

HALF-YEAR REPORT

relative to the financial statements as of 30 JUNE 2023

SOSTRAVEL.COM S.P.A.



amarekenya



amareitalia



amaresharm

FLIO ✈️
THE GLOBAL AIRPORT APP

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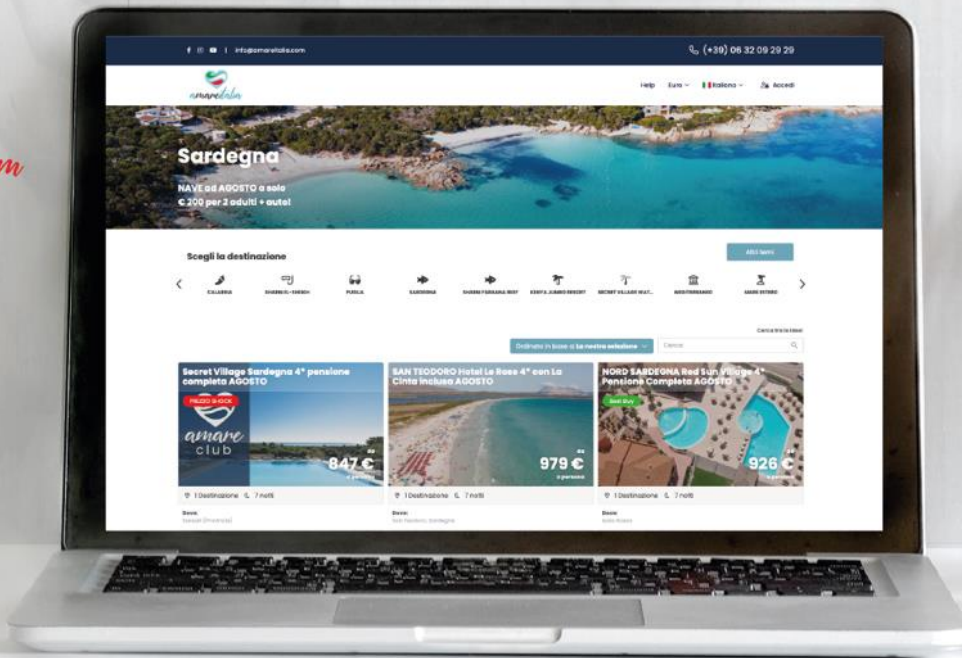
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SOSTRAVEL.COM S.P.A.

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.

SOSTRAVEL.COM S.p.A. is listed in the stock exchange of Milan: Euronext Growth Milan, ticker: SOS and in New York, OTCQB ticker SOSAF.

The company is present on the market as a digital technological operator of travel services.

Certain services are proprietary given that they are designed and produced while other services are provided through third parties and by means of direct contracting with organizational structures or resorts, or through a network of online connections with major bed banks, flights and excursion in the world.

The company offers the possibility of bookings and information as well as digital itineraries, experiences and services, including the Lost Luggage Concierge and DrTravel ones, through a panel composed of:

two apps: Sostravel and Flio

three portals, www.amareitalia.com and www.amareitalia.es dedicated to the Spanish market and www.sostravel.com

All travel services and passenger assistance throughout the itinerary - from departure to arrival at destination - are "aggregated and integrated" within a single environment. SOSTRAVEL.COM S.p.A will continue to invest in innovation and development with the aim of expanding and further consolidating its leadership in the sector.

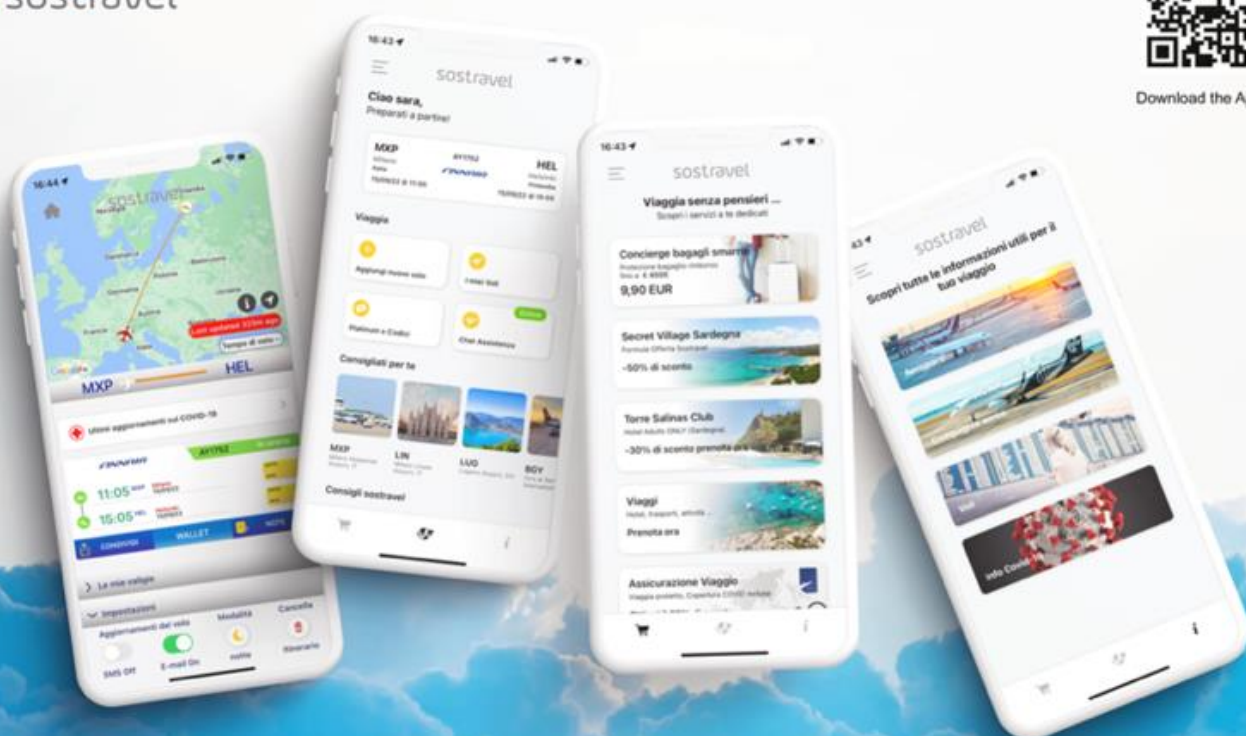
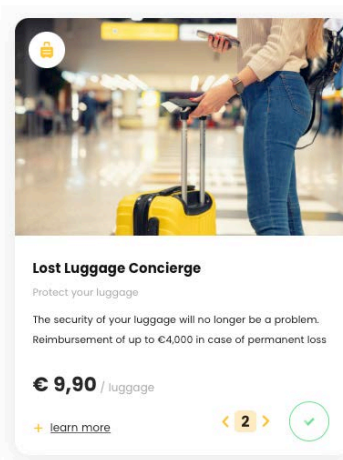
Offered services

By means of the Apps, the Sostravel portals and collaborations with companies in the traveltech sector, the Company offers the services listed below.

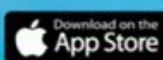
Flight Info: this service provides access to useful information regarding flights of interest (flight status, gates, delays, cancellations, etc.). Information on individual flights is made available free of charge.

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, etc.).

Tracking Service & Lost & Found 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).



Download the App



Online sale of travel services:

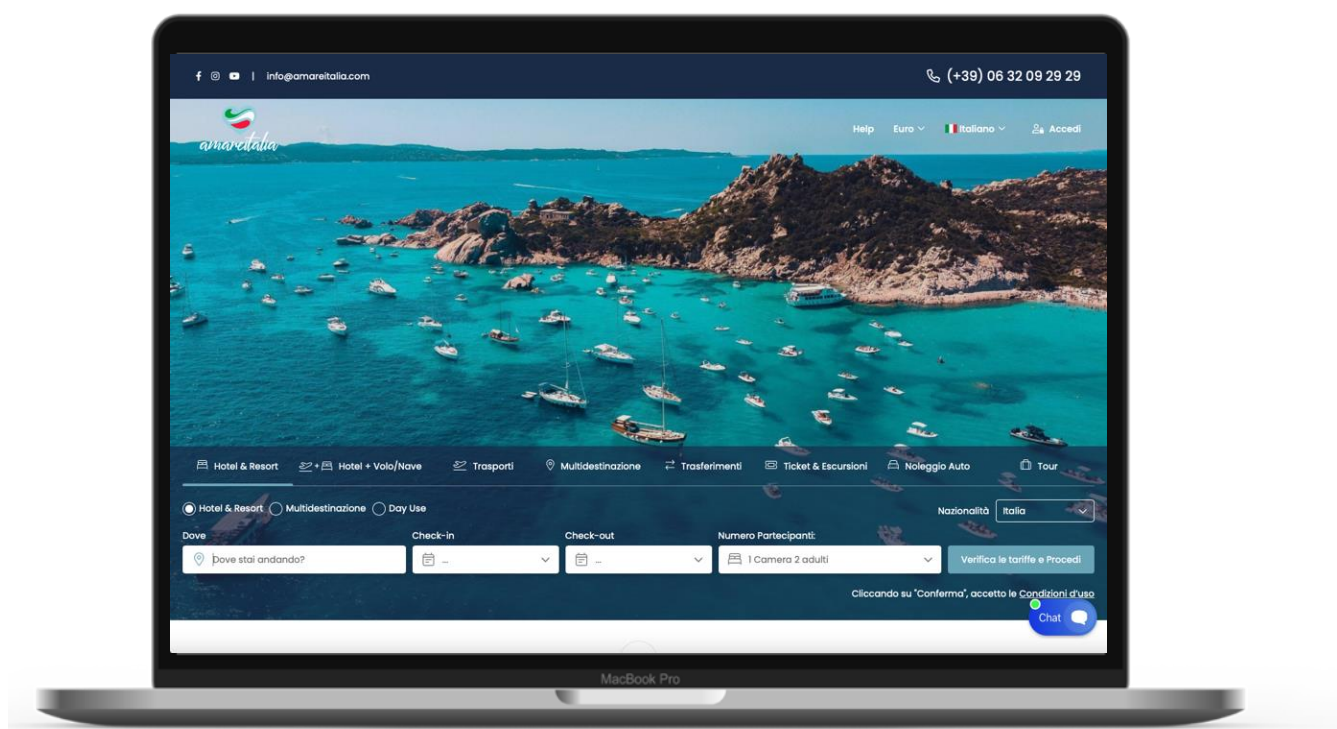
Transportation: tickets for planes, trains, ferries, and buses, either through direct agreements with service providers or through agreements with local third parties.

