



## **Bilancio Semestrale Consolidato al 30 Giugno 2023**

Tatatu S.p.A.

Via Barberini 29

00187 Rome

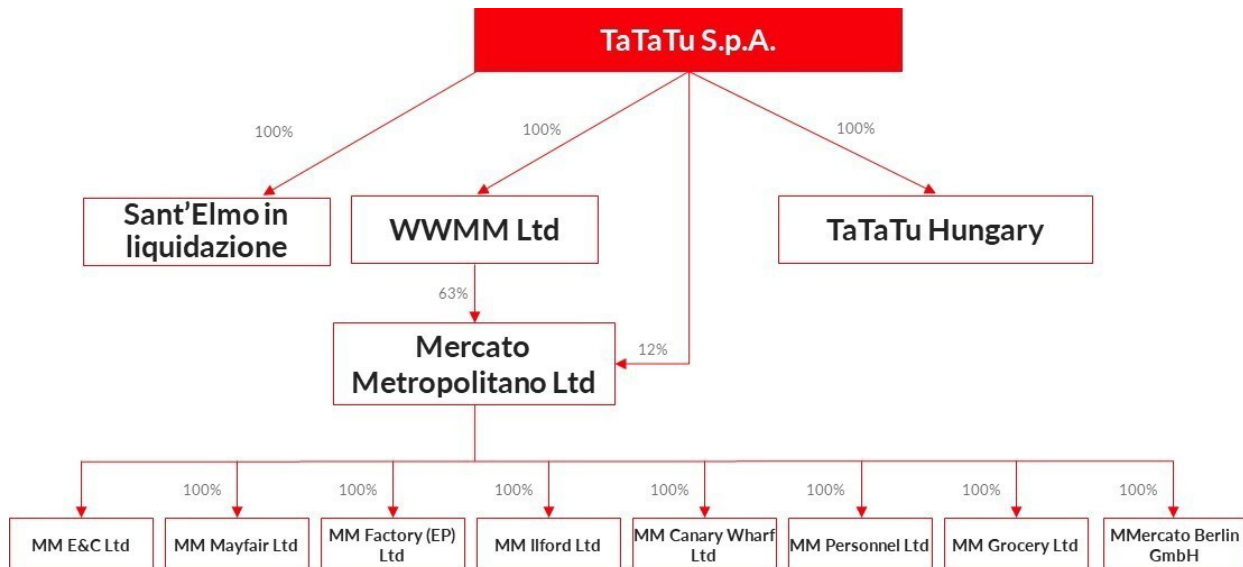
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REPORT ON OPERATIONS AS AT JUNE 30, 2023.

## **1. Introduction**

The management report of the Tatatu S.p.A. Group is presented in consolidated form to accompany the Group's condensed interim consolidated financial statements, the scope of consolidation of which includes the parent company Tatatu S.p.A, the wholly owned subsidiary Tatatu Hungary K.f.t. and the company WWMM LTD which controls - directly and indirectly – the Mercato Metropolitan Group (hereinafter Mercato Metropolitan

Group) at 75% whose purchase was finalized by Tatatu on May 13, 2022, as well as Sant'Elmo S.r.l. in liquidation. A graphical representation of the Group and the companies included in the scope of consolidation is provided below:



The Tatatu Group, as summarized in the diagram above, operates in the digital sector through also the subsidiary TaTaTu Hungary and in the food sector through the Mercato Metropolitan Group.

The control of the Mercato Metropolitan Group appears to be consistent with the "phygital" business strategy, i.e., aimed at uniting the fiscal and digital worlds. This acquisition represents an opportunity, moreover, already successfully tested in other sectors, to increase the user base by reducing the marketing costs of user acquisition and retention, offering an additional opportunity for the expendability of TTT Coin main form of rewarding that is recognized to Tatatu users. As will be detailed later in this paper the TTT coin can be spent in the Tatatu App either through e-commerce or through participation in auctions.

The interim condensed consolidated financial statements as of June 30, 2023, show consolidated revenues of Euro 60,351 thousand with an increase of Euro 6,631 thousand attributable for Euro 114 thousand to Tatatu S.p.A, for Euro 1,355 thousand to Tatatu Hungary Kft. and for Euro 5,162 thousand to Mercato Metropolitan Group. It should be noted that the income statement figures for the first half of 2023 include the full contribution of the subsidiary Mercato Metropolitan Group while the figures for June 30, 2022, included only one month of the subsidiary. Consequently, the income statement figures as of June 30, 2023, are not fully comparable with those of the same period of the previous year.

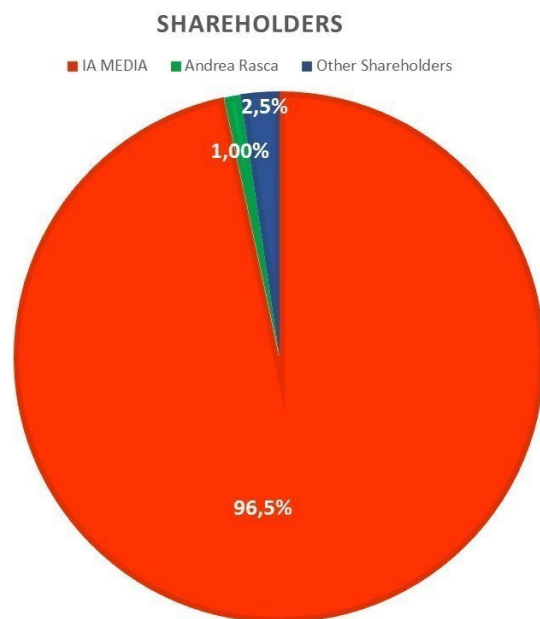
Adjusted EBITDA<sup>1</sup> for the first half of 2023 amounted to Euro 1,603 thousand (2.66% of revenues) with a decrease from the same period of the previous year of Euro 158 thousand. This trend is mainly related to the higher incidence of personnel costs.

During the first half of the year, relations were consolidated with "anchor clients" to whom advertising space was sold for an extended period and with whom their payment solutions were accepted through the sale of video content that forms the basis of the company's library. This strategy has enabled the Group to continue to enrich its library content.

## 2. Information for Group Shareholders

The company Tatatu S.p.A. as of October 19, 2022, is listed on Euronext Growth Paris through a direct listing transaction and the reference price of the shares on the date of admission to trading on the market was Euro 2.00, which was equal to the subscription price of a private placement made prior to listing.

As of June 30, 2023, the composition of significant shareholders is shown below:



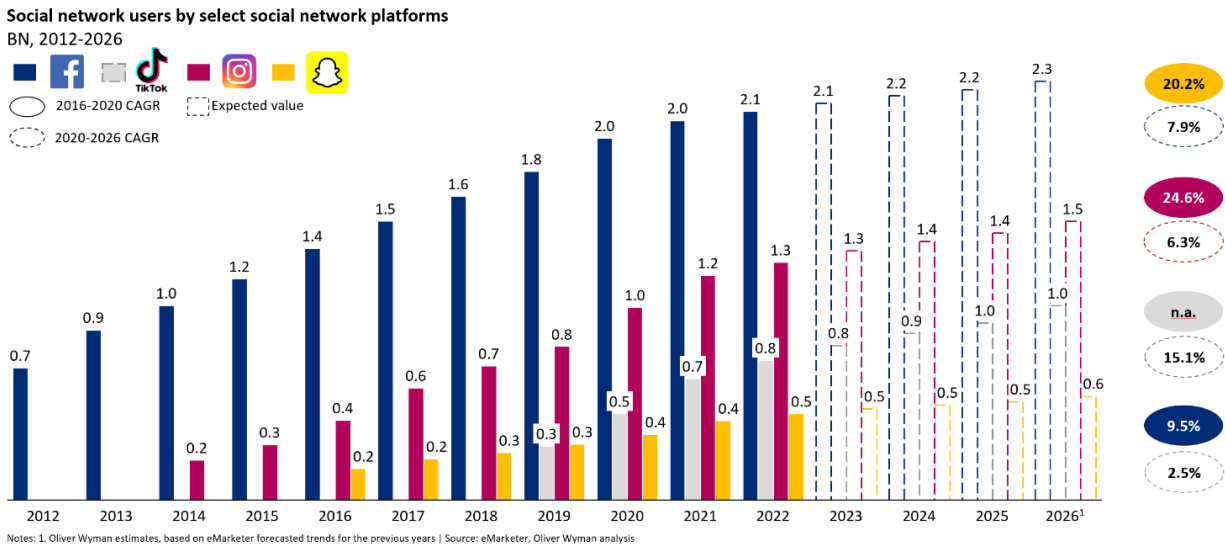
## 3. The macroeconomic and the reference market

### 3.1 Il contesto macroeconomico e di mercato

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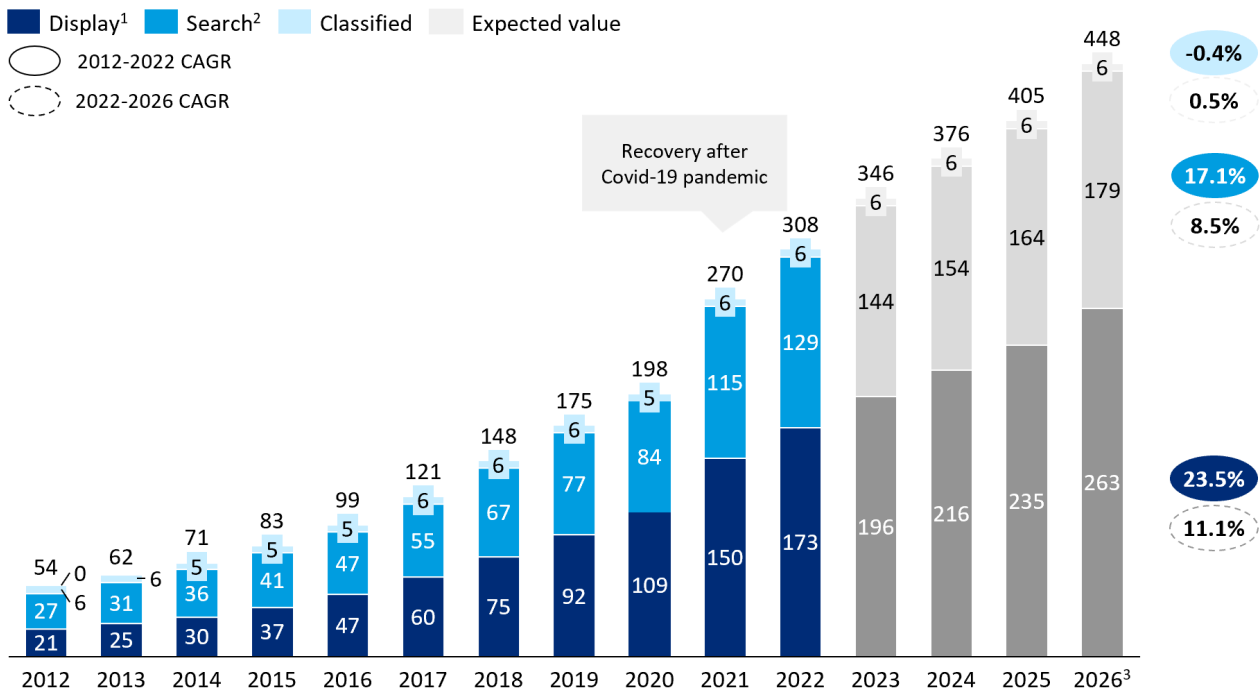
<sup>1</sup> 'EBITDA ADJ' is defined as EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization), including the amortization of video content, thus classified in cost of sales.

The push for a strong economic recovery, post effects of the covid pandemic containment measures, partially mitigated by the recent war in Ukraine, has confirmed how the social media target market still has decent room for growth as summarized in the following chart.



Regardless of the type of content being consumed, each type of generation routinely uses their devices to obtain information and entertainment, creating opportunities for media companies to engage audiences. In this context, the digital advertising market, the context in which the Group operates, denotes room for growth as shown in the chart below.

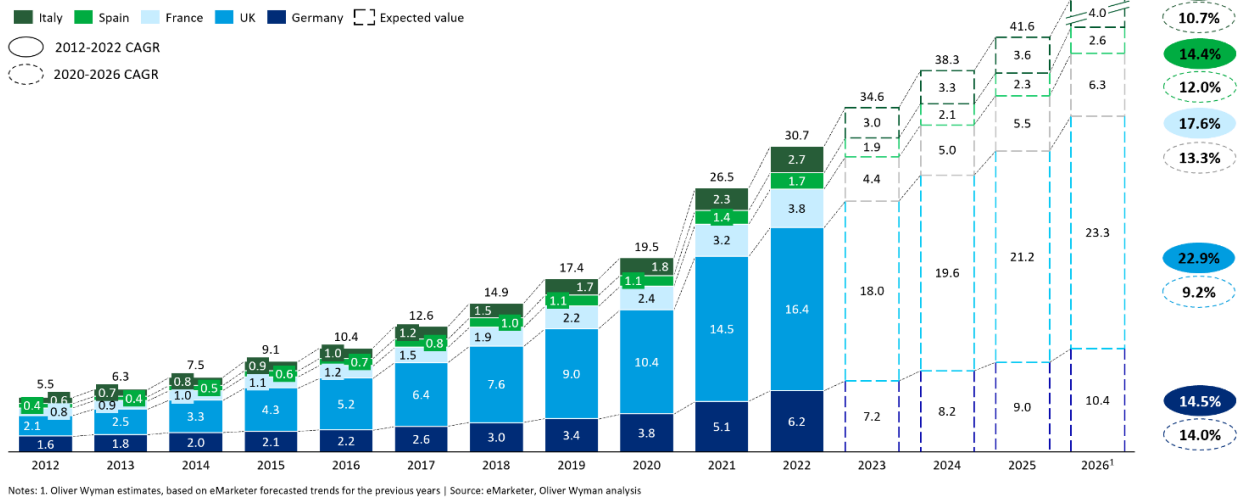
**Digital ad spending in the target countries by format**  
 \$ BN, 2012-2026, EU (IT, FR, SP, DE, UK), NA (US, CA)



This growth in digital advertising shows significant growth especially in Western Europe.

