

# TALEA GROUP

DIGITAL PEOPLE ORIENTED

Press release

## CONSOLIDATED HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2023 APPROVED AND FIRST SUSTAINABILITY REPORT PUBLISHED

### ACQUISITION OF THE "DOC PETER" BRAND, FURTHER CONSOLIDATING THE TALEA GROUP'S LEADERSHIP IN THE HEALTHCARE, BEAUTY AND WELLNESS SECTORS

### SHARP IMPROVEMENT IN REVENUES AND LOGISTICS CAPACITY WITH A NEW 13,000 SQM WAREHOUSE IN PIEDMONT

### IACOMETTI: "IMPORTANT INITIATIVES ARE BEING IMPLEMENTED TO ACCELERATE OUR INDUSTRIAL PLAN"

- Consolidated REVENUES of Euro 72.9 million, up 37.9% compared to Euro 52.8 million in H1 2022;
- Consolidated REVENUES Adj<sup>1</sup> of EUR 75.6 million, up 37.7% compared to EUR 54.9 million in H1 2022;
- Consolidated EBITDA<sup>2</sup> of EUR 1.1 million compared to EUR 1.9 million in H1 2022, due to the well-known inflation-induced rises only partially passed on to end-consumers to the advantage of market share development;
- Consolidated Net Income negative for EUR 0.9 million compared to positive EUR 0.4 million in the first half of 2022;
- Consolidated Net Financial Debt of EUR 33.9 million compared to EUR 21.5 million as at 31 December 2022, due to investments in the new logistics platform.

*Viareggio, 26 September 2023* – **Talea Group S.p.A.** – a company listed on the Euronext Growth Milan market of the Italian Stock Exchange, resulting from the rebranding of Farmaè S.p.A. and leader in the e-retailing of products for personal health and wellbeing as well as in media and digital transformation services for businesses (the "**Company**" or "**Talea**") – approved the Consolidated Half-Year Report as at 30 June 2023, prepared in accordance with the Euronext Growth Milan Issuers' Regulation, in accordance with International Accounting Standards ("IAS/IFRS") and subject to voluntary limited audit.

Talea Group ended the first half of 2023 with strong revenue growth and still positive gross margins, albeit lower than in the first half of 2022, due to the well-known inflation-induced rises only partially passed on to end consumers to the advantage of market share development. This strategic choice boosted the engagement of

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<sup>1</sup> Following the new Group strategy that envisages two revenue-generating areas, Consumer and Industrial, Adj Revenues include revenues from co-marketing activities, which, for IAS/IFRS reporting purposes, are accounted for partly as a reduction of Cost of Sales and partly as a reduction of Selling & Distribution Costs.

<sup>2</sup> EBITDA was defined as the difference between total revenues and total operating costs, net of depreciation and amortisation.

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new consumers and therefore paved the way – together with the price increases started in May 2023 – for achieving margins in line with the targets of the business plan.

**Riccardo Iacometti, Founder and Chief Executive Officer of Talea Group** commented: *"The results of the first half of 2023 testify to Talea Group's willingness to continue to grow despite the current scenario, where we are convinced we must find the courage to continue to invest in order to consolidate value creation, both present and future. For this reason, we have decided to **expand our logistics capacity, launching a new fully-automated logistics hub of 13,000 sqm in Piedmont in July**, in order to meet the needs of our customers with ever greater efficiency. We did not pass on to our customers the inflation spikes suffered especially in the first months of the year. **The growth in revenues - well above the market average<sup>3</sup> - is the result of our commercial strategy**, aimed at diversifying our value proposition towards our customers, through dedicated platforms that are ever closer to the end consumer, aggregating a larger audience and creating the critical mass to obtain benefits in terms of economies of scale. The **acquisition of the Doc Peter brand and related internet domain** is part of this purpose: the ambition is to increase their revenues, leveraging their over 21 million users and 170,000 customers, and our management capabilities. The strategic value of this acquisition is magnified by the deferred payment terms, our hope being to self-finance it with the cash flows generated by the platform itself. At the end of 2023 and especially in 2024 - continued Iacometti - **we are aiming for an increase in the profitability of the Consumer business line, thanks to a consolidation of our M&A-based growth strategy through potential acquisitions of other companies in the health and wellness sector, in order to strengthen our market share and fully exploit the group's logistical capacities**. Starting next year, we also hope that there will be a further contribution to turnover and margins from the new Industrial business line of **Talea Media: this would mark a turning point, enhancing the value of important assets linked to our business, such as information and digital channels**. These two important initiatives already under implementation, together with a careful management of operating costs, will constitute the paradigm shift".*