Hotel and Resorts with two modalities:

- multi-year contracts with total volumes guaranteed for all or part of the capacity of the facilities subject to sole rights. The resorts are in Italy/Sardinia, Kenya/Watamu, Turkey and Egypt.
- Two-way connections for the purchase and sale of tourist services with major portals and on a global scale.

Other services: car rentals, activities, excursions, tickets for sporting or cultural events.

The platforms allow for the creation of travel ideas developed on the basis of customer needs and current trends, thereby offering the possibility of planning the entire trip and comparing the prices of different service, transportation and hotels proposals while indicating the most popular, the cheapest, or best-reviewed option.



Dr.Travel: subscribers to the service have the possibility - through the app - to make video calls to a doctor and/or a pediatrician 24/7 from anywhere in the world during their travels in order to resolve the most frequent and, fortunately not catastrophic, inconveniences related to health while traveling .



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 travel.



In 2023 - in light of the changed situation of movement possibilities in Europe, and in order to guarantee the capacity necessary for the development of activities - management changed the business model relative to hotel contracting by introducing a significant part of purchases with full volume guaranteed for the selected facilities, and sold with the free sale formula, subject to availability in previous years.

The Amareclub were founded.



Secret Village Sardinia



In order to maximize employment, the **Formula Secret Village®** formula was promoted in order to offer the possibility of staying in a 4-star resort with savings of up to 50% compared to the list prices of the individual facilities by communicating the assignment of the available resort only 48 hours before departure.



Jumbo Resort Watamu 4* Kenya

Entire facility, 92 rooms

Digital sales:

For the sales and distribution activities of its services, the company has initiated a multi-channel distribution and internationalization process in order to not only leverage the Apps and portals - translated into 27 languages - but also the contribution of sales through collaborations and/or partnerships with European and global organizations:

International portals with "2-way" connections allow you to sell your services or acquire the availability of rooms and services where they are not present; the main **partners** are as follows:



Airline companies: Sale of rooms and services through airline company portals:



Italian tour operators:

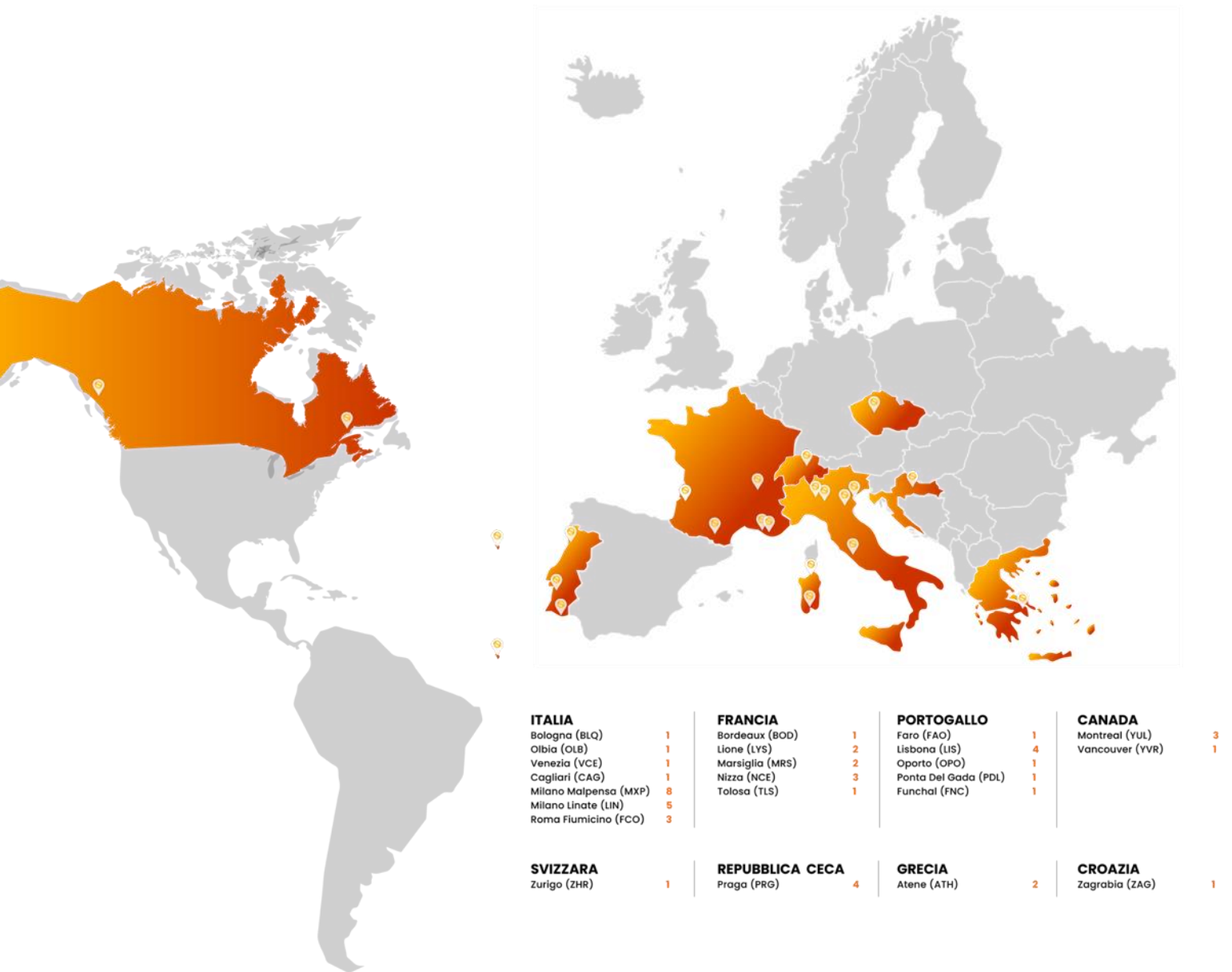


European tour operators:



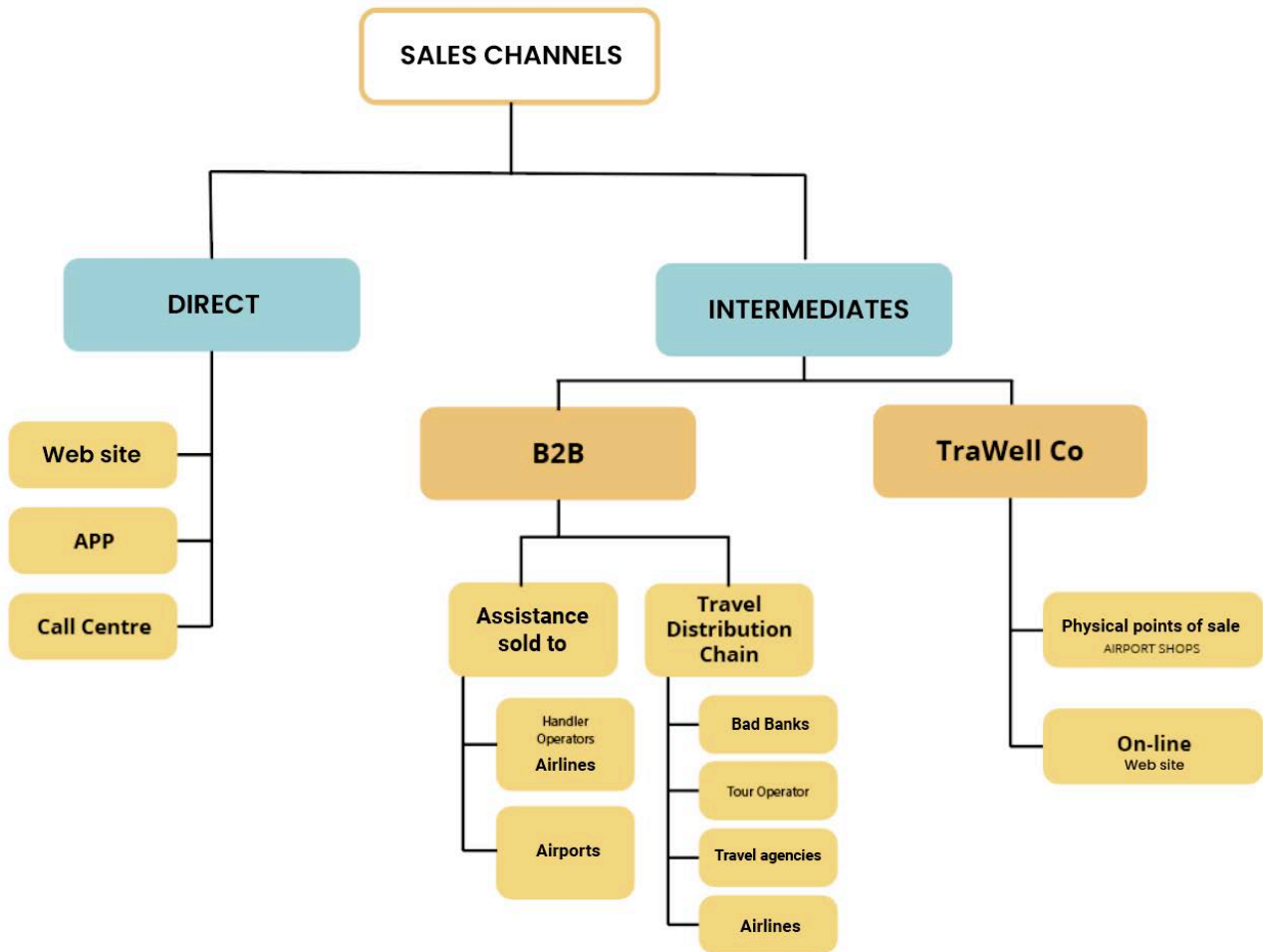
The **TraWell Co Group**, which operates in the baggage wrapping services market with sales points in airports on a global scale, distributes the Lost Luggage Concierge product.