### Display digital ad spending by select Western European countries

\$ BN, 2012-2026

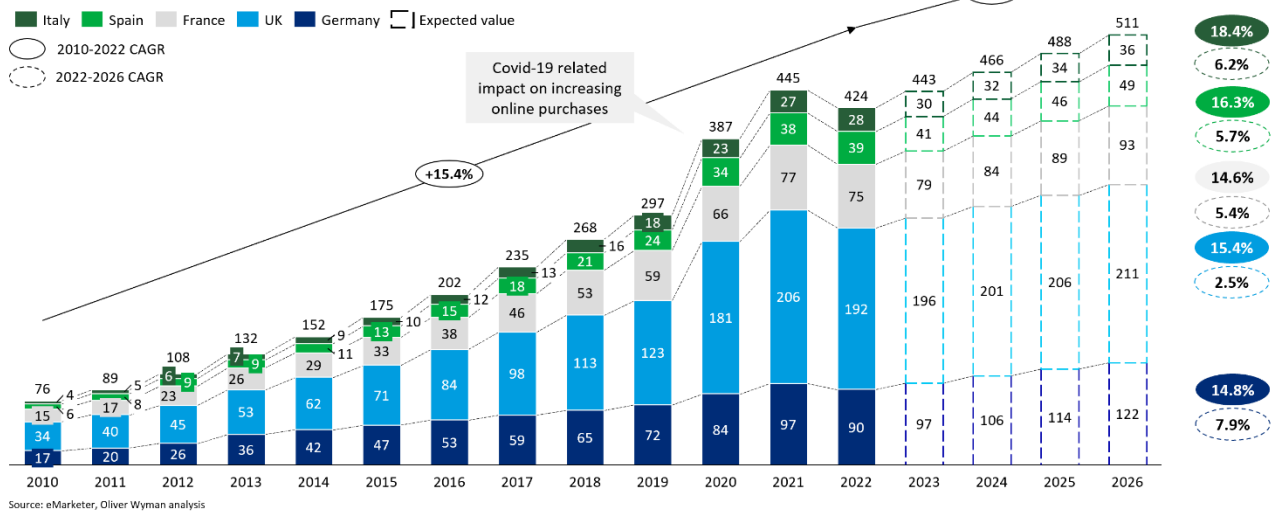


Source: eMarketer

The growing use of devices, also accentuated by the pandemic crisis, has fostered another market segment with growth potential, namely e-commerce, a line of business on which the Group is focusing. Below is a graphic representation of the expected growth in the coming years.

### E-commerce revenues by select Western European countries

\$ BN, 2010-2026



## 3.2. Some considerations on corporate social responsibility

Commitment to and consideration of environmental, social, and governance aspects to promote a more sustainable society and economy that are at the top of the agendas of global society and economic actors, as outlined below:

## TATATU PRESTA PARTICOLARE ATTENZIONE ALLE TEMATICHE AMBIENTALI, SOCIALI E DI GOVERNANCE E STA METTENDO IN ATTO UNA SERIE DI INIZIATIVE CONCRETE



### AMBIENTALI

#### Obiettivi

- Ridurre al minimo il consumo energetico, i rifiuti e l'inquinamento della società e massimizzare la conservazione delle risorse naturali
- Monitorare ogni potenziale rischio ambientale affrontato e comprendere come gestirlo



#### Impegno

- Scelta di **fornitori tecnologici che rispettino i protocolli di sostenibilità ambientale** e che implementino proattivamente pratiche strategiche sostenibili
- Effettuare attività supportate principalmente da **energie rinnovabili** e mantenere ridotte le emissioni



### SOCIALI

#### Obiettivi

- Mantenere rapporti d'affari solo con partner che condividono gli stessi valori di sostenibilità
- Fornire un contributo alla comunità locale attraverso attività di beneficenza/volontariato
- Garantire condizioni di lavoro ottimali ponendo la massima attenzione alla salute e alla sicurezza dei dipendenti



#### Impegno

- Promuovere **contenuti con un elevato impatto sociale** (ad es. podcast "Giving Back Generation")
- Mantenere **flessibili orari e luogo di lavoro**, consentendo ai dipendenti di gestire il proprio lavoro come meglio credono
- **Promuovere la diversità** tra i dipendenti e sostenere i gruppi più vulnerabili



### DI GOVERNANCE

#### Obiettivi

- Utilizzare metodi contabili accurati e trasparenti
- Offrire agli stakeholder l'opportunità di votare in merito a questioni importanti
- Evitare i conflitti di interessi nella scelta dei membri del Consiglio di amministrazione



#### Impegno

- Garantire una **contabilità trasparente**, fornendo informazioni dettagliate sulle scelte contabili specifiche
- Garantire una **scelta trasparente e chiara dei membri del Consiglio di amministrazione**

The relevance of these factors is increasing in non-financial sustainability reporting (so-called social report), which together with an appropriate communication policy in deference to the principle of accountability, is an irreplaceable means of corporate characterization globally recognized.

The preparation of the social report will be the next step for the Company and the Group to be in line with the objectives of transparency and compliance with ESG issues.

The Tatatu Group pays special attention to ESG values, and rewarding understood as the remuneration of users for the social activity they perform on the platform, makes the Tatatu Group compliant with these requirements as also confirmed by recent studies by leading international consulting firms.

#### 4. The Group's business model

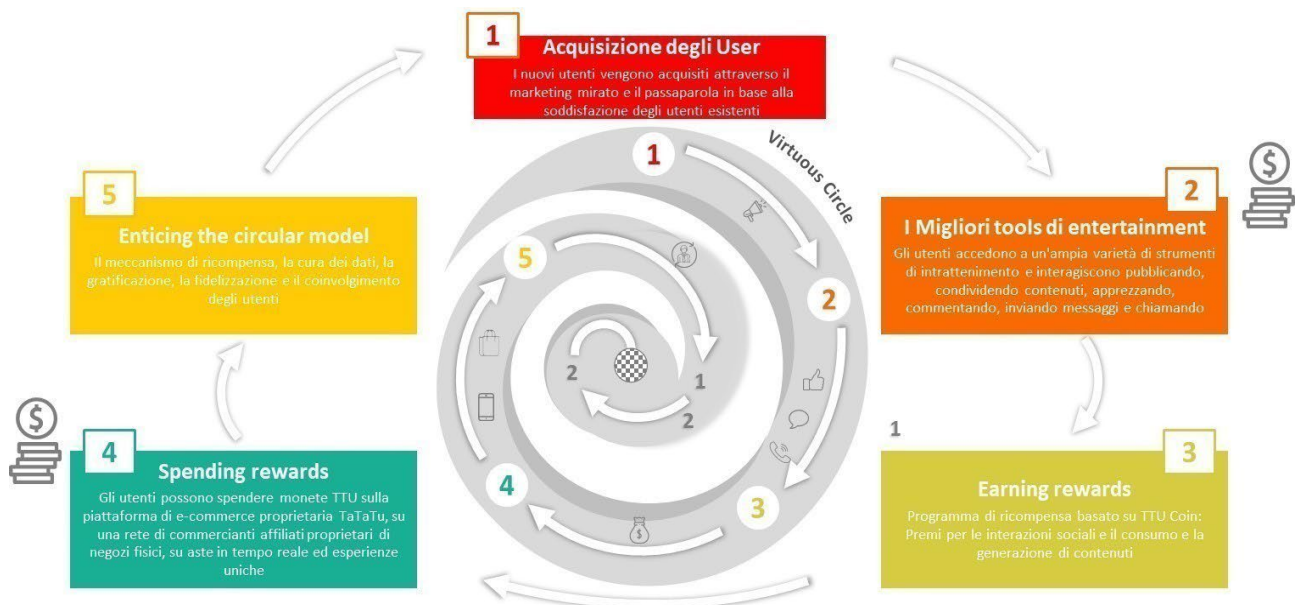
The Tatatu Group is the owner and operator of the Tatatu App. It is the first recreational sharing economy (RAVOD: Rewarding Video On Demand) and includes social media activities, posts, video calls, and chats, premium video content viewing (at no cost to end users), and e-commerce. In other words, user is considered similarly to a stakeholder of the company.

The Group's business model is mainly based on the rewarding mechanism as a distinctive element and as an engagement tool, i.e., after users sign up in the in the app, through content enjoyment and social network related actions they get rewarding in the form of TTT coins<sup>2</sup> that can be spent on the App itself either through the use of the e-commerce platform or through participation in auctions that allow the purchase of the latest products and participation in experiences with celebrities from the international film industry. The TTT coin, moreover, in the business model is "expendable" through the "Redeem near by" formula, that is, at affiliated merchants who own physical stores in various merchandise sectors, which in this way benefit from greater visibility resulting in an increase in their clientele within their own stores, contextually increasing the appeal of the App itself. The execution of the business model related to Redeem near by took place in FY 2022 through the acquisition of the Mercato Metropolitan Group with the specific objective of expanding the user base by combining the physical and digital worlds (so-called phygital) by offering additional opportunities for TTT Coin spendability.

This business model, therefore, fuels a virtuous circle that will allow the company to achieve increasing visibility and attract investment in digital advertising from leading national and international clients with consequent benefits in terms of cash flows that, reinvested further in the company will facilitate its development.

This aligns the interests of different stakeholders (users, platform, partners, etc.) as they all benefit from the growth of the "community."

Below is a graph representing the "Circular Economy" vision of the Tatatu Group S.p.A. business model.



Tatatu's vision therefore is based on an equitable system where the value creation of an app comes from the coming together of Users, Platform, Video Content Producers and

<sup>2</sup> It should be pointed out that the TTT Coin is not a cryptocurrency but a total discount that is granted to the user for the social activities they perform on the platform.



Advertisers (Advertisers), providing for the sharing of the value itself with the users themselves (users).

In light of the above, the significant part of the platform's revenues is essentially digital advertising, the value of which is shared with users. Conversely, the cost of sales is mainly represented by the amortization of video content, technology costs to implement the development of the App, and finally marketing costs to attract new users to expand the "community."

Tatatu is available on WebApp, iOS, Android, Huawei AppGallery store, Web App and soon in Smart TV and Apple TV.

The Tatatu Group pays special attention to Sustainability: Tatatu believes in creating a positive social impact through content. Tatatu purchases original content with important focus on the values of inclusion, culture, gender equality and sustainability. In FY2023, the Group launched a specific project to integrate Sustainability and Business. This focus stems from both the growing needs in the financial sphere and the awareness that this topic can be an additional driver for corporate business development.

Tatatu S.p.A. owns the technology platform related to the App and is the entity responsible for setting the Group's strategic direction. Tatatu Hungary is specifically the entity that, under the coordination and direction of the parent company, is in charge of worldwide advertising sales activities, as well as the management, use and purchase of audiovisual content to be streamed on the App.

## **5. The activities carried out in the first half of 2023**

The financial resources raised during the previous year were used during the first half of the year mainly to the technological improvement of the App both through the introduction of new features and by solving some technical problems thus making the platform increasingly in line with the quality standards required by the market.

This goal was achieved thanks to a specially dedicated structure based in Serbia consisting of about 30 highly qualified people in addition to other external collaborators whose cost amounted to a total of 958 thousand Euro of which 229 thousand capitalized to increase the value of the App. These costs in view of the fact that the structure was established in September of the previous year are fully incremental compared to June 30, 2022.

Another aspect that characterized the first half of the year is the focus on video content, which is a key element of Tatatu's business model.

During the first half of 2023, we continued to deepen and consolidate our relationships with our "anchor clients," flanking the sale of relevant advertising space with the acquisition of video content. Our constantly growing library is critical to the company's future and strategic growth.

Regarding premium content for young and family audiences, we are expanding our catalog with new animated offerings, movies and vodcasts related to current affairs, lifestyle and technology topics.

Special mention goes to the series "Puffins" and "Arctic Friends," which saw the addition of 19 new episodes for "Puffins Impossible" and 8 additional episodes for "Arctic Friends."

The growing appreciation by Millennial and Gen Z audiences for short but high production value content has guided our editorial choices.

Collaboration with Forbes, Minerva and with Giglio has helped improve our offerings, with content ranging from finance to technology, from entrepreneurs to sports, and from cult and classic films such as Bernardo Bertolucci's acclaimed *The Conformist*.

