



*Sostravel S.p.A. Half-Year Report as
of 30 June 2022*

SOSTRAVEL.COM S.P.A. FINANCIAL STATEMENTS AS OF

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SOSTRAVEL.COM S.P.A.

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1 Company presentation



The Company was founded on 27 November 2017 and registered in the Registry of Companies on 7 December 2017 by the conferment - from TraWell (previously Safe Bag) - of the company branch named "sostravel.com"; this operation involved the assets and the legal relationships that are instrumental to activities relative to "assistance to the traveler", particularly those relative to the tracking of lost baggage, the supply of airport information services, insurance services and other services to airport passengers.

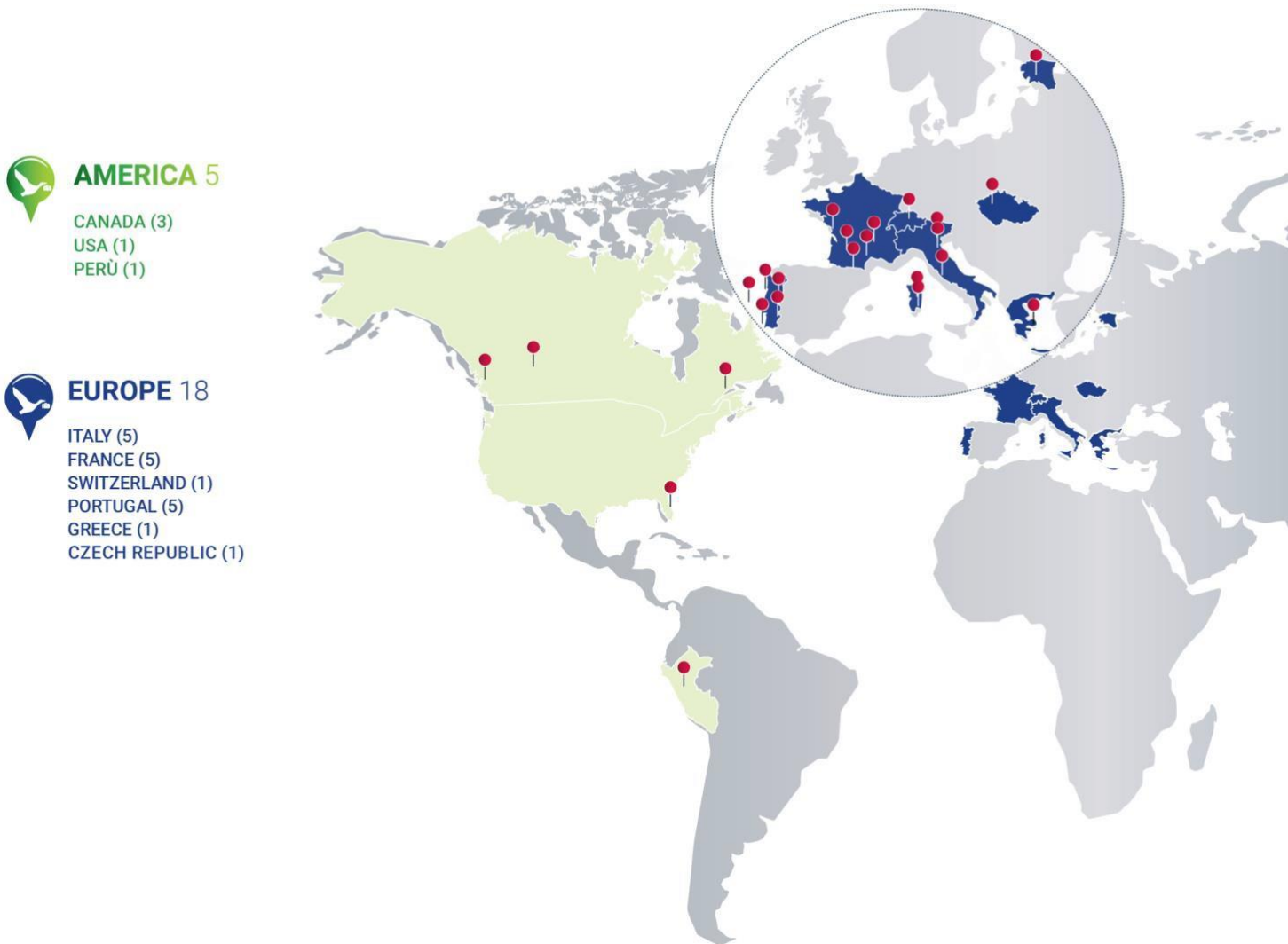
The objective of the Company is to present itself on the market - through an integrated digital platform (the sostravel App) which has been launched and promoted on primary mobile stores (including Google Play and App Store) on 15 December 2018 as an "aggregator" of a range of passenger assistance services throughout the journey, from departure to arrival at the destination airport.

In the near future, sostravel.com will continue to invest in innovation and development with the aim of expanding and further consolidating its leadership in the sector.

International operations

With regard to the sale and distribution of its services, the Company can not only avail itself of the sostravel App but also of the commercial network of the TraWell Co Group (previously Safe Bag) which has been operating in the market for wrapping, protection and tracking services for years. The latter is present, with different points of sale, in multiple international airports.

The graph below illustrates the location of the airports where Sostravel markets its services as of the date of this report.



Services

By means of the Sostravel App, the Company offers the services listed below.

Flight Info: this service provides access to useful information regarding flights of interest (flight status, gates, delays, cancellations, etc.). Information on individual flights is made available free of charge.

Airport Info: this service (i) provides free access to various useful information related to the airports of interest (eg. modalities for transfer from or to the infrastructure, maps, food, Wi-Fi) and (ii) allows for the purchase of certain services available there (eg. parking, car rental services, access to VIP lounges, etc.).

Lost Luggage Concierge: this service refers to Sostravel's commitment to tracking customer baggage in cases of loss and/or failed delivery at the destination airports. The service can be purchased before the departure of the flight and is made available on a "pay-per-use" basis (ie with reference to individual journeys).

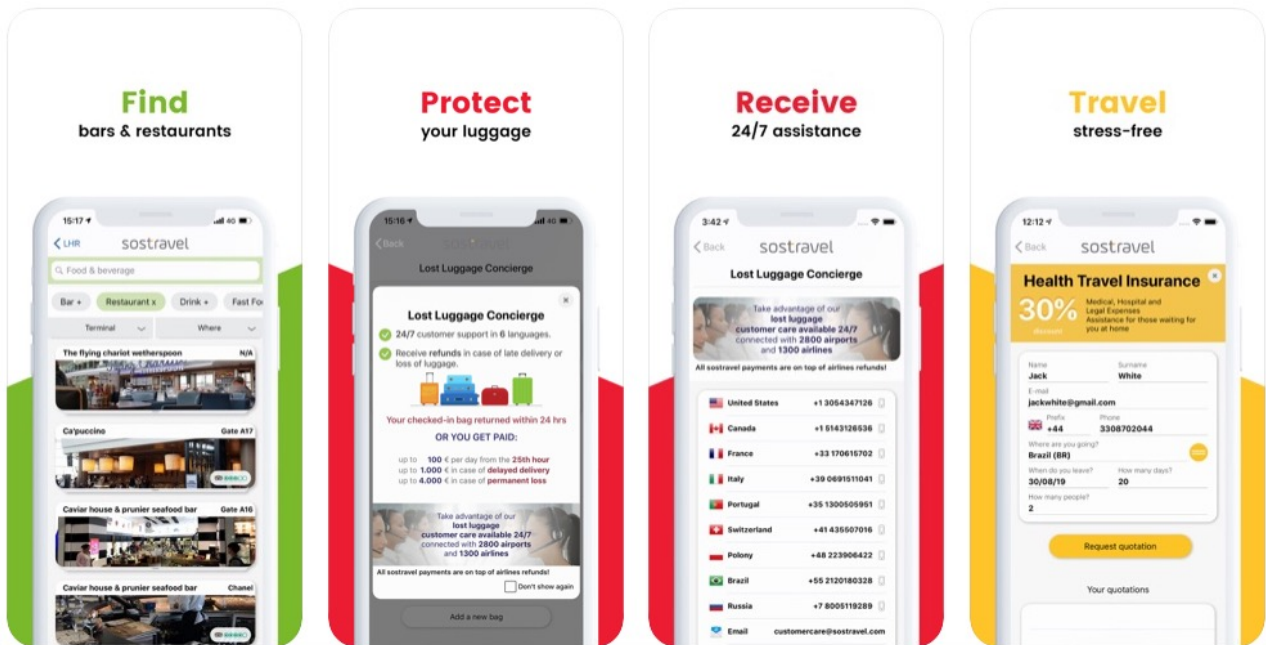
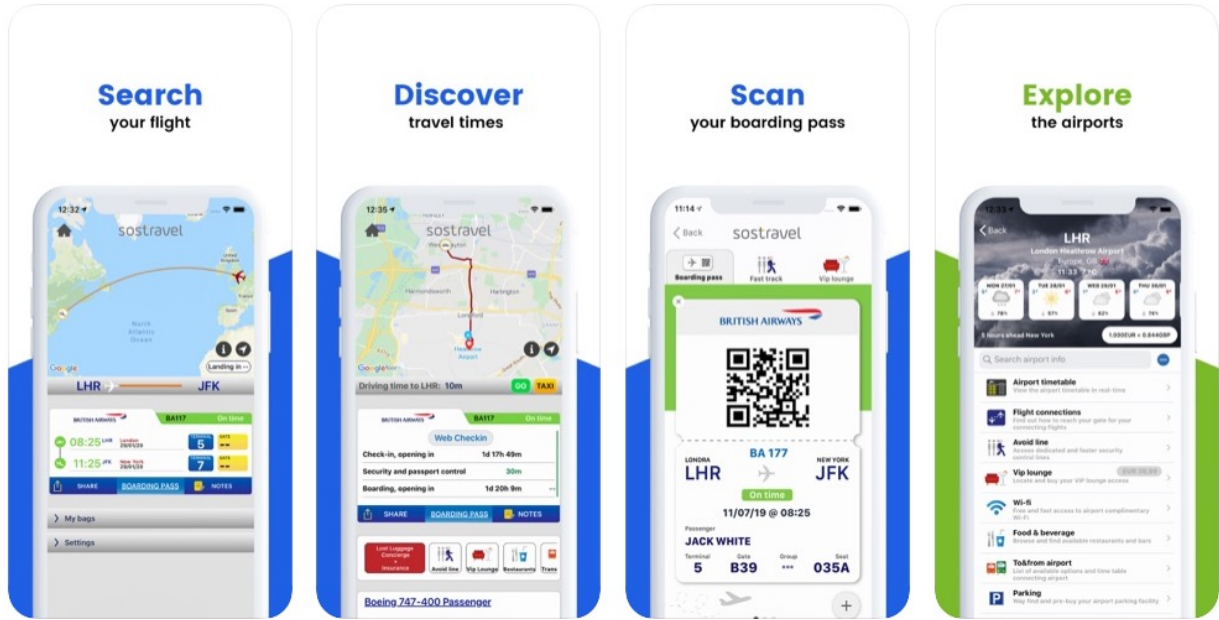
Travel: Following the merger with Digital Destination Company, the company integrated a new sales platform for travel, transportation, hotels, car rentals and activities. This considerably expanded its range of products. This platform allows you to consult different travel ideas which are created according to trends and periods but also provides you with the ability to plan the entire trip and compare the prices of different transportation and hotel options. The site is currently online: <https://booking.sostravel.com/home>

Travel insurance: this service allows users to access - through the Sostravel App - the website of a leading insurance company authorized to sell multi-risk travel insurance policies and to purchase, also through remote communication modalities, products and insurance coverage related to the trip.

The advertisement features the Sostravel logo in the top left corner. Four smartphones are displayed against a blue sky background with clouds. The first smartphone shows a map of Europe with flight routes. The second shows a flight status screen for MXP to HEL. The third shows a travel offers screen with various deals. The fourth shows a travel insurance screen. In the top right corner, there is a QR code with the text "Download the App". At the bottom, there are logos for Google Play, the App Store, and a partnership with Huawei AppGallery.

Development of Technological Products

During the course of 2022, sostravel.com has continued to invest in the development of its App whose graphical userface is shown below.



To date, the Flight Tracking, Airport Info, Lost Baggage Concierge, Travel packages and Insurance services are fully developed and active.



Sales channels

Online sales channels

Sostravel aims to offer airline and other passengers (mainly those belonging to the "X" and "Millennials" generations) access to an integrated digital platform (the sostravel App) which is characterized by an innovative concept aimed at ensuring the possibility of using a variety of information and services linked to the trip.

