



CONSOLIDATED HALF-YEAR FINANCIAL REPORT JUNE 30, 2024

MATICA FINTEC S.P.A.
Registered office in Milan – Via Giuseppe Parini 9
Share Capital €5,478,981.00 =
Tax code, VAT number and
Company Register of Milan Monza Brianza Lodi No. 10354300013
R.E.A. No. MI-2540487

Consolidated statement of financial position

	Notes	30/06/2024	31/12/2023
<i>Amounts in Euro</i>			
Non-current assets			
Tangible fixed assets	7	456.225	463.628
<i>Plant and machinery</i>		111.396	134.926
<i>Furniture and equipment</i>		32.183	39.696
<i>Vehicles</i>		146.307	126.518
<i>Leasehold improvements</i>		43.638	36.185
<i>Other property plant and machinery</i>		122.701	126.302
Intangible fixed assets	8	7.424.983	7.282.029
<i>Development costs</i>		4.017.201	3.770.714
<i>Patents, Trademarks and other rights</i>		67.273	56.101
<i>Software</i>		1.689	2.973
<i>Other intangible assets</i>		1.848.755	1.962.177
<i>Goodwill</i>		1.490.064	1.490.064
Investments		(0)	(0)
Other non-current assets	9	747.059	833.889
Deferred tax assets	10	7.738	36.797
Total non-current assets		8.636.004	8.616.344
Current assets			
Inventory	11	5.252.934	4.919.507
Tax receivables	12	77.733	534.913
Trade and sundry receivables	13	7.096.109	4.538.333
Cash and cash equivalents	14	8.175.547	11.312.382
Other assets	15	624.457	289.376
Total current assets		21.226.781	21.594.510
Total Assets		29.862.785	30.210.854
Equity			
Share capital		5.478.981	5.478.981
Legal reserve		298.522	199.178
Other reserves		4.092.191	4.046.543
Retained earnings (losses carried forward)		4.699.413	2.592.293
Profit (loss) for the period		1.321.122	2.196.785
Total equity	16	15.890.228	14.513.780
Non-current liabilities			
Financial payables	17	5.207.182	6.577.037
Provision for other employee benefits	18	362.905	334.158
Deferred tax liabilities and tax provisions	19	145.980	168.464
Non-current tax payables	20	0	51.987
Other non-current liabilities	21	6.292	15.845
Total non-current liabilities		5.722.360	7.147.491
Current liabilities			
Financial payables	17	3.561.274	3.424.716
Current tax payables	20	411.020	294.778
Trade and sundry payables	22	2.691.591	2.528.466
Other current liabilities	21	1.586.313	2.301.623
Total current liabilities		8.250.197	8.549.583
Total equity and liabilities		29.862.785	30.210.854

Consolidated statement of comprehensive income

Assets	29.862.785	31.373.254
Liabilities & Equity	29.862.785	31.373.254
Check	0	0
Risultato CE	1.321.122	884.158
Risultato SP	1.321.122	884.158
Check	0	0

	Notes	30/06/2024	30/06/2023
<i>Amounts in Euro</i>			
Revenue from sales	23	11.082.969	11.438.226
Other revenue and income	23	71.895	187.814
Change in inventory	11	724.587	111.926
Increases in internal work capitalized	8	384.205	380.751
Total Revenue		12.263.656	12.118.716
Purchase costs	24	4.398.877	4.320.583
Other operating costs	25	2.807.731	3.203.353
<i>Service costs</i>		2.461.539	2.677.007
<i>Rentals and leases</i>		245.176	160.255
<i>Sundry operating expense</i>		101.016	366.091
Personnel expense	26	2.506.712	2.607.868
Operating costs		9.713.321	10.131.803
EBITDA		2.550.336	1.986.913
Amortization and depreciation	7, 8	427.854	440.877
Provisions for risks	27	0	0
Write-backs/(Write-downs)	28	(23.515)	1.643
EBIT		2.098.966	1.544.393
Financial income		155.885	120.380
Financial expense		(340.255)	(425.301)
Net financial income (expense)	29	(184.371)	(304.921)
Profit (loss) before tax		1.914.596	1.239.471
Current tax		580.326	290.682
Deferred tax assets/(liabilities)		13.148	64.632
Total tax	30	593.474	355.314
Profit (loss) for the year (A)		1.321.122	884.158
Basic earnings/(loss) per share (Euro per share)		0,1208	0,0808
Diluted earnings/(loss) per share (Euro per share)		0,1208	0,0808
Other Profit/(Loss) of comprehensive result:			
Other items of the comprehensive income statement in the period that will later be released to the income statement			
		-	
Other items of the comprehensive income statement in the period that will not be later released to the income statement			
		-	
Actuarial gains/(losses) from "defined benefit plans"		(21.183)	0
Total Other Gains/(Losses), net of tax effect (B)		(21.183)	0
Total comprehensive income/(loss) (A) + (B)		1.299.939	884.158

Consolidated statement of cash flows

Amounts in Euro

	30/06/2024	30/06/2023
Profit (loss) for the year before tax	1.914.596	1.239.471
Adjustments for:		
- non-cash items - Write-downs (write-backs)	(23.515)	1.643
- non-cash items - allocations / (releases)	55.327	(89.887)
- Financial income	(155.885)	(120.380)
- Financial expense	340.255	425.301
- non-cash items - amortization and depreciation	427.854	440.877
Adjusted profit (loss) for the period before tax	2.558.632	1.897.025
Cash generated from operations		
- Income tax paid	(65.464)	(745.917)
Total	(65.464)	(745.917)
Changes in working capital		
Change in receivables from customers	(2.534.261)	(1.198.633)
Change in inventory	(333.427)	(70.473)
Change in payables to suppliers	163.125	74.910
Change in other receivables and other payables	(979.804)	420.569
Change in provision for post-employment benefits and other provisions	56.619	57.313
Total	(3.627.748)	(716.314)
Cash flow from operations (1)	(1.134.581)	434.794
Disposals (Acquisitions):		
- Tangible	(40.581)	(104.211)
- Intangible	(522.823)	(624.755)
- Financial	0	-
Cash flow from investing activities (2)	(563.404)	(728.966)
Financing activities		
Increases/(decreases) financial payables	(1.233.296)	(508.387)
Financial income (expense)	(184.371)	(304.921)
Share capital increases of a cash nature	0	-
(Purchase)/disposal of treasury shares	0	0
Other changes in equity	(21.183)	(0)
Cash flow from financing activities (3)	(1.438.850)	(813.308)
Change in cash (1+2+3)	(3.136.834)	(1.107.480)
Cash, beginning of period	11.312.382	12.612.063
Cash, end of period	8.175.547	11.504.583

Statement of changes in equity

Amounts in Euro thousands

	Share capital	Reserves	Retained earnings	Profit for the year	Total Group	Reserves non-controlling	Profit (loss) non-controlling interests	Total non-controlling	Total
31/12/2023	5.479	4.246	2.592	2.197	14.514	-	-	-	14.514
Allocation of the result	-	99	2.410	(2.197)	312	-	-	-	312
Other changes	-	46	(303)	-	(257)	-	-	-	(257)
Dividends distributed	-	-	-	-	-	-	-	-	-
Comprehensive profit/(loss)	-	-	-	1.321	1.321	-	-	-	1.321
30/06/2024	5.479	4.391	4.699	1.321	15.890	-	-	-	15.890

Explanatory notes to the consolidated financial statements

Foreword

This Consolidated Half-Year Financial Report at June 30, 2024 (hereinafter the "Financial Report") was prepared in accordance with IAS 34, on the assumption that the company operates and is a going concern, applying the accounting standards set forth in IFRS issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. "IFRS" also means the International Accounting Standards ("IAS") still in force, as well as all the interpretations issued by the Interpretation Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and earlier the Standing Interpretations Committee ("SIC").

This Consolidated Half-Year Financial Report was prepared pursuant to and for the purposes of Article 18 of the Euronext Growth Milan Regulation of Borsa Italiana S.p.A..

1 Basis for presentation

This Consolidated Half-Year Financial Report at June 30, 2024 consists of the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity, Notes to the Financial Statements, and is also accompanied by the Directors' Report on Operations.

It should be noted that the consolidated statement of comprehensive income figures contained in this Financial Report at June 30, 2024 are compared with the corresponding figures for the prior period at June 30, 2023. Balance sheet figures at June 30, 2024 are compared with those at December 31, 2023.

The format adopted for the statement of financial position includes the distinction between current and non-current assets and liabilities.

The items of profit/loss for the year are included directly in the statement of comprehensive income. The income statement format adopted envisages the classification of costs by nature.

The statement of changes in equity includes the amounts of any transactions with equity holders and changes during the year in reserves.

In the statement of cash flows, cash flows from operations are presented using the indirect method, whereby net profit or loss for the year is adjusted for the effects of non-cash transactions, any deferrals or accruals of prior or future operating cash receipts or payments, and items of income or expense related to cash flows from investing or financing activities.

The Statement of Financial Position, Statement of Comprehensive Income, and Statement of Changes in Equity are presented in units of Euro; amounts shown in the notes to the financial statements are in Euro thousands unless otherwise indicated.

2 Consolidation scope

This Financial Report includes the financial statements at June 30, 2024 of the companies/entities included in the consolidation scope (hereinafter "consolidated entities") prepared in accordance with IAS/IFRS accounting standards of the Group.

Subsidiaries are all those investees over which the Group concurrently has:

- decision-making power, namely, the ability to direct the relevant activities of the investee, i.e., those activities that have a significant influence on the results of the investee;
- entitlement to variable (positive or negative) results derived from the investment in the consolidated entity;
- ability to use its decision-making power to determine the amount of results derived from the investment in the consolidated entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is assumed until the date on which such control ceases. The portions of equity and net result attributable to non-controlling interests are shown separately in the Consolidated Statement of Financial Position and Consolidated Income Statement, respectively.

Listed below are the entities included in the consolidation scope and the relating percentages of direct or indirect ownership by the Group.

Subsidiaries are consolidated on a line-by-line basis.

The following is a list of Matica Fintec S.p.A. (the "Parent Company") investments at June 30, 2024:

Valori in dollari

Denominazione	Data costituzione	Sede Sociale	Valuta	Capitale sociale	% Possesso (dir. o indir.)
UbiQ Software Inc.	12/07/2004	10925 Bren Road East, Minneapolis, Minnesota 55343, USA	Dollaro	1.442.964	100%

The subsidiary UbiQ Software Inc. is the merged entity of the two companies, already controlled at December 31, 2022, Card Technology Group Corp. and NBS Technologies (US) Inc. As part of this merger, which took effect for accounting purposes on January 1, 2023, in the interest of organizational efficiency, the fiscal year of the merged company was realigned with that of the Parent Company.