In conclusion, this first half of the year has seen an expansion for our content catalog, embracing different areas ranging from extreme sports to documentary series, from short films to cooking, and from football content to cult movies and TV shows.

With regard to Marketing, the focus has been mainly on retention activities to build the user base, pending the completion of the technological development of the App.

The actions put in place during FY2023 had an effect on some non-financial KPIs such as the number of users and TTT coin usage.

With reference to the data on users and "Ttu coins" in circulation, it should be premised that the data provided represent the best estimate that can be obtained from the Company's current information systems which, although on the whole sufficiently effective and efficient, are still in BETA mode and are subject to continuous new technical implementations of the app's functionalities and improvements. This implies that some information, which might also have a bearing on the quantitative aspects of the data, may be improvable. Therefore, this data represents the best possible estimate that management is able to provide at this time.

Users who have completed the registration process to Tatatu's web or mobile App as of June 30, 2023, excluding the user detected as fraudulent or fake by the Company's current internal detection tools, are about **920,000** with a slight increase from about **900,000** as of December 31, 2022. These users are based mainly in European countries, reflecting a spread of the Company through word of mouth and retention activities put in place by the Company.

"Ttu coins" in circulation as of June 30, 2023, excluding those related to users detected as fraudulent or fake by the Company's current internal detection tools, totaled 68,463 thousand compared to 54,288 thousand as of December 31, 2022.

## **6. Summary data and alternative performance indicators (APIs)**

The summary data presented in this management report refer to the Tatatu Group's condensed consolidated half-year financial statements as of June 30, 2023, prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The report should therefore be read in conjunction with the Financial Statements and related notes to the condensed interim consolidated financial statements as of June 30, 2023.

In addition, in order to facilitate the understanding of the Group's economic and financial performance, a number of alternative performance indicators (the "Alternative Performance Indicators" or "AHPs") illustrating the operating performance achieved have also been depicted.

For a correct interpretation of these GPIs, the following should be noted:

- these indicators are constructed solely from historical data of the Group and are not indicative of the Group's future performance;
- the GPIs are not required by IFRS and, although they are derived from the Group's consolidated financial statements, they are not audited;
- the GPIs are not to be considered as substitutes for the indicators provided for in the relevant accounting standards (IFRS);
- the reading of these GPIs should be done in conjunction with the Group's financial information derived from the Group's comparative consolidated financial statements;
- the definitions of the indicators used by the Group, since they are not derived from IFRS, may not be homogeneous with those adopted by other Groups and therefore comparable with them;
- Adjusted EBITDA means EBITDA (Earning Before Interests, Taxes, Depreciation and Amortization) including amortization of video content, thus classified in cost of sales.
- ADJ NFP means NFP net of financial debt attributable to the application of IFRS 16 resulting from the consolidation of the Mercato Metropolitan Group.

The consolidated operating performance for the first half of 2023 is shown below:

<b>Description</b>	<b>30/06/2023</b>	<b>30/06/2022</b>
<b>Revenue</b>	<b>60,351</b>	<b>53,720</b>
Operating costs	494	305
Costs for services	5,170	5,435
Staff cost	3,532	639
Cost per material	(279)	0
<b>EBITDA</b>	<b>51,434</b>	<b>47,341</b>
Video rights amortisation	49,831	45,579
<b>Adj. EBITDA</b>	<b>1,603</b>	<b>1,762</b>
Non-recurring charges	1,218	603
<b>EBIT</b>	<b>386</b>	<b>1,159</b>
Net financial charges (net interest expenses)	841	(825)
<b>Pre-tax result</b>	<b>1,226</b>	<b>334</b>
Taxes	(713)	(42)
<b>Net income for the period</b>	<b>513</b>	<b>292</b>

The reclassified Group balance sheet is shown below:

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
<b>Intangible fixed assets</b>	<b>41,513</b>	<b>48,487</b>
Audiovisual rights	11,516	10,052
Software	2,447	2,157
Brand	3,916	4,043
Other real estate assets	3	3
Assets under construction	4,454	13,055
Goodwill	19,177	19,177
<b>Non-current financial assets</b>	<b>407</b>	<b>403</b>
<b>Tangible assets</b>	<b>21,322</b>	<b>19,764</b>
Real estate installations	346	339
Rights of Use	20,976	19,425
<b>Deferred tax assets</b>	<b>63</b>	<b>63</b>
<b>Total non-current assets</b>	<b>63,305</b>	<b>68,717</b>
Trade receivables	120,627	80,338
Tax receivables	0	89
Inventories	149	262
Other current assets	4,405	3,381
Cash-in-hand and cash and cash equivalents	784	4,723
Current financial assets	31	194
<b>Total current assets</b>	<b>125,996</b>	<b>88,987</b>
<b>Total Assets</b>	<b>189,301</b>	<b>157,704</b>
Share capital	8,156	8,143
Share premium reserve	26,413	23,776
Legal reserve	37	32
Other reserves	9,472	10,201
Profit/ (Loss carried forward)	(10,686)	(1,266)
Profit (loss) for the year	513	(9,042)
Third-party PN	(1,507)	(1,813)
<b>Total Shareholders' Equity</b>	<b>32,398</b>	<b>30,031</b>
Non-current trade liabilities towards related parties	1,701	1,701
Other provisions	36	36
Severance Fund	28	22
Other non-current liabilities	(40)	30
Non-current financial liabilities	25,219	25,586
<b>Total non-current liabilities</b>	<b>26,944</b>	<b>27,375</b>
Current financial liabilities	3,726	3,172
Trade payables	122,229	93,054
Other current liabilities	3,172	2,890
Tax payables	832	1,182
<b>Total current liabilities</b>	<b>129,959</b>	<b>100,298</b>
<b>Total liabilities and shareholders' equity</b>	<b>189,301</b>	<b>157,704</b>

The Group's key balance sheet and financial indicators are shown below:

<b>Main Balance Sheet Indicators</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Intangible assets	41,513	48,487
Tangible assets	21,322	19,764
Non-current financial assets	407	403
Deferred tax assets	63	63
<b>Total non-current assets</b>	<b>63,305</b>	<b>68,717</b>
Trade receivables	120,627	80,338
Inventories	149	262
Trade payables	(122,229)	(93,054)
<b>Operational NWC</b>	<b>(1,453)</b>	<b>(12,454)</b>
Other current assets/(liabilities)	401	(602)
<b>NWC</b>	<b>(1,052)</b>	<b>(13,056)</b>
Other non current assets/(liabilities)	(1,661)	(1,731)
Provisions	(64)	(58)
<b>NIC</b>	<b>60,528</b>	<b>53,872</b>
<b>Main Balance Sheet Indicators</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
<b>Shareholders' Equity</b>	<b>32,398</b>	<b>30,031</b>
Cash and cash equivalents	(784)	(4,723)
Other current fin. assets	(31)	(194)
Financial liabilities	28,945	28,758
<b>NFP</b>	<b>28,130</b>	<b>23,841</b>
<b>Sources of finance</b>	<b>60,528</b>	<b>53,872</b>

The main indicators of the Group's cash flow statement are shown below:

Description	30/06/2023	31/12/2022
A - Net cash flow provided by/(used in) operating activities	(3,602)	(11,605)
B - Net cash flow provided by/(used in) investing activities	(1,447)	(3,368)
C - Net cash flow generated/(absorbed) by financing activities	(569)	18,880
<b>D - Total cash flow generated/(absorbed) in the period (A+B+C)</b>	<b>(3,939)</b>	<b>3,907</b>
<b>E - Cash and cash equivalents at the beginning of the period</b>	<b>4,723</b>	<b>816</b>
<b>F - Cash and cash equivalents at the end of the period (D+E)</b>	<b>784</b>	<b>4,723</b>

## 7. Operating performance and financial results

Consolidated Revenues and Other Income for the first half of 2023 amounted to Euro 60,351 thousand with an increase of Euro 6,631 thousand attributable for Euro 114 thousand to Tatatu S.p.A, Euro 1,355 thousand to Tatatu Hungary Kft. and Euro 5,162 thousand to the Mercato Metropolitan Group which is consolidated for six months in the first half of 2023 unlike the previous half-year situation where the Mercato Metropolitan Group contributed on the consolidated income statement only for one month, starting June 1, 2022. The increase in revenue is mainly attributable to the sale of advertising space by subsidiary Tatatu Hungary K.f.t to anchor clients with whom relationships have been maintained and consolidated compared to the same period in the previous year.

EBITDA adj, amounted to Euro 1,603 thousand (2.66% of revenues) compared to Euro 1,761 thousand in the same period of the previous year (3.28% of revenues) with a decrease of Euro 158 thousand compared to the same period of the previous year.

The operating performance in the first half of 2023 is explained by the following:

- i. increase in operating costs for the development of technology to ensure the improvement of the App amounting to Euro 189 thousand (net of capitalized costs); the related subsequent reduction will have economic and financial manifestation in the second half of the year:
- ii. delay in the implementation of the business plan that included, in addition to barter revenues, the achievement of revenues from the sale of advertising space to third parties, the collection of which would have had a positive impact on cash flow. As a result, operations in the first half of 2023, in the absence of cash generation, were substantially financed by equity contributions provided by shareholders.

The Net Income for the first half of 2023 was positive in the amount of Euro 513 thousand compared to the first half of 2022 of Euro 292 thousand. The positive result for the first half of 2023 is mainly attributable to positive exchange rate differences of Euro 1,577 thousand, including Euro 1,573 thousand from the subsidiary Tatatu Hungary.

From the equity-financial point of view, the Tatatu Group has a net invested capital (NIC) of Euro 60,528 thousand mainly represented by fixed assets and specifically by intangible assets, such as Goodwill for the Mercato Metropolitan CGU, Audiovisual Rights,

Trademarks and Technological Software, in the amount of Euro 37,056 thousand, by "Rights of Use" recorded in tangible assets totaling Euro 20,976 thousand,

The Group's net working capital (NWC) is negative for Euro 1,052 thousand.

The financing sources of net invested capital consisting of shareholders' equity for 32,398 thousand and NFP (excess of financial debt over cash and cash equivalents) amounting to Euro 28,130 thousand. More specifically, NFP consists of financial debts totaling Euro 28,945 thousand and cash and cash equivalents and financial receivables totaling Euro 815 thousand.

The composition of the Group's NFP Esma is detailed below:

	<b>Consolidated data</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
<b>A</b>	Cash and cash equivalents	(784)	(4,723)
<b>B</b>	Equivalent means		
<b>C</b>	Othercurrent fin. assets	(31)	(194)
<b>D</b>	<b>Liquidity</b>	<b>(815)</b>	<b>(4,917)</b>
<b>E</b>	Current financial debt	987	791
<b>F</b>	Current part of non-current financial debt	2,739	2,381
<b>G</b>	<b>Current financial debt</b>	<b>3,726</b>	<b>3,172</b>
<b>H</b>	<b>Net current financial debt (G - D)</b>	<b>2,911</b>	<b>(1,745)</b>
<b>I</b>	Non-current financial debt	25,219	25,586
<b>J</b>	Debt instruments		
<b>K</b>	current trade payables and other current payables	-	-
<b>L</b>	<b>Non-current financial debt (I + J + K)</b>	<b>25,219</b>	<b>25,586</b>
<b>M</b>	<b>Total financial debt (H + L)</b>	<b>28,130</b>	<b>23,841</b>

Moreover, it should be noted that there are outstanding rental contracts whose liability for future rentals to be paid in the coming years amounts to Euro 6,005 thousand.

The Adj NFP is shown below, i.e., excluding the impacts resulting from the application of IFRS 16 amounting to Euro 19,498 thousand (of which Euro 987 thousand within the year and Euro 18,511 thousand beyond the year) arising from the consolidation of the Mercato Metropolitan Group:

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Cash and cash equivalents	(784)	(4,723)
Other current fin. assets	(31)	(194)
<b>Liquidity</b>	<b>(815)</b>	<b>(4,917)</b>
Current financial debt	2,739	2,419
Non-current financial debt	6,708	7,877
<b>Total financial debt</b>	<b>9,447</b>	<b>10,296</b>
<b>NFP ADJ</b>	<b>8,632</b>	<b>5,379</b>

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions related to the condensed consolidated interim financial statements as of June 30, 2023, are summarized below:

<b>Company Name</b>	<b>Trade payables</b>		<b>Sales</b>		<b>Expenses</b>		
	<b>€/000</b>	<b>30/06/2023</b>	<b>31/12/2022</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2023</b>	<b>30/06/2022</b>
Ilbe S.p.A.		1,701	1,701	-	-		-
Arte Video S.r.l.	-		7	-	-	109	37
Lab 81.2 Srl	36		11	-	-	29	-
IA Media	52		-	-	-	52	-
Galivia	31		-	-	-	31	-
Anivad	31		-	-	-	31	-
<b>Total transactions</b>		<b>1,851</b>	<b>1,719</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>37</b>
Total Financial Statement items		123,930	94,755	0	0	59,965	52,562
Percentual of Financial Statement items		1,49%	1,81%	n/a	n/a	0,42%	0,07%

## 8. Human Resources

As of June 30, 2023, the Group has a workforce of 160 employees.



