



## **Noventiq Holdings PLC**

Unaudited interim condensed consolidated financial statements

*For the six months ended 30 September 2023*

Noventiq Holdings PLC  
Interim condensed consolidated financial statements  
for the six months ended 30 September 2023

**Contents**

Interim condensed consolidated financial statements

Interim condensed consolidated statements of profit or loss and other comprehensive income (loss).....	2
Interim condensed consolidated statements of financial position .....	3
Interim condensed consolidated statements of cash flows .....	4
Interim condensed consolidated statements of changes in equity .....	5
Notes to the interim condensed consolidated financial statements.....	6

# Noventiq Holdings PLC

## Interim condensed consolidated statements of profit or loss and other comprehensive income (loss)

for the six months ended 30 September 2023 and 30 September 2022

(in thousands of US dollars except for per share data)

		Six months ended 30 September 2023	Six months ended 30 September 2022
	Notes	Unaudited	Unaudited
Revenue from contracts with customers	10	219,757	161,105
Cost of sales	11	(125,947)	(86,218)
<b>Gross profit</b>		<b>93,810</b>	<b>74,887</b>
Selling, general and administrative expenses	12	(99,027)	(79,661)
Other operating income	13	3,581	2,086
Other operating expenses	14	(7,854)	(7,401)
<b>Operating loss</b>		<b>(9,490)</b>	<b>(10,089)</b>
Share of net loss in associates and joint ventures		(103)	-
Foreign exchange loss		(5,844)	(6,017)
Finance income		3,574	1,698
Finance costs	15	(8,805)	(8,006)
Change in fair value of financial instruments	16	(3,693)	-
<b>Loss before tax from continuing operations</b>		<b>(24,361)</b>	<b>(22,414)</b>
Income tax expense	17	(3,755)	(485)
<b>Net loss for the period from continuing operations</b>		<b>(28,116)</b>	<b>(22,899)</b>
<b>Net profit for the period from discontinued operations</b>		<b>-</b>	<b>22,343</b>
<b>Net loss for the period</b>		<b>(28,116)</b>	<b>(556)</b>
Attributable to holders of the Company		(26,735)	556
Non-controlling interests		(1,381)	(1,112)
<b>Other comprehensive income / (loss)</b>			
<i>Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Translation difference		(12,633)	(45,857)
<i>Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Fair value reserve of equity instrument designated at FVOCI		-	(19,905)
<b>Total other comprehensive loss for the period, net of tax</b>		<b>(12,633)</b>	<b>(65,762)</b>
<b>Total comprehensive loss for the period, net of tax</b>		<b>(40,749)</b>	<b>(66,318)</b>
Attributable to holders of the Company		(38,541)	(64,584)
Non-controlling interest		(2,208)	(1,734)
<b>Earnings / (loss) per share</b>			
Basic earnings/(loss) per share, US dollars		(0.12)	0.00
Diluted earnings/(loss) per share, US dollars		(0.12)	0.00
<b>Loss per share for continuing operations</b>			
Basic loss per share from continuing operations, US dollars		(0.12)	(0.10)
Diluted loss per share from continuing operations, US dollars		(0.12)	(0.10)
<b>Earnings per share for discontinued operations</b>			
Basic earnings per share from discontinued operations, US dollars		-	0.10
Diluted earnings per share from discontinued operations, US dollars		-	0.10

# Noventiq Holdings PLC

## Interim condensed consolidated statements of financial position


As at 30 September 2023 and 31 March 2023

(in thousands of US dollars)

	Notes	30 September 2023 Unaudited	31 March 2023 Audited
<b>Assets</b>			
<b>Non-current assets</b>			
Long-term deposits		6,709	6,500
Long-term loans issued		12,253	13,305
Long-term loans issued related party	20	5,727	2,957
Property and equipment, net of depreciation		7,396	9,159
Intangible assets, net of amortisation	4	60,388	65,279
Goodwill	4	150,024	164,862
Right-of-use assets		14,910	15,716
Investments in joint ventures		505	612
Other non-current assets		1,679	758
Deferred tax assets		11,440	12,401
		<b>271,031</b>	<b>291,549</b>
<b>Current assets</b>			
Software licenses and other inventory		42,581	29,923
Income tax receivable		7,351	6,766
Trade receivables, net of allowance	5	313,349	343,065
Advances issued and other current assets		32,236	20,972
Advances issued and other current assets related party	20	10	6,966
Tender guarantees and deposits		5,677	10,196
Other receivables		201	198
Other taxes receivable		28,754	22,974
Loans issued		10,362	828
Loans issued related party	20	565	7,906
Other current financial assets		5,651	8,906
Cash and cash equivalents	6	89,104	136,295
		<b>535,841</b>	<b>594,995</b>
		<b>806,872</b>	<b>886,544</b>
<b>Total assets</b>			
<b>Equity</b>			
Share capital	7	56	56
Accumulated deficit		(81,059)	(54,388)
Share premium		418,817	418,817
Other reserves		(20,031)	(19,895)
Treasury shares		(6,804)	(6,900)
Other components of equity		(6,679)	(6,679)
Translation reserve		(70,774)	(58,968)
<b>Equity and assets attributable to owners</b>		<b>233,526</b>	<b>272,043</b>
Non-controlling interests		(717)	(77)
<b>Total equity</b>		<b>232,809</b>	<b>271,966</b>
<b>Non-current liabilities</b>			
Long-term borrowings		4,189	5,298
Long-term lease liabilities		10,888	11,943
Long-term contingent consideration for acquisitions	18,19	45,941	51,480
Long-term deferred payment for acquisitions		1,255	1,837
Other long-term liabilities		5,608	6,369
Long-term tax payable		759	794
Deferred tax liabilities		11,431	12,004
		<b>80,071</b>	<b>89,725</b>
<b>Current liabilities</b>			
Trade and other payables	9	359,308	402,344
Contract liabilities		13,260	17,834
Contract liabilities related party	20	39	1,977
Short-term borrowings		65,128	39,021
Short-term borrowings related party	20	-	7,503
Short-term lease liabilities		5,072	4,502
Other taxes payable		21,675	23,718
Short-term deferred payment for acquisitions		3,434	7,020
Short-term contingent consideration for acquisitions	18,19	22,143	17,377
Income tax payable		3,933	3,557
		<b>493,992</b>	<b>524,853</b>
<b>Total liabilities</b>		<b>574,063</b>	<b>614,578</b>
<b>Total equity and liabilities</b>		<b>806,872</b>	<b>886,544</b>

On 4 March 2024 the Board of Directors of Noventiq Holdings PLC authorised these interim condensed consolidated financial statements for issue.

  
 Director  
 ROYSTON CHARLES HARDING

  
 Director  
 HERVE TESSLER

# Noventiq Holdings Plc.

## Interim condensed consolidated statements of cash flows

For the six months ended 30 September 2023 and 30 September 2022

(in thousands of US dollars)