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



Sostravel also distributes its services through the agency network.

In addition, its commercial offer is also available through airport handlers to which it offers the supply of services relating to: the digitalization of activities relative to the compilation and forwarding of the PIR to the Customers' Lost & Found offices as well as functional activities for tracking lost baggage.



Communications and marketing

The company invested in a few important promotional campaigns to improve its image and market penetration. During the first months of 2023, the **Google Marketing Platform** was implemented; it is the most innovative and complete platform developed by Google and allows you to create, analyze and optimize digital campaigns.

Advertising collaborations with: Travel Quotidiano and La Repubblica, Rome edition.

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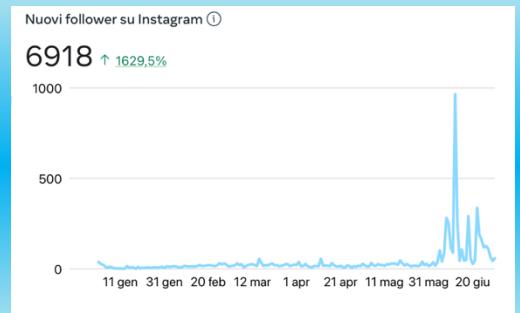
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INFLUENCER MARKETING

The Influencer Marketing strategy has allowed us to strengthen the brand's image and its reliability - as perceived by potential consumers - as well as reach new segments of the public which are suitable, in terms of purchasing habits, for the proposed product.




Main results of the sostravel and FLIO websites and apps:



For the purposes of a complete evaluation, growth in the customer database of the websites, apps and downloads of the two APPs (Flio and sostravel) should also be noted; these are reported below (they include - it should be reiterated - the acquisition of the Flio database).

Number of users of Amareitalia.com  **446,991** including 438,095 new users

Number of users of Amareitalia.es  **287,674** amareitalia.es users are all new given that the portal opened in 2023.

Total downloads of app as of 30.06.23  **2,444,873** 
 Equal to 2,264,659 as of 06.30.2022

Downloads of APP in 1st half of 2023  **76,002** 
 Equal to 59,262 as of 06.30.2022

Customers analyzed in the first half of 2023:  **39,006** 
 Equal to 28,036 as of 06.30.2022

App customer database

1,224,686

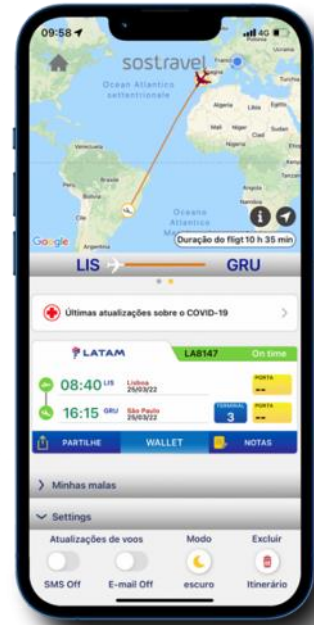
FLIGHT DATA - recorded from 1/01/2023 to 30/06/2023

Five main departure airports:

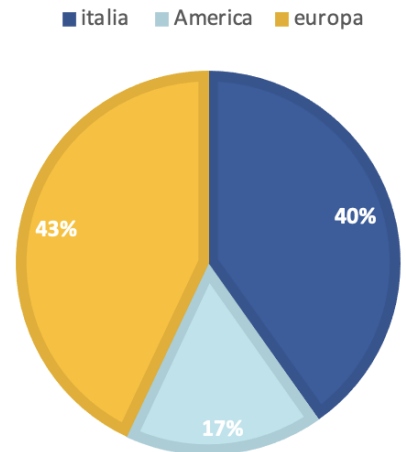
1. **LIS** - Lisbon Airport
2. **FRA** - Frankfurt Airport
3. **LHR** - Heathrow Airport
4. **YUL** - International Airport of Montréal
5. **OPO** - Porto airport

Five main destination airports:

1. **FRA** - Frankfurt Airport
2. **LHR** - Heathrow Airport
3. **CDG** - Charles de Gaulle airport in Paris
4. **AMS** - Amsterdam airport
5. **LAD** - Luanda airport



The geographical distribution of reported sales of the Lost Luggage Concierge service exhibits excellent geographical diversification with Italy at 40% of sales, the rest of Europe at 43% and finally America (17%).

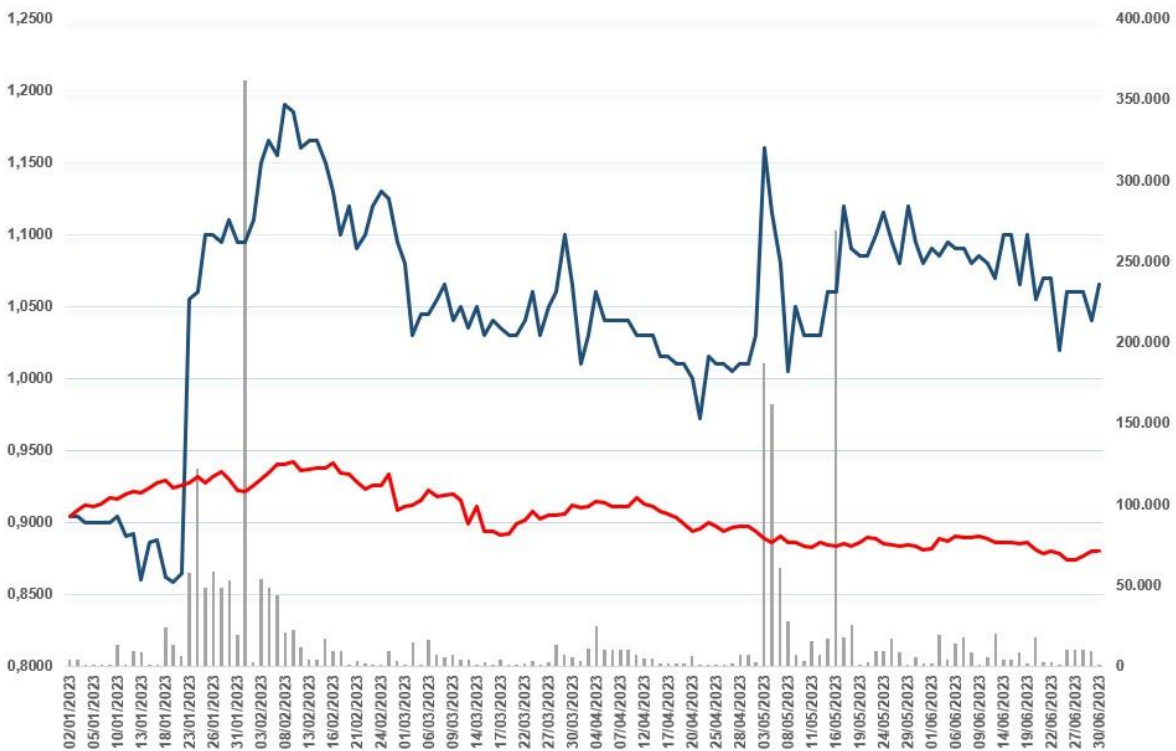


Human resources

During the first half of 2023 the Company focused on rendering the two business lines more efficient by exploiting synergies. As of 30 June 2023, the total workforce was equal to 15 employees, including 15 employees, two interns and one manager.

The Stock Price

During the first half of 2023, the stock price reached a minimum closing value of 0.86 Euro, a maximum closing value of 1.19 Euro with an increase of 38.4% and, as of the date of preparation of this document, the stock price stands at a value of approximately 1.20 Euro. Reported below are trends relative to volumes (right scale) and performance of the stock price (blue line) during the year 2023 compared with that of FTSE Euronext Growth Milan (red line).



2 Shareholding structure

Shareholding structure	No. of owned shares	% of share capital
RG Holding S.r.l.	2.699.374	20,62%
TraWell Co S.p.A.	792.336	6,05%
Rudolph Gentile	12.432	0,09%
Carmine Colella	2.659.032	20,31%
Le terrazze di Porto Ottiolu S.r.l.	2.659.032	20,31%
Giovanni Perrucci	590.896	4,51%
Free Float	3.679.446	28,10%
Total	13.092.548	100%

Data updated as of 4th September 2023

3 Company bodies

The composition of the corporate bodies is as follows:

BOARD OF DIRECTORS

CHAIRMAN	Rudolph Gentile
Chief Executive Officer	Carmine Colella
Director without proxies	Nicola De Biase
Director without proxies	Umberto Navanzino
Independent director*	Ivan Munarini

* Director possessing the independence requirements pursuant to Article 148, paragraph 3, of Legislative Decree

BOARD OF STATUTORY AUDITORS

CHAIRMAN	Enrico Orvieto
Statutory auditors	Paolo Natalini / Marco Ambrosini
Alternate auditors	Fabrizio Cardinali / Andrea De Nigris

AUDITING COMPANY

Auditing company	Audirevi S.p.A.
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NOMAD

Nominated Advisor	Banca Finnat S.p.A.
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REPORT ON OPERATIONS

4 REPORT ON OPERATIONS

The ongoing recovery of tourism – both domestic and international, along with the initiatives of the new management – have supported the growth already reported in the 2022 financial statements with revenues also progressing in the first half of 2023 in line with forecasts.

