The information in this preliminary offering memorandum is not complete and may be changed. The Issuer may not sell its securities until the offering memorandum is delivered in final form. This preliminary offering memorandum is not an offer to sell these securities and the Issuer is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 16, 2025

PRELIMINARY OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

TeamSystem S.p.A.

€1,200,000,000

€ % Senior Secured Notes due 2031

€ Senior Secured Floating Rate Notes due 2032

TeamSystem S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of the Italy (the "**Issuer**"), is offering (the "**Offering**") € aggregate principal amount of its % Senior Secured Notes due 2031 (the "**Fixed Rate Notes**") and € aggregate principal amount of its Senior Secured Floating Rate Notes due 2032 (the "**Floating Rate Notes**" and, together with the Fixed Rate Notes, the "**Notes**"), to be used, among others, to (i) refinance certain senior secured indebtedness of the Issuer, (ii) finance certain bolt-on acquisitions and/or refinance any acquired debt or debt raised by the Issuer or its subsidiaries for such purposes, (iii) pay contingent deferred consideration and contingent liabilities relating to certain acquisitions, (iv) fund cash on the Issuer's balance sheet for general corporate purposes, (v) fund a distribution to the shareholders of the Issuer subject to applicable law and any required corporate approval and (vi) pay accrued and unpaid interest on the indebtedness to be refinanced and costs, fees, expenses and taxes in connection with the Transactions (as defined herein) and any such financing, refinancing and/or acquisitions. See "*Summary—The Transactions*" and "*Use of proceeds.*"

The Issuer will pay interest on the Fixed Rate Notes at a rate equal to % per annum. The Issuer will pay interest on the Fixed Rate Notes semi-annually in arrears on and of each year, commencing on , . The Fixed Rate Notes will mature on , 2031. At any time on or after , 2027, the Issuer may redeem all or part of the Fixed Rate Notes at the redemption prices set forth in this offering memorandum (the "**Offering Memorandum**"). At any time prior to , 2027, the Issuer may redeem all or part of the Fixed Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, plus a "make-whole" premium, as described under "*Description of Notes—Optional Redemption.*" At any time and from time to time prior to , 2027, the Issuer may, at its option, redeem the Fixed Rate Notes (including any additional Fixed Rate Notes), in whole or in part, following the occurrence of any Initial Public Offering (as defined herein), with funds in an aggregate amount not exceeding the net cash proceeds from such Initial Public Offering at a redemption price equal to 102% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any. At any time prior to , 2027, the Issuer may redeem up to 40% of the aggregate principal amount of the Fixed Rate Notes (including any additional Fixed Rate Notes), using the net cash proceeds from certain equity offerings at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, provided that at least 50% of the original aggregate principal amount of the Fixed Rate Notes (excluding any additional Fixed Rate Notes) remains outstanding after each such redemption. At any time prior to , 2027, the Issuer may redeem during each calendar year up to 10% of the aggregate principal amount of the Fixed Rate Notes originally issued (including any additional Fixed Rate Notes) at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any; provided that the Issuer shall have the option to carry-forward and/or carry-back amounts under this redemption provision.

The Issuer will pay interest on the Floating Rate Notes at a rate equal to the sum of (i) three-month EURIBOR (with 0% floor), plus (ii) % per annum, reset quarterly. The Issuer will pay interest on the Floating Rate Notes quarterly in arrears on , , and of each year, commencing on , 2025. The Floating Rate Notes will mature on , 2032. At any time on or after , 2026, the Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, as described under "*Description of Notes—Optional Redemption.*" At any time prior to , 2026, the Issuer may redeem all or part of the Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, plus a "make-whole" premium, as described under "*Description of Notes—Optional Redemption.*"

If a change of control occurs, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to but excluding the date of purchase. However, a change of control will not be deemed to have occurred if a specified consolidated net leverage ratio is not exceeded in connection with the first such event. In addition, the Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. See "*Description of Notes.*"

The Notes will be senior obligations of the Issuer and, on or about the Issue Date (as defined herein), subject to the Agreed Security Principles (as defined herein), will be guaranteed (the "**Guarantee**") on a senior basis by TeamSystem Holdco 3 S.p.A. (the "**Parent Guarantor**" or "**Holdco 3**"), the direct shareholder of the Issuer. On the Issue Date, the Notes will not be secured by any collateral. Within 20 Business Days from and excluding the Issue Date, subject to the Agreed Security Principles and certain perfection requirements, the Notes will be secured on a first-ranking basis by security interests to be granted, reconfirmed and/or reconfirmed and extended (as applicable) over (i) all of the shares of the Issuer held by Holdco 3 and (ii) certain material operating bank accounts of the Issuer opened in Italy (collectively, the "**Collateral**"). See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The security interests in the Collateral will be granted within 20 Business Days from and excluding the Issue Date.*" Subject to the terms of the Security Documents (as defined herein), the Shared Collateral (as defined herein) secures the Existing PIK Notes (as defined herein), and following their issuance, will also secure the PIK Notes (as defined herein) on a contractual second-ranking basis by operation of the Intercreditor Agreement (as defined herein). The Collateral secures, or will secure, as applicable, on a first-ranking basis the Existing Senior Secured Notes (as defined herein) (following the TS Transactions, other than the portion of the Existing 2021 Floating Rate Notes that will be redeemed as part thereof as further described herein), the Revolving Credit Facility (as defined herein) and certain hedging obligations. Under the terms of the Intercreditor Agreement, the holders of the Notes will receive proceeds from the enforcement of the Collateral after the lenders under the Revolving Credit Facility and counterparties to such hedging obligations have been repaid in full. The Guarantee and the security interests in the Collateral may be released under certain circumstances. Subject to the terms of the Indenture (as defined herein), the Existing Indentures (as defined herein) and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. The Guarantee and the Collateral will be subject to the Agreed Security Principles and certain material limitations pursuant to applicable laws and may be released under certain circumstances. See "*Limitations on validity and enforceability of the Guarantees and the Collateral and certain insolvency law considerations*," "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*," "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The security interests in the Collateral will be granted within 20 Business Days of the Issue Date. The recovery from the enforcement of the share pledges forming part of the Collateral may be complicated, involve long recovery times and a low recovery rate and may require prior approval by certain regulatory bodies, including, in certain circumstances, the Bank of Italy. In addition, any enforcement of the Collateral may require the obtainment of a clearance by the Italian Golden Power Authority*," "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—There are circumstances other than the repayment or discharge of the Notes under which the Collateral will be released automatically without your consent or the consent of the Trustee or the Security Agent*," "*Description of certain financing arrangements—Intercreditor Agreement" and "Description of Notes—Security.*"

Subject to and as set forth in "*Description of Notes—Withholding taxes*," the Issuer will not be liable to pay any additional amounts to holders of the Notes in relation to any withholding or deduction required pursuant to Italian Legislative Decree No. 239 of April 1, 1996 (as the same may be amended or supplemented from time to time), and any implementing regulations ("**Decree No. 239**") or Italian Legislative Decree No. 461 of November 21, 1997 (as amended or supplemented from time to time), and any implementing regulations ("**Decree No. 461**") if the Notes are held by a person resident in a country that is not included in the list issued under Article 11(4)(c) of Decree No. 239, and otherwise in the circumstances as described in "*Description of Notes—Withholding taxes.*"

This Offering Memorandum includes information on the terms of the Notes, including redemption and repurchase prices, covenants, events of default and transfer restrictions.

There is currently no public market for the Notes. Application will be made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market thereof. There is no assurance that the Notes will be, or will remain, listed and admitted to trading on the Euro MTF Market.

The Notes will be issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Each series of Notes will be represented on issue by one or more Global Notes (as defined herein), and the Initial Purchasers (as defined herein) expect to deliver the Notes in book-entry form through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") on or about , 2025 (the "**Issue Date**").

Investing in the Notes involves risks. See "Risk factors" beginning on page 56 of this Offering Memorandum.

Price for the Fixed Rate Notes: % plus accrued interest, if any, from the Issue Date.
Price for the Floating Rate Notes: % plus accrued interest, if any, from the Issue Date.

The Notes and the Guarantee have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the laws of any other jurisdiction. In the United States, the Offering is being made only to "qualified institutional buyers" ("**QIBs**") in reliance on the exemption provided by Rule 144A under the U.S. Securities Act ("**Rule 144A**"). Outside the United States, the Offering is being made in connection with offshore transactions to non-U.S. persons in reliance on Regulation S under the U.S. Securities Act. Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See "*Plan of distribution*" and "*Transfer restrictions*" for additional information about eligible offerees and transfer restrictions.

Joint Global Coordinators and Joint Physical Bookrunners

BofA Securities **J.P. Morgan**

Joint Bookrunners

Barclays **BNP PARIBAS** **Deutsche Bank** **Goldman Sachs Bank Europe SE** **IMI - Intesa Sanpaolo**

Mediobanca **Morgan Stanley** **Nomura** **UBS Investment Bank** **UniCredit Bank**

The date of this Offering Memorandum is , 2025

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Accelerate platform unification and transform our operating model to scale our SaaS-only product strategy, enhance efficiency and reinvest in innovation

Building on our long-standing commitment to product excellence and operational efficiency, we are advancing a company-wide strategy to simplify our technology landscape and unify our product architecture through our "One Platform" initiative. This program aims to consolidate our software ecosystem into a modern, SaaS-native environment built on shared services and reusable business capabilities. By progressively integrating these platform services across our product suite, we are establishing a consistent and scalable foundation that enhances development efficiency and delivers seamless customer experience. This unified architecture not only supports faster innovation cycles but also facilitates cross-product interoperability, enabling us to better serve customers with interconnected solutions tailored to their evolving needs.

In parallel, we are executing a targeted model simplification program to address the structural complexity introduced by years of M&A activity, product layering and market fragmentation. This initiative focuses on three key levers: integrating acquired systems and platforms to streamline operations across geographies; employing a zero-based approach to rationalize our product portfolio and eliminate redundancy; and implementing a data-driven framework to guide the development of new initiatives while systematically reviewing legacy ones. A critical enabler of this transformation is the modernization of our ERP and billing infrastructure, designed to overcome scalability constraints and support future growth. By aligning our technology and operating model around a single, scalable platform, we aim to unlock operational leverage, accelerate time-to-market, and reallocate resources toward innovation and customer value creation.

Principal shareholders

The Issuer is indirectly controlled by H&F Corporate Investors IX, Ltd, the ultimate general partner of Fund IX and certain Samson Brunello holdings.

Hellman & Friedman is a preeminent global private equity firm with a distinctive investment approach focused on a limited number of large-scale equity investments in high-quality growth businesses. H&F seeks to partner with world-class management teams where its deep sector expertise, long-term orientation, and collaborative partnership approach enable companies to flourish. Founded in 1984, H&F targets outstanding businesses in select sectors, including technology, financial services, healthcare, consumer services & retail, and information, content & business services. Since its founding in 1984, H&F has invested in over 100 companies and has over $115 billion in assets under management as of December 31, 2024.

As of the date of this Offering Memorandum, H&F Corporate Investors IX, Ltd indirectly controls 68.88% of the share capital of the Issuer, with the remaining part being indirectly held by Silver Lake (12.32%), Luxinva (9.83%), CapitalG (2.77%) and certain management investors (6.17%). *For further information, see "Principal shareholders."*

The Issuer

The Issuer is a joint stock company (*società per azioni*) incorporated under the laws of Italy and registered under number 01035310414, REA PS-103483 with the Companies' Register of Marche. The Issuer's registered office is located at Via Sandro Pertini 88, Pesaro (PU), Italy and its telephone number is +39 0721 42661.

The Transactions

The Offering

We expect to use the cash proceeds from the Offering to (i) refinance certain senior secured indebtedness of the Issuer, (ii) finance certain bolt-on acquisitions and/or refinance any acquired debt or debt raised by the Issuer or its subsidiaries for such purposes, (iii) pay contingent deferred consideration and contingent liabilities relating to certain acquisitions, (iv) fund cash on the Issuer's balance sheet for general corporate purposes, (v) fund a distribution to the shareholders of the Issuer subject to applicable law and any required corporate approval and (vi) pay accrued and unpaid interest on the indebtedness to be refinanced and costs, fees, expenses and taxes in connection with the Transactions and any such financing, refinancing and/or acquisitions, as further described under "*—Sources and uses*" below. For further information, see also "*Use of proceeds,*" "*Capitalization,*" "*Description of certain financing arrangements*" and "*Description of Notes.*"

Sources and uses

The aggregate principal amount of the Notes offered hereby is €1,200.0 million.

The following table shows the expected estimated sources and uses of funds related to the TS Transactions. Actual amounts are subject to adjustment and may differ from the estimated amounts depending on several factors, including estimated costs, fees and expenses, the ultimate timing of the repayment of the existing senior secured indebtedness and the timing and actual amount in connection with our M&A activity. This table should be read in conjunction with "*Use of proceeds*" and "*Capitalization*."

Sources	**(€ million)**	**Uses**	**(€ million)**
Notes offered hereby(1)	1,200.0	Partial Redemption of Existing 2021 Floating Rate Notes(2)	300.0
		Repayment of drawings under the Revolving Credit Facility(3)	45.0
		M&A Funding(4)	45.0
		Payment of contingent and deferred consideration relating to M&A(5)	175.0
		Cash overfunding(6)	260.0
		Shareholders' Distribution(7)	350.0
		Transaction fees and expenses(8)	25.0
Total sources	**1,200.0**	**Total uses**	**1,200.0**

(1) Represents the aggregate principal amount of the Notes offered hereby.

(2) Represents the aggregate principal amount of the Issuer's Existing 2021 Floating Rate Notes that is being redeemed as part of the TS Transactions at a price of 100% thereof, plus accrued and unpaid interest to, but excluding, the date of redemption, and additional amounts, if any. The amount presented in the table excludes the accrued interest on the Existing 2021 Floating Rate Notes that are being redeemed from the latest interest payment date (being April 15, 2025), which we will be required to pay in connection with the redemption thereof. We expect that the redemption of the indicated amount of Existing 2021 Floating Rate Notes will occur on or about the Issue Date. We currently expect that €550.0 million Existing 2021 Floating Rate Notes will remain outstanding following the TS Transactions.

(3) Represents the drawn amounts under the Revolving Credit Facility as of March 31, 2025, which we currently expect to repay on or about the Issue Date (without a corresponding cancellation of commitments thereunder). As part of the TS Transactions, we also currently expect to repay additional €55.0 million drawings under the Revolving Credit Facility which we made post March 31, 2025 for the purpose of funding a portion of the consideration we paid in connection with the acquisition of Morning in May 2025, as further described in footnote (1) under "*Capitalization*." The amount presented in the table excludes accrued and unpaid interest and commitment fees. We expect the Revolving Credit Facility to be undrawn on the Issue Date after giving effect to the TS Transactions. Subject to completion of the Offering and satisfaction of customary conditions precedent, certain lenders affiliated with the Initial Purchasers have agreed to, among others, participate in an upsize of the total commitments under the Revolving Credit Facility from €300.0 million to €350.0 million by amending and restating the Revolving Credit Facility Agreement. See "*Summary—The Transactions—Revolving Credit Facility Amendment.*" The Initial Purchasers or affiliates thereof are mandated lead arrangers, bookrunners or lenders under the Revolving Credit Facility and will benefit from the repayment thereof with a portion of the proceeds from the Offering. See "*Plan of distribution*."

(4) Represents the estimated amount that we expect to use to acquire, directly or indirectly (including by way of refinancing debt we raised for such purposes and the acquired debt of such businesses), the entire share capital and/or majority shareholdings in businesses pursuant to our M&A strategy. M&A Funding excludes approximately €50.0 million of deferred consideration and approximately €2.3 million of rolled debt but it includes approximately €2.1 million to fund the acquisition of the retained cash in the acquired entities, in connection with the acquisitions we consummated or for which we entered into a definitive agreement, in each case after March 31, 2025.

(5) Represents the estimated amount that we currently expect to use by the end of 2025 to (i) pay any deferred consideration and/or earn outs due in 2025 in connection with some of our bolt-on acquisitions and (ii) acquire, directly or indirectly, incremental equity in certain of our subsidiaries which is currently held by the minority shareholders thereof, including by way of pre-funding certain of such incremental equity acquisitions which would otherwise become payable after 2025, thereby extinguishing the corresponding portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries. There can be no assurance that we will be able to acquire all such incremental equity stakes within the expected timeframe or at all. Any such proceeds not applied to extinguish the corresponding portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries will be used for general corporate purposes. See "*Risk factors—Risks related to our business—Certain of our subsidiaries have non-controlling shareholders whose interests may differ from our interests. In addition, the contractual arrangements with such non-controlling shareholders may require us to purchase shares at predetermined prices under certain put and call options and to make payments under certain earn out arrangements.*"

(6) Represents the estimated amount of cash that will be funded to the Issuer's balance sheet as part of the TS Transactions, which we expect to use for general corporate purposes, including in connection with our M&A strategy, debt repayment and growth of our business. See "*Use of proceeds*" and "*Capitalization*."

Sources and uses

The aggregate principal amount of the Notes offered hereby is €1,200.0 million.

The following table shows the expected estimated sources and uses of funds related to the TS Transactions. Actual amounts are subject to adjustment and may differ from the estimated amounts depending on several factors, including estimated costs, fees and expenses, the ultimate timing of the repayment of the existing senior secured indebtedness and the timing and actual amount in connection with our M&A activity. This table should be read in conjunction with "*Use of proceeds*" and "*Capitalization.*"

Sources	**(€ million)**	**Uses**	**(€ million)**
Notes offered hereby[(1)]	1,200.0	Partial Redemption of Existing 2021 Floating Rate Notes[(2)]	300.0
		Repayment of drawings under the Revolving Credit Facility[(3)]	45.0
		M&A Funding[(4)]	45.0
		Payment of contingent and deferred consideration relating to M&A[(5)]	175.0
		Cash overfunding[(6)]	260.0
		Shareholders' Distribution[(7)]	350.0
		Transaction fees and expenses[(8)]	25.0
Total sources	**1,200.0**	**Total uses**	**1,200.0**

(1) Represents the aggregate principal amount of the Notes offered hereby.

(2) Represents the aggregate principal amount of the Issuer's Existing 2021 Floating Rate Notes that is being redeemed as part of the TS Transactions at a price of 100% thereof, plus accrued and unpaid interest to, but excluding, the date of redemption, and additional amounts, if any. The amount presented in the table excludes the accrued interest on the Existing 2021 Floating Rate Notes that are being redeemed from the latest interest payment date (being April 15, 2025), which we will be required to pay in connection with the redemption thereof. We expect that the redemption of the indicated amount of Existing 2021 Floating Rate Notes will occur on or about the Issue Date. We currently expect that €550.0 million Existing 2021 Floating Rate Notes will remain outstanding following the TS Transactions.

(3) Represents the drawn amounts under the Revolving Credit Facility as of March 31, 2025, which we currently expect to repay on or about the Issue Date (without a corresponding cancellation of commitments thereunder). As part of the TS Transactions, we also currently expect to repay additional €55.0 million drawings under the Revolving Credit Facility which we made post March 31, 2025 for the purpose of funding a portion of the consideration we paid in connection with the acquisition of Morning in May 2025, as further described in footnote (1) under "*Capitalization*." The amount presented in the table excludes accrued and unpaid interest and commitment fees. We expect the Revolving Credit Facility to be undrawn on the Issue Date after giving effect to the TS Transactions. Subject to completion of the Offering and satisfaction of customary conditions precedent, certain lenders affiliated with the Initial Purchasers have agreed to, among others, participate in an upsize of the total commitments under the Revolving Credit Facility from €300.0 million to €350.0 million by amending and restating the Revolving Credit Facility Agreement. See "*Summary—The Transactions—Revolving Credit Facility Amendment.*" The Initial Purchasers or affiliates thereof are mandated lead arrangers, bookrunners or lenders under the Revolving Credit Facility and will benefit from the repayment thereof with a portion of the proceeds from the Offering. See "*Plan of distribution*."

(4) Represents the estimated amount that we expect to use to acquire, directly or indirectly (including by way of refinancing debt we raised for such purposes and the acquired debt of such businesses), the entire share capital and/or majority shareholdings in businesses pursuant to our M&A strategy. M&A Funding excludes approximately €50.0 million of deferred consideration and approximately €2.3 million of rolled debt but it includes approximately €2.1 million to fund the acquisition of the retained cash in the acquired entities, in connection with the acquisitions we consummated or for which we entered into a definitive agreement, in each case after March 31, 2025.

(5) Represents the estimated amount that we currently expect to use by the end of 2025 to (i) pay any deferred consideration and/or earn outs due in 2025 in connection with some of our bolt-on acquisitions and (ii) acquire, directly or indirectly, incremental equity in certain of our subsidiaries which is currently held by the minority shareholders thereof, including by way of pre-funding certain of such incremental equity acquisitions which would otherwise become payable after 2025, thereby extinguishing the corresponding portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries. There can be no assurance that we will be able to acquire all such incremental equity stakes within the expected timeframe or at all. Any such proceeds not applied to extinguish the corresponding portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries will be used for general corporate purposes. See "*Risk factors—Risks related to our business—Certain of our subsidiaries have non-controlling shareholders whose interests may differ from our interests. In addition, the contractual arrangements with such non-controlling shareholders may require us to purchase shares at predetermined prices under certain put and call options and to make payments under certain earn out arrangements.*"

(6) Represents the estimated amount of cash that will be funded to the Issuer's balance sheet as part of the TS Transactions, which we expect to use for general corporate purposes, including in connection with our M&A strategy, debt repayment and growth of our business. See "*Use of proceeds*" and "*Capitalization.*"

(7) Represents the maximum amount of the distribution we currently expect to pay to our shareholders with the proceeds of the Offering, in one or more tranches by the end of 2025, subject to applicable law and any required corporate approval. In addition, in connection with the Offering, Holdco 3 has obtained written commitments from certain investors to purchase, by way of a private placement and subject to the satisfaction of certain customary conditions, €350.0 million aggregate principal amount of PIK Notes, the proceeds of which are expected to fund a distribution (distinct from and in addition to the distribution of our available reserves with part of the proceeds from the Offering) to its shareholders, subject to applicable law and any required corporate approval. The total distribution to the shareholders of Holdco 3 (funded with the proceeds from the Offering upstreamed to Holdco 3 and the proceeds raised by Holdco 3 itself) are expected to amount to maximum €700.0 million.

(8) Represents our estimate of costs, fees, expenses and taxes in connection with, or otherwise related to, the TS Transactions, including underwriting or discount fees and commissions, upfront costs and fees, other financing fees, professional and legal fees and other transaction costs, including accrued and unpaid interest on the amount of the Existing 2021 Floating Rate Notes that is being redeemed and the drawn amounts under the Revolving Credit Facility, which we expect to redeem or repay, as applicable, as part of the TS Transactions, in each case from the respective last date of payment of such interest to the expected redemption or repayment date, as applicable. These costs, fees and expenses have been estimated as of the date of this Offering Memorandum and are subject to change.