## MAIN ECONOMIC AND FINANCIAL RESULTS AS AT 30 JUNE 2023

	1 Half 2023	1 Half 2022
Online(*)	68,300,493	48,637,105
Retail	3,814,576	3,477,507
Consulting	723,256	602,660
Other	89,207	101,439
<b>TOTAL REVENUES</b>	<b>72,927,532</b>	<b>52,818,712</b>

Consolidated revenues amounted to €72.9 million compared to €52.8 million in H1 2022, an increase of 37.9%. **Consolidated adjusted revenues<sup>4</sup>** in H1 2023 stood at **€75.6 million**, up **37.7%** compared to €54.9 million in H1 2022.

In accordance with the new strategy aimed at developing the Group's business through the Consumer (omnichannel sales of products to end consumers) and Industrial areas (evolution of the current enterprise-targeted businesses, namely comarketing and agency services provided by our subsidiary Valnan S.r.l.,

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<sup>3</sup> Source: IQVIA

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together with those provided through the Group's advertising concessionaire Talea Media), we provide below a breakdown of revenues reclassified to include comarketing revenues, which are accounted for partly as a reduction of Cost of Sales and partly as a reduction of Selling and Distribution Costs.

(€/000)	1 Half 2023	1 Half 2022
CONSUMER REVENUES	72,204,276	52,216,051
INDUSTRIAL REVENUES	3,388,371	2,662,010
<b>TOTAL ADJUSTED REVENUE (*)</b>	<b>75,592,646</b>	<b>54,878,061</b>

**Sales Margin** amounted to Euro 21.2 million, up 24.3% compared to Euro 17.1 million in 2021, with an incidence on sales of 29.1%, lower than in the first half of the previous year (34.3%) due to inflation impacting product purchase prices and other operating costs (transport, energy, personnel).

**EBITDA** at 30 June 2023 amounted to **Euro 1.1 million**, down 40.7% year-on-year, and the EBITDA margin as a percentage of consolidated net sales revenue was 1.5% (3.5% in H1 2022).

In a highly competitive market, the Ebitda performance was largely influenced by the issue of passing on to consumers the significant inflation on prices since the second half of 2022.

Starting in May 2023, a gradual net sales price increase was implemented on all platforms.

**EBIT** for the first half of 2023 essentially broke even, negative for EUR 156,000 compared to EUR 839,000 in the same period of 2022, after depreciation and amortisation of EUR 1.3 million (EUR 1 million in the same period of 2022).

After net financial charges of about EUR 0.8 million, up from EUR 0.3 million in the first half of 2022, the **Net Income** was negative for EUR 0.9 million, compared to a profit of EUR 404 thousand in 2022.

**Net Financial Debt** was EUR 33.9 million compared to EUR 21.5 million as of 31 December 2022. This variation resulted from the investments for the development of the new logistics platform in Nichelino, which became operational at the end of July 2023: this will more than quadruple the Group's logistics capacity thanks to a larger logistics area and also to more efficient automation systems (+30% compared to the Migliarino Pisano logistics platform). In addition, the net working capital shows an absorption of 5.6 million Euro mainly due to the decrease in payables to suppliers relative to the investment and inventory component brought forward to the end of the 2022 financial year in anticipation of the expected business growth in the first half of 2023.

