2022
Annual Report

Gi Group
HOLDING

Index

1

Company Report

1.1

2022 financial highlights

REVENUES
€3.625 bn
(+12,3% VS FY2021)

GROSS PROFIT
€508 m
(+20,0% VS FY2021)

EBITDA
€139 m
(+21,1% VS FY2021)

NET PROFIT
€54 m
(+33,5% VS FY2021)

NFP/EQUITY
1,32
(1,47 IN FY2021)

NFP/EBITDA
1,85
(1,81 IN FY2021)

CONVERSION RATE
27,3%
(27,1% IN FY2021)

EBITDA MARGIN
3,8%
(3,6% IN FY2021)

1.2

Letter from the CEO

Dear Stakeholders,

On the 25th anniversary of the founding, **Gi Group Holding** confirms its position as the leading Italian multinational employment company, as well as one of the main players worldwide, in services dedicated to the development of the labour market, through a diversified range of solutions. Relying on the contribution and commitment of **over 8,000 people**, we now operate in **34 countries** worldwide, with **over 650 branches and more than 20,000 client companies**.

We know how difficult it is to navigate in today's unprecedented historical environment: inflation, speculation, temporary and fundamental changes in market forces. Despite this, 2022 was a year of important and positive changes for us: we set up **Gi Group Holding** with the aim of reorganising and strengthening the **Group structure**; launched the **new corporate brand** to create a new identity in line with our global dimension, contributing to the sustainable development of the labour market; strengthened our commitment on **sustainability** and **ESG** aspects; continued on the path of **digitalisation**; implemented growth strategies by organic and external lines with new **M&A** transactions; and closed the FY2022 with **growth results** on the main KPIs.

Our organisation is driven by the desire to contribute to the evolution of the industry by making it more effective and efficient, promoting a **work culture** capable of satisfying the interests of **enterprises, people** and **society** by offering **win-win-win solutions**.

On the labour market today, there is a paradigm shift: more and more frequently it is the candidate who chooses, while the company encounters objective difficulties in acquiring the talents it needs for its development, for geographical, technological and cultural reasons.

The Group operates in the middle, increasingly involved in the role of enabler, able to fill the skills gap of candidates. A role in which the use of digital technologies is increasingly decisive, but where the human, educational and human touch aspects continue to make the difference.

In 25 years of activity, we can say we are proud of the incredible journey we have led and of the important results we have achieved, which inspire us to continue our journey towards an even more prosperous future, capable of generating value, pursuing our dream of creating a sustainable, flexible and enjoyable global market for candidates and companies, while remaining faithful to the same **mission** and **values** that have driven us since the very first day of our adventure.

I would like to thank all the people who every day, in every part of the world, contribute to the well-being and development of our company. Together, we aim to seize future opportunities and responsibilities to generate a **positive impact on the evolution of society through the labour market**.

MAIN RESULTS AT DECEMBER 31, 2022

The economic-financial results of Gi Group Holding in 2022 confirmed the continuation of the growth trend: revenues amounted to 3.6 billion euros, **+12.3%** compared to the previous year, with a CAGR of 10.1% in the last 5 years from 2.2 billion Euros in 2018, despite the years of the global pandemic. In geographical terms, the main foreign regions performed positively, generating overall significant growth at international level, as evidenced by the contribution of revenues from abroad, which now account for approximately **53%** of total revenues (51% in 2021). In terms of services, Temporary and Permanent Staffing still represents the main revenue item and growth driver of FTEs, with a percentage growth of **12%** compared to 2021, and greater growth of other services with higher margins was recorded.

The Group's profitability increased, with a Gross Profit of 508 million euros, **+20%** compared to 2021, and EBITDA of 139 million euros, **+21.1%** compared to 2021.

The 2022 financial year closed with a net profit of 54 million, **+33.5%** compared to the previous year (40.5 million euros).
A glance at the financial statements also shows that we are trying to promote sustainable and healthy growth, with the further strengthening of the economic-equity structure and the reduced level of debt, with a Net Financial Position/EBITDA ratio of 1.85 and a Net Financial Position/Shareholders' equity ratio equal to 1.32. Group shareholders' equity increased to 196 million euros, compared to 144 million euros at December 31, 2021.

SUSTAINABLE COMMITMENT

Sustainability is an inherent prerogative of our development strategy: the constant commitment to generating both economic and social value and opportunities for growth has the power to change people's lives for the better. Following the outbreak of the Russia-Ukraine war, we immediately felt the need to take practical steps to help the population. The global initiative in support of Ukrainian refugees was one of the most important, as it directly involved both the company and employees, with the significant support and efforts of the "Polish Fundacja".

In accordance with the actions already taken over the years, the "**Sustainable Work Manifesto**" embodies our position on sustainability, as well as our guidelines for the achievement of CSR objectives set out in the variables of (i) Decent and Safe Work, (ii) Employability and Satisfaction, (iii) Diversity and Inclusion, (iv) Safeguarding Future Resources.

We have also continued with the process of achieving further sustainable development objectives: in addition to the pursuit of **SDGs 4 - Quality Education, 5 - Gender Equality, 8 - Decent Work and Economic Growth, 10 - Reduced Inequalities and 17 - Partnership for the Goals**, has been added the **SDG 1 - No Poverty**, creating employment opportunities for the most disadvantaged groups and ensuring decent and sustainable working conditions for all stakeholders along the supply chain, in line with strategy, operations and corporate governance.

This attention to the social role inherent in the Group's core business is also articulated in the three new Global High-Level Policies: i) Anti-corruption Policy, ii) Equality, Diversity & Inclusion Policy, and iii) Whistleblowing Policy, applicable to all Group companies.

DIGITALISATION

Further accelerated by the global pandemic situation, digitisation remains one of the key issues capable of having the greatest influence on development strategies.

Through the new function called "Digital, Innovation and Analytics", the Group has launched the ***Digital Transformation* plan at global level**, to be implemented in the two-year period 2022-2023, and based on the construction of a Digital & Analytics platform which is already demonstrating its benefits.

Always with a view to developing an innovative mindset within the Group, a governance system has been set up composed of Innovation Champions who, at local and regional level, are responsible for engaging all the people in the organisation and promoting bottom-up innovation, through a process of proposing and evaluating solutions from one country that are scaled up on other countries as early as the concept stage and not just as best practices.

ORGANISATIONAL STRUCTURE AND FUTURE STRATEGIES

From an organisational point of view, 2022 was characterised by important structural operations, starting from the corporate **reorganisation** process which saw the establishment of **Gi Group Holding S.p.A.** at the head of the entire Group, with the goal of creating a new structure capable of simplifying hierarchical levels and governance, managing the central functions, coordinating the activities of the Italian and foreign subsidiaries and defining the Group's strategies. In line with the strategy of enhancing the Group's identity and global visibility, the new **Gi Group Holding corporate brand** was also launched, with the aim of representing a global ecosystem of integrated services for human resources, targeted at inspiring the business lines and representing the Group before the various Stakeholders by strengthening the brand awareness strategy.
Strengthened by its new organisational structure, Gi Group Holding vigorously pursued its **growth strategy**, whereby it focuses primarily on external growth through M&A transactions.

The acquisitions represent the main growth driver and are focused on expanding the value proposition into new markets and services dedicated to employment, in order to grow the geographical presence and achieve higher turnover volumes, generating synergies and efficiencies.

In the past year Gi Group Holding has made important acquisitions beyond national borders, of which 4 in Europe, represented by Encore Personnel Limited and The Leadership Factory in the United Kingdom, the EUPRO group in Switzerland and the companies CVO/Simplika in Estonia, Latvia and Lithuania, 2 in South America, with Grupo Focun in Colombia and Stato Consultoria in Brazil, one in the Far East and a business unit from a consulting firm in Italy.

The year 2023 began with the completion of the **50th M&A transaction** achieved by the Group, thanks to the acquisition of The Bridge Social, a group of companies operating in the recruitment, selection and supply of temporary staff in the Information Technologies sector, with a special focus on the emerging artificial intelligence industry.

Over the next three years, Gi Group Holding will focus on consolidating its position in the reference markets and accelerating in countries with significant growth opportunities, through further acquisitions with the aim of surpassing 6 billion euros in revenues in 2026.

1.3

History of the Group

Gi Group Holding was founded in 1998 in Milan, the brainchild of Stefano Colli Lanzi, guided by the desire to make a contribution to the Italian and international labour market, with a view to making it more effective and efficient, helping it evolve towards the idea of the common good, promoting a culture of work capable of bringing together the interests of companies, people and society towards **win-win-win** solutions.

25th anniversary

The ever-present need is to oppose the stigmatised idea of business as a reality that "exploits" people, that considers work a "cost" rather than a fundamental activity for the generation of value and that involves people who are believed to be driven in their work by financial needs, survival, rather than being able to take advantage of work as an opportunity, as a way of rediscovering the profound meaning of contributing to the creation of a common good, recognising and nurturing one's individual and professional value.

The dream that drives the people of Gi Group Holding is to "**change the world of work for the better**", generating value in the short, medium and long term, through the ability to identify and satisfy the increasingly complex needs of candidates and companies. This dream has turned into a concrete project, composed of actions and strategies that have allowed the company to grow and evolve continuously since its creation.

The creation of **Gi Group Holding** in 2022 represents a further turning point in the history of the Group, through a global coordination centre for domestic and international business activities, always steeped in the values that have inspired the Group's actions since the beginning of this beautiful human and professional adventure.

"Our global ecosystem of integrated HR services is designed to develop the labour market by creating sustainable social and economic value and a pleasant work environment, changing people's lives for the better."

1998
Our starting point: founding of Generale Industrielle.

2004
First step: acquisition of WorkNet, Fiat's employment agency in Italy.

2005
Further acquisitions in Italy bring new services:
- Outplacement
- Training
- HR consultancy
- Payroll outsourcing

2007
International expansion with acquisitions in Germany and Poland.

2008
Générale Industrielle and Worknet merge to become: **Gi Group**.

New offices opened in: China, Hong Kong, France, Brazil, Spain and India.

2009–11
Further international expansion: UK, Argentina and Eastern Europe.

2013
Creation of the Global Practices: Mid-Senior Search & Selection, Learning & Development, Outplacement and BPO.

2014–2015
Operations in Turkey, Portugal, Netherlands and Slovakia **further extend our global presence**.

2016
Acquisition of Tack and TMI, global leaders in learning & development. New offices opened in Colombia.

2018
Acquisition of Grafton and Marks Sattin, world leaders in professional recruitment.

2019
Further acquisitions in Germany strengthen our International Mobility capabilities

2020
Acquisitions in Spain, Brazil, Poland and USA.

2021
We complete further acquisitions: Jobtome in Switzerland and Axxis in France.

2022
We lauch the Corporate Brand **Gi Group Holding** to represent the **Company**'s function as a **Global HR Ecosystem**. The acquisitions of CVO Recruitment, Simplika and Eupro Holding AG, increases our offering in Estonia, Latvia, Lithuania, Switzerland and Liechtenstein.

2023-current
In the year of our **25th** anniversary, we announce our **50th acquisition in Latin America.**

1.4

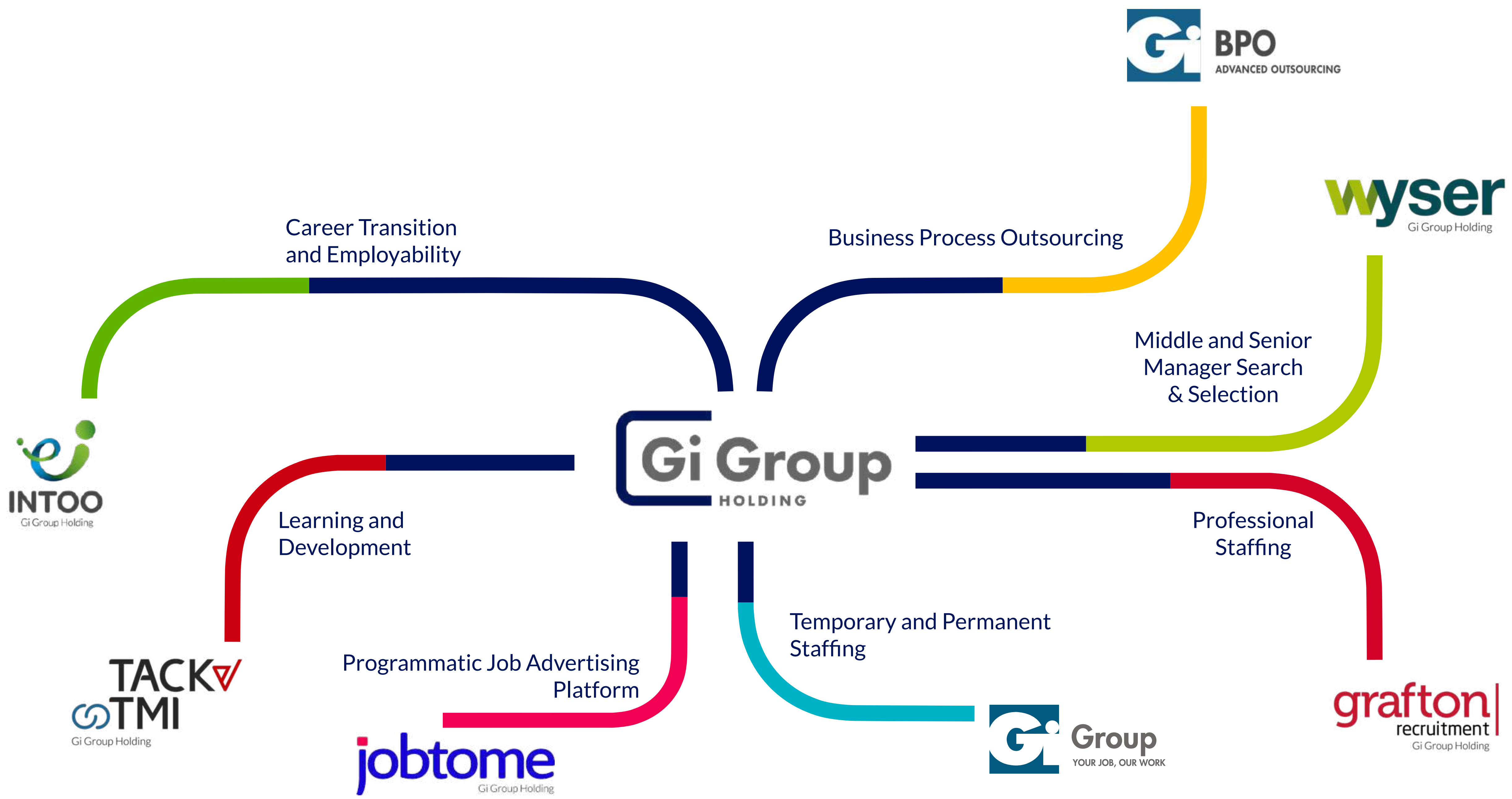
Business Model

Gi Group Holding is a global ecosystem of HR consultancy and services dedicated to the world of employment, a beacon in supply and other services for a complete and diversified offer, with the aim of creating sustainable social and economic value, building a pleasant working environment by changing people's lives.

Over the course of the rapid growth process, the Group has integrated and developed new business lines, focusing on specific market segments and building structures capable of offering ad hoc solutions, without ever neglecting the quality of the offer, skills and specialization in the job market. This growth process has also, and above all, been carried out through shrewd acquisitions and the formation of start-ups, attempting to maintain high levels of flexibility and generate internal synergies, in order to guarantee sustainable growth between phases of expansion and consolidation.

We are the first Italian multinational employment agency, as well as one of the leading companies worldwide in services dedicated to the development of the job market.

We work in the following areas:



Group
YOUR JOB, OUR WORK

- **Temporary and Permanent Staffing**

Taking a holistic, people-centred approach, we make the staffing process simpler: from candidate sourcing to workforce management.

Temporary staffing: We provide the efficiency companies need. With our temporary staffing service, we help clients deal with new projects or prepare for peak season, ensuring flexibility and effectiveness, while monitoring costs and hitting targets.

Permanent staffing: The right candidate at the right time. We consult our clients on their hiring needs and manage all sourcing and selection processes to provide candidates that fit the company culture and the requirements of each role.

grafton recruitment
Gi Group Holding

- **Professional Staffing**

For over 40 years we have been the trusted partner of companies who want to hire the best professionals quickly and efficiently.

Our core business offers professional staffing and recruitment solutions up to Junior Management roles, for both permanent and temporary positions.

In parallel, Grafton Recruitment provides strategic advisory services, such as HR Consultancy.

wyser
Gi Group Holding

- **Middle and Senior Managers Search & Selection**

We partner with forward-thinking Companies to identify and engage talented managers, through deep Market expertise, shared strategies and a tailored consultancy.

We offer custom-made solutions based on a thorough understanding of the business needs combined with our industry-specific knowledge.

Our Search & Selection process includes added value services such as headhunting, aptitude and personality assessment, and candidate market mapping.

BPO
ADVANCED OUTSOURCING

- **Business Process Outsourcing**

We are your specialised advanced outsourcing partner who takes responsibility for results through flexibility, lasting relationships and a strong work ethic.

Our specialists study all requirements and inputs, before remapping the process, incorporating best-fit technologies and methodologies, which allow them to manage the process more efficiently, with greater flexibility for clients.

TACK TMI
Gi Group Holding

- **Learning and Development**

With over 110 years of experience, we empower Companies and their people to work better and grow, leveraging deep empathetic relationships, a diverse collection of content, and brilliant learning experiences.

Using the latest in solutions design and technology, we leverage the best in learning consulting, individual assessments, training interventions (both in-person and virtually), asynchronous learning (digital and self-paced) and performance coaching.

INTOO
Gi Group Holding

- **Career Transition and Employability**

We help People adapt to change at work and organisations in their transformation process. We offer hi-touch, people-centric coaching, mentoring, career development, change management and outplacement services.

jobtome
Gi Group Holding

- **Programmatic Job Advertising Platform**

We specialise in advertising activities supporting candidate sourcing initiatives on digital channels. Our clients are traffic brokers of online job offers and large companies that have high volume sourcing needs, often focused on 'blue collar' profiles.

The offer of services is then structured in a wide selection of products and solutions, designed and focused both on the needs of corporate entities and multinational companies, and on the demands of the retail market.

The versatility and know-how acquired over the years also allow Gi Group Holding to direct its offer at different sectors, diversifying market risk:

- **Automotive**
- **Fashion & Luxury**
- **Ict (Qibit)**
- **Banking & Insurance**
- **Fmcg**
- **Industrial Machinery**
- **Contact Center**
- **Horeca**
- **Lifescience**
- **Public Administration**
- **Technical**
- **Retail**
- **Logistics**
- **Medical**
- **Naval, Railways, Aerospace & Defence**

Gi Group Holding's business model is also characterised by the use of digital technologies and tools, with the aim of maintaining a level of innovation in line with current trends and the needs of candidates and companies and generating efficiencies within the Group.

In particular, the **digital transformation plan** was launched in the two-year period 2022-2023, with the establishment of the new "**Global Digital, Innovation and Analytics**" function, with the aim of making Gi Group Holding a Data-Driven organisation, helping it to make the best decisions, through descriptive, diagnostic and predictive analysis, i.e. automation of the recruitment process.

In this context, the Group has invested in the ***Gi-Suite*** tool, a multi-product application for managing daily activities.

To support all personnel during the transformation process and in order to stimulate and increase the use of the tool, in 2023 the new Global Digital, Innovation and Analytics function established the **Adoption & Change** unit to support staff during the various operational phases, from the preparation to the monitoring of selected KPIs, and the **Database Monetisation** project to capitalise on the database's potential.

The **transversal skills** of the Group can be broken down as follows:

- **Global perspective** and i**n-depth knowledge** of the labour market in different sectors and countries
- **Flexibility** in the proposed solutions in line with the required business objectives
- **Innovative** and **digital-oriented** approach
- Creating **lasting relationships** through a global human approach
- **Commitment** and **support** to the development of the client's organisation

Gi-Suite: Global Digital Tools Suite

Marketing Automation (Lead)	CRM (Sales + Order)	ATS (Delivery)	ERP (Invoice)

1.5

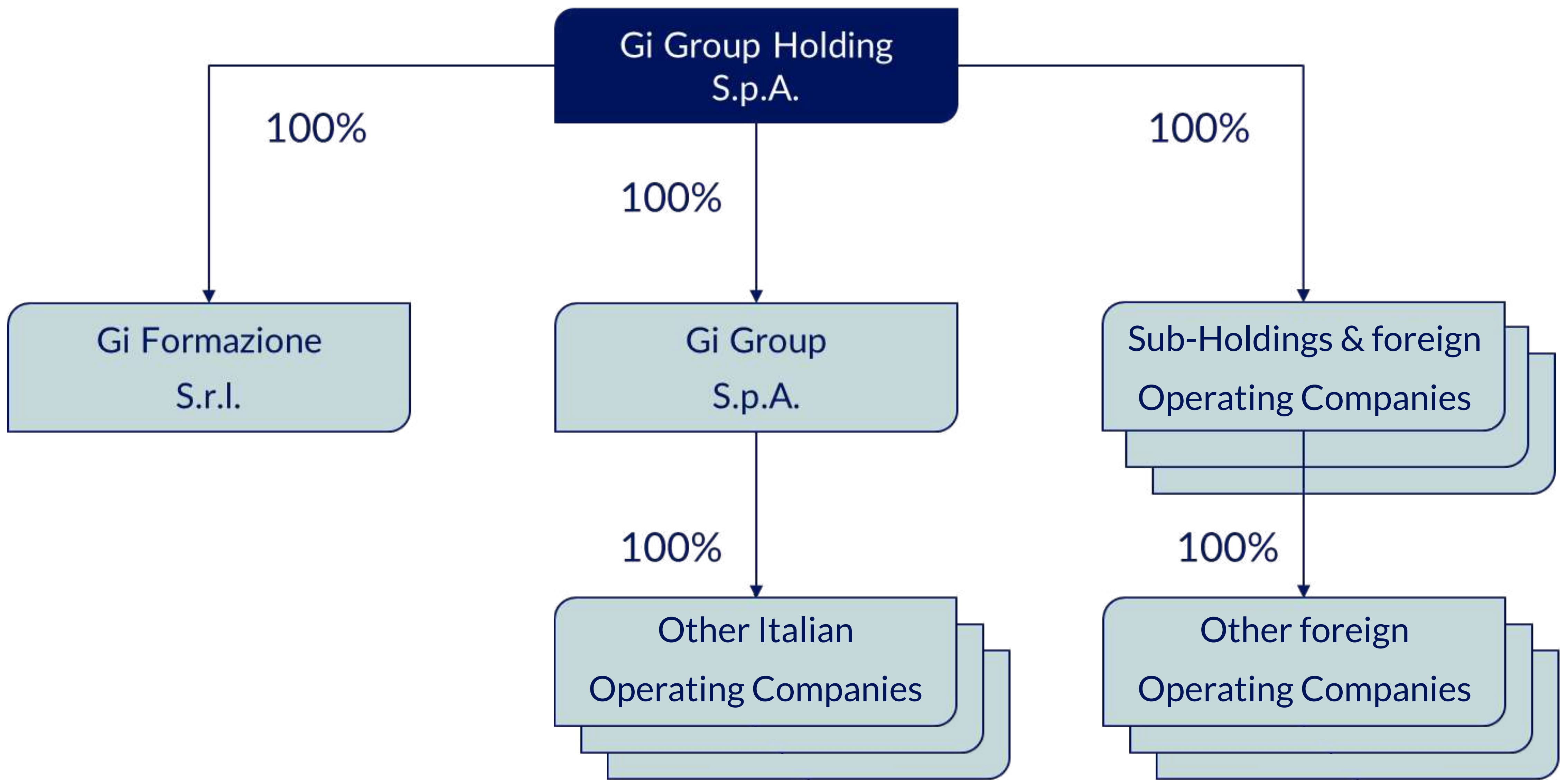
The new Group Structure

In 25 years, the Group has been able to pursuit an ambitious development strategy that made it one of the main players in its sector worldwide.

The growth in size of the Group, increasingly articulated in different business lines and with a more widespread presence in countries beyond the national borders, has highlighted the need for a unified approach and vision in relation to the market, entrusting the parent company with the strategic role of management and control.

In 2022, a major structural transaction between holding companies in Italy took shape, the outcome of a project initiated in previous years and approved by the Extraordinary Shareholder's meeting on April 4th, 2022. Specifically, the transaction takes the form of:

- Merger by incorporation of "SCL HOLDING S.p.A." into "GI GROUP HOLDING S.r.l." (reverse merger), and simultaneous transformation of the latter into a joint stock company with the adoption of new company by-laws;
- Partial demerger of "GI GROUP S.p.A." in favour of "GI GROUP HOLDING S.p.A"
- Merger by incorporation of "GI INTERNATIONAL S.r.l." into "GI GROUP HOLDING S.p.A.".



The reorganisation aims to concentrate control of the various operating companies under a single active holding company, equipped with suitable resources to coordinate the operations of the Italian and foreign affiliated companies, for the purpose of:

- Maximize the total value of the Group;
- Simplifying the corporate and governance structure of the Group;
- Increasing internal synergies;
- Simplifying monetary flows;
- Improving the visibility and the recognition of the Group at institutional level;
- Improving the internal communication flow;
- Promote M&A strategy and capital market transactions.

The reorganisation covered the following areas:

- Corporate
- Organisational
- Governance
- Financial
- Institutional communication

Following to the operation, Gi Group Holding owns equity investments and intangible assets (trademarks and know-how), a dedicated team of its own personnel, as well as defining and controlling the implementation of the Group's strategies, also adds the performance of a serious of various types of services, as strategic, management, finance, IT and marketing for its investees.

1.6

M&A and International Presence

50 M&A OPERATIONS COMPLETED

On the 25th anniversary of its establishment, with the acquisition of **The Bridge Social** completed at the beginning of 2023, Gi Group Holding celebrated its **50th M&A transaction**.

M&A represents a fundamental tool for the Group to accelerate strategic development and expand its global presence, and this activity has been especially intense in recent years.

The main transactions completed in the last two years by country are shown below:

2023

The Bridge Social. Interest acquired: 100%. Technology consulting Company focused on building and improving digital capabilities for multinational companies. The company was founded in 2017 in Santiago de Chile with a presence in Latin America and development potential in the USA.

2022

The Leadership Factory Limited and **Encore Personnel Service Limited.** Interest acquired: 100%. Company operating in the field of professional training and staffing services;

Grupo Focun (Especialistas en Servicios Integrales S.A.S e T&S Temservice S.A.S). Interest acquired: 100%. Companies operating in the field of temporary staffing and outsourcing.

Mariaca Consultoria Em Gestão De Capital Humano Ltda and Star Group Assessoria Em Carreiras Sociedade Simples Ltda. Interest acquired: 100%. Companies operating in the recruitment and selection sectors and in outsourcing solutions.

Eupro Holding AG. Interest acquired: 100%. Company active in temporary and permanent staffing services, with a primary focus on the construction and manufacturing sector.

Bruno Matarazzo y Asociados (BMyA). Interest acquired: 100%. Company operating in HR services and outsourcing solutions.

CVO Recruitment and Simplika. Interest acquired: 100%. Active in recruitment and staffing services with a significant presence in Estonia, Latvia and Lithuania.

2021

Jobtome SA. Interest acquired: 100%. Company with a digital business model that operates as a job offers aggregator.

Gruppo Axxis. Interest acquired: 100%. Companies active in the temporary & permanent staffing, recruitment, training and consulting segment.

The important development of the foreign market also affects the economic results; in 2022, at consolidated level, revenues from abroad amounted to approximately **1.9 billion euros** (up 18% compared to 2021), representing **53.4% of total revenues** (up compared to 50.8% for 2021).

Gi Group Holding is a member, with the status of Global Corporate Member, of the World Employment Confederation (“WEC”), the international confederation of employment agencies, and its European branch, WEC - Europe. On a global level, the WEC is constantly engaged in dialogue with the ILO (International Labour Office), the branch of the ONU dedicated to the promotion of good working conditions in the world, with the OCSE, with the WORLD BANK and with the trade union organisations, to promote the appropriate national legislation, in which private employment agencies are allowed to operate and the triangular relationship typical of agency work is well regulated. With reference to the training of young people geared towards their job placement, since 2015, Gi Group has been a partner of the European Alliance for Apprenticeships, the network of companies and training institutions established by the European Commission to promote apprenticeship training courses in schools, companies, involving young people and families.

1.7

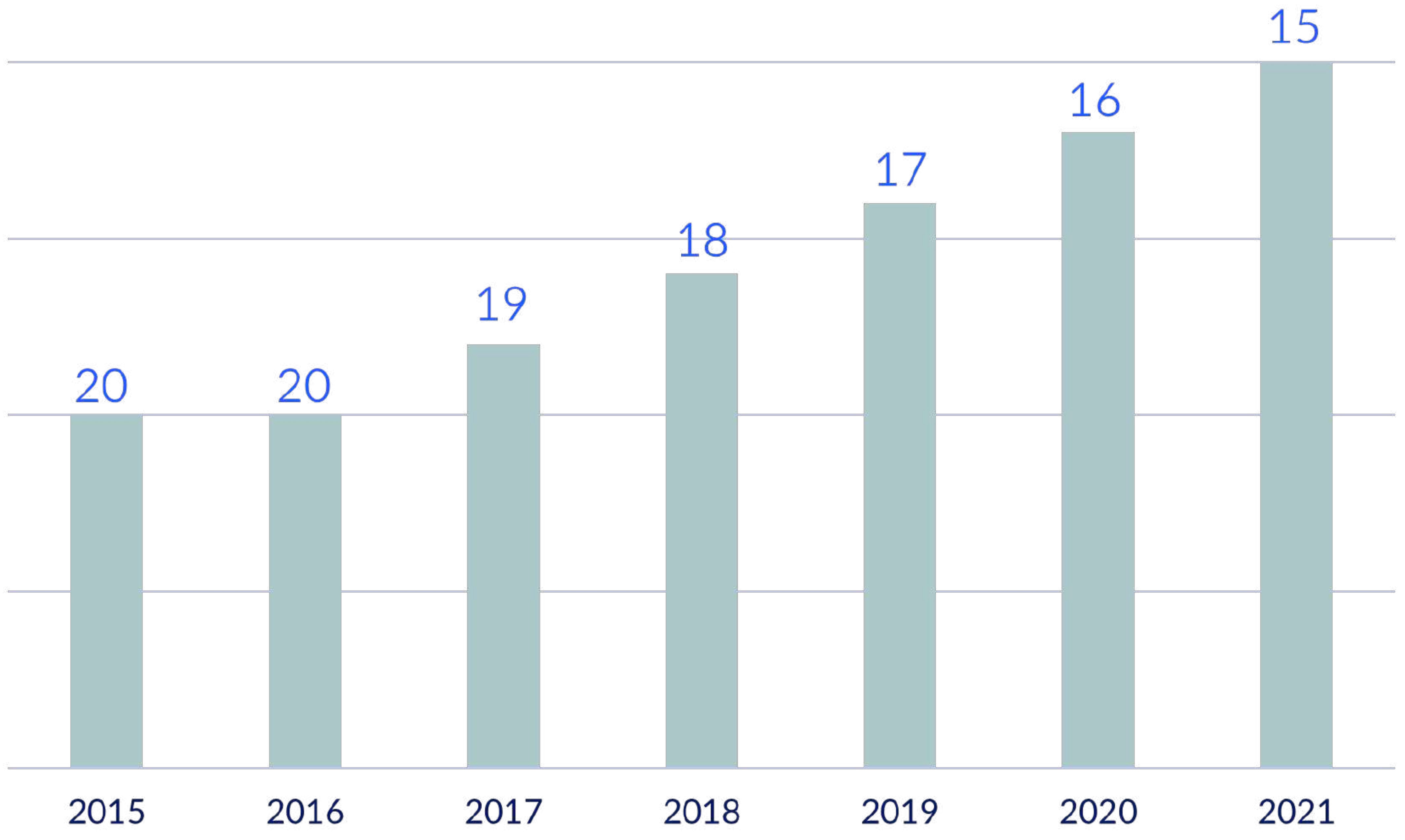
Ranking, Awards and Certifications

Over the course of its 25-year history, Gi Group Holding has embarked on an important growth path that has allowed it to achieve a high standing on the global reference market and a leadership position on the Italian market.

RANKING

According to the “Largest Global Staffing Firms” report published by SIA (Staffing Industry Analysts) on 30 November 2022, based on revenues achieved in 2021, Gi Group Holding ranks **15th** among the largest companies worldwide (5th considering private companies) and in **8th place** among the largest companies at European level (2nd considering private companies), also demonstrating a continuous growth trend over the years.

POSITIONING OF GI GROUP HOLDING IN THE WORLD RANKING



AWARDS

The milestones achieved by the Group over the years are also confirmed by the numerous awards that are recognised every year, in Italy and abroad, by independent third parties.

Here are some of the main **awards** achieved in the last two years by Gi Group Holding:

- M&A Award 2023 – finance for growth by KPMG
- Recruitment team prize 2022 - by REC (Recruitment & Employment Confederation)
- Credit Reputation Award (CR Award)
- 400 Italy's Best Employers 2022 – from the analysis conducted by Statista in collaboration with *Corriere della Sera*
- CFO Award 2022/2023 – by Accuracy and ANDAF

CERTIFICATES

The adoption of certified Management Systems in conformity with the regulations recognised at international level represents an operational tool used to strengthen governance, pursue the Mission and reach corporate goals, with a view to continuous improvement, connected to risk-based thinking. The certifications obtained from an independent accredited third party demonstrate an ability to provide products and services that meet the needs of customers and the requirements of local regulations, in line with the interests of all of stakeholders.

According to this rationale, since 2001, in Italy, the Group has defined and implemented the first Quality Management System in compliance with the standard **UNI EN ISO 9001**, thus obtaining the first certification of the company that plans and delivers outplacement, advising, and corporate consultancy services.

Over the years, additional management system quality certifications have been obtained:

- design and delivery of training and career advising services;
- design and delivery of training programmes aimed at developing professional skills and management and organisational competences with traditional and experience-based methodologies;
- provision of search and selection and temporary and permanent staffing services;
- design, implementation and delivery of outsourced or software as a service HR management and administration services;
- design and delivery of consultancy service for the improvement of human resources and organisation and development models.

In April 2017, **Gi Group S.p.A.** received certification for its **social accountability** management system in compliance with the **International Standard SA8000:2014®** from TUV Italia, the certification organisation of Social Accountability System accredited by **SAAS** (Social Accountability Accreditation Services).

In March 2021, the Group company **GI HR Services S.r.l.** obtained the **ISO 27001** international certification, which defines the requirements for the Information Security Management System (**ISMS**), meeting the strict requirements established by the regulation by adopting a reliable, efficient and secure system. Adaptation to the ISO 27001 standard means compliance with new and better rules for market development through adequate risk management, making processes more solid, improving awareness of resources and bringing value to the business. In the same year, **Enginium S.r.l.** obtained the **ISO 14001** certification, which specifies the requirements for the Environmental Management Systems.

These accomplishments attest to the fact that the Group companies carry out their activities through endorsed, monitored processes subject to first, second and third party audits, with the intent of pursuing customer satisfaction and stakeholder interests, overseeing and mitigating business risks, attesting to regulatory compliance and proven business credentials and guaranteeing access to new market areas and global recognition as a reliable supplier.

The certifications obtained by the Group are listed below, distributed by country and company:

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRING DATE
			ITALIA			
GI GROUP HOLDING SPA	UNI EN ISO 14001:2015	N° 26468	Coordination and support to the Group's business activities in Italy	CERTIQUALITY	25/09/2018	23/09/2024
GI GROUP SPA	UNI EN ISO 9001:2015	N° 12236	Temporary work and staff leasing supply services. Human resources search and selection	CERTIQUALITY	09/05/2007	16/04/2025
	SA8000:2014®	N° 5010015917	Human Resources search & selection and temporary work supply services	TUV ITALIA	12/04/2017	12/04/2026
	UNI EN ISO 14001:2015	N° 26468	Temporary work and staff leasing supply services. Human resources search and selection	CERTIQUALITY	25/09/2018	23/09/2024
	UNI CEI EN ISO/IEC 27001:2017	N° 26899	Information security management within the ICT services provided to support the work administration, research and personnel selection processes for the Gi Group Spa Company	CERTIQUALITY	30/05/2019	28/05/2025
GI FORMAZIONE SRL	UNI EN ISO 9001:2015	N° 9356	Design and provision of training and vocational guidance activities	CERTIQUALITY	18/05/2005	04/04/2026
	UNI EN ISO 14001:2015	N° 26468	Design and provision of training and vocational guidance activities	CERTIQUALITY	25/09/2018	23/09/2024
INTOO SRL	UNI EN ISO 9001:2015	N° 25509	Design and provision of support services for staff relocation, guidance services and business consultancy	CERTIQUALITY	31/10/2001	10/04/2024
	UNI EN ISO 14001:2015	N° 26468	Design and provision of support services for staff relocation, guidance services and business consultancy	CERTIQUALITY	25/09/2018	23/09/2024
GI HR SERVICES SRL	UNI EN ISO 9001:2015	N° 16311	Design, implementation and provision of personnel management and administration services with either outsourcing or SaaS (Software as a Service).	CERTIQUALITY	22/12/2010	03/12/2025
	UNI CEI EN ISO/IEC 27001:2017	N° 50240	Design, implementation and provision of personnel management and administration services with either outsourcing or SaaS (Software as a Service).	CERTIQUALITY	30/03/2021	29/04/2024
TACK&TMI SRL	UNI EN ISO 9001:2015	N° 17911	Design and provision of training services to develop managerial and organizing abilities and skills by classroom and experiental training certificate and coaching	CERTIQUALITY	22/05/2006	04/08/2025
	UNI EN ISO 14001:2015	N° 26468	Design and provision of training services to develop managerial and organizing abilities and skills by classroom and experiental training certificate and coaching	CERTIQUALITY	25/09/2018	23/09/2024
	UNI ISO 45001:2018	N° 27632	Design and provision of training services to develop managerial and organizing abilities and skills by classroom and experiental training certificate and coaching	CERTIQUALITY	06/08/2019	04/08/2025

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRING DATE
OD&M SRL	UNI EN ISO 9001:2015	N° 25462	Design and provision of training services to develop managerial and organizing abilities and skills by classroom and experiental training certificate and coaching	CERTIQUALITY	15/02/2018	13/02/2024
	UNI EN ISO 14001:2015	N° 26468	Design and implementation of consulting services for HR enhacement and organisational and development models	CERTIQUALITY	25/09/2018	23/09/2024
GI ON BOARD SRL	UNI EN ISO 9001:2015	N° 73 100 6460	Design, sale and supervision of optimized outsourcing services for third party logistics, production and customer care	TÜV PROFICERT	02/09/2019	01/09/2025
ENGINIUM SRL	UNI EN ISO 9001:2015	N° 73 100 6459	Provision of specialized consultancy services in the information technology, technological and engineering innovation sectors. Design of complex electronic and mechanical equipment and systems. Design, development, implementation and support of software applications and systems. Design and development of new products, such as: displays, clusters, telematic devices, for the automotive, aerospace, railway sectors	TÜV PROFICERT	15/08/2019	14/08/2025
	UNI EN ISO 14001:2015	N° 73 104 6459	Provision of specialized consultancy services in the information technology, technological and engineering innovation sectors. Design of complex electronic and mechanical equipment and systems. Design, development, implementation and support of software applications and systems. Design and development of new products, such as: displays, clusters, telematic devices, for the automotive, aerospace, railway sectors	TÜV PROFICERT	01/11/2021	31/10/2024
			CHINA			
ZHEJIANG GI HUMAN RESOURCES LIMITED COMPANY	GB/T19001-2016 IDT ISO9001:2015	19818QA171R1M	Human resource outsourcing (In the form of service outsourcing), domestic labor dispatch (Only for head office)	BEIJING XINJIYUAN CERTIFICATION CO., LTD	26/01/2018	25/01/2024
ZHEJIANG GI HUMAN RESOURCE CO., LTD	GB/T24001-2016 IDT ISO14001:2015	19822EI2211R0M	Human Resource Service Outsourcing Within the Scope of Qualification (with Service Outsourcing), National Temporary Staffing (Limit to HQ)	BEIJING XINJIYUAN CERTIFICATION CO., LTD	19/09/2022	18/09/2025
ZHEJIANG GI HUMAN RESOURCE CO., LTD	GB/T45001-2020 IDT ISO45001:2018	19822SI1065R0M	Human Resource Service Outsourcing Within the Scope of Qualification (with Service Outsourcing), National Temporary Staffing (Limit to HQ)	BEIJING XINJIYUAN CERTIFICATION CO., LTD	19/09/2022	18/09/2025

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRING DATE
			COLOMBIA			
T&S. TEMSERVICES S.A.S	ISO 9001:2015	CO09/2784	Prestación de servicios de Gestión de Talento Humano	SGS	20/01/2009	19/01/2024
ESPECIALISTAS EN SERVICIOS INTEGRALES S.A.S.	ISO 9001:2015	CO09/2785	Prestación de servicios de tercerización en promoción y mercado, tercerización en comercialización y tercerización en aseo, cafetería, mensajería y servicios generales, tercerización en servicios logísticos y de producción.	SGS	20/01/2009	19/01/2024
			CZECH REPUBLIC			
GRATON RECRUITMENT S.R.O.	ISO 9001:2015	25191/A/0001/ UK/EN	Personnel Consultancy Services, Recruitment and Personnel Solutions, Job Broker, Consulting for Human Recources Activities	URS	02/02/2007	01/02/2025
			FRANCE			
ONEPI - AXXIS INTERIM ET RECRUTEMENT	ISO 9001:2015	2001/16023.11	RECRUITMENT AND PROVISION OF STAFF	AFAQ	31/12/2020	19/12/2023
ONEPI - AXXIS INTERIM ET RECRUTEMENT	CEFRI/SPE-I-0401	067 I	Provision of temporary workers for the areas listed in the certificate	CEFRI	01/01/2022	31/12/2024
			GERMANY			
GI GROUP DEUTSCHLAND GMBH	ISO 45001:2018	100000397734	Management of temporary employment and personnel placement	DNV	05/11/2010	04/11/2025
GI GROUP DEUTSCHLAND GMBH	ISO 9001:2015	100000416888	Management of temporary and permanent staffing for craft, retail, industry, office and management	DNV	05/11/2010	04/11/2025

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRING DATE
SPAIN						
GI GROUP SPAIN ETT, SLU	ISO 9001:2015	ES-0100/2006	The recruiting and providing of temporary staff	AENOR	25/01/2006	25/01/2024
GI GROUP OUTSOURCING 2016, SLU	ISO 9001:2015	ES-0649/2019	The provision of logistic, production and industry services; back-office services, field & marketing services; auxiliary services & facilities services	AENOR	13/11/2019	13/11/2025
GI GROUP OUTSOURCING 2016, SLU	ISO/IEC 27001:2013	ES-SI-0036/2017	The information systems that support the management of documentary and operational processes associated to the BackOffice Division of GI BPO, with multichannel support, according to the current applicability document to the issued date of the certificate(SOA).	AENOR	31/08/2017	31/08/2023
TURKEY						
GI GROUP AND WYSER TURKEY SEÇME VE YERLEŞTIRME A.Ş	ISO 9001:2015	NS.KS.070/2021	Activities to provide temporary employee and intermediate to find work/employee	NETSERT	02/04/2021	01/04/2024
GI GROUP AND WYSER TURKEY SEÇME VE YERLEŞTIRME A.Ş	ISO 14001:2015	NS.CS.060/2021	Activities to provide temporary employee and intermediate to find work/employee	NETSERT	02/04/2021	01/04/2024
UK						
GI GROUP HOLDINGS RECRUITMENT LTD	ISO 9001:2015	FS580144	Supply of temporary and permanent personnel to commerce and industry and site managed services. Design and provision of training and development services.	BSI	21/10/2011	04/02/2025
GI GROUP HOLDINGS RECRUITMENT LTD	ISO 14001:2015	EMS619537	Provision of Head Office support services to the Gi Group in the UK	BSI	05/01/2015	04/01/2024
GI GROUP HOLDINGS RECRUITMENT LTD	ISO 45001:2018	OHS640083	Provision of Head Office support service activities delivered at Chesterfield (Units B&C) to the Gi Group in the UK. (Previously certified to BS OSHAS 18001:2007 since 28/01/16.)	BSI	09/12/2019	27/01/2025

1.8

Sustainability

"Through our work, we try to take part in the efforts to pursue happiness, undertaken by all human beings and entire populations."

More information on the sustainability strategies implemented by the Group is available in the 2022 Sustainable Work Report.

The strategic value of ESG (Environmental, Social & Governance) issues is encapsulated in the objective of creating a world of work that is not only flexible but also **sustainable**. On the back of this warning and by adopting the concept of sustainable development expressed by Brundtland in his **report WCED** (World Commission on Environment and Development), the Group is guided by the firmly-held belief that today's actions can shape the future.

The year 2022, characterised by the reorganisation of the Group starting from the establishment of Gi Group Holding, gave way to the definition of a new identity as the **Global HR Ecosystem**, allowing a step forward in the development of an internal corporate culture in terms of sustainability and compliance.

This attention to the social role of Gi Group Holding, already inherent in the mission, derives from and is articulated through the **Code of Ethics**, which contains the fundamental values and principles. The document, adopted in 2014, was updated in October 2022, together with three new ***Global High-Level Policies*** (Anti-corruption Policy; Equality, Diversity and Inclusion Policy, Whistleblowing Policy), applicable to all Group companies.

[MISSION] "Through our services we want to contribute, as a key player and on a global basis, to the evolution of the Labour Market and to emphasize the personal and social value of work."

[VISION] "We want to be recognised as the worldwide player responsible for creating a sustainable and enjoyable Global Labour Market for Candidates and Companies, reflecting Market needs."

The **CSR (Corporate Social Responsibility)** strategy, formally launched in 2014, is deeply embedded in all company levels, in terms of governance, activities and involvement. It consists of a series of actions designed to achieve a greater Good that can last for the future. The ultimate goal is to create a balance between economic, social and environmental aspects.

CRS Journey

2014
April
Publication and adoption of the Group's Code of Ethics.

2014
June
Establishment of a CSR Team with a view to monitoring the application of, and respect for, the Code of Ethics.

2014
September
Publication and adoption of the "Adoption of the Code of Ethics, Management of Requests, Reports and Complaints" procedure.

2015
January
Launch of the first common volunteering activity for 2015 - with a view to organising local projects intended to promote employability.

2015
April
Publication of Gi Group's first CSR Report, now published annually since 2015. It describes company data and initiatives relating to the previous year..

2015
October
Creation of a CSR Committee, intended to create and implement the Group's CSR strategy..

2016
October
First round of Group volunteer activities organised on a global scale. Goal of the initiative: promote employability in communities in all countries involved..

2017
April
Adoption by parent company Gi Group S.p.A. Italy of a Social Accountability Management system structured according to the SA8000:2014® standard (the most widespread norm recognised at an international level) and receipt of relevant certification.

2018
September
Certification of the Environmental Management System for the Milan headquarters property based on requirements in the norm UNI EN ISO 14001:2015.

2019
July
Renewal of the Code of Ethics and the Group's Values.

2019
December
Stefano Colli-Lanzi's endorsement of the CEOs *Call to Action* promoted by CSR Europe.

2020
Process of revising the Group Materiality Matrix and development of the Sustainable Work Framework by the parent company.

2021
Gi Group SpA adopts Benefit Corporation Status.

2022
June
Publication of the first Impact Report for the Benefit Corporation.

2022
September
Fondazione Gi Group becomes a third sector (not-for-profit) entity.

2022
October
Gi Group Holding's publication of a new Code of Ethics and Global High-Level Policies.

THE STAKEHOLDERS

Gi Group Holding is increasingly committed to aligning its grow path as a multinational organisation with its corporate responsibility and sustainability goals. Both endeavours coexist with a priority of meeting the needs of all Stakeholders.

We periodically survey and analyse our Stakeholders' requirements and expectations by directly engaging them. We also support sectoral (industry) and research studies conducted both internally and by industry associations. We engage all individuals, groups or institutions that significantly impact the achievement of Gi Group Holding's Mission and which have a legitimate interest in the Group as our Stakeholders. Within the context of the labour market and based on our corporate Mission, the Group's main Stakeholders are the following: **our employees, our candidates and workers , our clients, the community and the environment**.

CSR GOVERNANCE

In response to the Group's constant evolution and its publication of a new Code of Ethics and Global High-Level Policies, we have reorganised our **CSR governance** bodies specifically dedicated to defining and disseminating our CSR strategy. This guarantees the strategy's integration both at the governance and business level, while supporting its implementation and guiding its development. The CSR governance consist of:

- **Global Steering Commitee**, divided in of Group's Top Managers of Global Practices and Global Functions Country Managers. The Global steering committee shares and implements guidelines for the Group's international development, including the CSR strategy;
- **CSR Commitee**, onsists in the Group CEO, Global HR Function, Global Corporate Affairs & Compliance Function, Global Marketing Function, Foundation Gi Group. The CSR committee outlines the Group's CSR strategy and Sustainability Plan, coordinates information, training and internal and external communications on the topic of Sustainable Work, designs Holding initiatives on Sustainable Work and also, supports the Steering Committee in the implementation of guidelines and initiatives, elaborates and communicates the Holding's social reporting;
- **CSR Team**, is composed in Global Legal Function, Global Corporate Affairs & Compliance Function, Global HR Function. The CSR Team updates and validates the Code of Ethics; validates Gi Group Holding policies directly linked to the Code of Ethics (Global High-Level Policies); supervises the application and functioning of the Code of Ethics and the GHLPs; examines and handles reports of violations of the Code of Ethics, Global High-Level Policies and applicable laws; collects periodic reports from Country Managers on KPIs for the application of the Code of Ethics and the Global High-Level Policies.

In addition to the governance, in the CSR are also included:

- **Country Manager** of each country where we are present, responsible for communication flows within the applicable countries and guarantees local implementation of the CSR strategy;
- **Volunteers**, in between the Group employees who participate in volunteer activities and contribute to their planning and implementation;
- **CSR Community**, Recognises and legitimises *Local* activities and strategies while ensuring alignment with the Holding Strategy and Vision; promotes knowledge sharing: capitalises on existing competencies avoiding loss of corporate know-how; models best practices to make them scalable for integrating the Holding's value proposition.

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS

In September 2015, the United Nations General Assembly approved the 2030 Agenda for Sustainable Development, the core focus of which are 17 **Sustainable Development Goals (SDG)**. In accordance with the **Sodalitas Observatory on Corporate Social Sustainability (2022)** report, SDGs with a high social impact and, more generally, **Social Sustainability** will become increasingly important. Companies are being called upon to take a leading role in promoting actions to counteract multiple aspects of the current social crisis.

Gi Group Holding is fully aware of the relevance of the **social challenge** that awaits the company in the future. Thus, it declares its focus on a genuine commitment. Our orientation towards social sustainability stems from the nature of our business and its relevant **impacts on people's lives**. For us, this involves a double commitment: both **internal** (to our employees and collaborators) and **external** (to our clients and the communities to which we belong) through tangible actions and by spreading a culture of sustainability while promoting responsible behavior.

In line with mission and the business activity of Gi Group Holding and their social impact, the CSR Committee has identified the **SDGs** to which the Group intend to contribute as a priority with all its services: **1 - 4 - 5 - 8 - 10 - 17**.

GOAL 1 - No Poverty

Our response to SDG 1 aims to contribute to achieving this goal through the following activities:

- By promoting greater social inclusion for individuals belonging to disadvantaged groups in order to favour their access to suitable working solutions able to improve their quality of life; and
- By offering training solutions through affordable path programmes using funded training.

GOAL 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Our response to SDG 4 aims to contribute to achieving this goal through the following activities:

- Services that we make available to the community and the market, particularly through personnel training and development pathways and the funded training provided by our Learning & Development Practice;
- By keeping continuous education as a cornerstone of our strategy aimed at internal employees: this with increasing investments in training and skill-sharing initiatives;
- By offering free training through available sector-specific funding: for our candidates, workers and people who rely on the Group's companies to find or rediscover their path in the world of work;
- By offering our Destination Work international volunteer project and setting up local initiatives to boost employability in the communities in which we operate;
- By offering orientation activities for students and young people developing skills that facilitate employment.

Through our business activities and our CSR initiatives, we aim to contribute specifically to target 4.4: *"By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship."*

GOAL 5 - Achieve gender equality and empower all women and girls

Our response to SDG 5 aims to contribute to achieving this goal through the following specific activities:

- By developing equal opportunities for men and women in economic life; through an expansion of employment possibilities for women (even in typically male work environments) thanks to ad hoc training projects;
- By guaranteeing an approach free from gender bias during all phases of the employment relationship: for both internal employees and for the candidates and workers that we meet.
- By supporting and training unemployed mothers with a view to reintegration into the world of work.
- With our business activities and our CSR initiatives, we aim to contribute to achieving the following targets:
- End all forms of discrimination against all women and girls everywhere;
- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

GOAL 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Our response to SDG 8 aims to contribute to achieving this goal through the following activities:

- Through our entire range of services, which ultimately aim to give value to work and focus on individuals;
- With our commitment to improving employability, in particular with initiatives targeted at young populations and vulnerable people;
- By promoting Responsibility as one of our Foundational Values, with absolute respect for human rights, laws and the principle of free, regulated and fair competition;
- By creating a better job market that supports all standards offering increased protection to workers and by taking on an active role in combatting corruption and any form of abuse or unlawful conduct;
- By contributing to the creation of innovative job placement policies targeted at young people in order to reduce the percentage of NEETs (Not in Education, Employment or Training);

- By supporting initiatives to ensure the employment inclusion of disadvantaged individuals in the world of work.
- With our business activities and our CSR initiatives, we aim to contribute specifically to the following targets:
- By 2030, achieve full and productive employment and decent work for all women and men; including for young people and persons with disabilities and equal pay for work of equal value;
- By 2030, substantially reduce the proportion of youth not involved in employment, education or training;
- Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour (including recruitment and use of child soldiers) and by 2025 end child labour in all its forms;
- Protect labour rights and promote safe, secure working environments for all workers; including migrant workers, in particular women migrants, and those in precarious employment.

GOAL 10 - Reduce inequality within and among countries

Our response to SDG 10 aims to achieve this goal by:

- Developing a culture of inclusion and guaranteeing discrimination-free approaches during all phases of the employment relationship: for both internal employees and for the candidates and workers that we meet;
- Setting up an effective training offer and policies structured around objective, meritocratic elements to enable access to the world of work and support career development for all candidates and workers.

With our business activities and our CSR initiatives, we aim to contribute to the following target:

- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

GOAL 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development

Our activities in response to SDG 17 aim to achieve this goal through the following:

- Becoming part of supra-national associations focused on constant improvements in the labour market and taking part in work sessions with leading companies in this sector;
- Developing projects designed to achieve their objectives both through local (client companies, institutions, schools) and foreign partners, thus also setting up collaborative efforts involving other countries;
- Acting in a spirit of alliance/partnership and shared responsibility in order to increase the effectiveness of our initiatives.

With our business activities and our CSR initiatives, we aim to meet the following targets:

- Enhance international support for implementing effective, targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals. This includes North-South, South-South and triangular cooperation;
- Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies for Partnership Data - including monitoring and accountability.

PATH TO SUSTAINABLE WORK

We are indeed aware that the path towards sustainability is a journey of continuous growth and evolution. This is a path that is travelled down but which no one really ever completes; we know very well that there is much left to do. During this journey, Gi Group Holding, aware of its significant role in the world of work for companies, people and society, felt the need to establish a Foundation. Our work in training professional profiles demanded by the market, facilitating a better and faster match between labour supply and demand, directly creating both permanent and temporary employment relationships, and supporting companies in the fair and inclusive management of their people all served as impulses for the Holding to use a Foundation structure to share skills, knowledge and insights gained.

Fondazione Gi Group per il Lavoro Sostenibile

This objective is pursued through the **Fondazione Gi Group** which, established in 2010, through its own **Scientific Committee** and **Observatory**, has the objective of disseminating and supporting the development of the culture of work in all its forms, as well as facilitating the inclusion of marginalised individuals in the world of work, with a priority focus on young people and women living in critical situations.

