Condensed interim consolidated financial statements

At and for the three months period ended March 31, 2023 and 2022

MOONEY GROUP S.p.A.

MOONEY GROUP S.p.A.
Share capital: Euro 10,050,000.00 fully paid-up R.E.A. of Milan: 2527401
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Management Discussion & Analysis

Mooney Group Profile

Mooney Group S.p.A. group (hereafter the “**Group**”or “**Mooney**”) is a company incorporated in Italy, with registered and administrative offices in Milan, in Via Privata N. Bonnet 6/A, organized under the laws of the Republic of Italy. The current name of the Company was adopted in April 2021. Previously, the Company was called SisalPay Group S.p.A.

The Company and its subsidiaries operate principally in the collection and payment services sector, both the segment of services requiring specific authorization of the Bank of Italy, and in the segment of other non-supervised services such as the marketing of top-ups for telephone and TV content.
At the end of July 2019, the Sisal Group concluded an important strategic agreement with Banca 5 S.p.A. to combine their respective payment services businesses through a series of corporate transactions, in order to create a group leader in the sector of payment services distributed through proximity banking and digital banking channels throughout Italy. As a result, starting from the operational closing of the complex operation on December 13, 2019, these businesses are managed by the two operational companies Mooney Servizi S.p.A. (former SisalPay Servizi S.p.A.) and Mooney S.p.A. (former SisalPay S.p.A.) (the latter is an e-money institute subject to supervision by the Bank of Italy), both 100% owned by Mooney Group S.p.A.

The Company, after the Closing in the month of July 2022 of the sale by the previous parent company Schumann Investments SA of its shareholding to the current shareholder Banca 5 S.p.A (recently renamed Isybank S.p.A.) and to new shareholder Enel X S.r.l., which is part of the ENEL group, is currently joint controlled by the two shareholders, each owing 50% of the capital stock of the Group.

Key Factors affecting operations in the three months ended March 31, 2023

In the first quarter 2023, the Italian GDP was estimated to be up 1.8%[1] compared to the same period of last year and the carry-over annual GDP growth estimate for 2023 is equal to 0.8%.

In spite of the weakness of the macroeconomic scenario, driven by the Russia-Ukraine crisis and the CPI trend following the energy shock which is still impacting the general economic environment, in the first three months 2023, the Group recorded €4.6 billion turnover, up approx. 22.0% compared to the same period of last year, mainly driven by the change of perimeter as a consequence of the new companies acquired in July 2002 by the new shareholder Enel X S.r.l..

Further, Mooney is continuing to deliver a positive financial performance with 3M Revenues (net of distribution network fees) up 19% and adjusted EBITDA up 1% compared to Prior Year.

[1] *Istat data*

Full P&L results

The following table sets forth our full P&L results:

	Three months ended March 31,				
(€ in millions)	**2022**	**% of total revenues and income**	**2023**	**% of total revenues and income**	**% change 2022-2023**
Revenues	93.7	99.2%	117.4	99.5%	25.3%
Other revenues and income	0.8	0.8%	0.7	0.6%	(12.5%)
Total revenues and income	**94.5**	**100.0%**	**118.0**	**100.0%**	**24.9%**
Purchases of materials, consumables and merchandise	0.7	0.7%	1.0	0.8%	42.9%
Costs for services	66.2	70.1%	84.0	71.2%	26.9%
Lease and rent expenses	0.2	0.2%	0.5	0.4%	150.0%
Personnel costs	6.9	7.3%	9.2	7.8%	33.3%
Other operating costs	1.6	1.7%	2.1	1.8%	31.3%
Amortization, depreciation, provisions and impairment losses and reversals	16.5	17.5%	18.1	15.3%	9.7%
Net operating profit (EBIT)	**2.4**	**2.5%**	**3.0**	**2.5%**	**25.0%**
Finance income and similar	-	0.0%	0.2	0.2%	n.a
Finance expenses and similar	14.5	15.3%	21.6	18.3%	49.0%
Profit (loss) before income taxes	**(12.1)**	**-12.8%**	**(18.4)**	**(15.6%)**	**(52.1%)**
Income taxes	(2.4)	(2.5%)	(3.8)	(3.2%)	58.3%
Total profit (loss) for the period	**(9.7)**	**(10.3%)**	**(14.6)**	**(12.4%)**	**(50.5%)**

Revenues and income

The following table sets forth our revenues and income for the periods indicated in absolute numbers and as a percentage of total revenues and income:

	Three months ended March 31,				Change	
(€ in millions)	**2022**	**% of total revenues and income**	**2023**	**% of total revenues and income**	**(amount)**	**%**
Payments and other services revenues	78.9	83.4%	97.4	82.6%	18.5	23.4%
Merchant services and others	15.6	16.6%	20.6	17.4%	5.0	32.2%
Total	**94.5**	**100.0%**	**118.0**	**100.0%**	**23.5**	**24.9%**

Revenues and income, amounted to €118.0 million for the three months ended March 31, 2023, a significant increase of €23.5 million, or 24.9%, compared to €94.5 million for the three months ended March 31, 2022. Revenues results are composed by Payments and other services revenues, detailed in the following table, and Merchant services and others, mainly related to a B2B offering of technology infrastructure and solutions to our PoS partners. Revenues results are driven by increase of both Payments and other services revenues and Merchant services and others. As a percentage of Total revenues and income, Payments and other services revenues amounted to 82.6% for the three months ended March 31, 2023, while Merchant services and others revenues amounted to 17.4%, compared to respectively 83.4% and 16.6% for the three months ended March 31, 2022.