**Adjusted Net Financial Debt** – net of offsettable tax credits and IFRS 16 impact – was EUR 21.8 million compared to EUR 11.0 million as of 31 December 2023. The important investment plans for the future development of the business, such as the new Piedmont logistics platform, largely influenced the trend of the Net Financial Debt especially in the first part of 2023.

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## MAIN KPIs

Orders grew by **29.0%** to over **1.610 million in 1H2023** compared to 1.249 million in the same period last year (including orders on online and physical shops).

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The number of products sold in 1H2023 is **7.692 million, up 30.9% from 5.876 million** in 1H2022.

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## SIGNIFICANT EVENTS DURING THE PERIOD

On **14 February 2023**, the Board of Directors of Talea Group (at the time, still Farmaè S.p.A.) resolved to submit to the Company's shareholders the change of the company's name to Talea Group S.p.A. and to expand the corporate purpose to reflect the Group's rebranding project and related new objectives.

On **28 March 2023**, the Board of Directors of Talea Group (at the time, still Farmaè S.p.A.) approved the Industrial Plan 2023- 2025, which envisages a significant acceleration in organic growth and margins thanks to Talea Group's new strategy; its aim is to develop new revenue opportunities in the Industrial area (dedicated to business services through Talea Media and Valnan) and to consolidate leadership in the Consumer area, thanks to the commercial brands Farmaè, Amicafarmacia, Farmaeurope, Beautyè and Sanort.

On **28 April 2023**, Talea Group (at that time, still Farmaè S.p.A.) announced that the Shareholders' Meeting approved, inter alia, a stock option plan in favour of executive directors, managers with strategic responsibilities and coworkers for the years 2023-2028, and approved the changes related to the company name and the extension of the corporate purpose proposed by the Board of Directors on 14 February 2023.

On **2 May 2023**, Talea Group (at that time, still Farmaè S.p.A.) announced, pursuant to Article 17 of the Euronext Growth Milan Issuers' Regulations, that it had appointed MIT SIM S.p.A. as Specialist Operator.

On **8 May 2023**, Talea Group (at that time, still Farmaè S.p.A.), following what had already been communicated during the Shareholders' Meeting, announced that the resolution of the Shareholders' Meeting of 28 April 2023 had been filed with the competent Companies Registry, with the consequent commencement of the term for the exercise of the right of withdrawal pursuant to Article 2437-bis of the Italian Civil Code by the shareholders who did not participate in the resolution relating to the amendments to the Articles of Association aimed at extending the corporate purpose.

On **26 May 2023**, the Board of Directors of Talea Group resolved to assign the options of the stock option plan approved by the Shareholders' Meeting on 28 April 2023.

On **5 June 2023**, Talea Group announced that the aforementioned right of withdrawal had been exercised – pursuant to Article 2437-bis of the Italian Civil Code – for a total of 281,077 shares of Talea Group, representing 4.1055% of Talea Group's share capital with voting rights.

On **6 June 2023**, Talea Group announced that the option offer of the aforementioned 281,077 Talea Group shares for which the right of withdrawal had been exercised, addressed to all Talea Group shareholders who had not exercised their right of withdrawal, had been filed with the competent Register of Companies, pursuant to Article 2437-quater, paragraphs 1 and 2 of the Italian Civil Code.

On **29 June 2023**, the Board of Directors of Talea Group resolved to acquire the business unit of Bewow S.r.l. - a company retailing any type of product for personal care and wellness at home, also online - and to sign the related contract for the sale of the business unit. The business unit consists of, inter alia, the GOOIMP brand, a brand operating in the marketing of personal care and hygiene products, and the MOOD CONCEPT STORE brand, a brand operating in the Italian furniture & home living sector through its website, a physical shop, and projects for special supplies (Contract business). This meeting also approved a short-term monetary incentive

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plan - MBO Plan 2023, whose beneficiaries are identified among the managers directly reporting to the CEO, the directors (executive and non-executive) as well as any other top managers and strategic employees.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On **03 July 2023**, Talea Group announced that the acquisition of the business unit of Bewow S.r.l. was finalised.