TraWell-related sales channel

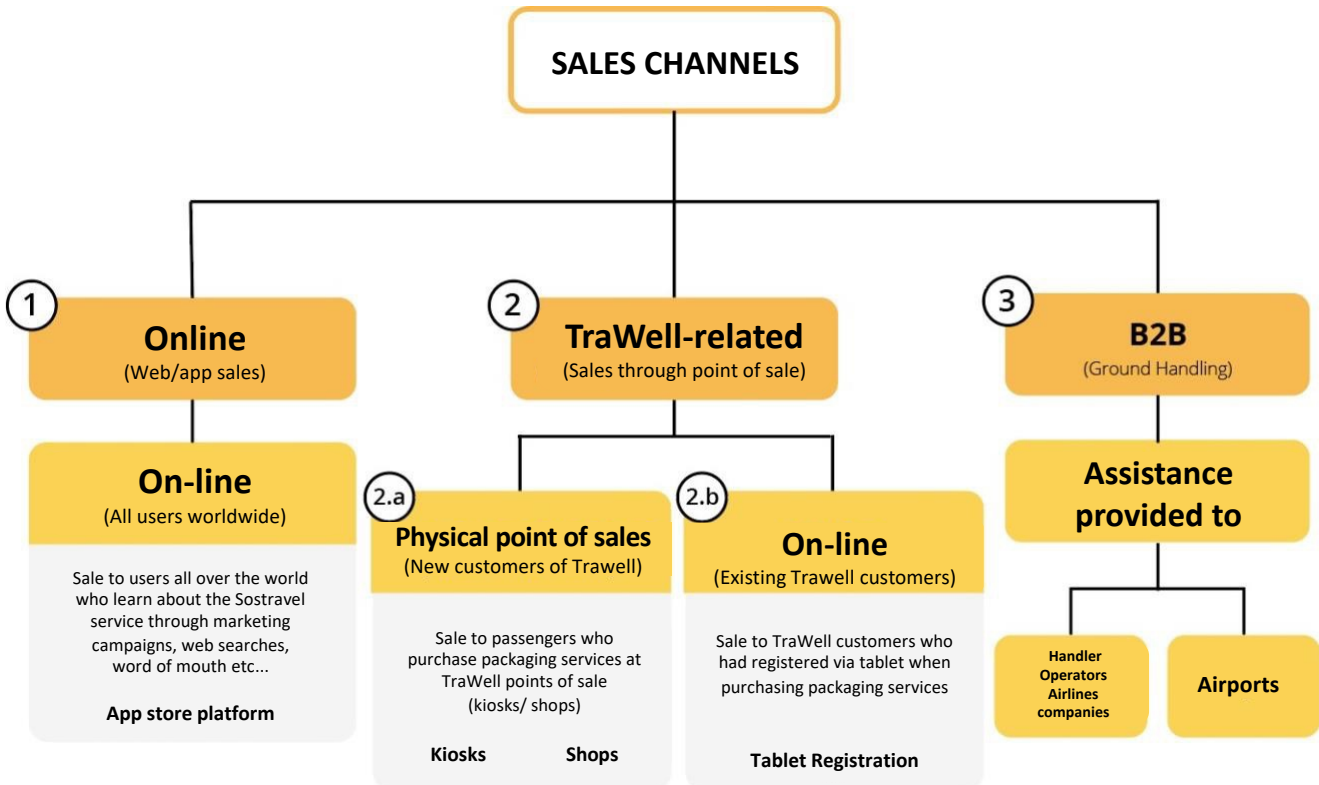
In addition to airline passengers, sostravel also offers its commercial offer to the companies of the TraWell Co. Group. The offer to the companies of the TraWell Co. Group is based on an agreement between sostravel.com and the group and refers to the supply of the relative services: (i) the tracking of baggage of customers of TraWell Co. Group companies that have purchased the Lost Baggage Concierge Service in cases of loss and /or failure to deliver this baggage; (ii) call center assistance offered to customers of TraWell Co Group companies during the collection of reports of loss, theft and/or damages to the baggage.

B2B sales channels

Finally, sostravel provides its commercial offer to airlines and/or airport handlers ("**B2B Customers**"); the latter are proposed the supply of services concerning: (i) the digitization of activities relative to the filling out and forwarding of the PIR to the Lost & Found offices of B2B Customers and (ii) activities required for the tracking of lost baggage.

The offer aimed at B2B customers provides for, in particular, that the filling out and forwarding of the PIR - by users who sustained the loss of their baggage - be implemented through interactive totems positioned at (or near) the Lost & Found offices of B2B customers themselves or directly through the sostravel App.

Following the merger with the Digital Destination company, the company will consider whether to continue developing this channel or not.



Communications and marketing

Due to the Covid-19 pandemic and the drop in airport traffic around the world, the Company limited its marketing and communication efforts during 2020-2021 and 2022 years. It should be noted that, during 2019, the company invested in certain important campaigns in order to improve its image and market penetration, in particular the campaign with the Chinese telephony giant Huawei and a local Italian operator which manages the brand “il Milanese Imbruttito”. Both campaigns, conducted in the summer months, have achieved significant results in terms of downloads.

Human resources

During 2021 and the first half of 2022, the Company focused on cost savings, including personnel costs. As of 30 June 2022, the total workforce was equal to 6 employees, including one middle manager and five office employees.



2 Shareholding structure

The shareholding structure as of 06 September 2022 is therefore the following:

Compagine Azionaria	N° azioni possedute	Capitale sociale
RG Holding S.r.l.	2.699.374	37,60%
TraWell Co S.p.A.	792.336	11,04%
Rudolph Gentile	12.432	0,17%
Mercato	3.674.116	51,18%
Totale	7.178.538	100%
Dati aggiornati al 6 Settembre 2022		

* RG Holding S.r.l. is currently wholly owned by Rudolph Gentile. In this regard, it should be noted that, in its communication, the shareholder RG Holding S.r.l. reported that - following the full underwriting and release of the due quota of the delegated option share capital increase deliberated by SosTravel on 28 May 2021 during the relative option period - the shareholders' meeting of RG Holding S.r.l., on 2 July 2021 and following the withdrawal of RM Holding S.r.l., (minority shareholder which owned 13.59% of the share capital of RG Holding S.r.l.), approved the liquidation of the withdrawing shareholder by assigning, amongst other items, 245,000 SosTravel shares (equal to 3.4% of the share capital) and 200,000 SosTravel 2021-2024 warrants as well as 120,000 TWL shares (equal to 4.8% of the share capital) and 200,000 TWL 2021-2024 warrants on 2 July 2021. Notice of this transaction is provided today with a separate internal dealing press release.

* TraWell CO S.p.A. is controlled by RG Holding S.r.l. with a shareholding equal to 51.7% of the share capital

It should be noted that - during the month of June 2021 - the Issuer approved a Delegated Option Increase for a maximum of 1,196,245 new SosTravel ordinary shares, without par value and with regular dividend rights; they were offered as options to shareholders pursuant to Art. 2441, paragraph 1 of the Italian Civil Code with a ratio of 1 New Share for every 5 ordinary shares held, and at an underwriting price of Euro 1.00 (of which Euro 0.10 to be allocated to the share capital and Euro 0.90 to the share premium). The value of the Delegated Option Increase, fully underwritten and paid, was therefore equal to Euro 1,196,245.00, in addition to Euro 42,895 for the sale of the unexercised options, and therefore for a total of Euro 1,239,140.

Within the same operation, the Issuer determined the number of Warrants to be combined free of charge with the New Shares resulting from the Delegated Option Increase, resolving in favor of the issue of a **maximum of 11,962,450 Warrants** which are combined free of charge in the ratio of 10 Warrants for each New Share that is underwritten. In addition, the Board of Directors of the Issuer set **the exercise price of the Warrants at Euro 1.20**.

The Warrants provide each holder with the right to underwrite the conversion shares of SosTravel with the ratio of one conversion share for each Warrant presented for exercising. The Warrants may be exercised in the period between 1 September 2021 and 16 December 2024. The Warrants have been assigned the ISIN code IT0005446718.

Sostravel.com Spa has been listed on the Euronext Growth Milan market since 1 August 2018.



3 Company bodies

The composition of company bodies is as follows:

BOARD OF DIRECTORS

Chief Executive Officer - Chairman	Rudolph Gentile
<i>Director</i>	Nicola De Biase
<i>Independent Director</i>	Edoardo Zarghetta

BOARD OF STATUTORY AUDITORS

<i>Chairman</i>	Enrico Orvieto
<i>Statutory auditors</i>	Paolo Natalini / Marco Ambrosini
<i>Alternate auditors</i>	Fabrizio Cardinali / Andrea De Nigris

AUDITING COMPANY

<i>Auditing company</i>	Audirevi S.p.A.
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NOMAD

<i>Nominated Advisor</i>	Banca Finnat S.p.A
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4 sostravel.com in Borsa EGM

SosTravel.com was listed on the Milan Stock Exchange, Piazza Affari, on 1 August 2018 within the AIM Italia segment (currently EuronextGrowth Milan).

Euronext Growth Milan is the "Borsa Italiana" stock market dedicated to SMEs and which allows access to stock markets through a simplified listing process; it currently includes about one third of the companies listed on the Stock Exchange.

On 30 July 2018, sostravel.com S.p.A. was admitted to the AIM market of Borsa Italiana with a share price of 5.60 Euro. On 1 August 2018, following the first day of trading, the IPO transaction was completed with the full underwriting of the share capital increase by the market and with a gross financial collection of 5,230,400 Euro.

The offer was made through a placement of shares aimed at: (i) qualified Italian investors, as defined and identified in Article 34-ter of Regulation 11971/1999, (ii) foreign institutional investors (excluding Australia, Canada, Japan and the United States of America); and/or (iii) other categories of investors, provided that the placement is implemented in such manner that allows the Company to benefit from an exemption from the public offering obligations pursuant to Article 100 of the Consolidated Financial Act and Article 34-ter of Regulation 11971/1999 ("Private Placement").

Upon completion of the Private Placement, a total of 934,000 Shares - resulting from a share capital increase approved by the Company's shareholders' meeting - were underwritten. Warrants were assigned free of charge to the Shares underwritten as part of the Private Placement in the ratio of one warrant for one share. In addition, a bonus share of 1:10 is envisaged for those who have underwritten during the Private Placement before the start date of trading and who hold the shares for at least twelve months from that date.

Total revenues deriving from the Private Placement, gross of commissions and expenses incurred as part of the Private Placement, amounted to 5,230,400 Euro. Following the Private Placement, the Market holds 15.74% of the Company's share capital with an IPO capitalization of approximately 33 million Euro.

On the start date of trading of the shares and warrants on AIM Italia (currently Euronext Growth Milan), the Issuer's share capital was equal to Euro 593,400 and will be represented by 5,934,000 shares.

SosTravel was assisted in the operation by Banca Finnat Euramerica acting as Nomad and Global Coordinator as well as by Studio GBX acting as legal advisor, Ambromobiliare acting as financial advisor, PwC acting as strategic advisor and Audirevi acting as the auditing company. The Nctm law firm acted as legal advisor to the Nomad and Global Coordinator. Following the admission to trading, Banca Finnat Euramerica will act as Nomad, Specialist and will ensure continuous analyst coverage service.

On 17 September 2019, in application of the provisions set out in the Admissions Document, the Issuer granted Bonus Shares free of charge to entitled parties for a total of 47,225 ordinary sostravel.com S.p.A. Shares with ISIN code IT0005338675. As a result of the issue of 47,225 ordinary shares, the share capital of sostravel.com S.p.A. is divided into 5,981,225 ordinary shares.

Finally - following the cancellation of the share capital increase as well as of the associated warrants, summarized on page 10 - the new share capital of Sostravel.com S.p.A. is subdivided into 7,178,538 ordinary shares





REPORT ON OPERATIONS

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5 Operational trends and business outlook for sostravel

The objective of the Company is to present itself on the market - through an integrated digital platform (the sostravel App) which has been launched and promoted on primary mobile stores (including Google Play and App Store) on 15 December 2018 as an "aggregator" of a range of passenger assistance services throughout the journey, from departure to arrival at the destination airport.

In addition to assistance services for airport travelers pursuant to a commercial agreement undersigned with the TraWell Co S.p.A. Group (previously Safe Bag S.p.A.) on 15 December 2017 and partially amended on 25 June 2018 and 17 October 2019, the Company also provides its services to the companies of the TraWell Group. In particular, and on behalf of the latter, sostravel implements the following activities: (i) tracking of the baggage of customers of the TraWell (previously Safe Bag) Group who have purchased the Lost & Found Concierge Service in the event of loss and/or failure to return the baggage at the destination airports; (ii) assistance through call centers to customers of the companies of the TraWell (previously Safe Bag) Group during the collection of reports of loss, theft and/or damage to baggage.

