxembourg SA (LU), Aspersky LAB Italia Srl, Tallinna Linn (EE), Riigi Infosusteemi Amet (EE), Ridango AS (EE), Azienda Mobilità e Trasporti SpA, Stam Srl, Gruppo SIGLA, University of Piraeus Research Center (Greece), Oppida (FR), Austrian Standards International (AT), Diginext (FR), Engineering - Ingegneria Informatica SpA.
<b>REALTER</b>	The project, belonging to the Technological Aids sector to support the independence of people with sensory, motor and cognitive disabilities. It involves the creation of a training tool for operators specialized in the rehabilitation of visually impaired individuals, in particular for the "orientation and mobility" sector. The system will operate in real-time on a stereoscopic video stream and integrate an eye-tracking functionality to measure eye movements. As part of the project, Gruppo SIGLA has focused its attention on the development of a Data Analytics system to complement and complete the REALTER platform in order to provide useful information to clinicians and operators specialized in rehabilitation, for the identification of rehabilitation paths increasingly precise and effective oriented towards personalized medicine.	POR FESR 2014-2020 - Axis 1 - Action 1.2.4, technological area "Health and life science"	01/09/2021, 31/03/2023	REHUB, REDATA	SIGLA	GGallery (coordinatore), ETT, Gruppo SIGLA, FOS Greentech, University of Genoa - DIBRIS, Chiossone Institute;IIT (Italian Institute of Technology).



Below are the R&D projects within the Relatech Group carried out during the first half of 2023:

Internal R&D Projects	Short description Activities/Objectives	Typology	Replatform modules	Company
<b>RePaaS</b>	Development of an advanced platform for managing integration and digital transformation projects	INTERNAL R&D	REDATA	RELATECH
<b>GReMS: KG-Based Recommender Micro-Service</b>	Recommendation system based on Knowledge Graph, to address data sparsity and cold-start problems applied to multimedia catalogues.	INTERNAL R&D	REYOU	ITHEA
<b>GIGA: Evolution of the company ERP System</b>	Development of an advanced platform for Management Control and integrated group Accounting	INTERNAL TECHNOLOGICAL ENHANCEMENT		RELATECH

## 5. Significant events that occurred during the period

The first half of 2023 was characterized by some significant events that deserve to be mentioned in order to provide correct information and a better understanding of the financial and economic data presented below.

On 12<sup>th</sup> January 2023, the resolution with which the Extraordinary Shareholders' Meeting of the Company, held on 21<sup>st</sup> December 2022 (the "Extraordinary Meeting"), approved the introduction of increased voting rights and the consequent amendments to articles 6 and 9 of the company bylaws was registered.

On 12<sup>th</sup> January 2023, it was communicated, pursuant to Article 17 of the EGM Issuers' Regulation, that the role of Specialist had been conferred on MIT SIM S.p.A. on 12<sup>th</sup> January 2023. The task has been effective from the 1<sup>st</sup> of April 2023. MIT SIM S.p.A. will take over from BPER Banca S.p.A. who will hold the role of Specialist until 31<sup>st</sup> March 2023.

On 18<sup>th</sup> January 2023, the simplification of the corporate chain headed by Exeo S.p.A., holding company of the BTO group, 80% owned by Relatech and in turn owner of the entire share capital of BTO S.p.A., was started, to be achieved through the reverse merger of Exeo into BTO.

The event "ReCloud, Strategies, techniques and technologies for Cloud Mobility" took place on 24<sup>th</sup> January 2023, an event of the Relatech Group dedicated to the world of the cloud which was held at the Mille Miglia museum in Brescia on 19<sup>th</sup> January 2023. The event was created in collaboration with the Group's technological partners, Nutanix and HYCU.

On 26<sup>th</sup> January 2023 it was announced that the IULM AI Lab, the scientific research laboratory on artificial intelligence of the IULM Free University of Languages and Communication of Milan, was inaugurated on 25<sup>th</sup> January 2023. Relatech, as a technological partner, has collaborated with IULM in the

creation of the AI Lab, a structure aimed at spreading the culture of innovation relating to Artificial Intelligence, and through intense academic research and training activity at every level, offers services of tech consultancy to the world of business and public administration for the design and implementation of AI solutions for business, marketing and communication activities.

On January 27<sup>th</sup>, 2023, the Board of Directors approved, pursuant to art. 17 of the Euronext Growth Milan Regulations, the calendar of corporate events for the year 2023 and also made it available on the company website [www.relatech.com](http://www.relatech.com) Investor Relations section.

On 2<sup>nd</sup> February it was announced that, in line with the principles of the Sustainability Report and with the Digital Renaissance strategy which sees human-centred digital transformation as the Value proposition, Relatech carries out its research and development activities with commitment and dedication in collaboration with its ecosystem of scientific partnerships with universities and research centres. In this direction, Relatech opens up to the Ecosystem of stakeholders with an offer capable of combining the most advanced ICT technologies, scientific research and business with social and environmental aspects.

On 10<sup>th</sup> February 2023 it was communicated that on 27<sup>th</sup> January 2023 (the "Deadline") the period for exercising the right of withdrawal connected to the approval of the statutory amendments relating to the introduction of increased voting rights by the Extraordinary Shareholders' Meeting of the Company held on 21<sup>st</sup> December 2022, ended.

On 14<sup>th</sup> February 2023 Relatech participated as a Partner in TEDxTorino 2023, an edition entitled "An unconditional love for the human being" which took place on 19<sup>th</sup> February 2023 at the Lingotto Fiere in Turin. In line with the key principles of its Sustainability Report and aware that in the era of the new Digital Humanism it is essential to place the Person and their Well-being once again at the centre of every choice, Relatech has decided to embrace and support the themes to which the TEDxTorino 2023 wanted to give voice.

On 16<sup>th</sup> February 2023 the OPTION OFFER OF N. 415,248 ORDINARY SHARES OF RELATECH pursuant to art. 2437-quater, paragraphs 1, 2 and 3, of the Italian civil code was filed with the Company Register of Milan - Monza - Brianza - Lodi, pursuant to and for the purposes of art. 2437-quater, paragraph 2, of the Italian Civil Code.

On 21<sup>st</sup> February 2023, certain consolidated economic-financial management data as of 31<sup>st</sup> December 2022, not subject to audit, were released. Among the main data we highlight: Revenues from Group pro-forma sales equal to Euro 92 million, Revenues from consolidated sales without pro-forma the acquisitions of EFA Automazione, Venticento, IoT Catalyst, BTO Research equal to approximately Euro 61 million (+ 116% compared to 2021), cash liquidity of approximately Euro 22 million with a Net Financial Position (management) of Euro 10.6 million. On that date, Mr. Michele Santoro was appointed as the new IR Manager.

On 2<sup>nd</sup> March 2023 Relatech and EFA Automazione, formerly companies of the Group, participated in the MEC SPE 2023 event, the international fair dedicated to the manufacturing industry which took place in Bologna from 29<sup>th</sup> to 31<sup>st</sup> March 2023. Relatech and EFA Automazione presented the unique end-to-end suite of solutions that bases its roots on the consolidated twenty-year skills of Relatech in the Digital Enabler market, and thirty-years skills of EFA Automazione, leader in the industrial automation market.

On 6<sup>th</sup> March, it announced that, on 3<sup>th</sup> March 2022, it was awarded the High Budget Honor conferred during the 46<sup>th</sup> Premio Industria Felix, seventh edition of "La Lombardia che compete" held at the "Giorgio Squinzi" Auditorium of Assolombarda in Milan. Industria Felix, following a careful analysis of the economic and financial balance sheet for the year 2021, awarded Relatech with the title of "among the best innovative SMEs for management performance and financial reliability Cerved with registered office in the Lombardy region".

On 13<sup>th</sup> March 2023, it announced that the Board of Directors, taking into account the amendments made to articles 6 and 9 of the Bylaws by the Extraordinary Shareholders' Meeting of the Company held on 21 December 2022 and aimed at introducing the increase in voting rights, has adopted, by virtue of the delegation

granted to it by the aforementioned Shareholders' Meeting, the Increased Voting Regulation (the "Regulation"). The Regulation regulates the procedures for registering, maintaining and updating the special list of shareholders who intend to benefit from the increased voting rights (the "Special List").

On 16<sup>th</sup> March 2023, it communicated that, together with Mediatech, formerly a Relatech company, a collaboration had been started with IT IMPRESA, a company specialized in the provision of IT services with various offices throughout the country, for the implementation of the suite of Cybersecurity services and solutions, an integral part of the Relatech offer.

On 23<sup>th</sup> March 2023, information is given that on 17<sup>th</sup> March 2023 the option and pre-emption offer of the n. 415,248 ordinary shares of the Company, at the unit price of Euro 2.19, for which the right of withdrawal was validly exercised following the resolution of the Extraordinary Shareholders' Meeting of 21<sup>st</sup> December 2022 which approved the modification of articles 6 and 9 of the Company's Bylaws to introduce the vote increase mechanism, ended. At the end of the period, acceptance of the offer amounted to n. 20,908 shares, of which 7,008 in option and 13,900 requested in pre-emption, for a total countervalue of Euro 45,788.52.

On 28<sup>th</sup> March it announced that the Board of Directors, having taken note of the outcome of the option offer pursuant to article 2437-quater of the Italian Civil Code, already communicated to the market on 20<sup>th</sup> March 2023, resolved, with a view to a rapid definition of the withdrawal procedure, also taking into account the performance of the stock, to proceed, pursuant to article 2437-quater, paragraph 5 of the Italian Civil Code, directly with the reimbursement through purchase of the shares held by the shareholders who legitimately exercised the right of withdrawal, using the Company's available reserves for this purpose. The Company will therefore proceed with the repurchase of total no. 394,340 shares (the "Residual Shares"), at a liquidation value of Euro 2.19 each for a total countervalue of Euro 863,604.60. As a result of the repurchase of the Residual Shares, taking into account the shares already held in the Company's portfolio, Relatech will hold a total of no. 1,506,747 treasury shares, equal to 3.48% of the Company's share capital.

On 28<sup>th</sup> March, it announced that the Company's Board of Directors had examined and approved the draft financial statements and the consolidated financial statements as of 31<sup>st</sup> December 2022. Among the main consolidated results as of 31<sup>st</sup> December 2022 are: Value of Production equal to Euro 70 million (+108% compared to 2021 equal to Euro 34 million), Sales revenues equal to Euro 61 million (+117% compared to FY21 equal to Euro 28 million), Revenues from foreign customers equal to Euro 18 million (+44% compared to the previous year), Recurring Fees equal to 35% of revenues (+151% compared to FY21 equal to 27%), EBITDA adjusted<sup>1</sup> equal to Euro 13.2 million (+90% compared to FY21 equal to Euro 6.9 million), EBITDA adjusted margin on revenues of 22%, adjusted net profit of Euro 5.4 million, cash liquidity of approximately Euro 22 million with a Net Financial Position of Euro 9.5 million.

On 29<sup>th</sup> March it was communicated that, following what was already communicated on 18<sup>th</sup> February 2022 on the occasion of the purchase of the majority stake in E.F.A. Automazione S.p.A. ("EFA") and taking into account the provisions of the contractual agreements, the closing for the transfer to Relatech of n. 960 EFA shares, representing 8% of EFA's share capital, by the minority shareholder and current CEO, Mr. Franco Andrighetti, following the exercise of a put option in his favour, was completed today. Relatech S.p.A. to date holds 89.66% of the share capital of EFA Automazione.

On 31<sup>st</sup> March it was announced that, following what was communicated on 18<sup>th</sup> January 2023, the merger deed (the "Merger") by incorporation of the subsidiary EXEO S.p.A. ("Merged Company") into BTO S.p.A. ("Incorporating Company") was registered at the competent Company Register, pursuant to art. 2504 bis of the Italian Civil Code.

On 14<sup>th</sup> April 2023, following what was communicated on 28<sup>th</sup> March 2023, it is announced that the liquidation procedure for the Company's shares for which the right of withdrawal has been exercised pursuant to article 2437-querter, paragraph 5 of the Italian Civil Code, had been completed. In particular, the regulation of no. 20,908 withdrawn shares in relation to which the right of option and pre-emption was exercised, upon payment of a unit price of €2.19, has been perfected. The Company also proceeded with the repurchase of total

no. 394,340 shares (the "Residual Shares"), at a liquidation value of Euro 2.19 each for a total countervalue of Euro 863,604.60. As a result of the repurchase of the Residual Shares, taking into account the shares already held in the Company's portfolio, Relatech will hold a total of no. 1,506,747 treasury shares, equal to 3.48% of the Company's share capital.

On 18<sup>th</sup> April 2023, Relatech announced that it has further strengthen its partnership with Oracle Netsuite, market leader in the world of ERP systems, for the implementation of Oracle Netsuite ERP business applications in the Cloud capable of supporting companies and organizations in the process of digitalisation of processes.

On 27<sup>th</sup> April 2023, the ordinary Shareholders' Meeting of Relatech S.p.A., held on first call, approved the financial statements as of 31<sup>st</sup> December 2022 and also resolved to grant the Board of Directors a new authorization for the purchase and disposal of treasury shares up to the amount of Euro 1,000,000.

On 10<sup>th</sup> May 2023, the Board of Directors examined certain consolidated economic-financial management data, not subject to audit, as of 31<sup>st</sup> March 2023. All the indicators showed strong growth, including Consolidated revenues of Euro 24 million, approximately (+130% compared to 31<sup>st</sup> March 2022), recurring revenues up by 170%, Foreign revenues up by 61%, Net financial position of approximately Euro 15.5 million compared to approximately Euro 9.5 million as of December 31<sup>st</sup>, 2022.

On 18<sup>th</sup> May 2023, it announces that it will take part in the Agritech project - National Centre for the Development of new Technologies in Agriculture to guarantee sustainable agri-food production with the aim of promoting adaptation to climate change, the reduction of environmental impact, the development of marginal areas, safety, traceability and typicality of the supply chains. A consortium of Made in Italy excellences involving 28 Universities, 5 research centres and 18 expert companies in the agrifood sector with proven skills in research and development, and with high expertise in innovative digital technologies as in the case of Relatech.

On 7<sup>th</sup> June 2023 it was announced that the Company's Board of Directors examined the order backlog as of 31<sup>st</sup> May 2023, data not subject to audit. The Group's orders at a consolidated level stand at Euro 29.4 million, for the portion pertaining to the current year. The share of orders deriving from foreign customers stands at 43% of the Group's backlog and is equal to approximately Euro 12.5 million.

On 16<sup>th</sup> June 2023, the company announced that it had finalized the binding agreements for the acquisition of the remaining 40% of the share capital of Gruppo SIGLA S.r.l., specialized in the design and development of solutions and services in the ICT and automation field for large national and international customers, as well as for public bodies. Relatech S.p.A. now holds 100% of the share capital of Gruppo SIGLA.

On 26<sup>th</sup> June 2023 Relatech announced that it has signed a strategic agreement with CREDEMTEL S.p.A., a company of the CREDEM GROUP, for the management of its customers' cybersecurity services through ReSOC, the proprietary asset of cybersecurity services and solutions of the Relatech ecosystem.

On 27<sup>th</sup> June 2023, the company published the 2022 ESG Report, a report which highlights the continuous commitment and the important results obtained by the company in pursuing sustainability in various key aspects, such as Human Value, Environment, Research Projects, Strategic Ecosystem, without neglecting the importance of having responsible Governance and Business. On the same date, the Company's Board of Directors verified the achievement of certain objectives set out in the "Stock Grant Plan 2021 - 2023" incentive plan with reference to the financial year ended 31<sup>st</sup> December 2022 and assigned to the Chairman and CEO Pasquale Lambardi no. 258,109 treasury shares held by Relatech and to the Vice Chairman, Gianni Franco Papa n. 60,000 treasury shares held by Relatech. Furthermore, following what was communicated on 28<sup>th</sup> October 2022 in relation to the acquisition of 80% of the share capital of BTO S.p.A., the company announces that on the same date an agreement was reached functional to the determination of the consideration in kind which provides for the payment, to a non-operating shareholder and within thirty days from today's date, of a total of no. 270,000 Relatech treasury shares valued at a

price of 5 euros each. As part of the agreement, Relatech has agreed to renounce to the lock-up commitments initially agreed in relation to the aforementioned shares on condition of the completion by the aforementioned non-operating shareholder of a sale of the same to be carried out outside the market, with the objective to benefit from a consequent increase in the Company's free float. Finally, it is announced that net of the shares attributed pursuant to the aforementioned stock grant plan, and of those that will be attributed to the non-operating shareholder as consideration in kind as part of the acquisition of BTO, the Company holds no. 749,131 treasury shares.

## 6. Main risks and uncertainties to which the Group is exposed

Pursuant to and for the purposes of the first paragraph of the art. 2428 of the Italian Civil Code, a description of the main risks and uncertainties to which the Group is exposed is provided below.

### Risks connected to general economic and market conditions

The international scenario is still influenced by the uncertainty linked to the timing and outcome of the conflict between Russia and Ukraine, the risks of financial instability and a level of inflation still far from the objectives of the central Banks.