During 2022, Gi Group Holding started a process of repositioning the role, mission and strategic objectives of the Foundation, in order to better understand how to increase, accelerate and maximise its impact, both internally and externally. This process has allowed the Group to take on a **more operational role**, becoming a tool dedicated to study, in-depth analysis, and the development of observations and best practices, thus expanding the scope of actions and development plans and becoming a **cultural point of reference**, aimed at facilitating the dissemination of principles, values and actions inspired by the Sustainable Work Manifesto.

Fondazione Gi Group then redefined its statutes (by-laws) and, on 21 September 2022, it took on the status of a **Third Sector Entity (ETS)** pursuant to Legislative Decree No. 117 dating from 3 July 2017. This occurred after its registration in the **Single National Register of the Third Sector (RUNTS).**

SUSTAINABLE WORK MANIFESTO

DECENT AND SAFE WORK

Sustainable Work guarantees **dignity, regular contracts, protection from exploitation, safe working conditions, fair income, equality, personal wellbeing**, and empowerment for individuals to have a voice in these areas.

EMPLOYABILITY AND SATISFACTION

Sustainable Work **establishes conditions** that enable people and companies to actively sustain employability, engagement and work life balance throughout an **extended, healthy and meaningful** working life.

DIVERSITY, EQUITY AND INCLUSION

Sustainable Work **eliminates the hurdles that discourage or hinder workers** from entering, remaining, or advancing in the labour market, while valuing **personal contribution** and **ensuring equity and inclusion for all.**

SAFEGUARDING RESOURCES FOR THE FUTURE

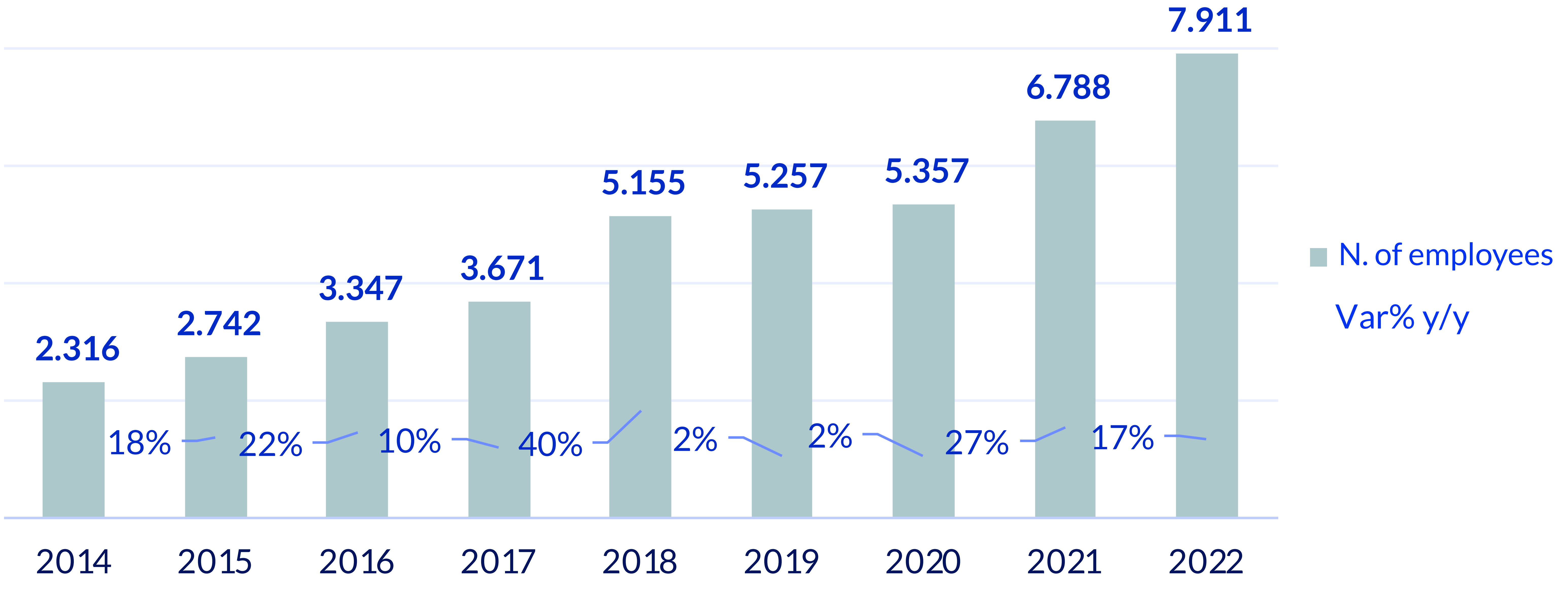
Sustainable Work **aligns with ESG standards** without compromising the ability of **future generations**' access to – and participation in – the labour market. **It avoids the exploitation of human and environmental resources**, while fuelling competences, innovation, and relations.

PEOPLE KPI

At Gi Group Holding, we take pride in working with people committed to changing lives for the better. We encourage our employees to collaborate, innovate, learn continuously and take the utmost care in what they do for our stakeholders.

Our HR department, as part of its support and learning functions, ensures our employees are equipped and ready to respond to the changing needs of candidates and clients. It provides them methodologies and tools, while empowering them with support from a team of managers and coaches.

PEOPLE EVOLUTION



71%
WOMEN

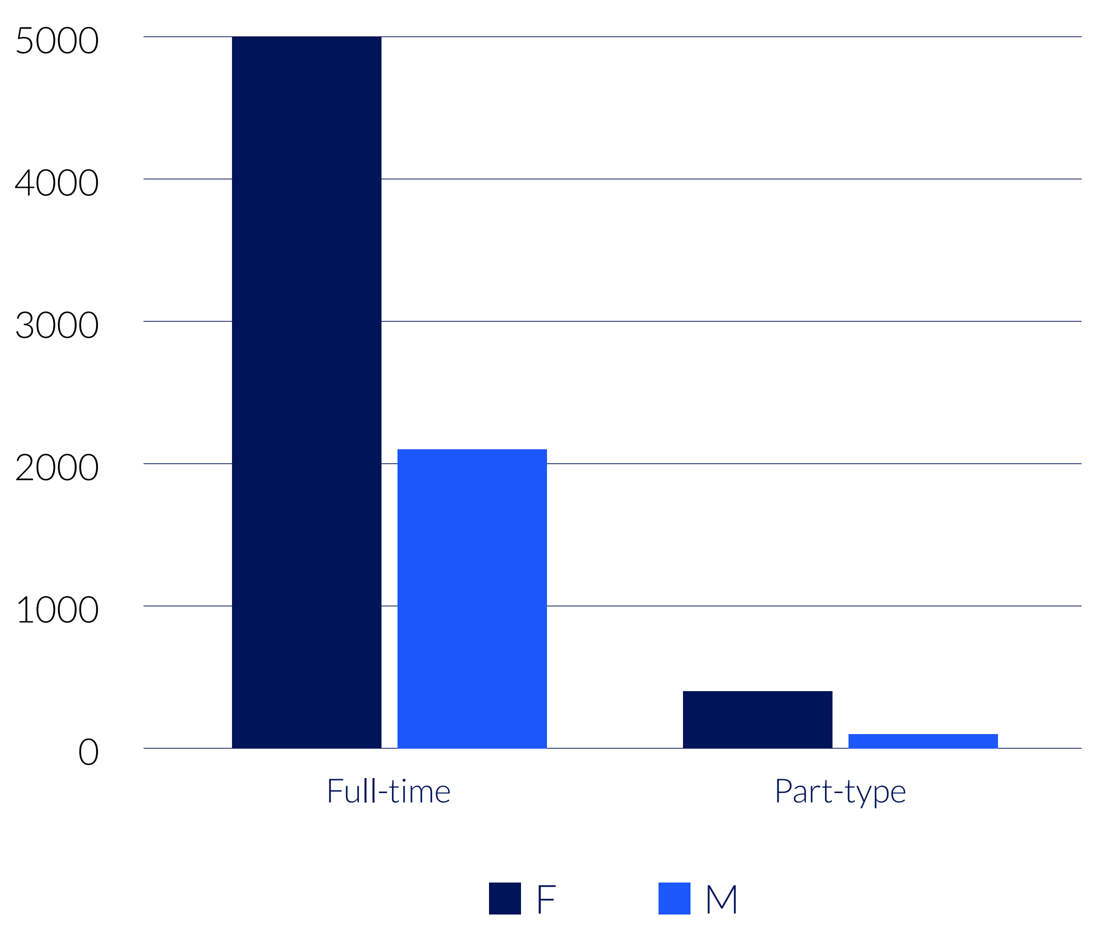
125%
TURNOVER COM RATE*

34 y.o.
AVERAGE AGE

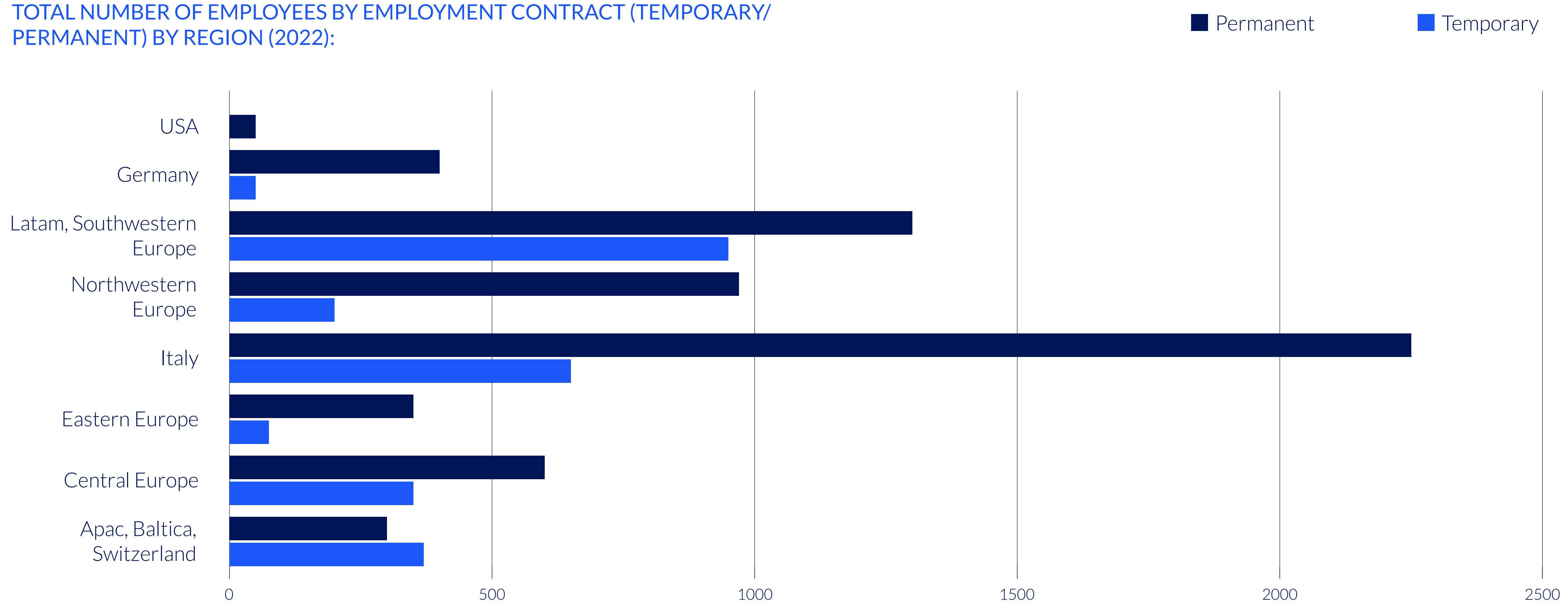
4.1 YEARS
AVERAGE SENIORITY IN THE COMPANY

*Turnover COM Rate (or Balance Turnover Rate) measures the difference between the number of employees joining and leaving the company. This report indicates the ability of the company in the replacement of human resources in a certain period. [Employees in/ Employees out] x 100

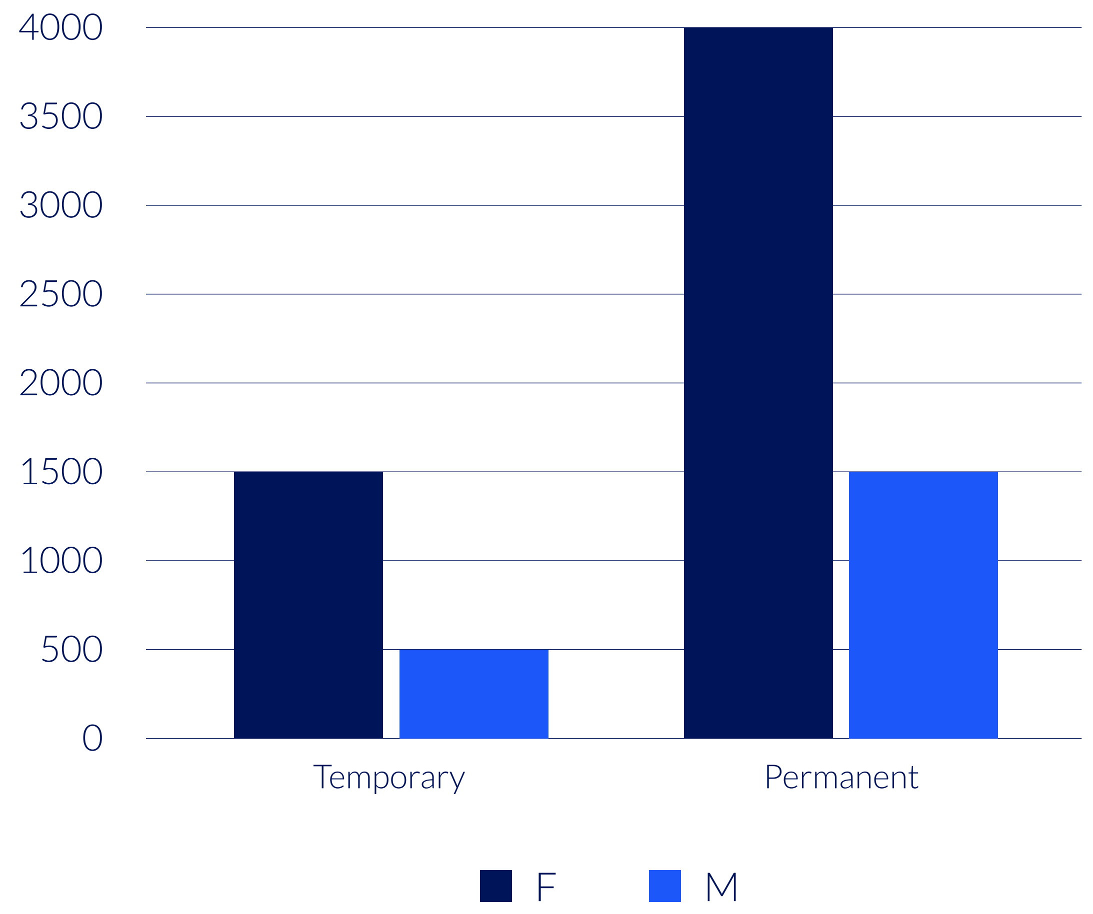
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (PART-TIME/FULL-TIME) BY GENDER (2022)



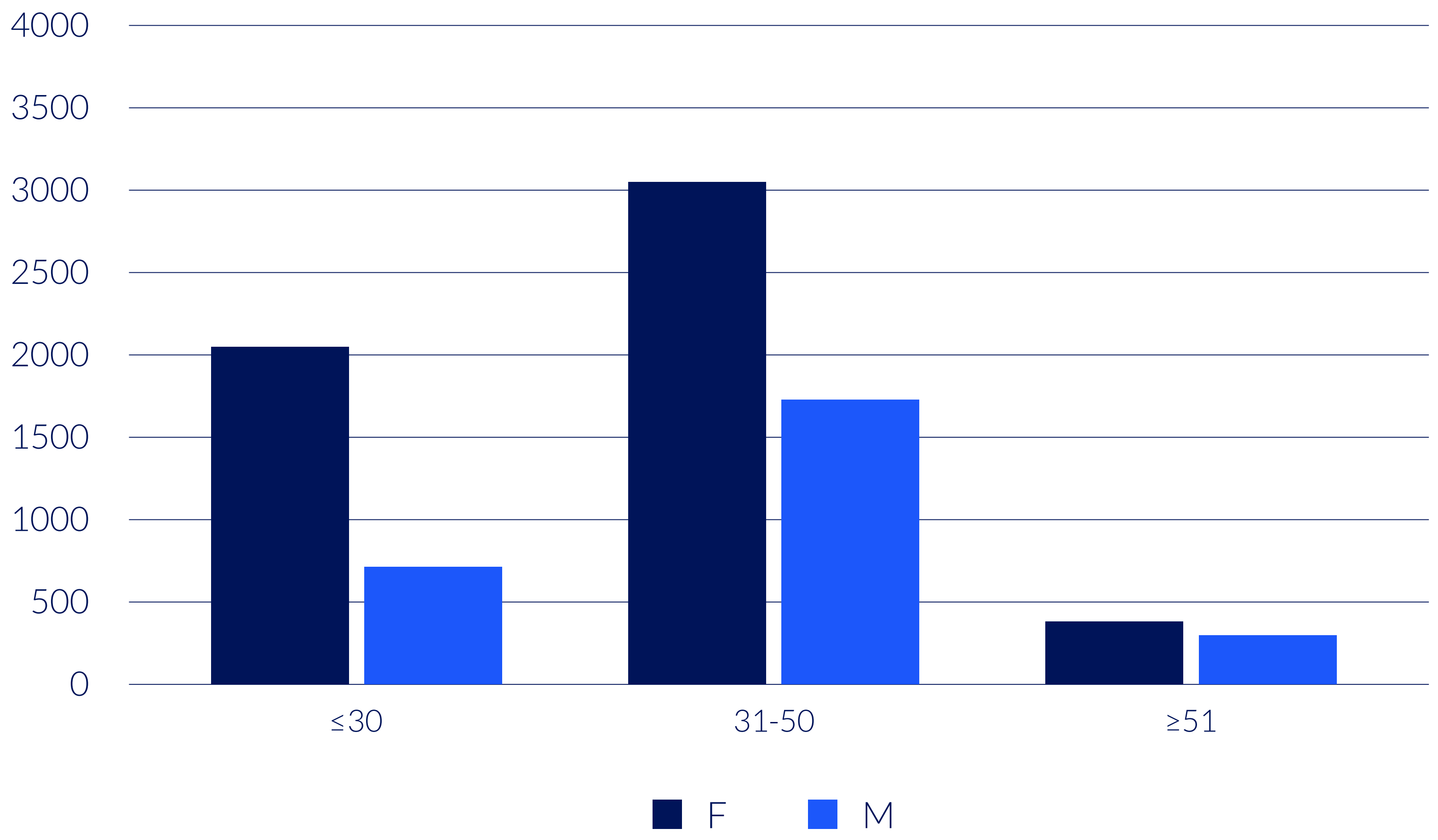
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (TEMPORARY/ PERMANENT) BY REGION (2022):



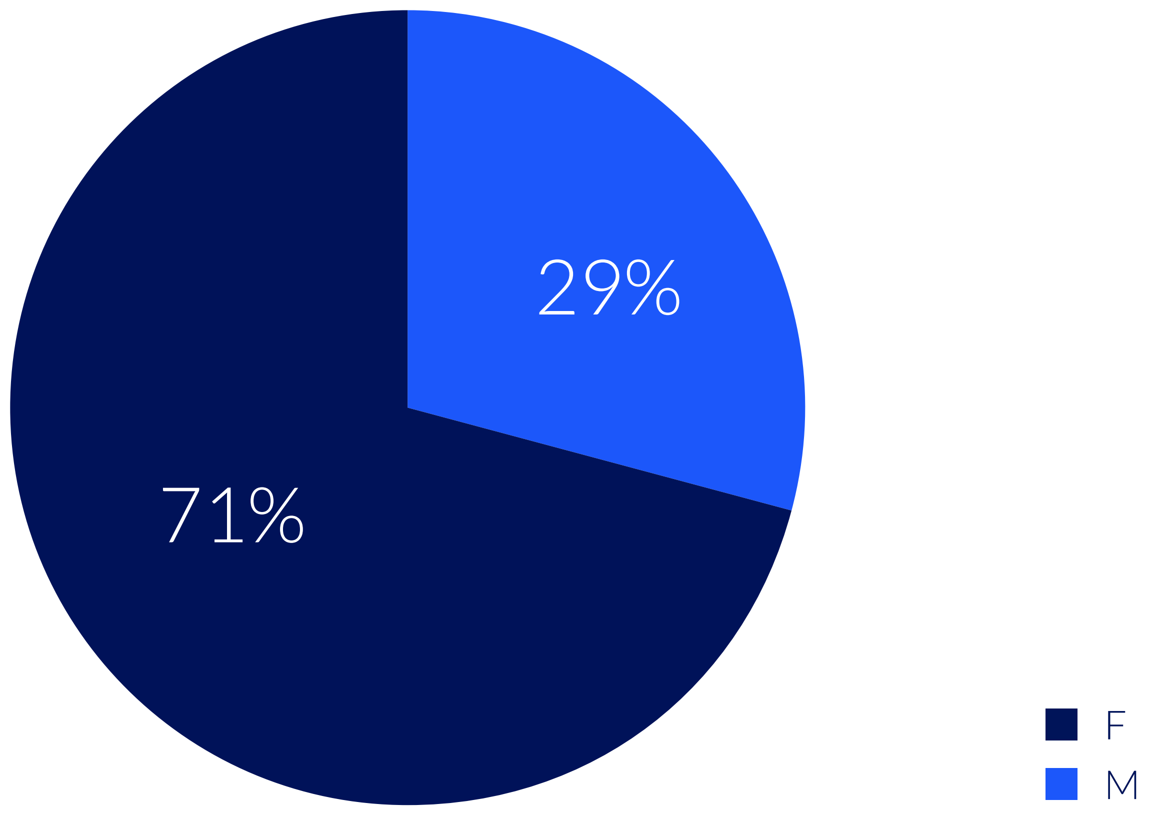
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (TEMPORARY/PERMANENT) BY GENDER (2022)



WORKFORCE DISTRIBUTION BY AGE AND GENDER (2022)



WORKFORCE DISTRIBUTION BY GENDER (2022):



2

Corporate Governance

2.1

Key people

The growth that has characterised **Gi Group Holding**, particularly in recent years, has led the entire Group to enrich itself through the contribution of people, experiences, cultures and organisational levels.
It is precisely this continued growth that brings with it the need to maintain a strong sense of belonging that moves the Group forward in a commonality of values and goals, as well as progress toward an increasingly strong internal culture in terms of sustainability and compliance.

Gi Group Holding's **governance model** is oriented towards effective control of business risks and the widest transparency towards the market, as well as aimed at ensuring integrity and fairness in decision-making processes, with the goal of generating value for the company and its shareholders and constantly strengthening the fiduciary relationship with its Stakeholders.

STEFANO COLLI-LANZI
Chief Executive Officer & Founder

Stefano Colli-Lanzi earned his degree in Business Economics from Bocconi University in Milan. After graduating, he worked in business consulting for about a decade, at Bersani-Vitale and Arca Merchant. At the same time, he taught Business Economics at LIUC University of Castellanza and at Bocconi University. In 1998 he embarked upon his path as an entrepreneur, founding Générale Industrielle Italia, known today as Gi Group Holding. Since then, he has led the company's growth as Chairman and Chief Executive Officer.

Stefano Colli-Lanzi is also a professor of Business Economics at Catholic University in Milan. Married with five children, three of whom are foster children, he loves to play golf and he is a huge Inter fan.

CENTRAL FUNCTIONS

NICOLA DELL'EDERA
Chief Financial Officer

MAURIZIO UBOLDI
Chief M&A Officer

DARIO DELL'OSA
Chief Legal Officer

ANTONIO BONARDO
Public Affairs Senior Director

DOMIZIANO PONTONE
Chief Corporate Sales Officer

MARIA LUISA CAMMARATA
Chief People Officer

DAVIDE TOSO
Chief Corporate Affairs & Compliance Officer

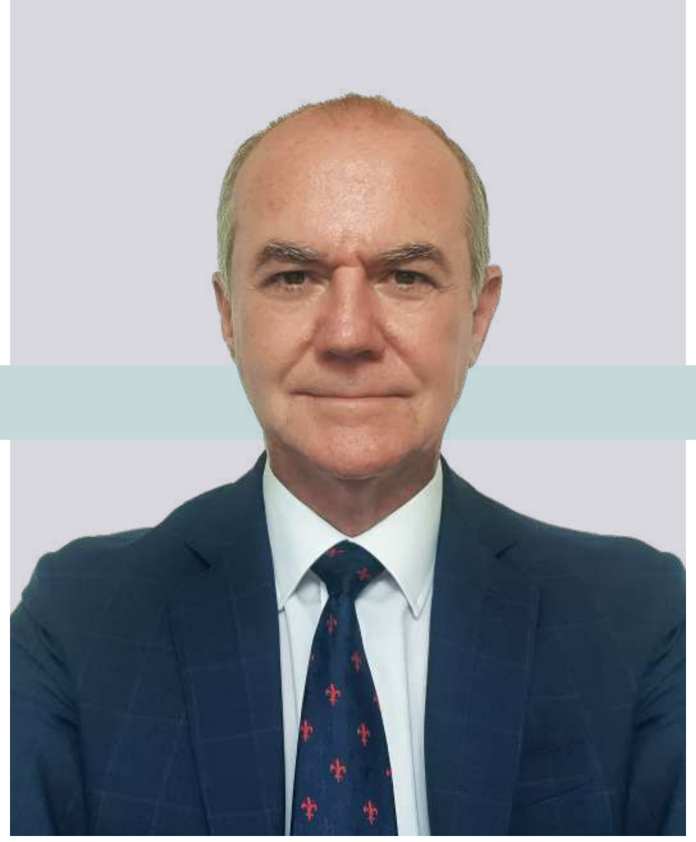
LUCA GATTI
Chief Marketing Officer

MASSIMO BORRONI
Chief Information & Technology Officer

LUCA GIOVANNINI
Chief Digital & Innovation Officer

BARBARA BRUNO
Chief Practice Officer
- Temp&Perm

JIM O'BRIEN
CEO Tack TMI



LUIS DEL OLMO
Chief Practice Officer
- Outsourcing

CETTI GALANTE
Chief Practice Officer
- Outplacement

JEROME LAFUITE
Chief Practice Officer -
Search&Selection and
Professional

LUCA PADERNI
CEO Jobtome

PAULO CANOA
Chief Regional Officer - Northwestern Europe

STEFANO TOMASI
Chief Regional Officer - Germany

PAOLO CARAMELLO
Chief Regional Officer - Central Europe

TIZIANO RODOLFO ROSETO
Chief Regional Officer - Eastern Europe

RUI ROCHETA
Chief Regional Officer - Latam, Southwestern Europe

FRANCESCO BARONI
Chief Regional Officer - Italy

DANIELE MERLERATI
Chief Regional Officer - Apac, Baltics, Switzerland

2.2

Governance and organisational model

The Governance model of Gi Group Holding and its subsidiaries is based on the central role of the **Board of Directors**, which at executive level is supported in its managerial activities by several **governing bodies**.

BOARD OF DIRECTORS

The Shareholders' Meeting held on 20th June 2022, determined the number of members of the Board of Directors (BoD) at five.
Below the details of Board Members who will remain in office until the next Shareholders' Meeting to approve the Financial Statements for the year ended 31st December 2022:

- Chairman and Chief Executive Officer **STEFANO COLLI-LANZI**
- Director **NICOLA DELL'EDERA**
- Director **MAURIZIO UBOLDI**
- Director **DAVIDE TOSO**
- Director **STEFANO BOMBELLI**

The Board of Directors is vested with the broadest powers for the administration of the Company, with the authority to perform all appropriate acts for the achievement of its corporate purposes, with the exclusion of acts reserved - by law and by articles of association - to the Shareholders' Meeting.
The governing body exercises its management activities by pursuing the goal of sustainable success, understood as long-term value creation for the benefit of shareholders, taking into account the interests of other stakeholders relevant to Gi Group Holding.
The Board of Directors, in particular, defines and approves the strategic directions of the Company and the Group. In its activities, the Board is supported by internal board committees that analyse - each for their respective areas of responsibility - the issues relevant to long-term value generation.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors was appointed by the Shareholders' Meeting, and it will remain in charge for three-year period 2022-2024.
Below is the detail of the composition of the Board of Statutory Auditors:

- Chairman **CORRADO COLOMBO**
- Standing Auditor **SILVIA PASSALACQUA**
- Standing Auditor **MARCO GIRELLI**

- Alternate Auditor **FRANCESCO CARNEVALI**
- Alternate Auditor **PIERGIORGIO GUSSO**

The **Board of Statutory Auditors** is in charge of supervising compliance with the Law and as well as the principle of correct administration of corporate activities. The Board is also in charge of controlling the adequacy of the organisational structure, risk management and internal control system and the corporate administrative and accounting system.

INDEPENDENT AUDITORS

The Shareholders' Meeting held on 1st July 2022, in response to three separate declarations of willingness by companies to carry out the legally-required audit, received following a Request for Quotation (RFQ) called at the beginning of April, and the reasoned proposal regarding the assignment prepared by the Board of Statutory Auditors, resolved to entrust the audit assignment for the 2022-2024 three-year period to **KPMG S.p.A**, with registered office in Milan, Via Vittor Pisani 25, Milan Register of Companies and Tax Code no. 00709600159, Milan REA no. 512867, VAT no. 00709600159, registered under no. 70623 in the Register of Statutory Auditors.

SUPERVISORY BOARD PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231/2001

The Supervisory Board (SB) is made up of three members whose term of office is for a three-year period and it has its own programme and Internal Regulations, pursuant to Italian Legislative Decree no. 231/2001.

Details are provided below of the composition of the Supervisory Board in office for the 2021-2023 three-year period:
- Chair **FRANCESCO CARNEVALI**
- Member **MARCELLO TRABUCCHI**
- Member **ANNA RITA MARRA**

The Supervisory Board ensures that the Corporate Governance model is applied correctly.
Based on periodic checks, the Supervisory Board is responsible for highlighting any problems encountered and identifying the corrective actions to be implemented.

In 2022, the Supervisory Board of Gi Group Holding carried out its usual audit activities; it also commenced, following the change of organisational scope as a result of the corporate reorganisation, which was finalised in July 2022, the revision of the company's Organisational Model.

INTERNAL COMMITTEES

The Directors, in organising activities and designing action plans, are supported by internal committees:
- **Strategic Committee** for the implementation of new Group development strategies for the launch of new services, solutions and organisational structures and for the evaluation and roll out of strategic projects. This is made up of the main international managers, from Global Practice and Global Functions.
- **Global Steering Committee** to share and implement the Group's international development guidelines. This is made up of Country Managers and the main international managers from Global Practice and Global Functions.

LAW ON PERSONAL DATA PROTECTION

With a view to corporate compliance with the GDPR, the Group avails of a **Privacy Organisational Model**.
With the adoption of this Model, the aim was to define the set of structures, roles and organisational approaches that ensure the guidance and governance, execution and control of the model for the protection of personal data. Therefore, the Group uses this relevant and appropriate Model as a means of demonstrating, with a view to accountability, that it takes

suitable technical and organisational measures in accordance with Article 24 of the GDPR.

In order to maintain the Model, the Group provides a series of ongoing activities, educational interventions and awareness-raising communications for personnel specifically authorised to process personal data, and targeted training courses; for the management of personal data protection issues, the Group has a specific function, the **Global Privacy Office**, and a **Global DPO**.

The Global Privacy Office operates with the purpose of directing, governing, executing, and controlling the Model, while the Global DPO, as part of the execution of its mandate and in the fulfilment of the tasks outlined in Regulation (EU) 2016/679 ("GDPR"), informs on issues pertaining to the protection of personal data and oversees GDPR compliance, through monitoring activities and analysis of data breaches that occurred during the reporting period.

In addition, the Group has implemented a set of procedures to govern key privacy issues, such as personal data retention, risk analysis and impact assessments, and the management of any data breaches.
Both the above Model and the relevant procedures are always available to workers on the corporate intranet.

GROUP ETHICS AND INTEGRITY

The Group promotes an ethical management of its Business, adopting specific prevention measures and standards (such as the Code of Ethics, Model 231/01, Anti-Corruption Policy and other high-level procedures, to safeguard the company's activities, including the protection of human rights along the entire value chain), in order to prevent cases of corruption and money laundering that can create damage for the territory, the market and Stakeholders.

The **Code of Ethics** is the most effective means of reinforcing, sharing and disseminating the values and principles that must guide the work of each individual Group company, based on a set of values **CARE, PASSION, CONTINUOUS LEARNING AND INNOVATION, COLLABORATION, SUSTAINABILITY, RESPONSIBILITY,** that standardise the Group's approach to the labour market and to the civil society in which it operates.

The recipients of the Code of Ethics, as of the Global High-Level Policies, are the Employees - who represent the primary Stakeholders of Gi Group Holding, in addition to the members of the decision-making and control bodies of the Group companies, the Collaborators and external Consultants who act in the name and on behalf of the Group Companies, as well as the Workers on temporary contracts.
The provisions contained in the Code of Ethics are also addressed, where expressly provided for, to those external stakeholders with whom the companies of the Group have relationships (candidates, suppliers, customers, institutions, etc.), which represent the other primary Stakeholders of Gi Group Holding.

With regard to all these Stakeholders, Gi Group Holding structures its actions according to strong ethical principles **LEGALITY, FAIRNESS, CONFIDENTIALITY, HONESTY, TRANSPARENCY, HEALTH AND SAFETY, AND ENVIRONMENTAL SUSTAINABILITY**, supported by a clear assumption of responsibility.
Consistent with the Group's desire to act as an actor and protagonist of sustainable change, in September 2022, Gi Group Holding approved the updated version of the Group's Code of Ethics, including the three new Global High Level Policies directly descended from it:

- **Anticorruption Policy;**
- **Equality, Diversity and Inclusion Policy;**
- **Whistleblowing Policy.**

This reflects the Group's commitment to adopt precise values and principles in carrying out its activities and relations with all Stakeholders, representing an integral part of the Group's governance structure.

It is in the interest of Gi Group Holding that the Code of Ethics and the Global High Level Policies are disseminated as widely as possible to all recipients and third parties, and that the principles and values contained therein be shared, in order to create a virtuous network capable of creating positive impacts on the communities in which the Group operates.

The Code of Ethics is publicly displayed on the websites and its contents are integrated into the contractual clauses that govern relationships with the various Stakeholders.

Internally, the Code of Ethics and the Global High Level Policies are published on the corporate intranets of the Group companies, and the executives, together with the managers of the Companies must explicitly represent the values and contents of the Code of Ethics through their actions.

There is also a dedicated training course, which is compulsory for all new-start employees, on the Code of Ethics and Global High Level Policies, proposed to all existing staff, regardless of their seniority in the company, in order to refocus employees' attention on renewing the Group's values.

The Corporate Social Responsibility Team (CSRT) is responsible for monitoring compliance with, interpreting and verifying the principles contained in the Code of Ethics, as well as the Reports drawn up through the Whistleblowing platform and has independent powers of initiative and control, and is expressly charged with the following tasks:

- supervising the implementation and operation of the Code of Ethics and Global High Level Policies;
- supervising the information provided and training of all Recipients;
- proposing and validating updates with respect to legislative changes and the evolution of activities and organisation;
- receiving and taking responsibility for reports of violations relating to the contents of the Code, treating them with the utmost confidentiality, so as to ensure the anonymity of the providers and excluding any form of recourse or discrimination against the same.

Depending on the issues, the CSR Team can then redirect the handling of reports to different corporate levels. In fact, the Code of Ethics and the Global High Level Policies are issued and adopted by the Parent Company and are valid for all the Companies of the network, who share it and apply its contents to all second level codes, further regulations or policies expressed by the individual Group companies in response to the mandatory requirements that govern the activities of various countries.

SOCIAL RESPONSIBILITY STRATEGY

The root that nurtures the Group's Corporate Social Responsibility (CSR) strategy can be directly traced to Gi Group Holding's Mission and has grown from this by clearly defining within the Code of Ethics the founding values and ethical principles that all Group companies must integrate into their governance and operations.

The set of Global High-Level Policies directly descended from the Code of Ethics will be gradually expanded to preside more specifically and effectively over what are identified as cornerstones of the group's CSR framework.

Gi Group Holding's positioning with respect to ESG pillars is mainly expressed in two globally valid documents:

- **the Sustainable Work Report** (Historically called CSR Report);
- **Gi Group Holding Sustainable Work Manifesto**.

In the first document you can find an update on an annual basis not only of the actions and initiatives developed both globally and locally, but also the details of the social responsibility commitments:

- **the stakeholder context and needs analysis** that led to the definition of the Sustainable Work Framework, structured around the three interdependent spheres of individual, organisational and institutional responsibility;
- **the Group's Materiality Matrix**, which confirmed the pillars of the framework and defined the priorities in terms of CSR and sustainability from 2020 onward, taking up the clear message from stakeholders to address governance and social impact issues;
- **the commitment to contribute to the UN Sustainable Development Goals (SDGs)** by directing the Group's activities toward the social impact SDGs, consistent with the Mission and business activities;
- **the Group's Sustainability Plan**, which stems from the integration of the main themes highlighted by the Materiality Matrix and the pillars of the Sustainable Work framework, and represents a dynamic tool intended to summarise the areas of focus and objectives where Gi Group Holding aims to develop its CSR strategy.

3

Management Report 2022

Consolidated Financial Statements as at 31st December 2022

3.1

The macroeconomic scenario

The past year will be remembered for its complexity, a consequence of events that negatively affected the economic situation globally and domestically.
From the post-pandemic recovery phase, in which several economic indicators had returned to positive territory and pointed to strong growth, the world was catapulted into the geopolitical crisis linked to the Russia-Ukraine conflict, which once again complicated the international scenario. The global economy is now in a particularly delicate period, marked by the uncertainties that have emerged from the war in Ukraine, the consequences of which are reflected in key macroeconomic indicators.
One of the main challenges to be faced, which has affected price dynamics, has emerged with the tensions in the energy market, characterised by the sharp rise in commodity prices, especially oil and natural gas, which are taken as the benchmark for energy price changes. From the beginning of 2019 to the end of November 2022, oil prices have risen 54%, and natural gas prices have risen as much as 392%, despite a recent downturn due to a decrease in overall gas demand, but also due to a plan of coordinated actions at the European level to try to counter fluctuations in energy prices, including the implementation of price caps on Russian gas and oil.
Of particular note is the world's real Gross Domestic Product (GDP), whose growth estimate for 2023 stands at 1.3%, compared to a growth of 3.1% in 2022 and an average of 2.7% over the past decade. Even more concerning is the rate of price growth, with prices in OECD countries rising by 9.4% in 2022, approximately six times higher than the average recorded over the 2013-2019 period. The burden of such high inflation particularly affects the production costs of businesses and leads to the reduction of real household income, as well as forcing Central Banks to tighten monetary policies resulting in a slowdown in economic activity.

With this scenario and given further strains in the financial sector, global growth will fall to approximately 2.5% in 2023, with growth in advanced economies hovering below 1%. Overall global inflation in the baseline scenario is expected to decrease from 8.7% in 2022 to 7.0% in 2023 in the wake of falling commodity prices and rising interest rates. In most cases, the return of inflation to being in-line with targets is unlikely before 2025.

A more detailed overview of GDP growth forecasts for future years is provided by the World Economic Outlook:

		PROJECTIONS		DIFFERENCE FROM JANUARY 2023 WEO UPDATE		DIFFERENCE FROM OCTOBER 2022 WEO	
	2022	2023	2024	2023	2024	2023	2024
WORLD OUTPUT	**3.4**	**2.8**	**3.0**	**–0.1**	**–0.1**	**0.1**	**–0.2**
ADVANCED ECONOMIES	**2.7**	**1.3**	**1.4**	**0.1**	**0.0**	**0.2**	**–0.2**
UNITED STATES	2.1	1.6	1.1	0.2	0.1	0.6	–0.1
EURO AREA	3.5	0.8	1.4	0.1	-0.2	0.3	–0.4
GERMANY	1.8	–0.1	1.1	–0.2	–0.3	0.2	–0.4
FRANCE	2.6	0.7	1.3	0.0	–0.3	0.0	–0.3
ITALY	3.7	0.7	0.8	0.1	–0.1	0.9	–0.5
SPAIN	5.5	1.5	2.0	0.4	–0.4	0.3	–0.6
JAPAN	1.1	1.3	1.0	–0.5	0.1	–0.3	–0.3
UNITED KINGDOM	4.0	–0.3	1.0	0.3	0.1	–0.6	0.4
CANADA	3.4	1.5	1.5	0.0	0.0	0.0	–0.1
OTHER ADVANCED ECONOMIES	2.6	1.8	2.2	–0.2	–0.2	–0.5	–0.4

[FIGURE 4 – GLOBAL GDP PERFORMANCE]

The table summarises both 2022 data and real GDP growth forecasts in 2023 and 2024. As shown above, the figures illustrated show growth globally of 3.4% for 2022, which in the Eurozone stands at 3.5%.
However, even within the Eurozone itself, different performance levels are evident for different countries: Spain grew by 5.5% during 2022, while Italy shows a reduced growth, standing at 3.7%, compared to 6.6% in the previous year.
Real GDP is 0.2% lower than the baseline scenario in 2024 and will gradually recover thereafter. The effects are generally greater in advanced economies than in emerging market economies, with growth falling below 1%, compared with 1.3% in the baseline forecast.

The United States, the Eurozone and Japan have experienced the largest declines in growth compared to the baseline scenario: approximately 0.4 percentage points less in 2023.

The Italian economy has shown strong dynamism in the first three quarters of 2022, driven mainly by domestic demand for household consumption and investment, building on the 2021 path of recovery coming out of the pandemic crisis.
Indicators, however, showed an uncertain outlook for the final and subsequent quarters, as a consequence of high inflation and its effect on real household disposable income and business costs. Consumption is expected to increase slightly compared to the second quarter of 2023, although slowing, will return to make a positive net contribution to growth. Investment will increase, but a slowdown is expected due to a weaker and more uncertain economic picture, as well as higher interest rates.

Finally, the NRRP (National Recovery and Resilience Plan) i.e., the programme by which the government intends to manage Next Generation EU funds, will play a key role in GDP staying on a growth path.

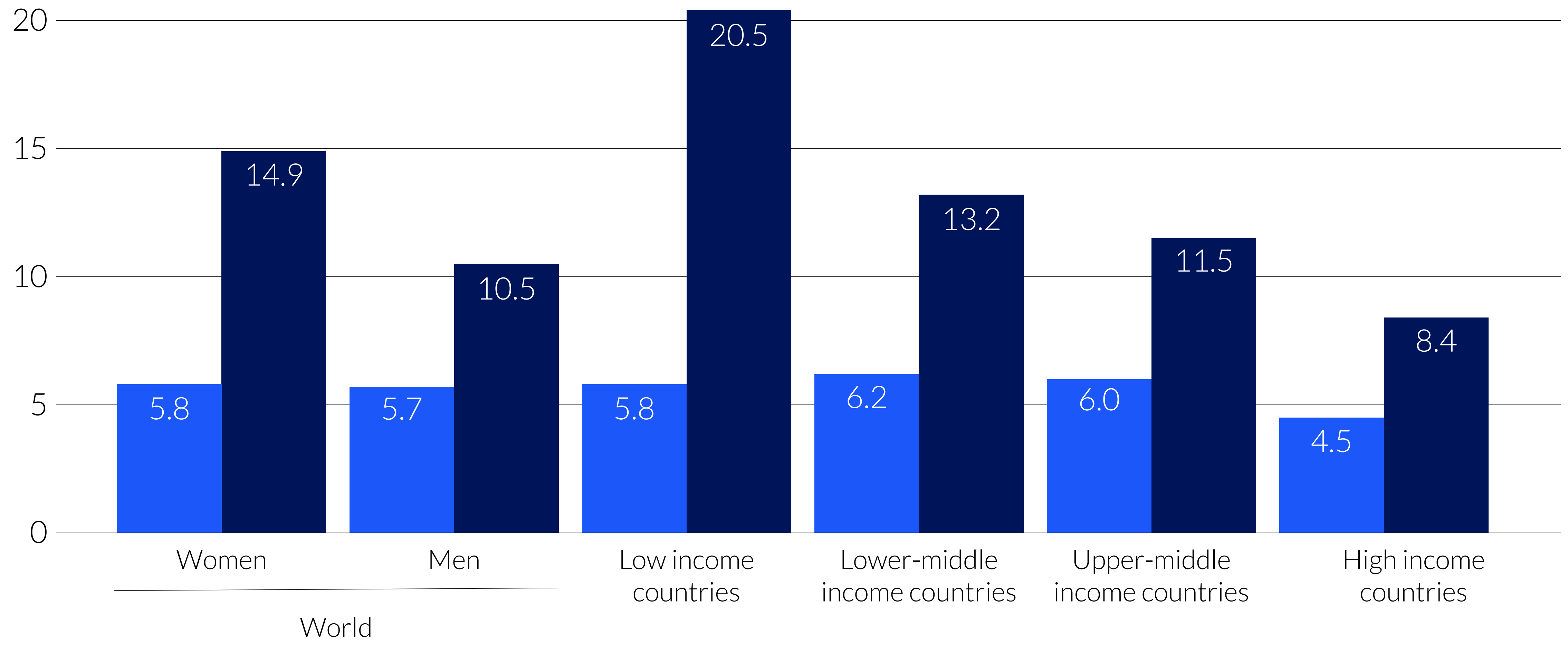
THE SCENARIO IN THE INTERNATIONAL LABOUR MARKET

From research conducted by the ILO - "Global Wage Report 2022-2023" - with regard to the labour market, by the second quarter of 2022, employment levels had bounced back (in some cases exceeded) those observed before the pandemic in high-income countries, while in middle- and low-income countries employment was below the pre-pandemic level (at a rate of approximately 2%).

For 2023, the World Employment and Social Outlook: Trends 2023 (WESO Trends) report projects global employment growth of one percent: less than half the growth rate of 2022.

Globally, unemployment is expected to increase by approximately 3 million in 2023 to 208 million (corresponding to a global unemployment rate of 5.8%).
The more than modest rate of employment growth is largely due to insufficient labour supply in high-income countries. This would mark a reversal of the decline in unemployment recorded between 2020 and 2022 with 16 million more unemployed than in 2019. As shown in the graph below (source ILOSTAT, ILO estimated model, November 2022):

[FIGURE 5 – UNEMPLOYMENT AND LABOUR GAP 2022]



In general, the labour market in Europe is expected to continue to show good resilience, with unemployment rates still historically low during the period under review in the context of continuing labour shortages. Employment rose 0.3% in the fourth quarter of 2022, despite stagnant real GDP growth, and is expected to continue to increase over the projection period, albeit at a slower pace than in 2022 (0.8% in 2023, 0.4% in 2024, and 0.3% in 2025). The increase in employment follows a decrease in the risk of economic recession in the short term, with the slowdown in activity in real terms in 2023 not resulting in an increase in redundancies but resulting in an increased use of labour factor provisioning strategies amid continued labour shortages.

The pandemic on the one hand and digitalisation on the other have profoundly changed the labour market. They created a completely different market a few years ago and, more importantly, one that is constantly changing in an attempt to adapt to the way upstream people reinterpret concepts such as flexibility and adaptability in relation to their careers.
This could increase the number of digital nomads, that is, professionals who, having full remote contracts and flexible schedules, give up settling in one place and instead decide to move frequently from city to city or even abroad.

While companies will increasingly have a tendency to broaden the range of skills they can rely on, without necessarily hiring new workers, but relying on outside consultants, outsourcing some of the business processes or redeploying employees they already have in the most strategic areas, and aiming for them to acquire new skills and knowledge through upgrading and training.

For upskilling and corporate training alone, there will be an increasing reliance on distance learning systems. E-learning has now been widely shown to be practical and effective because of how it can be practised anywhere, at any time, allowing for study and work to be combined.

For a special focus on the labour market in Italy and the national context, see the Management Report documents of Gi Group Holding S.p.A. and Gi Group S.p.A

3.2

Expected development of operations

The Group, in relation to its own mission and in the role of HR Business Partner, responding to customers' needs through an integrated value proposition, has developed well-defined guidelines and strategies in order to pursue its priority objectives:

- for ***growth and market positioning***, increasing volumes in staffing are fundamental in guaranteeing the staff development, as are acquisitions, to consolidate the company's presence in markets where the Group is already operative;
- for ***economic profitability***, the increase of the margin is a priority to be achieved through attention to territorial business, the practice of permanent staffing, and other services that offer high added value; the attention paid to working capital and terms of payment are fundamental elements for improving the financial position;
- for meeting customers' needs, the Group intends to develop its Value Proposition with ***integrated solutions*** between temporary staffing and complementary businesses like outsourcing and professional staffing, as well as consolidating the generation of value of the other businesses, like search & selection and training, reinforcing the commercial model oriented toward narrow diversification;
- be ***candidate-driven*** and make the difference in proposals that target candidates;
- ***individuals, processes, and technology*** are key elements for achieving efficiency, effectiveness, and competitiveness of the Group.

The depiction of the expected development of management is related to the illustration of the performance in 2022 and the events that have characterised the past year, by Region and by Practice, and by the Group's resilience in leading the change to a sustainable way of working.

OPERATING PERFORMANCE, LINES OF DEVELOPMENT AND MAJOR INITIATIVES BY REGION

2022 was characterised by a significant growth for Italian companies, and in particular Gi Group S.p.A. in the staffing business, and by sustained growth in all foreign countries, compared to the previous year and, in general, to past results.
The Group operated through a Global model organised and structured by Geographic Areas, in specific, Regions, Practices and Central Functions, in order to ensure the pursuit of a common strategy and the execution of key initiatives in support of the entire Group.

The identified Regions are as follows:

- Italy;
- Germany;
- North Western Europe;
- Central Europe;
- Eastern Europe;
- Latam & South Western Europe;
- APAC – Switzerland – Baltics;
- USA

It should be noted that the countries included in the Regions have not been solely selected based on geographic criterion but also based on reasons of internal organisation in the Group and professional experience of the Regional Heads, the persons responsible for coordination; consequently, the Regions do not necessarily correspond to the Areas identified in the explanatory document of the Financial Statements, which pursues a purely geographic criterion.
Growth in foreign operations was mainly organic, including through the contribution of acquisitions carried out in 2021, with support in the second half of the year also from acquisitions made in 2022.
The increasing consistency of international investments strengthens the Group's role as a global partner for large multinational customers and diversifies the risk of its activity by broadening its geographical spread: this strategy proved effective in 2022, managing to offset the reduction of activity in specific sectors (e.g. Industrial, Automotive), due to the general slowdown as a result of the international situation (war in Ukraine, increase in commodity prices...) with alternative channels less impacted by the contingent situation (e.g. Logistics, On line) or new business (Job Aggregator).

The strategy adopted in 2022 followed three directions:
1. development and enhancement of businesses/sectors less impacted by the slowdown in global markets, such as Temporary Staffing, Outsourcing and Professional staffing, particularly in the Logistics and On line fields;
2. optimisation of operating costs through increasing economies of scale on existing infrastructures;
3. international M&A transactions to support the growth of the Group and related integrations, with a view to structuring the business.

As part of its globalisation strategy, in 2022, the Group continued investments aimed at strengthening its positioning and market shares in several foreign countries where there was already a direct presence, so as to increase the differentiation of the services provided and increase turnover volumes and economies of scale in the Group, and invested in countries where it was not yet operational.

In Europe, the staffing business grew through the acquisitions of Encore Personnel Limited in Great Britain in late September and a group of companies, "Eupro", in Switzerland in late November.

On 30th September 2022, the "Share Purchase Agreement" was signed for the acquisition of Encore, a British company operating in the fields of temporary employment and search and selection, in the industrial sector.
Encore, which has a presence in the English Midlands, is being integrated within GI UK, giving the British group the opportunity to strengthen and expand its presence in the territory, strengthening its size in a very large and competitive market.
Founded in 2001 and employing more than 200 people, the company has grown into an agency with a turnover of GBP 94 million, providing temporary and permanent workers for the industrial, automotive, energy, engineering, manufacturing, and professional services sectors.
This acquisition enables the Group to consolidate its position as a leading provider of recruitment services to the UK automotive, industrial and manufacturing sectors, with the opportunity to realise synergies and provide solutions that truly meet the increasingly complex needs of the UK market.

Eupro Holding AG is a group of 5 companies based in Switzerland and Liechtenstein, highly specialised in recruiting and human resources, with 21 branches in 19 cantons and more than 90 employees, placing approximately 3,600 candidates a year out of 1,400 overall customers.
Since its founding in 1997, it has grown to have 2 brands in 2022 (Eupro and BauTech AG), helping customers with temporary or permanent staffing services, especially those with a primary focus in construction or manufacturing. Eupro is a member of Swisstaffing, a national association of recruiting companies, and is certified through ISO 9001 in relation to quality management systems.
The integration underscores the strong growth trajectory undertaken by Gi Group Holding, which with the transaction becomes the leading player in Italian-speaking Switzerland, with the possibility of expanding and becoming a reference point for the rest of Switzerland as well.

In Europe, in order to integrate and enhance its recruiting and search and selection services, at the end of November, the Group acquired CVO Recruitment and Simplika, 5 executive search, recruitment and selection companies in the Baltic region, with a strong presence in Estonia, Latvia and Lithuania.

CVO Recruitment and Simplika was founded in 2001 in Estonia.
Its companies collectively generate revenues of Euro 16 million per year, working with more than 450 customers, managing an average of more than 850 recruitment projects per year and providing temporary employment for more than 500 workers on a daily basis.
CVO Recruitment and Simplika are two distinct but complementary brands, operating with dedicated teams of consultants and support staff throughout the Baltic region: CVO Recruitment, which recruits mid- and senior-level specialists as well as top managers, and Simplika, which focuses on staffing and recruiting junior- and mid-level specialists; both business lines specialise in recruiting in the areas of technology (including IT), finance and analytics, sales and marketing.
Rooted in the principles of professionalism, data quality and experience derived from knowledge of the local market, CVO Recruitment and Simplika employ a total of 35 staff who will complement the Group's existing activities in Lithuania, which currently focus on recruitment and human resources services for temporary, permanent and BPO assignments.
On the other hand, the transaction signals the Group's market entry into Estonia and Latvia.

With a view to expanding the customer portfolio and bringing all of the Group's services to Latin America in May, the acquisition of the Focun Group was finalised in Colombia: this involves two companies, Teamservice S.A.S. ("T&S"), a leader in staffing and business process outsourcing and Especialista en Servicio Integrales S.A.S. ("ESI"), entirely focused on outsourcing services.
The Focun Group has more than 30 years of proven experience as one of Colombia's leaders in HR and outsourcing of corporate processes.
Since these are companies with a widespread presence in Colombia, the Group not only opens the way to new markets but also ensures access to a very robust customer base. The activities of the acquired companies, such as temporary employment, outsourcing, search and selection are being integrated with Gi Group's activities in Colombia.

In outplacement services, Star Group Assessoria em Carreiras Ltda. was acquired at the end of April, a group of 3 well-known Brazilian companies in the local market, with 32 years of history, specialising in outplacement and professional development solutions. These companies are in the process of being integrated into the Group, resulting in an expanded customer base and service portfolio.
Their considerable experience aims to further strengthen the Group's entire offering and positioning in Brazil.

It was also decided to develop the outplacement service in Latin America through the acquisition of Assioma S.A., the leading outplacement company in Argentina.
Assioma is a member of the Career Star Group and has led the service in Argentina for more than 30 years, operating through its own team of specialised consultants and local partners. Its leadership position is reinforced by its coverage of more than 70% of the local market, to which it provides consulting services for outplacement processes to the country's leading companies.
The company has already been incorporated into Gi Group Search and Selection, the Group's subsidiary in Argentina.

The strategy of capitalising on the services offered in the Training sector has also led to the acquisition of The Leadership Factory companies based in Stirling, Scotland, in the first half of 2022, in order to expand TACK&TMI's Soft Skills training offering by integrating new 'know-how', which will be integrated into the British company Tack & TMI Limited in 2023, and TMI Consultancy sdn bhd, a small company operating in Malaysia.
The company, already part of TACK&TMI's network as a licensee, now allows for a direct presence in the Malaysian territory, strengthening the Group's presence in APAC. Entering a new market for Gi, through a historic brand, provides access to important information about the local market. The geographic location of the acquired company also offers the opportunity to explore, once the integration phase is over, the rich market of Singapore.