Payments and other services revenues

The following table sets forth our Payments and other services revenues for the periods indicated:

	Three months ended March 31,				Change	
(€ in millions)	**2022**	**% of total revenues and income**	**2023**	**% of total revenues and income**	**(amount)**	**%**
Payments & Banking revenues	68.6	72.6%	85.5	72.4%	16.9	24.6%
Prepaid cards revenues	7.6	8.1%	8.4	7.1%	0.7	9.5%
Mobility revenues	2.6	2.8%	3.6	3.1%	1.0	37.5%
Total	**78.9**	**83.4%**	**97.4**	**82.6%**	**18.5**	**23.4%**

The overall Payments and other services revenues amounted to €97.4 million for the three months ended March 31, 2023, an increase of €18.5 million, or 23.4%, compared to €78.9 million for the three months ended March 31, 2022.

Payments and other services revenues are composed by:

- Payments & Banking revenues: payments of various types of bills, including utilities, fines, taxes and subscription; telco revenues including top-ups of mobile phones, pay-per-view TV cards, and e-commerce accounts; banking products and services revenues including a B2B, B2C and B2B2C offering of products and services, like cash withdrawals and deposits, bank accounts, bank transfers and personal and business lending and insurance products; other products revenues mainly related to railways ticket distribution and other tops ups like shopping online vouchers.
- Prepaid cards revenues: issuance and top-up of own-branded prepaid debit cards and top-up services for our partners' prepaid debit cards.
- Mobility revenues: ticketing distribution and related sw development revenues related to Pluservice group acquisition completed end of July 2022.

Payments and other services revenues results are mainly driven by the change of perimeter due to the acquisition of the Enel X business, which positively impacted the Payments & Banking segment.

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise amounted to €1.0 million for the three months ended March 31, 2023, an increase of €0.3 million, or 42.9%, compared to €0.7 million for the three months ended March 31, 2022, mainly related to the purchase of hardware equipment supporting the mobility business and higher consumption of promotional materials.

Costs for services

Costs for services amounted to €84.0 million for the three months ended March 31, 2023, an increase of €17.8 million, or 26.9%, compared to €66.2 million for the three months ended March 31, 2022.

Costs for services amounted to 71.2% of total revenues and income for the three months ended March 31, 2023, compared to 70.1% of total revenues and income for the three months ended March 31, 2022.

The following table sets forth an analysis of costs for services for the indicated periods:

	Three months ended March 31,				Change	
(€ in millions)	**2022**	**% of total revenues and income**	**2023**	**% of total revenues and income**	**(amount)**	**%**
Sales channel - payments services	45.6	48.3%	58.0	49.1%	12.4	27.1%
Commercial services	1.8	1.9%	1.7	1.5%	(0.1)	(3.3%)
Consulting	2.4	2.6%	3.1	2.6%	0.7	27.8%
Others services costs	16.4	17.3%	21.2	17.9%	4.8	29.1%
Total cost for services	**66.2**	**70.1%**	**84.0**	**71.2%**	**17.8**	**26.9%**

- *Sales channel – payments services* amounting to €58.0 million for the three months ended March 31, 2023, an increase of €12.4 million, or 27.1%, compared to €45.6 million for the three months ended March 31, 2022, mainly driven by increase in related Payments and other financial services revenues and in particular by the change of perimeter already above mentioned. As a percentage of Total revenues and income, sales channel payments services amounted to 49.1% for the three months ended March 31, 2023 and to 48.3% for the three months ended March 31, 2022.

- *Commercial services* amounting to €1.7 million for the three months ended March 31, 2023, a slight decrease of €0.1 million, or 3.3%, compared to €1.8 million for the three months ended March 31, 2022.

As a percentage of Total revenues and income, Commercial services amounted to 1.5% for the three months ended March 31, 2023 and to 1.9% for the three months ended March 31, 2022. This cost item is mainly related to marketing, advertising and sponsorships and residually to other commercial initiatives.

- *Consulting* amounting to €3.1 million for the three months ended March 31, 2023, an increase of €0.7 million, or 27.8%, compared to €5.8 million for the three months ended March 31, 2022. As a percentage of Total revenues and income, Consulting amounted to 2.6% for both the three months ended March 31, 2023 and March 31, 2022.

- *Other services costs* amounting to €21.2 million for the three months ended March 31, 2023, an increase of €4.8 million, or 29.1%, compared to €16.4 million for the three months related to March 31, 2022. As a percentage of Total revenues and income, Other services costs amounted to 17.9% for the three months ended March 31, 2023 and to 17.3% for the three months ended March 31, 2022. Other services costs are mainly related to Bank fees, outsourcing costs, maintenance fees and other expenses; the increase compared to prior year is totally driven by the new business acquired in the third quarter 2022.