This merger did not generate any consolidation difference, considering that the effects of the first consolidation were already incorporated into the consolidated financial statements at December 31, 2022. Therefore, this transaction does not represent a change in the consolidation scope.

The following is a list of the Parent Company's investments at December 31, 2022 (before the merger mentioned in the previous paragraphs):

Amounts in Dollars

	Incorporation Date	Address	Currency	Share Capital	% Ownership (dir. o indir.)
Card Technology Corp.	09/12/1983	405 Second Avenue South, Minneapolis, Minnesota 55401 - USA	Dollar	9.587.844	100%
NBS Technologies (US) Inc.	12/07/2004	10925 Bren Road East, Minneapolis, Minnesota 55343, USA	Dollar	7.075.287	100%

Consolidation methods

The main consolidation methods adopted are as follows:

- the carrying amount of the investments, included in the consolidation scope, is eliminated against the relevant equity, in connection with the assumption of assets and liabilities based on the global integration method; any difference arising from the above elimination, after being allocated, where possible, to the individual elements of assets and liabilities, is carried as an adjustment to the Group's equity and allocated to retained earnings (losses);
- receivables and payables, costs and revenue, any dividends received, and any other transactions between companies included in the consolidation scope are eliminated;
- the following criteria were adopted for the translation of financial statements expressed in foreign currencies into Euro, consistent with current regulations:
 - assets and liabilities are valued at the spot exchange rate at June 30, 2024;
 - income statement items are valued by applying the average exchange rate for the period.

Exchange rate differences arising from the translation of equity at historical exchange rates of formation as opposed to those in effect at the balance sheet date, including the difference arising from the income result expressed at the average exchange rate for the period, are charged directly to equity in a specific "Reserve from translation differences".

The exchange rates used for the financial statements of foreign subsidiaries in foreign currencies are as follows:

- daily euro/dollar exchange rate at June 30, 2024: 1.0705, for the translation of Statement of Financial Position items;
- average annual euro/dollar rate (January-June 2024): 1.08118, for the translation of Income Statement items.

(Source Bank of Italy: <https://www.bancaditalia.it/compiti/operazioni-cambi/>)

With regard to information on the Group's business performance, the main events that occurred in first half 2024 and those that occurred after the closing date, reference is made to the Directors' Report on Operations accompanying these consolidated explanatory notes.

3. Applied accounting standards

General standards of preparation

The Consolidated Half-Year Financial Report was prepared on a going concern basis, with the presentation currency being the Euro, and amounts shown are rounded to the nearest unit, including, unless otherwise indicated, amounts presented in the notes.

Unless otherwise indicated, the accounting standards indicated in this section were also applied for the separate financial statements of Matica Fintec S.p.A..

The consolidated financial statements are prepared in accordance with IAS/IFRS issued by the IASB and published in the Official Journal of the European Community. The consolidated financial statements are prepared under the assumption of the Group's ability to operate as a going concern and include the group's financial position, income statement, statement of comprehensive income, and related notes.

The most significant accounting standards adopted in the preparation of these consolidated financial statements are:

Business combinations

Business combinations are accounted through the acquisition method. The cost of an acquisition is the acquisition-date fair value of the consideration transferred, plus the amount of any non-controlling interest held. For each business combination, any non-controlling interest in the acquiree must be measured by the acquirer at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. The acquisition costs are recognized and classified under administrative expense.

At the date of acquisition, the identifiable assets acquired and liabilities assumed are recognized at fair value at the date of acquisition; exceptions are deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments related to share-based payments of the acquiree or share-based payments issued in lieu of contracts of the acquiree, and assets (or groups of assets and liabilities) held for sale, which are instead measured according to their relevant principle.

Any contingent consideration must be recognized by the acquirer at fair value at the acquisition date and classified in accordance with IFRS 9.

Goodwill is initially measured at the cost that arises as the excess of the sum of the consideration transferred in the business combination, the value of equity attributable to non-controlling

interests, and the fair value of any previously held investment in the acquiree over the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the date of acquisition exceeds the sum of the consideration transferred, the value of equity attributable to non-controlling interests, and the fair value of any previously held investment in the acquiree, this excess is recognized immediately in the income statement as income from the completed transaction.

Equity attributable to non-controlling can be measured at fair value or in proportion to the net assets recognized for the acquired company, at the acquisition date. The valuation method is selected on a case-by-case basis.

Any contingent consideration under the business combination agreement is measured at fair value at the acquisition date and included in the value of consideration transferred in the business combination for the purpose of determining goodwill. Any subsequent changes in this fair value, which qualify as adjustments arising in the measurement period, are included in goodwill retrospectively. Changes in fair value that qualify as adjustments that arose in the measurement period are those that result from more information about facts and circumstances that existed at the acquisition date, obtained during the measurement period (which cannot exceed a period of one year from the business combination).

In case of business combinations accomplished in subsequent steps, the investment previously held in the acquired company is subject to write-back at fair value from the date of control acquisition and any resulting income or loss is recognized in the income statement. Any amounts arising from the investment previously held and recognized in Other comprehensive income (loss) are reclassified in the income statement as if the investment had been sold.

If the initial amounts of a business combination are incomplete at the balance sheet date on which the business combination occurred, the provisional amounts of the items for which recognition cannot be completed are shown in the consolidated financial statements. These provisional amounts are adjusted in the measurement period to take account of any new information about facts and circumstances existing at the acquisition date, that, if made available earlier, would have had an impact on the value of the assets and liabilities recognized on that same date.

Transactions in which the controlling entity acquires or disposes of additional minority interests without changing the control exercised over the subsidiary are transactions with shareholders, and therefore their effects must be recognized in equity: there will be no adjustments to the value of goodwill and gains or losses recognized in the income statement.

Ancillary expense from business combination transactions is recognized in the income statement in the period in which it is incurred.

Intangible assets with finite useful life

Other intangible assets are recognized in the statement of financial position only if it is probable that the use of the asset will generate future economic benefits and if the cost of the asset can be measured reliably. When these conditions are met, intangible assets are recorded at their purchase cost, which corresponds to the price paid plus ancillary expense.

The gross carrying amount of other intangible fixed assets with finite useful life is systematically apportioned among the years in which their use occurs through allocation of constant amortization rates in relation to their estimated useful lives. Amortization starts when the asset is available for use. The amortization rates used are determined according to the useful life of the relevant assets.

Industrial patent rights and rights to use intellectual works are amortized on the basis of their presumed duration of use, however, not exceeding the duration set by license agreements.

Development costs are amortized over the time frame in which the related economic benefits are expected to be used.

Other intangible fixed assets

Other intangible assets are recognized in the statement of financial position only if it is probable that the use of the asset will generate future economic benefits and if the cost of the asset can be measured reliably. When these conditions are met, intangible assets are recorded at their purchase cost, which corresponds to the price paid plus ancillary expense.

The gross carrying amount of other intangible fixed assets with finite useful life is systematically apportioned among the years in which their use occurs through allocation of constant amortization rates in relation to their estimated useful lives. Amortization starts when the asset is available for use and is proportionate, for the first year, to the period of actual use. The amortization rates used are determined according to the useful life of the relevant assets.

Intangible assets with indefinite useful life: Goodwill

Goodwill is recognized as an asset with indefinite useful life and is not amortized; rather, it is tested annually, or more frequently if there is an indication that specific events or changed circumstances may have resulted in impairment, for impairment. Impairment losses are recognized directly in profit and loss and are not subsequently reversed. After initial recognition, goodwill is measured net of any accumulated impairment losses.

In order to test for impairment, goodwill acquired in a business combination is allocated as of the acquisition date to the individual cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units or groupings of units.

Each unit or groups of units to which the goodwill is allocated:

- represents the lowest level at which goodwill is monitored for internal management purposes;
- is no broader than the segments identifiable by segment reporting.

Any impairment loss is identified by comparing the carrying amount of the cash-generating unit with its recoverable value. In the event that the recoverable amount from the cash-generating unit is less than the assigned book value, the corresponding impairment loss is recognized. Such an impairment loss is not reinstated in the event that the reasons that generated it cease to apply.

If goodwill has been allocated to a cash generating unit (CGU) and the entity disposes of part of this unit, goodwill associated with the sold unit must be included in the book value of the asset when the profit or loss on disposal is determined. Goodwill associated with the discontinued operation must be calculated on the basis of the relating values of the discontinued operation and the retained portion of the cash-generating unit.

Tangible fixed assets

They are recorded at the cost of acquisition or production, including directly attributable ancillary expense required to put the asset into operation for its intended use.

Cost is reduced by depreciation, except for land, which is not depreciated because it has indefinite useful life, and any impairment losses.

Depreciation is calculated line-by-line through percentages that reflect the economic and technical deterioration of the asset and is computed from the time the asset is available for use. Significant parts of tangible assets that have different useful lives are accounted for separately and depreciated on the basis of their useful lives.

Useful lives and residual amounts are reviewed annually at the balance sheet date. The useful lives used for the purpose of preparing these financial statements are as follows:

- Leasehold improvements: shorter of useful life and lease contract
- Plant and machinery: 10%
- Industrial and commercial equipment: 15%
- furniture and fittings: 12%
- electronic office equipment: 20%

Charges incurred for ordinary maintenance and repairs are directly charged to the income statement for the year in which they are incurred.

Gains and losses arising from the sale or disposal of tangible assets are determined as the difference between the sale proceeds and the net carrying amount of the asset and are recognized in the income statement for the year.

Leasehold improvements having the characteristics of fixed assets are capitalized in the category of the asset to which they refer and are depreciated over their useful life or over the term of the lease, whichever is shorter.

Financial expense incurred for investments in assets that normally require a specific amount of time in order for the asset to be ready for use or sale (qualifying asset pursuant to IAS 23 - Borrowing costs) is capitalized and amortized over the useful life of the asset class to which it relates.

All the other financial expense is recognized in the income statement during the year in which it is incurred.

Investments

Investments in subsidiaries excluded from consolidation are carried at cost adjusted for impairment. Any excess in value between the purchase price at the time of acquisition and the share of equity at current values is therefore included in the carrying amount of the investment. Whenever there is evidence that such investments have incurred an impairment loss, the impairment loss is recognized in profit and loss. Should the share of losses in an investment exceed the carrying amount of the investment, and the entity is required to reflect those losses, the value of the investment is written off and the share of any such losses is shown as a provision in liabilities. Whenever an impairment loss is reduced or ceases to exist, the loss is reversed up to the carrying amount through profit and loss.

Associates are all those companies over which the Group is able to exercise significant influence as defined by IAS 28 - Investments in Associates and Joint Ventures. Such influence is normally presumed to exist where the Group holds between 20% and 50% of the voting rights, or in which - even with a lower proportion of voting rights - it has the power to participate in the determination of financial and management policies by virtue of special legal ties such as, for example, participation in shareholders' agreements jointly with other forms of significant exercise of governance rights.