In order to further consolidate its role as a HR Business partner, with a 360-degree service offering, in Italy, at the end of June, the Group acquired from QRPeople, through its subsidiary ODM Consulting, the testing and certification services business unit, to become the exclusive distributor of Thomas International in Italy, the world's leading provider of HR assessment tools.
The integration of the business unit with ODM Italy will enable Gi Group to train its staff in the use of the wide range of human resource assessment tools provided by Thomas International, the world leader in such products, thus providing a higher quality service to its customers.

Finally, January 2022 saw the completion of the sale of a number of companies controlled by Gi Group Poland S.A. and forming part of the Hungarian subgroup headed by Prohuman Kft.
For more details, see the appropriate section in the Notes to the Financial Statements.
As of today, the Group's corporate structure consists of Gi Group Holding S.p.A. and more than 172 subsidiaries.

Internationality and multiculturalism are the defining elements of the Group, which operates in 3 continents with over 7,900 internal employees, and 62.8% of the employees (60.3% as at 31st December 2021) work in the international sphere.

The countries with the highest number of employees remain Italy, Brazil and the United Kingdom:

COUNTRY	% OF TOTAL (DEC. 2022)
ITALY	37,20%
BRAZIL	9,90%
UK	7,20%
POLAND	6,40%
GERMANY	5,10%
COLOMBIA	5,00%
CHINA	4,70%
SPAIN	4,30%
CZECH REPUBLIC	3,70%
FRANCE	3,60%
INDIA	2,30%
TURKEY	1,70%
PORTOUGAL	1,30%
ROMANIA	1,30%

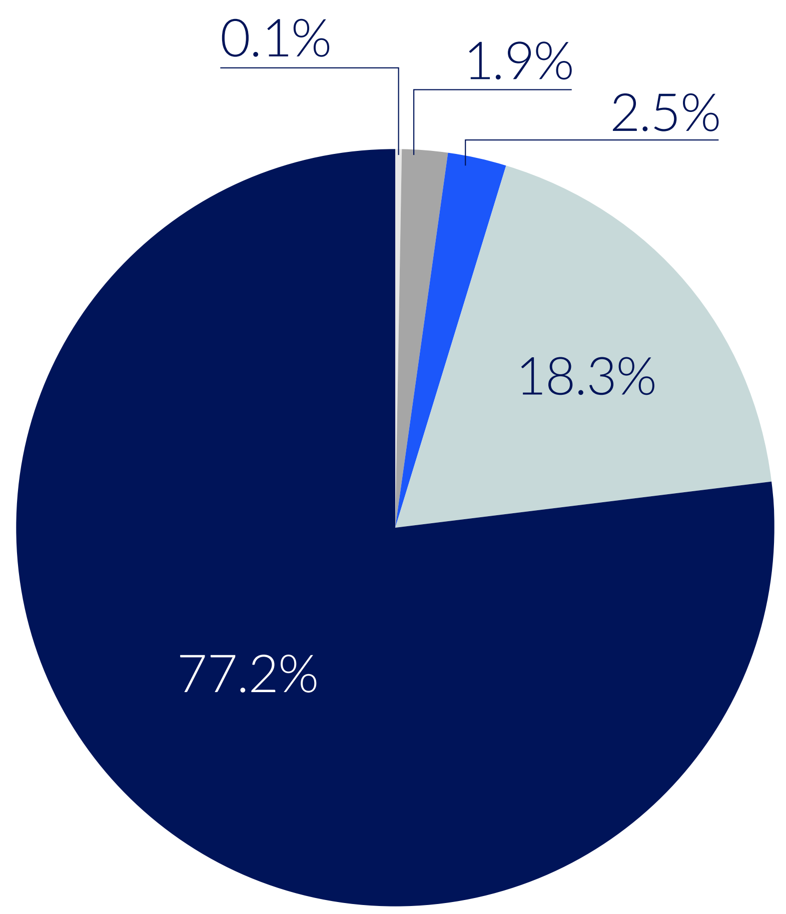
COUNTRY	% OF TOTAL (DEC. 2022)
THE NETHERLANDS	0,90%
SLOVAKIA	0,90%
SWITZERLAND	0,90%
BULGARIA	0,50%
SERBIA	0,50%
USA	0,50%
ARGENTINA	0,30%
LITHUANIA/ESTONIA/LATVIA	0,30%
RUSSIA	0,20%
CROATIA	0,10%
HONG KONG	0,10%
MONTENEGRO	0,10%
UKRAINE	0,10%
DENMARK	0,00%

[FIGURE 6 – PERCENTAGE OF THE NUMBER OF EMPLOYEES BY COUNTRY IN RELATION TO THE GROUP TOTAL]

The average age in the company is 34 years and the Average Seniority is 4 years.
71% of the population is female.

The distribution of Group employees based on age is subdivided into the following five ranges shown in the table below:

GENERATIONS	YEARS
GENERATION Z	>2000
GENERATION Y MILLENIALS	1980-2000
GENERATIONE X	1965-1979
BABY BOOMERS	1946-1964
OTHERS	



[FIGURE 7 – DISTRIBUTION BY AGE OF GROUP EMPLOYEES]

Internal mobility is a strategic pillar of the Employee Value Proposition: all Gi Group Holding countries are engaged in providing a common and meaningful experience for colleagues around the world. To support this strategic pillar, in 2022, a Gamification tool was launched for the first time, through which employees can participate by applying for an internal position.

Gamification has been translated into 16 languages to enable a common experience to be shared by employees in all countries. This tool is a self-assessment pathway based on the Group's 6 core competencies in order to provide a unique and memorable experience for the internal candidate, to raise awareness of internal opportunities and to enhance employees' career paths.

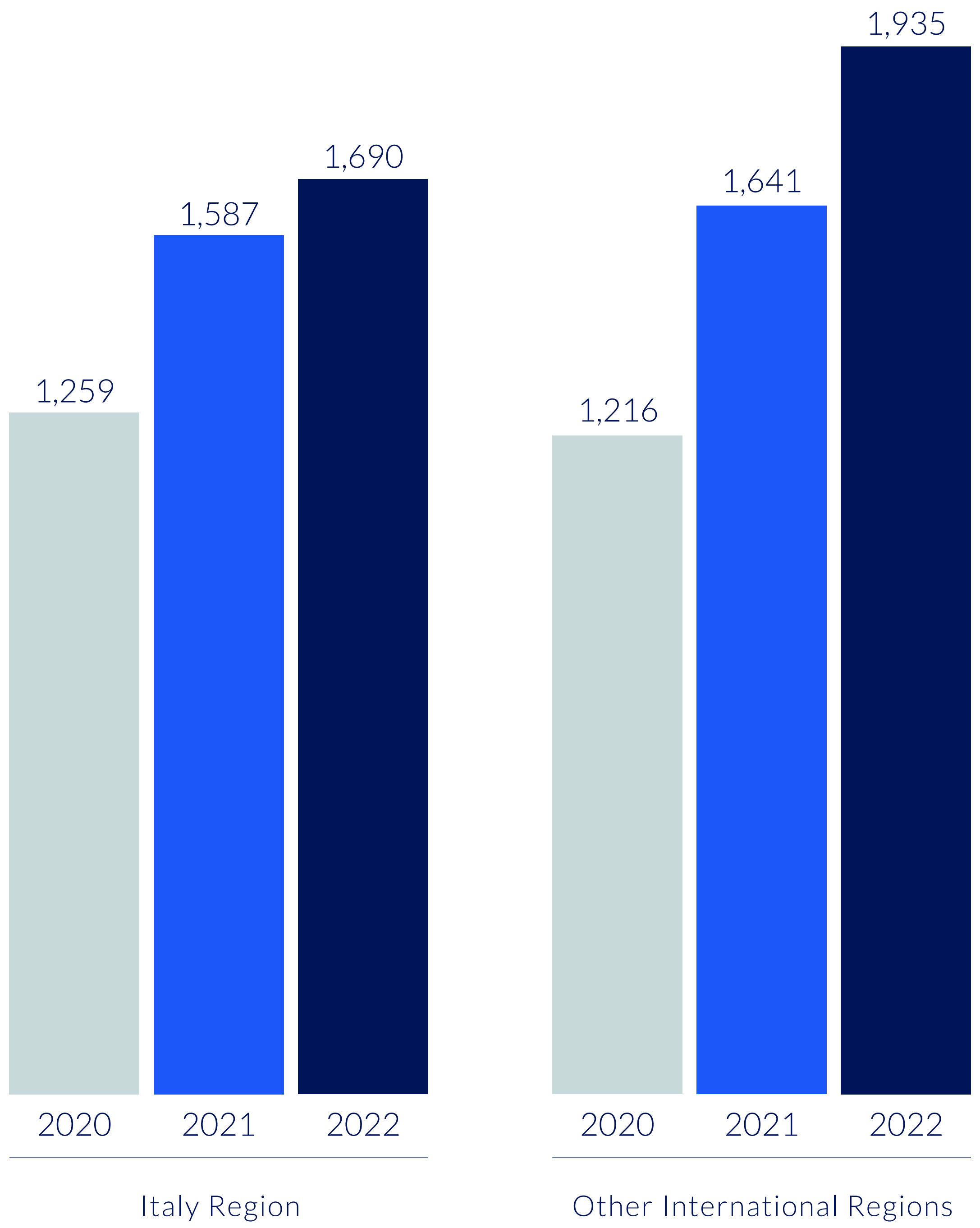
2022 saw a significant increase in new hires at the Head Office in Italy, in particular, strengthening the Global IT and Global Digital & Innovation functions has been one of the corporate strategies.
Furthermore, guidelines on internal job postings, candidate interviews, and stage contracts were defined and shared with all countries.

Each selection process was supported by the use of assessment tools, with a main focus on: potential performance, leadership, and behavioural traits displayed in the work environment.

In 2022, the Gi Group Holding Career page was launched, involving Global HQ and 9 countries: Italy, UK, Spain, France, Poland, Czech Republic, Brazil, China and Portugal.
To provide an intensive application experience, all individuals who apply on the "Holding career" page have the opportunity to start developing their personal skills through "assessment tools and Smart Coaching". This assessment is based on the 6 Group Core competencies and allows candidates to get an overall report on competencies and to improve themselves through an 8-week programme that offers a number of specific tips and tricks. This tool has been translated into 16 languages and has been used by more than 600 candidates.

From a business perspective, 2022 was a year in which the Group's foreign subsidiaries still improved their business results, despite a difficult period in global markets.
Italian companies recorded a 6.5% increase in Revenues (+26.2% over growth in 2021), as did the Group's foreign companies, which are characterised by different businesses and structures depending on countries, which achieved a total of +22.8% over the previous year (+35% over growth in 2021).

The following graph highlights the trend in turnover over the past three years, with the definite resumption of growth after the pandemic year:



[FIGURE 8 – THREE-YEAR EVOLUTION OF THE GROUP'S TURNOVER FOR ITALY AND OTHER INTERNATIONAL REGIONS]

The objectives for 2023 include consolidation of economic and financial results and further growth in each country, specifically:
- to increase turnover levels and business volumes in all markets;
- to improve each country's internal profitability and internal structure productivity indicators;
- to increase the Gross Profit %, through initiatives and actions that add value to Practices (both on the commercial/pricing side and on the mix of services offered);
- to control Net Working Capital by carefully implementing measures to reduce the number of days that trade credits are outstanding.

General strategies are focused on Solutions – Candidates – People:
- Solutions, providing solid and efficient responses to the increasingly complex needs of customers and commercial partners, by ensuring the Group's services have an improved Value Proposition;
- Candidates, being a reference point for their professional journey in the world of work ("Candidate Management");
- People refers to sharing strategic objectives, spreading GI Group Holding Group's culture and employer branding, by communicating common values, providing professional training and implementing new work tools.

For 2023, objectives geared towards people remain the same as in 2022, focusing on three main pillars: strengthening our employee value proposition by increasing the number of services and responding to the needs of our internal customers, promoting EVP both internally and externally in ways that engage employees and candidates, and continuing to invest in supporting change and learning initiatives.

In light of the Group's performance in 2022 and the reference framework for 2023, which anticipates a still uncertain macroeconomic environment in view of the ongoing geopolitical crisis, strategic objectives will be pursued while maintaining a commitment to a healthy and balanced financial structure, with the contribution of all Group companies, according to the country context and the level of consolidation and development of the various companies.
The performance and objectives of the Group's Regions are detailed below.

NATIONAL SCENARIO – ITALY

In 2022, the Italian market continued its post-Covid recovery path with year-over-year GDP growth of 3.7% (source ISTAT-National Institute of Statistics), allowing it to fully recover the 2020 decline.

This growth, higher than the European average, was driven by the full recovery of the services and trade sector, stable growth in the construction sector and a strong boost in exports of industrial products.
In the context of this economic scenario, the Italian subsidiary Gi Group S.p.A., employment agency, continued its growth path, far exceeding budget forecasts, thanks, above all, to the consistency of its strategic decisions and its ability to interpret market developments.

In particular, growth remained in line with that of the market by leveraging, above all, permanent contracts, the professional segment, permanent services and training activities. The focus continues to be on Corporate customers who are managed with increasingly complex and specialised solutions that are complemented by the "value propositions" of all Group companies.

Training services (especially professional training) are taking root as an essential ingredient for business growth and positioning and have enabled us to meet our plans to put the Training Hub model into full operation, both physical and virtual.

Furthermore, in 2022, the activities of the various Group companies were consolidated, which continue to grow year after year and have come to account for more than 25% of the Group's results.
The Italian subsidiary Gi Formazione S.r.l., which manages the training of both temporary and leased workers, through the organisation and delivery of training courses using financial resources made available by an inter-professional fund known as Forma.Temp, prepares its economic forecasts in correlation with the business projections of Gi Group S.p.A., its main customer.

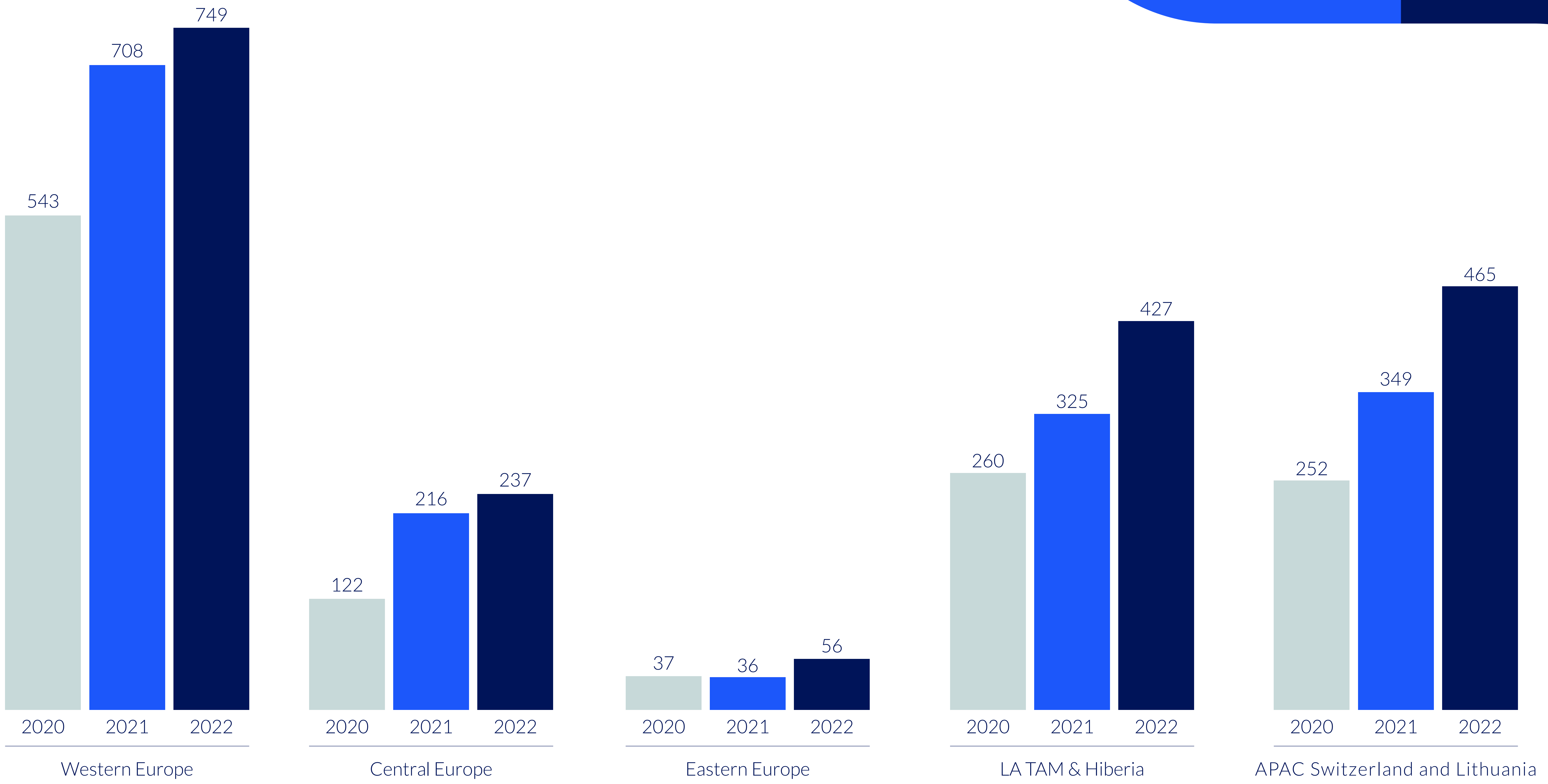
The value and economic performance of Gi Group S.p.A., Gi Formazione S.r.l., and the Italian subsidiaries, which represent Gi Group Holding S.p.A.'s investment in the country, are the result of well-defined business and management strategies: detailed information illustrating 2022 performance is contained in the Management Report documents of Gi Group S.p.A., Gi Formazione S.r.l., and the Management Report of the Consolidated Financial Statements. Based on the assessments made on investments in Italian subsidiaries, no impairment losses were identified.

INTERNATIONAL SCENARIO BY REGION

In 2022, the Group's foreign companies accounted for 53.4% (50.8% in 2021) of overall consolidated revenues.

Furthermore, all countries in the Group have individually achieved very significant revenue performance.

In detail, the country trends by Region are provided below:



[FIGURE 9 – THREE-YEAR EVOLUTION OF TURNOVER ACHIEVED BY INTERNATIONAL REGIONS]

The growth noted in the Western Europe region was driven by results from Germany and influenced by the acquisition of the Axxis French companies.
The Eastern Europe region has grown in terms of turnover, especially in Romania, but has not yet achieved the expected levels of profitability.
In the Central Europe region, companies in the Czech Republic have achieved significant results, while Polish companies have yet to reach their expected levels, especially from the point of view of profitability.
In the LATAM region, notable achievements were made by Brazil and Spain, which improved in terms of sales and profitability, Turkey, which achieved very significant growth (despite the negative economic effect of high inflation in the country) and Colombia, with the acquisition of the two new companies.
The APAC region, for almost the entire year on a like-for-like basis, saw Chinese companies achieving very positive results despite the difficulties of prolonged lockdowns, India growing and breaking even economically, and Switzerland confirming its remarkable growth of recent years.

In detail, the country trends by Region are provided below.

Germany Region

GERMANY

In 2022, the Group in Germany operated on 4 different business lines:

- Temporary Staffing, through the company Gi Group;
- Professional through the Grafton companies;
- Light Outsourcing through Gi Group Outsourcing;
- Assessment, through Thomas International, as a provider of assessment tools for human resources.

In 2022, the Group's total revenues in Germany amounted to Euro 214 million, an increase of 4.4% over the previous year (Euro 205 million).

The main development drivers of German companies are the supply of operators in the sectors of E-commerce, Logistics, FMCG, Food, with a specific focus on the automotive sector. The most important factor in this growth is the continued development of the e-commerce sector.

Currently, the two most significant pillars of the Group's supply in the German market are:

- online recruitment;
- the development of the Site Managed Services (SMS) workforce management model.

Germany saw record employment figures in 2022, thanks to economic growth, immigration and high labour market participation rates, despite the energy crisis and high inflation.
The Federal Statistics Office, Destatis, released the 2022 employment statistics: 589,000 more people were employed last year (up 1.3% from the previous year). Employment reached a record 45.6 million last year, the highest average level since unification in 1990 and 292,000 higher than the previous record set in 2019, before the pandemic outbreak and after more than a decade of economic growth.

By 2020, the Covid-19 pandemic crisis had ended the increase in the number of employed people that had been ongoing for 14 years, with a decline of 362,000. In 2021, employment rose again, albeit by just over 65,000.
Immigration with a high rate of foreign workers and high labour market participation by German citizens are the main reasons for employment at record levels in Germany. According to Destatis, these two trends have more than offset the braking effects of demographic change, which in any case will lead to a significant decline in the labour force in the medium term, barring any surprises on the immigration front.

Furthermore, according to a survey by the German Chamber of Industry and Commerce (DIHK), more than one in two companies in Germany (53%) do not have enough labour and are forced to reduce production volumes. Among the hardest hit sectors are industry and construction, with 58% of companies facing staff shortages. The situation is even worse in the health and social services sector. Currently, the outlook for the German economy is not overly positive, due to a shortage of workers especially for future-orientated sectors such as energy, digital or infrastructure expansion.

The main focus will be on optimising customer service and attracting new customers and candidates, with a focus on profitability.
The positive trend of economic results encountered in recent years, the steady increase in sales volumes, and the prospects for growth of the Country represented in the strategic plans, represent foundational elements for the assessments of the Directors of Gi Group Holding, from which it emerged that the value of the equity investment recognised in the 2022 Financial Statements, although higher than the shareholders' equity of the German companies, represents the recoverable value of the investment.

Despite this market environment, the Group's German companies in the first quarter of 2023 showed an increase in revenues compared to the same period in the previous year (+21%) and compared to Budget 2023 (+14.7%).
This positive performance is also reflected in the first margin and profitability for the period, which is higher than last year and the Budget.
This trend is expected to continue throughout the year, with positive expectations on result for 2023.

North Western Europe Region

UNITED KINGDOM

The Group operates through a variety of established business lines in the United Kingdom and Ireland:

- Temp & Perm Staffing operations, under the Gi Group brand, are the largest and provide services through a network of branches and SMS in more than 80 locations, which were joined by the newly acquired Encore Personnel operating structure at the end of September;
- Marks Sattin is the UK's leading professional search and selection company for roles primarily in finance and accounting, IT and computing, and is involved in Executive role searches through 7 locations, including the Dublin office;
- the Intoo brand provides Outplacement and Executive Coaching services;
- training services are delivered through the TACK TMI brand, which also supports the Employability Skills & Learning division by offering Gi Apprenticeships, which enable customers to use apprenticeship funding;
- the Grafton brand is active in the recruiting of White Collar professionals, including a range of technical specialists.

According to the Office of Budget Responsibility, the Bank of England and most forecasts, the UK economy will contract in 2023.

Despite government support for households to pay their energy bills, the cost-of-living crisis - with wage rates rising below inflation levels - will be felt, especially by consumers in lower income brackets.

Higher interest rates and higher mortgage rates, for those renegotiating low-cost fixed-rate agreements made in the zero-interest rate era, will put additional pressure on household finances.

This recession will be different from previous ones and will probably be shallow and long rather than deep.

The labour market remains robust, with many small businesses struggling to fill vacancies. Excess debt this time falls on the government's budget, as a result of the support plans implemented during the pandemic and the increase in energy bills, the seemingly inexhaustible financing needs of the national health care system, and, increasingly, the cost of servicing the public debt as interest rates rise or as a result of inflation-linked interest payments.

Government debt is one of the reasons why it is probable that the adverse economic conditions in Britain will endure. Frozen or reduced tax breaks on income, dividends and capital gains at a time of inflation-driven wage increases will push more people to pay higher tax rates. Furthermore, this effect will accumulate over time if the freeze is maintained as planned by the government over the next five years.

Inflation will drive up interest rates, as well as wages and interest costs on government debt. Without a further strengthening of energy prices, inflation is expected to fall during 2023, although from data provided by the IMF, inflation between 2022 and 2023 will fall by only 0.1%, from 9.1% in 2022 to an expected 9% in 2023, in a European context that, on the contrary, predicts a sharp slowdown.
The picture regarding the current economic performance of the United Kingdom is that compiled in the World Economic Outlook (WEO) where it appears that the British economy appears to be, in projections, alone in contracting, among the advanced economies, performing even worse than the Russian economy, the latter suffering as a result of strong international sanctions.
The link between GDP trends and Brexit is not one of simple correlation, but leaving the Union appears to have decreased British GDP by 4%, and this can be attributed to two phenomena: the sharp reduction in private investment, on average 19% lower than other G7 members, and the impact of the European labour shortage that occurred after leaving.
Although migration as a whole is currently, at the least, at pre-pandemic levels, the post-Brexit migration system has produced a clear break with pre-Brexit trends by reducing labour supply for a number of sectors.
In lower-skilled sectors, labour-related migration under free movement does not appear to have been replaced by the issuance of additional visas under the new system.
Data published by the UK in a Changing Europe and Centre for European Reform thinktanks revealed that by September 2022 there were 460,000 fewer workers of EU-origin in the UK than if the UK had remained in the bloc, only partially offset by an increase of about 130,000 non-EU workers. The net loss of workers amounts to approximately 1% of the labour force.
The number of EU citizens in the UK has decreased dramatically. According to the UK Office for National Statistics, approximately 43,000 EU citizens received visas for work, family or study in 2021, compared to the annual figure of between 230,000 and 430,000 in each of the six years prior to leaving the EU.
New immigration requirements introduced by Boris Johnson's government include a points system and a high minimum income requirement. Approximately half of the jobs in the British labour market are open to those from abroad if they have a qualifying job offer. However, this has resulted in a significant shortage of EU-origin workers in several sectors, including transportation and warehousing, wholesale and retail trade, accommodation and catering, manufacturing, construction and administration.
In recent months, however, the shortage of nurses and health and social workers has prompted the British government to seek bilateral agreements with non-EU countries to increase the number of workers from countries on the World Health Organisation's support and safeguard list, or "red list", countries that have shortages of nurses and doctors.
Despite the difficulties faced, in the UK and Ireland, Gi Group as a whole performed well, delivering robust year-on-year growth in margins and producing significant improvements in profitability and productivity.
Revenues showed a 10.3% decrease due to the decision to focus on customers with better margins; in fact, the first margin increased by 23% from the previous year.
A strong contribution to the positive performance was also made by significant growth in the Professional and Permanent business lines - Marks Sattin, Grafton, and Blue Perm.
In 2022, Temp & Perm Staffing operations were characterised by a review of the pricing policy to increase competitiveness, hedge against inflation, and boost profitability: these actions will continue in 2023, along with customer and sector mix assessments and commercial focus on Blue Perm.
In addition, organisational and strategic efforts in 2023 will be focused on integrating and creating synergies with Encore Personnel, a company established in 2002 that specialises in Blue Collar Staff, predominantly on a temporary basis (99% of revenues), and targeting industries throughout the UK, operating through approximately 850 customers with 10 branches positioned mainly in the Midlands.
Marks Sattin has been one of the best performing business areas, achieving excellent results and profitability in the year.
For 2023, further activity is planned, with more customer visits, 4 international desks that will also deal with US customers, and expansion with new branches in Bristol and Scotland (Edinburgh).
In 2022, Intoo achieved better overall results than in 2021, but still far from anticipated in the Budget. For career transition (outplacement) opportunities, this is still a difficult but improving market.
A significant part of the 2022 results relates to the provision of outplacement for the "Commonwealth Games" and several initiatives have been launched to promote internal Cross Selling, including the 90-day coaching offer included in the Marks Sattin and Grafton search proposals, now extended to Encore's customer base.
Grafton's business showed exponential growth in 2022, with new customers and business proposals.
Goals for 2023 include more expansion and development, with team growth from 27 Fee Earners to 40 in December 2023, and a larger geographic footprint, with new branch openings in Birmingham, Manchester, and

Leeds, and eventually leveraging synergies with Marks Sattin.
TACK TMI in 2022 had an excellent year in terms of growth, partly as a result of the global economic recovery after Covid-19.
TACK TMI has continued to add large customers to its portfolio from the Food and Beverage sector.
Two major acquisitions were made in order to increase its global presence and increase its academic capacity, particularly in the area of leadership development.
The Leadership Factory (TLF) is a specialised Leadership Development company based in Scotland. TLF's presence in the Group provides TACK TMI with access to niche customers in the UK and also to a faculty of academic experts.

In Malaysia, TACK TMI acquired a former licensee, gaining access into the South-east Asian market, which is expected to be larger than the European market for L&D for the first time in 2023.
In January 2023, TACK TMI was named as one of the world's top 20 sales training and enablement companies for 2022 by Training Industry magazine, the leading authority in the L&D industry globally.
Growth in the UK's funded training sector is expected to accelerate in 2023. Funded training has relatively high barriers to entry and will consolidate the growth of the UK segment.
The strategy remains centred on profitability, with a focus on sales activity, increasing margins, and diversifying the customer base.
A priority for 2023 will also be to invest in automation and digitisation of internal systems and tools to improve operational and business efficiency.
The Country's growth prospects, economic and strategic plans, and expected synergies from the investment made, lead the Directors of Gi Group Holding to believe that the operating losses are not of a lasting nature and that the equity investment recognised in the 2022 Financial Statements represents the recoverable value of the English companies.

THE NETHERLANDS

The Group in the Netherlands is active in several business lines:

- Temp and Perm and Move Up (Eu Flex): focused on achieving high volumes in staffing services (Blue Collar and White Collar);
- Grafton: specialising in professional search and selection in the fields of Sales & Marketing, Luxury & Fashion, Logistics & Supply Chain;
- Light Outsourcing;
- Payroll and Freelance Services.

From the statistical data, the Netherlands performs better than average in terms of employment, work-life balance, education, environmental quality, social relations, civic engagement, safety and life satisfaction.
An initiative has recently come out of the Netherlands, referred to as a "European best practice", that focuses on organising a system that can directly provide young people with clear and detailed information about the labour market, employment opportunities and career advancement.
The new method, so far successfully tested by the Dutch public service, is called "Graduate Tracking" and monitors the career path of graduates who have found a job, with a focus on two stages: the first, on employment trends one and a half years after graduation, and the second, ten years after graduation, thus also analysing the long-term effects of career choices.

The system was found to be reliable, as well as uncomplicated, based simply on four labour market indicators: permanent contracts, hourly wage, annual income, and time required to find a job deemed viable and responsive to one's needs. It is therefore seen as a very useful tool for providing students with essential information about the labour market and better guiding them in their study and work choices.
Gi Group is currently a small player in the Netherlands, ranked 69th in the "Flexmarkt Turnover ranking Top-100", with a 0.14% share of the Dutch market, which means considerable growth possibilities for the Group.
In 2022, in addition to the consolidation of the Gi Group and Grafton brands, the Marks Sattin brand was also launched, specialising in the professional search and selection of financial and accounting roles.
In 2022, Gi Group Netherlands continued on its growth path, recording a 13.5% year-on-year increase in revenues, and the first quarter of 2023 also shows 26% growth, which is expected to continue throughout the year.
For 2023, from the perspective of profitability, tariffs are being revised to align with price increases due to inflation and cost increases.
Contacts with customers with negative and/or low margins are therefore being renegotiated/replaced as a primary action to improve profitability.
In this sense, international mobility (IM) will be treated as an added value with a higher separate price.
Based on the strategic growth plans, which contemplate a significant increase in sales revenues and percentage margin, the Directors of Gi Group Holding believe that the losses incurred in 2022 are not of a lasting nature, and therefore consider it appropriate to maintain the value of the recognised equity investment unchanged in the Financial Statements.

DENMARK

TMI (Time Manager International A/S) is based in Skaevinge, Denmark and specialises in consulting and training.
Since last year, business and operational flows have been reorganised with Tack International in Great Britain, whereby the latter company has become TMI's sole customer, in order to concentrate and optimise the service provided through a network of partner companies around the world that provide innovative customised training solutions.

The company has a historic strategic positioning and achieves positive results that allow it to self-finance its operating activities and operate synergistically for Practice Training: in view of the assessments on these elements, the Directors of Gi Group Holding believe that the differential between the value of the equity investment and the company's shareholders' equity does not represent an indicator of impairment, as it is motivated by the value of the Danish company's synergies with the Group.

Central Europe Region

POLAND

In Poland, the Group provides a broad package of HR services to customers through its various brands:

- Grafton (White Collar searches, temporary staffing, outsourcing);
- Gi Group (Blue Collar recruitment and temporary staffing);
- Gi Group BPO (outsourcing);
- Wyser (middle and senior management hires);
- as well as being a licensee of training solutions from Tack & TMI and Thomas International.

All this results in significant business complexity on the one hand, but on the other provides unique value to customers and ample Cross Selling opportunities between brands.
In 2022, the Polish team accelerated the integration of all the aforementioned business lines and in particular the commercial activities carried out by the Group of companies acquired two years ago, achieving significant results in terms of profitability overall, with a first contribution margin of more than PLN 96 million.

From the analysis by business of the first contribution margin, the Grafton brand continued its development path, with 20% more than 2021, and in parallel, search and selection also showed more than 50% growth over 2021, and outsourcing realised an increase with BPO of more than 80% over 2021.
The sale of the group of Hungarian subsidiaries known as “Pro-Human,” positively affected the financial structure of the Polish parent company.
Considering the current business climate in Poland, it is important to highlight several macroeconomic indicators to monitor:

- estimated GDP growth in 2023 below +0.5%, due to a decline in both domestic (effect of interest rate hikes) and foreign (due to the geopolitical situation) investment. The public sector will focus on mitigating the effects of the energy crisis, with investments in defence and the launch of a number of projects under the National Recovery Plan (“KPO”);
- unemployment in 2023 in line with 2022, below 5%;
- inflation in 2023 will still be very high, in line with 2022 but not exceeding 14%;
- interest rates will remain high, in line with 2022, around 8%;
- finally, the effects of the increasing value of the minimum wage should be considered, which first rose from 3,010 zloty (USD 651.36) to 3,490 zloty (23rd January) and then to 3,600 zloty (23rd July).

In 2023, reorganisation operations among the Polish subsidiaries of Gi Group Poland S.A. will materialise through a comprehensive merger project that will lead to rationalisation and efficiency of the operational structure.
In relation to the businesses, potential for improvement is projected for 2023, starting with the more mature lines such as Gi Group and Grafton, and in parallel, the expectation of significant growth from Wyser and Outsourcing (BPO) with double-digit percentage growth in margins and profitability.
The Directors of Gi Group Holding believe that the income results of the Group's Polish companies, their growth prospects, the synergies and savings that will result from corporate restructuring, as well as the positive cash flows following the sale of the Pro-Human companies, are indicators of economic and financial equilibrium, with a view to business continuity for the Polish companies, and that the differential between the value of the investment recognised in the 2022 Financial Statements of Gi Group Holding S.p.A. and the shareholders' equity value of the companies is not an indicator of loss.

CZECH REPUBLIC

In 2022, despite the uncertainties of the market scenario, in the Czech Republic, the Group achieved an increase in revenues of Euro 16 million (+23.9% over the previous year), demonstrating the positive trend also with an increase in net income, compared to 2021: the four months between August and November, considered a high activity season, contributed more than 46% to the annual EBITDA.
Companies have reacted energetically to the ongoing pandemic situation in previous years, but 2022 was still a year of uncertainty and poor forward-looking visibility due to the war in Ukraine, which severely affected the global component supply chain. In addition, the war in Ukraine and the economic migration rules enforced in the Czech Republic have caused a decline in international mobility projects, which were - in 2021 - one of the main additional generators of profitability.
Furthermore, the year saw the extraordinary merger of Work Service Czech Republic into Gi Group Czech Republic, also succeeding in organisationally integrating the two structures through the implementation of common processes.

As the average inflation rate in the Czech Republic in 2022 came to 15.2%, it was decided to focus on projects for tariff adjustment (PIP), with the goal of maintaining or increasing the percentage trade. These PIP projects will continue into 2023.
This relevant rate of inflation also led to the gradual increase in interest rates by the Czech National Bank (7%), and this led us to implement specific internal rules to ensure proper cash flow consistent with the needs of the structure.

According to the Association of Staffing Agencies in the Czech Republic, GI Group is No. 1 in White Temporary recruitment, and, more generally, No. 2 in the Temporary business.
In terms of brand recognition, the Group is particularly known in the market through its Grafton Recruitment brand; in addition, thanks to the initiation of an internal SOP (Standard Operating Procedure) project, the Gi Group brand and the T&P line of business have been heavily promoted. As for internal employees, more than 500 hours of training classes have been conducted, partially supported through EU funds. It is also intended to continue to focus on staff training in 2023.
As for 2023, this will still be a challenging year due to multiple factors, such as the persistence of the war in Ukraine and its negative impacts, the unstable geopolitical situation, the trade war between the US and China, the lack of local and international candidates, potential changes in EU legislation, and the planned reform of the Labour Code in the Czech Republic.
In any case, the Group companies expect an improvement over 2022, with figures for the first quarter of 2023 reporting an increase in revenues of 25% over the same period last year and the first margin of 9%.
2022 ended with positive results in terms of profitability and cash generation, therefore, the Directors of Gi Group Holding believe that the differential between the value of equity investments recognised in the Financial Statements for the year and the companies' shareholders' equity is not an indicator of a permanent loss.

SLOVAK REPUBLIC

Over the past two years, the Group has also carried out major merger and reorganisation transactions in the Slovak Republic, where the number of companies has been reduced from 8 to 5, with several of the former Work Service (WS) entities being incorporated into the Gi Group structure, including from an operational perspective. Two more mergers are planned during 2023 in order to achieve a final structure consisting of only 3 companies.
In 2022, the first contribution margin grew by 22% from the previous year, despite the year being affected by uncertain economic forecasts, mainly due to the war in Ukraine and higher than average EU inflation.
The new Management, which took over in January 2022, has been working to correct and sometimes even implement completely new processes for both core Practices, T&P and Professional, as a necessity for the country's future development.

According to official APAS (Association of Personal Agencies) statistics, in the Slovak Republic, Gi Group ranks second in the temporary employment sector.
The main goal in 2023 is to expand the customer pool in both T&P and Professional, finalise the planned merger for the companies, and work on improving the consulting approach toward the labour market.
Despite the fact that 2022 did not end with positive net results, the Directors of Gi Group Holding do not consider these to be lasting losses and, based on the positive performance in the first few months of the year, potential synergies from merger and restructuring transactions, and the prospects for economic growth, they believe that the value of the equity investments recognised in the Financial Statements for the year is recoverable

HUNGARY

2022 was a year of significant growth for Gi Group in Hungary, despite the negative macroeconomic scenario at the end of the year.
All business lines grew by more than 30% over 2021, including Grafton, which was already ranked No. 3 among permanent recruitment service providers.
Overall gross margin increased by 52% over 2021.
The new business lines (Search & Selection and Temporary Staffing), focussing on the blue-collar and managerial segments, contributed by bringing an increase in margins.
Additional investments have been made in office space to accommodate the growing number of internal resources.
In addition, staffing in the HR, Marketing and Sales functions has been increased in order to ensure support for the growing business.
The organisation has reached a size of 74 FTEs as at December 2022, a record for the past 26 years of operation in Hungary.
Although the war in Ukraine did not directly impact the labour market and business opportunities in Hungary, dramatic increases in energy prices, high inflation and a weakening currency caused a technical recession toward the end of the year.
Customers, both branches of global multinationals and local companies, have slowed the growth trend of their workforce, which has led to fewer orders and a longer decision-making process, thus reducing Q4 productivity.
The inflation rate, above 20%, had a strong impact on operating expenses, leading to a downward trend in EBITDA toward the end of the year. The outlook for 2023 looks promising, starting the year with an extraordinary performance in terms of margins. However, the current macroeconomic environment, energy prices stabilising at a high level, volatile EUR/HUF exchange rates and high interest rates are pushing companies operating in Hungary toward a greater margin of caution in terms of investment.
Furthermore, Hungary's relatively low total labour costs make the country an attractive investment target, which manifests itself in an increasing number of foreign direct investments.
Based on the positive net income still achieved in 2022 by the Hungarian companies, the Directors of Gi Group Holding believe that the value of the equity investment recognised in the Financial Statements is recoverable.

Eastern Europe Region

ROMANIA

The Group operates in Romania through two companies, Gi Group Staffing Company and Barnett McCall, offering mainly temporary employment.
Thanks to emergency measures taken in previous years, the impact of Covid-19 in 2022 was zero. Temporary employment and outsourcing have driven revenues and operating margin growth with important results for the Country EBITDA.
2022 recorded the highest first contribution margin value in the company's entire history.
The shortage of candidates was addressed by internal mobility and the transfer of personnel from Nepal. In 2022, the number of Nepalis active with our customers exceeded 120, with high profitability.
The problem of internal staff retention has also been nearly eliminated through new policies on incentives, benefits, management training, and brand positioning. The Marketing function has begun to bring value in terms of new customers and candidates. We quickly climbed the rankings on all social media platforms, finding ourselves in the top 5.
The Search & Selection team, after a reasonable performance in 2021, began to bring value with a specific focus on the IT market. Grafton increased group volumes and consistency as did Gi Group permanent, which achieved record results.

For 2023, the strategy will be based on a number of cornerstones:

- further increasing the volumes on Temporary Staffing;
- quadrupling the number of Nepali workers;
- a push on sales with Grafton;
- neutralising the inflationary effect by renegotiating contracts with customers;
- increasing penetration of corporate customers (All Blacks).

Companies in Romania have not yet reached the expected break-even levels, generating the expected profitability for the country, but based on the multi-year plan and the initial performance in 2023, which is showing a 19.3% increase in revenues compared to the same period last year, the directors of Gi Group Holding believe that the loss is not of a lasting nature and therefore consider the value of the equity investment in the Romanian holding company to be recoverable.

BULGARIA

The Group in Bulgaria operates through three brands: Gi Group for permanent and temporary staffing, Wyser for search and selection, and TACK&TMI for HR consulting, training, and outplacement.
2022 saw the materialisation of several projects launched during the pandemic

period that enabled a full recovery of profitability. With the new team, Wyser has begun to contribute to corporate results.
Temporary Staffing / Outsourcing / Payrolling saw a very positive performance due to the acquisition of several corporate customers in retail and BPO. The Training division has returned to pre-Covid profitability.
The entire group of companies produced positive EBITDA, with a substantial over-budget for 2022.
Projects and goals to be achieved for 2023:

- International mobility to attract talent from Asia;
- Grafton start-up;
- Strengthening the internal marketing function;
- Strengthening the Tack&TMI team with the hiring of the new Director;
- Start-up of the "Gi Events" division;
- neutralising the inflationary effect by renegotiating contracts with customers;
- increasing penetration of corporate customers (AB).

Companies in Bulgaria generated positive results in 2022, which are continuing through 2023, therefore, the Directors of Gi Group Holding believe that the value of the investment in Bulgaria, including its holdings in Serbia, Montenegro, and Croatia, is not subject to impairment.

SERBIA, CROATIA AND MONTENEGRO

The Group operates in Serbia through three brands:
- OD&M Consulting Solutions, focussed on training and development, and HR consulting services;
- Wyser, focussed on search and selection services;
- Gi Group, through Gi Group HR Solution and Gi Group Staffing Solution, focussed on Staffing and Permanent Recruitment services.

The entities in Montenegro are:
- Gi Group Outsourcing, focused on Staffing and Permanent Recruitment services;
- Gi Group, focused on Training and Development and HR Consulting services;
- Career Team, focused on search and selection, learning and development, and HR consulting services.

The entities in Croatia are:
- Gi Group Staffing Solutions, focused on Staffing and Permanent Recruitment services;
- OD&M Consulting Solutions, focused on Training and Development and HR services;
- Wyser, focussed on search and selection services.

In 2022, the Adria-Balkan region (consisting of Serbia, Croatia and Montenegro) achieved positive EBITDA, exactly in line with the budget. The Temp business increased the number of FTEs and stabilised the relationship with existing customers. Training had an excellent performance but did not return to pre-Covid numbers. Wyser has seen a significant increase in orders.

Companies in Montenegro have managed to make a significant profit after several years of losses. This is through a focus on Search and Selection and Training.

Companies in Croatia also achieved positive EBITDA due to the expansion of the Zagreb office and focus on new customers.

Planned projects and goals for 2023:
- consolidation of the strategy of pushing Croatia with the start-up of Grafton;
- Grafton business start-up in Serbia;
- hiring a Business Manager dedicated to Temporary Staffing;
- activation of the Marketing function for all countries.

RUSSIA

The Group is headquartered in Moscow and operates through three companies in the market: Gi Group for temporary staff, Wyser for Search and Selection activities, and OD&M for HR consulting and training.
The war strongly impacted Russian operations with immediate effects on profitability. This situation had the following main impacts:

- a closure of foreign activities and thus almost a complete cessation of activities on our customer portfolio;
- the presence of a climate of uncertainty with concurrent investment freeze;
- extreme variability in the exchange rate and inflation trends.

Therefore, the country ended the year with a loss, albeit a minimal one considering the compact size of the business.
Plans for 2023 include no new investments in Russian companies, as well as a goal of maximum reduction in costs of the facility.

TURKEY

The Group has provided Search & Selection and Outsourcing services in Turkey since 2015.
In Turkey, and internationally, there is much anticipation for the outcome of the presidential and parliamentary elections in May.
The country experienced a deep economic crisis in 2022, the average inflation rate is 72.3% compared to 19.6% in 2021. After months of soaring prices, it was only in December that consumer prices fell at a rate of 64.3%, mainly due to lower oil prices, on whose imports Turkey largely depends to meet its domestic needs.
Consequently, at the beginning of the year, there was the tragedy related to the earthquake that devastated ten provinces in southern Anatolia, bordering Syria, causing perhaps the most serious humanitarian crisis in modern Turkish memory.
Gi Group in Turkey operated in 2022 with very satisfactory results:

- revenues of Euro 14.7 million, an increase of 61% over the previous year and 30% over the Budget for the year;
- first contribution margin of Euro 3.5 million, an increase of 53% over the previous year and 45.1% over the Budget for the year;
- EBITDA of Euro 692 thousand, an increase of 38.75% over the previous year and 780% over the Budget for the year.

In 2023, the Group's companies in Turkey will undergo a change of management with a new country manager and a structural reorganisation process, whereby the current corporate structure will be changed.
In the first quarter of 2023, companies are still showing an increase, compared with the same period of the previous year and the Budget, in both revenues and margins, demonstrating the Group's positive expansion trend in Turkey.
The positive results achieved in recent years, strategic goals, and growth prospects, despite the negative elements of inflation and the current economic environment, lead the directors of Gi Group Holding to believe that the value of the equity investment recognised in the 2022 Financial Statements represents the recoverable value of the Turkish companies.

UKRAINE

The Group operates in Ukraine through Gi Group Ukraine LLC, with an office in Lviv.
The war has disrupted almost all business activities in Ukraine.
Commencing the week after the war outbreak, the Group implemented the following manoeuvres:

- secured our workers by moving them to Poland;
- closed the Kiev office;
- used our Polish foundation to raise and donate funds for refugees;
- organised a refugee help desk with the Ukrainian team;
- used the Ukrainian team as the back office for various regional operations.

Despite the unfavourable economic situation in 2023, the Group will continue to finance operations in Ukraine with the intention of supporting and sustaining people and providing relief, at least financially.
When preparing the 2021 Financial Statements, it was decided to fully write down the equity investment in the company in Ukraine on the basis of the ongoing conflict, which unfortunately has persisted for more than a year.

LATAM & South Western Europe Region

BRAZIL

In 2022, the direction of Brazil's economic policy for the next four years began to become clearer.
Therefore, there seems to be a trajectory that amplifies the pessimism recorded in the markets on the eve of last October's elections: the perceived risk is that the president's third term will not resume the path of fiscal responsibility that marked his first presidency, reverting instead to the so-called "New Economic Matrix": a mix of massive increases in government spending and abandonment of the "macroeconomic tripod" (large primary surpluses, inflation targeting regime and flexible exchange rate).
Despite this backdrop, the Group's operations in Brazil experienced strong double-digit growth and very significant increases in revenues, gross margin, and EBITDA.
These results are the consequence of an ongoing commitment to providing high quality services and correctly communicating the company's competitive advantages, such as its extensive geographical coverage, the 360° integrated service offering and customer-centric governance model, in one of the most complex markets in the world.
Last but not least, the company was listed, for the first time in history, in a popular and well-known financial magazine, in Brazil's Top 1,000 largest companies in the sector.

The growth of the Brazilian companies, demonstrated in the significant volumes of revenues and profitability, and the investment achieved, despite the negative effects of the economic environment, make it possible to consider Brazil as one of the Group's most prominent countries, consolidated in the local market: the Directors of Gi Group Holding believe that the differential between the value of the equity investment recognised in the 2022 Financial Statements and the value of the Shareholders' Equity of the Brazilian subsidiaries is not an indicator of a permanent loss.

ARGENTINA

2022 was a significant year for Gi Group's Argentine companies.
Current contracts with a major Italian and an Argentine energy company and with the Italian Consulate were maintained and/or renewed, where contracts were also awarded in other locations such as La Plata and Mar del Plata.
The tender for a 4-year contract with the Italian Institute for Foreign Trade was also won. The Search and Selection business line continued to develop, with 266% growth (beating estimated inflation by 85%).
The most notable development was the purchase of the No. 1 company in the Outplacement market, Assioma (Bruno

Matarazzo y Asoc), which added 17 million in revenues, and although subsequent operating costs were substantial due to essential restructuring, it is believed that by 2023 it will become one of the pillars of the service nationwide.
The operations of the Argentine companies, the new investment, and the break-even levels achieved over the years, despite the negative effects of the current economic situation and currency fluctuations, lead the directors of Gi Group Holding to believe that the equity investment recognised in the 2022 Financial Statements represents the recoverable value of the companies.

COLOMBIA

In 2022, the Group reached an important milestone by completing its second acquisition in the country, allowing the company to enjoy exponential growth:

- revenues multiplied x 12;
- FTEs multiplied x 7;
- internal staff multiplied x 10;
- positioning in the top 20 HR solutions market;
- inclusion of Advance Outsourcing service (Gi BPO and C2C) in the portfolio.

In 2022, the Focun Group was acquired, which was founded more than 30 years ago and operates as a multi-brand company in the field of personnel and business process outsourcing. The company provides employment for more than 6,000 people, with headquarters in Bogotá and an additional 9 offices located in major Colombian cities.
The integration process began in May 2022 and was very challenging, but it was approached with a clear integration plan and the full support of the Group, regionally and centrally. Gi Group Colombia thus acquires significant capabilities to continue growing in the market with significant geographic coverage and a people-centered strategy.
To enjoy sustainable growth, the first priority was to create a Steering Committee with 9 positions: Country Manager, T&P Business Manager, BPO Business Manager, Sales Manager and Functional Manager, CFO, HR, Marketing, IT and Legal.
Subsequently, the Gi-Talent project was launched, to assess all employees and initiated a management programme focused on soft-skills.
On the business side, TEMP & PERM and BPO were the two main business units that supported growth.
The BPO business unit was positively affected by double-digit growth in existing customers, and Temp & Perm experienced significant development in Logistics, Finance, Healthcare, and Technology.
A flagship office was opened in Bogotá mid-year, creating a unique environment to serve customers, candidates and workers. A 3-year plan was also laid out that includes a second office in Bogotá, a headquarters and new branch in Medellín, and the re-establishment of offices in Cali and Barranquilla.
Based on this development and the significant investment made, the directors of Gi Group Holding believe that the equity investment recognised in the 2022 Financial Statements represents the recoverable value of the investment.

FRANCE

For the French companies, 2022 was the first full year after the acquisition of the Axxis companies in mid-2021, with all the subsequent steps associated with the integration process.

Growth in France resulted in revenues of Euro 162 million, with adjusted EBITDA of Euro 2,429 thousand.
The results for the year are thus represented by:

- significant revenue and margin growth in relation to Grafton & Axxis Formation services;
- slight growth for Temp & Perm due to difficult market conditions and the time and resources devoted to the integration processes of recent acquisitions.

Since the beginning of the year, France has been rocked by serious protests and strikes against the pension reform that has now become law. At the heart of the reform is a gradual raising of the retirement age: while people in France currently retire at 62, with the passage of this reform, they will retire at 64 from 2030.
The bill sought by Macron includes not only an increase in the legal retirement age from 62 to 64, but also an increase in the contribution period required to take a full pension, from the current 42 to 43 years. However, this joint raising is likely to create inconsistencies, penalising the most fragile segment of the population, characterised by an early start to their working careers.
Other elements of the reform penalise precarious workers, e.g. the whole-career counting for the pension balance that does not take into account the precariousness of work and the decrease in "career jumps", or the fact that the age for obtaining a full pension is raised to 43 years of paid contributions.
There are no predictions in terms of the duration of these protests or potential political impacts, but from the first quarter 2023 results, French companies are experiencing revenues in line with the previous year, with a slight increase in margins.
As part of the new projects, goals and development strategies for 2023, the entire French group will start using new tools, such as CRM and GIRM, in the first quarter, and significant

growth is planned for the Professional and Search & Selection businesses, with the hiring of 25 consultants and the opening of new branches (Lyon, Bordeaux and Lille).
Axxis Formation is also expected to grow strongly, by 25%, and with increased profitability.

The Directors of Gi Group Holding believe that, based on the investment made in 2021 and the synergies that are emerging after the integration, in terms of volume and cost efficiency, the losses achieved in 2022 are not of a lasting nature, and that the value of the equity investment recognised in the Financial Statements represents the recoverable value of the French companies.

PORTUGAL

In an overall very positive economic environment (Portugal's 2022 GDP = 6.7%), the Group in Portugal, in the seventh year since its establishment, registers, as in the previous year, significant positive results in all key indicators, in terms of revenue growth (+34%m compared to 2021) and marginality.
Against an overall inflationary backdrop (Portugal's average 2022 inflation = 7.81%), a series of actions were put in place that allowed for a significant overall reduction in DSO, as well as targeted strategies by division:

- Staffing: in a context of low unemployment, 6%, down 0.6 percentage points from 2021 and the lowest value since 2002, it was strategically decided to invest in improving digital processes for attracting and sourcing candidates, allowing for the market to be outperformed again in this financial year;
- Permanent: volumes up from the previous year, accounting for a total of 28% of the first contribution margin;
- Outsourcing: intensive commercial activities were established, aimed at expanding the customer portfolio, which allowed sales volumes to double for the third consecutive year, with EBITDA growing 85% over 2021.

The positive results achieved, the strategic objectives, and the considerations articulated regarding the management of 2022, lead the Directors of Gi Group Holding to believe that the value of the equity investment recognised in the 2022 Financial Statements represents the recoverable value of the Portuguese companies.

SPAIN

2022 was a year of discontinuity for the Group's companies, in fact, the "reforma laboral", the reform achieved through an agreement reached on Christmas Eve 2021 between trade unions, government and employers, came into effect in the Spanish labour market.
Since last January, fixed-term contracts have become possible only in two circumstances that both require temporary hires: in cases where there is an occasional increase in production or where it is necessary to replace, again temporarily, a worker.
Among the contracts witnessing a substantial surge, there are also the so-called permanent discontinuous contracts, i.e., open-ended contracts designed for seasonal workers, which have grown eightfold since 2009: this is because the legislation stipulated that seniority was to be calculated on the basis of length of employment, not actual periods of service.
For workers, this is a guarantee of stability and for companies an investment in skilled labour.
There are reforms that penalise labour and others that provide employment with new momentum: what has happened in the Iberian country demonstrates this, with triple-digit boom numbers: open-ended contracts grew by 238.4% between January and November 2022.
Gi Group Spain ETT generated revenues of Euro 142 million (Euro -2.6 million compared to 2021).
This decrease is due to adjustment to the radical change resulting from the implementation of the new labour reform during the first quarter of 2022. This effect has been completely offset by the focus on profitability (improvement of margins per customer and increase in Permanent business).
Therefore, the gross margin increased from 7.73% in 2021 to 9.29% in 2022 (Euro +1,535 thousand).
The Search & Selection business unit (Wyser) consolidated the positive performance shown in the previous year by achieving EBITDA of Euro 442 thousand (Euro +224 thousand compared to 2021). The Grafton launch was also quite successful (positive EBITDA of Euro 85 thousand).
The BPO business unit generated revenues of Euro 31.8 million (Euro +9.3 million). Profitability declined slightly due to price pressure from several customers linked to the Logistics sector.
In 2022, the Group's Spanish companies, in total, achieved Revenue and EBITDA levels of Euro 178 million and Euro 3.6 million, respectively.
Growth can be seen with both figures, namely Euro 7,322 thousand and Euro 1,178 thousand respectively, compared with the previous year. The focus on profitability is manifested in the increase of EBITDA to Revenues by 0.6% (2.06% in 2022 compared to 1.43% in 2021).
Net profit (loss) was a positive Euro 282 thousand (Euro +672 thousand compared to 2021).
The Spanish economy grew more than expected in the first quarter of 2023; in fact, according to the flash estimate released by

the National Institute of Spain (INE), there should have been 0.5% quarter-on-quarter GDP growth, up from +0.2% in the previous quarter.

