IMPORTANT NOTICE

THIS PRELIMINARY OFFERING MEMORANDUM (THE "**OFFERING MEMORANDUM**") IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") WITHIN THE MEANING OF RULE 144A ("**RULE 144A**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") OR (2) PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) AND WHO ARE PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE (A "**MEMBER STATE**") OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") OR IN THE UNITED KINGDOM (THE "**U.K.**"), ONLY IF THEY ARE QUALIFIED INVESTORS (WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (IN THE UNITED KINGDOM AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018)) AND NOT RETAIL INVESTORS).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the Offering Memorandum following this notice, whether received by e-mail, other electronic communication or otherwise. You are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. The Offering Memorandum has been prepared in connection with the proposed offer and sale of the securities described herein. The Offering Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS OR LAWS OF OTHER JURISDICTIONS.

THE FOLLOWING OFFERING MEMORANDUM WILL BE ACCESSIBLE IN ELECTRONIC FORMAT AND YOU ACKNOWLEDGE THAT YOU RECEIVED THE OFFERING MEMORANDUM IN A FORM THAT MAY NOT BE FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED TO, AND WILL NOT BE ABLE TO, PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the securities described in the Offering Memorandum, either you or the customers you represent must be either (1) a QIB or (2) a person who is not a U.S. person (as defined in Regulation S) and who is purchasing the Notes outside of the United States in an offshore transaction in reliance on Regulation S (*provided* that investors resident in a Member State of the EEA must be qualified investors (within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and any relevant implementing measure in each Member State of the EEA) and not retail investors (as defined below) and investors resident in the UK must be qualified investors pursuant to the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**") and not U.K. retail investors (as defined below)). The Offering Memorandum is being sent at your request. By accepting this e-mail or other electronic transmission and by accessing the Offering Memorandum, you shall be deemed to have represented to us and the initial purchasers set forth in the Offering Memorandum (collectively, the "**Initial Purchasers**") that:

The Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, or any person who controls any Initial Purchaser or the Issuer (as defined in the Offering Memorandum), or any of their respective affiliates, directors, officers, employees or agents or affiliates of the foregoing entities or persons, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and any version that will be provided to you at a later date upon your request from any Initial Purchaser.

MiFID II product governance / Professional investors and ECPs (as defined below) only target market: Solely for the purposes of the product approval process of each manufacturer's, the target market assessment in respect of the securities described in the Offering Memorandum has led to the conclusion that: (i) the target market for such securities is eligible counterparties ("**ECPs**") and professional clients only, each as defined in Directive 2014/65/EU (as amended "**MiFID II**"); and (ii) all channels for distribution of such securities to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, and without prejudice to the Issuer's obligations in accordance with MiFID II, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to EEA retail investors: The securities described in this Offering Memorandum are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering, selling or distributing the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering, selling or distributing the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Offering Memorandum has been prepared on the basis that any offer of the securities in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the securities. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

UK MiFIR product governance / professional investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the securities described in this Offering Memorandum has led to the conclusion that: (i) the target market for such securities is only ECPs, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such securities to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of such securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to U.K. retail investors: The securities described in the Offering Memorandum are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the U.K. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of EUWA (the "**U.K. PRIIPs Regulation**") for offering, selling or distributing the securities or otherwise making them available to retail investors in the U.K. has been prepared and, therefore, offering or selling the

SUBJECT TO COMPLETION, DATED JUNE 16, 2025

PRELIMINARY OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

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.

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 of the Prospectus Regulation. The Issuer, the Initial Purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the Offering, provided that such subscription does not result in a requirement for the Issuer or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the Prospectus Regulation.

Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any EEA retail investor. For these purposes, an "EEA retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" within the meaning of Article 2(e) of Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / Professional investors and eligible counterparties only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties ("**ECPs**") and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending such Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Italy

The offering of the Notes has not been cleared by *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (the Italian securities exchange commission), pursuant to Italian securities legislation and will not be subject to formal review or clearance by CONSOB. Accordingly, no Notes may be offered, sold or delivered, directly or indirectly, nor may copies of this Offering Memorandum or of any other offering circular, prospectus, form of application, advertisement, other offering material or other information or document relating to the Issuer, the Parent Guarantor or the Notes be issued, distributed or published in Italy, either on the primary or on the secondary market, except (a) to qualified investors (*investitori qualificati*) as referred to in Article 2, paragraph (e) of the Prospectus Regulation; and (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of Italian Legislative Decree No. 58 of February 24, 1998, as amended (the "**Italian Financial Act**") and the implementing CONSOB regulations, including Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "**Issuer Regulation**") and any other applicable Italian laws and regulations.

