2023
Annual Report

Gi Group
HOLDING

Index

1

Company Report

1.1

2023 Financial Highlights*

*AMOUNTS CALCULATED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS).

REVENUE
€3,856 mln
(+6.4% VS 2022)

GROSS PROFIT
€559 mln
(+10.1% VS 2022)

ADJUSTED EBITDA
€136 mln
(-2.0% VS 2022)

NET PROFIT
€35.96 mln
(€54.04 mln VS 2022)

NET FINANCIAL DEBT/EQUITY
1.23
(1.32 IN 2022)

NET FINANCIAL DEBT/ EBITDA
1.94
(1.85 IN 2022)

CONVERSION RATE
19.7%
(22.7% IN 2022)

GROSS MARGIN
14.2%
(13.8% IN 2022)

1.2

Letter from the CEO

Dear Stakeholders,

2023 was a significant year for Gi Group Holding. We prepared for our largest acquisition to date: purchasing **Kelly** European Staffing business, a leading global specialty talent solutions provider. This transaction led to us welcoming around 1,000 new colleagues from 14 different countries, a moment we officially celebrated together at the beginning of this year.

Gi Group Holding has thus solidified its position of one of the world's largest staffing firms. We have a presence in 37 Countries, more than 700 branch offices, more than 25,000 client companies, and over 9,000 committed people constantly contributing to our operations.

Despite the challenging macroeconomic environment, which has significantly impacted our sector and our competitors, the Group managed to close the 2023 fiscal year with **revenue growth of 6.4% (€3.9 billion)** and a **double-digit increase in Gross Profit** (10.1%) to €559 million.

Our dimensional growth, supported by an impressive organisational restructuring project completed in 2022 with the establishment of Gi Group Holding S.p.A., was further driven by intense **M&A activity**. Over the past 26 years, we have completed **51 acquisitions**; each contributing to our journey towards creating a sustainable, streamlined, and rewarding global market for candidates and companies.

The acquisition of Kelly European Staffing business is the largest in our history. In 2023, that company posted EUR 759 million in revenues and an EBITDA of EUR 19 million. This strengthens our European presence and capabilities, thus enhancing our ability to contribute positively to the labor market.

In 2023 we continued to strengthen our **commitment to ESG criteria**. Our aim is to seize the opportunity (and take on the responsibility) to have a positive impact on the evolution of society, through work, inspired by our **Sustainable Work Manifesto**.

Our organisation is driven by a desire to contribute to the evolution of the labour market, promoting a work culture that can meet the needs of companies, individuals, and society by offering win-win-win solutions.

Thank you for your continued support and trust in Gi Group Holding.

MAIN RESULTS AS OF 31 DECEMBER 2023

Gi Group Holding's 2023 financial results confirmed the continuation of our growth trend: revenues equalled € 3.9 billion, up 6.4% compared to the previous year. In terms of geography, there is **further growth in foreign regions**, which generated total revenues of **€ 2.154 million** (+11.3% compared to 2022) with overall growth rising from 53.4% in 2022 to 55.9% percent in 2023.

In terms of services, Temporary and Permanent Staffing still represents our main revenue source and growth driver for FTEs. Staffing revenues equal € 3.399 million, representing 88.2% of overall company revenue for the Holding (88.3% in 2022).

The Group's profitability increased, with a **Gross Profit of € 559 million**, +10.1% compared to 2022, and adjusted EBITDA of € 136 million, down 2% from the previous year due to reduced business in Northwest Europe, France and Practice (Jobtome) regions.

The 2023 financial year closed with a net profit of **35.96 mil**, down from 2022 (€ 54 million).

A glance at the financial statements also shows that we are trying to promote sustainable and healthy growth, with the further strengthening of our economic-equity structure and reduction of debt. We have a Net Financial Position/EBITDA ratio of 1.94 and a Net Financial Position/Shareholder equity ratio of 1.23. Group shareholder equity increased to € 215 million, compared to € 194 million as of 31 December 2022.

SUSTAINABILITY COMMITMENT

Sustainability is an inherent part of our development strategy: a constant commitment to generating not only economic value, but also social value and growth opportunities, has the power to **change people's lives in a positive way**. Our "**Sustainable Work Manifesto**," in line with previous years' initiatives, expresses our stance on sustainability. The Manifesto also outlines the guidelines we follow for achieving our CSR objectives across various dimensions: (i) Decent and Safe Work, (ii) Employability and Satisfaction, (iii) Diversity and Inclusion, and (iv) Safeguarding Future Resources.

Our commitment is further demonstrated by our setting of new sustainable development goals in alignment with the **United Nations' SDGs**. In addition to the previously established **SDGs 4** - Quality Education, **5** - Gender Equality, **8** - Decent Work and Economic Growth, **10** - Reduced Inequalities, and **17** - Partnership for the Goals, we have added SDG **1** - No Poverty. This goal is aimed at creating employment opportunities for disadvantaged groups and ensuring decent, sustainable working conditions for all stakeholders along the supply chain, in line with our overall strategy, operations, and corporate governance philosophy.

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

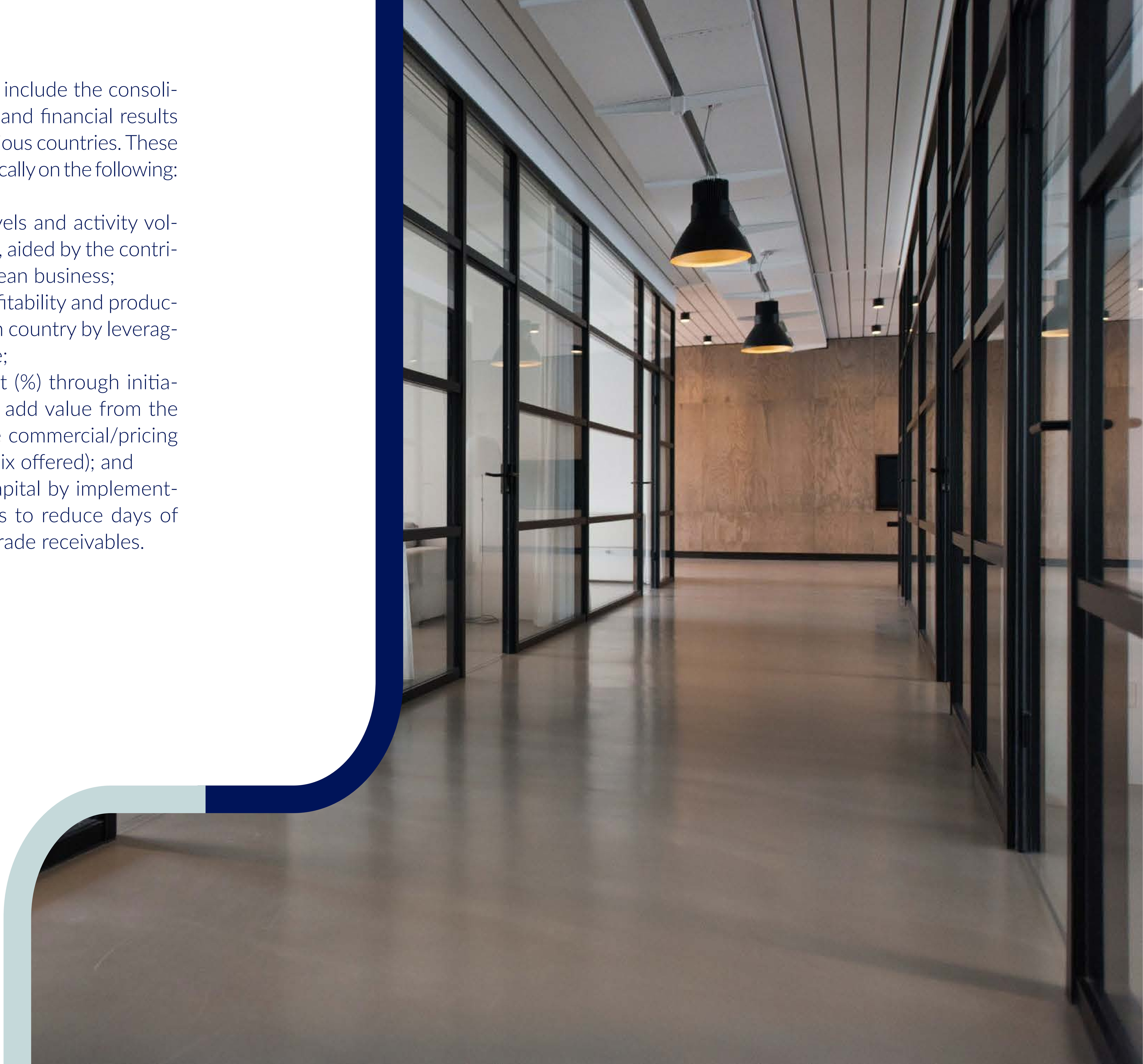
M&A AND FUTURE STRATEGIES

On 3 January 2024, Gi Group Holding completed its **largest M&A transaction** with the acquisition of the **European staffing business** of the American multinational company, **Kelly** (Nasdaq: KELYA, KELYB).
Kelly's European business operates in 14 countries and generated **turnover of €759 million** in 2023. It had an EBITDA of **€19 million**. Kelly ranks among the top five staffing operators in Portugal and Switzerland and among the top ten in France and Hungary.

This acquisition aligns with our growth strategy, enabling us to **strengthen our presence in key markets** and **expand into new territories**, including Belgium, Luxembourg, and Norway. Additionally, this transaction allows us to leverage Kelly's extensive experience in the **life sciences sector**, **white-collar temporary work**, and recruitment process outsourcing (**RPO**). These capabilities will be integrated into Gi Group Holding's comprehensive HR ecosystem, enhancing the Group's service offering.

Our objectives for 2024 include the consolidation of our economic and financial results and further growth in various countries. These activities will focus specifically on the following:

- Increasing revenue levels and activity volume across all markets, aided by the contribution of Kelly'sEuropean business;
- Improving internal profitability and productivity indicators in each country by leveraging economies of scale;
- Increasing Gross Profit (%) through initiatives and actions that add value from the Practices (both on the commercial/pricing side and the service mix offered); and
- Managing Working Capital by implementing accurate measures to reduce days of sales outstanding on trade receivables.



1.3

History of the Group

Gi Group Holding was founded in 1998 in Milan, the brainchild of Stefano Colli Lanzi, who was guided by a desire to make a contribution to the Italian and international labour market. He had a vision for 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 by offering **win-win solutions**.

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 and 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. It established 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
We celebrate our 25th anniversary and 50th acquisition.

2024
We acquire the European Staffing business of Kelly. International expansion in Belgium, Luxemburg, and Norway.

1.4

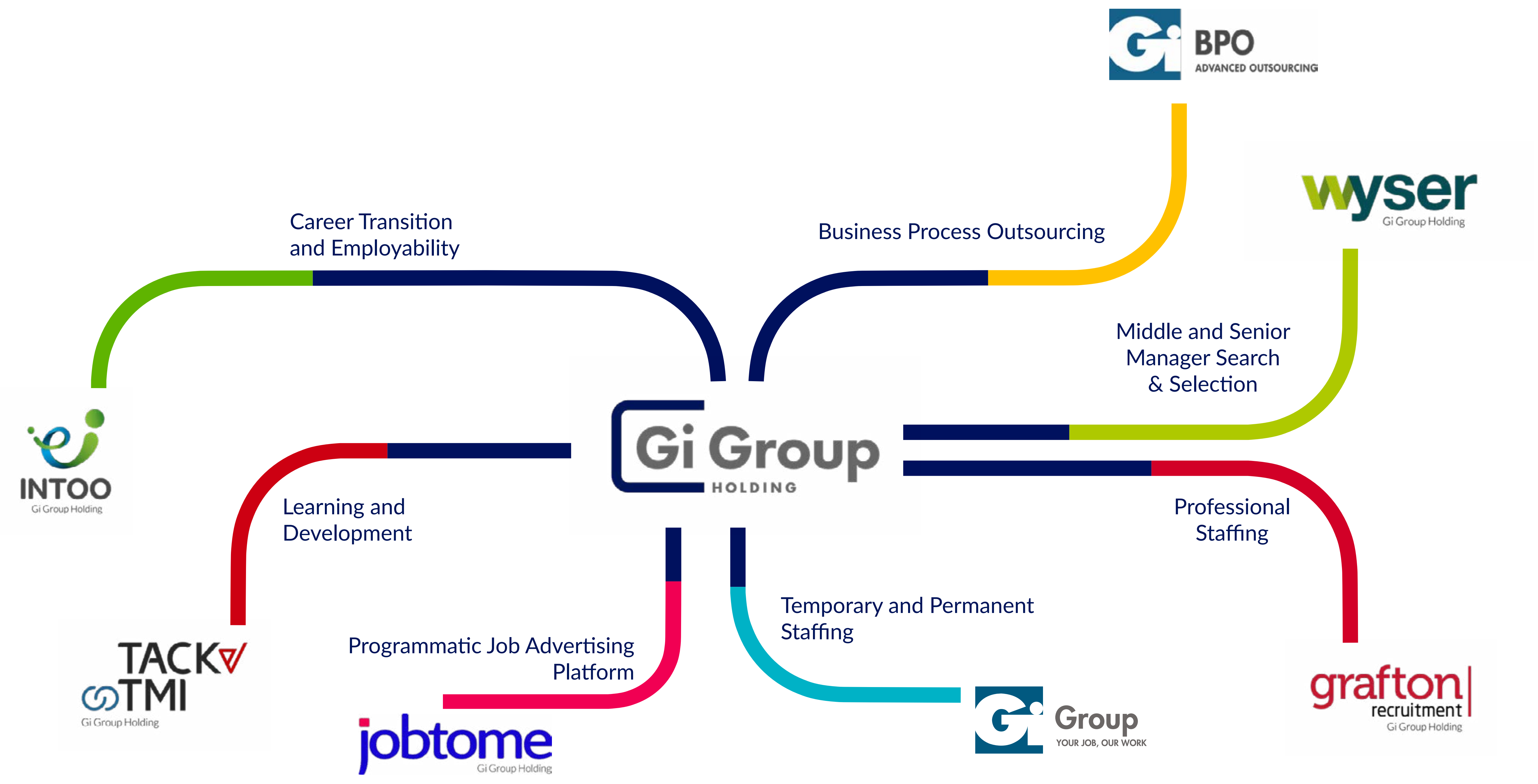
The Business Model

Gi Group Holding is a **global ecosystem of HR consultancy and services dedicated to the world of employment**.
It serves as an industry role mode for supply and delivery of a complete and diversified service offer. The company aims to create sustainable social and economic value, while 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. It focused on specific market segments and built structures capable of offering ad hoc solutions, without ever neglecting the quality of the offer, skills and specialisations in the job market. This growth process has also, and above all else, been carried out through shrewd acquisitions and the formation of start-ups, looking to maintain high levels of flexibility and generate internal synergies, in order to guarantee sustainable growth between expansion and consolidation phases.

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.

Today, Gi Group Holding operates on the global market with a comprehensive offering through the following services and brands:



- 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 seasons; 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 a company's culture and the requirements of each role.

- Professional Staffing

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

Our core business offers professional staffing and recruitment solutions up to Junior Management roles, for both permanent and temporary positions.
At the same time, Grafton Recruitment provides strategic advisory services such as HR Consultancy.

- Middle and Senior Managers Search & Selection

We partner with forward-thinking companies to identify and engage talented managers. We do this using our deep market expertise, shared strategies, and a tailored consultancy approach.

We offer custom-made solutions based on a thorough understanding of clients' 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.

- 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. They then incorporate best-fit technologies and methodologies, which allow them to manage processes more efficiently and with greater flexibility for clients.

- Learning and Development

With over 110 years of experience, we empower companies and their people to work better and grow. We do this by 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.

- Career Transition and Employability

We help people adapt to change at work and aid organisations in their transformation processes. We offerpeople-centric coaching, mentoring, career development, change management and outplacement services.

- Programmatic Job Advertising Platform

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

Our service offer is then structured into 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**, thereby diversifying market risk.

- **Manufacturing**
- **Automotive**
- **Logistics**
- **ICT**
- **Life Sciences**
- **Retail**
- **Engineering**
- **Contact Center**
- **Energy**
- **Facility Management & HORECA**
- **Building & Construction**
- **Fast Moving Consumer Goods**
- **Banking & Insurance**
- **Fashion & Luxury**

Gi Group Holding's business model is also characterised by the use of digital technologies and tools. This enables us to maintain a level of innovation in line with the current trends of candidates and companies and also to generate greater efficiencies within the Group.

1.5

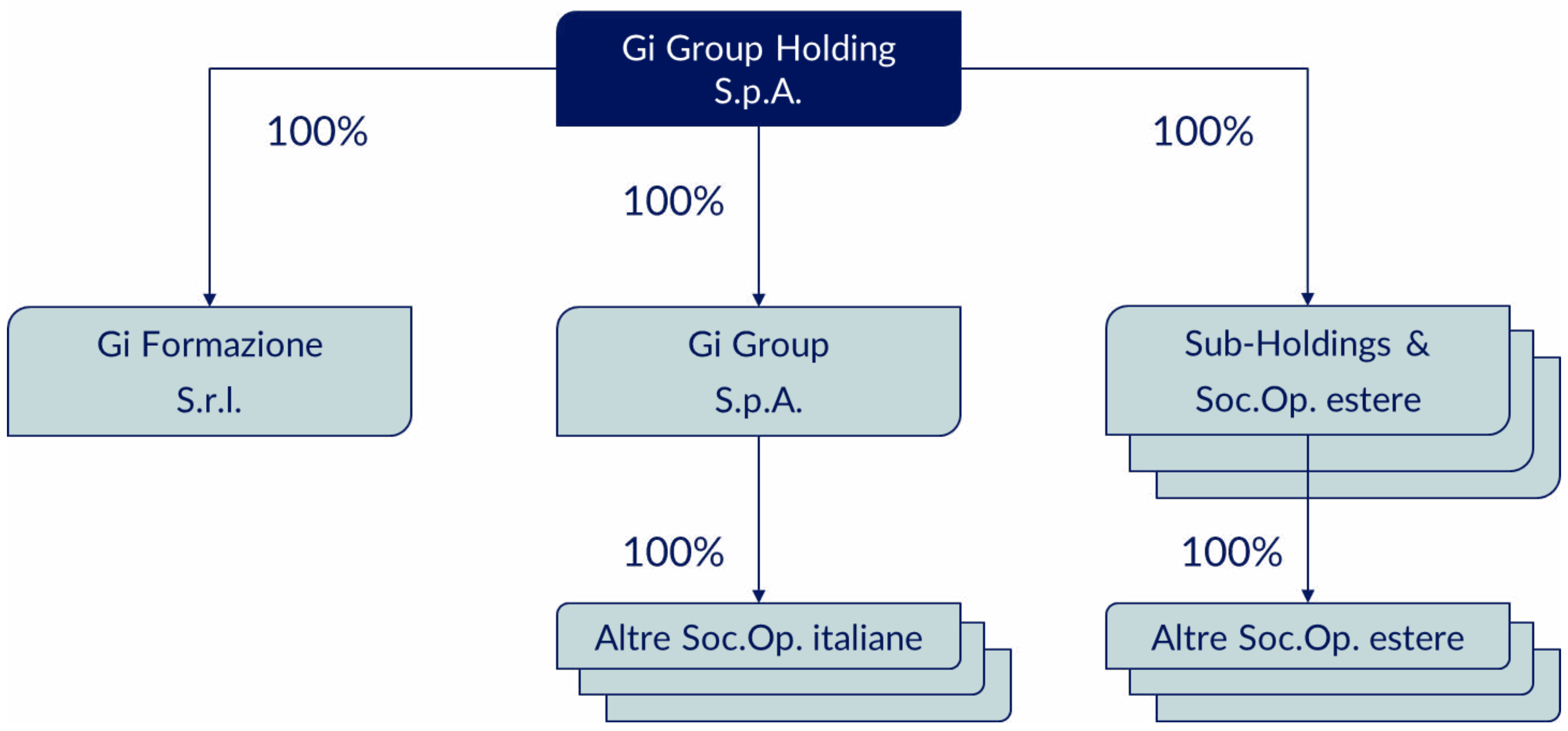
The Group Structure

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

The organisational set-up implemented in 2022 with the establishment of Gi Group Holding has provided the Group with greater structuring and control, increased internal synergies, and simplified cash flows. Overall, the reorganisation has impacted and brought benefits to multiple areas:

- Corporate
- Organisational
- Governance
- Financial
- Institutional Communications

The Group's corporate structure is currently composed of Gi Group Holding S.p.A. and 166 subsidiaries.



1.6

M&A and International Presence

M&A activities represent a fundamental strategy for the Group to accelerate its strategic development and expand its global presence. Our efforts in this space have been especially intense in recent years.

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

2024

Kelly European Staffing Business. Stake acquired: 100%. Active in staffing services and ranking among the top five staffing operators in Portugal and Switzerland and the top ten in France and Hungary.

2023

The Bridge Social. Stake acquired: 100%. Technology consulting company focused on building and improving digital capabilities for multinational corporations. 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. Stake acquired: 100%. Company operating in the field of professional training and staffing services.

Grupo Focun (Specialists in Integral Services, S.A.S and T&S Temservice S.A.S). Stake acquired: 100%. Companies operating in the field of temporary staffing and outsourcing.

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

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

Bruno Matarazzo y Asociados (BMyA). Stake acquired: 100%. Company providing HR services and outsourcing solutions.

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

2021

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

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

Important developments on foreign markets also affect our company's economic results; in 2023, at the consolidated level, **revenues from abroad** amounted to approximately **€2.2 billion**, an increase of 11.3% compared to 2022. They accounted for **55.9% of total revenues**, up from 53.4% during the 2022 fiscal year.

Gi Group Holding is a member, with Global Corporate Member status, of the **World Employment Confederation** ("**WEC**"), the international confederation of employment agencies, and its European branch, WEC - Europe. The WEC is constantly engaged on a global level in dialogue with the **ILO** (**International Labour Office**), the branch of the United Nations (UN) dedicated to the promotion of fair working conditions worldwide, with the OCSE, with the World Bank, and with trade union organisations to promote adoption of appropriate national legislation governing the work of private employment agencies and their operations as part of tripartite structures (ypical of agency work) to ensure it is well regulated. With regart to training young people in support of their future job placement, Gi Group has been a partner to the **European Alliance for Apprenticeships** since 2015. The latter is a network of companies and training institutions established by the European Commission to promote apprenticeship training courses in schools and companies and involving young people and their families.

1.7

Ranking, Awards and Certifications

Gi Group Holding continues on an important growth path that has allowed it to achieve high standing on the global references 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 20 September 2023, Gi Group Holding, based on revenues achieved in 2022, **ranks 19th** among the largest companies worldwide (8th among private companies) and in **9th place** among the largest companies in Europe (3rd among private companies).

SIA STAFFING INDUSTRY ANALYSTS
2022 Largest Staffing Firms in the US

Ranked as one of the world's largest staffing firms:

19th
WORLDWIDE

8th
PRIVATELY HELD

9th
EUROPE

3rd
PRIVATELY HELD

AWARD

Group achievements over the years have also been confirmed by the numerous awards the company receives every year, both in Italy and abroad, from independent third parties.

Here are some of the main awards Gi Group Holding has received during the last two years:

- M&A Award 2023 – finance for growth by KPMG
- Credit Reputation Award 2023 (CR Award)
- CFO Award 2023/2024 - by Accuracy and ANDAF

CERTIFICATIONS

The adoption of the **Certified Management Systems** certification, in compliance with international regulations, represents a risk-based thinking tool for continuous improvement of business operations. These are used to strengthen our governance, pursue our mission, and achieve our corporate goals. The certifications, obtained from an accredited independent third party, demonstrate our ability to provide products and services that meet customer needs as well as local regulatory requirements: all in line with the interests of all our stakeholders.

BELOW ARE THE CERTIFICATIONS OF THE GROUP, DISTRIBUTED BY COUNTRY AND COMPANY:

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRATION DATE
			ITALY			
GI GROUP HOLDING SPA	UNI EN ISO 14001:2015	26468	Coordination and support to the Group's business activities in Italy	CERTIQUALITY	25/09/2018	23/09/2024
GI GROUP HOLDING SPA	UNI EN ISO 45001:2018	58566	Coordination and support for the Group's business activities in Italy	CERTIQUALITY	29/03/2023	28/03/2026
GI GROUP HOLDING SPA	UNI CEI EN ISO/IEC 27001:2017	57774	ICT services delivery supporting the business processes of Group companies	CERTIQUALITY	20/02/2023	19/02/2026
GI GROUP SPA	UNI EN ISO 9001:2015	12236	Temporary work and staff leasing supply services	CERTIQUALITY	30/05/2019	28/05/2025
GI GROUP SPA	SA8000:2014®	5010015917	Human Resources search and selection; temporary work supply services	TUV ITALIA	12/04/2017	12/04/2026
GI GROUP SPA	UNI EN ISO 14001:2015	26468	Temporary work and staff leasing supply services Human resources search and selection	CERTIQUALITY	25/09/2018	23/09/2024
GI GROUP SPA	UNI CEI EN ISO/IEC 27001:2017	26899	Information security management within ICT services provided to support 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	9356	Design and provision of training and vocational guidance activities	CERTIQUALITY	18/05/2005	04/04/2026
GI FORMAZIONE SRL	UNI EN ISO 14001:2015	26468	Design and provision of training and vocational guidance activities	CERTIQUALITY	25/09/2018	23/09/2024
INTOO SRL	UNI EN ISO 9001:2015	25509	Design and provision of support services for staff relocation, guidance services and business consultancy	CERTIQUALITY	31/10/2001	10/04/2024
INTOO SRL	UNI EN ISO 14001:2015	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	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
GI HR SERVICES SRL	UNI EN ISO 27001:2017	50240	Design, production and delivery of outsourced (or SaaS) services for HR management and administration	CERTIQUALITY	30/03/2021	29/03/2024
TACK&TMI SRL	UNI EN ISO 9001:2015	17911	Design and provision of training services to develop managerial and organisational abilities and skills through classroom and experiential training certification and coaching	CERTIQUALITY	22/05/2006	04/08/2025
TACK&TMI SRL	UNI EN ISO 14001:2015	26468	Design and provision of training services to develop managerial and organisational abilities and skills through classroom and experiential training certification and coaching	CERTIQUALITY	25/09/2018	23/09/2024
TACK&TMI SRL	UNI ISO 45001:2018	27632	Design and provision of training services to develop managerial and organisational abilities and skills through classroom and experiential training certification and coaching	CERTIQUALITY	06/08/2019	04/08/2025

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRATION DATE
OD&M SRL	UNI EN ISO 9001:2015	25462	Design and provision of training services to develop managerial and organisational abilities and skills through classroom and experiential training certification and coaching	CERTIQUALITY	15/02/2018	13/02/2024
	UNI EN ISO 14001:2015	26468	Design and implementation of consulting services for HR enhancement and organisational and developmental models	CERTIQUALITY	25/09/2018	23/09/2024
GI ON BOARD SRL	UNI EN ISO 9001:2015	731006460	Design, sale and supervision of optimised 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	731006459	Provision of specialised 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, and telematic devices for the automotive, aerospace and railway sectors	TÜV PROFICERT	15/08/2019	14/08/2025
	UNI EN ISO 14001:2015	731046459	Provision of specialised 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, and telematic devices for the automotive, aerospace, and railway sectors	TÜV PROFICERT	01/11/2021	31/10/2024
GI BPO S.R.L.	UNI EN ISO 9001:2015	5010017143	Design, sale and supervision of optimised outsourcing services in the fields of third-party logistics, production and customer care	TÜV ITALIA	02/09/2019	01/09/2025
			CHINA			
ZHEJIANG GI HUMAN RESOURCE CO., LTD	GB/T19001-2016 IDT ISO9001:2015	19818QA171R1M	Human resource outsourcing (In the form of service outsourcing), domestic labour dispatch (Only for head office)	BEIJING XINJIYUAN CERTIFICATION CO., LTD	26/01/2018	25/01/2024
	GB/T24001-2016 IDT ISO14001:2015	19822EI2211R0S	Human resource service outsourcing within the scope of qualification (with service outsourcing), national temporary staffing (limited to HQ)	BEIJING XINJIYUAN CERTIFICATION CO., LTD	18/09/2023	18/09/2025
	GB/T45001-2020 IDT ISO45001:2018	19822SI1065R0S	Human resource service outsourcing within the scope of qualification (with service outsourcing), National temporary staffing (Limited to HQ)	BEIJING XINJIYUAN CERTIFICATION CO., LTD	18/09/2023	18/09/2025

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRATION DATE
NINGBO GI SUPPLY CHAIN MANAGEMENT CO., LTD	GB/T19001-2016 IDT ISO9001:2015	25023Q11779R0S	Human resources service within the scope of qualification, temporary staffing	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	23/10/2023	22/10/2026
	GB/T24001-2016 IDT ISO14001:2015	25023E10878R0S	Human resources service within the scope of qualification, temporary staffing	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	23/10/2023	22/10/2026
	GB/T45001-2020 IDT ISO45001:2018	25023S10746R0S	Human resources service within the scope of qualification, temporary staffing	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	23/10/2023	22/10/2026
GEPU (ZHEJIANG) HIGH-TECH SERVICE CO., LTD	GB/T19001-2016 IDT ISO9001:2015	25023Q11796R0S	Human resources service within the scope of qualification, information system integration, computer application software development and services	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	24/10/2023	23/10/2026
	GB/T24001-2016 IDT ISO14001:2015	25023E10884R0S	Human resources service within the scope of qualification, information system integration, computer application software development and services	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	24/10/2023	23/10/2026
	ISO/IEC 20000-1:2018	0482023ITSM0228R0SCMN	Provide information technology service management activities related to computer application software development and information system operations and maintenance services to external customers	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	24/10/2023	23/10/2026
	ISO/IEC 27001:2022	04823I40342R0S	Information security management activities related to computer application software development and information system integration	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	24/10/2023	23/10/2026
	GB/T45001-2020 IDT ISO45001:2018	25023S10751R0S	Human resources service within the scope of qualification, information system integration, computer application software development and services	ZHONGQIU UNITED INTERNATIONAL CERTIFICATION (BEIJING) CO., LTD	24/10/2023	23/10/2026

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRATION DATE
			COLOMBIA			
T&S. TEMSERVICES S.A.S.	ISO 9001:2015	CO09/2784	Provision of management and HR (human talent) services	SGS	20/01/2009	19/01/2024
ESPECIALISTAS EN SERVICIOS INTEGRALES S.A.S.	ISO 9001:2015	CO09/2785	Provision of outsourcing services in promotion and marketing; outsourcing in service commercialisation; outsourcing in cleaning, cafeteria operations, courier and general services; outsourcing in logistics and production services	SGS	20/01/2009	19/01/2024
			FRANCE			
FRANCE	ISO 9001:2015	2001/16023.12		AFNOR	26/12/2023	19/12/2026
FRANCE – AMIENS	MASE	HDF 2023-5704		MASE	15/12/2023	14/12/2026
FRANCE – CALAIS	MASE	HDF 2023-5578		MASE	06/07/2023	05/07/2026
FRANCE – COMPIÈGNE	MASE	HDF 2021-5041		MASE	15/10/2021	14/10/2024
FRANCE - DUNKERQUE	MASE	HDF 2019-5674		MASE	07/12/2023	06/12/2026
FRANCE - LE HAVRE	MASE	2023-58		MASE	25/02/2023	24/02/2026
FRANCE - MARIGNANE	MASE			MASE	16/01/2024	15/01/2025
FRANCE - MARTIGUES	MASE	MM20220261		MASE	03/06/2022	02/06/2025
FRANCE - METZ	MASE	EST 2023 - 2420		MASE	03/02/2023	02/02/2026
FRANCE - VALENCIENNES	MASE	HDF 2021-5040		MASE	15/10/2021	14/10/2024
FRANCE - BRAUD ET SAINT LOUIS	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - CHERBOURG	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - DUNKERQUE	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - LE HAVRE	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - METZ	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - ORLÉANS	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRATION DATE
FRANCE - PIERRELATTE	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - SAINT VALERY EN CAUX	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - SAINT VULBAS	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - TOURS	CEFRI/SPE-I-0401	067 I		CEFRI	01/01/2022	31/12/2024
FRANCE - BOE	CEFRI/SPE-I-0401	067 I		CEFRI	15/12/2023	31/12/2024
FRANCE - DIEPPE	CEFRI/SPE-I-0401	067 I		CEFRI	15/12/2023	31/12/2024
FRANCE - AIX LES MILLES	CEFRI/SPE-I-0401	067 I		CEFRI	15/12/2023	31/12/2024
FRANCE - DUNKERQUE	HYPERBARIE	FR2023209_2		AIO	29/09/2023	27/10/2027
GERMANY						
GI GROUP DEUTSCHLAND GMBH	ISO 9001:2015	1004416888-MSC-RVA-DEU	Management of temporary and permanent staffing for craft, retail, industry, office and management	DNV	10/11/2022	04/11/2025
	ISO 45001:2018	1000397734-MSC-RVA-DEU	Management of temporary employment and personnel placement	DNV	10/11/2022	04/11/2025
POLAND						
GI GROUP HOLDING POLAND	GREAT PLACE TO WORK® CERTIFICATION	NA	A recognition for companies that create a top-level organisational culture and focus on creating favourable working conditions, thereby satisfying employees	GREAT PLACE TO WORK®	10/2023	10/2024
GISA	ISO 9001:2015	PW5081123	Search & Selection processes, Temporary Staffing services, payroll outsourcing services	PCCERT	24/11/2023	11/2026
GI GROUP SP. ZO.O.	ISO 9001:2015	PW5081124	Search & Selection processes, Temporary Staffing services, payroll outsourcing services	PCCERT	24/11/2023	11/2026
GENERALE INDUSTRIELLE SP. Z O.O.	ISO 9001:2015	PW5081125	Outsourcing workforce services; payroll outsourcing services Outsourcing process management	PCCERT	24/11/2023	11/2026
SELLPRO SP. Z O.O.	ISO 9001:2015	PW5081126	Outsourcing workforce services; payroll outsourcing services Outsourcing process management	PCCERT	24/11/2023	11/2026

COMPANY	REFERENCE STANDARD	CERTIFICATE NUMBER	SCOPE OF APPLICATION	CERTIFICATION BODY	ISSUE DATE	EXPIRATION 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 EMPRESA DE TRABAJO TEMPORAL S.L.	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
	ISO/IEC 27001:2013	ES-SI-0036/2017	Information systems that support the management of documentary and operational processes associated with Gi BPO's BackOffice division, with multichannel support, according to the current applicability document, from the issuance date of the certificate (SOA)	AENOR	31/08/2017	31/08/2026
			TURKEY			
GI GROUP AND WYSER TURKEY SEÇME VE YERLEŞTIRME A.Ş	ISO 9001:2015	NS.KS.070/2021	Activities to provide temporary employees and to intermediate to find jobs/support employee placement	NETSERT	02/04/2021	02/04/2024
	ISO 14001:2015	NS.CS.060/2021	Activities to provide temporary employees and to intermediate to find jobs/support employee placement	NETSERT	02/04/2021	02/04/2024
	ISO 45001:2018	U63108756	Activities to provide temporary employees and to intermediate to find jobs/support employee placement	NETSERT	30/03/2023	02/04/2024
GI GROUP TURKEY	PRIVATE EMPLOYMENT AGENCY LICENCE	786		TURKISH EMPLOYMENT AGENCY	09/01/2024	08/01/2027
	TEMPORARY EMPLOYMENT RELATIONSHIP LICENCE	786		TURKISH EMPLOYMENT AGENCY	24/08/2021	17/09/2024
			UK			
GI GROUP HOLDINGS RECRUITMENT LTD	ISO 9001:2015	FS580144	Supply of temporary and permanent personnel to commercial organisations and industries, plus site managed services	BSI	21/10/2011	04/02/2025
	ISO 14001:2015	EMS619537	Provision of Head Office support services to Gi Group UK	BSI	05/01/2015	04/01/2024
	ISO 45001:2018	OHS640083	Provision of Head Office support service activities to Gi Group UK (delivered at Chesterfield (Units B&C)).	BSI	09/12/2019	27/01/2025

1.8 Sustainability

The strategic value of ESG (Environmental, Social & Governance) topics is incorporated in our company's objective for creating a world of work that is not only flexible, but also sustainable. Based on this notice 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.

This attention to Gi Group Holding's social role, already inherent in our company mission, derives from and is articulated through our **Code of Ethics**, which contains our business' fundamental values and principles. The document, adopted in 2014, was updated in October 2022. It now includes three new **Global High-Level Policies** (Anti-corruption Policy; Diversity, Equity and Inclusion Policy and a 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 a worldwide player responsible for creating a sustainable and enjoyable Global Labour Market for Candidates and Companies, reflecting Market needs."

Our company's CSR (Corporate Social Responsibility) strategy, formally launched in 2014, is deeply embedded in all organisational levels as concerns governance guidelines, activities and involvement. It consists of a series of actions designed to achieve a Greater Good that will last well into the future. The CSR strategy's 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.

2023
May
Update of the Sustainable Work Manifesto in accordance with the Group's new objectives and strategies.

GI 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**.

With the aim of building an intrinsically **sustainable ecosystem**, stakeholder needs and expectations are periodically examined and analysed with the direct involvement of all parties; and with the support of industry studies and research conducted internally and by industry associations.

This approach has allowed us to identify, in line with our Mission, the Group's principal stakeholders:

OUR EMPLOYEES

More than 9,000 employees who support the Group in achieving its goals and who represent the primary Stakeholder to which the business is committed. Gi Group people and personnel are highly involved in corporate and personal CSR projects.

OUR CANDIDATES AND WORKERS

Thousands of candidates, workers, course participants and beneficiaries of activities developed by the Group.

OUR CLIENTS

More than 25,000 companies that rely on Gi Group every day to manage their human capital by taking advantage of a broad range of services that support all phases of relationships between the individual and the company.

THE COMMUNITY AND THE ENVIRONMENT

The communities in which Gi Group operates, represented by their institutions and trade associations, social partners and NGOs as well as the people who live and work there. The environment which the Group protects through initiatives to preserve and defend natural resources.

GOVERNANCE CSR

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 elements of our CSR strategy. This guarantees the strategy's integration both at the governance and business levels, while supporting its implementation and guiding its development.

CSR GOVERNANCE BODY	MAIN RESPONSIBILITIES	MEMBER/FUNCTION REPRESENTATIVES
GLOBAL STEERING COMMITTEE	Shares and implements guidelines for the Group's international development, including the CSR strategy	• Group's top managers of global practices and global functions • Group's country managers
GLOBAL CSR COMMITEE	Sets and frames 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; supports the Steering Committee in the implementation of guidelines and initiatives; elaborates and communicates the Group's social reporting	• Group CEO • Global HR function • Global Corporate Affairs & Compliance function • Global Marketing function • Fondazione Gi Group
GLOBAL 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 - GHLPs); supervises the application and functioning of the Code of Ethics and the GHLPs; examines and handles reports of violations of the Code of Ethics, GHLPs and applicable laws; collects periodic reports from country managers on KPIs for the application of the Code of Ethics and the GHLPs	• Global Legal function • Global Corporate Affairs & Compliance function • Global HR function

In addition to governance, within the CSR (Corporate Social Responsibility) framework, the following actors are also included.

- **Country Manager** in each country where the Group operates, responsible for communication flows within their respective countries and ensuring implementation of the local CSR strategy;
- **Volunteers** among Group employees who participate in volunteer activities and contribute to their planning and execution;
- **CSR Communities** which recognise and legitimise local activities and strategies, ensuring alignment with the Group's strategy and vision, promoting knowledge sharing to capitalise on existing expertise and avoid loss of corporate know-how, and modelling best practices to scale them into the Group's value proposition integration.

OUR CONTRIBUTION TO UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs), adopted in September 2015 by the United Nations General Assembly, are destined to play a primary role in promoting actions to address the various aspects of the current social crisis and are increasingly becoming a fundamental element in sustainable business practices.

The focus on social sustainability stems from the nature of the Group's core business and its significant impacts on people's lives, translating into a dual commitment: both internally (employees and partners) and externally (clients and communities) through concrete actions aimed at promoting a culture of sustainability and encouraging responsible behavior.

Consistent with Gi Group Holding's Mission and business activities and their social impact, the CSR Committee has identified the SDGs to which the Group intends to contribute as priorities through 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 capable of improving 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. These are funded training programmes 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 forward 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; and
- 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 approaches free from gender bias during all phases of the employment relationship: for both internal employees and for the candidates and workers that we meet; and
- By supporting and training unemployed mothers with a view to their 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; and
- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

8 DECENT WORK AND ECONOMIC GROWTH

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 Core 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 regulatory 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); and
- 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;
- Implement 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; and
- Protect labour rights and promote safe, secure work environments for all workers; including migrant workers, in particular women migrants, and those in precarious employment situations.

10 REDUCED INEQUALITIES

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; and
- 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.

17 PARTNERSHIPS FOR THE GOALS

GOAL 17 Strengthen the means of implementation and revitalise 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; and
- 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; and
- 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.

PEOPLE AND SDGS

Our people have always been our strength and we are aware of the impact our actions can have on the environment and society around us on a daily basis. As of 2024, Gi Group Holding's activities covered almost 37 countries, reaching a total of almost 10,000 employees.

Every year, Gi Group Holding employees around the world carry out concrete sustainability initiatives. For us at Gi Group, each action is part of a bigger picture and an integral part of the change we want to introduce into the world of work to make it more sustainable.

As tangible evidence of our commitment, **246 initiatives were organised worldwide in 2023**; each of these is associated with one or more Sustainable Development Goals.

MATERIALITY MATRIX

Gi Group Holding's Materiality Matrix was implemented in 2020 in order to identify a list of relevant **CSR topics within the business' specific context**. This came after the strong impact of the SARS-CoV-2 pandemic on said context and the environment in which we work.

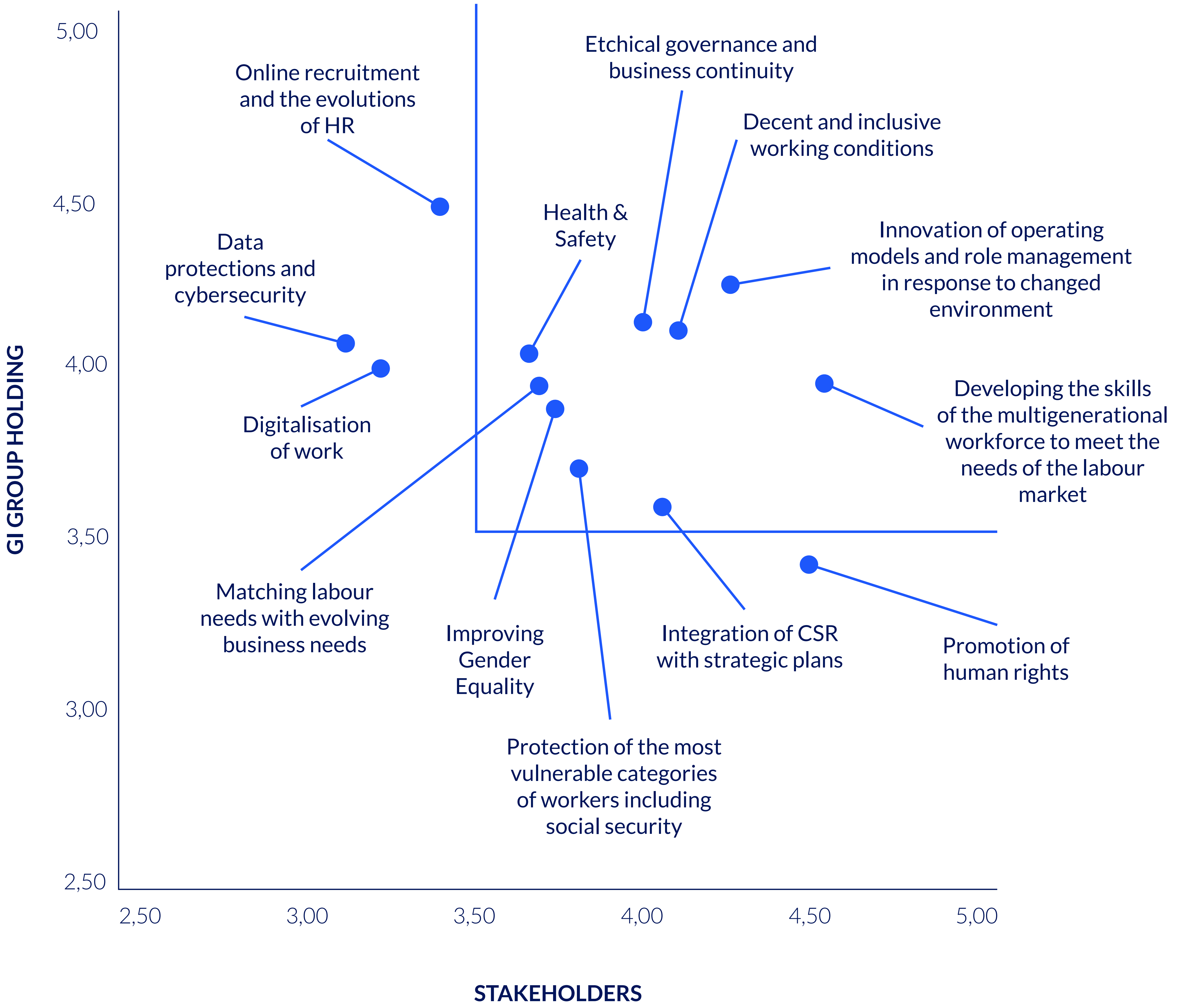
During 2022, the Group launched a series of global internal surveys and set up external research projects that further build on results obtained last year.