	Notes	Six months ended 30 September 2023 Unaudited	Six months ended 30 September 2022 Unaudited
<b>Operating activities</b>			
<b>Loss before tax from continuing operations</b>		<b>(24,361)</b>	<b>(22,414)</b>
<b>Profit before tax from discontinued operations</b>		<b>-</b>	<b>25,830</b>
<b>Profit (loss) before profit tax</b>		<b>(24,361)</b>	<b>3,416</b>
<i>Adjustments to reconcile profit (loss) before tax to net cash flows:</i>			
Depreciation and amortisation		10,919	16,983
Loss/(gain) on non-current assets disposal		(6)	107
Foreign exchange loss / (gain)		5,844	(427)
Inventory write-offs to net realizable value		259	2,277
Expected credit losses / (gains)		2,953	(2,925)
Finance costs		8,805	15,139
Finance income		(3,574)	(3,779)
Loss in associates and joint ventures		103	-
Change in fair value of financial instruments		3,693	(14,028)
Impairment of goodwill and intangible assets	4	6,039	6,263
Other non-cash transactions		(1,339)	-
<b>Operating profit before working capital changes</b>		<b>9,335</b>	<b>23,026</b>
<i>Working capital adjustments:</i>			
Increase in software licenses and other inventory		(12,917)	(7,592)
Decrease/(increase) in advances issued, trade and other receivables		11,878	(128,528)
(Decrease)/increase in contract liabilities, trade and other payables		(41,968)	46,535
<b>Cash used in operations</b>		<b>(33,672)</b>	<b>(66,559)</b>
Income tax paid		(2,051)	(368)
<b>Net cash used in operating activities</b>		<b>(35,723)</b>	<b>(66,927)</b>
<b>Investing activities</b>			
Acquisition of subsidiaries, net of cash acquired		(7,915)	(12,392)
Net cash out from the disposal group		(461)	-
Purchase of property, plant and equipment		(1,633)	(461)
Purchases of intangible assets, including amounts of costs capitalised		(4,621)	(10,508)
Sale of Crayon shares		-	42,267
Purchase of securities		(1,973)	(17,554)
Loans issued		(9,350)	(9,376)
Loans issued to related parties		(493)	(14,864)
Interest received (loans and deposits)		1,635	2,287
Interests received from related parties		125	23
Loans collected		4,476	184
Loans collected from related parties		1,324	21,792
<b>Net cash (used in)/generated from investing activities</b>		<b>(18,886)</b>	<b>1,398</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(38,499)	(64,622)
Proceeds from borrowings		49,766	120,689
Receipts from borrowings to related parties		27	-
Overdrafts and revolving credit lines cash turnover, net		8,832	5,377
Payment of principal portion of lease liabilities		(3,102)	(5,811)
Interest paid		(1,393)	(9,222)
Interest paid (borrowings and financial leasing for internal use) to related parties		-	(26)
Treasury shares		-	(4,915)
Dividends paid		(690)	-
<b>Net cash generated from financing activities</b>		<b>14,941</b>	<b>41,470</b>
Foreign exchange difference		(7,523)	(829)
<b>Net decrease in cash and cash equivalents</b>		<b>(47,191)</b>	<b>(24,888)</b>
Cash in banks and on hand at beginning of the period		136,295	334,071
<b>Cash in banks and on hand at end of the period</b>	6	<b>89,104</b>	<b>309,183</b>

Noventiq Holdings Plc.

Interim condensed consolidated statements of changes in equity

For the six months ended 30 September 2023 and 30 September 2022

(in thousands of US dollars)

	Share capital	Retained Earnings (accumulated deficit)	Share premium	Other reserves	Treasury shares	Revaluation of equity instruments designated at FVOCI	Share in OCI of a joint venture	Translation reserve	Equity attributable to shareholders of Noventiq	Non-controlling interests	Total equity
<b>Balance as at 1 April 2022 (restated (Note 2))</b>	<b>43</b>	<b>17,753</b>	<b>414,201</b>	<b>(17,190)</b>	<b>(5,791)</b>	<b>13,226</b>	<b>41,829</b>	<b>(43,042)</b>	<b>421,029</b>	<b>(2,393)</b>	<b>418,636</b>
Profit/(loss) for the period	-	556	-	-	-	-	-	-	556	(1,112)	(556)
Exchange loss on translation of foreign operations	-	-	-	-	-	-	-	(45,235)	(45,235)	(622)	(45,857)
Fair value reserve of equity instrument designated at FVOCI	-	-	-	-	-	(19,905)	-	-	(19,905)	-	(19,905)
<b>Total comprehensive income</b>	<b>-</b>	<b>556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,905)</b>	<b>-</b>	<b>(45,235)</b>	<b>(64,584)</b>	<b>(1,734)</b>	<b>(66,318)</b>
IPO-related costs	-	-	12	-	-	-	-	-	12	-	12
Reclassification of OCI to retained earnings	-	41,829	-	-	-	-	(41,829)	-	-	-	-
Purchase of treasury shares	-	-	-	-	(4,914)	-	-	-	(4,914)	-	(4,914)
Acquisition of non-controlling interest	-	2,703	-	(1,815)	-	-	-	(3,344)	(2,456)	641	(1,815)
Acquisition of subsidiary	-	(20)	-	-	-	-	-	-	(20)	3,411	3,391
Other equity reserves transfer	-	(14,427)	-	14,926	-	-	-	-	499	-	499
<b>Balance as at 30 September 2022 (unaudited)</b>	<b>43</b>	<b>48,394</b>	<b>414,213</b>	<b>(4,079)</b>	<b>(10,705)</b>	<b>(6,679)</b>	<b>-</b>	<b>(91,621)</b>	<b>349,566</b>	<b>(75)</b>	<b>349,491</b>
<b>Balance as at 1 April 2023</b>	<b>56</b>	<b>(54,388)</b>	<b>418,817</b>	<b>(19,895)</b>	<b>(6,900)</b>	<b>(6,679)</b>	<b>-</b>	<b>(58,968)</b>	<b>272,043</b>	<b>(77)</b>	<b>271,966</b>
Loss for the period	-	(26,735)	-	-	-	-	-	-	(26,735)	(1,381)	(28,116)
Exchange loss on translation of foreign operations	-	-	-	-	-	-	-	(11,806)	(11,806)	(827)	(12,633)
<b>Total comprehensive income</b>	<b>-</b>	<b>(26,735)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,806)</b>	<b>(38,541)</b>	<b>(2,208)</b>	<b>(40,749)</b>
Profit distribution	-	-	-	-	-	-	-	-	-	(690)	(690)
Subsidiary disposal (Note 3 (c))	-	-	-	-	-	-	-	-	-	2,258	2,258
Exercise of options (Note 8)	-	40	-	(136)	96	-	-	-	-	-	-
Other	-	24	-	-	-	-	-	-	24	-	24
<b>Balance as at 30 September 2023 (unaudited)</b>	<b>56</b>	<b>(81,059)</b>	<b>418,817</b>	<b>(20,031)</b>	<b>(6,804)</b>	<b>(6,679)</b>	<b>-</b>	<b>(70,774)</b>	<b>233,526</b>	<b>(717)</b>	<b>232,809</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Noventiq Holdings Plc.

## Notes to the unaudited interim condensed consolidated financial statements

For the six months ended 30 September 2023

*(in thousands of US dollars)*

### 1. Corporate information

Noventiq or Noventiq Holdings PLC (formerly Softline Holding PLC) is a leading global solutions and services provider in digital transformation and cybersecurity, headquartered in London. The company enables, facilitates and accelerates digital transformation for its customers' businesses, connecting 80,000+ organizations from all sectors with a plethora of best-in-class IT vendors, alongside its own services and solutions.

Considering its broad vendor relationships, own capabilities and services portfolio, the Group is located at the heart of the digital transformation megatrend and caters for the full range of customers' technology needs.

The interim condensed consolidated financial statements of Noventiq Holdings PLC ("the Company") and its subsidiaries (collectively, "the Group") for the six months ended 30 September 2023 were authorised for issue in accordance with a unanimous written resolution of the Board of Directors on 4 March 2024.

On 20 October 2022, the Group completed the distribution of Softline Trade JSC, a wholly owned subsidiary, (the "Russian business" or "Softline Russia" or "SLR") to its founder, Mr. Igor Borovikov (the "Separation"). Following the completion of the Separation, "Softline Russia" is now a wholly separate business to the Group.

On 22 June 2023, the Group canceled the listing of the Company's Global Depositary Receipts ("GDR") on the London Stock Exchange ("LSE"). On 27 September 2023 the Group also de-listed its GDR's from trading on the Moscow Exchange ("MoEX"). Delisting on LSE and MoEX is a condition of the business combination with Corner Growth Acquisition Corp which was announced on 4 May 2023. A potential business combination would result in the combined company being publicly-listed on the Nasdaq Capital Market of the US Nasdaq Stock Market ("Nasdaq").

Noventiq Holdings PLC was incorporated in Cyprus on 3 December 2008 as Axion Holding Cyprus Ltd. and renamed on 11 October 2021 to Softline Holding PLC and on 21 February 2023 it was legally renamed to Noventiq Holdings PLC. In July 2023, Noventiq Holdings plc redomiciled from Cyprus to the Cayman Islands. The registered office is located in PO Box 309, Uglund House, Grand Cayman, KY1-1104, physical office and tax residence of the Company remains the same - Office N302, 11 Kosta Charaki Street, Limassol, CY-3041.