Impairment

At least once a year, a test is conducted on whether the assets and/or cash generating units ("CGUs") to which the assets are attributable may be impaired. If there is such evidence, the recoverable value of assets/CGUs is estimated. Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

Recoverable value is defined as the higher of its fair value less costs to sell and value in use. Value in use is defined on the basis of discounting the expected future cash flows from the use of the asset, before tax, by applying a discount rate that reflects current market changes in the time value of money and risks of the asset.

When the recoverable amount of an individual asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

In the event that the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the loss is charged to the income statement. Thereafter, if a loss on assets other than goodwill ceases to apply or is reduced, the carrying amount of the asset (or cash-generating unit) is increased to the new estimate of recoverable amount (which in any case cannot exceed the net carrying amount that the asset would have had if the impairment loss had never been incurred). This reinstatement is immediately recognized in the income statement.

Financial instruments

Financial instruments, if any, are included in the balance sheet items described below. Investments and other non-current financial assets include investments in subsidiaries, other non-current financial assets. Current financial assets include trade receivables and cash and cash equivalents. Specifically, cash and cash equivalents include bank deposits. Financial liabilities refer to financial payables, including payables for advances on orders, assignment of receivables, as well as other financial liabilities (which include the negative fair value of derivative financial instruments), trade payables, and other payables.

Non-current financial assets

Non-current financial assets other than investments, if any, as well as financial liabilities, are accounted for in accordance with IFRS 9.

This measurement category includes equity instruments for which the Group - at initial recognition or at transition - has exercised an irrevocable option to present gains and losses from changes in fair value in equity (FVOCI). They are classified as non-current assets under "Other financial assets at fair value through OCI".

They are initially recognized at fair value, including transaction costs directly attributable to the acquisition.

They are subsequently measured at fair value, and gains and losses from changes in fair value are recognized in a specific equity reserve. This reserve will not revert to the income statement. If the financial asset is sold, the amount suspended in equity is reclassified to retained earnings. Dividends from such financial assets are recognized in the income statement when the right to collect arises.

Receivables

Receivables are initially recorded at fair value, generally represented by the agreed consideration or the present value of the amount that will be collected. They are then measured at amortized cost, reduced in case of impairment. Amortized cost is calculated using the

effective interest rate method, which is equivalent to the discount rate that, when applied to future cash flows, makes the present book value of those flows equal to the initial fair value.

Receivables in currencies other than the functional currency of individual entities are adjusted to period-end exchange rates with a balancing entry in the Income Statement. Receivables are derecognized when the right to receive cash flows is settled, when substantially all the risks and rewards associated with holding the receivable have been transferred, or if the receivable is deemed to be permanently irrecoverable after all necessary recovery procedures have been completed. Concurrent to the write-off of the receivable, the related provision is also reversed, if the receivable was previously written down.

Write-down of receivables

For trade receivables, the Group applies a simplified approach, calculating expected losses over the life of the receivables from the time of initial recognition. The Group uses a matrix based on historical experience and linked to the ageing of the receivables, adjusted to account for forecasting factors specific to certain creditors.

For financial receivables, the calculation of impairment is made with regard to expected losses in the next 12 months. This calculation is based on a matrix that includes customer ratings provided by independent market participants. If there is a significant increase in credit risk after the origination date of the receivable, the expected loss is calculated with reference to the entire life of the receivable. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

The Group assesses whether there has been a significant increase in credit risk when the customer's rating, assigned by independent market participants, undergoes a change that shows an increase in the probability of default.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the full contractual amount past due (e.g., when receivables are at legal).

Payables

Payables are initially recorded at fair value, generally represented by the agreed consideration or the present value of the amount that will be paid. They are then measured at amortized cost. Amortized cost is calculated using the effective interest rate method, which is equivalent to the discount rate that, when applied to future cash flows, makes the present book value of those flows equal to the initial fair value. Payables in currencies other than the functional currency of individual entities are adjusted to year-end exchange rates with a balancing entry in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents include cash, bank accounts, post office accounts, deposits on demand, and other short-term highly liquid financial investments which are easily convertible to cash and not subject to the risk of significant value changes.

Derivative financial instruments

Consistent with IFRS 9, derivative financial instruments, where they exist, may be accounted for in the manner established for hedge accounting only when, at the inception of the hedge, there is formal designation and documentation of the hedging relationship itself, the hedge is expected to be highly effective, the effectiveness can be reliably measured, and the hedge itself is highly effective during the various periods for which it is designated.

All derivative financial instruments are measured at fair value.

If a derivative financial instrument is designated to hedge the exposure to the variability of the future cash flows of an asset or liability booked in the financial statements or a highly probable transaction that could impact on the income statement, the effective portion of the profits or losses on the derivative financial instrument is recognized in equity. The cumulative profit or loss is removed from equity and recorded in the income statement in the same period in which the relevant operating effect of the transaction subject of the hedge is recognized. The profit or loss associated with a hedge (or part of a hedge) which has become ineffective is immediately booked in the income statement. If a hedging instrument or hedging relationship is terminated, but the hedged transaction has not yet taken place, the cumulative gains and losses, up to that point recognized in equity, are recognized in the income statement in correlation with the recognition of the income effects of the hedged transaction. If the hedged transaction is no longer considered probable, the unrealized gains or losses suspended in equity are immediately recognized in the income statement.

Derivative instruments that cannot be accounted for using hedge accounting are initially recognized at cost, and adjusted to fair value at subsequent closing dates. Changes in fair value are recognized in the income statement.

Inventory

Inventory is recognized at the lower of purchase or production cost and realizable value represented by the amount the entity expects to obtain from their sale in the normal course of business. The cost configuration adopted is the weighted average cost. Purchase costs include prices paid to suppliers net of discounts and rebates.

Provisions are made against the value of inventory thus determined to account for inventory considered obsolete or slow-moving.

Assets and liabilities held for sale

Assets and liabilities held for sale and discontinued operations, if any, are classified as such if their carrying amount will be recovered primarily through sale rather than through continued

use. These conditions are considered fulfilled when the sale or discontinuance of the disposal group of assets is considered highly probable and the assets and liabilities are immediately available for sale in their present condition.

When an entity is involved in a divestment plan involving the loss of control of an investee, all the assets and liabilities of that investee are classified as held for sale when the conditions described above are fulfilled, even if, after the divestment, the entity continues to hold a minority interest in the subsidiary.

Assets held for sale are measured at the lower of their net book value or fair value less costs to sell.

Employee benefits

Premiums paid under defined contribution plans are recognized in the income statement for the portion accrued during the year.

Until December 31, 2006, the provision for post-employment benefits (TFR) was considered a defined benefit plan. The regulations of this fund were amended by Law No. 296 of December 27, 2006 ("2007 Budget Law") and subsequent Decrees and Regulations issued in early 2007. In light of these changes, and in particular with regard to companies with at least 50 employees, this system is now to be considered a defined benefit plan exclusively for the portions accrued before January 1, 2007 (and not yet settled at the balance sheet date), while for the portions accrued after that date it is assimilated to a defined contribution plan.

Defined benefit pension plans, which include post-employment benefits due to employees under Article 2120 of the Civil Code, are based on employees' working lives and the remuneration received by the employee over a set period of service. Specifically, the liability representing the benefit due to employees under defined benefit plans is recorded in the balance sheet at its actuarial value.

The recognition of defined benefit plans in the financial statements requires the estimation by actuarial techniques of the amount of benefits accrued by employees in exchange for their service in the current and prior years and the discounting of these benefits to determine the present value of the entity's commitments. The calculation of the present value of commitments is made by an independent actuary using the Projected Unit Credit Method. This method treats each period of service performed by workers with the company as an additional unit of entitlement: the actuarial liability must therefore be quantified based on only the seniority accrued as of the valuation date; therefore, the total liability is usually re-proportioned according to the ratio of the years of service accrued as of the valuation date to the total seniority attained at the time the benefit is scheduled to be paid. Additionally, the above approach considers incorporating future salary increases, for whatever reason (inflation, career, contract renewals, etc.), up to the time of termination of employment.

The cost for defined-benefit plans accrued during the year and recognized in the income statement as part of personnel expense is equal to the sum of the average present value of the rights accrued by the employees present for work performed during the year, and the annual interest accrued on the present value of the entity's commitments at the beginning of the year, calculated using the discount rate for future outlays adopted to estimate the liability at the end of the prior year. The annual discount rate adopted for the computations is assumed to be equal to the market rate at the end of the period relating to zero coupon bonds with maturities equal to the average remaining life of the liability.

The amount of actuarial losses and gains, resulting from changes in the estimates made, is charged to the income statement.

Provisions for future risks and charges

These are allocations arising from current obligations (legal or implied) and relating to a past event, the fulfillment of which is likely to require the use of resources, the amount of which can be reliably estimated. If the expected use of resources extends beyond the subsequent year, the obligation is recorded at the present value determined by discounting the expected future cash flows discounted at a rate that also takes account of the cost of money and the risk of the liability.

Provisions are reviewed at each reporting date and adjusted, if necessary, to reflect the current best estimate; any changes in estimates are reflected in the income statement for the period in which the change occurred.

Risks for which the onset of a liability is merely a possibility are disclosed in the notes to the financial statements without making any provisions.

Product sales

Revenue from product sales is recognized when performance obligations to customers are met. Performance obligations are met when control of the asset is transferred to the customer.

Retrospective discounts based on the achievement of targets, where envisaged in commercial agreements, are applied to product sales. Revenue from sales is recognized net of such discounts, estimated on the basis of historical experience using the expected value method and for amounts that are not expected to be reversed.

Sales do not include a financial component, as the average payment terms applied to customers are within standard commercial terms for the relevant country.

Provision of services

Revenue from services is recognized when the service rendered is completed.

Financial income and expense

Financial income and expense is recognized on an accrual basis.

Government grants

The recording of government grants is contingent upon a reasonable assurance that they will be received, which typically coincides with the formal resolution of the public granting bodies, and upon the satisfaction of all the conditions for obtaining the grants.

They are accounted for differently according to the nature of the grant, specifically:

- where grants are intended to cover costs (e.g., relief or plant grants), they should be accounted for in the same way as the related costs, i.e., in the income statement, and over the time horizon over which the costs accrue (e.g., over the time horizon of depreciation of the asset for which the plant grant was received);
- if the grants have financing substance and represent an incentive provided by a public entity without the related costs being incurred, the grant should be accounted for in equity.

Tax

Tax for the year corresponds to the sum of current and deferred tax.

Current tax is based upon taxable income for the year. Taxable income differs from the results shown in the income statement as it excludes both positive and negative entries which would be taxable or deductible in other tax years and excludes items which are not taxable or deductible at any time. The liability for current tax is calculated using the rates in effect or in fact in effect at the balance sheet date, or if known, those that will be in effect when the asset is realized or the liability settled.