## **9. Secondary offices**

As of September 2022, the company opened a branch in Serbia with highly qualified personnel dedicated to developing the app. The office is located in Požarevac at 26/9 Svetosavska Street.

## **10. Disclosure of principal risks and uncertainties**

### **10.1 The macroeconomic and market context**

#### Liquidity risk

The Group's current operations, which are still in the start-up phase, have absorbed cash flows destined for requirements and absorbed by current operations for the regular payment of suppliers. The Tatatu Group's business model provides for the use of a compensation system that allows, through agreements with customers and suppliers, to help manage liquidity risk.

Additional financial resources for investments are raised either through financial or capital transactions.

#### Exchange rate risk

The Group is only marginally exposed to financial risks related to exchange rate fluctuations, with reference to its operations with countries not belonging to the 'Euro Area'. It should also be noted that almost all receivables and payables are in the same foreign currency (US dollar).

The Group has not put in place exchange rate risk hedging transactions, as these are significantly reduced by offsetting costs incurred in the same currency as revenues.

#### Interest Rate Risk

The Group has no derivative contracts in place to hedge the risks connected with interest rate fluctuations as this risk exposure is marginal.

#### Market risk, credit risk and price risk

Market risk is mainly due to the possibility of increased competition and cyclicity within the sector in which the Group operates. It should be noted that the business model adopted by the Group allows it to position itself as the first data sharing economy by combining

- RAVOD platform offering online streaming based on digital advertising with rewarding users per minute watched through TTT Coins;
- social networking features (follow, comment, post, chat, call, etc.) with rewards from TTT Coins

- gaming content;

- e-commerce platform where users can use the TTT Coins accumulated through social activities carried out on the platform;

Below is a graphic representation that can immediately show how the Tatatu Group is creating a completely new market in which no direct competitor is yet present.



Another element that increasingly characterizes the entertainment market is the growing importance of the content offered. To mitigate this risk, the Group has consolidated relations with its 'anchor clients' in order to have a constantly updated and innovative library.

### Credit risk

The Group has receivables from various customers and therefore a moderate credit risk that is constantly monitored by management through the following main actions:

- assessment of customers' credit standing, taking into account creditworthiness
- appropriate reminder actions;
- possible recovery actions.

These actions are therefore aimed at minimising the credit risk, which is also mitigated by the fact that relations with customers are mainly related to barter transactions for which the Group has the possibility of offsetting receivables with related trade payables.

## **11. Significant Events After the Close of the half-year period**

On 3 July 2023, the Extraordinary Shareholders' Meeting resolved on a paid up share capital increase in cash, excluding option rights pursuant to Article 2441.5 of the Italian Civil Code, against the issuance by the Company of a total of 6,791,171 ordinary shares, with a par value of €0.01 per share, regular dividend rights, at a unit price of €5.89 per share, for a total of €40,000,000.00, of which €67,912 to share capital and €39,932,088 to the share premium reserve. This capital increase is reserved for both new investors and IA Media.

On 11 October 2023, Tatatu S.p.A. completed the reserved share capital increase for a total raising of EUR 40 million.

This capital increase took place through subscription:

- by IA Media for 3,056,027 shares totaling EUR 18,000 thousand. This amount was paid in as follows: i) Euro 6,500 thousand paid in December 2022, ii) Euro 5,400 thousand paid in October 2023, iii) Euro 850 thousand set off against a debt that IA Media itself had accrued, as of the date of this Half-Yearly Financial Report, to the Company for services provided for the management of fundraising activities, iv) Euro 5,250 thousand through the sale of shares to MBSK Tech Holding Eight W.L.L. released through a delegation of payment from a supplier for the purchase of animation developments;
- by MBSK for 3,395,586 shares for a total of Euro 20,000 thousand through a payment delegation from a supplier for the purchase of Intellectual Properties;
- by Monaco Mobility Investement Scp and Incorpo Sarl for 339,558 shares totaling Euro 2,000 thousand paid in June.

In light of the above, the Capital Increase was completed in accordance with the law.

Therefore, at the date the transaction was completed, the Parent Company's liquidity remained, in the aggregate, Euro 5,520 thousand.

On 20 July 2023, the company entered into an unsecured loan agreement with Banca Leasing for an amount of Euro 500 thousand, backed by a Sace 80% guarantee for a term of 48 months.

## **12. Research and development activities**

During the first half of 2023, the company continued to develop its platform, both by introducing new features, such as chats, and by fixing some bugs in the system. The

management pays particular attention to the App development activity as it is preparatory to the implementation of the industrial plan.

### **13. Foreseeable evolution of operations**

Considering what has been described in the section on events subsequent to the end of the financial year relating to the capital increase, at the date of approval of the half-year report, Tatatu S.p.A. has financial commitments for the next 12 months (year over year) totaling about €8,040 thousand, also considering in this amount part of a repayment quota on overdue positions. Financial income from the first revenues not settled through merchandise exchange is expected to be about Euro 1,800 thousand by June 30, 2024. This, for both CGUs, without considering new financial needs for future new investments.

Therefore, also for the coming months, and consistent with the "business case" presented in the "Information Document" for the October 2022 listing, Tatatu will resort to capital increases reserved for new investors in addition to the shareholder IA Media. As of the date of this report, it should be noted that a major international bank, has approved a credit line of Euro 20,000 thousand guaranteed by an investor of primary standing in favor of the parent company IA Media S.A., which has formalized its willingness to financially support the subsidiary Tatatu S.p.A.

Considering the deliberation by the aforementioned banking institution and the related financial support from the parent company IA Media S.A. the condensed interim consolidated financial statements as of June 30, 2023 have been prepared on a going concern basis, on the basis that there is a reasonable expectation that the Group has adequate resources to continue its operations for the immediate future, not less than 12 months from the balance sheet date.

Rome, December 15, 2023

On behalf of the Board of Directors

Andrea Iervolino

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30/06/2023 - Amounts in Euro/thousand

Non-current assets	30/06/2023	From the affiliated companies	31/12/2022	From the affiliated companies
<b>Intangible fixed assets</b>				
Rights over audiovisual content	11,516		10,052	Note 3
Trademarks	3,916		4,043	Note 3
Technological software	2,447		2,157	Note 3
Other intangible activities	3		3	
Assets under construction	4,454		13,055	Note 3
Goodwill	19,177		19,177	Note 3
<b>Total Intangible Assets</b>	<b>41,513</b>		<b>48,487</b>	
<b>Tangible assets</b>				
Property, plant and equipment	14		11	Note 4
Electronic office machines	332		328	
Assets by right of use	20,976		19,425	Note 4
<b>Total tangible assets</b>	<b>21,322</b>		<b>19,764</b>	
Pre-paid tax assets	63		63	Note 5
<b>Fixed financial assets</b>	<b>407</b>		<b>403</b>	Note 6
<b>Total non-current assets</b>	<b>63,305</b>		<b>68,717</b>	
<b>Current assets</b>				
Trade receivables	120,627		80,338	Note 7
Other current assets	4,405		3,381	Note 8
Inventories	149		262	Note 9
Tax receivables	0		89	
Cash and cash equivalents	784		4,723	Note 10
Short-term financial assets	31		194	Note 11
<b>Total current assets</b>	<b>125,996</b>		<b>88,987</b>	
<b>Total assets</b>	<b>189,301</b>		<b>157,704</b>	

## NET EQUITY AND LIABILITIES

### Shareholders' Equity

Share capital	8,156		8,143		Note 12
Share premium reserve	26,413		23,776		Note 12
Legal reserve	37		32		Note 12
Other reserves	9,472		10,201		Note 12
Profit and loss carried forward	(10,686)		(1,266)		Note 12
Group share of profit/(loss) for the year	579		(9,348)		Note 12
<b>Assets attributable to the shareholders of the parent company</b>	<b>33,971</b>		<b>31,538</b>		
Profit/(loss) for the year attributable to minority interests	(66)		306		Note 12
Interests of third parties	(1,507)		(1,813)		
<b>Total Shareholders' equity</b>	<b>32,398</b>		<b>30,031</b>		
<b>Non-current liabilities</b>					
Non-current trade payables	1,701	1,701	1,701	1,701	Note 13
Non-current financial liabilities	25,219		25,586		Note 14
Provision for risks and charges	36		36		Note 15
Other non-current liabilities	(40)		30		
Provision for employee benefits	28		22		Note 16
<b>Total non-current liabilities</b>	<b>26,944</b>		<b>27,375</b>		
<b>Current liabilities</b>					
Current financial liabilities	3,726		3,172		Note 17
Trade payables	122,229	150	93,054	18	Note 18
Other current liabilities	3,172		2,890		Note 19
Tax payables	832		1,182		Note 20
<b>Total current liabilities</b>	<b>129,959</b>		<b>100,298</b>		
<b>Total (Shareholders' equity) and liabilities</b>	<b>189,301</b>		<b>157,704</b>		

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS OF 30/06/2023 - Values in Euro thousands

Thousands of Euro	30/06/2023	From the affiliated companies	30/06/2022	From the affiliated	Note
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			<b>compa nies</b>	
Sales revenue	59,978		53,628	Note 21
Other positive entries	373		92	Note 21
<b>Total revenues</b>	<b>60,351</b>		<b>53,720</b>	
Purchase of raw, ancillary and consumable materials	428		5	Note 22
Costs for services	5,170	252	5,435	37 Note 23
Staff cost	3,532		639	Note 24
<i>Capitalised costs</i>	(279)			Note 25
Other operating costs	66		300	
Depreciation	51,289		46,182	Note 26
Provisions	(240)			Note 27
<b>Operating result</b>	<b>385</b>		<b>1,159</b>	
Financial expense	736		1,005	Note 28
Financial income	1,577		180	Note 29
<b>Financial result</b>	<b>841</b>		<b>(825)</b>	
<b>Earnings before taxes</b>	<b>1,226</b>		<b>334</b>	
Taxes	713		42	
<b>Profit/(loss) for the period</b>	<b>513</b>		<b>292</b>	
Other comprehensive income statement components that may be subsequently reclassified to profit/loss for the year (net of tax):	0		(5)	
Translation differences of foreign statements	(162)		(5)	
<b>Total other comprehensive income statement that may be subsequently reclassified to profit/(loss) for the year net of taxes</b>	<b>(162)</b>		<b>(5)</b>	
Other comprehensive income statement components that will not be subsequently reclassified to profit/(loss) for the year (net of tax):	0		0	
Revaluation gain/(loss) on defined benefit plans	0		0	
<b>Total other comprehensive income statement that will not be subsequently reclassified to profit/(loss) for the year net of taxes</b>	<b>0</b>		<b>0</b>	
<b>Total other comprehensive income statement after tax</b>	<b>(162)</b>		<b>(5)</b>	

<b>Total comprehensive profit/(loss) after tax</b>	<b>351</b>	<b>287</b>
<b>Comprehensive income/(loss) attributable to:</b>		
Share of interest of Group	579	257
Minority interest	(66)	35
<b>Comprehensive income/(loss):</b>		
Share of interest of Group	285	252
Minority interest	(66)	35
Basic earnings/(loss) per share	0,00063	0,00000036
Diluted earnings/(loss) per share	0,00063	0,00000036

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30/06/2022 -  
Amounts in Euro/thousand**

Details of post movements of equity	Share Capital	Share premium reserve	Retained earnings (losses)	Legal reserve	Other reserves	Foreign currency translation reserves	Profit / (Loss) for the half-year	Group net equity	Third-party equity	Total shareholder s' equity
Equity 31/12/2021	8,013	297	(465)	-	(26)	(6)	1,309	9,122		9,122
Capital increase	23	2,291	-	-	-		-	2,314		2,314



Acquisition of the subsidiary WWMM	69	13,816						13,885	(1,642)	12,243
Increase/Decrease	-	-	(2,982)		506	5		(2,471)		(2,471)
Allocation of the result for the year			666	32	611		(1,309)	-		-
Profit / (Loss) for the half-year	-	-	-	-	-		257	257	35	292
Equity 30/06/2022	8,105	16,404	(2,781)	32	1,091	(1)	257	23,107	(1,607)	21,500

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30/06/2023 - Amounts in Euro/thousand

Details of post movements of equity	Share Capital	Share premium reserve	Legal reserve	Advance payment for future share capital increase	Capital contribution payment	Other reserves	Retained earnings (losses)	Foreign currency translation reserves	Profit / (Loss) for the half-year	Group net equity	Third-party equity	Total shareholders' equity
Equity 31/12/2022	8,143	23,776	32	6,500	2,650	599	(1,266)	452	(9,348)	31,538	(1,507)	30,031
Capital increase	13	2,637		2,000	(2,650)					2,000		2,000
Allocation of the result for the year			5			92	(9,445)		9,348	0		0
Purchase of own shares						(9)				(9)		(9)
Other movements							25			25		25
Translation of financial statements of subsidiaries expressed in foreign currencies								(162)		(162)		(162)
Profit / (Loss) for the half-year									579	579	(66)	513
Equity 30/06/2022	8,156	26,413	37	8,500	0	682	(10,686)	290	579	33,971	(1,573)	32,398

## CONSOLIDATED STATEMENT OF CASH FLOW

€/000			30/06/2023	31/12/2022
<b>OPERATING ACTIVITIES</b>		<b>Note</b>		
Group's Profit/(Loss)			513	(9,042)
		<i>Adjustment for</i>		
Income tax			713	1,870
Financial income/charges		Note 28,29	(841)	558
Amortization and impairment loss		Note 26	49,852	98,630