Management has completed revisited the distribution strategy of its services. The company has initiated a multi-channel distribution and internationalization process in order to not only leverage the Apps and portals – translated into 27 languages and which are sustaining growth – but also the contribution of new channels with important collaborations and partners. In this context, the company has stipulated an agreement with the Italian distribution network which provides them with a digital portal for the marketing of Travel services. This symbolic agreement was signed in the context of the first Travel Agent Experience which took place in Budoni in Sardinia from 5 to 8 May and involved the participation of 84 Travel Agents who developed a 22-point document on the need for a distribution network in the digital travel sector in the near future. Sales were initiated through new OTAs, global databases and international Tour Operators.

On 2 February 2023, 2,022 revenues and EBITDA were reported for respectively 17.1 million and 22 thousand Euro; the objectives of the plan for 2027 are respectively 32.5 million and 3.8 million Euros.

The investment made for the Jumbo resort facility – for which Sostravel retains exclusive worldwide marketing rights for three years – was approved by the primary Italian tourism company which – with the Edenviaggi / Alpitour Group brand – decided to distribute half of the rooms of the facility for 2023, starting from February 2023.

On 23 May 2023, the meeting with analysts and investors was established to take place on 3 October following the presentation of the results of the half-yearly report as of 30 June 2023.

The assignment of powers required to support the growth of the Company, even by external means, to the Chairman and the CEO is hereby communicated.

The company has undertaken all the formal steps necessary to initiate the creation of a so-called "securities warehouse" which will be useful for any future extraordinary finance operations.

On 5 June, and during the monitoring of management performance, the Board of Directors revised the forecasts for the current year and deemed it appropriate to improve the estimates for the 2023 financial year.

The company has initiated a sustainability process and, on 13 June, the Italian anti-trust authority awarded two stars for financial legality.

The company submitted a request to the Italian Internal Revenue Agency on 26 July for the recovery of the tax benefit on previous losses; the outcome of the latter is expected by the end of the current financial year.

Events occurring after 30 June 2023

The Gross Booking Value* as of 31 August 2023 is equal to € 18,183K. On the same date in 2022, the Gross Booking Value was € 14,350K with a growth of € 3,833K, equal to 26.7%.

Given the results obtained in the first months of the partnership, the **Alpitour group for the Edenviaggi brand** decided to proceed with the extension of the agreement signed for 2023 for the following two years as well in relation to the marketing - within the Italian market - of the Jumbo Resort and for a quota equal to 45% of the resort's availability.

The French tour operator **Plein Vent Voyage** for the **Fram brand** has signed a three-year agreement for the marketing of the Jumbo resort in France for 22% of the available rooms and starting from autumn 2023.

Enthusiastic for the results obtained from operations in Kenya, the management has contracted a second facility on Watamu beach in Kenya, the **Twiga Beach Resort**, with an online exclusive commercial agreement.

In September, Sostravel initiated the procedure for the purchase of its own shares: in the period between 11 and 15 September, it purchased 500 shares at a value of € 598.75, while in the following week - from 18 to 22 September - it purchased 4,500 shares at a value of € 5,351.25.

**against the non-accounting value of received bookings*

5 Economic performance as of 30 June 2023:

- **Revenues from sales** were equal to 5,492 thousand Euro, much higher than the figure of 30 June 2022 which was equal to 263 thousand Euro; this was due to the merger operation which took place during the 2022 financial year;
- **EBIT** was equal to 306 thousand Euro, a net improvement compared to the figure as of 30 June 2022 which was equal to -304 thousand Euro; this was mainly due to the higher revenues obtained post merger;
- **EBIT** was equal to 13 thousand Euro, an improvement compared to the figure as of 30 June 2022 equal to - 549 thousand Euro; this was due to that reported for EBITDA;
- **Net LOSS** of 3.6 thousand Euro (which includes prepaid taxes on the fiscal loss for the half-year and on the amount of ACE (Aid for Economic Growth) which is to be deferred to the following financial year);
- **Adjusted net financial position** (NFP) equal to 761 thousand Euro, an improvement compared to the same figure as of 31 December 2022 which was equal to 29 thousand Euro; this was mainly due to the increase in EBITDA in the 1st half of 2023.

Reported below are the reclassification schemes of the income statement for EBITDA in which the situation as of 30.06.2023 and the situation as of 30.06.2022 are compared; the reclassified financial position and the net financial position which compare the situation as of 30.06.2023 with the situation as of 30.06.2022 are also reported.

Economic situation

Values in Euro	30/06/2023	30/06/2022
Revenues	5,491,987	263,010
Own work capitalized	0	0
Other revenues	111,482	91,287
Total revenues	5,603,469	354,297
Costs for raw materials	-4,900	-105
Costs for services	-4,761,813	-422,423
Costs for use of third party assets	-77,464	-29,622
Personnel costs	-388,482	-194,065
Change in inventories	0	0
Other costs	-64,400	-12,482
EBITDA	306,410	-304,400
Amortization/depreciation	-244,965	-232,545
- Write-downs	0	0
Allocations	-48,478	-12,011
EBIT	12,967	-548,956
Financial proceeds and charges (net)	-40,580	-17,320
Revaluations/write-downs of financial assets	0	0
Profit (loss) before taxes	-27,613	-566,276
Taxes	24,050	0
Net result	-3,563	-566,276

Balance sheet

Values in Euro	30/06/2023	31/12/2022
Intangible fixed assets	1,081,062	1,306,149
Tangible fixed assets	945,511	870,885
Financial fixed assets	240,050	230,000
(A) Net non-current assets	2,266,623	2,407,034
Inventories	0	0
Trade receivables	2,090,041	827,714
Other assets	3,338,613	2,125,599
Trade payables	-3,668,622	-770,415
Other liabilities	-428,068	-268,633
(B) Working capital	1,331,964	1,914,265
(C) Total provisions	-96,137	-94,157
(D)=(A)+(B)+(C) net invested capital	3,502,450	4,227,142
Liquid funds	2,781,316	2,134,957
Financial liabilities	-2,960,460	-3,035,750
(E) Net financial payables/receivables	-179,144	-900,793
(F) Shareholders' equity	3,323,306	3,326,349
(G)=(F)-(E) Sources	3,502,450	4,227,142

Net Financial Position

Values in Euro	30/06/2023	31/12/2022
A Liquid funds	64	32
B Other liquid funds	2,781,252	2,134,925
C Other current financial assets	0	0
D Liquidity (A+B+C)	2,781,316	2,134,957
E Current financial payables	0	0
F Current portion of non-current debt	560,425	324,206
G Current financial debt (E + F)	560,425	324,206
H Net current financial debt (G-D)	-2,220,891	-1,810,751
I Non-current financial payables	2,400,035	2,711,544
J Debt instruments	0	0
K Other non-current payables	0	0
L Non-current financial debt (I + J + K)	2,400,035	2,711,544
* M Net financial debt (H + L)	179,144	900,793
N Adjustment for security deposits	240,050	230,000
O Adjustment for active loan to Trawell Co	700,000	700,000

P Adjusted net financial position (M-N-O)	-760,906	-29,207
--------------------------------------------------	-----------------	----------------

In order to provide greater clarity and comparability to the reported financial statement data, the Income Statement scheme which compares the Pro-forma situation as of 30.06.2023 and the situation as of 30.06.2022 - as well as the income statement scheme for EBITDA comparing the same periods - are reported below.

Income statement

INCOME STATEMENT (values in €)	30.06 23	Pro-forma 30.06.22
Total revenues:	5,603,469	4,657,643
Revenues from sales and services	5,491,987	4,561,558
Other revenues and proceeds	111,482	96,086
Cost of production:	(5,590,502)	(5,002,969)
For raw and ancillary materials, consumables and goods	(4,900)	(3,390)
For services	(4,761,813)	(4,256,321)
Costs for use of third party assets	(77,464)	(33,841)
Personnel costs	(388,482)	(431,573)
Amortization/depreciation and write-downs	(244,965)	(251,075)
Amortization of intangible fixed assets	(225,090)	(231,146)
Depreciation of tangible fixed assets	(19,875)	(19,929)
Writedown of receivable current assets and liquid funds	-	-
Allocations for risks	(48,478)	(12,011)
Other operating charges	(64,400)	(14,759)
Difference between value and cost of production (A-B)	12,967	(345,325)
Financial proceeds and charges	(40,580)	(24,063)
Financial proceeds	12,149	0
Interest and other financial charges	(52,592)	(23,361)
Exchange rate gains and losses	(137)	(702)
Value adjustments of financial instrument assets and liabilities		-
Result before taxes	(27,613)	(369,388)
Income taxes of the year	24,050	(59,094)
Profit (loss) of the year	(3,563)	(428,482)

Values in Euro	30/06/2023	Pro-forma 30.06.2022
Revenues	5,491,987	4,561,558

Own work capitalized	0	
Other revenues	111,482	96,086
Total revenues	5,603,469	4,657,643
Costs for raw materials	-4,900	-3,390
Costs for services	-4,761,813	-4,256,321
Costs for use of third party assets	-77,464	-33,841
Personnel costs	-388,482	-431,573
Change in inventories	0	0
Other costs	-64,400	-14,759
EBITDA	306,410	-82,240
Amortization/depreciation	-244,965	-251,075
- Write-downs	0	0
Allocations	-48,478	-12,011
EBIT	12,967	-345,325
Financial proceeds and charges (net)	-40,580	-24,063
Revaluations/write-downs of financial assets	0	0
Profit (loss) before taxes	-27,613	-369,388
Taxes	24,050	-59,094
Net result	-3,563	-428,482

Finally, reported below is the Cash Flow Statement which compares the period 30.06.2023 with the period 31.12.2022.