Through **stakeholder engagement**, the Group has initiated several systematic activities to involve key stakeholders in "material" topics, which are significant elements for both the organisation and the stakeholders themselves.

Defining such a Matrix makes it possible to

- **Recognise** the distinctive features of the Group's environment;
- **Understand stakeholder expectations** regarding the role the company should play in a given context;
- **Identify priorities linked to ESG** (Environmental, Social and Governance) factors on which the organisation should focus its strategies and actions;
- **Increase** the ability to create lasting value over time: for the company itself and for its main stakeholders.

The topics with the highest degree of materiality, even in 2023, continue to be those which are also most frequently connected with the **Sustainable Work Framework**.



Among the most **relevant material topics**, we find:

- Developing the skills of the multigenerational workforce to meet the needs of the labour market
- Innovation of operating models and role management in response to changed environments
- Decent and inclusive working conditions
- Ethical governance and business continuity
- Integration of CSR with strategic plans
- Protection of the most vulnerable categories of workers including social security support
- Matching labour needs with evolving business needs
- Health & Safety
- Improving gender equality

The material topics mostly involve direct engagement by the group, with some impacting external stakeholders through business relationships.

PATH TO SUSTAINABLE WORK

Gi Group Holding promotes and achieves Sustainable Work by actively striving to make employment dignified and safe. It is capable of enhancing employability and providing satisfaction both for individuals and businesses. This includes promoting diversity, equity, and inclusion; utilising resources carefully without exploitation or waste; and safeguarding them for the future.

This goal is pursued through the **Fondazione Gi Group** (hereinafter "Fondazione"), established in 2010. Through its own **Scientific Committee and Observatory**, the Fondazione aims to disseminate material about, and support the development of, a **culture of work** in all its forms. It also aims to facilitate the integration of marginalised individuals into the workforce, with a particular focus on youth and women facing critical situations.

Gi Group Holding has initiated a process to reposition the Fondazione's role, mission, and strategic objectives. This effort aims to better understand how to increase, accelerate, and maximise its impact both internally and externally. This journey has allowed the Group to assume a more operational role and enabling the Fondazione to become a dedicated tool for studying, deepening reflections, and developing best practices. This expansion of actions and development plans positions the Fondazione as a **cultural reference point**, facilitating the **dissemination of principles**, **values**, and **actions** inspired by our Sustainable Work Manifesto.

The Fondazione 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**).

The Fondazione's operational model was built on **three areas of intervention** as explained in its Mission:

I. Study & Research Area - STUDY

Fondazione Gi Group, as in previous years, wants to maintain a strong presence as relates to topics of study, analysis and research on the world of work. In particular, it wants to study and gain in-depth knowledge of factors hindering market development and of national labour regulatory systems, while also looking at matters on an international level. This is part of positioning the founding company as a thought leader.

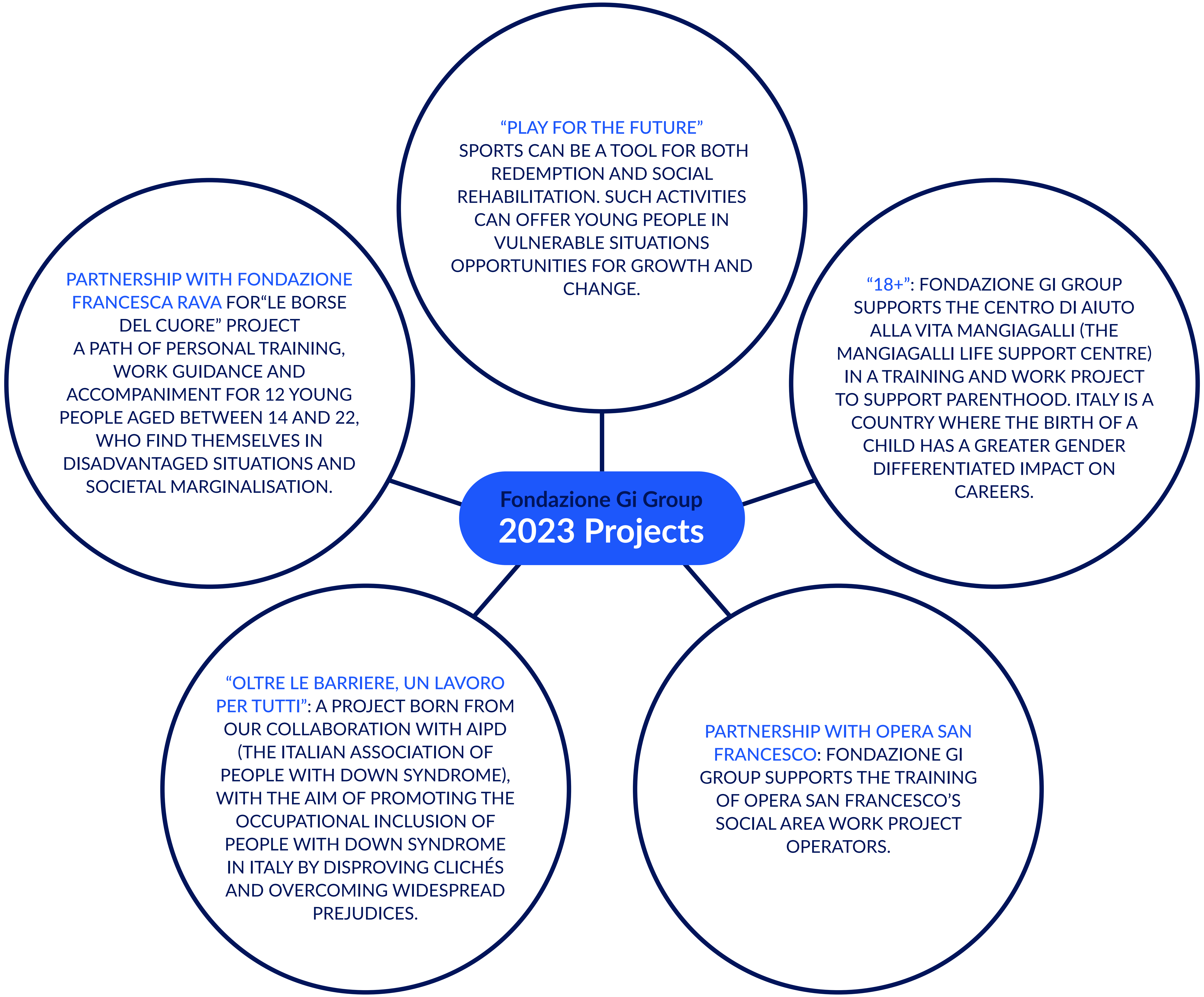
II. Project Area - DO

The aim is to make possible a concrete response to the needs of individuals excluded from the market. This involves creating new services and solutions (which can also potentially be replicated by the Group); thus restoring people's dignity in employment by helping them to remain active and by lowering barriers to labour market entry. The Fondazione works to facilitate, empower and activate partnerships. It is aware that this increases possibilities for success.

III. Culture & Events Area - DISSEMINATE

The Fondazione's main task is to strengthen the Sustainable Work culture: internally, by monitoring the consistency of the Company Manifesto's founding values and reinforcing them through, for example, implementation of activities and projects; and, externally, by consolidating and creating new spaces for debate and dialogue with stakeholders, starting with institutions.

The Foundation acts by supporting projects aimed at youth, NEETs (Not in Education, Employment, or Training), women, and vulnerable individuals. It engages in activities in collaboration with other third-sector organisations to achieve this. The Gi Group Foundation participates in funded initiatives aimed at combatting school dropout rates and promoting workforce inclusion.



GI GROUP S.P.A. ITALY - A BENEFIT CORPORATION

As of 22 July 2021, within the solid structure of Gi Group Holding which expresses the Sustainable Work approach in the Group's governance and operations, **Gi Group S.p.A has assumed the legal form of a Benefit Corporation**.

The adoption of the Benefit Corporation model confirms Gi Group's strong stance on matters of Sustainable Work; this achievement represents a further strengthening of the company's approach to the world of work. The latter is guided by the Company's Sustainable Work framework, a document that today guides the entire Group.

OUR SUSTAINABLE WORK MANIFESTO

In 2023, Gi Group Holding celebrated its 25th anniversary, an extraordinary opportunity to renew its commitment to its mission and values and to communicate even more actively with its employees. The HR function played a significant role in guiding initiatives related to this important milestone: from Employer Branding projects to engagement activities.

2023 was another crucial year in supporting the way the Group changes and adapts to an ever-evolving labour market.

The 4 Pillars of Our Sustainable Wok Manifesto:

DECENT & 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 & SATISFACTION

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

DIVERSITY, EQUITY & INCLUSION

Sustainable Work eliminates the hurdles that discourage or hinder workers from entering, remaining or advancing in the labour market, while valuing personal contributions 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.

" We are ultimately faced with an extraordinary opportunity and responsibility: to contribute to the positive evolution of society through Work.

Together, let's #ChangeLives."

OUR PEOPLE KPI

People represent a **fundamental asset for the Group** and one of the main performance indicators for measuring Gi Group Holding's growth.

The **HR function** looks to support employees with instruments, processes, content and guidelines that allow individuals to act as **Adults** and to be considered as **Clients** who work in a pleasant environment.

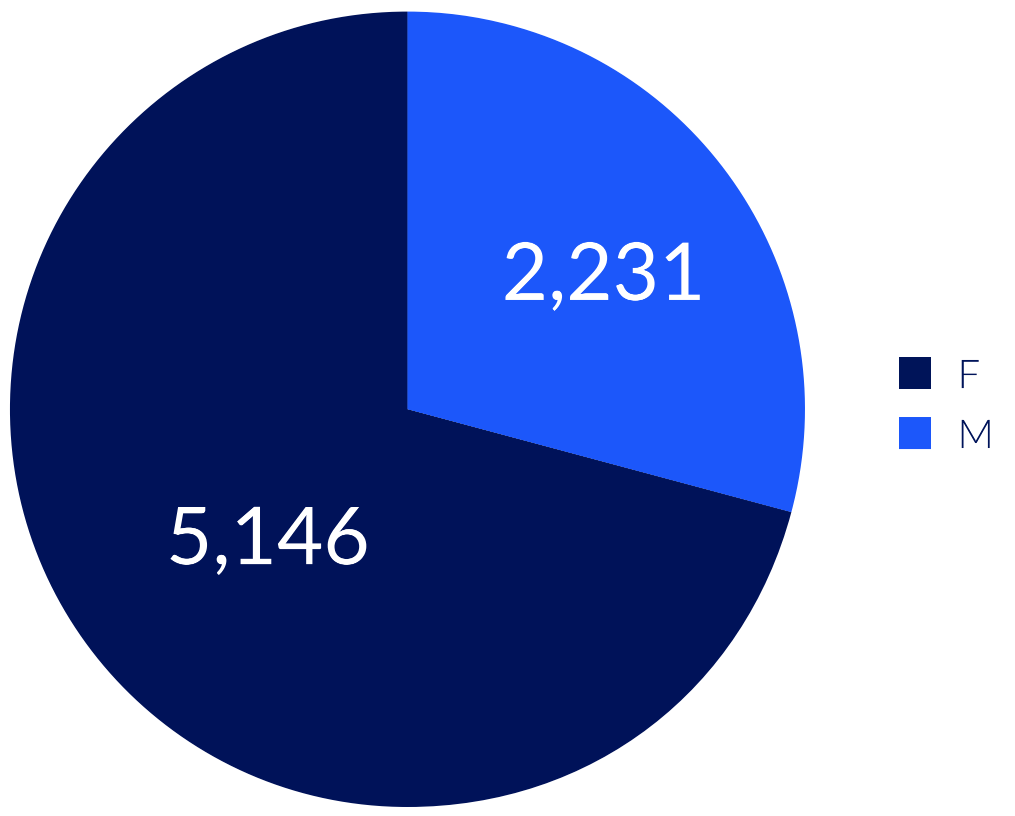
2024 HR objectives to support the company strategy remain the same as in 2023. They will focus on three main pillars:

- reinforcing our employee value proposition and promoting it both internally and externally in order to engage our employees and candidates;
- increasing the number of services we offer to anticipate and address our customers' needs better; and
- continuing to invest in supporting our change and learning initiatives.

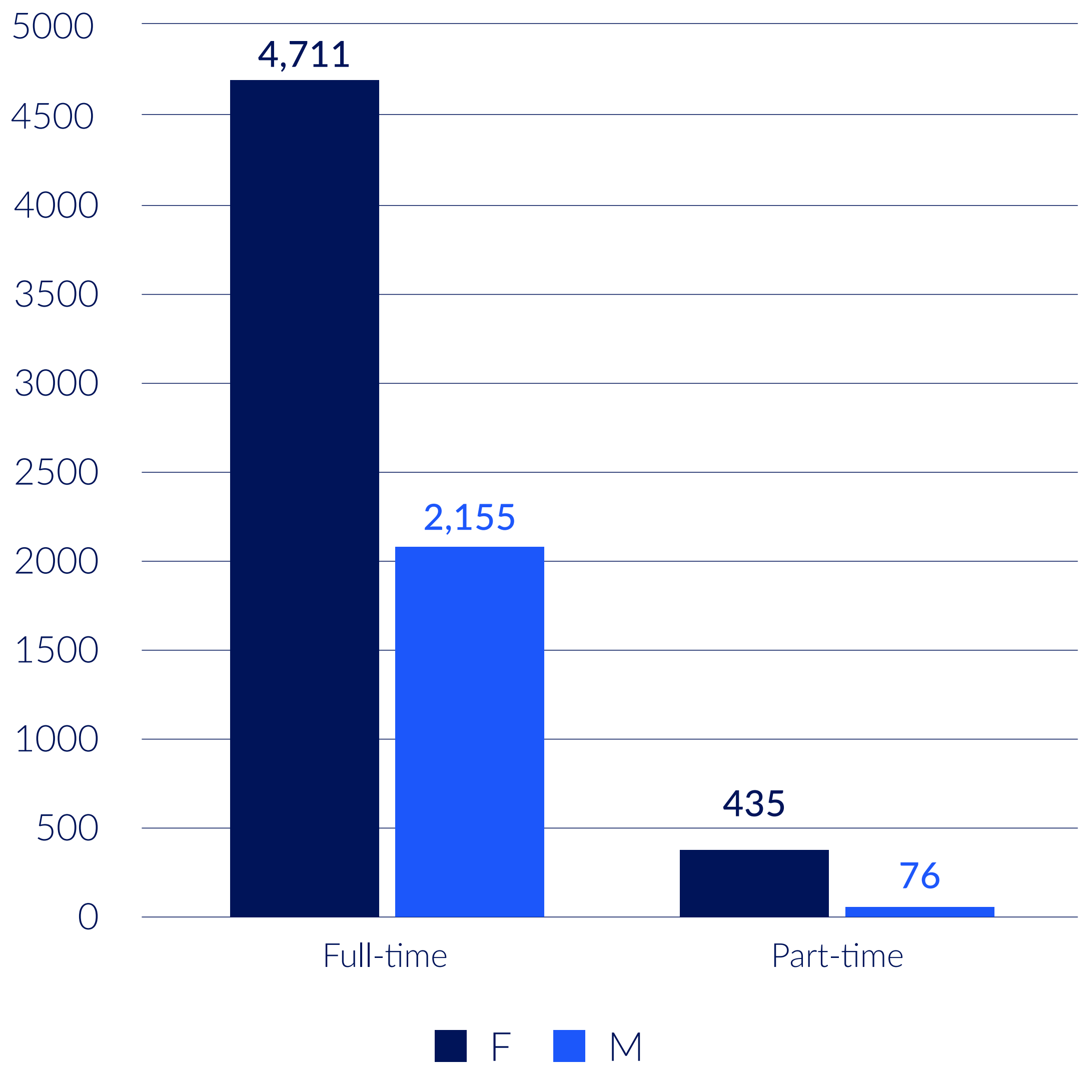
Internationality and multiculturalism are two defining elements of the Group: 62.4% of our employees work internationally.

COUNTRY	EMPLOYEES (% SHARE) DEC. 2023	COUNTRY	EMPLOYEES (% SHARE) DEC. 2023
ITALY	37.6%	HUNGARY	1.1%
BRAZIL	9.6%	SLOVAKIA	0.9%
UK	7.2%	BALTICS (ESTONIA, LATVIA, LITHUANIA)	0.8%
GERMANY	6.6%	ADRIA (CROATIA, MONTENEGRO, SERBIA)	0.7%
POLAND	5.7%	THE NETHERLANDS	0.7%
GREATER CHINA (CHINA, HONG KONG)	4.4%	BULGARIA	0.6%
SPAIN	4.3%	USA	0.6%
CZECH REPUBLIC	3.8%	ARGENTINA	0.3%
FRANCE	3.7%	CHILE	0.3%
INDIA	2.4%	MALAYSIA	0.1%
COLOMBIA	2.2%	MEXICO	0.1%
TURKEY	2.1%	UKRAINE	0.1%
SWITZERLAND	1.7%		
PORTUGAL	1.3%		
ROMANIA	1.2%		

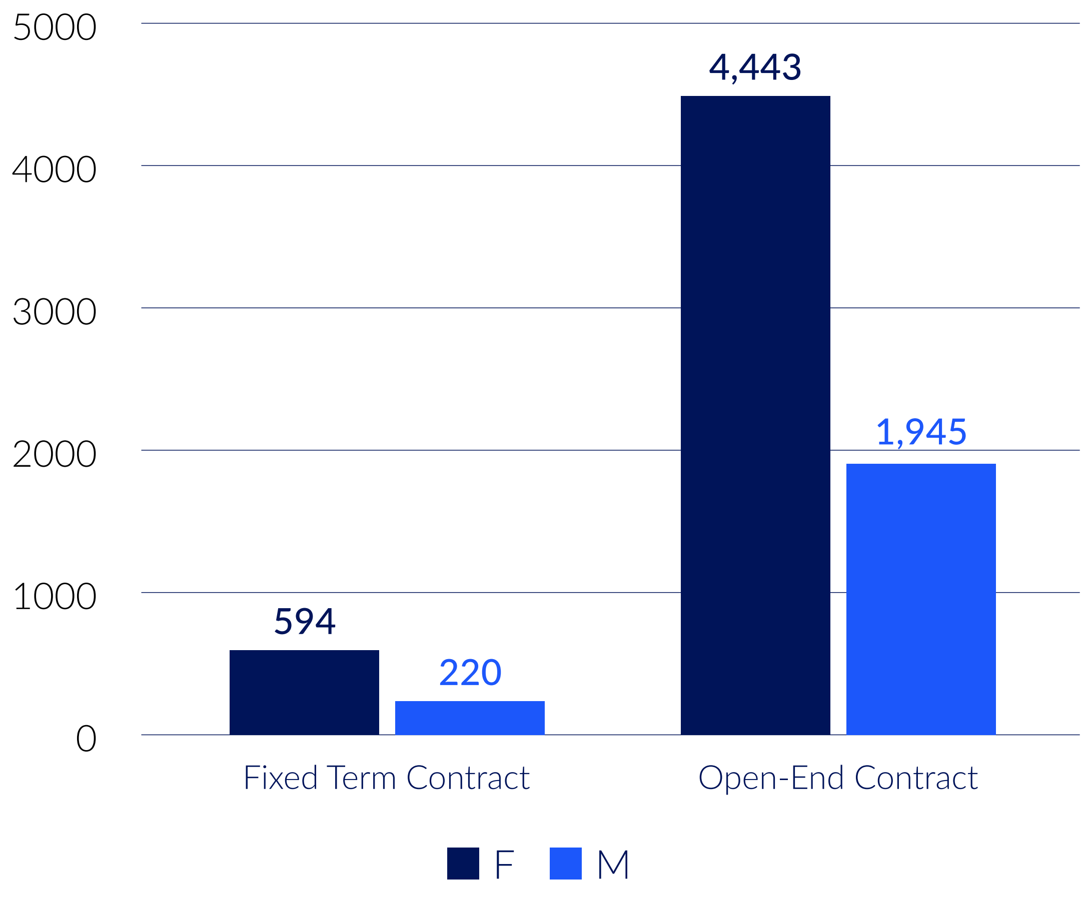
GENDER DISTRIBUTION (2023)



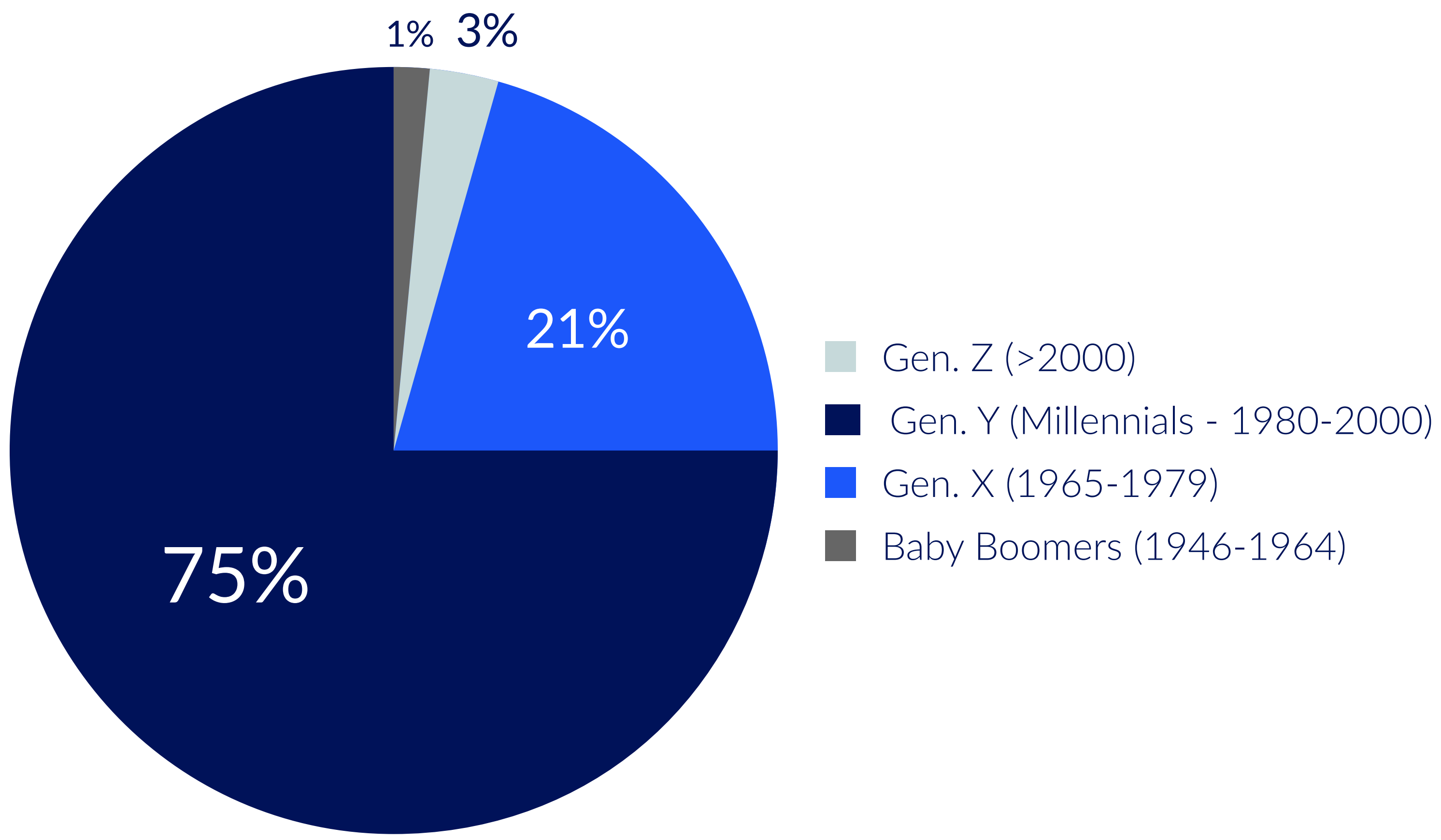
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (PART-TIME/FULL-TIME) BY GENDER (2023)



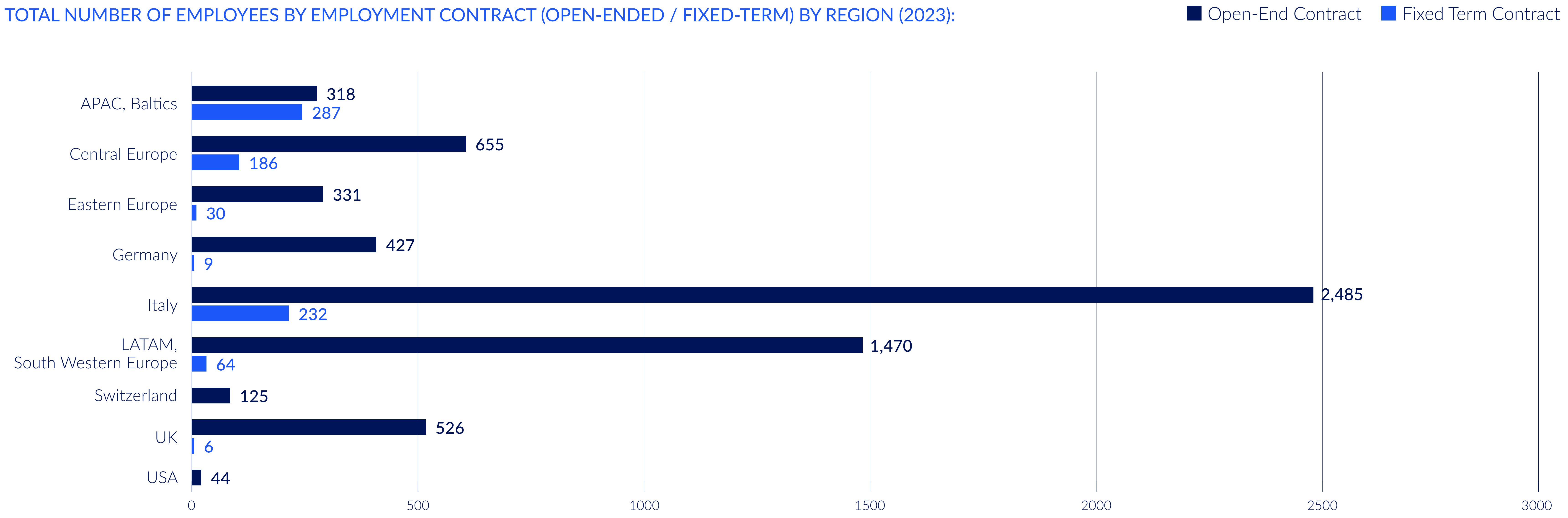
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (TEMPORARY/PERMANENT) BY GENDER (2023)



The average age of a company employee is 35 years; The Group's age distribution is divided into the following five brackets:



TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (OPEN-ENDED / FIXED-TERM) BY REGION (2023):



TRAINING ANALYTICS

Training holds a very important place in Gi Group Holding activities. In 2023, the company increased investments in training initiatives as a significant part of its HR strategy:

TRAINING HOURS

204,099

+21% VS 2022 (168,240)
+29% VS 2021 (158,031)

NUMBER OF TRAININGS DELIVERED

1,707

+22% VS 2022 (1,397)
+76% VS 2021 (968);

TOTAL EMPLOYEE TRAINING HOURS

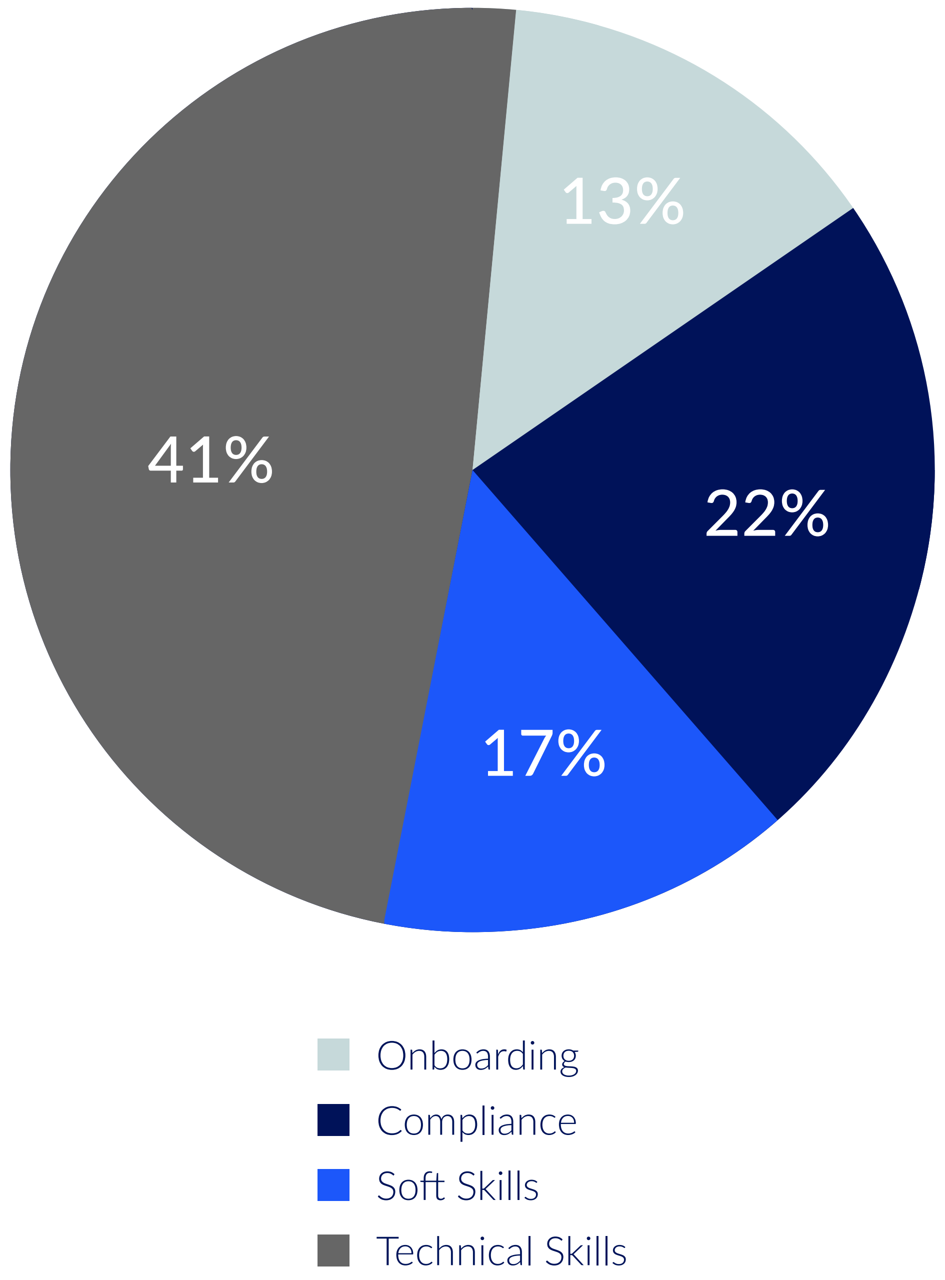
26.4

+26% IN 2022 (21)
+12% VS 2021 (23.6)

Our learning strategy content is consistent with the Group's strategy and business priorities in each country. In continuity with our 2022 activities, the main training content delivered can be summed up in 4 macro categories:

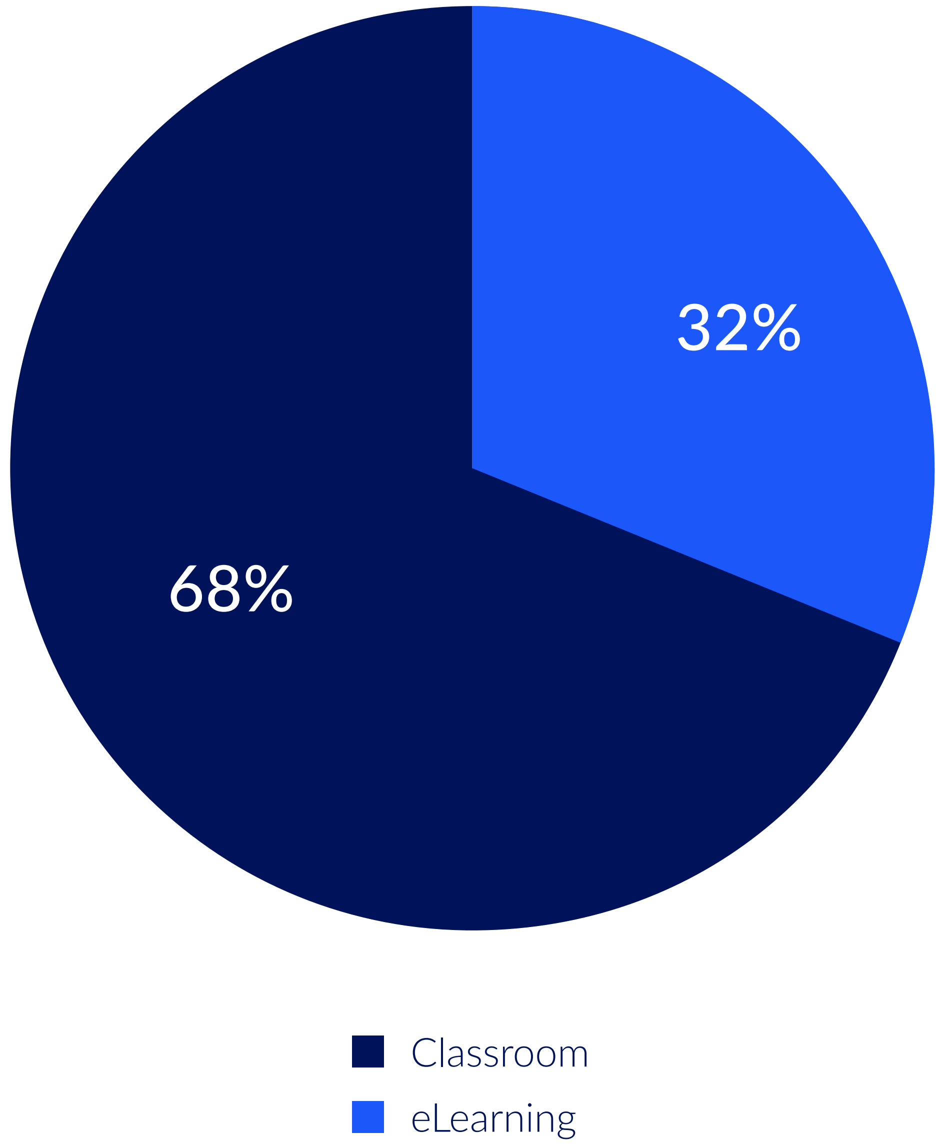
a. **Technical skills (linked to roles or processes)**
b. **Soft skills**
c. **Onboarding**
d. **Compliance trainings (e.g., health & safety, laws ...)**

TRAINING MIX 2023



COURSE TYPE 2023

Training delivery consists of a blended approach (eLearning and Classroom programmes):



1.9

Key people

STEFANO COLLI-LANZI
Chief Executive Officer & Founder

Stefano Colli-Lanzi graduated with a degree in Business Administration from Bocconi University in Milan. For about ten years after his studies, he worked in corporate consultancy for Bersani-Vitale and Arca Merchant, while also teaching at LIUC University of Castellanza and Bocconi University. In 1998, Stefano founded Générale Industrielle in Italy, now known as Gi Group Holding, where he serves as Chief Executive Officer and oversees the company's growth. Additionally, he is a Business Economics Professor at the Catholic University of Milan. Stefano is married with five children. He enjoys golfing and is an avid Inter Milan fan.

CENTRAL FUNCTIONS

NICOLA DELL'EDERA
Chief Financial Officer

MAURIZIO UBOLDI
Chief M&A Officer & Chief Regional Officer - Switzerland

DARIO DELL'OSA
Chief Legal Officer

DAVIDE TOSO
Chief Corporate Affairs & Compliance Officer

MARIA LUISA CAMMARATA
Chief People Officer

DOMIZIANO PONTONE
Chief Corporate Sales Officer

ANTONIO BONARDO
Public Affairs Senior Director

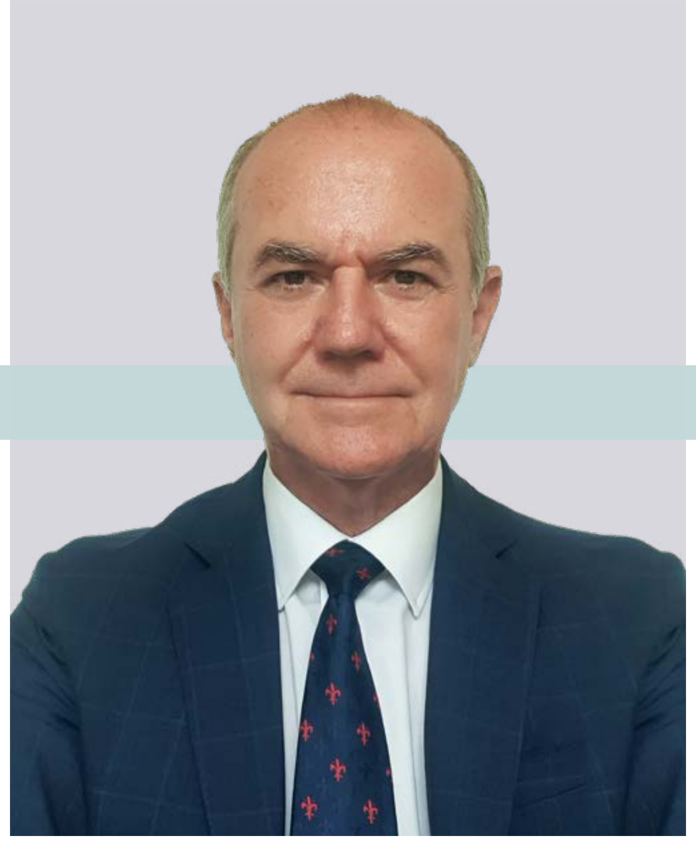
TAMARA SCHENK
Chief Marketing Officer

MASSIMO BORRONI
Chief Information & Technology Officer

LUCA GIOVANNINI
Chief Digital & Innovation Officer

BARBARA BRUNO
Chief Practice Officer - Staffing

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

REGIONAL HEADS

PAULO CANOA
Chief Regional Officer – UK, Ireland

STEFANO TOMASI
Chief Regional Officer – Germany, Nordics

PAOLO CARAMELLO
Chief Regional Officer - Central Europe

DANIELE MERLERATI
Chief Regional Officer - Apac, Baltics, Benelux

FRANCESCO BARONI
Chief Regional Officer - Italy

RUI ROCHETA
Chief Regional Officer - Latam, South Western Europe

TIZIANO RODOLFO ROSETO
Chief Regional Officer - Eastern Europe

2

Management Report

Consolidated Financial Statements as of 31 December 2023

2.1 Introduction

DEAR SHAREHOLDERS,

The Group is the top Italian multinational employment agency, as well as one of the leading companies worldwide for services dedicated to labour market development, offering a diversified range of solutions.

The guiding principle for our activities is a strong focus on businesses and people; the Group's work is based, on the one hand, on the principle of the intrinsic value of people and the awareness of the great importance that employment has for individuals. On the other hand, we have a profound respect and esteem for businesses as a fundamental tool for the company's development.

The Group's growth strategy aims to develop the labour market: creating sustainable, social and economic value. This approach is reflected in our constant commitment to making the Human Resources ecosystem more effective and efficient and to promoting a work culture able to satisfy the interests of companies, people and society.
For Gi Group Holding, making work sustainable and promoting sustainable work solutions means making a concrete commitment to guaranteeing safe, dignified working conditions and being able to support and improve people's employability. It means generating satisfaction both for people as job-seekers and for companies; enhancing the uniqueness of each individual, guaranteeing fairness and inclusion for all. It also means not compromising future generations' ability to enter or remain active in the labour market; avoiding the waste of human and environmental resources.

To achieve this goal, the Group builds and develops strong, lasting partnerships with all market Stakeholders:

- striving so that people become aware of the meaning and value of work and are ready to face changes with motivation and

determination, feeling protected in their uniqueness, without losing sight of their psychological and physical well-being and their role within a company: constantly updating and renewing their skills;
- guiding companies and organisations to increase their resilience in adapting to changes and challenges in the market and, at the same time, to generate and contribute value back into the social fabric of the communities in which they work and live, while promoting continuous investment in training and innovation;
- supporting institutions so that they are able to ensure fruitful collaboration between the public and private sectors: reshaping educational processes, supporting active labour policies, regulating flexsecurity, implementing welfare policies in order to strengthen cross-generational alliances and promoting inclusiveness and social equity.

As a Global Corporate Member of the World Employment Confederation (WEC), the international confederation of temporary recruitment agencies, Gi Group Holding shapes the Group's commitment to ongoing dialogue with global, European and national institutions.

An increasingly complex geopolitical scenario has characterised the year 2023; thus, representing the most critical issue many businesses have had to deal with. The war between Russia and Ukraine continued without prospects for a diplomatic solution and, following Hamas' terrorist attack against Israel on 7 October, a new conflict has started. The latter has led to humanitarian losses and instability in commercial traffic, in particular along the Suez Canal, with consequences on global supply chains. This comes at a time when the world's main economies have to cope with inflation, a slowdown in growth and rising public debt.
All these factors have created a situation of considerable instability in the labour market and Gi Group Holding is an increasingly appreciated counterparty for its all-round view with regard to rapidly changing customer needs.
The Group ended the year 2023 with positive results – albeit lower than the performance achieved in the previous year – further strengthening its economic and equity structure. Commercial Revenues were up 6.4% compared to the previous year, demonstrating consistent growth. Over five years, revenues have increased from Euro 2,475 million in 2019 to Euro 3,856 million in 2023, driven by both organic growth and acquisitions.

Acquisitions in new markets form an important pillar in our development strategy. We completed our 50th investment transaction in February 2023 with The Bridge Social (a group of companies located in Chile, Mexico and Brazil) operating in search, selection and supply of temporary staff in the Information Technologies sector.

The year 2024 started with the significant **acquisition of the European Staffing activities** of the US group Kelly Inc., a Nasdaq-listed firm. The final transaction closing took place on 2 January 2024 and the scope of the acquisition included **24 companies** located in **14 European countries**; some of which are new to the Group. This expanded our geographical presence to include Norway, Belgium, Denmark and Luxembourg. Although we are already present on the market with a branch in Dublin, the acquisition makes the Group's presence in the Republic of Ireland much more visible and significant. Gi Group Holding already had operations in the other countries involved: France, Switzerland, Portugal, the United Kingdom, the Netherlands, Germany, Italy, Poland and Hungary.
The acquisition allows us to strengthen our presence in all geographical areas involved and to reach important positions in national rankings since in some countries, such as Portugal, France and Switzerland, the businesses acquired are quite considerable in size.

With regard to expansion of the Group's Value Proposition, the acquisition brings a significant presence in the Life Science sector in Europe where Gi Group Holding will probably become the top player by combining its turnover with that of Kelly's Life Science division. On top of that, the acquisitions enables us to offer services that were previously marginal for the Group. Together with Kelly's know-how and resources, there are new areas that will become interesting for further development in the near future, e.g., services such as RPO (Recruitment Process Outsourcing), Master Vendor and Independent Contractors.

The Kelly transaction boosts Gi Group Holding's growth strategy for becoming a leading player in the Staffing and Recruiting sector at the global level; strengthening the Group's presence and resources in Europe and allowing it to further expand into new markets.
In 2024, a key challenge for the Group will be to integrate the companies in terms of organisation, people and systems.