Deferred tax assets and liabilities are the tax expected to be paid or recovered on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax amount used in calculating taxable income, accounted for using the global liability allocation method. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent of the probability that there will be future taxable profits which will allow for the utilization of the deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (not in business combinations) of other assets or liabilities in transactions that have no influence on either profit for accounting purposes or taxable profit. The tax benefit from the carryforward of tax losses is recognized when and to the extent that it is deemed probable that future taxable income will be available against which such losses can be used.

The book value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that there will be sufficient taxable income to allow all or part of these assets to be recovered.

Deferred tax is calculated at the tax rate expected to be in force at the time the asset is sold or the liability is settled.

Deferred tax is charged directly to the income statement, except for tax related to items recognized directly in equity, in which case the related deferred tax is also charged to equity.

Estimation of fair value

The fair value of financial instruments listed in an active market, if any, is determined on the basis of market prices on the balance sheet date. The reference market price for financial assets held is the current sale price (purchase price for financial liabilities).

The fair value of financial instruments that are not traded in an active market is determined through various valuation techniques and assumptions based on market conditions existing at the balance sheet date. For medium- and long-term liabilities, prices of similar listed financial instruments are compared; for other categories of financial instruments, cash flows are discounted.

The fair value of IRS is determined by discounting the estimated cash flows from it to the balance sheet date. For receivables, it is assumed that the face value net of any adjustments made to account for their collectability approximates fair value. The fair value of financial liabilities for disclosure purposes is determined by discounting contract cash flows at an interest rate that approximates the market rate at which the entity finances itself.

4 Measurement of fair value

With regard to financial instruments measured at fair value, the following is the classification of these instruments based on the hierarchy of levels under IFRS 13, reflecting the significance of the inputs used in determining fair value. The levels are as follows:

Level 1 - unadjusted quoted prices in active markets for assets or liabilities subject to measurement;

Level 2 - inputs other than the quoted prices mentioned above, which are observable on the market, either directly (as in the case of prices) or indirectly (i.e., as derived from prices);

Level 3 - inputs that are not based on observable market data.

At June 30, 2024, no assets or liabilities held by the Group are measured at fair value.

5 Risks to which the Group is exposed

The Group is mainly exposed to financial risk, market risk, credit risk, and liquidity risk.

5.1 Financial risks

Risks arising from changes in exchange rates

Exchange risk is the risk that the value of a financial asset or liability will vary due to changes in exchange rates.

With regard to this risk, the strategy adopted aims at minimizing the impact on the income statement of changes in exchange rates and provides for hedging the risk arising from financial positions denominated in currencies other than the balance sheet currency if the need arises.

Based on the above, exchange rate fluctuations that occurred during the year did not have a material effect on the financial statements.

Risks arising from changes in interest rates

Financial debt is mostly governed by floating interest rates. However, the trend of interest rates is monitored by the Company, and in relation to their trend, the appropriateness of interest rate risk hedging may be considered. Currently, the Group does not hedge, taking account of the positive impact from current accounts receivable.

Details of financial assets and liabilities by category are shown below:

Amounts in Euro					
	IFRS 9 CATEGORIES				Carrying amount
	Financial instruments at fair value through profit or loss	Financial instruments at fair value through equity	Receivables and loans	Cash	
Financial assets at June 30, 2024					
Financial assets:					
Financial receivables (portion over 12 months)	-	-	747.059		747.059
Receivables:					
Trade receivables from customers	-	-	7.096.109		7.096.109
Other current receivables/assets:					
Sundry receivables and assets	-	-	702.191		702.191
Cash and cash equivalents					
Bank and postal deposits	-	-	0	8.175.547	8.175.547
TOTAL FINANCIAL ASSETS	-	-	8.545.359	8.175.547	16.720.906
	IFRS 9 CATEGORIES				Carrying amount
	Liabilities at amortized cost	Financial instruments at fair value through profit or loss	Financial instruments at fair value through equity		
Financial liabilities at June 30, 2024					
Payables and non-current financial liabilities:					
Payables to banks	5.207.182	-	-		5.207.182
Other financial liabilities	6.292	-	-		6.292
Current liabilities:					
Payables to banks and other lenders	3.561.274	-	-		3.561.274
Payables to suppliers	2.691.591	-	-		2.691.591
Non-current tax payables	-	-	-		-
Other financial liabilities	1.997.333	-	-		1.997.333
Other financial liabilities:					
	-	-	-		-
TOTAL FINANCIAL LIABILITIES	13.463.672	-	-		13.463.672

5.2 Market risk

Exchange risk

Exposure to the risk of changes in exchange rates arises from conducting business in currencies other than the Euro. The Group carries on its business primarily in Euro; therefore, this risk should be considered negligible.

Interest rate risk

The Group is partly exposed to the risk of rate fluctuations on its financial assets, short-term bank debts and loans, and long-term leases.

The Group's strategy aims at minimizing risk through a balanced allocation between fixed- and floating-rate loans, including ad hoc hedging instruments if the need arises.

Based on the above, interest rate fluctuations that occurred during the year did not have a material effect on the financial statements.

Price risk

Price risk is the possibility that the value of a financial asset or liability will vary as a result of changes in market prices (other than those related to currencies and rates).

This risk is typical of financial assets that are not listed in an active market and which cannot always be realized quickly at close to their fair value.

This risk, given the size of the outstanding investments, is not material and is therefore not hedged.

5.3 Credit risk

Credit risk is the possibility that the issuer of a financial instrument will default on its obligation and cause a financial loss to the subscriber.

Credit risk arises from sales made in the ordinary course of business and from the use of financial instruments involving the settlement of positions with the counterparty.

With regard to trade transactions, the Group operates with medium- and large-sized counterparties in relation to which creditworthiness audits are carried out in advance.

The Group implements a procedure for evaluating and controlling its customer portfolio, including through constant monitoring of collections. In case of excessive or repeated delays, supplies are suspended.

Historically recorded losses on receivables are extremely low in relation to sales and do not require special hedging and/or insurance.

As for financial transactions, these are carried out with primary, large-sized financial institutions with high creditworthiness, whose rating is monitored for the purpose of limiting the risk of counterparty default.

5.4 Liquidity risk

Liquidity risk can arise with the inability to raise, under economic conditions, the financial resources required for the Group's operations.

The Group finances its activities both through cash flows generated by operations and through resort to loan capital, and is therefore exposed to liquidity risk, represented by the fact that financial resources are not sufficient to meet financial and commercial obligations on the set terms and deadlines. The Group's cash flows, financing requirements, and liquidity are controlled by considering the maturity of financial assets (trade receivables and other financial assets) and the expected cash flows from related transactions. The Group has both secured and unsecured lines of credit, consisting of cancellable short-term lines in the forms of hot loans, overdrafts and signature credit.

The Group has a long-term debt structure exposed to interest rate risk as shown in Note 17 below.

Regarding exposure from trade payables, there is no significant supplier concentration.

Management believes that the funds generated from operations and financing activities will enable the Group to meet its needs arising from investing activities, working capital management, and repayment of debts as they mature contractually.

6.1 Accounting standards and interpretations endorsed and effective as of January 1, 2024

Pursuant to IAS 8 "Accounting Standards, Changes in Accounting Estimates, and Errors", the IFRSs that came into effect as of January 1, 2024, are shown below:

- Amendments to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as current or non-current

The amendments clarify the criteria to be applied in classifying liabilities as current or non-current and specify that the classification of a liability is not affected by the likelihood that settlement of the liability will be delayed by twelve months following the reporting period. The Group's intention to liquidate the liability in the short term has no impact on classification.

These amendments had no impact on the disclosures provided on the accounting standards applied to the Group's consolidated financial statements.

- Amendments to IAS 1 - Presentation of Financial Statements - non-current liabilities with covenants

These amendments specify that covenants to be met after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require the Company to provide information on these covenants in the notes to the financial statements.

These amendments had no impact on the disclosures provided on the accounting standards applied to the Group's consolidated financial statements.

- Amendments to IFRS 16 - Leases: Liabilities for leases in a sale and leaseback transaction
- These amendments specify the requirements for accounting for a sale and leaseback after the transaction date.

Specifically, in the subsequent measurement of the liability arising from the lease agreement, the seller-lessee determines "lease payments" and "revised lease payments" in such a way as not to recognize gains or losses that relate to the retained right of use.

These amendments had no impact on the disclosures provided on the accounting standards applied to the Group's consolidated financial statements.

- Amendments to IAS 7 - Statement of Cash Flows and to IFRS 7 - Financial Instruments: Disclosures - Supplier Finance arrangements

These amendments introduce new disclosure requirements to improve the transparency of information provided regarding supplier finance arrangements, especially regarding the effects of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

These amendments had no impact on the disclosures provided on the accounting standards applied to the Group's consolidated financial statements.

6.2 International accounting standards and/or interpretations issued but not yet effective and/or not endorsed

Under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", new Standards or Interpretations that have already been issued, but have not yet come into force or have not yet been endorsed by the European Union at June 30, 2024, and are therefore not applicable, and the foreseeable impact on the Consolidated Financial Statements, are shown below.

None of these Standards and Interpretations have been adopted by the Group in advance.

- Amendments to IAS 21 - The effects of changes in exchange rates: lack of exchangeability
- These amendments clarify when a currency is exchangeable for another currency and, consequently, when it is not. When one currency is not exchangeable for another, these

amendments define how the exchange rate should be determined. The amendments also specify the disclosures to be made when a currency is not exchangeable.

These amendments, which will come into force on January 1, 2025, have not been endorsed yet by the European Union. The Group is assessing whether the definition of lack of exchangeability is applicable to the currencies of the subsidiaries included in the consolidation scope.

- IFRS 18 Presentation and Disclosure in Financial Statements

The new standard introduces three sets of new requirements to improve the reporting of companies' financial performance and provide investors with a better basis for analyzing and comparing companies: improved comparability in the income statement, greater transparency of management-defined performance measures, and more useful grouping of information in the financial statements. IFRS 18 supersedes IAS 1 Presentation of Financial Statements, was issued on April 9, 2024, and will be effective for annual periods beginning on or after 1 January 2027; early application is permitted. Assessments are ongoing on any impact on financial reporting.

- IFRS 19 Subsidiaries without public accountability: Disclosures (issued on May 9, 2024);

The new standard refers to subsidiaries of entities that prepare IFRS-compliant consolidated financial statements; these entities, according to certain requirements, will be able, as part of their individual financial statements, to provide reduced disclosures that are better suited to the needs of users of their financial statements. IFRS 19 Subsidiaries without public accountability: Disclosures was issued on May 9, 2024 and has not been endorsed yet. No impact on the group consolidated financial statements is expected from the adoption of this standard.