Global Healthcare Crisis linked to Covid-19 and the geopolitical situation caused by the Ukraine crisis

The Company, due to its specific type of business operations, is significantly exposed to the critical factors related to the spread of infections and the regulatory measures adopted to contain the spread of the pandemic as well as the concerns of travelers in relation to the use of air transportation.

The pandemic, which characterized the 2020, 2021 and 2022 financial years, is in the process of being resolved but has resulted in a massive decrease in air traffic, particularly long-haul flights. In the first half of 2022, there was a recovery in overall passenger traffic, particularly in June, thereby generating results in the first half of the year equal to -23% compared to pre-Covid data; international passenger traffic struggled somewhat more to recover pre-pandemic volumes, still down by -31% compared to 2019 (Assaeroporti estimate). Due to the above as well as the geopolitical situation generated by the Ukraine crisis, the first half of 2022 also had low revenues. An increase in intercontinental traffic is expected which will presumably be accompanied by a recovery in the second half of 2022

Primary events in the first half of 2022

The Merger with the Digital Destination Company

In the first half of 2022, the plan for the merger by incorporation of the company DDC into SOS was approved, drawn up pursuant to Article 2501-ter of the Italian Civil Code and approved by the administrative bodies of SOS and DDC on 5 May 2022 and subsequently on 14 June 2022 by the extraordinary shareholders' meeting of SOS. The operation aims to create an integrated organization which is synergistically active in providing digital services in the tourism sector. Both companies are active in the supply of digital services in the tourism sector: (i) SOS operates in the market for informational and assistance services for air transport passengers through mobile applications; (ii) DDC develops innovative digital solutions for the promotion - in national and international markets - of travel and holiday packages with a specific focus on Italian destinations. Following the merger, the Companies aim - through the SosTravel app- to present the market with a platform that offers complete assistance to the passenger. SOS has progressively added new services to its app; the main driver is a desire to integrate the DDC offer on its platforms. This offer consists of a series of software and algorithms for booking flights, hotels, excursions and experiences throughout the world.

As described above, it will allow post-merger SOS: (i) to manage a single platform on which the traveler can plan, book and verify all stages of the journey (tickets, flight status and information on activities); (ii) to integrate DDC know-how and best practices with those of SOS in order to expand its range of services and integrate customer bases, thereby diversifying market risks and expanding cross-selling opportunities; (iii) to increase its offer to users by offering travel-related service packages; (iv) to improve the visibility of the

post-integration organization in order to attract new investors and perfect existing financial or commercial partnerships as well as optimize credit relationships with the financial system.

The approved operation consists in the industrial aggregation of the operations of DDC with the operations of SOS; this will be implemented through the merger by incorporation of DDC into SOS. The transaction is classified as a "reverse take-over" pursuant to Article 14 of the EGM Issuers Regulations. The merger was approved by using the relative financial statements of the year as of 31.12.2021, approved by the relative shareholders' meetings (SOS on 28 April 2022 and DDC on 4 March 2022).

In order to determine the respective economic values, and the consequent calculation of the exchange ratio of the Merger, the companies availed themselves of a financial advisor. The Exchange ratio for the merger - defined as the number of SOS shares which will be assigned to DDC shareholders in exchange for the relative shareholdings - is subject to a fairness evaluation by a company designated, as per standard practice, by the Milan court. This ratio is of 590.9 ordinary SOS shares - with no nominal value and having the same dividend entitlement date as the SOS ordinary shares in circulation as of the effective date of the Merger - for each Euro of DDC capital.

These have been prepared in accordance with OIC (Italian Accounting Body) accounting principles as well as in compliance with CONSOB Communication No. DEM / 1052803 of 5 July 2001 which regulates the methodology for preparing pro-forma data.

In preparing the pro-forma data:

- The financial statements as of 30.06.2022 and 31.12.2021 were used, in compliance with OIC accounting principles.

In addition, the Pro-Forma statements have been prepared on the basis of the following criteria:

- Effective balance sheet effects as of 31 December 2021 for that regarding the preparation of the pro-forma balance sheet;
- Effective income statement effects as of 1 January 2022 for that regarding the preparation of the pro-forma income statement.

Given that the Pro-Forma Statements include the adjustment of final data in order to retroactively reflect the effects of a subsequent transaction (to be executed at the time the current pro-forma statements are drafted), it is evident that - despite compliance with the general criteria mentioned above - there are limits associated with the very nature of the pro-forma data.

Given that these are valuations determined on the basis of basic assumptions (simulations or virtual representations), the final data would not necessarily have been the same as the pro-forma ones if these transactions had actually taken place on the reference date of the pro-forma data and not on the actual dates. The pro-forma data do not reflect prospective data given that they are prepared in such a way as to represent only the isolable and objectively measurable effects of these extraordinary transactions, and without taking into account potential effects due to changes in management policies which have an elevated element discretion.

In addition, the pro-forma balance sheet and income statements of Sostravel and Digital Destination Company as of 30 June 2022 are reported below solely for informational purposes alongside the pro-forma statements as of 31 December 2021 which are reported in the Informational Document. The pro-forma financial statements as of 30 June 2022 have not been audited and have the sole purpose of reporting the effects of the "reverse take over" operation illustrated above.



PRO FORMA BALANCE SHEET - ASSETS

	BALANCE SHEET - ASSETS	Pro-forma 30.06.22	Pro-forma 31.12.21	Comparison
A	A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE	-	-	-
B	Fixed assets	2,271,829	2,253,600	18,230
B.I	Intangible fixed assets	1,315,374	1,279,776	35,598
B.I.1	Start up and expansion costs	5,217	11,155	(5,939)
B.I.2	Development costs	636,510	677,298	(40,788)
B.I.4	Authorizations, licenses, trademarks and similar rights	-	-	-
B.I.5	Goodwill	377,899	377,899	(0)
B.I.6	Tangible assets in progress and advances	236,150	141,906	94,244
B.I.7	Other	59,598	71,518	(11,920)
B.II	Tangible fixed assets	885,283	902,652	(17,369)
B.II.1	Land and buildings	829,648	843,018	(13,370)
B.II.4	Other assets:	49,955	56,514	(6,559)
B.II.5	Tangible assets in progress and advances	5,680	3,120	2,560
B.III	Financial fixed assets	71,172	71,172	-
B.III.1	Shareholdings in	71,172	71,172	-
C	CURRENT ASSETS	5,230,315	4,714,894	515,420
C.I	Inventories	-	-	-
C.II	Receivables	279,440	926,015	(646,575)
C.II.1	Trade receivables	(598,240)	12,221	(610,460)
C.II.4	Receivables due from parent companies	527	527	(0)
C.II.5	Due from companies subject to the control of the parent companies	371,860	434,362	(62,502)
C.II.5b	Tax receivables	473,972	478,471	(4,499)
C.II.6	Receivables due from social security institutions	1,321	198	1,123
C.III	Financial assets that are not fixed assets	-	-	-
C.IV	Liquid funds	4,950,874	3,788,879	1,161,995
C.IV.1	Bank and postal deposits	4,946,820	3,788,439	1,158,381
C.IV.3	Cash and cash equivalents	4,054	440	3,614
D	Accruals and deferrals	1,389,207	46,313	1,342,894
D.2	Deferred charges	1,389,207	46,313	1,342,894
	Total assets	8,891,351	7,014,807	1,876,544



PRO FORMA BALANCE SHEET - LIABILITIES

	BALANCE SHEET - LIABILITIES	Pro-forma 30/06/2022	Pro-forma 31/12/2021	Comparison
A	Shareholders' equity	3,512,308	3,940,788	(428,480)
A.I	Share capital	1,308,722	1,308,722	-
A.II	Share premium reserve	6,252,661	6,252,661	-
A.III	Revaluation reserve	-	-	-
A.IV	Legal reserve	100,000	100,000	-
A.V	Statutory reserves	-	-	-
A.VI	Other reserves	869,686	869,684	2
A.VIII	Profit (loss) carried forward	(4,590,279)	(3,207,073)	(1,383,206)
A.IX	Profit (loss) of the year	(428,482)	(1,383,206)	954,724
B	Provisions for risks and charges	34,523	78,442	(43,920)
B.3	other	34,523	78,442	(43,920)
C	Employee termination indemnities	46,897	60,154	(13,257)
D	Payables	5,208,602	2,811,124	2,397,477
D.4	Payables due to banks	3,069,559	1,974,500	1,095,059
D.5	Payables due to other financiers	-	5,080	-
D.6	Advances	-	22,923	(22,923)
D.7	Payables due to suppliers	1,717,106	311,374	1,405,732
D.11	Payables due to parent companies	7,557	12,999	(5,442)
D.11b	Total payables due to companies subject to the control of the parent companies	31,316	68,854	(37,538)
D.12	Tax payables	224,437	270,983	(46,545)
D.13	Payables due to social security institutions	35,263	38,923	(3,661)
D.14	Other payables	123,364	105,488	17,875
E	Accruals and deferrals	89,022	124,298	(35,276)
E.1	Accrued liabilities	6,642	16,338	(9,696)
E.2	Deferred income	82,379	107,960	(25,581)
	Total liabilities	8,891,351	7,014,807	1,876,544



Income statement

	Income statement	Pro-forma 30/06/2022	Pro-forma 31/12/2021	Comparison
A	Total revenues:	4,657,643	12,099,485	(7,441,841)
A.1	Revenues from sales and services	4,561,558	11,411,662	(6,850,105)
A.5	Other revenues and proceeds	96,086	687,822	(591,737)
B	Cost of production:	(5,002,969)	(13,151,966)	8,148,997
B.6	For raw and ancillary materials, consumables and goods	(3,390)	(7,799)	4,409
B.7	For services	(4,256,321)	(11,234,670)	6,978,348
B.8	Costs for use of third party assets	(33,841)	(61,864)	28,023
B.9	Personnel costs	(431,573)	(642,791)	211,218
B.10	Amortization/depreciation and write-downs	(251,075)	(974,343)	723,269
	Amortization of intangible fixed assets	(231,146)	(774,119)	542,973
	Depreciation of tangible fixed assets	(19,929)	(38,147)	18,219
	Writedown of receivable current assets and liquid funds	-	(162,077)	162,077
B.12	Allocations for risks	(12,011)	(51,264)	39,253
B.14	Other operating charges	(14,759)	(179,234)	164,475
A - B	Difference between value and cost of production (A-B)	(345,325)	(1,052,481)	707,156
C	Financial proceeds and charges	(24,063)	(9,852)	(14,211)
	Financial proceeds	0	2	(2)
	Interest and other financial charges	(23,361)	(18,468)	(4,893)
	Exchange rate gains and losses	(702)	8,615	(9,316)
D	Value adjustments of financial instrument assets and liabilities	-	(30,000)	30,000
A - B - C - D	Result before taxes	(369,388)	(1,092,333)	722,945
	Income taxes of the year	(59,094)	(87,876)	28,782
	Profit (loss) of the year	(428,482)	(1,180,209)	751,727

SOS will implement the merger by issuing 5,908,960 new ordinary shares, with no specification of the nominal value and with regular dividend rights; they will be assigned to DDC shareholders in proportion to the share capital they hold in the merged company. At the same time, 9,846,538 warrants will be issued and assigned to DDC shareholders with the same characteristics as those already existing and named "SosTravel.com 2021-2024 Warrants". The expected post-merger share capital structure is as follows:

Declaring party	Direct shareholder	SOS shares	%
Carmine Colella		2,659,032	20.3
Le Terrazze di Porto Ottiolu S.r.l.		2,659,032	20.3
Giovanni Perrucci		590,896	4.5
Rudolph Gentile	Rudolph Gentile	12,432	0.1
	TraWell Co.	792,336	6.1
	RG HOLDING S.r.l.	2,699,374	20.6
	Total	3,504,142	26.8
Free float		3,674,116	28.1
Total		13,087,218	100

Pursuant to Article 2504-bis of the Italian Civil Code, the effects of the merger will be as follows: (i) for civil law purposes and with respect to third parties, the effective date of the merger will coincide with the last registration date in the Registry of Companies of the merger deed or any differing date established in the merger deed; (ii) for accounting purposes, the operations of the incorporated company will be booked within the financial statements of the incorporating company as of the first day of the current financial year in which the merger becomes effective; (iii) for the purposes of income taxes, and in compliance with Article 172, Paragraph 9, of Italian Presidential Decree (DPR) 917/86, the effects of the merger will be effective as of the first day of the financial year in which the Merger will acquire statutory effectiveness;

Primary events in the first half of 2022

In April 2022, the system for e-commerce in the United States was completed.