A. Cash flows from operating activities (indirect method)	30/06/2023	31/12/2022
Profit (loss) of the year	-3,563	-615,783
Income taxes of the year	-24,050	-199,452
Payable/(receivable) interest	40,443	62,974
(Dividends)	0	
Capital (gains) / losses deriving from the sale of assets	0	
1. Profit / (loss) of the year before income taxes, interest, dividends and capital gains/losses from transfers	12,830	-752,261
<i>Adjustments for non-monetary items that are not offset in net working capital</i>		
Allocations to provisions	79,615	69,364
Amortization/depreciation of fixed assets	244,965	663,321
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	137	71,172
<i>Total adjustments for non-monetary items that are not offset in net working capital</i>	324,717	803,857
2. Cash flows before changes in net working capital	337,547	51,596
<i>Changes in net working capital</i>		
Decrease/(Increase) in inventories	0	

Decrease/(Increase) in receivables due from customers	-1,262,327	-815,257
Increase/(Decrease) in payables due to suppliers	929,104	185,110
Decrease/(Increase) in accrued income and deferred charges	-1,210,802	-761,613
Increases/(Decreases) in accrued liabilities and deferred income	31,047	-56,356
Other decreases/(Other increases) in net working capital	2,095,279	-255,292
<i>Total changes in net working capital</i>	582,301	-1,703,408
3. Cash flows after changes in net working capital	919,848	-1,651,812
<i>Other changes</i>		
Interest collected/(paid)	-40,443	-62,974
(Paid income taxes)	0	0
Collected dividends	0	0
(Use of provisions)	-77,635	-113,803
Other collections/(payments)	0	0
<i>Total other changes</i>	-118,078	-176,777
Cash flows from operating activities (A)	801,770	-1,828,589
B) Cash flows from investment activities		
<i>Tangible fixed assets</i>		
(Investments)	-94,501	-35,196
Divestments	0	29,777
<i>Intangible fixed assets</i>		
(Investments)	0	-652,508
Divestments	0	
<i>Financial fixed assets</i>		
(Investments)	-10,050	-230,000
Divestments	0	
<i>Current financial assets</i>		
(Investments)	0	
Divestments	0	
(Acquisition of company branches net of liquid funds)	0	494,194
Sale of company branches net of liquid funds	0	
Cash flows from investment activities (B)	-104,551	-393,733
C. Cash flows from financing activities		
<i>Third party financing</i>		
Increase / (Decrease) of short-term payables to banks		308,456
Acquisition of financing	0	752,794
(Reimbursement of financing)	-75,290	
<i>Own assets</i>		
Paid share capital increase	0	1,344
(Capital reimbursement)	0	
Sale (purchase) of own shares	0	
(Dividends and advances on paid dividends)	0	
Cash flows from financing activities (C)	-75,290	1,062,594
Increase (decrease) in liquid funds (A ± B ± C)	621,929	-1,159,728
Exchange rate effect on liquid funds		

Liquid funds at the start of the year		
Bank and postal deposits	2,134,925	3,294,621
Checks	0	0
Cash and cash equivalents	32	64
Liquid funds at the start of the year	2,134,957	3,294,685
Of which not freely usable		
Liquid funds at the end of the year		
Bank and postal deposits	2,781,252	2,134,925
Checks	0	0
Cash and cash equivalents	64	32
Liquid funds at the end of the year	2,781,316	2,134,957
Of which not freely usable		

6 OTHER INFORMATION

The section provides a collection of information

pursuant to 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: DRTRAVEL.
- 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 and financial performance - the reporting of certain non-financial indicators illustrated in this report 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. The company has undertaken a path towards gender equality.

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 and the portals. In the second part of the year, the company launched - within the website www.sostravel.com - **AITrips**, a new search engine that uses machine learning algorithms that analyze and process a wide range of data in real time, spanning from user preferences to information on destinations, weather, and local events, thereby providing the user with unique and highly personalized trips while offering responses suited to the needs of every single type of traveler; the user can go from a generic question to booking a trip in just a few clicks.



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.

During 2022 there was a recovery in short and medium-haul air traffic and, in 2023, in long-haul traffic as well; the latter represents the Company's target customers. Despite the persistence of non-ideal geopolitical situations such as the war in Ukraine, the first half of the year concluded with improving volumes of traffic and

revenues compared to 2022: these results are also forecasted for the second half of 2023.

The directors believe they can reconfirm the revenue and Ebitda estimates for the 2023 financial year with a NFP in line with the 23/27 plan, and which is thereby reconfirmed at this time.

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 as well as the increase in revenues; they concluded that the application of the going concern assumption is still appropriate.

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

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 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

The loss per share as of 30 June 2023, in accordance with the procedures set out in IAS 33, was equal to - € 0.0003.

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 S.p.A. for the period attributable to holders of ordinary capital instruments as of 30 June 2023 (13,088,770 shares as of 30 June 2023).

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 24 October 2022, 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 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 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.

Secondary offices

In compliance with the provisions of Art. 2428 of the Civil Code, it is hereby certified that the company, in addition to the registered office, has two other secondary offices in San Teodoro (SS) Piazzetta Del Porto and in Rome (RM) in viale Europa 98.

Organizational aspects

Pursuant to Legislative Decree 83/2022, the directors hereby declare that the Company has adequate organizational structures and appropriate management control mechanisms.

The Board of Directors

Gallarate, 28 September 2023



Financial statements as of 30 June 2023

SOSTRAVEL.COM S.P.A.**Financial statements for the year ended 30/06/2023**

Company data	
Registered office in	GALLARATE
Tax ID No.	03624170126
Economic & Administrative Index No.	VARESE 366690
VAT No.	03624170126
Share capital Euro	1,309,254.80 fully paid up
Legal form	Italian 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	no
Name of the parent company	
Country of parent company	
Registration no. in list of cooperative companies	

7 Financial statements as of 30/06/2023

BALANCE SHEET

ASSETS	30/06/2023	31/12/2022
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	335,684	383,188
2) Development costs	299,147	445,566
5) Goodwill	321,369	340,109
6) Tangible assets in progress and advances	19,700	19,700
7) Other	105,162	117,586
Total intangible fixed assets	1,081,062	1,306,149
II - Tangible fixed assets		
1) Land and buildings	802,687	816,057
4) Other assets	45,060	49,148
5) Tangible assets in progress and advances	97,764	5,680
Total tangible fixed assets	945,511	870,885
III - Total financial fixed assets		
1) Shareholdings in:		
2) Receivables		
D-bis) Due from others		
Due within next year	240,050	0
Due beyond next year	0	230,000
Total receivables due from others	240,050	230,000
Total receivables	240,050	230,000
Total financial fixed assets (III)	240,050	230,000
Total fixed assets (B)	2,266,623	2,407,034
C) CURRENT ASSETS		
I) Inventories		
Total inventories	0	0
II - Receivables		
1) Trade receivables		
Due within next year	2,090,041	827,714
Total receivables due from customers	2,090,041	827,714
5-bis) tax receivables		
Due within next year	319,870	234,804
Total tax payables	319,870	234,804
5-ter) prepaid taxes	230,140	199,452
5-quater) due to others		
Due within next year	303,208	416,750
Due beyond next year	466,667	466,667
Total receivables due from others	769,875	883,417
Total receivables	3,409,926	2,145,387
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	2,781,252	2,134,925
3) Cash and cash equivalents	64	32

Total Liquid funds	2,781,316	2,134,957
Total current assets (C)	6,191,242	4,280,344
D) Accruals and deferrals	2,018,728	807,926
Total assets	10,476,593	7,495,304

BALANCE SHEET

LIABILITIES	30/06/2023	31/12/2022
A) SHAREHOLDERS' EQUITY		
I - Share capital	1,308,877	1,308,834
II - Share premium reserve	6,254,368	6,253,893
III - Revaluation reserves	0	0
IV - Legal reserve	100,000	100,000
V - Statutory reserves	0	0
VI - Otherreserves, distinctly specified		
Misc. other reserves	869,686	869,684
Total other reserves	869,686	869,684
VII - Reserve for transactions to cover expected cash flows	0	0
VII - Profit (loss) carried forward	-5,206,062	-4,590,279
IX - Profit (loss) of the year	-3,563	-615,783
Loss covered during the year	0	0
X - Negative reserve for own shares in portfolio	0	0
Total shareholders' equity	3,323,306	3,326,349
B) Provisions for risks and charges		
4) other	64,737	48,050
Total provisions for risks and charges B	64,737	48,050
C) Employee termination indemnities	31,400	46,107
D) Payables		
4) Payables due to banks		
Due within next year	560,425	324,206
Due beyond next year	2,400,035	2,711,544
Total payables due to banks (4)	2,960,460	3,035,750
6) Advances		
Due within next year	2,243,034	273,931
Total Advances (6)	2,243,034	273,931
7) Payables due to suppliers		
Due within next year	1,425,588	496,484
Total payables due to suppliers (7)	1,425,588	496,484
12) Tax payables		
Due within next year	28,524	59,521
Total tax payables (12)	28,524	59,521
13) Payables due to social security institutions		
Due within next year	42,906	38,520
Total payables due to social security institutions (13)	42,906	38,520
14) Other payables		
Due within next year	217,649	102,650
Due beyond next year	40,000	0
Total other payables (14)	257,649	102,650
Total payables (D)	6,958,161	4,006,856
E) Accruals and deferrals	98,989	67,942
Total liabilities	10,476,593	7,495,304