- Amendments to IFRS 9 and IFRS 7 - changes to classification and measurement of financial instruments

The proposed amendments are related:

- to the settlement of financial liabilities using an electronic payment system;
- to the assessment of contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG) characteristics.

The document also proposes amendments or additions to the disclosure requirements for:

- investments in equity instruments designated at fair value through other comprehensive income;
- financial instruments with contractual terms that could change the timing or amount of contractual cash flows based on the occurrence (or non-occurrence) of a contingent event.

Amendments to IFRS 9 and IFRS 7 were issued on May 30, 2024 and have not been endorsed yet.

EXPLANATORY NOTES

7. Tangible fixed assets

“Tangible fixed assets” at June 30, 2024 amounted to €456 thousand (€463 thousand at December 31, 2023). Changes in tangible fixed assets in the period are shown below:

	Plant and machinery	Furniture and equipment	Vehicles	Leasehold improvement s	Other property, plant and machinery	Total
<i>Amounts in Euro thousands</i>						
Amounts at 31.12.2023	135	39	127	36	126	463
Changes in the year:						
- Reclassifications	-	-	-	-	-	-
- Acquisitions in the year	0	0	45	11	28	86
- disposals	-	-	-	-	-	-
- depreciation	(23)	(7)	(25)	(4)	(32)	(92)
- utilizations	-	0	-	-	-	-
Amounts at 30.06.2024	112	32	146	44	123	456

During the year, there were no events that required a reassessment of the estimated useful lives of tangible fixed assets. At the end of the reporting period, the Group has determined that there are no indications that the tangible fixed assets recorded in the assets may have been impaired and, consequently, has deemed these amounts to be fully recoverable.

Tangible fixed assets include amounts accounted for in accordance with IFRS 16 - Leases with a net book value at June 30, 2024 of €158 thousand (€143 thousand at December 31, 2023).

8 Intangible fixed assets

“Intangible fixed assets” at June 30, 2024 amounted to €7,425 thousand (€7,282 thousand at December 31, 2023). Changes in intangible fixed assets in the period are shown below:

	Development costs	Patents, Trademarks and other rights	Software	Other intangible assets	Goodwill	Total
<i>Amounts in Euro thousands</i>						
Amounts at 31.12.2023	3.771	56	3	1.962	1.490	7.282
Changes in the year:						
- Acquisitions in the year	850	24	1	-	-	875
- disposals	(386)	-	-	(113)	-	(500)
- amortization	(217)	(13)	(2)	-	-	(232)
- entries on customer relationships identified upon PPA	-	-	-	-	-	-
Amounts at 30.06.2024	4.017	67	2	1.849	1.490	7.425

"Goodwill", amounting to €1,490 thousand, includes both the goodwill of Matica Fintec S.p.A., which arose in 2017 following transfer of the Matica Technologies Italian BU to Matica Fintec S.r.l. (formerly Matica Electronics S.r.l.), amounting to €1,100 thousand, and the goodwill generated as a result of the write-off of the Parent Company's investment in Card Technologies Corp. amounting to €390 thousand (€1,185 thousand in 2022).

9 Other non-current assets

"Other non-current assets" at June 30, 2024 amounted to €747 thousand (€834 thousand at December 31, 2023). The item consists of €635 thousand (€717 thousand at December 31, 2023) from the long-term portion of the loan granted by the Parent Company Matica Fintec to the controlling entity Matica Technologies Group SA (the short-term portion of €193 thousand is classified under other current assets), while the remainder mainly refers to security deposits.

10 Deferred tax assets

"Deferred tax assets" at June 30, 2024 amounted to €8 thousand (€37 thousand at December 31, 2023). Deferred tax assets at June 30, 2024 are recorded in connection with the following temporary differences and refer exclusively to the Parent Company:

Amounts in Euro thousands

Description	Taxable	Rate	30/6/24
Unrealized exchange losses	16	24,00%	4
IAS-19 differences	16	24,00%	4
Total			8

Tax assets at December 31, 2023 were recorded in connection with the following temporary differences:

Amounts in Euro thousands

Description	Taxable	Rate	31/12/23
Unrealized exchange losses	38	24,00%	9
Write- down of receivables deductible in future years	0	24,00%	0
Write- down of receivables deductible in future years	100	24,00%	24

Deferred tax assets are recognized on the assumption of their recoverability based on the probability of future taxable income.

11 Inventory

"Inventory" at June 30, 2024 amounted to €5,253 thousand (€4,920 thousand at December 31, 2023). Assets are recognized in inventory when the transfer of risks and rewards associated with the acquired assets takes place. Specifically, the item includes raw materials, goods and work in progress, as detailed below:

<i>Amounts in Euro thousands</i>		
	30/6/24	31/12/23
Raw and ancillary materials and consumables	3.004	2.653
Goods	2.104	2.720
Work in progress	441	187
Advances	-	0
Provision for inventory write-down	(296)	(641)
Total	5.253	4.920

12 Tax receivables

"Tax receivables" at June 30, 2024 amounted to €78 thousand (€535 thousand at December 31, 2023). Tax receivables consist of €49 thousand in tax receivables for R&D and technological innovation. These receivables refer exclusively to the Parent Company.

<i>Amounts in Euro thousands</i>		
	30/6/24	31/12/23
R&D tax receivable	49	140
Withholdings	18	21
VAT	10	-
Energy and gas receivable	-	-
IRES	1	329
IRAP	-	45
Total	78	535

13 Trade and other receivables

"Trade and other receivables" at June 30, 2024 amounted to €7,096 thousand (€4,538 thousand at December 31, 2023). The composition of trade and other receivables at June 30, 2024 is as follows:

<i>Amounts in Euro thousands</i>		
	30/6/24	31/12/23
Non-controlling interests	5.047	3.260
Related parties	2.098	1.326
Provision for bad debts	(49)	(48)
Total	7.096	4.538

"Receivables from related parties" at 30/06/2024 no longer includes the short-term portion of the loan to the controlling entity Matica Group SA, which instead, at 31/12/2023, was included and amounted to €190 thousand.

14 Cash and cash equivalents

"Cash and cash equivalents" at June 30, 2024 amounted to €8,176 thousand (€11,312 thousand at December 31, 2023). The composition of cash and cash equivalents at June 30, 2024 is as follows:

<i>Amounts in Euro thousands</i>	30/6/24	31/12/23
Cash and cash on hand	2	1
Bank deposits	8.173	11.311
Total	8.176	11.312

Cash and cash equivalents are held with leading bank counterparties at interest rates aligned with prevailing market conditions.

15 Other assets

"Other current assets" at June 30, 2024 amounted to €624 thousand (€289 thousand at December 31, 2023). They consist, as far as the Parent Company is concerned, mainly of prepaid expense calculated in connection with consulting (€56 thousand), insurance (€48 thousand), utilities (€207 thousand), other prepaid expense (€14 thousand) and advances to suppliers (€21 thousand), as well as costs for services incurred and deferred by the consolidated company UbiQ Software Inc (€28 thousand) and a residual part of "accrued income" (€57 thousand). Lastly, the item includes the short-term portion of €193 thousand of the loan granted by the Parent Company Matica Fintec to the controlling entity Matica Technologies Group SA, which previously, in the financial statements at 31/12/2023, had been reclassified under item 13 "Trade and other receivables".

16 Equity

"Equity" at June 30, 2024 stood at €15,890 thousand (€14,514 thousand at December 31, 2023).

The composition of Group Equity is shown below:

Amounts in Euro thousands

	30/6/24	31/12/23
Share capital	5.479	5.479
Legal reserve	299	199
Share premium reserve	5.034	5.034
Consolidation reserve	129	127
Reserve from translation difference	(180)	(228)
Contribution reserve	16	16
Reserve for listing costs IAS 32	(938)	(938)
Reserve for capital contribution	177	177
IAS 19 reserve	(102)	(98)
Reserve for shares held	(44)	(44)
Retained earnings (losses carried for	4.699	2.592
Profit (loss) for the year	1.321	2.197
Total Equity	15.890	14.514

The share capital consists of 10,957,962 ordinary shares with a unit book value of €0.50 per share.

The consolidation reserve originates as the difference between the value of newly-issued shares to service the acquisition of Card Technologies Corp (later UbiQ Software Inc. following the merger with the subsidiary NBS) and the average carrying price of the shares in the portfolio sold in order to complete the acquisition.

The share premium reserve is mainly determined by the premium paid at the time of listing for a total of €4,245 thousand and the increase in 2022 related to the two above transactions for a total of €778 thousand.

The IAS 19 reserve includes accumulated actuarial losses, recorded with a direct offset in equity under IAS 19, determined in relation to post-employment benefits. The negative reserve is determined net of deferred taxation.

At June 30, 2024, Matica Fintec S.p.A. held 19,800 treasury shares. Under IAS 31, the purchase cost of these shares was recorded in a negative reserve.

The following is a reconciliation of equity and profit for the period of the Parent Company and consolidated equity and profit for the period attributable to the Group:

Parent company financial statements	14.219	1.395	15.614
Effect of consolidating the financial statements of subsidiaries	530	(74)	457
Consolidation reserve	-	-	-
Elimination of dividends	-	-	-
Reversal of investment write-down	-	0	0
Translation difference	(180)	-	(180)
Equity and profit (loss) for the year	14.569	1.321	15.890
Equity and profit (loss) for the year attributable to non-controlling interests	-	-	-
Group equity and profit (loss) for the year	14.569	1.321	15.890

Changes in consolidated equity in the period are shown below:

Amounts in Euro thousands

	Share capital	Reserves	Retained earnings	Profit for the year	Total Group	Reserves non-controlling	Profit (loss) non-controlling interests	Total non-controlling	Total
31/12/2023	5.479	4.246	2.592	2.197	14.514	-	-	-	14.514
Allocation of the result	-	99	2.410	(2.197)	312	-	-	-	312
Other changes	-	46	(303)	-	(257)	-	-	-	(257)
Dividends distributed	-	-	-	-	-	-	-	-	-
Comprehensive profit/(loss)	-	-	-	1.321	1.321	-	-	-	1.321
30/06/2024	5.479	4.391	4.699	1.321	15.890	-	-	-	15.890

It should be noted that the item "Other changes" is attributable to the translation reserve.