During the month of June 2022, the Company obtained - from Simest - a second installment of the subsidized loan for the development of e-commerce, and equal to 154 thousand Euro: The loan has a non-repayable component of 40%, while the remaining 60% will be repaid to the lender.

Also in June 2022, the company began operating in the Czech Republic, thereby expanding the locations where our service is available through the TraWell group.

Primary events after 30 June 2022

Upon completion of the merger plan, the merger deed will be stipulated on 29 September.



6 Financial performance of sostravel

Economic performance as of 30 June 2022:

- **Revenues from sales** amounted to 263 thousand Euro, in line with respect to the figure of 30 June 2021 which was equal to 268 thousand Euro;
- **EBITDA** was equal to -304 thousand Euro, a decrease compared to the figure of 30 June 2021 equal to -25 thousand Euro; this was mainly due to the lower amount of grants obtained in 2022 compared to the first half of 2021;
- **EBIT** was equal to - 549 thousand Euro, an improvement compared to the figure as of 30 June 2021 equal to - 693 thousand Euro; this was due to the lower amortization/depreciation which accrued in the current half-year;
- **Net INCOME** of -566 thousand Euro (which for precautionary purposes does not include prepaid taxes);
- **Net financial debt (NFP) was positive (Cash)** and equal to 638 thousand Euro, a decrease compared to the same figure as of 31 December 2021 which was equal to 1,320 thousand Euro. This was mainly due to (i) negative EBITDA for the half year; (ii) extraordinary costs linked to the merger project, and paid in the half year, equal to 108 thousand Euro; (iii) costs for digital marketing activities which will be disbursed mainly in the second half of 2022 (and therefore deferred) for 207 thousand Euro.

Main economic and operational results as of 30 June 2022:

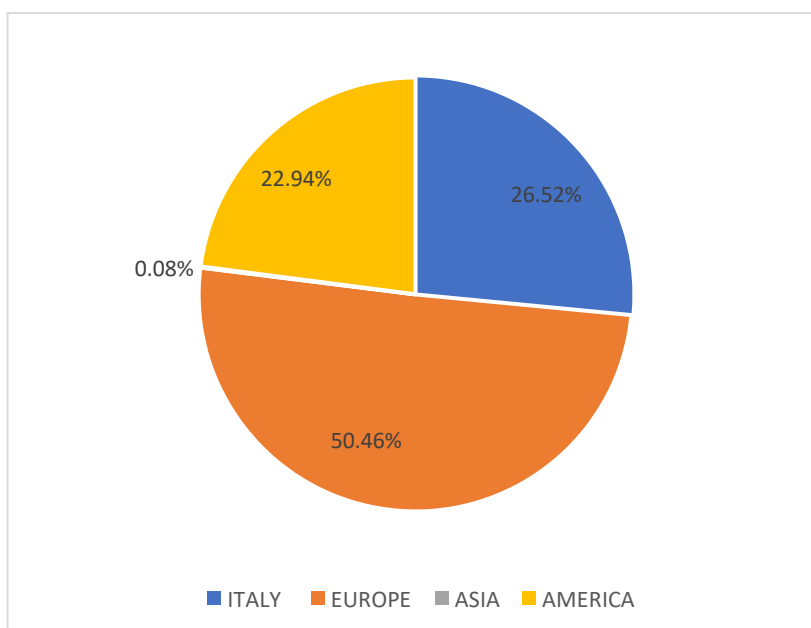
In addition to economic and financial data, the growth of the database of analyzed customers and the downloads of the two APPs (Flio and sostravel) are also relevant for the purposes of a complete assessment; this data is reported below (it includes - it should be reiterated - the acquisition of the Flio database).



BREAKDOWN OF SALES as of 30.06.2021

Revenues from sales as of 30 June 2022 amounted to 263 thousand Euro, in line with respect to the figure of 30 June 2021 which was equal to 368 thousand Euro.

The geographical breakdown of the aforementioned sales exhibited excellent geographical diversification with Italy at 26.52% of sales, the rest of Europe at 50.46%, and finally America (22.94%) and Asia (0.08%).



Financial statements as of 30 June 2022

Economic situation

Values in Euro	30/06/2022	30/06/2021
Revenues	263,010	267,983
Own work capitalized	0	0
Other revenues	91,287	460,300
Total revenues	354,297	728,283
Costs for raw materials	(105)	(377)
Costs for services	(422,423)	(512,621)
Costs for use of third party assets	(29,622)	(27,448)
Personnel costs	(194,065)	(167,268)
Change in inventories	0	0
Other costs	(12,482)	(45,290)
EBITDA	(304,400)	(24,721)
Amortization/depreciation	(232,545)	(466,316)
- Write-downs	0	0
Allocations	(12,011)	(202,164)
EBIT	(548,956)	(693,201)
Financial proceeds and charges (net)	(17,320)	(65,854)
Revaluations/write-downs of financial assets	0	0
Profit (loss) before taxes	(566,276)	(759,055)
Taxes	0	44,609
Net result	(566,276)	(714,446)

Balance sheet

Values in Euro	30/06/2022	31/12/2021
Intangible fixed assets	855,219	804,465
Tangible fixed assets	858,880	872,875
Financial fixed assets	71,172	71,172
(A) Net non-current assets	1,785,271	1,748,512
Inventories	0	0
Trade receivables	380,387	447,346
Other assets	641,440	516,209
Trade payables	(461,772)	(347,207)
Other liabilities	(129,498)	(200,212)
(B) Working capital	430,557	416,136
(C) Total provisions	(70,291)	(134,941)
(D)=(A)+(B)+(C) net invested capital	2,145,537	2,029,707
Liquid funds	2,704,980	3,294,685
Financial liabilities	(2,066,900)	(1,974,500)
(E) Net financial payables/receivables	638,080	1,320,185
(F) Shareholders' equity	2,783,617	3,349,892
(G)=(F)-(E) Sources	2,145,537	2,029,707



Net Financial Position

Values in Euro	30/06/2022	31/12/2021
A Liquid funds	80	64
B Other liquid funds	2,704,900	3,294,621
C Other current financial assets	0	0
D Liquidity (A+B+C)	2,704,980	3,294,685
E Current financial payables	0	0
F Current portion of non-current debt	90,229	15,750
G Current financial debt (E + F)	90,229	15,750
H Net current financial debt (G-D)	(2,614,751)	(3,278,935)
I Non-current financial payables	1,976,671	1,958,750
J Debt instruments	0	0
K Trade and other non-current payables	0	0
L Non-current financial debt (I + J + K)	1,976,671	1,958,750
* M Net financial debt (H + L)	(638,080)	(1,320,185)

* Pursuant to the Consob Communication of 28 July 2006 and in compliance with ESMA guidelines on disclosure requirements pursuant to the regulations on the prospectus applicable from 5 May 2021

7 Other information

The section provides a variety of information consistent with the provisions of Art. 2428.

Operational risks and uncertainties

The Company is careful in identifying and monitoring risks typical of its operations, with the dual objective of providing managers with appropriate tools for adequate management and maximizing the protection of corporate assets.

- Risk related to the lack of operational history of the new services that will be launched, with the exception of activities for tracking lost baggage which were already carried out in the past by the company TraWell Co. S.p.A.;
- Risks related to the operation of the *sostravel* App, such as failures in the operation of the software, programming errors, lack of interaction or compatibility between the mobile application and the devices on which it is installed and/or with any platforms, data centers and operating systems (IOS, Android, etc.) of third parties, including the related updates over which *sostravel* does not retain any control;
- Risks associated with customer retention, ie the ability to retain acquired users and prevent them from ceasing to use or cancel the App;
- Risks associated with acts of computer piracy;
- Risks related to the competitiveness of the market in which the Company operates and the entry of new competitors to the market;
- Risks connected to the seasonal nature of sales of services.

Primary non-financial indicators

Pursuant to the second paragraph of Art. 2428 of the Italian Civil Code, it is hereby certified that - given the specific activity that is carried out and for a more effective understanding of the company's situation, its performance and the result of operations - the reporting of non-financial indicators is not considered relevant.

Security, working environment and privacy

It is hereby certified that the company has not implemented specific environmental impact policies given that they are not necessary in relation to its operations and considering the exclusively commercial sector in which it operates. The disposal of waste and any packaging waste is carried out in full compliance with specific regulations.

In this regard, the company has never been sanctioned for environmental accidents or damages. With regard to regulations concerning the protection of privacy as well as workplace health and safety, all the required obligations have been promptly fulfilled or are being completed.

Personnel management

During the course of the year, our company made investments in personnel safety in compliance with Legislative Decree 81/08; in fact, all employees have been trained in the sectors of worker and employee safety.

R&D

Pursuant to and for the purposes of that reported in point 1 of the third paragraph of Art. 2428 of the Italian Civil Code, we hereby certify that the company constantly conducts research and development activities in order to expand the offered services and improve the current functionalities of the *sostravel* App.



Relations with subsidiaries, associates, parent companies and companies subject to control of parent companies

With regard to the provisions of paragraph 2 of the third paragraph of Art. 2428 of the Italian Civil Code, it should be noted that the company retains relations with the subsidiary of the parent company TraWell Co. S.p.A. and all companies belonging to this group. Relations established with the companies of the TraWell Co. S.p.A. group are contractual and stipulated in compliance with substantive and procedural correctness as well as at normal market conditions. In particular, there is a commercial contract for active baggage tracking and a call center service.

With regard to details of credit, debit, revenue and cost positions, please refer to the tables in the explanatory notes:

- Breakdown of receivables booked under current assets by geographical area
- Breakdown of payables by geographical area
- Breakdown of sales and services by geographical area
- Service costs

Business outlook and continuity

In accordance with and by effect of point 6) of the third paragraph of Art. 2428 of the Italian Civil Code, it should be noted that, in accordance with management policies, the planned investment and growth initiatives continue.

It is our duty to report any effects caused by the COVID-19 healthcare emergency to which the company has been exposed as well as any assessments of uncertainties for the forecasting of revenues.

During 2021 and 2022, there was a recovery in short and medium-haul air traffic but not yet a significant recovery in long-haul traffic; the latter represents the Company's target customers. Due to the above as well as the ongoing war in Ukraine and the current geopolitical situation, the first half of the year ended again with a weak volume of traffic and revenues; this will presumably be accompanied by a recovery in the second half of 2022.

At present it is not possible to exactly quantify the economic and financial effects for our Company that have arisen or that may arise as a consequence of the current situation. The directors therefore believe they can approve the financial statements with a view to business continuity due to the current capitalization of the company, its organizational and managerial capacity and the actions that the directors are taking to prevent the occurrence of situations that may have negative effects in the short to medium term. In addition, the Directors evaluated the economic and financial situation for the following 12 months and - despite the operating loss, the substantial decrease in revenues and the uncertainties deriving from the pandemic situation described above - they concluded that the application of the going concern assumption is still appropriate.

The company Digital Destination Company Srl - as previously noted in the paragraph "Business outlook and forecast for Sostravel - The merger with the company Digital Destination Company Srl - develops innovative digital solutions for the promotion of travel and vacation packages in national and international market, and with a specific focus on Italian destinations.

As a result, the directors believe that the incorporation of Digital Destination Company Srl will generate all the conditions for improving results by progressively generating a situation of break even in the financial statements, thereby ensuring business continuity.

Subsequent events

The company - with the approval of the merger by incorporation of Digital Destination Company Srl into



SOSTravel.com S.p.A. - plans to expand its business by relying on a platform which offers new services and complete passenger assistance.

Use of financial instruments relevant to the valuation of the financial situation and the economic result for the year

Pursuant to and by effect of the provisions of paragraph 6-bis) of the third paragraph of Art. 2428 of the Italian Civil Code, it is hereby certified that the company has not applied any specific financial risk management policies given that it is considered irrelevant in reference to our company operations.

Organizational model

On 01 July 2019, [sostravel.com](https://www.sostravel.com) S.p.A. adopted its own Organizational, Management and Control Model pursuant to the provisions contained in Legislative Decree No. 231 of 8 June 2001, as amended and supplemented. Through the adoption of the Model, and its subsequent and continuous updating, [sostravel.com](https://www.sostravel.com) S.p.A. intends to strengthen its internal control system, thereby ensuring compliance with the requirements of correctness and transparency while equipping itself with an instrument to protect itself in the event of crimes involving the administrative liability of the Company.

The adopted Model is the result of specific analyses regarding the organization and activities implemented by the Company, in accordance with the best practices on the subject and considering the specificities of the sector to which it belongs as well as the so-called Confindustria "guidelines" on the subject.

As required by law, [sostravel.com](https://www.sostravel.com) S.p.A. appointed its own Supervisory Body at the same time; it is identified as a single body in the person of Mr. Dario Tozzi who is entrusted with the tasks of supervising the correct functioning of the Model and ensuring its updating and correct application.