An economic situation persists characterized by declining global demand, high uncertainty and less favourable financial conditions for families and businesses; in fact, the signs of a slowdown in inflation and the receding of the financial turbulence have pushed the main central banks to continue the process of raising interest rates. These elements represent a brake on the world economy which is expected to decelerate this year and then show greater dynamism in 2024. The European Commission has revised the world GDP growth estimates which in the two-year period 2023-2024 is expected to grow by respectively 2,8% and 3.1%.

In Italy, the effects of restrictive monetary policies on domestic demand and the loss of the boost from construction incentives will, however, be partially counterbalanced by the effects of the implementation of the measures envisaged by the PNRR. After a slight decline at the end of 2022, the expansion phase of the Italian economy continued during the first quarter of this year (the cyclical variation was +0.6%), bringing the growth achieved in 2023 to +0.9%. Estimates for 2023 see a GDP that would record growth (+1.2%) driven by internal demand which, net of inventories, would contribute positively by 1 percentage point while net foreign demand would provide a more limited contribution (+0.3 percentage points). The expansionary phase of the Italian economy will continue in 2024, the year in which GDP will increase by 1.1%, supported again by the contribution of domestic demand by 0.9% and to a lesser extent by net foreign demand by 0.2% (Source: ISTAT. The prospects for the Italian economy in 2023-2024. 6<sup>th</sup> June 2023).

The company business is mainly based on the skills linked to the proprietary Replatform platform, with an expansion of the offer, the presence in various reference markets, as well as the collaborations with multiple international technological partnerships place the Relatech Group as a neutral technological vendor, thus being able to have the opportunity to try to limit significant impacts due to the economic and market situation in which it operates, although it cannot exclude possible negative impacts on its business attributable to international economic implications, to a slowdown in economic activity in a context characterized by a slowdown of global demand and an inflation that still remains at fairly high levels, which may still require further rigorous interventions on monetary and financial policies.

### Liquidity risk

Liquidity risk occurs when one is not in a position to find the financial resources to deal with short-term operations. At the moment the financial statement indicators, in addition to reflecting situations such as to deem liquidity risk irrelevant, guarantee the opportunity of sufficient financial availability to support the company's strategic activities.

### Risks linked to the concentration of turnover on some customers

A portion of the Group's revenues is concentrated on a small number of customers. In relation to this risk, the Group, with the dimensional growth path implemented in recent years also through acquisitions, aims to expand and diversify its customer base. This strategy has already shown positive evidence in containing this risk factor. In particular, it should be noted that the revenues achieved on the Group's top ten customers represented a percentage of approximately 49% as of 31<sup>st</sup> December 2021, while as of 30<sup>th</sup> June 2023 the incidence percentage was approximately 29%.

Although the Group companies can count on long-lasting relationships with their main customers, it cannot be ruled out that any changes to relationships due to business strategies or unforeseeable circumstances linked to macro-economic events for some of them could cause negative repercussions on the economic, financial and equity results of the Group.

### Credit risks

Credit risk is represented by the Group's exposure to potential losses that may arise from the failure to fulfil the obligations undertaken by customers. The maximum theoretical exposure to this risk is represented by trade receivables existing at the end of the financial year. The credit risk deriving from normal operations with customers is constantly monitored through the use of information and procedures for assessing the creditworthiness of the customers themselves. However, the new macro-economic framework in recent months has been in continuous and sudden change, characterized by a very high climate of uncertainty. Global supply chains that have been in trouble for some time and a rise in energy prices are leading to a general rise in prices and therefore to inflation, dramatically exacerbated by the war in Ukraine. The continuation of times of geopolitical instability could make the deterioration of the creditworthiness of customers a common and generalized possibility which is currently unexpected.

### Risks connected to external illicit acts

With reference to the category in question, among the main potential risks there could be fraudulent events connected to cyber and malware attacks and cause the possible interruption of production and sales support activities or the compromising of the confidentiality of personal data managed by the Group.

The rapid technological evolution and the growing organizational complexity of the Group together with the growing sophistication and frequency of cyber-attacks could expose the Group to the potential risk of new cyber-attacks. In this regard, Relatech is further strengthening the model adopted for managing cyber risks, which includes procedural, training, assessment and periodic review aspects of risks, also in relation to third parties. This model has the ultimate aim of guaranteeing the implementation of solid protection and business continuity tools and processes, which include the adoption of better technologies and methodologies for identifying and protecting the Group from cyber threats.

## 7. Relatech on the Stock Exchange

The Shares and Warrants of the company Relatech S.p.A. were admitted to the Euronext Growth Milan market (formerly AIM Italia - Alternative Capital Market) organized and managed by Borsa Italiana S.p.A. on 26<sup>th</sup> June 2019 with the start of negotiations on 28<sup>th</sup> June 2019. On 20<sup>th</sup> May 2022, the third and final period of exercise of the "Relatech Warrants 2019-2022", ISIN code IT0005373292, ended, the following table shows the situation of Relatech ordinary shares as of 30<sup>th</sup> June 2023.

### Relatech Ordinary Shares

Ticker:	RLT
ISIN Code:	IT0005433740
Bloomberg:	RLT:IM
Reuters	RLT.MI
Specialist:	BANCA BPER S.p.A.
NOMAD:	BANCA BPER S.p.A.
Number of shares:*	43.352.973
Admission price:	€ 2,15
Capitalization on the date of admission:	€ 20.070.035
Capitalization as of 30.06.2023	€ 100.145.368

\* On 30<sup>th</sup> December 2020, the Shareholders' Meeting resolved the split from no. 10,922,507 to no. 32,767,521 total ordinary shares of Relatech S.p.A. The split occurred through the assignment of 3 new ordinary shares (new ISIN code IT0005433740 - regular entitlement - coupon no. 1 and following) for each old ordinary share held (old ISIN code IT0005371874 - regular enjoyment coupon no. 1 and following), which was simultaneously withdrawn and cancelled. It should be noted that 22<sup>nd</sup> January 2021 was the last day of trading of the stock before the split and that since 25<sup>th</sup> January 2021 the stock has been trading post split.

The following table shows the composition of the shareholders of Relatech S.p.A. to 30<sup>th</sup> June 2023:

Shareholders	Number of Shares	% of Capital
Pasquale Lambardi	22.708.478	52,38%
of which through Gaxder Srl*	20.098.868	
Other shareholders**	601.987	1,39%
Treasury shares	749.131	1,73%
Market	19.293.377	44,50%
<b>Total</b>	<b>43.352.973</b>	<b>100,00%</b>

\* Gaxder Srl company 100% attributable to Pasquale Lambardi

\*\*non-significant shareholders with lock-up restriction on shares.

## 8. Economic, Patrimonial and Financial Situation of the Group

In order to better understand the equity, financial and economic situation of the Company, the tables of the Balance Sheet and Income Statement are provided below, reclassified in order to allow the determination of the Main Performance Indicators (IAPs).

IAPs refer to measures used by the management to analyse performance. These indicators are intended to provide additional information of the data included in the financial statements. Please note that the IAPs, as defined, may not be comparable to similarly named measures used by other companies. Below is the definition of the main IAPs used in this management report:

**EBITDA:** represents an alternative performance indicator not defined by accounting standards used by the company's management to monitor and evaluate its operational performance, as it is not influenced by fiscal elements, the amount and characteristics of the capital employed nor by the depreciation policies adopted from the company. This indicator measures the profit or loss for the period gross of depreciation, write-downs of tangible and intangible assets and provisions, financial charges and income and income taxes.

**EBITDA ADJUSTED:** it is an indicator used to purify EBITDA from the effect of economic components (costs or revenues) of an extraordinary nature recorded during the reference period.

**EBIT:** represents an alternative performance indicator not defined by accounting standards used to monitor and evaluate the result of company management before the financial component and taxes.

**EBIT ADJUSTED:** represents an alternative performance indicator not defined by accounting standards used to monitor and evaluate the result of company management before the financial component and taxes, obtained by purifying the EBIT from the effect of the extraordinary cost and revenue components recorded during the period of reference.

The considerations carried out for EBITDA and EBIT can be extended to the result before and after taxes, determining the Adjusted result before or after taxes.

**NET INVESTED CAPITAL:** derives from the sum of non-current and current assets net of financial ones, less non-current and current liabilities net of those of a financial nature.

**NET FINANCIAL DEBT:** the data shown is aligned with the value of the net financial debt determined according to the Guidelines on disclosure obligations pursuant to EU Regulation 2017/1129 (so-called "Prospectus Regulation") issued by ESMA and implemented by Consob with the Reminder of Attention no. 5/21 of April 29, 2021.

**COST OF SALES:** includes the costs of personnel, materials, services and the use of third-party assets directly used in the provision of services to customers.



## Consolidated Income Statement of the Group

The table below shows the data of the reclassified income statement for the years ended as of 30<sup>th</sup> June 2022 and 30<sup>th</sup> June 2023, highlighting the changes that occurred as well as the impact on the value of production of each item.

Consolidated Income Statement	30 <sup>th</sup> June 2023	% inc. VdP	30 <sup>th</sup> June 2022	% inc. VdP	ΔYoY	Δ%
Revenues	47.852.190	94%	25.352.361	86%	22.499.829	89%
Variation inventories of products in progress, semi-finished and finished products	109.693	0%	1.121.447	4%	(1.011.754)	-90%
Increases in fixed assets for internal works	1.787.150	3%	1.824.578	6%	(37.428)	-2%
Other income	1.395.625	3%	1.182.642	4%	212.983	18%
<b>Production value</b>	<b>51.144.658</b>	<b>100%</b>	<b>29.481.027</b>	<b>100%</b>	<b>21.663.631</b>	<b>73%</b>
Material costs	11.908.175	23%	7.177.761	24%	4.730.414	66%
Costs for services	11.350.831	22%	6.947.578	24%	4.403.253	63%
Costs for the use of third-party assets	288.696	1%	208.473	1%	80.223	38%
Staff costs	17.599.227	34%	7.911.932	27%	9.687.295	122%
Changes in raw material inventories	424.702	1%	-	0%	424.702	n/d
Various management costs	180.309	0%	109.705	0%	70.604	64%
<b>COGS costs</b>	<b>41.751.940</b>	<b>82%</b>	<b>22.355.450</b>	<b>76%</b>	<b>18.971.789</b>	<b>85%</b>
<b>Gross Profit</b>	<b>9.392.718</b>	<b>18%</b>	<b>7.125.577</b>	<b>24%</b>	<b>2.691.842</b>	<b>38%</b>
<b>Total other R&amp;D operating costs</b>	<b>2.220.255</b>	<b>4%</b>	<b>2.473.459</b>	<b>8%</b>	<b>(253.204)</b>	<b>-10%</b>
Extraordinary costs	319.473	1%	234.175	1%	85.298	36%
Extraordinary Directors' Emoluments	541.653	1%	687.375	2%	(145.723)	-21%
<b>Adjustments for extraordinary costs</b>	<b>861.126</b>	<b>2%</b>	<b>921.550</b>	<b>3%</b>	<b>(60.425)</b>	<b>-7%</b>
<b>EBITDA</b>	<b>7.172.463</b>	<b>14%</b>	<b>4.652.118</b>	<b>16%</b>	<b>2.520.344</b>	<b>54%</b>
<b>EBITDA ADJUSTED</b>	<b>8.033.588</b>	<b>16%</b>	<b>5.573.669</b>	<b>19%</b>	<b>2.459.920</b>	<b>44%</b>
Amortization of intangible assets	1.786.955	3%	1.315.643	4%	471.313	36%
Depreciation of tangible fixed assets	198.016	0%	134.297	0%	63.718	47%
Amortization of Rights of Use	623.297	1%	408.965	1%	214.332	52%
Provisions and Devaluations	50.000	0%	-	0%	50.000	n/d

continue

Consolidated Income Statement	30 <sup>th</sup> June 2023	% inc. VdP	30 <sup>th</sup> June 2022	% inc. VdP	ΔYoY	Δ%
<b>Depreciation and Provisions</b>	<b>2.658.268</b>	<b>5%</b>	<b>1.858.905</b>	<b>6%</b>	<b>799.363</b>	<b>43%</b>
<b>EBIT</b>	<b>4.514.195</b>	<b>9%</b>	<b>2.793.214</b>	<b>9%</b>	<b>1.720.981</b>	<b>62%</b>
<b>EBIT ADJUSTED</b>	<b>5.375.321</b>	<b>11%</b>	<b>3.714.764</b>	<b>13%</b>	<b>1.660.557</b>	<b>45%</b>
Financial income from others	225.665		40.552		185.113	456%
Other financial charges	(701.666)		(937.957)		236.291	-25%
Gains and losses on exchange rates	42.160		(144)		42.304	>1000%
<b>Financial management</b>	<b>(433.841)</b>	<b>1%</b>	<b>(897.548)</b>	<b>3%</b>	<b>463.708</b>	<b>-52%</b>
<b>EBT</b>	<b>4.080.354</b>	<b>8%</b>	<b>1.895.665</b>	<b>6%</b>		
<b>EBT ADJUSTED</b>	<b>4.941.480</b>	<b>10%</b>	<b>2.817.216</b>	<b>10%</b>	<b>2.124.264</b>	<b>75%</b>
Current Taxes	1.363.899	3%	1.029.661	3%	334.239	32%
Prepaid taxes	(160.017)	0%	(164.290)	-1%	4.273	-3%
<b>Adjusted profit (loss) for the year</b>	<b>3.737.598</b>	<b>7%</b>	<b>1.951.845</b>	<b>7%</b>	<b>1.785.752</b>	<b>91%</b>
Profit (Loss) for the year of Third Parties	(58.840)		222.965		(281.805)	-126%
<b>Adjusted Group profit (loss) for the year</b>	<b>3.796.438</b>	<b>7%</b>	<b>1.728.880</b>	<b>6%</b>	<b>2.067.557</b>	<b>120%</b>

The table above shows a Production Value increased by 73% compared to 30<sup>th</sup> June 2022, going from approximately Euro 29.4 million to approximately Euro 51.1 million; likewise, sales revenues grew by 89%, going from approximately Euro 25.4 million to approximately Euro 47.9 million in the same period of the previous year. The significant increase in the value of production also resulted in a considerable increase in the Adjusted EBITDA, up by 44%, reaching a value of approximately Euro 8 million compared to Euro 5.6 million as of 30<sup>th</sup> June 2022. As for the adjustment of the EBITDA it is specified that this is attributable to the extraordinary costs incurred for the execution of the 2021-2023 Stock Grant plan, as well as to the extraordinary costs incurred for consultancy relating to M&A operations.

## Consolidated Balance Sheet of the Group

The following table shows the reclassified synthetic Balance Sheet referring to 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022.

Consolidated Balance Sheet	30 <sup>th</sup> June 2023	31 <sup>st</sup> December 2022	Δ
Intangible assets	12.521.703	12.184.641	337.062
Goodwill	28.763.883	28.763.883	-
Activities for rights of use	2.617.594	3.046.803	(429.209)
Material assets	962.576	977.485	(14.909)
Financial activities	440.476	618.609	(178.133)
<b>Fixed assets</b>	<b>45.306.232</b>	<b>45.591.421</b>	<b>(285.189)</b>
Inventories	2.887.306	3.432.881	(545.575)
Trade Receivables	28.307.777	28.394.450	(86.673)
Payables to suppliers	(10.081.262)	(11.765.203)	1.683.941
<b>Commercial Working Capital</b>	<b>21.113.821</b>	<b>20.062.128</b>	<b>1.051.693</b>
Tax credits and debts	(4.337.374)	(1.385.006)	(2.952.369)
Accruals and deferrals	233.030	(1.704.234)	1.937.265
Other credits and debts	(6.209.556)	(5.500.865)	(708.691)
<b>Other current assets and liabilities</b>	<b>(10.313.900)</b>	<b>(8.590.105)</b>	<b>(1.723.795)</b>
<b>Net Working Capital</b>	<b>10.799.921</b>	<b>11.472.023</b>	<b>(672.102)</b>
Other non-current assets and liabilities	2.860.763	2.793.754	67.009
Provisions for risks and charges	(2.042.524)	(11.238.473)	9.195.949
Funds for employee and director benefits	(5.135.412)	(4.739.031)	(396.381)
<b>Other non-current assets and liabilities</b>	<b>(4.317.173)</b>	<b>(13.183.750)</b>	<b>8.866.577</b>
<b>Net Invested Capital</b>	<b>51.788.980</b>	<b>43.879.695</b>	<b>7.909.286</b>
Share capital	215.080	215.080	-
Reserves	30.280.645	30.024.661	255.984
Negative reserve for treasury shares in portfolio	(1.923.487)	(2.584.420)	660.933
Profit (Loss) carried forward	4.093.995	3.777.928	316.067
Group profit (loss) for the financial year	2.935.312	1.659.010	1.276.302
<b>Shareholder's group equity</b>	<b>35.601.544</b>	<b>33.092.258</b>	<b>2.509.285</b>
<b>Shareholder's third-party equity</b>	<b>1.429.790</b>	<b>1.283.023</b>	<b>146.766</b>
<b>Shareholder's equity</b>	<b>37.031.333</b>	<b>34.375.282</b>	<b>2.656.052</b>

continue

Consolidated Balance Sheet	30 <sup>th</sup> June 2023	31 <sup>st</sup> December 2022	Δ
Short-term debts/(cash)	(11.609.064)	(21.156.012)	9.546.948
Debts to MLT	26.366.711	30.660.425	(4.293.714)
<b>NFP</b>	<b>14.757.647</b>	<b>9.504.413</b>	<b>5.253.234</b>
<b>Total Sources</b>	<b>51.788.980</b>	<b>43.879.694</b>	<b>7.909.286</b>
Net fixed capital	45.306.232	45.591.421	(285.189)
Net working capital	10.799.921	11.472.023	(672.102)
Other non-current assets and liabilities	(4.317.173)	(13.183.750)	8.866.577
<b>Net Invested Capital</b>	<b>51.788.980</b>	<b>43.879.694</b>	<b>7.909.286</b>
Shareholder's equity	37.031.333	34.375.282	2.656.052
Net Financial Position	14.757.647	9.504.413	5.253.234
<b>Total sources of Net Financing</b>	<b>51.788.980</b>	<b>43.879.694</b>	<b>7.909.286</b>