On **10 July 2023**, Talea Group announced that - following the closing of the option offer period pursuant to Article 2437-quater of the Italian Civil Code announced on 6 July 2023 - 214,244 shares, representing 76.22% of the shares for which the right of withdrawal had been exercised, had been allotted as a result of the exercise of the aforementioned option right, for a total amount of EUR 2. 508,797.24 (without any shareholder having exercised the right of pre-emption pursuant to Article 2437-quater, paragraph 3 of the Italian Civil Code) and, therefore, offered to third parties, pursuant to Article 2437-quater, paragraph 4 of the Italian Civil Code, the 66,858 shares for which the right of withdrawal was exercised and which remained unopted, in order to conclude this activity no later than 31 October 2023.

On **24 July 2023**, Talea Group announced the start of operations of its new automated logistics hub in Nichelino, Piedmont, about 10 km from Turin. The 13,000-square-metre logistics hub in Piedmont employs 51 people - 21 of whom work in operations - and joins the 6,500-square-metre logistics hub in Migliano Pisano (PI), Tuscany. Thanks to full automation, the new plant aims to improve the efficiency and speed of deliveries of products sold on the proprietary digital platforms: the target for Northern and Central Italy is actually 24h delivery. The new facility in Nichelino also gives Talea Group the opportunity to further expand its product assortment with new product categories.

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## FORESEEABLE EVOLUTION OF OPERATIONS

The Talea Group's business model is based on two main areas of activity: the Consumer Area – with the brands Farmaè, AmicaFarmacia, Farmaeurope, DokiDaki, Sanort, Beautyè, Gooimp and Mood Concept Store – and the Industrial Area, dedicated to media services and digital transformation with Valnan and Talea Media. In the final months of 2023, but especially in 2024, the aim is to consolidate the M&A-based growth strategy through potential acquisitions in the health and wellness sector in order to strengthen our market share – better distributing growth on existing platforms and favouring the pickup of sales prices – and to fully exploit the group's logistical capacities. The target here is a recovery of profitability in the consumer business line. In addition, especially with Talea Media's Industrial business line and its contribution (both in terms of turnover but above all in terms of profitability), we want to reach a turning point, i.e. to enhance the important assets linked to our business: information and digital channels. The implementation of these two important initiatives already in progress, together with careful management of operating costs will bring about a paradigm shift that will enable the Group to achieve, and hopefully bring forward, the realisation of its stated 2025 targets.

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## ACQUISITION OF THE "DOC PETER" TRADE MARK AND ASSOCIATED INTERNET DOMAIN

The Board of Directors approved the acquisition of the "DOC PETER" trademark and the related internet domain [www.docpeter.it](http://www.docpeter.it) from Farmacia S. Caterina S.r.l.. The acquisition is part of the **Group's ongoing growth process, also by M&A**: it began in May 2021 with the merger by incorporation of Sanort S.r.l., a brand focused on heavy orthopaedics; this was followed by the acquisition of Amica Farmacia S.r.l in September 2021, by the acquisition of the trademark and related internet domain of Farmaeurope S.r.l. in May 2022 and,

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finally, in July 2023 by the acquisition of the Gooimp and Mood Concept Store brands as well as the launch of [www.dokidaki.it](http://www.dokidaki.it), a portal aimed at under-30s. The acquisition of Doc Peter mirrored the extremely successful acquisition of the brand and related internet domain of Farmaeurope S.r.l.. **The e-commerce platform [www.docpeter.it](http://www.docpeter.it) had more than 21 million users and 170 thousand customers at the end of 2022, generating a turnover of approximately EUR 14.4 million.** The site is very well appreciated by consumers, **as shown by the top level of satisfaction recorded by Trustpilot, ranked among the highest in the industry** (<https://it.trustpilot.com/review/docpeter.it>), thanks also to their Customer Care that offers advice through professional pharmacists. By acquiring Doc Peter, Talea Group is therefore also acquiring interesting know-how focused on the **operational management of the Group's proactive customer care, adopting an approach that is more focused on the need than on products.**

The greater volume of products generated by Doc Peter's platform will be managed and sorted in the Group's two logistics hubs, in Miglarino Pisano and Nichelino (TO), helping to increase the speed of absorption of fixed costs.