Revolving Credit Facility Amendment

To further support our liquidity and align the size of the Revolving Credit Facility with the growth of our business, subject to completion of the Offering and the satisfaction of customary conditions precedent, certain lenders affiliated with the Initial Purchasers have agreed to, among others, participate in an upsize of the total commitments under the Revolving Credit Facility from €300.0 million to €350.0 million by way of an amendment (the "**Revolving Credit Facility Amendment**") pursuant to a revolving credit facility amendment and restatement agreement (the "**Revolving Credit Facility Amendment and Restatement Agreement**"). As part of the Revolving Credit Facility Amendment and subject to certain exceptions, the incurrence covenants and related definitions will be amended on or about the Issue Date to align to the equivalent covenants and definitions of the Notes (to the extent applicable) as will be set out in the Indenture.

Existing PIK Notes Amendments

On November 18, 2024, Holdco 3 issued €300.0 million of Senior Floating Rate Pay-If-You-Want PIK Toggle Notes due 2032 (the "**Existing PIK Notes**") in a private placement. The proceeds of the Existing PIK Notes were used to redeem in full certain then existing Holdco 3's Senior Floating Rate Pay-If-You-Want PIK Toggle Notes due 2029. The Existing PIK Notes are an unguaranteed senior obligation of Holdco 3, and are secured, among others, on a contractual second-ranking basis for the benefit of the holders of the Existing PIK Notes by 100% of the share capital of the Issuer held by Holdco 3. Interest on the Existing PIK Notes is payable either in cash or in kind or in a combination thereof, at the sole option of Holdco 3, in accordance with applicable provisions of law and the terms and conditions of the Existing PIK Notes. As of the date of this Offering Memorandum, the aggregate principal amount outstanding under the Existing PIK Notes corresponds to the amount of the Existing PIK Notes as originally issued.

In connection with the Offering, Holdco 3 has obtained written commitments from the holders of the Existing PIK Notes, to amend the terms of the Existing PIK Notes and the Existing PIK Notes Indenture to, among others, extend the maturity of the Existing PIK Notes to 2033 and reflect covenants substantially similar to the covenants of the Notes, as amended to reflect, among other things, the different position of Holdco 3 and the Existing PIK Notes in the capital structure of the TeamSystem Group.

For more information on the Existing PIK Notes, see "*Description of certain financing arrangements—Existing PIK Notes and PIK Notes*."

PIK Notes Issuance

In connection with the Offering, Holdco 3 has obtained written commitments from certain investors to purchase, by way of a private placement and subject to the satisfaction of certain customary conditions, €350.0 million aggregate principal amount of its Senior Floating Rate Pay-If-You-Want PIK Toggle Notes due 2033 (the "**PIK Notes**"). The proceeds of the PIK Notes are expected to fund a distribution of Holdco 3's available reserves to its shareholders, subject to applicable law and any required corporate approval.

For more information on the PIK Notes, see "*Description of certain financing arrangements—Existing PIK Notes and PIK Notes*."

We collectively refer to the Offering and the application of the cash proceeds therefrom, the Revolving Credit Facility Amendment and any actions or steps related to any such transactions, collectively, as the "**TS Transactions**" and together with the Existing PIK Notes Amendments, the PIK Notes Issuance, and any actions

Transfer restrictions.......................... The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer) under the securities laws in any jurisdiction. See "*Transfer restrictions*" and "*Plan of distribution.*"

Use of proceeds.................................. We currently expect the proceeds from the Offering to be used to (i) refinance certain senior secured indebtedness of the Issuer, (ii) finance certain bolt-on acquisitions and/or refinance any acquired debt or debt raised by the Issuer or its subsidiaries for such purposes, (iii) pay contingent deferred consideration and contingent liabilities relating to certain acquisitions, (iv) fund cash on the Issuer's balance sheet for general corporate purposes, (v) fund a distribution to the shareholders of the Issuer subject to applicable law and any required corporate approval and (vi) pay accrued and unpaid interest on the indebtedness to be refinanced and costs, fees, expenses and taxes in connection with the Transactions and any such financing, refinancing and/or acquisitions, as further described under "*Use of proceeds.*"

No established market....................... Each series of Notes will be a new issue of securities for which there is currently no established trading market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

Additional Notes .... Subject to compliance with the Indenture, the Issuer will be permitted to issue additional Fixed Rate Notes and/or Floating Rate Notes, without notice to or the consent of holders of Notes of the relevant series, which shall have terms substantially identical to the Notes of the relevant series except in respect of certain specified terms. Such additional Notes will be treated, along with all other Notes of the relevant series, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. For all purposes other than, in the event such additional Notes are not fungible for U.S. federal income tax purposes, additional Notes shall be deemed to form one series with any Notes of the relevant series previously issued if they have terms substantially identical in all material respects to such Notes. Additional Notes sold pursuant to Regulation S from time to time may at the option of the Issuer be issued with the same ISIN, Common Code, CUSIP or other securities identification number as Notes belonging to the same series previously issued without being fungible with such series of initial Notes for U.S. federal income tax and/or, as applicable, Italian tax purposes. If you are a U.S. holder (as defined in "*Certain tax considerations—Certain U.S. federal income tax considerations*") considering the purchase of Notes sold pursuant to Regulation S as part of this Offering or in the secondary market, you should consult your tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of such Notes, including with respect to the potential issuance of additional Notes that are not fungible with the applicable series of initial Notes for U.S. federal income tax purposes, but which nevertheless are not capable of being separately identified. In the event additional Notes are issued pursuant to Regulation S that bear the same ISIN, Common Code, CUSIP or other securities identification number as Notes belonging to the same series previously issued, without being fungible with such series of initial Notes for U.S. federal income tax purposes, Book-Entry Interests in the Regulation S Global Notes that form part of that series, including in respect of investors that hold Book-Entry Interests in the Regulation S Global Notes on or prior to the date of issuance of such additional Notes, will not be eligible for transfer to Book-Entry Interests in a Rule 144A Global Note (if any) representing Notes of that same series. Such a restriction could adversely impact the liquidity of sales of Book-Entry Interests in the Regulation S Global Notes of such series of Notes. See "*Risk factors—Risks relating to the Notes, the Guarantees and the Collateral—Additional Notes sold pursuant to Regulation S may not be fungible with existing Notes of the relevant series for U.S. federal income tax purposes,*" "*Book-entry, delivery and form—Transfers*" and "*Description of Notes—Additional Notes.*"

Listing .... Application will be made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market thereof. There is no assurance that the Notes will be, or will remain, listed and admitted to trading on the Euro MTF Market.

Original issue discount .... Each series of Notes may be issued with OID for U.S. federal income tax purposes. In the event a series of Notes is issued with OID, U.S. holders of such series of Notes generally will be required to include the OID in gross income for U.S. federal income tax purposes as it accrues using the constant yield method, in advance of the receipt of cash corresponding to such income, regardless of their regular method of accounting for U.S. federal income tax purposes. For more information, see "*Certain tax considerations—Certain U.S. federal income tax considerations*."

Governing law .... The Indenture, the Notes and the Guarantees will be governed by the laws of the State of New York. The Intercreditor Agreement and the Revolving Credit Facility Agreement are governed by English law. The security documents will be governed by the applicable law of the jurisdiction under which the security interests are granted.

Trustee .... U.S. Bank Trustees Limited.

Calculation Agent, Paying Agent and Transfer Agent .... U.S. Bank Europe DAC.

Registrar .... U.S. Bank Europe DAC.

Security Agent .... Deutsche Bank AG, London Branch, in its capacity as security agent and legal representative (*mandatario con rappresentanza*) under the Indenture and the Intercreditor Agreement and representative (*rappresentante*) of the holders of the Notes pursuant to and for the purposes set forth under Article 2414-*bis*, paragraph 3, of the Italian Civil Code.

Investing in the Notes involves substantial risks. Prospective investors should refer to "*Risk factors*" for a discussion of certain factors that they should carefully consider prior to deciding to invest in the Notes.

progressively starting in 2025. As of the date of this Offering Memorandum, the Italian Parliament is discussing a bill aimed at integrating the AI Act into the national regulatory framework.

Moreover, as far as cybersecurity matters are concerned, on December 14, 2022, the EU Institutions adopted Directive (EU) 2022/2555 setting forth measures for a high common level of cybersecurity across the EU (the "**NIS2 Directive**"), which has been transposed in Italy with Italian Legislative Decree No. 138/2024. The new cybersecurity risk management and incident reporting requirements introduced by the NIS2 Directive entered into force in 2025. Ensuring continuing compliance with these new requirements can be costly, as it could require us to attract, maintain and train qualified and technical employees as well as investing other significant resources. In this regard, in February 2025, we registered with the Italian Cybersecurity Agency (*Agenzia per la Cybersicurezza Nazionale*), as provided by the Italian Legislative Decree No. 138/2024.

Any failure, or perceived failure, by us to comply with any applicable cybersecurity and data protection laws and regulations could result in proceedings, investigations or actions (including class actions) brought against us by governmental entities/agencies or private individuals/entities, significant fines, penalties, judgments and reputational damages to our business, requiring us to change business practices and increasing the costs and complexity of compliance, any of which could materially adversely affect our business, results of operations and financial condition.

Evolving regulation relating to privacy, information security and data protection could increase our costs and affect or limit the way through which we collect, process, use, store and transfer personal data. Compliance with, and monitoring of such laws and regulations is demanding, time consuming and costly. Further, such laws and regulations, including their interpretation and application, change from time to time, and such changes could impose new burdens and expose us to further liability, each of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

New regulations as well as the absence or reduction of regulatory changes may affect the sale of certain of our products

The revenue from the sale of certain of our products and services is partially affected by the introduction of new rules and regulations. For example, whenever the Italian government introduces a new regulatory obligation (*e.g.*, a new tax digital reporting obligation or tax payment) that requires a dedicated feature to be added to our software products, we create such additional software feature and sell it through Regulatory LTAs, aimed at upgrading the relevant software to facilitate compliance with the new regulatory requirements.

Fees from the sale of Regulatory LTAs are paid by our customers on an annual basis, separately from and on top of the relevant customer base contract fee (i.e. under assistance and maintenance contracts, subscription agreements or VAR distribution agreements, as applicable) and, accordingly, represent an important source of recurring revenue for us. Should the government cease to introduce changes to the regulatory framework that justify the introduction of Regulatory LTAs, or if the number or frequency of such changes decreases, or if existing Regulatory LTAs become useless following the introduction of new rules, our revenue derived from Regulatory LTAs would be adversely affected, which, in turn, could adversely affect our results of operations.

In addition, the sale of our professional education products is in part dependent on the existence of rules that require Italian professionals, such as labor advisors, accountants and fiscal consultants, to comply with continuing professional education requirements. If legal or regulatory requirements change such that any of our current professional education providers no longer qualify as an accredited provider or the products that we offer are no longer required for certain of our professional clients to maintain their professional license, our sales of such products could be adversely affected.

Furthermore, regulatory obligations currently in force such as those provided under Italian Law No. 205 of December 27, 2017 (*Legge di Bilancio*), which introduced the obligation for businesses in Italy with revenues higher than €65 thousand per year (with the exception of healthcare professionals), starting from January 1, 2019, to provide electronic invoices to other businesses with whom they conduct transactions, or under art. 2 par. 1, Legislative Decree No. 127/2015 and act No. 236086/2019 of the Italian Tax Authority, which introduced the requirement for retail micro and small businesses to electronically share receipts with the Italian Tax Authority on a daily basis, may be amended or eliminated in the future. The electronic invoicing requirement has been extended to companies with revenues over €25 thousand as of July 2022 and from January 2024 to all taxable persons established in Italy. In 2024, the Italian government also introduced the so called '*concordato fiscale*', a two-year optional tax agreement for VAT-registered businesses and professionals, under which participants may opt to pay taxes based on a pre-agreed income level proposed by the tax authority. This regime contributed to our revenue performance in 2024 as we were able to provide on a timely basis the necessary compliance modules to our accountant customers, and while it may continue to support demand for certain of our solutions, there can be no assurance that it will be maintained, renewed or extended in the future. Any such circumstances could adversely affect our growth. Other regulatory developments that could impact our business include the expected implementation of new rules on e-receipts, which will require a mandatory technical integration between certified cash registers (*registratori telematici*) and electronic payment systems (POS), enabling the automatic transmission of daily payment data to the Italian Tax Authority. We expect this regulation to support demand for our fiscal compliance and point-of-sale solutions, particularly among micro and small businesses. However, as the regulation is not yet in force, it cannot be excluded that its scope, timing or implementation requirements will be amended, delayed or interpreted in a way that is less favorable to us.

The outsourcing of part of our delivery services, customer service operations, our hardware resale operations and other functions to third parties raises the risk that such outside parties could fail to perform as expected

Since June 2018, we have outsourced certain delivery services and started a strategic partnership with selected system integrators specialized in the installation, configuration, customization and start-up of certain of our products (the "**System Integrators**"). The System Integrators manage their activities relying on dedicated teams, which have a specific know-how in management and realization of ERP projects. If we do not effectively manage relationships with our System Integrators, if these do not perform efficiently or in a timely manner, or if we experience problems with transitioning the work to them, we may experience disruptions in the delivery process, which can negatively affect our business processes and reputation among our customers.

The outsourcing of services and functions exposes us to certain risks. For example, the third-party providers may try to increase their prices or impose contractual terms to our detriment. We may also face the risk that the third party providers fail to deliver the services that we require or that services fail to meet required operating and quality standards. In the event that the services become inadequate at any future time, it may be difficult or impossible to recover monies paid to the third-party service providers, obtain contractual damages to which we may be entitled (if any) or enforce other claims against such providers on the basis of our contracts with them, especially if they become insolvent, in whole or in part.

In addition, if our contractual arrangements with any third-party provider are terminated or no longer offered on reasonable terms, we may not be able to find an alternative supplier on a timely basis, or at all. In particular, especially when part of our workforce and the related know-how is transferred to the third party provider as part of the outsourcing, it could be extremely difficult for us to replace the provider in a timely manner, on equivalent terms, without incurring significant expense or at all in the event that such provider ceases to provide the support that we require entirely or at the quality standards that we require, or if the relationship with such provider deteriorates for any other reason. In addition, our employees who have been or will be transferred in the future to outsourcers may make a claim to be re-transferred to us under certain circumstances. As a result of any of these factors, our ability to build and maintain satisfactory relationships with our customers may be limited due to disruption, delay, defect, quality issues, capacity shortage, or other issues adversely affecting the service quality of the third party provider. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

A portion of our revenue, particularly from our Market Specific Solutions and Professional Solutions, is cyclical

A portion of the revenue we generate is cyclical. For example, in our Market Specific Solutions business unit, our CAD/CAM and construction products and services are cyclical due to a number of factors. Sales of our software solutions for property construction and management, as well as sales of CAD/CAM products, are particularly affected by economic cycles, as the industries which these products target, such as the mechanical and manufacturing and construction industries, tend to suffer more than others when macroeconomic conditions are challenging. Other sectors served by our Market Specific Solutions, such as fashion and luxury, may also be negatively affected during periods of economic downturn, as companies in these industries may reduce production and delay investment in new technologies. Similarly, the HORECA sector may experience reduced demand in response to declining domestic consumption, which could impact the uptake of our solutions in those verticals.

A portion of our revenue from our Professional Solutions business unit is also cyclical due to a number of factors. For example, in relation to our professional education products, such factors include: (i) the perception of our professional education products and services offering as being, to a large extent, non-essential to business in periods of economic downturn, (ii) our ability to attract customers to enroll in our training programs and attend our seminars, conventions and virtual sessions and trainings, (iii) customers completing training programs in

Subsidiaries increases). If we underestimate the value of the Liabilities to Non-Controlling Shareholders of Subsidiaries for any reasons, our financial liabilities would be higher than the ones reported in our Consolidated Financial Statements and the cash amounts we would be required to pay our strategic partners would be higher than expected. If we are required to make any such payments, our liquidity position would be adversely affected. In addition, we may not have available cash on our balance sheet to acquire the relevant non-controlling interests at the time we are contractually required to do so and we may otherwise be unable to obtain financing at favorable terms and conditions or at all. If we do not comply with our contractual obligations to purchase non-controlling interests, we may become subject to legal proceedings and incur substantial costs and expenses, which, in turn, may have a material adverse effect on our business, financial condition and results of operations.

Our future success depends on our ability to continue to retain and attract highly skilled employees. The loss of key personnel could have an adverse effect on our operations

We believe that the members of our senior management team are key to our business. We have put in place policies and remuneration designed to retain and incentivize management; however, there can be no guarantee that we will be able to retain and properly incentivize management or to find suitable replacements should any of them leave us. Should senior management leave in significant numbers or if a critical member of senior management were to leave unexpectedly, this could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We believe that our future success also depends upon our ability to continue to train, retain, motivate, adequately compensate, effectively manage and attract highly skilled and engaged technical, managerial, sales and marketing personnel. Although we invest significant resources in recruiting, training (*e.g.*, our Sales Academy) and retaining highly skilled employees, including by increasing their well-being, there is intense competition for personnel in the software industry and many of our competitors are larger and have greater financial resources for attracting and retaining highly skilled employees. Moreover, the supply of experienced cloud software developers in the countries in which we operate is limited and, as our cloud business expands, we may have difficulties in attracting qualified candidates. If we are unable to identify, attract, develop, motivate, adequately compensate and retain well-qualified and engaged personnel, or if existing highly skilled and specialized personnel leave us and successors or adequate replacements are not readily available, we may not be able to manage our operations effectively, which could cause us to suffer delays in new product development, experience difficulty complying with applicable requirements or otherwise fail to satisfy our customers’ demands, which would have an adverse effect on our business, financial condition and results of operations.

In addition, intense competition for highly qualified personnel in our industry and any sharp increase in inflation rates could result in wage inflation, in which case our efforts to attract, retain and develop personnel could also result in significant additional expenses, which could adversely affect our profitability and harm our ability to recruit and retain highly skilled employees.

Third parties may infringe upon our intellectual property rights. Italian and EU intellectual property law offers limited protection for our products and we may suffer competitively or expend significant resources enforcing our intellectual property rights

Our success increasingly depends on establishing and protecting our intellectual property rights. Our intellectual property rights include copyrights, patents, database rights, national and EU trademarks, domain names and trade secrets, as well as confidentiality provisions and licensing arrangements. Italian and EU intellectual property law may not provide sufficient protection for our products. For the twelve months ended March 31, 2025, revenue generated from products covered by our intellectual property rights represented approximately 90.5% of our total revenue. Aspects of our intellectual property contribute to our identity, and the recognition of our products and services are an integral part of our business. If we are unable to enforce our intellectual property rights successfully, our competitive position may suffer, which could harm our operating results.

We may need to spend significant resources monitoring or enforcing our intellectual property rights and we may or may not be able to detect infringement by third parties. In addition, our intellectual property may also be infringed by our employees through error or malfeasance. Employees may use our intellectual property to establish competing businesses or may disclose sensitive information regarding our software products or our IT systems. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights quickly or at all. Moreover, potential actions taken to enforce our intellectual property rights, both in Italy and abroad, may not be effective and, in some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. The occurrence of any of these events could have a material adverse effect on our cash flows, business, prospects, financial condition and results of operations.

Third parties may claim that we are infringing their intellectual property and we could become subject to significant litigation or licensing expenses or be prevented from selling products or services

From time to time, third-parties may claim that one or more of our products, services, systems or databases infringe their intellectual property rights. We analyze and take action in response to such claims on a case-by-case basis. Any dispute or litigation regarding trademarks or other intellectual property right could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation. In addition, such actions could divert our management and key personnel from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and the sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license in response to a claim of intellectual property infringement. Although our policy is to obtain licenses or other rights where necessary, we cannot provide assurance that we have obtained all required licenses or rights. If a successful claim of intellectual property infringement is brought against us, we may be unable to develop non-infringing products or services, or to obtain licenses on a timely and cost-effective basis. For the reasons mentioned above, intellectual property infringement claims could have a material adverse effect on our cash flows, business, prospects, financial condition and results of operations.

Our billing pattern is seasonal and our working capital needs are subject to fluctuations, which could negatively impact our results of operations

Our operating results and working capital needs vary throughout the year due to our seasonal billing patterns. While we invoice fees for certain services upon delivery, the majority of our revenue is of a recurring nature. In particular, in our Enterprise Solutions and Professional Solutions business units, which represented 20.7% and 25.9% of our revenue for the year ended December 31, 2024, we mostly invoice our fees in advance at the beginning of each calendar year during our annual budgeting process. Typically, our contracts within these business units are renewed unless customers provide a written termination notice at least six months prior to the expiration of such contracts. Given that we are required to pay the VAT charges on such invoices before collecting the related receivables, our working capital needs are particularly high in the first quarter, reaching their peak at the end of the first quarter, and then gradually decreasing through the end of the year. In addition, our working capital requirements are also affected by other recurring events, such as tax installment payments which are typically due in June or July.

In addition, in our Micro Solutions business unit, our revenue is predominantly recurring, primarily derived from annual subscription fees. Customers are invoiced in advance, typically prior to the renewal of the annual service, and trade receivables are generally collected within approximately three months. Although we can terminate services if fees are not collected when due, our working capital requirements can fluctuate significantly due to the 12-month rolling basis of our invoicing, and our limited control over the timing of customer subscriptions adds another layer of unpredictability.

If we do not effectively manage our working capital, by ensuring that alternative sources of capital or cash are available to address our working capital needs, especially in the first quarter and the last quarter of each year, our liquidity position, cash flows, business, financial condition and results of operations could be adversely affected.

The long sales cycles relating to our SME and professional customers may make it difficult to predict our growth

We are currently investing in the migration of our customers to cloud-based solutions. However, the selling cycles to secure the adoption of such or other products, particularly from our SME customers and, to a minor extent, professional customers, are typically long. Our SME and professional customers often take significant time evaluating our proposals and innovative SaaS-native solutions before licensing our software. The period between the initial engagement and the decision to opt for such software normally varies from customer to customer, may be time-consuming and can last several months. This is particularly true with purchases by larger SME customers of more elaborate software products. During the sales evaluation period, our existing and prospective customers may delay purchases, may decide not to purchase and may scale down proposed orders for reasons that we do not control and cannot predict, including:

USE OF PROCEEDS

The aggregate principal amount of the Notes offered hereby is €1,200.0 million.

The following table shows the expected estimated sources and uses of funds related to the TS Transactions. Actual amounts are subject to adjustment and may differ from the estimated amounts depending on several factors, including estimated costs, fees and expenses, the ultimate timing of the repayment of the existing senior secured indebtedness and the timing and actual amount in connection with our M&A activity. This table should be read in conjunction with "*Capitalization*."

Sources	**(€ million)**	**Uses**	**(€ million)**
Notes offered hereby[1]	1,200.0	Partial Redemption of Existing 2021 Floating Rate Notes[2]	300.0
		Repayment of drawings under the Revolving Credit Facility[3]	45.0
		M&A Funding[4]	45.0
		Payment of contingent and deferred consideration relating to M&A[5]	175.0
		Cash overfunding[6]	260.0
		Shareholders' Distribution[7]	350.0
		Transaction fees and expenses[8]	25.0
Total sources	**1,200.0**	**Total uses**	**1,200.0**

(1) Represents the aggregate principal amount of the Notes offered hereby.