The loss per share as of 30 June 2022, in

Finally, the Code of Ethics is an integral part of the Model; it encompasses a set of rules aimed at ensuring that the behavior of the recipient parties - including collaborators and suppliers of [sostravel.com](https://www.sostravel.com) S.p.A. - are always inspired by the principles of fairness, collaboration, loyalty, transparency and mutual respect. It also aims to prevent conduct which can be classified under the types of crimes and administrative offences included in the list of Legislative Decree 231/2001.

Profit (loss) per share

accordance with the procedures set out in IAS 33, was equal to - € 0.079. The methods for calculating the basic profit (loss) per share and diluted earnings (loss) per share are defined by IAS 33 - Earnings per share. The basic profit (loss) per share is defined as the ratio of the economic result of [Sostravel.com](https://www.sostravel.com) S.p.A. for the period attributable to holders of ordinary capital instruments as of 30 June 2022 (7,178,258 shares as of 30 June 2022).

Secondary offices

In compliance with the provisions of Art. 2428 of the Italian Civil Code, it is hereby certified that the company has no secondary offices.

The Board of Directors

Gallarate, 28 September 2022





FINANCIAL STATEMENTS OF SOSTRAVEL.COM

30 June 2022

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive name.

8 FINANCIAL STATEMENTS

SOSTRAVEL.COM S.P.A.

HALF-YEAR FINANCIAL STATEMENTS AS OF 30/06/2022

Company data	
Registered office in	Via Marsala 34/A GALLARATE
Tax ID	03624170126
Economic & administrative No.	VARESE366690
VAT No.	03624170126
Share capital Euro	717,826.00 fully paid up
Legal form	JOINT STOCK COMPANY
Primary activity sector (ATECO)	522300
Company in liquidation	no
Company with sole shareholder	no
Company subject to management and Coordination	no
Name of the company or entity that exercises management and coordination	
Part of a group	yes
Name of the parent company	RG Holding Srl
Country of parent company	Italy
Registration no. in list of cooperative companies	



BALANCE SHEET

ASSETS	30/06/2022	31/12/2021
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE		
Total receivables from shareholders for payments still due A)	0	0
B) Fixed assets		
I- Intangible fixed assets		
1) Start up and expansion costs	5,216	11,155
2) Development costs	613,853	651,404
6) Tangible assets in progress and advances	236,150	141,906
Total intangible fixed assets	855,219	804,465
II - Tangible fixed assets		
1) Land and buildings	829,648	843,018
4) Other assets	23,552	26,737
5) Tangible assets in progress and advances	5,680	3,120
Total tangible fixed assets	858,880	872,875
III - Total financial fixed assets		
1) Shareholdings in:		
D-bis) Other companies	71,172	71,172
Total shareholdings (1)	71,172	71,172
Total financial fixed assets (III)	71,172	71,172
Total fixed assets (B)	1,785,271	1,748,512
C) CURRENT ASSETS		
I) Inventories		
Total inventories	0	0
II - Receivables		
1) Trade receivables		
Due within next year	8,000	12,457
Total receivables due from customers	8,000	12,457
4) receivables due from parent companies		
Due within next year	527	527
Total receivables due from parent companies	527	527
5) Due from companies subject to the control of the parent companies		
Due within next year	371,860	434,362
Total Receivables due from companies subject to the control of the parent companies	371,860	434,362
5-bis) tax receivables		
Due within next year	459,819	478,471
Total tax payables	459,819	478,471
Total receivables	840,206	925,817
III - Financial assets that are not fixed assets		
Total financial assets that are not fixed assets	0	0
IV - Liquid funds		
1) Bank and postal deposits	2,704,900	3,294,621
3) Cash and cash equivalents	80	64
Total Liquid funds	2,704,980	3,294,685
Total current assets (C)	3,545,186	4,220,502
D) Accruals and deferrals	181,621	37,738
Total assets	5,512,078	6,006,752

BALANCE SHEET

Liabilities	30/06/2022	31/12/2021
A) SHAREHOLDERS' EQUITY		
I - Share capital	717,826	717,826
II - Share premium reserve	6,252,661	6,252,661
III - Revaluation reserves	0	0
IV - Legal reserve	100,000	100,000
V - Statutory reserves	0	0
VI - Other reserves, distinctly specified		
Misc. other reserves	869,685	869,684
Total other reserves	869,685	869,684
VII - Reserve for transactions to cover expected cash flows	0	0
VII - Profit (loss) carried forward	(4,590,279)	(3,207,073)
IX - Profit (loss) of the year	(566,276)	(1,383,206)
Loss covered during the year	0	0
X - Negative reserve for own shares in portfolio	0	0
Total shareholders' equity	2,783,617	3,349,892
B) Provisions for risks and charges		
4) other	34,523	78,442
Total provisions for risks and charges B	34,523	78,442
C) Employee termination indemnities	35,768	56,499
D) Payables		
4) Payables due to banks		
Due within next year	90,229	15,750
Due beyond next year	1,976,671	1,958,750
Total payables due to banks (4)	2,066,900	1,974,500
7) Payables due to suppliers		
Due within next year	422,899	265,354
Total payables due to suppliers (7)	422,899	265,354
11) payables due to parent companies		
Due within next year	7,557	12,999
Total payables due to parent companies (11)	7,557	12,999
11-bis) Due to companies subject to the control of the parent companies		
Due within next year	31,316	68,854
Total payables due to companies subject to the control of the parent companies (11-bis)	31,316	68,854
12) Tax payables		
Due within next year	19,185	18,640
Total tax payables (12)	19,185	18,640
13) Payables due to social security institutions		
Due within next year	18,165	32,397
Total payables due to social security institutions (13)	18,165	32,397
14) Other payables		
Due within next year	36,727	75,449
Total other payables (14)	36,727	75,449
Total payables (D)	2,602,749	2,448,193
E) Accruals and deferrals	55,421	73,726
Total liabilities	5,512,078	6,006,752

Income statement

Income statement	30/06/2022	30/06/2021
A) TOTAL REVENUES:		
1) Revenues from sales and services	263,010	267,983
5) Other revenues and proceeds		
other	91,287	460,300
Total other revenues and proceeds	91,287	460,300
Total revenues	354,297	728,283
B) Cost of production		
6) For raw and ancillary materials, consumables and goods	105	377
7) For services	422,423	512,621
8) Costs for use of third party assets	29,622	27,448
9) Total personnel costs		
a) salaries and wages	139,674	118,868
b) social security charges	42,102	33,355
c) termination indemnities	12,289	9,165
e) other costs	0	5,880
Total personnel costs	194,065	167,268
10) amortization/depreciation and write-downs		
a) amortization of intangible fixed assets	215,990	449,584
b) depreciation of tangible fixed assets	16,555	16,732
d) write-downs of receivables booked under current assets and cash and cash equivalents	-	-
Amortization/depreciation and write-downs	232,545	466,316
12) allocations for risks	12,011	202,164
14) other operating charges	12,482	45,290
Total cost of production	903,253	1,421,484
Difference between value and cost of production (A-B)	(548,956)	(693,201)
C) Financial proceeds and charges		
16) other financial proceeds		
d) proceeds other than the above		
Total proceeds other than the above	0	-
Total other financial proceeds	0	-
17) interest and other financial charges		
other	16,618	72,807
Total interest and other financial charges	16,618	72,807
17-bis) net income and exchange rate losses	(702)	6,953
Total financial proceeds and charges (15 + 16 - 17 + - 17-bis)	(17,320)	(65,854)
Result before taxes (A - B + - C + - D)	(566,276)	(759,055)
20) Income taxes for the year, current, deferred and prepaid		
Current taxes	0	
Total income taxes for the year, current, deferred and prepaid	0	(44,609)
21) Profit (loss) of the year	(566,276)	(714,446)

CASH FLOW STATEMENT INDIRECT METHOD

A. Cash flows from operating activities (indirect method)	30/06/2022	30/06/2021
Profit (loss) of the year	(566,276)	(714,446)
Income taxes of the year	0	(44,609)
Payable/(receivable) interest	16,618	65,854
(Dividends)	0	0
Capital (gains) / losses deriving from the sale of assets	0	0
1. Profit / (loss) of the year before income taxes, interest, dividends and capital gains/losses from transfers	(549,658)	(693,201)
<i>Adjustments for non-monetary items that are not offset in net working capital</i>		
Allocations to provisions	46,812	209,670
Amortization/depreciation of fixed assets	232,545	466,316
Write-downs for permanent impairment	0	0
Value adjustments of financial assets and liabilities of derivative financial instruments that do not involve cash flow movements	0	0
Other increases/(decreases) for non-monetary items	0	0
<i>Total adjustments for non-monetary items that are not offset in net working capital</i>	279,357	675,986
2. Cash flows before changes in net working capital	(270,301)	(17,215)
<i>Changes in net working capital</i>		
Decrease/(Increase) in inventories	0	0
Decrease/(Increase) in receivables due from customers	4,457	(4,698)
Increase/(Decrease) in payables due to suppliers	157,545	(103,160)
Decrease/(Increase) in accrued income and deferred charges	(143,883)	17,016
Increases/(Decreases) in accrued liabilities and deferred income	(18,305)	(61,162)
Other decreases/(Other increases) in net working capital	(14,234)	290,651
<i>Total changes in net working capital</i>	(14,420)	138,647
3. Cash flows after changes in net working capital capital	(284,721)	121,432
<i>Other changes</i>		
Interest collected/(paid)	(16,618)	(65,854)
(Paid income taxes)	0	44,609
Collected dividends	0	0
(Use of provisions)	(111,462)	(64,762)
Other collections/(payments)	0	0
<i>Total other changes</i>	(128,080)	(86,007)
Cash flows from operating activities (A)	(412,801)	35,425
B) Cash flows from investment activities		
<i>Tangible fixed assets</i>		
(Investments)	(2,560)	(1,245)
Divestments	0	2,370
<i>Intangible fixed assets</i>		
(Investments)	(266,744)	0
Divestments	0	
<i>Financial fixed assets</i>		

(Investments)	0	(16,793)
Divestments	0	
<i>Current financial assets</i>		
(Investments)	0	
Divestments	0	
(Acquisition of company branches net of liquid funds)	0	
Sale of company branches net of liquid funds	0	
Cash flows from investment activities (B)	(269,304)	(15,668)
C. Cash flows from financing activities		
<i>Third party financing</i>		
Increase / (Decrease) of short-term payables to banks	0	
Acquisition of financing	92,400	1,880,000
(Reimbursement of financing)		
<i>Own assets</i>		
Paid share capital increase	0	1,239,140
(Capital reimbursement)	0	0
Sale (purchase) of own shares	0	0
(Dividends and advances on paid dividends)	0	0
Cash flows from financing activities (C)	92,400	3,119,140
Increase (decrease) in liquid funds (A ± B ± C)	(589,705)	3,138,897
Exchange rate effect on liquid funds	0	
Liquid funds at the start of the year		
Bank and postal deposits	3,294,621	456,498
Checks	0	0
Cash and cash equivalents	64	0
Liquid funds at the start of the year	3,294,685	456,498
Of which not freely usable	0	0
Liquid funds at the end of the year		
Bank and postal deposits	2,704,900	3,595,331
Checks	0	0
Cash and cash equivalents	80	64
Liquid funds at the end of the year	2,704,980	3,595,395

9 Explanatory notes to the financial statements closed on 30-06-2022

Explanatory notes, initial section

The half-year financial statements as of 30/06/2022 - of which these explanatory notes are an integral part pursuant to Art. 2423, first paragraph of the Italian Civil Code - are consistent with the results of the accounting records that were regularly held and are prepared in accordance with Articles 2423, 2423 ter, 2424, 2424 bis, 2425, 2425 bis, 2425 ter of the Italian Civil Code, in compliance with the principles of preparation pursuant to the provisions of Art. 2423 bis and the valuation criteria pursuant to Art. 2426 of the Italian Civil Code, as supplemented by the OIC (Italian accounting body) standards required for the preparation of an interim report (OIC 30).

The Company has drafted the financial statements by using the same principles adopted for the financial statements as of 31 December 2021.

The company is a start-up that was founded at the end of 2017 from the transfer of the company branch operated by the shareholder TraWell Co S.p.A.

The Company operates in the tourism sector, offering services to travellers which include, amongst other items, assistance in the search for mishandled baggage, baggage protection, detailed information on departure and arrival airports, weather at destination, information on booking and transfers from/to airports of departure and arrival, wayfinding and the marketing of services on the web and through mobile devices. The main activities that were implemented concern the management and technological development of the website and the app through which the aforementioned services are provided in addition to the planning of marketing and commercial initiatives aimed at increasing the number of users.