Personnel costs

Personnel costs amounted to €9.2 million for the three months ended March 31, 2023, an increase of €2.3 million, or 33.3%, compared to €6.9 million for the three months ended March 31, 2022. As a percentage of total revenues and income, Personnel costs amounted to 7.8% for the three months ended March 31, 2023 and 7.3% for the three months ended March 31, 2022. Our average workforce, expressed in full time equivalents, reached 778 for the three months ended March 31, 2023, an increase of 144 from 634 for the three months ended March 31, 2022. The increase in Personnel costs is driven by full time equivalents trend, mainly related to 2022 third quarter acquisitions.

Other operating costs

Other operating costs amounted to €2.1 million for the three months ended March 31, 2023, an increase of €0.5 million, or 31.3%, compared to €1.6 million for the three months ended March 31, 2022, mainly driven by the increase in other non income taxes and duties. As a percentage of Total revenues and income, Other operating costs amounted to 1.8% for the three months ended March 31, 2023 and to 1.7% for the three months ended March 31, 2022.

Amortization, depreciation, provisions and impairment losses and reversals

Amortization, depreciation, provisions and impairment losses and reversals amounted to €18.1 million for the three months ended March 31, 2023, an increase of €1.6 million, or 9.7%, compared to €16.5 million for the three months ended March 31, 2022. As a percentage of total revenues and income, Amortization, depreciation, provisions and impairment losses and reversals amounted to 15.3% for the three months ended March 31, 2023 and to 17.5% for the three months ended March 31, 2022; the increase is manly related to Amortization and depreciation of intangible assets and impairment of receivables.

Net operating profit (EBIT)

Net operating profit (EBIT) amounted to €3.0 million for the three months ended March 31, 2023, compared to €2.4 million for the three months ended March 31, 2022.

Net margin was 2.5% for both the three months ended March 31, 2023 and March 31, 2002.

Such a performance was mainly driven by revenues and costs trends as commented above.

Finance expenses and similar

Finance expenses and similar amounted to €21.6 million for the three months ended March 31, 2023, an increase of €7.1 million, or 49.0%, compared to €16.5 million for the three months ended March 31, 2022. As a percentage of Total revenues and income, Finance expenses and similar amounted to 18.3% for the three months ended March 31, 2023 and 2022 and to 15.3% for the three months ended March 31, 2022. Finance expenses and similar are for about 55% referred to related parties (Enel X S.r.l. and Isybank 5 S.p.A., mainly in connection with the deferred payments agreements subscribed by the Company at the end of 2019 and during the first three quarters 2022) and for the residual to third parties (manly represented by the senior secured notes holders). The increase in the period compared to the first quarter 2022 is driven by the higher stock of shareholder loans and by the increase in the interest rates related to the secured notes and to the revolving facilities due to Euribor rate trend; the Company is constantly monitoring the financial markets but so far no hedging operation has been considered appropriate.

Income taxes

Income taxes amounted to €-3.8 million for the three months ended March 31, 2023, in line with related taxable income of the Group.

Liquidity and Working capital

The following table sets forth our changes in working capital for the periods indicated:

Movements in working capital are generally connected to timing of cash collections and business turnover trends. The higher cash absorbed in the first three months 2023 compared to the performance of the first three months 2022 is mainly related to the cash absorbed by movements in trade working capital, driven in particular by higher reversal effect of year end 2022 generated working capital, that reflects the usual seasonality of the Group net working capital trend.

	Three months ended March 31,	
(€ in millions)	**2022**	**2023**
Movements in trade receivables	(24.3)	22.9
Movements in inventories	(3.1)	2.5
Movements in trade payables	17.7	(44.7)
Movements in trade working capital	**(9.7)**	**(19.4)**
Movements in other assets and liabilities	5.3	3.1
Total movements in working capital	**(4.4)**	**(16.3)**

Cash flows

The following table sets forth a summary of the Group cash flow statement for the periods indicated:

	Three months ended March 31,	
(€ in millions)	**2022**	**2023**
Cash provided by operations before changes in working capital, interest and taxes	19.2	21.5
Tax paid	-	-
Changes in working capital	(4.4)	(16.3)
Cash flows provided by (used in) operating activities	14.8	5.3
Cash flows provided by (used in) investing activities	(11.3)	(9.2)
Cash flows provided by (used in) financing activities	(8.8)	1.8
Increase/(Decrease) in cash and cash equivalents	**(5.4)**	**(2.2)**
Net cash at the beginning of the period	**67.6**	**88.8**
Net cash at the end of the period	**62.3**	**86.7**

Cash provided by operating activities amounted to €5.3 million for the three months ended March 31, 2023, compared to Cash provided by operating activities amounting to €14.8 million for the three months ended March 31, 2022. The movement is mainly driven by the trend in the changes in working capital as above commented, while cash provided by operations before changes in working capital, interest and taxes was up approx. €2.3 million.