## Net Financial Position

The group's Net Financial Position as of 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022 is summarized in the following table:

NFP	30 <sup>th</sup> June 2023	31 <sup>st</sup> December 2022	Δ
A Cash	(18.940.192)	(22.066.392)	3.126.200
B Cash equivalents	(150.992)	(150.992)	-
C Other current financial assets		(5.800.000)	5.800.000
<b>D Liquid assets (A + B + C)</b>	<b>(19.091.184)</b>	<b>(28.017.384)</b>	<b>8.926.200</b>
E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	1.015.456	1.128.239	(112.783)
F Current portion of non-current financial debt	6.466.664	5.733.133	733.531
<b>G Current financial debt (E + F)</b>	<b>7.482.120</b>	<b>6.861.372</b>	<b>620.748</b>
<b>H Net current financial debt (G + D)</b>	<b>(11.609.064)</b>	<b>(21.156.012)</b>	<b>9.546.948</b>
I Non-current financial debt (excluding the current portion and debt instruments)	21.668.592	25.580.073	(3.911.481)
J Debt instruments	-	-	-
K Trade payables and other non-current payables	341.273	403.609	(62.336)
<b>L Non-current financial debt (I)+(J)+(K)</b>	<b>22.009.866</b>	<b>25.983.683</b>	<b>(3.973.817)</b>
<b>M Net financial debt (H)+(L) including IFRS 16 effects</b>	<b>10.400.802</b>	<b>4.827.671</b>	<b>5.573.131</b>
<b>N Effects IFRS 3 options</b>	<b>4.356.845</b>	<b>4.676.742</b>	<b>(319.897)</b>
<b>O NFP including IFRS 3 effects (M)+(N)</b>	<b>14.757.647</b>	<b>9.504.413</b>	<b>5.253.234</b>

The Net Financial Position as of 30<sup>th</sup> June 2023 is equal to approximately Euro 14.8 million (excess debt), with cash liquidity of approximately Euro 19.1 million, compared to a Net Financial Position as of 31<sup>st</sup> December 2022 equal to approximately Euro 9.5 million (cash surplus). The NFP for the period was influenced, in terms of extraordinary expenditures, by the purchase of treasury shares, on 14 April 2023, for approximately Euro 0.9 million following the repurchase of no. 394,340 residual withdrawn shares (at Euro 2.19 each).

It is specified that in determining the NFP, the effects relating to the application of IFRS 9 were taken into account attributable to the recognition of the potential consideration in accordance with the provisions of IFRS 3, equal to approximately Euro 4.4 million, which the Relatech Group could bear in the near future for the acquisition of the remaining minority shares in EFA Automazione S.p.A., Venticento S.r.l. and BTO S.p.A., as well as for the payment of an earn-out relating to the purchase of IoT Catalyst shares.

## 9. Main non-financial indicators

Pursuant to the second paragraph of the art. 2428 of the Italian Civil Code, it is hereby certified that, due to the specific activity carried out and for a better understanding of the Company's situation, performance and management results, the presentation of non-financial indicators is not considered relevant.

## 10. Information on the Environment

It is certified that the Company has not undertaken any particular environmental impact policies because they are not necessary in relation to the activity carried out. It should also be noted that there are no ongoing lawsuits, nor has the Company been convicted or declared definitively guilty for damage caused to the environment. No sanctions or fines were imposed for administrative violations, crimes or environmental damage.

## 11. Information on staff management

There is no significant information regarding personnel management. However, it should be noted that during the period in question no serious injuries or illnesses occurred among employees. There were also no charges against the company regarding professional illnesses of employees or former employees. The Company has no pending lawsuits, nor has it been convicted, nor has it been definitively declared guilty for disputes of any nature with employees.

## 12. Significant Events

### 12.1 Russia - Ukraine conflict

The conflict between Russia and Ukraine, which began on 24<sup>th</sup> February 2022, is having important consequences on a global level not only for the serious humanitarian crisis that resulted, but also for the possible economic effects on global markets, which were immediately reflected not only in increases in the costs of some raw materials such as gas and oil, but also in strong reductions in the share values of the major world stock markets.

To date, the Relatech Group does not have direct commercial relationships with customers and suppliers present in the areas affected by the conflict; furthermore, the presence of collaborations with multiple international technological partnerships places the Relatech Group in a situation of technological vendor neutral, thus being able to attempt to limit significant impacts due to the ongoing geopolitical situation.

## 13. Treasury Shares

The share capital of Relatech S.p.A. as of 30<sup>th</sup> June 2023 is equal to Euro 215,079.59 fully paid-up and divided into 43,352,973 ordinary shares with no par value. Also as of 30<sup>th</sup> June 2023, the Company held treasury shares no. 749,131 equal to 1.73% of the share capital.

## 14. Significant events which occurred after the end of the financial year

Significant events that occurred after the end of the financial year as of 30<sup>th</sup> June 2023 include:

On the 6<sup>th</sup> of July, following the press release of 16<sup>th</sup> June 2023, the company announced that it has proceeded, today, with the completion of the acquisition of the remaining 40% of the share capital of Gruppo SIGLA S.r.l.

On the 20<sup>th</sup> of July the company announces the strategic partnership with Stormshield, a leading European vendor in the world of cybersecurity owned by the Airbus Group, aimed at offering advanced security solutions in the critical infrastructure sector (utilities, healthcare, public administration) and Intelligent Industry.

On the 24<sup>th</sup> of July it announces that, through Gruppo SIGLA, it participated in the Open Lab Realter, organized by the Chiossone Foundation. The laboratory dedicated to the Realter biomedical project took place on Friday, 21st of July at the Architecture and Design Department of the University of Genoa, as part of the Omero Project Final Event.

On the 27<sup>th</sup> of July the Company's Board of Directors examined certain consolidated economic-financial management data, not subject to audit, as of 30<sup>th</sup> June 2023. The main data include consolidated sales revenues of approximately Euro 48 million and growing of 89%, foreign revenues equal to 27% of sales growing by 58%, recurring revenues equal to 38% of sales (growing by 112%), Net Financial Position equal to approximately Euro 15 million.

On August the 3<sup>rd</sup> it communicates, pursuant to art. 17 of the Euronext Growth Milan Issuers' Regulation, the consensual interruption of the role of Euronext Growth Advisor with BPER Banca S.p.A., which will remain in office until the 6<sup>th</sup> of August 2023 included, and the assignment of the new role of Euronext Growth Advisor to Illimity Bank S.p.A which will take over from 7 August 2023 included.

On the 7<sup>th</sup> of September Relatech and Autotrasporti De Girolami S.p.A. announce that they are launching a strategic collaboration that positions Relatech as a technological partner to support the customer in the process of digitization and innovation of their business model through the RePlatform platform, at the center of the Relatech offer and designed specifically to systematize cutting-edge technologies, methodologies and know-how and to best respond to customer needs.

On the 12<sup>th</sup> of September, the company announced that it had actively contributed to the InMOTO research project, dedicated to the development of home care and rehabilitation systems for patients suffering from neuromotor and neurocognitive pathologies.

## 15. Foreseeable evolution of management

Pursuant to and for the purposes of what is indicated in point 6) of the third paragraph of art. 2428 of the Italian Civil Code, a macroeconomic context should be noted, which also includes our Country, still subject to the strong uncertainty associated with the war in Ukraine and the restrictive orientation of the most restrictive monetary and credit policies for businesses and families. In Italy, after the strong recovery in the first quarter of 2023 (0.6 percent), GDP is expected to expand to a limited extent in the rest of the three-year forecast period, held back by the effects of the worsening of financing conditions. On average for the year, the product would increase by 1.3 percent in 2023, 1.0 in 2024 and 1.1 in 2025, therefore with an increase in 2023, thanks to a better-than-expected trend in the first quarter, and downward in the two-year period 2024-25, mainly due to a stronger deterioration in financial conditions. On the other hand, the impulse deriving from the public component would increase, thanks to the interventions of the PNRR. In this direction, with reference to the 2022-2025 prospects of the market specifically relating to Digital Enablers, it is foreseeable that they will continue to be an extraordinary driving force for the development of the Italian digital market, thanks to the many digital transformation initiatives which, despite the uncertainty, will continue to arise in companies.

In this context, the Relatech Group is well positioned to seize the opportunities offered by the evolution of the market, in terms of services and solutions related to digital transformation.

## 16. Other Information

Finally, we inform you that Relatech S.p.A., as of 30<sup>th</sup> June 2023, was not subject to the control of another company and therefore, pursuant to paragraph 5 of art. 2497-bis of the Italian Civil Code, it is certified that the company is not subject to the management and coordination activity of others.

## 17. Conclusions

This Semi-Annual Financial Report as of 30<sup>th</sup> June 2023 was approved by the Board of Directors on 27<sup>th</sup> September 2023.

**The Chairman of the Board of Directors**  
**Ing. Pasquale Lambardi**





# CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

AS OF 06 30 2023

Parent Company: Relatech S.p.A.  
Share capital Euro 215.079,59 fully paid  
Registered office in Milan, via S. Anguissola, 23  
Registered in the Business Register of MILAN  
Fiscal Code and registration number 03267710964  
REA MI-1662226



## Consolidated Balance Sheet

Consolidated Balance Sheet	Notes	30 <sup>th</sup> June 2023	31 <sup>st</sup> December 2022
Intangible assets	1	12.521.703	12.184.641
Goodwill	2	28.763.883	28.763.883
Activities for rights of use	3	2.617.594	3.046.803
Tangible assets	4	962.576	977.485
Financial activities	5	440.476	618.609
Other non-current assets		94.442	92.032
Deferred tax assets	6	2.766.321	2.701.722
<b>Non-current assets</b>		<b>48.166.995</b>	<b>48.385.175</b>
Inventories	7	2.887.306	3.432.881
Commercial credits	8	28.307.777	28.394.450
Other current activities	9	5.528.805	11.343.067
Non-fixed financial assets		73.276	82.028
Cash	10	19.091.184	22.217.384
<b>Current assets</b>		<b>55.888.347</b>	<b>65.469.810</b>
<b>Total assets</b>		<b>104.055.343</b>	<b>113.854.985</b>
Share capital		215.080	215.080
Share premium reserve		16.385.972	16.385.972
Reserves FTA		(219.331)	(219.331)
Legal reserve		43.015	31.809
Statutory reserves		503.155	503.155
OCI reserve		393.467	486.170
Other reserves		13.174.367	12.836.886
Negative reserve for treasury shares in portfolio		(1.923.487)	(2.584.420)
Profit (Loss) carried forward		4.093.995	3.777.928
<b>Group profit (loss) for the year</b>		<b>2.935.312</b>	<b>1.659.010</b>
<b>Shareholder's group equity</b>		<b>35.601.544</b>	<b>33.092.258</b>

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Consolidated Balance Sheet	Notes	30 <sup>th</sup> June 2023	31 <sup>st</sup> December 2022
Third party capital and reserves		1.488.630	1.248.752
Third party profit		(58.840)	34.272
<b>Third party equity</b>		<b>1.429.790</b>	<b>1.283.023</b>
<b>Total shareholder's equity</b>	<b>11</b>	<b>37.031.333</b>	<b>34.375.282</b>
Provisions for risks and charges	12	631.186	783.000
Deferred tax liabilities	6	1.411.338	10.455.473
Funds for employee and director benefits	13	5.135.412	4.739.031
Financial liabilities for rights of use	14	1.640.739	1.947.417
Other payables m/l		4.698.118	5.080.351
Financial liabilities	15	24.725.971	28.713.008
<b>Non-current liabilities</b>		<b>33.544.647</b>	<b>46.637.929</b>
Commercial debts	16	10.081.262	11.765.203
Current tax liabilities	17	6.887.894	4.916.936
Financial liabilities for rights of use	14	1.015.456	1.128.239
Financial liabilities	15	6.466.664	5.733.133
Other current liabilities	18	9.028.087	9.298.263
<b>Current Liabilities</b>		<b>33.479.363</b>	<b>32.841.774</b>
<b>Total Liabilities</b>		<b>104.055.343</b>	<b>113.854.985</b>

## Consolidated Income Statement and Consolidated Total Income Statement

Consolidated Income Statement and Consolidated Total Income Statement	Notes	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2022
Revenues from sales	19	47.852.190	25.352.361
Variation inventories of products in progress, semi-finished and finished products		109.693	1.121.447
Increases in fixed assets for internal works	20	1.787.150	1.824.578
Other income	21	1.395.625	1.182.642
<b>Production value</b>		<b>51.144.658</b>	<b>29.481.027</b>
Costs for materials	22	11.908.175	7.177.761
Costs for services	23	11.464.802	7.037.578
Costs for the use of third-party assets	24	288.696	208.473
Staff costs	25	19.705.511	10.295.391
changes in raw material inventories		424.702	-
Various management charges	26	180.309	109.705
<b>Total Costs</b>		<b>43.972.195</b>	<b>24.828.909</b>
<b>EBITDA</b>		<b>7.172.463</b>	<b>4.652.118</b>
<b>Depreciation</b>			
Amortization of intangible assets		1.786.956	1.315.643
Depreciation of tangible fixed assets		198.016	134.297
Amortization Right of Use		623.297	408.965
Provisions and Write-downs		50.000	-
<b>Depreciation and provisions</b>	<b>27</b>	<b>2.658.268</b>	<b>1.858.905</b>
<b>EBIT</b>		<b>4.514.195</b>	<b>2.793.214</b>
Financial income		225.665	40.552
Financial charges		(701.666)	(937.957)
Gains/losses on exchange rates		42.160	(144)
<b>Financial management</b>	<b>28</b>	<b>(433.841)</b>	<b>(897.548)</b>

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Consolidated Income Statement and Consolidated Total Income Statement	Notes	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2022
<b>EBT</b>		<b>4.080.354</b>	<b>1.895.665</b>
Current taxes	29	1.363.899	1.029.661
Deferred/prepaid taxes		(160.017)	(164.290)
<b>Profit (Loss) for the financial year</b>		<b>2.876.472</b>	<b>1.030.295</b>
Profit (Loss) for the financial year of third parties		(58.840)	222.965
<b>Group profit (loss) for the financial year</b>		<b>2.935.312</b>	<b>807.330</b>
<b>Earnings per share</b>	<b>30</b>		
Basic		0,07	0,11
Diluted		0,07	0,09
<b>Effects that will not have a future impact on the income statement:</b>			
Actuarial gains/losses from benefit plans net of tax effect		(92.703)	645.399
<b>Total other components of the comprehensive income statement</b>		<b>(92.703)</b>	<b>645.399</b>
<b>Overall net result for the financial year</b>		<b>2.783.769</b>	<b>1.675.694</b>

## Cash Flow Statement

Consolidated Financial Statement	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2022
<b>A) Financial flows deriving from operating activities</b>		
Profit (loss) for the financial year	2.876.472	1.030.295
Income taxes	1.203.882	865.370
Passive/(active) interests	424.459	897.548
(Gains)/Losses deriving from the sale of assets	9.382	-
<b>1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal</b>	<b>4.514.195</b>	<b>2.793.214</b>
Adjustments for non-monetary elements that did not have a counterpart in net working capital		
Provisions to funds	765.603	530.774
Depreciation of fixed assets	2.608.268	1.858.905
Other increases/(decreases) adjustments for non-monetary items	205.608	(971.163)
<b>Total adjustments for non-monetary elements that did not have a counterpart in net working capital</b>	<b>3.579.479</b>	<b>1.418.516</b>
<b>2) Cash flow before changes in net working capital</b>	<b>8.093.674</b>	<b>4.211.730</b>
<b>Changes in net working capital</b>		
Decrease/(Increase) in inventories	545.575	(415.001)
Decrease/(Increase) in trade receivables	86.673	(1.296.013)
Increase/(Decrease) in payables to suppliers	(1.683.941)	787.255
Decrease/(Increase) in accrued income and prepaid expenses	(1.143.485)	(433.846)
Increase/(Decrease) in accrued and deferred income	(793.780)	(1.160.251)
Other decreases/ (Other Increases) in net working capital	7.414.342	997.834
<b>Total changes in net working capital</b>	<b>4.425.384</b>	<b>(1.520.021)</b>