In 2023, the Group worked as part of a coordinated effort to offer integrated services in Italy, Europe, North and South America and Asia. This is illustrated by the following numbers:

Our Numbers

Direct presence in

35 **COUNTRIES**

(33 in 2022)

Revenues from customers

€ 3,856 **MILION**

(€ 3,625 milion in 2022)

Internal workforce of more than

8,100 **EMPLOYEES**

(7,900 in 2022)

Net Profit (Loss)

€ 35.96 **MILION**

(€ 54.04 milion in 2022)

Branches worldwide

650+

Group composed of

166 **COMPANIES**

(172 in 2022)

[FIGURE 1. –GROUP HIGHLIGHTS]

The **Group's Net Profit** (Loss) for 2023 equalled Euro **36 million**, compared to Euro 54 million for the year 2022. The market context, the difficulties of the search and selection business, the high cost of inflation and the increase in interest rates (which had significant repercussions on the cost of money) are all major factors that led to a decline in the net profit and loss for the year. The latter was also impacted by a partial write-down of the goodwill for a Group cash-generating unit.

In support of the Group's sustainability and social responsibility commitments, Gi Group Foundation further strengthened its commitment to strategic projects with a particular social impact in order to support the continuous improvement of impact indicators the Group measures in its operations as part of its role as a B-Corporation through Gi Group S.p.A. This allows the entire Group to be increasingly effective in the implementation of its mission.
Support for career and professional orientation of young people and the inclusion of women and disadvantaged staff in the labour market was particularly significant.
The Foundation is also committed to the design and creation of a permanent modern art exhibition at the Palazzo del Lavoro, which will contribute to the development of projects related to the personal and social value of work.

2.2

The Group Structure

The Group has a presence in many countries, both European and non-European, and this is the result of domestic and international growth.

Gi Group Holding S.p.A. is the Parent Company and operates through its **subsidiaries in 35 countries** worldwide, with a presence in Europe, Asia, North and South America.
The growth in the Group's size, increasingly articulated in different business lines and with a more widespread presence in countries beyond national borders, has highlighted the need for a unified approach and vision in relation to the market. This means entrusting the Parent Company with the role of management and control exercised through its structure, a strategy implemented in mid-2022 following many extraordinary merger and spin-off transactions.

Gi Group S.p.A. is Italy's largest recruitment agency (a leading national business in the temporary staffing sector), while its subsidiaries offer diversified services dedicated to developing the labour market.
Please refer to the Management Report and to the Financial Statements of Gi Group S.p.A. for a detailed explanation of the activities of the Group's Italian companies.

In spite of the macroeconomic context in recent years, the Group has continued to invest in strengthening its worldwide presence. It does this through major acquisitions and the establishment of start-ups, pushing along a flexible trajectory of sustainable growth without ever neglecting specialisation. That is, we focus on specific market segments and develop structures capable of offering ad hoc solutions.

The Group offers the following services:

- Temporary & Permanent Staffing through the Gi Group brand;
- Middle Search & Selection and Executive Search with the Wyser and EXS brands;
- Professional staffing, mainly under the Grafton and Marks Sattin brands;
- Training through the TACK & TMI brands;
- Outplacement with the Intoo brand;
- HR Consulting using the OD&M brand;
- design and provision of services in tenders through the Gi BPO brand;
- Outsourcing of promotional marketing and services with the C2C brand;
- HR administration and management services with the Gi HR Services brand.

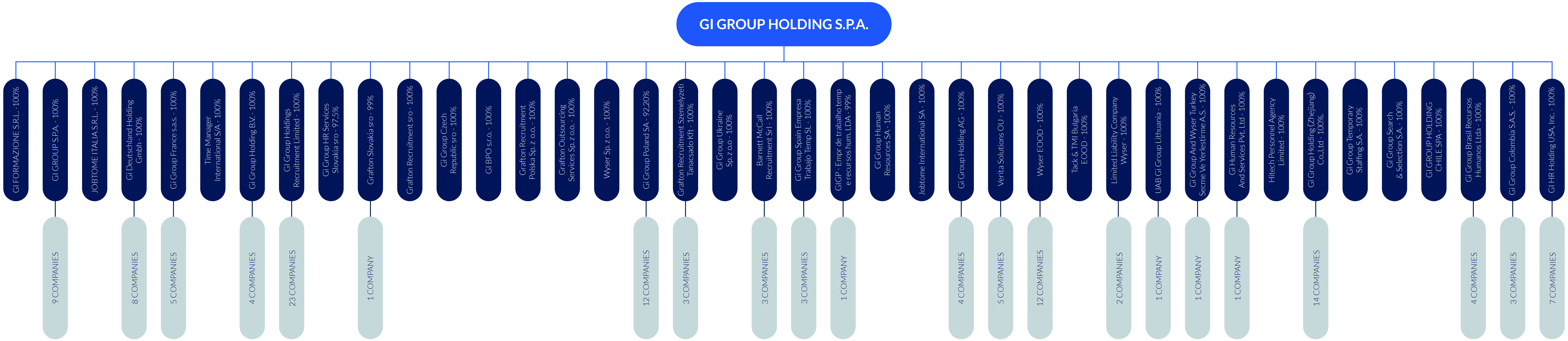
Services offered for temporary employment, permanent staffing, professional staffing, executive search, training, outplacement support, HR administration, outsourcing and HR consulting are then provided via a wide selection of products and solutions. These are designed and focus both on the needs of corporate and multinational companies as well as retail market demands, thanks to our branches' coverage across many territories.

The following table provides a breakdown by geographical area of services offered by the Group in the countries in which it operates with its own branches:

[FIGURE 2 – TYPES OF SERVICES OFFERED BY THE GROUP]

TYPE OF SERVICE PER COUNTRY:	TEMPORARY STAFFING	PROFESSIONAL	SEARCH & SELECTION	OUTSOURCING	TRAINING	OUTPLACEMENT	HR CONSULTING	HR PAYROLL & ADMIN.	OTHER
ITALY	*		*	*	*	*	*	*	*
ARGENTINA	*					*			*
BRAZIL	*	*	*	*	*	*			
BULGARIA	*		*	*	*		*	*	
CHILE									*
CHINA AND HONG KONG	*		*	*					
COLOMBIA	*			*					*
CROATIA	*				*		*		
DENMARK					*				
ESTONIA		*							
FRANCE	*	*	*		*				
GERMANY	*	*		*					
GREAT BRITAIN, IRELAND AND SCOTLAND	*	*		*	*	*	*		
INDIA	*		*						
LATVIA		*							
LIECHTENSTEIN	*								
LITHUANIA	*	*		*			*		
MALAYSIA					*				
MEXICO									*
MONTENEGRO	*				*		*		
THE NETHERLANDS	*	*							*
POLAND	*	*	*	*	*				*
PORTUGAL	*	*	*	*	*				
CZECH REPUBLIC	*	*							
SLOVAK REPUBLIC	*	*							
ROMANIA	*	*	*	*	*			*	
RUSSIA	*		*		*				
SERBIA	*		*		*		*	*	*
SPAIN	*	*	*	*	*				
UNITED STATES						*			
SWITZERLAND	*	*							*
TURKEY	*	*	*	*	*			*	
UKRAINE	*								*
HUNGARY	*	*	*						

Today, the Group's corporate structure consists of Gi Group Holding S.p.A. and 166 subsidiaries, broken down by country as follows:



[FIGURE 3 – CORPORATE STRUCTURE OF THE GROUP]

For an in-depth analysis of the Group structure, shareholder relationships and information in the Financial Statements of the subsidiary companies, you can find references made in specific sections of the Notes on these Consolidated Financial Statements.

2.3 Corporate Governance

The development path that characterises Gi Group Holding, particularly in recent years, has led the Group to enrich itself through the contributions of its people, their experiences, their cultures and company organisational levels.

Gi Group Holding's governance model is oriented towards effective control of business risks and the greatest transparency possible towards the market. The model is also 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.

The Group bases its actions on strong ethical principles, underpinned by a clear assumption of individual responsibility. This works as an impetus for fostering, in all individuals working in the Group, a full awareness of the consequences of their professional choices.

These principles, rules and procedures govern and guide business activities in all the Group’s organisational and operating structures to guarantee effective implementation of the company’s activities, in compliance with the principles of transparency.

THE CORPORATE GOVERNANCE MODEL

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

BOARD OF DIRECTORS

The Board of Directors was appointed at the 15 June 2023 Shareholder Meeting, which set the number of members at five. Details of the composition of the Board of Directors, which will remain in office until the approval of the financial statements dating from 31 December 2023, are provided below:

- 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 oversight of the Company, with the authority to perform all appropriate acts to ensure achievement of its corporate purposes. This excludes acts reserved – by law and per the company by-laws – for the Shareholder Meeting.
The governing body exercises its oversight activities by pursuing the goal of sustainable success: understood as long-term value creation for the benefit of shareholders while taking into account the interests of other Stakeholders relevant to Gi Group Holding.

The Board of Directors, in particular, defines and approves the Company's and the Group's strategic directions and decisions. In its operations, the Board is supported by internal Board Committees that analyse issues relevant to long-term value generation.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors will remain in office for a three-year period (2022-2024) and is structured as follows:

- Chairman
  CORRADO COLOMBO
- Standing Auditor
  SILVIA PASSALACQUA
- Standing Auditor
  MARCO GIRELLI
- Alternate Auditor
  FRANCESCO CARNEVALI
- Alternate Auditor
  PIERGIORGIO GUSSO

The Board of Statutory Auditors supervises legal compliance and adherence to company by-laws 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 systems and the corporate administrative and accounting system.

INDEPENDENT AUDITORS

When applying current regulatory provisions on the matter, the Shareholder Meeting assigned the audit of financial statements for the current three-year period (2022-2024) to the auditing company **KPMG S.p.A.,** with registered offices in Milan, Via Vittor Pisani 25, Milan Company Register and Tax Code No. 00709600159, Milan Economic and Administrative Index (REA) No. 512867, VAT Registration No. 00709600159, listed under Entry No. 70623 in the Register of Statutory Auditors.

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

The Supervisory Board (SB), in office for a three-year period (2021-2023), is made up of 3 members and has its own Programme and Internal Regulations pursuant to Italian Legislative Decree No. 231/2001.
The SB consists of the following members:

- Chairman
  FRANCESCO CARNEVALI
- Member
  MARCELLO TRABUCCHI
- Member
  LUCA FORTUNATO (from July 2023)

The Supervisory Board supervises the adequate application of the Corporate Governance model and, based on periodic checks, is responsible for highlighting any problems encountered and identifying corrective actions to be implemented. In 2023, the Supervisory Board carried out its usual audit activities; it also commenced, following the change in organisational scope as a result of the corporate reorganisation finalised in July 2022, the revision of the Gi Group Holding S.p.A. 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 Committee is made up of Country Managers and the main international managers from Global Practice and Global Functions.

GROUP ETHICS AND INTEGRITY

The growth path brings with it a need to maintain a strong sense of belonging to help move the Group forward in a commonality of values and goals, as well as toward an increasingly strong internal culture in terms of sustainability and compliance.
The Group's 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. It is based on a set of values (Attention, Passion, Continuous Learning And Innovation, Collaboration, Sustainability and Responsibility) that standardise Gi Group's approach to the labour market and to the civil society in which it operates.
Recognising the values in which we believe helps each person grow in the application of corporate social responsibility (CSR). Doing so publicly enhances our CSR efforts' effectiveness through our commitment to accountability, as a company and as individuals, before all Stakeholders.

The recipients of the Code of Ethics, as well as of the *Global High Level Policies*, are the Employees – who are the primary Stakeholders of Gi Group Holding; further recipients also include members of the decision-making and control bodies of the Group companies, Managers and Employees belonging to the operational structures and the Collaborators and external Consultants who act in the name, and on behalf, of the Group companies. Plus, we all temporary 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, Impartiality, Confidentiality, Honesty, Transparency, Health And Safety, and Environmental Sustainability), supported by a clear assumption of responsibility.

2023 included an implementation and training process relating to the updating of the Group's Code of Ethics and its three new Global High Level Policies directly descended from the Code: an **Anti-Corruption Policy**; an **Equality, Diversity and Inclusion Policy**; and a **Whistleblowing Policy**. This reflects the Group's commitment to adopting precise values and principles in carrying out its activities and for its relations with all Stakeholders. This represents 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 be disseminated as widely as possible to all recipients and third parties and that the principles and values contained therein be shared. This is done in order to create a virtuous network capable of creating positive impacts on the communities in which the Group operates.
The Code of Ethics and access to the Gi Group Holding Reporting Channel are publicly features on company websites and the Code's 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. The executives and the managers of the Companies must explicitly represent the values and content of the Code of Ethics through their actions.
The focus on the Code of Ethics' content is conveyed to all personnel through various trainings, information and involvement initiatives, which make it possible to contextualise the content within the various company functions.

The internal Global Corporate Social Responsibility Team (CSRT) function 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. The CSRT has independent powers of initiative and control.
Depending on the issue, the Global 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 companies in the Group, 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.

Following the change in the organisational scope, Gi Group Holding has also concluded the review of its Organisational Model established pursuant to Italian Legislative Decree No. 231/01.

SOCIAL RESPONSIBILITY

The foundations of the Group's CSR strategy can be traced directly to Gi Group Holding's Mission and has grown from our Mission statement into a clearly defined Code of Ethics alongside a set of Founding Values and ethical principles that all Group companies must integrate into their governance and operations.
Gi Group Holding's positioning with respect to ESG pillars is mainly expressed in two globally valid documents:

- a **Sustainable Work Report** (formerly called the CSR Report);
- our **Sustainable Work Manifesto**.

In the first document – renamed to be consistent with the Group's distinctive sustainability framework – it is possible to find an annual update not only with regard to company actions and initiatives developed both globally and locally, but also with regard to the details of our social responsibility commitments, summarised as follows:

- analysis of the context and of our Stakeholders' needs that led to the definition of the Sustainable Work Framework, structured around 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 a clear message from Stakeholders to address the Group's actions on governance and social impact issues;
- a commitment to contribute to the UN Sustainable Development Goals (SDGs) by directing the Group's activities toward social impact SDGs, consistent with its Mission and business activities;
- the Group's Sustainability Plan, which stems from the integration of the main themes highlighted in the Materiality Matrix and the pillars of the Sustainable Work framework. This represents a dynamic tool intended to summarise the areas of focus and objectives where Gi Group Holding aims to develop its CSR strategy.

On the other hand, the Sustainable Work Manifesto, which today represents one of our strategic assets for the development of a CSR culture at a global level for the Group, is equally dynamic. In a manner which is truly consistent with the priorities expressed in the Materiality Matrix, the Manifesto has in fact structured the four pillars that guide the Group's actions according to a progressive action perspective:

- **Decent & Safe Work**
- **Employability & Satisfaction**
- **Diversity, Equity & Inclusion**
- **Safeguarding Resources for the Future**

The commitment underlying all subsequent steps is to create decent working conditions for all, counteracting people exploitation, promoting decent working conditions, social security and work quality for all, offering fair and non-discriminatory economic conditions and promoting listening and active dialogue on these issues. Our aim is to empower people and businesses by developing skills along with a harmonious, balanced life.
In a progressive manner but, in fact, also transversal to the previous two pillars, attention is paid to the issues of diversity, equity and inclusion. We focus on these issues in order to promote respect, inclusion and well-being of all people (including the most vulnerable); stimulating companies to focus on skills, meritocracy and equity; and supporting them in removing any type of access or developmental barriers. Likewise, the Group is committed

to supporting people in fully expressing their talents and potential.

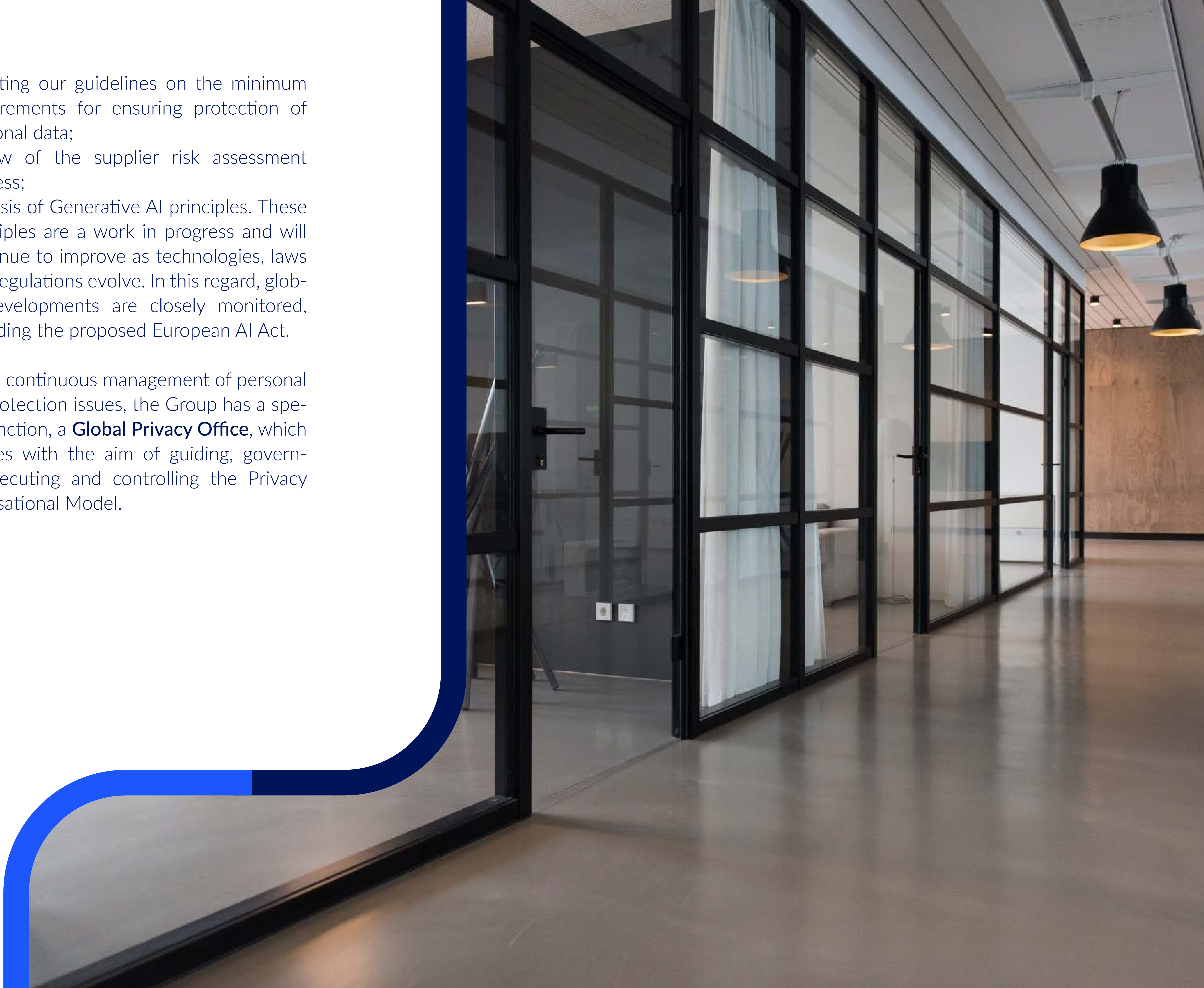
LAW ON PERSONAL DATA PROTECTION

The protection of personal data is one of the most critical tasks for the Group as we are committed to guaranteeing the absolute privacy of our employees, people talent, customers and suppliers.
To ensure this, the Group applies a Privacy Organisational Model.
With the adoption of this Privacy Organisational Model, the aim was to define a set of structures, roles and organisational approaches to ensure the guidance and governance, execution and control of the model for the protection of personal data. Therefore, the Group uses this Model in adopting the technical and organisational measures pursuant to Art. 24 of the GDPR.
Moreover, for the purpose of properly managing the Privacy Organisational Model, special attention is given to training processes.

As concerns implementation of our Data Protection measures, we highlight some of the most significant planned and supported activities below:

- updating our guidelines on the minimum requirements for ensuring protection of personal data;
- review of the supplier risk assessment process;
- analysis of Generative AI principles. These principles are a work in progress and will continue to improve as technologies, laws and regulations evolve. In this regard, global developments are closely monitored, including the proposed European AI Act.

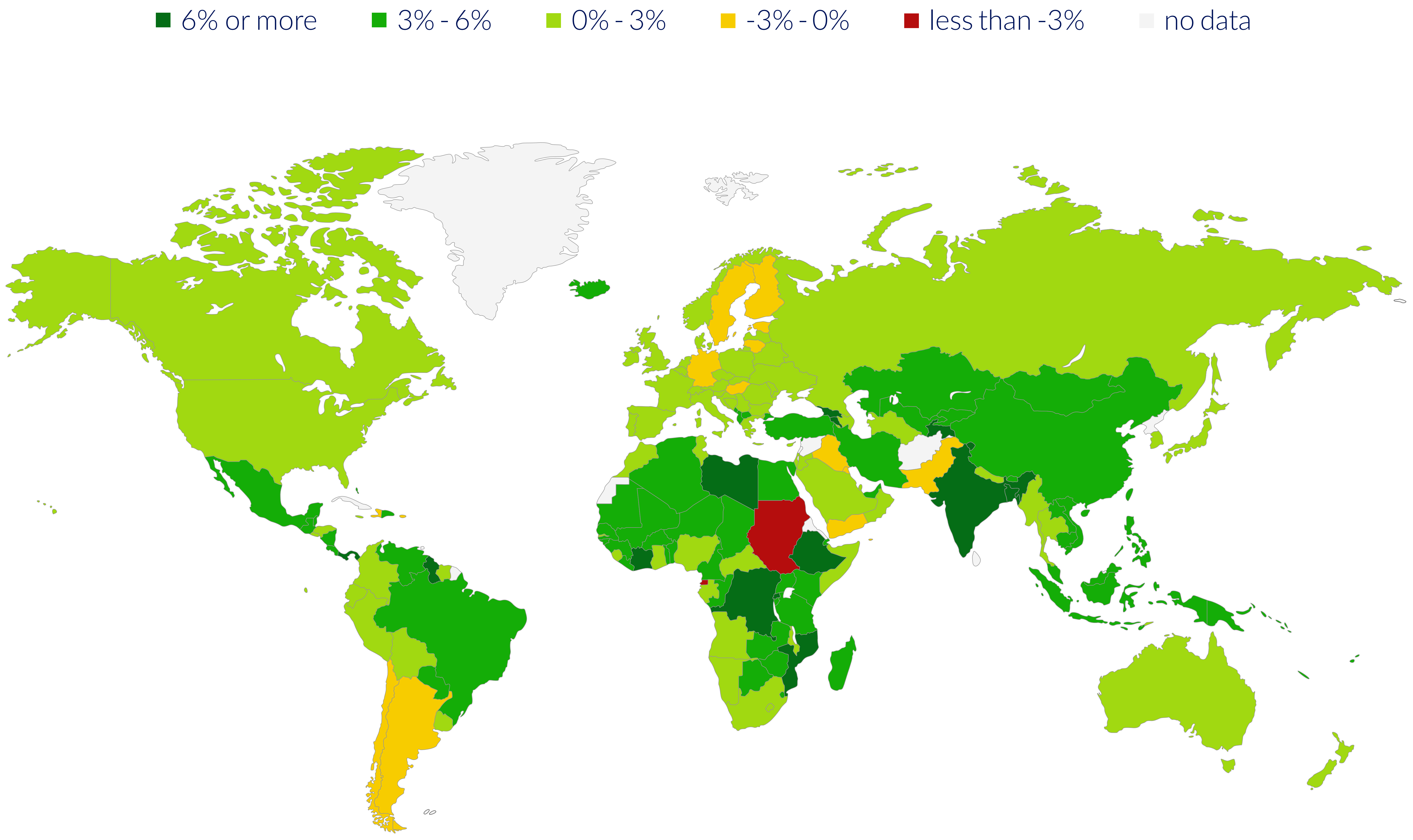
For the continuous management of personal data protection issues, the Group has a specific function, a **Global Privacy Office**, which operates with the aim of guiding, governing, executing and controlling the Privacy Organisational Model.



2.4

The Macroeconomic Scenario

2023 was a slower year economically compared to the previous period.
Throughout 2023, economic growth was characterised by deceleration (from 3.5% in 2022 to 3% in 2023) as reported by the World Economic Outlook.
As in the previous year, significant pressures remained in 2023 as concerns the global geopolitical scenario; including the continuation of the Russia-Ukraine war and new tensions that have arisen in the Middle East.
While the global business context is marked by a significant level of resilience, it is also characterised by strong, growing divergences. In fact, while advanced economies recorded average growth of 1.6%, emerging and developing markets recorded an increase of more than 4%: once again confirming their role as a global growth driver. These divergences can be observed in the following map (created by the International Monetary Fund) which reports real GDP growth in the global context. The different colours allow an immediate understanding of the current situation of each country and overall relative differences.



[FIGURE 4. – REAL GDP GROWTH]

When investigating the situation in the world's advanced economies, it should be noted that their development is mainly supported by the United States (with GDP growth of 2.5%). The latter has been able to mitigate stagnation in the Eurozone, which recorded average GDP growth of 0.6%. This figure incorporates several scenarios: moderate GDP growth of 0.9% in Italy and France, more robust growth in the Spanish economy with a 2.5% increase in GDP, alongside a contrasting 0.3% decline in GDP for the German economy.
The Eurozone's economic context as described above derives from some preponderant factors, including the tightening of the ECB's monetary policy which has had subsequent unfavourable impacts on the supply of credit and high levels of inflation. In particular, the ECB 's decision to keep interest rates high, generating more restrictive borrowing conditions, held back demand so as to bring about a decrease in inflation. Together with the tightening of monetary policy, the drop in energy prices that occurred in 2023 also led to a softening of inflationary pressures, when levels fell to 2.4% in November.
As concerns real GDP components, expectations are positive in terms of consumption and real income. In the second half of the year, consumption strengthened as a result of the drop in inflation and the slight improvement in real income. In the absence of further shocks, consumption is expected to continue to strengthen also in 2024. Similarly, real disposable income recovered during 2023 thanks to growth in income from both employment and other sources.

The stagnation that characterised the Eurozone during 2023 is expected to continue in 2024. According to the European Commission's latest estimates, the Eurozone's economy is expected to expand, but by only 0.8%. Further strengthening is anticipated for the second half of the year. Despite a slight increase in inflation in the first part of the year, due to an increase in energy prices, the European Commission estimates the consumer price index will reach 2.7% in 2024: a net decrease compared to 5.4% in 2023.

China's growth experienced a sharp slowdown between the first and second quarters of 2023, with GDP dropping from 8.9% to 4%, according to the World Economic Outlook. The country was mainly affected by the crisis in the real estate sector. Together with the uncertainty of the labour market, the crisis described above weighed on consumption and undermined consumer confidence despite the reopening of the economy following the end of the zero-COVID policy. Decline in foreign demand and geopolitical uncertainty contributed further to the deterioration of economic conditions in China.
On the other hand, while China slowed down, India recorded an 8.4% increase in GDP in the last quarter of 2023; well above analysts' forecasts. India's excellent performance is driven mainly by the manufacturing and construction sectors.

According to the Economic Commission for Latin America and the Caribbean (ECLAC), the region recorded average economic growth of 2.1% in 2023. The figure hides divergent scenarios though; including increases in GDP of 3.4% and 2.9% in Mexico and Brazil, respectively.

International trade continued to experience weak dynamics during 2023, when there was annual interchange growth of 1.1%. According to Eurostat estimates, global trade outside the Eurozone is expected to develop at a rate of 3% for 2024.

THE SCENARIO IN THE INTERNATIONAL LABOUR MARKET

From a global perspective, the labour market is heavily impacted by the slowdown in the global economy. According to the International Labour Organization (ILO), employment growth on the global market stood at 1% in 2023, i.e., less than half the 2022 level. At the same time, according to the same organisation, there was an increase in the unemployment rate which reached 5.8%. This figure signals a trend reversal compared to increases in employment recorded between 2020 and 2022. According to the same report, "the quality of work remains a fundamental concern", as the continuing shortage of better job opportunities entails a risk that many workers will be forced to accept lower quality jobs.

The table below shows Eurostat's December 2023 estimates for the Eurozone. The data suggests a slight improvement in the unemployment rate compared to 2022 (down from 6.7% to 6.5%) but no significant and substantial improvements are expected yet for the coming year.

	DECEMBER 2023				
	2022	2023	2024	2025	2026
GDP IN REAL TERMS	**3,4**	**0,6**	**0,8**	**1,5**	**1,5**
PRIVATE CONSUMPTION	4,2	0,5	1,4	1,6	1,4
COLLECTIVE CONSUMPTION	1,5	0,1	1,1	1,3	1,2
GROSS FIXED INVESTMENT	2,8	1,3	0,4	1,8	2,1
EXPORT	7,4	-0,4	1,1	2,9	3,0
IMPORT	8,1	-0,9	1,7	3,1	3,0
EMPLOYMENT	**2,3**	**1,4**	**0,4**	**0,4**	**0,4**
RATE OF UNEMPLOYMENT (% LABOUR FORCE)	**6,7**	**6,5**	**6,6**	**6,5**	**6,4**

[FIGURE 5. – EUROZONE GROWTH ESTIMATES]

According to data published by the National Bureau of Statistics, China's labour market has not yet recovered from the decline experienced in the first few months of 2022. Although the national unemployment rate was around 5.2% (better than the corresponding figure for the Eurozone), what generates the greatest concern is the 20.8% unemployment rate among young people, which reached an all-time high.

The main challenges that the global labour market has to face both in 2023 and in the coming period are climate change, ageing populations and technological changes, respectively.

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

2.5

Expected Development of Operations

The Group, in relation to its own Mission and in the role of an HR Business Partner that responds to customer 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 is fundamental in guaranteeing staff development (as are acquisitions) in order to consolidate the company's presence in markets where the Group is already operative;
- for **economic profitability**, increasing margins is a priority to be achieved through attention to territorial business, the Permanent Staffing practice, and other services that offer high added value; attention paid to working capital and terms of payment are fundamental elements for improving the company's financial position;
- for meeting customer needs, the Group intends to develop its Value Proposition with **integrated solutions** between Temporary Staffing and complementary businesses like Outsourcing and Professional Staffing. We also look to consolidate the generation of value of the other businesses, like search & selection and training, reinforcing a commercial model oriented toward narrow diversification;
- be **candidate-driven** and make a difference with proposals that target candidates;
- **individuals, processes, and technology** are key elements for the Group in achieving efficiency, effectiveness, and competitiveness.

Configuration of the expected development of management relates to the illustration of 2023 company performance and the events that characterised it (by Region and by Practice) and to the Group's commitment to continue to follow the change path toward sustainable work methods.

OPERATING PERFORMANCE, LINES OF DEVELOPMENT AND MAJOR INITIATIVES BY REGION

2023 was characterised by moderate growth for Italian companies; in particular, due to Gi Group S.p.A.'s stability in the temporary staffing business, despite market difficulties, together with the development of higher margin businesses (Outsourcing, Training and Outplacement) and sustained growth in foreign countries compared to the previous year and, in general, to past results.

The Group operated based on a Global model organised and structured by Geographic Areas. This specifically includes Regions, Practices and Central Functions, which ensure the pursuit of a common strategy and 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 criteria, but also on the basis of reasons for internal organisation in the Group and the Chief Regional Heads' (the persons responsible for coordination) professional experience. Consequently, the Regions do not necessarily correspond to the Areas identified in the explanatory document for the Financial Statements, which adheres to purely geographic criteria.
Starting from 2024, Switzerland will be considered a separate Region based on its new size following the Kelly acquisition.

Growth in foreign operations was mainly organic. This includes the contribution of acquisitions carried out at the end of 2022 and support from new acquisitions in 2023 limited only to the entry of The Bridge Group into the LATAM Region.
Increasing consistency of international investments strengthens the Group's role as a global partner for large multinational customers and diversifies the risk of its activities by broadening its geographical spread. This strategy proved effective in 2023, managing to offset the reduction of activity in specific sectors/countries (e.g., Industrial, Automotive) due to general slowdowns as a result of the international situation. We were able to engage with alternative channels or services less impacted by the contingent situation (e.g., Outsourcing, Outplacement, etc.).

The strategy pursued in 2023 involved three directions:

1. development and enhancement of businesses/sectors less impacted by the slowdown in global markets, such as Temporary Staffing, Outsourcing and Outplacement staffing, particularly in the Logistics and Online fields;
2. optimisation of operating costs through increasing economies of scale using existing infrastructure;
3. integration of international M&A transactions from recent years, with a view to structuring the business in a more rational way and making the most of synergies and preparation of the acquisition transaction.

As part of its globalisation strategy, the Group limited new investments during the year to focus, on the one hand, on the differentiation of services provided and on the expansion of its global presence (new countries: Chile and Mexico) and, on the other, on rationalisation and the integration of previous years' acquisitions. This had the aim of accelerating the effect of economies of scale within the Group.

On 7 February 2023, the Group acquired some operating companies in South America, Chile, Mexico and Brazil, under the brand **"The Bridge"**.
Founded in 2017 in Santiago, Chile, The Bridge Social operates in Chile, Brazil and, since 2021, in Mexico. It offers its customers a global network of technology-focused and digital professionals with the intent to create meaningful connections between companies and customers.
The acquisition allows Gi Group Holding to expand not only its presence in South America, but also to strengthen its offer in the technological field relating to human resources. In fact, The Bridge Social's cutting-edge technology, combined with Gi Group Holding's expertise in Recruitment and Staffing, provides a unique, comprehensive solution for customers looking to optimise their professional teams in the technology, design and data science sectors.

For more details, see the appropriate section in the Notes on the Financial Statements.

Internationality and multiculturalism are defining elements for the Group, since we operate on three continents and have over **8,100 employees**: 62.4% of employees work in an international area, a component that continues to increase (62.8% as of 31 December 2022 and 60.3% as of 31 December 2021).
The countries with the highest number of employees remain Italy, Brazil and the United Kingdom:

COUNTRY	% OF TOTAL (DEC. 2023)
ITALY	37.60%
BRAZIL	9.60%
UK	7.20%
GERMANY	6.60%
POLAND	5.70%
CHINA	4.40%
SPAIN	4.30%
CZECH REPUBLIC	3.80%
FRANCE	3.70%
INDIA	2.40%
COLOMBIA	2.20%
TURKEY	2.10%
SWITZERLAND	1.70%
PORTUGAL	1.30%
ROMANIA	1.20%

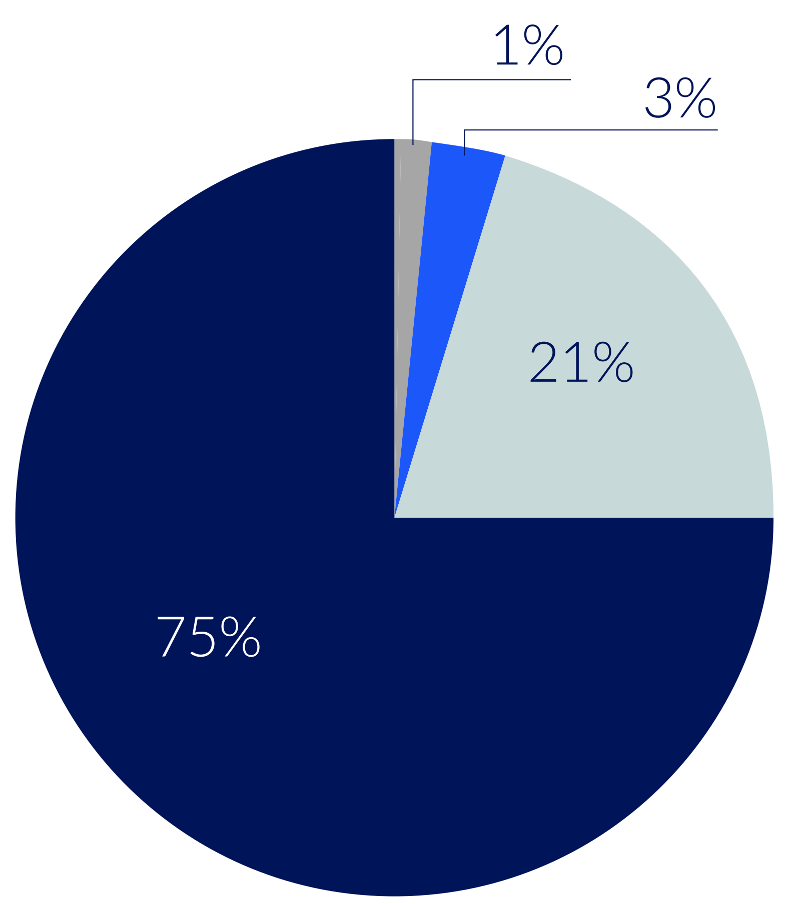
COUNTRY	% OF TOTAL (DEC. 2023)
HUNGARY	1.10%
SLOVAK REPUBLIC	0.90%
THE NETHERLANDS	0.70%
BULGARIA	0.60%
LITHUANIA	0.60%
SERBIA	0.60%
USA	0.60%
ARGENTINA	0.30%
CHILE	0.30%
ESTONIA	0.10%
LATVIA	0.10%
MALAYSIA	0.10%
MEXICO	0.10%
MONTENEGRO	0.10%
CROATIA/UKRAINE/RUSSIA	0.00%

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

The average age in the company is 36 years and the Average Seniority level is 4 and a half years. 71% of the global employee community is female.

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

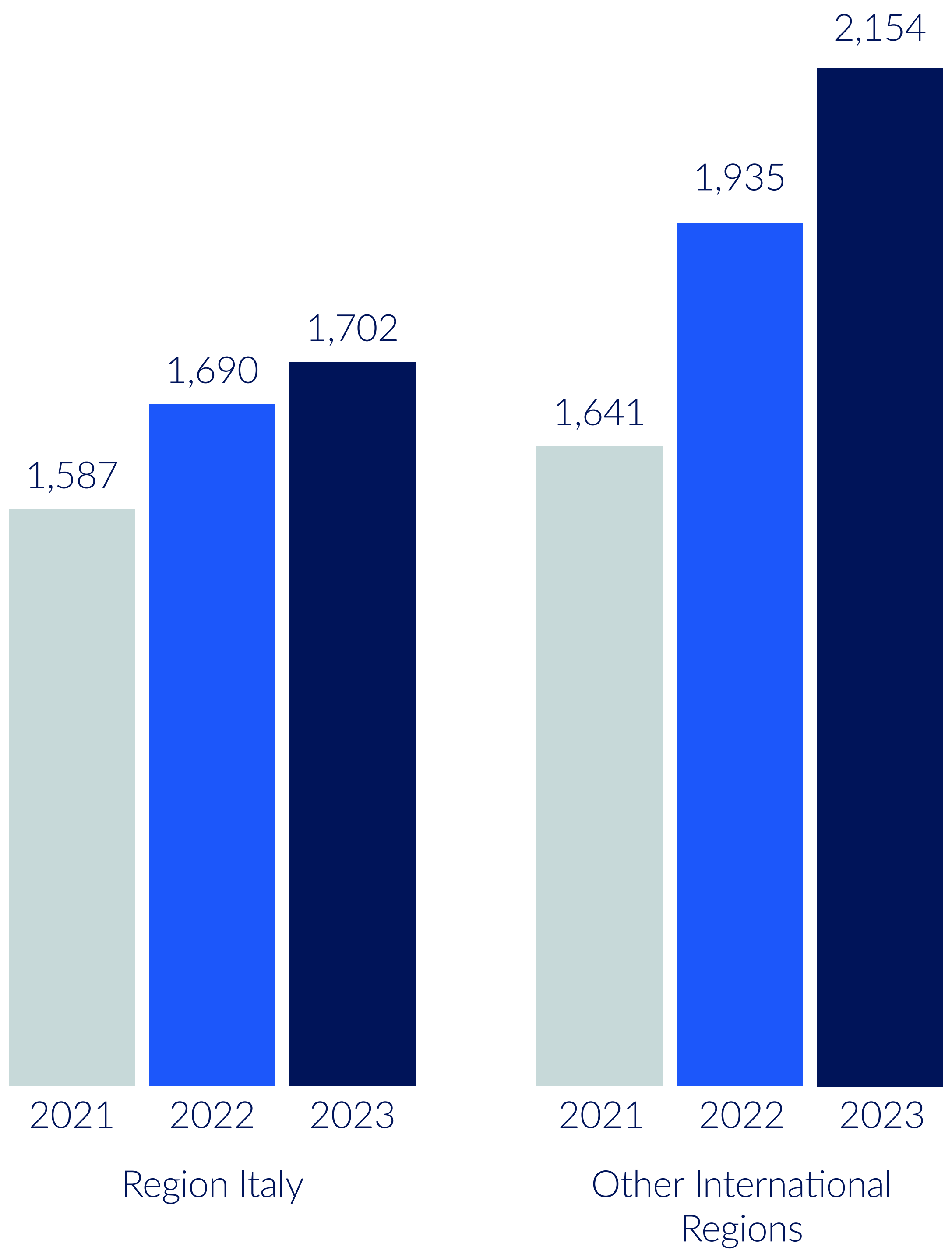
GENERATIONS	YEARS
GENERATION Z	>2000
GENERATION Y MILLENIALS	1980-2000
GENERATION X	1965-1979
THE BABY BOOMERS	1946-1964



[FIGURE 7 – DISTRIBUTION OF GROUP EMPLOYEES BY AGE GROUP]

From a business perspective, 2023 was a year in which the Group's foreign subsidiaries still improved their business results, despite a difficult period in global markets.
Characterised by different businesses and structures (depending on the country), with the addition of contributions from new acquisitions, the Group' foreign companies achieved an overall 11.3% increase in revenues compared to the previous year (corresponding to 94.8% of the overall growth in Group revenues compared to 2022), while the Italian companies recorded a much more contained increase in revenues equal to 0.7% (corresponding to 5.6% of the overall growth in Group revenues compared to 2022).

The chart below shows turnover performance over the last three years. It shows a constant increase in volumes; most significantly in relation to foreign markets:



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

Objectives for 2024 include consolidation of economic and financial results and further growth in each country, specifically:

- increase in turnover and business volumes in all markets, also thanks to contributions from the acquisition of the European branch of Kelly Services;
- improvement on each country's internal profitability and internal structure productivity indicators, exploiting economies of scale;
- increase Gross Profit %, through initiatives and actions that add value to Practices (both on the commercial/pricing side and for the mix of services offered);
- control Net Working Capital by carefully implementing measures to reduce the number of days that trade credits are outstanding.

General strategies focus 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, serving as a reference point for their professional journey in the world of work ("Candidate Management");
- People, sharing strategic objectives, spreading Gi Group Holding Group's culture and Employer Branding (EB), communicating common values, providing professional training and implementing new work tools.

Objectives geared towards people remain the same in 2024 as they did in 2023; focusing on three main pillars: strengthening the employee value proposition by increasing the number of services and responding to the needs of 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 2023 and the reference framework for 2024, which anticipates a still uncertain macroeconomic environment in view of ongoing geopolitical crises, we will pursue strategic objectives while maintaining a commitment to a healthy and balanced financial structure; with contributions from 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

After two particularly positive years, Italian **GDP growth** stood in 2023 at **0.9%**: a contraction of 2.8%. This growth, higher than the European average (+0.5%), was mainly driven by domestic consumption against a marginally negative contribution from net foreign demand, growth in construction and, albeit to a lesser extent, in services and public spending. Despite the significant drop in GDP, the labour market in Italy was characterised by positive performance in 2023.
In fact, in December, the total number of employed people reached an all-time high of 23.754 million units, 2% more than in 2022. This value corresponds to 456 thousand employed people, of which 418 thousand permanent and 42 thousand self-employed against a decrease of 5 thousand in temporary employment. People with temporary employment contracts therefore remained substantially stable (-0.2%).

However, the 2023 growth in employment did not improve the gender, territorial and educational level gaps that characterise the country:

- the gap for women remains, with a difference of around 18% for both employment and inactivity rates (15-64 years) and the women's unemployment rate also remained around 2% lower than that of men;
- equal to 69.4% in 2023, the employment rate in the North (of Italy) is 21% higher than in the South (48.2%);
- the employment rate among university graduates (81.6%) remains approximately 15% higher than that of high school graduates (66.8%) and is almost double that of those with a middle school certificate (44.7%).

These situations continue to increase the difficulty of finding candidates/workers and the percentage of mismatches processed by Excelsior (Unioncamere database - the Italian Union of Chambers of Commerce, Industry, Crafts and Agriculture) has reached 48%.

In terms of employment volumes, the trend in temporary staffing bucked the trend for the entire labour market.
In December 2023, temporary staffing agencies recorded a contribution of more than 493 thousand total positions, showing a decrease of 3.6% on an annual basis. This figure is the result of a decline in Temporary Workers (-7.8%) and growth in Permanent Contracts (+8.3%), which reached an all-time high of 144 thousand units compared to 132 thousand during the previous year.
The reduction in temporary staffing was distributed throughout 2023, spiking in the last months of the year due to the sector's usual cyclical nature with respect to economic performance. The cycle did, in fact, see a gradual slowdown with a slight recovery at the end of the year.
Certainly, difficulty in finding the staff profiles required by the market also affected this reduction, as demonstrated by growth in open and unfulfilled job searches.