(2) Represents the aggregate principal amount of the Issuer's Existing 2021 Floating Rate Notes that is being redeemed as part of the TS Transactions at a price of 100% thereof, plus accrued and unpaid interest to, but excluding, the date of redemption, and additional amounts, if any. The amount presented in the table excludes the accrued interest on the Existing 2021 Floating Rate Notes that are being redeemed from the latest interest payment date (being April 15, 2025), which we will be required to pay in connection with the redemption thereof. We expect that the redemption of the indicated amount of Existing 2021 Floating Rate Notes will occur on or about the Issue Date. We currently expect that €550.0 million Existing 2021 Floating Rate Notes will remain outstanding following the TS Transactions.

(3) Represents the drawn amounts under the Revolving Credit Facility as of March 31, 2025, which we currently expect to repay on or about the Issue Date (without a corresponding cancellation of commitments thereunder). As part of the TS Transactions, we also currently expect to repay additional €55.0 million drawings under the Revolving Credit Facility which we made post March 31, 2025 for the purpose of funding a portion of the consideration we paid in connection with the acquisition of Morning in May 2025, as further described in footnote (1) under "*Capitalization*." The amount presented in the table excludes accrued and unpaid interest and commitment fees. We expect the Revolving Credit Facility to be undrawn on the Issue Date after giving effect to the TS Transactions. Subject to completion of the Offering and satisfaction of customary conditions precedent, certain lenders affiliated with the Initial Purchasers have agreed to, among others, participate in an upsize of the total commitments under the Revolving Credit Facility from €300.0 million to €350.0 million by amending and restating the Revolving Credit Facility Agreement. See "*Summary—The Transactions—Revolving Credit Facility Amendment.*" The Initial Purchasers or affiliates thereof are mandated lead arrangers, bookrunners or lenders under the Revolving Credit Facility and will benefit from the repayment thereof with a portion of the proceeds from the Offering. See "*Plan of distribution*."

(4) Represents the estimated amount that we expect to use to acquire, directly or indirectly (including by way of refinancing debt we raised for such purposes and the acquired debt of such businesses), the entire share capital and/or majority shareholdings in businesses pursuant to our M&A strategy. M&A Funding excludes approximately €50.0 million of deferred consideration and approximately €2.3 million of rolled debt but it includes approximately €2.1 million to fund the acquisition of the retained cash in the acquired entities, in connection with the acquisitions we consummated or for which we entered into a definitive agreement, in each case after March 31, 2025.

(5) Represents the estimated amount that we currently expect to use by the end of 2025 to (i) pay any deferred consideration and/or earn outs due in 2025 in connection with some of our bolt-on acquisitions and (ii) acquire, directly or indirectly, incremental equity in certain of our subsidiaries which is currently held by the minority shareholders thereof, including by way of pre-funding certain of such incremental equity acquisitions which would otherwise become payable after 2025, thereby extinguishing the corresponding portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries. There can be no assurance that we will be able to acquire all such incremental equity stakes within the expected timeframe or at all. Any such proceeds not applied to extinguish the corresponding portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries will be used for general corporate purposes. See "*Risk factors—Risks related to our business—Certain of our subsidiaries have non-controlling shareholders whose interests may differ from our interests. In addition, the contractual arrangements with such non-controlling shareholders may require us to purchase shares at predetermined prices under certain put and call options and to make payments under certain earn out arrangements.*"

(6) Represents the estimated amount of cash that will be funded to the Issuer's balance sheet as part of the TS Transactions, which we expect to use for general corporate purposes, including in connection with our M&A strategy, debt repayment and growth of our business. See "*Capitalization*."

(7) Represents the maximum amount of the distribution we currently expect to pay to our shareholders with the proceeds of the Offering, in one or more tranches by the end of 2025, subject to applicable law and any required corporate approval. In addition, in connection with the Offering, Holdco 3 has obtained written commitments from certain investors to purchase, by way of a private placement and subject to the satisfaction of certain customary conditions, €350.0 million aggregate principal amount of PIK Notes, the proceeds of which are expected to fund a distribution (distinct from and in addition to the distribution of our available reserves with part of the proceeds from the Offering) to its shareholders, subject to applicable law and any required corporate approval. The total distribution to the shareholders of Holdco 3 (funded with the proceeds from the Offering upstreamed to Holdco 3 and the proceeds raised by Holdco 3 itself) are expected to amount to maximum €700.0 million.

(8) Represents our estimate of costs, fees, expenses and taxes in connection with, or otherwise related to, the TS Transactions, including underwriting or discount fees and commissions, upfront costs and fees, other financing fees, professional and legal fees and other transaction costs, including accrued and unpaid interest on the amount of the Existing 2021 Floating Rate Notes that is being redeemed and the drawn amounts under the Revolving Credit Facility, which we expect to redeem or repay, as applicable, as part of the TS Transactions, in each case from the respective last date of payment of such interest to the expected redemption or repayment date, as applicable. These costs, fees and expenses have been estimated as of the date of this Offering Memorandum and are subject to change.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets increased by €31.6 million, or 14.1%, from €224.2 million for the year ended December 31, 2023 to €255.8 million for the year ended December 31, 2024, as a result of higher amortization charges due to the purchase price allocation process in connection with several acquisitions, including, among others, the acquisition of Distrito K, the Clementine group, Mikro group and Rean. Additionally, there was an increase in the amortization of capitalized development costs, driven by both the organic growth in the capitalization of development expenses and the acquisitions made during the period.

Allowance for bad debts

Allowance for bad debts increased by €2.0 million, or 28.6% from €7.0 million for the year ended December 31, 2023 compared to €9.0 million for the year ended December 31, 2024, primarily due to the maintenance of an adequate level of coverage for overdue client payments as well as the expanded consolidation perimeter as a consequence of the acquisitions in 2024.

Other provisions for risks and charges

Other provisions for risks and charges decreased by €0.1 million, or 5.3%, from €1.9 million for the year ended December 31, 2023 to €1.8 million for the year ended December 31, 2024.

Impairment of non-current assets

Impairment of non-current assets increased from €0 million for the year ended December 31, 2023 to €0.4 for the year ended December 31, 2024, due to minor write-downs of certain tangible and intangible assets. No additional impairment of non-current assets has been recognized for the year ended December 31, 2024.

Operating result

Operating result increased by €53.7 million, from a gain of €60.1 million for the year ended December 31, 2023 to a gain of €113.8 million for the year ended December 31, 2024, primarily as a result of the increase in total revenue and the improvement in overall operating margin.

Finance income and share of profit/(loss) of associates

Finance income and share of profit/(loss) of associates increased by €11.8 million, or 47.6%, from €24.8 million for the year ended December 31, 2023 to €36.6 million for the year ended December 31, 2024, primarily due to an increase in interest from certain derivative instruments and in interest from banks earned on excess liquidity held on balance sheet between the issuance of the Existing 2024 Floating Rate Notes and the repayment of certain other then outstanding senior secured debt of the Issuer.

Finance cost

Finance cost increased by €128.5 million, or 71.5%, from €179.7 million for the year ended December 31, 2023 to €308.2 million for the year ended December 31, 2024, primarily due to an increase in the interest expenses and financing fees due to the outstanding indebtedness of TeamSystem Group (including the issuance of the Existing 2024 Floating Rate Notes and the Existing PIK Notes by the Issuer and Holdco 3, respectively) and the Revolving Credit Facility, a loss on the valuation of certain derivative instruments and a revaluation of the Liabilities to Non-Controlling Shareholders for €90.0 million driven by the outperformance of certain acquired companies compared to their initial acquisition business plan.

Monetary net gain/(loss)

Monetary gain increased from €15.5 million for the year ended December 31, 2023 to €54.8 million for the year ended December 31, 2024, primarily due to the revaluation of certain balance sheet items related to Mikro group for hyperinflation according to IAS 29 (*Financial Reporting in Hyperinflationary Economies*).

Total income taxes

Total income taxes decreased by €10.4 million, or 253.7%, from a positive balance of €4.1 million for the year ended December 31, 2023 to a negative balance of €6.3 million for the year ended December 31, 2024, as a consequence of the increase of €16.5 million in current income taxes mainly due to the increase of the tax base, including the impact of reaching the cap on interest expense deductibility. This increase was partially offset by a €6.2 million increase in the positive effect of deferred income taxes.

Profit/(Loss) for the year

Loss increased by €34.1 million, or 45.3%, from a loss of €75.2 million for the year ended December 31, 2023 to a loss of €109.3 million for the year ended December 31, 2024 for the reasons discussed above.

Adjusted EBITDA

Adjusted EBITDA increased by €90.8 million, or 28.9%, from €313.8 million for the year ended December 31, 2023 to €404.6 million for the year ended December 31, 2024. This increase was primarily attributable to both non-organic and organic growth associated with existing customer upselling and new customer acquisition along with less than proportional operating cost increases, primarily due to increased operational efficiency and economies of scale achieved throughout the streamlining of operations and the merger of certain of our subsidiaries into TeamSystem and a strategic repositioning toward higher-margin business segments. For further details, see the calculation of Adjusted EBITDA presented under "*Summary historical financial information and other data—Other financial and pro forma data.*" Improved resale product margins, reduced infrastructure costs for Cloud products, lower personnel costs from hiring timing, and efficiency gains in Customer Operations, R&D, and G&A functions also positively impacted Adjusted EBITDA margin, which increased from 42.8% for the year ended December 31, 2023 to 43.9% for the year ended December 31, 2024.

Year ended December 31, 2023 compared to year ended December 31, 2022.

The table below sets out our consolidated results of operations for the year ended December 31, 2023, compared to the year ended December 31, 2022.

	Year ended December 31		
	2022	**2023**	**Percentage change**
	(€ in millions, except percentages)		
Revenue	563.5	727.4	29.1%
Other operating income	4.7	5.8	23.4%
Total revenue	**568.2**	**733.2**	**29.0**%
Cost of raw and other materials	(51.4)	(55.7)	8.4%
Cost of services	(139.7)	(177.3)	26.9%
Personnel costs	(160.0)	(201.7)	26.1%
Other operating costs	(3.9)	(5.1)	30.8%
Depreciation and amortization of non-current assets	(208.4)	(224.2)	7.6%
Allowance for bad debts	(5.5)	(7.0)	27.3%
Other provisions for risks and charges	(2.4)	(1.9)	(20.8)%
Impairment of non-current assets	(78.1)	—	(100.0)%
Operating result	**(81.2)**	**60.1**	**174.0%**
Finance income and share of profit/(loss) of associates	44.1	24.8	(43.8)%
Finance cost	(124.4)	(179.7)	44.5%
Monetary net gain (loss)	—	15.5	n/a
Profit (Loss) before income taxes	**(161.5)**	**(79.4)**	**(50.8)%**
Current income taxes	(23.6)	(35.4)	50.0%
Deferred income taxes	38.6	39.5	2.3%
Total income taxes	**15.0**	**4.1**	**(72.7)%**
Profit (Loss) for the year	**(146.5)**	**(75.2)**	**(48.7)%**
Loss (Profit) attributable to non-controlling interests	(0.0)	(0.1)	n/a
Profit (Loss) attributable to owners of TeamSystem Holdco	**(146.5)**	**(75.3)**	**(48.6)%**
Adjusted EBITDA	**227.3**	**313.8**	**38.1%**

Total revenue

Total revenue increased by €165.0 million, or 29.0%, from €568.2 million for the year ended December 31, 2022 to €733.2 million for the year ended December 31, 2023. This growth was mainly the result of our organic growth due to higher spending from existing customers through cross-selling between our HR, Trust & Cyber services, Extended CRM and Digital Finance product lines, and the acquisition of new customers. Total revenue also increased by the first time consolidation of the several companies in which we acquired a controlling interest or a

Capital expenditure

Capital expenditure encompasses our total expenditure on tangible assets (net of disposal of tangible assets) and intangible assets, as well as the capitalization of development costs in respect thereof, broken down in personnel costs and service costs. In particular, we capitalize and amortize development costs incurred in any given year over their estimated useful life. With respect to tangible and intangible assets, our business is characterized by low levels of capital expenditure in line with the industry in which we operate. Our capital expenditure does not include acquisition costs or payments in connection with our Liabilities to Non-Controlling Shareholders of Subsidiaries (see "—*Critical accounting policies—Business combinations*"). Our capital expenditure incurred in the periods under review is set out below:

	Year ended December 31			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(€ in millions)		
Investments in tangible assets	5.4	3.2	5.1	1.0	5.0
Investments in intangible assets	13.8	15.6	20.5	4.6	9.0
Disposal of tangible assets	—	—	0.8	—	—
Capitalized development costs	17.2	23.2	35.6	9.9	9.9
of which					
Personnel costs	11.9	18.9	28.6	8.3	8.1
Service costs	5.2	4.3	7.0	1.6	1.8
Capital expenditure	**36.4**	**42.0**	**60.5**	**15.4**	**23.9**

For the year ended December 31, 2023, our capital expenditure was €42.0 million, an increase of €5.7 million from €36.4 million in the year ended December 31, 2022. This increase reflected an overall increase in capitalized costs mainly due to our organic growth and the effect of then-recently acquired companies.

For the year ended December 31, 2024, our capital expenditure was €60.5 million, an increase of €18.5 million from €42.0 million in the year ended December 31, 2023. This increase mainly reflected increased R&D investments related to new product development, our "One Platform" project, the integration of acquired solutions, and AI initiatives, as well as higher IT spending on cybersecurity, AI infrastructure, and group-wide tools such as Workday.

For the three months ended March 31, 2025, our capital expenditure was €23.9 million, an increase of €8.5 million from €15.4 million for the three months ended March 31, 2024. This increase was mainly due to investments related to the set-up of our new Milan headquarter as well as the acquisition of new tools and instruments aimed at enhancing operational efficiency.

As of the date of this Offering Memorandum, we expect our capital expenditure for 2025, as a percentage of our total revenue, to be substantially in line with our capital expenditure for 2024. See "*Business—Research and development.*"

Off-balance sheet arrangements

We are not party to any material off-balance sheet arrangements.

Contractual obligations

The following table summarizes our material contractual obligations as of March 31, 2025 as adjusted to give effect to the Transactions and the use of proceeds from the Notes offered hereby.

	Within 1 year	From 1 to 5 years	Over 5 years	Total
		(€ in millions)		
Notes offered hereby[(1)]	—	—	1,200.0	1,200.0
Existing Indebtedness[(2)]	—	850.0	1,350.0	2,200.0
Leases[(3)]	10.7	33.8	40.5	85.1
Total[(4)]	**10.7**	**883.8**	**2,590.0**	**3,485.1**

(1) Does not reflect interest payments.

(2) Reflects the Existing Senior Secured Notes, the Existing PIK Notes and the PIK Notes, excluding interest payments thereon. Exclude certain other minor indebtedness.

(3) Represents operating and financial leases of certain of our office facilities, apartments for residential use by employees, company cars and other contracts that fall into the scope of IFRS 16.

(4) Excludes the Revolving Credit Facility. See "*Description of certain financing arrangements—Revolving Credit Facility*."

The table above does not include guarantee obligations in the ordinary course of business or contingent liabilities. See "*—Liabilities to Non-Controlling Shareholders of Subsidiaries*" below.

Liabilities to Non-Controlling Shareholders of Subsidiaries

Our agreements with the non-controlling shareholders of our majority-owned subsidiaries normally provide for put and call option arrangements on the non-controlling stake which give our partners the right to cause us to purchase the non-controlling interest within predetermined periods, as well as for certain earn-out arrangements or other types of deferred consideration based on the performance of such businesses. We define our overall liability with respect to such put and call option and earn-out arrangements relating to non-controlling holdings of the Group as, collectively, the "**Liabilities to Non-Controlling Shareholders of Subsidiaries**."

The Liabilities to Non-Controlling Shareholders of Subsidiaries reflect our estimate of discounted future disbursements in connection with such options and earn-out arrangements, based on the applicable contractual provisions. The strike price of the put and call options is determined based on normalized earnings parameters of the relevant companies plus or minus the net financial position for the period in which the put or call option will be exercised. The discount rate applied for the measurement of the Liabilities to Non-Controlling Shareholders of Subsidiaries as of any given date is the cost of debt for the Group (gross of the tax effect) that is adopted for the performance of Group impairment tests, as the cost of this debt is considered to be representative of the Group's credit risk as of such date. The value of the Liabilities to Non-Controlling Shareholders of Subsidiaries is subject to change over time as the exercise price of each put and call option and earn out arrangement is dependent on, among other things, the performance of the relevant company in a given future period and the impact of unpredictable adverse macroeconomic conditions, which could differ from the performance that we estimate when determining the value of the Liabilities to Non-Controlling Shareholders of Subsidiaries for accounting purposes. Subsequent changes in the fair value of the Liabilities to Non-Controlling Shareholders of Subsidiaries, due to both timing and possible changes in estimated indicators that form the basis for the computation of the consideration, are recognized in our consolidated statement of profit or loss, as is the case for the notional charges deriving from the gradual decrease of the effect of discounting. The discounted value of our Liabilities to Non-Controlling Shareholders of Subsidiaries as of March 31, 2025, which is presented in our Unaudited Interim Financial Statements and in other sections of this Offering Memorandum, was €234.5 million (on a discounted basis) or €245.1 million (on a non-discounted basis).

See also "*Risk factors—Risks related to our business—Certain of our subsidiaries have non-controlling shareholders whose interests may differ from our interests. In addition, the contractual arrangements with such non-controlling shareholders may require us to purchase shares at predetermined prices under certain put and call options and to make payments under certain earn out arrangements*."

The following table summarizes the cash flows relating to our Liabilities to Non-Controlling Shareholders of Subsidiaries for the periods indicated.

	Within 1 year	**From 1 to 5 years**	**Over 5 years**	**Total**
	(€ in millions)			
Liabilities to Non-Controlling Shareholders of Subsidiaries[(1)]	175.5	69.6	0.0	245.1

(1) Figures in the table are not discounted and do not include certain minor Liabilities to Non-Controlling Shareholders of Subsidiaries that we expect to incur in respect of the bolt-on acquisitions we closed or signed after March 31, 2025 for less than 100% of the equity interest in the relevant targets, as described under "*Summary—Recent developments—Bolt-on acquisitions.*"

Qualitative and quantitative disclosures about market risk

Our activities and debt financing expose us to a variety of financial risks, the most significant of which are interest rate risk, credit risk and liquidity risk. Our overall risk management strategy seeks to minimize the potential adverse effects of such risks.

solution allows our customers to create, send, receive, register, sign and store electronic invoices from and to private customers, public administration organizations and external accountants and to send invoices and other documentation to the relevant tax authorities electronically. This product plays a pivotal role in the rapidly evolving digital landscape, offering a comprehensive, integrated approach to managing daily invoicing tasks. Digital Invoice is widely sold to our Italian customer base and allows us to reach numerous digital customers connected through our accountant customers, as a result of the Italian Law No. 205 of December 27, 2017 (*Legge di Bilancio*) which introduced the obligation for businesses in Italy with revenues higher than €65 thousand per year (with the exception of healthcare professionals) starting from January 1, 2019 to provide electronic invoices to other businesses with whom they conduct transactions and to file all the e-invoices directed to local and central public administrations. This requirement was expanded to include companies with revenue over €25 thousand from June 2022, with full adoption achieved in January 2024. In 2024, the total transaction volume processed through our Digital Invoice platform reached approximately €1,000 billion.

Digital Invoice is a safe and end-to-end solution, handling the entire electronic invoice process from the upload of the invoice, the sending of the XML invoice to the Italian Revenue Agency's exchange system (*Sistema di Interscambio*–"*SDI*") to the receipt of notifications. Digital Invoice facilitates both active and passive invoice filing and registration. It also features open application programming interfaces, allowing seamless integration with external applications, enhancing interoperability and functionality. Digital Invoice features an automatic dashboard that streamlines the process of receiving and generating invoices. This automation reduces manual intervention, thereby increasing efficiency and reducing errors. Furthermore, it supports standardized data flows, ensuring consistency and reliability in data management across various systems and applications. High levels of information and data sharing security are an integral part to the solution, protecting sensitive financial data from breaches and unauthorized access. The platform offers simple queue and rejection management, making it user-friendly and accessible even for users with minimal technical expertise. By addressing the critical needs of businesses adapting to digital invoicing, Digital Invoice positions itself as an essential tool in a sector driven by digital transformation.

Internationally, we offer similar solutions tailored to meet regional requirements, such as e-Portal in Turkey and FactuSol and Billin in Spain. These platforms are designed to address the unique invoicing needs of businesses in their respective geographic segments, ensuring compliance with local regulations and facilitating seamless electronic invoicing processes. In particular, e-Portal and Paraşüt in Turkey provide e-invoicing solutions for Turkish micro and small business. In Spain, FactuSol and Billin offer e-invoicing and FMS solutions for micro and small business customers.

Digital Finance

Digital Finance is a comprehensive suite of solutions designed to integrate financial value and supply chains, providing digital payment and credit services tailored to specific industry needs. By supporting end-to-end financial related needs, it enhances working capital management and simplifies payment processes. Digital Finance offers simplified and integrated payment solutions for micro, small and medium-sized businesses ("**SMBs**") and enterprises, facilitating bank statement reconciliation and complying with open banking standards, regulations and directives (*e.g*., PSD2 – AID, PIS). The platform includes AI tools for rating and scoring that analyze deposited financial statements and ESG ratings, supporting informed financial decisions.

Fintech solutions such as commercial credit factoring and e-lending are available to enhance cash management for both SMBs and larger enterprises. As an intermediary, through our recently acquired Change Capital, we facilitate these services among customers and the relevant financial institutions. Seamless integration with our ERP and FMS software ensures seamless operation across various financial functions and the possibility to obtain a fast pre-assessment service. The user-friendly interface streamlines the financing process for all involved parties, while modular features allow for tailored rating solutions to meet specific customer requirements.

Extended CRM

Our Extended Customer Relationship Management ("**CRM**") solutions provide businesses, particularly mid-sized and micro businesses, with advanced tools for customer relationship management, marketing automation and e-commerce integration. This suite of tools is crafted to help clients scale their operations across multiple channels, enhancing their ability to serve their customer base effectively and increasing sales and conversion rates by implementing a multi-channel strategy.

The Extended CRM solution offers a versatile, modular and integrated platform that enhances the efficiency of sales efforts. It allows businesses to track client profiles and related leads comprehensively, making it easier to manage customer relationships and sales pipelines. The marketing automation component of our Extended CRM solutions adds a layer of automation to marketing efforts. This component enables businesses to follow up with clients and generate leads through automated campaigns, ensuring continuous engagement and nurturing potential customers without manual intervention. In addition, the e-commerce integration supports every aspect of online sales, including user experience, shopping cart functionality and payment processing. This integration ensures a seamless e-commerce experience, driving higher conversion rates and customer satisfaction.

Our Extended CRM offers modular solutions across a broad CRM spectrum, allowing businesses to customize their approach by selecting only the components they need, whether pure CRM functionalities or comprehensive market automation tools. Our suite supports the end-to-end digitalization of the sales process across various channels, including field sales, ensuring a streamlined and cohesive sales operation. Designed with an intuitive user experience in mind, the platform can be deployed either autonomously by the client or with the support of our internal team. As businesses grow, Extended CRM's modular solutions can expand with them, ensuring that enterprises of all sizes can benefit from tailored CRM functionalities that meet their evolving needs. Additionally, the Extended CRM fully integrates with our ERP and FMS software, creating a unified and efficient business management ecosystem.