The Initial Purchasers have each represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or of any other document relating to the Notes in the Republic of Italy will be carried out in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in Italy must be in compliance with the selling restrictions under (a) and (b) above and must be:

(a) made by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter (r), of the Italian Financial Act), to the extent duly authorized to engage in the placement and/or underwriting and/or purchase of financial instruments in Italy in accordance with the relevant provisions of the Italian Financial Act, CONSOB Regulation No. 20307 of February 15, 2018, as amended ("**Regulation 20307**"), as amended, Italian Legislative Decree No. 385 of September 1, 1993, as amended from time to time and any related implementing rules and regulations (the "**Italian Banking Act**"), the Issuer Regulation and any other applicable laws and regulations;

(b) in compliance with all relevant Italian securities, tax, exchange control and any other applicable laws and regulations and any other applicable requirement or limitation that may be imposed from time to time by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) or any other relevant Italian competent authorities; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian competent authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, sale, delivery or resale of the Notes by such investor occurs in compliance with applicable laws and regulations.

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Offering Memorandum in Italy, see "*Transfer restrictions.*"

NOTICE TO UK INVESTORS

Prohibition of sales to certain UK investors

This Offering Memorandum has been prepared on the basis that any offer of the securities in the U.K. will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**U.K. Prospectus Regulation**") from a requirement to publish a prospectus for offers of such securities. This offering memorandum is not a prospectus for the purpose of the U.K. Prospectus Regulation.

The securities described in this Offering Memorandum are not intended to be offered, sold or otherwise made available to and should not be made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the securities or otherwise making them available to retail investors in the UK has been or will be prepared and, therefore, offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Offering Memorandum has not been approved by an authorized person in the United Kingdom and is only being distributed to and is only directed at, persons who (i) are outside the U.K.; (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "**Financial Promotion Order**"); (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are being offered solely to "qualified investors" as defined in the U.K. Prospectus Regulation. This Offering Memorandum has not been approved by the Financial Conduct Authority or any other competent authority. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents. No part of this Offering Memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person.

UK MiFIR product governance / Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only ECPs, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU)

No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

NOTICE TO SWISS INVESTORS

This Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Notes are not intended to be offered, sold, marketed or otherwise made available to and shall not be offered, sold, marketed or otherwise made available to any private client in Switzerland other than in the context of a portfolio management agreement within the meaning of Article 58(2) FinSA and Article 83 of the Swiss Financial Services Ordinance. No key information document within the meaning of Article 58 FinSA has been prepared with respect to the Notes.

NOTICE TO HONG KONG INVESTORS

No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong ("**CO**") or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO. No document, invitation or advertisement relating to the securities has been issued or may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

This Offering Memorandum has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this Offering Memorandum may not be issued, circulated or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities described in this Offering Memorandum and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

NOTICE TO SINGAPORE INVESTORS

This Offering Memorandum has not been and will not be lodged or be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes may not be offered or sold or be made the subject of an invitation for subscription or purchase, and this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, whether directly or indirectly, to any person in Singapore, other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

AVAILABLE INFORMATION

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and we are neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as such month of the prior year and the same month of the current year (or the portion of such recurring revenues related to the specific products or services for which such customers have opted out), to (ii) the total recurring revenues for such month of the prior year. For the sake of clarity, in each case, Customer Retention Rate is calculated on the prior year or twelve-month period perimeter, as applicable, and excludes the positive impact of price adjustments and of the additional recurring revenues from cross-sell or up-sell to existing customers and from sales to new customers generated during the current period. See "*Presentation of financial and other information—Customers and Customer Retention Rate*."

"**ERP**" .... refers to enterprise resource planning.

"**EU**" .... refers to the European Union.

"**EURIBOR**" .... refers to Euro Interbank Offered Rate.

"**euro,**" "**€**" or "**EUR**" .... refers to the lawful currency of the participating member states of the European Economic and Monetary Union.

"**Euroclear**" .... refers to Euroclear Bank SA/NV, as currently in effect or any successor securities clearing agency.

"**Existing 2021 Fixed Rate Notes**" ..... refers to the Issuer's €300.0 million aggregate principal amount of 3½% Senior Secured Notes due 2028 issued on February 10, 2021 under the Existing 2021 Indenture.

"**Existing 2021 Floating Rate Notes**" refers to the Issuer's €850.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2028 issued on February 10, 2021 under the Existing 2021 Indenture, of which €300.0 million will be redeemed on or about the Issue Date as part of the TS Transactions with the proceeds from the offering of the Notes.

"**Existing 2021 Indenture**" .... refers to the indenture that governs the Existing 2021 Floating Rate Notes and the Existing 2021 Fixed Rate Notes, dated February 10, 2021, by and among, *inter alios*, Brunello Bidco S.p.A. (the predecessor of the Issuer before the Merger), the Parent Guarantor (then d/b/a Brunello Midco 2 S.p.A.), The Law Debenture Trust Corporation p.l.c., as trustee, and the Security Agent, as amended and supplemented from time to time.