Despite the decline in temporary staffing, the position of Temporary Recruitment Agencies (TRAs), which increasingly stand out in terms of the quality of their support activities for entry into the labour market and the professional continuity of their workers, remained stable. TRAs are lauded as well for their ability to offer distinctive services for search and selection, guidance, training, assessment, HR consulting, Outplacement and Outsourcing.

During 2023, for the third consecutive year, Italian companies continued to grow; exceeding budget forecasts thanks to focus placed on the Professional segment, on Permanent staffing activities and, more generally, on the Holding's entire services portfolio. This more than offset the slight decline in temporary staffing with additional growth and margins.
Despite the recovery of significant contracts that came to an end in the last months of 2022, temporary staffing was affected by the market downturn.
Thanks to the continuous services specialisation and the mix between SMEs and large company market volumes, the reduction in growth was in any case managed and foundations were laid to prepare for 2024 with an ambition to grow in terms of market share.
In this sense, completion of the 2024 acquisition will contribute to growth in both volumes and margins linked to significant services specialisation.
Commitment to development of active policy projects continued throughout 2023: both by contributing to the launch of the Inclusion and Employment Information System required by the Italian Government, assuming a leadership role in Assolavoro (the National Category Association of Temporary Recruitment Agencies) and by adhering to measures activated at the regional level.

With respect to other services, we note the following:

- a slight reduction in the search and selection services for managerial profiles due to both a slowdown in the market and the need to reorganise the ways in which the middle management and executive segments are served;
- significant growth of training in all its forms (company academies, temporary work apprenticeships, professional and managerial training) which proves to be an essential service for addressing skill mismatches that characterise the labour market;

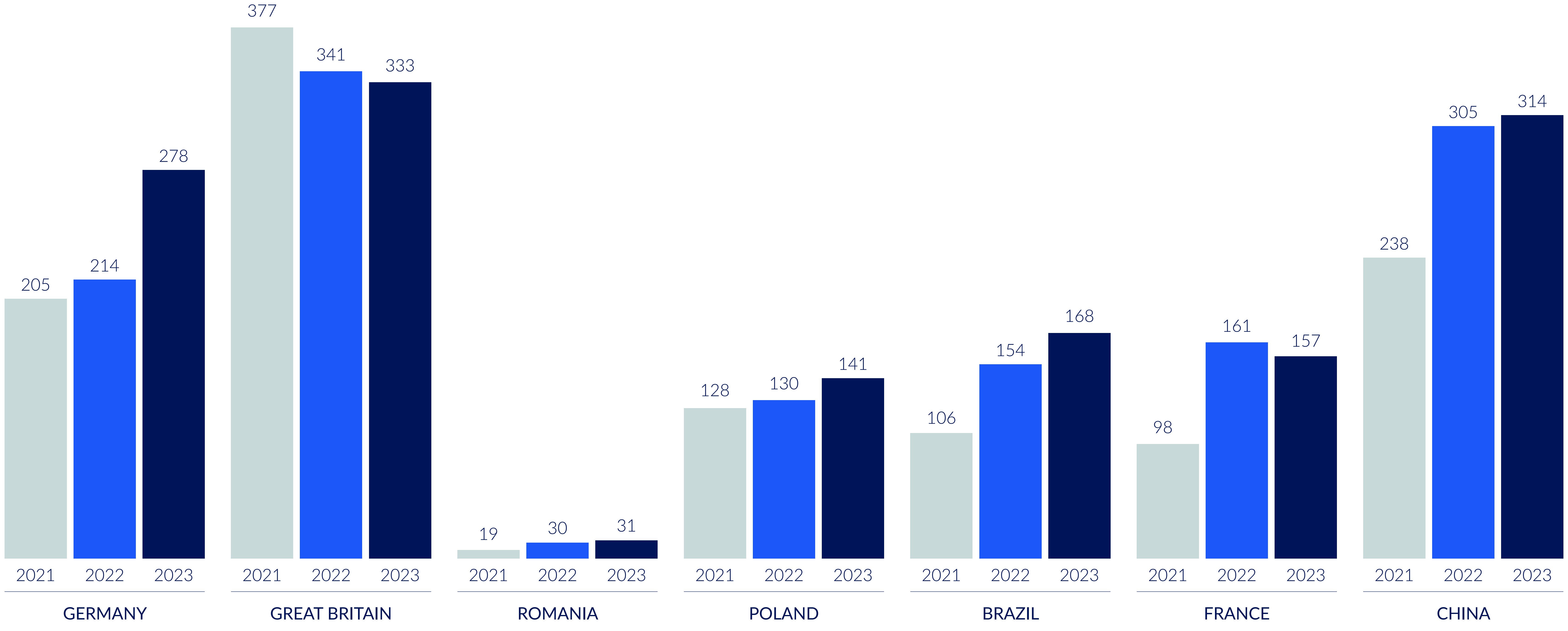
- continuous growth in Outsourcing services which, in compliance with the Mission, make it possible to be more attractive, more specialised and more capable of offering high levels of service both in terms of flexibility and cost;
- further growth of HR consulting and Assessment services which, also thanks to the new Thomas products exclusive distributor role in Italy, make it possible to improve selection for specialised positions;
- stability of Outplacement and career consulting activities that confirm Gi Group's position as the absolute leader in the Italian market.

INTERNATIONAL SCENARIO BY REGION

In 2023, the Group's foreign companies accounted for 55.9% (53.4% in 2022) of overall consolidated revenues, a growing ratio compared to previous years.

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

In detail, our main countries' three-year performance is shown below; classified based on turnover volumes for each international Region according to the structure in force in 2023:



[FIGURE 9. – THREE-YEAR EVOLUTION OF TURNOVER ACHIEVED BY THE MAIN COUNTRIES OF THE INTERNATIONAL REGIONS]

Growth recorded in Germany was driven by positive business performance achieved in the E-commerce sector.

In the United Kingdom, during the last three years, the Group has shifted its focus from volumes to margins, applying a strategy that involves better customer selection based on profitability.

Brazil also recorded increases in 2023 through a positive contribution made by the new acquisition of the Stato Group.
Revenue volumes for Romania, Poland, France and China remained substantially constant.

Country trends by Region are provided in detail below.

GERMANY

The Group in Germany operated on 4 different business lines in 2023:

- 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.

The Group's total revenues in Germany amounted to Euro **278 million** in 2023, an increase of 29.9% over the previous year (Euro 214 million).
The main development drivers for German companies are the supply of temporary operators in the E-commerce, Logistics, FMCG and Food sectors.
Currently, the two most significant pillars of the Group's supply on the German market are

- online recruitment;
- on-site development of workforce management models at customers' facilities/warehouses (SMS).

As was the case in 2022, a new record employment figure was achieved also in 2023. This was thanks to economic growth, immigration and high labour market participation rates, despite the energy crisis and high inflation.
The Destatis Federal Statistical Office stated that, in 2023, the average annual number of employees increased by 333,000 (+0.7%) compared to the previous year. It moved up to 46 million in total, reaching the highest average level since reunification in 1990 and was 320,000 higher than the figure recorded in 2019, before the outbreak of the pandemic and after more than a decade of economic growth.
According to a first estimate from the Federal Statistical Office (Destatis), there was an increase in the number of unemployed people by 31,000 in 2023; or 2.3% compared to the number recorded at the beginning of the year.

In the first quarter of 2024, the Group's German companies showed an increase in revenues compared to the same period the previous year (+34.2%) and compared to the 2024 Budget (+4.5%).
This positive performance is also reflected in the gross margin and profitability for the period: higher than the previous year and in line with the Budget.
Gi Group in Germany has experienced a positive trend in economic results in recent years, showing a steady increase in sales volumes and growth prospects represented in the strategic plans and confirmed in the final results. The latter represent fundamental elements for the assessments by the Directors of Gi Group Holding, which confirmed that the value of the equity investment recognised in the 2023 Financial Statements, although higher than the shareholder equity for the German companies, represents a recoverable value for the investment.

Northwestern Europe Region

UNITED KINGDOM

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

- the Temporary & Permanent Staffing operation, under the Gi Group and Encore Personnel brands, is the largest and provides services through a network of branches and SMS;
- Marks Sattin is the UK's leading professional search and selection company for roles primarily in finance and accounting or IT and computing, and it is involved in executive role searches through seven locations; including the Dublin office in Ireland;
- 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 and thus enabling customers to use apprenticeship funding;
- the Grafton brand is active in the Recruiting of White Collar professionals, including a range of technical specialists.

In 2023, the United Kingdom officially entered an economic recession, as the country recorded a negative growth in gross domestic product for two consecutive quarters.

In the third quarter the economy contracted by 0.1%, followed by a decline of 0.3% in the fourth quarter of 2023. This figure highlights a period of stagnation for the second half of the year. On an annual basis, the economy recorded a decline of 0.2%.

Fiscal policy is taking a restrictive stance and adequately supports government monetary policy, which is expected to continue with a rigid approach until inflationary pressures ease in a lasting manner. The aim is to restore GDP to a level above 2% in 2025.

According to the most optimistic forecasts, living standards are expected to start improving, although not reaching their pre-pandemic peak, before the 2025-2026 period. However, monetary tightening is having an impact on investments in the residential construction and business sectors. Pressure to increase taxes is expected to reduce household disposable income and economists expect that overall uncertainty will continue to slow down trade.

On the basis of the United Kingdom's Office for Budget Responsibility’s (OBR) "Fiscal and Economic Outlook" document, in its version updated in March 2024, prerequisites for a recovery in the standard of living, albeit relative, are confirmed. First of all, the inflation rate trajectory is showing a decrease; levels currently stand at 4% on an annual basis. The reduction in inflation might result in a drop in interest rates, currently at 5.25%. The OBR estimates rates may further fall to 4.2% in the last quarter of 2024. The combination of lower interest rates and lower inflation, coupled with population and investment growth, is expected to ensure a return to GDP growth in 2024: forecast at between 0.5% and 0.8%.

Current conditions on the labour market have raised questions about the role of Brexit.
Greater difficulty in obtaining visas has made it more difficult to recruit workers from the European Union for roles with lower qualifications. This shortage is an issue mostly in the accommodation and catering sectors.
About 15% of companies report that unavailability of workers from the EU is a main cause of difficulties in recruiting personnel.

In an incredibly fragmented market, with 30,000 competitors, Gi Group is the **sixth largest temporary recruitment agency** in the United Kingdom in the industrial sector.
Market difficulties had an important impact on Gi Group's results in the United Kingdom: the Group has worked to preserve margins and productivity, reducing the volumes of revenues if analyses do not show an appropriate level of profitability.
Already impacted last year by a review of its pricing policy to increase competitiveness, hedge against inflation and boost profitability, the Temporary & Permanent Staffing operation continued these commercial actions in 2023 as well.

Organisational and strategic activity focused in 2023 on the integration and creation of synergies with Encore Personnel, a company acquired at the end of 2022 and which specialises in Blue Collar Staffing; servicing industries throughout the United Kingdom.
The Learning & Development Practice, through TACK TMI, also provided a strong contribution to the country's good performance. In 2023, it consolidated its profitability growth path that had already started the previous year.

The strategy of focusing on margins and profitability will continue in 2024; this through continuous customer assessment, further reducing less profitable volumes, and containing internal structure costs: including the postponement of transfers to new offices.
All key strategic objectives will be measured periodically and reviewed by Management based on the evolution of the country's economic situation.
The UK's growth prospects represented in the budget and in the business plan, together with the synergies deriving from the investments made in Encore and Kelly Services, give the Directors of Gi Group Holding reason to believe that the losses for the year are not of a lasting nature. They are not at such a level as to compromise the Group's going concern assumption in the United Kingdom, and equity investment recognised in the 2023 Financial Statements (including the capital increase carried out to develop the commercial activity and improve the companies' capital base) does not exceed the recoverable value of the British companies.

THE NETHERLANDS

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

- Temporary & Permanent and Move Up (EU Flex): focused on achieving high volumes in temporary 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.

Gi Group in the Netherlands made several **important investments** in 2023: both in its business structure and in the central functions. A highly experienced manager and a senior sales manager were introduced in the Temporary Staffing business. An HR manager was hired to create and develop talent attraction and retention policies and give the Country Manager more time to focus on the business. New consultants were hired for both Search & Selection teams: one specialised in financial profiles and the other a generalist consultant.
The Dutch market experienced a downturn due to global macroeconomic conditions, which led companies to reduce their demand. More expensive than Staffing with local candidates, the international mobility business has seen a slowdown due to companies attempting to rein in their costs.
On the other hand, the freelance market is developing well as it is well-regulated in the Netherlands and therefore part of the official market.
Gi Group Netherlands' 2023 results were below expectations due to these external factors. However, in 2024, also thanks to the Group's acquisition of Kelly Services' European business, we expect interesting business synergies.
On the basis of expected growth and the strategic plan (which envisages a significant increase in commercial revenues and margins), together with a change in Management since January 2024 and synergies expected to develop from the acquisition of Kelly Services Benelux and the corporate restructuring currently under way, the Directors of Gi Group Holding believe that the losses incurred in 2023 are not of a lasting nature. That is, they are not at a level that would compromise the Dutch companies' going concern assumption. Equity investment recognised in the 2023 Financial Statements, including the

capital increase carried out to develop commercial activity and improve the companies' capital base, does not exceed the recoverable value.

DENMARK

TMI (Time Manager International A/S) is based in Skaevinge, Denmark and specialises in consulting and training.
The company operates in strict synergy with Tack International in the United Kingdom, so the latter 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.
TMI achieves **positive results** that allow it to self-finance its operating activities and operate synergistically for Practice L&D. In view of assessments of these elements, Gi Group Holding Directors believe that the differential between the value of the equity investment and the company's shareholder 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 (recruitment of middle and senior management), as well as being a licensee of training solutions from Tack & TMI and Thomas International.

On the one hand, the diversification of services involves considerable complexity in the commercial strategy but, on the other hand, provides a unique value proposition for customers and high cross-selling opportunities between brands.
In 2023, the Polish team continued work started in previous years; integrating all the business lines mentioned above (in particular systems and technologies) with various initiatives aimed at simplifying and improving the ability to provide value to customers.
Despite market difficulties for Grafton and Wyser, the business was able to achieve positive results in terms of margins and profitability.
Considering the current scenario, the Polish economy is expected to experience stagflation (high inflation rate, slow economic growth) in 2024. Therefore, it is believed that the following indicators should be monitored:

- GDP growth of 0.8%;
- high inflation at 9%;
- interest rates of 6%;
- the unemployment rate is expected to be 4.6%, but with a stagnant trend on the labour market due to lower supply of foreign labour;
- minimum salaries will increase to PLN 4,242 gross (currently PLN 3,600) from January 2024 and to PLN 4,300 from July 2024.

Last but not least, the acquisition of Kelly Services in Poland will have a significant effect and will strengthen professional activity, with additional experience in RPO, BPO and IT contracting.
Overall, clear **growth potential** can be observed for 2024 in the various businesses; starting with the resumption of the Search & Selection verticals growth path and continuing the growth path for the rest of the businesses.
Gi Group Holding Directors believe that the income results of the Group's Polish companies, their growth prospects, the synergies they create, and cost savings that will result from corporate restructuring currently

underway and with the acquisition of Kelly Services PL, serve as indicators of economic and financial equilibrium for the Polish companies' business continuity. The differential between the value of the investment recognised in the 2023 Financial Statements of Gi Group Holding S.p.A. and the companies' shareholder equity value (both including the capital increase carried out to develop commercial activity and improve the capitalisation of Gi Group Poland S.A.) is not an indicator of impairment.

CZECH REPUBLIC

Despite the continuing unpredictable market situation, the Group achieved a positive gross operating margin in 2023. It showed a good trend and an **increase in profit of 23%** compared to 2022. In September and October, Gi Group in the Czech Republic recorded the highest profitability level achieved since the acquisition of Grafton in 2018; higher than that of 2019, i.e., the period before the crisis. These results demonstrate the ability to understand changing markets, to react to negative economic and financially critical issues, and to apply an efficient and successful development strategy.
The three months with the highest seasonality (September to November) accounted for more than 42% of the profit for the entire year.

In terms of revenues, Gi Group recorded an increase of 20% compared to 2022.
The Temporary & Permanent practice made the largest contribution to the achievement of this increase.
While recording greater growth than its competitors in 2023, the Professional practice focused mainly on productivity KPIs, as the Permanent market was very conservative throughout the year, reflecting the European and the global trend.
Gi Group reacted to the current critical market situation, which is characterised by low business visibility mainly due to the war in Ukraine, the disruption of supply chains, high and fluctuating inflation, higher cost of money, etc. To deal with this situation (in addition to other activities) new, more profitable services were designed and implemented: the Gi Pro and Employee Care services are a response to market needs with particular attention given to Black Collar positions and support in international mobility projects.

The average inflation rate for 2023 was 10.7% (source: Eurostat). To guarantee the company a balanced cash flow, growth in productivity and in the gross margins, it was necessary to focus on some specific initiatives; including prices and payment term renegotiation with customers, cross-sale and up-sale activities, as well as permanent application of the approach aimed at making structural costs more efficient.

According to the Association of Staffing Agencies in the Czech Republic, Gi Group is first in White Perm recruitment, first in the White Temp business and second in the Temporary business.
In 2023, Gi Group recorded the highest cumulative growth rate in the Permanent sector and the second highest in the Temporary sector for the Czech market.

With regard to internal employees, recalling once again the average inflation rate of 10.7% which causes enormous pressure on salaries, it was still possible to reduce the attrition rate by focusing on employee loyalty and attraction; in addition to the implementation of a new Onboarding programme.

2024 promises to be challenging due to the persistence of the war in Ukraine and its negative effects, the instability of the global geopolitical situation, the trade war between the US and China, and the shortage of local and international candidates. On the other hand, there are expectations that nominal wages will start to rise again and that real wages will finally reach inflation levels. This means that the market is expected to break the negative trend that resulted in average inflation being higher than the average increase in wages in 2022 and 2023. The main objective in 2024 will be to protect revenue levels recorded in 2023, to achieve greater productivity and to focus further on White Temp services, where we see potential leverage on the market.
The strategies and actions described above led to positive results in the 2023 fiscal year, which ended with the distribution of dividends to Gi Group Holding from both main companies: on the basis of results achieved and the forecast data, inferred from the budget and the business plan, Gi Group Holding Directors believe that the differential between the value of the equity investments recorded in the financial statements and the companies' shareholder equity does not represent an impairment indicator.

SLOVAK REPUBLIC

As was clearly visible, 2023 in Slovakia was very particular year. The core business of Temporary Staffing suffered a stagnation phase; especially, due to the economic and energy crises, political instability and the high level of HR services suppliers not in compliance with local regulations.
On top of that, the September 2023 parliamentary elections brought further uncertainty to the economy and to the recruitment sector in particular. Lastly, the business visibility outlook was not promising, the development of wages was slow, and the inflation rate was high.
Since these conditions were anticipated, the Group decided to change its commercial

strategy in the country, focusing more specifically on recruitment services (especially in the Blue and Black Collar sectors) together with meticulous cost management. **An economic balance** was achieved in 2023, which we believe will lead to positive results in 2024.

2023 was characterised by price renegotiations, Key Accounts management, new business development, organisational streamlining and attention to detail.
Gi Group ranks in first place in the White Temp sector, in third place in the White Perm sector and between second and third place in the Temporary sector.
Since 2024 is expected to be a year of continued uncertainty, marked by efforts to retain current customers and historically the country's lowest unemployment rate, the objective will be to focus on productivity KPIs, on continuous cost management, carefully observation of opportunities related to international mobility projects and other new services.
There will be continuous exploration of the existing market, with current resources, in order to attract new customers.
Despite the year 2023 not ending with positive net results, based on positive performance in the first few months of the year, potential synergies from merger and restructuring transactions, and the economic growth prospects inferred from the budget and business plan, Gi Group Holding Directors believe that the value of equity investments recognised in the Financial Statements for the year is recoverable.

HUNGARY

2023 was a difficult year for the Group in Hungary and most investments produced limited returns during the year. This was due to the bleak economic environment that led to a recession with a drop in GDP of 0.9% over the entire year.
The slowdown was mainly due to two factors: rigid macroeconomic policies associated with a context of high interest rates and high energy costs. The latter led to a decline in investments and household consumption.
At the same time, Hungary (as well as the EU overall) saw a demand-led market characterised by a shortage of skilled labour. Inflation fell significantly below 10% on an annual basis after reaching a peak of 26.2% in January 2023. The annual unemployment rate was 4.1%, while the forint exchange rate stabilised in recent months.
Despite the difficult conditions, all business lines grew by an average of 19% compared to 2022.
Grafton maintained its third place position among permanent recruitment service suppliers. In 2023, the **gross margin** recorded **15% growth** compared to the previous year. The new business lines, focused on the Blue Collar and managerial segments, further increased their share of total activities, contributing 33% of gross profit on an annual basis.

Apart from some initial investments, the Group focused on strict cost control for most of the year. While there were some decreases during the year, the size of the organisation remained unchanged, reaching 71 FTEs in December. Although EBITDA remained positive. It decreased overall by 33% compared to the previous year.

Prospects for 2024 are not excellent but remain promising. Household incomes received a substantial boost from the 15% minimum salary increase in December 2023 and employment has held up as well with an unemployment rate of 4.2% in December. Growth in real income and the improvement in consumer confidence are expected to stimulate household consumption. The central bank has already started to reduce interest rates in response to falling inflation. This is expected to contribute to the gradual recovery in investment. In addition, EU loans for a total of around HUF 910 billion are expected to be announced in the coming months.
The most significant impact for 2024 will be the Kelly Services Europe acquisition made in January: in Hungary the challenge and opportunity will centre around the business lines merger, an important step that will allow us to increase market share in the Staffing sector: not only in Budapest but also in rural areas. This will create additional value for customers and candidates.
The 2023 fiscal year closed in economic balance for the Hungarian companies, and the first quarter of 2024 is showing year-on-year growth in line with budget expectations. Synergies that will derive from the corporate restructuring currently underway, following the acquisition of Kelly Services Hungary, will allow further commercial development of the Hungarian companies. Gi Group Holding Directors believe that the differential between the value of equity investments recognised in the Financial Statements for the year and the companies' shareholder equity is not an indicator of impairment.

Eastern Europe Region

ROMANIA

The Group operates in Romania through three companies: Gi Group Staffing Company, Barnett McCall Recruitment and Gi Group Outsourcing, all of which offer mainly temporary employment.

Internal mobility and the transfer of personnel from Nepal proved to be an interesting solution to the country's candidate shortage issue. In 2023, the number of Nepalese personnel working with our customers reached 200; with a profitability per capita double that of local workers.
The problem of internal staff replacement has also been nearly eliminated through new policies on incentives, benefits, training and brand positioning.
The Marketing function has begun to contribute to value in terms of new customers and candidates.
Gi Group in Romania quickly **climbed in the rankings** on all social media platforms, achieving a position of second place compared to its competitors.
Temporary staffing consolidated its results with an increase in revenues of +5.4% compared to the previous year. Meanwhile, S&S and Professional Practices experienced great difficulty in achieving budget objectives with a misalignment of approximately 40%.
The local strategy will focus on the following objectives in 2024:

- launch of the Outsourcing division;
- stabilisation of profitability for S&S and Professional Practices;
- Temporary consolidation.

The companies in Romania closed 2023 with an economic loss, a sign that expected revenue levels had not yet been reached. The budget for 2024 envisages business consolidation and the generation of profitability. Gi Group Holding Directors believe that the losses incurred are not indicative of impairment and consider the value of the equity investment held in the Romanian holding company to be recoverable.

BULGARIA

The Group operates in Bulgaria through three brands: Gi Group for permanent and temporary staffing, Wyser for search and selection, and TACK&TMI for HR consulting, training, and Outplacement.
2023 saw the realisation of a number of projects launched during the pandemic period. These enabled a full recovery of profitability with the achievement of budget goals in terms of profitability. With its new team, Wyser has begun to contribute to corporate results. The launch of Grafton took place with a focus on the IT sector. Temporary Staffing/Outsourcing and Payrolling saw very positive performance due to the acquisition of

several corporate customers in retail. The Training division has returned to pre-Covid profitability.
At the economic level, we noted the first signs of weakness in the automotive sector; especially in the Plovdiv area, the second largest Bulgarian city after the capital Sofia.
2024 will be characterised mainly by two projects: International Mobility programmes to move candidates to Central Europe and the Grafton start-up;
The companies in Bulgaria also generated positive results in 2023 in continuity with the previous year. Gi Group Holding Directors believe that the value of the investment in Bulgaria, including its equity investments in Serbia, Montenegro and Croatia, is appropriate despite the differential between the value of the equity investments recognised in the Financial Statements and the companies' shareholder equity. Thus, the investment is not subject to impairment.

SERBIA, CROATIA AND MONTENEGRO

The Group operates in Serbia through three brands:

- OD&M Consulting Solutions, focused on training and development and HR consulting services;
- Wyser, focused on search and selection services;
- Gi Group HR Solutions and Gi Group Staffing Solutions, focused on Staffing and Permanent Recruitment services.

The companies in Montenegro are:

- Gi Group Outsourcing, focused on Staffing and Permanent Recruitment services;
- Gi Group, focused on Training and Development and HR Consulting services;
- Gi Group HR Solutions, focused on search and selection, learning and development, and HR consulting services.

The companies 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.

The three countries together, Serbia, Croatia and Montenegro, achieved a **positive income result** of 12% in 2023 compared to the previous year but lower than the budget (-18%).
Performance was mainly affected by the Permanent and HR Consulting businesses.
Montenegro managed to achieve satisfactory results after a few years of losses. It did this through a focus on Search & Selection and Training.
2024 is expected to bring market consolidation for Serbia and Montenegro and growth for Croatia; the value of the aforementioned equity investments – held by the companies in Bulgaria and Serbia – do not exceed their recoverable value and therefore are not subject to impairment.

TURKEY

The Group has provided Search & Selection and Outsourcing services in Turkey since 2015.

On 6 February 2023, a 7.8-magnitude earthquake struck southern Turkey, a tragedy that devastated ten provinces in southern Anatolia and caused a serious humanitarian crisis with thousands of families still having to cope with the challenge of living in temporary settlements. The May 2023 elections reconfirmed political continuity and did not create any additional economic turbulence. However, the country experienced a **profound economic crisis** in 2022 and 2023 and the annual inflation rate in Turkey reached 68.5% in March 2024.

Gi Group in Turkey operated in 2023 with very satisfactory results in all its business lines. During that year, the companies were affected by a change of direction: with a new Country Manager and by a process of structural reorganisation of corporate governance.
The challenge for 2024 is to consolidate results achieved with a minimum increase in the number of consultants in Wyser and Grafton. As regards the Temporary and Outsourcing businesses, no new branches are planned. There is still caution with respect to further investments due to the instability of the Turkish market's macroeconomic components (inflation, exchange rates, and cost of money).
Positive results achieved in recent years along with strategic goals and growth prospects (despite the negative elements of inflation and the current economic environment) lead Gi Group Holding Directors to believe that the value of the equity investment recognised in the 2023 Financial Statements does not exceed the recoverable value of the Turkish companies. Therefore, they are not subject to impairment.

RUSSIA

The Group is headquartered in Moscow and operates through three small 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 activities in Russia with immediate effects on profitability.
The following situations occurred

- closure of foreign activities and therefore almost total termination of activities for the Group's customers;
- climate of uncertainty due to the investment freeze;
- exchange rate variability and inflation.

2023 saw major cost reductions in order to limit significantly operating activities except for the management of contracts still in place. Total operating costs fell by 40% compared to 2022 as a result of:

- dismissal of the Country Manager and assignment of the Country to the Chief Regional Officer Eastern Europe;
- almost zero operating expenses with the survival of only the units designed to create inflows to cover costs;
- elimination of all visibility on the market and of all commercial and marketing actions;
- zeroing out of any other investment.

Currently, it is not possible to liquidate foreign-owned companies and it is not possible to finance them from abroad.
The option of sale to local parties was not applicable due to the limited size of companies and their negligible turnover.
For 2024, costs will continue to be kept as low as possible with the addition of the closure of the business line dedicated to Training.
As indicated above, the Group has no plans in Russia for 2024 nor for future years. No new investments are planned. As of 31 December 2023, Gi Group Holding S.p.A.'s equity investment in the Russian companies was written off.

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.
Since the beginning of the conflict, the Group has

- moved employees and families to safety in Poland;
- closed its Kiev office;
- activated the Group's Polish foundation to raise money for refugees;
- organised a refugee help desk through the Ukrainian team;
- involved the Ukrainian team as the back office for various regional operations.

Despite the unfavourable economic situation in 2023, operations in Ukraine continue to be funded with the intention of supporting and sustaining people and providing at least financial relief. The company did, however, manage to carry out some business activities that led to economic balance; also through a 34% reduction in costs compared to 2022.
2024 is expected to be similar to 2023, with stabilisation of expenditure and business management that will lead the company to cover most of its costs.
The equity investment in the company has already been written off in Gi Group Holding S.p.A.'s financial statements.

Latam & SouthWestern Europe Region

BRAZIL

Gi Group in Brazil has seven operating companies, which trade under different brands:

- Gi Group: Temporary employment, Search & Selection services, Staff leasing;
- GI BPO: advanced Outsourcing services, specialising in digital & back office, logistics, industrial, trade marketing & field Marketing (C2C);
- Wyser: Search & Selection services for middle and top management positions.
- Grafton: Search & Selection services for specialised positions;
- Tack TMI: training, development and HR consulting on leadership, change management, commercial strategies and tactics, excellence in sales and organisational culture;
- Status/Intoo: Employability, Outplacement and career transition;
- The Bridge Social (QiBIT): vertically specialised in IT and Digital.

2023 was a positive year for Gi Group in Brazil: in terms of **growth, productivity, employee engagement and transformation**. Women account for 66.7% of internal employees, holding 59% of leadership positions. Recognition is given to the importance of a continuous commitment to building a diversified and inclusive team, which allows us to create an increasingly innovative environment. In 2023, the Health & Safety area strengthened its measures with the main objective of improving the health, safety and well-being of internal and external employees (temporary workers). This occurred through improved control of medical examinations, diagnostics, safety analysis, and also through campaigns, training and awareness raising activities with respect to employees.

A new regional brand was launched in the country: The Bridge Social. This acquisition was a significant milestone that strengthens the company's specialisation strategy. Specialisation in IT and Digital is fundamental for sustainability as these activities are considered to be crucial for the labour market's future. With this important addition to the portfolio, Gi Group has strengthened its offer of all-round services in the market.

Most of the financial growth in 2023 came from the Temporary & Permanent (Gi Group brand) and State/Intoo business units. BPO is the main service provided by Brazilian companies, a source of positive performance and profitability results.
Despite economic challenges in some industrial sectors, Gi Group Brazil activity has achieved growth in gross margins and in its economic results. This stems from the local offer of high quality services and from clear

communications on the company's competitive advantages: its broader geographical presence, its offer of all-round integrated services, and its governance model based on a customer focus in one of the most complex markets in the world.
Gi Group Brazil intends to pursue its stated growth and development strategy for 2024.
Launched in 2023, customer research will again be applied in 2024 to understand how our services' quality perception has evolved.
Finally, Gi Group in Brazil was included for the second consecutive year in the ranking of the 1,000 largest companies of ***Valor Economic*** (up 16 places from the previous year). The latter is Brazil's most important and well-known financial newspaper.
The Brazilian companies' growth, demonstrated by their significant volumes of revenues and profitability, and the strategies implemented to mitigate the negative effects of the economic environment, make it possible to consider Brazil as one of the Group's most prominent countries. This is reinforced by local market conditions and growing business plans. Therefore, Gi Group Holding Directors believe that the differential between the value of the equity investment recognised in the 2023 Financial Statements and the value of the Shareholder Equity of the Brazilian subsidiaries is not an indicator of impairment.

ARGENTINA

Despite difficult market conditions, with very high inflation levels and political instability, and despite the resignation of the Country Manager, after 13 years of activity, Gi Group achieved satisfactory results in Argentina, with an **EBITDA almost 75% higher than its target**.
This result was achieved mainly through the Search & Selection business, which exceeded the budget by 12% in terms of margins. There was an improvement in profitability in the Outplacement business line after the merger with the company Bruno Materazzo y Asociados.
At the same time, the business reinforced its relationship with the Italian consulates in Argentina; thus extending Outsourcing services for administrative employees to almost all consular agencies in the country.
For the next year, we will work to achieve greater profitability through the launch of the training business line under the TACK brand. This will provide necessary autonomy to be able to offer Temporary Staffing services to large companies and to be one of the market leaders.
Taking into account Argentinian companies' operations and the country's economic prospects, despite the negative effects of the current economic situation and currency fluctuations, Gi Group Holding Directors believe that the equity investment recognised in the 2023 Financial Statements represents the recoverable value of the companies.

COLOMBIA

The economy in Colombia experienced a slowdown in 2023, with GDP growth of just 1.2%. Growth continues to be modest due to political uncertainty and stricter regulation that undermines business confidence. Plus, there are concerns about proposed labour reforms still moving through the legislative process.
The labour market shows a slow recovery, closing the year with an unemployment rate of 10.2% but with an informal employment participation rate[1] of 55%: one of the most critical indicators for the labour market in Colombia.
After an important milestone in 2022 with the acquisition of Grupo Focun, the company continued in 2023 with the consolidation of its two main practices: Temporary & Permanent and BPO. The integration flow here continues to focus on process, technology and culture standardisation.
In terms of economic results, Gi Group in Colombia achieved **growth in revenues of 54% and 10% in margins**, but with low profitability performance. The BPO business made the greatest contribution to growth thanks to its good performance in the development of both new and existing customers. Although it has gone through a difficult year, the Temporary & Permanent business took a significant gamble in new economic sectors such as agriculture.

A practice completely dedicated to the IT segment, a rapidly expanding economic sector in the country, was also incorporated into the Colombian portfolio with the acquisition of The Bridge Social.

With regard to the long-term investment plan, priority was given to new offices and system integrations in 2023.
From the point of view of Stakeholders, collaboration with three key associations was strengthened:

- Italian Chamber of Commerce;
- National Association of Personnel (ACOSET);
- HR Professionals Association (ACRIP).

[1] *The majority of workers in developing countries carry out "informal" work, i.e., work that does not provide for social contributions and occurs without protective rights and structures to manage personal risks and provide for employees' families.*

Based on the actions taken and the progressive synergies that have emerged from important investment made, Gi Group Holding Directors believe that the equity investment recorded in the 2023 Financial Statements does not exceed its recoverable value and, therefore, that there are no indicators of impairment.

FRANCE

2023 was very challenging on the French market. It was characterised by a gradual then sharp deterioration in market conditions and rather high turnover in the internal team, including restructuring and resignations.
Revenues decreased by 3.07% to Euro 157 million, but the **first-level margin increased by 2%** to a total of Euro 24 million.
In the Temporary & Permanent segment, Gi Group suffered despite a new management structuring (five regional managers were appointed). The cost of this new model had an impact on productivity.
Grafton, for which a huge growth plan had been set up starting from mid-2022 (for 2023 and 2024), had to change its strategy due to the sharp decline in the market.
Axxis Formation achieved its best year ever in terms of revenues.

Set for implementation in 2024, the merger with the French business of Kelly Services following the acquisition will be a very large project. It will have a significant impact on the Group's national positioning. In 2021, before the acquisition of Axxis, the Group was positioned at number 120 in national rankings. However, in 2024, Gi Group will hold a place in the top fifteen market players in France.
With regard to Grafton, the team will focus on productivity, while the Axxis formation will expand its training portfolio to become less dependent on certain customers and focus on continued growth.
Based on the current Management change, the restructuring envisaged with regard to the Kelly Services France investment and the synergies that will emerge after the integration (in terms of volume and cost efficiency), Gi Group Holding Directors believe that the losses incurred in 2023 are not of a lasting nature. They also believe that the value of the equity investment recognised in the Financial Statements does not exceed the recoverable value of the French companies.

PORTUGAL

The Portuguese economic context was positive overall during the first half year of 2023. The second half of the year had a less favourable outlook. In terms of the full year, economic growth slowed from 6.8% in 2022 to 2.3% in 2023. The slowdown was initially triggered by stagnant private consumption and investment, reflecting the impact of interest rate increases. In the second half of the year, net exports' contribution to growth was negative due to a decline in goods exports.

In this scenario, thanks to intense growth in volumes achieved in the previous two years (2021 and 2022), it was possible to implement an **efficiency strategy** for operating expenses. The team also rationalised costs by means of investments made to improve digital processes for the attraction and sourcing of candidates. The plan to expand the solutions ecosystem dedicated to the human resources sector also continued, increasing our portfolio of services.
During 2023, we launched the Grafton business line on the Portuguese market. Its activities are dedicated to professional candidates and GI Training, also aimed at professional training.

To respond to the impact of the interest rate increases, we reviewed all commercial agreements in place with both customers and suppliers.
The success of this set of actions can be seen from economic indicators, which show the achievement in 2023 of objectives (targets) set for 2025 in the five-year plan (2021-2025).
Gi Group in Portugal derives significant benefits from the already mentioned acquisition of Kelly Services Europe in January 2024; this both in terms of synergies and efficiencies.
Gi Group Portugal will become the second largest player in the national market in terms of volumes and first largest in terms of temporary work business.
Another significant benefit is the increase in solutions: Onsite Solution, Payroll Outsourcing and RPO; as well as the possibility of expanding into new sectors such as healthcare.
Positive results achieved, strategic objectives, and considerations outlined regarding the 2023 management structure (in addition to the restructuring plan envisaged with the acquisition of the investment in Kelly Services Portugal and the synergies anticipated after the integration) lead Gi Group Holding Directors to believe that the value of the equity investment recognised in the 2023 Financial Statements represents the recoverable value of the Portuguese companies.

SPAIN

Gi Group Spain ETT generated **revenues of Euro 142 million**. This figure reflects an increase compared to the previous year, despite the application of new labour reforms in 2022. The latter had a negative impact on the Temporary & Permanent business, reducing the number of temporary contracts by 30% in just a single year after their entry into force.

However, the focus on profitability (improvement in margins per customer and increase in the Permanent business) produced an increase in gross margin.
The Search & Selection business (Wyser & Grafton) had a very positive performance. This was mainly due to the favourable evolution of Grafton's operations after its local launch in 2022.
The BPO business achieved revenues of Euro 26.5 million: lower than the previous year. This result is mainly due to the termination of the relationship with an unprofitable customer in the logistics sector (the business' first customer).

As reported by the Instituto Nacional de Estadística, Spain's GDP grew year-on-year by 2.5% in 2023. Macroeconomic projections, released in February by the Organisation for Economic Co-operation and Development (OECD), are also optimistic. In 2024, Spain is expected to show growth of 1.5% and 2% in 2025 (i.e., more than the entire Eurozone).
In 2023, the Iberian country recorded a boom in new jobs: 783 thousand, according to data from the Active Population Survey. Last year, the total number of unemployed people fell below the three million threshold which had not happened in over a decade.
In Spain, the two main challenges for the economy now relate to active policies such as the country's outplacement system for unemployed people and addressing the high unemployment rate for young people.
Spain is the European country with the highest number of unemployed people under age 25 (27.4%) and the education system is not sufficiently interconnected with the labour market. In addition, Spain still has a much higher school dropout rate than Northern European countries.
Constant performance in terms of volumes and profitability, a focus on margins, along with positive prospects for 2024 and solid business plans lead Gi Group Holding Directors to believe that the value of equity investments recognised in the 2023 Financial Statements does not exceed the companies' recoverable value and that the differential between the value of the equity investment recorded in the Financial Statements and the companies' shareholder equity does not represent an indicator of impairment.

CHILE

In February 2023, the Group entered the Chilean market as part of The Bridge transaction; at the same time it gained access to the market in Mexico and in Brazil via two companies there.
Throughout 2023, in Chile, the company operated under the sole brand The Bridge, with services focused on Staffing, Recruitment and Selection for technological and digital positions. One of the most important milestones for the year came in June, with the official **launch of the Gi Group Holding brand**, which introduced the Group's full solutions ecosystem and a new perspective for the Chilean labour market.
Despite low growth in the country, uncertainty due to the new executive reforms, the exit of important customers and new investments, net results for the year reflect our focus on productivity and profitability.
The Group has forecast business growth in Chile in 2024, with the establishment of new operating companies and on the basis of its budget and strategic business plans. The Group believes that the value of the equity investment – held by the holding in the United States and corresponding to the February 2023 purchase price – does not exceed its recoverable value and, therefore, is not subject to impairment.

MEXICO

Mexico was integrated into the group in February 2023 through the acquisition of The Bridge, a Latin American company focused on Staffing and Permanent Recruitment services in the IT sector.
In 2023, the company focused exclusively on the sale of Staffing & Permanent services in the Technology & Digital sector with The Bridge. This was supported by marketing investments to launch the Gi Group brand in Mexico.
In January 2023, The Bridge terminated its relationship with its main customer following the completion of a project. That resulted in a significant reduction in the workforce of the BPO business. During the 2023 fiscal year, the Mexican company underwent a reorganisation (following the acquisition) and economic results reflect actions taken and new investments made. These actions should show their benefits starting from 2024 and in coming years.
In particular, investments were made in 2023 into brand repositioning, for the recruitment of internal staff and for purchases of new infrastructure for the development of the businesses the Group plans to launch in the country.
The Group in Mexico has forecast business growth in 2024. With the establishment of new operating companies, and on the basis of the budget and strategic business plans, we believe that the value of the equity investment – held by the holding company in the United States and corresponding to the February 2023 purchase price – does not exceed its recoverable value and, therefore, is not subject to impairment.

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.
In 2023, Gi Group in India grew with regards to Temporary Staffing; gaining market share and raising the quality of its consumer portfolio. Investments made in the recruitment of new senior sales representatives brought planned results thanks to coordination by the commercial management. The Search & Selection business remained at a good productivity level despite the crisis in the IT sector that hit the Indian economy in 2023. Sector giants dismissed thousands of employees and requests for new personnel dropped to zero. The Search & Selection team started a repositioning process from IT to more robust sectors such as Manufacturing, Pharma and FMCG. The results of this shift will be fully reflected in 2024.

Initiatives for the engagement and well-being of internal staff were confirmed both in 2023 and for the coming years.
India remains a strong draw for global investors thanks to its solid macroeconomic foundations. With a large and growing market, a young workforce, and a consistent political emphasis on education reforms, skills upgrading, production, technology-enabled governance, infrastructure development and greater regional connectivity, the country offers significant opportunities for both greenfield investors and companies engaged in market expansion, mergers and acquisitions and supply chain diversification.
India is a well-developed market, characterised by convincing growth prospects and supported by solid macroeconomic fundamentals. The entry of a significant workforce into the traditional economy (a population with digital skills) and the evolution of a thriving innovation ecosystem collectively contribute to the formation of a large talent pool.
The upcoming general elections, scheduled between April and May 2024, together with the various state elections preceding them, will influence the central government's economic objectives, federal spending plans and announcements of policies related to job creation and infrastructure development.
Growth performance in terms of volumes and profitability for 2024 (which in the first quarter have been confirmed by actual final results) and the business plans focused on the Country's profitability lead Gi Group Holding Directors to believe that India is a mature country for the Group. They also believe that the value of the equity investment recognised in the 2023 Financial Statements does not exceed the recoverable value of the Indian companies.

GREATER CHINA

The Group has a presence in China that offers 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. This 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 the Ningbo HR Association, Deputy Chair of the Shanghai Association and the Zhejiang HR Association. Gi Beijing Co., Ltd. is a Group company active in the Search & Selection segment (Middle Management and Executives) operating under the Wyser brand with six branches in Beijing, Shanghai, Guangzhou, Shenzhen, Suzhou, Ningbo and Hong Kong.
Currently, around 120 consultants, who have an average of eight years of experience, collaborate as part of our operations in China, and the company is able to offer a professional service in nine different areas.
The global context and personalised services have resulted in a positive response from customers.
In 2023, the Chinese economy did not rebound as expected, due in part to the persistence of international tensions and the trade war with the United States. In a market where foreign investments are decreasing, Gi Group Greater China consolidated its investments with the creation of a local holding company, which improved governance and corporate organisation. The Temporary Staffing market, boosted by customer uncertainty about investment, was resilient and Gi Group Greater China consolidated by growing more than the market and improving its customer portfolio. Search & Selection and Permanent continued to experience market stagnation and worked on their productivity. Outsourcing successfully changed their target market; moving from e-commerce (whose peak due to lockdowns has ended) to manufacturing, the core industry of Gi Group Greater China. The results were positive even though not showing significant growth. 2024 will probably be a year of adaptation with the Chinese economy experiencing a "normal" national growth level compared to the record growth rates of past years.
Based on the Country's continued growth and trends for positive results, together with the corporate reorganisation which led to the establishment of a new local holding company and preparation of envisaged business plans, Gi Group Holding Directors believe that the equity investments in the Hong Kong holding company, Hitech Personnel Agency Co. Ltd. and in Gi Group Holding China Co. Ltd. do not exceed the recoverable value of the investment in the entire Chinese group.