HR

HR provides an integrated suite of adaptable digital tools designed to assist micro-small companies, SMBs, large enterprises, accountants and labor consultants in efficiently managing payroll and human resources management. The platform offers a complete portfolio of solutions that address various aspects of HR management, ensuring a seamless and secure experience.

HR features full integration with our ERP and FMS software, ensuring streamlined operations and data consistency. The platform guarantees secure management of sensitive personnel data, adhering to advanced security protocols and a fully digital mobile app that allows employees to track real-time data.

The functional coverage of HR is extensive, encompassing human capital management, payroll, BPaaS and welfare. The product offerings streamline the recruiting process from position posting to profile collection and onboarding. The platform facilitates online training, creates learning paths and gathers satisfaction feedback to ensure continuous employee development. HR manages healthcare requirements in compliance with industry-specific regulations and it includes performance compensation features for performance management, reviews and evaluations. Additionally, the welfare management module integrates with commercial partners to offer employees a range of benefits, such as health services, insurance and other welfare programs. This enhances employee satisfaction and loyalty by providing easy access to valuable support and benefits. On the employee administration side, our HR Solution tracks employee active workdays and it includes automated pay slip issuance capabilities, with processing managed either in-house or outsourced. HR also leverages the Dipendenti in Cloud solution, which centralizes employee data to provide real-time access and management capabilities. This cloud-based approach ensures that all HR functions are seamlessly integrated, offering a unified approach to managing employee information. The use of BPaaS within HR allows businesses to outsource HR processes, focusing on core activities while benefiting from optimized and standardized HR operations.

Trust & Cyber services

Our Trust & Cyber services enable companies to fully digitize their operations while ensuring compliance with stringent regulatory standards. Our cornerstone Trust & Cyber services solution is our Digital Signature software that empowers both companies and individuals to digitally sign documents. Our Digital Archive module enables the storage of documents across a business's various arms, such as finance, legal and administration, in a secure archive. Supporting these offerings is our Trust & Cyber services high standard of security for the storage of sensitive data, establishing a centralized repository that serves as a single point of access for digitally signed documents across an organization.

In addition to digital signature and archiving capabilities, Trust & Cyber services facilitate certified access via SPID, the Italian digital identity system that provides citizens and businesses with a single set of secure credentials to access various online services offered by Italian public administrations and private entities. To offer this service, our platform is fully integrated with our Trust & Cyber services with external stakeholders, including Italian regulatory bodies such as the Italian Agency for a Digital Italy (*Agenzia per l'Italia digitale*). In addition, our solution is fully integrated within our portfolio, including Fatture in Cloud and Studio in Cloud. This integration extends to our ERP and FMS software, ensuring that businesses can maintain a cohesive and interoperable digital ecosystem.

The Issuer is also required to pay customary agency fees to the Agent and the Security Agent in connection with the Revolving Credit Facility Agreement and/or the Intercreditor Agreement, arrangement fees to the arrangers, and fronting fees to the issuing bank under the Revolving Credit Facility Agreement and letter of credit fees to the lenders in an amount equal to the margin of the Revolving Credit Facility with respect to an issuance of a letter of credit.

Borrowers and Guarantors

The original borrower under the Revolving Credit Facility is the Issuer but the Revolving Credit Facility Agreement includes a mechanism to enable any of the Issuer's restricted subsidiaries in Italy, the same jurisdiction as an existing borrower, any borrower jurisdiction contemplated in the tax structure memorandum or otherwise with the consent of all of the lenders under the Revolving Credit Facility, to accede as an additional borrower under the Revolving Credit Facility, subject to certain conditions.

At the Issue Date, the Revolving Credit Facility is guaranteed by the Parent and the Issuer (together the "**Original Guarantors**").

If any of the Issuer's wholly owned restricted subsidiaries incorporated in Italy is or becomes a material subsidiary under the Revolving Credit Facility Agreement, the Issuer shall procure that such material subsidiary shall, subject to the Agreed Security Principles and to any agreed limitation language, become a guarantor of the Revolving Credit Facility Agreement and shall accede to the Intercreditor Agreement, no later than the date falling 90 days after the latest due date on which the annual financial statements are required to be delivered to the agent in respect of each subsequent financial year (the Original Guarantors together with any members of the Group that accede to the Revolving Credit Facility Agreement as additional guarantors being the "**Guarantors**"). The Issuer shall also procure that, subject to the Agreed Security Principles, tested annually by reference to the original financial statements and then the relevant annual financial statements of the Issuer (or, at the Issuer's option, any more recent available financial information which is provided to the Agent), the aggregate of earnings before interest, tax, depreciation and amortization (calculated on the same basis as consolidated EBITDA is calculated under the Revolving Credit Facility Agreement) of the Guarantors (calculated on an unconsolidated basis and excluding the contribution of any on-balance sheet joint ventures) is not less than 80 per cent. of consolidated EBITDA of wholly owned members of the Group incorporated in Italy (and, if a borrower is incorporated in a jurisdiction which is not Italy, the jurisdiction of that borrower but only in relation to that borrower) (the "**Guarantor Coverage**") (subject to certain exceptions).

Security

The Revolving Credit Facility (subject to certain agreed security principles set out in the Revolving Credit Facility Agreement) is or will be, as applicable, secured as further described in the section entitled "*Description of Notes—Security.*"

Representations and warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties, subject to certain agreed customary materiality, actual knowledge and other qualifications, exceptions and baskets as applicable (with certain representations and warranties being repeated on the date of each utilization, on the first day of each interest period and at certain other times), including: (i) status and due incorporation; (ii) power and authority; (iii) legal, valid and binding documentation; (iv) no conflict; (v) validity and admissibility in evidence; (vi) governing law and enforcement; (vii) no filing or stamp taxes; (viii) taxation; (ix) the accuracy of financial statements; (x) no litigation; (xi) legal and beneficial ownership; (xii) sanctions and anti-money laundering; and (xiii) base case model.

Undertakings and covenants

The Revolving Credit Facility Agreement contains, certain of the incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments) that apply to the Existing 2024 Floating Rate Notes and, subject to, among others, the satisfaction of customary conditions precedent, the Notes, including: (i) limitation on indebtedness; (ii) limitation on restricted payments; (iii) limitation on liens; (iv) restrictions on distributions from restricted subsidiaries; (v) limitations on sale of assets and subsidiary stock; (vi) limitation on affiliate transactions; (vii) merger and consolidation; (viii) suspension of covenants on achievement of investment grade status; (ix) impairment of security interests; (x) additional intercreditor agreements; and (xi) IPO debt pushdown. In addition, the Revolving Credit Facility Agreement also contains certain additional affirmative and negative covenants and a financial covenant. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge and other qualifications, exceptions and baskets (as applicable).

Additional covenants

The additional covenants include, among others: (i) provision of a compliance certificate with each set of the Issuer's annual audited and quarterly financial statements; (ii) maintenance of the Guarantor Coverage; (iii) authorizations; (iv) compliance with laws; (v) *pari passu* ranking; (vi) further assurance; (vii) sanctions, anti-corruption and anti-money laundering; (viii) no change of "center of main interest"; (ix) taxes; and (x) conditions subsequent.

Financial covenant

If at 5.00 p.m. on a testing date (being each quarter date) the aggregate principal amount of all loans under the Revolving Credit Facility Agreement and any additional facility that is specified to benefit from the financial covenant (in each case excluding (i) any utilizations by way of letters of credit (or bank guarantees), (ii) ancillary facilities, and (iii) any loans drawn to fund any fees and/or original issue discount or other fees, costs and expenses in connection with the TS Transactions) on such testing date less any cash and Cash Equivalents exceeds 40 per cent. of the aggregate of (A) the total commitments under the Revolving Credit Facility as at the date of the Revolving Credit Facility Agreement and (B) the aggregate of all Additional Facility Commitments established after the date of the Revolving Credit Facility Agreement (disregarding, in each case, any reduction of commitments following the establishment thereof) (the "**Test Condition**"), the senior secured net leverage ratio in respect of the relevant period will not exceed 9.98:1 (the "**Financial Covenant**"). The Financial Covenant only acts as a draw stop to new drawings under the Revolving Credit Facility and, if breached, will not trigger a default or an event of default under the Revolving Credit Facility Agreement.

The Revolving Credit Facility Agreement contains an equity cure provision enabling the Issuer to cure or prevent a draw stop event at any time if the Group has received one or more shareholder injections by way of shareholder loan and/or equity and the Issuer has elected that all or any part of any amounts so received shall, at the option of the Issuer, either (i) increase the consolidated EBITDA or (ii) decrease senior secured indebtedness, in each case under the Revolving Credit Facility Agreement. The equity cure right may not be exercised on more than five occasions during the term of the Revolving Credit Facility Agreement and may not be utilized more than twice in any four consecutive quarters. The Issuer can also cure or prevent a draw stop event by electing to recalculate (i) the senior secured net leverage ratio for any relevant period for which the Issuer has sufficient available information to effect such recalculation and/or (ii) the Test Condition on any subsequent date notwithstanding that such date is not a test date (including to give effect to any reduction in the aggregate principal amount of loans outstanding, any reduction in senior secured indebtedness and/or any increase in cash and/or cash equivalents).

Prepayments

Upon a change of control under the Revolving Credit Facility Agreement, each lender under the Revolving Credit Facility Agreement shall be entitled to cancel its commitments and require repayment of all of its share of the utilizations and payment of all amounts owing to it under the finance documents provided that the relevant lender gives notice to the agent within 30 days of the Issuer notifying the agent of the change of control.

A borrower may voluntarily prepay amounts outstanding under the Revolving Credit Facility, without penalty or premium, at any time in whole or in part, subject to agreed minimum amounts and multiples, on not less than one reference rate business day's notice to the agent.

Events of default

The Revolving Credit Facility Agreement provides for events of default, the occurrence and continuance of which would allow, unless otherwise indicated below, subject to certain exceptions, 66 2/3 per cent. of the lenders by commitment under the Revolving Credit Facility to (among other things) accelerate all outstanding loans and terminate their commitments, including (subject in certain cases to customary materiality, actual knowledge and other qualifications, exceptions, baskets and/or grace periods, as appropriate). The Revolving Credit Facility Agreement provides for the following events of default: (i) misrepresentations; (ii) breach of the Intercreditor Agreement; (iii) unlawfulness, invalidity and repudiation of finance documents; (iv) non-payment of amounts due under the finance documents; (v) non-compliance with other obligations under the finance documents; (vi) cross

DESCRIPTION OF NOTES

TeamSystem S.p.A. (the "**Issuer**") will issue (i) € million in aggregate principal amount of Senior Secured Floating Rate Notes due 2032 (the "**Floating Rate Notes**") and (ii) € million in aggregate principal amount of % Senior Secured Notes due 2031 (the "**Fixed Rate Notes**" and, together with the Floating Rate Notes, the "**Notes**"), for a combined aggregate principal amount of €1,200.0 million, under an indenture to be dated on or about , 2025 (the "**Indenture**"), between, *inter alios*, the Issuer, TeamSystem Holdco 3 S.p.A. ("**Holdco**" or the "**Parent Guarantor**"), as guarantor, U.S. Bank Trustees Limited, as trustee of the Holders (as defined herein) (the "**Trustee**") under the Indenture, and Deutsche Bank AG, London Branch, as security agent under the Intercreditor Agreement (as defined below) and representative (*rappresentante*) of the Holders pursuant to and for the purposes set forth under Article 2414-*bis*, third paragraph of the Italian Civil Code (the "**Security Representative**") under the Indenture (the "**Security Agent**"). Definitions of certain capitalized terms used in this "*Description of Notes*" are set forth under the heading "*—Certain definitions*" below. For purposes of this "*Description of Notes*," references to "**Issuer,**" "**we,**" "**our**" and "**us**" refer to TeamSystem S.p.A. (not including any of its Subsidiaries) and any and all successors thereto.

We currently expect the cash proceeds from the Offering to be used to (i) refinance certain senior secured indebtedness of the Issuer, (ii) finance certain bolt-on acquisitions and/or refinance any acquired debt or debt raised by the Issuer or its subsidiaries for such purposes, (iii) pay contingent deferred consideration and contingent liabilities relating to certain acquisitions, (iv) fund cash on the Issuer's balance sheet for general corporate purposes, (v) fund a distribution to the shareholders of the Issuer subject to applicable law and any required corporate approval and (vi) pay accrued and unpaid interest on the indebtedness to be refinanced and costs, fees, expenses and taxes in connection with the Transactions and any such financing, refinancing and/or acquisitions, as further described in this Offering Memorandum under "*Use of proceeds.*"

This "*Description of Notes*" is intended to be an overview of the material provisions of the Notes, the Guarantees and the Indenture. Since this description of the terms of the Notes is only a summary, you should refer to the Notes, the Guarantees and the Indenture for complete descriptions of the obligations of the Issuer and the Guarantors and your rights. In addition, the following description refers to the Security Documents and the Intercreditor Agreement. Copies of such documents are available from us upon written request as set forth under "*Listing and general information.*"

The Notes, the Indenture and the Guarantees thereunder will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements. The terms of the Intercreditor Agreement are important to understanding the terms and ranking of the Liens on the Collateral securing the Notes and the Guarantees. Please see "*Description of certain financing arrangements—Intercreditor Agreement*" for a description of the material terms of the Intercreditor Agreement.

The registered holder (a "**Holder**") of a Note will be treated as the owner of it for all purposes. Only Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been, and will not be, registered under the Securities Act and are subject to certain transfer restrictions. In addition, the Indenture will not be subject to, incorporate by reference or otherwise include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

Additional Notes

The Indenture will be unlimited in aggregate principal amount, of which €1,200.0 million consisting of (i) € million aggregate principal amount of Floating Rate Notes and (ii) € million aggregate principal amount of Fixed Rate Notes will be issued, in each case on the Issue Date. After the Issue Date, we may issue an unlimited principal amount of additional Floating Rate Notes having substantially identical terms and conditions as the Floating Rate Notes originally issued (the "**Additional Floating Rate Notes**") and an unlimited principal amount of additional Fixed Rate Notes having substantially identical terms and conditions as the Fixed Rate Notes originally issued (the "**Additional Fixed Rate Notes**" and, together with the Additional Floating Rate Notes and any notes issued under the Indenture of any other series as further described below, the "**Additional Notes**") under the Indenture. We will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under "*—Certain covenants—Limitation on Indebtedness*").

Any such Additional Notes shall have terms substantially identical to the applicable series of Notes originally issued, except in respect of any of the following terms which shall be set forth in an Officer's Certificate (as defined below) or, at the election of the Issuer, a supplemental indenture, in each case delivered to the Trustee:

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes may be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes may bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest may be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes may be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the maturity date or dates of such Additional Notes, and the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part, including, but not limited to, any special mandatory redemption using amounts released from any escrow account into which proceeds of the issuance of such Additional Notes are deposited pending consummation of any acquisition, Investment, refinancing or other transaction (such redemption, an "**Additional Notes Special Mandatory Redemption**");

(7) the provisions relating to the escrow of all or a portion of the proceeds of such Additional Notes and the granting of Liens described in clause (22) of the definition of "Permitted Liens" in favor of the Trustee solely for the benefit of the Holders of such Additional Notes (and not, for the avoidance of doubt, for the benefit of the Holders of any other Notes), together with all necessary authorizations for the Trustee to enter into such arrangements; *provided that*, for so long as the proceeds of such Additional Notes are deposited in escrow, such Additional Notes shall benefit only from such Liens and shall not be subject to the Intercreditor Agreement or any Additional Intercreditor Agreement and shall not benefit from any security interest in the Collateral;

(8) if other than in denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes may be issued and redeemed;

(9) the status of registration with the SEC of such Additional Notes or the applicable exemption from such registration pursuant to which such Additional Notes may be offered or sold; and

(10) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes, and the relevant clearing systems.

The Issuer similarly will be entitled to vary the application of certain other provisions to any series of Additional Notes.

The Fixed Rate Notes (including any Additional Fixed Rate Notes) and the Floating Rate Notes (including any Additional Floating Rate Notes) will constitute separate series, but will be treated (together with any Additional Notes, including of any other series, issued from time to time) as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for a specific series. Unless the context otherwise requires or unless otherwise specified, for all purposes of the Indenture and this "*Description of Notes*," references to the "*Notes*" include the Notes issued on the Issue Date under the Indenture and any Additional Notes that are actually issued from time to time thereunder.

Additional Notes may be designated to be of the same series as any other series of Notes, including the Fixed Rate Notes or the Floating Rate Notes issued on the Issue Date, but only if they have terms substantially identical in all material respects to such other series, and if so designated shall be deemed to form one series with such other series (it being understood that any Additional Notes that are substantially identical in all material respects to any other series of Notes but for being subject to an Additional Notes Special Mandatory Redemption shall be deemed to be substantially identical to such series of Notes only following the date on which such Additional Notes Special Mandatory Redemption provision ceases to apply). In the event that any Additional Notes of a series sold pursuant to Rule 144A are not fungible with any corresponding series of Notes previously issued for U.S. federal income tax and/or Italian tax purposes, such non-fungible Additional Notes shall be issued with a separate ISIN, Common

(iii) the assumption by the purchaser of (x) any liabilities recorded on the Issuer's or such Restricted Subsidiary's balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness or Indebtedness owed to the Issuer or a Restricted Subsidiary), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obliged in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary are released from any guarantee of such Indebtedness as a result of such Asset Disposition;

(iv) Replacement Assets;

(v) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(vi) consideration consisting of Indebtedness of the Issuer or any Subsidiary Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Subsidiary Guarantor and (ii) is not Subordinated Indebtedness of the Issuer or such Subsidiary Guarantor;

(vii) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of 15% of Consolidated EBITDA and €75 million (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(viii) a combination of the consideration specified in clauses (i) through (vii) of this paragraph (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Available Cash of the Asset Disposition, within 365 days (or 545 days in the circumstances described in clause (8) below) of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Available Cash, may be used by the Issuer or such Restricted Subsidiary, as applicable, to:

(1) (i) prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1)(a) of the second paragraph of the covenant described under "—*Limitation on Indebtedness*" or any Refinancing Indebtedness in respect thereof; (ii) unless included in (1)(i), prepay, repay, purchase or redeem Notes or Indebtedness of the Issuer or any Subsidiary Guarantor that is secured by a Lien on the Collateral on a senior or *pari passu* basis with the Notes, plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; or (iii) prepay, repay, purchase or redeem (x) any Indebtedness of a Restricted Subsidiary that is not a Guarantor or (y) any Indebtedness of the Issuer or a Restricted Subsidiary that is secured on assets which do not constitute Collateral;

(2) (A) purchase any series of Notes pursuant to an offer to all Holders of such series of Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the repurchase date), *provided* that to the extent the Issuer or any Restricted Subsidiary has elected to purchase any amount of the Notes at a price not less than par, to the extent Holders elect not to tender their Notes for such purchase, the Issuer will be deemed to have applied an amount of Net Available Cash equal to such amount not tendered, and such amount shall not increase the amount of Excess Proceeds, or (B) redeem any series of Notes in accordance with the redemption provisions of the Indenture;

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) consummate any combination of the foregoing; or

(8) enter into a binding commitment to apply the Net Available Cash pursuant to clause (1), (3), (4), (5) or (6) of this paragraph (or any combination thereof); *provided that* a binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365 day period, if the investment has not been consummated by that date.

The amount of such Net Available Cash not so used as set forth in this paragraph constitutes "**Excess Proceeds**;" *provided that*, if at the date of any definitive agreement, put option or other arrangement in respect of any Asset Disposition or (at the option of the Issuer) the date on which Net Available Cash from an Asset Disposition is received or such Asset Disposition is consummated, the Consolidated Net Leverage Ratio of the Issuer and its Restricted Subsidiaries is (a) greater than 5.1 to 1.0, (b) less than or equal to 5.1 to 1.0 but greater than 4.85 to 1.0 or (c) less than or equal to 4.85 to 1.0, in each case, on a *pro forma* basis, then, in the case of clause (a), 0% of the Net Available Cash from such Asset Disposition, or, in the case of clause (b), 50% of the Net Available Cash from such Asset Disposition, or, in the case of clause (c), 100% of the Net Available Cash from such Asset Disposition, shall be deemed not to constitute Excess Proceeds and may be immediately used by the Issuer or any of its Restricted Subsidiaries for any purpose not prohibited by the Indenture and without regard to the periods specified in the second paragraph of this covenant. Pending the final application of any such Net Available Cash, the Issuer or any Restricted Subsidiary may temporarily reduce revolving credit borrowings or other Indebtedness or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Indenture. Notwithstanding anything to the contrary set forth herein, to the extent that any of or all the Net Available Cash of any Asset Disposition (x) is prohibited or delayed by applicable local law from being repatriated or (y) would result in adverse tax consequence, as determined by the Issuer in its sole discretion, the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Subsidiary; *provided that* if at any time within one year following the date on which the respective payment would otherwise have been required, such repatriation of any of such affected Net Available Cash is permitted under the applicable local law, an amount equal to such amount of Net Available Cash so permitted to be repatriated will be promptly applied (net of any taxes, costs or expenses that would be payable or reserved against if such amounts were actually repatriated whether or not they are repatriated) in compliance with this covenant. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, nothing in the Indenture shall be construed to require the Issuer or any Subsidiary to repatriate cash. The time periods set forth in this covenant shall not start until such time as the Net Available Cash may be repatriated (whether or not such repatriation actually occurs).

On the 366th day after an Asset Disposition (or the 546th day if a binding commitment as described in clause (8) above has been entered into), or such earlier time as the Issuer elects, if the aggregate amount of Excess Proceeds exceeds the greater of €100 million and 20% of Consolidated EBITDA, the Issuer will be required within 10 Business Days thereof to make an offer ("**Asset Disposition Offer**") to all Holders and, to the extent the Issuer elects, to all holders of other outstanding *Pari Passu* Indebtedness, to purchase the maximum principal amount of Notes and any such *Pari Passu* Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any such *Pari Passu* Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of *Pari Passu* Indebtedness, in each case, plus accrued and unpaid interest thereon and Additional Amounts, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such *Pari Passu* Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof in the case of Notes.