The Group operates across a broad range of geographies, with representation in almost 60 countries in high-potential emerging markets (including India, countries of the Asia Pacific region, economies in Central & Eastern Europe as well as in LATAM and the Middle East) and in some developed economies. The Group's account managers and sales specialists, service engineers, developers and other IT professionals help customers navigate the complexity at every stage of the customer cycle with its solution-driven end-to-end approach. Taking vendors' capabilities and matching with own services and solutions in the most efficient way, Noventiq creates, delivers, continuously develops and secures for its customers the entire technology stack required for digital transformation. The Group's portfolio is based on its comprehensive global relationships with major IT technology providers and includes solutions to facilitate customer transition to or management of public and private clouds, management and development of the software estate and hardware provisioning. Additionally, the Group is developing its own platforms for comprehensive customer engagement and electronic commerce along with its own solutions and products in high-growth domains like AI.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 1. Corporate information (continued)

The Group's IT solutions and services are delivered through three business lines:

- Software and cloud, comprising (i) software offerings, which incorporate traditional on-premises licensing and modern subscription agreements for a full range of software products, including operating systems, virtualisation, cybersecurity, business productivity, creativity, education and other, from many blue-chip software vendors (such as Microsoft, Adobe and Oracle); and (ii) cloud offerings, a diverse portfolio of cloud computing services, including public cloud, dedicated private cloud and hybrid cloud solutions based on leading vendor technologies and services (including Amazon Web Services, Google Cloud Platform and Microsoft Azure).
- Hardware, offering advice, design, resale, installation and support for a full range of workplace, data centre and network infrastructure, with hardware offerings from leading vendors such as Apple, Cisco, Dell, Hewlett Packard Enterprise and HP Inc.
- Services, offering a range of value-rich managed and professional services, including cybersecurity services, future workplace services, IT infrastructure, digital solutions, Software Asset Management ("SAM") and the Group's own public cloud services (Noventiq Cloud), as well as next generation services offerings, such as software development and application engineering, and co-innovation with customers using artificial intelligence, machine learning and other technologies.

### 2. Basis of preparation and changes to the Group's accounting policies

#### General

The interim condensed consolidated financial statements for the six months ended 30 September 2023 have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting. The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 March 2023.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023, except for the adoption of new standards effective as of 1 April 2023.

The interim condensed consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

#### Changes in accounting policies and disclosures

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023 and their impact on the interim



# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

condensed consolidated financial statements of the Group is disclosed below.

### **2. Basis of preparation and changes to the Group's accounting policies (continued)**

#### *IFRS 17 Insurance Contracts*

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The amendments had no impact on the Group's interim condensed consolidated financial statements.

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

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

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

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

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

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

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### **2. Basis of preparation and changes to the Group's accounting policies (continued)**

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

The Group has adopted the amendment to IAS 12 retrospectively, from 1 April 2022. The amendments narrow the scope of the initial recognition exemption on leases, to exclude transactions that give rise to equal and offsetting temporary differences. Following this reassessment, the deferred tax asset and liabilities recognised relating to the Group's leases has resulted in an increase of deferred tax asset and deferred tax liabilities by the same amount of \$2,107 in the consolidated statements of financial position as at 31 March 2023. The adjustment had no impact on retained earnings as at 1 April 2022 and relates to leases which were originally dealt with using the initial recognition exemption. This change in accounting policy will also be reflected in the Group's consolidated financial statements for the year ending 31 March 2024.

#### ***Changes in presentation and correction of errors***

##### *Correction of an error – Long-term incentive options*

During the year ended 31 March 2023 the Group conducted a detailed review of the granted long-term incentive options and discovered that some of the long-term incentive options issued to certain members of management in the year ended 31 March 2022 were erroneously not accounted for. In addition, the Company discovered that some of the assumptions used in the measurement of the fair value of the options issued in the previous years were not determined at the grant date. These errors have been corrected by including additional unaccounted awards in the calculation of the long-term incentive options issued in the year ended 31 March 2022 and also revising the grant date fair value calculations for the long-term incentive options issued in the year ended 31 March 2022 and before. As a result of this change, the Group's retained earnings as of 1 April 2022 decreased by \$12,572.

##### *Correction of non-controlling interest in Active Group entities*

During the year ended 31 March 2023 the Group identified errors relating to the recognition of non-controlling interests resulting from the incorrect application of the requirements of IFRS 3 to subsequent accounting of the non-controlling interest in the Active Group entities. As a consequence, the non-controlling interest as at 1 April 2022 was adjusted with the credit of \$5,080 to non-controlling interest, debit of \$7,229 to retained earnings and credit of \$2,149 to translation reserve.

### **3. Business combinations, acquisitions and disposals**

#### **(a) Acquisitions in the six months ended 30 September 2023**

##### **Acquisition of LLC Pacifica**

On 16 May 2023 the Group acquired 100% share in LLC Pacifica for a total consideration of \$707. LLC Pacifica is a company registered in Kazakhstan, focused purely on cybersecurity providing cybersecurity solutions and services (design and implementation of cybersecurity systems, cybersecurity systems maintenance services and technical support, audit and consulting services, cybersecurity education center). The company has strong expertise and experienced team with key salesforce and engineers working for over 10 years in the company. The acquisition will give opportunity to increase profitability of the segment with services penetration and will provide broader access to local market including government sector.

## Noventiq Holdings PLC

### Notes to the unaudited interim condensed consolidated financial statements (continued)

#### 3. Business combinations, acquisitions and disposals (continued)

##### (a) Acquisitions in the six months ended 30 September 2023 (continued)

##### Acquisition of LLC Pacifica (continued)

This transaction was accounted for using the acquisition method. The results of operations of LLC Pacifica will be included in the consolidated financial statements from the date of acquisition of control, 16 May 2023. The Group acquired LLC Pacifica as part of the ROE segment.

The following schedule reflects the provisional purchase price allocation to the net assets acquired:

	<u>16 May 2023</u>
<b>Assets</b>	
Property and equipment	7
Intangible assets (Note 4)	521
Right-of-use assets	41
Deferred tax assets	31
Income tax receivable	14
Trade receivables	233
Advances issued and other current assets	2
Other receivables	3
Other taxes receivable	30
Cash and short-term deposits	23
	<u><b>905</b></u>
<b>Liabilities</b>	
Long-term lease liabilities	9
Deferred tax liabilities	115
Short-term lease liabilities	32
Trade and other payables	454
Other taxes payable	83
	<u><b>693</b></u>
<b>Total identifiable net liabilities at fair value</b>	<u><b>212</b></u>
Goodwill arising on acquisition	495
Short-term deferred consideration for acquisition	367
Long-term contingent consideration for acquisition	340
<b>Total consideration for acquisition</b>	<u><u><b>707</b></u></u>
	<b>Cash flow on acquisition</b>
Net cash acquired with the subsidiary	23
Cash paid	-
<b>Net cash flow on acquisition</b>	<u><u><b>23</b></u></u>

During the measurement period the Company adjusted provisional amounts disclosed in the annual consolidated financial statements for the year ended 31 March 2023 which primarily related to \$521 increase in intangible assets for the recognition of the client base, \$115 increase in deferred tax liability and \$338 increase in long-term contingent consideration.

During May 2023 the short-term deferred consideration was partially paid in the amount of \$242.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 3. Business combinations, acquisitions and disposals (continued)

#### (a) Acquisitions in the six months ended 30 September 2023 (continued)

##### Acquisition of LLC Pacifica (continued)

The goodwill of \$495 arising from the Group's acquisition of Pacifica represents the expected benefits from delivering additional value to customers in the sphere of cybersecurity by adding engineers to the Group's existing force. None of the goodwill recognised is expected to be deductible for income tax purposes.

Intangible assets arising from acquisition are represented by a customer base in the amount of \$521 with the useful life of 5 years.

The fair value of the trade receivables amounts to \$233. The gross amount of trade receivables is \$233 and it is expected that the full contractual amounts can be collected.

Transaction costs of \$36 were expensed and are included in Selling, general and administrative expenses as at 30 September 2023.