The price, to be paid by and no later than the final deadline of 30 September 2028, has been agreed between the parties in a fixed component of € 3,300,000 (+ VAT) – to be paid in sixty monthly instalments of € 30,000 (thirty thousand) and in a maxi final instalment of € 1,500,000 (one million five hundred thousand) – and in a possible variable component to be determined on the basis of the performance of the Talea Group share on the Euronext Growth Milan market. Given the payment terms, Talea Group will use its own resources without recourse to bank debt. In particular, thanks to this deferred payment method, Talea Group hopes to self-finance itself with the sales revenues generated by the new platform acquired, without burdening the Group's cash position.

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## APPROVAL OF THE SUSTAINABILITY REPORT

The Talea Group's Board of Directors also approved the first Sustainability Report, drawn up to report and share its commitment to the pursuit of ESG objectives, which have been integrated into its development strategy after a process of identification of non-financial aspects, in line with its ambition to be recognised as a leader on these issues as well.

This first Report is also intended to mark an important step in confirming the evolved model of doing business that the Group has pursued over the years, formalising its commitment to excellence in its work, and contributing to the evolution of business and sustainability paradigms, an integral part of the Talea Group's DNA, including continued transparency with all stakeholders.

The corporate policy adopted by Talea Group is mindful of ESG criteria and is based on an approach that integrates awareness and pragmatism, information, training and openness to change both in the companies that make up the Group and in those of its supply chain. The sustainable development path mainly looks at three areas of interest: people, environment and community, in relation to which Talea Group feels called not only to promote ethical principles and a sense of responsibility, but also to inspire concrete initiatives so that its impact on society and the environment is positive.

As demonstrated by the Group's corporate policies, which aim to pursue concrete objectives in the areas of governance, environment and society, sustainability has always been at the heart of the Talea Group's growth process. With a systemic, inclusive and transparent approach, Talea Group has always encouraged the collaboration and involvement of all stakeholders, with the common goal of combining economic growth, environmental protection and respect for society. The objective is therefore the preservation of the sustainable governance model and the promotion of a responsible economy.

Furthermore, it is important for Talea Group to look to the future and try to act to mitigate its impacts as well as generate positive impacts for the Group and all its stakeholders. For this reason, for the three relevant

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topics (Governance, Environment and Society), they have committed to setting specific targets in the short and medium term.

## CODE OF ETHICS

The Board of Directors also approved the additions and amendments to the Code of Ethics and Conduct currently in force, in view of the forthcoming adoption of the organisation and management models pursuant to Legislative Decree No. 231 of 8 June 2001.

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## FILING OF DOCUMENTATION

The documentation relating to the Half-Year Report as of 30 June 2023, as required by current regulations, will be made available to the public at the Company's registered office (Via Marco Polo 190, Viareggio) as well as through publication on the website [www.taleagroupspa.com](http://www.taleagroupspa.com), section "Investor Relations/Financial Statements and Periodic Reports" and on the website of Borsa Italiana, within the terms set forth by applicable laws and regulations.

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This press release is available in the Investor Relations section of the Company's website [www.taleagroupspa.com](http://www.taleagroupspa.com).

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Talea Group S.p.A, a company listed on the Euronext Growth Milan market of the Italian Stock Exchange and resulting from the rebranding of Farmaè S.p.A, is one of the leading digital groups in Europe in the Health, Wellness and Beauty multichannel macro-sector and in media and digital transformation services for businesses. Talea Group S.p.A. operates with a business model based on two revenue-generating areas: the Consumers Area, dedicated to e-retailing in which the brands Farmaè, Amicafarmacia, Farmaeurope, Sanort and Beautyè currently operate, and the Industrial Area dedicated to media services and digital transformation with Talea Media and Valnan Communications. The Group - which today employs more than 240 professionals - places People and Companies at the centre of its values and actions in order to satisfy their needs and desires, and bases its identity on digital culture and the ability to evolve business models and generate growth within its relevant markets through innovative and sustainable solutions.