BALTIC COUNTRIES (LITHUANIA, LATVIA, ESTONIA)

The focus for Gi Group Lithuania in 2023 was the integration of the newly acquired companies **CVO and Simplika**. The change in management and work processes has promoted business development, especially for Search & Selection and White Collar Staffing. Investments were made with the recruitment of an HR Manager to promote integration between the two corporate cultures and consultant teams were strengthened. The Lithuanian HR, Marketing and Finance functions also supported Latvia and Estonia (new countries for the Group) as they are still not very structured given their company and market size. The Blue Collar Staffing market shrank slightly due to the persistence of international tensions and unfavourable macroeconomic conditions. Still, the situation is slowly improving.
However, Gi Group Lithuania consolidated its top three position in the market and is positioned as the player with the most complete value proposition in Lithuania and the Baltic area.
Latvia and Estonia represent new markets for the Group thanks to the acquisition of CVO and Simplika.
The markets in those countries are fragmented into many small players and only a few international competitors. In Latvia, Gi Group operates only in the Professional White Collar sector, with a strong presence in the IT sector and in the search and selection of top managers for various sectors.
In 2023, objectives were met even without major investments. In 2024, the aim will be to increase commercial activity and to approach the Blue Collar sector with targeted investments.

The Estonian economy did not perform well in 2023, and the outlook for 2024 is also not favourable. Despite this, Gi Group in Estonia has acquired several new customers in the public management sector and European institutions that will contribute to a better 2024 in terms of results. The development of the Blue Collar sector is not currently a priority as it is a low-level market and mainly oriented towards international mobility.
As a result of investments made, the Baltic area is structured and organised with positive economic trends and constant growth plans. Gi Group Holding Directors believe that the value of the equity investments recognised in the 2023 Financial Statements

does not exceed the recoverable value of the companies and that the differential between the value of the equity investment recorded in the Financial Statements and the companies' shareholder equity does not represent an indicator of impairment.

SWITZERLAND

Gi Group in Switzerland was established in 2015 and operates in the Ticino region.
During 2023, the Swiss temporary work market shrank by 7%. This was also due to difficulties in sourcing personnel; especially, in the internal areas of Switzerland where cross-border workers cannot be used.
The newly acquired Eupro (bought at the end of 2022) became part of Gi Group's presence in Switzerland and in 2023 the companies were rebranded. Bautech, however, remained a company and brand dedicated to the construction sector. Beyond market and integration difficulties, the results were comforting. Towards the end of the year, the Professional business also launched in Zurich, as well as in Ticino, using the Group's international brand and logo: Grafton.
Following the acquisition of Kelly Services Europe in January 2024, Gi Group became one of the **top six players** on the Swiss market. It has enviable and complete territorial coverage and a strong presence in the Life Science sector. The Swiss presence is generally significant with turnover of more than CHF 200 million and 25 branches in the French and German cantons. The company integrations will certainly be complex, but the possibility of becoming more attractive to international customers and large national customers represents a strong potential growth element despite the market continuing to experience declining numbers.
The 2023 fiscal year was marked by different trends for the companies in Switzerland: Gi Group HR, the company in the Ticino canton reported positive results, confirming a constant incremental trend in terms of volumes and profitability. Meanwhile, the newly acquired companies of the St. Gallen canton underwent a rebranding and managerial reorganisation phase. With the corporate restructuring currently underway, following the acquisition of Kelly Services Switzerland, the country has become one of the Group Regions in 2024. This reflects consideration for its size and strategic importance. Therefore, economic growth and profitability plans are in place with contributions from internal synergies. This leads Gi Group Holding Directors to believe that the value of the equity investments recognised in the 2023 Financial Statements does not exceed the recoverable value of the investments made in Switzerland.
As regards the Swiss company Jobtome International S.A., 2023 saw the start of a new and very difficult phase for the company. On the one hand, the unfavourable economic market situation due to the rapid decline in advertising budgets for job offers worldwide negatively impacted revenues and, on the other hand, the focus by customers on the quality of traffic and candidates put forward significantly reduced the ability to generate margins.
This phase has continued into 2024 and business plans anticipate an improvement only in coming years. In light of this, Gi Group Holding Directors have decided that the differential between the value of the equity investment recorded in the Financial Statements and the shareholder equity of the company represents in part an indicator of impairment and that the value of the equity investment recorded in the 2023 Financial Statements should be adjusted with a write-down equal to Euro 5 million.

USA

In mid-2020, the Group launched operations in the United States through an asset deal to purchase the Outplacement business unit of a California company Intoo that offers career transition and career coaching services digitally to workers of all levels. This gave the Group the ability to rely on a team of more than 100 career consultants specialising in different industries.
Intoo US uses a platform to support multinational companies in more than 80 countries around the world, thus having established itself as an international company in the career transition field.
As it is a start-up the company Intoo US has gone through a phase of growth that has led to losses due to the need for financial resources to support development and structural costs for delivery. However, since the start of 2023 the commercial situation has improved. The business generated Euro 10.1 million in revenues, up by Euro 4.8 million compared to 2022 (+90.6% compared to 2022).
After years in the start-up phase, Intoo achieved growth in terms of profitability in 2023 but still incurred a slight economic loss at the end of the year. For 2024 and subsequent years, Intoo's budget and strategic plans envisage profitability levels for the company. This will be supported by a change in Management and the acquisition by the Group of the company's residual shares. Therefore, the Gi Group Holding Directors believe that the value of the equity investment recognised in the 2023 Financial Statements does not exceed the American company's recoverable value.

Operating performance, lines of development and major initiatives by Business

TEMPORARY AND PERMANENT PRACTICE

For the Temporary & Permanent Staffing business line, 2023 closed with results substantially in line with expectations. Still, they were turbulent due to market instability and the results of organisational changes resulting from the latest corporate acquisitions.
Total volume of revenues was Euro **3,399 billion** at the global level, up compared to the previous year (+6.2%) but slightly lower than the budgeted amount (-2.6%).

Italy once again confirms its maturity and ability to meet budget commitments. By contrast, at the international level, results derive from very different situations: among the countries that are significant in terms of size, the greatest difficulties arose in the United Kingdom and France. In France, a profound reorganisation of the operating model is underway and a decidedly better 2024 is expected. Switzerland also performed less well than expected, following the integration with the "Eupro" acquisition and the need to consolidate its operating model. On the other hand, Germany recorded a remarkable performance, much better than expected in terms of both Gross Profit and profitability.
Throughout the year, the pursuit of the core business repositioning and margin strengthening strategy brought good results. The Temporary & Permanent segment guaranteed the Group's continuity and stability and was further able to improve the Gross Margin.

2024 started with the significant news of the acquisition of Kelly Services Europe's operations in 14 countries. This transaction is of considerable strategic importance for the core business.
Therefore, our 2024 objectives are expected to be even more challenging because the effort will have to concentrate on the integration of Kelly's operations in the first part of the year, while maintaining a focus on achieving revenue and greater Gross Profit growth.
From a strategic point of view, the main objectives will be:

- maintaining the **focus on volume development** with corporate customers while carefully selecting priority targets with a leading interest for industry;
- pursuing continued actions for the development and **increase of percentage margins**, both with actions to strengthen the pricing policy and with the expansion of value solutions sales (Gi Pro, International Mobility, RPO);
- **improving productivity** with actions aimed at making operating structures more efficient and centralising support functions.

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 include :

- roll out of an integrated global suite to cover all major operational processes and related data intelligence for strategic operations targeting;
- integration of a programmatic sourcing engine in our ATS for performance measurement and investment optimisation in Recruitment (with pre-emption for Hirematic the programmatic engine of Jobtome, a recently acquired Group company);
- development of an automated, enhanced qualification and communication system with candidates, with the goal of maximising database utilisation and shortening time-to-hire in addition to boosting our ability to improve matching between candidates and potential positions;
- acquisition of marketing automation and lead generation systems to support sales.

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.

The Group assumes a strong responsibility with respect to its commitment to contribute to Sustainable Work, considering that the majority of the business relates to Temporary Staffing. In fact, temporary work is a very important flexsecurity tool for workers and companies. However, it must be used with particular attention paid to sustainability.
In addition to the natural need to guarantee temporary workers Decent & Safe Work, which requires client companies to operate in compliance with all occupational health and safety standards and to offer fair conditions in line with the reference market, the Group is working to increase the percentage of workers re-hired after the end of a contract. It does this both by guaranteeing them a commitment to identify other opportunities and by developing internal digital systems to facilitate their priority matching. Increasing the number of re-hired workers has an impact on their work continuity, increases their employability thanks to the acquisition of progressive experience and related skills, and mitigates the contingent or transitional effect often associated with temporary work.
A particular segment of the workers we manage relates to those involved in recruitment efforts for International Mobility projects. This makes it possible to identify and select resources and skills in foreign countries and support their transfer. Whereas until 2021 the recruitment pool was predominantly European, with the outbreak of the war in Ukraine conditions have changed and a significant segment of workers willing to relocate is no longer available. In parallel, regulatory and contractual developments and the inflationary impact in many European countries have made it less convenient for workers in Europe to relocate abroad (i.e., they tend to stay mobile in-country). As a result, an already existing sourcing flow from non-European countries has expanded, particularly for candidates from Asia. The Group’s commitment to these candidates is, first and foremost, to guarantee transparent access conditions to job opportunities: a strict process has been set up for the selection and qualification of sourcing partners, approving only those that do not require any form of financial contribution from candidates and who comply with all required safety and quality standards. Secondly, there are specific "caretaker" functions in the destination countries who guarantee new hires operational, emotional and linguistic support. This is because they belong to the same cultural community as that of the mobilised workers.

OUTSOURCING BUSINESS

2023 was fairly positive for the Outsourcing division, which continued its growth and profitability trend.
Revenues reached Euro 219 million, with **growth of 10.9%** over the previous year. Margins reached another historic peak thanks to a continuous focus on productivity control.
It is necessary to emphasise that this growth is exclusively organic. The results could have been even better, but in 2023 the Practice was affected by the closure of two large logistics projects (one in Brazil and one in Spain) due to the insourcing decisions by the respective customers.
In addition, it is important to highlight the countries with the best performance: Italy in logistics, HR services and the Enginium specialisation; Colombia and Portugal for their high growth; and smaller countries such as Bulgaria, Poland and Lithuania for their positive business development trends.
In the last few months of 2023, Brazil (the largest outsourcing country), affected that year by the insourcing decision of a large customer, was once again recovering and is now ready to drive growth in 2024.
Based on a focus on "advanced services with high added value", the competitive differentiation strategy is bringing good results and forecasts for 2024 show a projected increase.

During 2023, the Outsourcing practice developed the **Outsourcing community** which currently consists of 13 countries. The community worked on productivity, implementation of solutions, methodology, endorsements of IT tools to help operations, and updating the current Business Model in order to achieve a reliable, resilient and sustainable business.

In 2024, despite the current complex global scenario, the forecasts for Outsourcing are positive.
The main objectives will be:

- continue to **focus on productivity** and profitability, always taking into account ESG policies;
- **growth in the traditional Logistics** and **Field Marketing** divisions, including the mapping and geolocation services niche;
- development of the **Back Office & Digital specialisation**;
- **development of all types of synergies**: commercial synergies with All Black customers, cost synergies using off-shore services, and, last but not least, synergies from the recent acquisition of Kelly Services Europe.

SEARCH AND SELECTION BUSINESS

The year 2023 was difficult for the White Collar recruitment sector due to the lack of macroeconomic visibility for operators. High inflation, high interest rates needed to contain inflation, and geopolitical uncertainty have not created conditions favourable to making companies as safe as they felt in 2022 in hiring more people to develop their business and make hires on a permanent contract basis.
Under these conditions, annual Search & Selection gross profit decreased by 7% in 2023 (compared to 2022). There was a difficult first half of the year and a good recovery in the second.
Wyser, our brand dedicated to managers and executive hires, saw a greater negative impact while Grafton showed better performance compared to direct local competitors in several key historical countries (Czech Republic, Hungary, Poland). Grafton also did well in countries where the brand was launched and developed more recently (Spain, France, Turkey, Switzerland, the Netherlands, Germany and Brazil). A strong recovery should be noted in the second half of the year for Marks Sattin, our brand in the United Kingdom with strong, long-term experience in hiring for the Corporate Finance, Financial Services, Private Equity and Technology sectors. That business also had a difficult first half of the year.
With this positive recovery achieved in the second half of the year, the Search & Selection business is ready to boost operations in 2024: a year when we want to continue the diversification of the gross profit mix to achieve a better balance between Temporary & Permanent while incorporating a greater Permanent

contribution from RPO projects, the solution preferred by major international customers.
The acquisition of Kelly Services' European business is perfectly aligned with this strategic orientation towards diversification. In fact, for decades, Kelly Services has developed a very robust flexible business solution and managed large, complex, multi-country RPO projects. This acquisition will also provide us the opportunity to enter new structurally interesting countries for the Search & Selection business.
We launched a project in 2023 to provide Group countries with more **efficient training tools**, improving the global Search & Selection e-learning training platform. We will continue to enrich this platform in 2024 with contributions from experts from all over the world. We also look to develop an international sharing ecosystem.
In 2024, the practice will also continue to strengthen its experience in IT and new technologies with the unification of IT Contracting activities (including The Bridge) under the Qibit brand (already operating in Italy and Portugal). In 2024, we expect to continue Grafton's expansion with the opening of this business line in several countries in Europe and LATAM.

OUTPLACEMENT BUSINESS

Outplacement is the business operated under the Intoo brand. This is done through consultants specialised in collective professional outplacement who support people on a path aimed at a return to the labour market. They achieve this through personalised consulting, coaching, counselling and support in identifying hidden positions. The team consists of international consultants who work closely with the Career Star Group, a global organisation operating in 102 countries, which provides international assistance to candidates who want to find professional opportunities around the world. The teams guarantee the highest quality standards to their customers and candidates, provide global reporting and offer the same delivery experience through the use of common methodologies and a proprietary platform.
The services offered focus both on the needs of Italian corporate, multinational, large- and medium-sized companies and on the needs of the retail market. They aim to enhance the employability of people in order to facilitate maximum impact within the company or on the market outside of the company; either in the same or contiguous sectors.

During 2023, Intoo continued to innovate, enrich the Outplacement programmes and again revised all service components. It also enhanced its Intoo 4 you technological platform modules. The latter enriches customer experience; increasing both opportunities for contact between career advisors and candidates and dialogue with external partners via testimonials, live simulations and training sessions.
Revenues reached Euro 22.8 million (an **increase of 55.4%** compared to the previous year). This was aided by the entry of Outplacement services on markets like Brazil and Argentina following the company acquisition in 2022.
Through a continuous dialogue with the United States on the intelligent use of technologies, which make the path's information component more efficient, Intoo Italy has started to make better use of marketing automation techniques for communication with companies and has continued to develop its digital platforms.
Interaction with Intoo in the United Kingdom allows for continuous inspiration in relation to the evolution of communication materials. This is an area where the United Kingdom covers a role of excellence.

TRAINING BUSINESS

The Learning & Development Practice carried out under the Tack TMI brand is one of the main activities that provides learning solutions, methodologies 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 mainly operates in the United

Kingdom, Italy, Bulgaria, Serbia, Russia, Brazil, Turkey, Chile, Argentina, Colombia, Mexico and Malaysia. Its core business is to solve customer problems by developing their personnel's skills; in particular, in the leadership, sales and efficiency spaces. Over the years, Tack TMI has developed and proposed solutions that can also develop new skills. These are aimed at improving corporate impact, creating a culture of customer service, and boosting individual performance improvement. This happens thanks to the support of a wide network of consultants, solution designers, certified trainers, instructors and facilitators.

In 2023, the Learning & Development practice created an **"Academic Council"** to guide its research and development efforts. The Academic Council includes a number of world-renowned experts and professionals from across the global network. The Council has the task of identifying the needs of organisations both at the local level and from a global perspective. This will ensure that Tack TMI maintains its position as a thought leader in the people development field and acts as a clear differentiator in the market. In addition, Tack TMI has invested in the establishment of an "in-house" digital content creation department and has recruited specialists from all over Europe.

Tack TMI continued to add large customers to its portfolio, including from the technology and manufacturing industries. The Practice's total revenues amounted to Euro 19.1 million for the year 2023, an **increase of 37.1%** on the previous year.
For the second consecutive year, Tack TMI was named one of the world's Top 20 sales training and qualification companies by Training Industry magazine, the leading authority in the Learning & Development sector worldwide.
In 2024, Tack TMI's goal will be to maximise its investments in the digital business (funded training programmes in the United Kingdom and integration of previous acquisitions) and to support the accelerated growth of other Tack TMI countries globally.

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. However, there is an increasing need to broaden the Group's Value Proposition and to view customers holistically in order to explore all possible ways of collaboration. This requires an approach that is both unified and diversified at the same time. The increasingly pervasive tendency to centralise the action of purchasing and evaluating HR services among businesses means that large customers, in particular, require a partner who is not only capable of engaging in all territorial discussions, but also to advise on all HR services they may potentially need; this based on the phase of expansion or contraction within their own reference framework.
The growing shortage of candidates has also begun to increasingly affect strategic choices from a commercial point of view. While, on the one hand, Temporary Staffing is confirmed as an essential employment law resource for all markets to help manage increasingly sinusoidal business performance that denotes increasingly shorter visibility in terms of future planning. On the other hand, the need for competitive advantages with respect to market or local competitors has driven large multinationals to increase direct contracts. This has had a clear impact on the strengthening of the Permanent sector. Needs linked to specific markets which – as a result of regulations aimed at further regulating the use of Temporary Staffing – have led to the growth of other parallel business lines such as Outsourcing. The latter is a first response for delivering flexibility for certain types of production that allow use of such models. Specifically, the scarcity of candidates has led the same companies to focus more closely on training – understood as upskilling or reskilling – of their internal workforce. On the one hand, it helps them overcome the painful mass exits of Blue Collar and White Collar staff and, on the other, it eases difficulties in simply finding candidates. This combination of circumstances has refocused emphasis on

the role of Learning & Development, which went through a further expansion phase in 2023. Last but not least, the whole Career Development issue has been given new life starting from a historically lively and receptive market like the North American one.

In this sense, one of Gi Group Holding's decisive strengths is precisely represented by a services ecosystem dedicated to human resources, able to provide any type of response to structured interlocutors such as the 955 Large Customers that represent the Group's historical focus. This holds even truer now since, over at least a decade, the Group has developed all necessary relationships with the Big Corporate HQs interested in the various services mentioned above. This is based on internal organisation.
The team's increased maturity and tradition, the strong consolidation of its skills and the possibility for customers to always be able to rely on the same names and faces has constituted an element of great interest for the market in a phase requiring guarantees. This rewarded the Group, on the one hand, because of its ability to express solid results and from strong teams. On the other, the idea of proposing all services through a main interlocutor able to act at the HQ level, assisted in turn by colleagues located in key markets and sometimes supported by subjects able to better respond to technical and language requests, proved a wise decision. This is the case for Recruitment or Outsourcing.

The increased difficulty for businesses in closing the service circle, especially on crucial items such as International Mobility and the advanced use of Digital & AI, has allowed Gi Group Holding to acquire additional market share in decisive markets (such as Germany). It has definitely positioned itself on the same level as that of the three main global players. It can now distinguish itself from competitors unable to express the same far-sightedness in terms of investments and commercial proposition. All this was done while paying close attention to the Sustainable Work proposition made explicit in our Manifesto that is entirely embraced by every element of the company.
Prospects for 2024 are even more optimistic as the recent acquisition of Kelly Services Europe strengthens the Group's service offer. Plus, it increases the number of countries in which the various services can be directly provided.

2.6

Management Discussion: Economic, Equity and Financial Conditions

The Consolidated Financial Statements for the year reflect the financial position and changes, including the 2023 financial results, of a single economic entity: Gi Group Holding and its subsidiaries. They distinguish the latter 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 results, 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, after consolidation, all intragroup transactions and mutual balances of the companies within the scope of consolidation were eliminated. This is 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 on the Gi Group Holding Consolidated Financial Statements, it is specified that in relation to the balance sheets of the newly acquired companies pro quota economic values were allocated. We attribute 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 Statement indicators (also calculated net of the effects of IFRS 16) are presented below.

Finally, the values considered in the Financial Statement indicators, with reference to Net profit (loss) and Shareholder equity, relate to the Total that includes minority interests.

REVENUES (IN THOUSANDS OF EURO)	YEAR ENDED 31 DECEMBER	
	2023	2022
TOTAL REVENUES AND OTHER INCOME	**3,933,826**	**3,692,938**
OF WHICH: REVENUES FROM CONTRACTS WITH CUSTOMERS	3,855,860	3,624,829
OPERATING PROFIT (LOSS)	**76,961**	**90,061**
PRE-TAX PROFIT (LOSS)	**55,362**	**77,560**
NET PROFIT (LOSS) FOR THE YEAR	**35,964**	**54,041**
OF WHICH:		
- NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	36,259	54,681
- NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS	-295	-640

The following table represents the reclassification of the Consolidated Income Statement on a management accounting basis. It includes the following items:

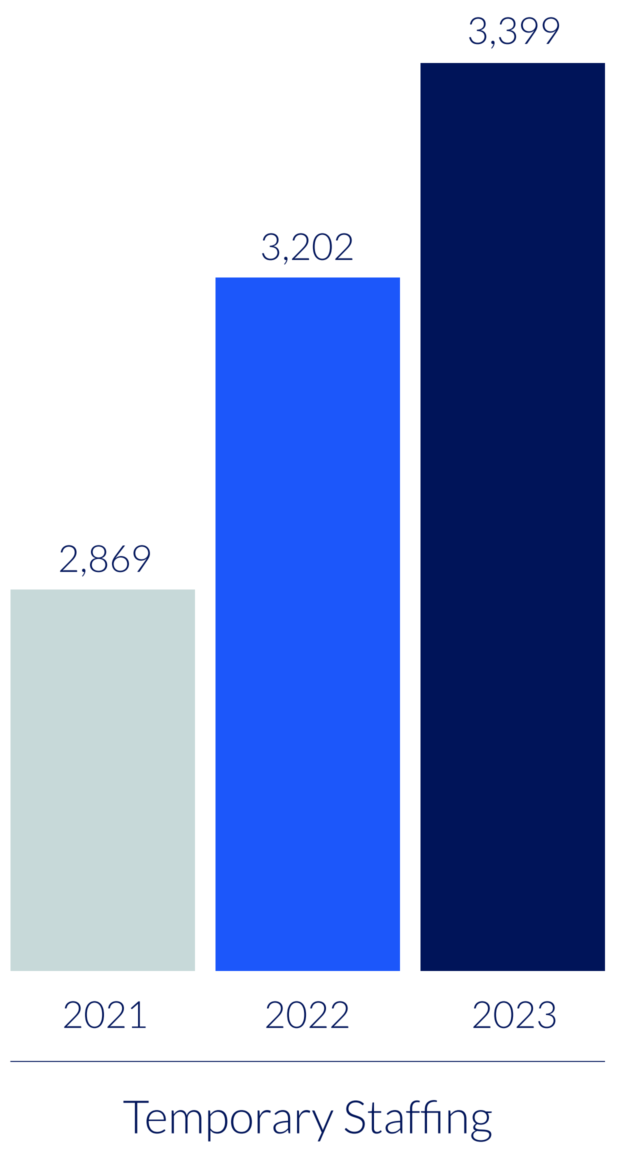
- **Area of operations**, concerning the core business of the Group, mainly including revenues from temporary staffing and labour costs;
- **Non-core income**, including positive and negative revenue items for secondary activities vis-à-vis the core business; the main figures relate to training activities of temporary staff in Italy for Euro 37.6 million;
- **Financial income**, with financial income and payables 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 EURO)	YEAR 2023	%	YEAR 2022	%	CHANGES
REVENUES FROM CONTRACTS WITH CUSTOMERS	3,855,860	100%	3,624,829	100%	231,031
VALUE OF PRODUCTION	**3,855,860**	**100%**	**3,624,829**	**100%**	**231,031**
PERSONNEL COSTS	3,493,407	90.60%	3,273,340	90.30%	220,067
ADDED VALUE	**362,454**	**9.40%**	**351,489**	**9.70%**	**10,964**
COST OF GOODS AND SERVICES	241,607	6.27%	229,246	6.32%	12,362
PROFIT (LOSS) FROM OPERATIONS	**120,846**	**3.13%**	**89,386**	**2.47%**	**-1,399**
OTHER OPERATING REVENUES	77,966	2.02%	68,109	1.88%	9,857
OTHER OPERATING COSTS	64,479	1.67%	55,565	1.53%	8,914
EBITDA	**134,333**	**3.48%**	**134,786**	**3.72%**	**-455**
AMORTISATION/DEPRECIATION AND PROVISIONS AND WRITE-DOWNS	57,373	1.49%	44,727	1.23%	12,646
EARNINGS BEFORE INTEREST AND TAXES – EBIT	**76,961**	**2.00%**	**90,060**	**2.48%**	**-13,101**
FINANCIAL INCOME/(EXPENSES)	-21,599	-0.56%	-12,500	-0.34%	-9,098
GROSS PROFIT (LOSS)	**55,362**	**1.44%**	**77,559**	**2.14%**	**-22,197**
INCOME TAXES	19,398	0.50%	29,034	0.80%	-9,636
COSTS/(REVENUES) FROM DISCONTINUED OPERATIONS	0	0.00%	5,515	0.15%	-5,515
TOTAL NET PROFIT (LOSS)	35,964	0.93%	54,041	1.49%	-18,075
OF WHICH, PROFIT/LOSS PERTAINING TO MINORITY INTERESTS	-295	-0.01%	-640	-0.02%	345
PROFIT OF THE GROUP	36,259	0.94%	54,681	1.51%	-18,422

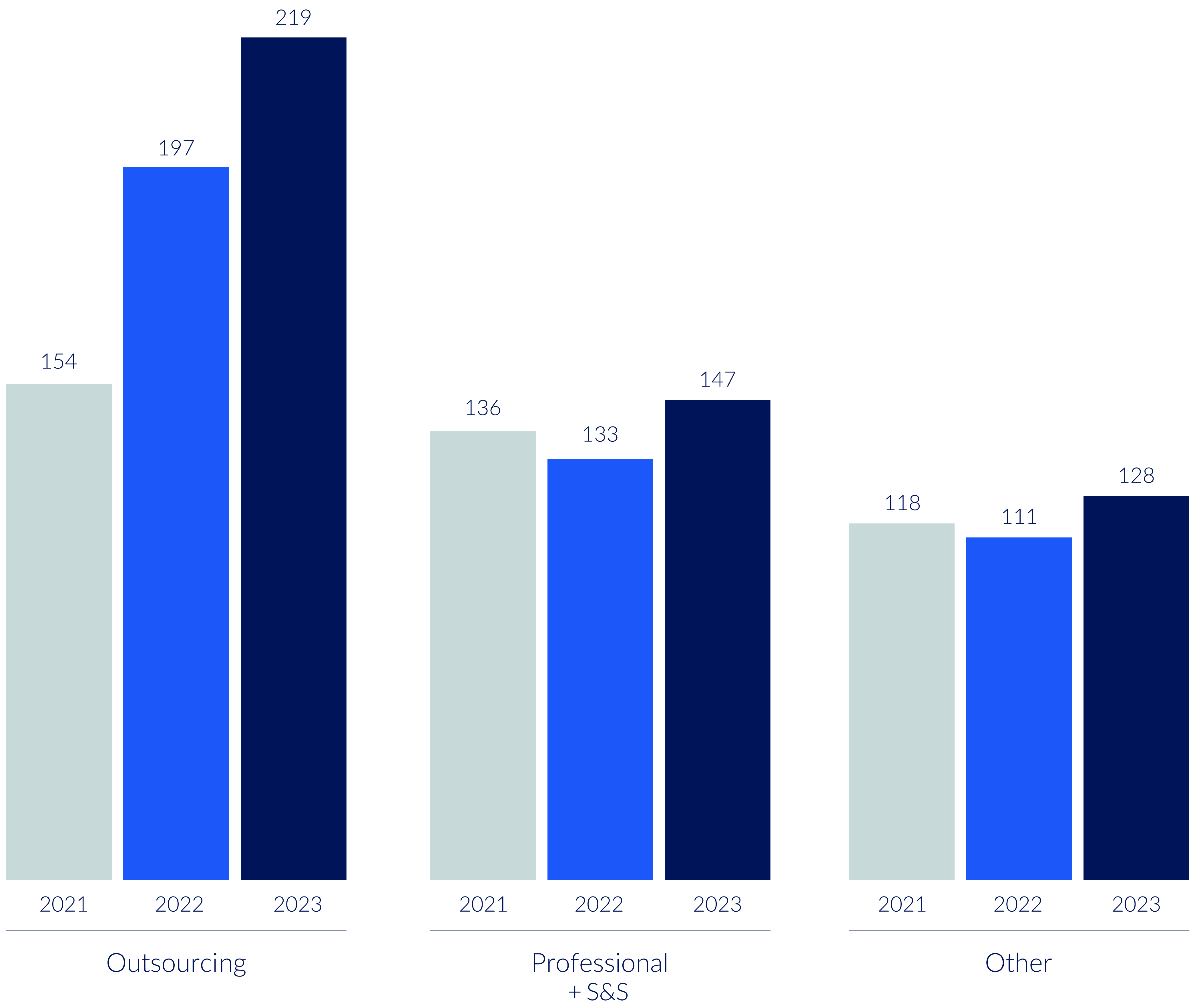
As of 31 December 2023, the Group's revenues amounted to Euro 3,856 million, compared with Euro 3,625 million in the previous year. This is an **increase of Euro 231 million or 6.4%**.

Temporary & Permanent Staffing is still the main driver of revenue and FTE growth. It had a revenue share of 88.2% in 2023 (88.3% in 2022). Still, the Group also continues to develop revenues from other HR services that have higher margins.
Italy is the prevailing market, but its relevance to the Group's total revenues has decreased over time as a result of foreign investments: revenues realised in the 2023 fiscal year accounted for 44.1% of total revenues (46.6% in 2022).

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

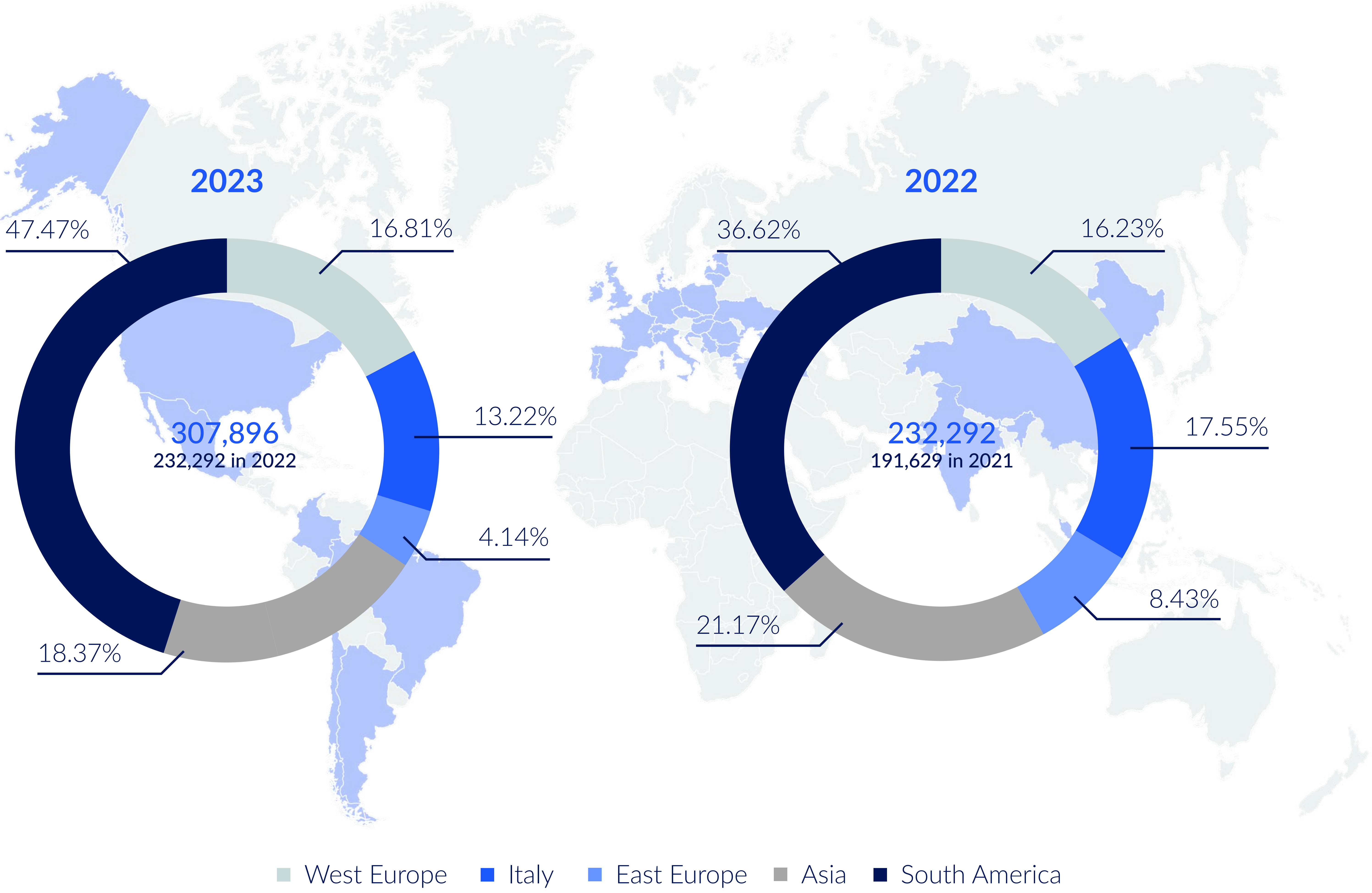


[FIGURE 10 – EVOLUTION OF REVENUES FROM CONTRACTS WITH CUSTOMERS FOR TEMPORARY STAFFING (IN MILLION OF EURO)]



[FIGURE 11 – EVOLUTION OF REVENUES FROM CONTRACTS WITH CUSTOMERS BY PRACTICE (IN MILLIONS OF EURO)]

Regarding Temporary Staffing, the Group managed globally in 2023 an average of more than 307 thousand monthly temporary employees as shown in the figure below:



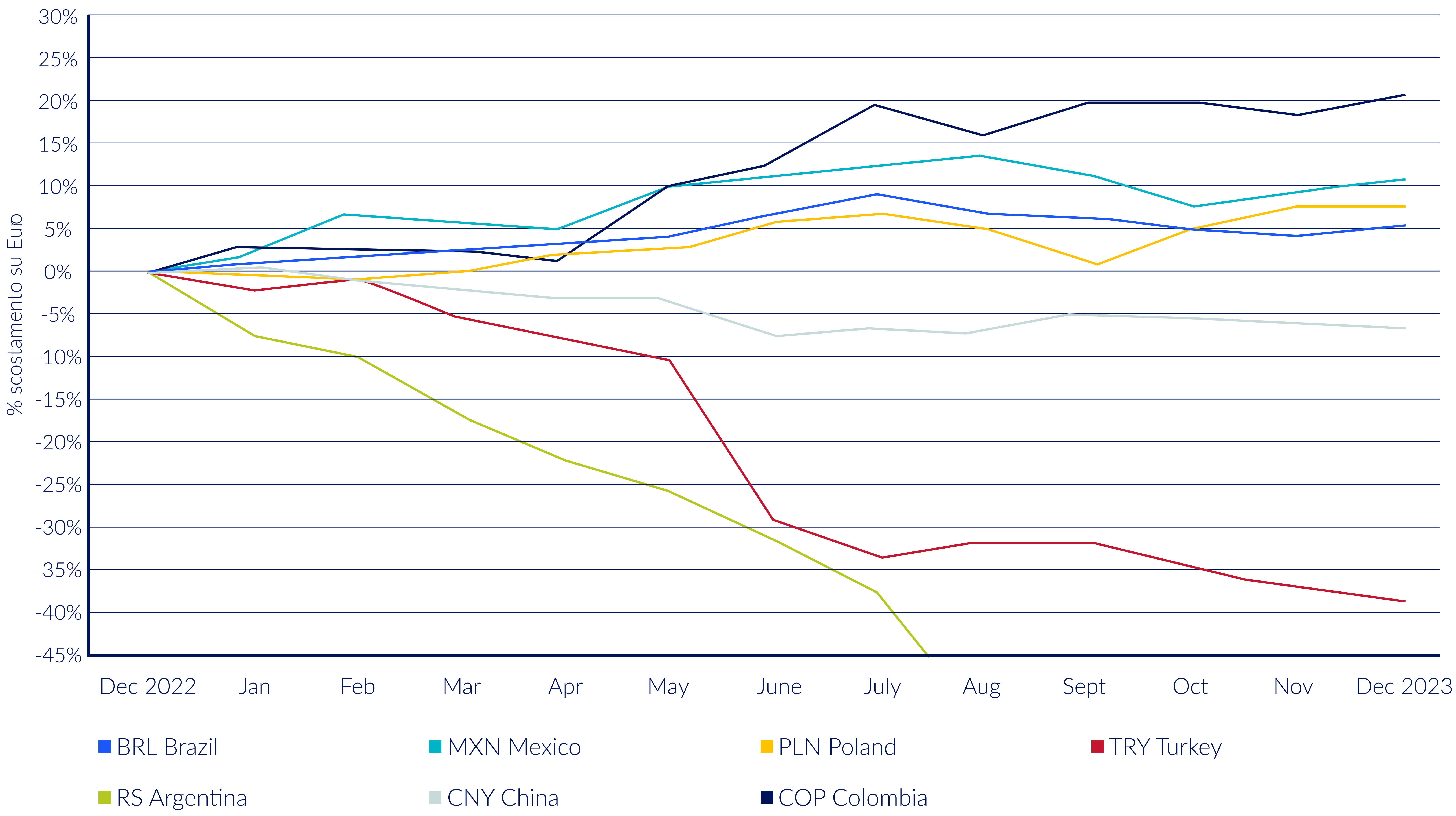
[FIGURE 12 – NUMBER OF GROUP TEMPORARY EMPLOYEES BY GEOGRAPHICAL AREA]

The boost in the growth of temporary workers by Region was led by Colombia and Brazil.

Among the elements impacting the Group's economic results, the dynamics in currency fluctuations in the Group's major countries should also be considered.
The year that has just ended was characterised by Central Banks being very active at the global level in their intent to bring inflation down towards target levels: the effects of monetary policies and the performance of inflation clearly influenced currency price trends.
In 2023, rate increases were recorded against currency falls, with a trend that began to reverse in the second half year of the year when expansionary measures began to prevail over restrictive ones. This held true especially in areas such as South America (Brazil, Chile) and Eastern Europe (Poland, Czech Republic, Hungary).
In particular, the Brazilian real (+7.46%) and the Swiss franc (+6.30%) performed very well.
Banco Central do Brasil (BACEN) started cutting rates in August: these expansive measures, usually with negative impacts on the exchange rate, did not give rise to significant falls in the real, highlighting the ample margin for manoeuvring still available to the Brazilian central bank.
In the case of the Swiss currency, a safe haven currency par excellence, the deteriorating

international scenario after the start of the conflict in the Middle East played in its favour. The pound sterling was among the few currencies to close 2023 on positive grounds (+1.6%). Even though the Bank of England (BoE) was quite active with five rate increases and managed to bring inflation back to more reassuring levels than twelve months ago, the pound sterling fluctuations against the euro were very limited.
On the contrary, the Turkish lira has suffered significantly in the last year and, for the moment, attempts to reverse this course have been in vain: the price race did not stop - the inflation level continues hover at 65% on an annual basis.

Below is a chart with the monthly trends in the differences in the main currency exchange rates at month-end; this compared to the rates in early 2023:



[FIGURE 13 – MONTHLY DEVIATION TRENDS OF MAJOR CURRENT EXCHANGE RATES EOM]

The Group achieved a profit of Euro 36 million as at the end of 2023, compared with Euro 54 million recorded in 2022 (-33%).

The Net profit for 2023 includes depreciation and amortisation and allocations to provisions totalling Euro 57.4 million, detailed as follows:

- amortisations and depreciations equal to Euro 48.9 million, of which Euro 24.3 million is related to Leasing outlays recognised during the year;
- provisions totalling Euro 8.5 million for the period, deriving from impairment of trade receivables for Euro 4.8 million and generic risks for current legal proceedings for Euro 3.7 million.

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

INDICATOR OF THE INCIDENCE OF FINANCIAL EXPENSES			
		YEAR 2023	YEAR 2022
INCIDENCE OF FINANCIAL EXPENSES	FINANCIAL EXPENSES/ TOTAL REVENUES AND OTHER INCOME	0.72%	0.32%

INDICATOR OF THE INCIDENCE OF NORMALISED FINANCIAL EXPENSES NET OF IFRS 16 EFFECTS			
		YEAR 2023	YEAR 2022
INCIDENCE OF FINANCIAL EXPENSES	FINANCIAL EXPENSES/ TOTAL REVENUES AND OTHER INCOME	0.62%	0.25%

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

ROE (Return On Equity) represents the resources generated from the company's overall operations 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 no matter the financing method and tax policies.

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

PROFITABILITY INDICATORS			
(IN %)		YEAR 2023	YEAR 2022
NET ROE	NET INCOME / EQUITY	16.71%	27.88%
GROSS ROE	GROSS INCOME / EQUITY	25.73%	40.01%
ROI	OPERATING PROFIT (LOSS) / (OPERATING INVESTED CAPITAL - OPERATING LIABILITIES)	23.63%	27.15%
ROS	OPERATING PROFIT (LOSS) / REVENUES FROM CONTRACTS WITH CUSTOMERS	2.00%	2.48%
FINANCIAL EXPENSES / TURNOVER RATIO	NET FINANCIAL EXPENSES / TURNOVER	0.59%	0.30%

NORMALISED PROFITABILITY INDICATORS NET OF IFRS 16 EFFECTS			
(IN %)		YEAR 2023	YEAR 2022
NET ROE	NET INCOME / EQUITY	16.16%	27.58%
GROSS ROE	GROSS INCOME / EQUITY	25.08%	39.69%
ROI	OPERATING PROFIT (LOSS) / (OPERATING INVESTED CAPITAL - OPERATING LIABILITIES)	23.60%	26.95%
ROS	OPERATING PROFIT (LOSS) / REVENUES FROM CONTRACTS WITH CUSTOMERS	1.86%	2.39%
FINANCIAL EXPENSES / TURNOVER RATIO	NET FINANCIAL EXPENSES / TURNOVER	0.49%	0.23%

Statement of Assets and Liabilities:

Below are the main indicators from the Statement of Financial Position; presented according to the logic of financial type as of 31 December 2023 and compared with the figures as of 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER	
	2023	2022
ASSETS		
TOTAL NON-CURRENT ASSETS	346,583	338,200
TOTAL CURRENT ASSETS	928,035	889,883
TOTAL ASSETS	**1,274,618**	**1,228,083**
LIABILITIES AND SHAREHOLDER EQUITY		
TOTAL SHAREHOLDER EQUITY PERTAINING TO THE GROUP	215,023	195,900
SHAREHOLDER EQUITY PERTAINING TO MINORITY INTERESTS	145	-2,035
TOTAL SHAREHOLDER EQUITY	**215,168**	**193,865**
TOTAL NON-CURRENT LIABILITIES	**205,845**	**200,113**
TOTAL CURRENT LIABILITIES	**853,605**	**834,105**
TOTAL LIABILITIES AND SHAREHOLDER EQUITY	**1,274,618**	**1,228,083**

Non-current assets include investments in property, plants and equipment and intangible assets: the value of investments for 2023, excluding Goodwill and capitalised assets according to IFRS 16, is Euro 31 million (Euro 10.5 million in the previous year).

Current assets show a significant increase, particularly related to trade receivables, resulting from the new acquisitions and from the main Italian subsidiary Gi Group S.p.A. in connection with the increase in revenue volumes.
This change 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.