This growth is also reflected in an increase in Spanish companies' revenues (+3.4% compared to the first quarter of the previous year) and profitability (+44.5% compared to the first quarter of the previous year).

The Group's strategy is focused on growth of volumes compared to its competitors, but with the aim of enhancing and preserving margin levels and economic stability, increasing the companies' profitability: on this basis and with the profitable trend of 2022 and the prospects for the current year, the Directors of Gi Group Holding believe that the value of the equity investment recorded in the 2022 Financial Statements represents the recoverable value of the Portuguese companies.

APAC – Switzerland – Baltics Region

INDIA

The Group has been operating in India for several years and is specialised in the businesses of Search & Selection and Temporary Staffing.
2022 was a very positive year for Gi Group in India, with a significant increase in temporary workers, revenues and margins, and the increased productivity of the Search & Selection team.
The Sales Department has driven an increase in large customers in the portfolio, with a particular focus on Logistics. The new salespeople brought in achieved the desired productivity, and it was decided to further increase the size of the Sales Team.
Projects related to corporate wellness, inclusiveness and Sustainable Working have been replicated and amplified. The Apprenticeship project is in full development.
In 2022, India defied global trends by registering record activity and remaining among the fastest growing economies in the world.
Despite economic headwinds due to external factors, such as the post-pandemic fallout, supply chain disruptions due to the ongoing conflict between Russia and Ukraine, and potential recessionary pressures from developed economies, the World Bank has revised India's GDP forecast upward for 2022-23: this resilience can be attributed to India's large domestic markets and the government's continued efforts to strengthen supply through reforms with programmes such as PLIs, national logistics reforms, and promotion of the convenience of doing business through digitisation.
The central government's commitment to significantly increase capital spending in 2023, despite the target of a lower fiscal deficit of 5.9% of GDP, will also stimulate demand. The services sector, aided by the recovery of tourism and other contact services, will grow strongly in 2023 and 2024, as the impact of manufacturing growth in 2023 is expected to be dampened by weak global demand.
2023 will be a year of further investment given the health of the Indian economy: in the first quarter of the year, the Group's Indian companies increased revenues by +7.8% over the first quarter of 2022 and +5.2% over the Budget for the same period.
The aforementioned growth prospects and the positive results in terms of profitability for 2022 lead the Directors of Gi Group Holding to believe that India is a mature country for the Group and that the value of the equity investment recorded in the 2022 Financial Statements represents the recoverable value of the Indian companies.

GREATER CHINA

The Group has a presence in China offering temporary staffing and permanent services,

search and selection, and training proposals.
Gi Group Holding holds an interest in Hong Kong and an interest in China in the newly established holding company, which is the result of a reorganisation process of the corporate structure in China.
The main offices are in Beijing, Shanghai, Guangdong, Jiangsu, Zhejiang and Hong Kong, thus serving diverse geographical areas.
In total, the Group has 52 operating branches and 21 Site Managed Services (SMS) in China.
Gi Zhejiang is currently a member of major labour market associations, holding the position of Chair of Ningbo HR Association, Deputy Chair of Shanghai Association and Zhejiang HR Association.
Gi Beijing Co., Ltd. is a Group company active in the Search & Selection sector (Middle Management and Executives) operating through the Wyser brand, with 6 branches in Beijing, Shanghai, Guangzhou, Shenzhen, Suzhou, Ningbo and Hong Kong.
Approximately 120 consultants, who have an average of 8 years of experience, currently work together, and the company is able to offer professional services in 9 different areas.
The global context and personalised service result in a positive response from customers.
In 2022, the Chinese economy suffered from an extended lockdown, with entire cities closed overnight for months, and by the end of the year, with the reopening, a highly intense wave emerged, causing the paralysis of many companies. Despite these unfavourable conditions, Gi Group in China posted another record year, thanks to the investments made the year before.
Search & Selection and Permanent suffered the most, while Staffing achieved record results both in terms of margins and the number of temporary workers. Outsourcing invested by strengthening the group, as well as the Corporate Sales Team and the Tender Office, to enable collaborations with large multinationals.
The beginning of 2023 is still witnessing remnants of the wave of pandemic, but we are beginning to see signs of rebound.
Based on the continued growth of the Country and the trend of positive results, despite the difficulties of recent years, mainly due to the pandemic, the Directors of Gi Group Holding believe that the equity investments in the Hong Kong holding company, Hitech Personnel Agency Co. Ltd. and the newly formed company Gi Group Holding China Co. Ltd. represent the recoverable value of the investment in the entire Chinese group.

LITHUANIA

The Baltic States area experienced months of emotional, political and, of course, economic tensions in 2022.
Business activity has been heavily affected by the Russian invasion of Ukraine.
The labour market has been affected by the disproportionately high inflation rates, with peaks of 22%, which initially made applicants cautious and then favoured moves for higher salaries.
Gi Group Lithuania's performance followed these trends, and rapid adaptation was necessary, which impacted Country results. Professional business has in turn been impacted by the hiring freezes implemented by many companies. Despite these elements, the Outsourcing business remained stable, as did Staffing in which a senior sales figure was hired as planned. Initiatives in support of welcoming and employing Ukrainian refugees who have arrived in the territory have also been reported.
The most significant news of 2022 for Gi Group in the Baltics was the year-end acquisition of CVO/Simplika, one of the leading companies in the Baltics for recruitment and staffing in the professional sector. Through this acquisition, Gi Group also expands its territorial presence in Latvia and Estonia, as well as consolidating in Lithuania.
In 2023, the focus will be on integrating the two structures in order to achieve synergies on both business and structural costs.
Given the enhancements and investments carried out, as well as the positive results and expected growth prospects of the Country, the Directors of Gi Group Holding believe that the value of the equity investments recognised in the 2022 Financial Statements represent the recoverable value of the companies.

SWITZERLAND

Gi Group in Switzerland was established in 2015 and operates in the Ticino region.
Gi Group Switzerland's 2022 began with remaining uncertainty stemming from a market slowdown due to international crises and global commodity shortages.
The professional business, on the other hand, experienced a record year partly due to the acquisition of large customers.
However, by the middle of the year, the market picked up, and objectives were met and exceeded.
The Group also operates in Switzerland with Jobtome, which conducts business internationally in 33 countries, specialising in advertising activities supporting candidate sourcing initiatives on digital channels.
Our customers are traffic brokers of online work offers and large companies that have high volume sourcing needs, often focused on 'blue collar' profiles.
Currently more than 60% of revenues is from North American customers, followed by customers based in Western Europe.
2022 was a good year for the company for the favourable market situation due to the sharp

increase in demand for ‘blue collar’ profiles from all players in the logistics supply chain to support e-commerce and last-mile delivery activities. The level of revenues also increased due to the increased focus - by customers - on the quality of traffic and candidates provided.

The main change in 2022 was the acquisition in November of the Eupro group of companies, which have a presence throughout Switzerland with 20 branches.
As for inflation, the forecast set at the end of the first quarter by the Swiss National Bank (SNB), which raised its benchmark rate by 50 basis points to 1.5% on 23rd March, remains relatively high.
Inflation is expected to reach 2.6% in 2023 and 2% in 2024 and 2025: inflationary pressures are particularly weighing on food and beverage companies. These premises highlight the difficult start that Group companies are experiencing in the first quarter of 2023, with an impact on realised profitability, but to date the Group can boast a nationwide presence in Switzerland, through the support of the new acquisitions, and is preparing for the integration of several companies, to be realised in 2023, with achievement of internal synergies and further development of large customers.

Based on the growth prospects and the trend of positive results in recent years, the Directors of Gi Group Holding believe that the value of equity investments recognised in the 2022 Financial Statements represent the recoverable value of the investments made in Switzerland.

USA

USA

In mid-2020, the Group launched operations in the United States through the asset deal to purchase the Outplacement business unit of a Californian company, which offers career transition and career coaching services digitally to workers of all levels, being able to rely on a team of more than 100 career consultants specialising in different industries.
The Californian-based company had developed an innovative proprietary technology: in addition to its entry into the US market, by adopting this platform as the global standard, the Group aims to support multinational companies in more than 80 countries worldwide, establishing itself as an international player in the field of career transition.

Being a start-up company, INTOO US is still going through a growth phase that requires financial resources to support development, the launch of commercial operations, and structural costs for delivery.
Consequently, on the basis of the negative economic results accumulated and the prolonged period of development, which affected the future recovery plan of the investment, the directors considered it necessary to proceed with a reduction in the equity book value of the investment, providing for a write-down of Euro 1 million in the 2022 Financial Statements, as the losses achieved by the US company during the year are not considered recoverable.

Operating performance, lines of development and major initiatives by Business

TEMPORARY AND PERMANENT PRACTICE

The 2022 budget was built on the basis of a still uncertain forecast of the trend in the temporary staffing market, recently released from the Covid era and having faced several phases of rebound.

At the beginning of 2022, the already identified and expected problems (supply chain disruption impacting many of the Group's core sectors, difficulties in the post-Covid recovery of several countries and market segments, structural candidate and labour shortages now in most European markets) were compounded by the war outbreak in Ukraine to make the overall situation even more difficult.

Nonetheless, 2022 closed with a total Revenue volume of more than Euro 3 billion, a result basically in line with the target (-2% compared to the Budget), but with Gross profit, 4% higher than the Budget.

The last month of 2022 also saw the historic peak of temporary workers, with a total value of more than 150,000 FTEs.

At the overall level, this performance can be considered more than satisfactory, considering the uncertain market scenario: it was more challenging to reach the expected level of volume, but the Practice was able to significantly compensate at the Gross profit level, generating more value for the company.

Within this scope, the role of Professional Staffing and the impact of Permanent were significant.

For 2023, with the same uncertain scenario, even more challenging targets have been set: a 10% growth in Turnover and 14% growth in Gross Profit. Therefore, it will be necessary to considerably concentrate on margin development and higher value products to materialise the growth difference between volume and Gross Profit.

Strategically, it will be possible to achieve these objectives if:

- the focus on volume development will be maintained, particularly on corporate customers;
- actions for development and percentage margin increase are accelerated;
- the resources invested are fully utilised with an improvement in overall productivity.

From the perspective of market coverage, 2022 was a year of operational restructuring. Improvements are detectable in Central Europe, particularly in Poland, where the current team has a stable organisational structure.

From the point of view of product development, in 2022 the position of the Professional in Italy (Hirevo division) was consolidated and on the basis of the skills gained in Italy, the

foundations were laid for the start-up of the division in 9 other countries, formally started at the beginning of this year under the "Gi Pro" brand.
The strategic role of this product is very relevant, not only because of its improving impact on the overall percentage margin, but also because it represents a response to an increasingly common need among customer companies, and finally lays the foundation for the structural management of passive candidates in a business normally based on active candidates.
In parallel, the management of International Mobility, an active solution in seven European countries with flows from various countries in and out of Europe, was also strengthened.
The outbreak of war in Ukraine created a sudden discontinuity in migration flows to Central European countries (Poland and Slovakia first and foremost), making the difficulty of finding candidates in these countries much more critical. As the availability of Ukrainian workers disappeared on a prolonged basis, new catchment areas, particularly Asian ones, had to be identified and explored.
Gi Pro and International Mobility are two solutions that contribute to percentage margin improvement and are part of a programme to reposition Staffing from a commodity to a progressive value construct for customers, until volume and value leadership is achieved.
Other actions that are part of the same path are the revision of commercial agreements and conditions with customers (to absorb the impact of inflation and to adjust the cost of service), the constant proposition of additional services, and the design of integrated service solutions.
At the same time, the reinforcement of the value proposition was accompanied by a marketing and communication strategy to support repositioning, with the production of white papers, industry trend research with proprietary data, salary surveys, brand ambassadors and high-level events.

Finally, Gi Group Holding's investment in Digital Innovation continues, particularly for its core business. Part of the roadmap for developing technology solutions to support the business are:

- the roll out of an integrated global suite to cover all major operational processes and related data intelligence for strategic operations targeting;
- the integration of a programmatic sourcing engine into the ATS for performance measurement and optimisation of recruitment investments;
- the development of an automated enhanced qualification and communication system with candidates, with the goal of maximising database utilisation and shortening time to hire.

These initiatives, combined with the structuring in most countries of centralised candidate recruitment and qualification teams, are aimed at improving effectiveness while also increasing productivity and operational efficiency.

SEARCH AND SELECTION BUSINESS

In 2022, the Group continued its growth momentum in relation to Search & Selection, already started in 2021 following the restart after Covid.
Search & Selection's 3 key brands - Grafton, Wyser, and Marks Sattin - grew 20% overall over 2021 in terms of Gross Profit. This increase is due to a combination of both organic development in Countries, and expansion into new Countries.

Grafton, the Brand dedicated to the recruitment of Professional and White collars, which accounted for 48% of the Search and Selection business in 2021, grew by 10% due to the strong performance of the historical Central European countries (Poland +18% and Hungary +38%), the rapid development of countries where the business was launched in the last 3 years (France +65%, UK +66%, Romania +78%, Turkey +89% and Brazil +133%) and the success of the new start-up in Spain and Switzerland.
In 2023, it is planned to continue this development plan by strengthening existing countries and introducing Grafton into 4 countries where the Group is already operating.

Wyser, the Brand dedicated to recruiting management and senior management positions, which accounted for 29% of the Search and Selection business in 2021, grew by 26% over 2021 due to the strong performance of all countries led by the largest existing businesses: Italy +26%, China +19%, Poland +53%, Spain +20% and Turkey +57%.
In 2023 it is intended to continue the development plan, strengthening existing Countries and introducing Wyser into a country where the Group is already operating.

Marks Sattin, the UK-based brand with a strong historical track record in hiring for Corporate Finance, Financial Services, Private Equity, and Technology, which accounted for 23% of the Search and Selection business in 2021, also performed strongly in 2022 with 33% growth over 2021 in the UK, successfully launching Marks Sattin in the Netherlands.
The goals for 2023 are to continue the development plan, strengthening our existing countries and introducing Marks Sattin to new territories.

It should also be noted that the Search & Selection business is also present in India, with the “Elixir” brand, which performed extremely well in 2022 (+26%).

In 2023, improvements will continue to be made to the digital platform to improve candidate searches and strengthen international synergies among all consultants, worldwide, to enable them to share experiences, feel connected, and bring out the added value of being part of a rapidly growing international organisation.

OUTSOURCING BUSINESS

Practice Outsourcing reached significant levels in 2022 and continued the trend of significant growth.

Revenues reached Euro 193.5 million, up from Euro 149.3 million in the previous year (+29.60%). Gross Profit increased by 34.45% over 2021, and EBITDA also increased by 40.6% over the previous year.
These figures are even more significant due to the fact that growth is primarily organic, as in 2022 only the acquisition of ESI Colombia was integrated into the Outsourcing Practice. Among the positive results of countries, it is also necessary to highlight Brazil’s performance in 2022, as a country that is charting the course of the evolution and profitability of the Practice.

The main reasons for this profitability and positive results are as follow:
- a clear strategy and positioning as an Advanced Outsourcing provider;
- ‘responsibility for results’, as Gi BPO is the specialised Advanced Outsourcing partner that takes responsibility for results through flexibility, lasting relationships and a strong work ethic;
- development and continuous value addition in the three specialisations: logistics and industrial processes, field marketing, and back office and digital processes;
- focus on productivity (use of technology tools, Lean methodology, process re-engineering and updating the Outsourcing Business Model).

The global scenario for 2023 is complex for all sectors; however, Outsourcing is expected to follow the current growth trend by leveraging advantages and exploiting opportunities in niches such as logistics for e-commerce, in mapping services, and in Back Office processes.
Finally, in terms of expansion, in 2023, Outsourcing will commence business in the United Kingdom, one of the largest markets in the world.

OUTPLACEMENT BUSINESS

Outplacement is the business that identifies paths structured and tailored for the individual and his or her own professional objectives.
Outplacement, with its expertise in the job market and the ability to assess individuals’ potential and therefore their employability, has facilitated the development, by Intoo, of a series of services focused on safeguarding long-term employability.
In 2022, Intoo strengthened its expertise in projects that support companies during transformation phases, including mergers or acquisitions, digitalisation, managing multiple generations in the workplace, the advent of new organisation or technologies, significant evolution of roles and required skills, managing seniors and protecting their know-how.

Intoo’s structure interacts, through strong international synergy, with all members of Career Star Group (a global organisation with a presence in 102 countries of which Intoo is a founding member) to effectively explore companies that are seeking a global partner and to support Managers who wish to relocate abroad.

Outplacement in Italy is underutilised compared to other European countries, some of which have made it mandatory (France, Belgium, Spain for redundancies over 50 people, Finland). This is a service that by law must still be offered by the ‘laying-off’ company, cannot be acquired by the individual, and has been used by large companies albeit offered on a discretionary basis.
Therefore, not all outgoing employees benefit from this opportunity, often the service is offered as a last resort to avoid a conflict, very often the option for monetisation is presented, and in that case the person rarely opts for outplacement support.
Recent policies have pushed towards passive welfare instruments (citizenship income and NASpI 24 months primarily with no special requirements for proven proactivity), which have contributed to the lack of spread of a culture based on individual proactivity. The emergence of public active policy tools has not encouraged the spread of outplacement services in major corporate restructuring.

The structure of global Outplacement contracts, which mostly correspond to logics specific to foreign countries where corporate decisional offices reside, such as the United States, focus on a logic of low cost volume, which reflects a perception of the service as a commodity.

Throughout 2022, the Italian company Intoo maintained all web-based services during the pandemic period to promote widespread discussion across Italy, exchange of information and networking, and group stimulation. Therefore, in 2022 new webinars and workshops were effectively integrated into the range of services offered to candidates in individual Outplacement: the strictly individual path provided by Intoo includes a parallel group dimension that effectively offers opportunities for practical simulations, but above all, discussion and exchange.

Dialogue with the United States is a constant stimulus towards intelligent use of technologies, which aim to streamline the entire informational aspect of the journey, offering an exciting and dynamic customer experience throughout. Intoo Italy, thanks to this dialogue, has initiated better use of marketing automation techniques for communicating with companies and has continued to develop its digital platforms.
Dialogue with Intoo in the UK allows for continuous stimulation in relation to the evolution of communication materials, where the UK excels.
In June 2022, the two market-leading outplacement companies in Brazil and Argentina were acquired by Gi Group, and the Practice worked on their integration into the Group, from a business model, technology, reporting, and systems perspective.

TRAINING BUSINESS

The Training Practice provides learning solutions, methodology and support to many global companies. The Tack TMI brand has a global network of affiliated partners and offers a full suite of classroom, virtual and asynchronous educational content.

The Practice, led by a team based in the UK, where it operates, also has companies in Italy, Bulgaria, Serbia, Russia, Brazil and many other countries, and its core business is solving customer's business problems by developing the training of their staff, particularly in the areas of leadership, sales and personal effectiveness. Over the years, it has developed and proposed solutions that can develop new skills, aimed at creating a culture of customer service, individual performance improvement, with the support of a wide network of consultants and solution designers.

In 2022, the L&D practice had a very positive year in terms of growth, with the recovery from Covid-19. Tack TMI has continued to add large customers to its portfolio, from the food and beverage sectors to retail. Two major acquisitions were made to expand its scope of operations and increase its academic and training capacity, particularly in the area of leadership development, including through the new acquisition, The Leadership Factory.

In January 2023, UK-based Tack TMI was named as one of the world's top 20 sales training and enablement companies for 2022 by Training Industry magazine, the leading authority in the L&D industry globally.

Tack TMI's goal in 2023 will be to evolve its digital offering and support the growth of other Tack TMI licensee companies globally. In addition, further results are expected in the UK through the funded training channel: funded training has relatively high barriers to entry and will consolidate the growth of Group Training in the UK.

FOCUS ON RELATIONSHIP WITH LARGE CUSTOMERS

The core business of Gi Group Holding is represented by Temporary and Permanent Staffing activities, through the Gi Group brand, but increasingly frequently, the need to broaden the value proposition and to view the customer holistically, in order to explore all possible ways of collaboration, requires an approach that is both unified and diversified at the same time, as the increasingly pervasive tendency to centralise the action of purchasing and evaluating HR services means that large customers, in particular, require a partner who is not only capable of engaging in all territorial discussions, but also for all HR services they may potentially need, based on the phase of evolution or contraction within their own reference framework.

In this sense, the creation of the Holding Company sought to identify exactly a break from the past perception that often concerned the service proposition of what - until April 2022 - had been Gi Group. In fact, the misunderstanding arising from the desire to represent all services at the most important tables under the "sole" Gi Group brand risked creating false projections in the mind of the customer or prospect, who ended up reading the list of services as a "part of" Temporary Staffing, indirectly causing - on one hand - a narrative confusion regarding any other Practice capable of positioning itself as a partner in relation to the most relevant counterparties and - on the other hand - diminishing the proactive strength of higher value-added services, often seen as accessories and essentially an offshoot of Temporary Staffing, thus susceptible to a downgrading evaluation.

By already expanding the Corporate business base, bringing the number of Large Customers to 955, which represent the focus of Gi Group Holding, along with their progressive growth and a deeper understanding of their internal dynamics, Gi Group Holding has been able to reduce the risks associated with seasonal fluctuations in individual sectors, betting on a broader foundation and counter-cyclical or emerging business segments.

To this end, the process of relationship management and development has been further strengthened: while there are International Sales Directors who are responsible for the relationship with the HQs of the aforementioned customers or potential customers, the need to preside over the offshoots of the 955 Corporations identified in markets considered key by Gi Group Holding, has resulted in the team being enriched with two professionals capable of presiding over the following areas, namely Poland and the Iberian Peninsula. This meant that more timely local management, proceeding from established relationships with HQs, achieved a significant multiplier of the business actions put in place, capable of immediately impacting the results of the countries involved.

The gradual decline of the Covid impact has meant that new opportunities have been generated, even considering a strong challenge in the Oil&Gas environment, due primarily to the issue of the Russian-Ukrainian war that has created problems for the sector. In fact, the latter has also led to the relocation of several production lines to neighbouring countries of the attacked nation, resulting in significant delays in the provision of support, only to then transform into sudden and complex increases in demands. Not least, the return of tens of thousands of Ukrainian workers to their homeland has affected, in no small measure, the possibility of labour supply, making it all the more necessary to resort heavily to an International Mobility thrust increasingly toward the Far East for Blue Collar roles, particularly Indonesia, the Philippines, Nepal, and - looking to South America - particularly Argentina for engineering and technical roles. This ability to find solutions has had a positive effect on economic results, on the perception of Gi Group Holding as a global and innovative supplier, and on raising overall margins, given the complexity of the response suggested to customers.

Precisely such articulated solutions, together with an exponential growth in pure recruiting services for the purpose of direct and other hires, meant that while overall turnover ended up growing by 10%, Gross Profit, on the other hand, rose by 20%, as the overall percentage margin rose, by one percentage point, representing a relevant counter-trend that also bodes well for the year ahead. Determined to continue in that direction, Global Corporate Sales has added an additional resource for search and selection services, dedicated to the increasing applications to participate in tenders concerning those areas.
It is worthwhile underlining how the crucial corporate objective of insisting on Sustainable Labour has increased in step with its commercial activities. It has effectively highlighted a strong level of governance on issues considered essential, increasingly accompanied by the paramount values that inspire the Gi Group Holding, focused on tangible operative solutions connected to delivery actions and the management of urgent situations. Many of the solutions chosen to safeguard minorities and to dispel misconceptions related to gender, religious or sexual differences, have proved to be an exception driver of appreciation by customers and a powerful attractive factor for candidates who have appreciated and experienced the fair approach implemented by Gi Group Holding at every latitude.

Looking ahead to 2023, the Group's prospects are set to be boosted by further acquisitions already completed in 2022 and potential ones in 2023. The goal is to build upon the Group's outstanding performance in the previous year by introducing new roles, expanding the Global Corporate Sales Team, diversifying specialisations, strengthening geographical presence, and involving individuals who can push the boundaries of the Temporary and Permanent Staffing lines of business. This will be accomplished through closer collaboration with each Practice Leader and a more decisive exploration of the world of innovation and digitalisation, in which Gi Group Holding aspires to excel.

3.3

The Group's economic and financial performance

The Consolidated Financial Statements for the year reflect the financial position and changes, including the 2022 financial results, of a single economic entity, Gi Group Holding and its subsidiaries, distinguished from the plurality of legal entities comprising it.
The Group's economic strategies are aimed at implementing measures designed to preserve the company's economic, equity and financial balance, in compliance with the principle of business continuity, as provided for in Article 2423 bis of the Italian Civil Code.
On this basis, upon consolidation all intragroup transactions and mutual balances of the companies within the scope of consolidation were eliminated, because they represented the transfer of resources within the Group.

The Management Report should be read in conjunction with the financial accounts and related Notes, which are integral parts of the Consolidated Financial Statements.

As set out in the Notes to the Gi Group Holding Consolidated Financial Statements, it is specified that in relation to the balance sheets of the newly acquired companies, the pro quota economic values were allocated, attributing the resulting difference to the item "Retained earnings/(losses carried forward)".

It should be noted that with regard to IFRS 16 and its significant economic and capital impacts, the Consolidated Financial Statements indicators also calculated net of the effects of IFRS 16 are presented below.

Finally, the values considered in the Financial Statements indicators, with reference to Net profit (loss) and Shareholders' equity, relate to the total, that is, with inclusion of minority interests.

REVENUES (IN THOUSANDS OF €)	YEAR ENDED 31ST DECEMBER	
	2022	2021
TOTAL REVENUES AND OTHER INCOME	**3,692,938**	**3,286,552**
OF WHICH: REVENUES FROM CONTRACTS WITH CUSTOMERS	3,624,829	3,227,907
OPERATING PROFIT (LOSS)	**90,061**	**70,017**
PRE-TAX PROFIT (LOSS)	**77,560**	**63,502**
NET PROFIT (LOSS) FOR THE YEAR	**54,041**	**40,495**
OF WHICH:		
- NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	54,681	41,991
- NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS	(640)	(1,496)

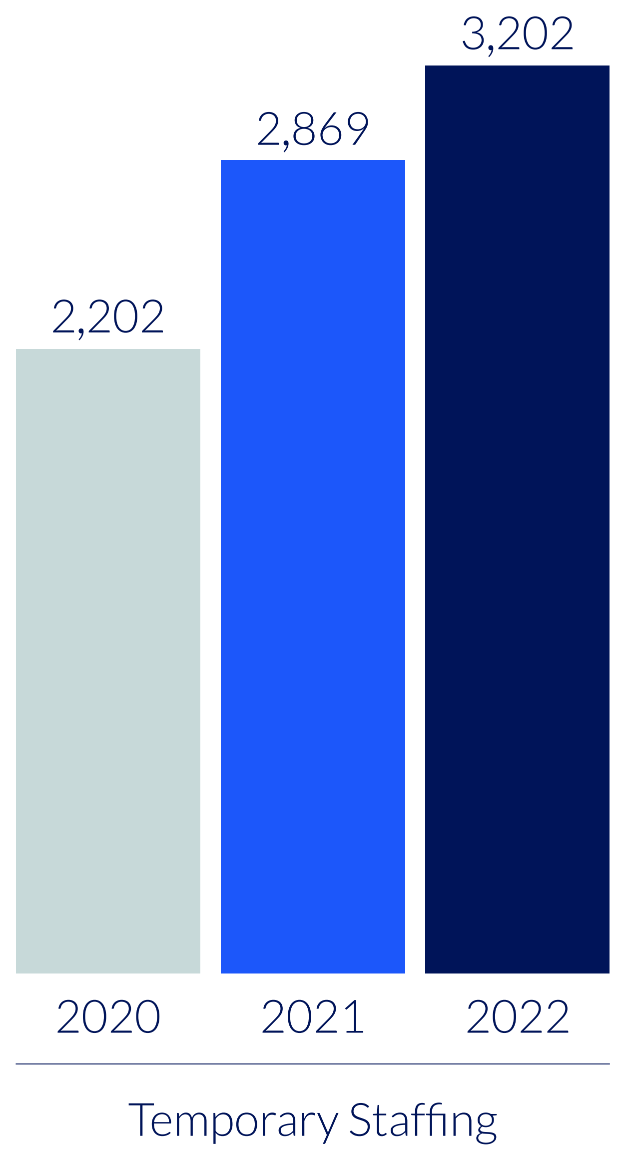
The following table represents the reclassification of the Consolidated Income Statement on a management accounting basis, with the following items:

- Area of operations, concerning the core business of the Group, mainly including revenues from temporary staffing and labour costs;
- Non-core income, including positive and negative revenue items of secondary activities vis-a-vis the core business; the main figures relate to training activities of temporary staff in Italy, for Euro 25.2 million;
- Financial income, with financial income and expenses for financial debts to credit institutions;
- Operating tax results, including current taxes and deferred tax assets and liabilities.

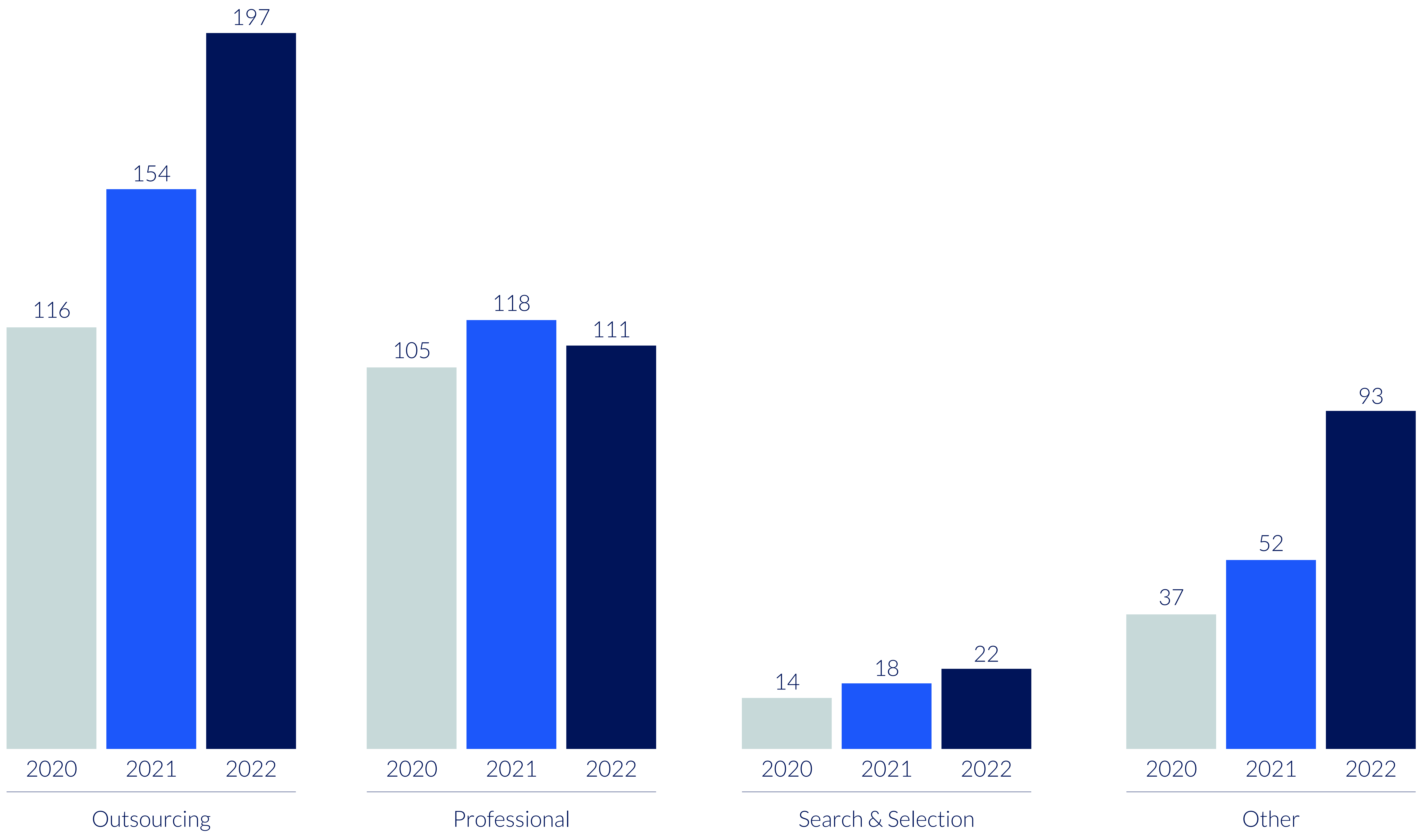
RECLASSIFIED GROUP INCOME STATEMENT (IN THOUSANDS OF €)	FY 2022	%	FY 2021	%	CHANGES
REVENUES FROM CONTRACTS WITH CUSTOMERS	3,624,829	100%	3,227,907	100%	396,922
VALUE OF PRODUCTION	**3,624,829**	**100%**	**3,227,907**	**100%**	**396,922**
PERSONNEL COSTS	3,273,340	90.30%	2,957,559	91.62%	315,781
ADDED VALUE	**351,489**	**9.70%**	**270,348**	**8.38%**	**81,141**
COST OF GOODS AND SERVICES	262,103	7.23%	198,351	6.14%	63,752
PROFIT (LOSS) FROM OPERATIONS	**89,386**	**2.47%**	**71,997**	**2.23%**	**17,389**
OTHER OPERATING REVENUES	68,109	1.88%	58,645	1.82%	9,464
OTHER OPERATING COSTS	22,708	0.63%	21,282	0.66%	1,426
EBITDA	**134,787**	**3.72%**	**109,360**	**3.39%**	**25,427**
AMORTISATION/DEPRECIATION AND PROVISIONS AND WRITE-DOWNS	44,727	1.23%	39,343	1.22%	5,384
EARNINGS BEFORE INTEREST AND TAXES – EBIT	**90,060**	**2.48%**	**70,017**	**2.17%**	**20,043**
FINANCIAL INCOME/(EXPENSES)	-12,500	-0.34%	-6,515	-0.20%	-5,985
GROSS PROFIT (LOSS)	**77,560**	**2.14%**	**63,502**	**1.97%**	**14,058**
INCOME TAXES	29,034	0.80%	21,656	0.67%	7,378
COSTS/(REVENUES) FROM DISCONTINUED OPERATIONS	5,515	0.15%	-1,351	0.00%	6,866
TOTAL NET PROFIT/LOSS	54,041	1.49%	40,495	1.25%	13,546
OF WHICH, PROFIT/LOSS PERTAINING TO MINORITY INTERESTS	-640	-0.02%	-1,496	-0.05%	856
PROFIT OF THE GROUP	54,681	1.51%	41,991	1.30%	12,690

As at 31st December 2022, the Group's revenues amounted to Euro 3,625 million, compared with Euro 3,228 million in the previous year, showing an increase of Euro 397 million, or 12%.

As can be seen from the graphs below, the Group's businesses grew over the previous year, detectable from both organic growth and acquisitions:

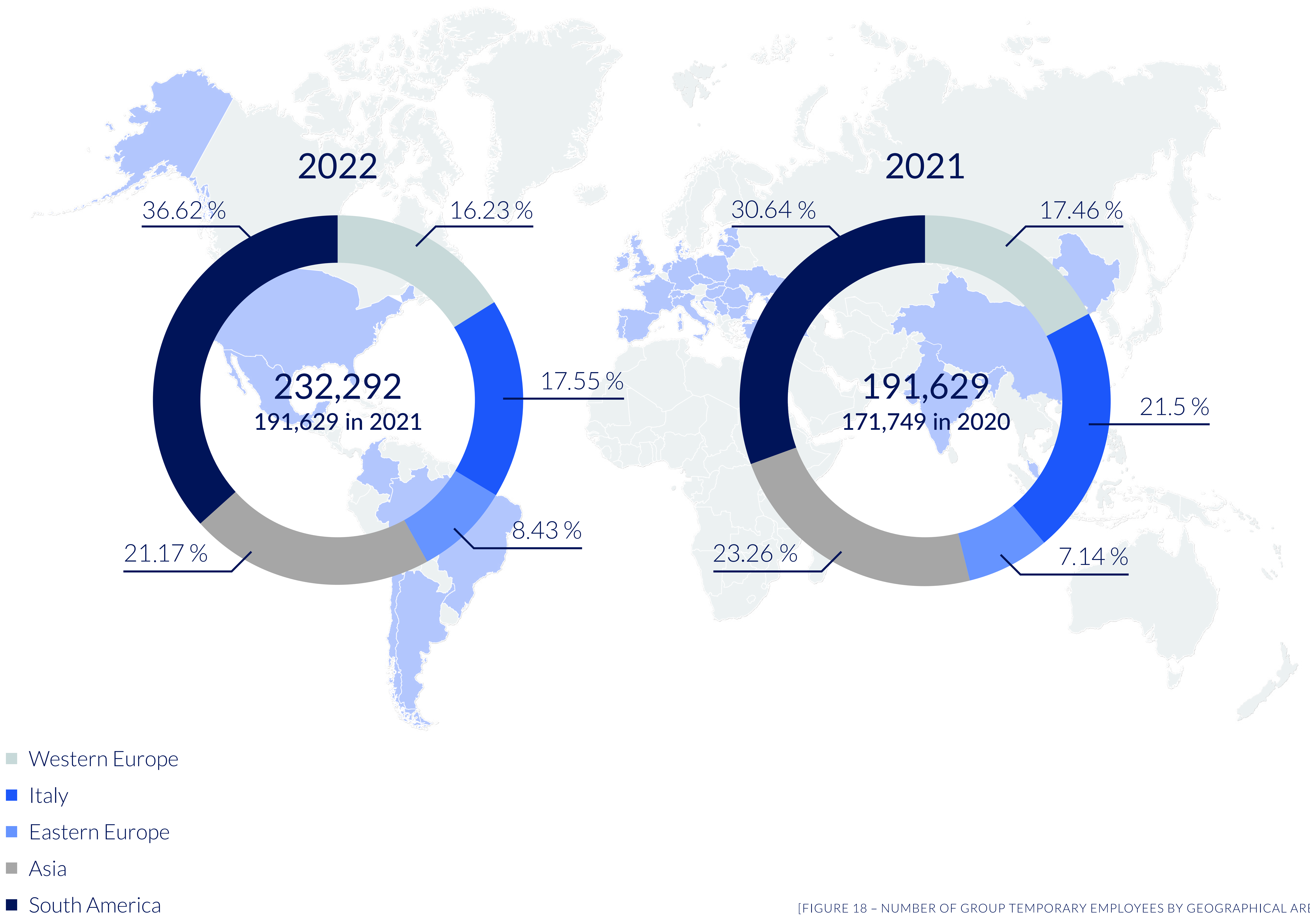


[FIGURE 16 – EVOLUTION OF REVENUES FROM CONTRACTS WITH CUSTOMERS FOR TEMPORARY STAFFING]



[FIGURE 17 – EVOLUTION OF REVENUES FROM CONTRACTS WITH CUSTOMERS BY PRACTICE]

Regarding Temporary Staffing, in 2022, globally, the Group managed an average of more than 232 thousand monthly temporary employees, as shown in the figure below:

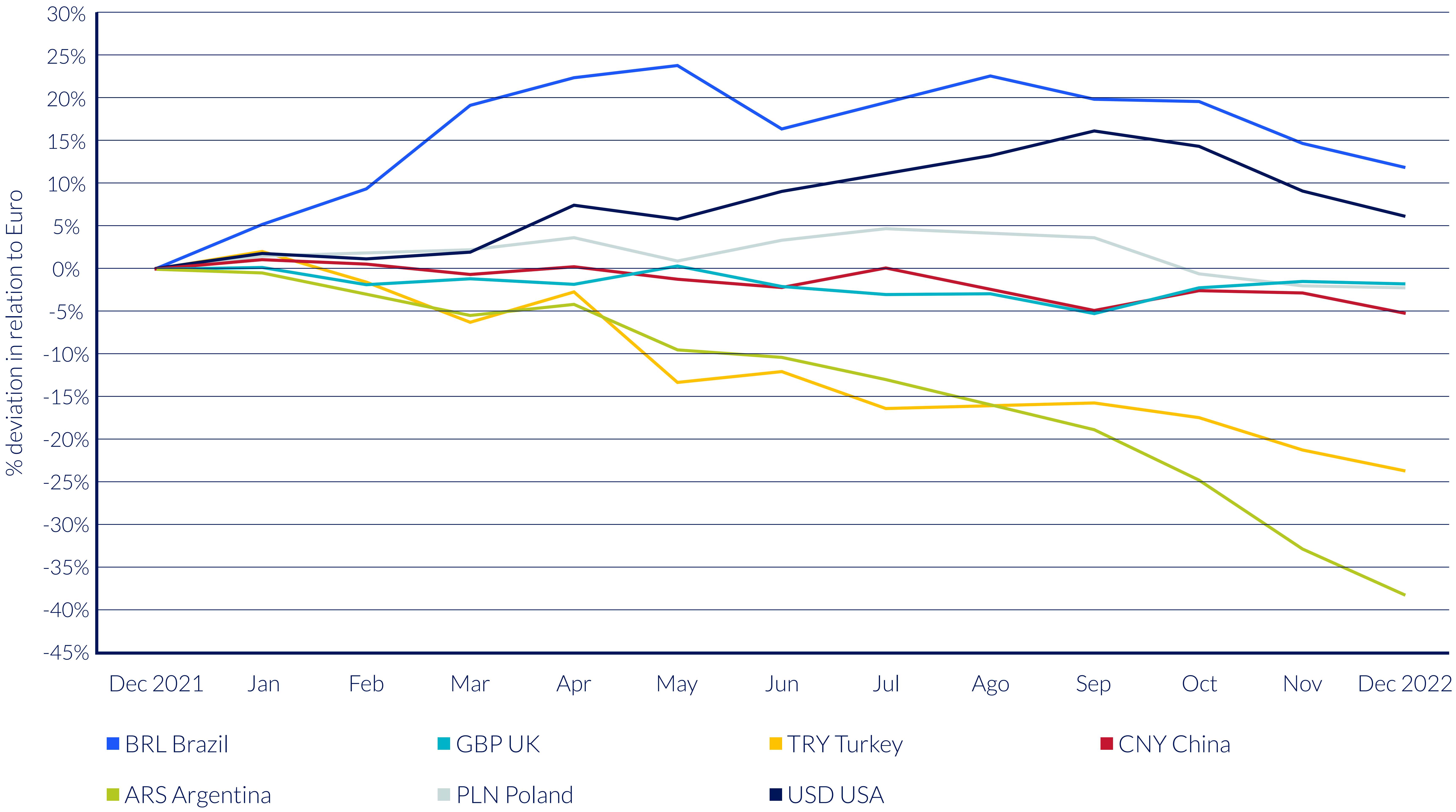


[FIGURE 18 – NUMBER OF GROUP TEMPORARY EMPLOYEES BY GEOGRAPHICAL AREA]

The boost in the growth of temporary employees per Region came from Colombia, with the acquisition of T&S, and Brazil, which had a notably positive performance in 2022.

Among the elements impacting the Group's economic results, the dynamics of currency fluctuations in the Group's major countries should also be considered.
2022 has been the year of the US dollar, driven first by its traditional role as a "safe haven" (i.e., refuge) in geopolitical and military crises (such as that in Ukraine) and then by the greater relative speed of the Federal Reserve (the US central bank) compared to other central banks in carrying out the manoeuvre of readjusting interest rates to the changing global inflationary environment.
The strength of the American currency has been demonstrated against all major European or Asian currencies, leading the US dollar's trade-weighted index to rise by over 20% by the end of September compared to the levels at the beginning of 2022.
The Chinese Renminbi has been particularly weak throughout the year, primarily due to the strict anti-Covid measures imposed by the Chinese government, resulting in repeated sporadic lockdowns across the country.

Below is a chart with the monthly trend of the differences in the main current exchange rates at month-end, compared to the rates in early 2022:



[FIGURE 19 – MONTHLY TREND OF DEVIATION OF MAJOR CURRENT EXCHANGE RATES EOM]

The Group achieved a profit of Euro 54 million as at the end of 2022, compared with Euro 40.5 million recorded in 2021 (+33.3%).

The Net profit for 2022 includes depreciation and amortisation and allocations to provisions totalling Euro 39.5 million, detailed as follows:

- amortisation and depreciation equal to Euro 37.7 million, of which Euro 20.8 million related to the portions of Leasing recognised during the year;
- provisions totalling Euro 1.8 million for the period, deriving from impairment of trade receivables and generic risks.

In the table below, the economic indicator that measures the incidence of the cost of financial debt (= total financial expenses - Financial expenses item in the Income Statement) on the volume of activity (Total revenues and other income item in the Income Statement):

INDICATOR OF THE INCIDENCE OF FINANCIAL EXPENSES			
		FY 2022	FY 2021
INCIDENCE OF FINANCIAL EXPENSES	FINANCIAL EXPENSES / TOTAL REVENUES AND OTHER INCOME	0.32%	0.27%

INDICATOR OF THE INCIDENCE OF NORMALISED FINANCIAL EXPENSES NET OF IFRS 16 EFFECTS			
		FY 2022	FY 2021
INCIDENCE OF FINANCIAL EXPENSES	FINANCIAL EXPENSES / TOTAL REVENUES AND OTHER INCOME	0.25%	0.21%

The main financial indices for the economic results of the Group are listed below.

ROE (Return On Equity) represents the resources generated by the overall operations of the company, by comparing profitability with equity.

ROI (Return On Investment) expresses the maximum remuneration that operations may produce with the financial assets grouped in terms of debt or risk capital, whatever the financing method and tax policies.

ROS (Return On Sales) is the profitability rate of sales.

PROFITABILITY INDICATORS (IN %)			
		FY 2022	FY 2021
ROE NET	NET INCOME / EQUITY	27.88%	28.76%
ROE GROSS	GROSS INCOME / EQUITY	40.01%	45.09%
ROI	OPERATING PROFIT (LOSS) / (OPERATING INVESTED CAPITAL - OPERATING LIABILITIES)	27.15%	21.19%
ROS	OPERATING PROFIT (LOSS) / REVENUES FROM CONTRACTS WITH CUSTOMERS	2.48%	2.17%
FINANCIAL EXPENSES / TURNOVER RATIO	NET FINANCIAL EXPENSES / TURNOVER	0.30%	0.24%

NORMALISED PROFITABILITY INDICATORS NET OF IFRS 16 EFFECTS (IN %)			
		FY 2022	FY 2021
ROE NET	NET INCOME / EQUITY	27.58%	29.13%
ROE GROSS	GROSS INCOME / EQUITY	39.69%	45.30%
ROI	OPERATING PROFIT (LOSS) / (OPERATING INVESTED CAPITAL - OPERATING LIABILITIES)	26.95%	20.93%
ROS	OPERATING PROFIT (LOSS) / REVENUES FROM CONTRACTS WITH CUSTOMERS	2.39%	2.14%
FINANCIAL EXPENSES / TURNOVER RATIO	NET FINANCIAL EXPENSES / TURNOVER	0.23%	0.17%

Statement of Assets and Liabilities:
Below are the main indicators of the Statement of Financial Position, presented according to the logic of financial type as at 31st December 2022, and compared with the figures as at 31st December 2021:

(IN THOUSANDS OF €)	AS AT 31ST DECEMBER	
	2022	2021
ATTIVITÀ		
TOTAL NON-CURRENT ASSETS	338,200	274,288
TOTAL CURRENT ASSETS	889,883	815,062
ASSETS HELD FOR SALE	-	48,125
TOTAL ASSETS	**1,228,083**	**1,137,475**
LIABILITIES AND SHAREHOLDERS' EQUITY		
TOTAL SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP	195,900	144,227
SHAREHOLDERS' EQUITY OF MINORITY INTERESTS	(2,035)	(3,405)
TOTAL SHAREHOLDERS' EQUITY	**193,865**	**140,822**
TOTAL NON-CURRENT LIABILITIES	**200,113**	**227,960**
TOTAL CURRENT LIABILITIES	**834,105**	**755,016**
LIABILITIES HELD FOR SALE	-	13,677
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,228,083**	**1,137,475**

Non-current assets include investments in property, plant and equipment and intangible assets: the value of investments for 2022, excluding Goodwill and capitalised assets according to IFRS 16, is Euro 7.3 million, while it amounted to Euro 17.0 million in the previous year.

Current assets show a significant increase, particularly related to trade receivables, resulting from the inclusion of acquisitions and from the main Italian subsidiary Gi Group S.p.A., in connection with the increase in turnover volumes.
This change in liquidity is reflected in an increase in payables to banks, included in **Current liabilities**.

Non-current liabilities include medium- to long-term loans taken out by the Group against the use of government-approved emergency measures to support business continuity and facilitate access to credit.

Following are some indicators showing the Company's structural soundness in maintaining its medium-to-long term financial balance:

FINANCING INDICATORS FOR NON-CURRENT ASSETS (IN THOUSANDS OF € AND IN %)		FY 2022	FY 2021
NON-CURRENT ASSETS TO EQUITY CAPITAL MARGIN	EQUITY - NON-CURRENT ASSETS	-113,232	-108,283
NON-CURRENT ASSETS TO EQUITY CAPITAL RATIO	EQUITY / NON-CURRENT ASSETS	63.13%	56.53%
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-LONG TERM DEBT MARGIN	(EQUITY + CONSOLIDATED LIABILITIES) - NON-CURRENT ASSETS	86,997	119,677
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-LONG TERM DEBT RATIO	(EQUITY + CONSOLIDATED LIABILITIES) / NON-CURRENT ASSETS	128.33%	148.04%

NORMALISED NON-CURRENT ASSET FINANCING INDICATORS NET OF IFRS 16 EFFECTS (IN THOUSANDS OF € AND IN %)		FY 2022	FY 2021
NON-CURRENT ASSETS TO EQUITY CAPITAL MARGIN	EQUITY - NON-CURRENT ASSETS	-36,028	-41,923
NON-CURRENT ASSETS TO EQUITY CAPITAL RATIO	EQUITY / NON-CURRENT ASSETS	84.28%	77.24%
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-LONG TERM DEBT MARGIN	**(EQUITY + CONSOLIDATED LIABILITIES) - NON-CURRENT ASSETS**	**103,930**	**136,760**
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-LONG TERM DEBT RATIO	**(EQUITY + CONSOLIDATED LIABILITIES) / NON-CURRENT ASSETS**	**145.36%**	**174.73%**

Financial standing:

As at 31st December 2022, the Group's net financial debt amounted to Euro 256 million (Euro 207 million in 2021) and included lease liabilities arising from the application of IFRS 16 amounting to Euro 80 million (Euro 70 million in 2021) and financial liabilities for commitments on acquisitions amounting to Euro 17 million; net of the latter components, net financial debt would have been Euro 159 million (to be compared with Euro 119 million in 2020).
The increase in net financial debt is mainly attributable to investments made, new financial commitments, and the increase in IFRS lease debt.

The following table summarises the Group's net financial debt:

NET FINANCIAL DEBT (IN THOUSANDS OF €)	FY 2022	FY 2021
CASH AND CASH EQUIVALENTS	(152,870)	(184,818)
SHORT-TERM FINANCIAL PAYABLES	225,842	196,589
MEDIUM/LONG-TERM FINANCIAL PAYABLES	68,553	92,743
NET BANKING DEBT	**141,525**	**104,514**
FINANCIAL PAYABLES DUE TO FACTORING NET OF RECEIVABLES	18,864	10,862
FINANCIAL PAYABLES (COVID LOANS)	3,135	3,500
OTHER FINANCIAL PAYABLES	1,199	334
FINANCIAL PAYABLES TO PARENT COMPANIES (UNCONSOLIDATED)	0	13,680
ACCRUED EXPENSES FROM INTEREST ON LOANS	367	195
OTHER FINANCIAL PAYABLES	**23,565**	**25,072**
DERIVATIVE FINANCIAL INSTRUMENTS	(4,940)	(134)
OTHER FINANCIAL RECEIVABLES	(1,427)	(2,660)
FINANCIAL RECEIVABLES	**(6,367)**	**(2,795)**
ITALIAN ACCOUNTING ORGANISATION (OIC) NET FINANCIAL DEBT	**158,723**	**126,791**
FINANCIAL PAYABLES FOR ACQUISITIONS (COMMITMENTS)	**17,325**	**10,641**
NON-CURRENT LEASE LIABILITIES	60,272	49,277
CURRENT LEASE LIABILITIES	20,141	20,595
FINANCIAL LIABILITIES FOR LEASES	**80,413**	**69,871**
IFRS NET FINANCIAL DEBT	**256,461**	**207,438**

Included within the items that make up Group debt are:

- financial payables to Factor, for transfers mainly with recourse (Italy, France, Central Europe);
- financial payables for commitments on acquisitions, which include, in accordance with international accounting standards, the Earn-outs to be paid for acquisitions, mainly for Switzerland, the Baltics, Colombia and France, and the potential exercise of the call/put option for the purchase of the minority assets for the subsidiary in the USA.

The composition of debt at Italian level and for foreign subsidiaries is presented below.

NET FINANCIAL DEBT 2022 (IN THOUSANDS OF €)	ITALY	ABROAD
CASH AND CASH EQUIVALENTS	(81,048)	(71,822)
SHORT-TERM FINANCIAL PAYABLES	152,777	73,065
MEDIUM/LONG-TERM FINANCIAL PAYABLES	68,553	0
NET BANKING DEBT	**140,282**	**1,243**
FINANCIAL PAYABLES DUE TO FACTORING NET OF RECEIVABLES	4,044	14,820
FINANCIAL PAYABLES (COVID LOANS)	0	3,135
OTHER FINANCIAL PAYABLES	(24)	1,223
FINANCIAL PAYABLES TO PARENT COMPANIES (UNCONSOLIDATED)	0	0
ACCRUED EXPENSES FROM INTEREST ON LOANS	162	205
OTHER FINANCIAL PAYABLES	**4,182**	**19,383**
DERIVATIVE FINANCIAL INSTRUMENTS	(4,940)	0
OTHER FINANCIAL RECEIVABLES	2	(1,429)
FINANCIAL RECEIVABLES	**(4,938)**	**(1,429)**
ITALIAN ACCOUNTING ORGANISATION (OIC) NET FINANCIAL DEBT	**139,526**	**19,197**
FINANCIAL PAYABLES FOR ACQUISITIONS (COMMITMENTS)	**10,913**	**6,411**
NON-CURRENT LEASE LIABILITIES	40,331	20,806
CURRENT LEASE LIABILITIES	11,508	7,767
FINANCIAL LIABILITIES FOR LEASES	**51,839**	**28,573**
IFRS NET FINANCIAL DEBT	**202,279**	**54,182**

For further information on said items, see the relevant paragraphs of the Notes to the 2022 Consolidated Financial Statements.

The liquidity or solvency analysis represents the company's ability to maintain a financial balance in the short term and therefore pay expected expenses in the short term with existing liquid assets and short-term expected revenues.