"**Existing 2024 Floating Rate Notes**" refers to the Issuer's €700.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2031 issued on July 29, 2024 under the Existing 2024 Indenture.

"**Existing 2024 Indenture**" .... refers to the indenture that governs the Existing 2024 Floating Rate Notes, dated July 29, 2024, by and among, *inter alios*, TeamSystem S.p.A., the Parent Guarantor, U.S. Bank Trustees Limited, as trustee, and the Security Agent, as amended and supplemented from time to time.

"**Existing Indentures**" .... refers to, collectively, the Existing 2021 Indenture and the Existing 2024 Indenture.

"**Existing PIK Notes**" .... refers to Holdco 3's €300.0 million aggregate principal amount of Senior Floating Rate Pay-If-You-Want PIK Toggle Notes due 2032 issued through a private placement on November 18, 2024 pursuant to the Existing PIK Notes Indenture, as described in more detail under "*Description of certain financing arrangements—Existing PIK Notes and PIK Notes*."

"**Existing PIK Notes Amendments**" .. has the meaning ascribed to it under "*Summary—The Transactions—Existing PIK Notes Amendments*."

"**Indenture**" .... refers to the indenture that will govern the Notes, dated as of the Issue Date, by and among, *inter alios*, the Issuer, the Parent Guarantor, the Trustee and the Security Agent.

"**Initial Purchasers**" .... refers to, collectively, BofA Securities Europe SA, J.P. Morgan SE, Barclays Bank Ireland PLC, BNP Paribas, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, Intesa Sanpaolo S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Morgan Stanley & Co. International plc, Nomura Financial Products Europe GmbH, UBS Europe SE and UniCredit Bank GmbH.

"**Intercreditor Agreement**" .... refers to the intercreditor agreement dated February 10, 2021 among, *inter alios*, the Issuer, Holdco 3, the trustee for the Existing 2021 Floating Rate Notes and the Existing 2021 Fixed Rate Notes, the trustee for the Existing 2024 Floating Rate Notes, the agent under the Revolving Credit Facility Agreement and certain creditors thereunder and the Security Agent, as further described under "*Description of certain financing arrangements—Intercreditor Agreement,*" and to which the Trustee will accede on or about the Issue Date, and as may be amended, supplemented and restated from time to time.

"**Issue Date**".. refers to the date on which the Notes offered hereby are originally issued, expected to be on or about , 2025.

"**Issuer**" .... refers to TeamSystem S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy.

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

"**Italian Golden Power Authority**" ... refers to the Italian Presidency of the Council of Ministers (*Presidenza del Consiglio dei Ministri*).

"**Italian Golden Power Clearance**"... refers to the clearance, approval and/or consent whether express or implied (due to the expiration of the applicable review period, including any extension thereof, without any decision, communication or act by the Italian Golden Power Authority), either unconditional or subject to conditions, recommendations or other measures that, in each case, are not materially adverse to the Issuer and its subsidiaries, taken as whole, as determined by the Issuer, acting reasonably and in good faith, from the Italian Golden Power Authority to perform the relevant transaction and/or implement the relevant resolution, also by way of a resolution by the Italian Golden Power Authority not to exercise its special powers, or, alternatively, the adoption of a resolution by the Italian Golden Power Authority excluding the applicability of the Italian Golden Power Legislation.

"**Italian Golden Power Legislation**" . the Italian Law Decree (*decreto legge*) No. 21 of March 15, 2012, as converted into law and amended by Italian Law No. 56 of May 11, 2012; the Italian Law Decree (*decreto legge*) No. 105 of September 21, 2019, as converted into law and amended by Italian Law No. 133 of November 18, 2019; Italian Law Decree (*decreto legge*) No. 23 of April 8, 2020, as converted into law and amended by Italian Law No. 40 of June 5, 2020; the Italian Law Decree (*decreto legge*) No. 21 of March 21, 2022, as converted into law and amended by Law No. 51 of May 20, 2022; and the Italian Law Decree (*decreto legge*) No. 104 of August 10, 2023, as converted into law and amended by Italian Law No. 136 of October 9, 2023, each as subsequently amended and supplemented, and including the relevant implementing decrees adopted in relation to the abovementioned laws and regulations.

“**Italian Usury Law**” .... means Italian Law No. 108 of March 7, 1996 (*Disposizioni in materia di usura*), as subsequently amended and supplemented, and any related implementing regulations.

“**Legislative Decree No. 231/2001**”.... means Italian Legislative Decree No. 231 of June 8, 2001, governing the administrative liability of legal entities, as subsequently amended and supplemented.