17 Financial payables

"Financial payables" at June 30, 2024 totaled €8,768 thousand (€10,002 thousand at December 31, 2023). Financial payables are composed as follows and refer exclusively to the Matica Fintec entity, being the only Group company with financial payables:

Amounts in Euro thousands

	Non-current	Current	30/6/24
Payables to banks	(5.207)	(3.401)	(8.608)
Lease liabilities IFRS 16	-	(160)	(160)
Total	(5.207)	(3.561)	(8.768)

Financial payables at December 31, 2023 were composed as follows:

Amounts in Euro thousands

	Non-current	Current	31/12/23
Payables to banks	(6.485)	(3.370)	(9.855)
Lease liabilities IFRS 16	(92)	(54)	(146)
Total	(6.577)	(3.425)	(10.002)

Details of outstanding loans are as follows:

Amounts in Euro thousands

Bank	Amount of loan	Term		Interest rate	Outstanding debt at 30/06/2024		
		Start	End		Current	Non-Current	Total
Banca del Fucino	1.000	24/05/2021	31/03/2027	Floating rate	200	350	550
Valsabbina	1.000	31/12/2019	31/10/2026	2.25% fixed annual nominal	203	290	493
Banca Finnat (Basket Bond)	4.000	21/10/2021	21/10/2028	Floating rate	643	2.316	2.960
Banca Intesa (Cash Overdraft - Finimport/export)	1.250	30/12/2020	21/10/2028	Floating rate	700	-	700
Sace Simest	700	30/12/2030	31/12/2026	0.65% fixed annual nominal	164	336	500
Banca Intesa	4.500	15/09/2020	15/09/2026	Floating rate	1.491	1.915	3.405
Total bank loans	12.450				3.401	5.207	8.608

The SACE SIMEST loan obtained in 2020 intended for the capitalization of exporting companies, consisted of the granting of a maximum of €800 thousand, of which €100 thousand

non-repayable and the remainder at a subsidized rate of 0.65%; this loan was discounted at a market rate and the discounting component (€78 thousand) was accounted for in an equity reserve along with the non-repayable portion.

In October 2021, the issuance was completed, as part of a broader structured financing transaction in the form of a so-called "basket bond", of a non-convertible bond, pursuant to Article 2410 of the Civil Code, for a nominal amount of €4 million and a term of 7 years, which was underwritten by a securitization vehicle, established pursuant to Law No. 130 of April 30, 1999, which in turn financed itself by issuing asset-backed securities aimed at major qualified investors.

In May 2021, the Parent Company obtained a loan from Banca del Fucino totaling €1 million and maturing in 2027.

18 Provision for other employee benefits

Defined contribution plans

In the case of defined contribution plans, the Group makes contributions to public or private insurance institutions based on of a legal or contractual obligation, or on a voluntary basis. By paying contributions, the Group fulfills all its obligations.

Contributions payable at the balance sheet date are included under "Other current liabilities"; the cost for the period accrues on the basis of the service rendered by the employee and is recognized under "Personnel expense" in the relevant area.

Defined benefit plans

Employee benefit plans, which can be regarded as defined benefit plans, are represented by post-employment benefits (TFR); instead, the liability is determined on an actuarial basis using the "projected unit credit" method. Actuarial gains and losses determined in the calculation of these items are shown in a specific equity reserve.

"Provisions for other employee benefits" at June 30, 2024 amounted to €363 thousand (€334 thousand at December 31, 2023) and consisted of the following:

<i>Amounts in Euro thousands</i>	30/6/24	31/12/23
Provision for post-employment benefits	(391)	(369)
Post-employment benefit reserve IAS19	28	34
Total	(363)	(334)

“Provision for employee benefit costs” and “Contribution/benefits paid” are recorded in the income statement under “Personnel expense” in the relevant area. “Financial expense/(income)” is recognized in the income statement under “Financial income (expense)”, while the “actuarial gain/(loss)” component is shown in an Equity Reserve called “Actuarial gain/loss reserve”.

19 Deferred tax liabilities and tax provisions

Deferred tax liabilities at June 30, 2024 are recorded in connection with the following temporary differences and are attributable exclusively to the Parent Company:

Amounts in Euro thousands

Description	Taxable	Rate	30/6/24
Unrealized exchange gains	52	24,00%	12
Post-employment benefits	28	24,00%	7
Deferred tax on customer relationships identified upon PPA	604	21,00%	127
Total			146

Deferred tax liabilities at December 31, 2023 are recorded in connection with the following temporary differences:

Description	Taxable	Rate	31/12/23
Unrealized exchange gains	59	24,00%	14
Post-employment benefits	26	24,00%	6
Deferred tax on customer relationships identified upon PPA	705	21,00%	148
Total			168

20 Tax payables

Current and non-current “Tax payables” at June 30, 2024 totaled €410 thousand (€347 thousand at December 31, 2023).

Current and non-current tax payables are composed as follows:

Amounts in Euro thousands

	Non-current	Current	30/6/24
IRES	-	(105)	(105)
IRAP	-	(75)	(75)
Withholdings	-	(231)	(231)
VAT	-	-	-
Total	-	(411)	(411)

Tax payables at December 31, 2023 were as follows:

	Non-current	Current	31/12/23
IRES	-	-	-
IRAP	-	-	-
Withholdings	(52)	(215)	(267)
VAT	-	(80)	(80)
Total	(52)	(295)	(347)

21 Other liabilities

Current and non-current "Other liabilities" at June 30, 2024 amounted to €1,586 thousand (€2,318 thousand at December 31, 2023) and consisted of the following:

Amounts in Euro thousands

	Non-current	Current	30/6/24
Payables to employees	-	(309)	(309)
Payables to social security institutions	-	(100)	(100)
Advances	-	(100)	(100)
Payables to directors	-	(22)	(22)
Accrued expense and deferred income	-	(634)	(634)
Other payables	(6)	(421)	(428)
Total	(6)	(1.586)	(1.593)

Other liabilities at December 31, 2023 were composed as follows:

Amounts in Euro thousands

	Non-current	Current	30/6/24
Payables to employees	-	(492)	(492)
Payables to social security institutions	-	(209)	(209)
Advances	-	(420)	(420)
Payables to directors	-	(122)	(122)
Accrued expense and deferred income	-	(501)	(501)
Other payables	(16)	(558)	(574)
Total	(16)	(2.302)	(2.318)

22 Trade and other payables

"Trade and other payables" at June 30, 2024 amounted to €2,692 thousand (€2,529 thousand at December 31, 2023).

The item is broken down as follows:

Amounts in Euro thousands

	30/6/24	31/12/23
Non-controlling interests	(2.149)	(2.419)
Parents	-	(103)
Affiliates	(540)	(7)
Subsidiaries	(3)	-
Total	(2.692)	(2.529)

The item includes the balance of payables to suppliers net of credit notes receivable and trade discounts.

23 Revenue from sales and other income

"Revenue from sales" at June 30, 2024 amounted to €11,083 thousand (€11,438 thousand at June 30, 2023) and is shown net of returns, discounts and rebates.

Revenue from sales is made up as follows:

	30/6/24	30/6/23
Provision of services	(1.416)	(1.219)
Disposal of machinery	(6.639)	(6.815)
Disposal of consumables	(1.184)	(1.587)
Disposal of spare parts	(1.843)	(1.818)
Other	-	-
Total	(11.083)	(11.438)

The breakdown of revenue by geographical area at June 30, 2024 and at June 30, 2023 is as follows:

Amounts in Euro thousands

	30/6/24	30/6/23
Europe	2.020	1.986
Asia	2.637	1.743
South America	3.161	2.257
USA	-	1.041
Africa	999	1.223
United Arab Emirates	-	811
Other Middle East	1.920	293
AMECA	121	577
Italy	226	125
India	-	1.032
Canada	-	-
Australia	-	-
China	-	349
Total	11.083	11.438

Other revenue and income, amounting to €72 thousand at June 30, 2024 (€188 thousand at June 30, 2023), mainly includes revenue from ancillary operations and contingent assets of approximately €16 thousand.

24 Purchase costs

“Purchase costs” at June 30, 2024 amounted to €4,399 thousand (€4,321 thousand at June 30, 2023).

They include purchases of goods and finished goods and are shown net of discounts and rebates. The detail is shown in the table below:

Amounts in Euro thousands

	30/6/24	30/6/23
Purchases of finished products and goods	4.268	4.193
Subcontracted work	86	96
Other	46	32
Total	4.399	4.321

25 Other operating costs

“Other operating costs” at June 30, 2024 amounted to €2,808 thousand (€3,203 thousand at June 30, 2023).

They include costs for services, lease and rental costs, and sundry operating expense as detailed below:

Amounts in Euro thousands

	30/6/24	30/6/23	31/12/23
Service costs	2.462	2.677	5.057
Rentals and leases	245	160	467
Sundry operating expense	101	366	401
Total	2.808	3.203	5.926

The Group's service costs are detailed in the table below:

Amounts in Euro thousands

	30/6/24	30/6/23
Consultancy	780	988
Royalties	301	599
Fees to Directors and Statutory Auditors	578	284
Advertising and marketing	22	73
Travel expense	55	62
Transportation and customs costs	109	206
Insurance	30	78
Entertainment expense	9	73
IT expense	128	14
Motor vehicle expense	39	83
Utilities	46	30
Maintenance	176	37
Certifications	4	16
Other administrative expense	84	8
Other general expense	101	65
Fees	0	62
Total	2.462	2.677

Lease and rental costs, amounting to €245 thousand, mainly relate to office buildings located in Galliate, where the Parent Company transferred its operational offices in 2017; the lease agreement does not fall within the scope of IFRS 16 - Leases.

Sundry operating expense of €101 thousand is mostly attributable to the Parent Company and mainly includes contingent liabilities (€76 thousand) and expense for deposits, publication of financial statements/minutes (€8 thousand).

26 Personnel expense

“Personnel expense” at June 30, 2024 amounted to €2,507 thousand (€2,608 thousand at June 30, 2023).

The item is broken down as follows:

Amounts in Euro thousands

	30/6/24	30/6/23
Wages and salaries	1.767	1.670
Social security expense	339	350
Post-employment benefits	45	78
Retirement benefits and the like	21	42
Other costs	335	469
Total	2.507	2.608

The average number of employees by category is as follows:

Employees	30/6/24	30/6/23
Executives	6	6
White collars	37	45
Blue collars	34	25
Total average number	77	76

27 Provisions for risks

No provisions were set aside in first half 2024.

28 Write-backs/Write-downs

At June 30, 2024, the item showed a negative balance of €24 thousand (€2 thousand at June 30, 2023) and refers to the utilization of the provision for bad debts of the Matica Fintec entity.

29 Financial income and expense

"Financial income and expense" at June 30, 2024 ended with a negative €184 thousand (a negative €305 thousand at June 30, 2023). Financial income and expense is made up as follows:

	30/6/24	30/6/23
Exchange rate gains	(75)	(78)
Interest on intercompany loans	(23)	(16)
Interest income on current accounts	(58)	(26)
Total financial income	(156)	(120)
Bank interest expense	283	306
Other financial expense	24	5
Exchange rate losses	33	114
Total financial expense	340	425

30 Tax

"Tax" at June 30, 2024 amounted to €593 thousand (€355 thousand at June 30, 2023).