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Consolidated Financial Statement	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2022
<b>3) Financial flow after changes in net working capital</b>	<b>12.519.058</b>	<b>2.691.709</b>
<b>Other corrections</b>		
Interest received/(paid)	(424.459)	(897.548)
(Income taxes paid)	767.075	10.926
Use of funds	(9.565.171)	(1.656.543)
<b>Total other adjustments</b>	<b>(9.222.555)</b>	<b>(2.543.165)</b>
<b>Cash flow from operating activities (A)</b>	<b>3.296.503</b>	<b>148.543</b>
<b>B) Financial flows deriving from investment activity</b>		
(Investments)/Disinvestments in tangible assets	(183.107)	(238.848)
(Investments)/Disinvestments in rights of use	(194.088)	(913.690)
(Investments)/Disinvestments in intangible assets	(2.124.018)	(10.587.474)
(Investments)/Disinvestments in financial assets	168.751	600.829
<b>Cash flow from investing activity (B)</b>	<b>(2.705.943)</b>	<b>(11.139.182)</b>
<b>C) Financial flows deriving from financing activities</b>		
Third-party means		
Increase/(decrease) in short-term debts to banks	733.531	219.848
Increase/(decrease) in short-term debts of other lenders	(419.460)	3.212.166
Opening (Repayment) of financing	(3.604.803)	5.209.012
Own resources		
Paid capital increase	-	4.876.869
Other changes in own resources	(426.026)	427.523
<b>Financial flow of the financing activity (C)</b>	<b>(3.716.759)</b>	<b>13.945.417</b>
<b>Increase (decrease) in cash (A ± B ± C)</b>	<b>(3.126.199)</b>	<b>2.954.779</b>
<b>Cash at the beginning of the financial year</b>	<b>22.217.383</b>	<b>11.012.119</b>
<b>Cash at the end of the financial year</b>	<b>19.091.184</b>	<b>13.966.897</b>

## Movements in shareholders' equity

Net assets	balances as of 31 <sup>st</sup> December 2022	Destination of the result	Other Variations	Result of the financial year	Balances as of 30 <sup>th</sup> June 2023
Capital	215.080				215.080
Surcharge reserve	16.385.972				16.385.972
Reserve from FTA	(219.331)				(219.331)
Legal reserve	31.809	11.206			43.015
Statutory Reserves	503.155				503.155
OCI reserve	486.170		(92.703)		393.467
Other reserves					
- Consolidation Reserve	3.811.580		(497.586)		3.313.994
- Merger surplus	195.378				195.378
- Other reserves	2.922.344	1.647.804	1.339.279		5.909.428
- Extraordinary reserve	5.012.062		(1.904.111)		3.107.951
- Stock Grant Reserve	895.521		(247.905)		647.617
Reserve for treasury shares in portfolio	(2.584.420)		660.933		(1.923.487)
Profits (losses) carried forward	3.777.928		316.067		4.093.995
Result of the financial year	1.659.010	(1.659.010)		2.935.312	2.935.312
<b>Group net equity</b>	<b>33.092.258</b>	-	<b>(426.026)</b>	<b>2.935.312</b>	<b>35.601.544</b>
Third party capital and reserves	1.248.752	34.272	205.606		1.488.630
Third party result	34.272	(34.272)		(58.840)	(58.840)
<b>Total Third-Party equity</b>	<b>1.283.023</b>	-	<b>205.606</b>	<b>(58.840)</b>	<b>1.429.790</b>
<b>Total equity</b>	<b>34.375.282</b>	-	<b>(220.420)</b>	<b>2.876.472</b>	<b>37.031.333</b>



# EXPLANATORY NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AS OF 30/06/2023

Dear Shareholders,  
these Explanatory Notes are drawn up to accompany the condensed half-yearly Consolidated Financial Statements as of 30<sup>th</sup> June 2023 and, together with the Management Report, constitute the Financial Report drawn up for the purposes of the due information required by the Euronext Growth Milan (formerly AIM Italia) Issuers' Regulation.

## Introduction to the Explanatory Notes

### Preparation basis

The Company, in application of Legislative Decree 28<sup>th</sup> February 2005, n. 38 "Exercise of the options provided for by article 5 of European Regulation no. 1606/2002 regarding international accounting standards", has prepared this condensed half-yearly consolidated Financial Statement as of 30<sup>th</sup> June 2023 in compliance with the International Financial Reporting Standards (hereinafter also IFRS), as issued by the International Accounting Standard Board (IASB) and approved by the European Union on the date of approval of these financial statements.

IFRS also refers to all international accounting standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously called "Standing Interpretations Committee" (SIC).

The abbreviated half-yearly consolidated financial statements reflect the results of the accounting records regularly kept by the Parent Company and its subsidiaries, adjusted by the eliminations inherent in the consolidation process. The equity and financial situation and the economic result of the Group are represented in a clear, truthful and correct manner in accordance with the

provisions of Legislative Decree 127/91 and, if necessary, the additional information required by the 3<sup>rd</sup> paragraph of art. 29 of the aforementioned decree are provided.

These Explanatory Notes illustrate, in addition to the consolidation criteria, also the evaluation principles followed for the preparation of the condensed half-yearly consolidated Financial Statements, in compliance with the relevant civil regulations.

For the purposes of preparing the accounting statements, priority is given to the economic substance of the operations rather than to their legal form.

With reference to IAS 1 paragraphs 25 and 26, the Directors of the Parent Company confirm that, in consideration of the economic prospects, capitalization and financial position of the Company, there are no uncertainties regarding the business continuity of the Group and that, consequently, in the preparation of the financial statements as of 30<sup>th</sup> June 2023, the accounting principles of a going concern are adopted.

These condensed half-yearly consolidated Financial Statements as of 30<sup>th</sup> June 2023 have been prepared in accordance with the International Accounting Standards (International Financial Reporting Standards - "IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. "IFRS" also means the International Accounting Standards ("IAS") still in force, as well as all the interpretative documents issued by the Interpretation Committee, previously called the International Financial Reporting Interpretations Committee ("IFRIC") and even before that the Standing Interpretations Committee ("SIC"). In the preparation of this condensed half-yearly Financial Statement, drawn up in accordance with IAS 34 - Interim Financial Statements, the same accounting principles adopted in the preparation of the consolidated Financial Statements as of 31<sup>st</sup> December 2022 are applied, with the exception of the new standards and interpretations in force starting from 1<sup>st</sup> January 2023. The new standards which have led to a change in the group's accounting criteria from the current half-year are described in paragraph 5.1.

It should be noted that the condensed half-yearly consolidated financial statements do not include all the information and notes required in the annual financial statements and, as such, must be read together with the consolidated financial statements as of 31<sup>st</sup> December 2022.

It should also be noted that the information contents of this condensed half-yearly financial statement are not comparable to those of a complete financial statement drawn up in accordance with IAS 1, with particular reference to the lesser information provided regarding financial assets and liabilities.

As regards the performance of the first half of 2023, please refer to what is set out in the Directors' Report on management performance.

It should be noted that Relatech S.p.A is required to prepare the consolidated financial statements in compliance with the provisions of the Euronext Growth Italia (formerly AIM Italia) issuers' regulation.

This condensed half-yearly consolidated financial statement will be audited by BDO Italia S.p.A, by virtue of the task conferred on it for the period 2021-2023.

## Information on the composition of the corporate group

As of June 30, 2023, the Relatech Group is composed of the following companies:

Name	Registered office	Share Capital	Shareholding	Consolidation Principle
RELATECH S.p.A.	Italy	Euro 215.079,59	Parent Company	-
ITHEA SRL	Italy	Euro 40.000,00	100,00%	Full
OKT SRL	Italy	Euro 96.000,00	51,04%	Full
DtoK Lab SRL	Italy	Euro 11.136,00	51,00%	Full
DIALOG SISTEMI SRL	Italy	Euro 50.000,00	60,00%	Full
Gruppo SIGLA SRL	Italy	Euro 81.600,00	60,00%	Full
MEDIATECH SRL	Italy	Euro 46.800,00	100,00%	Full
EFA AUTOMAZIONE SPA	Italy	Euro 120.000,00	89,66%	Full
VENTICENTO SRL	Italy	Euro 50.000,00	51,00%	Full
IOT Catalyst SRL	Italy	Euro 200.000,00	100,00%	Full
BTO SPA	Italy	Euro 2.465.313,00	80,00%	Full

## General criteria and principles for preparing the consolidated financial statements

The condensed half-yearly consolidated Financial Statements as of June 30, 2023 include the financial statements of Relatech S.p.A. and those of the companies for which it has, directly or indirectly, the majority of exercisable votes in the ordinary shareholders' meeting, of the companies for which it has sufficient votes to exercise a dominant influence in the ordinary shareholders' meeting, of the companies over which it has a dominant influence by virtue of a contract or a statutory clause.

The financial statements used for the consolidation of companies are drawn up by the competent corporate bodies of the respective companies. The values shown in the Explanatory Notes, unless otherwise specified, are expressed in Euro units.

It is certified that, in order to provide a true and correct representation of the equity, financial situation and economic result, it was not necessary to derogate from the application of any provision of Legislative Decree 127/91.

## Scope and principles of consolidation

The following table shows the composition of the group and the consolidation area referring to the condensed half-yearly consolidated Financial Statements closed as of 30<sup>th</sup> June 2023.

Name	Registered Office	Share Capital(€)	Shareholding	Consolidation Principle
RELATECH SPA	Italia	215.079,59	Capogruppo	-
ITHEA SRL	Italia	40.000,00	100,00%	Integrale
OKT SRL	Italia	96.000,00	51,04%	Integrale
DtoK Lab SRL	Italia	11.136,00	51,00%	Integrale
DIALOG SISTEMI SRL	Italia	50.000,00	60,00%	Integrale
Gruppo SIGLA SRL	Italia	81.600,00	60,00%	Integrale
MEDIATECH SRL	Italia	46.800,00	100,00%	Integrale
EFA Automazione SPA	Italia	120.000,00	89,66%	Integrale
VENTICENTO SRL	Italia	50.000,00	51,00%	Integrale
IOT Catalyst SRL	Italia	200.000,00	100,00%	Integrale
BTO SPA	Italia	2.465.313,00	80,00%	Integrale

The consolidation of subsidiary companies is carried out using the global integration method. The main criteria adopted for the application of this method include:

- a. the book value of the equity investments held by the Parent Company and by the other companies included in the consolidation area is eliminated against the relative shareholders' equity against the assumption of the assets, liabilities, costs and revenues of the subsidiaries in their total amount regardless of the size of the investment held;
- b. the transactions that give rise to debit and credit, cost and revenue items, which occur between companies consolidated using the global integration method, are eliminated. In particular, unrealized gains deriving from transactions between group companies included at the balance sheet date in the valuation of inventories are eliminated;

- c. the difference between the acquisition cost and the shareholders' equity of the investee companies, at the date of the first consolidation, is entered, where possible, under the assets and liabilities of the same, up to their current value. Any residual part, if negative, is entered in a shareholders' equity item called "Consolidation reserve"; if positive, it is recorded in an asset item called "Goodwill", unless it must be fully or partially charged to the income statement;
- d. dividends from consolidated shareholdings accounted for as income from shareholdings in the income statement of the parent company or from other companies holding such shareholdings are eliminated against the item "Retained earnings and losses";
- e. any portions of shareholders' equity and of the result for the period attributable to third parties are shown in specific items in the consolidated Balance Sheet and Income Statement;
- f. the companies acquired during the period are consolidated from the date on which control was acquired;
- g. the instrumental assets acquired on the basis of financial leasing contracts are reflected in the consolidated financial statements according to the financial method, which provides for the accounting of the asset among tangible fixed assets, its consequent depreciation, the recognition of the payable to the lessor and the recognition in the income statement of financial charges recognized on an accruals basis. These assets were recorded at their initial value and depreciated from the date of signing of the finance lease contract;
- h. the excess of the purchase price with respect to the shareholders' equity pertaining to the acquired companies is attributed, where possible, to the asset and liability items of these companies and for the part having the nature of goodwill to the item "Goodwill".
- i. the portion of shareholders' equity pertaining to third-party shareholders of the consolidated companies is recorded separately in a specific item of the shareholders' equity called "Third-party Share Capital and Reserves", while the portion of third-party shareholders in the net result

of these companies is highlighted separately in the consolidated income statement under the item "Result for the year accruing to third parties".

As far as transactions carried out with related parties are concerned, it should be noted that these cannot be qualified as either atypical or unusual, since they fall within the normal course of business of the Group Companies. These transactions are regulated at market conditions, taking into account the characteristics of the goods and services provided.

## Investments in related entities

An associated entity is an investee in which the investor holds significant influence, i.e., the power to participate in determining the financial and management policies of the investee, without however having control or joint control over it. It is presumed that the investor has significant influence (unless the contrary can be demonstrated) if it owns, directly or indirectly through subsidiaries, at least 20% of the exercisable voting rights.

Investments in associated entities have been valued according to the equity method.

## Evaluation criteria

### Liquid assets

The item consists of cash, current account deposits and an insurance policy with a guaranteed minimum return. Cash and cash equivalents are recognized at nominal value, corresponding to fair value. They are short-term investments, highly liquid and readily convertible into cash, they are subject to a non-significant risk of change in value.

### Trade and other credits

Trade receivables and other receivables are accounted for on the basis of the cost method. Losses on receivables are measured as the difference between the book value of the credit, equal to the fair value including transaction costs, and the present value of the estimated future cash flows, discounted at the effective interest rate calculated on the date of registration of the credit.

Credit losses are recognized in the consolidated income statement under the item "Selling expenses" as well as any collections on receivables written off.

### Tangible fixed assets

Capital goods are entered under "Tangible fixed assets".

In the financial statements they are recorded at the cost of purchase, production or transfer, including any ancillary charges and direct costs necessary to make the activity available for use and net of any capital contributions. Costs incurred after the purchase are capitalized only if they increase the future economic benefits deriving from the use of the asset itself.

All other costs are recognized in the income statement when incurred. In particular, ordinary maintenance costs are charged in full to the income statement in the financial year in which they are incurred.

The individual components of a plant that are characterized by a different useful life are recognized separately to be amortized consistently with their duration according to a component approach. In particular, according to this principle, the value of the land and that of the buildings on it are separated and only the building is subject to depreciation.

Any costs for the dismantling and restoration of industrial sites that are estimated to have to be incurred are also recorded as a component subject to amortization; the value at which these costs are recorded is equal to the present value of the future charge that is estimated to be incurred.

Ordinary maintenance costs are charged in full to the income statement in the financial year in which they are incurred.

The costs incurred for maintenance carried out at regular intervals are attributed to the assets to which they refer and are amortized in relation to the specific residual possibility of use of the same.

The presumed realizable value that is believed to be recovered at the end of the useful life is not amortized. Fixed assets are systematically depreciated every year on a straight-line basis based on economic-technical rates determined in relation to the residual possibility of using the assets.

The range of rates is shown in the table below:

Intangible fixed assets items	Rate %
Plants and Machinery	15 / 20
Industrial and commercial facilities	12 / 15 / 20
Other assets	12 / 15 / 20

## Intangible assets

Only identifiable assets, controlled by the company, which are capable of producing future economic benefits, can be defined as intangible assets. They also include goodwill when acquired for consideration.

These assets are recognized in the financial statements at purchase or production cost, inclusive of accessory charges according to the criteria already indicated for tangible fixed assets. Development costs are also capitalized provided that the cost can be reliably determined and that it can be demonstrated that the asset is capable of producing future economic benefits.

### a) Development costs

Development costs can be capitalized when it is demonstrable (i) that they refer to a project for the realization of a product or a clearly defined and technically feasible process (ii) the economic and financial capacity to complete the intangible asset so as to make it available for use or for sale (iii) the ability to use or sell the intangible asset and the way in which the intangible asset will contribute to generating future economic benefits.

### b) Concessions, licenses, trademarks and other intangible assets

Only identifiable assets, controlled by the company, which are capable of producing future economic benefits can be defined as intangible assets.

Concessions, trademarks, licenses, and other intangible assets with a defined useful life are recognized in the financial statements at purchase or production cost, inclusive of ancillary charges according to the criteria already indicated for tangible fixed assets, net of the related allowance for depreciation and losses in value. Depreciation is calculated using a linear method in order to allocate the cost of trademarks and licenses over their useful life.

Intangible assets with a defined useful life are amortized systematically from the moment in which the asset is available for use over the expected useful life

## Leases

On the basis of the provisions of IFRS 16, the accounting representation of lease contracts (which do not constitute the provision of services) takes place through the recording in the financial position of a liability of a financial nature, represented by the present value of future rents, against the registration in the assets of the «right of use of the leased business».

The contracts entered into by the companies of the Group, which fall within the scope of IFRS 16 mainly refer to:

- office buildings and apartments used by employees;
- equipment;
- office machines;
- cars.

With reference to the options and exemptions provided for by IFRS 16, the Group has adopted the following choices:

- IFRS 16 is generally not applied to contracts of short duration (i.e., less than 12 months) and of low unit value;
- rights of use and financial liabilities relating to leasing contracts are classified under specific items in the statement of financial position;
- any component relating to the provision of services included in the leasing fees is valued, similarly, in application of IFRS 16;
- contracts with similar characteristics are valued using a single discount rate;
- leasing contracts previously valued as finance leases pursuant to IAS 17 maintain the values previously recorded.