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**In attachment: Consolidated reclassified Income Statement, Balance Sheet, Cash Flow Statement and Net Debt of Talea Group as at 30 June 2023**

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## CONSOLIDATED BALANCE SHEET

	30/06/2023	31/12/2022
Tangible Assets		4,640,938
Intangible Assets		17,192,807
Goodwill		37,770,889
Rights of use		8,031,435
Other non-current financial assets and derivatives		239,904
Other non-current assets		1,841,164
Deferred tax assets		1,212,225
<b>TOTAL NON-CURRENT ASSETS</b>		<b>70,929,363</b>
Inventories		29,307,193
Trade receivables		9,525,202
Other current financial assets and derivatives		3,689,317
Current tax receivables		3,309,524
Other current non-financial assets		729,188
Cash and cash equivalents		6,905,195
<b>TOTAL CURRENT ASSETS</b>		<b>53,465,618</b>
<b>TOTAL ASSETS</b>		<b>124,394,981</b>
Share capital		3,423,135
Other reserves		37,121,219
Profit/(loss) for the year		(948,876)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>39,595,478</b>
Non-current payables to banks		12,573,909
Non-current financial liabilities for leasing		5,942,846
Other non-current financial liabilities and derivative financial instruments		181,864
Provision for employee benefits		1,414,136
Deferred tax liabilities		3,773,284
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>23,886,039</b>
Current payables to banks		12,469,952
Current financial lease liabilities		1,062,530
Other current financial liabilities and derivative financial instruments		8,571
Current tax payables		798,317
Other current liabilities		1,753,551
Current trade payables		44,820,543
<b>TOTAL CURRENT LIABILITIES</b>		<b>60,913,464</b>
<b>TOTAL LIABILITIES</b>		<b>84,799,504</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>124,394,981</b>



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## CONSOLIDATED INCOME STATEMENT

	Period ending on	
	30/06/2023	30/06/2022
Revenues	72,927,532	52,818,712
Cost of sales	(51,680,780)	(35,752,818)
<b>Trade margin</b>	<b>21,246,752</b>	<b>17,065,894</b>
Distribution and selling expenses	(17,720,465)	(12,543,092)
Administrative expenses	(3,713,109)	(3,683,485)
Write-down of receivables included in current assets		
Other operating income	30,959	
Other operating expenses		
<b>Operating income</b>	<b>(155,864)</b>	<b>839,317</b>
Financial income	94,753	207
Financial expenses	(800,887)	(337,033)
<b>Profit before tax</b>	<b>(861,998)</b>	<b>502,491</b>
Taxes	(78,173)	(98,687)
<b>Net profit/(loss)</b>	<b>(940,172)</b>	<b>403,804</b>

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	30/06/2023	30/06/2022
<b>Net profit/(loss)</b>	<b>(940,172)</b>	<b>403,804</b>
<b>Items not reclassifiable to profit or loss</b>		
Actuarial gains and losses of defined benefit plans for employees		272,980
Tax effect	12,384	(65,515)
<b>Total items not reclassifiable to profit or loss</b>		<b>207,465</b>
<b>Items reclassifiable to profit or loss</b>		
Change in fair value of cash flow hedge derivatives		130,466
Tax effect	(53,035)	(31,312)
Gains and losses from financial assets measured at FVTOCI		
Tax effect		
<b>Total items reclassifiable to profit or loss</b>	<b>167,944</b>	<b>99,154</b>
<b>Total other items of comprehensive income (loss)</b>	<b>128,728</b>	<b>306,619</b>
<b>Comprehensive profit/(loss) for the year</b>	<b>(811,444)</b>	<b>710,423</b>