Tax at June 30, 2024 and June 30, 2023 is detailed as follows:

<i>Amounts in Euro thousands</i>		
	30/6/24	30/6/23
Extra-EU tax		(2)
IRES	(460)	(182)
IRAP	(120)	(107)
Total current tax	(580)	(291)
Deferred tax assets	(29)	(57)
Deferred tax liabilities	(5)	(8)
Deferred tax from PPA	21	-
Total deferred tax liabili	(13)	(65)
Total tax	(593)	(355)

See Note 10 and Note 19 for details on the origin of deferred tax assets and liabilities.
The reconciliation statement between theoretical and actual rates is shown below.

<i>Amounts in Euro thousands</i>		
	30/6/24	30/6/23
Profit (loss) for the year before tax	1.915	1.239
A Total taxable	1.915	1.239
B Theoretical tax	534	346
Main reasons that give rise to differences between theoretical and actual tax rates		
- ACE benefit	-	(117)
- Utilization of tax losses	-	
- Net temporary differences	(32)	
- Net permanent differences	82	16
C Actual tax	584	245
Theoretical tax rate (B/A)	28%	28%
Actual tax rate (C/A)	30%	20%

31 Earnings per share

The calculation of basic and diluted earnings per share is based on the following:

	30/06/2024	31/12/2023
Profit (loss) for the year	1.321.122	2.512.992
Number of ordinary shares net of treasury shares	10.938.162	10.619.779
Basic earnings per share	0,1208	0,2366
Weighted average number of ordinary shares to calculate		
diluted earnings per share	10.938.162	10.619.769
Diluted earnings per share	0,1208	0,2366

Earnings per share refer to the net result divided by the weighted average number of outstanding shares in the reporting period, net of treasury shares.

32 Related party transactions

Transactions with related parties mainly regard the exchange of goods, provision of services, and the provision and use of financial resources with its subsidiaries and other Group companies and are part of the normal course of business of Group companies and are concluded at normal market conditions. These transactions are governed by special contracts. For the purpose of identifying and presenting related parties, reference has been made to the definition of "related party" under IAS 24. While these are transactions concluded at normal market conditions, the following are the transactions of significant amounts with related parties divided between financial and commercial; for further details, reference is made to the specific sections of these notes.

On June 28, 2024, the Company's Board of Directors approved a transaction to enter into a loan agreement whereby Matica Fintec grants an interest-bearing loan of €2,500,000 (two million five hundred thousand) to Matica Technologies Group SA.. This loan was granted on July 1, 2024.

Below are details of the balances at June 30, 2024 of the controlling entity Matica Fintec S.p.A. of the above transactions, by counterparty:

Amounts in Euro thousands	DISO	Matica Technologies GROUP SA	Matica Technologies GROUP SA IB	Matica Corp	Matica Corp India	Matica Technologies Beijing	Ubiq	Javelin	Digital Identity Solution Korea Co., Ltd. (formerly Digital Printing Solutions)	Matica Technologies FZE	Balance at 30.06.2024
Trade receivables	-	31	-	1.461	-	4	-	-	-	162	1.658
Invoices to issued	-	47	1	0	-	-	-	-	-	-	49
Other receivables	-	2	-	-	-	0	1	-	-	-	3
Trade payables	-	-	(28)	-	-	-	(3)	-	-	(7)	(39)
Other payables	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Invoices /NC to receive	-	-	-	(4)	-	-	-	-	-	(23)	(27)
Loans	-	829	-	-	-	-	-	-	-	-	829
Total capital items	-	909	(27)	1.457	-	4	(2)	-	-	(7)	2.473
Sales	-	-	18	639	-	4	-	-	-	154	816
Other revenue	-	20	1	37	-	-	0	-	-	21	80
Interest on loans	-	14	-	-	-	-	-	-	-	-	14
Purchase costs	-	-	(75)	-	-	-	-	-	-	-	(75)
Other costs	-	(42)	(1)	(37)	-	-	0	-	(7)	(17)	(104)
Royalties	-	(301)	-	-	-	-	-	-	-	-	(301)
Management fees	-	(163)	-	-	-	-	-	-	-	-	(163)
Personnel expense	-	-	-	(25)	-	-	(3)	-	-	(42)	(41)
Total income items	-	(472)	(56)	(614)	-	4	(3)	-	-	(7)	196

33 Atypical and unusual transactions

During the period, the Group did not carry out any atypical or unusual transactions, as set out by the communication itself, which defines atypical and/or unusual transactions as transactions which, by significance/relevance, nature of the counterparties, object of the transaction, transfer pricing method and timing of the event, may give rise to doubts regarding: the accuracy/completeness of the information in the financial statements, conflicts of interest, safeguarding of company assets, and the protection of non-controlling interests.

34 Fees to corporate bodies

In first half 2024, the following fees were paid:

- Governing Body (Parent Company): €338 thousand (in addition to end-of-mandate indemnity (TFM) of €125 thousand, expense reimbursements of €7 thousand, and social security charges of €50 thousand);
- Governing body (Subsidiary): They do not receive fees
- Board of Statutory Auditors (Parent Company): €15 thousand;
- Independent Auditors (Parent Company):
 - Other audit services: €6 thousand for the voluntary audit of the Parent Company's half-year consolidated financial statements.

35 Government grants

In first half 2024, the Parent Company benefited from the following government grants:

- Research, development and technological innovation receivable related to 2021 under Law 160/2019: €41 thousand;
- Research, development and technological innovation receivable related to 2022 under Law 160/2019: €49 thousand.



*CONSOLIDATED HALF-YEAR REPORT
AT JUNE 30, 2024*

*Registered office in Milan (MI) - Via Giuseppe Parini 9
Share capital €5,478,981
Tax code, VAT number and
Company Register of Milan Monza Brianza Lodi No. 10354300013
R.E.A. No. MI-2540487*

MATICA FINTEC S.p.A.
Registered office in Milan (MI) - Via Giuseppe Parini 9
Share capital €5,478,981.
Tax code, VAT number and
Company Register of Milan Monza Brianza Lodi No. 10354300013
R.E.A. No. MI-2540487

* * *

DIRECTORS' CONSOLIDATED REPORT ON OPERATIONS

AT JUNE 30, 2024

Shareholders,

this consolidated half-year report for the period ended June 30, 2024 was prepared in accordance with IAS/IFRS.

The consolidation scope includes the results for first half 2024 of Matica Fintec S.p.A. ("Parent Company") and the results of its subsidiary UbiQ Software Inc.. This entity results from the merger of the two companies Card Technology Group Corp. and NBS Technologies (US) Inc., which were already subsidiaries at December 31, 2022, having been acquired on July 14, 2022.

The consolidated figures of the Group contained in this Directors' Report on Operations at June 30, 2024 are compared with the annual consolidated figures at December 31, 2023 and June 30, 2023.

The Directors state that they have adopted measures with the development of appropriate setups under the regulation on the Code of Business Crisis and Insolvency (Legislative Decree 83/2022).

Operations and business development

The Group develops, manufactures, and markets integrated solutions (Hardware and Software) globally for issuing identification and payment documents, such as driver's licenses, passports, ID cards, and financial cards.

The demand for secure identification documents continues to rise, driven by efforts to combat counterfeiting. The global trend is that more and more countries are adopting citizen identification systems with high security standards, capable of storing as much information as possible for the unambiguous identification of the document holder. Integrating the physical card with its digital version opens up vast opportunities for developing solutions with higher security standards than before. This technological advancement is expected to lead to numerous identity document upgrade projects in the coming years, offering significant opportunities for industry players. At the same time, the number of financial cards issued globally continues to slowly grow,

further driving the demand for solutions to issue credit and debit cards. The primary market demands are security, durability, and production flexibility. The company continues to invest in designing and creating technologically advanced solutions that are also easy to manage.

There is significant interest in special applications in the payments market, such as metal credit cards, wooden cards, and high-end products. In this space, the company ranks among the global market leaders with its centralized/decentralized laser solutions and application software. To support growth driven by the development of innovative technological solutions, the parent company decided to invest in its R&D team by launching a new advanced design and research environment in Pont Saint Martin in May 2024. This new facility will benefit from expertise in printing and inks from the historic "Olivetti" experience, still active today with state-of-the-art capabilities, as well as from the laser technology expertise developed within the parent company.

Pursuant to Article 2428 of the Civil Code, it should be noted that the Parent Company's activities are carried out at its headquarters in Galliate (NO), Vicolo Omar, 33, where the administrative offices and production plant are located, and, as of 01/05/2024, in Pont Saint Martin (AO), Via Carlo Viola, 78 c/o "Les Pépinières d'Entreprises" where the aforementioned R&D office is located.

The registered office of the subsidiary UBIQ Software Inc. is at W. Old Shakopee Road 5775, Suite 160, Bloomington MN (USA).

Group operating and financial performance

On the operations front, the Group ended the period at June 30, 2024 with revenue amounting to €/000 11,083 (€/000 11,438 at June 30, 2023).

At June 30, 2024, the Group recorded an EBITDA of €/000 2,645 (approximately 24% of sales at June 30, 2024), up from €/000 2,056 in first half 2023 (approximately 18% of sales at June 30, 2023).

EBIT at June 30, 2024 stood at €/000 2,193 (€/000 1,614 at June 30, 2023).

The period ended June 30, 2024 closed with a Group profit of €/000 1,321 (€/000 884 at June 30, 2023).

Reclassified consolidated income statement at June 30, 2024

Income statement	30/06/2024	30/06/2023
(Figures in Euro Thousands)		
Revenue and income	11,083	11,438
Other revenue and income	42	0
Change in WIP and PF inventory	-	-
Capitalization of work on time and materials basis	384	381
Other write-downs and utilizations	-	-
Revenue	11,509	11,819
COGS (Incl. change in inventory)	(3,674)	(4,209)
Gross margin	7,835	7,610
Services	(2,462)	(2,677)
Personnel	(2,507)	(2,608)
Rent and facility expense	(245)	(160)
Sundry operating expense	23	(109)
EBITDA	2,645	2,056
Amortization, depreciation and provisions	(451)	(443)
EBIT	2,193	1,614
Financial income/(expense)	(232)	(306)
Extraordinary income/(expense)	(46)	(68)
EBT	1,915	1,239
Tax	(593)	(355)
Profit (loss) for the year	1,321	884

The presentation of operations is intended to emphasize the Group's specialties more prominently.