## Goodwill

Goodwill and other assets with an indefinite useful life are not subject to systematic amortization but are subject to an at least annual impairment test conducted at the level of the individual Cash Generating Unit (CGU) or groups of CGUs to which assets with an indefinite life can be reasonably allocated. For Goodwill, any write-downs, carried out in one year, are not subject to subsequent write-backs.

At the time of the sale of a part or of the entire company previously acquired and from whose acquisition goodwill had emerged, the corresponding residual value of goodwill is taken into account in determining the capital gain or loss from the sale.

## Business combinations

The acquisition of subsidiaries is accounted for according to the acquisition method (IFRS 3).

Identifiable assets acquired and liabilities assumed are measured at their respective fair values at the acquisition date. The consideration transferred in a business combination includes the fair value, at the acquisition date, of the assets and liabilities transferred and of the interests issued by the Group, as well as the fair value of any contingent consideration and of the incentives recognized in share-based payments recognized by the acquired company. If the business combination involves the extinction of a pre-existing relationship between the Group and the acquired company, the lesser amount between the settlement amount, as established by the contract, and the off-market value of the element is deducted from the consideration transferred and recognized among other costs.

A potential liability of the acquired company is assumed in a business combination only if this liability represents a current obligation that arises from past events and when its fair value can be reliably determined.

In the event of non-full assumption of control, the equity share of third-party interests is determined on the basis of the pertinent share of the current values attributed to the assets and liabilities at the date of assumption of control, excluding any goodwill attributable to them (so-called "partial goodwill

method"); alternatively, the entire amount of the goodwill generated by the acquisition is recognized, therefore also considering the portion of third-party interests (the so-called "full goodwill method"). In the latter case, third-party interests are expressed at their overall fair value, also including the goodwill pertaining to them.

Goodwill deriving from the acquisition, is recorded as an asset and initially assessed as the excess between the consideration transferred and the net value at the date of acquisition of the identifiable assets acquired and the identifiable liabilities assumed.

Acquisition-related costs are recognized in the consolidated profit / (loss) statement for the financial year in the periods in which such costs are incurred and the services are received, with one exception for the costs of issuing debt securities or equity securities.

## Investments valued using the equity method

Based on the equity method, equity investments are recorded in the balance sheet at cost, increased by changes, subsequent to the acquisition, in the share pertaining to the Group of the net assets of the investee.

The goodwill relating to the associate is included in the book value of the investment and is not subject to amortization. After applying the equity method, the Group determines whether it is necessary to recognize any additional impairment losses with reference to the Group's net investment in the investee. The income statement reflects the Group's share of the investee's result for the year.

## Impairment of fixed assets

Intangible assets with an indefinite useful life, such as goodwill, are not subject to amortization, but are subjected to impairment tests at least annually. All other assets falling within the scope of IAS 36 are subjected to impairment tests whenever there are indicators of impairment. In this case, the net value of that asset is compared with its estimated recoverable value and, if higher, a loss is recognized.

Tangible and intangible fixed assets with a finite useful life are subject to amortization and analysed, in order to verify the presence of impairment in case that events or changes in circumstances indicate that their book value may not be recoverable. The loss in value is equal to the amount for which the book value of the intangible asset is higher than its recoverable value. The recoverable value is the greater of the fair value of the asset net of sales costs and its value in use.

In order to verify the presence of impairment, intangible and tangible assets are grouped at the level of the smallest separately identifiable cash generating unit. Intangible assets with a finite useful life are analysed at each balance sheet date to assess whether impairment losses recognized in previous periods no longer exist or have reduced. If such an indication exists, the loss is reversed and the book value of the asset is restored to an extent not exceeding its recoverable value, which cannot be higher than the book value that would have occurred if the loss had not been recognized.

The reversal of an impairment loss is immediately recognized in the income statement.

At the end of each financial year, the Group reviews the book value of its tangible and intangible assets to determine if there are indications that these assets have undergone a reduction in value. If these indications exist, the recoverable amount of these assets is estimated to determine the possible amount of the write-down. Where it is not possible to individually estimate the recoverable value of an asset, the Group estimates the recoverable value of the CGU to which the asset belongs. Intangible assets with an indefinite useful life, referable exclusively to goodwill, are subjected to impairment testing annually and whenever there is an indication of a possible loss in value. The recoverable value of an asset is the greater of the fair value net of sales costs and the value in use. In determining the value in use, the estimated future cash flows are discounted to their current value using an after-tax rate that reflects the current market valuations of the value of money and the specific risks of the asset.

If the recoverable amount of an asset (or of a CGU) is estimated to be lower than its book value, it is reduced to the lower recoverable value. A loss in value is recognized in the income statement immediately, unless the asset is represented by fixed assets recognized in the transition to IFRS at the revalued

cost as a substitute for the cost, in which case the loss is charged to the respective revaluation reserve.

When a write-down has no longer reason to be maintained, the book value of the asset (or of the CGU), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable value, but not that recorded at the time the asset was recognized. The restoration of the value is charged to the income statement immediately, unless the asset is represented by fixed assets recorded in the transition to IFRS at the revalued cost as a substitute for the cost, in which case the restoration of value is charged to the respective revaluation reserve.

## Treasury Shares

Repurchased treasury shares are recognized at cost and deducted from equity. The purchase, the sale or the cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase value and the consideration, in the event of reissue, is recognized in the share premium reserve. If share options are exercised during the period, these are satisfied with treasury shares.

## Financial activities

### Initial detection and evaluation

Upon initial recognition, financial assets are classified, as appropriate, based on the subsequent measurement methods, i.e., at amortized cost, at fair value recognized in the OCI comprehensive income statement and at fair value recognized in income statement. The classification of financial assets at the time of initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the business model that the Group uses for their management. With the exception of trade receivables which do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially values a financial asset at its fair value plus, in the case of a financial asset that is not at the fair value recognized in the income statement, the transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price determined



according to IFRS 15. In order for a financial asset to be classified and valued at amortized cost or at fair value recognized in OCI, it must generate financial flows that depend solely on the capital and interest on the amount of capital to be repaid. The Group's business model for managing financial assets refers to the way it manages its financial assets in order to generate cash flows. The business model determines whether the cash flows will derive from the collection of contractual cash flows, from the sale of financial assets or from both. The purchase or sale of a financial asset that requires its delivery within a period of time generally established by regulation or market conventions is recognized on the trade date, i.e., the date on which the Group undertakes to purchase or sell the business.

### Subsequent evaluation

For the purpose of subsequent valuation, financial assets are classified into four categories:

- Financial assets at amortized cost;
- Financial assets at fair value recognized in the comprehensive income statement with reclassification of accumulated profits and losses;
- Financial assets at fair value recognized in the comprehensive income statement without reversal of accumulated profits and losses at the time of elimination;
- Financial assets at fair value through profit or loss.

### **Financial assets at amortized cost**

The Group evaluates financial assets at amortized cost if both of the following requirements are met:

- the financial asset is owned within the framework of a business model whose objective is the possession of financial assets aimed at collecting contractual cash flows, and
- the contractual terms of the financial asset provide for financial flows on certain dates represented solely by payments of principal and interest on the amount of capital to be repaid.

Financial assets at amortized cost are subsequently valued using the effective interest criterion and are subject to impairment. Gains and losses are recognized in the income statement when the asset is eliminated, modified or revalued. The amortized cost criterion is not applied in the presence of transaction costs, commissions paid between the parties and any other insignificant difference between initial value and maturity value.

### **Financial assets at fair value through OCI**

The Group measures assets at fair value recognized in the statement of comprehensive income if both of the following conditions are met:

- the financial asset is owned within the framework of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets, and
- the contractual terms of the financial asset provide for financial flows on certain dates represented solely by payments of the principal and interest determined on the amount of the principal to be repaid.

For assets measured at fair value recognized in OCI, active interest, changes in exchange rate differences and impairment losses, together with write-backs, are recognized in the income statement and are calculated in the same way as financial assets measured at amortized cost. The remaining changes in fair value are recognized in OCI. Upon elimination, the cumulative change in fair value recognized in OCI is reclassified in the income statement.

### **Investments in equity instruments**

Upon initial recognition, the Group may irrevocably choose to classify its equity investments as equity instruments recognized at fair value recognized in OCI when they meet the definition of equity instruments pursuant to IAS 32 "Financial instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument. Gains and losses on these financial assets are never reversed to the income statement. Dividends are recognized as other revenues in the income statement when the right to payment has been approved, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such profits

are recognized in OCI. Equity instruments recognized at fair value recognized in OCI are not subject to impairment tests.

#### **Financial assets at fair value through profit or loss**

This category includes assets held for trading, assets designated at the time of first recognition as financial assets at fair value with changes recognized in the income statement, or financial assets that must necessarily be measured at fair value. Assets held for trading are all those assets acquired for their sale or repurchase in the short term. Financial assets with cash flows that are not represented solely by payments of capital and interest are classified and measured at fair value through profit or loss, regardless of the business model. Despite the criteria for debt instruments to be classified at amortized cost or at fair value recognized in OCI, as described above, debt instruments can be accounted for at fair value through profit or loss at the time of initial recognition if this involves the elimination or significant reduction of an accounting mismatch. Financial instruments at fair value with changes recognized in the income statement are recorded in the statement of financial position at fair value and the net changes in fair value recorded in the profit / (loss) statement for the financial year.

#### **Cancellation**

A financial asset is first cancelled when the rights to receive cash flows from the asset are extinguished, or the Group has transferred the right to receive cash flows from the asset to a third party or has assumed the contractual obligation to pay them in full and without delay and has substantially transferred all the risks and benefits of ownership of the financial asset or has not transferred nor retained substantially all the risks and benefits of the asset, but has transferred control of the same. In cases where the Group has transferred the rights to receive cash flows from an asset or has signed an agreement under which it maintains the contractual rights to receive the cash flows from the financial asset but assumes a contractual obligation to pay the cash flows to one or more beneficiaries, it assesses whether and to what extent it has retained the risks and benefits inherent in ownership. In the event that it has neither transferred nor retained substantially all the risks and benefits or has not lost control over it, the asset continues to be recognized in the Group's financial statements to the extent of its residual involvement in the activity itself. In

this case, the Group also recognizes an associated liability. The transferred asset and the associated liability are valued to reflect the rights and obligations that remain attributable to the Group. When the entity's residual involvement is a guarantee on the transferred asset, the involvement is measured on the basis of the lower of the amount of the asset and the maximum amount of the consideration received that the entity may have to repay.

#### **Impairment of financial assets**

The Group records a write-down for expected losses (expected credit loss 'ECL') for all financial assets represented by debt instruments not held at fair value through profit or loss. The ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted to an approximation of the original effective interest rate. The expected cash flows will include the cash flows deriving from the enforcement of the collateral held or other credit guarantees which are an integral part of the contractual conditions. Expected losses are recognized in two stages. With regard to credit exposures for which there has not been a significant increase in credit risk since initial recognition, the credit losses deriving from the estimate of default events that are possible within the following 12 months must be recognized. For credit exposures for which there has been a significant increase in credit risk since initial recognition, the expected losses referring to the residual duration of the exposure must be recognized in full, regardless of when the default event is expected to occur. For trade receivables and assets deriving from contracts, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but records the expected loss in full at each reference date. For assets represented by debt instruments measured at fair value recognized in OCI, the Group applies the simplified approach permitted for low credit risk assets. At each balance sheet date, the Group assesses whether the debt instrument is deemed to have low credit risk using all available information that can be obtained without excessive costs or efforts. In making this assessment, the Group monitors the creditworthiness of the debt instrument. A financial asset is eliminated when there is no reasonable expectation of recovery of the contractual cash flows.

## Financial liabilities

### Initial detection and evaluation

Financial liabilities are classified, at the time of initial recognition, among financial liabilities at fair value through profit or loss, among mortgages and loans, or among derivatives designated as hedging instruments. All financial liabilities are initially recognized at fair value to which, in the case of mortgages, loans and payables, the transaction costs directly attributable to them are added. The financial liabilities of the Group include trade payables and other payables, mortgages and loans, including overdrafts.

### Subsequent evaluation

The valuation of financial liabilities depends on their classification, as described below:

#### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value with changes recognized in the income statement include liabilities held for trading and financial liabilities initially recognized at fair value with changes recognized in the income statement. Liabilities held for trading are all those assumed with the intention of extinguishing them or transferring them in the short term. Profits or losses on liabilities held for trading are recognized in the profit / (loss) for the financial year.

Financial liabilities are designated at fair value with changes recognized in the income statement from the date of first registration, only if the criteria of IFRS 9 are met. At the time of initial recognition, the Group has not designated financial liabilities at fair value with changes recognized in the income statement.

### Financing

Loans are recognized at the fair value of the consideration received, net of the accessory charges for the acquisition of the loan.

### Cancellation

A financial liability is cancelled when the obligation underlying the liability is extinguished, cancelled or fulfilled. Where an existing financial liability is replaced by another of the same lender, under substantially different conditions,

or the terms of an existing liability are substantially changed, such exchange or modification is treated as a write-off of the original liability, accompanied by the recognition of a new liability, with entry in the profit/(loss) for the financial year of any differences between the book values. The amortized cost method is not applied in circumstances that require minor adjustments.

## Trade and other payables

Trade payables are obligations to pay for goods or services acquired from suppliers as part of the ordinary business activity. Payables to suppliers are classified as current liabilities if payment is made within one year of the balance sheet date. Otherwise, these payables are classified as non-current liabilities. Trade payables and other payables are initially recognized at fair value and subsequently measured on the basis of the amortized cost method.

## Employee benefits

Severance indemnity (TFR) and pension funds are determined by applying an actuarial methodology (mortality, predictable salary changes, etc.) to express the current value of the benefit, payable at the end of the employment relationship, that employees have accrued at the balance sheet date. This amount is charged to the income statement under the item "labour costs" while the notional financial charge that the company would incur if a loan was requested from the market for an amount equal to the severance pay (TFR) is recognized among net financial income (charges). Actuarial gains and losses that reflect the effects deriving from changes in the actuarial assumptions used are recognized in the comprehensive income statement taking into account the remaining average working life of employees.

In defined benefit plans according to IAS 19, which also include the severance pay due to employees pursuant to Article 2120 of the Italian Civil Code, the amount of the benefit to be paid to employees can only be quantified after termination of the employment relationship, and is linked to one or more factors such as age, years of service and salary. Therefore, the related charge is charged to the relevant income statement on the basis of an actuarial calculation. The liability recognized in the balance sheet for defined benefit plans corresponds to the present value of the obligation at the balance sheet date. The obligations

for defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The present value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of bonds (high-quality corporate) issued in Euro and which takes into account the duration of the related pension plan. The actuarial gains and losses deriving from the aforementioned adjustments and the changes in the actuarial assumptions are recognized in the comprehensive income statement.

## Provisions for risks and charges

Provisions for risks are recognized when:

- there is a current obligation, legal or implicit, deriving from a past event;
- it is likely that the fulfilment of the obligation will be onerous;
- the amount of the obligation can be reliably estimated.

Reserves for provisions for risks are recognized at the current value of the expected future disbursements to settle the dispute, using a pre-tax rate that reflects the current market valuations of the value of money and the specific risks associated with the obligation. The increase in liabilities due to the passing of time is recognized under financial charges.

For the possible risks, only information is provided in the comments.

For remote risks, however, no information is provided, nor provisions are made.

## Recognition of revenues and costs

Revenues and income, costs and charges are recognized net of returns, discounts, allowances and bonuses as well as taxes directly connected with the sale of goods and the provision of services.

Revenues are recognized to the extent that it is probable that the economic benefits will be achieved by the company and the relative amount can be determined reliably and on the basis of contractually defined "performance obligations", as defined by IFRS 15.

Revenues from the provision of services are recognized with reference to the stage of completion of the transaction at the balance sheet date when the result

of the transaction can be reliably estimated. In particular, all of the following conditions are met:

- the amount of revenues can be reliably assessed;
- it is probable that the economic benefits deriving from the transaction will flow to the Group;
- the stage of completion of the transaction at the balance sheet date can be reliably measured;
- the costs incurred for the operation and the costs to be incurred to complete it can be reliably calculated.

Financial income and expenses are recognized on an accrual basis.

## Income taxes

Taxes for the financial year include current, prepaid and deferred taxes as well as taxes relating to previous years.

Current income taxes are recognized on the basis of the estimated taxable income in accordance with the rates and provisions in force, or substantially approved at the closing date of the financial year, taking into account the applicable exemptions and any tax credits due.

Prepaid and deferred taxes are calculated on the temporary differences between the value attributed to assets and liabilities in the financial statements and the corresponding values recognized for tax purposes, on the basis of the rates in force at the time the temporary differences are reversed. Prepaid taxes are recorded to the extent that their future recovery is probable. The assessment of prepaid taxes takes into account the taxable income envisaged in the industrial plans approved by the company. When the results are recognized directly in equity, in particular in the "Reserve for other components of the comprehensive result", the prepaid tax assets and deferred tax liabilities are also directly charged to equity.