Provisions for employee benefits	Note 27	6	54
Differences on foreign exchange valuations		(68)	1,996
	<i>Changes in net working capital</i>		
Inventories	Note 9	113	(262)
Decrease/ (Increase) Trade receivables	Note 7	(40,289)	(58,563)
Increase/ (decrease) Trade payables	Note 13-18	(12,076)	(41,956)
Decrease/ (Increase) Other current and not current assets	Note 6-8	17	(3,459)
Increase/ (decrease) Other current and not current liabilities	Note 19	(122)	(663)
<i>Other adjustments</i>			-
Income taxes paid		(151)	(162)
Interest expense and other borrowing costs paid	Note 28-29	(729)	(606)
<b>A. Net cash and cash equivalents generated/(used) in operating activities</b>		<b>(3,062)</b>	<b>(11,605)</b>
<b>INVESTMENT ACTIVITIES</b>			
	<i>Acquisition of:</i>		
Tangible assets	Note 4	(984)	(446)
Intangible assets	Note 3	(459)	(1,918)
Financial assets	Note 6,11	(4)	(403)
Acquisition of non-controlling interests		-	(601)
<b>B. Cash and cash equivalents generated/(used) in investment activities</b>		<b>(1,447)</b>	<b>(3,368)</b>
<b>FINANCING ACTIVITIES</b>			
<i>Equity</i>			
Capital increase operations	Note 12		6,969
Other equity injections for future share capital increase	Note 12	2,000	6,500
Purchase of own shares	Note 12	(9)	(6)
<i>Debt</i>			
New financing	Note 14-17	148	7,968
Paying back loans	Note 14-17	(1,044)	(2,142)
Capital payments of lease liabilities		(526)	(409)
<b>C. Cash and cash equivalents generated/(used) in lending activities</b>		<b>569</b>	<b>18,880</b>
<b>D. Increase/(decreases) in net cash and cash equivalents (A+B+C)</b>		<b>(3,940)</b>	<b>3,907</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF THE PERIOD</b>		<b>4,723</b>	<b>816</b>
<b>CASH AND CASH EQUIVALENTS - END OF THE PERIOD</b>		<b>784</b>	<b>4,723</b>

## **Notes to the Consolidated Financial Statements of the Tatatu Group**

### **1) Corporate and Group information**

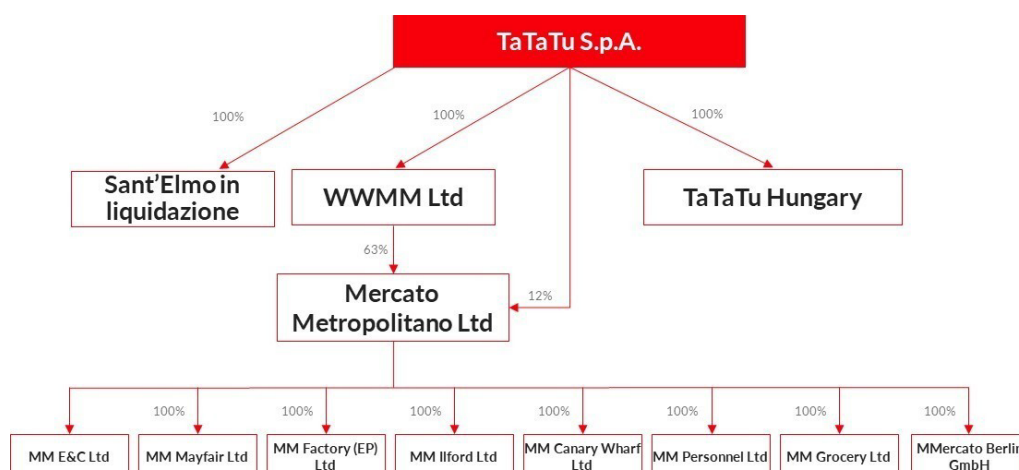
Tatatu S.p.A. (hereinafter referred to as Tatatu, i.e. the Company the wholly owned subsidiary Tatatu Hungary Kft. and the 75% owned subsidiary WWMM LTD (hereinafter jointly referred to as the "Group" or the "Tatatu Group") is the global operator engaged in the innovative sharing economy project for users' leisure time.

Tatatu is the owner of the App of the same name which includes social media, video calls and chat, premium video content and e-commerce, which starts from the Vision of a fair system where the creation of value takes place through the meeting between Users, platform, and advertisers. The Tatatu App is the first platform that allows users to receive a fee for sharing and viewing content. The users' reward is realized through the attribution of TTU coins that are recognised for the use of the App.

Tatatu thus proposes an alternative model to traditional business models, identifying the business model based on the 'RAVOD' (Reward Advertising Video on Demand), thanks to which users can be remunerated for the time they devote to using the app.

The platform offers different content and functionalities, such as films, podcasts, sports, fashion, games and celebrity content. The various versions of the app allow users to publish advertising spaces that are sold to customers.

To expand the platform's user base, Tatatu S.p.A. on May 13, 2022, acquired 100 percent of WWMM LTD, which controls - directly and indirectly - the Group "Mercato Metropolitano" (hereafter Mercato Metropolitano Group) at 75%, a company operating in the field of mass food and beverage. The control of Mercato Metropolitano Group turns out to be consistent with the "phygital" business strategy, i.e., aimed at uniting the fiscal and digital worlds. This acquisition represents an opportunity, moreover, already successfully tested in other sectors, to increase the user base by reducing the marketing costs of user acquisition and retention, offering an additional opportunity for the expendability of TTT Coins main form of rewarding that is recognized to Tatatu users. A graphical representation of the Group and the companies included in the scope of consolidation is provided below:



The publication of the interim consolidated financial statements as of June 30, 2023, of Tatatu S.p.A. (the Company) was authorized by the Board of Directors on December 15, 2023.

The consolidating company, Tatatu S.p.A., is a listed joint-stock company registered and domiciled in Italy. The registered office is located in Via Barberini 29, 00187 Rome.

## 2) Significant accounting standards

### 2.1 Basis of preparation

The interim consolidated financial statements for the period to June 30, 2023, have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not present all the disclosures required in the preparation of the annual consolidated financial statements. For this reason, it is necessary to read the consolidated interim financial statements together with the consolidated financial statements as of December 31, 2022, net of the principles explained in the Summary of Accounting Policies and Measurement Criteria section that are not present in the consolidated financial statements as of December 31, 2022.

Current income taxes are calculated based on taxable income as of the end of the period. Taxes payable and receivable for current income taxes are recognized at the amount expected to be paid/recovered to/ from the tax authorities by applying the tax laws in force or substantially enacted as of the period end date and estimated rates on an annual basis.

IAS 34.21 information on seasonality is provided in these financial statements because the sales and operating results of the Group and the sectors in which it operates are not affected by seasonality.

### 2.2 Assessment of the Group's going concern and uncertainties resulting from the financial stress situation

The Group prepared the consolidated financial statements as of June 30, 2023, on a going concern basis.

The Group's half-year consolidated financial statements show an "adjusted" Ebitda of Euro 1,603 thousand (Euro 1,762 thousand as of June 30, 2022); a profit of Euro 513 thousand (Euro 292 thousand as of June 30, 2022) a shareholders' equity of Euro 32,398 thousand (Euro 33,031 thousand as of December 31, 2022) and an "adjusted" net financial position, i.e., net of debts arising from the accounting of leases in accordance with IFRS 16, negative and amounting to euro 8,632 thousand (Euro 5,379 thousand as of December 31, 2022). The latter amount refers Euro 7,892 thousand to the Parent Company and Euro 739 thousand to the Gruppo Mercato Metropolitan , the group's second CGU.

In addition, at the date of this Half-Year Financial Report, the Parent Company had past due trade positions, the renegotiation of which is in progress, for an amount of Euro 5,400 thousand. With reference to bank payables, there are no overdue positions.

On October 11<sup>st</sup>, 2023, Tatatu S.p.A. completed the share capital increase reserved for three new shareholders and the reference shareholder IA Media S.A. for a total raising of Euro 40 million. For a description of the transaction, see section 32) *Significant Events After the Close of the half-year period*. Therefore, as of the date of completion of the transaction, the Parent Company's liquidity remained, in total, at Euro 5,520 thousand. As of November 30, 2023, the Parent Company's liquidity amounted at Euro 2,500 thousand.

As of the date of approval of the half-year consolidated financial statement, Tatatu S.p.A. has financial commitments for the next 12 months (year over year) totaling approximately Euro 8,040 thousand considering in this amount also a part of a repayment quota on overdue positions. Financial income from the first revenues not settled through commodity exchange is expected to be approximately Euro 1,800 thousand, by June 30,2024. This, for both CGUs, without considering new financial needs for future new investments.

Therefore, also for the coming months, and consistent with the "business case" presented in the October 2022 listing "Information Document," Tatatu will resort to capital increases reserved for new investors in addition to the shareholder IA Media. As of the date of this report, it should also be noted that a major international bank, has approved a credit line of Euro 20,000 thousand guaranteed by an investor of primary standing in favor of the parent company IA Media S.A., which has formalized its willingness to financially support the subsidiary Tatatu S.p.A.

Considering the deliberation by the aforementioned banking institution and the related financial support from the parent company IA Media S.A. the condensed interim consolidated financial statements as of June 30, 2023 have been prepared on a going concern basis, on the basis that there is a reasonable expectation that the Group has adequate resources to continue its operations for the immediate future, not less than 12 months from the balance sheet date.

## **2.3 Financial Statement**

The Consolidated Financial Statements consist of the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the Notes to the Consolidated Financial Statements.

The Group's Statement of Financial Position shows the separate presentation of current and non-current assets and current and non-current liabilities.

An asset is classified as current when it meets one of the following criteria:

- it is held for sale or consumption, or expects its realisation, in the normal course of its operating cycle;
- it is owned mainly for the purpose of negotiating it;
- it is expected to be realised within twelve months from the closing date of the financial year; or
- it consists of cash or equivalent means, the use of which is not subject to constraints or restrictions such as to prevent its use for at least twelve months from the closing date of the financial year.

All assets that do not meet the conditions listed above are classified as non-current.

A liability is classified as current when:

- it is expected to settle the liability in its normal operating cycle;
- it is owned mainly for the purpose of negotiating it;
- it must be paid off within twelve months from the closing date of the financial year; or it does not have an unconditional right to defer the settlement of the liability for at least twelve months from the closing date of the financial year.

The contractual conditions could, at the option of the counterparty, lead to the extinction of the assets by assigning rights or consideration of various kinds. The Consolidated Statement of Comprehensive Profit/(Loss) has been prepared by classifying costs according to their nature to arrive at the net result for the period by showing the operating result. Operating income is determined as the difference between revenues and other income and operating expenses (the latter including non-cash expenses related to write-downs and amortisation of current and non-current assets, net of any reversals). The operating result is the main measure used by the company management to monitor the performance of the Group, in this start-up phase where the operational management is strongly impacted by barter transactions.

Finally, the Consolidated Cash Flow Statement presents cash flows from operating activities according to the 'indirect method', showing only the effects of transactions that impact cash flows.

## **2.4 Principles and scope of consolidation**

The consolidated financial statements include the financial statements of Tatatu S.p.A. and its subsidiaries as of June 30, 2023.

Control is achieved when the Group is exposed to or entitled to variable returns from its relationship with the entity being invested in and, at the same time, can affect those returns by exercising its power over that entity.

There is a presumption that most voting rights involve control. To support this presumption and when the Group holds less than a majority of the voting (or similar) rights, the Group considers all relevant facts and circumstances to determine whether it controls the investee, including:

- Contractual arrangements with other holders of voting rights;
- Rights under contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.

Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, non-controlling interests and other items of shareholders' equity, and any gain or loss is recognised in the income statement.

The consolidated financial statements include the financial statements of Tatatu S.p.A., wholly owned subsidiary Tatatu Hungary, and Sant'Elmo in liquidation. Effective from May 13, 2022, the company acquired 100% of WWMM Ltd by holding both directly and indirectly 75% of its subsidiaries. It should be noted that the acquisition of WWMM LTD's subsidiaries took place in two steps: in May 2022, 63% was acquired, and in July 2022, the 12% stake (held directly by Mercato Metropolitan LTD) was acquired. As a result, while the income statement for the first half of 2023 includes 6 months of Gruppo Mercato Metropolitan, the same statement for the previous year includes only one month (i.e., from the date of acquisition). Therefore, the values are not perfectly comparable.