To the extent that the aggregate amount of Notes and such *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer or the relevant Restricted Subsidiary may use any remaining Excess Proceeds (any such amount, "**Declined Proceeds**") for any other purpose, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other *Pari Passu* Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and *Pari Passu* Indebtedness to be repaid or repurchased on a *pro rata* basis on the basis of the or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided that* the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination; (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable; and (c) entering into of any loan or the receipt by the Issuer of other contribution of proceeds of any Incurrence of indebtedness by a Parent and any amendment or modification thereof or the pledging of such loan or any Capital Stock of the Issuer and any transactions relating thereto;

(11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring, investor or advisory fees and related expenses and indemnities in an aggregate amount not to exceed the greater of €13 million and 2.5% of Consolidated EBITDA per fiscal year and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including, in each case, related costs, taxes and expenses), including in connection with loans, capital market transactions, private placements, acquisitions or divestitures, joint ventures or other investments, which payments (or agreements providing for such payments) in respect of this clause (11)(b) are approved by a majority of the Board of Directors in good faith;

(12) any transactions for which the Issuer or a Restricted Subsidiary delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is (a) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (b) on terms not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate;

(13) any contribution to the equity of the Issuer in exchange for Capital Stock (other than Disqualified Stock and Preferred Stock) or any investments by any Permitted Holders in securities of any Restricted Subsidiary (and the payment of reasonable out-of-pocket expenses of the Permitted Holders in connection therewith);

(14) pledges of Capital Stock of Unrestricted Subsidiaries;

(15) any transaction effected as part of a Qualified Receivables Financing; and

(16) Investments by Affiliates in Indebtedness or Preferred Stock of the Issuer or any of its Subsidiaries, so long as (i) the investment complies with clause (1) of the preceding paragraph, (ii) non Affiliates were also offered the opportunity to invest in such Indebtedness or Preferred Stock on the same or more favorable terms and (iii) in the case of securities, the investment constitutes less than 5% of the issue amount of such securities, and transactions with Affiliates solely in their capacity as holders of Indebtedness or Preferred Stock of the Issuer or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally.

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

(1) within 120 days after the end of the Issuer's fiscal year beginning with the fiscal year ended December 31, 2025, annual reports containing: (i) an operating and financial review of the audited financial statements, including a discussion of the financial condition, results of operations and consolidated EBITDA and a discussion of liquidity and capital resources, material commitments and contingencies and critical accounting policies of the Issuer; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed

fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided that* such *pro forma* financial information will be provided only to the extent available without unreasonable expense or burden, in which case, the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent fiscal year with comparative balance sheet information as at the end of the prior fiscal year and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; and (v) a description of material risk factors and material subsequent events; *provided that* the information described in clauses (iv) and (v) may be provided in the footnotes to the audited financial statements;

(2) within 60 days following the end of each of the first and third fiscal quarters and 75 days following the end of the second fiscal quarter in each fiscal year of the Issuer, beginning with the quarter ending June 30, 2025, quarterly financial statements containing the following information: (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter end year-to-date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided that* such *pro forma* financial information will be provided only to the extent available without unreasonable expense or burden, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; and (iii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, consolidated EBITDA and material changes in liquidity and capital resources of the Issuer; and

(3) promptly after the occurrence of any acquisition, disposition or restructuring that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a change in the chief executive officer or chief financial officer of the Issuer or a change in auditors of the Issuer or any other material event that the Issuer or any Restricted Subsidiary announces publicly, a report containing a description of such event.

In addition, to the extent not satisfied by the foregoing, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

The Issuer shall also make available to Holders and prospective Holders copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant on the Issuer's website and, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and to the extent that the rules and regulations of the Luxembourg Stock Exchange so require, copies of such reports will also be made available on the website of the Luxembourg Stock Exchange.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's Consolidated EBITDA for the Relevant Testing Period tested after giving effect to such transaction in the case of an acquisition and prior to giving effect to such transaction in the case of a disposition.

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. No report need include separate financial statements for the Issuer or any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, would (if it were restricted) constitute a fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided that* such *pro forma* financial information will be provided only to the extent available without unreasonable expense or burden, in which case, the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent fiscal year with comparative balance sheet information as at the end of the prior fiscal year and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; and (v) a description of material risk factors and material subsequent events; *provided that* the information described in clauses (iv) and (v) may be provided in the footnotes to the audited financial statements;

(2) within 60 days following the end of each of the first and third fiscal quarters and 75 days following the end of the second fiscal quarter in each fiscal year of the Issuer, beginning with the quarter ending June 30, 2025, quarterly financial statements containing the following information: (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter end year-to-date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided that* such *pro forma* financial information will be provided only to the extent available without unreasonable expense or burden, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; and (iii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, consolidated EBITDA and material changes in liquidity and capital resources of the Issuer; and

(3) promptly after the occurrence of any acquisition, disposition or restructuring that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a change in the chief executive officer or chief financial officer of the Issuer or a change in auditors of the Issuer or any other material event that the Issuer or any Restricted Subsidiary announces publicly, a report containing a description of such event.

In addition, to the extent not satisfied by the foregoing, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

The Issuer shall also make available to Holders and prospective Holders copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant on the Issuer's website and, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and to the extent that the rules and regulations of the Luxembourg Stock Exchange so require, copies of such reports will also be made available on the website of the Luxembourg Stock Exchange.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's Consolidated EBITDA for the Relevant Testing Period tested after giving effect to such transaction in the case of an acquisition and prior to giving effect to such transaction in the case of a disposition.

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. No report need include separate financial statements for the Issuer or any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, would (if it were restricted) constitute a

Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "*Reports*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

All reports provided pursuant to this "*Reports*" covenant shall be made in the English language.

In the event that (i) the Issuer or any Parent becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer or such Parent, as applicable, is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Notwithstanding the foregoing, the Issuer may comply with any requirement to provide reports or financial statements of the Issuer under this covenant by providing any financial statements or reports of any Parent (including TeamSystem Holdco), in which case references to the Issuer in clauses (1), (2) and (3) of the first paragraph hereof will be deemed to be references to such Parent.

To the extent that material differences exist between the financial condition or results of operations of the Issuer and its Restricted Subsidiaries and any Parent (including TeamSystem Holdco) that is the reporting entity (as the case may be), the annual and quarterly reports shall include a reasonably detailed explanation of such material differences.

If and for so long as the equity securities of the Issuer, any Parent or IPO Entity are listed on Borsa Italiana or any other internationally recognized stock exchange and the Issuer or such Parent or IPO Entity is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on any such internationally recognized stock exchange, for so long as it elects, the Issuer will be entitled to deliver to the Trustee such annual and quarterly reports, information, documents and other reports that the Issuer or such Parent or IPO Entity is, or would be, required to file with such internationally recognized stock exchange. Upon complying with the foregoing sentence, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs in this covenant; provided that if such internationally recognized stock exchange does not require the Issuer or such Parent or IPO Entity to prepare and file quarterly reports with such internationally recognized stock exchange, the Issuer shall additionally provide the reports set forth in paragraph (2) above.

Delivery of any reports, information and documents to the Trustee pursuant to this section will be for informational purposes only, and the Trustee's receipt thereof shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under the Indenture or documents related thereto.

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity or the resulting, surviving or transferee Person (the "**Successor Company**") will be a Person organized and existing under the laws of a Permissible Jurisdiction, the United Kingdom, the United States of America, any State of the United States of America or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

published or available, any publicly available source of similar market data selected by the Board of Directors or a member of Senior Management in good faith)) most nearly equal to the period from the redemption date to (i) , 2026 in the case of the Floating Rate Notes, or (ii) , 2027 in the case of the Fixed Rate Notes; *provided, however*, that if the period from the redemption date to (i) , 2026 in the case of the Floating Rate Notes, or (ii) , 2027 in the case of the Fixed Rate Notes is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to (i) , 2026 in the case of the Floating Rate Notes, or (ii) , 2027 in the case of the Fixed Rate Notes is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Luxembourg, Milan, Italy or London, United Kingdom are authorized or required by law to close; *provided*, *however*, that for any payments to be made to the Holders in euro under the Indenture, such day shall also be a day on which T2 is open for the settlement of payments in euro.

"**Capital Stock**" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**CapG Investors**" means (1) CAPITALG III LP and each of its controlled Affiliates and/or (2) CapitalG Management Company LLC and each fund or investment vehicle to which CapitalG Management Company LLC provides advisory services from time to time, but shall not include (i) the Issuer and its Subsidiaries; (ii) any portfolio company held directly or indirectly by any of the entities in clause (1) or (2) above; or (iii) any member of the Alphabet Group.

"**Capitalized Lease Obligations**" means, in relation to any determination under the Indenture, an obligation that is required to be classified and accounted for as a finance lease or a capitalized lease for financial reporting purposes on the basis of IAS 17 (*Leases*), or as the case may be and subject to (as applicable) the Election Option, as lease liabilities on the balance sheet in accordance with IFRS 16 (*Leases*). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, subject to the Election Option, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**CapG Portfolio Company Group**" means the CapG Investors but including any and all portfolio companies held directly or indirectly by any member of the CapG Investors from time to time.

"**Cash Equivalents**" means:

(1) securities issued or directly and fully guaranteed or insured by the United Kingdom, the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway or, in each case, any agency or instrumentality thereof (*provided that* the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof (a "**Deposit**") or cash in credit balance or deposit which are freely transferable or convertible within 90 days of issue or held by any lender party to the Revolving Credit Facility Agreement or by any bank or trust company (a) whose commercial paper is rated at least "A-3" or the equivalent thereof by S&P or at least "P-3" or the equivalent thereof by Moody's or at least "F-3" or an equivalent thereof by Fitch (or if at the time none of the foregoing is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least “A-3” or the equivalent thereof by S&P, at least “P-3” or the equivalent thereof by Moody’s or at least “F-3” or an equivalent by Fitch or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if each of the three named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by the United Kingdom, the United States, any state of the United States of America, Canada or any province of Canada, a Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody’s or S&P or higher from Fitch (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of “BBB–” or higher from S&P, “Baa3” or higher from Moody’s or “BBB–” or higher from Fitch (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United Kingdom, the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) with respect to a jurisdiction in which (a) the Issuer or a Restricted Subsidiary conducts its business or is organized and (b) it is not commercially practicable to make investments in clauses (1), (2) or (3) of this definition, certificates of deposit, time deposits, recognized time deposits, overnight bank deposits or bankers’ acceptances with any bank, trust company or similar entity, which would rank, in terms of combined capital and surplus and undivided profits or the ratings on its long term debt, among the top five banks in such jurisdiction, in an amount not to exceed cash generated in or reasonably required for operation in such jurisdiction;

(9) interests in any investment company, money market or enhanced high yield fund at least 95% of the assets of which constitute cash or Cash Equivalents of the kinds described in any other paragraph of this definition; and

(10) for purposes of clause (2) of the definition of “Asset Disposition,” the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date.

“**Change of Control**” means the occurrence of any of the following:

(1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, becoming the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders,

unless, in the case of each of clauses (1) and (2) above, at such time one or more Permitted Holders (individually or collectively), directly or indirectly, by voting power, contract or otherwise have the right to elect or designate a majority of members of the Board of Directors of the Issuer; and *provided* that, in each case, a Change of Control shall not be deemed to have occurred if such a Change of Control is also a Specified Change of Control Event; and *provided further* that, notwithstanding any provision of Section 13d-3 or 13d-5 of the Exchange Act, (a) a Person or group shall not be deemed to beneficially own Voting Stock pursuant to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of such Voting Stock in connection with the transactions contemplated by such agreement, (b) if any group includes one or more Permitted Holders, as a result of actions taken or committed or expected to be taken within 24 months of the relevant date of determination, and (d) adjustments of a nature consistent with the adjustments in respect of "*Regulatory LTAs*" and price increases which were included in the calculation of "Pro Forma Adjusted EBITDA" in the offering memorandum relating to previously existing notes of the Issuer dated March 22, 2018.

For purposes of calculating Consolidated EBITDA for the purpose of any basket or ratio under the Indenture, Consolidated EBITDA shall be the Consolidated EBITDA of the Issuer for the Relevant Testing Period, in each case with such *pro forma* adjustments giving effect to such Indebtedness, acquisition or Investment, as applicable, since the start of such Relevant Testing Period and as are consistent with the *pro forma* adjustments set forth in the definition of "*Fixed Charge Coverage Ratio*" and in accordance with the provisions under "*—Financial calculations.*"

"**Consolidated Income Taxes**" means Taxes or other payments, including deferred Taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"**Consolidated Interest Expense**" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings;

(5) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(6) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a Subsidiary of the Issuer, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;

(7) the consolidated interest expense that was capitalized during such period; and

(8) interest actually paid by the Issuer or any Restricted Subsidiary under any guarantee of Indebtedness or other obligation of any other Person;

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) interest with respect to Indebtedness of any Holding Company of the Issuer appearing upon the balance sheet of the Issuer solely by reason of push down accounting under IFRS, (iv) any Additional Amounts with respect to the Notes or other similar tax gross-up on any Indebtedness (including, without limitation, under any Credit Facility), which is included in interest expenses under IFRS, (v) any interest expense related to a guarantee of Indebtedness of a Parent Incurred in compliance with the Indenture to the extent that the interest expense of any proceeds loan related thereto is included in the calculation of Consolidated Interest Expense in an equal or greater amount, (vi) any capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding and (vii) any commissions, discounts, yield and other fees and charges related to factoring receivables or securitization financings in each case on a non-recourse (*pro soluto*) basis. For the avoidance of doubt, the term "Consolidated Interest Expense" shall not include any expenses in connection with the Liabilities to Non-Controlling Shareholders of Subsidiaries.

"**Consolidated Leverage**" means the sum of the aggregate outstanding Indebtedness and the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations and excluding

Indebtedness Incurred pursuant to clause (4)(b) of the second paragraph of the covenant described under "—*Certain covenants—Limitation on Indebtedness*" and any Refinancing Indebtedness in respect thereof).

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries for such period determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer or a Guarantor that holds the equity interests in such Restricted Subsidiary by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes and the Indenture, (c) contractual restrictions in effect on the Issue Date (including pursuant to the Existing Indentures, the Revolving Credit Facility Agreement and the Intercreditor Agreement), and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions permitted under the second paragraph of the covenant described under "*—Certain covenants—Limitation on restrictions on distributions from Restricted Subsidiaries*"), except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary (including by way of a loan) during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or loan to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale, abandonment or other disposition of any asset or disposed or discontinued operations of the Issuer or any Restricted Subsidiaries (including pursuant to any Sale and Leaseback Transaction) which is not sold, abandoned or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of Senior Management);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any investments), acquisition costs, integration and facilities' opening costs and other business optimization costs and expenses and operating improvements, system establishment, software or information technology implementation or development costs (for the avoidance of doubt, such system establishment, software or information technology implementation or development costs shall relate to general operating costs of the business and shall not relate to costs associated with the development or provision of products or services), costs related to closure, consolidation or disruption of facilities, internal costs in respect of strategic initiatives, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events), contract terminations and professional and consulting fees Incurred with any of the foregoing;

(5) any fees and expenses (including any transaction or retention bonus or similar payment) Incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, disposition of assets or securities, issuance or repayment of Indebtedness, issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not

completed) and any charges or non-recurring merger costs Incurred during such period as a result of any such transaction, in each case whether or not successful;

(6) the cumulative effect of a change in law, regulation or accounting principles;

(7) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain covenants— Limitation on Restricted Payments*;"

(8) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(9) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(10) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(11) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(12) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of, or merger or consolidation with, another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(13) any goodwill or other intangible asset amortization charge, impairment charge or write-off or write-down; and

(14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"**Consolidated Net Leverage**" means Consolidated Leverage *less* the amount of cash and Cash Equivalents that is stated on the consolidated balance sheet of the Issuer as of such date in accordance with IFRS.

"**Consolidated Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) the Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA of the Issuer for the Relevant Testing Period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes, amends or reprices, replaces, exchanges or otherwise discharges any Indebtedness subsequent to the commencement of the Relevant Testing Period but prior to or simultaneously with the event for which the calculation of the Consolidated Net Leverage Ratio is made (the "**CNLR Calculation Date**") or has caused any Reserved Indebtedness Amount to be deemed to be Incurred during such period, then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such Incurrence, deemed Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment, amendment, repricing, replacement, exchange or other discharge of Indebtedness, and the use of proceeds therefrom, as if the same had occurred at the beginning of the Relevant Testing Period; *provided*, *however*, that the *pro forma* calculation of Consolidated Net Leverage shall not give effect to (i) any Indebtedness Incurred (or deemed to be Incurred) on the CNLR Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain covenants—Limitation on Indebtedness*" or (ii) the discharge (or deemed discharge) on the CNLR Calculation Date of any Indebtedness to the extent that such discharge (or deemed discharge) results from the proceeds Incurred (or deemed to be Incurred) pursuant to the provisions described in the second paragraph under "*—Certain covenants—Limitation on Indebtedness*" (in each case, other than Indebtedness Incurred pursuant to clauses (1)(b), (1)(c), (1)(d) and (5)(II) thereunder). Whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations shall be as determined in good faith by a responsible accounting or financial officer of the Issuer (and may include the full run rate effect of anticipated synergies, cost savings, operating expense reductions, restructuring charges and expenses), including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken or any actions reasonably expected to be taken, by the Issuer or any Restricted Subsidiary, including, without limitation, in connection with any synergies, cost savings, operating expense reductions, restructuring charges and expenses or in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise; *provided* that the amount of such anticipated synergies, cost savings, operating expense reductions, restructuring charges and expenses shall be limited to those that are expected (in good faith) to be realized as a result of actions taken or committed or expected to be taken within 24 months of the CNLR Calculation Date.

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

(1) acquisitions and Investments (each, a "**Purchase**") that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the Relevant Testing Period or subsequent to such Relevant Testing Period and on or prior to the CNLR Calculation Date, or that are to be made on the CNLR Calculation Date, will be given pro forma effect as if they had occurred on the first day of the Relevant Testing Period; *provided that*, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such Relevant Testing Period will be calculated after giving *pro forma* effect to such Purchase as if such Purchase had occurred on the first day of such Relevant Testing Period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the CNLR Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of the Relevant Testing Period;

(3) any Person that is a Restricted Subsidiary on the CNLR Calculation Date will be deemed to have been a Restricted Subsidiary at all times during the Relevant Testing Period; and

(4) any Person that is not a Restricted Subsidiary on the CNLR Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during the Relevant Testing Period.

When calculating Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, *pro forma* adjustments may be taken into account in the manner set forth above, in the definition of "Fixed Charge Coverage Ratio" and in accordance with the provisions under "*—Financial calculations*."

"**Consolidated Secured Net Leverage Ratio**" means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Senior Secured Indebtedness and Junior Secured Indebtedness and excluding the Reserved Indebtedness Amount that, upon Incurrence, would not constitute Senior Secured Indebtedness or Junior Secured Indebtedness.

"**Consolidated Senior Secured Net Leverage**" means the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries *less* the amount of cash and Cash Equivalents that is stated on the consolidated balance sheet of the Issuer as of such date in accordance with IFRS.

"**Consolidated Senior Secured Net Leverage Ratio**" means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Senior Secured Indebtedness and excluding the Reserved Indebtedness Amount that, upon Incurrence, would not constitute Senior Secured Indebtedness.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease (subject, as applicable, to the Election Option), dividend or other obligation that does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

effect is to be given to any transaction or calculation, the *pro forma* calculations shall be as determined in good faith by a responsible accounting or financial officer of the Issuer (and may include the full run rate effect of anticipated synergies, cost savings, operating expense reductions, restructuring charges and expenses), including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken or any actions reasonably expected to be taken, by the Issuer or any Restricted Subsidiary, including, without limitation, in connection with any synergies, cost savings, operating expense reductions, restructuring charges and expenses or in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise; *provided* that the amount of such anticipated synergies, cost savings, operating expense reductions, restructuring charges and expenses shall be limited to those that are expected (in good faith) to be realized as a result of actions taken or committed or expected to be taken within 24 months of the CNLR Calculation Date.

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

(1) acquisitions and Investments (each, a "**Purchase**") that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the Relevant Testing Period or subsequent to such Relevant Testing Period and on or prior to the CNLR Calculation Date, or that are to be made on the CNLR Calculation Date, will be given pro forma effect as if they had occurred on the first day of the Relevant Testing Period; *provided that*, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such Relevant Testing Period will be calculated after giving *pro forma* effect to such Purchase as if such Purchase had occurred on the first day of such Relevant Testing Period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the CNLR Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of the Relevant Testing Period;

(3) any Person that is a Restricted Subsidiary on the CNLR Calculation Date will be deemed to have been a Restricted Subsidiary at all times during the Relevant Testing Period; and

(4) any Person that is not a Restricted Subsidiary on the CNLR Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during the Relevant Testing Period.

When calculating Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, *pro forma* adjustments may be taken into account in the manner set forth above, in the definition of "Fixed Charge Coverage Ratio" and in accordance with the provisions under "—*Financial calculations*."

"**Consolidated Secured Net Leverage Ratio**" means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Senior Secured Indebtedness and Junior Secured Indebtedness and excluding the Reserved Indebtedness Amount that, upon Incurrence, would not constitute Senior Secured Indebtedness or Junior Secured Indebtedness.

"**Consolidated Senior Secured Net Leverage**" means the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries *less* the amount of cash and Cash Equivalents that is stated on the consolidated balance sheet of the Issuer as of such date in accordance with IFRS.

"**Consolidated Senior Secured Net Leverage Ratio**" means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Senior Secured Indebtedness and excluding the Reserved Indebtedness Amount that, upon Incurrence, would not constitute Senior Secured Indebtedness.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease (subject, as applicable, to the Election Option), dividend or other obligation that does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Facility**" means, with respect to the Issuer or any of its Restricted Subsidiaries, one or more debt facilities, arrangements, instruments, trust deeds or indentures (including the Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, performance guarantees, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement or arrangement to which such Person is a party or beneficiary.

"**Declined Proceeds**" has the meaning specified in "*—Certain covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**Designated Non-Cash Consideration**" means the fair market value (as determined in good faith by the Board of Directors or an Officer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain covenants—Limitation on sales of assets and Subsidiary stock.*"

"**Designated Preference Shares**" means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the first paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments.*"

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or which would be considered an operating lease under IFRS, (iii) prepayments of deposits received from clients or customers in the ordinary course of business, (iv) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business, (v) any asset retirement obligation or (vi) the Liabilities to Non-Controlling Shareholders of Subsidiaries (except to the extent any amounts thereunder become payable as contemplated in clause (ii) of the second succeeding paragraph, but replacing 30 days with 180 days).

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS. Indebtedness represented by loans, notes or other debt instruments shall not be included to the extent funded with the proceeds of Indebtedness which the Issuer or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) (a) Contingent Obligations Incurred in the ordinary course of business, (b) obligations under or in respect of Qualified Receivables Financings, (c) accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due and (d) trade payables with a maturity of less than one year and accrued commissions owed to banks in the ordinary course of business;

(ii) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes due and payable, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes or under any Tax Sharing Agreement.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

"**Initial Public Offering**" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or Restricted Subsidiary or any successor of the Issuer or any Parent or Restricted Subsidiary or the acquisition, purchase, merger or combination of the Issuer or any Parent by or with a publicly traded special purpose acquisition company or target acquisition company or any entity similar to the foregoing (the "**IPO Entity**") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"**Intercreditor Agreement**" means the intercreditor agreement dated February 10, 2021 by and among, *inter alios*, the Issuer, Holdco, the Security Agent and the trustee for the Existing Senior Secured Notes, as amended from time to time, to which the Trustee will accede to on or about the Issue Date.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments.*"

For purposes of "*—Certain covenants—Limitation on Restricted Payments*":

(1) "Investment" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or a member of Senior Management.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction, the United Kingdom, Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB–" or higher from S&P, "Baa3" or higher by Moody's or "*BBB-*" or higher from Fitch or the equivalent of such rating by such rating organization or, if no rating of Moody's, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or above.