During 2022, in accordance with management policies, the planned investment and development initiatives continued in line with the state of emergency linked to COVID-19.

The company belongs to the RG Holding Group, and to which TraWellco S.p.A. also belongs. It is

one of the main European and world operators in baggage protection and tracking services at airports. The half-year financial statements as of 30 June 2022 were subject to a limited audit by the auditing company Audirevi S.p.A.



General preparation principles

In order to clearly prepare the financial statements and provide a true and fair report of the financial position and the economic performance - in accordance with the provisions of Article 2423 bis of the Italian Civil Code - the following was provided for:

- valuating the individual items according to the principle of prudence and on the basis of a going concern assumption;
- including only the profits that were effectively generated during the year;
- determining income and costs in compliance with the accruals principles and regardless of their cash flows;
- understanding all the risks and losses which accrued, even if they become known after the end of the year;
- separately considering, for the purposes of the relative assessment, the heterogeneous elements included in the various items of the financial statements;
- maintaining the applied valuation criteria unchanged with respect to the previous year.

The following financial statement postulates pursuant to OIC 11 par. 15 were also complied with.

- a) prudence;**
- b) assumption of a going concern;**
- c) substantial representation;**
- d) accruals principle;**
- e) consistency of valuation principles;**
- f) relevance;**
- g) comparability;**



Assumption of a going concern;

With regard to this principle, the valuation of the items in the financial statements was implemented on the basis of a going concern assumption and therefore by taking into account the fact that the company constitutes a functioning economic organization which is expected - at least for a foreseeable future period of time of 12 months from the closing date of reference of the financial statements - to generate income.

With regard to a prospective assessment of the assumption of business continuity - and despite the awareness of the particularly critical nature of the market situation resulting from the epidemiological crisis due to Covid-19 - it was deemed in any case possible to confirm the existence of this assumption for the purposes of preparing these financial statements on the basis of the existing business forecasts and programs.

The financial statements were drawn up in Euro units.

Exceptional cases pursuant to Art. 2423, fifth paragraph, of the Italian Civil Code

No exceptional events occurred which made it necessary to resort to derogations pursuant to Article 2423, paragraph five of the Italian Civil Code.

Changes in accounting principles

There were no changes in accounting principles in the year.

Correction of relevant errors

No relevant errors committed in previous years emerged.

COMPARABILITY AND ADJUSTMENT ISSUES

There were no assets and liabilities that fell under more than one item in the financial statements.

Applied valuation criteria

The criteria applied during the valuation of the items of the financial statements - as reported below - comply with the provisions of Art. 2426 of the Italian Civil Code.

The valuation criteria pursuant to Art. 2426 of the Italian Civil Code comply with those used in the preparation of the financial statements of the previous year.

Intangible fixed assets

Intangible assets are booked, within the limit of their recoverable value, at purchase or internal production cost, including all directly ascribable accessory charges; they are systematically amortized on a straight-line basis according to the residual possibility of use of the asset.

In particular, start-up and expansion costs derive from the capitalization of charges relative to the start-up or growth phases of operating capacity. Within the start-up and expansion costs, incorporation costs are amortized over five years, while the listing and start-up costs are amortized over three years.

Development costs derive from the application of the results of basic research or other knowledge that is owned or acquired prior to the start of commercial production or use; they are amortized according to their useful life and, more specifically, on a straight line basis over a period of five years.

Authorizations, trademarks and other similar rights are amortized over three years, while licenses are amortized over five years.

In application of accounting principle OIC 12 par. 57, the tax credits recognized for R&D activities and listing costs are classified as contributions that are proportional to the cost of the intangible assets in question. Proceeds - which constitute the tax credit - are booked under deferred income and gradually charged to the income statement under the item "A5-Other revenues", as positive income items for the relevant portion which is calculated in proportion to the amortization of subsidized costs that accrued for the year.

Fixed assets whose value at the end of the year was permanently lower than the residual cost to be amortized are booked at this lower value; this value is not maintained if the reasons for the adjustment cease to apply in subsequent financial years.



The posting and valuation of the items included in the category of intangible assets was implemented with the consent of the Board of Statutory Auditors, where this is provided for by the Italian Civil Code.

Tangible fixed assets

Tangible fixed assets are booked on the date in which the risks and benefits connected to the acquired assets are transferred; they are recorded - up to the amount of the recoverable value - at purchase or production cost, net of the relative provisions for depreciation and including all directly attributable costs and accessory charges, indirect costs related to internal production, and charges relative to the financing of internal production which were incurred during the manufacturing period and up to the moment in which the asset can be utilized. The cost of fixed assets whose use is limited in time is systematically depreciated each financial year on the basis of economic-technical rates determined in relation to their residual possibility of use.

Depreciation begins when the assets are available and ready for use.

The rates that reflect the result of the technical depreciation plans, as confirmed by the companies and reduced by 50% for the acquisitions during the year, have been applied given that there exist for the latter the conditions set by OIC 16 paragraph 16.

The depreciation plans, in accordance with OIC 16, paragraph 70, are reviewed in the event of a change in the residual possibility of use.

The rates which were applied are reported below.

Land and buildings 3%

Other assets:

- Furniture and furnishings: 12%
- Electronic office machinery: 12%
- Electronic telephone systems: 12%

Receivables

Receivables are classified under fixed assets or current assets based on their destination/origin and in relation to ordinary operations; they are recorded at their estimated realizable value. The breakdown of the amounts due within and beyond the financial year is implemented with reference to their contractual or legal expiration dates while also taking into account facts and

events that may result in a change in the original expiration dates and of the realistic capacity of the debtor to fulfil the obligation within the contractual deadlines in addition to the time period within which one reasonably believes to collect the receivable. Receivables pursuant to Art. 2426, paragraph 8 number 8 of the Italian Civil Code are booked in accordance with the amortized cost criterion, except for receivables for which the effects of application of the amortized cost - pursuant to Art. 2423 paragraph 4 of the Italian Civil Code - are irrelevant (maturity less than 12 months).

With regard to the aforementioned relevance principle, receivables have not been discounted if the interest rate that can be deduced from the contractual conditions is not significantly different from the market interest rate.

The "time factor" pursuant to in Art. 2426, paragraph 1 number 8, was also taken into account by discounting receivables falling due beyond 12 months and in the case of a significant difference between the effective interest rate and the market rate.

Receivables for which the amortized cost criterion was not applied have been recognized at their estimated realizable value.

Receivables, regardless of the application or not of the amortized cost, are reported in the financial statements net of the booking of an allowance for bad debts - which covers receivables deemed non-collectable - as well as net of the generic risk related to the remaining receivables; the latter is based on estimates from past experience, the performance of the seniority index of past due receivables, the general economic and sector situation and country risk, as well as events after the end of the year that have an impact on the values as of the date of the financial statements.

With regard to receivables secured by guarantees, the effects relative to the enforcement of the guarantees was taken into account and - for the insured receivables - only the portion not covered by the insurance was taken into account.

Tax receivables and deferred tax assets

The item 'Tax receivables' includes the certain and determined amounts deriving from receivables for which a realization right has arisen through reimbursement or compensation.

The item "Prepaid taxes", if the conditions are met, includes deferred tax assets determined on the basis of deductible timing differences or the carrying forward of tax losses; it is valued by applying the estimated rate in force at the time when it is believed that these differences will occur, provided there is a well-founded certainty of their future recovery, as reported in business plans for a reasonable period of time in which taxable income is expected to be sufficient to absorb the losses that can be carried forward and/or the accrued temporary taxable differences.

Liquid funds

Liquid funds are reported at their nominal value.

Accruals and deferrals

Accruals and deferrals have been booked on the basis of the accruals principle and contain the revenues/costs pertaining to the year which are payable in subsequent years as well as revenues/costs incurred by the end of the year but pertaining to subsequent years.

As a result, only the portions of costs and revenues which are common to two or more years - whose amount which varies over time - are booked.

At the end of the year it was determined that the conditions that led to the initial recognition were respected while making the necessary value adjustments, if necessary, and taking into account not only the timing factor but also potential recoverability.

Accrued income, similar to operating loans, was valued at estimated realizable value, by applying, if this value was lower than the book value, a write-down in the income statement.

Accrued liabilities, similar to payables, were valued at their nominal value.

With regard to deferred charges, the valuation of the future economic benefit relative to the deferred costs was implemented while applying, if this benefit was lower than the rediscounted portion, a value adjustment.

Provisions for risks and charges

Provisions for risks represent liabilities relative to situations existing on the date of the financial statements but whose occurrence is only probable.

With reference to risks for which the emergence of a liability is only possible or if the cost cannot be reliably estimated, provisions for risks have not been allocated.

Provisions for charges represent certain liabilities that are related to negative income items pertaining to the year but which will become cash flows in the following year. The valuation process is implemented and/or adjusted as of the financial statements date and based on past experience as well as any available useful information.

In accordance with OIC 31 par.19, and given that the criterion for classifying costs by nature prevails, provisions for risks and charges are booked under the items of ordinary operations to which the transaction refers (ordinary, accessory or financial).

Provisions for taxes, including deferred taxes

If the conditions are applicable, this item includes liabilities for probable taxes deriving from non-definitive assessments and pending disputes as well as liabilities for deferred taxes determined on the basis of taxable timing differences by applying the estimated rate in force at the time in which such differences are deemed to occur.

The deferred tax provision also includes, pursuant to OIC 25 par. from 53 to 85, deferred taxes deriving from extraordinary operations, revaluation of assets, and untaxed reserves that were not booked in the income statement or under shareholders' equity.



Employee termination indemnities

Employee termination indemnities are booked in compliance with the provisions of current legislation and correspond to the actual commitment of the Company towards individual employees on the closing date of the financial statements after deducting any disbursed advances.

Payables

Payables pursuant to Art. 2426, paragraph 1 number 8 of the Italian Civil Code are booked in accordance with the amortized cost criterion, except for payables for which the effects of application of the amortized cost - pursuant to Art. 2423 paragraph 4 of the Italian Civil Code - are irrelevant (maturity less than 12 months). With regard to the aforementioned relevance principle, payables have not been discounted if the interest rate that can be deduced from the contractual conditions is not significantly different from the market interest rate.

The "time factor" pursuant to in Art. 2426, paragraph 1 number 8, was also taken into account by discounting payables falling due beyond 12 months and in the case of a significant difference between the effective interest rate and the market rate.

Payables for which the amortized cost criterion was not applied have been recognized at their nominal value.

The breakdown of the amounts due within and beyond the financial year is implemented with reference to the contractual or legal expiration date while also taking into account facts and events that may determine a change in the original expiration date.

Payables originating from acquisitions of assets are booked at the time the risks, charges and benefits are transferred; those relative to services are booked at the time the service is provided; those of financial and other natures are booked at the time when the obligation with the counterparty arises.

Tax payables include liabilities for certain and determined taxes as well as the withholdings made as a withholding agent and not yet paid on the financial statements date; if compensation is allowed, they are recorded net of advances, withholding taxes and tax receivables.

Values in foreign currency

Monetary assets and liabilities denominated in foreign currencies are booked at the spot exchange rate at the end of the year, with the relative exchange rate gains and losses booked to the income statement.

Any potential net income deriving from adjustment to exchange rates is booked - for the portion not absorbed by any loss for the year - in a special reserve that cannot be distributed until it is realized. Non-monetary assets and liabilities denominated in foreign currencies are booked at the exchange rate in force at the time of their purchase, and - pursuant to OIC 26 par. 31, and at the time of preparing the financial statements - this cost is compared, according to accounting principles of reference, with the recoverable value (fixed assets) or with the value deducible from the market trend (current assets).

Costs and revenues

They are reported according to the principles of prudence and accruals.

Economic and financial transactions with group companies and related parties are carried out at normal market conditions.

With reference to "Revenues from sales and services", it should be noted that adjustments of revenues, pursuant to OIC 12 par. 50, are deducted from the item "revenues", but excluding those referring to previous years and deriving from corrections of errors or changes in accounting principles which are recognized, pursuant to OIC 29, within the opening balance of shareholders' equity.

Other information

If the conditions are applicable, the specific sections of the explanatory notes illustrate the criteria with which the Article 2423, fourth paragraph was implemented in the case of failure to comply with the reporting, valuation, presentation and disclosure requirements and when their compliance has irrelevant effects on truthful and correct reporting.

The principles and recommendations published by the Italian Accounting Body (OIC) have been complied with and integrated, where required, by generally accepted international principles (IAS/IFRS) in order to provide a true and fair representation of the financial situation and economic performance of the year; these were supplemented by the OIC accounting principles relative to the preparation of an interim report (OIC 30).



Explanatory notes, assets

The valuation of financial statement items was implemented by taking into account the principle of prudence and with a view to a going concern as well as by taking into account the economic function of the asset and liability item in question.