Some indicators showing the Group's structural soundness in maintaining its medium-to-long term financial balance are shown below:

FINANCING INDICATORS FOR NON-CURRENT ASSETS (IN THOUSANDS OF EURO AND IN %)		YEAR 2023	YEAR 2022
NON-CURRENT ASSETS TO EQUITY CAPITAL MARGIN	EQUITY - NON-CURRENT ASSETS	-101,082	-113,232
NON-CURRENT ASSETS TO EQUITY CAPITAL RATIO	EQUITY / NON-CURRENT ASSETS	68.04%	63.13%
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-/LONG-TERM DEBT MARGIN	(EQUITY + CONSOLIDATED LIABILITIES) - NON-CURRENT ASSETS	104,763	86,997
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-/LONG-TERM DEBT RATIO	(EQUITY + CONSOLIDATED LIABILITIES) / NON-CURRENT ASSETS	133.13%	128.33%

NORMALISED NON-CURRENT ASSET FINANCING INDICATORS NET OF IFRS 16 EFFECTS (IN THOUSANDS OF EURO AND IN %)		YEAR 2023	YEAR 2022
NON-CURRENT ASSETS TO EQUITY CAPITAL MARGIN	EQUITY - NON-CURRENT ASSETS	-20,570	-36,028
NON-CURRENT ASSETS TO EQUITY CAPITAL RATIO	EQUITY / NON-CURRENT ASSETS	91.22%	84.28%
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-/LONG-TERM DEBT MARGIN	(EQUITY + CONSOLIDATED LIABILITIES) - NON-CURRENT ASSETS	129,536	103,930
NON-CURRENT ASSETS TO EQUITY CAPITAL AND MEDIUM-/LONG-TERM DEBT RATIO	(EQUITY + CONSOLIDATED LIABILITIES) / NON-CURRENT ASSETS	155.28%	145.36%

Financial standing:

As of 31 December 2023, the Group's net financial debt amounted to Euro 264.5 million (Euro 256 million as of 31 December 2022). It included lease liabilities arising from the application of IFRS 16. Those amounted to Euro 82 million (Euro 80 million in 2022). It also included financial liabilities for commitments on acquisitions amounting to Euro 17 million; net of the latter components, net financial debt would have been Euro 179 million (compared with Euro 159 million in 2022).
The increase in net financial debt is mainly attributable to investments made, new financial commitments assumed to support the Group's development, and an increase in IFRS 16 lease debt.

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

NET FINANCIAL DEBT (IN THOUSANDS OF EURO)	YEAR 2023	YEAR 2022
CASH AND CASH EQUIVALENTS	(147,257)	(152,870)
SHORT-TERM FINANCIAL PAYABLES	206,586	225,842
MEDIUM/LONG-TERM FINANCIAL PAYABLES	100,709	68,553
NET BANKING DEBT	**160,038**	**141,525**
FINANCIAL PAYABLES DUE TO FACTORING NET OF RECEIVABLES	21,010	18,864
FINANCIAL PAYABLES (COVID LOANS)	2,248	3,135
OTHER FINANCIAL PAYABLES	191	1,199
ACCRUED EXPENSES FROM INTEREST ON LOANS	847	367
OTHER FINANCIAL PAYABLES	**24,296**	**23,565**
DERIVATIVE FINANCIAL INSTRUMENTS	(2,382)	(4,940)
OTHER FINANCIAL RECEIVABLES	(2,586)	(1,427)
FINANCIAL RECEIVABLES	**(4,968)**	**(6,367)**
ITALIAN ACCOUNTING ORGANISATION (OIC) NET FINANCIAL DEBT	179,366	158,723
FINANCIAL PAYABLES FOR ACQUISITIONS (COMMITMENTS)	**2,738**	**17,325**
NON-CURRENT LEASE LIABILITIES	55,739	61,137
CURRENT LEASE LIABILITIES	26,609	19,275
FINANCIAL LIABILITIES FOR LEASES	**82,347**	**80,413**
IFRS NET FINANCIAL DEBT	264,451	256,461

Included within the items that make up Group debt are:

- financial payables to Factor for transfers with recourse (mainly the United Kingdom, Italy, Spain, Poland, Brazil and France);
- financial payables for commitments on acquisitions, which include, in accordance with international accounting standards, the Earn-Outs to be paid for the acquisitions of The Bridge and the potential exercise of the call/put option for the purchase of the minority assets for the subsidiary in the US.

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

NET FINANCIAL DEBT 2023 (IN THOUSANDS OF EURO)	ITALY	ABROAD
CASH AND CASH EQUIVALENTS	(86,995)	(60,262)
SHORT-TERM FINANCIAL PAYABLES	129,101	77,485
MEDIUM/LONG-TERM FINANCIAL PAYABLES	95,324	5,386
NET BANKING DEBT	**137,429**	**22,609**
FINANCIAL PAYABLES DUE TO FACTORING NET OF RECEIVABLES	4,217	16,793
FINANCIAL PAYABLES (COVID LOANS)	0	2,248
OTHER FINANCIAL PAYABLES	10	180
ACCRUED EXPENSES FROM INTEREST ON LOANS	143	705
OTHER FINANCIAL PAYABLES	**4,370**	**19,926**
DERIVATIVE FINANCIAL INSTRUMENTS	(2,382)	0
OTHER FINANCIAL RECEIVABLES	0	(2,586)
FINANCIAL RECEIVABLES	**(2,382)**	**(2,586)**
ITALIAN ACCOUNTING ORGANISATION (OIC) NET FINANCIAL DEBT	139,416	39,950
FINANCIAL PAYABLES FOR ACQUISITIONS (COMMITMENTS)	**1,546**	**1,192**
NON-CURRENT LEASE LIABILITIES	32,523	23,216
CURRENT LEASE LIABILITIES	18,296	8,313
FINANCIAL LIABILITIES FOR LEASES	**50,819**	**31,529**
IFRS NET FINANCIAL DEBT	191,781	72,670

For further information on said items, see the relevant paragraphs in the Notes on the 2023 Consolidated Financial Statements.

The liquidity or solvency analysis represents the Group's ability to maintain a financial balance in the short term and therefore pay anticipated 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 EURO AND IN %)		YEAR 2023	YEAR 2022
CURRENT RATIO	(CURRENT ASSETS) / (CURRENT LIABILITIES)	1.09	1.07
CASH MARGIN	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) - CURRENT LIABILITIES	82,103	61,116
CASH RATIO	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) / CURRENT LIABILITIES	109.62%	107.33%

NORMALISED SOLVENCY INDICATORS NET OF IFRS 16 EFFECTS (IN THOUSANDS OF EURO AND IN %)		YEAR 2023	YEAR 2022
CURRENT RATIO	(CURRENT ASSETS) / (CURRENT LIABILITIES)	1.12	1.09
CASH MARGIN	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) - CURRENT LIABILITIES	108,712	81,257
CASH RATIO	(TRADE AND OTHER RECEIVABLES + CASH AND CASH EQUIVALENTS) / CURRENT LIABILITIES	113.15%	109.98%

Finally, we report below several financial indicators in relation to the Group's soundness to assess the incidence of only 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)		YEAR 2023	YEAR 2022
FINANCIAL DEBT TO EQUITY RATIO	(FINANCIAL LIABILITIES) / EQUITY	1.30	1.65
DEBT TO EQUITY RATIO	(CONSOLIDATED LIABILITIES + CURRENT LIABILITIES) / EQUITY	4.92	5.33

INDICATORS IN RELATION TO THE STRUCTURE OF NORMALISED FINANCING NET OF IFRS 16 EFFECTS (ABSOLUTE VALUE)		YEAR 2023	YEAR 2022
FINANCIAL DEBT TO EQUITY RATIO	(FINANCIAL LIABILITIES) / EQUITY	1.31	1.66
DEBT TO EQUITY RATIO	(CONSOLIDATED LIABILITIES + CURRENT LIABILITIES) / EQUITY	4.57	4.94

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

Among the Financial Statement documents, the Cash Flow Statement shows the positive and negative changes in liquidity through cash flows generated by the different areas of operations:

1. The **working capital** of the operating profit, which summarises liquidity generated by the performance of ordinary operations, highlights self-financing of Euro 134.3 million with an increase of Euro 457 million (+0.4% compared to the previous year).

2. **Changes in net working capital** management highlight a negative change in cash equal to a total of Euro -28 million (Euro -82 million in 2022). It derives mainly from cash absorption related to the positive change in Loans to Customers, partially offset by the positive change in Payables to Workers and Social Security Institutions related to the increase in the temporary staffing business.

3. **Changes in the Investment Activities** item mainly show cash absorption related to international acquisition transactions, "Acquisition or disposal of companies/ business branches, net of cash and cash equivalents". In the 2023 fiscal year, this value relates to the acquisition of The Bridge carried out in February 2023, while in the 2022 financial year the value included 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 on the Financial Statements) and financial outlays of Euro 53.2 due to company acquisitions made in 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. for an amount of Euro 13 million (Euro 8 million in 2022).

2.7

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 and 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 achievement of the business' defined objectives. It takes into account the characteristics of the labour market in which Gi Group Holding and its subsidiaries operate. This is based on the nature of the risk (with reference to financial, strategic, and operational risks), as well as compliance with current regulations and the contextual ability of the organisation to manage adequately the identified risk.

To be precise, the Group's internal control and risk management system calls for

- **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 the Group operates.

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, and detect and monitor, risk stemming from inappropriate employees conduct, 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 risks related to inadequate internal audits and procedures;
3. technologies in the event of IT risks;
4. external factors in the event of market risk.

1. HUMAN RESOURCES RISK

Management of human resources is a critical factor for Gi Group Holding. Group Management believes that a transparent policy for accountability towards its employees, whether internal employees or temporary workers, can translate into a competitive advantage. This is because these individuals 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. Should it fail, it may expose the Group to risks of major reductions in activity.

In order to mitigate the generic risks related to human resources as concerns internal employees, the Group's Employer Branding activities had the objective during 2023 of promoting the implementation of communication plans and global/local initiatives in order to position the Group as an Employer of Choice.
Gi Group Holding's Employer Branding strategy is based on two strategic 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 audiences;
- providing Candidates and Employees with **points of contact** that talk about the Group: from research experience to employee protection (Ambassador programme).

One of the main Employer Branding projects enhanced in 2023 concerns employee advocacy. Global and local colleagues were engaged as Brand Ambassadors, producing and sharing content on the Enterprise Value Proposition, corporate identity, values and culture, etc. with the main objective of positioning the Group through their experiences of engaging the target audience.
Lastly, in 2023 Gi Group Holding focused on developing its employees' skills, abilities and career paths and continued to consolidate digital learning activities and live classrooms as well as onboarding initiatives.

2. PROCESS RISK

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

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 management of privileged information.
To mitigate these risks, the Group 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 such as significant penalties due to violation 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 Labour and Social Policies, for Italy, and by the various entities whose authorisation is required in order to perform service activities for the Group's international countries.

The Group closely monitors the proper application of regulatory requirements and the fulfilment of 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. Procedures are then shared with the company structure through the Intranet.

The Group approved a **Code of Ethics**, the document with guidelines and ethical and behavioural principles that all those entities working for Gi Group need to comply with. The Group has also delivered organisational tools aimed at preventing violation of the 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 for 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

According to this rationale, the Group has defined and implemented (in Italy since 2001) the first Quality Management System in compliance with the **standard UNI EN ISO 9001**. It thus obtained the first certification for a company that plans and delivers outplacement, advisory and corporate consultancy services. In the following years, it successfully completed further projects for the certification of company quality management systems.
In April 2017, the subsidiary 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 Systems 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 for 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.

Certifications obtained from an independent, accredited Third-Party Entity show Gi Group Holding and other Group companies' ability to supply products and services that meet customer needs and requirements stipulated in local regulations; all this in line with its Stakeholders' interests.

3. IT RISK

Technological development and the spread of new information, mass communication and interaction systems have contributed to value creation but have also led to exponential growth in risk factors.
The Group continuously invests in people and technologies to keep up with a constantly evolving threat landscape. Growing cybercrime rates are now a daily threat for all large companies.

There are also continuous, growing efforts related to data protection and information security, along with investing in people, processes and technologies. This includes the updating of the Group's cyber security and data protection strategy to reiterate the organisation's mission to protect business processes and to be a trusted custodian of data for talent we work with and all other stakeholders.
This safeguarding aims to mitigate any economic, reputational or market share losses resulting from vulnerability in technology: situations 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 map all risks and threats to which it may be exposed. To do so, it will use its IT resources and examine their degree of vulnerability. Thereafter, an action plan will be defined; including a cost/benefit analysis.

The Group data centre is in a dedicated space, located at the MIX (**Milan Internet exchange**) Irideos, which has all required 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 in the event of severe disasters, solutions have been implemented for rapid use of the infrastructure installed in the Group's head office in Milan, should the main data centre malfunction.

4. MARKET AND BUSINESS RISK

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

Notably, Group activities are subject to the following risks:

- **country risks**: all risks arising 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 Group brands.

The businesses that operate on an international level depend on the stability of the economic context in the foreign country.
Country risk is mainly generated by political, economic and social differences between the parent company's country and the country where investments are made.

Furthermore, the Group operates in a complex market and is subject, in the various jurisdictions where it does business, to laws and regulations that are constantly monitored; especially, with regard to labour contracts and worker health and safety, tax and social security regulations, and all other relevant regulatory provisions.
The labour market is also subject to frequent legislative interventions and is influenced by different governmental political agendas. In this context of continuous regulatory evolution, it is impossible to exclude the prospect of future legislative interventions that could restrict cases where use of temporary employment contracts is allowed. There could also possibly be future introduction of alternative types of contracts for salaried employment and this 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 important issues related to labour market support 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 also adapt to the market environment to cope with any initiatives put in place by other players.

Group activity is also influenced by the image, the reputation, and the recognisability of its Brands.
Our activities in 2023 included strategic initiatives and projects aimed at amplifying the Group brand's reputation using the following:

- Content Factory Hub: a series of reports on global human resources trends to provide strategic and actionable insights and reference data for key players and decision-makers to inform their talent and skills acquisition strategies;
- the Brand Ambassadors programme, global events and social media strategy improvements to increase awareness and visibility.

A fundamental area of interest will be the seamless integration of the companies acquired from Kelly Services and the advancement of branding initiatives, ensuring a consistent and convincing brand presence, worldwide.

FINANCIAL RISK

The Group maintains adequate financial flexibility, expressed through the availability of liquidity and credit lines that enable 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 those related to credit monitoring, finding sources of financing and liquidity risk, and fluctuations in exchange and interest rates), please refer to the specific section in the Notes on the Consolidated Financial Statements.

2.8

Information on People and the Environment

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

In line with the Group's objectives, the global and local HR functions have promoted the Group's Employee Value Proposition internally and externally, spreading the **"Change Lives"** slogan through online/offline channels.
During 2023, an external investigation involving 12 countries was also launched, supported by a specialised supplier. The objective was to measure the ROI and the initial results of the Group's EVP positioning.
In the labour market scenario, Group employees' satisfaction in relation to their personal work situation is good in all the countries analysed. Main strengths include work-life balance, good fixed income, shared corporate values, equity, continuous training and internal mobility.
On the other hand, the challenges employees report that they face differ from country to country.

From an operational point of view, the Group will engage in 2024 in Employer Branding and Talent Attraction activities; some of which are mentioned below:

- support countries in building and implementing local Employer Branding plans and initiatives;
- develop Gi Group Holding (global and local) websites, giving adequate visibility to EVP content and best practices all over the world;
- ensure consistency between EB external and internal communications.

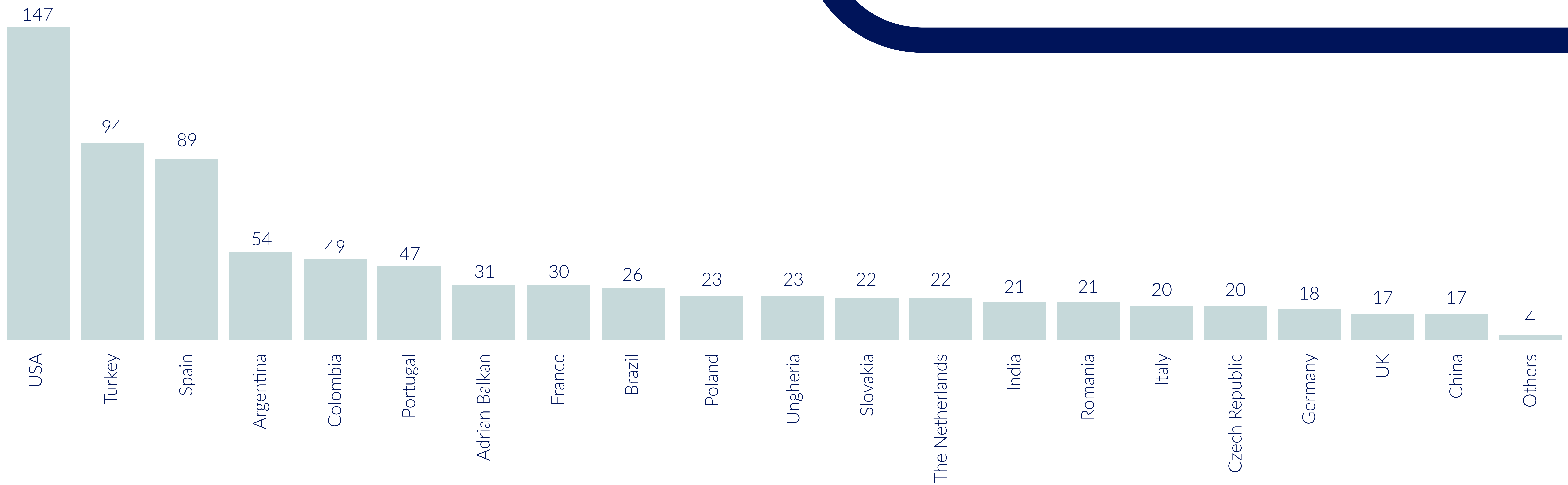
Due to the ever-changing environment that people are experiencing because of digitalisation processes the organisation is going through, and following the acquisition of Kelly Services' European operations, one of our objectives is to extend the reach of the learning area to address how change impacts people.
In addition to this, and in line with the 2023 global human resources strategy and priorities, the Global HR function continued to consolidate digital learning activities and live classrooms, as well as onboarding initiatives.
In 2024, activities will mainly focus on:

- continuing to **develop our key people**'s management abilities and skills (executive roles, middle managers, professionals) through new, dedicated learning initiatives;
- **relaunching the "Global Learning HUB"** – Gi Group Holding's way of stimulating people's growth – with an adequate internal and external communication plan to publicise learning initiatives and to impact employee engagement and the EB;
- continuing to **invest in language skills** by choosing a dedicated platform and extending its use to one friend/family member for each employee;
- continuing to **invest in IT security** and compliance training.

The trend of an increase in total training hours has been confirmed in recent years. Training courses provided also increased; confirming efforts made to expand the eLearning library at the global and local levels along with the expansion of live classrooms:

- 204,099 total training hours (168,240 in 2022, +21%);
- 1,707 training sessions provided (1,397 in 2022, +22%).

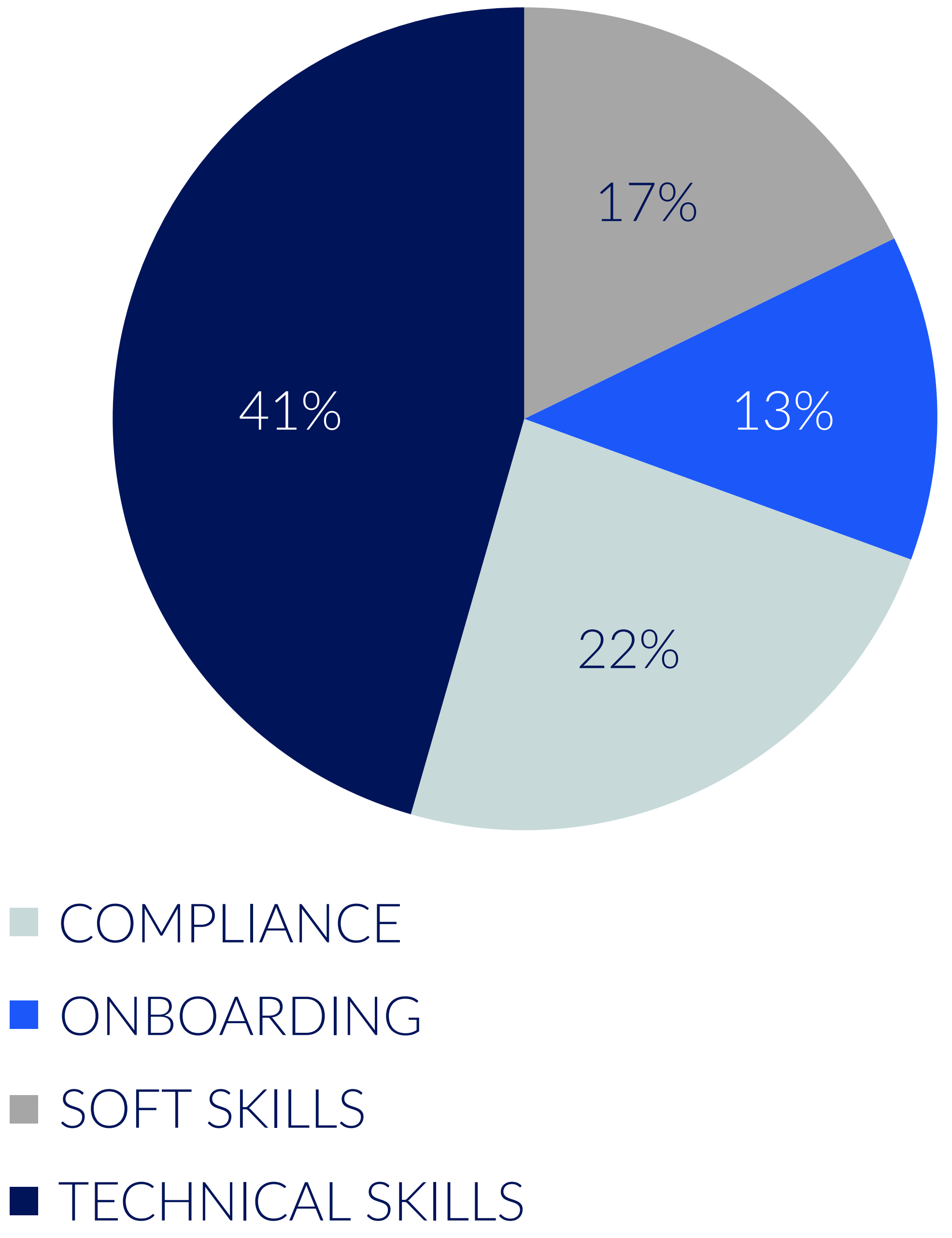
The following graph represents employee training hours in each country ("Others" includes the Baltic countries, Bulgaria, Chile, Mexico and Switzerland):



[FIGURE 14 – HOURS OF TRAINING IN 2023 BY COUNTRY]

The Group's learning strategy content is consistent with the company strategy and priorities in each country. It can be summarised in four macro-categories:

- Technical skills (linked to roles or processes)
- Soft skills
- Onboarding
- Compliance training (e.g., health and safety, laws)



[FIGURE 15 – MIX OF TRAINING CONTRIBUTIONS]

During 2023, our results and best practices were disseminated to the various teams and countries. This approach made it possible to focus attention on key initiatives aligned with the company's strategy and values; demonstrating the tangible impact of our global efforts as a company.

In 2024, the Group is exploring new strategies to engage our Life Changers in efforts to cultivate digital communities to foster connections and fuel our continuous learning culture. We will also launch a new Energy Matrix edition to collect feedback from employees and take action to improve their overall experience. The long-term vision and essential role that each Life Changer plays will continue to be highlighted through internal communications. This will contribute to a resilience path and will support Gi Group Holding in unlocking our market's incredible potential.

Today, it is also essential to reflect deeply on issues such as climate change, emissions, natural resources consumption; in particular, by evaluating business' and its performance's impacts on the external environment.
The Group's activities involve limited environmental impacts in terms of energy consumption, greenhouse gas emissions and natural resources consumption; however, the Group is committed on a daily basis to ensuring that energy consumption is reduced and that environmental protection regulations are constantly respected. We also work to encourage a culture for respecting the environment.
The Group's companies have not caused any environmental damage for which they have been declared definitively guilty. 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. This is because environmental protection is an important topic explicitly mentioned in our Code of Ethics.

2.9

R&D Activities

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 market stakeholders, and to push its structure towards that of a sustainable organisation. It can do all this in favour of greater market competitiveness, while generating a positive impact on both the internal and external environment.

Established in 2022 within Gi Group Holding with the aim of introducing **Artificial Intelligence**, the R&D department took two important steps in 2023 based on the defined roadmap. This enhanced the entire candidate database.
In the first quarter of 2023, an algorithm was published that enables work on the first step of the selection workflow, the creation of the long list, in order to propose a wider and more "focused" range of applications.
In the last quarter, an important algorithm evolution was published. It allows for a higher degree of precision as it is based not only on the qualification of candidate data, but also on the entire CV. In this way, the use of the Artificial Intelligence (AI) algorithms results within the ATS allows the recruiter to apply it with benefit all the way up to the short list phase, i.e., the restricted list of candidates to be submitted to customers for the final selection step.

The Artificial Intelligence-based modules for recruiters and sales teams will remain the focus of the R&D department also in 2024. The Smart Recruitment project aims to implement innovative data-based solutions that allow, thanks to AI, the greatest and best candidates to "float" to the top. The tool also enables users to collect information smartly on candidates' availability. In 2024, further evolutions (versions) of the existing algorithm are expected to be released. This will give us the opportunity to enrich candidate qualification through external sources.

In Italy, the **"Candidate 4.0"** project, aimed at creating an online platform to support digital personnel recruitment and selection services, was completed in 2023. The project aims to promote the development of an innovative, sustainable consumption model for services offered by the platform.

The nature of this investment, which has a strategic value for the company, will be reflected in the company's economic and capital structure for future fiscal years. This is due to an outright grant equal to 20% of the reportable amount and a subsidised loan with a SACE guarantee after the project was deemed eligible for funds made available by the Italian Ministry for Enterprises and the Made in Italy programme.

The entire project has a total value of Euro 6.7 million.

2.10

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 under normal market conditions.

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

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

Gi Group Holding S.p.A. sends annual communications in relation to Group activities and corporate information to the Italian Revenue Agency through the formulation of the Country by Country Report (CbCR). Starting from the beginning of 2024, the Group launched a preliminary study, based on CbCR data, aimed at assessing the possible impacts of the Pillar Two regulations on the Group: further information is provided in the Notes on the Consolidated Financial Statements.

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 on the Consolidated Financial Statements and in the individual separate financial statements of Gi Group Holding S.p.A. and its Italian and foreign subsidiaries. Those documents should be referred to for further details.

2.11

Treasury shares

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 on Gi Group Holding S.p.A. Consolidated Financial Statements.

2.12

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 on Gi Group Holding S.p.A. Consolidated Financial Statements.

2.13 Glossary

ATS	APPLICANT TRACKING SYSTEM	Software application to digitally manage selection and recruitment activities
BPO	BUSINESS PROCESS OUTSOURCING	Outsourcing of company functions and management processes
C2C	CLOSE TO CONSUMER	Operational marketing activities to bring the client closer to the consumer
CGU	CASH GENERATING UNIT	Clearly identifiable group of cash flow-generating assets (IAS 36)
EB	EMPLOYER BRANDING	Set of often intangible attributes and qualities that defines the identity of the organisation as a workplace
ESG	ENVIRONMENTAL, SOCIAL, GOVERNANCE	Three fundamental dimensions to verify, measure and control a company's or an organisation's commitment to sustainability
EVP	ENTERPRISE VALUE PROPOSITION	Company value proposition
FTE	FULL TIME EQUIVALENT	HR metric indicating the workforce employed in relation to a full-time employee
GP	GROSS PROFIT	Margin deriving from the difference between Revenues from services and Cost of sales
HR	HUMAN RESOURCES	Human Resources are both the people who work for a company and the department responsible for managing employee resources
KPI	KEY PERFORMANCE INDICATOR	A key performance indicator is a measurable value that demonstrates a company's effectiveness in achieving its main objectives
L&D	LEARNING & DEVELOPMENT	Design, development and provision of learning and development programmes
M&A	MERGERS & ACQUISITIONS	Acquisitions and/or mergers aimed at changing the corporate structure
GDP	GROSS DOMESTIC PRODUCT	Value of products and services produced within a country over a given period of time
SME	SMALL MEDIUM ENTERPRISES	Companies that employ fewer than 250 people, whose annual turnover does not exceed Euro 50 million or whose annual balance sheet total does not exceed Euro 43 million.
RPO	RECRUITMENT PROCESS OUTSOURCING	Process through which the search and selection of direct employees within a company are outsourced, i.e., entrusted to temporary recruitment agencies or other providers
S&S	SEARCH & SELECTION	Recruitment and selection of employees
SMS	SITE MANAGED SERVICE	Specialised services managed and provided directly at customers' sites/plants/offices
T&P	TEMPORARY & PERMANENT	Temporary personnel staffing and placement activity
EU	EUROPEAN UNION	A supranational political and economic union, which includes 27 member states

3

Consolidated Financial Statements

Gi Group Holding S.p.A - as of 31 December 2023

3.1

Consolidated Statement of Financial Position

(IN THOUSANDS OF EURO)	NOTES	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANTS AND EQUIPMENT	8.1	16,780	15,962
GOODWILL	8.2	163,740	171,275
OTHER INTANGIBLE ASSETS	8.3	53,771	41,848
RIGHT-OF-USE ASSETS	8.4	81,928	77,988
EQUITY INVESTMENTS ACCOUNTED FOR AS SHAREHOLDER EQUITY		30	25
DEFERRED TAX ASSETS	8.5	23,020	20,351
NON-CURRENT FINANCIAL ASSETS	8.6	7,216	10,641
OTHER NON-CURRENT ASSETS		98	111
TOTAL NON-CURRENT ASSETS		**346,583**	**338,200**
CURRENT ASSETS			
INVENTORIES		656	1,260
TRADE RECEIVABLES	8.7	666,313	624,204
CURRENT TAX ASSETS	8.8	4,810	2,351
CASH AND CASH EQUIVALENTS	8.9	147,257	152,870
CURRENT FINANCIAL ASSETS	8.10	6,670	5,417
OTHER CURRENT ASSETS	8.11	102,329	103,782
TOTAL CURRENT ASSETS		**928,035**	**889,883**
TOTAL ASSETS		**1,274,618**	**1,228,083**

(IN THOUSANDS OF EURO)		AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
LIABILITIES AND SHAREHOLDER EQUITY			
SHAREHOLDER EQUITY			
SHARE CAPITAL		10,000	10,000
RESERVES		168,764	131,219
NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP		36,259	54,681
TOTAL SHAREHOLDER EQUITY PERTAINING TO THE GROUP		**215,023**	**195,900**
SHAREHOLDER EQUITY PERTAINING TO MINORITY INTERESTS		145	(2,035)
TOTAL SHAREHOLDER EQUITY	**8.12**	**215,168**	**193,865**

(IN THOUSANDS OF EURO)		AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
LIABILITIES AND SHAREHOLDER EQUITY			
NON-CURRENT LIABILITIES			
NON-CURRENT LEASE LIABILITIES	8.4	55,739	60,272
NON-CURRENT FINANCIAL LIABILITIES	8.13	102,030	85,914
PROVISIONS FOR PERSONNEL	8.14	11,230	17,308
DEFERRED TAX LIABILITIES	8.5	9,314	5,010
PROVISIONS FOR RISKS AND CHARGES	8.15	22,691	19,160
OTHER NON-CURRENT LIABILITIES	8.16	4,822	12,449
TOTAL NON-CURRENT LIABILITIES		**205,826**	**200,113**
CURRENT LIABILITIES			
CURRENT LEASE LIABILITIES	8.4	26,609	20,141
CURRENT FINANCIAL LIABILITIES	8.13	237,867	251,066
CURRENT TAX LIABILITIES	8.17	5,897	11,517
TRADE PAYABLES	8.18	67,832	78,166
OTHER CURRENT LIABILITIES	8.19	515,420	473,216
TOTAL CURRENT LIABILITIES		**853,625**	**834,105**
TOTAL LIABILITIES AND SHAREHOLDER EQUITY		**1,274,618**	**1,228,083**

3.2

Consolidated Income Statement

(IN THOUSANDS OF EURO)	NOTES	YEAR ENDED 31 DECEMBER 2023	YEAR ENDED 31 DECEMBER 2022
REVENUES FROM CONTRACTS WITH CUSTOMERS	9.1	3,855,860	3,624,829
OTHER REVENUES AND INCOME	9.2	77,966	68,109
TOTAL REVENUES AND OTHER INCOME		**3,933,826**	**3,692,938**
COSTS OF RAW MATERIALS, SUBSIDIARIES, CONSUMABLES AND GOODS FOR RESALE	9.3	(8,802)	(7,889)
COSTS FOR SERVICES	9.4	(270,418)	(254,214)
PERSONNEL COSTS	9.5	(3,493,407)	(3,273,340)
OTHER OPERATING COSTS	9.6	(26,867)	(22,708)
NET WRITE-OFFS OF FINANCIAL ASSETS	9.7	(4,772)	(5,243)
DEPRECIATION AND WRITE-OFFS OF PROPERTY, PLANTS AND EQUIPMENT, AMORTISATION AND WRITE-OFFS OF INTANGIBLE AND RIGHT-OF-USE ASSETS	9.8	(48,905)	(37,667)
NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES	9.9	(3,695)	(1,817)
OPERATING PROFIT (LOSS)		**76,961**	**90,061**
FINANCIAL INCOME	9.10	5,446	905
FINANCIAL EXPENSES	9.11	(28,134)	(11,704)
EXCHANGE RATE GAINS AND LOSSES	9.12	1,090	(1,702)
PRE-TAX PROFIT (LOSS)		**55,362**	**77,560**
INCOME TAXES	9.13	(19,398)	(29,034)
NET PROFIT (LOSS) FOR THE YEAR – ORDINARY OPERATIONS		**35,964**	**48,526**
COSTS/(REVENUES) FROM DISCONTINUED OPERATIONS		-	5,515
NET PROFIT (LOSS) FOR THE YEAR – DISCONTINUED OPERATIONS		**-**	**5,515**
NET PROFIT (LOSS) FOR THE YEAR		**35,964**	**54,041**
OF WHICH: NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP		36,259	54,681
NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS		(295)	(640)

3.3

Consolidated Statement on Comprehensive Income

(IN THOUSANDS OF EURO)	NOTES	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
NET PROFIT (LOSS) FOR THE YEAR (A)		**35,964**	**54,041**
A) OTHER COMPONENTS OF THE STATEMENT ON COMPREHENSIVE INCOME WHICH WILL NOT SUBSEQUENTLY BE RECLASSIFIED IN THE INCOME STATEMENT:			
- ACTUARIAL GAINS (LOSSES) ON PROVISIONS FOR PERSONNEL	8.14	(58)	(1,138)
- TAXES ON ACTUARIAL GAINS (LOSSES) ON PROVISIONS FOR PERSONNEL		11	273
TOTAL OTHER COMPONENTS OF THE STATEMENT ON COMPREHENSIVE INCOME WHICH WILL NOT SUBSEQUENTLY BE RECLASSIFIED IN THE INCOME STATEMENT		**(47)**	**(865)**
B) OTHER COMPONENTS OF THE STATEMENT ON COMPREHENSIVE INCOME WHICH WILL SUBSEQUENTLY BE RECLASSIFIED IN THE INCOME STATEMENT:			
- CHANGES IN TRANSLATION RESERVE	8.12	597	4,951
- CHANGES IN FAIR VALUE OF CASH FLOW HEDGE DERIVATIVES	8.12	(3,202)	4,533
TOTAL OTHER COMPONENTS OF THE STATEMENT ON COMPREHENSIVE INCOME WHICH WILL SUBSEQUENTLY BE RECLASSIFIED IN THE INCOME STATEMENT		**(2,605)**	**9,483**
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME, NET OF TAXES (B)		**(2,652)**	**8,618**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A)+(B)		**33,312**	**62,659**
OF WHICH:			
- COMPREHENSIVE INCOME (LOSS) FOR THE YEAR PERTAINING TO THE GROUP		33,792	62,552
- COMPREHENSIVE INCOME (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS		(480)	106

3.4

Statement on Changes in Consolidated Shareholder Equity

(IN THOUSANDS OF EURO)	NOTES	SHARE CAPITAL	RESERVES	NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	TOTAL SHAREHOLDER EQUITY PERTAINING TO THE GROUP	SHAREHOLDER EQUITY PERTAINING TO MINORITY INTERESTS	TOTAL SHAREHOLDER EQUITY
BALANCE AS OF 31 DECEMBER 2022	**8.12**	**10,000**	**131,220**	**54,681**	**195,900**	**(2,035)**	**193,865**
ALLOCATION OF PREVIOUS YEAR'S PROFITS		-	54,681	(54,681)	-	-	-
DISBURSEMENT OF DIVIDENDS		-	(13,000)	-	(13,000)	-	(13,000)
TOTAL TRANSACTIONS WITH SHAREHOLDERS		**-**					
NET PROFIT (LOSS) FOR THE YEAR		-		36,259		(295)	35,964
ACTUARIAL GAINS AND LOSSES (PROVISIONS FOR PERSONNEL), NET OF TAXES		-	(47)	-	(47)	-	(47)
CHANGES IN TRANSLATION RESERVE		-	783	-	783	(185)	597
CHANGES IN FAIR VALUE OF CASH FLOW HEDGE DERIVATIVES		-	(3,202)	-	(3,202)	-	(3,202)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-**	**(2,467)**	**36,259**	**33,792**	**(480)**	**33,312**
TOTAL DIRECT CHANGES IN SHAREHOLDER EQUITY		**-**	(1,669)	**-**	**(1,669)**	**2,660**	**991**
BALANCE AS OF 31 DECEMBER 2023	**8.12**	**10,000**	**168,765**	**36,259**	**215,023**	**145**	**215,168**

(IN THOUSANDS OF EURO)	NOTES	SHARE CAPITAL	RESERVES	NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	TOTAL SHAREHOLDER EQUITY PERTAINING TO THE GROUP	SHAREHOLDER EQUITY PERTAINING TO MINORITY INTERESTS	TOTAL SHAREHOLDER EQUITY
BALANCE AS OF 31 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, 1 JULY 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 SHAREHOLDER EQUITY		**-**	(5,358)	-	**(5,358)**	**1,904**	**(3,454)**
BALANCE AS OF 31 DECEMBER 2022	**8.12**	**10,000**	**131,220**	**54,681**	**195,900**	**(2,035)**	**193,865**

3.5

Consolidated Statement on Cash Flows

(IN THOUSANDS OF EURO)	NOTES	YEAR ENDED 31 DECEMBER	
		2023	2022
A) CASH FLOWS FROM OPERATING ACTIVITIES (INDIRECT METHOD)			
NET PROFIT (LOSS) FOR THE YEAR		35,964	54,041
INCOME TAXES	9.13	19,398	28,874
FINANCIAL INCOME/(EXPENSES) AND EXCHANGE RATE GAINS/(LOSSES)	9.10 - 9.11 - 9.12	22,688	7,307
1) PROFIT (LOSS) FOR THE YEAR BEFORE INCOME TAXES, INTEREST, DIVIDENDS AND GAINS/LOSSES FROM DISPOSAL		**78,050**	**90,222**
ADJUSTMENTS FOR NON-MONETARY ELEMENTS WHICH HAD NO OFFSET ENTRY IN NET WORKING CAPITAL			
ALLOCATIONS TO PROVISIONS		8,467	6,529
AMORTISATION OF INTANGIBLE ASSETS AND DEPRECIATION OF PROPERTY, PLANTS AND EQUIPMENT	9.8	43,897	35,617
WRITE-OFFS DUE TO IMPAIRMENT	9.8	5,008	1,081
OTHER INCREASES/(DECREASES) FOR NON-MONETARY ELEMENTS		724	409
TOTAL ADJUSTMENTS FOR NON-MONETARY ELEMENTS WHICH HAD NO OFFSET ENTRY IN NET WORKING CAPITAL		**58,096**	**43,636**
2) CASH FLOWS BEFORE CHANGES IN NET WORKING CAPITAL		**136,147**	**133,858**
CHANGES IN NET WORKING CAPITAL			
DECREASE/(INCREASE) IN INVENTORIES		604	(541)
DECREASE/(INCREASE) IN TRADE RECEIVABLES	8.7	(47,379)	(61,088)
INCREASE/(DECREASE) IN TRADE PAYABLES	8.18	(7,385)	6,376
INCREASE/(DECREASE) IN PAYABLES TO/RECEIVABLES FROM WORKERS AND SOCIAL SECURITY INSTITUTIONS		13,463	(6,050)
OTHER DECREASES/(OTHER INCREASES) IN NET WORKING CAPITAL		10,151	(24,448)
TOTAL CHANGES IN NET WORKING CAPITAL		**(30,546)**	**(85,750)**

(IN THOUSANDS OF EURO)	NOTES	YEAR ENDED 31 DECEMBER	
		2023	2022
3) CASH FLOWS AFTER CHANGES IN NET WORKING CAPITAL		**105,601**	**48.107**
OTHER ADJUSTMENTS			
INTEREST COLLECTED/(PAID)		(22,688)	(10,532)
(INCOME TAXES PAID)		(32,301)	(31,999)
(USE OF PROVISIONS)		930	(396)
TOTAL OTHER ADJUSTMENTS		**(54,060)**	**(42,927)**
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**51,541**	**5,181**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES			
PROPERTY, PLANTS AND EQUIPMENT: (INVESTMENTS)/ DIVESTMENTS	8.1	(6,447)	(1,384)
INTANGIBLE ASSETS: (INVESTMENTS)/DIVESTMENTS	8.2 - 8.3	(9,466)	(8,772)
FINANCIAL ASSETS: (INVESTMENTS)/DIVESTMENTS		1,506	765
(ACQUISITIONS NET OF CASH AND CASH EQUIVALENTS)	7	(6,821)	(11,803)
CASH FLOWS FROM INVESTMENT ACTIVITIES (B)		**(21,228)**	**(21,194)**

(IN THOUSANDS OF EURO)	NOTES	YEAR ENDED 31 DECEMBER	
		2023	2022
C) CASH FLOWS FROM FINANCING ACTIVITIES			
INCREASE/(DECREASE) IN PAYABLES DUE TO BANKS	8.13	12,400	7,103
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES	8.13	(13,934)	3,240
INCREASE/(DECREASE) IN LEASE LIABILITIES	8.4	(26,392)	(22,278)
DIVIDENDS AND OTHER CHANGES IN EQUITY	8.12	(8,000)	(4,000)
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**(35,926)**	**(15,935)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		**(5,613)**	**(31.949)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**8.9**	**152,870**	**184,818**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8.9**	**147,257**	**152,870**

3.6

Notes to the Consolidated Financial Statements as of 31 December 2023

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 aid, 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, governed pursuant to the laws of the Republic of Italy.

2. SUMMARY OF ACCOUNTING STANDARDS ADOPTED

2.1. BASIS OF PREPARATION

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 IAS 1) require that a complete financial statements document must also include corresponding figures for the previous year.

The Consolidated Financial Statements have been prepared on the basis of the option provided for in Italian Legislative Decree No. 38 dating from 28 February 2005, as subsequently amended by Italian Decree No. 91 dating from 24 June 2014 and by Italian Law No. 145/2018. The latter governs the exercise of the options provided for in Art. 5 of European Regulation No. 1606/2002 on 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 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 since 31 December 2023. EU-IFRS shall mean all the "International Financial Reporting Standards", all the **"International Accounting Standards"** (IAS) and all 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 29 May 2024.

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 consist of the mandatory financial statements set out in IAS 1; namely, the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement on Comprehensive Income, the Statement on Changes in Consolidated Shareholder Equity, the Consolidated Statement on Cash Flows, and the Notes.

The Group decided to present the Consolidated Income Statement based on 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 consists 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, plants 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 last twelve months.

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

These Consolidated Financial Statements have been prepared based on the usual criterion of historic cost, except for the measurement of financial assets and liabilities where it is obligatory to use fair value. For the financial statements of companies that operate in economies subject to hyperinflation, 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 and liabilities and costs and revenues are not offset unless this is permitted or required by 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.