As part of the sales and purchase agreement with the previous owners of LLC Pacifica, contingent consideration has been agreed. There will be additional cash payments to the previous owners of LLC Pacifica depending on EBITDA for the period from 1 January 2025 until 31 December 2025.

As at the acquisition date, the total fair value of the contingent consideration was estimated to be \$340. The fair value is determined using a DCF method. The contingent consideration is calculated at the assumption that the EBITDA grows on average by 6.3% each year. 5% increase (decrease) in the growth rate of revenue would result in increase (decrease) in fair value by \$25 (\$35). The contingent consideration is discounted at WACC 17.41%. A 1% increase (decrease) in the WACC would result in a decrease (increase) in fair value by \$9 (\$9).

From the date of acquisition, Pacifica has contributed \$852 to the revenue, \$485 to the gross profit and \$161 to the net profit of the Group for the six months ended 30 September 2023. If the acquisition had taken place at the beginning of the period, i.e., 1 April 2023, revenue, gross profit and net profit, which Pacifica contributed to the Group for the six months period, would have been \$937, \$467 and \$141 respectively.

#### (b) Discontinued operations in the year ended 31 March 2023

On 19 July 2022, the Group publicly announced the decision of its Board of Directors to separate the Russian business from the Group. The separation was effected by way of distribution of Softline Trade JSC, a wholly owned subsidiary, to an entity controlled by the original founder Mr Igor Borovikov for a consideration of 1 US dollar and a dilution of the aggregate shareholding of Mr Igor Borovikov and SGI Limited (an entity controlled by Mr Igor Borovikov and which is the Group's largest shareholder) effected through a waiver of their entitlements to the Bonus issuance of ordinary shares or GDRs representing ordinary shares in the Group for nil consideration which were issued to the other Company shareholders to compensate them for the loss of value in their securities arising from the distribution of Softline Trade JSC for 1 US dollar. The distribution of Softline Trade JSC was completed on 19 October 2022 when the transfer of ownership was registered with the regulator.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 3. Business combinations, acquisitions and disposals (continued)

#### (b) Discontinued operations in the year ended 31 March 2023 (continued)

The comparative interim condensed consolidated statement of profit or loss and other comprehensive income (loss) for the six months ended 30 September 2022 distinguish discontinued operations from continuing operations. Financial information relating to the discontinued operations for the six months ended 30 September 2022 is set out below.

	<b>Six months ended 30 September 2022</b>
Revenue from contracts with customers	183,937
Expenses	(173,519)
<b>Operating profit</b>	<b>10,418</b>
Finance costs, net	15,412
<b>Profit before profit tax from discontinued operations</b>	<b>25,830</b>
Income tax expenses	(3,487)
<b>Net profit for the year from discontinued operations</b>	<b>22,343</b>
Attributable to holders of the parent	22,422
Non-controlling interest	(79)

The net cash flows incurred by the Russian business for the six months ended 30 September 2022 are, as follows:

	<b>Six months ended 30 September 2022</b>
Operating	6,025
Investing	(17,050)
Financing	36,313
<b>Net cash inflow</b>	<b>25,288</b>

#### (c) Disposal of subsidiaries in the six months ended 30 September 2023

##### Disposal of Active group companies

On 31 August 2023 the Group sold its 51% interest in ActiveCloud Holding Limited (Cyprus) which is a holding company for ActiveHost RU (Russia) and LLC Activnie Tehnologii (Belarus) for \$6,223 to LLC Niltasoft Computers Trading. The sale is a result of a legal and asset restructuring of the Group before the contemplated business combination and public listing on the Nasdaq (Note 1). The contract price for Active group companies disposal is settled by offsetting the debt to JSC Softline arising before the disposal of SLR in the amount of \$6,599. Both JSC Softline and LLC Niltasoft Computers Trading are subsidiaries of the Softline Russia.

The net gain on disposal of Active group companies in the amount of \$1,648 was recognised as other operating income in interim condensed consolidated statement of profit or loss and other comprehensive income (loss) for the six months ended 30 September 2023.

## Noventiq Holdings PLC

### Notes to the unaudited interim condensed consolidated financial statements (continued)

#### 3. Business combinations, acquisitions and disposals (continued)

##### (c) Disposal of subsidiaries in the six months ended 30 September 2023 (continued)

##### Disposal of Active group companies (continued)

The carrying value of identifiable net assets of disposed Active group companies as at 31 August 2023 was as follows:

	<u>31 August 2023</u>
<b>Assets</b>	
Goodwill (Note 4)	1,899
Intangible assets (Note 4)	509
Property and equipment	1,676
Lease assets rights	59
Deferred tax assets	3
Cash and short-term deposits	461
Loans issued	172
Trade and other receivables	976
Taxes receivable	36
	<u>5,791</u>
<b>Liabilities</b>	
Trade and other payables	(2,076)
Advances received	(846)
Taxes payable	(194)
Payables to staff	(373)
Borrowings	(993)
Obligations under finance leases	(76)
	<u>(4,558)</u>
<b>Total identifiable net assets at carrying value</b>	<u><b>1,233</b></u>

The net result on disposal of Active group companies was as follows:

	<u>31 August 2023</u>
Derecognized total identifiable net assets at carrying value	(1,233)
Derecognized intercompany receivables of the Group companies with disposed Active companies	(1,460)
Derecognized liability to SLR companies	6,599
Derecognized non-controlling interest	(2,258)
<b>Gain on disposal of subsidiary</b>	<u><b>1,648</b></u>

#### 4. Intangible assets and goodwill

During the six months ended 30 September 2023, the Group acquired and capitalised internally generated intangible assets with a cost of \$4,621 (the six months ended 30 September 2022: \$10,508), excluding \$521 of intangible assets and \$495 of goodwill acquired through a business combination (see Note 3 (a)).

Intangible assets with a net book value of \$206 were disposed by the Group during six months ended 30 September 2023 (the six months ended 30 September 2022: \$0) excluding \$509 of intangible assets and \$1,899 of goodwill which were derecognized as the result of disposal of Active group companies, please refer to Note 3 (c).

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 4. Intangible assets and goodwill (continued)

Intangible assets and goodwill were also reduced by impairment as discussed below. Amortisation charge for the six months ended 30 September 2023 comprised \$6,826 (the six months ended 30 September 2022: \$9,845, including \$3,918 attributable to continuing operations) and remaining change was recorded as a translation difference and hyperinflation adjustment in the same period.

As at 30 September 2023 the gross amount of goodwill was equal to \$179,451 (31 March 2023: \$191,562) and accumulated impairment losses were equal to \$29,427 (31 March 2023: \$26,700).

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The Group considers both external and internal sources of information, when reviewing for indicators of impairment. In the six months ended 30 September 2023 Belarusian country specific risk premium (which increases the discount rate used in calculating CGU's value in use) continued to deteriorate, indicating a potential impairment of goodwill and intangible assets for our cash generating units in Belarus. In addition, the economic performance of CGU in Brazil was worse than expected as well as Softline AG market share price further declined. As a result, the Group performed an impairment test as at 30 September 2023 for Noventiq Brazil, Active Platform, Softline AG, Softclub, MBicycle and Belitsoft which are the cash generating units with goodwill and intangible assets.

The calculation of recoverable amount for the CGU, which were tested for impairment, is most sensitive to the following assumptions:

#### A. Noventiq Brazil:

- Brazilian business unit revenue growth rates above 10% (in BRL) based on inflation (estimated inflation level is 3.0%+) and organic growth of 7%. Turnover growth in 2024 is explained by the effect of a low base in 2023;
- Earnings before interest, taxation, amortisation and depreciation (EBITDA) margins are estimated at around 2% of revenues;
- Insignificant capital expenditures (\$13 per year on average);
- Pre-tax discount rate is 14.07%;
- Post-tax discount rate is 17.27%;
- Terminal growth rate is 3.0%.