The accruals principle was also applied and, as a result, the effect of transactions and other events was booked and recorded to the financial year to which these transactions and events refer, and not to the year in which the relative cash flows occurred.

Fixed assets

The valuation criteria for fixed assets comply with the provisions of Art. 2426 of the Italian Civil Code. Fixed assets are booked at cost or internal production value, including all directly ascribable costs.

The tables below report changes in fixed assets, as required by point 2 of Article 2427 of the Italian Civil Code.

Intangible fixed assets

Intangible fixed assets amounted to € 855,219 (€ 804,465 in the previous year). The composition and movements of the individual items were as follows:

Movements in intangible fixed assets

	Start up and expansion costs	Development costs	Authorizations, licenses, trademarks and similar rights	Assets in progress and advances	Total intangible fixed assets
Value at year start					
Cost	1,384,683	2,035,722	300,000	141,906	3,862,311
Amortization (provisions for amortization)	1,373,528	1,384,318	300,000	0	3,057,846
Book value	11,155	651,404	0	141,906	804,465
Changes during the year					
Increase for acquisitions	0	30,594	0	236,150	266,744
Reclassifications (of the book value)	0	141,906	0	(141,906)	0
Depr. of the year	5,939	210,051	0	0	215,990
Total changes	(5,939)	(37,551)	0	94,244	50,754
Value at year end					
Cost	1,384,683	2,208,222	300,000	236,150	4,129,055
Amortization (provisions for amortization)	1,379,467	1,594,369	300,000	0	3,273,836
Book value	5,216	613,853	0	236,150	855,219

The item "Start-up and expansion costs" includes founding and listing costs and expenses. Development costs include proprietary software developed by the company. Authorizations, licenses, trademarks and similar rights include only the cost of purchasing the FLIO brand.

Tangible fixed assets

Tangible fixed assets amounted to € 858,880 (€ 872,875 in the previous year).

Tangible fixed assets consist of buildings, furniture and furnishings, office machinery, electronic telephone systems and equipment.

Tangible fixed assets are originally entered at purchase or production cost. The purchase cost includes directly attributable accessory charges.

Tangible fixed assets are entered at their purchase cost. The depreciation rates are booked within the income statement on a straight line basis and in accordance with rates deemed representative of the residual possibility of use of the assets.

Fixed assets which, at the end of the financial year, are permanently of a lower value than the book value are reduced to this lower value and the difference is booked within the income statement as a write-down.

If the reasons for the impairment adjustment no longer exist, the original value is reinstated.

The composition and movements of the individual items were as follows:

Movements in tangible fixed assets

	Land and buildings	Industrial and commercial equipment	Other tangible fixed assets	Assets in progress and advances	Total tangible fixed assets
Value at year start					
Cost	898,725	203	49,758	3,120	951,806
Amortization (provisions for amortization)	55,707	203	23,021	0	78,931
Book value	843,018	0	26,737	3,120	872,875
Changes during the year					
Increase for acquisitions	0	0	0	2,560	2,560
Depr. of the year	13,370	0	3,185	0	16,555
Total changes	(13,370)	0	(3,185)	2,560	(13,995)
Value at year end					
Cost	898,725	203	49,758	5,680	954,366
Amortization (provisions for amortization)	69,077	203	26,206	0	95,486
Book value	829,648	0	23,552	5,680	858,880

Finance lease operations

Pursuant to Art. 2427, paragraph 1, number 22, of the Italian Civil Code, it should be noted that no finance leasing operations have been implemented for which there is an obligation to provide the information requested therein.

Financial fixed assets

Movements in equity investments, other securities and non-current financial derivative assets

	Shareholding in other companies	Total shareholdings
Value at year start		
Cost	101,172	101,172
Book value	101,172	101,172
Changes during the year		
Increase for acquisitions	0	0
Write-downs during the year	0	0
Total changes	0	0
Value at year end		
Cost	101,172	101,172
- Write-downs	30,000	30,000
Book value	71,172	71,172

Details on long-term investments in subsidiaries

Pursuant to art. 2427, paragraph 1, number 5 of the Italian Civil Code, it should be noted that the Company does not own any shareholdings in subsidiaries or affiliates for which the obligation to provide the information provided therein exists.

Non current receivables relative to transactions with a repurchase obligation

It should be noted that there are no non-current receivables deriving from operations with repurchase agreements, in accordance with Art. 2427, paragraph 1 number 6-ter of the Italian Civil Code.

Value of financial fixed assets

Pursuant to art. 2427 bis, paragraph 1, number 2 letter a) of the Italian Civil Code, it should be noted that there are no financial fixed assets booked at a value higher than their fair value.

CURRENT ASSETS

Tax receivables booked under current assets

Receivables booked under current assets were equal to € 840,206 (€ 925,817 in the previous year). The composition is as follows:

	Due within next year	Due after next year	Total nominal value	(Provisions for risks/write-downs)	Net value
Trade receivables	8,000	0	8,000	0	8,000
Receivables due from parent companies	527	0	527	0	527
Due from companies subject to the control of the parent companies	566,998	0	566,998	195,138	371,860
Tax receivables	459,819	0	459,819		459,819
Total	1,035,344	0	1,035,344	195,138	840,206

Changes and expiration dates of receivables booked under current assets

Data relative to the breakdown of receivables by expiration data is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

	Value at year start	Changes during the year	Value at year end	Quota expiring within the year	Quota expiring after the year	With a residual duration of more than five years
Trade receivables booked under current assets	12,457	(4,457)	8,000	8,000	0	0
Receivables booked under current assets due from parent companies	527	0	527	527	0	0
Receivables booked under current assets due from companies subject to control by parent companies	434,362	(62,502)	371,860	371,860	0	0
Tax receivables booked under current assets	478,471	(18,652)	459,819	459,819	0	0
Total receivables booked under current assets	925,817	(85,611)	840,206	840,206	0	0

With regard to the deferred tax assets, it should be noted that, in these financial statements, they were not recognized - despite the formation of additional temporary negative income differences and a tax loss that can be carried forward for the purposes of IRES - on the basis of a prudential approach which takes into account the impossibility, at this time, of formulating reliable income forecasts for future years and therefore the possibility of "recovery" of deferred tax assets, even if abstractly identifiable.

The change in tax receivables was mainly due to the increase in the VAT receivable as well as due to the zeroing of the receivable from the so-called "Innovative ACE (Aiuto alla Crescita Economica, "Economic Growth Subsidy")" and of the receivable for listing; the latter were fully utilized for offsetting during the first half of 2022.

Breakdown of receivables booked under current assets by geographical area

Data relative to the breakdown of receivables booked under current assets is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

Geographical area	Total	Italy	France	Portugal	Switzerland	Canada
Trade receivables booked under current assets	8,000	8,000	0	0	0	0
Receivables booked under current assets due from parent companies	527	527	0	0	0	0
Receivables booked under current assets due from companies subject to control by parent companies	371,860	24,114	172,869	88,894	10,377	72,042
Tax receivables booked under current assets	459,819	459,819	0	0	0	0
Total receivables booked under current assets	840,206	492,460	172,869	88,894	10,377	72,042

Geographical area	Greece	Other EU countries
Trade receivables booked under current assets	0	0
Receivables booked under current assets due from parent companies	0	0
Receivables booked under current assets due from companies subject to control by parent companies	2,465	1,099
Tax receivables booked under current assets	0	0
Total receivables booked under current assets	2,465	1,099

Receivables booked under current assets relative to transactions with a repurchase obligation

It should be noted that there are no receivables booked under current assets deriving from operations with repurchase agreements, in accordance with Art. 2427, paragraph 1 number 6-ter of the Italian Civil Code.

Liquid funds

Receivables booked under current assets were equal to € 2,704,980 (€ 3,294,685 in the previous year).

The composition and movements of the individual items were as follows:

	Value at year start	Changes during the year	Value at year end
Bank and postal deposits	3,294,621	(589,721)	2,704,900
Cash and cash equivalents	64	16	80
Total Liquid funds	3,294,685	(589,705)	2,704,980

In the first half of 2022, the SACE financing transaction relative to the US e-commerce site was completed:

- a total of 154 thousand Euro were received, of which 61.6 thousand Euro were non-repayable

Accrued income and deferred charges

Accrued income and deferred charges were equal to € 181,621 (€ 37,738 in the previous year). The composition and movements of the individual items were as follows:

	Value at year start	Changes during the year	Value at year end
Deferred charges	37,738	143,883	181,621
Total accrued income and deferred charges	37,738	143,883	181,621

Composition of accrued income

There was no accrued income as of 30/06/2022.

Composition of accrued income:

The changes derive from ordinary management activities. Deferred charges primarily refer to:

- Advertising costs of Euro 139K;
- Financial consulting for Euro 11,754;
- Insurance policies for Euro 5,263;
- Software rentals for Euro 4,985.

Capitalized financial charges

There were no financial charges in the financial year booked under balance sheet assets, pursuant to art. 2427, paragraph 1 number 8 of the Italian Civil Code.

Write-downs for permanent losses in value of tangible and intangible fixed assets

Pursuant to Art. 2427, paragraph 1, number 3-bis of the Italian Civil Code, it should be noted that no write-downs for permanent losses in value have been applied to intangible and tangible fixed assets pursuant to accounting standard OIC 9.

Revaluation of intangible and tangible fixed assets

In accordance with Article 10 of Law 72/1983, it should be noted that no monetary and economic revaluations have been carried out.



EXPLANATORY NOTES: LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity

The shareholders' equity existing at the end of the year was equal to € 2,783,617 (€ 3,349,892 in the previous year).

The following tables report the changes during the year of the individual items that constitute shareholders' equity as well as details of the item 'Other reserves':

Changes in shareholders' equity items

	Value at year start	Assignment of dividends	Other allocations	Increases
Share capital	717,826	0	0	0
Share premium reserve	6,252,661	0	0	0
Legal reserve	100,000	0	0	0
Other reserves				
Misc. other reserves	869,684	0	0	0
Total other reserves	869,684	0	0	0
Profit (loss) carried forward	(3,207,073)	0	0	0
Profit (loss) of the year	(1,383,206)	0	1,383,206	0
Total shareholders' equity	3,349,892	0	1,383,206	0

	Decreases	Reclassifications	Result of the year	Value at year end
Share capital	0	0		717,826
Share premium reserve	0	0		6,252,661
Legal reserve	0	0		100,000
Other reserves				
Misc. other reserves	0	1		869,685
Total other reserves	0	1		869,685
Profit (loss) carried forward	1,383,206	0		(4,590,279)
Profit (loss) of the year	0	0	(566,276)	(566,276)
Total shareholders' equity	1,383,206	1	(566,276)	2,783,617

The share capital is entirely composed of ordinary shares with no nominal value.

The value of the Other reserves is entirely composed of the contribution reserve recognized in 2017.

Details of miscellaneous other reserves

Description	Amount
Contribution reserve	869,685
Total	869,685

Availability and use of shareholders' equity items

The information required by Article 2427, paragraph 1 number 7-bis of the Italian Civil Code - relating to specification of items of shareholders' equity with reference to their origin, possibility of use and distributability, as well as their use in the previous years - can be deduced from the tables below:

	Amount	Origin/nature	Possibility of use	Available quota
Share capital	717,826	Share capital		-
Share premium reserve	6,252,661	Share capital	A - B - C	6,252,661
Legal reserve	100,000	Profit	A - B	100,000
Other reserves				
Misc. other reserves	869,685	Share capital - net income	A - B - C	869,685
Total other reserves	869,685			869,685
Profit carried forward	(4,590,279)	Profit		-
Total	3,349,893			7,222,346
Non-distributable quota				5,919,189
Residual distributable quota				1,303,157

Legend:

A: for share capital increase
B: to cover losses
C: for distribution to shareholders

D: for other statutory restrictions
E: other

Origin, possibility of use and distributability of various other reserves

Description	Amount	Origin/nature	Possibility of use	Available quota
Contribution reserve	869,685	Share capital	A - B - C	869,685
Total	869,685			

Legend:

A: for share capital increase
B: to cover losses
C: for distribution to shareholders

D: for other statutory restrictions
E: other

The non-distributable share of equity includes: the legal reserve for € 100,000; the total start-up and expansion and development costs not yet amortized pursuant to Art. 2426, paragraph 1 No. 5, of the Italian Civil Code totaling € 619,069; losses carried forward totaling € 4,590,279; the loss for the year totaling € 566,276; and the share of the legal reserve (€ 43,565) required to reach the limit of 20% of the share capital.