Cash flows used in investing activities amounted to €9.2 million for the three months ended March 31, 2023, compared to €11.3 million for the three months ended March 31, 2022, mainly related to investments in intangible assets.

Cash flows provided by financing activities amounted to €1.8 million for the three months ended March 31, 2023, compared to Cash flows used by financing activities of €8.8 million for the three months ended March 31, 2022. The cash flows related to financing activities for both the three months ended March 31, 2023 and March 31, 2022 included net interest and related expenses payments for respectively €9.0 million and €6.0 million. In addition, 2023 cash flows include net usage of revolving facilities for €12.4 million, compared to net repayment of revolving facilities for approx. €1.3 million for the three months ended March 31, 2022. In the three months ended March 31, 2023 are also reflected repayments for about €1.5 million of financial liabilities accounted for in application of the accounting standard IFRS 16, compared to €1.0 million repayments reported in the same period of 2022.

Capital Resources

The following table sets forth the amounts of our external debt (principal amounts plus accrued interest for the reference period) at December 31, 2022 and March 31, 2023. Subordinated shareholders loans are not included:

	As of December 31,	As of March 31,
(€ in millions)	2022	2023
Senior revolving Facility	64.0	76.0
Senior Secured notes	531.3	531.4
Other financial liabilities	23.9	22.9
Total external financial liabilities	**619.1**	**630.3**

Other Financial Information

	Three months ended March 31,	
(€ in millions)	2022	2023
EBITDA (1)	18.9	21.2
Non recurring items	4.4	2.5
Adjusted EBITDA (2)	23.4	23.6
Adjusted EBITDA margin (3)	24.8%	20.0%

(1) We define EBITDA as profit (or loss) for the period plus net finance expenses and similar, income taxes, depreciation, amortization and impairments, provisions and impairments of receivables. EBITDA is a non-IFRS measure. The following table sets forth a reconciliation between the profit for the period and the EBITDA.

(2) We define Adjusted EBITDA as EBITDA adjusted for the effect of non-recurring items and provisions related to disputes with regulatory bodies.

(3) We define Adjusted EBITDA margin as Adjusted EBITDA divided by total revenues and income.

	Three months ended March 31,	
(€ in millions)	2022	2023
Profit/(loss) for the period	(9.7)	(14.6)
Net finance expense and similar	14.5	21.4
Income taxes	(2.4)	(3.8)
Amortisation, depreciation, provisions and impairments	14.7	15.3
Impairment of receivables	1.8	2.8
EBITDA	**18.9**	**21.2**

(€ in millions)	As of December 31, 2022	As of March 31, 2022
Unrestricted cash (4)	88.8	86.7
MOONEY GROUP net senior secured debt (5)	506.4	520.7

(4) Unrestricted cash represents cash and cash equivalents that do not include restricted cash relating to bank accounts managed by the Group but for which the cash is restricted to the payment of partners and customers according to PSD2 regulation.

(5) Mooney Group Group net senior secured debt consist of the amount due under the Senior Secured Facilities and the senior secured notes, less unrestricted cash. Net senior secured debt does not include debt under finance leases, and other sundry financial.

MOONEY GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND MARCH 31, 2022

		For the Three months ended March 31,	
(in Euro thousands)	***Notes***	**2023**	**2022**
Revenues	*8*	117,353	93,746
of which related parties		*2,602*	*7,892*
Other revenues and income		681	757
of which related parties		*0*	*682*
Total revenues and income		**118,034**	**94,503**
Purchases of materials, consumables and merchandise		1,045	678
Costs for services		83,976	66,242
of which related parties	*17*	*554*	*3,244*
Lease and rent expenses		520	168
Personnel costs		9,216	6,908
of which related parties	*17*	*1,366*	*834*
Other operating costs		2,119	1,595
Amortisation, depreciation, provisions and impairment losses and reversals		18,077	16,495
Net operating profit (EBIT)		**3,081**	**2,417**
Finance income and similar		168	0
of which related parties	*17*	*22*	*0*
Finance expenses and similar	*9*	21,633	14,528
of which related parties	*17*	*11,820*	*7,688*
Profit (loss) before income taxes		**(18,384)**	**(12,111)**
Income taxes		(3,833)	(2,423)
Profit (loss) for the period		**(14,551)**	**(9,688)**
Attributable to non-controlling interest		**7**	**64**
Attributable to owner of the parent		**(14,558)**	**(9,752)**
Other comprehensive income:		0	0
Other comprehensive income that will not be subsequently reclassified to the income statement:			
Remeasurement of defined benefit plans		0	0
Tax effect		0	0
Total comprehensive profit (loss) for the period		**(14,551)**	**(9,688)**
Attributable to non-controlling interest		7	64
Attributable to owner of the parent		**(14,558)**	**(9,752)**

MOONEY GROUP S.P.A. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2023 AND DECEMBER 31, 2022