Income statement

	30/06/2023	30/06/2022
A) TOTAL REVENUES:		
1) Revenues from sales and services	5,491,987	263,010
5) Other revenues and proceeds		
Contributions for operating expenses	18,799	82,381
other	92,682	8,906
Total other revenues and proceeds	111,481	91,287
Total revenues	5,603,469	354,297
B) Cost of production		
6) For raw and ancillary materials, consumables and goods	4,900	105
7) For services	4,761,813	422,423
8) Costs for use of third party assets	77,464	29,622
9) Total personnel costs		
a) salaries and wages	291,443	139,674
b) social security charges	82,161	42,102
c) termination indemnities	14,878	12,289
D) Retirement indemnities and similar items	0	0
e) other costs	0	0
Total personnel costs	388,482	194,065
10) amortization/depreciation and write-downs		
a) amortization of intangible fixed assets	225,090	215,990
b) depreciation of tangible fixed assets	19,875	16,555
Amortization/depreciation and write-downs	244,965	232,545
12) allocations for risks	48,478	12,011
14) other operating charges	64,400	12,482
Total cost of production	5,590,502	903,253
Difference between value and cost of production (A-B)	12,967	-548,956
C) Financial proceeds and charges		
16) other financial proceeds		
d) proceeds other than the above		
other	12,149	0
Total proceeds other than the above	12,149	0
Total other financial proceeds	12,149	0
17) interest and other financial charges		
other	52,592	16,618
Total interest and other financial charges	52,592	16,618
17-bis) net income and exchange rate losses	-137	-702
Total financial proceeds and charges (15 + +16 - -17 + - -17-bis)	-40,580	-17,320
d) Value adjustments of financial assets and liabilities		
19) Write-downs:		
A) Of equity investments	0	0
Total write-downs	0	0
Total value adjustments of financial assets and liabilities (18-	0	0

19)		
Result before taxes (A - B + - C + - D)	-27,613	-566,276
20) Income taxes for the year, current, deferred and prepaid		
Current taxes	6,638	0
Deferred and prepaid taxes	-30,688	0
Total income taxes for the year, current, deferred and prepaid	-24,050	0
21) Profit (loss) of the year	-3,563	-566,276

CASH FLOW STATEMENT - INDIRECT METHOD

A. Cash flows from operating activities (indirect method)	30/06/2023	30/06/2022
Profit (loss) of the year	-3,563	-566,276
Income taxes of the year	-24,050	0
Payable/(receivable) interest	40,443	16,618
(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	12,830	-549,658
<i>Adjustments for non-monetary items that are not offset in net working capital</i>		
Allocations to provisions	79,615	46,812
Amortization/depreciation of fixed assets	244,965	232,545
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	137	0
<i>Total adjustments for non-monetary items that are not offset in net working capital</i>	324,717	279,357
2. Cash flows before changes in net working capital	337,547	-270,301
<i>Changes in net working capital</i>		
Decrease/(Increase) in inventories	0	0
Decrease/(Increase) in receivables due from customers	-1,262,327	4,457
Increase/(Decrease) in payables due to suppliers	929,104	157,545
Decrease/(Increase) in accrued income and deferred charges	-1,210,802	-143,883
Increases/(Decreases) in accrued liabilities and deferred income	31,047	-18,305
Other decreases/(Other increases) in net working capital	2,095,279	-14,234
<i>Total changes in net working capital</i>	582,301	-14,420
3. Cash flows after changes in net working capital	919,848	-284,721
<i>Other changes</i>		
Interest collected/(paid)	-40,443	-16,618
(Paid income taxes)	0	0
Collected dividends	0	0
(Use of provisions)	-77,635	-111,462
Other collections/(payments)	0	0

<i>Total other changes</i>	-118,078	-128,080
Cash flows from operating activities (A)	801,770	-412,801
B) Cash flows from investment activities		
<i>Tangible fixed assets</i>		
(Investments)	-94,501	-2,560
Divestments	0	0
<i>Intangible fixed assets</i>		
(Investments)	0	-266,744
Divestments	0	0
<i>Financial fixed assets</i>		
(Investments)	-10,050	0
Divestments	0	0
<i>Current financial assets</i>		
(Investments)	0	0
Divestments	0	0
(Acquisition of company branches net of liquid funds)	0	0
Sale of company branches net of liquid funds	0	0
Cash flows from investment activities (B)	-104,551	-269,304
C. Cash flows from financing activities		
<i>Third party financing</i>		
Increase / (Decrease) of short-term payables to banks		
Acquisition of financing	0	92,400
(Reimbursement of financing)	-75,290	0
<i>Own assets</i>		
Paid share capital increase	0	0
(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)	-75,290	92,400
Increase (decrease) in liquid funds (A ± B ± C)	621,929	-589,705
Exchange rate effect on liquid funds		0
Liquid funds at the start of the year		
Bank and postal deposits	2,134,925	3,294,621
Checks	0	0
Cash and cash equivalents	32	64
Liquid funds at the start of the year	2,134,957	3,294,685
Of which not freely usable		0
Liquid funds at the end of the year		
Bank and postal deposits	2,781,252	2,704,900
Checks	0	0
Cash and cash equivalents	64	80
Liquid funds at the end of the year	2,781,316	2,704,980
Of which not freely usable		0

8 Explanatory notes to the financial statements as of 30/06/2023

INTRODUCTION

The half-year financial statements as of 30/06/2023 - 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 2022.

The company was founded at the end of 2017 from the transfer of a company branch operated by the shareholder TraWell Co S.p.A. for the purpose of operating 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 since the initiation of operations 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.

It should be noted that, in the first half of 2022, the project for the merger by incorporation (the "Merger") of the company Digital Destination Company Srl ("DDC") into Sostravel.com SpA ("SOS") was approved; it was drafted in accordance with 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 the two companies. The operation aims to create an integrated organization which is synergistically active in providing digital services within the tourism sector.

The Merger was completed with a deed dated 29 September 2022; this transaction had statutory effects as of 1 November 2022 and accounting and tax effects backdated to 1 January 2022.

The two merged companies had no shareholding links. For the purposes of determining the respective economic values of the participating companies and the consequent determination of the exchange ratio of the Merger (the "Exchange Ratio"), the respective administrative bodies availed themselves of the assistance of KPMG Advisory S.p.A. ("KPMG") as financial advisor.

The administrative bodies – also on the basis of a fairness opinion issued by KPMG – calculated the exchange ratio to be used as a basis for the Merger; this ratio is defined as the number of SOS shares which were assigned to the shareholders of DDC in exchange for the relative shareholdings – totaling 590.9 ordinary shares of SOS, with no indication of nominal value and with the same dividend date as the ordinary shares of SOS circulating on the effective date of the Merger – for every € 1 of share capital of DDC.

A share capital increase of € 590,896 was therefore carried out in service of the Merger, following which a share swap deficit was determined which was fully allocated to goodwill.

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 this period;
- 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.

The income statement referred to in the financial statements compares the situation as of 30.06.2023 and as of 30.06.2022.

The data as of 30.06.2022 represents the data of SOSTravel.com before the Reverse Take Over operation took place as described in the "Introduction" paragraph of these explanatory notes. As a result, and by means of these notes, it should be noted that the periods in the income statement are not comparable to each other. We will provide appropriate descriptive evidence of the most significant deviations due to the extraordinary operation.

Assumption of a going concern;

With regard to this assumption, 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 twelve months from the closing date of reference of the financial statements – to generate income.

When assessing the future of the going concern assumption, no significant uncertainties emerged, nor were there reasonable alternatives to terminating business operations.

The financial statements were drawn up in Euro units.

EXCEPTIONAL CASES PURSUANT TO ART. 2423, PARAGRAPH FIVE 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 TO 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 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 and are amortized over five 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.

Goodwill from the merger is amortized over its useful life of 10 years.

Assets in progress include intangible assets under construction. These costs remain recognized in this item until ownership of the right is acquired or the project is completed. Upon occurrence of these conditions, the corresponding values are reclassified in the relevant items of tangible fixed assets. Assets under construction are not subject to depreciation.

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.

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 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.

- Furniture and furnishings: 12%
- buildings: 3%
- Electronic office machinery: 20%
- Electronic telephone systems: 20%

Shareholdings in

Equity investments are classified under fixed assets and are valued at purchase cost, potentially reduced for permanent impairment pursuant to OIC 21, paragraphs 31 to 41.

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.

In addition, an allocation was made to a specific risk provision with reference to the estimate – based on experience and on any other useful information – of returns of goods or products by customers and of discounts and rebates that are assumed to be granted at the time of collection.

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” includes deferred tax assets determined on the basis of deductible timing differences – or of the carrying forward of tax losses – by applying the estimated rate in force at the time when it is deemed such differences will occur.

Deferred tax assets relative to a tax loss were only recognized in the case of reasonable certainty of their future recovery; this was determined from tax planning for a reasonable period of time that forecasts sufficient taxable income to use the losses that can be carried forward and/or in the case of taxable timing differences which are sufficient to absorb the losses that can be carried forward.

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

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.

With reference to untaxed reserves that would be subject to taxation in the event of distribution to shareholders, deferred taxes have not been calculated given that, pursuant to OIC 25 par. 64, there are reasonable grounds for believing that they will not be used in ways that give rise to conditions of taxability.