"**Investment Grade Status**" shall occur when all of the Notes receive any two of the following:

(1) a rating of "BBB–" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; or

(3) a rating of "BBB–" or higher from Fitch,

or the equivalent of such rating by either such rating organization or, if no rating of Moody's, S&P or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization.

"**IPO Entity**" has the meaning given to it in the definition of Initial Public Offering.

"**IPO Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided*, *however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments.*"

For purposes of "*—Certain covenants—Limitation on Restricted Payments*":

(1) "Investment" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or a member of Senior Management.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction, the United Kingdom, Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB–" or higher from S&P, "Baa3" or higher by Moody's or "*BBB*-" or higher from Fitch or the equivalent of such rating by such rating organization or, if no rating of Moody's, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or above.

"**Investment Grade Status**" shall occur when all of the Notes receive any two of the following:

(1) a rating of "BBB–" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; or

(3) a rating of "BBB–" or higher from Fitch,

or the equivalent of such rating by either such rating organization or, if no rating of Moody's, S&P or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization.

"**IPO Entity**" has the meaning given to it in the definition of Initial Public Offering.

"**IPO Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"**Issue Date**" means on or about , 2025.

"**Issuer**" means TeamSystem S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy, and any and all successors thereto in accordance with the Indenture.

"**Italian Civil Code**" means the Italian civil code (*codice civile*), enacted by Royal Decree No. 262 of March 16, 1942, as subsequently amended and supplemented.

"**Junior Secured Indebtedness**" means Indebtedness secured by all or substantially all of the Collateral other than Senior Secured Indebtedness.

"**Liabilities to Non-Controlling Shareholders of Subsidiaries**" refers to the aggregate amount of the liabilities, as reported in the consolidated financial statements of the Issuer (or any other applicable reporting entity pursuant to "*—Certain covenants—Reports*"), in connection with the put and call option and earn out arrangements under the acquisition agreements relating to the Group's majority-owned Subsidiaries.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"**Luxinva Investors**" means Luxinva S.A., the Abu Dhabi Investment Authority, and any of their Affiliates from time to time, the Government of the Emirate of Abu Dhabi and any existing or newly formed entity that is directly or indirectly owned or controlled by the Government of the Emirate of Abu Dhabi, excluding any portfolio companies in which the Government of the Emirate of Abu Dhabi holds, directly or indirectly, an investment.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Issuer or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding the greater of €25 million and 5% of Consolidated EBITDA in the aggregate outstanding at any time.

"**Management Investors**" means: (i) the current, former or prospective managers, officers, (executive and non-executive) directors, employees and other members of the management of or consultants to any Parent, the Issuer or any of their respective Subsidiaries; (ii) the spouses, family members and/or relatives of any of the foregoing; (iii) any partnership or other entity (including any fiduciary company) and/or the trustee(s) of any trust (1) the beneficial owner(s) of which (directly or indirectly) is/are, (2) acting (directly or indirectly) in the interest of, or (3) for the benefit of, in each case, any of the foregoing; and/or (iv) any of the heirs, executors, successors and/or legal representatives of any of the foregoing, who, in case of each of (i) to (iv), at any date, beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer, any Restricted Subsidiary or any Parent.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Moody's**" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

of the liquidation and the security interests offered by the debtor, be delivered by the debtor to the creditors appearing on the list filed by the debtor itself; and (iii) sets the date of the hearing for the court sanctioning (*omologazione*). Creditors and any third party which has any interests are entitled to object to the court sanctioning (*omologazione*) within ten days before the date fixed for the hearing.

The court issues a decree sanctioning (*omologa*) the *concordato semplificato per la liquidazione del patrimonio* when it finds that (i) the proceeding has been carried out in accordance with relevant laws and regulations and the adversarial principle among the parties (*contraddittorio*); (ii) the proposal is compliant with preemption rights (*cause di prelazione*) and the liquidation plan is feasible, and (iii) the proposal does not cause a prejudice to the creditors compared to what they would receive in case of insolvent liquidation of the entrepreneur (*liquidazione giudiziale* or *liquidazione controllata*, as applicable), and in any case ensures that each creditor receives a certain recovery. With the sanctioning decree, the court also appoints a liquidator.

The parties may file an objection (*reclamo*) to the abovementioned decree within 30 days after having been notified of the same.

Pursuant to article 25-*septies* of the Italian Civil Code, the liquidation plan may also include an offer by a pre-identified third party to purchase the business or one or more branches of the business or specific assets, even before sanctioning (*omologazione*): in this case, the liquidator or the auxiliary, as applicable, having verified the absence of better solutions on the market, may implement the offer.

Out-of-court reorganization plans (piani attestati di risanamento) pursuant to article 56 of the Italian Insolvency Code

Out-of-court debt restructuring agreements are based on restructuring plans (*piani attestati di risanamento*) addressed to the creditors and prepared by debtors who are either insolvent or in a state of crisis, in order to restructure their indebtedness and to ensure the recovery of their balance sheet, economic and financial condition. An independent expert appointed directly by the debtor included in the list of the insolvency practitioners (*gestori della crisi e insolvenza delle imprese*) and enrolled in the Register of Auditors and Accounting Experts (*Registro dei Revisori Contabili*) must verify (*attestare*) the truthfulness of the business data (*veridicità dei dati aziendali*) provided by the company and the economic feasibility (*fattibilità economica*) of the restructuring plan. There is no need to obtain court approval to appoint the independent expert. The independent expert must possess certain specific independence requisites and meet the requirements set forth by article 2399 of the Italian Civil Code and may be subject to liability in case of misrepresentation or false certification.

Out-of-court reorganization plans and the relevant debt restructuring arrangements are not under any form of judicial control or approval and, therefore, no application is required to be filed with the court or other supervising authority. Also, out-of-court debt restructuring arrangements are not required to be approved and consented to by a specific majority of all outstanding claims.

The terms and conditions of these plans are freely negotiable, provided they are finalized at restructuring the debtor's indebtedness and rebalancing its capital structure. However, the possibility to adopt such tools to liquidate the debtor is disputed, as it is argued they shall provide for the restructuring of the debtor's indebtedness and the rebalancing its financial condition on a going concern basis. Unlike judicial restructuring tools, Out-of-court reorganization plans do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Insolvency Code provides that, should these plans fail, and the debtor be declared insolvent, the payments and/or acts carried out, and/or security interest granted on the debtor's assets for the implementation of the reorganization plan, subject to certain conditions (a) are not subject to any claw-back action (*azione revocatoria*), including the claw-back action provided for pursuant to article 2901 of the Italian Civil Code, as provided for pursuant to article 166, paragraph 3, letter d) of the Italian Insolvency Code; and (b) are exempted from the potential application of certain criminal sanctions. Neither ratification by the court nor publication in the Companies' Register are needed (although publication in the Companies' Register of the plan, the report by the independent expert and the arrangements is possible upon a debtor's request and would allow to certain tax benefits), and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of judicial restructuring tools. Since the Out-of-court reorganization plan (or the agreements entered into to implement it) is not subject to any court approval or judicial review, it cannot be excluded that the abovementioned exemption effects will be challenged in the event of subsequent judicial liquidation, if the competent court were to assess that the reorganization plan was not feasible at the time it was certified by the independent expert. Furthermore, exemptions above do not apply in case of willful misconduct and gross negligence of the independent expert or the debtor, when the relevant creditor was aware thereof at the time of the transaction.

The Italian Insolvency Code sets forth specific rules regarding out-of-court reorganization plans and the relevant restructuring arrangements entered into with creditors, which must be followed for the plans and agreements to grant protection against claw-back actions and potential civil and criminal responsibilities. More in detail, Out-of-court debt restructuring plans pursuant to article 56 of the Italian Insolvency Code must be supported by adequate documentation representing the financial and commercial situation of the debtor and which also needs to indicate, among others, the causes of the crisis and the new resources which will be made available to the debtor and the industrial plan, with analytic indication of envisaged profits and losses, financial budget and relevant funding sources, with specific regard to those necessary to ensure compliance with labour safety rules and environment protection. Moreover, they must be suitable for the purpose of assuring the restructuring of the indebtedness of the debtor and rebalancing its financial position and, in case of its failure and subsequent challenge (*impugnazione*) before an Italian court, it must not be deemed as being unreasonable.

Certain common rules applicable to judicial restructuring tools

a) Unitary proceedings and protective and interim measures

Certain common rules apply to restructuring tools to be commenced by filing a petition with the competent court pursuant to article 40 and ff. of the Italian Insolvency Code. Such restructuring tools (better described below) include mainly debt restructuring agreements (*accordi di ristrutturazione dei debiti*), restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione* or PRO) and composition with creditors (*concordato preventivo*).

With respect to the above restructuring tools (hereinafter "**Judicial Restructuring Tools**"), and after the filing of the relevant petition - together with the documentation listed in article 39 of the Italian Insolvency Code, or pursuant to article 44 of the Italian Insolvency Code (see below) - the unitary proceedings set forth in article 41 et seq. of the Italian Insolvency Code (*procedimento unitario per l'accesso agli strumenti di regolazione della crisi e dell'insolvenza e alla liquidazione giudiziale*) is applicable. The petition is subject to publication in the Company Register within the following day after the relevant filing and shall be notified also to the Public Prosecutor. The relevant steps of the unitary proceedings may vary depending on the different judicial restructuring tool but they entail, *de minimis*, the involvement of the court to sanction the restructuring tool sanctioning by way of a specific judgment (*sentenza di omologa*).

Judicial Restructuring Tools may also feature the application of Protective Measures (*misure protettive*) and Interim Measures (*misure cautelari*), with the content described above, which may be requested with the petition (including pre-petition pursuant to article 44 of the Italian Insolvency Code) or at a later stage, and also during the negotiations preceding the filing of a debt restructuring agreement, subject to certain specific conditions.

Protective Measures must be confirmed by the relevant court. However, starting from the date of publication of the relevant petition in the Companies' Register, there is a general stay under which it is prohibited for the generality of creditors to commence or continue the enforcement and the conservative actions (or, in any event, to take any initiatives prohibited under the relevant Measures), together with other protective effects including suspension of statute of limitation period and forfeitures' effects and a stay of any petition for the opening of judicial liquidation (*liquidazione giudiziale*) or declaration of insolvency.

Other specific effects of Protective Measures may vary depending on the specific Judicial Restructuring Tool selected, according to articles 46, 64, 64-bis, 89 e 94-bis of the Italian Insolvency Code. Such effects may include neutralization of ipso facto clauses in executory contracts and prohibition to discontinue or modify key executory contracts (*contratti essenziali*) with detriment of the entrepreneur.

Upon request of the entrepreneur the competent court may also grant Interim Measures (*misure cautelari*) aimed at ensuring interim effects consistent with the implementation of the relevant Judicial Restructuring Tool.

Protective Measures and Interim Measures are ordinarily granted for a maximum period of four (4) months, which may be extended by the court, upon request of the debtor or the creditors, prior obtainment of the judicial commissioner report (if any) to a maximum period of twelve (12) months, also taking into account any Protective or Interim Measures granted in the context of *composizione negoziata* (see above *Composizione negoziata per la soluzione della crisi d'impresa pursuant to the Italian Insolvency Code*).

b) Preliminary petition pursuant to article 44 of the Italian Insolvency Code

The petition to access a Judicial Restructuring Tool may be preceded by the filing of a preliminary and simplified petition pursuant to article 44 of the Italian Insolvency Code. The debtor company may file such petition, reserving

EXCHANGE RATES	Average 2025	Average 2024	%	31 Mar 2025	31 Dec 2024	%
DKK	7.46	7.46	0.0%	7.46	7.46	0.0%
GBP	0.84	0.86	-2.3%	0.84	0.83	1.2%
LEK	98.91	103.79	-4.7%	98.91	98.07	0.9%
TRY	41.04	34.95		41.04	36.74	11.7%

Hyperinflationary economies
The Group has subsidiaries in Turkey. Following an extended period of monitoring inflation rates in Turkey, a consensus has been reached on the existence of conditions indicative of hyperinflation. As a result, the accounting standard IAS 29 "Financial reporting in hyperinflationary economies" has been applied to translate the accounts of the Turkish subsidiaries. In particular, in accordance with this standard, the restatement of the financial statements as a whole requires the application of specific procedures whereby, with reference to the profit or loss, all items are restated by applying the change in the general price level that occurred between the date on which the income and expenses were initially recognised in the financial statements and the balance sheet date. The Group used the consumer price index ("CPI"), considered the most reliable indicator of changes in general price levels, and normally closest to the concept of the general price index required by IAS 29. The Turkish CPI increased by 10.1% during the first quarter 2025.

With regard to the statement of financial position, monetary items have not been restated as they were already stated at the current measuring unit at the end of the reporting period; instead, non-monetary assets and liabilities have been revalued from the date on which the assets and liabilities were initially recognised to the balance sheet date. The contra-entry for the above-mentioned revaluations was recorded in a dedicated line in the income statement called 'Monetary Gain (Loss)'.

For the purposes of translating both the profit or loss and statement of financial position as restated above into Euro, the spot exchange rate at the end of the reporting period was applied for both profit or loss and statement of financial position balances (instead of the average exchange rate for the period for the latter).

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►SEGMENT INFORMATION
In accordance with IFRS 8, an operating segment is a component of an entity:
a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
c) for which separate financial information is available.

Within TeamSystem Group, the following operating segments have been identified, characterised by the autonomous nature of their products/services and production processes that have the aforementioned features:
•**Enterprise Business Unit:** products/services for SMEs, mainly consisting of core products (ERP) and accessory products and vertical solutions;
•**Professional Business Unit:** products/services for professionals and labour consultants (accounting, tax, payroll);
•**Market Specific Solutions Business Unit:** vertical solutions aimed at highly specialised markets;
•**Micro Business Unit:** mainly cloud-based solutions for small and micro enterprises;
•**Digital Finance Business Unit:** solutions related to financial digitalisation;
•**Cross-Segment Products** (previously called **HR Business Unit):** modular HR system covering all HR management and business process outsourcing requirements and Trust solution products.

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►USE OF ESTIMATES

The preparation of consolidated financial statements requires the Group to apply accounting policies and methods, which, in certain circumstances, depend on difficult and subjective assessments that may be based on past experience and on assumptions that, from time to time, are considered reasonable and realistic based on relevant circumstances. The application of these estimates and assumptions affects the amounts presented in the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss and consolidated statement of cash flows, as well as the disclosures provided. The actual amounts of the financial statement components, for which estimates and assumptions have been used, may differ from those reported, due to the uncertainty of assumptions and the conditions on which estimates are based.

Set out below is a listing of consolidated financial statement components that, more than others, require greater subjectivity, on the part of the Group, in the application of estimates and, for which, a change in the conditions of underlying assumptions used may give rise to a significant risk in relation to the determination of adjustments to the carrying amounts of current assets and liabilities that may have a significant impact on the financial statements of the consolidated companies:

- Business combinations (IFRS 3) and measurement of intangible assets;
- Goodwill and other intangible assets;
- Allowance for bad debts;
- Provisions for risks and charges;
- Liability to non-controlling shareholders of subsidiaries.

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► <u>SEASONALITY</u>
Due to the type of business, Group operations are not subject to seasonality.
However, from a cash perspective, our working capital is generally cash generative in the first/second quarter. This is due to the timing of the collection of trade receivables in our Enterprise and Professional business units and, partially, in our Market Specific Solutions business unit. Enterprise and Professional and, to a lesser extent, Market Specific Solutions' customer invoicing is concentrated at the beginning of the year, when most of the annual fees related to assistance and maintenance contracts and subscription contracts are invoiced; most of the related trade receivables are then collected in the first/second quarter.

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IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2025

The following IFRS accounting standards, amendments and interpretations have been applied for the first time by the Group as of 1 January 2025:

- <u>*Amendments to IAS 21* The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability (issued on 15 August 2023)*</u>

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

►BASIS OF CONSOLIDATION

The financial statements used for the consolidation are the financial statements of the individual entities, as approved by the respective administrative bodies. These financial statements are reclassified and adjusted to comply with IFRS and the accounting policies adopted by the Parent Company.

When preparing the consolidated financial statements, the assets and liabilities, income and costs and components of other comprehensive income of the consolidated entities are consolidated line-by-line. Receivables and payables, income and charges and gains and losses originating from transactions between and among consolidated entities are eliminated. The carrying amount of consolidated equity investments is eliminated against the corresponding portion of equity attributable to the Group (or to non-controlling interest holders). Associated companies are carried under the equity method.

Business combinations

Starting from 1 January 2020, the Group applies the new provisions issued by the IASB concerning the definition of business for business combinations and acquisitions. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contributes to the ability to create outputs.

Acquired subsidiaries are accounted for in accordance with the acquisition method as provided for by IFRS 3. The cost of the acquisition is calculated as the sum of the fair values at the acquisition date of the assets transferred by the acquirer, the liabilities incurred or assumed, and equity interest issued by the Group in exchange for control of the acquiree.

All other costs associated with a transaction are expensed.

Identifiable assets, liabilities and contingent liabilities of the businesses acquired, which meet the conditions for recognition under IFRS 3, are measured at their fair value at the acquisition date, except for non-current assets (or disposal groups) classified as held for sale in accordance with IFRS 5 and which are recorded and measured in accordance with applicable accounting standards.

Goodwill is measured as the difference between the aggregate of the fair value at the acquisition date of the consideration transferred, the amount of any non-controlling interest and the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date. If the value at the acquisition date of the assets acquired and the liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree, the surplus is recognised immediately in the income statement as income arising from the completed transaction.

If it is only possible to make a preliminary determination of the fair value of the assets and liabilities at the acquisition date, the business combination shall be recognised using these preliminary amounts. Any adjustments arising from the final determination of the foregoing shall be recognised within twelve months of the acquisition and the related comparatives shall be restated.

Non-controlling interests at the acquisition date may be measured at fair value or at the non-controlling interest's proportionate share of net assets of the acquiree. The option is available on a transaction by transaction basis.

At the same time as the acquisition of majority/controlling stakes in an investee, TeamSystem Group normally enters put and call option agreements for the residual stake held by the acquiree's non-controlling interest holders. For those cases where part of the acquisition takes place through the execution of a binding option agreement, with the simultaneous presence of put and call clauses, the investee is consolidated, since the substance of the binding option agreement is that of the payment of deferred consideration for a part of the investee's capital, as evidenced by a series of transactions completed in the past. Accordingly, the estimated value of the exercise price of the put / call is included in the cost of acquisition and contributes to the overall determination of goodwill. This accounting method applies only where the Group has acquired majority control of the voting rights of the companies acquired. Regarding the recognition of goodwill related to these options, TeamSystem Group recognises as a financial liability the payable (Liabilities to non-controlling shareholders of subsidiaries) related to the estimated actual consideration for the exercise of the options. In accordance with this principle, subsequent changes in the fair value of the payable, due to amendments made to the initial assessment of the exercise consideration, are recognised in the consolidated income statement, as is the case for the notional charges deriving from the gradual decrease of the effect of discounting. In the absence of clear accounting rules for the recognition of non-controlling interests where put and call agreements exist, as well as on account of ongoing issues being debated by IFRIC and IASB, the Group has decided to use the accounting method described above that complies with the regulatory framework and current doctrine.

Any acquisitions of non-controlling interests subsequent to control having been achieved are accounted for as transactions between shareholders/quotaholders, with recognition of any difference between the amount paid and the carrying value of the non-controlling interest recorded in equity.

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►TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS - HYPERINFLATIONARY ECONOMIES

Assets and liabilities of consolidated foreign entities that are denominated in foreign currencies other than the euro are translated at the rates of exchange prevailing at the reporting date. Income and costs are translated at the average rates of exchange for the period (except for balances related to entities subject to IAS 29 "Financial Reporting in Hyperinflationary Economies," for which the year-end rate is applied even for non-monetary balances). Any resulting translation differences are recognised in the foreign currency translation reserve included in equity.

The foreign companies included in the scope of consolidation at 31 December 2024 that use a currency other than the euro are the following:

- Reviso Cloud Accounting Limited, which uses the British pound (GBP) as their functional currency;
- Reviso International ApS, MailUp Nordics A/S and Globase International A.p.S. using Danish Kroner (DKK) as their functional currency;
- TeamSystem Tirana uses the Lek (LEK) as its functional currency;
- Mikro Group companies which use the Turkish lira (TRY) as their functional currency.

The exchange rates applied for the translation are set out in the following table:

EXCHANGE RATES	Average 2024	Average 2023	%	31 Dec 2024	31 Dec 2023	%
DKK	7.46	7.45	0.1%	7.46	7.45	0.1%
GBP	0.85	0.87	-2.3%	0.83	0.87	-4.6%
LEK	100.71	108.78	-7.4%	98.07	103.79	-5.5%
TRY	N.a.	N.a.		36.74	32.65	12.5%

Hyperinflationary economies

The Group has subsidiaries in Turkey. Following an extended period of monitoring inflation rates in Turkey, a consensus has been reached on the existence of conditions indicative of hyperinflation. As a result, the accounting standard IAS 29 "Financial reporting in hyperinflationary economies" has been applied to translate the accounts of the Turkish subsidiaries. In particular, in accordance with this standard, the restatement of the financial statements as a whole requires the application of specific procedures whereby, with reference to the profit or loss, all items are restated by applying the change in the general price level that occurred between the date on which the income and expenses were initially recognised in the financial statements, and the date of the financial statements. The Group used the Consumer Price Index ("CPI"), considered the most reliable indicator of changes in the general price levels and typically the closest to the general price index concept required by IAS 29. The Turkish CPI increased by approximately 44% in 2024.

With regard to the statement of financial position, monetary items have not been restated as they were already stated at the current measuring unit at the end of the reporting period; instead, non-monetary assets and liabilities have been revalued from the date on which the assets and liabilities were initially recognised, to the date of the same financial statements. The balancing entry of the above-mentioned revaluations has been recorded in a specific line of the income statement called "Net income (expenses) from hyperinflation."

For the purposes of translating both the profit or loss and statement of financial position as restated above into euro, the spot exchange rate at the end of the reporting period was applied for both profit or loss and statement of financial position balances (instead of the average exchange rate for the period for the latter).

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►ACCOUNTING POLICIES

Set out below are the accounting policies adopted by the Group for the measurement of the components of the financial statements for the year ended 31 December 2024.

Research and development expenses

In accordance with IAS 38, research expenses are charged to income as incurred.

Development costs incurred in relation to a determined project are capitalised only when the Group can demonstrate, by means of appropriate analysis, the technical feasibility of completing the intangible asset so that it will be available for use or sale, the intention to complete the intangible asset and use or sell it, how the intangible asset will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

After initial recognition, development costs are carried at cost, less any accumulated amortisation and any accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised with reference to the period for which it is envisaged that the associated project will generate revenues for TeamSystem Group. During the period in which an asset is no longer in use, it is assessed annually to ascertain if there has been any impairment.

Other development expenses that do not meet the above requirements are expensed as incurred. Development costs that have previously been expensed are not accounted for as an asset in subsequent periods.

Capitalised development costs are amortised (from the start of production or marketing of the product) on a straight-line basis over their residual useful life (estimated to be between 3 and 5 years).