The table below lists the companies included in the Group's scope of consolidation, indicating their headquarters, share capital as of 31 December 2023, and the percentage held (directly or indirectly) by the Parent Company as of 31 December 2023 and 31 December 2022:

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
A) PARENT COMPANY:				
GI GROUP HOLDING S.P.A.	ITALY	10,000	PARENT COMPANY	PARENT COMPANY
B) COMPANIES DIRECTLY CONTROLLED BY THE PARENT COMPANY:				
GI FORMAZIONE S.R.L.	ITALY	100	100%	100%
GI GROUP S.P.A.	ITALY	12,000	100%	100%
JOBTOME S.R.L.	ITALY	100	100%	0%
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	2,330	92.20%	88.39%
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	-	0%	100%
GI GROUP HR SERVICES SLOVAKIA S.R.O.	SLOVAK REPUBLIC	30	100%	100%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
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%
GI GROUP HOLDING AG	SWITZERLAND	101	100%	100%
TIME MANAGER INTERNATIONAL A/S	DENMARK	792	100%	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	INDIA	6,112	100%	100%
HITECH PERSONNEL AGENCY CO. LIMITED	HONG KONG	8,021	100%	100%
GI GROUP HOLDING (ZHEJIANG) CO., LTD	CHINA	9,451	100%	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.	TÜRKIYE	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%
GRAFTON RECRUITMENT SZEMÉLYZETI TANÁCSADÓ KFT.	HUNGARY	9	100%	100%
VERITA SOLUTIONS OÜ	ESTONIA	10	100%	100%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
C) COMPANIES INDIRECTLY CONTROLLED BY THE PARENT COMPANY:				
INTOO S.R.L.	ITALY	100	100%	100%
EXS ITALIA S.R.L	ITALY	26	100%	100%
GI HR SERVICES S.R.L.	ITALY	100	100%	100%
OD&M S.R.L.	ITALY	50	100%	100%
C2C S.R.L.	ITALY	100	100%	100%
WYSER S.R.L.	ITALY	50	100%	100%
TACK & TMI ITALY S.R.L.	ITALY	100	100%	100%
GI BUSINESS PROCESS OUTSOURCING S.R.L.	ITALY	100	100%	100%
ENGINIUM S.R.L.	ITALY	100	100%	100%
GI GROUP AUTOMOTIVE GROUP S.A.S.	FRANCE	3,333	100%	100%
ONEPI SAS	FRANCE	3,334	100%	100%
GRAFTON S.A.S.	FRANCE	150	100%	100%
AXXIS FORMATION SAS	FRANCE	1,840	100%	100%
AXXIS FORMATION SANTE SARL	FRANCE	50	100%	100%
AXXIS RESSOURCES SAS	FRANCE	-	0%	100%
G.I. GROUP OUTSOURCING 2016, S.L.	SPAIN	712	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%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
TACK TMI UK LIMITED	UK	-	100%	100%
GRAFTON PROFESSIONAL STAFFING LIMITED	UK	-	100%	100%
THE LEADERSHIP FACTORY LTD	UK	-	100%	100%
ENCORE PERSONNEL SERVICES LIMITED	UK	1	100%	100%
TMI CONSULTANCY SDN BHD.	MALAYSIA	87	100%	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	92.20%	88.39%
GENERALE INDUSTRIELLE POLSKA SP.Z.O.O	POLAND	239	92.20%	88.39%
GI BPO FINANCE SP. Z O.O.	POLAND	988	92.20%	88.39%
VIRTUAL CINEMA STUDIO SP. Z O.O.	POLAND	-	0.00%	88.39%
WORK EXPRESS SP. Z O.O. W LIKWIDACJI	POLAND	-3,072	0.00%	88.39%
SELLPRO SP. Z O.O.	POLAND	10,653	92.20%	88.39%
WORK SERVICE SPV SP. Z O.O. W LIKWIDACJI	POLAND	815	92.20%	88.39%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
GI GROUP SUPPORT SP. Z O.O.	POLAND	2,404	92.20%	88.39%
GI GROUP SERVICE SP. Z O.O.	POLAND	4,984	92.20%	88.39%
INDUSTRY PERSONNEL SERVICES SP. Z O.O.	POLAND	8,799	92.20%	88.39%
KRAJOWE CENTRUM PRACY SP. Z O.O.	POLAND	803	92.20%	88.39%
CARE FOR PERSONNEL SP. Z O.O. W LIKWIDACJI	POLAND	-1,096	92.20%	88.39%
OUTSOURCING SOLUTIONS PARTNER SP. Z O.O. W LIKWIDACJI	POLAND	138	92.20%	88.39%
BPO FINANCE SP. Z.O.O.	POLAND	1	92.20%	0.00%
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	-	0%	100%
GIHR - HR SERVICES & SELECTION, LDA	PORTUGAL	5	99%	99%
GI GROUP (LIECHTENSTEIN) AG	LIECHTENSTEIN	51	100%	100%
GI GROUP AG	SWITZERLAND	101	100%	100%
BAUTECH PERSONAL AG	SWITZERLAND	254	100%	100%
GI GROUP ADMINISTRATION & MANAGEMENT AG	SWITZERLAND	101	100%	100%
C2C BRASIL PROMOTA DE VENTAS LTDA.	BRAZIL	4,003	100%	100%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
MARIACA CONSULTORIA EM GESTÃO DE CAPITAL HUMANO	BRAZIL	94	100%	100%
STAR GROUP ASSESSORIA EM CARREIRAS LTDA.	BRAZIL	2	100%	100%
MAGNOLIA ASSESSORIA ADMINISTRATIVA LTDA.	BRAZIL	19	100%	100%
THE BRIDGE DIGITAL RECRUTAMENTOS LTDA.	BRAZIL	73	100%	100%
THE BRIDGE SOCIAL LTDA.	BRAZIL	18	100%	100%
GI GROUP TEMPORALES S.A.S.	COLOMBIA	56	100%	100%
GI GROUP STAFFING S.A.S.	COLOMBIA	580	100%	100%
GI GROUP SERVICIOS S.A.S.	COLOMBIA	290	100%	100%
THE BRIDGE SOCIAL SPA	CHILE	0	100%	0%
THE BRIDGE TALENTS MEXICO SA DE CV	MEXICO	5	100%	0%
GI STAFFING SERVICES PVT. LTD.	INDIA	3,867	100%	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%
GEPU (ZHEJIANG) HIGH-TECH SERVICE CO., LTD.	CHINA	1,342	100%	100%
TAIZHOU HUANGYAN LEIBO HUMAN RESOURCES CO., LTD.	CHINA	234	70%	70%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
NINGBO GI SUPPLY CHAIN MANAGEMENT CO., LTD.	CHINA	1,216	100%	100%
SHENZHEN GI GROUP	CHINA	259	100%	100%
BEIJING GI GROUP	CHINA	276	100%	100%
NINGBO GIPU SUPPLY CHAIN MANAGEMENT CO., LTD.	CHINA	-	100%	100%
GI PERMANENT RECRUITMENT SERVICE CO., LTD.	CHINA	264		100%
HAIKOU GI TALENT SERVICE CO., LTD.	CHINA	-	100%	100%
JIANGXI BOYOU HUMAN RESOURCE CO., LTD	CHINA	-	0%	100%
JIAXING GI SUPPLY CHAIN MANAGEMENT CO., LTD.	CHINA	271	100%	100%
INTOO LLC	USA	7,589	100%	100%
THE BRIDGE SOCIAL USA LLC	USA	0	100%	0%
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 D.O.O.	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%

NAME	CITY OR FOREIGN COUNTRY	SHARE CAPITAL AS OF 31 DECEMBER 2023 (IN THOUSANDS OF EURO)	% OWNERSHIP (DIRECT AND INDIRECT) BY THE PARENT COMPANY	
			AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
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%
UAB SIMPLIKA	LITHUANIA	3	100%	100%
UAB CVO RECRUITMENT	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%	100%
RECRUITMENT ESTONIA OÜ	ESTONIA	5	100%	100%
SIMPLIKA SIA	LATVIA	3	100%	100%
CVO RECRUITMENT LATVIA SIA	LATVIA	3	100%	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 **31 December**. This date coincides with the Parent Company's reporting date, with the exception of the following subsidiaries, which close their financial statements by 31 March or 30 April:

- GI Human Resources and Services Pvt. Ltd. (India), as of 31 March;
- GI Staffing Services Pvt. Ltd. (India), as of 31 March;
- Hitech Personnel Agency Co. Limited (Hong Kong, China), as of 31 March;
- Verita Solutions OÜ (Estonia), as of 30 April;

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

CHANGES IN THE SCOPE OF CONSOLIDATION

During the year ended 31 December 2023, the Group's scope of consolidation expanded, mainly due to the following operations:

- acquisition of the companies belonging to the South American group "The Bridge", on 7 February 2023;
- establishment of the company BPO Finance Sp. z o.o. in Poland;
- establishment of the company Jobtome S.r.l. in Italy;
- termination of the French company Axxis Ressources after a merger and incorporation with the French company Gi Group France;
- termination of the Slovak companies Work Service 2000, s.r.o. and Gi Group Slovakia s.r.o. after a merger and incorporation with the Slovak company Gi Group HR Services Slovakia s.r.o.;
- liquidation of the Polish companies Work Express Sp. z o.o. and Virtual Cinema Sp. z o.o., as well as closure of the Chinese companies, Ningbo GiPu Supply Chain Management Co., Ltd. and Jiangxi Boyou Human Resource Co., Ltd.

For more on the acquisitions made during the financial year 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 of 31 December 2023 given they are small companies, dormant and therefore not relevant, acquired in 2019 along with the German group On Time/House of Jobs.

The following companies were excluded from the scope of consolidation as of 31 December 2023 because they were **inactive**:

- INTERNATIONAL LEARNING Limited (UK);
- TACK GLOBAL Limited (UK);
- The European Academy of Sales and Sales Management Limited (UK);
- TACK INDUSTRIES Limited (UK);
- TACK Management Consultants Limited (UK);
- TACK Sales & Marketing Training Limited (UK);
- TACK Training Scotland Limited (UK);
- TACK Training Worldwide Limited (UK);
- Gi Staffing Solutions (Ireland) Limited;
- The Bridge America Talents LLC (USA).

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 shareholder 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 all 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 when establishing 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 on comprehensive income are attributed to the shareholders of the parent company and to minority interests. 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 shareholder equity acquired is recognised in shareholder equity pertaining to the Group. Similarly, the effects of selling a minority interest without loss of control are recognised in shareholder 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 not recognised. Unrealised profits and losses generated on transactions with associated companies or companies under joint control are not recognised 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:

- does not recognise the subsidiary's assets (including any goodwill) and liabilities;
- does not recognise the book value of any minority interest in the former subsidiary;
- does not recognise the cumulative exchange rate differences recognised in shareholder 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 on comprehensive income to the income statement or to retained earnings as appropriate.

B. Shareholder equity method

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

According to this method, 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 on comprehensive income. Moreover, if an associated company or joint venture recognises a change that is directly attributable to shareholder equity, the Group recognises its share, where applicable, in the Statement on Changes in Shareholder Equity. Unrealised profits and losses from transactions between the Group and associated companies or joint ventures are not recognised 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 the profits or losses and changes in investee shareholder equity 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 the 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, write-backs 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 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 shareholder 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 of 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 in **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 of the date of acquisition; this based on the definition provided in 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 of 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 of the **date of acquisition**, the identifiable assets acquired and the liabilities assumed are recognised at fair value; an exception to this is 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 above the sum of the consideration transferred in the business combination, the value of shareholder equity pertaining to minority interests and the fair value of any

equity investment previously held in the acquired company for the fair value of the net assets acquired and liabilities assumed as of the date of acquisition. If the value of net assets acquired and liabilities assumed as of the date of acquisition exceeds the sum of the consideration transferred, the value of shareholder equity pertaining to minority interests and the fair value of any equity investment previously held in the acquired company, then 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 of 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 of 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 of the date of acquisition which, if known, would have had an effect on the value of assets and liabilities recognised as of 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. Upon initial recognition, the financial liability will be acknowledged 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 on Comprehensive Income in line with the provisions of IFRS 9. To identify the offsetting entry upon initial recognition of the above liability, one must assess 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.

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. And 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 have been 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 shareholder equity pertaining to 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 shareholder 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 Euros, 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 translated amounts at an exchange rate different from that in force as of the reporting date and the exchange rate differences generated by the translation of shareholder 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 2023	SPOT EXCHANGE RATE ON 31ST DECEMBER 2022	AVERAGE EXCHANGE RATE IN 2023	AVERAGE EXCHANGE RATE IN 2022
ARGENTINA PESO (ARS) (*)	892.9239	188.5033	892.9239	136.7767
NEW BULGARIAN LEV (BGN)	1.9558	1.9558	1.9558	1.9558
BRAZIL REAL (BRL)	5.3618	5.6386	5.401	5.4399
SWISS FRANC (CHF)	0.926	0.9847	0.9718	1.0047
CHILEAN PESO (CLP)	977.07	913.82	908.1973	917.8300
CHINESE YUAN RENMINBI (CNY)	7.8509	7.3582	7.66	7.0788
COLOMBIAN PESO (COP)	4,267.52	5,172.47	4,675.00	4,473.28
CZECH KORUNA (CZK)	24.724	24.116	24.0043	24.5659
DANISH KRONE (DKK)	7.4529	7.4365	7.4509	7.4396
POUND STERLING (GBP)	0.86905	0.88693	0.8698	0.8528
HONG KONG DOLLAR (HKD)	8.6314	8.3163	8.465	8.2451
HUNGARIAN FORINT (HUF)	382.8	400.87	381.8527	391.2865
INDIAN RUPEE (INR)	91.9045	88.171	89.3001	82.6864
MEXICAN PESO (MXN)	18.7231	20.856	19.183	21.1869
MALAYSIAN RINGGIT (MYR)	5.0775	4.6984	4.932	4.6279
POLISH ZŁOTY (PLN)	4.3395	4.6808	4.542	4.6861
ROMANIAN NEW LEI (RON)	4.9756	4.9495	4.9467	4.9313
SERBIAN DINAR (RSD)	116.9841	117.3246	117.2509	117.4184
RUSSIAN ROUBLE (RUB)	99.3003	77.977	92.4153	73.853
TURKISH LIRA (TRY) (*)	32.6531	19.9649	32.6531	17.4088
UKRAINIAN HRYVNIA (UAH)	41.996	39.037	39.54	34.025
US DOLLAR (USD)	1.105	1.0666	1.0813	1,053

2.6. ACCOUNTING STANDARDS AND VALUATION CRITERIA

The criteria used to classify, recognise, measure and not recognise the various asset and liability items, and the valuation criteria used for income components, are illustrated below.

PROPERTY, PLANTS AND EQUIPMENT

Property, plants and equipment items are 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, plants and equipment are 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 of the date of acquisition or replacement. Following initial recognition, property, plants and equipment items are 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, plants and equipment items are 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, plants and equipment is shown below:

(*) 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.

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

Improvements on third-party assets are classified in "Property, plant and equipment" items. 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 into account any renewal period if dependent upon the lessee.

As of 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, plants or equipment and, if any have occurred, 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, plants and equipment items is fully derecognised upon their disposal or when the company expects not to be able to derive any economic benefit from their 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 of 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 of the date of acquisition) of interests already held by the acquirer prior to the business combination transaction.

Goodwill acquired in a business combination is not amortised. The Group annually, and any other time there is an indication that the asset's value 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 are accounted for as a cost at the time they are 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/complete 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 of time 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), one must assess 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 opt, 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 opted 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 of the commencement date of the contract, the Group recognises the right-of-use assets and lease liabilities.

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

a. the amount of the initial valuation of the lease liability;
b. any lease payments made as of, or before, the commencement date minus 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 of the commencement date, the Group measures the lease liability at the present value of the lease payments due and which remain unpaid as of that date. Lease payments include the following amounts:

a. fixed payments minus any lease incentives receivable;
b. variable lease payments linked to an index or a rate, initially measured using the index or rate as of 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 into account 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 of the modification date. Lease liability is remeasured based on the new terms and conditions of the lease contract, using the discount rate as of 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, PLANTS AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

By each reporting date the Group carries out a test to assess whether there are any indicators of impairments to property, plants 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, minus selling costs, 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 minus 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 asset risks.

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 an 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; this within 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 BASED ON SHAREHOLDER EQUITY

This item includes the equity investments in associated companies, which are accounted for based on shareholder 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 share 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 shareholder agreements. For a description of the methods of applying the shareholder equity method, refer to Note 2.5 "Consolidation criteria and methods".

FINANCIAL ASSETS

Upon 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 the shareholder 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 financial asset's contractual cash flows (conducting the "solely payments of principal and interest – SPPI – test").

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

- Hold to Collect (HTC): financial assets held to collect the contractual cash flows;
- Hold to Collect and Sell (HTC&S): financial assets held to collect the contractual cash flows and realise fair value gains through sale;
- Residual portfolio (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 provide, 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, upon 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 the shareholder 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 to 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. Those 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).

Upon 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 of 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 acknowledged 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 the specific criteria 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 of 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 involves changes in an asset's fair value 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 of the reporting date. Changes in fair value of the derivative instrument acknowledged following initial recognition are accounted for, limited to only the effective portion, in other comprehensive income and, thus in the shareholder equity reserve called the "Cash flow hedging reserve". When the economic effects of the hedged item occur, the portion accounted for in other comprehensive income is transferred to the Income Statement. If the hedge is not fully effective, the change in the hedging instrument's fair value (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 related to the investment's reference currency. Exchange rate risk hedges are recognised in a similar way to cash flow hedges: the effective portion of the hedging instrument's change in fair value is recognised directly in shareholder equity, while the ineffective part of the hedging instrument's change in fair value 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 shareholder 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 in IFRS 15. They are classified based 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. Rather, they 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 have 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 an asset's cash flows or signs an agreement in which it maintains the contractual rights to receive a financial asset's cash flows 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 continued 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 asset's amount 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. 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 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 of each reporting date. The Group has defined a matrix system based on historical information (reviewed to consider prospective elements referring to specific types 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 amount and the net realisable value.

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

When the net realisable value is lower than the cost, the excess amount is immediately reported as a write-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. Their original maturity as of 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 discontinuing of 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. This is also true in cases where, following disposal, the Group continues to hold a minority interest in the investee.
Assets held for sale are measured at the lower of two amounts, either their net book value or fair value net of selling costs.

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 instrument's risks and costs.

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 (fiscal) year in which the employees render given services. 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 of 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 the 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 dating from 27 December 2006 (2007 Finance Law), please note the following:

- as of 1 January 2007, the accruing portion of liabilities for employee severance indemnity 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;
- employee severance indemnity accruing from 1 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 31 December 2006 for all companies, as well as the amounts accruing from 1 January 2007 and 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 shareholder 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 of the reporting date is recognised in "Other non-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 the outflow will be required to settle the obligation. That amount represents the best estimate of the charge required to fulfil the obligation. The rate used to determine the present value of the liability reflects present market values and takes into account 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 market conditions, the change in the time value of money and the specific risk linked to the obligation. The increase in the provision's value 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 so as 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 records 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 by companies operating in hyperinflationary countries are converted into Euro by applying the agreed exchange rate as of 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 as of 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 downward 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 provided 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 and that it would not have incurred had it 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".
Grants received from the entity "Forma. Temp" for costs for the training of temporary

workers are recognised on an accrual basis in direct correlation with the costs incurred and are classified under "Other revenues and income".

RECOGNITION OF COSTS

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

DIVIDENDS

Distributable dividends are recognised as a movement in shareholder equity in the year when they are approved by the shareholder 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; this as a result of resolutions passed by the investee's Shareholder Meeting to distribute profits or, where appropriate, reserves.

INCOME TAXES

Current taxes are recorded on the basis of estimated taxable income in accordance with the tax legislation in force in the respective countries of each consolidated company. This takes 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 receivable and payable values and the corresponding values relevant for tax purposes.

Deferred tax assets are recognised as deductible temporary differences and as unused tax losses that may be carried forward only if there is reasonable certainty that such taxes can be recovered and that in future fiscal years, in which deductible differences will be paid, taxable income will be no lower than the amount of the differences being written off. 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 profit or loss in the financial statements or profit or loss for tax purposes.
Deferred tax liabilities are recognised as 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 profit or loss in the financial statements or profit or loss for tax purposes.

As of 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 probable 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 tax authorities will accept an 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 in preparing the tax return; (ii) where the Group believes that it is not probable that the tax authorities will accept an 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 when the sale or discontinuing of 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 two amounts: either their net book value or their fair value minus selling costs.

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. The table lists 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	DATE OF ENTRY INTO FORCE
IFRS 17 (INSURANCE CONTRACTS)	YES	1 JANUARY 2023
AMENDMENTS TO IAS 1- PRESENTATION OF FINANCIAL STATEMENTS: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT	NO	1 JANUARY 2023
AMENDMENTS TO IAS 1 - PRESENTATION OF FINANCIAL STATEMENTS AND TO IFRS PRACTICE STATEMENT 2: DISCLOSURE OF ACCOUNTING POLICIES	YES	1 JANUARY 2023
AMENDMENTS TO IAS 8 - ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS: DEFINITION OF ACCOUNTING ESTIMATES	YES	1 JANUARY 2023
INITIAL APPLICATION OF IFRS 17 AND IFRS 9 - COMPARATIVE INFORMATION (AMENDMENTS TO IFRS 17)	YES	1 JANUARY 2023
AMENDMENTS TO IAS 12 - INCOME TAXES: PILLAR TWO MODEL RULES	YES	1 JANUARY 2023
LEASE LIABILITY IN A SALE AND LEASEBACK (AMENDMENTS TO IFRS 16)	YES	1 JANUARY 2024

Note that the Group has applied the temporary exemption envisaged by the amendment to IAS 12, issued by the International Accounting Standards Board (IASB) on 23 May 2023, concerning the recognition and related disclosure to be provided in the consolidated financial statements with regard to deferred tax assets and liabilities deriving from the application of the minimum taxation level **(Global Minimum Tax)** envisaged by Directive (EU) 2022/2523 dating from 14 December 2022 (the "Directive") as part of the Global Anti-Base Erosion Model Rules ("Pillar Two") .

In this context, on 28 December 2023 the Italian Legislative Decree No. 209 dating from 27 December 2023 was published in the Italian Official Journal, implementing tax reforms on international taxation that came into force on 29 December 2023. These contained the Italian provisions relating to Pillar Two. Based on this legislation, the parent company of a multinational group and the intermediate associated companies located in the Italian State territory will be required to pay a minimum supplementary tax ("IIR") on profits accrued by its subsidiaries in countries that apply an effective tax rate of less than **15% ("Minimum Tax Rate")**.

In addition, based on the regulations of the individual countries in which these groups operate, the local Qualified Domestic Minimum Top-up Tax applies. Depending on its characteristics, the aforementioned tax may be deducted from the minimum supplementary tax or result in its non-application in relation to the reference countries.
Given the above, it should be noted that, in the first part of 2024, the Group made a significant acquisition, whose details are illustrated in paragraph 17 - "Significant subsequent events", to which reference is made and which radically changed its scope.

Compared to its pre-2024 status, the Group now comprises more entities and has expanded its presence into additional countries.

In light of the above, the results of the analysis aimed at estimating the potential impacts of the application of the regulations relating to Pillar Two on the Group – an analysis based on 2022 and 2023 Country by Country Reporting (CbCR) data filed annually by the Group pursuant to the provisions of PROT. 275956 DATING FROM 28 NOVEMBER 2017 – may not be significant; precisely by virtue of the above-mentioned acquisitions.
In fact, at present it is not possible to estimate, even in a purely indicative way and based on a simplified approach, the possible future emergence of a tax burden for the Group nor the extent thereof.

Nevertheless, the Group has launched a preliminary study, carried out by a specialised operator, aimed at assessing the possible impacts of the regulations relating to Pillar Two on the Group. For the reasons outlined above, the results of this analysis are not available to date. They will be reflected in the next separate and consolidated financial statements. The next financial statements will also show the value of any additional tax owed by the Group.
Note that the Group did not carry out early adoption of any of the accounting standards or amendments dated 1 January 2024.

Also note that the adoption of the above accounting standards and amendments, based on information available today, has not had any 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 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 on comprehensive income, the statement on changes in consolidated shareholder equity, the consolidated statement on cash flows, as well as disclosures 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 estimated effects of the event 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, plants 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. This 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 based 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, plants 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; thus affecting 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 two amounts, either the fair value or 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. **Provisions for doubtful receivables:** the determination of this provision reflects the management's estimates linked to historical and expected customer solvency.

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; this without allocating any provisions.

e. **Useful life of property, plants and equipment and intangible assets:** the useful life of property, plants 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 realised 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, happens.

h. **Capitalised development costs:** the Group capitalises the costs incurred within internal projects to develop new solutions that are functional for the Group's activities; this provided 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 project's technical and economic feasibility. 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 of the acquisition date in its consolidated financial statements. The difference between the consideration transferred and the shareholder equity restated at fair value, equal to the difference between the assets and liabilities estimated at fair value as of 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. It does this 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 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.
Trends on national and international markets require that credit be carefully monitored, while promptly managing credit distress situations: especially for receivables related to temporary staffing.

To deal with these potential risks, the Group has strengthened its analysis and monitoring of trade and treasury receivables and, for commercial purposes, policies have been adopted to ensure the customer solvency.
Days Sales Outstanding (DSO) in the Group increased during 2023 compared to the previous year, primarily suffering from the negative effects of the macroeconomic scenario.
In line with the previous year, the Group implemented 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 and Slovakia.
Note that trade receivables are presented net of the related provision for doubtful receivables, which is deemed suitable to cover expected credit losses.
The table below breaks down gross trade receivables as of 31 December 2023, excluding receivables for invoices to be issued and grouped by days past due (past maturity):

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023			
	UP TO 60 DAYS	PAST DUE BY 61 TO 120 DAYS	PAST DUE BY OVER 121 DAYS	TOTAL
GROSS TRADE RECEIVABLES	582,839	12,315	25,894	621,047
AS % OF THE TOTAL	93.85%	1.98%	4.17%	100.00%

5.2. LIQUIDITY RISK

Liquidity risk represents the possibility that the Group's available financial resources are insufficient to meet 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 funds to be borrowed via an adequate number 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 and the transfer of 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. These systems are periodically monitored by the Group.

The table below shows a breakdown (by due date) of payables and other financial liabilities as of 31 December 2023:

(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	-	38,259	62,108	1,682	102,049
LEASE LIABILITIES (CURRENT AND NON-CURRENT)	26,609	19,777	31,296	4,666	82,347
CURRENT FINANCIAL LIABILITIES	237,848	-	-	-	237,848
TRADE PAYABLES	67,832	-	-	-	67,832
OTHER CURRENT LIABILITIES	515,420	-	-	-	515,420
TOTAL	**847,709**	**58,036**	**93,404**	**6,348**	**1,005,496**

5.3. FINANCIAL SOURCE RISKS

The volatility of the international financial and banking system may be a potential risk factor for new borrowing and also for the cost of such borrowing.

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 operates on relevant international markets by coordinating the financial risk management activities of the company's subsidiaries.

Financial interlocutors are mainly chosen if they have high credit standing and by limiting the concentration of exposure to such institutions.

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 market interest rates.

The Group monitors the exposure and the fluctuations of financial expenses affecting its economic results; thus minimising the risk of a potential increase in 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 and equal to the notional amount of the derivative.

The table below shows a breakdown of the derivative financial instruments portfolio aimed at hedging interest rate risks and linked to the Group's floating rate loans. Derivatives reported all have a positive fair value as of the reporting date.

COMPANY	BANK	UNDERWRITING DATE	EXPIRATION DATE	INITIAL NOTIONAL AMOUNT (IN THOUSANDS OF EURO)	RESIDUAL NOTIONAL AMOUNT AS OF 31 DEC. 2023 (IN THOUSANDS OF EURO)	*FAIR VALUE AS OF 31 DEC. 2023 (IN THOUSANDS OF EURO)*
INTESA	*INTEREST RATE SWAP*	25/02/2020	31/12/2024	10,000	2,000	57.5
INTESA	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	385.9
BNL	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	384.5
UNICREDIT	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	357.7
BANCO BPM	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	386.0
MPS	*INTEREST RATE SWAP*	29/01/2021	30/09/2026	10,000	6,875	315.0
BPER	*INTEREST RATE SWAP*	13/08/2021	30/09/2026	10,000	6,000	220.2
CRÉDIT AGRICOLE	*INTEREST RATE SWAP*	29/12/2021	28/12/2026	10,000	6,118	275.7
	TOTAL			**90,000**	**55,368**	**2,382.5**

It should be noted that hedging instrument characteristics correspond or are closely aligned with those of the hedged item and that these contracts are entered into on market terms. Thus, a simplified approach was used in the hedge effectiveness assessment process.

5.5. EXCHANGE RATE RISK

Exchange rate risk arises when future transactions or assets and liabilities in the Statement on the Financial Position are denominated in a different currency than the one used by the company recognising the transaction.

The Group is subject to risk deriving from **fluctuations in currency exchange** rates since it 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 shareholder 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. 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 shareholder equity are recognised in a shareholder 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.

Currency fluctuations had economic and financial impacts on these Consolidated Financial Statements but, to date, the Group did not engage in 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; this as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
FINANCIAL ASSETS		
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
NON-CURRENT FINANCIAL ASSETS	4,532	5,355
OTHER NON-CURRENT ASSETS	98	111
TRADE RECEIVABLES	666,313	624,204
CURRENT TAX ASSETS	4,810	2,351
CASH AND CASH EQUIVALENTS	147,257	152,870
CURRENT FINANCIAL ASSETS	6,670	5,417
OTHER CURRENT ASSETS	87,571	86,731
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**917,250**	**877,038**
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS:		
NON-CURRENT FINANCIAL ASSETS	248	283
CURRENT FINANCIAL ASSETS	54	64
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**301**	**346**
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH SHAREHOLDER EQUITY (HEDGING FINANCIAL INSTRUMENTS):		
NON-CURRENT FINANCIAL ASSETS	2,382	4,940
TOTAL HEDGING FINANCIAL INSTRUMENTS	**2,382**	**4,940**
TOTAL FINANCIAL ASSETS	**919,934**	**882,325**

The table below breaks down financial liabilities by category in accordance with the provisions of IFRS 9; this as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
FINANCIAL LIABILITIES		
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
NON-CURRENT LEASE LIABILITIES	55,739	60,272
NON-CURRENT FINANCIAL LIABILITIES	102,049	83,774
CURRENT LEASE LIABILITIES	26,609	20,141
CURRENT FINANCIAL LIABILITIES	234,929	236,396
CURRENT TAX LIABILITIES	5,897	11,517
TRADE PAYABLES	67,832	78,166
OTHER CURRENT LIABILITIES	504,120	460,703
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	**997,174**	**950,969**
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		
CURRENT FINANCIAL LIABILITIES	2,919	14,670
NON-CURRENT FINANCIAL LIABILITIES	-	2,139
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**2,919**	**16,809**
TOTAL FINANCIAL LIABILITIES	**1,000,093**	**967,778**

Given the short-term nature 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 interest rate and contractual maturities trends, 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 of 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 outline financial assets and liabilities measured at fair value, broken down by the hierarchical level, as of 31 December 2023:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023			
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
NON-CURRENT FINANCIAL ASSETS				
LONG-TERM DERIVATIVE FINANCIAL ASSETS	**2,382**	-	2,382	-
EQUITY INVESTMENTS IN OTHER COMPANIES	**248**	-	-	248
CURRENT FINANCIAL ASSETS				
SECURITIES	**54**	-	54	-
CURRENT FINANCIAL LIABILITIES				
LIABILITIES FOR OPTIONS AND EARN-OUTS	**2,738**	-	-	2,738

7. BUSINESS COMBINATIONS

This paragraph describes the business combination processes involving the Group during the fiscal year in question. For further information on the activities carried out by the acquired companies, please refer to the Management Report.

YEAR ENDED AS OF 31 DECEMBER 2023

Acquisition of the "The Bridge" Group
On 7 February 2023, the Group signed a purchase agreement for The Bridge Group. The acquisition was aimed at elevating existing service offerings through the latter entity's technological expertise and strong presence in Latin America.

Founded in 2017 in Santiago, Chile, The Bridge offers customers a global network of creative, technology and digital professionals built on the promise of forging meaningful connections between companies and customers.

The acquisition will enable Gi Group Holding not only to expand its regional presence, but also to strengthen its offerings in the HR technology space. In fact, The Bridge'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 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 manage complex business scenarios and truly develop companies;
- **personnel services**, with comprehensive, full-service human resources management; including payroll, contracts and more.

The table below summarises the calculation of goodwill:

(IN THOUSANDS OF EURO)

TOTAL ACQUISITION PRICE	9,758
NET (ASSETS)/LIABILITIES ACQUIRED	(2,223)
GOODWILL	**7,535**

The value of goodwill equals Euro **7.5 million**, determined as the difference between the total acquisition price, including the earn-out, and the value of the assets and liabilities acquired (equal to Euro 2.2 million).

At the date of approval of the Financial Statements, the purchase price allocation ("PPA") envisaged by the IFRS 3 standard led to the identification of a net value of "customer relationships" equal to USD 2.3 million and with a useful life of 7 years.

Note that the amounts reported are provisional amounts. 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 of the acquisition date. 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 on the date of acquisition. This will result in a remeasurement of goodwill.

Acquisition of 100% of the share capital of Encore Personnel Services Ltd.

On 30 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.

At the date of approval of the Financial Statements, the purchase price allocation ("PPA") envisaged by the IFRS 3 standard led to the identification of a net value of "customer relationships" equal to GBP 2.6 million and with a useful life of 6 years.

Acquisition of 100% of the share capital of five companies in the EUPRO Group

On 30 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 focused on the recruitment and human resources sector and with a specialisation in the construction and production sectors.

At the date of approval of the Financial Statements, the purchase price allocation ("PPA") envisaged by the IFRS 3 standard led to the identification of a net value of "customer relationships" equal to CHF 3.8 million and with a useful life of 6.5 years.

Acquisition of 100% of the share capital of six companies in the CVO/Simplika Group

On 30 November 2022, the Group, through its parent company, acquired 100% of the share capital of six CVO/Simplika group companies.

Upon the date of approval of the Financial Statements, the purchase price allocation ("PPA") envisaged by the IFRS 3 standard led to the identification of a net value of "customer relationships" equal to Euro 1.9 million and with a useful life of 7.5 years.

8. NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8.1. PROPERTY, PLANTS AND EQUIPMENT

The table below sets out the changes in "Property, plants and equipment" for the years ending as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	LAND AND BUILDINGS	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	IMPROVEMENTS ON THIRD-PARTY ASSETS	PROPERTY, PLANTS AND EQUIPMENT UNDER CONSTRUCTION AND ADVANCES	TOTAL
NET BOOK VALUE AS OF 31 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 OF 31 DECEMBER 2022	**1,191**	**31**	**10,143**	**4,118**	**479**	**15,962**
DEPRECIATION	(66)	(6)	(3,674)	(1,876)	-	(5,622)
INVESTMENTS/DIVESTMENTS	6	18	3,715	2,666	74	6,479
EXCHANGE DIFFERENCES FROM TRANSLATION	48	3	(52)	(40)	21	(20)
OTHER CHANGES	-	1	184	266	(470)	(19)
NET BOOK VALUE AS OF 31 DECEMBER 2023	**1,179**	**47**	**10,315**	**5,133**	**104**	**16,780**

"Other assets" mainly include the necessary technical equipment needed for operations at 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 2,237 thousand as of 31 December 2023 (Euro 1,868 thousand as of 31 December 2022) relating to renovations and improvements to branches throughout Italy. These investments aimed to rationalise and streamline the business network.

Investments made in the financial year ended 31 December 2023 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, plants and equipment were purchased for the purpose of conducting business at the branches, i.e., insignias (branding materials), furniture and fittings and technological tools like PCs and accessories.

As of 31 December 2023, the Group had not identified any indicators of impairment relating to property, plants and equipment.

8.2. GOODWILL

The table below sets out the movements in "Goodwill" for the years ended as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	GOODWILL
BALANCE AS OF 31 DECEMBER 2021	**124,236**
NET INCREASES	46,422
IMPAIRMENT	(966)
EXCHANGE DIFFERENCES FROM TRANSLATION	1,583
BALANCE AS OF 31 DECEMBER 2022	**171,275**
NET (DECREASES)	(5,583)
IMPAIRMENT	(5,000)
EXCHANGE DIFFERENCES FROM TRANSLATION	3,048
BALANCE AS OF 31 DECEMBER 2023	**163,740**

The table below shows the details of goodwill broken down by CGU as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
GERMANY	23,366	23,366
UNITED KINGDOM – GI GROUP (UK GI)	20,741	21,806
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	16,535	15,016
TACK & TMI INTERNATIONAL	5,975	5,985
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
INDIA	1,330	1,330
SPAIN	2,042	2,042
COLOMBIA	4,509	3,839
BALTICS & LITHUANIA	3,709	7,356
ROMANIA	392	392
SWITZERLAND – GI GROUP	10,593	16,739
FRANCE	10,058	10,058
WORK SERVICE CENTRAL EUROPE	117	109
USA	8,201	8,496
ITALY – ENGINIUM	5,489	3,255
ARGENTINA	3,255	56
OD&M	559	559
JOBTOME – SWITZERLAND	15,607	19,612
TOTAL	**163,740**	**171,275**

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 inflows 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 desired results. They are determined based on criteria which are largely set out on a geographical basis (appropriate for 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 or associated with a country are considered to be autonomous business areas which generate revenues independently from those of other area. In these cases, the main business activity (staffing) is characterised broadly as a 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 OF 31 DECEMBER 2023

As of 31 December 2023, an 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 a 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. That is, 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. The latter is 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 2024-2027, which take into account the concrete potential of the acquired companies based on past results and on growth initiatives identified.

The CGUs' related cash flows were discounted using the WACC, i.e., the weighted average cost of capital. The WACC was determined using market parameters, setting the weighted average cost of own capital and the cost of third-party capital (net of tax effects) and reflecting country risk, among other factors.
Instead, the CGUs' terminal value identified was calculated considering:

- a normalised cash flow equal to the final year of the plan (2027) 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 IFRS 16 equal to the amount of instalments paid annually in 2023;
- *growth rate g* assumed as equal to the inflation rate forecast by the International Monetary Fund for 2027.

The table below shows the main figures (WACC and growth rate g) used in the impairment tests conducted as of 31 December 2023:

CGU	WACC	GROWTH RATE G
GERMANY	10.2%	2.00%
UNITED KINGDOM – GI GROUP (UK GI)	10.6%	2.00%
UNITED KINGDOM – MARKS SATTIN (UK MS)		
CENTRAL EUROPE – POLAND	12.4%	2.4%
CENTRAL EUROPE – CZECH REPUBLIC		
CENTRAL EUROPE – SLOVAKIA		
CENTRAL EUROPE – HUNGARY		
BRAZIL	16.1%	3.0%
TACK & TMI INTERNATIONAL	10.1%	2.0%
ADRIA BALKAN – BULGARIA (AB BULGARIA)	13.4%	2.4%
ADRIA BALKAN – SERBIA (AB SERBIA)		
ADRIA BALKAN – CROATIA (AB CROATIA)		
CHINA – TEMP&PERM	12.0%	2.2%
CHINA – SEARCH&SELECTION		
INDIA	16.3%	4.0%
USA	11.8%	2.1%
ITALY – ENGINIUM	12.7%	2.0%
SPAIN	12.0%	1.7%
JOBTOME – SWITZERLAND	8.8%	1.5%
SWITZERLAND – GI GROUP	9.5%	1.5%
COLOMBIA	15.3%	3.0%
BALTICS & LITHUANIA	12.2%	2.4%
FRANCE	10.1%	1.6%

The measurements carried out showed that the recoverable value of goodwill as of 31 December 2023 is greater than the book value (except for the JobToMe – Switzerland CGU, for which a write-down of Euro 5 million was necessary) posted to the Income Statement for the year ended as of 31 December 2023.

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 ending 31 December 2023 and 31 December 2022:

(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 OF 31 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 OF 31 DECEMBER 2022	**-**	**10,254**	**30,379**	**1,215**	**41,848**
AMORTISATION	-	(7,425)	(6,504)	-	(13,929)
INVESTMENTS/DIVESTMENTS	-	8,267	14,732	1,542	24,541
EXCHANGE DIFFERENCES FROM TRANSLATION	-	192	1,162	25	1,379
OTHER CHANGES	-	(4)	(51)	(9)	(64)
NET BOOK VALUE AS OF 31 DECEMBER 2023	**-**	**11,282**	**39,718**	**2,773**	**53,771**

"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 Group companies' information systems.

As of 31st December 2023, "Other intangible assets" mainly included the value of customer lists and customer relationships mainly attributable to the following entities: the Axxis group companies for an amount of Euro 10.4 million; the Spanish companies for an amount of Euro 4.9 million; Gi Group Poland for an amount of Euro 5.3 million; the Swiss companies (formerly EUPRO) for an amount of Euro 4.8 million; the Colombian companies for an amount of Euro 3.7 million; and the British company Encore for an amount of Euro 3.1 million. Please refer to Note 7 for further information on purchase price identification and allocation processes envisaged by IFRS 3 for current and past business combinations.

"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 of 31 December 2023, 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. This is broken down by category of underlying asset as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
RIGHT-OF-USE ASSETS (PROPERTY)	66,347	65,993
RIGHT-OF-USE ASSETS (VEHICLES AND AUTOMOBILES)	15,455	11,876
RIGHT-OF-USE ASSETS (OTHER UNDERLYING ASSETS)	126	118
TOTAL RIGHT-OF-USE ASSETS	**81,928**	**77,988**
AMORTISATION OF RIGHT-OF-USE ASSETS (PROPERTY)	18,951	15,856
AMORTISATION OF RIGHT-OF-USE ASSETS (VEHICLES AND AUTOMOBILES)	5,395	4,975
TOTAL AMORTISATION OF RIGHT-OF-USE ASSETS	**24,346**	**20,831**

As of 31 December 2023, 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 of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
NON-CURRENT LEASE LIABILITIES	55,739	60,272
CURRENT LEASE LIABILITIES	26,609	20,141
TOTAL BOOK VALUE	**82,347**	**80,413**

For a breakdown of the due dates of cash outflows for leases, please refer to Note 5.2 "Liquidity Risk".

COSTS RECOGNISED IN THE INCOME STATEMENT

The table below sets out costs recognised in the Income Statement referring to Group rental and lease contracts for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
AMORTISATION OF RIGHT-OF-USE ASSETS	24,346	20,831
LEASE INTEREST PAYABLE	(3,639)	2,371
LEASE AND ASSOCIATED SERVICE COSTS RECOGNISED IN THE INCOME STATEMENT	15,693	14,567

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 the following:

- **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 less than roughly 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 for contracts such as 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 assets or liabilities for tax purposes.

The table below sets out the movements in "Deferred tax assets" and "Deferred tax liabilities" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	DEFERRED TAX ASSETS	(DEFERRED TAX LIABILITIES)	NET BALANCE
BALANCE AS OF 31 DECEMBER 2021	**22,374**	**5,751**	**16,623**
ALLOCATIONS/RELEASES TO THE INCOME STATEMENT	(1,789)	(1,108)	(681)
ALLOCATIONS/RELEASES TO SHAREHOLDER EQUITY	(273)	-	(273)
CHANGES IN THE SCOPE OF CONSOLIDATION	81	404	(323)
EXCHANGE DIFFERENCES FROM TRANSLATION	(41)	(37)	(4)
BALANCE AS OF 31 DECEMBER 2022	**20,351**	**5,010**	**15,341**
ALLOCATIONS/RELEASES TO THE INCOME STATEMENT	2,079	3,252	(1,173)
ALLOCATIONS/RELEASES TO SHAREHOLDER EQUITY	63	-	63
CHANGES IN THE SCOPE OF CONSOLIDATION	3	680	(677)
EXCHANGE DIFFERENCES FROM TRANSLATION	524	372	153
BALANCE AS OF 31 DECEMBER 2023	**23,021**	**9,314**	**13,707**

As of 31 December 2023, deferred tax assets of Euro 1.4 million were recognised against the reversal of the amortisation for the period recognised based on remeasurements carried out in the financial statements of the subsidiary Gi Group S.p.A. and of several Italian subsidiaries. This was 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 shows movements in "Non-current financial assets" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
EQUITY INVESTMENTS IN OTHER COMPANIES	248	283
LONG-TERM SECURITY DEPOSITS	4,550	4,973
OTHER LONG-TERM FINANCIAL RECEIVABLES	36	445
DERIVATIVE FINANCIAL INSTRUMENTS	2,382	4,940
TOTAL	**7,216**	**10,641**

LONG-TERM SECURITY DEPOSITS

This 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 the Group's floating rate loans. The derivatives reported all have a positive fair value as of the reporting date.