(in Euro thousands)	*Notes*	At March 31, 2023	At December 31, 2022
A) NON-CURRENT ASSETS			
Property, Plant and Equipment	*10*	47,104	49,877
Goodwill	*11*	679,917	679,917
Intangible assets	*10*	124,453	127,615
Investments accounted for using the equity method		0	0
Deferred tax assets		26,240	21,633
Other non-current assets		6,099	5,941
Total non-current assets		**883,812**	**884,984**
B) CURRENT ASSETS			
Inventories		5,108	7,558
Trade receivables		70,368	95,978
of which related parties	17	*2,438*	*3,145*
Current financial assets		0	0
Taxes receivable		505	817
Restricted bank deposits	*12*	230,120	241,811
of which related parties		*175,220*	*178,212*
Cash and cash equivalents	*13*	86,678	88,833
of which related parties	*17*	*67,210*	*74,478*
Other current assets		14,468	13,870
of which related parties	17	*0*	*115*
Total current assets		**407,248**	**448,867**
TOTAL ASSETS		**1,291,060**	**1,333,851**
A) EQUITY			
Share capital	*14*	10,050	10,050
Share premium reserve		77,485	77,485
Other reserves		(423,084)	(369,676)
Profit (Loss) for the year		(14,558)	(53,408)
Total equity attributable to owners of the Parent		**(350,107)**	**(335,549)**
Equity attributable to non-controlling interests		**3,192**	**3,185**
Total equity		**(346,915)**	**(332,364)**
B) NON-CURRENT LIABILITIES			
Long-term debt	*15*	1,086,934	1,075,842
of which related parties		*553,964*	*542,476*
Provision for employee severance indemnities		8,331	8,219
Deferred tax liabilities		0	0
Provisions for risks and charges	*16*	445	456
Other non-current liabilities		1,916	1,791
Total non-current liabilities		**1,097,625**	**1,086,308**
C) CURRENT LIABILITIES			
Trade and other payables		213,601	262,490
of which related parties	17	*16,610*	*16,687*
Short-term debt	*15*	75,834	63,377
of which related parties		*24,256*	*20,184*
Current portion of long-term debt	*15*	7,292	7,444
of which related parties		*129*	*128*
Taxation payable		2,035	535
Other current liabilities		241,587	246,061
of which related parties	*17*	*0*	*2*
Total current liabilities		**540,349**	**579,907**
TOTAL LIABILITIES AND EQUITY		**1,291,060**	**1,333,851**

MOONEY GROUP S.P.A. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND MARCH 31, 2022

	For the three months ended March 31,	
(In Euro thousands)	2023	2022
Profit (loss) for the period before income taxes	**(18,384)**	**(12,111)**
Amortization and depreciation	15,318	14,664
Impairment of current receivables	2,756	1,832
Provisions for risks and charges, accruals and employee severance indemnities	375	279
Finance (income) expenses	21,465	14,528
Net cash generated from operating activities before changes in working capital, interest and taxes	**21,530**	**19,192**
Changes in trade receivables	22,853	(24,306)
Changes in inventories	2,450	(3,146)
Changes in trade payables	(44,696)	17,737
Change in other assets and liabilities	3,117	5,336
Taxes (paid)/reimbursed	0	0
Net cash generated from operating activities	**5,254**	**14,813**
Increase in property, plant and equipment	(1,674)	(3,458)
Increase in intangible assets	(7,497)	(7,819)
(Increase) decrease in other non-current assets	0	(65)
Net cash used in investing activities	**(9,171)**	**(11,342)**
decrease in medium-/long-term debt	(141)	(469)
decrease in lease payables	(1,510)	(1,012)
Increase (decrease) in short-term debt	12,364	(1,321)
Net interest paid	(8,951)	(6,020)
Net cash used in financing activities	**1,762**	**(8,822)**
Net change in cash and cash equivalents	**(2,155)**	**(5,351)**
Net cash at the beginning of the period	**88,833**	**67,633**
Net cash at the end of the period	**86,678**	**62,282**

MOONEY GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND MARCH 31, 2022

(in Euro thousands)	Share capital	Legal reserve	Share premium reserve	Other reserves	Profit (Loss) for the year	Total equity attributable to Owners of the parent	Non-controlling interests	Total equity
Equity at December 31, 2021	**10,050**	**0**	**77,485**	**(333,148)**	**(40,013)**	**(285,626)**	**5,310**	**(280,316)**
Prior year result				(40,013)	40,013	0	0	0
Profit/(loss) for the period					(9,752)	(9,752)	64	(9,688)
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**(40,013)**	**30,261**	**(9,752)**	**64**	**(9,688)**
Dividends paid	0	0	0	0	0	0	0	**0**
Other movements	0	0	0	(24)	0	(24)	0	**(24)**
Transactions with shareholders	**0**	**0**	**0**	**(24)**	**0**	**(24)**	**0**	**(24)**
Equity at March 31, 2022	**10,050**	**0**	**77,485**	**(373,185)**	**(9,752)**	**(295,402)**	**5,374**	**(290,028)**
Equity at December 31, 2022	**10,050**	**0**	**77,485**	**(369,867)**	**(53,216)**	**(335,548)**	**3,185**	**(332,364)**
Prior year result				(53,216)	53,216	0	0	0
Profit/(loss) for the period					(14,558)	(14,558)	7	(14,551)
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**(53,216)**	**38,658**	**(14,558)**	**7**	**(14,551)**
Dividends paid	0	0	0	0	0	0	0	**0**
Other movements	0	0	0	0	0	0	0	**0**
Transactions with shareholders	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity at March 31, 2023	**10,050**	**0**	**77,485**	**(423,083)**	**(14,558)**	**(350,106)**	**3,192**	**(346,915)**

MOONEY GROUP S.P.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2023

1. General information

Mooney Group S.p.A. (hereafter the "**Company**") is a company incorporated in Italy, with registered and administrative offices in Milan, in Via Privata Nino Bonnet 6/A, organized under the laws of the Republic of Italy.