The following is a representation of the companies included in the scope of consolidation:

Company	Registered Office	Country	Relationship with the Holding Company	Consolidation method	Percentage ownership (direct and indirect) as of June 30, 2023	Percentage ownership (direct and indirect) as of June 30, 2022

Tatatu S.p.A.	Roma Via Barberini 29	Italy	Parent company	<b>Full Consolidation</b>	Parent company	Parent company
Tatatu Ungheria	Budapest Ady Endre utca 15 - 2724 Ujlenyel	Hungary	Subsidiary	<b>Full Consolidation</b>	100%	100%
Sant'Elmo in Liquidazione	Napoli Via Orazio Petrucelli 12	Italy	Subsidiary	<b>Full Consolidation</b>	100%	100%
WWMM Ltd	London 20-22 Wenlock Road	UK	Subsidiary	<b>Full Consolidation</b>	100%	100%
Mercato Metropolitan Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MM E&C Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MM Mayfair Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MM Ilford Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MM Factory (EP) Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MM Grocery Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MM Canary Wharf Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MM Personnel Ltd	London 42 Newington Causeway	UK	Subsidiary	<b>Full Consolidation</b>	75%	63%
MMercato Berlin GmbH	Beedstraße 54, 40468 Düsseldorf, Germany	Germany	Subsidiary	<b>Full Consolidation</b>	75%	63%

## 2.5 Discretionary evaluations and significant accounting estimates

About the significant discretionary evaluations and accounting estimates made by management, reference is made to the Annual Financial Report 2022.

### **New accounting standards, interpretations and amendments adopted by the Group**



The accounting standards adopted for the preparation of the consolidated financial statements are consistent with those used for the preparation of the consolidated financial statements as of December 31, 2022, except for the adoption of new standards and amendments effective January 1, 2023. The Group has not early adopted any new standards, interpretations or amendments issued but not yet in force.

Several amendments apply for the first time in 2023 but did not have an impact on the Group's consolidated interim financial statements.

### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard for insurance contracts that considers recognition and measurement, presentation, and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g., life, non-life, direct insurance, and reinsurance), regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation features; some exceptions apply with respect to scope. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts for insurers. In contrast to the requirements of IFRS 4, which are largely based on maintaining previous local accounting standards, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting issues. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-term contracts.

The amendments had no impact on the Group's interim consolidated financial statements.

### **Definition of Accounting Estimates - Amendments to IAS 8**

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies, and correction of errors. They also clarify how entities use valuation techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated interim financial statements.

### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply significant judgments to accounting policy disclosures. The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and

by adding guidance on how entities apply the concept of materiality in making accounting policy disclosure decisions.

The amendments had no impact on the Group's interim consolidated financial statements but are expected to affect accounting policy disclosures in the Group's annual consolidated financial statements.

## **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12.**

The amendments to IAS 12 Income Taxes narrow the scope of the exception to initial recognition so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated interim financial statements.

## **2.6 Financial risk management**

### Liquidity risk

The current operational management of the Group, still in the start-up phase, has absorbed financial flows destined to the needs and absorbed by the current management for the regular payment of suppliers. The Tatatu Group business model involves the use of a compensation system that allows, through agreements with customers and suppliers, to help manage liquidity risk.

Additional financial resources for investment are raised either through financial or capital transactions.

€	Payables within the financial year	Payables beyond the financial year		Interest rate	Due date Debt
		Debts from 1 to 5 years	Debt over 5 years		
<b><i>Tatatu Italia S.p.a.:</i></b>					
Banca Progetto	419,804	1,163,606		4,75%	31/03/2027
Deutsche Bank	1,245,471	2,496,409		2,76%	03/06/2026
Mediocredito Centrale	166,457	826,581		5,17%	30/06/2029
Istituto per il Credito Sportivo	165,913	824,654		4,67%	30/06/2029
Montepaschi di Siena	165,798	830,850		3,89%	30/06/2029
Accrued Expenses	15,666	-			
Debiti finanziari Branche Serbia	129,755	-			
<b><i>WWMM Ltd:</i></b>					
Finance Leases	18,864	39,498			28/07/2025
HSBC Credit Card	14,939				
CIBL Loan #1	250,501	271,376			
CIBL Loan #2	145,640	254,870			
IFRS 16 Effects	987,128	18,511,198			
<b><i>Tatatu Hungary Kft.:</i></b>					

<i>Exchange rate valuation effects on intercompany eliminations</i>					
<b>Overall total</b>	<b>3,725,936</b>	<b>25,219,042</b>			
<b>Total current financial liabilities</b>	<b>3,725,936</b>				
<b>Total non-current financial liabilities</b>	<b>25,219,042</b>				

### Foreign exchange rate risk

The Group is limited to financial risks related to exchange rate fluctuations regarding transactions with countries outside the Eurozone. It should also be noted that almost all receivables and payables are in the same foreign currency (US dollar). It should be noted that as of January 1, 2023, the subsidiary Tatatu Hungary adopted the Euro as its functional currency, thus helping to further mitigate foreign exchange risk. The Group has not implemented any exchange rate risk hedging transactions as they are significantly reduced by offsetting costs incurred in the same currency as revenues.

### Interest Rate Risk

The Group has no derivative contracts in place to hedge risks related to interest rate fluctuations as this risk exposure is marginal.

### Market risk, credit risk and price risk

Risks related to the competitiveness and cyclical nature of the sector.

An element that increasingly characterizes the entertainment market is the growing importance of the contents offered, which are increasingly differentiated according to the transmission channels.

### Credit risk

The Group has receivables from several customers and, therefore, a moderate credit risk that is constantly monitored by management through the main actions:

- Assessment of customers' credit standing, taking into account credit worthiness;
- Appropriate reminder actions;
- Possible recovery actions.

These actions are therefore aimed at minimizing credit risk, which is also mitigated by the fact that relations with customers are mainly related to barter transactions for which the Group can offset receivables against related trade payables.

## **2.7 Operating sectors: disclosure**

Since the acquisition of the Mercato Metropolitan Group, the group has extended its operations into the Mercato Metropolitan segment. Therefore, the segment assets and

liabilities at the balance sheet date are shown, comparing them with the values at the end of the previous year.

The following tables present, respectively, the revenue and profit information of the Group's operating segments for the year ended June 30, 2023, and June 30, 2022:

Amounts as at		Mercato			
June 30, 2023	€/000 App	Metropoli	Total Sectors	Corrections	Consolidated
	€000	tano	€000	and elisions	€000
		€000	€000	€000	€000
<b>Revenues €/000</b>					
Sales to customers	54,054	5,924	59,978		59,978
Intra-industry sales	5	401	406	(33)	373
<b>Total revenues</b>	<b>54,059</b>	<b>6,325</b>	<b>60,384</b>	<b>(33)</b>	<b>60,351</b>
Total costs	53,935	6,064	59,999	(33)	59,966
<b>Operating margin</b>	<b>124</b>	<b>261</b>	<b>385</b>	<b>0</b>	<b>385</b>

Amounts as at		Mercato			
June 30, 2023	€/000 App	Metropolita	Total Sectors	Corrections	Consolidated
	€000	no	€000	and elisions	€000
		€000	€000	€000	€000
<b>Revenues €/000</b>					
Sales to customers	54,712	1,130	55,842	2,122	53,720
Intra-industry sales					
<b>Total revenues</b>	<b>54,712</b>	<b>1,130</b>	<b>55,842</b>	<b>2,122</b>	<b>53,720</b>
Total costs	53,695	988	54,683	(2,122)	52,561
<b>Operating margin</b>	<b>1,017</b>	<b>142</b>	<b>1,159</b>	<b>0</b>	<b>1,159</b>

The following table presents the assets and liabilities for the Group's operating segments as of June 30, 2023, and December 31, 2022:

€/000	[App]	[Mercato	Total sectors	Adjustments	Consolidate
	€000	Metropolita	€000	and elisions	d
		no]	€000	€000	€000
		€000	€000	€000	€000

**Sector activities**

<b>As at June 30, 2023</b>	<u>179,549</u>	<u>24,703</u>	<u>204,252</u>	<u>(28,774)</u>	<u>189,300</u>
<b>As at December 31, 2022</b>	<u>158,654</u>	<u>23,576</u>	<u>182,230</u>	<u>(24,471)</u>	<u>157,759</u>
<b>Sector liabilities</b>					
<b>As at June 30, 2023</b>	<u>179,549</u>	<u>24,703</u>	<u>204,252</u>	<u>(28,774)</u>	<u>189,300</u>
<b>As at December 31, 2022</b>	<u>158,654</u>	<u>23,576</u>	<u>182,230</u>	<u>(6,565)</u>	<u>157,759</u>

### 3) Intangible fixed assets

The Group shows intangible assets in the consolidated financial statements attributable to the following categories:

€/000	Tatatu Brand	Tatatu App	Audiovisual content	Assets under construction	Other non current intangible assets	Goodwill	Total
<b>Net book value as at December 31, 2022</b>	4,043	2,157	10,052	13,055	3	19,177	<b>48,487</b>
<b>Increases/acquisitions</b>	-	459	43,584	-	-	-	<b>44,043</b>
<b>Other movements</b>	-	-	-	(755)	-	-	<b>(755)</b>
<b>Depreciation</b>	(127)	(379)	(49,831)	-	-	-	<b>(50,337)</b>
<b>Effect of valuation exchange rate as of June 30, 2023</b>	-	-	63	12	-	-	<b>75</b>
<b>Transfers and reclassifications</b>	-	210	7,648	(7,858)	-	-	<b>-</b>
<b>Net book value as at June 30, 2023</b>	<b>3,916</b>	<b>2,447</b>	<b>11,516</b>	<b>4,454</b>	<b>3</b>	<b>19,177</b>	<b>41,513</b>

More specifically, the Tatatu brand and App are owned and accounted for by the Company Tatatu S.p.A. at the net book value of Euro 3,916 thousand and Euro 2,447 thousand, respectively. Audiovisual rights, on the other hand, are owned by the subsidiary Tatatu Hungary Kft. and are shown at the net book value of Euro 11,516 thousand. These assets are mostly acquired from third-party suppliers through barter agreements and refer to "Ravod" audiovisual rights. Assets in progress, amounting to Euro 4,454 thousand, refer to audiovisual content not yet available for use for technical reasons.

During the period, no indications of possible impairment emerged with reference to Intangible Assets; in fact, the exploitation of Intangible Assets is considered within the latest Business Plan approved by the Board of Directors

Goodwill was not subjected to impairment testing procedures as no indicators of impairment were identified and therefore, in accordance with IAS 36, the impairment test will be carried out when the annual financial statements are closed.

#### 4) Tangible fixed assets

The Group shows tangible assets in the consolidated financial statements that fall into the following asset categories:

€/000	Property, plant and equipment	Electrical Machinery For Office	Rights of Use of Tangible Fixed Assets	Total
<b>Net book value as at December 31, 2022</b>	328	11	19,425	<b>19,764</b>
Increases	79	7	1,788	<b>1,874</b>
Decreases	-	(3)	-	<b>(3)</b>
Depreciation	(84)	(1)	(867)	<b>(952)</b>
Exchange rate valuation effect as of June 30, 2023	9	-	630	<b>639</b>
<b>Net book value as at June 30, 20230</b>	<b>332</b>	<b>14</b>	<b>20,976</b>	<b>21,322</b>

Tangible fixed assets mainly include "rights to use property, plant and equipment," i.e., the value in use (so-called RoU) of buildings leased by Gruppo Mercato Metropolitan since the Group's core business is the rental of hubs to third-party partners. The item also includes costs incurred for related improvements made to increase the value of the assets. The net book value of usage rights amounts to Euro 20,976 thousand and has been capitalized in compliance with IFRS 16 accounting standard

The Group also made some investments in the first half of the year mainly attributable to Gruppo Mercato Metropolitan, and for this reason the items "Property, plant and equipment", "Electronic office equipment" are increased.

#### 5) Pre-paid tax assets

Pre-paid tax assets amount to Euro 63 thousand as of June 30, 2023 and were in line with the balance as of December 31, 2022. The item essentially includes deferred IRES taxation pertaining to 2022 (amounting to 52 thousand Euro) corresponding to temporary increases in the tax base that refer to negative components pertaining to the year, the deduction of which is expressly deferred to subsequent years in accordance with the provisions of the Consolidated Income Tax Act.

The value of deferred tax assets and liabilities was determined by applying the IRES rate of 24%.

€/000	30-Jun-23	31-Dec-22	Changes
Tatatu S.p.A. Prepaid tax assets	63	63	-

<b>Total pre-paid tax assets</b>	<b>63</b>	<b>63</b>	<b>-</b>
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## 6) Fixed financial assets

Fixed financial assets includes assets whose recoverability is expected beyond twelve months. Specifically, these are deposits and pledges used by the parent company Tatatu S.p.a., amounting to Euro 250 thousand, and by the subsidiary Mercato Metropolitan, amounting to Euro 157 thousand.

<b>€/000</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>	<b>Changes</b>
Guarantee deposits	207	203	4
Other fixed financial assets	200	200	-
<b>Total Financial Assets not held as fixed assets.</b>	<b>407</b>	<b>403</b>	<b>4</b>

## 7) Trade receivables

The Group's trade receivables amounted to Euro 120,627 thousand as of June 30, 2023, compared to a value of Euro 80,338 thousand as of December 31, 2022, and mainly refer to the sale of advertising space.

Specifically, the breakdown of receivables among the Group's various investees is as follows:

<b>€/000</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>	<b>Changes</b>
Trade receivables Tatatu S.p.A.	293	698	(405)
Trade credits Tatatu Hungary Kft	118,287	77,995	40,292
WWMM Commercial Credits	2,047	1,645	402
<b>Total Receivables</b>	<b>120,627</b>	<b>80,338</b>	<b>40,289</b>

Most of the receivables shown are accrued in the head of Tatatu Hungary Kft. These receivables, in the next 12 months, will be substantially realized not in monetary form, but through offsets possible in accordance with contractual agreements that legitimize the parties to extinguish the mutual debtor-creditor positions (so-called Barter agreements).