The following table shows the solvency indicators' values:

SOLVENCY INDICATORS (IN THOUSANDS OF € AND IN %)		FY 2022	FY 2021
CURRENT RATIO	(CURRENT ASSETS) / (CURRENT LIABILITIES)	1.07	1.08
CASH MARGIN	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) - CURRENT LIABILITIES	61,116	68,984
CASH RATIO	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) / CURRENT LIABILITIES	107.33%	109.14%

INORMALISED SOLVENCY INDICATORS NET OF IFRS 16 EFFECTS (IN THOUSANDS OF € AND IN %)		FY 2022	FY 2021
CURRENT RATIO	(CURRENT ASSETS) / (CURRENT LIABILITIES)	1.09	1.11
CASH MARGIN	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) - CURRENT LIABILITIES	81,257	89,579
CASH RATIO	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) / CURRENT LIABILITIES	109.98%	112.20%

Finally, we report below several financial indicators in relation to the Group's soundness to assess the incidence of only the debts incurred to meet financial needs and the totality of debts in relation to equity:

INDICATORS IN RELATION TO THE STRUCTURE OF FINANCING (ABSOLUTE VALUE)		FY 2022	FY 2021
FINANCIAL DEBT TO EQUITY RATIO	(FINANCIAL LIABILITIES) / EQUITY	1.65	2.16
DEBT TO EQUITY RATIO	(CONSOLIDATED LIABILITIES + CURRENT LIABILITIES) / EQUITY	5.33	6.98

INDICATORS IN RELATION TO THE STRUCTURE OF FINANCING NORMALISED NET OF IFRS 16 EFFECTS (ABSOLUTE VALUE)		FY 2022	FY 2021
FINANCIAL DEBT TO EQUITY RATIO	(FINANCIAL LIABILITIES) / EQUITY	1.66	2.15
DEBT TO EQUITY RATIO	(CONSOLIDATED LIABILITIES + CURRENT LIABILITIES) / EQUITY	4.94	6.45

Notes to the Consolidated Statement of Cash Flows of Gi Group Holding:

Among the financial statement documents, the Statement of Cash Flows shows the growth or reduction of liquidity through the cash flow generated in the different Areas of operations:

1. The working capital of the operating profit, which summarises the liquidity generated by the performance of routine business, highlighted a self-financing equal to Euro 133.9 million, with an increase of Euro 17.5 million (+15% compared to the previous year).
2. The changes in Working Capital reveal a cash loss totalling Euro -82 million, primarily stemming from the flow of other credit/debt items towards employees and social security institutions.
3. The changes in Investment Activities item mainly shows the cash absorption related to international acquisition transactions, "Acquisition or disposal of companies/business branches, net of cash and cash equivalents". The value results from the opposite effect of Euro +41.4 million of proceeds from the sale of assets held for sale (related to the Prohuman Group, see Note 8.20 in the Notes to the Financial Statements) and financial outlays of Euro -53.2 due to acquisitions of companies made during the year (see Note 7 in the Notes to the Financial Statements).
4. The decrease in equity mainly reflects the distribution of dividends to the shareholder Familia S.r.l., amounting to Euro 8 million.

3.4

Major risks and uncertainties

Business management and the development of its strategy exposes the Group to various types of risk that might adversely affect the Group's economic results and capital and financial conditions.
Corporate risk management is therefore an essential component of the internal control system, which is based on the prevention of the main risks relating to the Group's objectives.

The internal control and risk management system is able to identify and measure the main corporate risks that might undermine the achievement of the defined objectives, taking into account the characteristics of the labour market in which Gi Group Holding and its subsidiaries operate, based on the nature of the risk, with reference to the financial, strategic, and operational risks, as well as compliance with current regulations and the contextual ability of the organisation to adequately manage the identified risk.

To be precise, the Group's internal control and risk management system calls for:
- the systematic monitoring of the main corporate risks, aimed at identifying and adopting measures to correct existing control tools;
- rules for reporting on the adequacy and effectiveness status of the risk management system.

The following are the main internal and external risk areas related to operational risks attributable to the type of business operated by the Group.

OPERATIONAL RISK

Operational risks stem from events and situations that limit key process effectiveness and efficiency, thus jeopardising the Group's ability to generate value.

During its day-to-day operations, the Group has to be aware of, detect and monitor the risk stemming from the inappropriate conduct of employees, technological deficiencies or malfunctions, operating process errors or deficiencies, as well as external factors which may generate financial losses or damage equity.
This type of risk involves numerous skills and operating systems within the company, as well as external factors that are not directly controllable by company management; these key factors may be classified into four main categories:
1. human resources: negative events such as errors, violations of regulations and internal procedures;
2. processes: including the risks relating to inadequate internal audits and procedures;
3. technology in the event of IT risks;
4. external factors in the event of market risk.

1. Human Resources Risks

The management of human resources is a critical factor for Gi Group Holding, and Group Management believes that a transparent policy of accountability towards its employees, whether internal employees or temporary workers, can translate into a competitive advantage, since they constitute the human capital of the organisation itself: therefore, the Group's ability to attract, motivate and retain resources, as also illustrated for the business in the focus on Candidate Management, is a critical factor, which, should it fail, may expose the Group to the risk of major reductions in activity.

Following the Covid-19 pandemic, the Group applied measures to protect the health of its workers and provided its employees with personal protective equipment (PPE) necessary to enable them to carry out their work activities while present in company spaces, in compliance not only with specific regulations, but also with protocols promoted by the Relaunch Committee set up specifically to deal with the emergency situation.

In order to mitigate the generic risks related to human resources, in terms of the Group's ability to attract, retain and motivate certain professionals, with significant levels of specialisation and high technical skills, with solid experience in the Group's business sectors, Gi Group Holding has adopted:

- a system for analysing and classifying roles, mapping out the main professional content for each of them and grouping them into homogeneous complexity levels, in order to prepare personnel management and development policies that are coherent, structured and governed by a clear, defined and communicated strategy;
- a system for the qualitative evaluation of the skills and performance of its employees as a tool for the management of specific objectives in relation to human resources;
- specific training activities and refinement of soft and meta-skills to enable staff to broaden their professional and relational backgrounds.

2. Process Risk

Together with the Group's growth, mapping of corporate processes became essential, with the identification of the structure of corporate functions and operating flows, supported by internal communication and with sector rules, in terms of recruitment, health and safety of workers.

The main risks in this area are the management of taxation, administrative and accounting processes, compliance with regulations (e.g. Health, Safety at Work, Privacy, ESG), and the management of insider information.
To mitigate these risks, the company has adopted specific procedures in each area, with responsibilities, controls and processes identified.
Compliance risk is the risk of incurring legal, administrative or fiscal sanctions, resulting in significant penalties due to violations of laws, regulations, procedures, codes of conduct and best practices.

Group companies conduct their business on the basis of authorisations issued by the Italian Ministry of Employment and Social Policies, and whose authorisation is required in order to carry out certain activities.

The Group closely monitors the proper application of regulatory requirements and the fulfilment of the obligations necessary to maintain the conditions required by current ministerial authorisations.
In order to limit compliance risk, the Group uses organisational tools to prevent the violation of the principles of legality, transparency and fairness: these tools highlight company procedures, which are periodically updated and improved, then shared with the company structure through the Intranet.
The Group approved the Code of Ethics, the document with the guidelines and ethical and behavioural principles that all those entities working for Gi Group need to comply with, creating organisational tools aimed at preventing the violation of aforementioned legality, transparency, honesty principles.

From a tax point of view, the Group is made up of companies located in many countries around the world and is therefore periodically subject to audit of its tax returns and tax compliance by the tax authorities of various countries.
Furthermore, transactions between Group companies must reflect the appropriateness of the expected consideration to local and international standards and principles in relation to transfer pricing, which is susceptible to checks and adjustments by tax administrations.
The tax risk-limiting safeguards put in place by the Group on tax compliance and transfer pricing issues include relevant periodic updates, a focus on the preparation of tax schedules and documentation, and intragroup pricing policies.

CERTIFICATIONS FOR QUALITY, ENVIRONMENT, AND SOCIAL RESPONSIBILITY MANAGEMENT SYSTEMS

The adoption of Management Systems in conformity with the regulations recognised at international level is, for the Group, an operational tool used to pursue its mission and reach its corporate goals, with the aim of constant improvement based on risk-based thinking.

According to this rationale, since 2001, in Italy, the Group has defined and implemented the first Quality Management System in compliance with the standard UNI EN ISO 9001, thus obtaining the first certification of the company that plans and delivers outplacement, advising, and corporate consultancy services.
In the following years, other quality management system certifications were obtained for the companies that design and deliver training and advising programmes and training modules aimed at developing professional skills and management and organisational competencies with traditional, experiential methodologies, as well as those companies providing search and selection services, temporary and permanent staffing services and those designing, implementing and delivering outsourced or software-as-a-service HR management and administration services; design and provision of consultancy services for enhancing human resources and organisation and development models.

In April 2017, Gi Group S.p.A. received certification for its social accountability management system in compliance with the International Standard SA8000:2014®: this Management System is certified, recognised as being fully compliant with the requirements of the SA8000:2014® standard by TUV Italia, the certification organisation of Social Accountability System accredited by SAAS (Social Accountability Accreditation Services).

The Parent Company Gi Group Holding S.p.A. has adopted an Information Security Management System (ISMS) to provide adequate protection and clear responsibilities in the management of the Company's information and assets.

Gi Group Holding and the Group companies carry out their activities based on certified processes, which are monitored and tested on a first, second and third level, with the aim of achieving:
- the satisfaction of our own clients and users of reference by controlling and mitigating corporate risks;
- compliance with regulations and proven corporate credentials;
- access to new market areas and global recognition as a reliable supplier.

Le attestazioni, ottenute da un Ente Terzo indipendente e accreditato, dimostrano la capacità di Gi Group Holding e delle altre società del Gruppo di fornire prodotti e servizi che soddisfino i requisiti dei clienti, le disposizioni delle leggi di riferimento, nel rispetto degli interessi dei propri stakeholder.

3. IT Risks

Technological development and the spread of new information and mass communication and interaction systems have contributed to value creation but have also led to exponential growth in risk factors.

The Group considers it very important to carry out IT monitoring and equip itself with tools and action plans to deal with the emerging risk related to the significant degree of dependence of Group companies, and their related operational processes, on the Information Technology component.
This safeguarding aims to mitigate any economic, reputational or market share losses resulting from vulnerability in technology, caused by exposure to cyber risks, which can compromise the security of the company's information assets in terms of confidentiality, integrity and real-time data transfer.
In order to put into place an adequate Cyber Risk Management process the Group aims to detect the risks and threats to which it may be exposed, according to their IT resources and degree of vulnerability. Thereafter an action plan is defined, taking into account a cost/benefit analysis.

The adoption of the flexible work model, a pathway already started by the Group but accelerated by the global pandemic, required a high level of attention to cyber security issues.
With the smart working formula, the corporate network has expanded in scope, to areas that do not offer the same level of protection as the local network, and from a security standpoint, however, the proximity between data and services related to the corporate dimension and those of the worker's private sphere present a risk factor.
The Group data centre is in a dedicated space, located at the MIX (Milan Internet exchange) Irideos, which has all the certifications and guarantees in terms of physical and environmental security and the most modern data and platform protection systems.
In order to ensure continuous activity also in the event of severe disasters, solutions were implemented to rapidly use the infrastructure installed in the Group's head office in Milan, in the event of malfunctioning of the main

data centre. In fact, the building in Piazza 4 Novembre contains a data centre with the same platforms and solutions used at the Milan provider.

4. Market and Business Risk

With regard to the management of entrepreneurial risk, following is a description of the main risks and uncertainties the Group may be subject to, taking into consideration the fact that markets and locations in which companies operate are characterised by high levels of regulations and supervision that are constantly evolving.

Notably, Group activities are subject to the following risks:
- country risks: all the risks emerging when the company invests in a foreign Country;
- risks linked to changes in regulations;
- competition risks due to the presence of several other players on the market;
- risks involving the image and recognisability of the Group brands.

The businesses that operate on an international level are based on the stability of the economic context in the foreign country.
The economic results and investments may be subject to negative developments.
Country risk is mainly generated by political, economic and social differences between the investor's country and the country in which the investment is made.

Russia's invasion of Ukraine has opened up major economic implications in relation to energy and raw material supplies, which is now spilling over into the global economy and financial markets.
Under this baseline scenario of economic cycle weakness, global inflation is estimated to decline around 5% by 2023.
The Group, in many countries, has taken protective measures through indexation clauses on service contracts with customers in the event of a sharp rise in inflation.

Specifically, within the countries in which the Group operates, in Asia, progressive fiscal consolidation and robust economic growth position India among the best performers in major global markets.
In Latin America, Brazil, Mexico, and even Argentina continue to show positive growth performance, despite an uncertain political and economic landscape. There is an improvement in their debt dynamics, while social and territorial inequalities are more evident in Colombia and Brazil, with recent electoral disputes.

In emerging Europe, the conflict has increased risk in Russia, Eastern Europe, and has also helped to exacerbate all those tensions already present in Kosovo and Serbia.

Furthermore, the Group operates in a complex international setting and is subject, in the various jurisdictions where it is active, to laws and regulations that are constantly monitored, especially with regard to labour contracts and workers' health and safety, tax and social security regulations, and, in general, all relevant regulatory provisions.
In particular, the labour sector is subject to frequent legislative interventions and influenced by different governmental political lines: in the context of continuous regulatory evolution, it is not possible to exclude future legislative interventions that could restrict the cases in which the use of the temporary employment contract is allowed, or the possible future introduction of alternative types of contracts to salaried employment, which could negatively affect the Group's economic and financial situation.
The Group closely monitors regulatory and collective contract developments, and in order to guard against this risk, Gi Group Holding actively collaborates with local, national and international institutions on the important issues of labour market promotion and development.

The temporary employment sector is highly competitive, with operators able to adapt promptly to market changes and offer services at competitive economic conditions, therefore, the Group's structure must be adapted to the market environment to cope with any initiatives put in place by other players.

The Group activity is also influenced by the image, the reputation, and the recognisability of its Brands.
The Group constantly strives to maintain and grow the strength of the Gi Group brand, paying attention to compliance, innovation, communication, and the development of its own business model through criteria of selectivity, quality, and sustainability, even in the selection of the counterparts with whom it operates.

FINANCIAL RISKS

The Group pursues the maintenance of adequate financial flexibility, expressed through the availability of liquidity and credit lines that enable the constant coverage of financing needs.

Actions aimed at periodic monitoring of the performance of working capital at the individual country level are constantly being strengthened.

Regarding the Group's management of financial risks, mainly related to monitoring credit, finding sources of financing and liquidity risk, and fluctuations in exchange and interest rates, please refer to the specific section in the Notes to the Consolidated Financial Statements.

3.5

Information on people and the environment

The Gi Group Holding Group is a global ecosystem of integrated HR services dedicated to developing the labour market by creating sustainable and enjoyable work environments that help change people's lives.

Gi Group Holding takes care that employees are ready to respond to the changing needs of candidates and customers, providing methodologies, tools and empowering them. Through regular surveys, Gi Group Holding listens and takes action, plans, and does everything necessary to ensure constant communication with employees and to understand the level of engagement within the Group in all countries, regardless of the line of business.
Many global and local initiatives were consolidated in 2022 in the areas of Employer Branding, recruitment and learning.
As a result of organic and non-organic growth, there are nearly 2,800 new Life Changers in the Group, new colleagues who have adopted the Group's proposed values for employees and are now actively contributing to the evolution of the labour market.

TALENT ACQUISITION & EMPLOYER BRANDING

For 2022, the purpose of Employer Branding was to implement the strategy, communication plans and global/local initiatives in order to position the Group as an "Employer of choice".

In line with the Group's goals, the Global and Local HR functions promoted the Group's Employee Value Proposition internally and externally, spreading the "Change Lives" battle-cry through online/offline channels.
"Change Lives" has been the Group's motto for years all over the world.
The Group is made up of talented individuals with diverse skills who come together to transform the industry and change lives for the better.
"Give and Get" is also an important resource for our employee value proposition.
At Gi Group Holding, employees have an impact on the lives of others, and there are many benefits this can bring to their career path.

The Enterprise Value Proposition (EVP) is based on three pillars:

- a shared passion: whatever the background and wherever we are in the world, we all share the same purpose. People are put first - and that starts with the people around us. We listen and collaborate because when we work together we can really change the world of work for the better;
- learning to thrive: always wanting to do better, both as a company and as individuals. Because of the global and multidisciplinary

set-up, there is ample choice when it comes to opportunities to learn and grow. Having self-confidence to face our professional paths, but doing whatever it takes to help employees grow;
- advancing together: proud of our history, but not yet finished growing. Thinking innovatively and acting independently, trusting ourselves to take evaluated risks, encouraged to learn from our mistakes. This means that whatever the role, position or brand, in the Group, the employee is priority.

The Employer Branding strategy is based on two assets:
- sharing a unique identity and story: an inspiring, engaging and effective Employer Branding strategy is based on how we communicate our Mission, EVP, Values and Attitude to our target audience;
- providing Candidates and Employees with an unforgettable experience: every contact point with people speaks for the Group. From the research experience ("find a job and get your feedback") to employee advocacy (Ambassador programme). Consistency between what is said and what is done is crucial.

One of the main Employer Branding projects implemented in 2022 concerns employee support. Global and local colleagues were engaged as Brand Ambassadors and testimonials, producing and sharing content in relation to the EVP, corporate identity, values and culture, with the main goal of positioning the Group through their experiences and engaging the target audience (internal staff - new employees), promoting the #ChangeLives EVP motto.

Operationally, 2023 will see the Group engaged in the following Employer Branding & Talent Attraction activities:
- continue to implement Employer Branding and Talent Attraction strategy and initiatives within the Group, such as global webinars/training courses on EVP topics and to external target audiences;
- continue to develop activities, campaigns and content for each contact point of the candidate and employee journey;
- provide the 2023 communication plan for employer branding (social media, offline/online channels);
- support countries in creating and implementing local Employer Branding plans and initiatives;
- finalise Gi Group Holding's websites (global and local) by giving proper visibility to EVP content and best practices worldwide and ensuring that all job openings are properly and consistently posted and updated.

LEARNING INITIATIVES

Commitment to digital learning activities was consolidated and confirmed in 2022, as well as expanding skills development programmes, both locally and globally, with a focus on professional skills to support business rebound after the pandemic. Furthermore, the "Global Learning HUB" was launched to stimulate people growth, and efforts were strengthened in providing a unique onboarding experience and reviewing the content and delivery of our people.
Following the creation of the legal entity of Gi Group Holding in July 2022, all compliance and health and safety training activities for Gi Group Holding Global employees have been shifted from the management of local HR teams and are now managed by Global HR.
Finally, the scope of compliance training was expanded to cover all globally relevant topics.

Below are the main learning projects that featured in 2022:

GLOBAL LEARNING HUB
In line with the global HR strategy and priorities, it was decided to launch the Global Learning HUB to promote a common global approach and brand to share knowledge, values and skills among individuals to strengthen our corporate culture. It does not replace any local initiatives (such as universities, academies, ...) but rather serves as a centre of expertise, over local initiatives, to provide common frameworks, guidelines, content, and help in becoming a global learning organisation.
It is based on four pillars: identity, content, process & analytics, digital tools.
Following these guidelines, the Global Homepage of the e-Learning platform was revamped to align with the Holding brand and to provide employees with a new learning experience. A new modern look, sections, and a general reorganisation of subject areas to even better orient employees among the different types of content. At the local level, local e-Learning dashboards continued to be supported: 3 have been upgraded, 4 new ones have been created, and 3 more will be released by 2023.

DIGITAL LEARNING LIBRARIES
In 2022, training content was added to the "Temp & Perm Digital Learning Library" for Temp&Perm Practice colleagues worldwide, including more topics for both sales and supply areas (along with others: Getting off to a good start; Customer need analysis for recruiters; How to ensure the best worker experience; Managing feedback with candidates).
The "Professional Digital Learning Library" was also expanded, focusing on both sales (e.g. Sales Calls with Candidates) and delivery (e.g. Candidate Management, Job Advertising,

Candidate Interview).
A Project Management Digital Academy has been launched and is expected to be completed in 2023.

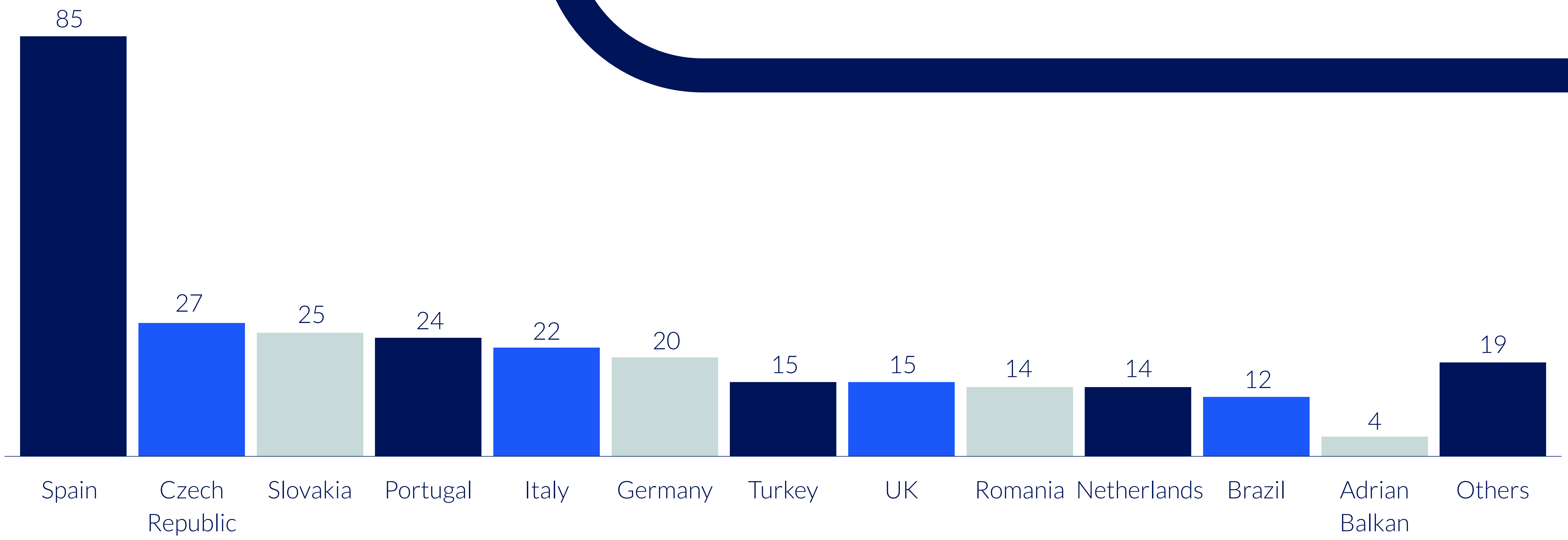
2022 confirmed the importance of Training initiatives to support employee engagement and development.
There was an increase in Total Training hours compared to the previous year, confirming the trend of recent years. There has also been an increase in the volume of training provided, mainly due to the expansion of the e-Learning library, both globally and locally, and the full return to live-class rooms:

- 168,240 (compared to 158,031 in 2021): total Training hours, +6% in 2021 and +21% over 2020.
- 1,397 (compared to 968 in 2021): number of training courses delivered, +42% over 2021 and +32% over 2020.

The figures come from both local training initiatives and training initiatives organised directly by Global HR.

The above figures concern training activities held in the various countries in which the Group operates and training courses organised by the Global HR department.

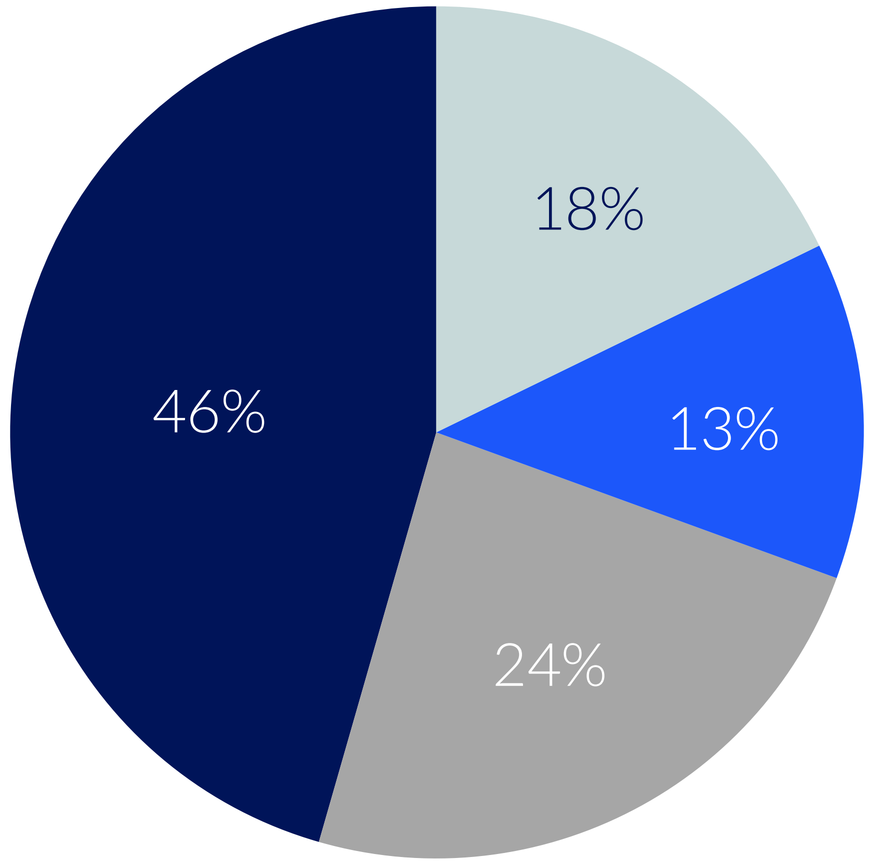
The graph below illustrates the average number of training hours provided in each Group country ("Others": Argentina, Colombia, Bulgaria, China, France, Hungary, India and the USA):



[FIGURE 19 – HOURS OF TRAINING IN 2022 BY COUNTRY]

Training programmes are consistent with the strategy of the Group and with the business priority of each country.
The contents of the learning pathways are consistent with the Group's business strategy and priorities in each country.
Continuing with 2021, the main content delivered can be summarised in 4 macro-categories:

a. technical skills (linked to the role or to processes);
b. transversal skills;
c. onboarding;
d. compliance training courses (e.g., health and safety, laws, etc.).



■ COMPLIANCE TRAININGS
■ ONBOARDING
■ SOFT SKILLS
■ TECHNICAL SKILLS

The mixed approach for training delivery was confirmed and strengthened in 2022, with increased adoption of eLearning content asynchronously and a return to face-to-face training after the pandemic.

INTERNAL COMMUNICATION

In 2022, through internal communication, we aimed to strengthen a culture where people are focused on the same goals and have a clear vision of what is to be achieved in the future, leading employees to be involved and aligned with the purpose of Gi Group Holding.

Throughout the year, several key actions developed in relation to internal communication:

- the launch of the web series "US": through 14 episodes of the web series, employees followed the journey of the main characters who portrayed employees' experiences in their daily work within the Group, reinforcing key values, behaviours and sharing information about the business;
- global Internal survey: "Gi Group Holding Energy Matrix" is the global internal survey that is carried out every two years to assess energy and engagement levels. The survey has revealed that the workforce continues to "spread energy" throughout the company and experience autonomy and responsibility;
- continuous empowerment and involvement of employees in key areas of the organisation: employees have been guided in evolving and adapting to new ways of working, bringing more flexibility into daily life and strengthening the employer branding, values and mission journey, guiding them through the digital transformation of the Group and the business.

Lastly, it should be noted that as to environment the Group's companies never caused environmental damages for which they were declared definitively guilty, and neither did they receive sanctions or prison sentences for environmental crimes or damages.

The Group also focuses on several initiatives aimed at reducing environmental impact and developing awareness among employees and temporary workers regarding these issues, as environmental protection is an important topic explicitly stated in the Group's Code of Ethics.

3.6

R&D Activities

The digitisation processes, in an increasingly connected system, are an opportunity for the Group to adapt its technological infrastructure to meet the challenges of the market, to become a strategic partner for the market's stakeholders, and to project its structure towards a sustainable organisation, in favour of greater competitiveness in the market, whilst generating a positive impact on both the internal and external environment.

Gi Group Holding has launched a dedicated R&D department focused on the implementation of artificial intelligence-driven solutions applied to the database.

In 2022, the main focus was on defining an algorithm capable of supporting search and selection practitioners in the Vacancy-Candidate match phase. After a testing phase, scheduled for the first half of 2023, a feature will be implemented for inclusion within the ATS by the end of 2023.
ATS is the work tool for use by recruiters, which in 2022 has been improved through the implementation of new features, such as Video Interviews and digital assessment tools (Thomas International), capable of speeding up and enriching a recruiter's work and providing the candidate with a superior experience, to make this tool aligned with the top products on the market.

In 2022, in Italy, the main Italian subsidiary made additional resources available to continue the "Candidate 4.0" project aimed at creating an IT platform, highly integrated with cloud services, and designed to support digital services for personnel search and selection. The project aims to promote the development of an innovative model of sustainable consumption of the services offered by the platform, enabling the creation of a virtual community capable of fostering continuous collaboration and sharing of information and know-how and with a low environmental impact through the use of technology.
The project is included among the Assets subject to demerger and transfer to Gi Group Holding S.p.A. effective 1st July 2022.
The total value of the investment from its activation to the end of the current year is Euro 3.38 million, divided between capitalised and operating costs.
The nature of this investment, which assumes a strategic value for the company, will be reflected in the company's economic and capital structure for future fiscal years, due to the outright grant equal to 20% of the reportable amount and the subsidised loan with SACE guarantee, after the project was deemed eligible for the funds made available by the Ministry of Economic Development.
The entire project will be completed in 2023 with a total value of Euro 6.3 million.

3.7

Relations with Group Companies

The Parent Company Gi Group Holding S.p.A. and the Italian and foreign subsidiaries maintain relations with related parties in line with the principles of transparency and fairness.
Transactions carried out with related parties of Gi Group Holding and the Group do not qualify as either atypical or unusual, as they are part of the Group's normal business. These transactions are carried out in the interest of Gi Group Holding and the Group at normal market conditions.

From a tax perspective, transfer pricing regulations are of fundamental importance to the Group, which operate on a global level.
The documentation prepared enables the financial Administration to rely on a valid support in the demonstrating compliance with the fair market value of the transfer prices practised by the company and by the Group, compared to those adopted in the arm's length regime.
Annually, the Group prepares the appropriate documentation required by Provision no. 2010/137654 of the Italian Revenue Agency, recently revised by new Provision no. 0360494 of 23rd November 2020, which is represented by:

- the Master file, which collects information related to the entire Group;
- the Country File, which concerns information relative only to the Holding Company.

In order to ensure a reliable internal control system for financial reporting purposes, Gi Group Holding adopted administrative, accounting and operating procedures aimed at producing an effective information flow and implemented these in its companies. Group administrative procedures include the Group Accounting Manual (rules for the use and application of accounting standards) and the Financial Statements Operation Manual.

The value of commercial, financial, and other transactions with related parties, the description of the types of major operations, as well as the effect of these relationships and operations on the financial position, economic results, and cash flows, and the explanation of synergies are indicated in the Notes to the Consolidated Financial Statements and in the individual separate financial statements of the Gi Group Holding S.p.A. and its Italian and foreign subsidiaries, to which reference should be made for further details.

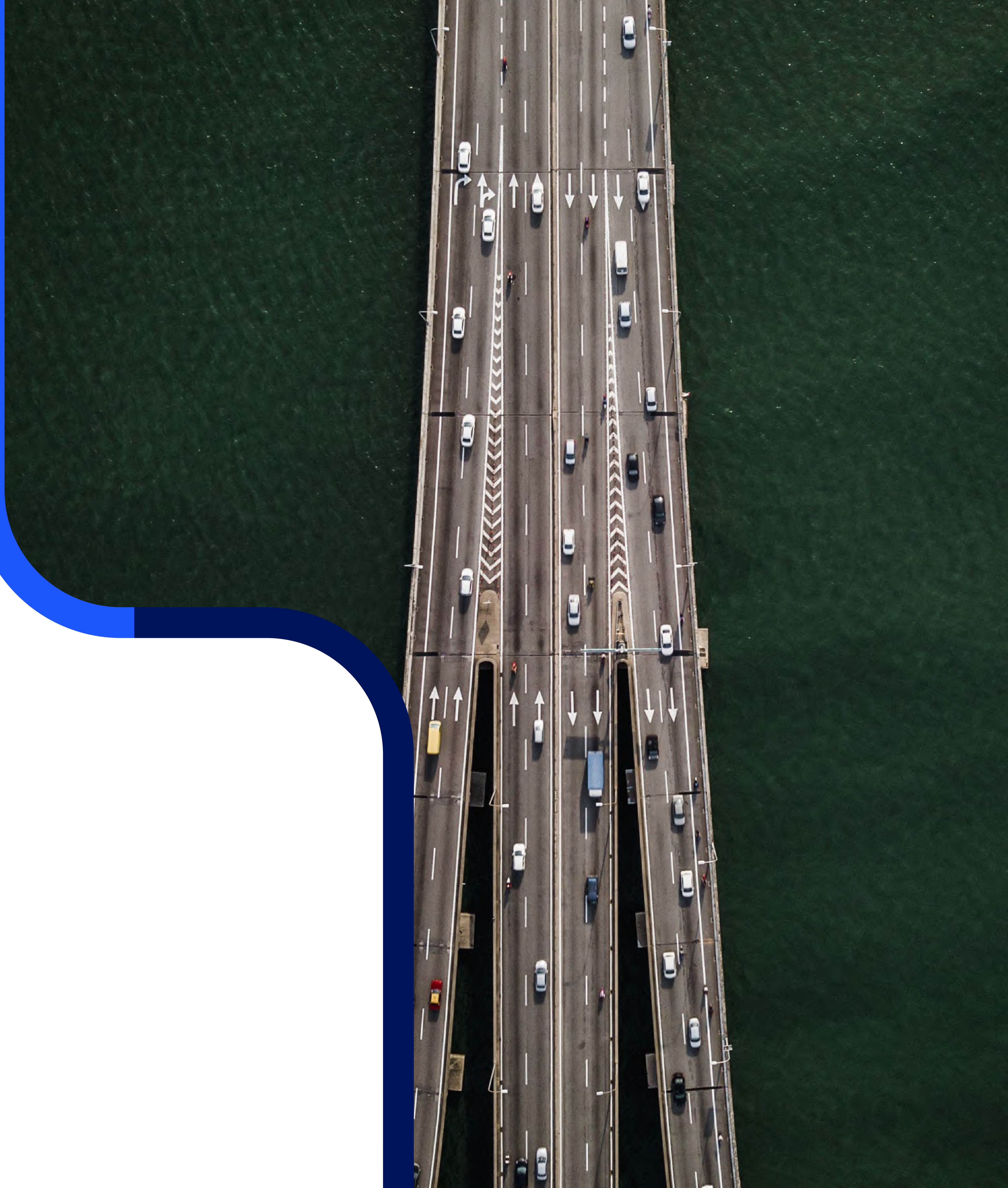
3.8

Treasury shares

In the Consolidated Financial Statements of Gi Group Holding, treasury shares held by subsidiary companies included in the consolidation area have been eliminated, in line with other components of their equity.
The parent company Gi Group Holding S.p.A. holds no treasury shares.

3.9

Secondary offices



With regards to the list of secondary offices and the main company data of the legal entities that are part of the Group, please refer to the table “List of investments in compliance with Art. 2427, no. 5 of the Italian Civil Code” in the paragraph related to the scope of consolidation in the Notes to Gi Group Holding S.p.A. Consolidated Financial Statements.

4

Consolidated Financial Statements

Gi Group Holding S.p.A - 31st December 2022

4.1

Consolidated Statement of Financial Position

(IN THOUSANDS OF EURO)	NOTES	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	8.1	15,962	19,073
GOODWILL	8.2	171,275	124,236
OTHER INTANGIBLE ASSETS	8.3	41,848	39,945
RIGHT OF USE ASSETS	8.4	77,988	65,826
EQUITY INVESTMENTS ACCOUNTED FOR AT SHAREHOLDERS' EQUITY		25	25
DEFERRED TAX ASSETS	8.5	20,351	22,374
NON-CURRENT FINANCIAL ASSETS	8.6	10,641	2,606
OTHER NON-CURRENT ASSETS		111	203
TOTAL NON-CURRENT ASSETS		**338,200**	**274,288**
CURRENT ASSETS			
INVENTORIES		1,260	690
TRADE RECEIVABLES	8.7	624,204	531,567
CURRENT TAX ASSETS	8.8	2,351	1,978
CASH AND CASH EQUIVALENTS	8.9	152,870	184,817
CURRENT FINANCIAL ASSETS	8.10	5,417	8,481
OTHER CURRENT ASSETS	8.11	103,782	87,529
TOTAL CURRENT ASSETS		**889,883**	**815,062**
ASSETS HELD FOR SALE	**8.20**	**-**	**48,125**
TOTAL ASSETS		**1,228,083**	**1,137,475**

(IN THOUSANDS OF EURO)	NOTES	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL		10,000	400
RESERVES		131,219	101,836
NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP		54,681	41,991
TOTAL SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP		**195,900**	**144,227**
SHAREHOLDERS' EQUITY OF MINORITY INTERESTS		(2,035)	(3,405)
TOTAL SHAREHOLDERS' EQUITY	**8.12**	**193,865**	**140,822**

(IN THOUSANDS OF EURO)	NOTES	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
NON-CURRENT LIABILITIES			
NON-CURRENT LEASE LIABILITIES	8.4	60,272	49,277
NON-CURRENT FINANCIAL LIABILITIES	8.13	85,914	123,269
PROVISIONS FOR PERSONNEL	8.14	17,308	18,309
DEFERRED TAX LIABILITIES	8.5	5,010	5,751
PROVISIONS FOR RISKS AND CHARGES	8.15	19,160	16,738
OTHER NON-CURRENT LIABILITIES	8.16	12,449	14,616
TOTAL NON-CURRENT LIABILITIES		**200,113**	**227,960**
CURRENT LIABILITIES			
CURRENT LEASE LIABILITIES	8.4	20,141	20,595
CURRENT FINANCIAL LIABILITIES	8.13	251,066	192,936
CURRENT TAX LIABILITIES	8.17	11,517	12,439
TRADE PAYABLES	8.18	78,166	60,094
OTHER CURRENT LIABILITIES	8.19	473,216	468,952
TOTAL CURRENT LIABILITIES		**834,105**	**755,016**
LIABILITIES HELD FOR SALE	**8.20**	**-**	**13,677**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,228,083**	**1,137,475**

4.2

Consolidated Income Statement

(IN THOUSANDS OF EURO)	NOTES	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
REVENUES FROM CONTRACTS WITH CUSTOMERS	9.1	3,624,829	3,227,907
OTHER REVENUES AND INCOME	9.2	68,109	58,645
TOTAL REVENUES AND OTHER INCOME		**3,692,938**	**3,286,552**
COSTS OF RAW MATERIALS, CONSUMABLES AND GOODS FOR RESALE	9.3	(7,889)	(5,125)
COSTS OF SERVICES	9.4	(254,214)	(193,226)
PERSONNEL COSTS	9.5	(3,273,340)	(2,957,559)
OTHER OPERATING COSTS	9.6	(22,708)	(21,282)
NET WRITE-DOWNS OF FINANCIAL ASSETS	9.7	(5,243)	(534)
DEPRECIATION AND WRITE-DOWNS OF PROPERTY, PLANT AND EQUIPMENT, AMORTISATION AND WRITE-DOWNS OF INTANGIBLE ASSETS AND RIGHTS OF USE	9.8	(37,667)	(37,360)
NET ALLOWANCES TO PROVISIONS FOR RISKS AND CHARGES	9.9	(1,817)	(1,449)
OPERATING PROFIT (LOSS)		**90,061**	**70,017**
FINANCIAL INCOME	9.10	905	1,365
FINANCIAL EXPENSES	9.11	(11,704)	(8,954)
EXCHANGE RATE GAINS AND LOSSES	9.12	(1,702)	1,074
PRE-TAX PROFIT (LOSS)		**77,560**	**63,502**
INCOME TAXES	9.13	(29,034)	(21,656)
NET PROFIT (LOSS) FOR THE YEAR - ORDINARY OPERATIONS		**48,526**	**41,846**
COSTS/(REVENUES) FROM DISCONTINUED OPERATIONS	8.20	5,515	(1,351)
NET PROFIT (LOSS) FOR THE YEAR - DISCONTINUED OPERATIONS		**5,515**	**(1,351)**
NET PROFIT (LOSS) FOR THE YEAR		**54,041**	**40,495**
OF WHICH:			
NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP		54,681	41,991
NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS		**(640)**	**(1,495)**

4.3

Consolidated Statement of Comprehensive Income

(IN THOUSANDS OF EURO)	NOTES	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
NET PROFIT (LOSS) FOR THE YEAR (A)		**54,041**	**40,495**
A) OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME WHICH WILL NOT SUBSEQUENTLY BE RECLASSIFIED TO THE INCOME STATEMENT:			
ACTUARIAL GAINS (LOSSES) ON PROVISIONS FOR PERSONNEL	8.14	(1,138)	387
TAXES ON ACTUARIAL GAINS (LOSSES) ON PROVISIONS FOR PERSONNEL		273	(93)
TOTAL OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME WHICH WILL NOT SUBSEQUENTLY BE RECLASSIFIED TO THE INCOME STATEMENT		**(865)**	**294**
B) OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME WHICH WILL SUBSEQUENTLY BE RECLASSIFIED TO THE INCOME STATEMENT:			
CHANGES IN TRANSLATION RESERVE	8.12	4,951	784
CHANGES IN FAIR VALUE OF CASH FLOW HEDGE DERIVATIVES	8.12	4,533	542
TOTAL OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME WHICH WILL SUBSEQUENTLY BE RECLASSIFIED TO THE INCOME STATEMENT		**9,483**	**1,325**
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME, NET OF TAXES (B)		**8,618**	**1,619**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A)+(B)		**62,659**	**42,116**
OF WHICH:			
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR PERTAINING TO THE GROUP		62,552	43,589
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS		106	(1,474)

4.4

Statement of Changes in Consolidated Shareholders' Equity

(IN THOUSANDS OF EURO)	NOTES	SHARE CAPITAL	RESERVES	NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	TOTAL SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP	SHAREHOLDERS' EQUITY OF MINORITY INTERESTS	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT 31ST DECEMBER 2020	**8.12**	**400**	**77,753**	**32,167**	**110,320**	**(1,608)**	**108,712**
ALLOCATION OF PREVIOUS YEAR'S PROFITS		-	32,167	(32,167)	-	-	-
DISBURSEMENT OF DIVIDENDS			(4,243)		(4,243)	(18)	(4,261)
TOTAL TRANSACTIONS WITH SHAREHOLDERS		**-**	**(4,243)**	**-**	**(4,243)**	**(18)**	**(4,261)**
NET PROFIT (LOSS) FOR THE YEAR		-	-	41,991	41,991	(1,495)	40,496
ACTUARIAL GAINS AND LOSSES (PROVISIONS FOR PERSONNEL), NET OF TAXES		-	294	-	294	-	294
CHANGES IN TRANSLATION RESERVE		-	762	-	762	21	784
CHANGES IN FAIR VALUE OF CASH FLOW HEDGE DERIVATIVES		-	542	-	542	-	542
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-**	**1,598**	**41,991**	**43,589**	**(1,474)**	**42,116**
TOTAL DIRECT CHANGES IN SHAREHOLDERS' EQUITY		**-**	**(5,440)**	**-**	**(5,440)**	**(305)**	**(5,745)**
BALANCE AS AT 31ST DECEMBER 2021	**8.12**	**400**	**101,836**	**41,991**	**144,227**	**(3,405)**	**140,822**

(IN THOUSANDS OF EURO)	NOTES	SHARE CAPITAL	RESERVES	NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	TOTAL SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP	SHAREHOLDERS' EQUITY OF MINORITY INTERESTS	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT 31ST DECEMBER 2021	**8.12**	**400**	**101,836**	**41,991**	**144,227**	**(3,405)**	**140,822**
ALLOCATION OF PREVIOUS YEAR'S PROFITS		-	41,991	(41,991)	-	-	-
REVERSE MERGER TRANSACTION EFFECT		(297)	297				
FREE SHARE CAPITAL INCREASE (CDA RESOLUTION WITH PROXY 01.07.2022)		9,897	(9,897)		-	-	-
DISBURSEMENT OF DIVIDENDS			(8,000)		(8,000)		(8,000)
TOTAL TRANSACTIONS WITH SHAREHOLDERS		**9,600**	**(8,000)**	**-**	**(8,000)**	**-**	**(8,000)**
NET PROFIT (LOSS) FOR THE YEAR		-	-	54,681	54,681	(640)	54,041
ACTUARIAL GAINS AND LOSSES (PROVISIONS FOR PERSONNEL), NET OF TAXES		-	865	-	865	-	865
CHANGES IN TRANSLATION RESERVE		-	4,951	-	4,951	106	5,057
CHANGES IN FAIR VALUE OF CASH FLOW HEDGE DERIVATIVES		-	4,533	-	4,533	-	4,533
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-**	**10,349**	**54,681**	**65,030**	**(534)**	**64,496**
TOTAL DIRECT CHANGES IN SHAREHOLDERS' EQUITY		**-**	**(5,358)**	**-**	**(5,358)**	**1,904**	**(3,454)**
BALANCE AS AT 31ST DECEMBER 2022	**8.12**	**10,000**	**131,220**	**54,681**	**195,900**	**(2,035)**	**193,865**

4.5

Consolidated Statement of Cash Flows

(IN THOUSANDS OF EURO)	NOTES	YEAR ENDED 31ST DECEMBER	
		2022	2021
A) CASH FLOWS FROM OPERATING ACTIVITIES (INDIRECT METHOD)			
NET PROFIT (LOSS) FOR THE YEAR		54,041	40,496
INCOME TAXES	9.13	28,874	21,657
FINANCIAL INCOME/(EXPENSES) AND EXCHANGE RATE GAINS/(LOSSES)	9.10 - 9.11 - 9.12	7,307	7,866
1) PROFIT (LOSS) FOR THE YEAR BEFORE INCOME TAXES, INTEREST, DIVIDENDS AND GAINS/LOSSES FROM DISPOSAL		**90,222**	**70,020**
ADJUSTMENTS FOR NON-MONETARY ELEMENTS WHICH HAD NO OFFSETTING ENTRY IN NET WORKING CAPITAL			
ALLOCATIONS TO PROVISIONS		6,529	8,927
AMORTISATION OF INTANGIBLE ASSETS AND DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	9.8	35,617	36,222
WRITE-DOWNS DUE TO IMPAIRMENT	9.8	1,081	1,200
OTHER INCREASES/(DECREASES) FOR NON-MONETARY ELEMENTS		409	-
TOTAL ADJUSTMENTS FOR NON-MONETARY ELEMENTS WHICH HAD NO OFFSETTING ENTRY IN NET WORKING CAPITAL		**43,636**	**46,349**
2) CASH FLOWS BEFORE CHANGES IN NET WORKING CAPITAL		**133,858**	**116,369**
CHANGES IN NET WORKING CAPITAL			
DECREASE/(INCREASE) IN INVENTORIES		(541)	263
DECREASE/(INCREASE) IN TRADE RECEIVABLES	8.7	(60,045)	(58,901)
INCREASE/(DECREASE) IN TRADE PAYABLES	8.18	7,938	19,345
INCREASE/(DECREASE) IN PAYABLES TO/RECEIVABLES FROM WORKERS AND SOCIAL SECURITY INSTITUTIONS	8.11	(12,384)	54,637
OTHER DECREASES/(OTHER INCREASES) IN NET WORKING CAPITAL		(16,920)	(40,611)
TOTAL CHANGES IN NET WORKING CAPITAL		**(81,951)**	**(25,266)**

(IN THOUSANDS OF EURO)	NOTES	YEAR ENDED 31ST DECEMBER	
		2022	2021
3) CASH FLOWS AFTER CHANGES IN NET WORKING CAPITAL		**51,906**	**91,103**
OTHER ADJUSTMENTS			
INTEREST COLLECTED/(PAID)		(10,532)	(8,639)
(INCOME TAXES PAID)		(31,999)	(8,367)
(USE OF PROVISIONS)		(396)	(698)
TOTAL OTHER ADJUSTMENTS		**(42,927)**	**(17,704)**
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**8,980**	**73,399**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES			
PROPERTY, PLANT AND EQUIPMENT: (INVESTMENTS)/ DIVESTMENTS	8.1	(1,384)	(12,773)
INTANGIBLE ASSETS: (INVESTMENTS)/DIVESTMENTS	8.2 - 8.3	(8,772)	(22,280)
FINANCIAL ASSETS: (INVESTMENTS)/DIVESTMENTS		765	(207)
(ACQUISITION OF SUBSIDIARIES NET OF CASH AND CASH EQUIVALENTS)	7	(11,803)	(26,773)
CASH FLOWS FROM INVESTMENT ACTIVITIES (B)		**(21,194)**	**(62,034)**

(IN THOUSANDS OF EURO)	NOTES	YEAR ENDED 31ST DECEMBER	
		2022	2021
C) CASH FLOWS FROM FINANCING ACTIVITIES			
INCREASE/(DECREASE) IN PAYABLES DUE TO BANKS	8.13	7,103	33,003
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES	8.13	3,240	(17,301)
INCREASE/(DECREASE) IN LEASE LIABILITIES	8.4	(22,278)	(29,825)
DIVIDENDS AND OTHER CHANGES IN EQUITY	8.12	(7,799)	-
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**(19,733)**	**(14,123)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		**(31,948)**	**(2,758)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**8.9**	**184,818**	**187,576**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8.9**	**152,870**	**184,818**

4.6

Notes To The Consolidated Financial Statements As At 31st December 2022

1. GENERAL INFORMATION

Gi Group Holding S.p.A. (hereinafter, "Gi Group Holding", the "Company" or the "Parent Company") and its subsidiaries (hereinafter, the "Gi Group Holding Group" or the "Group") are companies operating in the labour market.

Specifically, the Group, which is the leading Italian multinational employment agency, as well as one of the leading companies worldwide in services dedicated to the development of the labour market, provides the following services: temporary staffing, permanent staffing and professional staffing, search and selection, executive search, outsourcing, training, job integrator, outplacement assistance and human resources consulting.

The Group operates in Italy and in numerous European, non-European, Asian and South American countries.

Gi Group Holding is a company incorporated and domiciled in Italy, with headquarters in Milan, Piazza IV Novembre 5, organised pursuant to the law of the Republic of Italy.

2. SUMMARY OF ACCOUNTING STANDARDS ADOPTED

2.1. BASIS OF PREPARATION

It should be noted that these consolidated financial statements for the year ended 31st December 2022 (the "Consolidated Financial Statements") represent the Company's first consolidated financial statements, as the Company previously availed itself of the exemption option provided in connection with the preparation of consolidated financial statements by the parent company SCL Holding S.p.A.

The Company has availed itself of the option to prepare its consolidated financial statements using IFRS international accounting standards, as adopted by the European Union, and these accounting standards (in particular IAS1) require that a complete financial statements document must also include corresponding figures for the previous year.

In this regard, it should be noted that as a result of the extraordinary corporate reorganisation operation that took place in 2022, as better described below, and in particular the merger by incorporation of SCL Holding S.p.A. into Gi Group Holding S.p.A., effective 1st January 2022, the scope of the new Gi Group Holding S.p.A. Group as at 1st January 2022 is coincident with that of SCL Holding S.p.A. as at 31st December 2021.

Based on the foregoing, the Company has included, as corresponding figures in the consolidated financial statements as at 31st December 2022, the values of the consolidated financial statements as at 31st December 2021 prepared using the IFRS international accounting standards adopted by the European Union and submitted in accordance with the law by SCL Holding S.p.A., which are deemed comparable for the reasons stated. Changes in the scope of consolidation that occurred in 2022 are commented on in the following notes to the consolidated financial statements.

The Consolidated Financial Statements have been prepared on the basis of the option provided by the Italian Legislative Decree no. 38 of 28th February 2005, as subsequently amended by Italian Decree Law no. 91 of 24th June 2014 and by Italian Law no. 145/2018, which governs the exercise of the options provided for in Art. 5 of European Regulation no. 1606/2002 on the International Accounting Standards, and voluntarily adopted the International Financial Reporting Standards, issued by the International Accounting Standards Board, and adopted by the European Union (the "International Accounting Standards").

The main criteria and accounting standards applied in preparing these Consolidated Financial Statements are set out below.

2.2. DECLARATION OF COMPLIANCE WITH THE INTERNATIONAL ACCOUNTING STANDARDS

These Consolidated Financial Statements have been prepared in accordance with International Accounting Standards endorsed by the European Commission ("EU-IFRS") and in force as at 31st December 2022. EU-IFRS shall mean all the "International Financial Reporting Standards", all the "International Accounting Standards" (IAS) and all the interpretations of the "IFRS Interpretations Committee" (IFRIC), previously named the "Standing Interpretations Committee" (SIC).

The International Accounting Standards were applied also with reference to the "Conceptual Framework for Financial Reporting" and there were no derogations from the EU-IFRS standards.

These Consolidated Financial Statements were approved by the Company's Board of Directors on 26th May 2023.

These Consolidated Financial Statements are subject to auditing by KPMG S.p.A., the Company's Independent Auditors.

2.3. FINANCIAL STATEMENT PRESENTATION CRITERIA

These Consolidated Financial Statements are comprised of the mandatory financial statements set out in IAS 1, namely the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Statement of Changes in Consolidated Shareholders' Equity, the Consolidated Statement of Cash Flows, and the Notes.

The Group decided to present the Consolidated Income Statement by type of expenditure, while assets and liabilities in the Consolidated Statement of Financial Position are divided into current and non-current.

An asset is classified as current where:

- it is assumed that this asset will be sold, or is held for sale or consumption, during the normal operating cycle;
- it is held mainly for trading purposes;
- it is assumed that it will be sold within twelve months from the reporting date;
- it is comprised of cash or cash equivalents (unless it is forbidden to exchange it or use it to discharge a liability for at least twelve months from the reporting date).

All other assets are classified as non-current. Specifically, IAS 1 includes property, plant and equipment, intangible assets and long-term financial assets among non-current assets.

A liability is classified as current where:

- it is expected to be discharged during the normal operating cycle;
- it is held mainly for trading purposes;
- it will be discharged within twelve months from the reporting date;
- there is no unconditional right to defer its settlement for at least twelve months from the reporting date. Clauses of a liability which could, at the counterparty's choice, be discharged through the issue of capital instruments do not impact its classification.

All other liabilities are classified as non-current.

The operating cycle is the time from the purchase of assets for the production process to their transformation into cash or cash equivalents. When the normal operating cycle is not clearly identifiable, it is assumed to be last twelve months.

The Statement of Cash Flows is drawn up using the indirect method.

These Consolidated Financial Statements have been prepared based on the usual criteria of historic cost, except for the measurement of financial assets and liabilities where it is obligatory to use fair value, and for the financial statements of companies that operate in economies subject to hyperinflation, where the current cost criteria are used.

These Consolidated Financial Statements have been drawn up in Euro, the Company's operating currency. The financial statements and notes are expressed in thousands of Euro, unless otherwise indicated.

These Consolidated Financial Statements have been prepared with a view to the company operating as a going concern, on the basis of accrual accounting, in line with the principle of materiality and significance of information, prevalence of substance over form, and with the aim of ensuring that they are in line with future presentations. Assets, liabilities, costs and revenues are not offset unless this is permitted or required by the International Accounting Standards.

2.4. SCOPE OF AND CHANGES IN CONSOLIDATION

Scope of consolidation

The Consolidated Financial Statements include the financial and income statement results of the Parent Company and the companies over which it exercises direct or indirect control.

In 2022, within the Group's scope of consolidation, a major structural transaction between holding companies in Italy took shape, the outcome of a project initiated in previous years. Specifically, the transaction takes the form of:

1. merger by incorporation of "SCL HOLDING S.p.A." into "GI GROUP HOLDING S.r.l." (reverse merger), and simultaneous transformation of the latter into a joint stock company with the adoption of a new company statute,
2. Partial demerger of "GI GROUP S.p.A." in favour of "GI GROUP HOLDING S.p.A." of tangible and intangible assets, human resources, with related liabilities, and other assets and liabilities identified in connection with the Holding Company's strategic management and coordination activities,
3. Merger by incorporation of "GI INTERNATIONAL S.r.l." into "GI GROUP HOLDING S.p.A.".

On 15th June 2022, the deed of merger/demerger for the four companies involved was signed, finalising the recognition of the same on 20th June 2022.
The Merger transactions (points 1. and 3.) take effect for tax and statutory purposes as at 1st January 2022, while the partial demerger transaction takes effect as at 1st July 2022.