The Company and its subsidiaries (together the "**Group"**) operate principally in the collection and payment services sector, by specific authorization of the Bank of Italy, and in the marketing of telephone and TV content top-ups, with the support of a distribution network of approx. ≈ 46,000 point of sales, but also leveraging a fast growing online channel.

The shareholders of the Company are as of March 31, 2023 Enel X S.p.A. and Isybank S.p.A. (former Banca 5 S.p.A), both owing 50% of the capital stock of the Company.

2. Basis of preparation

Background

During 2019, an important and strategic agreement was signed between Sisal Group and Banca 5 S.p.A., a bank of Intesa Sanpaolo Group, to create, through a partnership, a leading group in the payment services sector distributed on the digital channel and in proximity channels in Italy.

To this end, a complex corporate reorganization has been undertaken within the Sisal Group to separate the activities related to payment services, to be carried out with Banca 5 as a minority shareholder, from the activities related to the Gaming sector, wholly owned by the Sisal Group.

As a consequence of this reorganization, starting from December 2019, all the activities referred to payment services are therefore under the management of the Company which wholly controls Mooney Servizi S.p.A. and Mooney S.p.A. (the latter is an electronic money institution subject to Bank of Italy supervision). The company names based on the word Mooney, an evocative neologism in line with the new values, strategy and positioning of the Group, were adopted by the Parent Company (former SisalPay Group S.p.A.) and by its subsidiaries in April 2022, as the last step of the so-called "rebranding", which culminated in the month of November 2020 with the launch of the new commercial brand Mooney.

Criteria applied for the Special Purpose Financial Statements preparation

The notes to the Condensed Consolidated Interim Financial Statements have been prepared following IAS 34, 'Interim financial reporting' which governs interim financial reporting. IAS 34 permits a significantly lower amount of information to be included in interim financial statements from what is required for annual financial statements by International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (hereafter "**IFRS**"), given that the entity has prepared its financial statements compliant with IFRS for the previous financial year. The Condensed Consolidated Interim Financial Statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2022 (the "**Annual Consolidated Financial Statements**").

The Condensed Consolidated Interim Financial Statements include the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the illustrative notes.

These Condensed Consolidated Interim Financial Statements has been approved by the Board of Directors of Mooney Group S.p.A. on May 24, 2023.

3. Going concern

Net loss for the three months ended March 31, 2023 amounted to Euro 14,551 thousand (Euro 9,688 thousand for the three months ended March 31, 2022); at March 31, 2023 the consolidated equity was negative for Euro 346,915 thousand (Euro 332,364 thousand at December 31, 2022) and net working capital at March 31, 2023 was negative for Euro 136,654 thousand (Euro 149,052 thousand at December 31, 2022).

The Net loss for the period is mainly related to charges related to the financial structure of the Group and to non-recurring/extraordinary items for total Euro 24,091 thousand, while consolidated EBIT was positive for Euro 3,081 thousand (Euro 2,417 for the three months ended March 31, 2022).

With reference to the debt structure following the corporate reorganization, which resulted in the contribution to the Group of the service businesses of the Sisal Group and Banca 5 S.p.A., the table below illustrates the Group structure of capital resources and debt to first parties at March 31, 2023 and at December 31, 2022:

(In Euro thousands) *(Percentage computed on total debt and equity)*	**At March 31, 2023**	**%**	**At December 31, 2022**	**%**
Long term debt	533,322		533,749	
Short-term debt and current portion of long-term debt	83,126		70,821	
Funding from third parties	**616,447**	**74.9%**	**604,569**	**74.2%**
Shareholder Loan	553,612		542,093	
Funding from shareholders	**553,612**	**67.3%**	**542,093**	**66.6%**
Equity	**(346,915)**	**-42.2%**	**(332,364)**	**-40.8%**
Total debt and equity	**823,145**	**100.0%**	**814,299**	**100.0%**

As at March 31, 2023 the Short-term debt includes the drawdown of the Super Senior Revolving Facility for Euro 76,000 thousand, increased for Euro 12,000 thousand compared to the draw down at the end of December 2022.