Reclassified consolidated statement of financial position at June 30, 2024

<i>Amounts in Euro thousands</i>	30/06/2024	31/12/2023
Net intangible fixed assets	7.425	7.282
Net tangible fixed assets	456	464
Investments and other financial fixed assets	755	871
Fixed Capital	8.636	8.616
Inventory	5.253	4.920
Receivables from Customers and Other Receivables	6.854	4.188
Tax receivables and deferred tax assets	78	535
Non-current Financial assets	-	-
Accrued income and prepaid expense	624	289
Current operating assets	12.809	9.932
Payables to suppliers	(2.692)	(2.528)
Tax payables and deferred tax	(411)	(295)
Other payables	(1.746)	(2.448)
Current operating liabilities	(4.849)	(5.271)
Net working capital for the year	7.960	4.661
Post-employment benefits	(363)	(334)
Other medium- and long-term liabilities	(152)	(236)
Medium- and long-term liabilities	(515)	(570)
Net capital employed	16.081	12.707
Equity	15.890	14.514
Short-term net financial position	(4.856)	(8.238)
ML-term net financial position	5.047	6.431
Equity and net financial debt	16.081	12.707

Consolidated net financial debt at June 30, 2024

Consolidated adjusted net financial debt at June 30, 2024 stood at a cash negative of €/000 260 (cash positive of €/000 1,712 at December 31, 2023).

Figures in Euro Thousands	30/06/2024	31/12/2023
A. Cash	8.175	11.312
B. Cash equivalents	-	-
C. Other current financial assets	242	350
D. Liquidity (A + B + C)	8.417	11.662
E. Current financial debt	700	700
F. Current portion of non-current financial debt	2.701	2.670
G. Current financial debt (E + F)	3.401	3.370
H. Net current financial debt (G - D)	(5.016)	(8.292)
I. Non-current financial debt	2.891	3.846
J. Debt instruments	2.316	2.639
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	5.207	6.485
M. Total financial debt (H + L)	191	(1.807)
N. Past due tax payables	69	95
O. Past due social security payables	-	-
P. PAST DUE SOCIAL SECURITY TAX PAYABLES (N) + (O)	69	95
Q. Adjusted financial debt (M) + (P)	260	(1.712)

Consolidated income and financial indicators at June 30, 2024

The main consolidated income and financial indicators are shown below:

FIXED ASSET FINANCING INDICATORS		30/06/2024	31/12/2023
Equity less fixed assets margin	<i>Equity – Fixed assets</i>	8.009	6.768
Equity less fixed assets ratio	<i>Equity / Fixed assets</i>	2,02	1,87
Equity plus non-current liabilities less fixed assets	<i>(Equity + Consolidated liabilities) - Fixed assets</i>	8.378	7.118
Equity plus non-current liabilities less fixed assets ratio	<i>(Equity + Consolidated liabilities) / Fixed assets</i>	2,06	1,92

INDEXES ON THE STRUCTURE OF FINANCING		30/06/2024	31/12/2023
Total debt ratio	<i>(Pml + Pc) / Equity</i>	0,32	0,38
Financing debt ratio	<i>Financing Liabilities/Equity</i>	0,54	0,68

PROFITABILITY INDEXES		30/06/2024	30/06/2023
Net ROE	<i>Net result/Average equity</i>	8%	7%
Gross ROE	<i>Gross result/Average equity</i>	12%	9%
ROI	<i>Operating result/(Average CIO - Average operating liabilities)</i>	13%	13%
EBITDA on Revenue	<i>Gross Operating Margin/Revenue</i>	24%	18%
ROS	<i>Operating result/Revenue from sales</i>	19%	14%

SOLVENCY INDICATORS		30/06/2024	31/12/2023
Current assets less current liabilities margin	<i>Current Assets - Current Liabilities</i>	8.362	5.157
Current assets less current liabilities ratio	<i>Current Assets / Current Liabilities</i>	2,78	2,01
Treasury margin	<i>(Deferred cash + Immediate cash) - Current liabilities</i>	3.728	6.537
Treasury ratio	<i>(Deferred cash + Immediate cash) / Current liabilities</i>	1,80	2,28

Research & Development

During the year, the Parent Company continued its R&D activities, focusing on several projects aimed at enhancing the productivity of its systems by incorporating the latest technological innovations in printing and chip encoding for smartcards. The main areas of study currently include inkjet printing, laser engraving, and multi-chip encoding. The subsidiary's R&D activities were mainly focused on the ongoing evolution of smartcard programming and the market-required updates to the proprietary software used for issuing financial cards ("Xpressi"). The Group consistently aims to understand and anticipate market and customer demands by developing solutions that adapt to shifting needs and capitalize on continuous technological advancements, whether mechanical, electronic, software, or related to the potential integration of technologies from sectors outside the target market. The Parent Company undertook both industrial and experimental research, engaging in multiple projects that, to date, are still in the process of being finalized.

Number and par value of both treasury shares and shares or units of parent companies

At June 30, 2024, the Parent Company held a total of 19,800 treasury shares, equal to 0.181% of the share capital.

Significant events in the six months

On March 14, 2024, Matica Fintec S.p.A. announced the successful completion of the installation and testing of the Venezuela License Project. This included the supply of laser systems, spare parts, and installation services with a total value of approximately \$900,000 (approximately €823,000) under an agreement with the Venezuelan government. The project, which began in late 2023, involves Matica Fintec supplying an S7000 system, a complete centralized card personalization solution (currently being shipped), and 4 already installed and operational S5200LX laser systems at the customer's site.

On June 28, 2024, the Company's Board of Directors approved a transaction to enter into a loan agreement whereby Matica Fintec grants an interest-bearing loan of €2,500,000 (two million five hundred thousand) to Matica Technologies Group SA.. The transaction was approved by the Board of Directors following the favourable opinion of the Related Parties Committee, in accordance with the Procedure for Related Party Transactions adopted by Matica Fintec ("RPT Procedure"). This Transaction qualifies as a significant transaction, as it exceeds the 5% threshold of the transaction value significance index. The transaction involves

Matica Fintec granting an interest-bearing principal loan totaling €2,500,000 (two million five hundred thousand/00) to Matica Technologies Group. A fixed annual interest rate of 4% will be applied. A 12-month grace period is also included. Repayment of the interest portion only will start from July 1, 2024, and repayment of the principal portion in addition to the interest portion from July 1, 2025. Payments will be made on a monthly basis, and the loan must be repaid by June 1, 2030, together with interest accrued to that date, unless an extension is agreed between the parties. Provision is made for Matica Fintec to request that repayment also be made through transfer to it of shares in Digital Identity Solution Korea Co. Ltd. ("DISK"), a Korean company in which Matica Technologies Group already holds a majority stake, at a price to be agreed upon between the parties based on an appropriate appraisal report.

Implementation continues on the Leg. Decr. 231 model for the Parent Company, adopted on October 14, 2020, with the updating of the Organizational Model pursuant to Legislative Decree 231/2001 to the regulations introduced by Legislative Decree 184/2021 and Law No. 22/2022. Staff training on whistleblowing continues, with attendance of all employees and active engagement of the heads of the company's top-level departments by the Supervisory Board, and the implementation of the drafted procedures.

Business outlook of the Group

Despite the uncertain macroeconomic environment, we remain focused on improving efficiency with the goal of maintaining the growth trend in operating profit and consolidating the revenue results already achieved, even as the subsidiary integration process continues. As part of this strategy, the UbiQ subsidiary ceased the production of NBS-branded hardware in 2024, replacing it entirely with the Matica-branded offerings. This shift aligns with the strategic acquisition plan, focusing the subsidiary on the development, marketing, and maintenance of software. Thanks to the company's strategy and its team of professionals, Matica is able to offer a complete range of (Hardware and Software) solutions and will continue to invest to enhance its offerings, strengthen its business model, and expand its sales network.

Group's exposure to price, credit, liquidity, market risks

Pursuant to Article 2428, paragraph 2, point 6-bis b) of the Civil Code, information on the use of financial instruments is shown below, as it is relevant to the assessment of the financial position.

Credit risk

Credit risk is the possibility that the issuer of a financial instrument will default on its obligation and cause a financial loss to the subscriber.

Credit risk arises from sales made in the ordinary course of business and from the use of financial instruments involving the settlement of positions with the counterparty.

With regard to trade transactions, the Group operates with medium- and large-sized counterparties in relation to which creditworthiness audits are carried out in advance.

The Group implements a procedure for evaluating and controlling its customer portfolio, including through constant monitoring of collections. In case of excessive or repeated delays, supplies are suspended.

Historically recorded losses on receivables are extremely low in relation to sales and do not require special hedging and/or insurance.

As for financial transactions, these are carried out with primary, large-sized financial institutions with high creditworthiness, whose rating is monitored for the purpose of limiting the risk of counterparty default.

Liquidity risk

Liquidity risk can arise with the inability to raise, under economic conditions, the financial resources required for the Group's operations. The two main factors affecting the liquidity of the Group are:

- The financial resources generated or absorbed by operations or investing activities;
- The maturity characteristics of financial debt.

The Group finances its activities both through cash flows generated by operations and through resort to loan capital, and is therefore exposed to liquidity risk, represented by the fact that financial resources are not sufficient to meet financial and commercial obligations on the set terms and deadlines. The Group's cash flows, financing requirements, and liquidity are controlled by considering the maturity of financial assets (trade receivables and other financial assets) and the expected cash flows from related transactions. The Group has both secured and unsecured lines of credit, consisting of cancellable short-term lines in the forms of hot loans, overdrafts and signature credit.

At June 30, 2024, liquidity risk is mitigated by cash held.

Regarding exposure from trade payables, there is no significant supplier concentration.

Management believes that the funds generated from operations and financing activities will enable the Group to meet its needs arising from investing activities, working capital management, and repayment of debts as they mature contractually.

Interest rate risk

The Group is partly exposed to the risk of rate fluctuations on its financial assets, short-term bank debts and loans, and long-term leases.

The Group's strategy aims at minimizing risk through a balanced allocation between fixed- and floating-rate loans.

However, the trend of interest rates is monitored by the Group, and in relation to their trend, the appropriateness of interest rate risk hedging may be considered.

Exchange risk

Exposure to the risk of changes in exchange rates arises from conducting business in currencies other than the Euro. The Group carries on its business primarily in Euro, and in any case for a large part of its transactions; therefore, this risk should be considered negligible.

For information on additional risks to which the Group is exposed, which are not discussed in this section, reference is made to Section 5 of the Notes to the Financial Statements.

Information on the environment

In relation to this type of disclosure, the Group highlights that, given the nature of its business, which does not pose significant risks, it has not incurred substantial expense or made major investments concerning environmental matters.

Information on personnel

The following main information is provided:

- there were no occupational deaths, accidents or occupational disease charges in the year under review;
- the Group complies with regulations on worker protection and safety (Legislative Decree No. 81 of April 9, 2008) and related risk assessment.

The following is a summary table that provides additional information on employees:

Employees	30/6/24	30/6/23
Executives	6	6
White collars	37	45
Blue collars	34	25
Total average number	77	76

The Chairman of the Board of Directors
(Sandro Camilleri)