As of the date of the reporting period, this item does not include related party transactions or past due receivables for which it will be possible to proceed as described above, to extinguish the receivable through offsetting with the related payables.

Grupo Mercato Metropolitan's trade receivables have an average collection time of less than 60 days.

## 8) Other current assets

As of June 30, 2023, the Group shows other current assets of Euro 4,405 thousand, which mainly refer to:

- Advances to suppliers amounting to Euro 2,114 thousand for rental of rights not yet available for use;
- Receivables of Tatatu S.p.A. corresponding to: the net VAT credit surplus accrued with reference to the 2022 tax period; the advertising investment tax credit under Article 57-bis, Decree Law 50/2017, recognized in 2021 with reference to advertising costs incurred in 2020;
- The advances from the Gruppo Mercato Metropolitan amounting to 803 thousand Euro.

€/000	30-Jun-23	31-Dec-22	Changes
Tax credits in the ownership of Tatatu S.p.a.	128	221	(93)
Excess VAT paid by Tatatu S.p.A.	1,125	908	217
Advances to suppliers paid by Tatatu S.p.a.	2,114	1,488	626
Prepaid expenses	137	6	131
Excess VAT paid by Tatatu Hungary Kft.	98	84	14
Other advances for personnel-related contributions paid by Tatatu Hungary Kft.		62	(62)
IFRS 16 and other payments on account to WWMM suppliers	803	612	191
<b>Total</b>	<b>4,405</b>	<b>3,381</b>	<b>1,024</b>

## 9) Inventories

The balance of inventories as of June 30, 2023, is 149 thousand Euro and is represented by the ending inventory of goods and raw materials purchased by the Group during the year 2023. These inventories refer to the following types of goods:

- Goods of the Parent Company to feed the e-commerce platform and to enable the setting up of products to be awarded to users as part of the auctions held periodically on the app.
- Balance of raw materials, consumables and goods stored at the subsidiary MM Grocery Ltd.

The valuation of this item is carried out at the acquisition cost criterion, and there is no evidence that would lead to the write-down of the recorded amount.

€/000	June 30, 2023	December 31, 2022	Changes
Inventories of goods Tatatu S.p.A.	50	50	-
Inventories of raw materials and goods WWMM	99	212	(113)
<b>Total</b>	<b>149</b>	<b>262</b>	<b>(113)</b>



## 10) Cash and cash equivalents

The item, amounting to Euro 784 thousand, includes only the balance of bank account relationships held by Group companies with credit institutions. Cash and cash equivalents are not encumbered by restrictions that limit their full utilization. For an analysis of changes, please refer to the cash flow statement and the liquidity risk management disclosure. Below is a detailed statement of current account balances held by each company:

€/000	June 30, 2023	December 31, 2022	Changes
Tatatu S.p.A.	525	3,390	(2,865)
Tatatu Hungary Kft.	2	132	(130)
Mercato Metropolitan Group	257	1,201	(944)
<b>Total</b>	<b>784</b>	<b>4,723</b>	<b>(3,939)</b>

## 11) Non-fixed financial assets

Non-fixed financial assets recorded by the Group as of June 30, 2023 amounting to 31 thousand Euro refer to temporary use of liquidity in titles as stipulated in the liquidity agreement and other minor financial assets held by the Parent Company.

€/000	June 30, 2023	December 31, 2022	Changes
Title deposit Bnp	23	183	(160)
Other financial assets	8	11	(3)
<b>Total</b>	<b>31</b>	<b>194</b>	<b>(163)</b>

## 12) Group net equity

The company's shareholders' equity consists of the items related to share capital, capital reserves, profit for the year and loss (2022) carried forward.

As of June 30, 2023, the fully subscribed and paid-up share capital of Tatatu S.p.A. was 8,156 thousand Euro, represented by 815,590,232 ordinary shares.

In particular, shareholders' equity changed as a result of the following transactions:

- registration with the register of companies in January 2023 of the resolution of the Extraordinary Shareholders' Meeting for a cash capital increase with the exclusion of pre-emptive rights on December 20, 2022, through the issuance of 1,325,000 ordinary shares with voting rights in favor of Anivad Consulting Ltd for a total

amount of 2,650 thousand Euro, of which 13 thousand Euro were allocated to share capital and 2,637 thousand Euro to the share premium reserve;

- Payment of Euro 2,000 thousand by some investors shortly before the capital increase resolved on July 3, 2023, by the Extraordinary Shareholders' Meeting, which resolved a non-divisible capital increase in cash with the exclusion of option rights through the issuance of 6,791,171 ordinary shares worth Euro 40 million.

The equity item also includes under "other reserves" transaction costs incurred in previous periods for capital increase transactions (amounting to Euro 26 thousand) and the extraordinary reserve (amounting to Euro 703 thousand).

€/000	June 30, 2023	December 31, 2022	Changes
Share capital	8,156	8,143	13
Share premium reserve	26,413	23,776	2,637
Currency conversion reserve	290	452	(162)
Legal reserve	37	32	5
Payment on account of future capital increase	8,500	6,500	2,000
Capital contribution	0	2,650	(2,650)
Other reserves	682	599	83
Profit and loss carried forward	(10,686)	(1,266)	(9,420)
Profit (loss) for the financial year	513	(9,042)	9,555
Equity attributable to minority interests	(1,507)	(1,813)	306
<b>Total shareholders' equity</b>	<b>32,398</b>	<b>30,031</b>	<b>2,367</b>

### 13) Non-current trade liabilities

As of June 30, 2023, the Group has trade liabilities to be paid off beyond twelve months with the related party Iervolino & Lady Bacardi Entertainment S.p.A., amounting to 1,701 thousand Euro.

The liability originated as a result of the contribution of assets and liabilities related to the capital increase subscribed by the sole shareholder IA Media on December 23, 2020.

### 14) Non-current financial liabilities

The item includes financial debt due in the years after 2023 and the impacts resulting from the application of IFRS 16 amounting to Euro 18,511 thousand beyond the year arising from the consolidation of the Gruppo Mercato Metropolitan.

The figure for the long-term portion of bank loans due in fiscal years after 2023 shows a total amount of Euro 6,708 thousand (Euro 7,877 thousand as of December 31, 2022), decreasing as a result of the fulfillment of the underlying obligations of the four loans received from leading banks in fiscal year 2022.

With reference to the drawn loans, the items are recorded in the financial statements at the amortized cost of the liability, determined in accordance with IFRS 9, and precisely, it corresponds to the value at which the financial liability was valued upon initial recognition net of principal repayments, increased or decreased by the accumulated amortization using

the criterion of effective interest on any difference between the initial value and the value at maturity.

In this regard, it was not considered necessary to discount the loan at the market rate, taking into account the fact that the rate inferable from the terms of the contract is not significantly different from the market interest rate, which is to be understood as the rate that would have been applied if two independent parties had negotiated a similar transaction with comparable terms and conditions to the one under examination that generated the debt.

		Payables beyond the financial year			
€	Payables within the financial year	Debts from 1 to 5 years	Debts over 5 years	Interest rate	Due date Debt
<b>Tatatu Italy S.p.A.:</b>					
Banca Progetto	419,804	1,163,606		4,75%	31/03/2027
Deutsche Bank	1,245,471	2,496,409		2,76%	03/06/2026
Mediocredito Centrale	166,457	826,581		5,17%	30/06/2029
Istituto per il Credito Sportivo	165,913	824,654		4,67%	30/06/2029
Montepaschi di Siena	165,798	830,850		3,89%	30/06/2029
Accrued Expenses	15,666	-			
Financial debts Branche Serbia	129,755	-			
<b>WWMM Ltd:</b>					
Finance Leases	18,864	39,498			28/07/2025
HSBC Credit Card	14,939				
CIBL Loan #1	250,501	271,376			
CIBL Loan #2	145,640	254,870			
IFRS 16 bills of exchange	987,128	18,511,198			
<b>Tatatu Hungary Kfd.</b>					
<i>Exchange rate valuation effects on intercompany eliminations</i>					
<b>Overall total</b>	<b>3,725,936</b>	<b>25,219,042</b>			
<b>Total current financial liabilities</b>	<b>3,725,936</b>				
<b>Total non-current financial liabilities</b>	<b>25,219,042</b>				

All loans outstanding as of June 30, 2023, have no covenants and/or negative pledge and, except for the loan with Deutsche Bank, are secured by Sace.

## 15) Provision for risks and charges

The provision for risks amounting to Euro 36 thousand represents the estimate made by management for contingent liabilities deemed probable, including on the basis of historical data on the use of TTT Coins, for products that are reasonably expected to be purchased in the next financial year and attributed to users of the Tatatu App.

This provision thus represents evidence of the gradual implementation of the company's strategy to ensure the expendability of TTT coins on the Tatatu App through auctions and the e-commerce platform.

## 16) Severance Fund

The Group shows a provision for employee benefits amounting to 28 thousand Euro, calculated net of disbursements made in the same year and the related tax burden.

## 17) Current financial liabilities

Current financial liabilities, for the most part, includes the financial debt due within 12 months in connection with bank loans received from the Parent Company and the non-banking liability within 12 months that arose as a result of applying IFRS 16 accounting standard to lease agreements payable.

The debts to be traced back to bank loans refer to the liabilities incurred to the lenders Banca Progetto and Deutsche Bank and HSBC.

€	Payables within the financial year	Payables beyond the financial year		Interest rate	Payables within the financial year
		Debts from 1 to 5 years	Debts over 5 years		
<b>Tatatu Italy S.p.A.:</b>					
Banca Progetto	419,804	1,163,606		4,75%	31/03/2027
Deutsche Bank	1,245,471	2,496,409		2,76%	03/06/2026
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Montepaschi di Siena	165,798	830,850		3,89%	30/06/2029
Accrued Expenses	15,666	-			
Debiti finanziari Branche Serbia	129,755	-			
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<b>Total current financial liabilities</b>	<b>3,725,936</b>				
<b>Total non-current financial liabilities</b>	<b>25,219,042</b>				

## 18) Trade payables

Trade payables, totaling 122,229 thousand Euro, refer to liabilities contracted by the Group.

Specifically, the payables refer to the following expense items:

- purchase of administrative and technical services of various kinds necessary for business operations;
- purchase of content made available to users on the Tatatu platform;
- debts for App development activities;
- trade debts taken on by the Gruppo Mercato Metropolitano to finance corporate operations.

Most of the aforementioned trade debts are intended to be offset within the framework of trade exchange relationships (so-called barter agreements) under which the parties are given the opportunity to settle the mutual debt-credit positions.

€/000	June 30, 2023	December 31, 2022	Changes
Trade payableas Tatatu Italy S.p.A.	5,322	3,330	1,992
Trade payableas Tatatu Hungary Kft.	114,107	86,671	27,436
Trade payableas WWMM Ltd	2,800	3,053	(253)
<b>Total</b>	<b>122,229</b>	<b>93,054</b>	<b>29,175</b>

## 19) Other current liabilities

The Company exhibits current liabilities totaling 3,172 thousand Euro, mainly to be attributed to tax and social security payables related to payroll, as well as payables to employees. Below is a detailed breakdown of this item:

€/000	June 30, 2023	December 31, 2022	Changes
Payables for holidays and leave and other currents liabilities	393	1,496	(1,103)
Tax withholding and social security payables	2,779	914	1,865
Deferred income	-	480	(480)
<b>Total</b>	<b>3,172</b>	<b>2,890</b>	<b>282</b>

## 20) Tax Payable

Tax payables refer to liabilities related to direct taxes that have accrued to the Group. Specifically, the total liability, amounting to 832 thousand Euro.

€/000	June 30, 2023	December 31, 2022	Changes
Tax payable Tatatu Italy S.p.A.	86	259	(173)
Tax payable Tatatu Hungary Kft.	671	769	(98)
Tax payable WWMM Ltd	75	154	(79)
<b>Total</b>	<b>832</b>	<b>1,182</b>	<b>(350)</b>

## 21) Sales Revenues

The sales revenues shown refer mainly to the sale of advertising space and as of June 30, 2023, amounted to 54,054 thousand Euro. In particular, advertising space includes promotional notifications and other forms of advertising conveyed through the Tatatu app.

The revenues in question were accounted for by applying the accrual principle and, with particular reference to bartering equivalent operations.

With reference to the latter, it is worth highlighting that the company carried out two main categories of bartering operations:

- Advertising bartering: having as its object, in particular, the exchange of advertising against advertising by netting the respective economic positions;
- Equivalent barter: having as its object, in particular, the sale of advertising against content that contributes to enriching the app's entertainment offerings.

Advertising barter transactions were specifically excluded from the scope of IFRS 15. Equivalent barter transactions fall within the scope of IFRS15 because the company has performed a timely assessment on each contract to identify whether: i) the transaction was carried out in the ordinary course of business; ii) the transaction has commercial substance in that it allows the company to obtain inputs that will generate future revenue; iii) the service to be transferred to the customer has been identified; iv) the company has obtained control of any non-monetary consideration; and v) the fair value has been determined. In valuing barter transactions, in compliance with IFRS15, which requires the revenue to be measured based on the Fair Value of the service/goods received in exchange or, alternatively, if difficult to measure, based on the Fair Value of the revenue itself, the company determined Fair Value based on a price list aligned with market values.