## Foreign currency transactions

The functional presentation currency adopted by the company is the Euro. Monetary assets and liabilities in different currencies, with the exception of fixed assets, are recognized at the current exchange rate at the end of the financial year and the related exchange gains and losses are recognized in the income statement and any net profit is set aside in a specific reserve that cannot be distributed until realization. Revenues and income, costs and charges relating to foreign currency transactions are recognized at the current exchange rate on the date on which the related transaction is completed.

## Earnings / Losses per share

The Company determines earnings per share and diluted earnings per share based on IAS 33 - Earnings per Share. Earnings per share is determined by dividing the Company's economic result by the weighted average number of shares in circulation during the reference period, excluding treasury shares. Diluted earnings per share are calculated by dividing the Company's economic result adjusted to take into account any effects, net of taxes for the fiscal year, of any rights with diluted effects by the weighted average number of shares in circulation during the reference period excluding treasury shares and equivalent securities (options) with a dilutive effect.

## Use of estimates

The preparation of the financial statements has required the making of estimates and assumptions that have an effect on the values of the assets and liabilities in the financial statements and of the information relating to potential assets and liabilities at the balance sheet date. The final results of the balance sheet items for which the aforementioned estimates and assumptions were used, may differ from those reported in the balance sheet due to the uncertainty that characterizes the assumptions and conditions on which the estimates are based. The estimates are used to record the provisions for credit risks, for obsolescence and slow inventory movements, for depreciation, for asset write-downs, for employee benefits, for taxes, as well as other provisions for risks and charges. The estimates and assumptions are periodically reviewed, and the effects of each change are immediately reflected in the financial statements. The critical valuation processes and key assumptions used in the process of applying the accounting standards with regard to the future and which may have significant effects on the values recognized in the financial statements or for which there is a risk that significant value adjustments to the book value of assets and liabilities in the financial year subsequent to that of the financial statements may emerge are summarized below.

- **Credit evaluation:** trade receivables are adjusted by the related bad debt provision to take into account their recoverable value. The determination of the amount of the write-downs requires the directors to make subjective assessments determined on the basis of past experience for similar or current and historical overdue receivables, closing rates, losses and collections, careful monitoring credit quality;
- **Evaluation of prepaid taxes:** the valuation of prepaid taxes is carried out on the basis of the expected taxable income in future years. The valuation of such expected taxable income depends on factors that could vary over time and have significant effects on the valuation of deferred tax assets.
- **Income taxes:** the determination of the Company's tax liability requires the use of assessments by the management with reference to transactions whose tax implications are not certain at the balance sheet date.

- **Valuation of intangible assets with an indefinite useful life** (including goodwill): in particular, non-current assets include intangible assets (including goodwill). The Company periodically reviews the book value of the non-current assets held and used and of the assets that must be disposed of, when facts and circumstances require such a review. This activity is normally carried out using the Impairment Test and making estimates of the expected cash flows from the use or sale of the asset and adequate discount rates for calculating the current value. When the book value of a non-current asset has suffered a loss in value, the Company recognizes a write-down for the value of the excess between the book value of the asset and its recoverable value through the use or sale of the same, determined also with reference to the most recent plans of the Company. It is also specified that, without prejudice to the uncertainty inherent in the industrial plans, both as regards the materialization of the events envisaged therein and as regards the year and the quantum of their manifestation, the recovery of the activities recorded in the financial statements are conditional on the realization of the plans themselves.
- **Valuation of intangible assets with a finite useful life** (trademarks and other fixed assets): the useful life and the depreciation criterion of these fixed assets are subject to annual verification.
- **Evaluation of provisions for risks:** in the normal course of business, the Company is assisted by legal and tax consultants. A liability is ascertained to the provision for risks and charges in the face of such disputes when it considers it probable that a financial outlay will occur and when the amount of the resulting losses can be reasonably estimated. In the event that a financial outlay becomes possible, but the amount cannot be determined, this fact is reported in the notes to the financial statements.

## Accounting standards, interpretations and amendments applicable from 1<sup>st</sup> January 2023 or subsequently

Several amendments and interpretations apply for the first time in 2023, which, however, have not had any significant impact on the Group's consolidated Financial Statements. The table below also lists the pronouncements with mandatory effective dates in future accounting years.

IFRS	Effective date
IFRS 17 Insurance contracts	Financial years starting on or after January 1, 2023
IAS 1 Presentation of financial statements and IFRS practice statement 2 (Amendment - Communication of accounting standards)	Financial years starting on or after January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	Financial years starting on or after January 1, 2023
IAS 12 Income taxes (Amendment - Deferred taxes relating to assets and liabilities arising from a single transaction)	Financial years starting on or after January 1, 2023
IAS 12 Income Taxes (Amendment - Pillar Two Model Rules)	Financial years starting on or after January 1, 2023
IFRS 16 leasing (amendment- liability in a sale and leaseback)	Financial years starting on or after January 1, 2024
IAS 1 Presentation of financial statements (Amendment - Classification of liabilities as current or non-current)	Financial years starting on or after January 1, 2024
IAS 1 Presentation of financial statements (Amendment - non-current liabilities with covenants)	Financial years starting on or after January 1, 2024
IAS 7 Financial statement (Amendments)	Financial years starting on or after January 1, 2024
IFRS 7 Financial instruments: additional information (Amendments)	Financial years starting on or after January 1, 2024

# Comment on the main items of the Consolidated Balance Sheet

## 1. Intangible fixed assets

After the recognition in the income statement of the amortization quotas for the financial year, equal to Euro 1,786,956, the intangible assets, net of depreciation funds, amount to Euro 12,521,703.

The following table highlights in detail the movements in the items that constitute intangible assets.

### ANALYSIS OF MOVEMENTS OF INTANGIBLE ASSETS

	Development costs	Industrial patent rights and rights to use intellectual property	Concessions, licenses, trademarks and similar rights	Other intangible fixed assets	Total intangible fixed assets
<b>Value at the beginning of the financial year 1/1/2023</b>					
Cost	21.119.881	1.644.839	22.409	1.299.043	24.086.173
Depreciation (Depreciation fund)	9.908.156	1.613.061	13.247	367.068	11.901.532
Book value	11.211.725	31.778	9.162	931.975	12.184.640
<b>Changes during the financial year</b>					
Increases due to acquisitions	1.875.613	207.000	1.768	39.637	2.124.018
Decreases for disposals and divestments (of the book value)	-	-	-	-	-
Depreciation for the financial year	1.614.480	53.422	1.324	117.729	1.786.956
Other changes (increase in the depreciation Fund)	-	-	-	-	-
Total variations	261.133	153.577	444	(78.092)	337.061
<b>Value as of 30/06/2023</b>					
Cost	22.995.494	1.851.839	24.177	1.338.681	26.210.190
Depreciation (Depreciation fund)	11.522.636	1.666.483	14.571	484.798	13.688.487
Book value	11.472.858	185.356	9.606	853.883	12.521.703



With reference to Research and Development activities, during the first half of 2023 the Group made investments in Research and Development which mainly include development costs relating to projects that comply with the requirements set out in IAS 38 as detailed below:

- AGRITECH
- InMOTO
- DIGITAL BRAND
- EMPHASIS
- ZHENIT
- CityScape
- REALTER
- RePaaS
- GReMS
- GIGA

## 2. Goodwill

The item "Goodwill", as of 30<sup>th</sup> June 2023, is equal to Euro 28.763.883.

Goodwill and other assets with an indefinite useful life are not subject to systematic amortization but are subjected to an at least annual recovery test (so-called impairment test). For goodwill, any write-downs are not subject to subsequent write-backs.

The following table details the movements in this item:

	31/12/2022	Increases	Decreases	30/06/2023
Goodwill	28.763.883	-	-	28.763.883
<b>Total</b>	<b>28.763.883</b>	<b>-</b>	<b>-</b>	<b>28.763.883</b>

During the first half of 2023, no new acquisitions of company shares were recorded; only the purchase of a further 8% of the shares of the company EFA Automazione S.p.A. was noted, an operation concluded during the month of March, which allowed Relatech S.p.A. to reach a percentage of ownership equal to 89.66% of the capital of the company.

Below is the detail of the goodwill item:

	30/06/2023	31/12/2022	Absolute Variation
Goodwill Mediatech	2.944.811	2.944.811	-
Goodwill Xonne	1.391.636	1.391.636	-
Goodwill Relatech Consulting	1.330.101	1.330.101	-
Goodwill OKT	22.719	22.719	-
Goodwill Gruppo Sigla	1.795.853	1.795.853	-
Goodwill Dialog Sistemi	752.965	752.965	-
Goodwill DtokLab	67.269	67.269	-
Goodwill Efa Automazioni	7.116.038	7.116.038	-
Goodwill Venticento	452.755	452.755	-
Goodwill IOT Catalyst	1.448.140	1.448.140	-
Goodwill BTO in EXEO	11.441.598	11.441.598	-
<b>Total</b>	<b>28.763.883</b>	<b>28.763.883</b>	-

Some contracts for the purchase of shares of subsidiary companies provide for specific contractual clauses (crossed call and put options), furthermore the possibility for Relatech S.p.A. to obtain, in future years, 100% of the share capital of the same and for which a potential consideration will have to be recognized, sometimes determined based on the achievement of specific parameters. For this reason, at the acquisition date, business combinations with these contractual characteristics were accounted for as if Relatech had acquired 100% control, therefore without recognizing third-party interests (full goodwill method).

The contractual provision concerning the recognition of a potential consideration for the purchase of minority shares led to the registration among other non-current financial liabilities of a financial debt, equal to Euro 4,356,845, determined on the basis of the application of IFRS 9.

### 3. Activities for Rights of Use

In accordance with the IFRS 16 Accounting Principle, the assets owned by the company and used in the production, in the sale, for administrative purposes or for long-term use are considered tangible fixed assets. It should therefore be noted that what qualifies the tangible asset as a fixed asset, to be included in the assets of the balance sheet, is not the mere possession of the asset but, vice versa, it is the use of the asset that makes it qualify as a fixed asset.

The application of the IFRS 16 Accounting Principle resulted in the recording of "Activities for Rights of Use" for a total of Euro 2,617,594 net of depreciation funds and the recognition of the debt recorded in the Balance Sheet under the item "Liabilities for Rights of Use".

#### ANALYSIS OF THE MOVEMENTS OF THE ACTIVITIES FOR RIGHTS OF USE

Financial year start value 1/1/2023	Rights of Use
Cost	4.969.313
Depreciation (Depreciation fund)	(1.922.510)
<b>Balance Sheet value</b>	<b>3.046.803</b>
Changes during the financial year	
Increases due to acquisitions	169.029
Decreases due to disposals, divestments (of the book value)	(3.060)
Historical cost reclassifications	
Depreciation for the financial year	(597.521)
Other changes Increase (Decrease) Depreciation fund	2.343
Fund reclassifications	
Total variations	
Value as of 30/06/2022	
<b>Cost</b>	<b>5.135.283</b>
Depreciation (Depreciation fund)	(2.517.688)
<b>Balance Sheet Value</b>	<b>2.617.594</b>

## 4. Tangible fixed assets

Tangible fixed assets, net of the related accumulated depreciation, amount to Euro 962.576 (Euro 977.485 in the previous financial year). The following table shows in detail the movements of the items that make up the tangible fixed assets and the respective accumulated depreciation.

### ANALYSIS OF MOVEMENTS OF TANGIBLE FIXED ASSETS

	Plants and Machinery	Industrial and Commercial Equipment	Other Assets	Total tangible fixed assets
<b>Value as of 31/12/2022</b>				
Cost	486.087	772.886	1.676.114	2.935.088
Depreciation (Depreciation fund)	432.654	530.065	994.884	1.957.603
<b>Balance Sheet Value</b>	<b>53.433</b>	<b>242.821</b>	<b>681.230</b>	<b>977.485</b>
Changes during the financial year				
Increases due to acquisitions	2.503	119.746	60.857	183.107
Decreases for disposals and divestments (of the book value)				
Depreciation for the financial year	11.455	86.994	99.567	198.016
Other changes (decrease in Depreciation Fund)				
Total variations	(8.951)	32.752	(38.710)	(14.909)
<b>Value as of 30/06/2023</b>				
Cost	488.590	892.632	1.736.972	3.118.195
Depreciation (Depreciation Fund)	444.109	617.059	1.094.451	2.155.619
<b>Balance Sheet Value</b>	<b>44.482</b>	<b>275.574</b>	<b>642.521</b>	<b>962.576</b>

### Plants and Machinery

The item "Plant and Machinery" mainly refers to the generic plants present at the operating offices of the Group companies.

### Industrial Equipment

The item "Industrial and Commercial Equipment" mainly consists of IT appliances and equipment.

## Other Assets

The item "Other assets" includes the costs relating to tangible assets which by their nature have not found their place in other items of tangible fixed assets; in particular, this item includes the furniture and furnishings of the companies' operational offices and the personal computers used by the Group's employees. It should be noted that there are no tangible assets for which monetary revaluations have been made.

## 5. Financial activities

The following table details the composition of the item Financial Fixed Assets and the changes in consistency compared to the previous financial year.

### FINANCIAL ACTIVITIES

Description	30/06/2023	31/12/2022	Absolute Variation
Investments in other companies	189.976	189.976	-
Other financial assets	250.500	428.633	(178.133)
<b>Total</b>	<b>440.476</b>	<b>618.609</b>	<b>(178.133)</b>

### Participation interests in other companies

The item "Investments in other companies" refers to the equity investments indirectly held in Centro Di Competenze Sud (ICT SUD) a consortium company, in the company Bigtech Srl, in the company HIG, in the company 7Cento HK Limited based in Hong Kong (China) and 20100US Inc based in New York (USA).

### Other financial assets

The item "Other financial assets" refers to portions of shares measured at fair value.

## 6. Deferred tax assets and liabilities

### Advance Taxes

The prepaid taxes of the Group amount to Euro 2,766,321. The movement compared to the previous financial year is mainly attributable to the changes in the income statement during the financial year by virtue of the application of the IAS/IFRS accounting standards. The table below shows the details of the changes that occurred during the financial year as well as the difference that gave rise to the recognition of prepaid taxes.

Description	31/12/2022	Increases	Decreases	30/06/2023
Employee benefits	1.213	52.853	(1.445)	52.621
Difference on depreciation	323.644	6.864	(39.508)	291.000
Reversal of depreciation on revalued intangible assets	2.255.526		(57.586)	2.197.940
Variable bonuses	43.200			43.200
Tax losses	36.678			36.678
Reversal of non-deductible trademark amortization	(25.110)		(12.555)	(37.665)
Other	66.570	121.307	(5.330)	182.547
<b>Total</b>	<b>2.701.721</b>	<b>59.717</b>	<b>(40.953)</b>	<b>2.766.321</b>

## Deferred Taxes

The deferred taxes of the Group amount to Euro 1,411,338. The change compared to the previous year is mainly attributable to variations in the income statement by virtue of the application of the IAS/IFRS accounting principles. The table below shows the details of the changes that occurred during the financial year.

Description	31/12/2022	Increases	Decreases	30/06/2023
Employee Benefits	99.286	15.561	-	114.847
Differences on Depreciation	1.506.115	13.968	(255.671)	1.264.412
Other financial assets valued at fair value	32.672	1.156	(19.149)	14.679
Other	-	17.400	-	17.400
<b>Total</b>	<b>1.638.073</b>	<b>48.085</b>	<b>(274.820)</b>	<b>1.411.338</b>

## 7. Inventories

The item inventories refer to finished products destined for sale. The table shows the change that took place during the year.

Description	30/06/2023	31/12/2022	Variation
Inventories of finished products and goods	2.887.306	3.210.411	(323.105)
Works in progress on ordination	-	222.470	(222.470)
<b>Totale</b>	<b>2.887.306</b>	<b>3.432.881</b>	<b>(545.575)</b>

## 8. Trade receivables

Trade receivables, equal to Euro 28,307,777, are shown net of the bad debt provision which, as of 30<sup>th</sup> June 2023, amounts to Euro 153,549. The table below shows the breakdown by geographical area of the trade receivables item

Breakdown of receivables by geographical area	30/06/2023	31/12/2022	Variation
Italy	24.423.120	25.405.247	(982.127)
UE (excluding Italy)	1.382.433	908.745	473.688
Extra UE	2.502.224	2.080.457	421.767
<b>Total</b>	<b>28.307.777</b>	<b>28.394.450</b>	<b>(86.672)</b>

The bad debt provision has undergone changes compared to the previous financial year as shown in the following table:

Bad debt provisions	30/06/2023	31/12/2022	Variation
Opening balance	151.256	148.681	2.576
Provision for the financial year	50.000	32.270	17.730
Uses in the financial year	47.707	29.695	18.012
<b>Total</b>	<b>153.549</b>	<b>151.256</b>	<b>2.293</b>

## 9. Other current assets

The item "Other Current Assets" amounts to a total of Euro 5,528,805 compared to Euro 11,343,067 as of 31<sup>st</sup> December 2022. The following table highlights in detail the composition of the item as well as the changes that occurred compared to the previous financial year.

### OTHER CURRENT ASSETS

Description	31/12/2023	31/12/2022	Variation
Tax credits	2.550.519	3.531.931	981.412
Other credits	432.471	6.408.807	5.976.336
Prepayments and accrued income	2.545.814	1.402.330	1.143.484
<b>Total</b>	<b>5.528.805</b>	<b>11.343.067</b>	<b>5.814.264</b>

Below are the detailed tables that highlight the composition of the individual items that make up the tax credits.