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 receivables 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

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).

INFORMATION ON THE BALANCE SHEET

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 € 1,081,062 (€ 1,306,149 in the previous year).

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

	Start up and expansion costs	Development costs	Authorizations, licenses, trademarks and similar rights	Goodwill	Assets in progress and advances	Other intangible fixed assets	Total intangible fixed assets
Value at year start							
Cost	1,863,669	2,286,222	300,000	377,899	19,700	172,954	5,020,444
Amortization (provisions for amortization)	1,480,481	1,840,656	300,000	37,790	0	55,368	3,714,295
Book value	383,188	445,566	0	340,109	19,700	117,586	1,306,149
Changes during the year							
Depr. of the year	47,505	146,420	0	18,740	0	12,425	225,090
Other changes	1	1	0	0	0	1	3
Total changes	-47,504	-146,419	0	-18,740	0	-12,424	-225,087
Value at year end							
Cost	1,863,669	2,286,222	300,000	377,899	19,700	172,954	5,020,444
Amortization (provisions for amortization)	1,527,985	1,987,075	300,000	56,530	0	67,792	3,939,382
Book value	335,684	299,147	0	321,369	19,700	105,162	1,081,062

The item Start-up and expansion costs includes costs of incorporation, listing and the costs relating to the Merger operation.

Development costs include proprietary software developed by the company as well as purchased software licenses. The item Authorizations, licenses and trademarks only includes the cost for the purchase of FLIO brands, the amortization process of which ended in 2021.

Intangible fixed assets mainly refer to investments implemented for the purposes of developing and increasing the functionality of the software, and both for web and mobile services.

As previously reported, goodwill was recorded following the emergence of a share swap deficit generated following the Merger and totaling € 377,899.

Assets under construction - amounting to € 19,700 - refer to the development of software for managing Navi Italia reservations directly on the amareitalia.com website; the latter is expected to be completed within the second half of 2023.

Tangible fixed assets

Tangible fixed assets amounted to € 945,511 (€ 870,885 in the previous year).

Tangible fixed assets consist of buildings, office equipment, furniture and fittings, electronic telephone systems and automobiles.

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

	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	86,378	5,680	990,986
Amortization (provisions for amortization)	82,668	203	37,230	0	120,101
Book value	816,057	0	49,148	5,680	870,885
Changes during the year					
Increase for acquisitions	0	0	2,417	92,084	94,501
Depr. of the year	13,370	0	6,505	0	19,875
Total changes	-13,370	0	-4,088	92,084	74,626
Value at year end					
Cost	898,725	203	88,794	97,764	1,085,486
Amortization (provisions for amortization)	96,038	203	43,734	0	139,975
Book value	802,687	0	45,060	97,764	945,511

Finance lease operations

Pursuant to Art. 2427, paragraph 1, number 22 of the Italian Civil Code, it should be noted that no financial leasing operations have been implemented.

Financial fixed assets

Equity investments, other securities and financial derivative assets

Equity investments included in financial fixed assets amounted to € 0 (€ 0 in the previous year).

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.

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

	Shareholdings in other companies	Total shareholdings
Value at year start		
Cost	101,172	101,172
- Write-downs	101,172	101,172
Changes during the year		
Value at year end		
Cost	101,172	101,172
- Write-downs	101,172	101,172

It should be noted that - during the year 2020 - 40,000 shares of the Health Point Plus Company were acquired for a total value of € 84,379. During the 2021 financial year, a further investment was made for € 16,793 for the purchase of 40,000 shares at the price of 0.50 USD per share. The equity investment is valued at cost but - following the prospective valuation of the Company - steps were taken in 2022 to fully write it down.

Non current receivables

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.

Receivables booked under financial fixed assets were equal to € 240,050 (€ 230,000 in the previous year) and are represented by security deposits.

In particular, there is a security deposit of € 210,000 disbursed to Yessa Srl for a room

contract in the Jumbo resort of Watamu in Kenya as well as a deposit of € 20,000 disbursed to Worldwide for a room contract in the Jacaranda Beach resort of Watamu in Kenya.

In addition, € 10,050 refers to security deposits for the rental of offices in Rome.

CURRENT ASSETS

Receivables

Receivables booked under current assets were equal to € 3,409,926 (€ 2,145,387 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	2,090,041	0	2,090,041	0	2,090,041
Tax receivables	319,870	0	319,870		319,870
Prepaid taxes			230,140		230,140
Due to others	303,208	466,667	769,875	0	769,875
Total	2,713,119	466,667	3,409,926	0	3,409,926

Receivables - Subdivision by expiration date

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	827,714	1,262,327	2,090,041	2,090,041	0	0

under current assets						
Tax receivables booked under current assets	234,804	85,066	319,870	319,870	0	0
Prepaid tax assets booked under current assets	199,452	30,688	230,140			
Receivables booked under current assets due from others	883,417	-113,542	769,875	303,208	466,667	0
Total receivables booked under current assets	2,145,387	1,264,539	3,409,926	2,713,119	466,667	0

Trade receivables mainly include receivables deriving from the supply of core business services.

Tax receivables include € 17,753 for IRES receivables and € 302,117 for VAT receivables which are also relative to the incorporated company and deriving from the merger.

Receivables from others include € 1,223 for INAIL advances and € 700,000 in receivables for an interest-bearing loan granted to Trawell Co S.p.A., of which € 233,333 within the financial year and € 466,667 beyond the financial year.

Prepaid taxes were equal to € 230,140 (€ 199,452 in the previous year).

Receivables- breakdown by geographical area

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

	Total			
Geographical area		Italy	EU	Extra-EU

Trade receivables booked under current assets	2,090,041	1,107,044	698,402	284,595
Tax receivables booked under current assets	319,870	319,870	0	0
Prepaid tax assets booked under current assets	230,140	230,140	0	0
Receivables booked under current assets due from others	769,875	761,377	7,778	720
Total receivables booked under current assets	3,409,926	2,418,431	706,180	285,315

Receivables - operations with repurchase agreements

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 € 2,781,316 (€ 2,134,957 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	2,134,925	646,327	2,781,252
Cash and cash equivalents	32	32	64
Total Liquid funds	2,134,957	646,359	2,781,316

Accrued income and deferred charges

Accrued income and deferred charges were equal to € 2,018,728 (€ 807,926 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	807,926	1,210,802	2,018,728
Total accrued income and deferred charges	807,926	1,210,802	2,018,728

Composition of accrued income

There was no accrued income as of 30/06/2023.

Composition of accrued income:

The changes derive from ordinary management activities. Deferred charges are mainly related to purchases of services whose use will take place after the end of the year.

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.

INFORMATION ON THE BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity

The shareholders' equity existing at the end of the year was equal to € 3,323,306 (€ 3,326,349 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':

	Value at year start	Assignment of dividends	Other allocations	Increases
Share capital	1,308,834	0	0	43
Share premium reserve	6,253,893	0	0	475
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	-4,590,279	0	0	0
Profit (loss) of the year	-615,783	0	615,783	0
Total shareholders' equity	3,326,349	0	615,783	518

	Decreases	Reclassifications	Result of the year	Value at year end
Share capital	0	0		1,308,877
Share premium reserve	0	0		6,254,368
Legal reserve	0	0		100,000
Other reserves				
Misc. other reserves	0	2		869,686
Total other reserves	0	2		869,686
Profit (loss) carried forward	615,783	0		-5,206,062
Profit (loss) of the year	0	0	-3,563	-3,563
Total shareholders' equity	615,783	2	-3,563	3,323,306

	Description	Amount
	Contribution reserve	869,686
Total		869,686

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.

During 2022, and following the merger by incorporation of Digital Destination Company, the Company issued 5,908,906 ordinary shares, with no indication of the nominal value expressed and with regular dividend rights which have been assigned to DDC shareholders in proportion to the share capital they hold in the merged company. At the same time, 9,846,538 warrants were issued and assigned to DDC shareholders, with the same characteristics as those already existing.

During the months of August and September 2022, 1,120 warrants were exercised.

Following the transactions described above, there was a total increase in share capital of € 591,008 in 2022 and an increase in the share premium reserve of € 1,232.

As of 31 December 2022, there were still 21,807,080 warrants in circulation.

It should be noted that - during the months of January, February and May 2023, and following the exercise of the previously issued warrants - the share capital increased by € 43 with a simultaneous increase in the share premium reserve of € 475.

The share capital as of 30 June 2023 was equal to Euro 1,308,877 and the share premium reserve was equal to € 254,368.

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	Summary of uses in the previous three years - for coverage of losses	Summary of uses in the previous three years - for other reasons
Share capital	1,308,877	Share capital		0	0	0
Share premium reserve	6,254,368	Share capital	A - B - C	6,254,368	0	0
Legal reserve	100,000	Profit	A - B	100,000	0	0

Other reserves						
Misc. other reserves	869,686	Share capital - net income	A - B - C	869,686	0	0
Total other reserves	869,686			869,686	0	0
Profit carried forward	-5,206,062			0	0	0
Total	3,326,869			7,224,054	0	0
Non-distributable quota				6,102,668		
Residual distributable quota				1,121,386		
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 € 634,831; losses carried forward for € 5,206,062; and the portion of the legal reserve (€ 161,775) necessary 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 € 64,737 (€ 48,050 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	48,050	48,050
Changes during the year		
Changes during the year	64,737	64,737
Utilization during the year	48,050	48,050
Total changes	16,687	16,687
Value at year end	64,737	64,737

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

Termination indemnities

Employee termination indemnities are booked under liabilities for a total of € 31,400 (€ 46,107 in the previous year).