Revenues were recognized at *point in time*.

In addition, the revenues also include those related to the Gruppo Mercato Metropolitan amounting to 5,924 thousand Euro amount which in the first half of 2023 affect 6 months, while in the condensed consolidated half-year financial statements as of June 30, 2022, the contribution on the consolidated was only related to one month.

Consequently, the increase in revenue is mainly attributable to the full contribution of the Gruppo Mercato Metropolitan. The breakdown of sales revenue is as follows:

€/000	June 30, 2023	June 30, 2022	Changes
Revenues from sale of advertising space	54,054	52,497	1,557

Revenues from Mercato Metropolitan Group – beverage	5,924	1,130	4,794
E-commerce	-	1	(1)
Other positive components	373	92	281
<b>Total</b>	<b>60,351</b>	<b>53,720</b>	<b>6,631</b>

A detail is shown to classify the incidence of revenues among the various group's investees:

€/000	June 30, 2023	June 30, 2022	Changes
Tatatu S.p.A.	207	93	114
Tatatu Hungary	53,847	52,497	1,350
Mercato Metropolitan Group	5,924	1,130	4,794
<b>Total</b>	<b>59,978</b>	<b>53,720</b>	<b>6,258</b>

## 22) Purchases of raw materials, consumables and supplies

Purchases of raw materials, consumables and supplies as of June 30, 2023, amounting to Euro 428 thousand compared to a balance of Euro 5 thousand in the same period of the previous year. The item mainly includes costs for the purchase of goods for resale by the Gruppo Mercato Metropolitan.

## 23) Cost for services

Costs for services for the consolidated first half of 2023 amounted to Euro 5,170 thousand (before capitalized costs of Euro 50 thousand) and recorded a decrease of Euro 265 thousand compared to the same period of the previous year. This trend, however, is mainly influenced by the application of IFRS 16 amounting to Euro 876 thousand in the absence of which there would have been an increase in these costs of Euro 610 thousand.

This change is mainly attributable to both the increase in technological costs incurred for the development of the App and the costs for video content to increase the library, while marketing costs remain essentially unchanged as the activities were mainly focused on user retention.

The following is a breakdown of the main items making up service costs as of June 30, 2023, for Tatatu S.p.A. and Tatatu Hungary Kft, and the Gruppo Mercato Metropolitan.

€/000	June 30, 2023	June 30, 2022	Changes
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Legal advice – notary	19	21	(2)
Banking fees	10	13	(3)
Technical consultations	-	3	(3)
Tax consulting - payroll	167	23	144
Other services	863	890	(27)
Financial consulting	59	96	(37)
Marketing consulting	267	261	6
Editorial consulting	8	4	4
Content consulting	304	101	203
Travel expenses and other reimbursements	26	36	(10)
Transportation services	3	1	2
Technology services	987	535	452
<b>Total Costs for services Tatatu S.p.A.</b>	<b>2,713</b>	<b>1,984</b>	<b>729</b>

As for service costs related to the subsidiary Tatatu Hungary, a summary table is given below:

<b>€/000</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>Changes</b>
Rentals	2	2	0
Marketing expenses	-	266	(266)
Promotional expenses	-	2,703	(2,703)
Tax consulting – payroll	41	73	(32)
Other services	24	140	(116)
Bank fees	1	4	(3)
<b>Total Costs for Services Tatatu Hungary Kft.</b>	<b>68</b>	<b>3,188</b>	<b>(3,120)</b>

The decrease in the item, compared to the previous period, can be attributed to the conclusion of some contracts.

Costs for services of the Gruppo Mercato Metropolitan, totaling 2,422 thousand (net of the impact of IFRS 16) are costs that mainly relate to utilities, plant maintenance premises security services utilities and insurance costs. Below is a detailed exposition of the items that make up the Mercato Metropolitan Group's costs for services:

<b>€/000</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>Changes</b>
Leases/use of assets	-	-	565
Other services	478	24	440
Utilities	348	38	310



Other consulting services	119	-	295
Ordinary maintenance	290	134	156
Security services	279	1	278
Insurance	183	13	180
Fuels	161	28	137
Transportation services	48	1	132
Bank fees	110	-	111
Transactional costs	82	-	82
Event costs	71	6	65
Marketing	62	8	54
Travel and accommodation	58	-	58
Housekeeping services	49	4	45
Content	41	-	41
Telephony	24	-	24
Stationery	19	6	13
Technology costs	0	-	17
<b>Total</b>	<b>2,422</b>	<b>263</b>	<b>2,125</b>

#### 24) Staff costs

As of June 30, 2023, personnel costs amounting to Euro 3,532 thousand (gross of capitalized costs for the development of new features of the App amounting to Euro 229 thousand), recorded an increase of Euro 2,893 thousand mainly attributable to the full contribution in the first half of 2023 of the Gruppo Mercato Metropolitan of Euro 2,055 thousand, while the increase of Euro 837 thousand in the organic perimeter is mainly related to the establishment of the Serbia branch in which technical staff dedicated to the development of the App has been hired since September 2022.

€/000	June 30, 2023	June 30, 2022	Changes
Wages and salaries	3,394	489	2,905
Social security charges and contributions	122	82	40
Other personnel costs	16	68	(52)
<b>Total</b>	<b>3,532</b>	<b>639</b>	<b>2,893</b>

#### 25) Capitalised costs for internal work and app technologic development

Capitalised costs for internal work include costs for the technological development of the app, incurred during the first half of 2023, charges recorded as an increase in the value of the App recorded under intangible assets. The breakdown of the individual items is as follows:

€/000	June 30, 2023	June 30, 2022	Changes
Costs for app technology development services	(50)	-	(50)
Costs of app development personnel	(229)	-	(229)
<b>Total</b>	<b>(279)</b>	<b>-</b>	<b>(279)</b>

The capitalizations resulted in:

- the increase in the historical cost of the app;
- the allocation of a higher depreciation rate calculated by applying the rate corresponding to the class of fixed assets in which the above expenses were allocated.

## 26) Amortisation and write-downs

Amortisation and write-downs mainly refers to amortization fees calculated on fixed assets with a finite useful life, related to video rights acquired by Tatatu Hungary K.f.t., amortization fees for the trademark and technological software charged in the financial statements of Tatatu S.p.a., and the rights of use of the physical Hub by Mercato Metropolitan accounted for in accordance with IFRS 16.

In addition, the Group has accounted for amortization allocated for the purchase during the year of certain office equipment.

As regards the trademarks and technological software registered in the assets of Tatatu S.p.A., an amortisation period of 18 years has been estimated. As regards the technological software instrumental to the App, the five-year amortisation has been planned.

Below is the analytical indication of the quotas allocated.

€/000	June 30, 2023	June 30, 2022	Changes
Tatatu Brand amortization	127	127	(0)
Tatatu App technology amortization	379	320	59
Audiovisual content amortization	49,831	45,579	4,252
Office electronic machinery amortization	1	8	(0)
Plant and equipment amortization	25	35	(10)
Other tangible fixed assets amortization	89	30	59
Rights of use of tangible fixed assets amortization	837	83	748
<b>Total amortization</b>	<b>51,289</b>	<b>46,182</b>	<b>5,107</b>

It is specified that the depreciation portion related to rights of use is attributable to the Mercato Metropolitan Group and refers to the lease rights it obtained to be able to lease its sites, while depreciation of other tangible assets, mainly relates to works that can be classified as improvements on third-party premises leased to Mercato Metropolitan Group.

## 27) Provisions

Provisions includes a release of a provision for possible bad debt risks made as of December 31, 2022, by the Gruppo Mercato Metropolitan in the amount of Euro 240 thousand.

## **28) Financial charges**

Financial charges as of June 30, 2023, amounted to Euro 736 thousand compared to a balance in the same period of the previous year of Euro 1,005 thousand with a decrease of Euro 269 thousand. The item includes, the amount of interest expense pertaining to the year 2023 produced on bank loans payable, calculated according to the effective interest criterion for Euro 335 thousand and interest for the application of IFRS 16 amounting to Euro 361 thousand. The remaining part amounting to Euro 40 thousand refers mainly to negative exchange rate differences, realized during the first half of 2023 by the Gruppo Mercato Metropolitan. Specifically, the item represents the change due to the fluctuation of the exchange rate during the period between the date of the transaction and the settlement date of the receivable or payable arising as a result of the transaction.

In accordance with IAS 21, initial recognition of the transaction takes place in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency in effect on the date of the transaction.

Below are details of the accrued finance costs incurred by the Group:

<b>€/000</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>Changes</b>
Interest expense and financial charges	335	116	219
Interest from application of IFRS 16	361	39	322
Realized foreign exchange losses	40	850	(810)
<b>Total</b>	<b>736</b>	<b>1,005</b>	<b>(269)</b>

The increase in interest expense of 219 thousand Euro is related to both the signing of new loan agreements in the second half of 2022 and the increase in interest rates.

The increase in charges related to the application of IFRS 16 is attributable to the consolidation in the first half of 2023 of six months of the Gruppo Mercato Metropolitan, while in the same period of the previous year the consolidation had affected only one month of the income statement.

It should be noted that the significant decrease in foreign exchange losses of 810 thousand Euro that occurred in the first half of 2023 is attributable to the subsidiary Tatatu Hungary, which adopted the Euro as its functional currency as of January 1, 2023.

## **29) Financial income**

Financial income refers to differences on exchange rates that occurred during the first half of 2023 and amount to 1,577 thousand Euro.

This income is realized as a result of the settlement of monetary items that occurred at rates different from those at which they were converted at the time of initial recognition of the transaction.

### 30) Transactions with related parties

The Company's financial and economic transactions with related parties from 1 January 2022 to 31 December 2022 are set out below. It is specified that the payable to Ilbe S.p.A., resulting from the transfer made in December 2020 by IA Media of assets and liabilities has not had any changes. The related payment is expected as of 2023.

Company name	Trade payables		Sales		Costs	
	30/06/2023	31/12/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Ilbe S.p.A.	1,701	1,701	-	-	-	-
Arte Video S.r.l.	-	7	-	-	109	37
Lab 81.2 Srl	36	11	-	-	29	-
IA Media	52	-	-	-	52	-
Galivia	31	-	-	-	31	-
Anivad	31	-	-	-	31	-
<b>Total transactions</b>	<b>1,851</b>	<b>1,719</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>37</b>
Total Financial Statement items	123,930	94,755	0	0	59,965	52,562
Percentual of Financial Statement items	1,49%	1,81%	n/a	n/a	0,42%	0,07%

### 31) Commitments and guarantees given by the Tatatu S.p.A. Group

Tatatu, during fiscal year 2022, obtained guarantees to satisfy payment obligations arising from unsecured loans. The guarantee was issued by Sace pursuant to Article 1 of the Liquidity Decree.

Specifically, the Sace guarantee is provided in favor of Tatatu's contractors, and the guaranteed amount is equivalent to 80% of the loan.

The loans outstanding as of June 30, 2023, with Banca Progetto, Mediocredito Centrale, Istituto per il Credito Sportivo and Monte dei Paschi di Siena are backed by Sace guarantee.

### **32) Significant Events After the Close of the half-year period**

On 3 July 2023, the Extraordinary Shareholders' Meeting resolved on a paid up share capital increase in cash, excluding option rights pursuant to Article 2441.5 of the Italian Civil Code, against the issuance by the Company of a total of 6,791,171 ordinary shares, with a par value of €0.01 per share, regular dividend rights, at a unit price of €5.89 per share, for a total of €40,000,000.00, of which €67,912 to share capital and €39,932,088 to the share premium reserve. This capital increase is reserved for both new investors and IA Media.

On 11 October 2023, Tatatu S.p.A. completed the reserved share capital increase for a total raising of EUR 40 million.

This capital increase took place through subscription:

- by IA Media for 3,056,027 shares totaling EUR 18,000 thousand. This amount was paid in as follows: i) Euro 6,500 thousand paid in December 2022, ii) Euro 5,400 thousand paid in October 2023, iii) Euro 850 thousand set off against a debt that IA Media itself had accrued, as of the date of this Half-Yearly Financial Report, to the Company for services provided for the management of fundraising activities, iv) euro 5,250 thousand through the sale of shares to MBSK Tech Holding Eight W.L.L. released through a delegation of payment from a supplier for the purchase of animation developments;

- by MBSK for 3,395,586 shares for a total of Euro 20,000 thousand through a payment delegation from a supplier for the purchase of Intellectual Properties;

- by Monaco Mobility Investement Scp and Incorpo Sarl for 339,558 shares totaling Euro 2,000 thousand paid in June.

In light of the above, the Capital Increase was completed in accordance with the law.

Therefore, at the date the transaction was completed, the Parent Company's liquidity remained, in the aggregate, Euro 5,520 thousand.

On 20 July 2023, the company entered into an unsecured loan agreement with Banca Leasing for an amount of Euro 500 thousand, backed by a Sace 80% guarantee for a term of 48 months.