#### B. Active Platform:

- Active Platform is presented mainly in the market of Belarus with insignificant operations in other European markets;
- The revenue growth rates above 16% (in BYN) based on inflation (estimated inflation level is 4.2%+) and organic growth of 12%;
- Earnings before interest, taxation, amortisation and depreciation (EBITDA) margins are estimated at around 45.7% of revenues;
- Insignificant capital expenditures (\$484 per year on average);
- Pre-tax discount rate is 42.3%;
- Post-tax discount rate is 42.3%;
- Terminal growth rate is 5%.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 4. Intangible assets and goodwill (continued)

#### C. Softline AG:

- Softline AG companies are presented on the European markets;
- On 16 November 2009 Softline AG shares were released to the open market of the Munich stock market. Softline AG shares were first traded on 14 February 2000 in the General Standard Segment of the Frankfurt stock market. As the company is listed on the stock market, the Group's impairment testing was based on an analysis of the company's market value (stock price multiplied by number of shares held by the Group).

#### D. Softclub

- Softclub is presented mainly in the market of Belarus with insignificant operations in other CIS countries;
- The revenue growth rates above 2% (in USD) based on inflation (estimated inflation level is 2.1% and higher);
- Earnings before interest, taxation, amortisation and depreciation (EBITDA) margins estimated at around 29.5% of revenues;
- Insignificant capital expenditures (\$656 per year on average);
- Pre-tax discount rate is 38.46%;
- Post-tax discount rate is 38.46%;
- Terminal growth rate is 2.1%.

#### E. MBicycle

- MBicycle is presented mainly in the market of Belarus with insignificant operations in other CIS countries;
- The revenue growth rates above 16% (in BYN) based on inflation (estimated inflation level is 4% and higher);
- Earnings before interest, taxation, amortisation and depreciation (EBITDA) margins estimated at around 14.1% of revenues;
- Insignificant capital expenditures (\$52 per year on average);
- Pre-tax discount rate is 42.3%;
- Post-tax discount rate is 42.3%;
- Terminal growth rate is 5%.

#### F. Belitsoft

- Belitsoft is presented in different markets all over the world, predominantly in USA, Europe and Israel;
- The revenue growth rates above 12% (in USD) based on inflation (estimated inflation level is 2.1% and higher) and organic growth of 10%;
- Earnings before interest, taxation, amortisation and depreciation (EBITDA) margins estimated at around 13.1% of revenues;
- Insignificant capital expenditures (\$115 per year on average);
- Pre-tax discount rate is 38.46%;
- Post-tax discount rate is 38.46%;
- Terminal growth rate is 2.1%



# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 4. Intangible assets and goodwill (continued)

During the six months ended 30 September 2023 the Group recognised impairment loss of intangible assets and goodwill attributable to Softline AG in the amount of \$58 and \$1,939 respectively and impairment loss of goodwill attributable to Noventiq Brazil in the amount of \$4,042.

During the six months ended 30 September 2022 the Group recognised impairment loss of goodwill attributable to Softline AG in the amount of \$5,952 and to Brazil in the amount of \$311.

#### Sensitivity

With regards to the assessment of value in use for the CGUs that did not recognise an impairment loss there are no significant changes to the sensitivity information disclosed in the annual consolidated financial statements for the year ended 31 March 2023.

### 5. Trade receivables

Trade receivables were as follows at 30 September 2023 and 31 March 2023:

	<b>30 September 2023</b>	<b>31 March 2023</b>
Receivables from third-party customers	320,747	345,659
Receivables from related parties (Note 20)	548	3,632
	<b>321,295</b>	<b>349,291</b>
Less: allowance for expected credit losses	(7,946)	(6,226)
	<b>313,349</b>	<b>343,065</b>

### 6. Cash and cash equivalents

Cash and cash equivalents were as follows at 30 September 2023 and 31 March 2023:

	<b>30 September 2023</b>	<b>31 March 2023</b>
Short-term deposits	14,034	43,589
Cash in banks	70,817	91,034
Cash on hand	262	245
Cash equivalents	20	52
Restricted cash (net of provision)	3,971	1,375
	<b>89,104</b>	<b>136,295</b>

As of 30 September 2023, the Group recognised a provision for restricted cash in the amount of \$1,974 (31 March 2023: nil).

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 7. Share capital

Number of shares issued as at:

	<b>30 September 2023</b>	<b>31 March 2023</b>
Ordinary shares	238,848,215	238,848,215
<b>Total number of issued shares</b>	<b>238,848,215</b>	<b>238,848,215</b>
Shares issued but not fully paid	101,816,897	101,816,897
Shares issued and fully paid	137,031,318	137,031,318
<b>Total number of issued shares</b>	<b>238,848,215</b>	<b>238,848,215</b>
Nominal value per share, US dollars	0.00023647	0.00023647
<b>Total issued share capital, US dollars</b>	<b>56,480</b>	<b>56,480</b>

### 8. Share-based payments

During the six months ended 30 September 2023 and 30 September 2022, no options were granted to the key management personnel.

For the six months ended 30 September 2023 and 30 September 2022, the Group has not recognised any share-based payment expense in the Consolidated statement of profit or loss and comprehensive income.

In August 2023 108,404 GDRs were passed to the employee from Treasury shares following the exercise of 127,535 options.

### 9. Trade and other payables

Trade and other payables were as follows at 30 September 2023 and 31 March 2023:

	<b>30 September 2023</b>	<b>31 March 2023</b>
Trade payables	310,442	347,764
Payables to employees	20,163	20,443
Provision for unused vacation	4,968	5,286
Provisions/accrued expenses	5,714	4,972
Payables for non-current assets	113	295
Payables to related parties (Note 20)	680	10,772
Other payables	17,228	12,812
	<b>359,308</b>	<b>402,344</b>

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 10. Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

30 September 2023	RoE	EMEA	LATAM	APAC	HQ and Intercomp any elimination	Total
Sales of services	33,788	33,360	3,645	24,646	258	95,697
Sales of software and cloud	12,624	25,521	7,250	17,585	672	63,652
Sales of hardware	13,296	21,551	1,605	24,150	(194)	60,408
<b>Total</b>	<b>59,708</b>	<b>80,432</b>	<b>12,500</b>	<b>66,381</b>	<b>736</b>	<b>219,757</b>

30 September 2022	RoE	EMEA	LATAM	APAC	HQ and Intercomp any elimination	Total
Sales of services	31,977	24,046	3,659	12,005	(1,972)	69,715
Sales of software and cloud	9,252	20,220	8,188	14,537	138	52,335
Sales of hardware	17,226	11,354	3,341	7,292	(158)	39,055
<b>Total</b>	<b>58,455</b>	<b>55,620</b>	<b>15,188</b>	<b>33,834</b>	<b>(1,992)</b>	<b>161,105</b>

56% of revenue from the continuing operations recognised during the six months ended 30 September 2023 (the six months ended 30 September 2022: 57%) was recognised by the Group at a point in time, and the remaining portion of revenue was recognised over time.

### Seasonality of operations

Historically, in addition to its own active efforts the Group has benefited from the sales and marketing drive that has been generated by Microsoft sales representatives in the second quarter of the calendar year leading up to Microsoft's financial year end on 30 June. Sales in the third quarter of the calendar year tend to be lower than other quarters due to the general reduction in activity resulting from summer holiday schedules. In the fourth quarter of the calendar year, the Group typically experiences higher sales as many customers complete their IT purchases in advance of their fiscal year. In the six months ended 30 September 2023 15.5% (six months ended 30 September 2022: 18.6%) of revenue arises from sales of Microsoft products.