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

	Employee termination indemnities
Value at year start	46,107
Changes during the year	
Changes during the year	14,878
Utilization during the year	22,390
Other changes	-7,195
Total changes	-14,707
Value at year end	31,400

Payables

Payables are booked under liabilities for a total of € 6,958,161 (€ 4,006,856 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	3,035,750	-75,290	2,960,460
Advances	273,931	1,969,103	2,243,034
Payables due to suppliers	496,484	929,104	1,425,588
Tax payables	59,521	-30,997	28,524
Payables due to social security institutions	38,520	4,386	42,906
Other payables	102,650	154,999	257,649
Total	4,006,856	2,951,305	6,958,161

Payables to banks include the portions of loans existing at the end of the financial year and are divided, in relation to their maturity dates, between payables due within and beyond the financial year.

Trade payables and advances from customers mainly include amounts relating to the purchase of services associated with the core business.

Tax payables mainly include the sums owed by the company at the end of the year for withholding taxes relative to employees and independent contractors to be paid within the terms of the law.

Payables to social security institutions consist of payables to INPS and supplementary pension funds.

Other payables mainly consist of payables to employees in relation to the 14th month's salary bonus as well as for holidays accrued and not taken and € 137,000 for security deposits stipulated for coverage of the 2023 season, with the exception of € 40,000 which refer to the Fram/Jumbo contract which expires on 31/10/2026.

Payables- Subdivision by expiration date

Data relative to the breakdown of payables by expiration date 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	3,035,750	-75,290	2,960,460	560,425	1,950,951	449,084
Advances	273,931	1,969,103	2,243,034	2,243,034	0	0
Payables due to suppliers	496,484	929,104	1,425,588	1,425,588	0	0
Tax payables	59,521	-30,997	28,524	28,524	0	0
Payables due to social security institutions	38,520	4,386	42,906	42,906	0	0
Other payables	102,650	154,999	257,649	217,649	40,000	0
Total payables	4,006,856	2,951,305	6,958,161	4,518,126	2,440,035	0

Payables- breakdown 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:

	Total			
Geographical area		Italy	EU	Extra-EU
Payables due to banks	2,960,460	2,960,460	0	0
Advances	2,243,034	1,986,970	128,609	127,455
Payables due to suppliers	1,425,588	1,252,923	66,186	106,479
Tax payables	28,524	28,524	0	0
Payables due to social security institutions	42,906	42,906	0	0
Other payables	257,649	257,649	0	0
Payables	6,958,161	6,529,432	194,795	233,934

Payables secured by collateral on corporate assets

It should be noted that there is no collateral security on company assets, pursuant to art. 2427, paragraph 1 number 6 of the Italian Civil Code.

Payables- operations with repurchase agreements

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.

Shareholding financing

Pursuant to Art. 2427, paragraph 1, number 19-bis of the Italian Civil Code, it should be noted that there is no financing provided by the shareholders of the Company to the company itself.

Accrued liabilities and deferred income

Accrued liabilities and deferred income are booked under liabilities for a total of € 98,989 (€ 67,942 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	11,143	-9,713	1,430
Deferred income	56,799	40,760	97,559
Total accrued liabilities and deferred income	67,942	31,047	98,989

The residual quotas of the tax receivables relative to research and development expenses and the tax receivable for adapting workplaces which the incorporated company had used were recognized under deferred income. These deferrals were accounted for in compliance with the accrual principle in order to correlate the economic effect of the revenues with the relative costs (amortization of start-up and expansion costs and development costs). Accrued liabilities include the portions of condominium expenses relating to the period.

INFORMATION ON 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 to travelers	512,964
	Revenues for travel agency activities	4,979,023
Total		5,491,987

Revenues from sales and services – Breakdown by geographical area

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 geographical area:

	Geographical area	Value of current year
	Italy	4,625,462
	EU	269,951
	Extra-EU	596,574
Total		5,491,987

Other revenues and proceeds

Other revenues and proceeds are booked under total revenues within the income statement for a total of € 111,481 (€ 178,581 in the previous year).

The composition of the individual items was as follows:

	Value of previous year	Change	Value of current year
Contributions for operating expenses	112,761	-93,962	18,799
other			
Receivable commissions	55,046	3,473	58,519
Other revenues and proceeds	10,774	23,390	34,164
Total other	65,820	26,863	92,683
Total other revenues and proceeds	178,581	-67,099	111,482

Other revenues and income primarily include the following:

Euro 4,800 tax credit for adapting workplaces;

Euro 14,000 of tax credit for R&D costs proportional to the amortization rates calculated during the year on the same subsidized expenses;

- Euro 58,519 of receivable commissions;
- Euro 27. Euro 517 of contingent assets.

Cost of production:

Please note that - for a comparison of costs - the amounts for the current half-year will be reported in comparison with those of the previous financial year and the previous

half-year; in the latter half-year, the merger operation referred to in the introduction had not yet taken place.

Costs for raw materials

Expenses for raw materials are booked under production costs of the income statement for a total of € 4,900 (€ 9,511 in the previous year and € 105 in the previous half year).

Service costs

Service costs are booked under the cost of production within the income statement for a total of € 4,761,813 (€ 16,333,222 in the previous year and € 422,423 in the previous half-year).

The composition of the individual items was as follows:

	Value of current year
Services for purchases	3,987,924
Transportation	40
Maintenance and repairs	1,447
Technical services and consulting	0
Compensation to directors	209,612
Compensation to auditors	26,480
Payable commissions	0
Advertising	14,134
Legal expenses and consulting	12,262
Fiscal, administrative and commercial consulting	237,261
Telephone expenses	1,110
Services from financial companies and banks of non-financial nature	8,330
Insurance	6,605
Entertainment expenses	6,194
Travel expenses	7,691
Training and educational expenses	0
other	242,723
Total	4,761,813

Costs for use of third party assets

Service costs are booked under the cost of production within the income statement for a total of € 77,464 (€ 78,799 in the previous year and € 29,622 in the previous half-year). The composition of the individual items was as follows:

	Value of current year
Rents and leases	36,261
other	41,203
Total	77,464

Other operating charges

Service costs are booked under the cost of production within the income statement for a total of € 64,400 (€ 31,750 in the previous year and € 12,482 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. Only interest income was booked for the loan granted to Trawell Co S.p.A. for € 12,149.

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 2023 were equal to € 52,592 and included charges for loans granted to the Company.

Exchange rate gains and losses

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	20	253	273
Exchange rate losses	0	410	410

REVENUES OF EXCEPTIONAL AMOUNT OR INCIDENCE

In compliance with the provisions of Art. 2427, paragraph 1 number 13 of the Italian Civil

Code, there were no revenues of exceptional magnitude or incidence during the course of the half-year.

COSTS OF EXCEPTIONAL AMOUNT OR INCIDENCE

In compliance with the provisions of Art. 2427, paragraph 1 number 13 of the Italian Civil Code, there were no costs of exceptional magnitude or incidence during the course of the half-year.

INCOME TAXES OF THE YEAR: CURRENT, DEFERRED AND PREPAID

The composition of the individual items was as follows:

	Current taxes	Taxes relative to previous years	Deferred taxes	Prepaid taxes	Proceeds (charges) from joining the consolidated tax/tax transparency regime
IRES	0	0	0	30,688	
IRAP	6,638	0	0	0	
Total	6,638	0	0	30,688	0

Prepaid taxes of Euro 30,688 were recognized in relation to the amount of the tax loss for the current half year and the amount of ACE to be carried forward.

Information regarding tax losses is reported below:

	Current year - Amount
Fiscal losses:	
of the year	56,801
Previous years	5,874,859
Total fiscal losses	5,931,660

OTHER INFORMATION

Employment data

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

	Average number
Executives	1
Office employees	15
Total employees	16

Compensation to auditing bodies

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	174,000	18,980

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	7,500
Total compensation paid to the regulatory auditor or the auditing company	7,500

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 table:

	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	13,088,338	1,308,834	432	43	13,088,770	1,308,877
Total		13,088,338	1,308,834	432	43	13,088,770	1,308,877

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 were no assets allocated for specific transactions, in accordance with Article 2447 bis of the Italian Civil Code, nor financing for a specific transaction, pursuant to Art. 2447 decies of the Italian Civil Code.

Operations with related parties

Pursuant to Art. 2427, paragraph 1, number 22-bis of the Italian Civil Code, it should be noted that there were no transactions implemented with related parties of a significant nature and which were not implemented at normal market conditions.

The main transactions completed with related parties are as follows:

- 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. The financial statements include a loan of €

700,000 issued to Trawell Co and expiring in November 2025 as well as interest receivable on the loan for € 12,149;

In addition, transactions were implemented with other parties such as:

- Yessa S.r.l. The financial statements report a receivable for a security deposit of € 210,000 which was paid following the contract for the rooms in the jumbo hotel in Watamu Kenya and a receivable from the bank statement totaling € 31,050 as advance payments for admissions in July 2023;
- RG HOLDING: retains a payable towards the related party totaling € 11,796 and relative to the 2019/2020 electricity balance and 2021/2022/2023 insurance balance; there is also a receivable of € 527 relative to the registration and deregistration of the 2020/2021 rental contract.

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.

Derivative financial instruments

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.

Information on companies or entities that exercise management and coordination activities – Art. 2497 bis of the Italian Civil Code

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

With reference to At. 1 paragraph 125 of Law 124/2017, the grants (contributions, paid assignments, economic benefits) received from public administrations are summarized below:

Euro 4,800 tax credit for adapting workplaces;

Euro 14,000 of tax credit for R&D costs proportional to the amortization rates calculated during the year on the same subsidized expenses;

On behalf of the Board of Directors

CARMINE COLELLA