Provisions for risks and charges

Provisions for risks and charges are booked under liabilities for a total of € € 34,523 (€ 78,442 in the previous year). The composition and movements of the individual items were as follows:

	Other provisions	Total provisions for risks and charges
Value at year start	78,442	78,442
Changes during the year		
Changes during the year	34,523	34,523
Utilization during the year	78,442	78,442
Total changes	(43,919)	(43,919)
Value at year end	34,523	34,523

Provisions for risks and charges are booked at a value (€ 34,523) suitable for coverage as well as for the company's share of risk related to the tracking of lost baggage.

Employee termination indemnities

Employee termination indemnities are booked under liabilities for a total of € 35,768 (€ 56,499 in the previous year). The composition and movements of the individual items were as follows:

	Employee termination indemnities
Value at year start	56,499
Changes during the year	
Changes during the year	12,289
Utilization during the year	33,020
Total changes	(20,731)
Value at year end	35,768

Payables

Payables are booked under liabilities for a total of € 2,602,749 (€ 2,448,193 in the previous year). The composition of the individual items was as follows:

	Value at year start	Changes during the year	Value at year end
Payables due to banks	1,974,500	92,400	2,066,900
Payables due to suppliers	265,354	157,545	422,899
Payables due to parent companies	12,999	(5,442)	7,557
Total payables due to companies subject to the control of the parent companies	68,854	(37,538)	31,316
Tax payables	18,640	545	19,185
Payables due to social security institutions	32,397	(14,232)	18,165
Other payables	75,449	(38,722)	36,727
Total	2,448,193	154,556	2,602,749

Changes and expiration dates in payables

Data relative to the breakdown of payables by expiration data is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

	Value at year start	Changes during the year	Value at year end	Quota expiring within the year	Quota expiring after the year	With a residual duration of more than five years
Payables due to banks	1,974,500	92,400	2,066,900	90,229	1,976,671	0
Payables due to suppliers	265,354	157,545	422,899	422,899	0	0
Payables due to parent companies	12,999	(5,442)	7,557	7,557	0	0
Total payables due to companies subject to the control of the parent companies	68,854	(37,538)	31,316	31,316	0	0
Tax payables	18,640	545	19,185	19,185	0	0
Payables due to social security institutions	32,397	(14,232)	18,165	18,165	0	0
Other payables	75,449	(38,722)	36,727	36,727	0	0
Total payables	2,448,193	154,556	2,602,749	825,880	1,976,671	0

Subdivision of payables by geographical area

Data relative to the breakdown of payables by geographical area is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

Geographical area	Total	Italy	EU	Non-EU
Payables due to banks	2,066,900	2,066,900	0	0
Payables due to suppliers	422,899	367,477	172	55,250
Payables due to parent companies	7,557	7,557	0	0
Total payables due to companies subject to the control of the parent companies	31,316	31,316	0	0
Tax payables	19,185	19,185	0	0
Payables due to social security institutions	18,165	18,165	0	0
Other payables	36,727	36,727	0	0

Payables secured by collateral on corporate assets

There were no payables secured by collateral on corporate assets.

Payables relative to transactions with a repurchase obligation

There are no payables deriving from operations with repurchase agreements, in accordance with Art. 2427, paragraph 1 number 6-ter of the Italian Civil Code.

Financing from company shareholders

The Company has no outstanding payables to its shareholders for financing whose data must be reported pursuant to Art. 2427, paragraph 1, no. 19 bis, of the Italian Civil Code.

Accrued liabilities and deferred income

Accrued liabilities and deferred income are booked under liabilities for a total of € 55,421 (€ 73,726 in in the previous year). The composition and movements of the individual items were as follows:

	Value at year start	Changes during the year	Value at year end
Accrued liabilities	4,166	2,476	6,642
Deferred income	69,560	(20,781)	48,779
Total accrued liabilities and deferred income	73,726	(18,305)	55,421

As previously noted in the valuation criteria for intangible fixed assets, the residual portions of tax credits recognized for R&D expenses - proportional to the subsidized costs that have not yet been amortized - were booked under deferred income. accruals are mainly composed of condominium expenses relative to the building used for office use.

Explanatory notes, income statement

Total revenues

Revenues from sales and services Breakdown by category of activity

In compliance with the provisions of Art. 2427, paragraph 1, number 10 of the Italian Civil Code, the following table reports the breakdown of revenues by category of activity:

Category of activity	Value of current year
Revenues for services	263,010
Total	263,010

Other revenues and proceeds

Other revenues and income were booked under total revenues within the income statement for a total of € 91,286 (€ 667,930 in the previous year and € 460,299 in the previous half-year); they primarily include: (i) the quota (€ 20,781) of the tax credit for R&D expenses, proportional to the depreciation rates calculated during the year on the same subsidized expenses; (ii) contingent assets (€ 8,891); and (iii) the non-repayable loan (€ 61,600) obtained pursuant to Art. 72 paragraph 1 l. d) of Law Decree 18/2020.

Revenues from sales and services Breakdown by geographical area

Geographical area	Value of current year
Italy	69,742
EUROPE	132,704
Asia	220
AMERICA	60,344
Total	263,010

Cost of production

Costs for raw materials

Expenses for raw materials are booked under production costs of the income statement for a total of € 105 (€ 399 in the previous year and € 377 in the previous half year).

Service costs

Service costs are booked under the cost of production within the income statement for a total of € 422,423 (€ 1,055,536 in the previous year and € 512,621 in the previous half) and consist of:

	Value of current year
Transportation	230
Maintenance and repairs	714
Technical services and consulting	2,988
Compensation to directors	74,360
Compensation to auditors	25,940
Advertising	756
Legal expenses and consulting	23,941
Fiscal, administrative and commercial consulting	149,379
Telephone expenses	5,868
Services from financial companies and banks of non-financial nature	5,627
Insurance	5,733
Entertainment expenses	0
Travel expenses	7
Training and educational expenses	50
other	126,830
Total	422,423

Costs for use of third party assets

Service costs are booked under the cost of production within the income statement for a total of € 29,622 (€ 53,996 in the previous year and € 27,448 in the previous half year) and consist of:

Costs for use of third party assets	Value of current year
Rents and leases	9,437
Software rental	19,126
other	1,059
Total	29,622

Other operating charges

Service costs are booked under the cost of production within the income statement for a total of € 12,482 (€ 169,737 in the previous year and € 45,290 in the previous half year).

Financial proceeds and charges

Composition of proceeds from shareholdings

During the half year, no income of any kind was obtained from company shareholdings.

Breakdown of interest and other financial charges by type of payable

In relation to the provisions of Art. 2427, paragraph 1, number 12 of the Italian Civil Code, it should be noted that financial charges in the first half of 2022 were equal to € 16,618 and included charges for loans granted to the Company.

Reported below is information concerning the subdivision of exchange rate gains and losses deriving from the year-end valuation with respect to those which were effectively realized:

	Currency portion	Effective portion	Total
Exchange rate gains	0	38	38
Exchange rate losses	(10)	(730)	(740)

Amount and nature of individual revenue/cost items of exceptional size or incidence

In relation to the provisions of art. 2427, paragraph 1, number 13 of the Italian Civil Code, no revenues of exceptional size or incidence occurred in the first half of 2022.

	Interest and other financial charges
Payables due to banks	16,618
other	0
Total	16,618

Information on fiscal losses

	Current year
	Amount
Fiscal losses	
of the year	677,868
Previous years	5,146,320
Total fiscal losses	5,824,188
Tax losses carried forward that are recoverable with reasonable certainty	0

In these intra-annual financial statements, conditions do not exist for neither the recognition of current taxes (in light of the absence of taxable income for both IRAP and IRES purposes) nor for the recognition of prepaid and deferred taxes. With regard to prepaid taxes, in particular - and despite the fact that additional negative temporary income differences and a substantial tax loss that can be carried forward for IRES purposes occurred in the first half of 2022 - the conditions for a reliable forecast of economic results suitable for reabsorbing said differences was found to be missing. This is in light of the necessary prudence that, particularly in the current socio-economic context, must characterize the valuation of assets of this kind.

Explanatory notes, other information

Employment data

Reported below is the information concerning personnel, pursuant to Art. 2427, paragraph 1, number 15 of the Italian Civil Code:

	Average number
Mid-level managers	1
Office employees	5
Total employees	6

Remuneration, advances and credits granted to directors and auditors as well as commitments undertaken on their behalf

Reported below is information concerning the directors and auditors, pursuant to Art. 2427, paragraph 1 number 16 of the Italian Civil Code:

	Directors	Auditors
Remuneration	48,000	11,440

Compensation to the regulatory auditor or auditing company

The following information is provided on the compensation paid to the regulatory auditor or the auditing company, in accordance with Art. 2427, paragraph 1 number 16-bis of the Italian Civil Code.

	Value
Regulatory audit	14,500
Total compensation due to the regulatory auditor or auditing company	14,500

Categories of shares issued by the company

The information required by Article 2427, paragraph 1 number 17 of the Italian Civil Code in relation to data on the shares that constitute the share capital of the company - as well the number and nominal value of the shares underwritten during the year - can be deduced from the following tables:

Description	Initial amount, number	Initial amount, nominal value	Shares underwritten during the year, number	Shares underwritten during the year, nominal value	Final amount, number	Final amount, nominal value
Ordinary shares	7,178,258	717,826	0	0	7,178,258	717,826
Total	7,178,258	717,826	0	0	7,178,258	717,826

In relation to the provisions of Art. 2427, paragraph 1, number 18 of the Italian Civil Code, it should be noted that the company has not issued dividend-right shares or bonds convertible into shares, except for issued Warrants, as already mentioned in the paragraph "Changes in shareholders' equity".

Commitments, guarantees and contingent liabilities not resulting from the balance sheet

In compliance with the provisions of Art. 2427, paragraph 1 number 9 of the Italian Civil Code, there were no guarantees and potential liabilities not resulting from the balance sheet.

Information on assets and financing allocated to a specific transaction

There are no assets allocated for a specific business, pursuant to Art. 2447 bis of the Italian Civil Code, nor financing intended for a specific transaction, pursuant to Art. 2447 decies of the Italian Civil Code.

Information on operations with related parties

Reported below is the information concerning operations with related parties, pursuant to Art. 2427, paragraph 1, number 22-bis of the Italian Civil Code:

- RG HOLDING as of 30.06.2022: there was a receivable equal to Euro 527 relative to the registration and deregistration of the 2020/2021 rental contract as well as a payable to the related party totaling Euro 7,557 which was relative to the costs of electricity for the year 2019- 2020 and the directors' liability policy for 2021-2022;
- Trawell Co Group: transactions with the companies of the Trawell Co Group are based on commercial agreements concerning the supply of the related services: (i) the tracking of baggage of customers of TraWell Co. Group companies that have purchased the Lost Baggage Concierge Service in cases of loss and /or failure to deliver this baggage; (ii) call center assistance offered to customers of TraWell Co Group companies during the collection of reports of loss, theft and/or damages to the baggage.
- SHS S.r.l. for consultancy activities, and with a cost of 20,000 Euro.

Information on agreements not reported in the balance sheet

There were no agreements not resulting from the balance sheet, in accordance with Article 2427, paragraph 1 number 22-ter of the Italian Civil Code.

Companies that prepare financial statements of the largest / smallest set of companies to which it belongs as a subsidiary

The following table reports the information required by Article 2427, paragraph 1 number 22 *quinquies* and 22 *sexies* of the Italian Civil Code:

	Largest set
Company name	RG HOLDING SRL
City (if in Italy) or foreign country	ROME
Tax code (for Italian companies)	04158211005
Registration location of the consolidated financial statements	VIA MONTE DEL GALLO 26A, 00165 Rome

Information relative to derivative financial instruments pursuant to Art. 2427-bis of the Italian Civil Code

The company is not a party to derivative financial instruments, in accordance with Art. 2427 bis, paragraph 1, point 1 of the Italian Civil Code.

Summary of the financial statements of the company that exercises management and coordination

The company is not subject to management or coordination by companies or entities.

Information pursuant to Art. 1, paragraph 125, of law No. 124 of 4 August 2017

In compliance with the transparency and publicity requirements provided for by Law no. 124 of 4 August 2017, Article 1, paragraphs 125--129 (as replaced by Art. 35 of Legislative Decree no. 34 of 30 April 2019) - which imposed an obligation for companies to indicate in the explanatory notes "the amounts and information relating to grants, subsidies, advantages, contributions or aids, in cash or in kind, not of a general nature nor of payment, remuneration or compensation nature, and actually paid to them by public administrations " - the list of grants (contributions, paid positions, economic benefits) received from public administrations are shown below:

Euro 61,600 of non-repayable grants, the so-called capitalization loan pursuant to Art. 72, letter d) of Legislative Decree 18/2020;

Explanatory notes, final section

For the Administrative Body

GENTILE RUDOLPH