The table below lists the companies included in the Group's scope of consolidation, indicating their headquarters, share capital as at 31st December 2022, and the percentage held (directly or indirectly) by the Parent Company as at 31st December 2022 and 2021:

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS AT 31ST DECEMBER 2022 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
A) PARENT COMPANY				
GI GROUP HOLDING S.P.A.	MILAN	10,000	PARENT COMPANY	PARENT COMPANY
B) COMPANIES DIRECTLY CONTROLLED BY THE PARENT COMPANY				
GI GROUP S.P.A.	MILAN	12,000	100%	52.7%
GI FORMAZIONE S.R.L.	MILAN	100	100%	-
GI GROUP FRANCE S.A.S.	FRANCE	2,100	100%	100%
G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	SPAIN	1,875	100%	100%
GÉNÉRALE INDUSTRIELLE RESEARCH SL	SPAIN	800	100%	100%
BARNETT MCCALL RECRUITMENT S.R.L.	ROMANIA	2,756	100%	100%
GI DEUTSCHLAND HOLDING GMBH	GERMANY	5,205	100%	100%
WYSER SP.Z.O.O.	POLAND	971	100%	100%
GRAFTON RECRUITMENT POLSKA SP.ZOO	POLAND	768	100%	100%
GRAFTON OUTSOURCING SERVICES SP.ZOO	POLAND	1	100%	100%
GI GROUP POLAND S.A.	POLAND	1,446	88.39%	75.17%
GI GROUP HOLDINGS RECRUITMENT LIMITED	UK	13,873	100%	100%
GI GROUP CZECH REPUBLIC S.R.O.	CZECH REPUBLIC	8	100%	100%
GRAFTON RECRUITMENT S.R.O.	CZECH REPUBLIC	4	100%	100%
GI BPO S.R.O.	CZECH REPUBLIC	8	100%	100%
GI GROUP HOLDING B.V.	THE NETHERLANDS	50	100%	100%
GI GROUP SLOVAKIA S.R.O.	SLOVAK REPUBLIC	5	100%	100%
GI GROUP HR SERVICES SLOVAKIA S.R.O.	SLOVAK REPUBLIC	30	100%	100%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS AT 31ST DECEMBER 2022 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
GRAFTON SLOVAKIA S.R.O.	SLOVAK REPUBLIC	30	100%	100%
GIGP EMPRESA DE TRABALHO TEMPORÁRIO E RECURSOS HUMANOS, LDA	PORTUGAL	50	99%	99%
GI GROUP HUMAN RESOURCES SA	SWITZERLAND	92	100%	100%
JOBTOME INTERNATIONAL SA	SWITZERLAND	136	100%	100%
EUPRO HOLDING AG ST. GALLEN	SWITZERLAND	101	100%	-
GI GROUP BRASIL RECURSOS HUMANOS LTDA	BRAZIL	28,769	100%	100%
GI GROUP SEARCH & SELECTION S.A.	ARGENTINA	262	100%	100%
GI GROUP TEMPORARY STAFFING S.A.	ARGENTINA	1,055	100%	100%
GI GROUP COLOMBIA S.A.S.	COLOMBIA	1,034	100%	100%
GI HUMAN RESOURCES AND SERVICES PVT. LTD (FORMERLY ELIXIR WEB SOLUTIONS PVT. LTD.)	INDIA	6,112	100%	100%
GI STAFFING SERVICES PVT. LTD.	INDIA	3,867	100%	100%
HITECH PERSONNEL AGENCY CO. LIMITED	HONG KONG	8,532	100%	100%
GI GROUP HOLDING (ZHEJIANG) CO., LTD	CHINA	9,466	100%	-
GI HR HOLDING USA, INC.	USA	7,145	100%	100%
WYSER EOOD	BULGARIA	3	100%	100%
TACK & TMI BULGARIA EOOD	BULGARIA	3	100%	100%
GI GROUP AND WYSER TURKEY SECME VE YERLESTIRME A.S.	TURKEY	647	100%	100%
LIMITED LIABILITY COMPANY WYSER	RUSSIA	32	100%	100%
UAB GI GROUP LITHUANIA	LITHUANIA	6	100%	100%
GI GROUP UKRAINE SP. Z O.O.	UKRAINE	48	100%	100%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS AT 31ST DECEMBER 2022 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
GRAFTON RECRUITMENT SZEMÉLYZETI TANÁCSADÓ KFT.	HUNGARY	9	100%	100%
VERITA SOLUTIONS OÜ	ESTONIA	10	100%	N/A
C) COMPANIES INDIRECTLY CONTROLLED BY THE PARENT COMPANY				
INTOO S.R.L.	MILAN	100	100%	100%
EXS ITALIA S.R.L	MILAN	26	100%	100%
GI HR SERVICES S.R.L.	MILAN	100	100%	100%
OD&M S.R.L.	MILAN	50	100%	100%
C2C S.R.L.	MILAN	100	100%	100%
WYSER S.R.L.	MILAN	50	100%	100%
TACK & TMI ITALY S.R.L.	MILAN	100	100%	100%
GI BUSINESS PROCESS OUTSOURCING S.R.L.	MILAN	100	100%	100%
ENGINIUM S.R.L.	MILAN	100	100%	100%
GI GROUP AUTOMOTIVE GROUP S.A.S	FRANCE	3,333	100%	100%
ONEPI SAS	FRANCE	3,334	100%	100%
SOCIETE EUROPEENNE DE SELECTION SAS	FRANCE	150	100%	100%
AXXIS FORMATION SAS	FRANCE	40	100%	100%
AXXIS FORMATION SANTE SARL	FRANCE	50	100%	100%
AXXIS RESSOURCES SAS	FRANCE	100	100%	100%
G.I. GROUP OUTSOURCING 2016, S.L.	SPAIN	462	100%	100%
GI HOTELS, SERVICIOS PARA HOTELES S.L.	SPAIN	3	100%	100%
GI RECRUITMENT LIMITED	UK	80	100%	100%
GI GROUP RECRUITMENT LIMITED	UK	23	100%	100%
DRAEFERN LIMITED	UK	11	100%	100%
EXCEL RESOURCING LIMITED	UK	2	100%	100%
TACK INTERNATIONAL LIMITED	UK	316	100%	100%
INTOO UK LIMITED	UK	-	100%	100%
MARKS SATTIN (UK) LIMITED	UK	-	100%	100%
TACK TMI UK LIMITED	UK	-	100%	100%
GRAFTON PROFESSIONAL STAFFING LIMITED	UK	-	100%	100%
THE LEADERSHIP FACTORY LTD	UK	-	100%	-
ENCORE PERSONNEL SERVICES LIMITED	UK	1	100%	-
TMI CONSULTANCY SDN BHD.	MALAYSIA	87	100%	-
GI GROUP STAFFING COMPANY S.R.L.	ROMANIA	2,965	100%	100%
CONSULTEAM RECRUTARE SI SELECTIE SRL	ROMANIA	-	100%	100%
GI GROUP OUTSOURCING SOLUTIONS SRL	ROMANIA	20	100%	100%
GI GROUP DEUTSCHLAND GMBH	GERMANY	306	100%	100%
GI PROFESSIONAL SERVICES GMBH	GERMANY	25	100%	100%
GRAFTON DEUTSCHLAND GMBH	GERMANY	25	100%	100%
GRAFTON SOLUTIONS GMBH	GERMANY	25	100%	100%
GI GROUP OUTSOURCING DEUTSCHLAND GMBH	GERMANY	50	100%	100%
WORK SERVICE24 GMBH	GERMANY	25	100%	100%
GI GROUP SP.Z.O.O	POLAND	4,050	88.39%	75.17%
GENERALE INDUSTRIELLE POLSKA SP.Z.O.O	POLAND	239	88.39%	75.17%
GI BPO FINANCE SP. Z O.O.	POLAND	988	88.39%	75.17%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS AT 31ST DECEMBER 2022 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
VIRTUAL CINEMA STUDIO SP. Z O.O.	POLAND	-	88.39%	75.17%
WORK EXPRESS SP. Z O.O.	POLAND	-	88.39%	75.17%
SELLPRO SP. Z O.O.	POLAND	10,653	88.39%	75.17%
WORK SERVICE SPV SP. Z O.O.	POLAND	815	88.39%	75.17%
GI GROUP SUPPORT SP. Z O.O.	POLAND	2,404	88.39%	75.17%
GI GROUP SERVICE SP. Z O.O.	POLAND	4,984	88.39%	75.17%
INDUSTRY PERSONNEL SERVICES SP. Z O.O.	POLAND	8,799	88.39%	75.17%
KRAJOWE CENTRUM PRACY SP. Z O.O.	POLAND	803	88.39%	75.17%
CARE FOR PERSONNEL SP. Z O.O.	POLAND	22	88.39%	75.17%
OUTSOURCING SOLUTIONS PARTNER SP. Z O.O.	POLAND	138	88.39%	75.17%
GI GROUP TEMP B.V.	THE NETHERLANDS	50	100%	100%
GI GROUP PERM B.V.	THE NETHERLANDS	50	100%	100%
GI GROUP FREELANCE B.V.	THE NETHERLANDS	50	100%	100%
GI GROUP OUTSOURCING B.V	THE NETHERLANDS	50	100%	100%
GRAFTON OUTSOURCING SERVICES S.R.O.	SLOVAK REPUBLIC	29	100%	100%
WORK SERVICE 2000, S.R.O.	SLOVAK REPUBLIC	5	100%	100%
GIHR - HR SERVICES & SELECTION, LDA	PORTUGAL	5	99%	99%
EUPRO SCHAAN AG FL-SCHAAN	LIECHTENSTEIN	51	100%	-
EUPRO AG	SWITZERLAND	101	100%	-

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS AT 31ST DECEMBER 2022 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
BAUTECH PERSONAL AG	SWITZERLAND	254	100%	-
EAM ADMINISTRATION & MANAGEMENT AG	SWITZERLAND	101	100%	-
TIME MANAGER INTERNATIONAL A/S	DENMARK	792	100%	100%
C2C BRASIL PROMOTA DE VENTAS LTDA	BRAZIL	4,003	100%	100%
MARIACA CONSULTORIA EM GESTÃO DE CAPITAL HUMANO	BRAZIL	94	100%	-
STAR GROUP ASSESSORIA EM CARREIRAS LTDA.	BRAZIL	2	100%	-
MAGNOLIA ASSESSORIA ADMINISTRATIVA LTDA.	BRAZIL	19	100%	-
GI GROUP TEMPORALES SAS	COLOMBIA	56	100%	100%
T&S TEMSERVICE S.A.S	COLOMBIA	723	100%	-
ESPECIALISTAS EN SERVICIOS INTEGRALES S.A.S.	COLOMBIA	361	100%	-
BEIJING GI HUMAN RESOURCE CO., LTD	CHINA	3,903	100%	100%
ZHEJIANG GI HUMAN RESOURCES CO., LTD.	CHINA	1,086	100%	100%
SHANGHAI GI HUMAN RESOURCES SERVICE CO., LTD	CHINA	224	100%	100%
SUZHOU GI HUMAN RESOURCES SERVICE CO., LTD	CHINA	237	100%	100%
SHANGHAI GI ENTERPRISE MANAGEMENT CONSULTING CO.LTD.	CHINA	1,521	100%	100%
NINGBO GEPU ENTERPRISE MANAGEMENT CONSULTING CO., LTD.	CHINA	119	100%	100%
TAIZHOU HUANGYAN LEIBO HUMAN RESOURCES CO., LTD	CHINA	234	70%	70%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS AT 31ST DECEMBER 2022 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
NINGBO GI SUPPLY CHAIN MANAGEMENT CO., LTD	CHINA	1216	100%	100%
SHENZHEN GI GROUP	CHINA	259	100%	100%
BEIJING GI GROUP	CHINA	276	100%	100%
NINGBO GIPU SUPPLY CHAIN MANAGEMENT CO., LTD	CHINA	256	100%	100%
GI PERMANENT RECRUITMENT SERVICE CO., LTD	CHINA	264	100%	100%
HAIKOU GI TALENT SERVICE CO., LTD	CHINA	-	100%	100%
JIANGXI BOYOU HUMAN RESOURCE CO., LTD	CHINA	256	100%	-
JIAXING GI SUPPLY CHAIN MANAGEMENT CO., LTD	CHINA	271	100%	100%
INTOO LLC	USA	7,589	100%	100%
GI GROUP EOOD	BULGARIA	3	100%	100%
GI GROUP OUTSOURCING EOOD	BULGARIA	1	100%	100%
GI GROUP HR SOLUTIONS D.O.O. BEOGRAD	SERBIA	3	100%	100%
GI GROUP STAFFING SOLUTIONS AGENCIJA ZA PRIVREMENO ZAPOSLJAVANJE D.O.O. BEOGRAD	SERBIA	1	100%	100%
GI GROUP BUSINESS SOLUTIONS DOO BEOGRAD	SERBIA	1	100%	100%
TACK TMI ADRIA DOO	SERBIA	1	100%	100%
WYSER D.O.O.	CROATIA	3	100%	100%
OD&M CONSULTING SOLUTIONS D.O.O.	CROATIA	3	100%	100%
GI GROUP STAFFING SOLUTIONS D.O.O.	CROATIA	3	100%	100%
GI GROUP HR SOLUTIONS D.O.O.	MONTENEGRO	33	100%	100%
GI GROUP D.O.O.	MONTENEGRO	-	100%	100%
GI GROUP OUTSOURCING D.O.O.	MONTENEGRO	-	100%	100%
GI GROUP HUMAN RESOURCES AND CONSULTANCY İNSAN KAYNAKLARI VE DANIŞMANLIK ANONIM ŞIRKETI	TURKEY	1,020	100%	100%
LIMITED LIABILITY COMPANY GI GROUP	RUSSIA	25	99%	99%
LIMITED LIABILITY COMPANY OD&M CONSULTING	RUSSIA	-	100%	100%
UAB GI BPO LITHUANIA	LITHUANIA	3	100%	100%
WYSER SEARCH HUNGARY KFT.	HUNGARY	9	100%	100%
GI GROUP HUNGARY KFT.	HUNGARY	9	100%	100%
GI GROUP RECRUITMENT KFT	HUNGARY	8	100%	-
UAB SIMPLIKA	LITHUANIA	3	100%	-
UAB CVO RECRUITMENT	LITHUANIA	3	100%	-
RECRUITMENT ESTONIA OÜ	ESTONIA	5	100%	-
SIMPLIKA SIA	LATVIA	3	100%	-
CVO RECRUITMENT LATVIA SIA	LATVIA	3	100%	-
D) ASSOCIATED COMPANIES				
FARE LAVORO, SOCIETÀ CONSORTILE A R.L.	ITALY	50	49%	49%

The reporting date for the companies within the scope of consolidation is 31st December. This date coincides with the Parent Company's reporting date, with the exception of the following subsidiaries, which close their financial statements as at 31st March:

- GI Human Resources And Services Pvt. Ltd. (India);
- GI Staffing Services Pvt. Ltd. (India);
- Hitech Personnel Agency Co. Limited (Hong Kong, China).

Note that, for these companies, Statements of Financial Position and Income Statements have been prepared as at 31st December only for the purposes of the Group Consolidated Financial Statements.

CHANGES IN THE SCOPE OF CONSOLIDATION

During the year ended as at 31st December 2022, the Group's scope of consolidation expanded, mainly due to the following investment transactions:

- a training company The Leadership Factory, based in Scotland, at the end of January 2022;
- two Colombian companies T&S TEMSERVICE S.A.S and ESPECIALISTAS EN SERVICIOS INTEGRALES S.A.S, at the end of April 2022;
- three Brazilian companies active in outsourcing at the beginning of May 2022 (Mariaca Consultoria em Gestão de Capital Humano, Star Group Assessoria em Carreiras Ltda. and Magnolia Assessoria Administrativa Ltda.);
- two companies whose acquisition was made at the end of June, the first in Argentina (ASSIOMA S.A.) and the second in Malaysia (TMI Consultancy Sdn Bdh.);
- an acquisition finalised in late September in Great Britain, namely the administration company Encore Personnel Limited;
- the acquisition in November of the Swiss "Eupro" group, which operates in staffing;
- five companies under the CVO Recruitment and Simplika brands, operating in executive search, recruitment and selection in the Baltic region and with a strong presence in Estonia, Latvia and Lithuania, in late November.

Finally, early 2022 also marked the establishment of two new companies: in the Czech Republic, GI BPO s.r.o. and in Hungary, Gi Group Recruitment Kft.

During the year, the Chinese company Gi Group Holding China CO., LTD was also established. The changes made due to merger transactions between Group companies effective 1st January 2022 involve two companies in Switzerland: CN HR HOLDING SA has merged with the group's other Swiss company, GI GROUP HUMAN RESOURCES SA.

For more on the acquisitions made during the financial years in question, refer to note 7 "Business Combinations".

EXCLUSIONS FROM THE SCOPE OF CONSOLIDATION

The foreign subsidiaries House of Jobs d.o.o. (Croatia) and House of Jobs Bulgaria EOOD (Bulgaria) were excluded from the scope of consolidation as at 31st December 2022 as these are small companies acquired in 2019 along with the German group On Time/House of Jobs.

The following UK companies were excluded from the scope of consolidation as at 31st December 2022 because they were inactive:

- INTERNATIONAL LEARNING Limited;
- TACK GLOBAL Limited;
- The European Academy of Sales and Sales Management Limited;
- TACK INDUSTRIES Limited;
- TACK Management Consultants Limited;
- TACK Sales & Marketing Training Limited;
- TACK Training Scotland Limited;
- TACK Training Worldwide Ltd;
- GI Staffing Solutions (Ireland) Limited.

2.5. CONSOLIDATION CRITERIA AND METHODS

CONSOLIDATION METHODS

Subsidiaries are consolidated on a line-by-line basis, while interests over which the Group exercises significant influence are valued using the shareholders' equity method.

A. Line-by-line method

Subsidiaries are those companies over which the Group has control. The Group controls a company when it is exposed to changes in the company's results and it has the power to influence those results using its power over the company. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the entity invested in (or it holds valid rights which grant it the actual ability to direct the material operations of the entity invested in);
- exposure or rights to variable returns deriving from the relationship with the entity invested in;
- ability to exercise its power over the entity invested in, to impact the amount of its returns.

Generally, control is assumed to exist where the Group directly or indirectly holds more than half of the voting rights, also taking into consideration voting rights that may be exercised or converted.

Control is obtained when the Group is exposed to or has the right to variable returns. The Group considers all material facts and circumstances to establish whether it controls the entity invested in, including any of the following:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual agreements;
- voting rights and potential voting rights of the Group.

The Group reconsiders whether it has control over a subsidiary if the facts and circumstances indicate that there have been changes in one or more of the three key elements used to define control.

Consolidation of a subsidiary starts when the Group obtains control over it and ends when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the Consolidated Financial Statements from the date on which the Group obtains control up to the date on which the Group no longer exercises control over the company.
The profit (loss) for the year and each of the other components of the statement of comprehensive income are attributed to the shareholders of the parent company and to minority interests, even if this results in the minority interest having a negative balance. Where necessary, appropriate adjustments are made to the financial statements of subsidiaries, to guarantee their compliance with the Group's accounting policies.

Where equity interests are acquired after assuming control (acquisition of minority interests), any difference between the purchase cost and the corresponding portion of shareholders' equity acquired is recognised in shareholders' equity pertaining to the Group. Similarly, the effects of selling a minority interest without loss of control are recognised in shareholders' equity.

The financial statements of subsidiaries used for the purposes of consolidation are drawn up with reference to the same accounting period, adopting the same accounting standards as the parent company. All intercompany balances and transactions, including any unrealised profits and losses resulting from transactions between Group companies, are completely derecognised. Unrealised profits and losses generated on transactions with associated companies or companies under joint control are derecognised based on the Group's equity interest in those companies. Comprehensive income (loss) of a subsidiary is attributed to minority interests, even if this results in the minority interests having a negative balance.

If the parent company loses control of a subsidiary, it:

- derecognises the subsidiary's assets (including any goodwill) and liabilities;
- derecognises the book values of any minority interest in the former subsidiary;
- derecognises the cumulative exchange rate differences recognised in shareholders' equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any minority interest maintained in the former subsidiary;
- recognises all profit or loss in the income statement;
- reclassifies the share held by the parent company of the components previously recognised in the statement of comprehensive income to the income statement or to retained earnings, as appropriate.

B. b) Shareholders' equity method

Investees over which the Group exercises significant influence or holds joint control, as defined by IAS 28, are valued using the shareholders' equity method.

According to this method, the equity investment is initially recognised at cost and the book value is increased or decreased to recognise the investor company's share in the investee's profits or losses realised after the date of acquisition. The investor company's share of the investee's results is recognised in the investor's income statement. Each change in other components of comprehensive income relating to these investees is presented as a part of the Group's statement of comprehensive income. Moreover, if an associated company or joint venture recognises a change that is directly attributable to shareholders' equity, the Group recognises its share, where applicable, in the Statement of Changes in Shareholders' Equity. Unrealised profits and losses from transactions between the Group and associated companies or joint ventures are derecognised in proportion to the equity interest in the associated companies or joint ventures.

Dividends received from an investee decrease the book value of the equity investment.

Where potential voting rights exist, the investor's share of profits or losses and changes in shareholders' equity of the investees is determined based on the actual ownership structures and does not reflect the possibility of exercising or converting potential voting rights.

If the investee incurs losses, where these exceed the carrying amount of the equity investments, the same will be reduced to zero and further losses will be recognised only if the investor company has legal or constructive obligations or has made payments on behalf of the investee. If the investee realises profits, the investor company newly recognises its share of profits only after this is equal to the share of losses not previously recognised.

If there is evidence that the value of an equity investment may be impaired, the recoverable amount of the equity investment is estimated, taking into account the current value of future cash flows that the equity investment may generate, including the final disposal value of the investment. Where the recoverable value is lower than the book value, the difference is recognised in the income statement. If the reasons for the impairment are no longer valid, as a result of an event occurring after the impairment is recognised, writebacks are entered in the income statement.

For the purposes of consolidating equity investments in associated companies and/or jointly-controlled companies, the financial statements prepared and approved by each company's management board are used. If there are no financial statements available that have been prepared in accordance with the International Accounting Standards, those prepared in accordance with national accounting standards shall be used, after verifying that there are no significant differences.

The consolidating company stops using the shareholders' equity method from the date on which it ceases to exercise significant influence or joint control over the investee company. In the event of loss of significant influence or joint control over an investee company, the Group measures and recognises the residual equity investment at fair value. The difference between the carrying amount of the equity investment as at the date significant influence or joint control is lost and the fair value of the residual equity investment and the consideration received is recognised in the Income Statement.

BUSINESS COMBINATIONS

A business combination is a transaction, or other event, through which an acquirer obtains control of one or more businesses. Based on the provisions of IFRS 3, all business combinations are accounted for using the acquisition method, which considers the business combination from the acquirer's point of view and, as a result, assumes that an acquirer must be identified for each business combination. The date of acquisition is the date on which the acquirer obtains control of the other businesses or business assets subject to aggregation. The acquired business' financial statements must be available on the date of acquisition in order to consolidate the results into the Consolidated Income Statement and to measure the fair value of the acquired assets and liabilities, including goodwill.

The assets acquired and liabilities assumed are measured by the acquiring company at their fair value as at the date of acquisition, based on the definition provided by IFRS 13.

Specifically, based on the acquisition method:

i. the consideration paid in a business combination is measured at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Group as at the date of acquisition and the capital instruments issued in exchange for control of the acquired company. Transaction costs are recognised in the Income Statement at the time that they are incurred;
ii. as at the date of acquisition, the identifiable assets acquired and the liabilities assumed are recognised at fair value; an exception to this are deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments related to share-based payment transactions of the acquired company or the replacement of an acquired company's share-based payment transactions with share-based payment transactions of the acquiring company, and assets (or groups of assets and liabilities) held for sale, which are instead measured in accordance with their specific standards;
iii. goodwill is determined as the excess amount over the sum of the consideration transferred in the business combination, the value of shareholders' equity pertaining to minority interests and the fair value of any equity investment previously held in the acquired company of the fair value of the net assets acquired and liabilities assumed as

at the date of acquisition. If the value of net assets acquired and liabilities assumed as at the date of acquisition exceeds the sum of the consideration transferred, the value of shareholders' equity pertaining to minority interests and the fair value of any equity investment previously held in the acquired company, that excess amount is immediately recognised in the Income Statement as income deriving from the transaction concluded;

iv. any consideration subject to conditions set out in the business combination contract are measured at fair value as at the date of acquisition and are included in the value of the consideration transferred in the business combination used to determine goodwill.

For a business combination carried out in steps, the equity investment previously held in the acquired company is remeasured at fair value as at the date control is acquired and any resulting profit or loss is recognised in the Income Statement.

If the initial amounts of a business combination are incomplete by the end of the reporting period in which it occurs, the Group shall report in its Consolidated Financial Statements provisional amounts for the items whose recognition cannot be completed. Those provisional amounts are adjusted during the measurement period to take account of new information obtained regarding the facts and circumstances that existed as at the date of acquisition which, if known, would have had an effect on the value of assets and liabilities recognised as at that date.

TREATMENT OF PUT OPTIONS ON SHARES OF SUBSIDIARIES

The Group has granted put options to minority shareholders, which give them the right to sell their shares to the Group at a future date.

The treatment of put options relating to minority interests is not entirely regulated by the EU-IFRS. While the EU-IFRS state that in order to account for a put option on minority interests, a liability must be recognised, they do not state what the offsetting entry must be. On initial recognition, the financial liability will be recognised at the same value as the amount, appropriately discounted, which must be paid to exercise the put option. Subsequent changes in the amount of the liability will be recognised in the Statement of Comprehensive Income in line with the provisions of IFRS 9.

To identify the offsetting entry on initial recognition of the above liability, it must be assessed whether the risks and rewards of ownership of the minority interests covered by the put option have been, due to the conditions of exercise of the option, transferred to the parent company or remain with the owner of these interests. The results of this analysis will decide whether the minority interest covered by the put option continues to be recognised in the Consolidated Financial Statements.

The minority interests covered by put options will continue to be recognised if the above risks and benefits are not transferred to the parent company through the put option. Vice versa, where the risks and rewards are transferred, these minority interests shall cease to be recognised in the Consolidated Financial Statements.

Therefore:

- if minority interests need not be recognised in the financial statements, as the risks and rewards connected with them are transferred to the parent company, the liability relating to the put option will be recognised:
  a. with an offsetting entry of goodwill, where the put option is recognised to the seller as part of a business combination; or
  b. with an offsetting entry of shareholders' equity of minority interests where the contract is entered into outside of a business combination.

- where the risks and rewards are not transferred, the offsetting entry for the recognition of the liability will always be the shareholders' equity pertaining to the Parent Company.

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES

The financial statements of foreign companies are prepared using the currency of the primary economy in which they operate.

The rules for translating the financial statements of foreign companies prepared in currencies other than the Euro, except for companies operating in economies subject to hyperinflation, are as follows:

- assets and liabilities are translated using the spot exchange rates on the reporting date;
- costs and revenues are translated using the average exchange rate for the year;
- the "translation reserve" comprises both the exchange rate differences generated by translating amounts at an exchange rate different from that in force as at the reporting date and the exchange rate differences generated by the translation of shareholders' equity at the beginning of the year at an exchange rate different from the one in force at the end of the year.

The table below sets out the exchange rates used for translation into Euro of the amounts recognised in the financial statements of foreign companies prepared in currencies other than the Euro:

EXCHANGE RATES EURO/CURRENCY	SPOT EXCHANGE RATE ON 31ST DECEMBER 2022	SPOT EXCHANGE RATE ON 31ST DECEMBER 2021	AVERAGE EXCHANGE RATE IN 2022	AVERAGE EXCHANGE RATE IN 2021
ARGENTINA PESO (ARS) (*)	188.5033	116.3622	136.77670	112.4215
NEW BULGARIAN LEV (BGN)	1.95580	1.9558	1.95580	1.9558
BRAZIL REAL (BRL)	5.63860	6.3101	5.43990	6.3779
SWISS FRANC (CHF)	0.98470	1.0331	1.00470	1.0811
CHINESE YUAN RENMINBI (CNY)	7.35820	7.1947	7.07880	7.6282
COLOMBIAN PESO (COP)	5,172.47000	4,598.68	4,473.28	4,429.48
CZECH KORUNA (CZK)	24.11600	24.858	24.56590	25.6405
DANISH KRONE (DKK)	7.43650	7.4364	7.43960	7.437
POUND STERLING (GBP)	0.88693	0.84028	0.85280	0.8596
HONG KONG DOLLAR (HKD)	8.31630	8.8333	8.24510	9.1932
CROATIAN KUNA (HRK)	7.53650	7.5156	7.53490	7.5284
HUNGARIAN FORINT (HUF)	400.87000	369.19	391.28650	358.5161
INDIAN RUPEE (INR)	88.17100	84.2292	82.68640	87.4392
MALAYSIAN RINGGIT (MYR)	4.69840	4.7184	4.62790	4.6721
POLISH ZLOTY (PLN)	4.68080	4.5969	4.68610	4.5652
ROMANIAN NEW LEI (RON)	4.94950	4.949	4.93130	4.9215
SERBIAN DINAR (RSD)	117.32460	117.6165	117.41840	117.5497
RUSSIAN ROUBLE (RUB)	77.97700	85.3004	73.85300	87.1527
TURKISH LIRA (TRY)	19.96490	15.2335	17.40880	10.5124
UKRAINIAN HRYVNIA (UAH)	39.03700	30.9219	34.02500	32.2592
US DOLLAR (USD)	1.06660	1.1326	1.05300	1.1827

(*) REFER TO NOTE 2.6 "ACCOUNTING STANDARDS AND VALUATION CRITERIA" (SUB-PARAGRAPH "HYPERINFLATION") FOR A DESCRIPTION OF THE ACCOUNTING STANDARDS AND VALUATION CRITERIA APPLIED IN RELATION TO ECONOMIES SUBJECT TO HYPERINFLATION.

2.6. ACCOUNTING STANDARDS AND VALUATION CRITERIA

The criteria used to classify, recognise, measure and derecognise the various asset and liability items, and the valuation criteria used for income components are illustrated below.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is accounted for only when the following conditions are met simultaneously:

- it is probable that the company will enjoy the future economic benefits of the asset;
- the cost can be reliably determined.

Property, plant and equipment is initially recognised at cost, defined as the monetary amount or equivalent paid or the fair value of other considerations given to acquire an asset, as at the date of acquisition or replacement. Following initial recognition, property, plant and equipment is measured using the cost method, net of depreciation charges recorded and any accumulated impairment losses.

The cost includes charges directly incurred to make the assets usable, and any dismantling and removal costs incurred as a result of contractual obligations that require assets to be restored to their original condition.

Charges incurred for ordinary and/or cyclical maintenance and repair are charged directly to the Income Statement when they are incurred. Costs relating to the expansion, modernisation or improvement of structural elements owned or used by third parties are capitalised to the extent that they meet the requirements to be separately classified as assets or part of an asset.

Property, plant and equipment is depreciated on a straight-line basis, over the useful life of the assets. The useful life estimated by the Group for the various categories of property, plant and equipment is shown below:

CATEGORY	ESTIMATED USEFUL LIFE (YEARS)
BUILDINGS	33.3
FURNITURE	8.3
GENERIC PLANT	6.7
FURNISHINGS	6.7
MOBILE PHONES	5.0
TELEPHONY SYSTEMS	5.0
ELECTRONIC MACHINES	5.0
AUTOMOBILES, MOTORCYCLES AND SIMILAR VEHICLES	4.0
OTHER PROPERTY, PLANT AND EQUIPMENT	5.0

Improvements on third-party assets are classified in the item "Property, plant and equipment". Their period of depreciation is the lesser of the residual useful life of the tangible asset and the residual duration of the lease contract, taking account of any renewal period, if dependent upon the lessee.

As at each reporting date, the Group verifies where there have been any significant changes in the expected characteristics of the economic benefits deriving from the capitalised property, plant or equipment and, if so, amends the depreciation criteria, which is considered to be the change in estimation in line with the provisions of IAS 8. This is subsequently accounted for prospectively, recognising the impact of the change on the reporting period in which the change occurs and on future reporting periods.

The value of property, plant and equipment is fully derecognised on its disposal or when the company expects not to be able to derive any economic benefit from its sale.

GOODWILL

Goodwill is the residual amount of the acquisition cost in a business combination, in that it is the excess amount remaining when the fair value of assets, liabilities and identifiable contingent liabilities (including intangible assets and contingent liabilities which are required to be recognised in the financial statements) is deducted from the cost of the business combination.

It is the consideration transferred by the acquirer in the expectation of future economic benefits deriving from assets which cannot be identified individually or recognised separately, effectively incorporating the value of expected synergies, the image of the acquired company, know-how, professionalism, procedures and other undefined factors. Specifically, as at the date of acquisition, goodwill is measured as the excess of the fair value of the acquired company's identifiable net assets and the sum of the following items:

- the consideration transferred, usually measured at fair value;
- the amount relating to minority interests;
- the fair value as at the date of acquisition of interests already held by the acquirer prior to the business combination transaction.

The goodwill acquired in a business combination is not amortised. The Group annually, and any other time there is an indication that the value of the asset may be impaired, tests whether or not the goodwill shown in the Consolidated Financial Statements following line-by-line consolidation of the direct and indirect equity investments is impaired (impairment testing).

If the residual amount resulting from the allocation of the acquisition value is negative, it is instead recognised as income in the Income Statement, since, in substance, this is negative goodwill.

OTHER INTANGIBLE ASSETS

An intangible asset is an asset which meets the following conditions simultaneously:

- it is identifiable;
- it is non-monetary;
- it has no physical substance;
- it is under the control of the company that draws up the financial statements;
- it is expected to produce future economic benefits for the business.

If an asset does not meet the above requirements to be defined as an intangible asset, the expenses incurred to purchase the asset or to generate it internally is accounted for as a cost at the time it is incurred.

Intangible assets are initially recognised at cost. The cost of intangible assets acquired externally includes the acquisition price and any costs directly attributable.

Goodwill generated internally is not recognised as an asset, nor are intangible assets deriving from research (or from the research phase of an internal project).

An intangible asset deriving from development or the development phase of an internal asset is only recognised if the following conditions are met:
- it is technically feasible to finish the intangible asset so that it is available for use or sale;
- there is the intention to complete the intangible asset to use or sell it;
- the intangible asset can be used or sold;
- the intangible asset is capable of generating future economic benefits and, in particular, there is a market for the intangible asset's product or for the intangible asset itself or, if it is to be used internally, its use;
- there are adequate technical, financial and other types of resources available to complete the development of and to use or sell the asset;
- the cost attributable to the intangible asset can be reliably assessed during its development.

Intangible assets are measured using the cost method. The cost method requires that, following initial recognition, an intangible asset must be recognised at cost net of accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised on a straight-line basis, over the useful life of the assets. The useful life estimated by the Group for the various categories of intangible assets is shown below:

CATEGORY	ESTIMATED USEFUL LIFE
TRADEMARKS AND SIMILAR RIGHTS	10.0
CONCESSIONS AND LICENCES	3.0
SOFTWARE	3.0
OTHER INTANGIBLE ASSETS	5.0

RIGHT OF USE ASSETS AND LEASE LIABILITIES

In accordance with the provisions of IFRS 16, a contract is, or contains a lease, if the contract confers the right to control, for a determined period and in exchange for a consideration, the use of an identified asset.

In order to assess whether or not the contract confers the right to control the use of an identified asset for a certain period of time, during the period of use, it must be assessed whether the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset and has the right to direct the use of the identified asset.

The contract is assessed again to verify if it is, or contains, a lease only if there are changes to the terms and conditions of the contract.

For a contract that is, or contains, a lease, each lease component is separated from the non-lease components, unless the Group applies the practical expedient in paragraph 15 of IFRS 16. This practical expedient allows the Group to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. Specifically, with regard to the separation of lease and non-lease components, the Group has adopted the following approach:
- for property leases, the lease components have been separated from the non-lease components (e.g., condominium fees);
- for vehicle leases, the lease components have not been separated from the non-lease components (e.g., maintenance service fees), and, therefore, the Group has elected to account for each lease component and any associated non-lease components as a single lease component.

The lease term is determined as the non-cancellable period of a lease, together with both of the following periods:
- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

In assessing whether the Group is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease, it shall consider all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Specifically, regarding the lease term, the Group has adopted the following approach:
- for property leases, it analysed the renewal and early termination clauses and, specifically:
  - contract renewal clauses were considered in order to determine the term of a contract only when the Group has the option to exercise them without the need to obtain the counterparty's consent and it is reasonably certain to exercise them;
  - automatic renewal clauses in which both parties have the right to terminate the contract were not considered to determine the term of a contract, if the penalties for terminating the contract are not considered to be significant;
  - early termination clauses that can be exercised unilaterally by the Group are not

  - considered in determining the term of the contract if the Group is reasonably certain not to exercise the early termination option;
  - the early termination clauses that can be exercised unilaterally by the Group lessor are not considered in determining the term of the contract;
- for vehicle leases, only the original term was considered;
- contracts with a term of less than 12 months (short-term leases) have been excluded from the calculation of right of use assets and lease liabilities, and, therefore, the associated costs have been recognised in the Income Statement under "Costs for services".

As at the commencement date of the contract, the Group recognises the right of use assets and lease liabilities.

As at the commencement date of the contract, the right of use assets are valued at cost. The cost of the right of use assets includes:

a. the amount of the initial valuation of the lease liability;
b. any lease payments made as at or before the commencement date, less any lease incentives received;
c. the initial direct costs incurred by the Group;
d. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred in order to produce inventories.

As at the commencement date, the Group measures the lease liability at the present value of the lease payments due that are unpaid as at that date. Lease payments include the following amounts:

a. fixed payments, less any lease incentives receivable;
b. variable lease payments linked to an index or a rate, initially measured using the index or rate as at the commencement date;
c. amounts that the Group shall be required to pay under residual value guarantees;
d. the exercise price of a put option, if the Group is reasonably certain to exercise that option;
e. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are discounted using the Group's marginal lending rate, that is, the interest rate that the Group would pay if it took out a loan with a similar term and guarantees to obtain an asset of similar value as the right of use asset in a similar economic context. That rate is comprised of the risk-free rate of the country in which the contract is negotiated and based on the term of the contract, adjusted based on the Group's credit spread.

Following initial recognition, the right of use asset is valued at cost:

a. less accumulated depreciation and accumulated impairment losses; and
b. is adjusted to take account of any remeasurements of the lease liability.

A right of use asset is depreciated over the term of the contract or, if the contract transfers ownership of the underlying asset to the lessee at the end of the contract or if it is reasonably certain that an option to purchase the underlying asset will be exercised at the end of the contract, over the useful life of the underlying asset.

Following initial recognition, the lease liability is valued by:

a. increasing the book value to reflect interest on the lease liability;
b. reducing the book value to reflect the lease payments made; and
c. remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

If there are lease modifications that do not constitute a separate lease, the right of use asset shall be remeasured (upwards or downwards), in line with the change in the lease liability as at the modification date. The lease liability is remeasured based on the new terms and conditions of the lease contract, using the discounting rate as at the modification date.

The Group has applied two exemptions set out in IFRS 16, with regard to short-term leases (i.e. lease contracts whose term is equal to or less than 12 months from the commencement date) and to the lease of low-value assets (i.e. if the value of the underlying asset, when new, is roughly below USD 5,000). In these cases, the right of use asset and the associated lease liability are not recognised, and the lease payments are recognised in the income statement at a constant rate over the lease term or at another systematic rate if it better represents the way in which the lessee enjoys the benefit.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT OF USE ASSETS

As at each reporting date the Group carries out a test to assess whether there are any indicators of impairment on property, plant and equipment, goodwill, other intangible assets or right of use assets not completely amortised/depreciated.

With regard to goodwill, the Group annually, and any other time there is an indication that the value of the asset may be impaired, tests whether or not the goodwill shown in the Consolidated Financial Statements following line-by-line consolidation of the direct and indirect equity investments is impaired (impairment testing).

If such indicators are identified, the recoverable value of the above assets is estimated, recording in the Income Statement any write-downs on the book value. The recoverable value of an asset is the greater of the fair value, less costs to sell, and the associated value in use, calculated by discounting the estimated future cash flows for that asset, including, if significant and reasonably measurable, those deriving from its sale at the end of its useful life, less any disposal costs. In determining the value in use, the expected future cash flows are discounted using a rate that reflects the current market valuation of the cost of money, linked to the period of investment and the specific risks of the asset.

For assets that do not generate largely independent cash flows, the recoverable value is determined in relation to the cash generating unit (CGU) to which such asset belongs.

An impairment loss is recognised in the Income Statement where the asset's carrying amount, or the CGU to which it is allocated, is greater than the associated recoverable value. A CGU's impairment losses are charged primarily as a reduction in the book value of any goodwill attributed to it and, therefore, as a reduction in other assets, in proportion to their book value and to the extent of the associated recoverable value. If the conditions for a previously carried out write-down no longer apply, the book value of the asset is reinstated by entry into the Income Statement, in the limits of the net carrying amount that the asset in question would have had if it had not been subject to a write-down and had been amortised.

EQUITY INVESTMENTS ACCOUNTED FOR AT SHAREHOLDERS' EQUITY

This item includes the equity investments in associated companies, which are accounted for at shareholders' equity. Companies subject to significant influence (associated companies) are those entities in which the Group holds at least 20% of voting rights (including "potential" voting rights) or in which – even with a lower portion of voting rights – it has the power to participate in determining the investee's financial and management policies by virtue of specific legal ties such as participation in shareholders' agreements. For a description of the methods of applying the shareholders' equity method, refer to Note 2.5 "Consolidation criteria and methods".

FINANCIAL ASSETS

On initial recognition, financial assets are recorded at fair value and subsequently classified in one of the following categories:

a. financial assets measured at amortised cost;
b. financial assets measured at fair value through other comprehensive income (and thus with impact on a shareholders' equity reserve);
c. financial assets measured at fair value through profit or loss.

IFRS 9 distinguishes the classification of financial assets based on whether or not they are debt instruments (i.e. receivables and debt securities), equity instruments or derivative instruments.

Debt instruments (i.e. receivables and debt securities) are classified based on the following elements:

- the entity's business model for managing financial assets (the business model test); and
- the characteristics of the contractual cash flows of the financial asset (conducting the "solely payments of principal and interest – SPPI – test").

Specifically, the business model test considers the model used to manage the portfolios of financial assets, introducing the following three methods:

- Hold to Collect (i.e. HTC): financial assets held to collect the contractual cash flows;
- Hold to Collect and Sell (i.e. HTC&S): financial assets held to collect the contractual cash flows and realise fair value gains through sale;
- Residual portfolio (i.e. Other): financial assets held neither to collect contractual cash flows nor to collect cash flows and realise gains.

In order to pass the SPPI test, it is necessary that the contractual conditions of the activity itself provides, on specified dates, cash flows represented solely by capital payments and interest on the amount of capital outstanding. For equity instruments not classified as controlling interests, associate and joint control, if at initial recognition they are not held for trading and do not refer to a consideration recognised by an acquirer in a business combination according to IFRS 3, they may be measured, irrevocably, at fair value through other comprehensive income (and thus, with an impact on a shareholders' equity reserve). In all other cases they must be measured at fair value through profit or loss.

Derivative instruments are always measured at fair value through profit or loss, regardless of the portfolio in which they are allocated or the business model associated with them, except for derivative instruments held for hedging purposes.

Financial assets are included with current assets, except for those with a contractual term greater than twelve months from the reporting date, which are classified as non-current assets.

A. Financial assets measured at amortised cost

This category includes debt instruments (i.e. receivables and debt securities) that meet the following conditions:

- the financial asset is held under a business model whose objective is achieved through the collection of contractually expected cash flows ("Hold to Collect" business model); and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI test" passed).

On initial recognition these assets are measured at fair value, including transaction costs or income directly attributable to the instrument. Following initial recognition, the financial assets in question are measured at amortised cost, using the effective interest method. The amortised cost method is not used for assets – measured at historical cost – whose short-term nature means that the effects of discounting would be negligible, that is, for assets without a defined term and for non-revolving credit facilities.

B. Financial assets measured at fair value through other comprehensive income

This category includes debt instruments (i.e. receivables and debt securities) that meet the following conditions:

- the financial asset is held under a business model whose objective is achieved through the collection of contractually expected cash flows and through the sale of the financial asset ("Hold to Collect and Sell" business model);
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI test" passed).

C. Financial assets measured at fair value through profit or loss

This category comprises financial assets other than those classified among "Financial assets measured at amortised cost" or among "Financial assets measured at fair value through other comprehensive income".

DERIVATIVE FINANCIAL LIABILITIES AND HEDGING TRANSACTIONS

Derivative financial assets are accounted for in accordance with the provisions of IFRS 9.

As at the contract date, derivative financial instruments are initially accounted for at fair value, as financial assets measured at fair value through profit or loss where the fair value is positive or as a financial liability measured at fair value through profit or loss where the fair value is negative.

If the financial instruments are not accounted for as hedging instruments, the changes in fair value recognised following initial recognition are recognised as components of the profit (loss) for the year. If, however, the derivative instruments meet the requirements to be classified as hedging instruments, subsequent changes in fair value are accounted for using specific criteria, which are set out below.

A derivative financial instrument is classified as a hedging instrument if there is formal documentation of the relationship between the hedging instrument and the hedged item, including the objectives of risk management, the strategy for undertaking the hedge, and how the entity will prospectively and retrospectively assess whether the hedging relationship meets the hedge effectiveness requirements. The effectiveness of each hedge is assessed at the inception of each hedging relationship and during its life, and, specifically, as at each reporting date or interim reporting date. Generally, a hedge is considered to be highly "effective" if, at its inception and during its life, the changes in fair value (for fair value hedges) or expected future cash flows (for cash flow hedges), of the hedged item are substantially offset by the changes in the fair value of the hedging instrument.

IFRS 9 allows entities to designate hedge instruments as one of the following three hedging relationships:

a. fair value hedge: where the hedge regards changes in fair value of an asset or liability recognised in the financial statements, both the changes in fair value of the hedging instrument and the changes in the hedged instrument are charged to the Income Statement.
b. cash flow hedge: for hedges aimed at neutralising the risk of changes in cash flows originating from the future execution of contractually defined obligations as at the reporting date, the changes in fair value of the derivative instrument recognised following initial recognition are accounted for, limited to only the effective portion, in other comprehensive income and, thus in a shareholders' equity reserve called "Cash flow hedging reserve". When the economic effects of the hedged item arise, the portion accounted for in other comprehensive income is transferred to the Income Statement. If the hedge is not fully effective, the change in fair value of the hedging instrument referring to the ineffective portion is immediately recognised in the Income Statement.
c. hedge of a net investment in a foreign operation (net investment hedge): that hedge is carried out by hedging exchange rate risk relating to the reference currency of the investment. Exchange rate risk hedges are recognised in a similar way to cash flow hedges: the effective portion of the change in fair value of the hedging instrument is recognised directly in shareholders' equity, while the ineffective part of the change in fair value of the hedging instrument is recognised in the Income Statement. The hedged instrument is accounted for in the same way as the category to which it belongs. The hedge of a net investment in a foreign operation relates to currency operations defined as follows:
   - a net investment in a foreign operation is the portion of shareholders' equity in a foreign entity belonging to the entity preparing the financial statements;
   - foreign entity is a subsidiary, associate or branch of the entity preparing the financial statements whose operations are located or managed in a country or in a currency different from those of the entity preparing the financial statements.

If a hedging relationship is no longer effective, from that moment, hedge accounting shall be discontinued and the derivative hedge contract shall be reclassified to financial assets measured at fair value through profit or loss or to financial liabilities measured at fair value through profit or loss. The hedging relationship also ceases when:

- the derivative expires or is sold, terminated or exercised;
- the hedged item is sold, expires or is repaid;
- it is no longer highly probable that the hedged future transaction will take place.

TRADE RECEIVABLES

Trade receivables deriving from the performance of services are recognised in accordance with the terms and conditions of the contract with the customer, based on the provisions of IFRS 15 and classified depending on the nature of the borrower and/or the expiry date of the receivable.

Also, as trade receivables are generally short-term and do not provide for the payment of interest, they are not calculated at amortised cost, but are accounted for based on the nominal value shown on the invoices issued or in the contracts agreed with the customer: this provision is also applied for trade receivables with a contractual duration greater than twelve months, unless the effect is not particularly significant. The choice is based on the fact that the amount of short-term receivables is similar whether they are measured at historical cost or at amortised cost and the impact of discounting would be negligible.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a portion of a financial asset or a portion of a group of similar financial assets) is derecognised (e.g. removed from the Group's Statement of Financial Position) when:

- the contractual rights to the cash flows from the financial asset expired; or
- the Group transferred the contractual rights to the cash flows from the financial asset to a third party or assumed a contractual obligation to pay the cash flows in full and without delay and:
  a. substantially transferred the contractual rights to receive the cash flows of the financial asset; or
  b. retained the contractual rights to receive the cash flows of the financial asset, but transferred control over it.

Where the Group transfers the contractual rights to receive the cash flows of an asset or signs an agreement in which it maintains the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it assesses if and to what extent it retains the risks and rewards of ownership. Where the Group has neither substantially transferred nor retained all the risks and rewards nor has not lost control of the asset, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset. In this case, the Group also recognises an associated liability. The transferred asset and the associated liability will be measured in a manner that reflects the rights and obligations retained by the Group.

When the Group's residual involvement takes the form of guaranteeing the transferred asset, the involvement is measured as the lower of the amount of the asset and the maximum amount of the consideration received that the Group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an expected credit loss – or ECL – for all financial assets represented by debt instruments not measured at fair value through profit or loss. The expected losses are based on the difference between the contractual cash flows owed pursuant to the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from enforcement of collateral held or other guarantees on credit that are an integral part of the contractual terms and conditions.

Expected losses are recognised in two phases. For credit exposures, where there has not been a significant increase in credit risk since initial recognition, the Group recognises credit losses that derive from an estimate of default events that are possible within the following 12 months ("12-month expected credit loss"). For credit exposures, where there has been a significant increase in credit risk since initial recognition, the Group recognises in full the credit losses that refer to the residual term of the exposure, regardless of when a default event is expected to occur ("lifetime expected credit loss").

For trade receivables and assets from contracts with customers, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but fully recognises the expected credit loss as at each reporting date. The Group has defined a matrix system based on historical information, reviewed to consider prospective elements referring to the specific type of borrowers and their financial background, as a tool to determine expected losses.

INVENTORIES

Inventories are goods:

- held for sale during the normal course of business;
- used in the production processes for sale;
- in the form of materials or supplies to be used in the production process or the provision of services.

Inventories are recognised and measured at the lesser of the cost and the net realisable value.

The cost of inventories includes all purchase costs, conversion costs and other costs incurred in bringing the inventories to their present location and condition, but does not include exchange rate differences for inventories invoiced in foreign currency. In compliance with the provisions of IAS 2, the Group uses the weighted average cost method to determine the cost of inventories.

When the net realisable value is lower than the cost, the excess amount is immediately written down in the Income Statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recognised, depending on their nature, at nominal value or at amortised cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, whose original maturity as at the purchase date is not greater than three months.

ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale are classified as such if their book value will be recovered mainly through their sale, rather than through their continuous use.
Those conditions are considered met when the sale or discontinuity of the discontinued operations is considered highly probable, and the assets and liabilities are immediately available for sale as is.
When the Group is involved in a disposal plan that entails the loss of control over an investee, all the assets and liabilities of that investee are classified as held for sale when the conditions described above are met, also in the case where, following disposal, the Group continues to hold a minority interest in the investee.
Assets held for sale are measured at the lower of their net book value and fair value net of costs to sell.

PAYABLES

Trade payables and other payables are initially recognised at fair value and subsequently measured at amortised cost. However, short-term trade payables, whose expiry falls within normal commercial terms and conditions, are not discounted, since the effect of discounting the cash flows is insignificant.

Financial liabilities are initially recognised at fair value, net of directly attributable ancillary costs, and are subsequently measured at amortised cost, using the effective interest method. If there is a change in expected cash flows and it is possible to reliably estimate them, the value of the liability is recalculated to reflect that change based on the present value of the new expected cash flows and the effective internal rate initially determined. Financial liabilities are classified under current liabilities, unless the Group has an unconditional right to defer their payment for at least twelve months after the reporting date.

If a financial liability is held to be traded in the short term or is part of a portfolio of specific financial instruments for which there is recent and effective demonstration of realisation of profits in the short-term, it will be measured at fair value through profit or loss.

Payables are removed from the financial statements when they are discharged and when the Group has transferred all the risks and costs of the instrument.

EMPLOYEE BENEFITS

A. Short-term benefits

Short-term employee benefits are employee benefits that are expected to be fully settled within twelve months from the end of the financial year in which the employees render the service. Short-term benefits mainly include wages, salaries and social security contributions, paid annual leave and paid sick leave, and any incentive plans.

Short-term employee benefits are not discounted and the amount not yet paid as at the reporting date is recognised in "Other current liabilities".

B. Post-employment benefits

Post-employment benefits include retirement benefits (e.g. pensions and lump-sum payments on retirement), post-employment benefits to be paid pursuant to current regulations (e.g. employee severance indemnity for the Group's Italian companies) and other post-employment benefits, such as post-employment life insurance and post-employment health insurance.

Post-employment benefits are divided into those based on defined contribution plans and defined benefit plans, depending on the services provided:

- in defined contribution plans, the Group's legal or constructive obligation is limited to the amount of contributions to be paid to the fund based on the agreement. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by the Group (and in some cases also by the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from contributions. As a result, actuarial risk (the risk that the benefits will be less than expected) and investment risk (the risk that assets invested will be insufficient to cover the expected benefits) are, in substance, borne by the employee;
- conversely, in defined benefit plans, the Group's obligation is to provide the agreed benefits to current and former employees, and the actuarial risk (the risk that benefits will cost more than expected) and investment risk are, in substance, borne by the Group.

With regard to the Group's Italian companies, pursuant to Italian Law no. 296 of 27th December 2006 (2007 Finance Law), note the following:

- the accruing portion of liabilities for employee severance indemnity, from 1st January 2007 for businesses with more than 50 employees, whichever option is chosen by the employee, represents a defined contribution plan which does not require actuarial calculation;
- the employee severance indemnity accruing from 1st January 2007 to be allocated to complementary pension plans, for businesses with fewer than 50 employees, represents a defined contribution plan which does not require actuarial calculation;

- the portion of liabilities for employee severance indemnity accrued up to 31st December 2006 for all companies, as well as the amounts accruing from 1st January 2007, not to be allocated to complementary pension plans, for companies with fewer than 50 employees, represent a defined benefit plan which requires actuarial calculation.

Accounting for defined benefit plans requires the use of actuarial assumptions to determine the obligation. That valuation is assigned to an external actuary and is carried out annually. For discounting purposes, the Group uses the projected unit credit method, which requires it to forecast future outlays based on analyses of historical statistics and the demographic curve and the discounting of these flows at a market interest rate. Specifically, service costs for the plan are recorded under "Personnel costs", while the interest payable accrued on the obligation is recorded under "Financial expenses". The actuarial gains and losses deriving from changes in actuarial assumptions are recognised as an offsetting entry in shareholders' equity (under "Reserve for actuarial gains/losses (IAS 19)") as required by IAS 19. The payable for defined benefit plans is recognised under "Provisions for personnel".

C. Termination benefits

Termination benefits are based on the Group's decision to terminate an employee's employment or an employee's decision to accept an offer from the Group of benefits in exchange for the termination of employment.

The Group recognises the cost of those benefits as a liability in the financial statements on the earlier of the following dates:
- the time that the Group can no longer withdraw the offer of those benefits;
- the time that the Group recognises the costs of a restructuring that falls within the scope of application of IAS 37 and entails the payment of termination benefits due.

D. Other long-term benefits

Other long-term employee benefits are employee benefits which are not fully due within the twelve months after the end of the year in which the employees rendered their related services. Other long-term benefits, if present, are discounted (but without recognising any remeasurement through other comprehensive income) and the amount not yet paid as at the reporting date is recognised in "Other current liabilities".

PROVISIONS FOR RISKS AND CHARGES

In accordance with IAS 37, provisions for risks and charges are recognised against losses and charges whose nature is determined, whose existence is certain or probable, but whose amount and/or date of occurrence are not determinable.

A provision is recognised when the Group has a present (legal or constructive) obligation for a future outflow of economic resources as a result of a past event and it is probable that that outflow will be required to settle the obligation. That amount represents the best estimate of the charge required to extinguish the obligation. The rate used to determine the present value of the liability reflects present market values and takes account of the specific risk associated with each liability.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is measured at the current value of the outlay expected, using a rate that reflects the market conditions, the change in the time value of money and the specific risk linked to the obligation. The increase in the value of the provision due to changes in the time value of money is recorded as a financial expense.