It is noted that Loans from related parties include around Euro 553.6 million relating to loans from both the two shareholders (owing the same amount), arising for Euro 380.0 million from the acquisition by the Company of the investments held by the two original shareholders in Mooney S.p.A (former SisalPay S.p.A) and in Mooney Servizi S.p.A. (former SisalPay Servizi S.p.A.) following the contribution of business segments to the latters, for Euro 25.2 million following the transfer at the end of April 2022 of a further business branch relating to payment services by the shareholder Isybank S.p.A, and for Euro 148.4 million following the purchase of the 100% of the equity of several companies previously controlled by the new shareholder Enel X S.r.l.. Starting from July 25, 2023 it was agreed between the involved parties that all the Deferred Purchase Price notes in place will accrue annual interest at a rate of 8.5%.

The macroeconomic scenario for the current year, reflected in the 2023 Budget recently prepared by the Group, maintains the elements of weakness that already appeared in 2022 that could also lead to a recessionary phase or at least stagnation in a context still characterized by a year-on-year inflation rate above 6%. This scenario will continue to slow down the recovery of the overall payment and banking services market in Italy compared to pre-pandemic values (-10% compared to the 2019 figure), while in particular the Proximity Retail segment should remain stable in terms of total turnover figures in 2022 (approximately Euro 33 billion). In 2023, on the other hand, the Digital segment will move up with double-digit growth and within which the Mooney Group will also continue its growth momentum, thanks mainly to the further development of the prepaid debit card business and the development of further initiatives in the Digital channel.

On the basis of these assessments and ongoing developments and also with particular reference to the current and expected profitability of the Group, the Directors believe that there is the reasonable expectation that the Group will continue its operating activities in the foreseeable future and will be able to meet its financial commitments, and in any case for a period of time beyond twelve months, and has therefore prepared these Condensed Consolidated Interim Financial Statements on a going concern basis.

4. Accounting policies

The accounting policies adopted are consistent with those that applied to the Annual Consolidated Financial Statements. The following accounting standard applicable since January 2023 and adopted for the first time.

Accounting Standards, Amendments and Interpretations applicable and adopted for the first time

Since January 2023, the following accounting standards, amendments and interpretations have been endorsed by the European Union and adopted by the Group:

- Amendments to IFRS 3 Business Combination
- Amendments to IAS 16 Property, plant and equipment
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

No relevant impacts have been identified so far from the application of these standards and amendments.

Accounting standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union or not yet effective

At the date and preparation of these interim financial statements, the following standards and interpretations issued by the IAS were not yet endorsed by the European Union or endorsed but not yet effective.

- IFRS 17 Insurance Contracts;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 1 – Non current liabilities with covenants

Any impacts from the application of the standard is currently being assessed.

5. Estimates

The preparation of Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Consolidated Financial Statements.

6. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate, interest rate and bookmaker risk), liquidity risk and credit risk and capital risk.

The Condensed Consolidated Interim Financial Statements do not include all financial risk management information and disclosures required for financial statements prepared according to IFRS. They should be read in conjunction with the Annual Consolidated Financial Statements, which include the full financial risk management disclosure. Further, in the month of January 2023 a new Group Risk manager has been appointed and in the following months a new risk management procedure was edited including an updated view off all the company's risks.

Liquidity risk

At March 31, 2023, the Group has a revolving line of credit under the Super Senior Revolving Facility and related ancillary facility Agreements for a total of Euro 92.5 million, expiring in March 2026. At March 31, 2023, these facilities were partially drawn down for Euro 76.0 million as cash utilization.

Fair value estimation

Financial instruments carried at fair value are reported by valuation method. The different valuation levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Both at March 31, 2023 and December 31, 2022 the Group reported no outstanding assets and liabilities measured at fair value.

7. Seasonality of operations

The operations of the Group are not affected by specific/material seasonality trends.

8. Revenues

The following table sets forth an analysis of Revenues:

	For the three months ended March 31,	
(in Euro thousands)	**2023**	**2022**
Payments and other services	97,440	78,854
Merchant services and others	20,594	15,649
Total	**118,034**	**94,503**

The Payments and other services revenues are analyzed as follows:

	For the three months ended March 31,	
(in Euro thousands)	**2023**	**2022**
Payments & Banking revenues	85,453	68,582
Prepaid cards revenues	8,374	7,644
Mobility revenues	3,613	2,628
Total	**97,440**	**78,854**

9. Finance expense and similar

The following table sets forth an analysis of Finance expense and similar:

	For the three months ended March 31,	
(in thousands of Euros)	**2023**	**2022**
Interest and other finance expenses - related parties	11,820	7,688
Interest and other finance expenses - third parties	9,813	6,840
Total	**21,633**	**14,528**

10. Property, plant and equipment and other intangibles assets

The composition and movements of property, plant and equipment are as follows:

in Euro thousands)	**PPE**	**Other intangible assets**
three months March 31, 2023		
Opening net book amount as at January 1, 2023	49,877	127,615
Acquisitions of subsidiaries/businesses	0	0
Increases	1,885	7,497
Depreciation, amortisation and impairment	(4,659)	(10,659)
Closing net book amount as at March 31, 2023	**47,104**	**124,453**

11. Goodwill

(in thousands of Euros)	**At March 31, 2023**	**At December 31, 2022**
At the beginning of the period	679,917	534,102
Acquisitions of subsidiaries/businesses	0	145,815
At the end of the period	**679,917**	**679,917**

12. Restricted bank deposits

Restricted bank deposits mainly include the balances of restricted cash deposits deriving from funds received from customers in compliance with the directive known as PSD2, as part of the services rendered by Mooney S.p.A. as an EMI and by the other financial institutions previously owned by Enel X S.r.l..