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## CONSOLIDATED CASH FLOW STATEMENT

	30/06/2023	30/06/2022
<b>A) OPERATIONS</b>		
Profit (loss) for the year	(940,172)	403,804
Income Taxes	78,173	98,687
Net financial expenses	706,134	336,826
(Gains)/Losses on disposal of assets		
Accruals to provisions (including for employee benefits)	149,350	130,311
Depreciation of tangible and intangible assets and rights of use	1,256,865	1,018,425
<b>Cash Flow from operations before changes in net work. cap.</b>	<b>1,250,350</b>	<b>1,988,053</b>
Decrease/(Increase) in inventories	(320,874)	(1,894,208)
Decrease/(Increase) in trade receivables	1,409,409	114,349
Decrease/(Increase) in tax receivables	252,438	806,785
Decrease/(Increase) in other current non-financial assets	(527,974)	441
Increase/(Decrease) in trade payables	(9,407,204)	(380,282)
Increase/(Decrease) in tax payables	209,408	183,148
Other increases/(decreases) in other assets and liabilities	1,304,272	(714,250)
<b>Cash Flow from operations after changes in net work. cap.</b>	<b>(5,830,174)</b>	<b>(1,509,535)</b>
Interest received/(paid)	(622,216)	(241,660)
(Income taxes paid)	(38,902)	
(Use of provisions - including for employee benefits)	(89,969)	(88,719)
<b>Net cash flow from operations (A)</b>	<b>(6,581,262)</b>	<b>(1,839,914)</b>
<b>B) INVESTMENTS</b>		
(Investments in tangible and intangible fixed assets)	(3,211,923)	(2,500,225)
Disposals of tangible and intangible fixed assets		
(Business combinations)		
(Acquisition of shareholdings)	(15,000)	
(Investments)/Disposals in financial assets	209,893	(305,512)
<b>Cash Flow from investments (B)</b>	<b>(3,017,030)</b>	<b>(2,805,737)</b>
<b>C) FINANCING ACTIVITIES</b>		
Increase in banks borrowings	11,577,518	3,681,511
(Repayment of bank borrowings)	(4,319,264)	(3,091,075)
Increase in payables to other lenders		
(Repayment of payables to other lenders)	(4,074)	(3,195)
(Repayment of principal of financial lease liabilities)	(549,133)	(485,130)
Capital increase (net of transaction costs where applicable)		
(Charges incurred for capital increase)		
<b>Cash Flow from financing activities (C)</b>	<b>6,705,047</b>	<b>102,110</b>
<b>Increase (decrease) in cash and cash equivalents (A ± B ± C)</b>	<b>(2,893,245)</b>	<b>(4,543,541)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,905,195</b>	<b>10,429,624</b>
<b>Cash and cash equivalents at end of year</b>	<b>4,011,951</b>	<b>5,886,083</b>

# TALEA GROUP

DIGITAL PEOPLE ORIENTED

## NET FINANCIAL DEBT

		30/06/2023	31/12/2022
A	Cash	4,011,951	6,905,195
B	Cash equivalents		
C	Other current financial assets	3,484,026	3,689,317
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>7,495,977</b>	<b>10,594,512</b>
E	Current financial debt	16,614,496	3,541,948
F	Current portion of non-current financial debt	1,299,756	9,999,105
<b>G</b>	<b>Current financial debt (E+F)</b>	<b>17,914,252</b>	<b>13,541,053</b>
<b>H</b>	<b>Current net financial debt (G-D)</b>	<b>10,418,276</b>	<b>2,946,541</b>
I	Non-current financial debt	23,752,003	18,562,787
J	Debt instruments	(271,379)	(50,400)
K	Non-current trade payables and other non-current liabilities	-	
<b>L</b>	<b>Non-current financial debt (I+J+K)</b>	<b>23,480,623</b>	<b>18,512,387</b>
<b>M</b>	<b>Net financial debt (H+L)</b>	<b>33,898,900</b>	<b>21,458,928</b>