Risks that may only possibly give rise to a liability are indicated in the specific section of information on contingent liabilities, and no allocations have been made for these.

HYPERINFLATION

Companies operating in hyperinflationary countries remeasure the values of non-monetary assets and liabilities shown in their respective original financial statements to eliminate the distortive effects of the currency's loss of purchasing power. The inflation rate used to account for inflation is the consumer price index.

Companies operating in countries where the cumulative inflation rate over a three-year period approaches or exceeds 100%, shall keep track accounting for inflation and discontinue it if the cumulative rate of inflation over a three-year period falls below 100%.
Profits or losses on net monetary positions are charged to the Income Statement.

Financial statements prepared in currencies other than the Euro of companies operating in hyperinflationary countries are converted into Euro by applying the exchange rate as at the reporting date for both financial position items and income statement items.

REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues from contracts with customers are recognised when the following conditions set out by IFRS 15 are met:
- the contract with the customer has been identified;
- the performance obligations contained in the contract have been identified;
- the price has been established;
- the price has been allocated to individual performance obligations contained in the contract;

- the performance obligation contained in the contract has been satisfied.

The Group recognises revenues from contracts with customers when (or as) it satisfies the performance obligation by transferring the promised service to the customer. The promised service is transferred when (or as) the customer obtains control of it.

The Group transfers control of the service over time, and therefore satisfies the performance obligation and recognises the revenues over time, if one of the following criteria is met:

- the customer simultaneously receives and uses the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or improves an asset (for example, work in progress) that the customer controls as the asset is created or improved;
- the Group's performance does not create an asset with an alternative use for the Group and the Group has an enforceable right to payment for the performance completed to that date.

If the performance obligation is not satisfied over time, the performance obligation is satisfied at a point in time. In that case, the Group recognises the revenues when the customer obtains control of the promised asset.

Specifically, in the Group's case, the following main types of revenues apply:

- revenues deriving from temporary staffing contracts and staff leasing contracts are recognised over the duration of the contract with the customer and include the amount received or to be received from the customer for the services performed by the temporary/leased workers, including any remuneration and social security costs for the temporary/leased workers. Remuneration and social security costs for temporary workers are recognised in "Personnel costs";
- revenues from the provision of outsourcing services (mainly relating to planning and providing contracted services and the outsourcing of services and promotional marketing) are recognised over the duration of the contract with the customer based on the actual state of progress of the activities performed;
- revenues from staff search and selection contracts, which usually provide for the payment of a percentage of the total annual gross remuneration of the short-listed candidate selected by the customer, are recognised when the performance obligation is satisfied, i.e. when the letter of commitment is signed by the candidate (placement);
- revenues deriving from outplacement contracts, which offer a range of services for a fixed fee paid by the customer in advance, are recognised over the term of the contract based on the state of progress of the activities performed.

The consideration included in the contract with the customer may include fixed or variable amounts or both. If the contractual consideration includes a variable amount (e.g. discounts, price concessions, incentives, penalties or other similar items), the Group estimates the amount of consideration to which it is entitled in exchange for providing the customer with the promised services. The Group includes in the price the estimated variable amount of consideration only to the extent that it is highly probable that, when the uncertainty associated with the variable consideration is subsequently eliminated, there will be no significant downwards adjustments of the amount of cumulative revenues recognised.

Incremental costs for obtaining contracts with customers are accounted for as assets and amortised over the term of the underlying contract, if the Group expects that they will be recovered. Incremental costs for obtaining contracts with customers are the costs that the Group incurs to obtain the contract with a customer, that it would not have incurred if it had not obtained the contract. Costs to obtain the contract which would have been incurred if the contract had not been obtained are recognised as an expense when incurred.

RECOGNITION OF GRANTS

Operating grants are fully recognised in the income statement when the conditions for their recognition are met and are classified in the item "Other revenues and income".

The grants received from the entity Forma. Temp for the costs to train temporary workers are recognised on an accruals basis in direct correlation with the costs incurred, and are classified under the item "Other revenues and income".

RECOGNITION OF COSTS

Costs are recognised to the Income Statement on an accruals basis.

DIVIDENDS

The dividends distributable are recognised as a movement in shareholders' equity in the year when they are approved by the shareholders' meeting.

Dividends received are recognised in the financial statements on an accruals basis in the reporting period in which the Group receives the right to collect them, as a result of resolutions passed by the investee's Shareholders Meeting to distribute profits or, where appropriate, reserves.

INCOME TAXES

Current taxes are recognised by each

consolidated company on the basis of an estimate of the taxable income in compliance with current tax legislation of each country, taking into account applicable exemptions and tax credits due. Current and previous taxes, to the extent that they have not been paid, are recognised as liabilities.

Deferred tax assets and liabilities are calculated with reference to all the temporary differences between the receivable and payable values and the corresponding values relevant for tax purposes.

Deferred tax assets are recognised on the deductible temporary differences and on unused tax losses that may be carried forward only if there is the reasonable certainty that such taxes can be recovered and that in future financial years, in which deductible differences will be paid, the taxable income will be no lower than the amount of the differences being eliminated. Deferred tax assets are not recognised if they derive from the initial recognition of an asset or liability in an operation that is not a business combination and, at the time of the operation, do not influence the profit or loss in the financial statements or the profit or loss for tax purposes.

Deferred tax liabilities are recognised on the taxable temporary differences that give rise to taxable amounts in coming years, except for those deriving from the initial recognition of goodwill or an asset or liability in an operation that is not a business combination and, at the time of the operation, do not influence the profit or loss in the financial statements or the profit or loss for tax purposes.

As at each reporting date, deferred tax assets not recognised in the financial statements and deferred tax liabilities recognised in the financial statements are remeasured in order to confirm the assumption that it is probably that the deferred tax liability will be recovered.

Also, where there is uncertainty regarding the application of tax legislation: (i) where the Group believes that it is probable that the tax authorities will accept the uncertain tax treatment, it determines the income taxes (current and/or deferred) to be recognised in the financial statements based on the tax treatment applied and/or which is applied on preparing the tax return; (ii) where the Group believes that it is not probable that the tax authorities will accept the uncertain tax treatment, it reflects the uncertainty when determining the (current and/or deferred) income taxes to be recognised in the financial statements.

ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale are classified as such if their book value will be recovered mainly through their sale, rather than through their continuous use.
Those conditions are considered met at the moment that the sale or discontinuing of the discontinued operations is considered highly probable, and the assets and liabilities are immediately available for sale as is.
When the Group is involved in a disposal plan that entails the loss of control over an investee, all the assets and liabilities of that investee are classified as held for sale when the conditions described above are met, also in the case where, following disposal, the Group continues to hold a minority interest in the investee.
Assets held for sale are measured at the lower of their net book value and fair value net of costs to sell.

3. RECENTLY ISSUED ACCOUNTING STANDARDS

The amendments, additions or interpretations of the existing International Accounting Standards are indicated below, as well as the adoption of new accounting standards, as approved by the IASB, indicating those endorsed or not yet endorsed for adoption in Europe at the date of approval of this document, i.e. the standards for which a European Regulation of approval has been issued, published in the Official Journal of the European Union, and those which have not received such regulation.

ACCOUNTING STANDARD/AMENDMENT	ENDORSED BY THE EU	EFFECTIVE DATE
IMPROVEMENTS TO IFRS (2018-2020 CYCLE) - AMENDMENTS TO IFRS 1, IFRS 9, IFRS 16 AND IAS 41	YES	1ST JANUARY 2022
PROPERTY, PLANT AND EQUIPMENT - PROCEEDS BEFORE INTENDED USE (AMENDMENTS TO IAS 16)	YES	1ST JANUARY 2022
ONEROUS CONTRACTS - COST OF FULFILLING A CONTRACT (AMENDMENTS TO IAS 37)	YES	1ST JANUARY 2022
REFERENCE TO THE CONCEPTUAL FRAMEWORK (AMENDMENTS TO IFRS 3)	YES	1ST JANUARY 2022
IFRS 17 (INSURANCE CONTRACTS)	YES	1ST JANUARY 2023
AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT	YES	1ST JANUARY 2023
AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS AND TO IFRS PRACTICE STATEMENT 2: DISCLOSURE OF ACCOUNTING POLICIES	YES	1ST JANUARY 2023
AMENDMENTS TO IAS 8 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS: DEFINITION OF ACCOUNTING ESTIMATES	YES	1ST JANUARY 2023
INITIAL APPLICATION OF IFRS 17 AND IFRS 9 - COMPARATIVE INFORMATION (AMENDMENTS TO IFRS 17)	YES	1ST JANUARY 2023

Note that the Group did not carry out early adoption of any of the accounting standards or amendments dated 1st January 2023.

Also note that the adoption of the above accounting standards and amendments, based on the information available today, will have no impact on the Group's Consolidated Financial Statements.

4. ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements requires directors to apply accounting standards and methodologies that, in some cases, are based on difficult, subjective valuations and estimates, which in turn are based on historic experience and assumptions considered reasonable and realistic based on the specific circumstances at any given time.

The use of these estimates and assumptions affects the amounts reported in the financial statements, such as the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flows, as well as the disclosure provided. The ultimate actual amounts of accounting items, for which these estimates and assumptions have been used, might differ, even significantly, from those reported in the financial statements that show the effects of the event estimated, due to the uncertainty characterising the assumptions and conditions on which estimates are based.

The areas which, more than others, require greater subjectivity on the part of directors in developing estimates and for which any change in conditions underlying assumptions made could have a significant impact on the Group's financial results are as follows:

a. Impairment of assets with a finite useful life: property, plant and equipment, intangible assets and right of use assets with a finite useful life are subject to testing to ascertain whether an impairment has occurred, which must be recognised via a write-down, when there are indicators that lead the Group to forecast that it will be difficult to recover the related net book value through use. Directors are required to test whether the above indicators exist by making subjective assessments based on information available within the Group and on the market, and on historical experience. Also, where it is found that a potential impairment may arise, the Group determines its amount using appropriate measurement techniques. The correct identification of elements indicating the existence of potential impairment of property, plant and equipment, intangible assets and right of use assets, and the estimates used to determine the amount of impairment depend on factors which may vary over time, affecting the measurements and estimates made by the directors.

b. Impairment of assets with an indefinite useful life (goodwill): the amount of impairment is tested annually to ascertain whether any impairment exists that should be recognised in the Income Statement. Specifically, the test requires goodwill to be allocated to its related cash generating units and for the related recoverable amount, understood as the higher of the fair value and value in use, to be subsequently determined. The methods for determining value in use are based on financial models aligned with estimates of expected future cash flows from budget plans, which by their nature could be disregarded as they are also influenced by external factors. Where the recoverable value is less than the cash generating unit's book value, the goodwill allocated to it is written down.

c. Provision for doubtful receivables: the determination of this provision reflects the management's estimates linked to the historical and expected solvency of the debtor.

d. Provisions for risks and charges: in certain circumstances, it is not easy to determine whether or not a current obligation (legal or constructive) exists. The directors must assess these situations on a case-by-case basis, together with an estimate of the economic resources required to fulfil the obligation. Where directors believe that it may only be possible that a liability could arise, the risks are indicated in the relevant section of the disclosure on risks and commitments, without allocating any provisions.

e. Useful life of property, plant and equipment and intangible assets: the useful life of property, plant and equipment and intangible assets is determined at the time of recognition in the financial statements. Measurement of the duration of the useful life is based on historical experience, market conditions and expectations of future events which may affect the useful life, including technological changes. As a result, the actual useful life may differ from the estimated useful life.

f. Deferred tax assets: deferred tax assets are recognised to the extent which it is probable that there will be adequate future taxable profits against which temporary differences or any tax losses may be used. Based on the multi-year forecasts prepared by the Group's Management, tax bases are expected to be realized in future years to allow the full recovery of this amount. Such plans and forecasts may be disregarded as they are influenced by external factors.

g. Leases: the amount of lease liabilities and consequently the related right of use assets depends on the determination of the lease term. This determination is subject to management assessments, with specific reference to whether or not to include any periods covered by lease renewal or termination options set out in the lease contracts. This must be reassessed when a significant event occurs or a significant change in circumstances, which impacts the reasonable certainty that the management will exercise an option not previously considered when determining the lease term, or not exercise an option previously considered when determining the lease term.

h. Capitalised development costs: the Group capitalises the costs incurred within internal projects to develop new solutions that are functional to the Group's activities, if they meet the conditions set out in IAS 38. The capitalisation of those costs is based on confirmation, under the management's judgement, of the technical and economic feasibility of the project. Also, in determining the amounts to be capitalised, management has made assumptions regarding future cash generation and the time period in which the economic benefits are expected.

i. Estimates made on Purchase Price Allocation: the PPA process, pursuant to IFRS 3, requires the acquiring entity to restate assets and liabilities taken on at fair value as at the acquisition date in its consolidated financial statements. The difference between the consideration transferred and the shareholders' equity restated at fair value, equal to the difference between the assets and liabilities estimated at fair value as at the acquisition date, must be recognised as goodwill, if positive, or as income, if negative.

5. FINANCIAL RISK MANAGEMENT

Financial risks are managed centrally by the Group's Administration and Finance Office, which detects, evaluates and carries out hedging operations for financial risks in close collaboration with the Finance Management of the foreign subsidiaries, in order to minimise potential negative effects on the Group's financial position.
In terms of financial risk control strategies, the "International Treasury Policy" offers to foreign subsidiaries some clear guidelines on internal procedures for financial borrowing strategies, the management of related financial charges and monitoring of cash flow values and exchange rate risk.

The Group's operations are potentially exposed to the following risks: credit risk, liquidity risk and exchange rate risk.

The following section provides qualitative and quantitative indications of the impact of these risks on the Group.

For information on the strategic and operational risks, which may affect the Group's various areas of development, please see the section "Major risks and uncertainties" in the Management Report.

5.1. CREDIT RISK

Credit risk represents the Group's exposure to potential losses deriving from the failure to meet mainly commercial obligations, undertaken by counterparts vis-à-vis the Group companies.
The trends of national and international markets require that credit is carefully monitored, promptly managing situations of credit distress, especially for receivables related to temporary staffing.
To deal with these potential risks, the Group has strengthened the analysis and monitoring of trade and treasury receivables, and for commercial purposes policies are adopted to ensure the solvency of its customers.
Days Sales Outstanding (DSO) in the Group for 2022 increased compared to the previous year, primarily suffering from the negative effects of the macroeconomic scenario.

In line with the previous year, the Group implements credit control measures, such as evaluations and customer selection policies in addition to factoring operations in which the Group mainly assigned trade receivables without recourse in Italy, Germany, France, Spain, the UK, the Czech Republic, Slovakia and Portugal. Note that trade receivables are presented net of the related provision for doubtful receivables, which is deemed suitable to cover the expected credit losses.
The table below breaks down gross trade receivables as at 31st December 2022, excluding receivables for invoices to be issued, grouped by days past due:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022			
	UP TO 60 DAYS	PAST DUE FROM 61 TO 120 DAYS	PAST DUE BY OVER 121 DAYS	TOTAL
GROSS TRADE RECEIVABLES	527,057	13,155	27,794	568,006
AS % OF THE TOTAL	92.79%	2.32%	4.89%	100.00%

5.2. LIQUIDITY RISK

Liquidity risk represents the possibility that the Group's available financial resources are insufficient to meet the commercial obligations to workers and social security institutions and financial obligations according to agreed contracts and deadlines.

A prudent liquidity risk management strategy requires an adequate level of cash and cash equivalents and the availability of sources of funds to be borrowed via an adequate quantity of credit lines.

Italian companies use the zero balance cash pooling system for their treasury activities, that involves the daily zero-setting of the accounts of all the companies by means of a netting system, which transfers the balances of the transactions, by currency, to the accounts of the poolers Gi Group Holding S.p.A. and GI Group S.p.A.
Other companies, abroad, currently have an independent financial management system which complies with the guidelines indicated and periodically monitored.
The table below shows the breakdown by due date of payables and other financial liabilities as at 31st December 2022:

(IN THOUSANDS OF EURO)	DUE DATES OF EXPECTED CASH FLOWS				TOTAL EXPECTED CASH FLOWS
	WITHIN 1 YEAR	OVER 1 YEAR AND WITHIN 2 YEARS	OVER 2 YEARS AND WITHIN 5 YEARS	BEYOND 5 YEARS	
NON-CURRENT FINANCIAL LIABILITIES	-	33,461	52,569	-	86,030
LEASE LIABILITIES (CURRENT AND NON-CURRENT)	20,682	17,836	33,794	8,100	80,413
CURRENT FINANCIAL LIABILITIES	250,950	-	-	-	250,950
TRADE PAYABLES	78,166	-	-	-	78,166
OTHER CURRENT LIABILITIES	473,216	-	-	-	473,216
TOTAL	**843,697**	**102,594**	**172,726**	**16,200**	**1,135,217**

5.3. FINANCIAL SOURCE RISKS

The volatility of the international financial and banking system may be a potential risk factor for new borrowings and also for the cost of such borrowings.

The Global Finance Department constantly monitors both the relation between granted and used credit lines and the balance between short-term financial sources and mid-to-long-term financial sources. Moreover, the department works on the relevant international markets by coordinating the financial risk management activities of the company's subsidiaries.

Financial interlocutors are mainly chosen if they have a high credit standing and by limiting the concentration of exposure to such institutions.

As at 31st December 2022, total unused credit lines, in addition to factoring credit lines, amounted to Euro 150.2 million.

5.4. INTEREST RATE RISK

The interest rate risk to which the Group is exposed mainly originates from floating rate financial payables, which present the risk of fluctuations in payments of financial expenses of said loans, since they are linked to the situation of interest rates of the markets.

The Group monitors the exposure and the fluctuations of financial expenses affecting its economic results, thus minimising the risk of a potential increase of interest rates via the use of derivative contracts, like Interest Rate Swaps (IRS), which turn the variable rate into a fixed rate for the residual portion of the loan payable, equal to the notional amount of the derivative.

The table below shows the breakdown of the portfolio of derivative financial instruments aimed at hedging interest rate risks linked to floating rate loans of the Group. The derivatives reported all have a positive fair value as at the reporting date.

DERIVATIVE FINANCIAL ASSETS

COMPANY	BANK	UNDERWRITING DATE	EXPIRATION DATE	INITIAL NOTIONAL AMOUNT (IN THOUSANDS OF EURO)	RESIDUAL NOTIONAL AMOUNT AS AT 31/12/2022	*FAIR VALUE* AL 31/12/2022 (IN MIGLIAIA DI EURO)
INTESA	*INTEREST RATE SWAP*	25/02/2020	31/12/2024	10,000	4,000	174.5
INTESA	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	775.4
BNL	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	774.9
UNICREDIT	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	773.5
BANCO BPM	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	776.5
MPS	*INTEREST RATE SWAP*	29/01/2021	30/09/2026	10,000	9,375	630
BPER	*INTEREST RATE SWAP*	13/08/2021	30/09/2026	10,000	7,500	500
CREDIT AGRICOLE	*INTEREST RATE SWAP*	29/12/2021	28/12/2026	10,000	8,023	535.4
	TOTAL			**90,000**	**75,774**	**4,940.2**

It should be noted that the characteristics of the hedging instruments correspond or are closely aligned with those of the hedged item and that these contracts are entered into on market terms, so a simplified approach was used in the hedge effectiveness assessment process.

5.5. EXCHANGE RATE RISK

Exchange rate risk is generated when future transactions or assets and liabilities in the Statement of Financial Position are denominated in a different currency than the currency used by the company recognising the transaction.

The Group is subject to the risk deriving from fluctuations in currency exchange rates, since the Group operates internationally and holds controlling equity investments in companies located in countries with currencies other than the Euro.

The value of the equity investments (and of the related shareholders' equity) is subject to fluctuations in the exchange rate used for the local currencies: Gi Group Holding prepares its Consolidated Financial Statements expressed in Euro, and the fluctuations in the exchange rates used to translate the financial statements of subsidiaries originally expressed in foreign currencies, impact the Group's income statement, financial position and cash flows. Such changes in shareholders' equity are recognised in a shareholders' equity reserve, the "Translation reserve".

Business activities with foreign subsidiaries, subject to exchange rate risk, mainly concern financing transactions: the exchange rate differential is recognised in the Income Statement.
The currency fluctuations had economic and financial impacts on these Consolidated Financial Statements, but, to date, the Group did not adopt specific exchange rate risk hedging activities, since the Global Finance Department is closely monitoring the risk.

6. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AND INFORMATION ON FAIR VALUE

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The table below breaks down financial assets by category, in accordance with the provisions of IFRS 9, as at 31st December 2022 and 31st December 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
FINANCIAL ASSETS		
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
NON-CURRENT FINANCIAL ASSETS	5,355	2,188
OTHER NON-CURRENT ASSETS	111	203
TRADE RECEIVABLES	624,204	531,567
CURRENT TAX ASSETS	2,351	1,978
CASH AND CASH EQUIVALENTS	152,870	184,817
CURRENT FINANCIAL ASSETS	5,417	8,420
OTHER CURRENT ASSETS	86,731	74,593
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**877,038**	**803,766**
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		
NON-CURRENT FINANCIAL ASSETS	283	242
CURRENT FINANCIAL ASSETS	64	61
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**346**	**303**
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY (HEDGING FINANCIAL INSTRUMENTS)		
NON-CURRENT FINANCIAL ASSETS	4,940	176
TOTAL HEDGING FINANCIAL INSTRUMENTS	**4,940**	**176**
TOTAL FINANCIAL ASSETS	**882,325**	**804,245**

The table below breaks down financial liabilities by category, in accordance with the provisions of IFRS 9, as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
FINANCIAL LIABILITIES		
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
NON-CURRENT LEASE LIABILITIES	60,272	49,277
NON-CURRENT FINANCIAL LIABILITIES	83,890	116,277
CURRENT LEASE LIABILITIES	20,141	20,595
CURRENT FINANCIAL LIABILITIES	236,280	188,244
CURRENT TAX LIABILITIES	11,517	12,439
TRADE PAYABLES	78,166	60,094
OTHER CURRENT LIABILITIES	460,703	456,897
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	**950,969**	**903,823**
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY (HEDGING FINANCIAL INSTRUMENTS)		
NON-CURRENT FINANCIAL LIABILITIES	-	41
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY (HEDGING FINANCIAL INSTRUMENTS)	**-**	**41**
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		
CURRENT FINANCIAL LIABILITIES	14,670	4,692
NON-CURRENT FINANCIAL LIABILITIES	2,139	6,950
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**16,810**	**11,642**
TOTAL FINANCIAL LIABILITIES	**967,778**	**915,506**

Given the short-term characteristics of trade receivables and payables, the Group believes that the carrying amounts, net of any provision for doubtful receivables, represent a good approximation of the fair value.

With regard to lease liabilities, taking account of the trends in interest rates and contractual maturities, the Group believes that fair value does not deviate significantly from the related book value.

INFORMATION ON FAIR VALUE

IFRS 13 requires that assets and liabilities recognised in the Consolidated Statement of Financial Position and measured at fair value be classified based on a hierarchy of levels, which reflect the significance of the inputs used in determining fair value. The fair value classification of financial instruments is set out below based on the following hierarchical levels:

- **Level 1**: fair value determined using (non-adjusted) prices quoted on active markets for identical financial instruments. Therefore, Level 1 focuses on determining the following elements: (a) the main market for the asset or liability, or where there is no main market, the most advantageous market for the asset or liability; and (b) the possibility that the Group will carry out a transaction using the asset or liability at the price on that market as at the measurement date.

- **Level 2**: fair value determined using measurement techniques that refer to variables that can be observed on active markets. Inputs for this level include: (a) quoted prices of similar assets or liabilities on active markets; (b) quoted prices of identical or similar assets or liabilities on inactive markets; (c) data other than observable quoted prices of assets or liabilities, for example: interest rates or performance curves observable at commonly quoted intervals, implied volatility, credit spread or inputs corroborated by the market.

- **Level 3**: fair value determined using measurement techniques that refer to market variables that cannot be observed.

The tables below set out the financial assets and liabilities measured at fair value, divided based on the hierarchical levels, as at 31st December 2022:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022			
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
NON-CURRENT FINANCIAL ASSETS				
LONG-TERM DERIVATIVE FINANCIAL ASSETS	**4,940**	-	4,940	-
EQUITY INVESTMENTS IN OTHER COMPANIES	**283**	-	-	283
CURRENT FINANCIAL ASSETS				
SECURITIES	**64**	-	64	-
NON-CURRENT FINANCIAL LIABILITIES				
LIABILITIES FOR OPTIONS AND EARNOUTS	**2,139**	-	-	2,139
CURRENT FINANCIAL LIABILITIES				
LIABILITIES FOR OPTIONS AND EARNOUTS	**14,670**	-	-	14,670

7. BUSINESS COMBINATIONS

This paragraph describes the business combination processes involving the Group during the financial year in question. For further information on the activities carried out by the acquired companies, please refer to the Management Report.

It should also be noted that the item "(Acquisition of subsidiaries net of cash and cash equivalents)" in the Statement of Cash Flows is presented as follows:

- Disposals of net assets held for sale amounting to Euro 41.4 million (see Note 8.20 for further details on this);
- Acquisitions of companies (referred to in the following paragraphs) net of cash and cash equivalents of Euro 53.2 million.

YEAR ENDED AS AT 31ST DECEMBER 2022

Acquisition of 100% of the share capital of The Leadership Factory Limited ("TLF")
On 31st January 2022, the Group, through its subsidiary Tack TMI UK Limited, signed a purchase agreement involving 100% of the share capital of The Leadership Factory Limited.

The company operates in the field of professional training. That investment will enhance the existing offers and solutions of Tack&TMI International, above all in the Leadership Development area, and will also enable the Group to access niche markets and geographical areas that are difficult to access.

As at the date of approval of these Consolidated Financial Statements, the process of determining the fair value of the assets, liabilities and contingent liabilities, pursuant to IFRS 3, has been completed.

Acquisition of 100% of the share capital of two companies in the FOCUN group
On 28th April 2022, the Group signed a purchase agreement involving 100% of the share capital of Especialistas en Servicios Integrales S.A.S. and T&S Temservice S.A.S.

The former company is entirely focused on outsourcing services, while the latter is a leader in staffing and business process outsourcing.
The Focun Group has more than 30 years of proven experience as one of Colombia's leaders in HR and outsourcing of corporate processes.
Through this transaction, the Group's presence in the Colombian market will grow tenfold and through these companies more than 7,000 people will be offered employment, allowing Gi Group to rank among the top 10 human resources services companies in Colombia.

As at the date of approval of these Consolidated Financial Statements, the process of determining and allocating the fair value of the assets, liabilities and contingent liabilities, pursuant to IFRS 3, has been completed.

The allocation process concluded with the identification of a customer relationship intangible asset with a total net value of COP 21.5 billion, which will be amortised over a period not exceeding seven years.

Acquisition of 100% of the share capital of three companies in the STATO group
On 3rd May 2022, the Group signed a purchase agreement covering 100% of the share capital of Mariaca Consultoria Em Gestão De Capital Humano Ltda, Star Group Assessoria Em Carreiras Sociedade Simples Ltda, Magnolia Assessoria Administrativa Ltda.

This is a group of Brazilian companies, well-known in the local market, with 32 years of experience, specialising in outplacement and professional development solutions.
These new companies will be integrated into the Group, expanding the customer base and increasing the portfolio of services.
Their strong experience will further strengthen the Group's entire offering and positioning in Brazil.
As at the date of approval of these Consolidated Financial Statements, the process of determining the fair value of the assets, liabilities and contingent liabilities, pursuant to IFRS 3, has been completed.

The allocation process concluded with the identification of a customer relationship intangible asset with a total net value of BRL 4.2 million, which will be amortised over a period not exceeding five years.

Acquisition of 100% of the share capital of TMI Consultancy Sdn Bdh.
On 1st July 2022, the Group, through its subsidiary TACK INTERNATIONAL Limited, acquired 100% of the share capital of TMI Consultancy Sdn Bdh.

The company is active in professional training, with a focus on South-east Asia.

As at the date of approval of these Consolidated Financial Statements, the process of determining the fair value of the assets, liabilities and contingent liabilities, pursuant to IFRS 3, has been completed.

Acquisition of business unit from QRPeople S.r.l.
On 1st July 2022, the Group, through its subsidiary OD&M S.r.l., acquired from QRPeople, the business unit related to testing and certification services. The Group thus becomes the exclusive distributor of Thomas International in Italy.

As at the date of approval of these Consolidated Financial Statements, the process of determining the fair value of the assets, liabilities and contingent liabilities, pursuant to IFRS 3, has been completed.

Acquisition of 100% of the share capital of Encore Personnel Services Ltd
On 30th September 2022, the Group, through its British subsidiary Gi Recruitment Limited, acquired 100% of the share capital of Encore Personnel Services Ltd.

The company, which has been in business since 2001 and has a workforce of more than 200 employees, conducts staffing activities for a variety of professional sectors.

In accordance with IFRS 3, due to the complexity of determining the fair value of the assets, liabilities and contingent liabilities, accounting for business combinations may be completed definitively within twelve months from the acquisition date. This is to ensure that the valuations accurately reflect all information available as at the acquisition date. As at the date of approval of these Consolidated Financial Statements, this process was still in progress. Upon completion of the assessment process, the final values of the assets acquired and liabilities assumed will be identified retroactively to take into account their fair value at the date of acquisition, resulting in a remeasurement of goodwill.

Acquisition of 100% of the share capital of five companies in the EUPRO group
On 30th November 2022, the Group, through its parent company, acquired 100% of the share capital of five EUPRO group companies.

Founded in 1997, EUPRO is a leading Swiss-based group of companies centred on the recruitment and human resources sector, with a focus on the construction and production sectors.

In accordance with IFRS 3, due to the complexity of determining the fair value of the assets, liabilities and contingent liabilities, accounting for business combinations may be completed definitively within twelve months from the acquisition date. This is to ensure that the valuations accurately reflect all information available as at the acquisition date. As at the date of approval of these Consolidated Financial Statements, this process was still in progress. Upon completion of the assessment process, the final values of the assets acquired and liabilities assumed will be identified retroactively to take into account their fair value at the date of acquisition, resulting in a remeasurement of goodwill.

Acquisition of 100% of the share capital of six companies in the CVO/Simplika group
On 30th November 2022, the Group, through its parent company, acquired 100% of the share capital of six CVO/Simplika group companies.

These are leading executive search, recruitment and selection companies operating in the Baltic region (Lithuania, Latvia and Estonia). Two distinct but complementary brands: CVO Recruitment, which recruits mid- and senior-level specialists as well as top managers; Simplika, which focuses on staffing and recruiting, as well as recruiting mid- and junior-level specialists, complemented by related services such as market consulting, onboarding, and outplacement.

In accordance with IFRS 3, due to the complexity of determining the fair value of the assets, liabilities and contingent liabilities, accounting for business combinations may be completed definitively within twelve months from the acquisition date. This is to ensure that the valuations accurately reflect all information available as at the acquisition date. As at the date of approval of these Consolidated Financial Statements, this process was still in progress. Upon completion of the assessment process, the final values of the assets acquired and liabilities assumed will be identified retroactively to take into account their fair value at the date of acquisition, resulting in a remeasurement of goodwill.

8. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8.1. PROPERTY, PLANT AND EQUIPMENT

The table below sets out the movements in “Property, plant and equipment” for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	LAND AND BUILDINGS	PLANTS AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	IMPROVEMENTS ON THIRD-PARTY ASSETS	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION AND ADVANCES	TOTAL
NET BOOK VALUE AS AT 31ST DECEMBER 2020	**1,067**	**53**	**22**	**7,285**	**2,645**	**28**	**11,100**
DEPRECIATION	-208	-4	-3	-3,283	-1,288	-	-4,786
INVESTMENTS/DIVESTMENTS	27	-	5	9,868	972	280	11,152
WRITE-DOWNS	-	-	-	-13	-1	-	-14
CHANGES IN THE SCOPE OF CONSOLIDATION	-	-	-	804	385	-	1,189
EXCHANGE DIFFERENCES FROM TRANSLATION	-6	-	-	59	-17	-7	29
OTHER CHANGES	373	-49	-	76	2	-	402
NET BOOK VALUE AS AT 31ST DECEMBER 2021	**1,253**	**-**	**24**	**14,796**	**2,698**	**301**	**19,073**
DEPRECIATION	-73	-	-6	-3,333	-1,529	-	-4,941
INVESTMENTS/DIVESTMENTS	23	-	11	-1,643	2,929	169	1,489
CHANGES IN THE SCOPE OF CONSOLIDATION	-	-	-	356	86	14	456
EXCHANGE DIFFERENCES FROM TRANSLATION	-12	-	2	-33	-83	12	-114
OTHER CHANGES	-	-	-	-	17	-17	-
NET BOOK VALUE AS AT 31ST DECEMBER 2022	**1,191**	**-**	**31**	**10,143**	**4,118**	**479**	**15,962**

"Land and buildings" mainly include:

- the value recognised by Gi Group S.p.A. regarding the redemption value of the property located in Varese, as per the deed drawn up under the hand and seal of Notary Public Alba Maria Ferrara on 17th October 2011, Vol. No. 98739 File No. 17190;
- the value of the real estate investment made by Gi Group S.p.A. in 2019, relating to the purchase of a warehouse located in Cesano Maderno. That investment became necessary for managing company archives and for temporarily storing goods. The purchase was made on the basis of an evaluation of economic and financial convenience, preferring it to the forms of financial leases, thanks to the extraordinarily convenient interest rates.

"Other assets" mainly include the necessary technical equipment needed for operations at the central offices and branches (IT equipment, furniture, phone and fax, air conditioning systems) of Italian and foreign companies.

"Improvements on third-party assets" mainly include costs capitalised by Gi Group S.p.A. for an amount of Euro 1,868 thousand as at 31st December 2022 (Euro 1,583 thousand as at 31st December 2021) relating to renovations and improvements to branches throughout Italy, aimed at rationalising and streamlining the business network.

Investments made in the financial year ended 31st December 2022 refer mainly to investments to renovate several branches, especially to improve the functionality of spaces for agile working methods and for ensuring that anti-COVID protocols meet safety regulations. In addition, property, plant and equipment was purchased for the purpose of conducting business at the branches, i.e. insignia, furniture and fittings and technological tools like PCs and accessories.

As at 31st December 2022, the Group had not identified any indicators of impairment relating to property, plant and equipment.

8.2. GOODWILL

The table below sets out the movements in "Goodwill" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	GOODWILL
BALANCE AS AT 31ST DECEMBER 2020	**97,463**
NET INCREASES	25,898
IMPAIRMENT	(955)
EXCHANGE DIFFERENCES FROM TRANSLATION	1,830
BALANCE AS AT 31ST DECEMBER 2021	**124,236**
NET INCREASES	46,422
IMPAIRMENT	(966)
EXCHANGE DIFFERENCES FROM TRANSLATION	1,583
BALANCE AS AT 31ST DECEMBER 2022	**171,275**

The table below shows the details of goodwill broken down by CGU as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
GERMANY	23,366	23,366
UNITED KINGDOM – GI GROUP (UK GI)	21,806	8,803
UNITED KINGDOM – MARKS SATTIN (UK MS)	10,772	10,772
CENTRAL EUROPE – POLAND	4,711	4,711
CENTRAL EUROPE – CZECH REPUBLIC	5,847	5,847
CENTRAL EUROPE – SLOVAKIA	2,339	2,339
CENTRAL EUROPE – HUNGARY	1,355	1,355
BRAZIL	15,016	10,587
TACK & TMI INTERNATIONAL	5,985	5,015
ADRIA BALKAN – BULGARIA (AB BULGARIA)	3,610	3,610
ADRIA BALKAN – SERBIA (AB SERBIA)	-	-
ADRIA BALKAN – CROATIA (AB CROATIA)	-	-
CHINA – GI TEMP&PERM	2,284	2,284
CHINA – GI SEARCH&SELECTION	342	342

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
INDIA	1,330	1,330
SPAIN	2,042	2,042
COLOMBIA	3,839	248
LITHUANIA	7,356	101
ROMANIA	392	392
SWITZERLAND - GI GROUP	16,739	47
FRANCE	10,058	10,059
WORK SERVICE CENTRAL EUROPE	109	111
USA	8,496	8,929
ITALY – ENGINIUM	3,255	3,253
ARGENTINA	56	-
OD&M	559	-
JOBTOME - SWITZERLAND	19,612	18,693
TOTAL	**171,275**	**124,236**

The Group's management has identified the following CGUs and combinations of CGUs:

- United Kingdom – Gi Group (UK GI)
- United Kingdom – Marks Sattin (UK MS)
- Germany
- Brazil
- Central Europe – Poland
- Central Europe – Czech Republic
- Central Europe – Slovakia
- Central Europe – Hungary
- Work Service Central Europe
- Tack & TMI International
- Adria Balkan – Bulgaria (AB Bulgaria)
- Adria Balkan – Serbia (AB Serbia)
- Adria Balkan – Croatia (AB Croatia)
- China – Temp&Perm
- China – Search&Selection
- India
- Spain
- Colombia
- Lithuania
- Switzerland – Gi Group
- Romania
- France
- USA
- Italy – Enginium
- Switzerland – JobToMe
- Argentina
- OD&M

CGUs are the smallest group of assets that independently generates cash inflow to which goodwill has been allocated.

CGUs are identified based on an analysis of the control model, the information system, the organisation of the Group's governance, i.e. the roles through which decisions are taken regarding operations and the attribution of responsibilities assigned to achieve the desired results. They are determined based on criteria which are largely set out on a geographical basis (equal to the country in which the Group has offices and, in some cases, to an area that includes several countries that are closely integrated with each other) and, for the Group's specific type of business model, on service activities that can generate autonomous, independent cash flows.

The CGUs identified with a country are considered to be autonomous business areas which generate revenues independently from those of other areas, in that the main business activity (staffing) is characterised as a broadly national service: workers' contractual terms and conditions are governed by local legislation and their staffing is localised within the area of the single country.

IMPAIRMENT TEST OF GOODWILL AS AT 31ST DECEMBER 2022

As at 31st December 2022, the impairment test was conducted on the goodwill recognised in the Group's Consolidated Financial Statements.
As part of the test, the recoverable values of the CGUs identified were compared with their respective book values.
The recoverable value for the purposes of impairment testing the CGU to which goodwill is allocated includes a measurement of external and internal synergies that the Group benefits from by integrating the acquired asset.
For the purposes of allocating goodwill, the following CGUs are considered as combinations, in that it is believed that those CGUs benefit from integrated synergies, in relation to the control model described above.

"UNITED KINGDOM" CGU	"CENTRAL EUROPE" CGU	"ADRIA BALKAN" CGU	"CHINA" CGU
UNITED KINGDOM – GI GROUP (UK GI)	CENTRAL EUROPE – POLAND	ADRIA BALKAN – BULGARIA (AB BULGARIA)	CHINA – TEMP&PERM
UNITED KINGDOM – MARKS SATTIN (UK MS)	CENTRAL EUROPE – CZECH REPUBLIC	ADRIA BALKAN – SERBIA (AB SERBIA)	CHINA – SEARCH&SELECTION
	CENTRAL EUROPE – SLOVAKIA	ADRIA BALKAN – CROATIA (AB CROATIA)	
	CENTRAL EUROPE – HUNGARY		

The recoverable value of all CGUs was determined by estimating the value in use, applying the Discounted Cash Flow (DCF) method, a common calculation method based on the general concept that the value of an asset largely coincides with the discounting of the two following elements:

- cash flows that can be generated over a specific forecast horizon;
- terminal value, i.e. the value resulting from the period beyond a specific forecast horizon.

Cash flow forecasts within a specific forecast horizon are largely based on the most recent business plans referring to 2023-2026, which take account of the concrete potential of the acquired companies, based on past results and on growth initiatives identified.

The related cash flows of the CGU were discounted using the WACC, i.e. the weighted average cost of capital. The WACC was determined using market

parameters, setting out the weighted average cost of own capital and the cost of third-party capital, net of tax effects, and reflecting country risk, among others.
Instead, the terminal value of the CGUs identified was calculated considering:

- a normalised cash flow equal to the final year of the plan (2026) increased by the inflation rate forecast for the individual CGU;
- zero changes in working capital in line with the companies' steady state assumptions;
- capex (excluding IFRS 16) in line with amortisation;
- capex as per IFR 16 equal to the amount of instalments paid annually in 2022;
- growth rate g assumed as equal to the inflation rate forecast by the International Monetary Fund for 2026.

The table below shows the main figures (WACC and growth rate g) used in the impairment tests conducted as at 31st December 2022:

CGU	WACC	GROWTH RATE G
GERMANY	11.2%	2.00%
UNITED KINGDOM – GI GROUP (UK GI)	12.0%	2.00%
UNITED KINGDOM – MARKS SATTIN (UK MS)		
CENTRAL EUROPE – POLAND	14.0%	2.4%
CENTRAL EUROPE – CZECH REPUBLIC		
CENTRAL EUROPE – SLOVAKIA		
CENTRAL EUROPE – HUNGARY		
BRAZIL	18.4%	3.0%
TACK & TMI INTERNATIONAL	10.8%	2.0%
ADRIA BALKAN – BULGARIA (AB BULGARIA)	14.4%	2.3%
ADRIA BALKAN – SERBIA (AB SERBIA)		
ADRIA BALKAN – CROATIA (AB CROATIA)		
CHINA – TEMP&PERM	13.3%	2.0%
CHINA – SEARCH&SELECTION		
INDIA	18.2%	4.0%
USA	13.9%	2.0%
ITALY – ENGINIUM	13.5%	2.0%
SPAIN	12.8%	1.7%
JOBTOME - SWITZERLAND	8.5%	1.0%
FRANCE	12.3%	1.6%

The measurements carried out showed that the recoverable value of goodwill as at 31st December 2022 is greater than the book value, except for the USA CGU, for which a write-down of USD 1 million was necessary, posted to the Income Statement for the year ended as at 31st December 2022.

Sensitivity analyses were also conducted on results based on changes in the WACC and long-term growth rate "g" parameters. These analyses did not indicate any further problems.

8.3. OTHER INTANGIBLE ASSETS

The table below sets out the movements in "Other intangible assets" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	DEVELOPMENT COSTS	CONCESSIONS, LICENCES, TRADEMARKS AND SIMILAR RIGHTS	OTHER INTANGIBLE ASSETS	INTANGIBLE ASSETS UNDER CONSTRUCTION AND ADVANCES	TOTAL
NET BOOK VALUE AS AT 31ST DECEMBER 2020	**49**	**8,750**	**18,621**	**832**	**28,252**
AMORTISATION	(41)	(6,793)	(2,568)	-	(9,402)
INVESTMENTS/DIVESTMENTS	-	5,335	-	468	5,803
WRITE-DOWNS	-	-	-	(169)	(169)
CHANGES IN THE SCOPE OF CONSOLIDATION	-	50	13,707	-	13,757
EXCHANGE DIFFERENCES FROM TRANSLATION	-	16	(50)	(4)	(38)
OTHER CHANGES	-	2,233	(992)	503	1,744
NET BOOK VALUE AS AT 31ST DECEMBER 2021	**8**	**9,591**	**28,718**	**1,630**	**39,947**
AMORTISATION	(10)	(6,786)	(4,119)	-	(10,915)
INVESTMENTS/DIVESTMENTS	2	7,466	1,906	(366)	9,008
CHANGES IN THE SCOPE OF CONSOLIDATION	-	52	4,675	-	4,727
EXCHANGE DIFFERENCES FROM TRANSLATION	-	(69)	(801)	(49)	(919)
NET BOOK VALUE AS AT 31ST DECEMBER 2022	**-**	**10,254**	**30,379**	**1,215**	**41,848**

"Concessions, licences, trademarks and similar rights" mainly include the costs incurred to purchase software and applications for implementing new business solutions and the upgrading of the information systems of Group companies.

As at 31st December 2022, "Other intangible assets" refer mainly to the value of customer lists and customer relationships attributable to the Axxis group, equal to Euro 11.7 million, the Spanish companies, for an amount of Euro 5.5 million, and Gi Group Poland, for an amount of Euro 6.0 million. The change in scope mainly includes the provisional value of customer lists related to the FOCUN and STATO acquisitions (refer to Note 7 for further information), as required by the identification and allocation process in line with the provisions of IFRS 3.

"Intangible assets under construction and advances" include the capitalisation of costs for intangible assets under construction, relating to products for the core business and organisational support. These investments are not amortised, as they have not yet been completed.

As at 31st December 2022, the Group had not identified any indicators of impairment relating to other intangible assets.

8.4. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets and lease liabilities refer mainly to lease contracts for the various operational offices and vehicle rental contracts.

RIGHT OF USE ASSETS

The table below shows the details of right of use assets and the related amortisation, broken down by category of underlying asset, as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
RIGHT OF USE ASSETS (PROPERTY)	65,993	55,764
RIGHT OF USE ASSETS (VEHICLES AND AUTOMOBILES)	11,876	9,950
RIGHT OF USE ASSETS (OTHER UNDERLYING ASSETS)	118	112
TOTAL RIGHT OF USE ASSETS	**77,988**	**65,826**
AMORTISATION OF RIGHT OF USE ASSETS (PROPERTY)	15,856	16,815
AMORTISATION OF RIGHT OF USE ASSETS (VEHICLES AND AUTOMOBILES)	4,975	5,118
AMORTISATION OF RIGHT OF USE ASSETS (OTHER UNDERLYING ASSETS)	-	45
TOTAL AMORTISATION OF RIGHT OF USE ASSETS	**20,831**	**21,978**

As at 31st December 2022, the Group had not identified any indicators of impairment relating to right of use assets.

LEASE LIABILITIES

The table below shows the value of lease liabilities as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
NON-CURRENT LEASE LIABILITIES	60,272	49,277
CURRENT LEASE LIABILITIES	20,141	20,595
TOTAL BOOK VALUE	**80,413**	**69,872**

For a breakdown of the due dates of cash outflows for leases, refer to Note 5.2 "Liquidity Risk".

COSTS RECOGNISED IN THE INCOME STATEMENT

The table below sets out the costs recognised in the Income Statement referring to rental and lease contracts of the Group for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
AMORTISATION OF RIGHT OF USE ASSETS	20,831	21,978
LEASE INTEREST PAYABLE	2,371	2,032
LEASE AND ASSOCIATED SERVICE COSTS RECOGNISED IN THE INCOME STATEMENT	14,567	13,140

Lease and associated service costs recognised in the income statement (thus, without recognising right of use assets or the related lease liability) mainly refer to:

- rental costs of intangible assets (software) and related accessory services;
- costs for rentals with a duration of less than 12 months, which were recognised in the Income Statement as permitted by IFRS 16, paragraph 5;
- costs for rentals of underlying assets of low value ((i.e. if the value of the underlying asset, when new, is roughly less than USD 5,000), which were recognised in the Income Statement as permitted by IFRS 16, paragraph 5;
- other minor costs, mainly referring to ancillary costs to contracts, such as, for example, condominium fees for leased properties.

8.5. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities derive from the temporary differences between the value attributed to an asset or liability in the financial statements and the value attributed to such asset or liability for tax purposes.
The table below sets out the movements in "Deferred tax assets" and "Deferred tax liabilities" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	DEFERRED TAX ASSETS	(DEFERRED TAX LIABILITIES)	NET BALANCE
BALANCE AS AT 31ST DECEMBER 2020	**22,355**	**2,367**	**21,256**
ALLOCATIONS/RELEASES TO THE INCOME STATEMENT	(27)	35	8
CHANGES IN THE SCOPE OF CONSOLIDATION	-	3,363	3,363
EXCHANGE DIFFERENCES FROM TRANSLATION	46	(15)	31
BALANCE AS AT 31ST DECEMBER 2021	**22,374**	**5,751**	**16,623**
ALLOCATIONS/RELEASES TO THE INCOME STATEMENT	(1,789)	(1,108)	(2,897)
ALLOCATIONS/RELEASES TO SHAREHOLDERS' EQUITY	(273)	-	(273)
CHANGES IN THE SCOPE OF CONSOLIDATION	81	404	485
EXCHANGE DIFFERENCES FROM TRANSLATION	(41)	(37)	(78)
BALANCE AS AT 31ST DECEMBER 2022	**20,351**	**5,010**	**15,341**

As at 31st December 2022, deferred tax assets of Euro 0.8 million have been recognised against the reversal of the amortisation for the period recognised based on the remeasurements carried out in the financial statements of the subsidiary Gi Group S.p.A. and of several Italian subsidiaries, in line with the provisions of Art. 110 of Italian Law no. 126/2020, relating to software, licences and trademarks.

Deferred tax assets and liabilities were recognised in reference to the period in which the temporary differences that generated them will be recovered and through the application of the relevant tax rates.

8.6. NON-CURRENT FINANCIAL ASSETS

The table below sets out the movements in "Non-current financial assets" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
EQUITY INVESTMENTS IN OTHER COMPANIES	283	242
LONG-TERM SECURITY DEPOSITS	6,603	1,745
OTHER LONG-TERM FINANCIAL RECEIVABLES	445	443
DERIVATIVE FINANCIAL INSTRUMENTS	4,940	176
TOTAL	**12,271**	**2,606**

LONG-TERM SECURITY DEPOSITS

The item includes security deposits beyond the following financial year, mainly related to office and branch rents and utilities contracts.

DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the breakdown of the portfolio of derivative financial instruments aimed at hedging interest rate risks linked to floating rate loans of the Group. The derivatives reported all have a positive fair value as at the reporting date.

COMPANY	BANK	UNDERWRITING DATE	EXPIRATION DATE	INITIAL NOTIONAL AMOUNT	RESIDUAL NOTIONAL AMOUNT AS AT 31/12/2022	*FAIR VALUE* *AS AT* *31/12/2022*
DERIVATIVE FINANCIAL ASSETS				(IN THOUSANDS OF EURO)		
INTESA	*INTEREST RATE SWAP*	25/02/2020	31/12/2024	10,000	4,000	174.5
INTESA	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	775.4
BNL	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	774.9
UNICREDIT	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	773.5
BANCO BPM	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	11,719	776.5
MPS	*INTEREST RATE SWAP*	29/01/2021	30/09/2026	10,000	9,375	630
BPER	*INTEREST RATE SWAP*	13/08/2021	30/09/2026	10,000	7,500	500
CREDIT AGRICOLE	*INTEREST RATE SWAP*	29/12/2021	28/12/2026	10,000	8,023	535.4
	TOTAL			**90,000**	**75,774**	**4,940.2**

See Section 5.4 - Interest rate risk, for more information on this.

8.7. TRADE RECEIVABLES

The table below sets out the movements in "Trade receivables" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
GROSS TRADE RECEIVABLES	646,751	548,631
PROVISION FOR DOUBTFUL RECEIVABLES	(22,547)	(17,064)
TOTAL	**624,204**	**531,567**

The table below breaks down trade receivables by geographical area as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
ITALY	282,505	251,372
WESTERN EUROPE	233,490	199,343
EASTERN EUROPE	53,111	42,766
NORTH AMERICA	1,366	642
SOUTH AMERICA	39,731	26,655
ASIA	14,001	10,789
TOTAL	**624,204**	**531,567**

The table below sets out the movements in the provision for doubtful receivables for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	PROVISION FOR DOUBTFUL RECEIVABLES
BALANCE AS AT 31ST DECEMBER 2020	**17,312**
ALLOCATIONS/(RELEASES)	59
USES	(1,212)
CHANGES IN THE SCOPE OF CONSOLIDATION	258
TRANSLATION DIFFERENCES	115
BALANCE AS AT 31ST DECEMBER 2021	**17,064**
ALLOCATIONS/(RELEASES)	5,827
USES	(2,417)
CHANGES IN THE SCOPE OF CONSOLIDATION	2,029
TRANSLATION DIFFERENCES	44
BALANCE AS AT 31ST DECEMBER 2022	**22,547**

Allocations were made to the provision for doubtful receivables taking account of the age of the receivables, the expected credit losses and the legal opinions obtained.

During the year ended as at 31st December 2022, a total of Euro 2,417 thousand of the provision for doubtful receivables was used to fully cover the losses incurred during the year. Trade receivables as at 31st December 2022 mainly include receivables due from Gi Group S.p.A.'s customers, totalling Euro 248 million (Euro 230 million as at 31st December 2021), which represents 40% of the total receivables; Euro 83 million relating to the United Kingdom (13%), Euro 39 million relating to Germany (6%), Euro 36 million relating to Brazil (6%), Euro 35 million relating to Spain (6%), Euro 34 million relating to other Italian companies (6%), Euro 34 million relating to France (6%) and Euro 24 million relating to Poland (4%).

For the Gi Group S.p.A. it is hereby specified that trade receivables include receivables due, as a result of insolvency proceedings other than bankruptcies, such as arrangements and extraordinary administration, for Euro 8.6 million. In accordance with legal advice obtained by the company, such receivables were subject to adjustments of Euro 8.0 million. The value of insolvency proceedings not including bankruptcy totalled Euro 74 thousand.

In the years in question, the Group also assigned receivables without recourse, which led to the derecognition of the receivable in line with the provisions of IFRS 9. The value of non-recourse factoring transactions on receivables not past due as at 31st December 2022, for Gi Group S.p.A., was Euro 85 million (Euro 96 million as at 31st December 2021). The Group's foreign companies in Germany, France, Spain, Portugal, the Czech Republic and Slovakia had non-recourse factoring transactions totalling Euro 38 million as at 31st December 2022 (Euro 31 million as at 31st December 2021).

8.8. CURRENT TAX ASSETS

The table below sets out the movements in "Current tax assets" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
RECEIVABLES FOR INCOME TAXES (ITALIAN COMPANIES)	203	179
RECEIVABLES FOR INCOME TAXES (FOREIGN COMPANIES)	2,148	1,799
RECEIVABLES FOR INCOME TAXES DUE FROM PARENT COMPANIES	-	-
TOTAL	**2,351**	**1,978**

8.9. CASH AND CASH EQUIVALENTS

The table below sets out the movements in "Cash and cash equivalents" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
BANK AND POSTAL DEPOSITS	153,187	184,747
CASH ON HAND	94	67
CHEQUES RECEIVED / (ISSUED)	(412)	3
TOTAL	**152,870**	**184,817**

Cash and cash equivalents refer to current account balances and cash held by the company at financial year end, including payments accrued at the end of the year.

8.10. CURRENT FINANCIAL ASSETS

The table below sets out the movements in "Current financial assets" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
SHORT-TERM SECURITY DEPOSITS	1,659	3,389
SECURITIES	64	61
OTHER CURRENT FINANCIAL ASSETS	3,694	5,031
TOTAL	**5,417**	**8,481**

SHORT-TERM SECURITY DEPOSITS

The item includes security deposits due within the following financial year, mainly related to office and branch rents and utilities contracts.

OTHER CURRENT FINANCIAL ASSETS

"Other current financial assets" amount to Euro 3,694 thousand as at 31st December 2022 (Euro 5,031 thousand as at 31st December 2021) and mainly include:

- amounts to guarantee the Spanish subsidiaries' factoring transactions, for Euro 875 thousand as at 31st December 2022 (Euro 1,050 thousand as at 31st December 2021);
- amounts to guarantee the Czech subsidiaries' factoring transactions, for Euro 1,278 thousand as at 31st December 2022 (Euro 968 thousand as at 31st December 2021);
- amounts to guarantee the Portuguese subsidiaries' factoring transactions, for Euro 464 thousand as at 31st December 2022 (Euro 367 thousand as at 31st December 2021);
- amounts to guarantee the French subsidiaries' factoring transactions, for Euro 724 thousand as at 31st December 2022 (not present as at 31st December 2021).

8.11. OTHER CURRENT ASSETS

The table below sets out the movements in "Other current assets" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
VAT RECEIVABLE	2,635	989
RECEIVABLES FROM EMPLOYEES	2,274	1,896
RECEIVABLES FROM SOCIAL SECURITY AND WELFARE INSTITUTIONS	4,353	3,176
ACCRUED INCOME AND PREPAID EXPENSES	17,051	12,936
ADVANCES TO SUPPLIERS	3,009	1,682
OTHER TAX RECEIVABLES	9,662	13,975
OTHER CURRENT RECEIVABLES	65,124	52,875
TOTAL	**104,108**	**87,529**

"Accrued income and prepaid expenses" mainly include accrued income on security deposits and prepayments for fees to access databases, insurance and IT expenses.