### 11. Cost of sales

Set out below is the disaggregation of the Group's cost of sales:

	Six months ended 30 September 2023	Six months ended 30 September 2022
Cost of services	53,877	37,763
Cost of hardware	50,641	30,691
Cost of software and cloud	21,429	17,764
	<b>125,947</b>	<b>86,218</b>

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 12. Selling, general and administrative expenses

Selling, general and administrative expenses for the six months ended 30 September 2023 and 30 September 2022 was comprised of the following:

	<b>Six months ended 30 September 2023</b>	<b>Six months ended 30 September 2022</b>
Compensation to employees	56,162	45,054
Depreciation and amortisation	10,919	6,882
Payroll taxes	6,037	5,706
Legal services	4,392	3,727
Expected credit losses	2,953	4,336
Professional services	2,846	2,097
Business trips	2,100	1,536
Restricted cash provision (Note 6)	1,974	-
Licenses, certificates	1,589	847
Non-income taxes	1,208	1,526
Bank, payments and other related commissions	1,115	1,275
Advertising and marketing expenses	1,097	657
Training and entertainment expenses	1,063	799
Office maintenance costs	794	589
Maintenance	758	635
Materials	634	636
Communication expenses	623	421
Short-term lease	599	618
Transportation expenses	588	411
Repairs	379	465
Audit, other assurance and non-audit services and other expenses	1,197	1,444
	<b>99,027</b>	<b>79,661</b>

### 13. Other operating income

Other operating income for the six months ended 30 September 2023 and 30 September 2022 was comprised of the following:

	<b>Six months ended 30 September 2023</b>	<b>Six months ended 30 September 2022</b>
Result on disposal of Active group companies (Note 3(c))	1,648	-
Reversal of accounts payable	424	652
Penalties received	5	317
Dividend income	71	1
Other income	1,433	1,116
	<b>3,581</b>	<b>2,086</b>

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 14. Other operating expenses

Other operating expense for the six months ended 30 September 2023 and 30 September 2022 was comprised of the following:

	<b>Six months ended 30 September 2023</b>	<b>Six months ended 30 September 2022</b>
Impairment losses	6,039	6,263
Penalties paid	1,009	844
Result on disposal of assets	302	142
Other expenses	504	152
	<b>7,854</b>	<b>7,401</b>

### 15. Finance costs

Finance costs for the six months ended 30 September 2023 and 30 September 2022 was comprised of the following:

	<b>Six months ended 30 September 2023</b>	<b>Six months ended 30 September 2022</b>
Interest on borrowings	2,311	2,181
Interest expense on right-of-use assets	621	1,205
Factoring fees	226	160
Other finance expenses	1,010	743
<b>Interest expense</b>	<b>4,168</b>	<b>4,289</b>
Amortisation of financial instruments, net	4,637	3,717
<b>Finance costs</b>	<b>8,805</b>	<b>8,006</b>

### 16. Change in fair value of financial instruments

During the six months ended 30 September 2023 the Group recognised \$3,693 of loss in the change in fair value of financial instruments line in the interim condensed consolidated statement of profit and loss (30 September 2022: \$0) which primarily related to revaluation of Commercial International Bank ("CIB") of Egypt shares, in the amount of \$4,626 offset by gain on revaluation of Argentine National bonds and change in fair value of contingent consideration.

### 17. Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	<b>Six months ended 30 September 2023</b>	<b>Six months ended 30 September 2022</b>
<b>Current income tax</b>	<b>3,430</b>	<b>2,055</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	325	(1,570)
<b>Income tax expense reported in the statement of profit or loss and other comprehensive income (loss)</b>	<b>3,755</b>	<b>485</b>

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 18. Financial assets and financial liabilities

The Group's financial instruments as at 30 September 2023 and 31 March 2023 are presented by category in the table below:

	Category*	30 September 2023	31 March 2023
<b>Financial assets</b>			
Long-term loan issued	FAAC	12,253	13,305
Long-term loan issued related party	FAAC	5,727	2,957
Long-term deposit	FAAC	6,709	6,500
Other non-current assets	FAAC	1,679	758
Other current financial assets	FVPL	5,651	8,906
Trade and other receivables	FAAC	313,349	343,065
Short-term loans issued	FAAC	10,362	828
Short-term loans issued related party	FAAC	565	7,906
Cash and cash equivalents	FAAC	89,104	136,295
<b>Total financial assets</b>		<b>445,399</b>	<b>520,520</b>
Current		419,030	497,000
Non-current		26,369	23,520
<b>Financial liabilities</b>			
Long-term borrowings – third parties	FLAC	4,189	5,298
Long-term contingent consideration for acquisitions	FVPL	45,941	51,480
Long-term deferred payments for acquisitions	FLAC	1,255	1,837
Long-term lease liabilities	FLAC	10,888	11,943
Other long-term liabilities	FLAC	5,608	6,369
Short-term interest bearing borrowings and loans	FLAC	65,128	39,021
Short-term interest bearing borrowings and loans related party	FLAC	-	7,503
Short-term contingent consideration for acquisitions	FVPL	22,143	17,377
Short-term deferred payments for acquisitions	FLAC	3,434	7,020
Short-term lease liabilities	FLAC	5,072	4,502
Trade and other accounts payable	FLAC	359,308	351,158
<b>Total financial liabilities</b>		<b>522,966</b>	<b>503,508</b>
Current		455,085	426,581
Non-current		67,881	76,927

\* Financial instruments used by the Group are included in one of the following categories:

- \* FAAC – financial assets at amortised cost;
- \* FVOCI – FVOCI financial assets;
- \* FVPL – FVPL financial assets and liabilities;
- \* FLAC – financial liabilities at amortised cost.

The Company amended table with the Group's financial instruments by categories as at 31 March 2023 by adding other non-current assets and other long-term liabilities to conform to the presentation for the current interim period.

Fair value of financial assets and liabilities is determined by reference to the amount of cash receivable and generally approximates carrying value due to short maturities of the instruments.

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 18. Financial assets and financial liabilities (continued)

Contingent consideration and deferred consideration, resulting from business combinations, are valued at fair value at the acquisition date as part of the business combination. Subsequently, contingent consideration for business acquisitions is measured at fair value through profit or loss using a DCF method, while deferred consideration is measured at amortised cost.

Entire payments made on contingent and deferred consideration for previous acquisitions are included in the line item "Acquisition of subsidiaries, net of cash acquired" within the consolidated statement of cash flows.

The Company remains in breach of the IIB loan covenants at the end of the current interim period. The outstanding balance is presented as a current liability as at 30 September 2023, and the IIB had not requested early repayment of the loan as at the date of when these interim condensed consolidated financial statements were approved by the Board of Directors.

#### Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 30 September 2023.

#### Fair value measurement hierarchy for assets as at 30 September 2023:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
Other non-current assets	30 September 2023	1,679	-	-	1,679
Other current financial assets (quoted debt instruments)	30 September 2023	5,651	-	5,651	-
<b>Assets for which fair values are disclosed</b>					
Long-term loan issued	30 September 2023	12,253	-	-	12,253
Long-term loan issued related party	30 September 2023	5,727	-	-	5,727
Long-term deposit	30 September 2023	6,709	-	-	6,709
<b>Total financial assets</b>		<b>32,019</b>	<b>-</b>	<b>5,651</b>	<b>26,368</b>

There were no transfers between Level 1 and Level 2 during the six months ended 30 September 2023.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 18. Financial assets and financial liabilities (continued)

#### Fair value measurement hierarchy for liabilities as at 30 September 2023:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities measured at fair value:</b>					
Other long-term liabilities	30 September 2023	5,608	-	-	5,608
Long-term and short-term contingent consideration for acquisitions	30 September 2023	68,084	-	-	68,084
<b>Liabilities for which fair values are disclosed</b>					
Long-term borrowings – third parties	30 September 2023	4,189	-	-	4,189
Long-term deferred payments for acquisitions	30 September 2023	1,255	-	-	1,255
Long-term lease liabilities	30 September 2023	10,888	-	-	10,888
<b>Total financial liabilities</b>		<b>90,024</b>	<b>-</b>	<b>-</b>	<b>90,024</b>

There were no transfers between Level 1 and Level 2 during the six months 30 September 2023.

#### Fair value measurement hierarchy for assets as at 31 March 2023:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
Other non-current assets	31 March 2023	758	-	-	758
Other current financial assets (listed equity investments)	31 March 2023	5,615	5,615	-	-
Other current financial assets (quoted debt instruments)	31 March 2023	3,291	-	3,291	-
<b>Assets for which fair values are disclosed</b>					
Long-term loan issued	31 March 2023	13,305	-	-	13,305
Long-term loan issued related party	31 March 2023	2,957	-	-	2,957
Long-term deposit	31 March 2023	6,500	-	-	6,500
<b>Total financial assets</b>		<b>32,426</b>	<b>5,615</b>	<b>3,291</b>	<b>23,520</b>



# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 18. Financial assets and financial liabilities (continued)

#### Fair value measurement hierarchy for liabilities as at 31 March 2023:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities measured at fair value:</b>					
Other long-term creditors	31 March 2023	6,369	-	-	6,369
Long-term and short-term contingent consideration for acquisitions	31 March 2023	68,857	-	-	68,857
<b>Liabilities for which fair values are disclosed</b>					
Long-term borrowings – third parties	31 March 2023	5,298	-	-	5,298
Long-term deferred payments for acquisitions	31 March 2023	1,837	-	-	1,837
Long-term lease liabilities	31 March 2023	11,943	-	-	11,943
<b>Total financial liabilities</b>		<b>94,304</b>	<b>-</b>	<b>-</b>	<b>94,304</b>

The Company amended table with fair value measurement hierarchy for liabilities as at 31 March 2023 by adding short-term portion to the contingent consideration at fair value to conform to the presentation for the current interim period.

#### Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 19. Contingent liabilities

#### Contingent consideration for acquisitions

The Group's contingent consideration for acquisitions, which amounted to \$68,084 (out of which \$45,941 relates to long-term and \$22,143 relates to short-term contingent consideration) as at 30 September 2023 (31 March 2023: \$68,857 out of which \$51,480 relates to long-term and \$17,377 to short-term contingent consideration) represents an estimated amount of future payments for acquisitions of subsidiaries. It includes contingent consideration for controlling interests already acquired, variable payments for put options on non-controlling interest, and agreements to purchase non-controlling interest at a future date. When non-controlling interest is subject to a put option or forward contract, the Group does not recognise non-controlling interest and instead recognises a liability for the non-controlling shares. The put/forward liability for non-controlling shares is classified as contingent consideration if it is a variable amount and is classified as deferred consideration if it is a fixed amount.

During the six months ended 30 September 2023, \$2,905 of contingent consideration was redeemed (30 September 2022: \$6,492 including discontinued operations) which primarily related to the partial repayment of contingent consideration for the acquisition of G7 CR Technologies group (G7CR) and Value Point Systems group (VPS). Fair value changes recognised in profit or loss during the six months period ended 30 September 2023 increased the contingent consideration by \$444 (30 September 2022: \$393 including discontinued operations). Amortisation of discount for the six months ended 30 September 2023 increased contingent consideration by \$4,174 (30 September 2022: \$3,689 including discontinued operations) and \$2,827 decrease was recorded as a translation difference in the same period (30 September 2022: increase of \$3,241 including discontinued operations).

### 20. Related party balances and transactions

For the purposes of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other party, exercise significant influence over the other party in making financial or operational decisions or if the two parties are under common control as defined by IAS 24 *Related Party Disclosures*. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

In April 2023, Igor Borovikov, the Company's shareholder, sold his interest in Softline Russia to a fund under the management of TETIS Capital LLC and therefore Softline Russia and its subsidiaries ceased to be related parties for the Group.

During the period, the Group had the following balances and transactions with related parties:

Short-term and long-term loans receivable from entities with significant influence over the Group:

	<b>30 September 2023</b>	<b>31 March 2023</b>
SIA Squalio	3,620	550
Softline Limited	-	4,548
Softline (D.S.) LTD	-	1,701
LLC DPA	-	892
LLC Skysoft Victory	-	330
LLP Soft Distribution	-	161
Other	131	214
	<b>3,751</b>	<b>8,396</b>

## Noventiq Holdings PLC

### Notes to the unaudited interim condensed consolidated financial statements (continued)

#### 20. Related party balances and transactions (continued)

Short-term and long-term loans receivable from shareholders:

	<b>30 September 2023</b>	<b>31 March 2023</b>
SGI Group Limited	2,541	2,467
	<b>2,541</b>	<b>2,467</b>

Advances issued and other receivables from entities with significant influence over the Group and shareholders:

	<b>30 September 2023</b>	<b>31 March 2023</b>
Niltasoft Computers Trading LLC	-	3,000
LLC Soft Logistic	-	2,394
JSC Softline	-	575
Softline Limited	-	533
LLC Softline Integration	-	234
LLC Softline Projects	-	142
Other	10	88
	<b>10</b>	<b>6,966</b>

Trade receivables from entities with significant influence over the Group and shareholders (Note 5):

	<b>30 September 2023</b>	<b>31 March 2023</b>
SIA Squalio	293	251
LLC Axoft Distribution	236	133
JSC Softline	-	1,777
LLP Soft Distribution	-	406
LLC Axoft International	-	281
LLC Softline Projects	-	121
LLC Axoft	-	121
LLC SkySoft Victory	-	10
Other	19	532
	<b>548</b>	<b>3,632</b>

Contract liabilities to entities with significant influence over the Group:

	<b>30 September 2023</b>	<b>31 March 2023</b>
LLC Axoft International	-	1,294
JSC Softline	-	225
LLC Soft Logistic	-	176
LLC Axoft Distribution	-	147
LLC Softline International	-	131
Other	39	4
	<b>39</b>	<b>1,977</b>

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 20. Related party balances and transactions (continued)

Short-term and long-term borrowings from entities with significant influence over the Group:

	<u>30 September 2023</u>	<u>31 March 2023</u>
LLC Soft Logistic	-	5,139
LLC National Center for Support and Development	-	2,175
LLC Axoft	-	189
Other	26	-
	<u>26</u>	<u>7,503</u>

Trade and other payables from entities with significant influence over the Group and shareholders (Note 9):

	<u>30 September 2023</u>	<u>31 March 2023</u>
LLC DPA	616	-
SIA Squalio	31	145
JSC Softline	-	10,093
LLC Softline International	-	237
LLC Softline Integration	-	177
Other	33	120
	<u>680</u>	<u>10,772</u>

Sales from entities with significant influence over the Group:

	<u>Six months ended 30 September 2023</u>	<u>Six months ended 30 September 2022</u>
JSC Softline	564	-
LLC Smartline	3	1,576
LLC Skysoft Victory	-	1,753
LLP Soft Distribution	-	142
Other	112	1,603
	<u>679</u>	<u>5,074</u>

Purchases from entities with significant influence over the Group:

	<u>Six months ended 30 September 2023</u>	<u>Six months ended 30 September 2022</u>
JSC Softline	450	-
Other	38	-
	<u>488</u>	<u>-</u>

Other transactions for the six months ended 30 September 2023

	<u>Shareholders</u>	<u>Key management</u>	<u>Entities with significant influence over the Group</u>	<u>Total related party transactions</u>
Payroll and related expense	77	2,200	-	2,277
Finance income	85	-	125	210
Finance expenses	-	-	(27)	(27)

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 20. Related party balances and transactions (continued)

Other transactions for the six months ended 30 September 2022:

	Shareholders	Key management	Entities with significant influence over the Group	Total related party transactions
Payroll and related expense	74	4,334	-	4,408
Finance income	-	-	307	307
Finance expenses	-	-	(3)	(3)

Information on share-based payments is disclosed in Note 8.

As at 30 September 2023 the compensation to the Group's management, including salary and other short-term employee benefits, was accrued in the amount of \$169 (as at 31 March 2023: \$36).

### 21. Events after the reporting period

In December 2023, the outstanding shares of Softline AG were delisted from the Frankfurt Stock Exchange and the Group has agreed to purchase the remaining minority interest for \$696 to become the sole shareholder.

An exclusive distributor agreement has been concluded and signed by and between the Group and Secureend in January 2024. The Group will be the only/sole/exclusive distributor of Secureend for promoting and selling Secureend software products and services within the borders of Turkey and Azerbaijan. Secureend also agreed to transfer its experienced and skilled employees to the Group to help with the development, promotion and sales of its products. The management of operations, customer agreements, and all decisions pertaining to operational costs and expenses associated with the distribution, sale, and servicing of the Secureend products will be conducted jointly by both the Group and Secureend. In addition to the initial \$1,000 license fee payment for the exclusive distribution rights, the Group agreed to pay Secureend a sum equivalent to 50% of each invoice issued to the customer for the purchase of products during the term of the agreement.

### 22. Segments information

The Group regularly reports, revenue, gross profit and adjusted EBITDA in geographical market clusters to the Board of Directors. Segment performance is measured consistently with profit or loss in the consolidated financial statements.