### TAX CREDITS

Description	30/06/2023	31/12/2022	Absolute Variation
Inland Revenue c / VAT	271.812	626.224	(354.412)
Inland Revenue c / various tax credits	64.531	82.151	(17.620)
Tax credits from special laws	1.185.382	1.114.414	70.968
Inland Revenue c / IRES advances	832.380	1.363.139	(530.758)
Inland Revenue c / IRAP advances	196.413	346.002	(149.589)
<b>Total</b>	<b>2.550.519</b>	<b>3.531.931</b>	<b>(981.412)</b>

The item "Tax credits", equal to Euro 2,550,519 compared to Euro 3,531,931 in the previous year, includes all tax credit positions attributable mainly to the Parent Company.

### OTHER CREDITS

Description	30/06/2023	31/12/2022	Absolute Variation
Security deposits	94.442	92.032	2.410
Other Credits	432.471	6.408.807	(5.976.336)
<b>Total</b>	<b>526.913</b>	<b>6.500.839</b>	<b>(5.973.926)</b>

The item "Other credits" amounts to Euro 526,913 compared to Euro 6,500,839 as of 31<sup>st</sup> December 2022.

## Prepayments and accrued income

Accrued income and prepaid expenses, calculated on the basis of the accrual principle, through the division of costs and/or revenues common to two financial years, amount to Euro 2,545,814 compared to Euro 1,402,330 in the previous financial year. The following table highlights the composition of this item.

### PREPAYMENTS AND ACCRUED INCOME

Description	30/06/2023	31/12/2022	Absolute Variation
<b>Accrued income</b>	<b>2.008.589</b>	<b>1.028.894</b>	<b>979.695</b>
PON Relatech - Truedetective project	384.637	369.477	15.160
PON Relatech - Agritech project	228.084	62.528	165.556
PON - Nextshop project	4.265	33.946	(29.681)
PON - Ingegno project	179.805	91.807	87.998
PON - Catch 4.0 project	304.183	304.183	-
Digital Brand project	32.630	-	32.630
In Moto project	84.551	-	84.551
OKT projects	148.391	124.067	24.324
Gruppo Sigla projects	104.496	-	104.496
Customer orders	537.549	42.886	494.663
<b>Active prepayments</b>	<b>537.225</b>	<b>373.436</b>	<b>163.789</b>
Services and performances rendered by third parties	164.201	47.913	116.288
Software licenses	32.027	31.949	78
Equipment leasing	-	44.157	(44.157)
Insurances	51.945	62.164	(10.220)
Financial charges	102.801	108.180	(5.379)
Rental fees	34.269	26.731	7.538
Personnel search costs	28.022	-	28.022
Marketing expenses	-	20.833	(20.833)
Consulting	95.187	15.801	79.386
Other expenses	28.774	15.708	13.066
<b>Total</b>	<b>2.545.814</b>	<b>1.402.330</b>	<b>1.143.484</b>

## 10. Cash and cash equivalents

The balance of the group's Cash and cash equivalents as of 30<sup>th</sup> June 2023 amounts to Euro 19,091,184 compared to Euro 22,217,383 in the financial year ended as of 31<sup>st</sup> December 2022. The following table highlights in detail the changes in the balances compared to the previous financial year.

### CASH AND CASH EQUIVALENTS

Description	30/06/2023	31/12/2022	Absolute Variation
Bank and post office deposits	19.079.907	22.213.918	(3.134.011)
Cash and cash on hand	11.276	3.465	7.811
<b>Total</b>	<b>19.091.184</b>	<b>22.217.383</b>	<b>(3.126.199)</b>

## 11. Net assets

Moving on to the examination of the liabilities Balance Sheet, the items making up the Consolidated Net Assets are highlighted in detail.

The following table highlights the changes that have occurred in the net assets' items compared to the previous year.

Net assets	Balances as of 31 <sup>st</sup> December 2022	Destination of the result	Other Variations	Result for the financial year	Balances as of 30 <sup>th</sup> June 2023
Share Capital	215.080				215.080
Share premium Reserve	16.385.972				16.385.972
Reserves from FTA	(219.331)				(219.331)
Legal Reserve	31.809	11.206			43.015
Statutory Reserves	503.155				503.155
OCI Reserve	486.170		(92.703)		393.467
Other Reserves					
- Consolidation reserve	3.811.580		(497.586)		3.313.994
- Merger surplus	195.378				195.378
- Other Reserves	2.922.344	1.647.804	1.339.279		5.909.428
- Extraordinary Reserve	5.012.062		(1.904.111)		3.107.951
- Reserve Stock Grant	895.521		(247.905)		647.617
Reserve for treasury shares in portfolio	(2.584.420)		660.933		(1.923.487)
Profits (losses) carried forward	3.777.928		316.067		4.093.995
Result for the financial year	1.659.010	(1.659.010)		2.935.312	2.935.312
<b>Total Group Net Assets</b>	<b>33.092.258</b>	<b>-</b>	<b>(426.026)</b>	<b>2.935.312</b>	<b>35.601.544</b>
Capital and reserves of third parties	1.248.752	34.272	205.606		1.488.630
Third party result	34.272	(34.272)		(58.840)	(58.840)
<b>Total Third-Party Net Assets</b>	<b>1.283.023</b>	<b>-</b>	<b>205.606</b>	<b>(58.840)</b>	<b>1.429.790</b>
<b>Total Equity</b>	<b>34.375.282</b>	<b>-</b>	<b>(220.420)</b>	<b>2.876.472</b>	<b>37.031.333</b>

The Group's net equity as of 30<sup>th</sup> June 2023 amounts to Euro 37,031,333 compared to Euro 34,375,282 in the financial year ended as of 31<sup>st</sup> December 2022.



It should be remembered that on 30<sup>th</sup> December 2020, the Shareholders' Meeting resolved the split from no. 10,922,507 to no. 32,767,521 total ordinary shares of Relatech S.p.A., through the assignment of 3 new ordinary shares (new ISIN code IT0005433740 - regular entitlement - coupon no. 1 and following) for each old ordinary share held (old ISIN code IT0005371874 - regular entitlement coupon no. 1 and following), which was simultaneously withdrawn and cancelled. With reference to this transaction, 22<sup>th</sup> January 2021 was the last trading day of the share before the split and since 25<sup>th</sup> January 2021 the share has been traded after the split.

Finally, the value as of 30/06/2023, equal to Euro 1,923,487 relating to the purchase of treasury shares net of sales that occurred during the half-year, is allocated to the negative Reserve for treasury shares in portfolio.

## 12. Provisions for risks and charges

The following table illustrates the composition of the item in question, as it is shown in the financial statements.

Description	30/06/2023	31/12/2022	Variation
Provision for risks and charges	631.186	783.000	(151.814)
<b>Total</b>	<b>631.186</b>	<b>783.000</b>	<b>(151.814)</b>

The item "Provision for Risks and Charges" as of 30<sup>th</sup> June 2023 includes the provision for variable bonuses and liabilities of a specific nature and probable existence. The decrease of Euro 151,814 is attributable to the coverage of some allocated liabilities relating to the newly acquired companies.

## 13. Provisions for employee and director benefits

### Employee benefits - Employee severance indemnity - TFM

Employee severance pay (TFR) is determined by applying an actuarial method valued for the purposes of IAS 19; the amount of rights accrued during the financial year by employees is entered in the income statement under the item labour costs, while the figurative financial burden that the company would incur if a loan equal to the severance indemnity (TFR) was requested from the market is entered under net financial income (charges). The actuarial gains and losses that reflect the effects deriving from changes in the actuarial assumptions used are recognized in the statement of comprehensive income taking into account the remaining average working life of the employees.

Employee Benefits	31/12/2022	30/06/2023	TFR	TFM
Present value of the obligation at the beginning of the financial year	4.231.215	4.550.144	4.470.899	79.244
Change in the initial value of the obligation following the change in the scope of consolidation	1.313.878	-	-	-
Service Cost	826.663	600.655	585.177	5.478
Interest Cost	90.935	81.637	80.245	1.393
Advances and Liquidations	(778.603)	(417.940)	(417.940)	-
Other movements (reclassifications)	(36.953)	13.266	13.266	-
Actuarial (Profits) losses	(1.096.991)	140.749	138.584	2.165
<b>Total</b>	<b>4.550.144</b>	<b>4.968.511</b>	<b>4.870.232</b>	<b>98.280</b>

The reference actuarial model for severance indemnity valuation is based on various demographic and economic assumptions. For some of the hypotheses used, where possible, explicit reference was made to the direct experience of the Company, for the others the reference best practice was taken into account. The economic technical bases used are shown below.

	30/06/2023	31/12/2022
Annual discount rate	3,60%	3,77%
Annual rate of inflation	2,30%	2,30%
Annual rate of severance pay increase	3,22%	3,22%
Annual rate of salary increases	1,00%	1,00%

- the annual discount rate used to determine the present value of the obligation was inferred, consistently with par. 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 10+ recorded at the valuation date. To this end, the yield with a duration comparable to the duration of the collective of workers subject to valuation was chosen;
- the annual rate of increase in severance pays (TFR) as required by art. 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points;
- the annual rate of salary increases applied exclusively for Companies with an average of less than 50 employees has been determined on the basis of what has been communicated by the Managers of the Company.

The demographic technical bases used are shown below:

SUMMARY OF THE DEMOGRAPHIC TECHNICAL BASES	
Death	RG48 mortality tables published by the State General Accounting Office
Inability	INPS tables divided by age and sex
Retirement	100% upon achievement of the AGO requirements
ANNUAL FREQUENCIES OF TURNOVER AND TFR ADVANCES	
Frequency Anticipations	0,50%
Turnover frequency	5,00%

## 14. Financial liabilities for Rights of Use

In accordance with the IFRS 16 Accounting Principle, the assets owned by the entity are considered tangible fixed assets and are used in the production, sale, for administrative purposes or for long-term use. It should therefore be noted that what qualifies the tangible asset as a fixed asset, to be included in the assets of the balance sheet, is not the mere possession of the asset but, vice versa, it is the use of the asset that makes it qualify as a fixed asset.

The application of the IFRS 16 Accounting Principle which led to the recognition of liabilities for rights of use for a total of Euro 2,656,195 of which Euro 1,015,456 expiring within the twelve months following 30<sup>th</sup> June 2023 and Euro 1,640,739 with expiry beyond the twelve months following 30<sup>th</sup> June 2023.

## 15. Financial liabilities

Financial liabilities amount to a total of Euro 33,848,830 compared to Euro 37,521,797 as of 31<sup>st</sup> December 2022.

Description	30/06/2023	31/12/2022	Variation
Current financial liabilities	7.482.120	6.861.372	620.748
Non-current financial liabilities	26.366.710	30.660.425	(4.293.715)
<b>Total</b>	<b>33.848.830</b>	<b>37.521.797</b>	<b>(3.672.967)</b>

The amount of the financial liabilities, in addition to the liabilities for rights of use indicated in the previous point, includes the financial debt for the payment of the deferred price of Euro 245,307 relating to the completion of the acquisition of 60% of the share capital of the company Dialog Sistemi S.r.l., the debt of Euro 95,966 for loans from former shareholders of companies acquired, to which debts to banks are added as well. The financial payables relating to the application of IFRS 9, for a total of Euro 4,356,845, are attributable to the potential consideration deriving from the probable financial outlay following the fulfillment of the contractual conditions which will allow Relatech to complete the purchase of the remaining shareholdings relating to the acquisitions of the following companies:

Euro 1,685,418 for the acquisition of EFA Automazione S.p.A.;

Euro 404,991 for the acquisition of Venticento Srl;  
Euro 1,125,688 for the acquisition of IOT Catalyst Srl;  
Euro 1,140,748 for the acquisition of EXEO Holding di BTO S.p.A.

As for the debt with credit institutions, the following table shows the overall exposure of the Group to the credit system.

Debts vs Banks	Expiration	Parent Company	Subsidiaries	Total
INTESA - Financing 60 months - n.0IR1048674251 - Relatech	28/12/2023	46.980		46.980
INTESA - Financing 60 months - n.0IR1046065373 - Relatech	23/06/2025	505.509		505.509
BPER Banca - Financing 66 months - n.421 4868499	30/11/2025	506.865		506.865
Sustainable Growth Fund MCC - TrueDetective Project	31/12/2030	169.903		169.903
INTESA - Financing 60 months - no. OIC1012107993 - Relatech	24/06/2026	1.507.472		1.507.472
BPER Banca - Financing 60 months - n.5035865	20/09/2027	852.850		852.850
INTESA - Financing 94 months n. 105068	29/12/2028	6.000.000		6.000.000
BNL - Financing 60 months	27/09/2027	1.500.000		1.500.000
UNICREDIT - Financing 60 months	30/11/2027	5.000.000		5.000.000
BPER Financing 48 months n.3186610	23/11/2027	4.000.000		4.000.000
Financing INTESA - Relatech Consulting (Post merger)	21/12/2023	188.557		188.557
Financing - XONNE (Post merger)	21/12/2023	13.399		13.399
MPS - Financing POLINICE	23/12/2025		85.016	85.016
MCC Facilitated financing n.374 - Horizon tender 2020 PON Pr. Nextshop	30/06/2028		101.469	101.469
MCC Facilitated financing n.374 - Horizon tender 2020 PON Pr. CATCH	30/06/2028		296.046	296.046
OKT - MCC Facilitated financing - Horizon tender 2020 PON	23/12/2025		110.907	110.907
Sustainable Growth Fund - Intelligent Factory Counter DM 5/3/2018 - VQA	30/06/2031		52.386	52.386
Financing Unicredit - 36 months	31/12/2023		6.745	6.745
BPER BANCA - Financing 48 months			18.376	18.376
Banca Intesa San Paolo Financing Covid19 months - n. 12			99.687	99.687
Fin. m/l guarantee MCC - Banco BPM - instalment within 12 months			580.542	580.542
Fin. m/l guarantee MCC Covid - Intesa Sanpaolo - instalment within 12 months			1.055.621	1.055.621
Fin. m/l guarantee MCC Covid - BCC Carate Brianza - instalment within 12 months			157.722	157.722
Fin. m/l guarantee MCC Covid - BPER Banca - instalment within 12 months			491.655	491.655
Fin. m/l guarantee MCC Covid - CREDEM - instalment within 12 months			544.299	544.299
Fin. m/l guarantee MCC Covid - Banca di Piacenza - instalment within 12 months			946.799	946.799
Carige c / thirteenth month loans			125.940	125.940
Banks c/invoice advances			1.507.895	1.507.895
Credit Cards			21.876	21.876
<b>Total</b>		<b>20.291.536</b>	<b>6.202.982</b>	<b>26.494.517</b>

## 16. Commercial debts

The following table shows in detail the breakdown by geographical area of the item "Commercial Debts".

Breakdown of payables to Suppliers by geographical area	30/06/2023	31/12/2022	Absolute Variation
Italy	9.646.704	11.573.111	(1.926.407)
Eu (excluding Italy)	432.496	127.784	304.712
Extra-Eu	2.062	64.982	(62.920)
<b>Total</b>	<b>10.081.262</b>	<b>11.765.877</b>	<b>(1.684.615)</b>

The item "Commercial Debts", equal to Euro 10,081,262 and Euro 11,765,877 respectively as of 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022, mainly includes trade payables to third parties.

## 17. Current tax liabilities

The details of current tax liabilities are shown below.

Description	30/06/2023	31/12/2022	Absolute Variation
Inland Revenue VAT	730.719	588.014	142.705
Inland Revenue c/withholding tax on employee income	632.528	852.709	(220.181)
Inland Revenue c/ withholdings on income from autonomous work	37.882	89.904	(52.022)
Inland Revenue c/substitute taxes	27.616	189.018	(161.402)
Inland Revenue c/IRES	2.157.772	2.525.317	(367.546)
Inland Revenue c/IRAP	527.766	671.974	(144.208)
Other liabilities	2.773.611	-	2.773.611
<b>Total</b>	<b>6.887.894</b>	<b>4.916.936</b>	<b>1.970.958</b>

The other liabilities refer to fiscal liabilities already set aside during the 2022 financial year by the acquired companies.

## 18. Other current liabilities

Other current liabilities amount to Euro 9,028,087 compared to Euro 9,298,263 as of 31<sup>st</sup> December 2022. The following table highlights the composition of this item in detail.

Other current liabilities	30/06/2023	31/12/2022	Absolute Variation
Payables social security institutions	1.253.517	1.484.360	(230.843)
Other Debts	5.461.786	4.707.339	754.447
Accruals and deferred income	2.312.784	3.106.564	(793.780)
<b>Total</b>	<b>9.028.087</b>	<b>9.298.263</b>	<b>(270.176)</b>

### Payables to welfare and social security institutions

Payables to social security institutions, amounting to Euro 1,253,517, represent contributions payable by Group companies to be paid to social security institutions.