Customer relationship

The Customer relationship represents all contractual (supply contracts, service delivery contracts, etc.) and non-contractual relationships maintained with customers and has been assessed using the Multi-Period Excess Earnings Method (“MPEEM”). The MPEEM is based on the principle that, since the current income of the target company must be fully allocated to the assets identified during the purchase price allocation, the income attributable to the strategic (or primary) asset can be derived as a residual amount by deducting from the total income the normal return on all other assets (tangible, intangible, and working capital). The MPEEM follows a stratification approach, viewing the company's income as the sum of the normal returns generated by each asset. The most critical step in applying the MPEEM is identifying the Contributory Assets that support the primary strategic asset in generating profit. The most common Contributory Assets include net working capital, property, plant, and equipment (PPE), other separately identifiable intangible assets (excluding goodwill) and intangible assets that are inseparable from goodwill but still qualify as Contributory Assets (e.g. workforce).
The key parameters considered by the Group in applying the MPEEM include the revenue growth rate (“g rate”), churn rate, EBITDA margin, and the discount rate (WACC + spread).
Amortisation is recognised over the useful life of the asset, which is estimated to be between a maximum of thirteen years and a minimum of eight years.

Proprietary software

Proprietary software, which arose on recognition of the acquisition of TeamSystem Group (that took place in February 2021), and subsequent acquisitions completed by Group companies, have been measured in accordance with the Relief-from-Royalties (“RFR”) method. The RFR method involves discounting the royalty cash flows that the market would be willing to pay to the software owner in exchange for a licence to use it. In the absence of specific contractual references, these cash flows are estimated by applying a royalty rate to the revenue that the software-owning company expects to generate over a reasonable period. The royalty rate is derived from the analysis of market transactions involving comparable assets. When applying this method, it is important to disregard any synergies that a third party might assume. The value of the asset is determined as the sum of the present values of the income flows calculated as described above. The key parameters considered by the Group in applying the RFR include revenue, the royalty rate, churn rate, useful life, and the discount rate (WACC + spread).

These intangible software assets are amortised over their useful lives, which are estimated to be five years.
Internally developed software intended for internal use is capitalised at cost of production and amortised over its estimated useful life, which is 5 years.

Licensed third-party software for internal use
Licensed third-party software for internal use is capitalised at acquisition cost and amortised over its estimated remaining useful life of five years.

Trademarks
Trademarks identified during the accounting for the acquisition of the TeamSystem Group (which took place in February 2021) and subsequent acquisitions by Group companies have been valued using the Relief-from-Royalty method (RFR) as previously described. These trademarks are amortised over their estimated remaining useful lives, which range from ten to twenty years.

Goodwill
Goodwill is initially measured at cost, being the excess of the consideration transferred in a business combination over the fair value of the assets acquired and liabilities assumed.
In accordance with IFRS, goodwill is not amortised but allocated to the appropriate Cash Generating Units (CGUs) or groups of CGUs. It is tested for impairment annually, or more frequently if events or changes in circumstances indicate a possible impairment, in accordance with IAS 36 - Impairment of Assets.

Subsequent costs
Subsequent expenditure on intangible assets is capitalised if it increases the future economic benefits of the specific asset.

Amortisation
Amortisation is charged to the income statement on a systematic and consistent basis over the estimated useful lives of the assets. The exception is intangible assets with an indefinite useful life (which, in this case, consists entirely of goodwill), which are not amortised but tested for impairment on a systematic basis to ensure that no impairment loss has been incurred. Other intangible assets are amortised from the date they become available for use.

The estimated useful lives of the main categories of assets are shown in the table below:

Goodwill	Indefinite useful life
Trademarks	10 - 20 years
Customer relationship	8 - 13 years
Proprietary software	5 years
Development costs	3 - 5 years

Tangible fixed assets
Tangible fixed assets, consisting mainly of land, buildings, electronic machines, furniture and fittings and general and specific plant are stated at purchase cost, net of accumulated depreciation and impairment losses. Subsequent costs (such as maintenance, repairs and replacement costs) are capitalised by increasing the carrying amount of the asset - or recognised as a separate asset - only when it is probable that future economic benefits associated with the asset will be realised and the cost of the asset can be reliably measured. Repairs and maintenance costs (or replacement costs that do not meet the above criteria) are expensed in the year in which they are incurred. Tangible fixed assets are systematically depreciated each year based on economic-technical rates determined in relation to the asset's residual useful life.

the income flows calculated as described above. The key parameters considered by the Group in applying the RFR include revenue, the royalty rate, churn rate, useful life, and the discount rate (WACC + spread).

These intangible software assets are amortised over their useful lives, which are estimated to be five years.
Internally developed software intended for internal use is capitalised at cost of production and amortised over its estimated useful life, which is 5 years.

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Development costs	3 - 5 years

Tangible fixed assets
Tangible fixed assets, consisting mainly of land, buildings, electronic machines, furniture and fittings and general and specific plant are stated at purchase cost, net of accumulated depreciation and impairment losses. Subsequent costs (such as maintenance, repairs and replacement costs) are capitalised by increasing the carrying amount of the asset - or recognised as a separate asset - only when it is probable that future economic benefits associated with the asset will be realised and the cost of the asset can be reliably measured. Repairs and maintenance costs (or replacement costs that do not meet the above criteria) are expensed in the year in which they are incurred. Tangible fixed assets are systematically depreciated each year based on economic-technical rates determined in relation to the asset's residual useful life.

If, regardless of the depreciation already recognised, there is an indication of permanent impairment, the asset is written down to its recoverable amount. Gains and losses arising from the disposal of assets are determined by comparing the sale proceeds with the net carrying amount of the asset. The resulting amount is recognised in the consolidated profit or loss for the relevant period.

Borrowing costs incurred for investments in assets that require a substantial period of time to be ready for their intended use (qualifying assets, as defined by IAS 23 – Borrowing Costs) are capitalised and amortised over the useful life of the asset category to which they relate. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

The Group assesses whether a contract is or contains a lease at the inception date of the agreement. Under IFRS 16, for all lease contracts (except for short-term leases and low-value assets), the Group:

a) recognises a right-of-use asset and a lease liability in the consolidated statement of financial position, initially measured at the present value of future lease payments. The right-of-use asset is presented separately under "Right-of-use assets", while the lease liability is recognised under "Financial liabilities with banks and other lenders."
b) recognises depreciation of the right-of-use asset and interest expense on the lease liability in the consolidated statement of profit or loss.
c) recognises the total amount of principal and interest paid as part of cash flows from financing activities in the consolidated statement of cash flows.

The lease liability is initially recognised at the present value of future lease payments as of the contract commencement date, discounted at the implicit interest rate of the lease. If the implicit rate is not readily determinable, the lessee's incremental borrowing rate is used.

The incremental borrowing rate is defined as the interest rate at which the lessee would obtain financing under similar terms and collateral to acquire an asset of comparable value to the right-of-use asset in a similar economic environment. In particular, to estimate the incremental borrowing rate, the Group has considered the interest rate of government bonds with comparable duration to the lease terms, as well as the credit spread derived from the Group's financing arrangements and issued Notes.

The lease payments included in the lease liability calculation comprise:

- The fixed component of lease payments (including "in-substance" fixed payments), net of any lease incentives received.
- The amount of residual value guarantees the lessee expects to pay.
- The exercise price of a purchase option, included only if the exercise of such an option is deemed reasonably certain.
- Termination penalties, if the lease term includes an early termination option and the exercise of such an option is deemed reasonably certain.

After initial recognition, the lease liability is measured using the amortised cost method. The carrying amount of the liability increases due to the recognition of interest expense (using the effective interest rate method), and decreases as lease payments are made under the lease contract.
The Group remeasures its lease liability (and recognises an adjustment to the right-of-use asset) if:

- there is a change in the lease term or a reassessment of the likelihood of exercising a purchase, extension, or termination option, in which case, the lease liability is remeasured by discounting the revised lease payments using the updated discount rate.
- a lease modification occurs that does not meet the criteria for recognition as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using the updated discount rate.

A right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the lease commencement date, and any initial direct costs incurred. A right-of-use asset is recognised net of accumulated depreciation and any impairment losses.
The Group recognises a provision if it is obliged to cover costs related to dismantling and removing the leased asset, restoring the site where the leased asset is located, or returning the leased asset to the condition required by the terms and conditions of the lease agreement. These costs are included as part of the cost of the right-of-use asset.
Right-of-use assets are amortised on a systematic basis over the shorter of the lease term and the remaining useful life of the underlying asset. If the lease transfers ownership of the asset or if the cost of the right-of-use asset reflects

With regard to trade receivables and contract assets arising from contracts with customers, the Group applies the simplified approach set out in IFRS 9 to measure the allowance for doubtful accounts as an expected credit loss over the lifetime of the receivable. The Group determines the amount of expected credit losses for these items using a provision matrix, estimated based on historical credit loss experience in relation to overdue receivables, adjusted to reflect current conditions and forecasts of future economic conditions. Consequently, the credit risk profile of these assets is presented according to the ageing bands based on the provision matrix.

4) Accounting for hedging transactions.
All derivative instruments are measured at fair value, both at initial recognition and at the end of each subsequent reporting period.
If the fair value measurement is positive, the derivative financial instrument is recognised as a financial asset in the statement of financial position. Conversely, if the fair value measurement is negative, the derivative is classified as a financial liability in the statement of financial position.
As a general rule, changes in the fair value of derivatives are recognised in profit or loss. However, for hedging instruments, it is possible to recognise both the hedged item and the hedging instrument directly in the appropriate other comprehensive income reserve ("hedge accounting").
Under IFRS 9, a hedging relationship qualifies for hedge accounting only if all the following criteria are met:
a) the hedging relationship consists only of hedging instruments and hedged items that meet the requirements of IFRS 9;
b) at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
c) the hedging relationship meets all the hedge effectiveness requirements of IFRS 9.

The Group uses derivative financial instruments for economic hedging purposes in order to manage its exposure to risk arising from changes in interest rates. It should be noted that, although these derivative financial instruments have been entered into solely for hedging purposes and could potentially qualify as cash flow hedges, the Group has opted not to apply the hedge accounting treatment allowed under IFRS 9. Consequently, changes in the fair value of these derivative financial instruments are recognised in profit or loss.

Trade receivables
Receivables are recorded at the transaction price as set out in IFRS 15, net of an allowance recognised to take account of their expected realisable value, and that takes account of forecast expected credit losses as required by IFRS 9.

Cash and bank balances
Cash and cash equivalents include cash on hand and bank and postal deposits.

Interest bearing financial liabilities
Interest bearing financial liabilities are initially recognised at fair value, net of any transaction costs. Subsequent to initial recognition, interest bearing financial liabilities are measured at amortised cost.

Trade payables and other liabilities
Trade payables and other liabilities are measured at cost, which represents their settlement value.

Foreign currency transactions
The functional and presentation currency of the Group companies is the euro. As required by IAS 21, items originally denominated in foreign currencies are translated at the spot exchange rate at the reporting date. Foreign exchange differences realised upon the collection of receivables and the payment of liabilities in foreign currencies are recognised in the consolidated statement of profit or loss.

Employee benefit plans
1. Defined contribution plans
A defined contribution plan is a pension scheme under which the Group makes fixed contributions to a separate entity. The Group has no legal or other obligation to pay additional contributions should the fund be insufficient to provide employees with the benefits relating to their period of service. Employee contribution obligations for pensions and other benefits are recognised in the income statement when incurred.

2. Defined benefit plans

Net obligations related to defined benefit plans consist mainly of employee termination indemnities and are calculated by estimating, with actuarial techniques, the amount of the future benefit accrued to employees in the current and prior financial years. The benefit thus determined is discounted and recognised net of the fair value of any related assets. The computation is performed by an independent actuary using the projected unit credit method. Actuarial gains and losses are recognised in the statement of comprehensive income in the year in which they arise.

Following the introduction of new legislation on supplementary pensions, as per Legislative Decree 252/2005, introduced by the 2007 Finance Act, the possibility has arisen to transfer accruing severance indemnities to supplementary pension funds. Consequently, in the actuarial valuation of the Provision for staff leaving indemnity for employee termination indemnities at 31 December 2008, considered the effects deriving from the new legislation. In compliance with IAS/IFRS, only the liability relating to the accrued portion of severance indemnities retained by the company has been recognised in the financial statements, as the amounts accruing are paid over to a separate entity (supplementary pension fund or the state fund INPS).

Provisions for risks and charges

Where the Group has an obligation, legal or otherwise, resulting from a prior event and it is probable that this will lead to the loss of economic benefits to meet the obligation, an appropriate provision for risks and charges is recorded. No provision is made for future operating losses. Provisions are measured at the present value of Management's best estimate of the cost of satisfying the obligation existing at the reporting date. With respect to legal cases, the amount of the provision is determined based on estimates made by the relevant consolidated company, together with its legal advisers, in order to determine the probability, the timing and the amounts involved.

Revenue

IFRS 15 establishes the criteria for recognising revenue arising from contracts with customers, except for those contracts that fall within the scope of the standards relating to leases, insurance contracts, and financial instruments. The standard establishes a comprehensive framework for identifying the timing and amount of revenue to be recognised in the financial statements. According to IFRS 15, an entity shall recognise revenue arising from contracts with customers and the related accounting effects through the following steps:

a) identify the contract(s) with a customer;
b) identify the performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the performance obligations in the contract;
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Therefore, the amount the Group recognises as revenue should reflect the consideration to which it is entitled in exchange for the goods transferred to the customer and/or services rendered. This amount should be recognised when the underlying contractual obligations have been satisfied, which is when the Group has transferred control of the promised goods or service to the customer, in the following ways:
a) over time;
b) at a point in time.

The following are the main types of products and services of our six main business units (Enterprise, Professional, Market Specific Solutions, Micro, Digital Finance and CSP) categorised by:

1. **Recurring Revenue**
2. **Software licences and professional services**

•Recurring Revenue

The main sources of recurring revenue are:

Support and maintenance / Subscription: includes revenue from support and maintenance fees and subscription fees. Maintenance and support contracts, which include direct support, technical support and software updates, generally cover a twelve-month period and related revenue is recognised on a straight-line basis over the contract term, with recognition of the revenue component pertaining to future years as deferred income.
Subscriptions involve the payment of a periodic (usually annual) fee to use a particular software product and benefit from customer support, technical assistance, maintenance and software updates. The related revenues are recognised on a straight-line basis over the life of the contract.
This revenue category also includes support and maintenance contracts with VARs (Value Added Resellers). These agreements generally cover a three-year period that grants VARs the right to download an unlimited number of

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

As of the date of this document, the European Union's delegated bodies had not yet concluded the endorsement process required for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB issued the document **Amendments to the Classification and Measurement of of Financial Instruments–Amendments to IFRS 9 and IFRS 7**. The document clarifies certain issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary based on the achievement of ESG targets (e.g. green bonds). In particular, the amendments aim to:
    - Clarify the classification of financial assets with variable returns linked to environmental, social, and governance (ESG) objectives and the criteria to be used for assessing the SPPI test.
    - Determine that the settlement date of liabilities processed through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to apply an accounting policy that allows derecognition of a financial liability before transferring cash at the settlement date, provided specific conditions are met.

  Additionally, through these amendments, the IASB has introduced further disclosure requirements, particularly regarding investments in equity instruments designated at FVOCI.
  The amendments will be applicable for financial statements for annual periods beginning on or after 1 January 2026. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.
- On 18 July 2024, the IASB issued **Annual Improvements Volume 11**. This document includes clarifications, simplifications, corrections, and amendments aimed at improving the consistency of various IFRS Accounting Standards. The amended standards include:
    - IFRS 1 – First-time Adoption of International Financial Reporting Standards;
    - IFRS 7 – Financial Instruments: Disclosures and related implementation guidance of IFRS 7;
    - IFRS 9 – Financial Instruments;
    - IFRS 10 – Consolidated Financial Statements; and
    - IAS 7 – Statement of Cash Flows.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.

- On 18 December 2024, the IASB issued **"Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7"**. The amendment aims to support entities in reporting the financial effects of electricity purchase agreements for power generated from renewable sources, which are often structured as Power Purchase Agreements (PPAs). Under these contracts, the quantity of electricity generated and purchased may vary due to uncontrollable factors such as weather conditions. The IASB introduced targeted amendments to IFRS 9 and IFRS 7. These amendments include:
    - clarifications on the application of the "own use" exemption for this type of contract;
    - criteria enabling the accounting of such contracts as hedging instruments; and
    - new disclosure requirements to help financial statement users understand the impact of these contracts on an entity's financial performance and cash flows.

  The amendments will be effective beginning on or after 1 January 2026, with early application permitted. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.
- On 9 April 2024, the IASB issued a new standard, **IFRS 18 – Presentation and Disclosure in Financial Statements**, which will replace IAS 1 – Presentation of Financial Statements. The objective of this new standard is to enhance the presentation of financial statements, with a particular focus on the income statement. Specifically, IFRS 18 requires:
    - classification of income and expenses into three new categories (operating section, investing section, financing section), in addition to the existing categories for income taxes and discontinued operations already included in the income statement format;
    - presentation of two new subtotals: operating profit and profit before interest and tax (EBIT).

  The new standard also:
    - requires enhanced disclosures on management-defined performance measures;
    - introduces new criteria for aggregating and disaggregating information; and,

  - introduces certain modifications to the statement of cash flows, including, requiring operating profit as the starting point for the presentation of the statement of cash flows under the indirect method, and eliminating some existing classification options for specific items (such as interest paid, interest received, dividends paid, and dividends received).

  The new standard will be effective from 1 January 2027, with early application permitted. The Directors are currently assessing the potential effect of introducing the new standard on the Group's consolidated financial statements.

- On 9 May 2024, the IASB issued ***IFRS 19 Subsidiaries without Public Accountability: Disclosures.*** The new standard introduces some simplifications with reference to the information required by the IFRS Accounting Standards in the financial statements of a subsidiary that complies with the following requirements:
  - it has not issued, and is not in the process of issuing, equity or debt instruments traded in a regulated market;
  - its parent company prepares consolidated financial statements in compliance with IFRS Accounting Standards.

  The new standard will be effective from 1 January 2027, with early application permitted. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.

- On 30 January 2024 the IASB published **IFRS 14 – Regulatory Deferral Accounts**, which permits an entity, which is a first-time adopter of International Financial Reporting Standards, to continue to account for amounts relating to rate-regulated activities in accordance with its previous GAAP. Given that the Company/Group is not a first-time adopter, this standard is not applicable.

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Business combinations

Starting from 1 January 2020, the Group applies the new provisions issued by the IASB concerning the definition of business for business combinations and acquisitions. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Acquired subsidiaries are accounted for in accordance with the acquisition method as provided for by IFRS 3. The cost of the acquisition is calculated as the sum of the fair values at the acquisition date of the assets transferred by the acquirer, the liabilities incurred or assumed, and equity interest issued by the Group in exchange for control of the acquiree.

All other costs associated with a transaction are expensed.

Identifiable assets, liabilities and contingent liabilities of the businesses acquired, which meet the conditions for recognition under IFRS 3, are measured at their fair value at the acquisition date, except for non-current assets (or disposal groups) classified as held for sale in accordance with IFRS 5 and which are recorded and measured in accordance with applicable accounting standards.

Goodwill is measured as the difference between the aggregate of the fair value at the acquisition date of the consideration transferred, the amount of any non-controlling interest and the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date. If the value, at the acquisition date, of the assets acquired and the liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree, the surplus is recognised immediately in the income statement as income arising from the completed transaction.

If it is only possible to make a preliminary determination of the fair value of the assets and liabilities at the acquisition date, the business combination shall be recognised using these preliminary amounts. Any adjustments arising from the final determination of the foregoing shall be recognised within twelve months of the acquisition and the related comparatives shall be restated.

Non-controlling interests at the acquisition date may be measured at fair value or at the non-controlling interest's proportionate share of net assets of the acquiree. The option is available on a transaction by transaction basis.

At the same time as the acquisition of majority/controlling stakes in an investee, TeamSystem Group normally enters put and call option agreements for the residual stake held by the acquiree's non-controlling interest holders. For those cases where part of the acquisition takes place through the execution of a binding option agreement, with the simultaneous presence of put and call clauses, the investee is consolidated, since the substance of the binding option agreement is that of the payment of deferred consideration for a part of the investee's capital, as evidenced by a series of transactions completed in the past. Accordingly, the estimated value of the exercise price of the put / call is included in the cost of acquisition and contributes to the overall determination of goodwill. This accounting method applies only where the Group has acquired majority control of the voting rights of the companies acquired. Concerning the recognition of goodwill related to these options, TeamSystem Group recognises as a financial liability the payable (Liabilities to non-controlling shareholders of subsidiaries) related to the estimated actual consideration for the exercise of the options. In accordance with this principle, subsequent changes in the fair value of the payable, due to amendments made to the initial assessment of the exercise consideration, are recognised in the consolidated income statement, as is the case for the notional charges deriving from the gradual decrease of the effect of discounting. In the absence of clear accounting rules for the recognition of non-controlling interests where put and call agreements exist, as well as on account of ongoing issues being debated by IFRIC and IASB, the Group has decided to use the accounting method described above that complies with the regulatory framework and current doctrine.

Any acquisitions of non-controlling interests subsequent to control having been achieved are accounted for as transactions between shareholders/quotaholders, with recognition of any difference between the amount paid and the carrying value of the non-controlling interest recorded in equity.

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►TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS - HYPERINFLATIONARY ECONOMIES

Assets and liabilities of consolidated foreign entities that are denominated in foreign currencies other than the euro are translated at the rates of exchange prevailing at the reporting date. Income and costs are translated at the average rates of exchange for the period (except for balances related to entities subject to IAS 29 "Financial Reporting in Hyperinflationary Economies," for which the year-end rate is applied even for non-monetary balances). Any resulting translation differences are recognised in the foreign currency translation reserve included in equity.

The foreign companies included in the scope of consolidation at 31 December 2023 that use a currency other than the euro are the following:

- Reviso Cloud Accounting Limited, which uses the British pound (GBP) as their functional currency;
- Reviso International ApS, MailUp Nordics A/S and Globase International A.p.S. using Danish Kroner (DKK) as their functional currency;
- TeamSystem Tirana uses the Lek (LEK) as its functional currency;
- Mikro Group companies which use the Turkish lira (TRY) as their functional currency.

The exchange rates applied for the translation are set out in the following table:

EXCHANGE RATES	Average 2023	Average 2022	%	31 Dec 2023	31 Dec 2022	%
DKK	7.45	7.44	0.1%	7.45	7.44	0.1%
GBP	0.87	0.85	2.4%	0.87	0.89	-2.2%
LEK	108.78	N.A.		103.79	N.A.	
TRY	N.A.	N.A.		32.65	N.A.	

Hyperinflationary economies

The Group has subsidiaries in Turkey. Following an extended period of monitoring inflation rates in Turkey, a consensus has been reached on the existence of conditions indicative of hyperinflation. As a result, the accounting standard IAS 29 "Financial reporting in hyperinflationary economies" has been applied to translate the accounts of the Turkish subsidiaries. In particular, in accordance with this standard, the restatement of the financial statements as a whole requires the application of specific procedures whereby, with reference to the profit or loss, all items are restated by applying the change in the general price level that occurred between the date on which the income and expenses were initially recognised in the financial statements and the balance sheet date.