The prevailing performance indicator is adjusted EBITDA which the Group defines as a measurement which includes profit before interest, income tax, depreciation, impairment and exclude acquisition-related expenses (including related to employee compensation arising at the moment of acquisition), the cost of charity, the exchange rate gains and losses, other items that it considers to be non-recurring or one-off.

In the Group's financial reporting, the Group refers to Profit for the year and adjusted EBITDA, which are non-IFRS terms. None of these terms have any standardised meanings under IFRS, and they are therefore unlikely to be comparable to similar measures used by other companies.

The Group also discloses supplemental information about its product lines, geographies and some other items. The way the Group presents this information is not defined by IFRS.

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 22. Segments information (continued)

The following geographical areas are defined as operational segments of the Group:

- Rest of Eurasia or RoE (including Belarus, Kazakhstan);
- Europe, the Middle East and Africa or EMEA (including Serbia, Cyprus, Germany and United Arab Emirates);
- Latin America or LATAM (including Argentina, Chile, Colombia, Peru, Costa-Rica and Brazil);
- Asia Pacific or APAC (including India, Vietnam and Malaysia);
- Corporate Center or HQ.

The market clusters are composed of operating countries in the different geographical areas.

HQ is a segment represented by corporate expenses of the Group that cannot be attributed to a specific geographical segment, it includes corporate admin costs and eliminations. Inter-segment revenues and expenses are eliminated upon consolidation and reflected in the 'HQ' column.

### The Group's financial performance by geographical location for the period ended

30 September 2023	RoE	EMEA	LATAM	APAC	HQ and Intercompany elimination	Total
Revenue	59,708	80,432	12,500	66,381	736	219,757
Cost of sales	(33,763)	(56,057)	(2,979)	(33,450)	302	(125,947)
<b>Gross profit</b>	<b>25,945</b>	<b>24,375</b>	<b>9,521</b>	<b>32,931</b>	<b>1,038</b>	<b>93,810</b>
Selling, general and administrative expenses	(18,152)	(32,426)	(11,252)	(20,906)	(16,291)	(99,027)
Other operating (expenses)/income	(569)	(1,850)	(4,674)	335	2,485	(4,273)
<b>Operating profit/(loss)</b>	<b>7,224</b>	<b>(9,901)</b>	<b>(6,405)</b>	<b>12,360</b>	<b>(12,768)</b>	<b>(9,490)</b>
Share of net income in associates and joint ventures	-	(103)	-	-	-	(103)
Foreign exchange gain/ (loss)	(63)	1,043	(5,473)	(1,229)	(122)	(5,844)
Finance income	293	3,587	54	471	(831)	3,574
Finance costs	(1,951)	(1,811)	(953)	(5,293)	1,203	(8,805)
Change in fair value of financial instruments	80	(122)	1,442	(438)	(4,655)	(3,693)
<b>Profit/(loss) before tax</b>	<b>5,583</b>	<b>(7,307)</b>	<b>(11,335)</b>	<b>5,871</b>	<b>(17,173)</b>	<b>(24,361)</b>
Income tax expense	(60)	10	(2,696)	(1,007)	(2)	(3,755)
<b>Profit/(loss) for the year</b>	<b>5,523</b>	<b>(7,297)</b>	<b>(14,031)</b>	<b>4,864</b>	<b>(17,175)</b>	<b>(28,116)</b>
<i>Added back:</i>						
<i>Income tax expense</i>	60	(10)	2,696	1,007	2	3,755
<i>Depreciation and amortisation</i>	2,454	4,685	208	2,536	1,036	10,919
<i>Foreign exchange (gain)/loss</i>	63	(1,043)	5,473	1,229	122	5,844
<i>Net financial income and expenses</i>	1,578	(1,654)	(543)	5,260	4,283	8,924
<i>Property and equipment write-off</i>	71	(45)	(5)	(23)	(4)	(6)
<i>Employee termination payments</i>	-	1	239	-	-	240
<i>Impairment losses</i>	-	1,997	4,042	-	-	6,039
<i>One-off items (penalties and acquisition-related expenses)</i>	706	931	620	(199)	4,300	6,358
<b>Adjusted EBITDA</b>	<b>10,455</b>	<b>(2,435)</b>	<b>(1,301)</b>	<b>14,674</b>	<b>(7,436)</b>	<b>13,957</b>

# Noventiq Holdings PLC

## Notes to the unaudited interim condensed consolidated financial statements (continued)

### 22. Segments information (continued)

30 September 2022	RoE	EMEA	LATAM	APAC	HQ and Intercompany elimination	Total
Revenue	58,455	55,620	15,188	33,834	(1,992)	<b>161,105</b>
Cost of sales	(35,157)	(34,580)	(5,527)	(13,817)	2,863	<b>(86,218)</b>
<b>Gross profit</b>	<b>23,298</b>	<b>21,040</b>	<b>9,661</b>	<b>20,017</b>	<b>871</b>	<b>74,887</b>
Selling, general and administrative expenses	(15,290)	(20,337)	(10,443)	(14,800)	(18,791)	<b>(79,661)</b>
Other operating (expenses)/ income	(47)	(5,344)	(864)	154	786	<b>(5,315)</b>
<b>Operating profit</b>	<b>7,961</b>	<b>(4,641)</b>	<b>(1,646)</b>	<b>5,371</b>	<b>(17,134)</b>	<b>(10,089)</b>
Share of net income in associates and joint ventures	-	-	-	-	-	-
Foreign exchange gain	848	(1,855)	(2,903)	(271)	(1,836)	<b>(6,017)</b>
Finance income	412	181	176	244	685	<b>1,698</b>
Finance costs	(1,772)	(2,372)	(408)	(1,679)	(1,775)	<b>(8,006)</b>
Change in fair value of financial instruments	-	-	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>7,449</b>	<b>(8,687)</b>	<b>(4,781)</b>	<b>3,665</b>	<b>(20,060)</b>	<b>(22,414)</b>
Income tax expense	(636)	197	(90)	44	-	<b>(485)</b>
<b>Profit/(loss) for the year</b>	<b>6,813</b>	<b>(8,490)</b>	<b>(4,871)</b>	<b>3,709</b>	<b>(20,060)</b>	<b>(22,899)</b>
<i>Added back:</i>						
<i>Income tax expense</i>	636	(197)	90	(44)	-	<b>485</b>
<i>Depreciation and amortisation</i>	2,795	2,720	278	808	281	<b>6,882</b>
<i>Foreign exchange gain</i>	(848)	1,855	2,903	271	1,836	<b>6,017</b>
<i>Net financial income and expenses</i>	1,360	2,191	232	1,435	1,090	<b>6,308</b>
<i>Property and equipment write-off</i>	187	(3)	(47)	2	-	<b>139</b>
<i>Employee termination payments</i>	16	-	84	-	-	<b>100</b>
<i>Impairment losses</i>	-	5,952	311	-	-	<b>6,263</b>
<i>One-off items (penalties and acquisition-related expenses)</i>	(109)	(321)	582	(73)	1,640	<b>1,719</b>
<b>Adjusted EBITDA</b>	<b>10,850</b>	<b>3,707</b>	<b>(438)</b>	<b>6,108</b>	<b>(15,213)</b>	<b>5,014</b>

The key business products of the Group are Software and cloud, Hardware and Services (see Note 10 for additional information).

### Additional geographical information

	India	Belarus	Serbia	Cyprus (ex- domicile)	Germany	Other countries	Total
Revenue (external) for the six months ended 30 September 2023	56,741	33,968	21,973	19,438	12,744	74,893	<b>219,757</b>
Revenue (external) for the six months ended 30 September 2022	25,515	33,221	10,907	10,738	11,760	68,964	<b>161,105</b>
	India	Belarus	Serbia	Cyprus (ex- domicile)	Germany	Other countries	Total
Non-current assets as at 30 September 2023	115,666	34,981	17,618	12,472	5,808	46,678	<b>233,223</b>
Non-current assets as at 31 March 2023	118,311	45,424	16,269	13,299	8,972	53,353	<b>255,628</b>

Non-current assets consist of goodwill, intangible assets, property, plant and equipment, right-of-use assets and investments in joint ventures. Revenues from external customers in the Group's ex-domicile, Cyprus, as well as its major markets, India, Belarus, Serbia and Germany have been allocated based on the location of the group company.