"Other current receivables" mainly include receivables due to Gi Group S.p.A. for an amount of Euro 52,771 thousand as at 31st December 2022 (Euro 42,043 thousand as at 31st December 2021), mainly relating to receivables due from the training entity Forma. Temp for training courses provided, accounted for and approved.
The remaining part is recognised by the Chinese companies, for the amount of Euro 4.5 million, accrued against government grants, by the French companies for the amount of Euro 1.2 million for training grants, and by Gi Group in Brazil for the amount of Euro 1.7 million for receivables related to indemnification clauses in acquisition agreements in previous years.

8.12. SHAREHOLDERS' EQUITY

The table below breaks down "Shareholders' equity" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP	195,319	144,228
SHAREHOLDERS' EQUITY OF MINORITY INTERESTS	(2,035)	(3,405)
TOTAL	**193,284**	**140,822**

SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP

The table below sets out the movements in "Shareholders' equity pertaining to the Group" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
SHARE CAPITAL	10,000	400
RESERVES		
LEGAL RESERVE	21	80
CASH FLOW HEDGING RESERVE	5,013	480
TRANSLATION RESERVE	20	(4,930)
IFRS FIRST-TIME ADOPTION (FTA) RESERVE	(937)	(937)
RESERVE FOR ACTUARIAL GAINS/LOSSES	705	(161)
OTHER RESERVES AND RETAINED EARNINGS/ (LOSSES CARRIED FORWARD)	125,781	107,305
NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	54,717	41,991
TOTAL SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP	**195,319**	**144,228**

Share capital

The Parent Company's share capital amounts to Euro 10 million, fully paid-in, and is composed of 10,000,000 shares with a nominal value of Euro 1.00 each.
It should be noted that Gi Group Holding realised a free share capital increase through the use of Other Reserves, for the amount of Euro 9,897,232, which was approved by the Board of Directors with shareholder delegation on 1st July 2022.

Legal reserve

The legal reserve, amounting to Euro 21 thousand, relates to the Parent Company and was established prior to the capital increase: a sum corresponding to at least a twentieth part of it will be deducted from annual net profit to increase this reserve until it has reached one-fifth of the share capital, as provided for by Art. 2430 of the Italian Civil Code.

Cash flow hedging reserve

That item, which exclusively refers to Gi Group S.p.A, includes the value of the change in fair value of derivatives designated as interest rate risk hedges.

Translation reserve

The translation reserve includes all the differences deriving from the translation into Euro of the financial statements of the subsidiaries included in the scope of consolidation expressed in currencies other than the Euro.

First-Time Adoption (FTA) reserve

That reserve includes the impact generated by the first-time adoption of the EU-IFRS (1st January 2019).

Reserve for actuarial gains/(losses) (IAS 19)

The reserve for actuarial gains/losses (IAS 19) represents the cumulative amount of the effects of actuarial components of the employee severance indemnity liabilities measured in accordance with IAS 19.

Other reserves and retained earnings/(losses carried forward)

This item includes the portion of income statement results from previous years not distributed or allocated to reserves or other minor reserves.
On 20th June 2022, the Shareholders' Meeting of SCL Holding S.p.A., merged into Gi Group Holding S.p.A., resolved to distribute a dividend to the shareholder Familia S.r.l. for the amount of Euro 8,000,000 through the use of the extraordinary reserve recognised under "Other reserves".

SHAREHOLDERS' EQUITY OF MINORITY INTERESTS

Shareholders' equity pertaining to minority interests had a negative value of Euro 3,405 thousand as at 31st December 2022 (negative value of Euro 1,608 thousand as at 31st December 2021) and includes the minority interests in shareholders' equity of subsidiaries that are not wholly-owned, directly or indirectly, by the Parent Company.

The tables below show the reconciliation of the Parent Company's shareholders' equity and net profit (loss) with the consolidated shareholders' equity and net profit (loss) (pertaining to the Group) as at 31st December 2022:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022
SHAREHOLDERS' EQUITY (FROM THE PARENT COMPANY'S FINANCIAL STATEMENTS)	**205,872**
NET PROFIT (LOSS) OF CONSOLIDATED COMPANIES	39,810
DIFFERENCE BETWEEN THE CARRYING AMOUNT OF CONSOLIDATED EQUITY INVESTMENTS AND THE PRO-RATA VALUE OF SHAREHOLDERS' EQUITY	(352,571)
CHANGE IN THE TRANSLATION RESERVE	5,057
GOODWILL FROM BUSINESS COMBINATIONS (NET VALUE)	171,275
DERECOGNITION OF INTERCOMPANY WRITE-DOWNS	145,319
DIVIDENDS DISBURSED	18,116
REVERSAL OF ASSET REVALUATION RESERVE, NET OF THE TAX EFFECT	(19,830)
DERECOGNITION OF CAPITALISED CHARGES ON EQUITY INVESTMENTS AND START UPS	(5,006)
EFFECTS OF THE APPLICATION OF IFRS 16 AND IAS 19, NET OF THE TAX EFFECT	(3,678)
RECOGNITION OF SHAREHOLDERS' EQUITY OF MINORITY INTERESTS	(2,035)
OTHER CHANGES IN EQUITY	(6,431)
CONSOLIDATED SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP	**195,900**

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022
NET PROFIT (LOSS) (FROM THE PARENT COMPANY'S FINANCIAL STATEMENTS)	**14,230**
PRO-RATA PROFIT (LOSS) OF SUBSIDIARIES	83,345
DERECOGNITION OF INTERCOMPANY MARGINS AND DIVIDENDS	(29,217)
DERECOGNITION OF INTERCOMPANY WRITE-DOWNS	(1,302)
DERECOGNITION OF AMORTISATION ON LOCAL GOODWILL AND TAX EFFECT	(3,111)
RECOGNITION OF REVERSAL OF AMORTISATION AND DEPRECIATION ON ASSET REVALUATION AND TAX EFFECT	5,238
PRE-CONSOLIDATION ADJUSTMENTS (ALLOCATIONS AND OTHER CHANGES IN THE INCOME STATEMENT)	(14,901)
OTHER EFFECTS ON THE INCOME STATEMENT	(242)
RECOGNITION OF PROFIT (LOSS) PERTAINING TO MINORITY INTERESTS	640
CONSOLIDATED NET PROFIT (LOSS) PERTAINING TO THE GROUP	**54,681**

8.13. (NON-CURRENT AND CURRENT) FINANCIAL LIABILITIES

The table below sets out the movements in "Non-current financial liabilities" and Current financial liabilities" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
LONG-TERM PAYABLES TO BANKS	83,774	116,277
LONG-TERM DERIVATIVE FINANCIAL LIABILITIES	-	41
OTHER NON-CURRENT FINANCIAL PAYABLES	2,139	6,950
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**85,914**	**123,269**
SHORT-TERM PAYABLES TO BANKS	213,755	173,704
PAYABLES TO FACTORING COMPANIES	22,274	14,345
FINANCIAL ACCRUED EXPENSES	367	195
OTHER CURRENT FINANCIAL PAYABLES	14,670	4,692
TOTAL CURRENT FINANCIAL LIABILITIES	**251,066**	**192,936**

PAYABLES TO BANKS

Payables to banks reflect the Group's need to financially support its acquisitions carried out over the various years and the financing of ordinary operations for the growth of consolidated turnover. Payables to banks include the liquidation of the trade portfolio and medium/long-term loans, mainly referring to GI Group S.p.A., and also include interest payable accrued as at the respective reporting dates.

The table below sets out the movements in payables to banks as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
BANK LOANS	83,774	116,277
TOTAL LONG-TERM PAYABLES TO BANKS	**83,774**	**116,277**
OVERDRAFTS	145,433	142,419
BANK LOANS	66,171	28,163
INVOICE FINANCING ACCOUNTS	2,151	3,121
TOTAL SHORT-TERM PAYABLES TO BANKS	**213,755**	**173,704**

The "Invoice financing accounts" item includes the financial payables of the Spanish companies for the advance against bills of exchange.

The table below sets out the movements in and breakdown of "Bank loans" as at 31st December 2022:

(IN THOUSANDS OF EURO)	COMPANY	LOAN AMOUNT	CONTRACT START DATE	MATURITY DATE	RESIDUAL DEBT AS AT 31ST DECEMBER 2022	AMOUNT MATURING WITHIN THE YEAR 2023	AMOUNT MATURING BEYOND THE YEAR 2023
BNL	GI GROUP SPA	5,000	15/03/2019	15/03/2024	1,500	1,000	500
POOL LOAN WITH A SACE GUARANTEE (BNL, BANCO BPM, UNICREDIT AND INTESA SANPAOLO)	GI GROUP SPA	50,000	26/11/2020	30/09/2026	46,875	12,500	34,375
BANCO BPM	GI GROUP SPA	10,000	29/10/2018	29/12/2023	2,045	2,045	-
CASSA DEPOSITI E PRESTITI	GI GROUP SPA	15,000	13/08/2020	13/08/2025	7,500	3,000	4,500
INTESA SANPAOLO	GI GROUP SPA	10,000	28/02/2020	31/12/2024	4,000	2,000	2,000
MPS	GI GROUP SPA	5,000	31/10/2019	31/12/2024	2,000	1,000	1,000
MPS WITH SACE GUARANTEE	GI GROUP SPA	10,000	30/12/2020	30/09/2026	9,375	2,500	6,875
BPER BANCA (FORMERLY UBI BANCA)	GI GROUP SPA	10,000	31/01/2020	31/01/2023	3,333	3,333	-
BPER BANCA	GI GROUP SPA	10,000	04/08/2021	30/09/2026	7,500	2,000	5,500
CREDIT AGRICOLE	GI GROUP SPA	10,000	28/12/2021	31/12/2026	8,023	1,990	6,033
CASSA DEPOSITI E PRESTITI	GI GROUP SPA	10,000	29/12/2022	27/12/2027	10,000	2,000	8,000
BCC CENTROPADANA LOAN	GI GROUP SPA	7,500	16/12/2021	08/06/2023	7,500	7,500	-
BANCO BPM – SACE	ENGINIUM S.R.L	2,500	05/11/2021	30/09/2027	2,375	500	1,875
BANCO BPM – SACE	INTOO S.R.L	2,000	05/11/2021	30/09/2027	1,900	400	1,500
BANCO BPM – SACE	GI FORMAZIONE S.R.L	6,000	30/09/2021	30/09/2027	6,000	375	5,625
CITIBANK	GI GROUP HOLDING SPA	6,500	07/12/2022	07/06/2023	6,500	6,500	-
INTESA SANPAOLO	GI GROUP HOLDING SPA	10,000	23/12/2022	23/06/2023	10,000	10,000	-
MPS	GI GROUP HOLDING SPA	94	26/07/2021	31/12/2028	94	-	94
CASSA DEPOSITI E PRESTITI – MISE (MINISTRY OF ECONOMIC DEVELOPMENT)	GI GROUP HOLDING SPA	806	26/07/2021	31/12/2028	806	72	734
BNP PARIBAS	GI GROUP AUTOMOTIVE GROUP S.A.S	3,570	25/05/2020	27/05/2026	3,135	884	2,251
BANCO SANTANDER	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	2,500	03/04/2020	03/04/2026	2,104	-	2,104
BANCO SANTANDER	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	700	14/01/2022	14/01/2023	233	233	-
CAIXABANK	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	600	14/05/2020	14/05/2024	249	175	74

(IN THOUSANDS OF EURO)	COMPANY	LOAN AMOUNT	CONTRACT START DATE	MATURITY DATE	RESIDUAL DEBT AS AT 31ST DECEMBER 2022	AMOUNT MATURING WITHIN THE YEAR 2023	AMOUNT MATURING BEYOND THE YEAR 2023
BBVA	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	450	10/10/2022	10/10/2025	426	145	281
BBVA	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	800	14/05/2020	14/05/2024	800	800	-
BANKIA	G.I. GROUP OUTSOURCING 2016, S.L.	400	18/06/2021	18/06/2024	243	161	82
BANCO SANTANDER	G.I. GROUP OUTSOURCING 2016, S.L.	1,000	03/04/2020	03/04/2026	840	244	596
ST. GALLER KANTONALBANK	EUPRO HOLDING AG	3,800	19/11/2021	30/06/2023	3,199	3,199	-
BANCO COLOMBIA	T&S TEMSERVICE S.A.S	792	15/12/2022	15/12/2023	792	792	-
OTHER MINOR BANK LOANS		536			536	536	-
BANK INTEREST PAYABLES	GI GROUP SPA				483	483	-
ANCILLARY EXPENSES					(423)	(197)	(226)
TOTAL BANK LOANS		**194,398**			**149,944**	**66,171**	**83,774**

Almost all of the ancillary expenses to loans regard the pool loan subscribed by Gi Group S.p.A. for a total of Euro 30 million.

Most of the loans listed above are at a floating rate calculated with Euribor parameters.

For some loans, the Group is required to abide by financial and/or non financial covenants.

The most significant non-financial covenants involve limits on Group's extraordinary transactions, e.g. acquisitions outside the scope of consolidation and sales of assets with a significant value.

The financial covenants are calculated, annually and on a half-yearly basis, on the consolidated financial statements of the parent company Gi Group Holding S.p.A., based on the following ratios:

- Leverage Ratio = NFD/EBITDA (Net Financial Debt to EBITDA)
- Gearing Ratio = NFD/SE (Net Financial Debt to Shareholders' Equity)

As at 31st December 2022 the company was compliant with all covenants.

PAYABLES TO FACTORING COMPANIES

Payables to factoring companies represent the advances received from the factor receivable assignment contracts in relation to which the risks and rewards of the assigned receivables have not been transferred to the factor.

The table below sets out the movements in payables to factoring companies broken down by company as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	COUNTRY	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
ENCORE PERSONNEL LTD	UK	4,368	-
G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	SPAIN	4,649	2,742
GI GROUP S.P.A.	ITALY	4,044	3,061
GI GROUP AUTOMOTIVE S.A.S.	FRANCE	2,614	3,424
GI GROUP POLAND SA	POLAND	2,548	1,670
GRAFTON RECRUITMENT SP Z.O.O.	POLAND	1,170	-
GI GROUP PERM B.V.	THE NETHERLANDS	1,006	-
SELLPRO SP. Z.O.O.	POLAND	642	510
GI GROUP TEMP B.V.	THE NETHERLANDS	524	-
INDUSTRY PERSONNEL SERVICES SP. Z.O.O.	POLAND	310	397
GRAFTON SLOVAKIA S.R.O.	SLOVAKIA	401	-
GI GROUP DEUTSCHLAND GMBH	GERMANY	-	2,162
OTHER MINOR COMPANIES		-	379
TOTAL PAYABLES TO FACTORING COMPANIES		**22,274**	**14,345**

OTHER NON-CURRENT FINANCIAL PAYABLES

That item mainly includes:

- the estimated value of the cross call/put option on the 5.88% minority interest in INTOO LLC relating to the acquisition of the outplacement business from CareerArc Group LLC, equal to Euro 893 thousand;
- the estimated value of the earn-out on the acquisition of the Axxis group companies in 2021, amounting to Euro 738 thousand..

OTHER FINANCIAL PAYABLES

That item mainly includes:

- the estimated value of the earn-out on the acquisition of JobToMe International, in 2021, amounting to Euro 5,078 thousand;
- the estimated value of the earn-out on the acquisition of the companies in the EUPRO group, equal to Euro 4,281 thousand (see Note 7 "Business combinations" for more information);
- the estimated value of the earn-out on the acquisition of the companies in the FOCUN group, equal to Euro 3,481 thousand (see Note 7 "Business combinations" for more information);
- the estimated value of the earn-out on the acquisition of Encore Personnel, equal to Euro 2,517 thousand (see Note 7 "Business combinations" for more information);
- the estimated value of the earn-out on the acquisition of the companies in the CVO/Simplika group, equal to Euro 1,394 thousand (see Note 7 "Business combinations" for more information).

8.14. PROVISIONS FOR PERSONNEL

The table below sets out the movements in “Provisions for personnel” for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	EMPLOYEE SEVERANCE INDEMNITY (TFR – ITALIAN COMPANIES)	OTHER PROVISIONS FOR PERSONNEL (FOREIGN COMPANIES)	LONG TERM INCENTIVE PLAN (LTI)	TOTAL
BALANCE AS AT 31ST DECEMBER 2020	**8,639**	**1,864**	**-**	**10,503**
CURRENT SERVICE COST	2,058	-	6,862	8,920
FINANCIAL EXPENSES	19	-	-	19
OTHER ALLOCATIONS	-	2,648	-	2,648
ACTUARIAL LOSSES/(GAINS)	(387)	-	-	(387)
USES/RELEASES	(904)	(2,514)	-	(3,418)
CHANGES IN THE SCOPE OF CONSOLIDATION	-	-	-	-
TRANSLATION DIFFERENCES	-	-	24	24
BALANCE AS AT 31ST DECEMBER 2021	**9,425**	**1,998**	**6,886**	**18,309**
CURRENT SERVICE COST	2,100	-	313	2,413
FINANCIAL EXPENSES	74	-	-	74
ACTUARIAL LOSSES/(GAINS)	(1,138)	-	-	(1,138)
USES/RELEASES	(1,807)	(504)	-	(2,311)
TRANSLATION DIFFERENCES	-	(14)	(25)	(39)
BALANCE AS AT 31ST DECEMBER 2022	**8,654**	**1,480**	**7,174**	**17,308**

EMPLOYEE SEVERANCE INDEMNITY (TFR – ITALIAN COMPANIES)

That item includes only the value of liabilities for employee severance indemnity due to the employees of the Group’s Italian companies, based on national law.
The following table provides a breakdown of liabilities for employee severance indemnity by company as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
GI GROUP S.P.A.	1,833	2,301
INTOO S.R.L.	1,169	1,361
GI BUSINESS PROCESS OUTSOURCING S.R.L.	1,311	1,445
ENGINIUM S.R.L.	1,030	975
GI HR SERVICES S.R.L.	637	685
C2C S.R.L.	633	668
WYSER S.R.L.	427	466
TACK & TMI ITALY S.R.L.	403	381
OD&M S.R.L.	264	330
EXS ITALIA S.R.L.	91	186
GI GROUP HOLDING S.P.A.	473	211
GI FORMAZIONE S.R.L.	383	414
TOTAL	**8,654**	**9,425**

The value of the payable for employee severance indemnity and other benefits falling under IAS 19 has been determined on an actuarial basis.
The main assumptions used to obtain the value of the liability as at 31st December 2022 are set out below:

	AS AT 31ST DECEMBER 2021 AND 2022
A) DEMOGRAPHIC ASSUMPTIONS:	
PROBABILITY OF DEATH	TABLES FROM THE ITALIAN STATE GENERAL ACCOUNTING DEPARTMENT NAMED RG48, BROKEN DOWN BY GENDER
PROBABILITY OF DISABILITY	INPS (ITALIAN SOCIAL SECURITY INSTITUTION) TEMPLATE FOR PROJECTIONS TO 2010, BROKEN DOWN BY GENDER
PENSION AGE	REACHING THE FIRST OF THE PENSION REQUIREMENTS VALID FOR OBTAINING THE ITALIAN OLD-AGE PENSION
PROBABILITY OF EXIT DUE TO CAUSES OTHER THAN DEATH	5.00% (GI GROUP SPA, INTOO SRL, EXS ITALIA SRL AND GI FORMAZIONE); 20.00% (GI ON BOARD SRL, ENGINIUM SRL, WYSER SRL, C2C SRL AND GI GROUP HOLDING); 10.00% (GI HR SERVICES SRL AND TACK & TMI ITALY SRL); 0.50% (OD&M SRL)
PROBABILITY OF EARLY RETIREMENT	YEAR ON YEAR VALUE OF 3%
TURNOVER RATE – "LTI"	ESTIMATED BY THE COMPANY FOR EACH EMPLOYEE INVOLVED IN THE PLAN

	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
B) ECONOMIC-FINANCIAL ASSUMPTIONS:		
ANNUAL TECHNICAL DISCOUNT RATE – EMPLOYEE SEVERANCE INDEMNITY	3.77%; 3.63%	0.98%; 0.44%
ANNUAL TECHNICAL DISCOUNT RATE – LTI	3.34%	-0.17%
ANNUAL INFLATION RATE	5.9% (2023); 2.3% (2024); 2.0% (2025)	1.20%
ANNUAL RATE OF INCREASE IN TOTAL REMUNERATION	6.9% (2023); 3.3% (2024); 3.0% (2025)	2.50%
ANNUAL RATE OF INCREASE IN EMPLOYEE SEVERANCE INDEMNITY	5.9% (2023); 3.2% (2024); 3.0% (2025)	2.40%

The discounting rates used as benchmarks for measuring that parameter are the iBoxx Eurozone Corporates AA 10+ and AA 7-10, as at the measurement date and taking account of the average residual employee length of service of the separate companies.

The table below shows the sensitivity analysis as at 31st December 2022 relating to the main actuarial assumptions used in calculating the liabilities for employee severance indemnity. The sensitivity analysis was carried out using the above scenario as the base scenario and increasing and reducing the annual discount rate, the annual inflation rate and the annual turnover rate by 0.25%, 0.25% and 2%, respectively. The values of the liabilities thus obtained are summarised below:

	ANNUAL DISCOUNT RATE		ANNUAL INFLATION RATE		ANNUAL TURNOVER RATE	
(IN THOUSANDS OF EURO)	**0.25%**	**-0.25%**	**0.25%**	**-0.25%**	**2.00%**	**-2.00%**
TOTAL	8,511	8,800	8,718	8,589	8,689	8,620

OTHER PROVISIONS FOR PERSONNEL (FOREIGN COMPANIES)

This item includes provisions due to employees, by law or contract, at the time of termination of employment, as well as provisions to supplementary pension schemes on the basis of national contracts or internal company agreements, referring mainly to some of the Group's French, German, Indian and Colombian companies.

LONG TERM INCENTIVE PLAN (LTI)

That item includes the value of the incentive plan for the Group's managers, calculated using the methodology set out in IAS 19 for "Other long-term employee benefits".
In 2021 the Boards of Directors of the companies involved approved a Long-Term Incentive Plan (LTI) for executives, in compliance with the company's growth plan.
It is the company's goal to retain highly professional figures capable of ensuring business development, providing them with a bonus for achieving individual and corporate performance goals linked to financial and economic indicators of corporate growth.
The Long-Term Incentive Plan, with a duration of 3 years, will grant participants the right to receive an additional bonus, which will be determined using a multiplier of the gross annual base salary, subject to the increase in the Group's Equity Value up to 31st December 2023, disbursing a variable bonus overall in 2024.

8.15. PROVISIONS FOR RISKS AND CHARGES

The table below sets out the movements in "Provisions for risks and charges" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	PROVISIONS FOR RISKS AND CHARGES
BALANCE AS AT 31ST DECEMBER 2020	**13,917**
ALLOCATIONS	1,450
USES/RELEASES	(1,700)
CHANGES IN THE SCOPE OF CONSOLIDATION	1,244
OTHER MOVEMENTS	1,656
TRANSLATION DIFFERENCES	171
BALANCE AS AT 31ST DECEMBER 2021	**16,738**
ALLOCATIONS	2,775
USES/RELEASES	(1,508)
TRANSLATION DIFFERENCES	1,155
BALANCE AS AT 31ST DECEMBER 2022	**19,160**

Provisions for risks and charges include the estimate of contingent liabilities deemed probable for pending legal disputes, both in labour-law and civil and administrative proceedings, mainly for the companies located in Italy (for which, refer to the Notes to the Financial Statements of Gi Group S.p.A.), Brazil, Spain and Poland.

The balance relating to the Brazilian subsidiaries, equal to Euro 11.9 million, shows the value of liabilities of a statutory, tax, and labour law nature arising during the process of allocating the higher values, when accounting for the business combination relating to the acquisition of the companies "Kelly Services Brasil Investimentos e Participacoes Ltda" and "Kelly Services Brasil Investimentos e Participacoes II Ltda", in the previous year.

8.16. OTHER NON-CURRENT LIABILITIES

The item exclusively includes the value of tax and social security liabilities beyond the financial year, relating to the Polish subsidiary Gi Group Poland of Euro 12,449 thousand as at 31st December 2022 (Euro 14,614 thousand as at 31st December 2021).

8.17. CURRENT TAX LIABILITIES

The table below sets out the movements in "Current tax liabilities" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
PAYABLES FOR INCOME TAXES (ITALIAN COMPANIES)	4,189	2,794
PAYABLES FOR INCOME TAXES (FOREIGN COMPANIES)	7,328	9,645
TOTAL	**11,517**	**12,439**

8.18. TRADE PAYABLES

"Trade payables" amount to Euro 78,166 thousand as at 31st December 2022 (Euro 60,094 thousand as at 31st December 2021) and also include payables for invoices to be received for services received during the year, net of credits due.

The table below breaks down trade payables by geographical area as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
ITALY	32,057	34,929
WESTERN EUROPE	30,039	14,420
EASTERN EUROPE	1,272	1,987
ASIA	9,018	7,027
NORTH AMERICA	317	380
SOUTH AMERICA	5,463	1,352
TOTAL	**78,166**	**60,094**

8.19. OTHER CURRENT LIABILITIES

The table below sets out the movements in "Other current liabilities" as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	AS AT 31ST DECEMBER 2021
PAYABLES TO EMPLOYEES	224,157	221,431
PAYABLES TO SOCIAL SECURITY AND WELFARE INSTITUTIONS	93,971	99,875
VAT PAYABLE	42,136	44,663
OTHER TAX PAYABLES	56,399	53,564
ACCRUED EXPENSES AND DEFERRED INCOME	12,513	12,054
ADVANCES FROM CUSTOMERS	1,555	1,608
OTHER CURRENT PAYABLES	42,811	35,756
TOTAL	**473,542**	**468,952**

"Payables to employees" mainly include payables accrued in respect of internal employees and temporary workers of Group companies. The item includes an effect of the valuation of the scope of consolidation of Euro 5,232 thousand.

"Payables to social security and welfare institutions" include current payables at the end of the financial year to the social security and welfare institutions for contributions paid by the companies and the employees, mainly concerning salaries and wages for the month of December.

"Other tax payables" mainly includes payables for tax withholdings for employees, temporary workers and independent workers of the Italian companies of the Group.

"Accrued expenses and deferred income" mainly include:

- accrued expenses relating mainly to the UK companies of the Group in the amount of Euro 2,829 thousand as at 31st December 2022 (Euro 3,911 thousand as at 31st December 2021); and
- deferred income linked to the suspension of the portion of revenues of the US company Intoo LLC totalling Euro 2,096 thousand and the Italian company Intoo S.r.l. for Euro 1,175 thousand as at 31st December 2022, for the delivery of services (mainly outplacement) that were already invoiced, but not yet completed.

"Other current payables" mainly attributable to Gi Group S.p.A. for an amount of Euro 35,258 thousand as at 31st December 2022 (Euro 35,329 thousand as at 31st December 2021), and to the other Italian companies (for the amount of Euro 4,887 thousand), which mainly includes payables due to entities, funds and institutes connected with the management of temporary staff and payables relating to other existing contractual forms of employment, including internships, contract workers, directors and other generic payables.

8.20. ASSETS/(LIABILITIES) HELD FOR SALE

This item as at 31st December 2022 includes the elements relating to relations with the Hungarian associated company Prohuman 2004 Kft. This classification was necessary to the finalisation of the agreement for the sale of the entire equity interest held by GI Group Poland (former Work Service SA), equal to 80.22%, to the Sun Group Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság ("Sun Group"). The sale was concluded in January 2022.

Pursuant to the provisions of IFRS 5, assets and liabilities relating to relations of group companies with Prohuman were reclassified in specific items in the area of statement of financial position assets and liabilities, respectively.

Following the completion of the sale, the amounts shown in these items, as at 31st December 2021, were eliminated from the accounts. The overall effect of this transaction as at the closing date of the financial statements is shown below:

(IN THOUSANDS OF EURO)		
SALE PRICE FROM CONTRACT	OTHER OPERATING COSTS	31,820
CANCELLATION OF FINANCIAL DEBT	OTHER OPERATING COSTS	11,874
BOOK VALUE OF THE EQUITY INVESTMENT	OTHER OPERATING COSTS	(31,154)
REVALUATION VALUE OF THE EQUITY INVESTMENT	OTHER OPERATING COSTS	(16,625)
DIVIDENDS RECEIVED	FINANCIAL INCOME	9,600
TOTAL		**5,515**

9. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9.1. REVENUES FROM CONTRACTS WITH CUSTOMERS

The table below sets out the movements in “Revenues from contracts with customers”, broken down by type of service provided, for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
TEMPORARY STAFFING AND STAFF LEASING	3,201,875	2,868,585
PROFESSIONAL	110,635	117,561
OUTSOURCING SERVICES	197,121	154,455
SEARCH AND SELECTION	22,438	17,570
TRAINING	14,511	13,996
OUTPLACEMENT	14,676	13,701
LABOUR MANAGEMENT CONSULTING	2,417	2,299
ADMINISTRATION AND MANAGEMENT OF EMPLOYMENT SERVICES	7,863	6,615
INTEGRATED SOLUTIONS	37,810	17,382
SPECIAL PROJECTS	15,484	15,744
TOTAL	**3,624,829**	**3,227,907**

The table below sets out the movements in “Revenues from contracts with customers”, broken down by geographical area, for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
ITALY	1,689,661	1,587,074
WESTERN EUROPE	1,044,542	960,464
EASTERN EUROPE	293,482	249,919
ASIA	398,323	313,948
NORTH AMERICA	5,373	6,287
SOUTH AMERICA	193,448	110,215
TOTAL	**3,624,829**	**3,227,907**

9.2. OTHER REVENUES AND INCOME

The table below sets out the movements in “Other revenues and income” for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT	
	31/12/2022	31/12/2021
GRANTS AND REIMBURSEMENTS FOR TRAINING COURSES	36,542	25,381
OPERATING GRANTS	13,293	13,789
MISCELLANEOUS OTHER REVENUES AND INCOME	18,273	19,475
TOTAL	**68,109**	**58,645**

GRANTS AND REIMBURSEMENTS FOR TRAINING COURSES

That item mainly includes the amount of grants Gi Group S.p.A. approved and reported to the Forma.Temp agency for the organisation and the provision of courses for temporary workers.

OPERATING GRANTS

The table below sets out the movements in “Operating grants” for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT	
	31/12/2022	31/12/2021
ITALY - GRANTS FOR COURSES PROVIDED	2,213	3,252
CHINA - GRATUITOUS FINANCIAL ALLOWANCES FROM THE GOVERNMENT TO SUPPORT THE BUSINESS	500	154
CHINA - TAX EXEMPTION INCENTIVES BY LOCAL GOVERNMENTS TO ATTRACT BUSINESSES TO THE AREA AND DEVELOP LOCAL BUSINESS	6,620	4,955
POLAND - GRANTS FOR EU PROJECTS	3,149	-
OTHER COUNTRIES - GOVERNMENT GRANTS RECEIVED	810	281
OTHER COUNTRIES - COVID GRANTS	-	5,147
TOTAL	**13,292**	**13,789**

MISCELLANEOUS OTHER REVENUES AND INCOME

That item mainly includes contingent assets and other operating income relating to payables to temporary workers which have expired and can no longer be collected by the creditor, collections referring to bankrupt customers whose receivables had previously been reduced to zero, with a loss recognised in the previous financial years and the effect of the closing of estimated allocations and/or allowances in the previous years for costs and services no longer realised or for revenues realised for a higher amount.

9.3. COSTS FOR RAW MATERIALS, CONSUMABLES AND GOODS FOR RESALE

The table below sets out the movements in "Costs for raw materials, consumables and goods for resale" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
FUEL AND LUBRICANTS	4,041	2,827
CONSUMABLES	2,561	1,833
STATIONERY AND FORMS	1,182	581
CHANGES IN INVENTORIES	105	(116)
TOTAL	**7,889**	**5,125**

That item mainly includes costs for fuel and lubricants and for consumables, promotional materials and stationery.

9.4. COSTS FOR SERVICES

The table below sets out the movements in "Costs for services" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT	
	31/12/2022	31/12/2021
TRAINING AND OTHER SERVICES FOR PERSONNEL	50,062	29,369
TRAVEL EXPENSES AND STAFF CAFETERIA VOUCHERS	46,917	39,268
COSTS FOR USE OF THIRD-PARTY ASSETS	14,799	13,251
PROFESSIONAL CONSULTING SERVICES AND OTHER WORK-RELATED SERVICES	30,296	27,012
TAX, ADMINISTRATIVE AND MANAGEMENT CONSULTING	11,788	11,663
IT COSTS AND CONSULTING AND SOFTWARE MAINTENANCE SERVICES	16,437	12,347
ADVERTISING EXPENSES	9,329	5,998
COSTS FOR UTILITIES, CLEANING AND SECURITY	6,349	3,910
GRAPHIC DESIGN AND CLASSIFIED ADVERTISEMENT DESIGN	7,106	5,972
TELEPHONE AND DATA NETWORK EXPENSES	22,732	2,917
INSURANCE EXPENSES	4,679	3,508
LEGAL EXPENSES FOR CIVIL/CRIMINAL CASES AND COLLECTION OF RECEIVABLES	3,601	3,102
COSTS FOR DIRECTORS	2,478	2,316
COSTS FOR AUDITING AND THE BOARD OF STATUTORY AUDITORS	1,675	1,125
OTHER COSTS FOR SERVICES	25,928	31,468
TOTAL	**254,177**	**193,226**

"IT costs and consulting and software maintenance services" mainly includes the costs linked to implementing new company tools and implementing existing infrastructures.
"Costs for use of third-party assets" mainly includes software lease and user licence costs, costs to lease assets which, when new, are of low value (i.e. when the value of the underlying asset, when new, is roughly less than USD 5,000) and costs for leases with an overall lease term of twelve months or less. For these contracts, the underlying right of use assets have not been recognised and the lease liability and related lease payments are recognised directly in the Income Statement on a straight-line basis.
"Costs for directors" includes the fees to directors of the Group companies.
For the year ended as at 31st December 2022, costs for services include non-recurring costs for an amount of Euro 1,516 thousand, mainly relating to:

- strategic consultancy services regarding acquisitions carried out during the year by Gi Group Holding S.p.A. for Euro 1,135 thousand;
- extraordinary tax, legal, IT and marketing consultancy services connected with the acquisitions, and the related integrations, for Euro 163 thousand;
- expenses incurred for restructuring projects implemented in Great Britain, the Czech Republic and the Slovak Republic, amounting to Euro 152 thousand;
- marketing costs incurred for the rebranding of GI Group Holding, amounting to Euro 65 thousand.

9.5. PERSONNEL COSTS

The table below sets out the movements in "Personnel costs" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
WAGES AND SALARIES	2,622,293	2,355,171
SOCIAL SECURITY CONTRIBUTIONS	572,653	524,666
EMPLOYEE SEVERANCE INDEMNITY	69,257	72,668
ALLOCATIONS TO PROVISIONS FOR PERSONNEL	979	563
OTHER PERSONNEL COSTS	8,158	4,491
TOTAL	**3,273,340**	**2,957,559**

Personnel costs include both costs for direct employees, which make up the company's structure, and costs for indirect employees, representing personnel leased to the Group's third-party customers.

The following table shows the average number of direct and indirect internal and temporary/staff leasing employees by geographical area for the years ended as at 31st December 2022 and 2021:

AVERAGE NO. OF EMPLOYEES (UNITS)	YEAR ENDED AS AT 31ST DECEMBER 2022		YEAR ENDED AS AT 31ST DECEMBER 2021	
	DIRECT EMPLOYEES (STRUCTURE)	INDIRECT EMPLOYEES (TEMPORARY/ STAFF LEASING)	DIRECT EMPLOYEES (STRUCTURE)	INDIRECT EMPLOYEES (TEMPORARY/ STAFF LEASING)
ITALY	2,945	40,764	2,656	36,898
WESTERN EUROPE	1,911	37,703	1,688	31,977
EASTERN EUROPE	1,262	19,572	1232	11,959
ASIA	560	49,184	522	41,436
NORTH AMERICA	37	-	42	-
SOUTH AMERICA	1,196	85,069	614	49,479
TOTAL	**7,911**	**232,292**	**6,754**	**171,749**

For the year ended as at 31st December 2022, personnel costs include non-recurring costs for an amount of Euro 909 thousand, mainly relating to:

- business restructuring costs and employee conciliation costs totalling Euro 219 thousand relating to the restructuring of the ownership structure in Germany;
- business restructuring costs and employee conciliation costs totalling Euro 634 thousand relating to the reorganisation in Great Britain, the Czech Republic and the Slovak Republic.

9.6. OTHER OPERATING COSTS

The table below sets out the movements in “Other operating costs” for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
TAXES AND LEVIES	4,192	3,938
MEMBERSHIPS	1,361	1,241
PENALTIES, SANCTIONS AND FINES	695	318
LOSSES ON RECEIVABLES	764	717
MAGAZINE SUBSCRIPTIONS	429	71
OTHER OPERATING CHARGES	15,266	14,997
TOTAL	**22,708**	**21,282**

The item “Other operating charges” includes all residual costs such as donations and gifts to employees and third parties, costs for formalities at public entities, sales of assets and costs for lower provisions allocated in the previous financial years.

For the year ended as at 31st December 2022, other operating costs include non-recurring costs for an amount of Euro 1,550 thousand, mainly related to expenses attributable to the German subsidiaries.

9.7. NET WRITE-DOWNS OF FINANCIAL ASSETS

The table below sets out the movements in "Net write-downs of financial assets" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
ALLOCATIONS TO PROVISIONS FOR DOUBTFUL RECEIVABLES	4,780	591
OTHER WRITE-DOWNS OF FINANCIAL ASSETS	463	(57)
TOTAL	**5,243**	**534**

9.8. DEPRECIATION AND WRITE-DOWNS OF PROPERTY, PLANT AND EQUIPMENT, AMORTISATION AND WRITE-DOWNS OF INTANGIBLE ASSETS AND RIGHTS OF USE

The table below sets out the movements in "Depreciation and write-downs of property, plant and equipment, amortisation and write-downs of intangible assets and rights of use" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	4,919	4,785
AMORTISATION OF INTANGIBLE ASSETS	10,835	9,460
AMORTISATION OF RIGHT OF USE ASSETS	20,831	21,978
WRITE-DOWNS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	1,081	1,137
TOTAL	**37,667**	**37,360**

"Write-downs of property, plant and equipment and intangible assets" includes the write-down of goodwill following impairment testing on the USA CGU. For more information, refer to Note "8.2. Goodwill".

9.9. NET ALLOWANCES TO PROVISIONS FOR RISKS AND CHARGES

That item includes allocations to provisions for risks and charges, net of releases. For details on the movements in provisions for risks and charges, refer to Note 8.15 "Provisions for risks and charges".

9.10. FINANCIAL INCOME

During the year ended as at 31st December 2022, "Financial income", equal to Euro 905 thousand, mainly included financial income from the Brazilian subsidiaries, for the amount of Euro 257 thousand, and the Polish subsidiaries, for the amount of Euro 196 thousand.

9.11. FINANCIAL EXPENSES

The table below sets out the movements in "Financial expenses" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
LEASE INTEREST PAYABLE	2,371	2,032
INTEREST PAYABLE ON PROVISIONS FOR PERSONNEL	74	17
EXPENSES FOR ADJUSTMENT TO HIGH INFLATION	46	116
OTHER FINANCIAL EXPENSES	9,212	6,789
TOTAL	**11,703**	**8,954**

"Expenses for adjustment to high inflation" exclusively include the effect on monetary items deriving from the application of IAS 29 – Hyperinflation by the Argentine subsidiaries of the Group. For more details, refer to Note 10 "Hyperinflation".

"Other financial expenses" mainly consists of interest payable to banks.

For the year ended as at 31st December 2022, other financial expenses include non-recurring costs for an amount of Euro 46 thousand (Euro 116 thousand in the year ended as at 31st December 2021), incurred by the Argentine and Turkish companies and deriving from the adjustments calculated due to the sharp inflation that hit such countries.

9.12. EXCHANGE RATE GAINS AND LOSSES

That item has a negative balance of Euro 1,702 thousand for the year ended as at 31st December 2022 (positive balance of Euro 1,074 thousand for the year ended as at 31st December 2021).

The negative balance for the year ended 31st December 2022 is mainly composed of exchange rate changes resulting mainly from the adjustment of loans provided to foreign subsidiaries, amounting to Euro 1,968 thousand.

9.13. INCOME TAXES

The table below sets out the movements in "Income taxes" for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
INCOME TAXES OF ITALIAN COMPANIES (IRES - CORPORATE INCOME TAX/IRAP - REGIONAL TAX ON PRODUCTION)	20,545	16,637
INCOME TAXES OF FOREIGN COMPANIES	7,512	5,404
TOTAL CURRENT TAXES	**28,057**	**22,040**
DEFERRED TAX LIABILITIES/ASSETS	977	(384)
TOTAL DEFERRED TAX LIABILITIES/ASSETS	**977**	**(384)**
TOTAL	**29,034**	**21,656**

Income taxes are calculated on an accruals basis, indicating where necessary the deferred tax assets or liabilities to take into account those tax regulations that may lead the relative tax period to shift and differ from the financial period.

Deferred tax assets have been recognised on the deductible temporary differences during the year to the extent that there is reasonable certainty that, in the years in which those deductible temporary differences will be used, the taxable income will not be less than the amount of the differences that will be cancelled.

For details on "Deferred tax liabilities/assets" refer to Note 8.5 "Deferred tax assets and deferred tax liabilities".

10. HYPERINFLATION

According to the provisions of IAS 29, the Argentine subsidiaries Gi Group Search&Selection S.A. and Gi Group Temporary Staffing S.A. and the Turkish subsidiaries Gi Group and Wyser Turkey Secme Ve Yerlestirme A.S. and Gi Group Human Resources and Consultancy Insan Kaynaklari Ve Danismanlik A.S. are the only Group companies operating under high inflation. The adoption of this standard is due to the fact that the cumulative rate of inflation in the last three years exceeded 100% and is based on the characteristics of the country's economy.

The loss on the net monetary position, recognised in the Income Statement under "Financial expenses" amounts to Euro 46 thousand in the year ended as at 31st December 2022 (Euro 116 thousand in the year ended as at 31st December 2021).

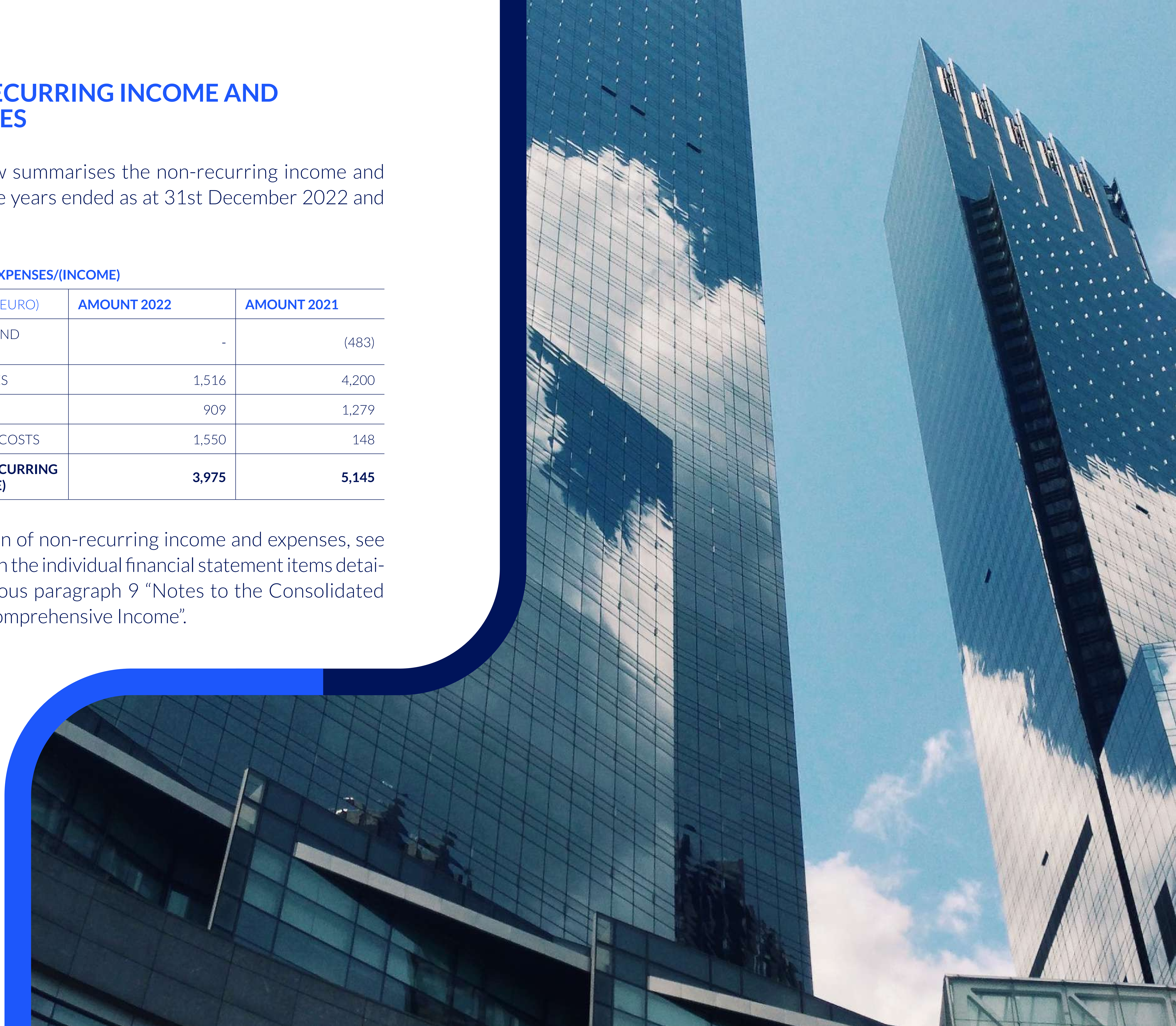
11. NON-RECURRING INCOME AND EXPENSES

The table below summarises the non-recurring income and expenses for the years ended as at 31st December 2022 and 2021:

NON-RECURRING EXPENSES/(INCOME)

(IN THOUSANDS OF EURO)	AMOUNT 2022	AMOUNT 2021
OTHER REVENUES AND INCOME	-	(483)
COSTS FOR SERVICES	1,516	4,200
PERSONNEL COSTS	909	1,279
OTHER OPERATING COSTS	1,550	148
TOTAL NET NON-RECURRING EXPENSES/(INCOME)	**3,975**	**5,145**

For a description of non-recurring income and expenses, see the comments on the individual financial statement items detailed in the previous paragraph 9 "Notes to the Consolidated Statement of Comprehensive Income".



12. TRANSACTIONS WITH RELATED PARTIES

Transactions between Group companies and between the Group and related parties, identified using the criteria defined in IAS 24 - Related-Party Transactions, relate to transactions carried out under normal market conditions and refer mainly to:

- commercial relations relating to the typical services of the Group's business (staffing, selection, outsourcing, outplacement and other Human Resource services);
- (general, organisational, professional) services provided by the Head Office to the Group companies;
- financial relations carried out with parent companies and affiliated companies;
- fees paid to Directors and Key Managers.

With regard to services, all transactions with related parties are governed by a framework agreement prepared by Gi Group Holding S.p.A. in 2022, replacing previous agreements, and referred to as the Master Service Agreement, with the objective of creating synergies within the Group to increase operational efficiency.

In the area of financial relations, organisational solutions based on centralised financial management in Gi Group S.p.A. were used in Italy to optimise the structure of the treasury and the terms and conditions applicable to bank funding.

With this in mind, cash pooling for Italian companies was adopted through centralised management of bank operations involving available resources within the Group for daily cash needs and financial support to all Group companies.

Structural investments and support for the operational needs of foreign companies are funded through short- and medium-term financing.

Italian companies are able to opt for tax consolidation with the Group, with payables/receivables transferred to the consolidating company for IRES (corporation tax) purposes, pursuant to Article 118 of the new T.U.I.R. (Consolidated Law on Income Tax). For tax purposes, the consolidating company is Gi Group Holding S.p.A.
The table below summarises the Group's equity transactions with related parties as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2022	
	TRADE RECEIVABLES	TRADE PAYABLES
PARENT COMPANIES		
FAMILIA S.R.L.	13,052	-
TOTAL PARENT COMPANIES:	**13,052**	**-**
ASSOCIATED COMPANIES		
FARE LAVORO, SOCIETÀ CONSORTILE A R.L.	71	-
TOTAL ASSOCIATED COMPANIES:	**71**	**-**
OTHER RELATED PARTIES		
DIRECTORS		10
TOTAL OTHER RELATED PARTIES		**10**
TOTAL BALANCES WITH RELATED PARTIES	**13,123**	**10**

(IN THOUSANDS OF EURO)	AS AT 31ST DECEMBER 2021	
	TRADE PAYABLES	CURRENT FINANCIAL LIABILITIES
COMPANIES HELD FOR SALE		
PROHUMAN 2004 KFT		13,677
TOTAL SUBSIDIARIES:		**13,677**
OTHER RELATED PARTIES		
DIRECTORS	790	
TOTAL OTHER RELATED PARTIES	**790**	
TOTAL BALANCES WITH RELATED PARTIES	**790**	**13,677**

The trade receivable of Euro 13.05 million from Familia S.r.l. was recognised by Gi Group Holding S.p.A. as a result of the contractual agreement, signed in December 2022, for the sale of works of art, initially acquired by the Holding Company.

Two invoices were issued against this agreement, one of which was paid by 31/12/2022.

The tables below summarise the Group's income transactions with related parties for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	
	REVENUES FROM CONTRACTS WITH CUSTOMERS	COSTS FOR SERVICES
ASSOCIATED COMPANIES		
FARE LAVORO, SOCIETÀ CONSORTILE A R.L.	206	
TOTAL ASSOCIATED COMPANIES:	**206**	
DIRECTORS		2,478
TOTAL OTHER RELATED PARTIES		**2,478**
TOTAL BALANCES WITH RELATED PARTIES	**206**	**2,478**

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2021
	COSTS FOR SERVICES
DIRECTORS	2,316
TOTAL OTHER RELATED PARTIES	**2,316**
TOTAL BALANCES WITH RELATED PARTIES	**2,316**

Fatto salvo quanto riportato nelle precedenti tabelle, non sono stati intrattenuti ulteriori rapporti di natura economica o patrimoniale di entità significativa con parti correlate.

13. OMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

COMMITMENTS

The Group has not assumed any commitments that have not been recognised in the Statement of Financial Position.

GUARANTEES AND UNDERTAKINGS

Third-party guarantees mainly include:

- Euro 75,947 thousand for the surety issued to the Italian Ministry of Labour and Social Policy by Gi Group S.p.A., as per the compulsory requirement in compliance with Italian Legislative Decree no. 276/2003, Art. 5, to ensure staffing activities;
- guarantees provided by Gi Group S.p.A. to foreign affiliates in the amount of Euro 76,933 thousand;
- guarantees provided by Gi Group Holding S.p.A. to Italian and foreign subsidiaries in the amount of Euro 184,696 thousand;
- guarantees issued by Gi Group S.p.A. on behalf of Italian subsidiaries in favour of banks for the granting of credit lines, amounting to Euro 13,777 thousand;
- guarantees issued by credit institutions for Gi Group S.p.A. credit lines used for foreign affiliates, amounting to Euro 11,084 thousand;
- the value of Euro 2,619 thousand for banking sureties in connection mainly with property leased.

As at 31st December 2022, the Group had not issued any undertakings.

RISKS AND CONTINGENT LIABILITIES

As at 31st December 2022 there were no potential risks or liabilities stemming from existing scenarios for which it was not possible to make a reasonable projection of the future risk and recognise them in provisions for risks and charges in compliance with accounting standards.

14. INFORMATION ON COMPENSATION FOR DIRECTORS AND STATUTORY AUDITORS

The table below sets out the compensation due to Directors and Statutory Auditors for the years ended as at 31st December 2022 and 2021:

(IN THOUSANDS OF EURO)	YEAR ENDED AS AT 31ST DECEMBER 2022	YEAR ENDED AS AT 31ST DECEMBER 2021
DIRECTORS	2,478	2,316
STATUTORY AUDITORS	108	104

Costs for compensation of Directors are established upon their appointment by way of a resolution of the Shareholders' Meeting of the companies.

Costs for compensation of Statutory Auditors relate to the Parent Company and the Italian subsidiaries Gi Group S.p.A. and INTOO S.r.l.

15. INFORMATION ON FEES FOR AUDITING ACTIVITIES

The Statutory and Consolidated Financial Statements of the Parent Company were audited by the auditing company KPMG S.p.A based on the auditing assignment granted for the 2022-2024 period, in compliance with Art. 14 of Italian Legislative Decree no. 39 dated 27th January 2010, and Art. 2409 of the Italian Civil Code.

The tables below set out the fees due to auditing companies of the Group companies for the year ended as at 31st December 2022:

(IN THOUSANDS OF EURO)	FEES FOR THE YEAR ENDED AS AT 31ST DECEMBER 2022										
	ITALY	UK	SPAIN	GERMANY	POLAND	ROMANIA	FRANCE	BRAZIL	CZECH REPUBLIC	OTHER COUNTRIES	TOTAL
KPMG STATUTORY AND CONSOLIDATED FINANCIAL STATEMENTS	113		64	86		27		55	43		499
OTHER AUDITING COMPANIES STATUTORY FINANCIAL STATEMENTS AND REPORTING PACKAGE	37	207			121		242			232	876
OTHER AUDITING COMPANIES OTHER SERVICES (TAX-RELATED, CERTIFICATIONS, ETC.)				10	1			16	7	5	40
TOTAL	**150**	**207**	**64**	**96**	**122**	**27**	**242**	**71**	**50**	**237**	**1,414**

The fees payable to auditing companies of the Group companies for the year ended as at 31st December 2022 are broken down as follows:

- Euro 113 thousand related to the audit of Gi Group S.p.A. and Gi Group Holding S.p.A., both for statutory and consolidated purposes;
- Euro 37 thousand related to the audit of other Italian subsidiaries;
- abroad, companies in Spain, Germany, Romania, Brazil and the Czech Republic appointed the KPMG network for their 2022 audit, while all other companies appointed other auditing companies.

16. PUBLIC GRANTS – INFORMATION PURSUANT TO ITALIAN LAW NO. 124/2017

In compliance with the provisions of Art. 1, paragraph 125 of Italian Law no. 124/2017, in relation to the obligation to state in the financial statements any sums of money received during the financial year as subsidies, grants, remunerated work and any financial benefits of any kind from the public administration and from the entities referred to in paragraph 125 of the same Article, refer to the indications set out in the Italian National Register of State Aid referred to in Art. 52 of Italian Law no. 235 of 24th December 2012 and the information set out in the financial statements of the Group's Italian companies.

17. SIGNIFICANT SUBSEQUENT EVENTS

Gi Group Holding SPA in late January finalised the acquisition of The Bridge Social, aimed at elevating existing service offerings through the technological expertise and strong presence in Latin America of this group of companies.

Founded in 2017 in Santiago, Chile, The Bridge Social offers customers a global network of creative, technology and digital professionals built on the promise of creating meaningful connections between companies and customers.

The acquisition will enable Gi Group Holding to not only expand its regional presence, but also strengthen its offerings in the HR technology space. In fact, The Bridge Social's cutting-edge technology, combined with Gi Group Holding's recruiting and staffing expertise, will provide a unique and comprehensive solution for customers looking to optimise their teams of technology, design and data science professionals.

The Bridge Social offers local and international opportunities, working with leading companies, agencies and start-ups through offerings that include:

- digital recruitment, as the company's proprietary technology, framework and experienced digital recruitment teams ensure a seamless and agile recruitment process by drawing from a database of more than 300,000 qualified digital candidates across software engineering, UX, analytics, cloud, cybersecurity etc.,
- executive Search, through the recruitment and selection of high-level Digital-focused professionals, ranging from directors to C-Suite executives, to overcome complex business scenarios and truly develop companies,
- personnel services, with comprehensive full-service human resources management, including payroll, contracts, and more.

In the first quarter of 2023, Gi Group Holding SPA participated in the Tender Offer announced in Poland for the purpose of increasing its shareholding in Gi Group Poland S.A., and thus acquired 99,214 shares on the market, increasing its controlling ownership interest from 88.39% to 88.45%.