With regard to the statement of financial position, monetary items have not been restated as they were already stated at the current measuring unit at the end of the reporting period; instead, non-monetary assets and liabilities have been revalued from the date on which the assets and liabilities were initially recognised to the balance sheet date. The contra-entry for the above-mentioned revaluations was recorded in a dedicated line in the income statement called 'Monetary Net Gain (Loss)'.

For the purposes of translating both the profit or loss and statement of financial position as restated above into euro, the spot exchange rate at the end of the reporting period was applied for both profit or loss and statement of financial position balances (instead of the average exchange rate for the period for the latter).

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►ACCOUNTING POLICIES

Set out below are the accounting policies adopted by the Group for the measurement of the components of the financial statements for the year ended 31 December 2023.

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►TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS - HYPERINFLATIONARY ECONOMIES

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►ACCOUNTING POLICIES

Set out below are the accounting policies adopted by the Group for the measurement of the components of the financial statements for the year ended 31 December 2023.

Research and development expenses
In accordance with IAS 38, research expenses are charged to income as incurred.

Development costs incurred in relation to a determined project are capitalised only when the Group can demonstrate, by means of appropriate analysis, the technical feasibility of completing the intangible asset so that it will be available for use or sale, the intention to complete the intangible asset and use or sell it, how the intangible asset will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

After initial recognition, development costs are carried at cost, less any accumulated amortisation and any accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised with reference to the period for which it is envisaged that the associated project will generate revenues for TeamSystem Group. During the period in which an asset is no longer in use, it is assessed annually to ascertain if there has been any impairment.

Other development expenses that do not meet the above requirements are expensed as incurred. Development costs that have previously been expensed are not accounted for as an asset in subsequent periods.

Capitalised development costs are amortised (from the start of production or marketing of the product) on a straight-line basis over their residual useful life (estimated to be between 3 and 5 years).

Customer relationship
Customer relationships represent the set of contractual (supply contracts, service contracts, etc.) and non-contractual relationships maintained with customers and were valued using the Multi-Period Excess Earnings Method ('MPEEM'). The MPEEM is based on the principle that, since the target company's current income must be allocated in full to the assets identified when allocating the acquisition price, the income pertaining to the strategic (or dominant) asset can be derived by difference by deducting the normal remuneration of all other assets (tangible, intangible and working capital) from the total income. The MPEEM is therefore based on a stratification principle that conceives corporate income as the sum of the normal income that each asset contributes to generate. A necessary and most critical step in the application of MPEEM is the identification of the Contributory Assets that support the dominant strategic asset in generating profit. The most common Contributory Assets are net working capital, property, plant and equipment, other intangibles identified separately from goodwill, and intangibles that are not separable from goodwill but still constitute Contributory Assets (e.g. workforce).
The main parameters considered by the Group for the purposes of applying the MPEEM are: revenues, growth rate ("g-rate"), Churn rate, Ebitda margin, Discount rate (WACC + Spread).
The amortisation process is distributed over the useful life of the asset, estimated between a maximum of thirteen years and a minimum of eight years.

Proprietary software
The proprietary software that emerged when accounting for the acquisition of the TeamSystem Group (which took place in February 2021), and subsequent acquisitions made by Group companies, were valued based on the Relief from Royalties ("RFR") method. The RFR method takes the form of discounting the royalty flows that the market would be willing to pay to the owner of the software in order to license the right to use it.
In the absence of precise contractual references, these flows are calculated by applying a royalty rate to the turnover that the company owning the software believes it will realise in a period of time that is considered congruous. The royalty rate is derived from an analysis of market transactions involving comparable assets. In applying this method, any synergies assumed by a third party should be disregarded. The value of the asset is represented by the sum of the present values of the income flows determined as described above. The main parameters considered by the Group for the application of the RFR are: revenues, royalty rate, useful life, discount rate (WACC + Spread).

These intangible software assets are amortised over their estimated useful life of five years.
Additional proprietary software developed in-house for internal use is capitalised at production cost and is amortised over its estimated remaining useful life of five years.

Third party software licenced for internal use

Following the introduction of new legislation on supplementary pensions, as per Legislative Decree 252/2005, introduced by the 2007 Finance Act, the possibility has arisen to transfer accruing severance indemnities to supplementary pension funds. Consequently, in the actuarial valuation of the Provision for staff leaving indemnity for employee termination indemnities at 31 December 2008, account was taken of the effects deriving from the legislation, recognising, for IAS/IFRS purposes, only the liability relating to accrued severance indemnities remaining as a balance sheet liability, as the amounts accruing are paid over to a separate entity (supplementary pension fund or the state fund INPS).

Provisions for risks and charges

Where the Group has an obligation, legal or otherwise, resulting from a prior event and it is probable that this will lead to the loss of economic benefits to meet the obligation, an appropriate provision for risks and charges is recorded. No provision is made for future operating losses. Provisions are measured at the present value of Management's best estimate of the cost of satisfying the obligation existing at the reporting date. With respect to legal cases, the amount of the provision is determined based on estimates made by the relevant consolidated company, together with its legal advisors, in order to determine the probability, the timing and the amounts involved.

Revenue

IFRS 15 establishes the criteria for recognising revenue arising from contracts with customers, except for those contracts that fall within the scope of the standards relating to leases, insurance contracts, and financial instruments. The standard establishes a comprehensive framework for identifying the timing and amount of revenue to be recognised in the financial statements. According to IFRS 15, an entity shall recognise revenue arising from contracts with customers and the related accounting effects through the following steps:

a) identify the contract(s) with a customer;
b) identify the performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the performance obligations in the contract;
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Therefore, the amount the Group recognises as revenue should reflect the consideration to which it is entitled in exchange for the goods transferred to the customer and/or services rendered. This amount should be recognised when the underlying contractual obligations have been satisfied, which is when the Group has transferred control of the promised goods or service to the customer, in the following ways:
a) over time;
b) at a point in time.

The following are the main types of products and services of our six main business units (Enterprise, Professional, Market Specific Solutions, Micro, Digital Finance and HR) categorised by:

1. **Recurring Revenue**
2. **Software licences and professional services**

•Recurring Revenue

The main sources of recurring revenue are:

Support and maintenance / Subscription: includes revenue from support and maintenance fees and subscription fees. Maintenance and support contracts, which include direct support, technical support and software updates, generally cover a twelve-month period and related revenue is recognised on a straight-line basis over the contract term, with recognition of the revenue component pertaining to future years as deferred income.
Subscriptions involve the payment of a periodic (usually annual) fee to use a particular software product and benefit from customer support, technical assistance, maintenance and software updates. The related revenues are recognised on a straight-line basis over the life of the contract.
This revenue category also includes support and maintenance contracts with VARs (Value Added Resellers). These agreements generally cover a three-year period that grants VARs the right to download an unlimited number of software licences and to receive software updates and system support services. Revenue arising from these agreements is invoiced on a quarterly or annual basis and is recognised on a straight-line basis over the agreement term. Annual fee adjustments are also envisaged (either positive or negative with respect to the contractual

consideration) based on the financial performance of the VAR, as determined by a calculation formula set out in the reseller contract.

LTA (Temporary annual licences), software add-on modules that provide additional functionality (generally released for regulatory compliance), and which are invoiced on top of the existing contractual consideration. Revenue from the sale of LTA modules is recognised on a straight-line basis from the date of download to the contract expiry date. LTAs are generally renewed automatically at the beginning of the year.

•Other revenue (Software licences and Professional services)
Licences: Revenue from sales of software licences is recognised on the date control transfers to the customer (which usually corresponds to the delivery date) since all contractual obligations have normally been fulfilled and there are no rights of return or acceptance clauses.
In the event a sale agreement provides for more than one revenue component, such as maintenance and support, the revenue arising from these components is separately identifiable in the agreement.

Professional services: revenue related to training, implementation and software customisation, whether covered by the main agreement or by subsequent agreements, is recognised based on the stage of completion of the services at the reporting date. Revenue related to implementation services still ongoing at the reporting date is recognised based on the percentage of completion of the services at that date and the number of hours worked with respect to the total estimated work hours.
Income and commissions recorded by the recently incorporated and acquired financial companies are recognised when the service has been rendered.

Hardware and other items
Revenue from the sale of hardware to third parties is recognised on the date control of the asset is transferred to the customer which usually corresponds to the delivery date on account of the fact that all contractual obligations have normally been fulfilled and there are no rights of return or acceptance clauses.

Grants
Government grants are recognised when there is reasonable certainty that they will be received and that all related conditions will be met. Government grants towards cost components are recognised as income, but are systematically allocated to the financial year, in order to match the costs they are intended to offset. For grants towards the cost of an asset, the asset and the grant are recognised at their nominal value and the release to income takes place gradually, on a straight-line basis, over the expected useful life of the asset.
Where a non-cash grant is received, the asset and the contribution are recognised at their nominal value and are released to income on a straight-line basis over the expected useful life of the asset.

Dividends
The distribution of dividends to shareholders / quotaholders of the Group companies is recognised as a liability in the period in which they are approved by the general meeting of shareholders / quotaholders.

Finance income and costs
Finance income and costs are recognised in profit or loss on an accrual basis.

Current and deferred taxation
The tax charge for the year comprises current and deferred taxation. Current tax is recognised in the consolidated statement of profit or loss, except for cases where the tax relates to items accounted for as an equity component. Current tax is calculated by applying the tax rate in force at the reporting date to taxable income. Concerning IRES (corporate income tax), it should be noted that TeamSystem S.p.A and some of its subsidiaries have elected for a consolidated tax regime, with TeamSystem S.p.A acting as tax consolidator.

Deferred tax is calculated using the liability method on temporary differences between the book and tax bases of assets and liabilities. Deferred tax is calculated as a function of the expected timing of the reversal of the temporary differences, using the tax rate in force at the date of the expected reversal. Deferred tax assets are recognised only if it is probable that sufficient taxable profits will be generated in future periods for their recovery.

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CGU - ENTERPRISE Cover Impairment Sensitivity Euro million		WACC				
		8.2%	**8.7%**	**9.2%**	**9.7%**	**10.2%**
	1.0%	247.3	186.4	133.0	85.7	43.6
	1.5%	306.3	237.3	177.1	124.4	77.6
G RATE	**2.0%**	374.9	295.6	**227.4**	168.0	115.8
	2.5%	455.4	363.4	285.1	217.7	159.0
	3.0%	551.2	442.9	352.1	274.7	208.1

CGU - MARKET SPECIFIC SOLUTIONS Cover Impairment Sensitivity Euro million		WACC				
		8.2%	**8.7%**	**9.2%**	**9.7%**	**10.2%**
	1.0%	109.8	87.3	67.6	50.2	34.6
	1.5%	131.6	106.1	83.9	64.4	47.2
G RATE	**2.0%**	156.9	127.7	**102.5**	80.6	61.3
	2.5%	186.7	152.7	123.8	98.9	77.3
	3.0%	222.1	182.1	148.6	120.0	95.4

The impairment test models, as well as the financial data they contain and the related results, were approved by the Board of Directors of TeamSystem Holdco S.p.A. on 19 April 2024, in accordance with the guidelines contained in joint document No. 4 of March 2010 issued by ISVAP, Bank of Italy and Consob.

Given the uncertain scenario, the development and effects of which continue to be unpredictable, the estimates used by Management to prepare the impairment test at 31 December 2023 (such as, for example, those relating to expected cash flows, discount rates applied, the "g rate" growth rate used, etc.) could be affected, given the climate of uncertainty and the constantly changing scenario, also because of the ongoing international crisis caused by the armed conflicts between Russia and Ukraine, and Israel and Hamas.

In any case, we reiterate that the Directors continue to constantly monitor the situation, to identify possible effects, including accounting effects, that may arise from a continuation of the ongoing international crisis.

15. ALLOCATION OF GOODWILL - RESTATEMENT OF 2022 GOODWILL and COMPANIES ACQUIRED IN 2023

►Restatement of 2022 Goodwill

In 2023, the purchase price allocation processes were finalised for the acquisitions completed in 2022 of the following companies: CZ Informatica, Progetto Software, CZ Informatica, SIA, Algoritmi

As a result of the finalisation of the purchase price allocation for these companies, total goodwill increased from €1,805,191 thousand (31 December 2022) to €1,806,633 thousand (31 December 2022 restated), with goodwill increasing by €1,442 thousand as a result of the allocations.

As stipulated by IFRS 3, the values shown above have been reflected retrospectively from the date of acquisition, resulting in the amendment and integration of the balance sheet values already provisionally included in the consolidated financial statements for the year ended 31 December 2022.

The final goodwill values relating to these acquisitions are set out below.

Teamsyver S.r.l.

In October 2022, TeamSystem S.p.A. acquired 100% of the share capital of Teamsyver S.r.l., a newco to which Biemme Computer and Studio C contributed their respective business units. Teamsyver is a reseller of TeamSystem software.

The purchase price allocation recognised for the acquisition of Teamsyver, considered provisional at the time the consolidated financial statements for the year ended 31 December 2022 were approved, was finalised in 2023.
The following table shows the book values of the assets acquired and liabilities assumed at the acquisition date, as well as their final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYVER ASSETS	PPA final balances	NOTES
Tangible assets	4	
Intangible assets	31	
Right of use	472	
Deferred tax assets	96	
TOTAL NON CURRENT ASSETS	**602**	
Trade receivables	944	
Other receivables - current	48	
Other financial assets - current	493	
Cash and bank balances	524	
TOTAL CURRENT ASSETS	**2,009**	
TOTAL ASSETS	**2,611**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYVER LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	**438**	
Staff leaving indemnity	266	
TOTAL NON CURRENT LIABILITIES	**266**	
Financial liabilities with banks and other institutions - current	472	
Trade payables	407	
Tax liabilities - current	334	
Other liabilities - current	695	
TOTAL CURRENT LIABILITIES	**1,907**	
TOTAL LIABILITIES	**2,174**	**B**
TOTAL EQUITY AND LIABILITIES	**2,611**	
Fair Value of acquired net assets	**438**	**C = A - B**
Cost of the investment	**6,875**	**D**
Final Goodwill IFRS 3	**6,437**	**E = D - C**

Details of the main changes in the final allocation of Teamsyver's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2022 are set out below.

Euro thousands

STATEMENT OF FINANCIAL POSITION TC INFORMATICA EQUITY AND LIABILITIES	PPA provisional balances	NOTES
TOTAL EQUITY	**(293)**	
Staff leaving indemnity	30	
TOTAL NON CURRENT LIABILITIES	**30**	
Financial liabilities with banks and other institutions - current	94	
Trade payables	469	
Tax liabilities - current	4	
Other liabilities - current	50	
TOTAL CURRENT LIABILITIES	**617**	
TOTAL LIABILITIES	**647**	**B**
TOTAL EQUITY AND LIABILITIES	**354**	
Fair Value of acquired net assets	**(293)**	**C = A - B**
Cost of the investment	**1,314**	**D**
Provisional Goodwill IFRS 3	**1,607**	**E = D - C**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 1.1 million to the 'Professional' CGU, € 0.4 million to the 'Micro' CGU, and € 0.1 million to the 'Digital Finance' CGU.

<u>Soluzioni Informatiche S.r.l.</u>

In December 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Soluzioni Informatiche S.r.l., a TeamSystem software dealer.

In the Group's consolidated financial statements as at 31 December 2023, only the balance sheet balances of the company Soluzioni Informatiche were consolidated, since the acquisition of this company took place in December 2023, a date close to the end of the consolidated financial year.

In 2023, the company reported total revenue of € 1,375 thousand and a profit of € 163 thousand.

The purchase price allocation recognised for the acquisition of Soluzioni Informatiche S.r.l. was still provisional at 31 December 2023 and, therefore, the related goodwill was also provisional at the reporting date.

Euro thousands

STATEMENT OF FINANCIAL POSITION SOLUZIONI INFORMATICHE ASSETS	PPA provisional balances	NOTES
Tangible assets	8	
TOTAL NON CURRENT ASSETS	**8**	
Trade receivables	280	
Other receivables - current	37	
Cash and bank balances	381	
TOTAL CURRENT ASSETS	**698**	
TOTAL ASSETS	**706**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION SOLUZIONI INFORMATICHE EQUITY AND LIABILITIES	PPA provisional balances	NOTES
TOTAL EQUITY	**335**	
Staff leaving indemnity	16	
TOTAL NON CURRENT LIABILITIES	**16**	
Financial liabilities with banks and other institutions - current	153	
Trade payables	109	
Tax liabilities - current	27	
Other liabilities - current	67	
TOTAL CURRENT LIABILITIES	**356**	
TOTAL LIABILITIES	**371**	**B**
TOTAL EQUITY AND LIABILITIES	**706**	
Fair Value of acquired net assets	**335**	**C = A - B**
Cost of the investment	**2,274**	**D**
Provisional Goodwill IFRS 3	**1,939**	**E = D - C**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 1.3 million to the 'Professional' CGU and € 0.6 million to the 'Micro' CGU.

Bitech

In December 2023, TeamSystem S.p.A. acquired from Bitech Software e Digital S.r.l. the "Arca" business unit, which provides IT management for the production and distribution areas of medium-sized companies.

Euro thousands

STATEMENT OF FINANCIAL POSITION BITECH EQUITY AND LIABILITIES	PPA provisional balances	NOTES
TOTAL EQUITY	**(1,195)**	
Staff leaving indemnity	1,090	
TOTAL NON CURRENT LIABILITIES	**1,090**	
TOTAL LIABILITIES	**1,195**	**B**
TOTAL EQUITY AND LIABILITIES	**0**	
Fair Value of acquired net assets	**(1,195)**	**B**
Cost of the investment	**250**	**D**
Provisional Goodwill IFRS 3	**1,445**	**E = D - B**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 0.3 million to the 'Enterprise' CGU and € 1.1 million to the 'Professional' CGU.

16. INVESTMENTS IN OTHER COMPANIES AND INVESTMENTS IN ASSOCIATES

Levels of fair value hierarchy

In relation to the financial instruments recorded in the balance sheet at fair value, IFRS 7 requires these amounts to be classified based on the levels of hierarchy that reflect the significance of the input used for the determination of fair value. The levels are the following:

- Level 1 – prices quoted by active markets for assets or liabilities being measured;
- Level 2 – inputs other than Level 1 inputs that are directly observable (prices) or indirectly (derived from prices) market inputs;
- Level 3 – inputs not based on observable market data.

	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity investments			523	**523**
Derivative instruments - assets		18,075		**18,075**
Other financial assets		5,926		**5,926**
		24,001	**523**	**24,523**
Financial Liabilities				
Liabilities to non controlling shareholders of subs			203,865	**203,865**
			203,865	**203,865**

The financial liability component for Liabilities to non-controlling shareholders of subsidiaries is the main category within level 3 of the fair value hierarchy and it consists of the fair value of the estimated liability arising from put and call or earn-out agreements relating to various non-controlling interests in Group companies; the related fair value was determined considering the contractual hypotheses for the determination of the consideration. Changes in fair value, due both to timing and possible changes in estimated indicators that form the basis for the computation of the consideration, are recognised in the consolidated statement of profit or loss; the impact recognised in the 2023 consolidated statement of profit or loss arising from the change in the fair value measurement of the liabilities to non-controlling shareholders of subsidiaries amounts to a decrease in their measurement of approximately € 13,730 thousand and an increase in their measurement of approximately € 13,016 thousand whereas € 11,964 thousand was recognised as finance costs for the discounting of the liability to non-controlling shareholders of subsidiaries at the new rate for the period in the item Other IFRS financial charges (see Note 7 Finance Income and Finance Costs and Note 18 Net Cash/Debt).

Note that the discount rate applied for the measurement of the liabilities to non-controlling shareholders of subsidiaries at 31 December 2023 is that adopted for performing Group impairment tests at 31 December 2023, which is the rate that equates to the cost of debt (gross of the tax effect) of 8.30% at 31 December 2023. This cost of debt is deemed representative of TeamSystem Group's specific credit risk at the balance sheet date. The Group has also performed an analysis of the sensitivity of the carrying amount of the liabilities to non-controlling shareholders of subsidiaries with respect to the interest rates applied. The results of this analysis are set out in the table below.

Cost of Debt - gross of tax	7.3%	7.8%	8.3%	8.8%	9.3%
Liabilities to non controlling shareholders of subsidiaries	206,446	205,155	**203,865**	202,614	201,363

Because of the uncertainties caused by the armed conflict between Russia and Ukraine and the conflict between Israel and Hamas, the development of which is still not entirely predictable, the estimates used by Management to determine the value of the put/call options and earn-outs due to non-controlling interest holders at 31 December 2023 (such as, for example, the plan projections and the discount rates used) may be affected.

29. GUARANTEES PROVIDED, COMMITMENTS AND OTHER CONTINGENT ASSETS AND LIABILITIES

■Collateral

At 31 December 2023, the obligations arising under the **TeamSystem Notes** and the **RCF** (as described below) were secured by the following security rights:

- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended on 06 October 2022 and on 05 October 2023;
- a pledge on the Italian bank accounts of TeamSystem S.p.A., originally granted on 12 November 2021 and confirmed and extended on 06 October 2022 and on 05 October 2023.

On 31 December 2023, the obligations arising under the **2029 PIYW PIK Toggle Notes** were secured by the following security rights:

- a pledge on the entire share capital of the PIK Issuer, originally granted on 18 February 2021 and confirmed on 05 October 2023;
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended on 06 October 2022 and on 05 October 2023;

The **TeamSystem Notes** were originally guaranteed (and continue to be guaranteed) by the PIK Issuer.

The **RCF** credit facility (as illustrated below) was originally guaranteed by Brunello Bidco S.p.A. and the PIK Issuer and, following the reverse merger, is now guaranteed by TeamSystem S.p.A. and the PIK Issuer.

■Other significant commitments and contractual rights

The Group companies are party to put and call option agreements in connection with shares/quotas held by non-controlling interest holders in the following companies and for the percentage interests as indicated below:

SUBSIDIARIES Put / Call Options Outstanding	31 Dec 2023	31 Dec 2022
TeamSystem Communication S.r.l.		25.00%
Techmass S.r.l.	20.00%	49.00%
TeamSystem Financial Value Chain S.r.l.	10.00%	18.80%
TeamSystem AM HoldCo S.r.l.		8.80%
Beneficy S.r.l.	49.00%	49.00%
Team4you S.r.l.	10.00%	10.00%
Habble S.r.l.		40.00%
Modefinance S.r.l.	41.00%	41.00%
Logical Soft S.r.l.	30.00%	40.00%
My Expenses S.L	40.40%	40.40%
Modefinance International S.r.l.	35.00%	35.00%
Ciaomanager S.r.l.	20.00%	49.00%
Greenext S.r.l.	4.49%	
Microntel S.p.a.	20.00%	
Mikro	48.47%	

The exercise price of these options will be determined based on normalised earnings parameters for the companies in question to which will be added the average (or actual) financial indebtedness for the period in which the put options may be exercised.
The best estimate of the net present value of future disbursements (relating to the put and call option agreements with subsidiaries) has been recognised in the financial statements (Note 18) while the best estimate of future disbursements (by financial year) is indicated in the table shown in Note 28 – Liquidity risk – analysis of financial liabilities by due date of cash outflows.

■Lease disclosures