Other debts	30/06/2023	31/12/2022	Absolute Variation
Payables to directors	252.593	216.801	35.792
Various payables to third parties	28.724	970.651	(941.926)
Personnel c / salaries	2.123.554	1.860.561	262.993
Employees c/ deferred salaries	3.056.915	1.659.326	1.397.589
<b>Total</b>	<b>5.461.786</b>	<b>4.707.338</b>	<b>754.447</b>

"Other debts" amounting to Euro 5,461,786, mainly refer to payables for employee salaries and deferred payables to employees relating to holidays and leave accrued but not yet used and to additional monthly payments.

## Debts secured by collateral

There are no debts secured by collateral.

## Accruals and deferred income

Accrued expenses and deferred income for a total of Euro 2,312,784 are determined on an accrual basis and refer to positive income components.

## 19. Revenues

In detail, the evolution of revenues from sales and services of the Relatech group, also divided by geographical area, which as of 30<sup>th</sup> June 2023 amounted to Euro 47,852,190 compared to Euro 25,352,361 as of 30<sup>th</sup> June 2022.

### GEOGRAPHIC BREAKDOWN OF REVENUES

Description	30/06/2023	30/06/2022	Variation
Italy	35.176.063	17.318.380	17.857.683
Eu (excluding Italy)	3.223.009	410.205	2.812.804
Extra Eu	9.453.117	7.623.776	1.829.341
<b>Total</b>	<b>47.852.190</b>	<b>25.352.361</b>	<b>22.499.829</b>

## 20. Increases in fixed assets for internal work

During the first half of 2023, the Group incurred Research and Development costs equal to Euro 2,220,255 of which Euro 2,106,284 related to personnel costs and Euro 113,971 to costs for external consultancy. These costs contributed to the increase in fixed assets for internal works recorded in the balance sheet for Euro 1,787,150.

## 21. Other revenues

"Other Revenues" as of 30<sup>th</sup> June 2023 amounted to Euro 1,395,625 compared to Euro 1,182,642 in the previous year. This item is mainly made up of grants for operations relating to projects conducted with universities and research centres.

The table below shows the composition of this item in detail.

Description	30/06/2023	30/06/2022	Variation
Grants related to income	848.510	1.182.642	(334.132)
Other Revenues	547.115	-	547.115
<b>Total</b>	<b>1.395.625</b>	<b>1.182.642</b>	<b>212.983</b>

## 22. Costs for materials

Purchase costs as of 30<sup>th</sup> June 2023 amount to Euro 11,908,175 compared to Euro 7,177,761 in the previous year.

Description	30/06/2023	30/06/2022	Variation	%
Costs for materials	11.908.175	7.177.761	4.730.414	66%
<b>Total Costs</b>	<b>11.908.175</b>	<b>7.177.761</b>	<b>4.730.414</b>	<b>66%</b>

The increase is attributable, in particular, to the entire inclusion of the companies EFA Automazione e Venticento Srl in relation to the consolidation period.

## 23. Costs for services

The “Costs for services” as of 30<sup>th</sup> June 2023 amounted to Euro 11,464,802 compared to Euro 7,037,578 in the previous year. The following table highlights the composition of this item in detail.

Description	30/06/2023	30/06/2022	Variation
Third party processing	5.376.235	2.489.790	2.886.445
Consulting	1.132.220	439.258	692.962
R&D consultancy and specific projects	113.971	89.931	24.040
Marketing and advertising consultancy	473.046	598.232	(125.186)
Costs of professional structure consultants	428.029	292.178	135.851
Directors' fees co.co.co.	1.620.027	1.525.227	94.800
Other expenses for directors	12.708	17.838	(5.130)
Fees for supervisory bodies	85.862	47.947	37.915
Other personnel expenses	738.217	252.786	485.431
Other manufacturing services	566.682	143.891	422.791
Insurances	106.614	54.764	51.850
Research, education and training	90.473	134.135	(43.662)
General Expenses	449.389	560.965	(111.576)
Commissions and bank charges	143.453	46.137	97.316
Transaction cost	127.877	344.499	(216.622)
<b>Total</b>	<b>11.464.802</b>	<b>7.037.578</b>	<b>4.427.224</b>

The item “Costs for services” mainly includes the costs of third-party processing, consultancy costs, directors' fees, general expenses and transaction costs incurred for the acquisition of the new companies. In detail:

- “costs for third-party processing” mainly refer to costs incurred for the purchase of services provided by third parties and necessary for the provision of the service to end customers and amount to a total of Euro 5,376,235;
- the item “consulting” refers to consultancy costs relating to the Euronext Growth Milan market, financial consultancy, due diligence, consultancy relating to Group compliance and amount to a total of Euro 1,132,220;

- the item “R&D consultancy and specific projects” refers to the costs of external consultants for specific activities related to research and development projects and amounts to Euro 113,971;
- the item “costs for marketing activities” mainly includes the costs incurred for communication campaigns aimed at increasing awareness of the brand, digital activities, internal Group events and participation in external events as sponsors and amount to a total of Euro 473,046;
- the item “professional structure consultants” refers to the costs incurred for tax, administrative, legal and notary consultancy of the Group and amount to a total of Euro 428,029;
- the item “directors’ fees” equal to Euro 1.620.027 contains the emoluments paid to Group directors as of 30<sup>th</sup> June 2023. Furthermore, this item includes the provision in the Stock Grant reserve relating to the 2021-2023 plan for Euro 493,631;
- the item “other personnel expenses” equal to Euro 738,217 includes company meal vouchers, travel and transfer expenses and vehicle expenses. The increase of Euro 485,431 is attributable in particular to the resumption of post-Covid travel and business trips for a total of Euro 405,902;
- the item “other production services” refers to other miscellaneous costs for the production of services and amount to Euro 566,682;
- the item “general expenses” mainly refers to costs for various utilities, room cleaning, various maintenance and fees for Group services and amount to a total of Euro 449.389;
- the item “transaction cost” contains the impact of accessory costs for the acquisition of the new companies and amount to Euro 127,877.

## 24. Costs for the use of third-party assets

This item mainly refers to the “non-lease component” of costs for the use of third-party assets and amounts to Euro 288,696. Of these, the most significant component relates to costs for the use of third-party software licenses.

## 25. Staff Costs

The item “Staff Costs” equal to Euro 19,705,511 includes all costs incurred up to 30<sup>th</sup> June 2023 relating to the evolution of the cost of employee personnel of the Relatech group, including the cost for additional months and for accrued and not enjoyed holidays.

Description	30/06/2023	30/06/2022	Variation
Wages and Payrolls	15.258.773	7.768.719	7.490.054
Social Charges	3.631.546	1.978.924	1.652.622
Severance indemnity	764.403	529.188	235.215
Other Costs	50.789	18.561	32.228
<b>Total</b>	<b>19.705.511</b>	<b>10.295.392</b>	<b>9.410.119</b>

The following table shows the change in the average number of managers, middle managers, office workers and apprentices, trainees and interns present in the group as of 30<sup>th</sup> June 2023 compared to 30<sup>th</sup> June 2022.

Description	30/06/2023	30/06/2022	Variation
Executives	10	6	4
Middle Managers	51	39	12
Employees	566	335	231
Apprentices	89	28	61
Trainees / Interns	17	22	(5)
<b>Total</b>	<b>733</b>	<b>430</b>	<b>303</b>

## 26. Various management charges

Various management charges as of 30<sup>th</sup> June 2023 amounted to Euro 180,309 compared to Euro 109,705 as of 30<sup>th</sup> June 2022.

## 27. Depreciation and write-downs

The item shown in the income statement equal to Euro 2,658,268 is represented by depreciation of intangible and tangible assets.

For the details of the depreciation, please refer to the comment on the balance sheet items.

Description	30/06/2023	30/06/2022	Variation
Depreciation of intangible assets	1.786.955	1.315.643	471.312
Depreciation of tangible fixed assets	198.016	134.297	63.719
Depreciation of the right of use	623.297	408.965	214.332
Provisions and write-downs	50.000	-	50.000
<b>Total</b>	<b>2.658.268</b>	<b>1.858.905</b>	<b>799.363</b>

The increase in the amortization item is attributable to the introduction of amortization on rights of use in application of the accounting standard IFRS 16 Leases for a total of Euro 623,297.

Amortization of intangible assets amounted to Euro 1,786,955 and Euro 1,315,643, respectively as of 30<sup>th</sup> June 2023 and 30<sup>th</sup> June 2022.

Depreciation on tangible fixed assets amounted to Euro 198,016 and Euro 134,297, respectively as of 30<sup>th</sup> June 2023 and 30<sup>th</sup> June 2022.

## 28. Financial income and expenses

The details of Financial Income and Expenses are shown in the following table. The table shows the effect on financial charges resulting from the application of the IAS / IFRS 16 and 19 Accounting Standards.

Description	30/06/2023	30/06/2022	Variation
Financial income	225.665	40.552	185.113
Various financial charges	(67.967)	(737.682)	669.715
Bank financial charges	(522.210)	(153.187)	(369.023)
Financial charges (IAS 19)	(81.637)	(30.929)	(50.708)
Financial charges (IFRS 16)	(29.851)	(16.159)	(13.692)
Gains/losses on exchange rates	42.160	(144)	42.304
<b>Total</b>	<b>(433.841)</b>	<b>(897.549)</b>	<b>463.708</b>

Financial income amounted to Euro 225,665 as of 30<sup>th</sup> June 2023. This item includes the contingent asset deriving from the reduction of the financial liability for the rights of use by virtue of the termination of some rental and lease agreements, the operating income of the associated companies valued using the equity method and the fair value measurement of shares held in other companies.

Financial charges amount to Euro 701,665 and mainly include:

- bank interest expense equal to Euro 522,210 referring to current account advances and interest expense on loans outstanding at the same dates;
- various financial charges equal to Euro 67,967;
- TFR discounting charges, equal to Euro 81,637 deriving from the application of the IAS 19 accounting standard relating to the adjustment to the fair value of provisions for employee benefits;
- Leases interest on right-of-use liabilities for Euro 29,8510 as required by IFRS 16 Leases.



In the light of the above, the way these financial events influenced the pre-tax result for the financial year in a highly negative way, even more so when compared with the results portrayed in the previous reference period, is therefore clear.

## 29. Taxes

Below is the composition of the income tax item as of 30<sup>th</sup> June 2023 and 30<sup>th</sup> June 2022, specifying that the deferred taxation is mainly attributable to changes in the income statement due to the application of IAS/IFRS accounting principles.

Please refer to paragraph 6 for information in relation to “Deferred Tax Assets and Liabilities”.

Description	30/06/2023	30/06/2022	Variation
Current taxes	1.363.899	1.029.661	334.238
Prepaid taxes	84.638	32.265	52.373
Deferred tax liabilities	(267.930)	(206.864)	(61.066)
Deferred taxes	23.276	10.308	12.968
<b>Total income tax</b>	<b>1.203.883</b>	<b>865.370</b>	<b>326.841</b>

## 30. Earning per share

The basic earnings per share is calculated by dividing the result for the financial year attributable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the financial year, net of the weighted average number of treasury shares held during the year.

The diluted earnings per share is calculated by dividing the result attributable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the financial year (again net of the weighted average number of treasury shares held during the financial year) and those which could potentially be issued to service stock grant plans.

The earnings and information on shares used to calculate basic and diluted earnings per share are shown below:

Net profit attributable to shareholders	2.876.472
Weighted number of outstanding shares 01/01 - 30/06/2023	42.169.379
Basic earnings per share	0,068
Weighted number of outstanding shares 01/01 - 30/06/2023 (including those potentially issued to service the stock grant plans)	42.169.379
Diluted earnings per share	0,068

## Transactions with related parties

Pursuant to IAS 24, related parties of the Group are companies and individuals who are able to exercise control, joint control or significant influence over the Group and its subsidiaries.

Relations between the companies have a commercial and financial nature and are formalized by contracts. These relations are made at market value and carefully monitored by the Board of Directors. Transactions relating to the normal operations of the individual entities were entered into with the counterparties in question; there are no transactions of an atypical or unusual nature.

The main economic, equity and financial items of the Relatech Group relating to transactions with related parties are shown below, specifying that the company L. Partners S.r.l. is related as a company controlled by the Chairman of the Board of Directors.

ASSET RELATIONS	30/06/2023	L.Partners Srl	Nature of the transaction
Trade and other credits	-	-	Credits relating to cost chargebacks
Trade and other payables	11.114	11.114	Payables relating to cost chargebacks
ECONOMIC RELATIONS	30/06/2023	L.Partners Srl	Nature of the transaction
Other revenues	-	-	Revenues for cost chargebacks
Cost for use of third-party assets	43.310	43.310	Real estate rental fees

## Further information

The further information required by the Italian Civil Code or in any case useful for a better understanding of the patrimonial, financial and economic situation of the Group is listed below.

### Information on significant events that occurred after the end of the financial year

Pursuant to art. 2427 point 22-quater and of the art. 2428 paragraph 3, n. 5 of the Italian Civil Code, it should be noted that the significant events subsequent to the end of the reference period have been set out in the appropriate paragraph of the Management Report to which reference is made.

### Remuneration of directors, statutory auditors and auditing firms

It should be noted that there are no advances and credits in favour of the administrative body. Furthermore, the same Company has not undertaken commitments on behalf of this body as a result of guarantees of any kind given. The companies of the Group have approved remunerations for the administrative and control bodies. The amount of these fees as of 30<sup>th</sup> June 2023, calculated on an accrual's basis, are shown in the following table:

Remuneration	Amount as of 30 <sup>th</sup> June 2023
Administrative body	1.620.027
Board of Statutory Auditors	17.080
Auditing firm	56.722
Supervisory body (231)	12.060

### Details of other financial instruments issued by the company

The company has not issued other financial instruments pursuant to article 2346, paragraph 6, of the Italian Civil Code.

### Information relating to derivative financial instruments pursuant to art. 2427-bis of the Italian Civil Code

In compliance with the requirements of art. 2427-bis of the Italian civil code, it is certified that the company has not signed contracts relating to derivative financial instruments.

### Commitments, guarantees and contingent liabilities not shown in the balance sheet

There are no outstanding commitments and guarantees issued to group companies.

No contingent liabilities have been identified other than those which led to the allocation of provisions for risks in the financial statements, such as to be mentioned in these explanatory notes.

### Disclosure relating to the book value of financial instruments

In order to provide information capable of illustrating the exposure to financial risks, the information provided by the companies regarding the fair value measurement of financial instruments as required by the accounting standard IFRS 7 is of considerable importance.

The "fair value hierarchy" has three levels:

- **level 1:** if the financial instrument is listed on an active market;
- **level 2:** if the fair value is measured on the basis of valuation techniques that take as a reference parameters observable on the market, other than the prices of the financial instrument;
- **level 3:** if the fair value is calculated on the basis of valuation techniques that take as a reference parameters unobservable on the market.

The information relating to the book value of the financial instruments as of 30<sup>th</sup> June 2023 is provided below:

Description	Book value	Fair value	Fair value hierarchy
Interests	166.043	189.976	Level 3
Other financial assets	186.947	250.500	Level 1
Commercial credits	28.307.777	28.307.777	Level 3
Cash and cash equivalents	19.091.184	19.091.184	Level 1

Description	Book value	Fair value	Gerarchia del fair value
<b>Non-current financial payables and liabilities</b>			
Payables to banks and other lenders	20.027.853	20.027.853	Level 3
Other financial liabilities	245.307	4.698.118	Level 3
Financial liabilities for rights of use	-	1.640.739	Level 3
<b>Current financial payables and liabilities</b>			
Payables to banks and other lenders	6.466.664	6.466.664	Level 3
Financial liabilities for rights of use	-	1.015.456	Level 3
Payables to suppliers	10.076.852	10.076.852	Level 3

### Transactions deriving from atypical and/or unusual operations

In compliance with the provisions of the Consob Communication of 28<sup>th</sup> July 2006, it should be noted that in the financial year ended as of 30<sup>th</sup> June 2023 no atypical and/or unusual transactions were carried out as defined by the Communication itself.

## Final Comments

Dear Shareholders,

We confirm that this Annual Financial Report, consisting of the Consolidated Financial Statement, Balance Sheet, Income Statement, Explanatory Notes and Management Report, truthfully and correctly represents the equity and financial situation of group Relatech S.p.A. as well as the consolidated economic result as of 30<sup>th</sup> June 2023.

Milan, 27<sup>th</sup> September 2023

**The Chairman of the Board of Directors**

**Ing. Pasquale Lambardi**



# ANNEXES

**Relatech S.p.A.**

Auditors' review report on interim condensed consolidated financial statements as of June 30, 2023

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



MCP/GNC/fbs - RC082252023BD0293



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**Auditors' review report**

on interim condensed consolidated financial statements as of June 30, 2023

To the shareholders of  
Relatech S.p.A.

**Introduction**

We have reviewed the accompanying condensed consolidated balance sheet as of June 30, 2023, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and related explanatory notes of Relatech S.p.A. and its subsidiaries (Relatech Group).

Management is responsible for the preparation of this interim condensed consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed consolidated financial reporting based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures.

The scope of a review is substantially less 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 consolidated condensed interim financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Relatech Group as of June 30, 2023, are not prepared, in all material respects, in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, September 27, 2023

BDO Italia S.p.A.

Signed in the original  
by Manuel Coppola  
Partner

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Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

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**Relatech S.p.A.**

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REA MI-1662226

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