COMPANY	BANK	UNDERWRITING DATE	EXPIRATION DATE	INITIAL NOTIONAL AMOUNT	RESIDUAL NOTIONAL AMOUNT AS OF 31 DEC. 2023	FAIR VALUE AS OF 31 DEC. 2023
(IN THOUSANDS OF EURO)						
INTESA	*INTEREST RATE SWAP*	25/02/2020	31/12/2024	10,000	2,000	57.5
INTESA	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	385.9
BNL	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	384.5
UNICREDIT	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	357.7
BANCO BPM	*INTEREST RATE SWAP*	23/02/2021	30/09/2026	12,500	8,594	386.0
MPS	*INTEREST RATE SWAP*	29/01/2021	30/09/2026	10,000	6,875	315.0
BPER	*INTEREST RATE SWAP*	13/08/2021	30/09/2026	10,000	6,000	220.2
CRÉDIT AGRICOLE	*INTEREST RATE SWAP*	29/12/2021	28/12/2026	10,000	6,118	275.7
	TOTAL			**90,000**	**55,368**	**2,382.5**

For more information on this see Section 5.4 – Interest rate risk.

8.7. TRADE RECEIVABLES

The table below outlines the movements in "Trade receivables" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
GROSS TRADE RECEIVABLES	690,289	646,751
PROVISION FOR DOUBTFUL RECEIVABLES	(23,976)	(22,547)
TOTAL	**666,313**	**624,204**

The table below breaks down trade receivables by geographical area as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
ITALY	275,540	282,505
WESTERN EUROPE	260,959	233,490
EASTERN EUROPE	59,591	53,111
NORTH AMERICA	1,548	1,366
SOUTH AMERICA	55,984	39,731
ASIA	12,691	14,001
TOTAL	**666,313**	**624,204**

The table below outlines movements in provisions for doubtful receivables for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	PROVISION FOR DOUBTFUL RECEIVABLES
BALANCE AS OF 31 DECEMBER 2021	**17,064**
NET ALLOCATIONS	3,410
CHANGES IN THE SCOPE OF CONSOLIDATION	2,029
TRANSLATION DIFFERENCES	44
BALANCE AS OF 31 DECEMBER 2022	**22,547**
NET ALLOCATIONS	1,046
CHANGES IN THE SCOPE OF CONSOLIDATION	65
TRANSLATION DIFFERENCES	318
BALANCE AS OF 31 DECEMBER 2023	**23,976**

Allocations were made to provisions for doubtful receivables taking into account the receivables' age, expected credit losses and legal opinions obtained.

Trade receivables as of 31 December 2023 mainly included receivables from customers of Gi Group S.p.A. for an amount of Euro 231 million (Euro 248 million as of 31 December 2022). This represents 35% of total net receivables. Please refer to the geographical area breakdown above for further information.

For 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 8.3 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 55 thousand.

In the year in question, the Group also assigned receivables without recourse, which led to the derecognition of the receivable(s) in line with provisions of IFRS 9. The value of non-recourse factoring transactions on receivables for Gi Group S.p.A. not past due as of 31 December 2023 equalled Euro 95 million (Euro 85 million as of 31 December 2022).

8.8. CURRENT TAX ASSETS

The table below outlines movements in "Current tax assets" as at 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
RECEIVABLES FOR INCOME TAXES (ITALIAN COMPANIES)	651	203
RECEIVABLES FOR INCOME TAXES (FOREIGN COMPANIES)	4,159	2,148
TOTAL	**4,810**	**2,351**

8.9. CASH AND CASH EQUIVALENTS

The table below shows movements in "Cash and cash equivalents" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
BANK AND POSTAL DEPOSITS	147,505	153,187
CASH ON HAND	64	94
CHEQUES RECEIVED / (ISSUED)	(312)	(412)
TOTAL	**147,257**	**152,870**

Cash and cash equivalents refer to current account balances and cash held by the company at the end of the fiscal year, including payments accrued at the end of the year.

8.10. CURRENT FINANCIAL ASSETS

The table below shows movements in "Current financial assets" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
SHORT-TERM SECURITY DEPOSITS	917	1,659
SECURITIES	54	64
OTHER CURRENT FINANCIAL ASSETS	5,699	3,694
TOTAL	**6,670**	**5,417**

SHORT-TERM SECURITY DEPOSITS

This item includes security deposits due within the following fiscal year, mainly related to office and branch rents and utilities contracts.

OTHER CURRENT FINANCIAL ASSETS

"Other current financial assets" amount to Euro 5,699 thousand as of 31 December 2023 (Euro 3,694 thousand as of 31 December 2022) and mainly include the following:

- amounts to guarantee the Spanish subsidiaries' factoring transactions for Euro 1,933 thousand as of 31 December 2023 (Euro 875 thousand as of 31 December 2022);
- amounts to guarantee the Czech subsidiaries' factoring transactions for Euro 1,452 thousand as of 31 December 2023 (Euro 1,278 thousand as of 31 December 2022);
- amounts to guarantee the Portuguese subsidiaries' factoring transactions for Euro 633 thousand as of 31 December 2023 (Euro 464 thousand as of 31 December 2022);
- amounts to guarantee the French subsidiaries' factoring transactions for Euro 1,398 thousand as of 31 December 2023 (Euro 724 thousand as of 31 December 2022).

8.11. OTHER CURRENT ASSETS

The table below outlines movements in "Other current assets" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
VAT RECEIVABLES	2,936	2,635
RECEIVABLES FROM EMPLOYEES	2,676	2,274
RECEIVABLES FROM SOCIAL SECURITY AND WELFARE INSTITUTIONS	2,586	4,353
ACCRUED INCOME AND PREPAID EXPENSES	14,758	17,051
ADVANCES TO SUPPLIERS	2,204	3,009
OTHER TAX RECEIVABLES	10,261	9,662
OTHER CURRENT RECEIVABLES	66,909	64,798
TOTAL	**102,329**	**103,782**

"Accrued income and prepaid expenses" mainly include accrued income on security deposits and prepayments for fees to access databases, insurance costs and IT expenses.
"Other current receivables" mainly include receivables due to Gi Group S.p.A. for an amount of Euro 54,648 thousand as of 31 December 2023 (Euro 52,771 thousand as of 31 December 2022). This relates primarily to receivables due from the training entity Forma. Temp for training courses provided, accounted for and approved.

8.12. SHAREHOLDER EQUITY

The table below breaks down "Shareholder equity" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
SHAREHOLDER EQUITY PERTAINING TO THE GROUP	215,023	195,900
SHAREHOLDER EQUITY PERTAINING TO MINORITY INTERESTS	145	(2,035)
TOTAL	**215,168**	**193,865**

SHAREHOLDER EQUITY PERTAINING TO THE GROUP

The table below shows movements in "Shareholder equity pertaining to the Group" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
SHARE CAPITAL	10,000	10,000
RESERVES		
LEGAL RESERVE	732	21
CASH FLOW HEDGING RESERVE	1,811	5,013
TRANSLATION RESERVE	803	20
IFRS FIRST-TIME ADOPTION (FTA) RESERVE	(937)	(937)
RESERVE FOR ACTUARIAL GAINS/LOSSES	658	705
OTHER RESERVES AND RETAINED EARNINGS/ (LOSSES CARRIED FORWARD)	165,697	126,397
NET PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	36,259	54,681
TOTAL SHAREHOLDER EQUITY PERTAINING TO THE GROUP	**215,023**	**195,900**

Share capital

The Parent Company's share capital amounts to Euro **10 million** (paid in full) 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 S.p.A. realised a free share capital increase, through the use of Other reserves, for the amount of Euro 9,897,232. This was approved by the Board of Directors with shareholder delegation on 1 July 2022.

Legal reserve

The legal reserve, amounting to Euro **732 thousand**, relates to the Parent Company and was established prior to the capital increase: a sum corresponding to at least a twentieth of it will be deducted from annual net profit to increase this reserve until it has reached one-fifth of the share capital; this as provided for in Art. 2430 of the Italian Civil Code.

Cash flow hedging reserve

This item, which exclusively applies to Gi Group S.p.A, includes the value of the change in fair value for 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. This applies to those included in the scope of consolidation expressed in currencies other than the Euro.

First-Time Adoption (FTA) reserve

This reserve includes the impact generated by the first-time adoption of the EU-IFRS (1 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 from 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 15 June 2023, the Gi Group Holding S.p.A. Shareholder Meeting resolved to distribute a dividend to the shareholder Familia S.r.l. for the amount of Euro 13,000,000 through the use of the extraordinary reserve recognised under "Other reserves".

SHAREHOLDER EQUITY PERTAINING TO MINORITY INTERESTS

Shareholder equity pertaining to minority interests had a positive value of Euro **145 thousand** as of 31 December 2023 (negative value of Euro 2,035 thousand as of 31 December 2022). It also includes the minority interests in shareholder equity of subsidiaries not wholly-owned, directly or indirectly, by the Parent Company.
Pursuant to international accounting standard IAS 27, it should be noted that the surplus of losses pertaining to minority interests relating to the Polish companies Gi Group Poland S.A. and its direct subsidiaries was partially reclassified (for Euro 822 thousand) to the Group. Therefore, again in compliance with the IAS 27 accounting standard, the profits that might arise in 2024 for the portion pertaining to minority shareholders will be attributed to the Group up to the amount of losses previously absorbed by the Group.

The tables below show the reconciliation of the Parent Company's shareholder equity and net profit (loss) with the consolidated shareholder equity and net profit (loss) – pertaining to the Group – as of 31 December 2023:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023
SHAREHOLDER EQUITY (FROM THE PARENT COMPANY'S FINANCIAL STATEMENTS)	**201,155**
NET PROFIT (LOSS) OF CONSOLIDATED COMPANIES	27,682
DIFFERENCE BETWEEN THE CARRYING AMOUNT OF CONSOLIDATED EQUITY INVESTMENTS AND THE PRO-RATA VALUE OF SHAREHOLDER EQUITY	(347,725)
CHANGE IN THE TRANSLATION RESERVE	615
GOODWILL FROM BUSINESS COMBINATIONS (NET VALUE)	161,698
DERECOGNITION OF INTERCOMPANY WRITE-DOWNS	171,416
DIVIDENDS DISBURSED	38,472
REVERSAL OF ASSET REVALUATION RESERVE, NET OF THE TAX EFFECT	(31,248)
DERECOGNITION OF CAPITALISED CHARGES ON EQUITY INVESTMENTS AND START-UPS	(6,537)
EFFECTS OF THE APPLICATION OF IFRS 16 AND IAS 19, NET OF THE TAX EFFECT	(666)
RECOGNITION OF SHAREHOLDER EQUITY OF MINORITY INTERESTS	145
OTHER CHANGES IN EQUITY	16
CONSOLIDATED SHAREHOLDER EQUITY PERTAINING TO THE GROUP	**215,023**

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023
NET PROFIT (LOSS) – FROM THE PARENT COMPANY'S FINANCIAL STATEMENTS	**13,283**
PRO-RATA PROFIT (LOSS) OF SUBSIDIARIES	53,893
DERECOGNITION OF INTERCOMPANY MARGINS AND DIVIDENDS	(38,472)
RECOGNITION OF INTANGIBLE ASSETS FROM PURCHASE PRICE ALLOCATION	(5,806)
RECOGNITION OF DEFERRED TAX LIABILITIES DERIVING FROM PURCHASE PRICE ALLOCATION	1,328
DERECOGNITION OF INTERCOMPANY WRITE-DOWNS	26,952
DERECOGNITION OF AMORTISATION ON LOCAL GOODWILL AND TAX EFFECT	923
RECOGNITION OF REVERSAL OF AMORTISATION AND DEPRECIATION ON ASSET REVALUATION AND TAX EFFECT	5,191
PRE-CONSOLIDATION ADJUSTMENTS (ALLOCATIONS AND OTHER CHANGES IN THE INCOME STATEMENT)	(17,590)
OTHER EFFECTS ON THE INCOME STATEMENT	(3,737)
RECOGNITION OF PROFIT (LOSS) PERTAINING TO MINORITY INTERESTS	295
CONSOLIDATED NET PROFIT (LOSS) PERTAINING TO THE GROUP	**36,259**

8.13. (NON-CURRENT AND CURRENT) FINANCIAL LIABILITIES

The table below shows movements in "Non-current financial liabilities" and "Current financial liabilities" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
LONG-TERM PAYABLES TO BANKS	102,030	83,774
OTHER NON-CURRENT FINANCIAL PAYABLES	-	2,139
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**102,030**	**85,914**
SHORT-TERM PAYABLES TO BANKS	207,513	213,755
PAYABLES TO FACTORING COMPANIES	26,588	22,274
FINANCIAL ACCRUED EXPENSES	847	367
OTHER CURRENT FINANCIAL PAYABLES	2,919	14,670
TOTAL CURRENT FINANCIAL LIABILITIES	**237,867**	**251,066**

PAYABLES TO BANKS

Payables to banks reflect the Group's need to support financially 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 Gi Group Holding S.p.A.

The table below shows movements in payables to banks as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
BANK LOANS	102,030	83,774
TOTAL LONG-TERM PAYABLES TO BANKS	**102,030**	**83,774**
OVERDRAFTS	145,181	145,433
BANK LOANS	59,174	66,171
INVOICE FINANCING ACCOUNTS	3,158	2,151
TOTAL SHORT-TERM PAYABLES TO BANKS	**207,513**	**213,755**

The "Invoice financing accounts" item includes financial payables of the Spanish companies for an advance against bills of exchange.

The table below shows movements in and a breakdown of “Bank loans” as of 31 December 2023:

(IN THOUSANDS OF EURO)	COMPANY	LOAN AMOUNT	CONTRACT START DATE	MATURITY DATE	RESIDUAL DEBT AS OF 31 DECEMBER 2023	AMOUNT MATURING WITHIN THE YEAR 2024	AMOUNT MATURING BEYOND THE YEAR 2024
BNL	GI GROUP SPA	5,000	15/03/2019	15/03/2024	500	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	34,375	12,500	21,875
CASSA DEPOSITI E PRESTITI	GI GROUP SPA	15,000	13/08/2020	13/08/2025	4,500	3,000	1,500
INTESA SANPAOLO	GI GROUP SPA	10,000	28/02/2020	31/12/2024	2,000	2,000	-
MPS	GI GROUP SPA	5,000	31/10/2019	31/12/2024	1,000	1,000	-
MPS WITH SACE GUARANTEE	GI GROUP SPA	10,000	30/12/2020	30/09/2026	6,875	2,500	4,375
BPER BANCA	GI GROUP SPA	10,000	04/08/2021	30/09/2026	5,500	2,000	3,500
CRÉDIT AGRICOLE	GI GROUP SPA	10,000	28/12/2021	31/12/2026	6,118	1,939	4,179
CASSA DEPOSITI E PRESTITI	GI GROUP SPA	10,000	29/12/2022	27/12/2027	8,000	2,000	6,000
BCC CENTROPADANA	GI GROUP SPA	10,000	14/06/2023	14/06/2026	10,000	1,133	8,867
BPER BANCA	GI GROUP SPA	15,000	14/07/2023	14/06/2026	15,000	3,333	11,667
MPS	GI GROUP SPA	15,000	28/06/2023	30/06/2028	15,000	3,333	11,667
BANCA POPOLARE DI SONDRIO	GI GROUP SPA	15,000	01/06/2023	01/06/2029	15,000	1,331	13,669
SPARKASSE	GI GROUP SPA	10,000			10,000	10,000	-
INTEREST PAYABLES	GI GROUP SPA	-			2,575	2,575	-
ANCILLARY EXPENSES	GI GROUP SPA	-			(527)	(231)	(296)
BANCO BPM – SACE	ENGINIUM	2,500	05/11/2021	30/09/2027	1,997	622	1,375
BANCO BPM – SACE	INTOO	2,000	05/11/2021	30/09/2027	1,604	504	1,100
BANCO BPM – SACE	GI FORMAZIONE	6,000	30/09/2021	30/09/2027	5,992	1,867	4,125

SPARKASSE	GI GROUP HOLDING SPA	5,000	30/06/2023	31/12/2024	5,000	5,000	-
MPS	GI GROUP HOLDING SPA	229	30/06/2022	31/12/2028	229	-	229
CASSA DEPOSITI E PRESTITI – MISE (MINISTRY OF ECONOMIC DEVELOPMENT)	GI GROUP HOLDING SPA	2,193	30/06/2022	31/12/2028	1,892	372	1,520
BNP PARIBAS	GI GROUP AUTOMOTIVE S.A.S	3,570	25/05/2020	27/05/2026	2,248	908	1,340
BANCO SANTANDER	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	2,500	03/04/2020	03/04/2026	1,494	656	839
CAIXABANK	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	600	14/05/2020	14/05/2024	74	74	-
BBVA	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	450	10/10/2022	10/10/2025	282	150	132
BBVA	G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	250	20/04/2023	20/04/2026	194	83	111
ST. GALLER KANTONALBANK	GI GROUP HOLDING AG	3,800	19/11/2021	31/12/2025	2,700	-	2,700
OTHER MINOR BANK LOANS		360			1,609	34	1,576
ANCILLARY EXPENSES					(28)	(9)	(19)
TOTAL BANK LOANS		**219,452**			**161,204**	**59,174**	**102,030**

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 the 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, in 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 Shareholder Equity)

As of 31 December 2023 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 shows movements in payables to factoring companies broken down by company as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	COUNTRY	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
ENCORE PERSONNEL LTD	UK	8,345	4,368
GI GROUP S.P.A.	ITALY	4,217	4,044
G.I. GROUP SPAIN EMPRESA DE TRABAJO TEMPORAL S.L.	SPAIN	3,579	4,649
GI GROUP BRASIL RECURSOS HUMANOS LTDA.	BRAZIL	2,550	-
GI GROUP POLAND (EX WORK SERVICE SA)	POLAND	2,486	2,548
GI GROUP AUTOMOTIVE S.A.S.	FRANCE	2,176	2,614
GI GROUP PERM B.V.	THE NETHERLANDS	1,309	1,006
SELLPRO SP. Z.O.O.	POLAND	868	642
GI GROUP TEMP B.V.	THE NETHERLANDS	559	524
INDUSTRY PERSONNEL SERVICES SP. Z O.O.	POLAND	144	310
GRAFTON SLOVAKIA S.R.O.	SLOVAKIA	355	401
GRAFTON RECRUITMENT SP Z O.O.	POLAND	-	1,170
TOTAL PAYABLES TO FACTORING COMPANIES		**26,588**	**22,274**

OTHER CURRENT FINANCIAL PAYABLES

That item mainly includes

- the estimate of the **residual value of the financial liabilities** relating to the acquisition of The Bridge Group companies equal to Euro 1,045 thousand (see Note 7 "Business combinations" for more information). This includes the residual value of the post-closing adjustment, the estimate earn-out and other expected payments;
- the estimated value of the **earn-out on the acquisition of the CVO/Simplika** Group companies amounting to Euro 500 thousand;
- the 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 1,192 thousand. The option was paid in April 2024.

8.14. PROVISIONS FOR PERSONNEL

The table below outlines movements in "Provisions for personnel" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	EMPLOYEE SEVERANCE INDEMNITY (TFR – ITALIAN COMPANIES)	OTHER PROVISIONS FOR PERSONNEL (FOREIGN COMPANIES)	LONG-TERM INCENTIVE PLAN (LTI)	TOTAL
BALANCE AS OF 31 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 OF 31 DECEMBER 2022	**8,654**	**1,480**	**7,174**	**17,308**
CURRENT SERVICE COST	2,254	(16)	-	2,238
FINANCIAL EXPENSES	336	-	-	336
OTHER MOVEMENTS	-	-	(5,047)	(5,047)
ACTUARIAL LOSSES/(GAINS)	61	-	-	61
USES/RELEASES	(1,588)	-	(2,141)	(3,729)
CHANGES IN THE SCOPE OF CONSOLIDATION	1	18	-	19
TRANSLATION DIFFERENCES	-	29	14	44
BALANCE AS OF 31 DECEMBER 2023	**9,718**	**1,511**	**0**	**11,230**

It should be noted that the item "Other changes" in the LTI provision relates to the restatement of its entire value as payables to employees since the item in question no longer includes a random estimate component and is owed to plan beneficiaries as of the reporting date.

EMPLOYEE SEVERANCE INDEMNITY (TFR – ITALIAN COMPANIES)

That item includes only the value of liabilities for employee severance indemnity owed to the Group's Italian companies' employees based on national law.

The following table provides a breakdown of liabilities for employee severance indemnity by company as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
GI GROUP S.P.A.	1,967	1,833
INTOO S.R.L.	1,158	1,169
GI BUSINESS PROCESS OUTSOURCING S.R.L.	1,620	1,311
ENGINIUM S.R.L.	1,116	1,030
GI HR SERVICES S.R.L.	810	637
C2C S.R.L.	753	633
WYSER S.R.L.	553	427
TACK & TMI ITALY S.R.L.	470	403
OD&M S.R.L.	321	264
EXS ITALIA S.R.L.	102	91
GI GROUP HOLDING S.P.A.	424	473
GI FORMAZIONE S.R.L.	424	383
TOTAL	**9,718**	**8,654**

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 of 31 December 2023 are shown below:

	AS OF 31 DECEMBER 2022 AND 31 DECEMBER 2023
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 UP 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 S.P.A., INTOO S.R.L., EXS ITALIA S.R.L., GI FORMAZIONE S.P.A.); 20.00% (GI ON BOARD S.R.L., ENGINIUM S.R.L., WYSER S.R.L., C2C S.R.L., GI GROUP HOLDING S.P.A.); 10.00% (GI HR SERVICES S.R.L., TACK & TMI ITALY S.R.L.); 0.50% (OD&M S.R.L.)
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 OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
B) ECONOMIC-FINANCIAL ASSUMPTIONS:		
ANNUAL TECHNICAL DISCOUNT RATE – EMPLOYEE SEVERANCE INDEMNITY	3.17%; 3.08%	3.77%; 3.63%
ANNUAL TECHNICAL DISCOUNT RATE – LTI	N/A	3.34%
ANNUAL INFLATION RATE	2%	5.9% (2023); 2.3% (2024); 2.0% (2025)
ANNUAL RATE OF INCREASE IN TOTAL REMUNERATION	3%	6.9% (2023); 3.3% (2024); 3.0% (2025)
ANNUAL RATE OF INCREASE IN EMPLOYEE SEVERANCE INDEMNITY	5.8% (2023); 3.6% (2024); 3.0% (2025)	5.9% (2023); 3.2% (2024); 3.0% (2025)

The discount rates used as benchmarks for measuring that parameter are the iBoxx Eurozone Corporates AA 10+ and AA 7-10 as of the measurement date. They take into account the average residual employee length of service of the separate companies.

The table below shows the sensitivity analysis as of 31 December 2023 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	9,590	9,912	9,820	9,678	9,745	9,748

OTHER PROVISIONS FOR PERSONNEL (FOREIGN COMPANIES)

This item includes provisions owed 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. This refers mainly to some of the Group's French, German, Indian and Colombian companies.

LONG-TERM INCENTIVE PLAN (LTI)

This 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 relevant companies' Boards of Directors 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 and provide them with a bonus for achieving individual and corporate performance goals linked to financial and economic indicators for 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. This is subject to an increase in the Group's Equity Value up to 31 December 2023. There are also plans to disburse a variable bonus within the first half of 2024.

It should be noted that as of 31 December 2023 this LTI provision was fully restated as a payable to employees. This is because the item in question no longer includes a random estimate component and is owed to plan beneficiaries as of the reporting date.

8.15. PROVISIONS FOR RISKS AND CHARGES

The table below shows movements in "Provisions for risks and charges" for the years ended 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	PROVISIONS FOR RISKS AND CHARGES
BALANCE AS OF 31 DECEMBER 2021	**16,738**
NET ALLOCATIONS	2,775
USES/RELEASES	(1,508)
TRANSLATION DIFFERENCES	1,155
BALANCE AS OF 31 DECEMBER 2022	**19,160**
NET ALLOCATIONS	9,948
USES/RELEASES	(7,121)
CHANGES IN THE SCOPE OF CONSOLIDATION	128
TRANSLATION DIFFERENCES	576
BALANCE AS OF 31 DECEMBER 2023	**22,691**

Provisions for risks and charges include the estimate of contingent liabilities deemed probable for pending legal disputes, both relating to labour law and civil and administrative proceedings. This applies mainly for the companies located in Italy (for which, refer to the Notes on the Financial Statements of Gi Group S.p.A.), Brazil, Spain and Poland.

The balance relating to the Brazilian subsidiaries, equal to Euro 15.0 million, includes 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. during the 2020 fiscal year.

8.16. OTHER NON-CURRENT LIABILITIES

This item includes exclusively the value of tax and social security liabilities beyond the fiscal year relating to the Polish subsidiary Gi Group Poland. This amounted to Euro 4,822 thousand as of 31 December 2023 (Euro 12,449 thousand as of 31 December 2022).

8.17. CURRENT TAX LIABILITIES

The table below sets out the movements in "Current tax liabilities" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
PAYABLES FOR INCOME TAXES (ITALIAN COMPANIES)	241	4,189
PAYABLES FOR INCOME TAXES (FOREIGN COMPANIES)	5,655	7,328
TOTAL	**5,896**	**11,517**

8.18. TRADE PAYABLES

"Trade payables" amount to Euro 67,832 thousand as of 31 December 2023 (Euro 78,166 thousand as of 31 December 2022) and also include payables for invoices to be received for services ordered during the year net of credits due.

The table below breaks down trade payables by geographical area as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
ITALY	26,542	32,057
WESTERN EUROPE	22,590	30,039
EASTERN EUROPE	5,050	1,272
ASIA	8,632	9,018
NORTH AMERICA	804	317
SOUTH AMERICA	4,214	5,463
TOTAL	**67,832**	**78,166**

8.19. OTHER CURRENT LIABILITIES

The table below shows movements in "Other current liabilities" as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	AS OF 31 DECEMBER 2022
PAYABLES TO EMPLOYEES	238,389	224,157
PAYABLES TO SOCIAL SECURITY AND WELFARE INSTITUTIONS	99,010	93,971
VAT PAYABLE	66,459	42,136
OTHER TAX PAYABLES	60,443	56,399
ACCRUED EXPENSES AND DEFERRED INCOME	11,300	12,513
ADVANCES FROM CUSTOMERS	854	1,555
OTHER CURRENT PAYABLES	38,965	42,485
TOTAL	**515,420**	**473,216**

"Payables to employees" mainly include payables accrued with respect to internal employees and temporary workers of Group companies. It should be noted that this item includes the restatement of Euro 5,406 thousand, equal to the entire value of the LTI provision (see note "8.14 Provisions for personnel"), as the item in question no longer includes a random estimate component. It is owed to plan beneficiaries as of the reporting date.

"Payables to social security and welfare institutions" include current payables at the end of the fiscal year to the social security and welfare institutions for contributions paid by the companies and the employees. This concerns mainly salaries and wages for the month of December.

"Other tax payables" mainly include payables for tax withholdings for employees, temporary workers and independent workers of the Group's Italian companies.

"Other current payables" mainly attributable to Gi Group S.p.A. for an amount of Euro 34,303 thousand as of 31 December 2023 (Euro 35,528 thousand as of 31 December 2022) include primarily 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.

9. NOTES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9.1. REVENUES FROM CONTRACTS WITH CUSTOMERS

The table below shows movements in "Revenues from contracts with customers", broken down by type of service provided, for the years ending on 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
TEMPORARY STAFFING AND STAFF LEASING	3,399,190	3,201,875
PROFESSIONAL	128,172	110,635
OUTSOURCING SERVICES	218,638	197,121
SEARCH AND SELECTION	18,743	22,438
TRAINING	19,111	14,511
OUTPLACEMENT	22,806	14,676
LABOUR MANAGEMENT CONSULTING	2,557	2,417
ADMINISTRATION AND MANAGEMENT OF EMPLOYMENT SERVICES	7,993	7,863
INTEGRATED SOLUTIONS	13,873	37,810
SPECIAL PROJECTS	24,777	15,484
TOTAL	**3,855,860**	**3,624,829**

The table below shows movements in "Revenues from contracts with customers", broken down by geographical area, for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
ITALY	1,701,579	1,689,661
WESTERN EUROPE	1,139,095	1,044,542
EASTERN EUROPE	371,782	293,482
ASIA	397,729	398,323
NORTH AMERICA	11,579	5,373
SOUTH AMERICA	234,096	193,448
TOTAL	**3,855,860**	**3,624,829**

9.2. OTHER REVENUES AND INCOME

The table below shows movements in "Other revenues and income" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF	
	31/12/2023	31/12/2022
GRANTS AND REIMBURSEMENTS FOR TRAINING COURSES	40,585	36,542
OPERATING GRANTS	14,506	13,293
MISCELLANEOUS - OTHER REVENUES AND INCOME	22,875	18,273
TOTAL	**77,966**	**68,109**

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 outlines movements in "Operating grants" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF	
	31/12/2023	31/12/2022
ITALY - GRANTS FOR COURSES PROVIDED	4,188	2,213
CHINA - GRATUITOUS FINANCIAL ALLOWANCES FROM THE GOVERNMENT TO SUPPORT THE BUSINESS	1,367	500
CHINA - TAX EXEMPTION INCENTIVES BY LOCAL GOVERNMENTS TO ATTRACT BUSINESSES TO THE AREA AND DEVELOP LOCAL BUSINESS	4,827	6,620
POLAND - GRANTS FOR EU PROJECTS	3,943	3,149
OTHER COUNTRIES - GOVERNMENT GRANTS RECEIVED	181	810
TOTAL	**14,506**	**13,292**

MISCELLANEOUS - OTHER REVENUES AND INCOME

That item includes mainly contingent assets and other operating income relating to payables to temporary workers. These are payables which have expired and can no longer be collected by the creditor. Collection refers 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, SUBSIDIARIES, CONSUMABLES AND GOODS FOR RESALE

The table below sets out the movements in "Costs for raw materials, subsidiaries, consumables and goods for resale" for the years ended as of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 202	YEAR ENDED AS OF 31ST DECEMBER 2022
FUEL AND LUBRICANTS	4,824	4,041
CONSUMABLES	2,672	2,561
STATIONERY AND FORMS	1,111	1,182
CHANGES IN INVENTORIES	195	105
TOTAL	**8,802**	**7,889**

The above item includes mainly costs for fuel and lubricants and for consumables, promotional materials and stationery.

9.4. COSTS FOR SERVICES

The table below shows movements in "Costs for services" for the years ended on 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF	
	31/12/2023	31/12/2022
TRAINING AND OTHER SERVICES FOR PERSONNEL	55,480	50,062
TRAVEL EXPENSES AND STAFF CAFETERIA VOUCHERS	56,311	46,917
COSTS FOR USE OF THIRD-PARTY ASSETS	16,022	14,799
PROFESSIONAL CONSULTING SERVICES AND OTHER WORK-RELATED SERVICES	37,528	30,296
TAX, ADMINISTRATIVE AND MANAGEMENT CONSULTING	11,372	11,824
IT COSTS AND CONSULTING AND SOFTWARE MAINTENANCE SERVICES	20,194	16,437
ADVERTISING EXPENSES	7,042	9,329
COSTS FOR UTILITIES, CLEANING AND SECURITY	6,341	6,349
GRAPHIC DESIGN AND CLASSIFIED ADVERTISEMENT DESIGN	7,642	7,106
TELEPHONE AND DATA NETWORK EXPENSES	10,266	22,732
INSURANCE EXPENSES	4,908	4,679
LEGAL EXPENSES FOR CIVIL/CRIMINAL CASES AND COLLECTION OF RECEIVABLES	3,646	3,601
COSTS FOR DIRECTORS	2,049	2,478
COSTS FOR AUDITING AND THE BOARD OF STATUTORY AUDITORS	1,844	2,009
OTHER COSTS FOR SERVICES	29,773	25,594
TOTAL	**270,418**	**254,214**

"IT costs and consulting and software maintenance services" includes mainly costs linked to implementing new company tools and implementing existing tech infrastructure.

"Costs for use of third-party assets" includes mainly 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 Group companies.

For the year ended as of 31 December 2023, costs for services included non-recurring costs for an amount of Euro 508 thousand; mainly relating to reorganisation costs linked to the Group's British subsidiaries.

9.5. PERSONNEL COSTS

The table below shows movements in "Personnel costs" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
WAGES AND SALARIES	2,808,435	2,622,293
SOCIAL SECURITY CONTRIBUTIONS	603,548	572,653
EMPLOYEE SEVERANCE INDEMNITY	67,629	69,257
ALLOCATIONS TO PROVISIONS FOR PERSONNEL	3,190	979
OTHER PERSONNEL COSTS	10,605	8,158
TOTAL	**3,493,407**	**3,273,340**

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 ending 31 December 2023 and 31 December 2022:

AVERAGE NO. OF EMPLOYEES (UNITS)	YEAR ENDED AS OF 31 DECEMBER 2023		YEAR ENDED AS OF 31 DECEMBER 2023	
	DIRECT EMPLOYEES (STRUCTURE)	INDIRECT EMPLOYEES (TEMPORARY/ STAFF LEASING)	DIRECT EMPLOYEES (STRUCTURE)	INDIRECT EMPLOYEES (TEMPORARY/ STAFF LEASING)
ITALY	3,095	40,705	2,945	40,764
WESTERN EUROPE	2,115	51,743	1,911	37,703
EASTERN EUROPE	1,356	12,749	1,262	19,572
ASIA	517	56,549	560	49,184
NORTH AMERICA	44	0	37	-
SOUTH AMERICA	1,058	146,150	1,196	85,069
TOTAL	**8,185**	**307,896**	**7,911**	**232,292**

For the year ended as of 31 December 2023, costs for services include non-recurring costs for an amount of Euro 1,206 thousand, which relates mainly to reorganisation costs linked to the British subsidiaries (for Euro 725 thousand) and to the acquisition of The Bridge Group (for Euro 480 thousand).

9.6. OTHER OPERATING COSTS

The table below shows movements in "Other operating costs" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
TAXES AND LEVIES	4,355	4,192
MEMBERSHIPS	1,695	1,361
PENALTIES, SANCTIONS AND FINES	726	695
LOSSES ON RECEIVABLES	425	764
MAGAZINE SUBSCRIPTIONS	394	429
OTHER OPERATING CHARGES	19,272	15,266
TOTAL	**26,867**	**22,708**

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.

9.7. NET WRITE-DOWNS OF FINANCIAL ASSETS

The table below shows movements in "Net write-downs of financial assets" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
ALLOCATIONS TO PROVISIONS FOR DOUBTFUL RECEIVABLES	4,772	4,780
OTHER WRITE-DOWNS OF FINANCIAL ASSETS	(0)	463
TOTAL	**4,772**	**5,243**

9.8. DEPRECIATION AND WRITE-DOWNS OF PROPERTY, PLANTS AND EQUIPMENT, AMORTISATION AND WRITE-DOWNS OF INTANGIBLE ASSETS AND RIGHTS-OF-USE

The table below outlines movements in "Depreciation and write-downs of property, plants and equipment, amortisation and write-downs of intangible assets and rights-of-use" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
DEPRECIATION OF PROPERTY, PLANTS AND EQUIPMENT	5,621	4,919
AMORTISATION OF INTANGIBLE ASSETS	13,930	10,835
AMORTISATION OF RIGHT-OF-USE ASSETS	24,346	20,831
WRITE-DOWNS OF PROPERTY, PLANTS AND EQUIPMENT AND INTANGIBLE ASSETS	5,008	1,081
TOTAL	**48,905**	**37,667**

"Write-downs of property, plants and equipment and intangible assets" includes the write-down of goodwill following impairment testing on the JobToMe – Switzerland CGU. For more information, refer to Note "8.2. Goodwill".

9.9. NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES

This 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

In the year ended on 31 December 2023, the item "Financial income", equal to Euro 5,446 thousand, refers mainly to Gi Group S.p.A. and stems from two main effects:

- financial income deriving from the differential in the interest portion of IRS (Interest Rate Swap) contracts stipulated on loan agreements for an amount of Euro 2,243 thousand;
- income from the purchase of tax credits from banks for Euro 1,405 thousand.

9.11. FINANCIAL EXPENSES

The table below shows movements in "Financial expenses" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
LEASE INTEREST PAYABLE	3,639	2,371
INTEREST PAYABLE ON PROVISIONS FOR PERSONNEL	336	74
EXPENSES FOR ADJUSTMENT TO HIGH INFLATION	201	46
OTHER FINANCIAL EXPENSES	23,958	9,212
TOTAL	**28,134**	**11,703**

"Expenses for adjustment to high inflation" include exclusively the effect on monetary items deriving from the application of IAS 29 – Hyperinflation by the Group's Argentinian subsidiaries. For more details, refer to Note 10 - "Hyperinflation".

"Other financial expenses" consists mainly of interest payable to banks.

9.12. EXCHANGE RATE GAINS AND LOSSES

This item has a positive balance of Euro 1,090 thousand for the year ending 31 December 2023 (negative balance of Euro 1,702 thousand for the year ending 31 December 2022).

9.13. INCOME TAXES

The table below shows movements in "Income taxes" for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
INCOME TAXES OF ITALIAN COMPANIES (IRES - CORPORATE INCOME TAX/IRAP - REGIONAL TAX ON PRODUCTION)	20,416	20,545
INCOME TAXES OF FOREIGN COMPANIES	3,807	7,512
TOTAL CURRENT TAXES	**24,223**	**28,057**
DEFERRED TAX LIABILITIES/ASSETS	(4,825)	977
TOTAL DEFERRED TAX LIABILITIES/ASSETS	**(4,825)**	**977**
TOTAL	**19,398**	**29,034**

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 fiscal period.

Deferred tax assets have been recognised in 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, taxable income will not be less than the amount of the differences that will be cancelled.

For details relating to changes in the item "Deferred tax liabilities/assets" refer to Note 8.5 "Deferred tax assets and deferred tax liabilities".

10. HYPERINFLATION

According to the provisions in IAS 29, the Argentinian 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 stems from the fact that the cumulative rate of inflation in these countries during the last three years exceeded 100% and is based on the characteristics of the given country's economy.
The loss on the net monetary position, recognised in the Income Statement under **"Financial expenses"** amounts to Euro 201 thousand in the year ended 31 December 2023 (Euro 46 thousand in the year ended 31 December 2022).

11. NON-RECURRING INCOME AND EXPENSES

The table below summarises the non-recurring income and expenses for the years ended as of 31 December 2023 and 31 December 2022:

NON-RECURRING EXPENSES/(INCOME)

(IN THOUSANDS OF EURO)	AMOUNT 2023	AMOUNT 2022
OTHER REVENUES AND INCOME	33	-
COSTS FOR SERVICES	508	1,516
PERSONNEL COSTS	1,206	909
OTHER OPERATING COSTS	-	1,550
TOTAL NET NON-RECURRING EXPENSES/(INCOME)	**1,680**	**3,975**

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 on 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 activities 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. This applies to 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 (corporate 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 of 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	AS OF 31 DECEMBER 2023	
	TRADE RECEIVABLES	TRADE PAYABLES
PARENT COMPANIES		
FAMILIA S.R.L.	9,929	-
TOTAL PARENT COMPANIES:	**9,929**	**-**
ASSOCIATED COMPANIES		
FARE LAVORO, SOCIETÀ CONSORTILE A R.L.	25	-
TOTAL ASSOCIATED COMPANIES:	**25**	**-**
TOTAL BALANCES WITH RELATED PARTIES:	**9,954**	**-**

(IN THOUSANDS OF EURO)	AS OF 31 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**

The trade receivable of Euro 9.9 million from Familia S.r.l. was recognised by Gi Group Holding S.p.A. as a result of a contractual agreement, signed in December 2022, for the sale of works of art initially acquired by the Holding Company.

The tables below summarises the Group's income transactions with related parties for the years ended on 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	
	REVENUES FROM CONTRACTS WITH CUSTOMERS	COSTS FOR SERVICES
DIRECTORS	-	2,049
TOTAL OTHER RELATED PARTIES	**-**	**2,049**
TOTAL BALANCES WITH RELATED PARTIES	**-**	**2,049**

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 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**

Except for those set out in the above tables, there have been no further financial or equity transactions of significant size with related parties.

13. COMMITMENTS, 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 80,886 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 Holding S.p.A. to Italian and foreign subsidiaries for the nominal amount of Euro 309,463 thousand;
- guarantees issued by Gi Group S.p.A. on behalf of subsidiaries in favour of banks for the granting of credit lines, amounting to a nominal value of Euro 61,417 thousand;
- guarantees issued by credit institutions for Gi Group Holding S.p.A. credit lines used for foreign affiliates, amounting to a nominal value of Euro 9,724 thousand;

As of 31 December 2023, the Group had not issued any undertakings.

RISKS AND CONTINGENT LIABILITIES

As of 31 December 2023 there were no risks or contingent 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 shows compensation owed to Directors and Statutory Auditors for the years ending 31 December 2023 and 31 December 2022:

(IN THOUSANDS OF EURO)	YEAR ENDED AS OF 31 DECEMBER 2023	YEAR ENDED AS OF 31 DECEMBER 2022
DIRECTORS	2,049	2,478
STATUTORY AUDITORS	133	108

Costs for compensation of directors are established upon said directors' appointment by way of a resolution made by the companies' Shareholder Meetings.

Costs for compensation of Statutory Auditors relate to the Parent Company and the Italian subsidiaries Gi Group S.p.A., INTOO S.r.l. and Gi Formazione 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. This was done in compliance with Art. 14 of Italian Legislative Decree No. 39 dating from 27 January 2010 and Art. 2409 of the Italian Civil Code.

The tables below show the fees owed to auditing companies for the Group companies for the year ending 31 December 2023:

(IN THOUSANDS OF EURO)	FEES FOR THE YEAR ENDED AS OF 31 DECEMBER 2023										
	ITALY	UK	SPAIN	GERMANY	POLAND	ROMANIA	FRANCE	BRAZIL	CZECH REPUBLIC	OTHER COUNTRIES	TOTAL
KPMG STATUTORY AND CONSOLIDATED FINANCIAL STATEMENTS	279		71	160		30	147	79	48	3	817
OTHER AUDITING COMPANIES STATUTORY FINANCIAL STATEMENTS AND REPORTING PACKAGE	31	333			111		54			141	671
OTHER AUDITING COMPANIES OTHER SERVICES (TAX-RELATED, CERTIFICATIONS, ETC.)	17		14	82	7		72	7		25	120
TOTAL	**327**	**333**	**86**	**242**	**118**	**30**	**272**	**86**	**48**	**169**	**1,711**

The fees payable to auditing companies for the Group companies for the year ending 31 December 2023 are broken down as follows:

- Euro 279 thousand relating to the audit of the financial statements of Gi Group S.p.A. and the separate and consolidated financial statements of Gi Group Holding S.p.A.;
- Euro 31 thousand related to the audit of other Italian subsidiaries;
- Operations abroad: companies in Spain, Germany, Romania, France, Brazil and the Czech Republic appointed the KPMG network for their 2023 audits, while all other companies appointed different 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 fiscal 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, we adhere to indications set out in the Italian National Register of State Aid referred to in Art. 52 of Italian Law No. 235 from 24 December 2012 and report this in information shared in the financial statements of the Group's Italian companies.

17. SIGNIFICANT SUBSEQUENT EVENTS

Through the parent company Gi Group Holding, the Group, in 2023, structured the significant acquisition of the European Staffing activities of the US group Kelly Inc., listed on Nasdaq. The transaction's final closing took place on 2 January 2024, after various competition authorities and trade unions gave their approval. The purchase price (enterprise value) was agreed at Euro 100 million in addition to an Earn-Out to be calculated by the end of the first half of 2024.

The scope of the acquisition includes 14 jurisdictions in Europe, some of which are new to the Group. This expands the Group's geographical presence in Norway, Belgium, Denmark and Luxembourg. In addition, although already present with a branch in Dublin, the acquisition makes the Group's presence in the Republic of Ireland much more visible and significant. The other countries involved in the acquisition include France, Switzerland, Portugal, the United Kingdom, the Netherlands, Germany, Italy, Poland and Hungary: territories where GI Group Holding was already present.

In terms of volume, the acquisition allows the Group to strengthen its presence in all the geographical areas involved and to reach important positions in national rankings given that in some countries the acquired companies are very significant: for example, in Portugal the Group will become the 2nd largest national trading group and in Switzerland the 6th.

With regard to the expansion of the Group Value Proposition, the acquisition brings a significant presence in the Life Science sector in Europe, where Gi Group Holding will probably become the top player by combining its turnover with that of Kelly's Life Science division. In addition, services are now included that were marginal for the Group until the acquisition and that, together with Kelly's know-how and resources, can become interesting areas for development in the near future. This includes services such as RPO (Recruitment Process Outsourcing), Master Vendor and Independent Contractors.

The transaction accelerates Gi Group Holding's growth strategy to become a leading player in the Staffing and Recruitment sector at the global level; strengthening the Group's presence and capabilities in Europe and allowing it to further expand into new markets.

No other significant acquisitions are planned for 2024.