13. Cash and cash equivalents

Cash and cash equivalents at March 31, 2023 and December 31, 2022 are as follows:

(in Euro thousands)	**At March 31, 2023**	**At December 31, 2022**
Bank and postal accounts	86,670	88,826
Cash and cash equivalents in hand	8	7
Total	**86,678**	**88,833**

14. Share capital and reserves

At March 31, 2023 share capital amounts to Euros 10,050,000, it is fully paid in and consists of 50,000,000 ordinary shares. This share capital is referred to the parent company, Mooney Group S.p.A., and it is unchanged compared to December 31, 2022.

15. Borrowings and loans

The following table sets forth an analysis of Borrowings and loans:

(in Euro thousands)	**At March 31, 2023**	**At December 31, 2022**
Senior Revolving and ancillary facilities	**74,740**	**62,647**
Senior Secured Notes	**518,852**	**517,973**
Loans from shareholders	**553,612**	**542,093**
Loans from other banks	3,039	2,816
Payable to other lenders - leasing contracts	19,816	21,133
Other loans from third parties	**22,855**	**23,949**
Total	**1,170,059**	**1,146,662**
of which current	*83,126*	*70,820*
of which non-current	*1,086,934*	*1,075,842*

Movements in borrowings are analyzed as follows:

	Three months ended March 31,	
(in Euro thousands)	**2023**	**2022**
Opening amount as at January 1	**1,146,662**	**948,207**
Acquisition of subsidiary	0	0
New borrowings	12,364	0
Change in IFRS 16 net financial liability	(1,317)	(683)
Net accrued interest and amortized	12,491	8,504
Repayments of borrowings	141	1,789
SHL renouncement	0	0
Closing amount as at September 30	**1,170,059**	**954,239**

At March 31, 2023, the market price of the senior secured notes was a total of Euro 528.5 million compared to a face total value of Euro 530 million.

16. Provisions for risks and charges

There were no significant movements in the provisions for risks and charges in the first three months 2023.

17. Related party transactions

Amongst related parties, we note the existing relationships with the two direct shareholders and also with some entities part of the new shareholders Group.

With regard to financial transactions, we already commented the debt related to the deferred purchase price agreements signed at the end of 2019 and more recently in Q2 and Q3 2022; in addition, at March 31, 2023 it is noted the trade receivable for about Euro 2.4 million, related to the fees matured by Mooney in particular on withdrawal and bank transfer services offered to Intesa Sanpaolo customers.

Moreover it is noted that some restricted and available cash is deposited with both Banca 5 S.p.A. and Intesa Sanpaolo S.p.A. for total Euro 242.4 million and that Euro 24.3 million short term financing are mainly related to commitments by Intesa Sanpaolo S.p.A. referred to the Super Senior Revolving Facility.

Related party revenues, amounting to Euro 2.6 million for the three months ended March 31, 2023, are mainly related to payments services income originating from agreements with both the two shareholders groups.

Related party costs for services, amounting in total to Euro 0.5 thousand in the three months ended March 31, 2023, are mainly related to compensation for executives who are also Company directors and other related parties; salaries and employees severance indemnities of key management charged with strategic responsibilities, amounting to Euro 851 thousand in the three months ended March 31, 2023, are reported under Personnel costs.

18. Significant non-recurring events and transactions

During the three months ended March 31, 2023, the Group recognized about €2.5 million net non-recurring expenses/extraordinary items, mainly related to integration costs and also to start-up costs in connection with launch of new business lines.

19. Commitments

The Condensed Consolidated Interim Financial Statements include capital expenditure commitments for approximately Euro 5.2 million; such capital expenditure will be financed with cash on bank balance and net cash generated from operating activities.

20. Significant events occurring after the end of period

As far as the integration process of the new acquired entities is concerned, in the current month of May the Bank of Italy, based on the detailed Preliminary Notice received by the Group in the last month of March, has formally approved, the merger of the financial companies previously under the control of the Enel Group through the shareholder Enel X S.r.l. that should become effective on September 1^{st} 2023; in the meantime the Group is actively working on all the activities that are within the framework of the project aimed at the corporate, technological, commercial and operational integration of all the entities acquired in the course of 2022.

In the end, as already reported on the Corporate site of the Group, it is worth mentioning Stefania Gentile, currently senior advisor in PwC, with a consolidated record of distinctive consulting and managerial skills and experience in different areas such as payments, IT and digital transformation, governance and business in highly complex organizations like Intesa Sanpaolo and Nexi, will be the new Chief Executive Officer of Mooney Group starting on June 1^{st}, 2023.

Emilio Petrone, under whose management Mooney has become the main proximity fintech operating in Italy, leader in payment, banking and mobility services, will leave the leadership of the company in agreement with its shareholders at the end of current month of May.