“**Liabilities to Non-Controlling Shareholders of Subsidiaries**”........... refers to the aggregate amount of our liabilities, reported in our Consolidated Financial Statements, in connection with the put and call option and earn out arrangements under the acquisition agreements with our strategic partners relating to our majority-owned subsidiaries, a portion of which is expected to be extinguished with part of the proceeds from this Offering, as further described under “*Use of proceeds.*”

“**Luxinva**” .... refers to Luxinva S.A., an indirect minority shareholder of the Issuer.

“**Merger**”.. refers to the merger pursuant to Article 2501-*bis* of the Italian Civil Code between Brunello Bidco S.p.A., Barolo Luxco 1 S.p.A., TeamSystem Holding S.p.A. and the Issuer, which was completed on October 26, 2021 (“**Merger Date**”), with the surviving company from the Merger being the Issuer, which, as a result thereof and starting from the Merger Date, assumed, *inter alia*, all the obligations of Brunello Bidco S.p.A. with respect to the Existing 2021 Floating Rate Notes, the Existing 2021 Fixed Rate Notes and the Revolving Credit Facility.

“**Net Revenue Retention**” .... calculated as our total revenue within a given period, adjusted by adding revenue generated from “more-for-more” initiatives, up-selling, and cross-selling activities (including the net change in consumption for our pay-per-use services, such as TS Pay), and subtracting revenue lost due to customer churn and downgrades. See “*Presentation of financial and other information—Customers and Customer Retention Rate.*”

“**NPS**”.. refers to a survey-based metric we use to evaluate our customers’ satisfaction with TeamSystem. We measure NPS by asking “how likely are you to recommend TeamSystem to a friend or colleague on a scale of 1 to 10.” Responses of 9 or 10 are scored as “promoters,” responses of 7 or 8 are scored as “passive” and excluded as respondents from the scoring, and responses from 0 to 6 are scored as “detractors.” NPS is calculated as the sum of the percentage of promoters less the percentage of detractors.

“**Notes**”.. refers to, collectively, the Fixed Rate Notes and the Floating Rate Notes offered hereby.

“**Offering**”... refers to the offering of the Notes pursuant to this Offering Memorandum.

“**Offering Memorandum**” .... refers to this offering memorandum related to the Offering.

“**OID**”.. refers to original issue discount for U.S. federal income tax purposes.

“**PIK Transactions**” .... refers to, collectively, the Existing PIK Notes Amendments and the PIK Notes Issuance, each as described in more detail under “*Summary—The Transactions*.”

“**PIK Notes**”....................................... refers to the €350.0 million aggregate principal amount of Senior Floating Rate Pay-If-You-Want PIK Toggle Notes due 2033 expected to be issued through a private placement by Holdco 3 under the Existing PIK Notes Indenture, as described in more detail under “*Summary—The Transactions—PIK Notes Issuance*.”

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

Financial Statements

Other than as described below under "—*Issuer*," the historical financial information contained in this Offering Memorandum is the consolidated financial information of TeamSystem Holdco, the reporting entity of the TeamSystem Group. In particular, we have included and discussed the historical consolidated financial information comprising:

(1) the audited consolidated financial statements of TeamSystem Holdco as of and for the year ended December 31, 2024, including comparative information as of and for the year ended December 31, 2023 and the auditor's report thereto, prepared in accordance with IFRS (the "**2024 Financial Statements**");

(2) the audited consolidated financial statements of TeamSystem Holdco as of and for the year ended December 31, 2023, including comparative information as of and for the year ended December 31, 2022 and the auditor's report thereto, prepared in accordance with IFRS (the "**2023 Financial Statements**" and, together with the 2024 Financial Statements, the "**Audited Financial Statements**"); and

(3) the unaudited interim condensed consolidated financial statements of TeamSystem Holdco as of and for the three months ended March 31, 2025, including unaudited comparative information for the three months ended March 31, 2024, prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (the "**Unaudited Interim Financial Statements**" and, together with the Audited Financial Statements, the "**Consolidated Financial Statements**").

Our Audited Financial Statements have been audited by Deloitte & Touche S.p.A. The Consolidated Financial Statements are presented in euro and should be read in conjunction with the relevant notes thereto.

As the historical financial information contained in this Offering Memorandum, unless otherwise specified, and the Consolidated Financial Statements relate to TeamSystem Holdco, they diverge from certain consolidated historical financial information of the Issuer also included in this Offering Memorandum with respect to the Issuer, primarily due to the Existing PIK Notes issued by Holdco 3, a subsidiary of TeamSystem Holdco and the direct shareholder of the Issuer. For more information on these differences, see "—*The Issuer*."

Certain line items in the Total revenue breakdown by business unit for the years ended December 2022 and 2023 presented in this Offering Memorandum have been reclassified following the reallocation of certain revenue streams, consistently with the breakdown presented in this Offering Memorandum for any subsequent periods thereof, as further described in "—*Business units and Total revenue breakdowns*." In addition, the financial information as of and for the years ended December 31, 2022 and 2023 included in the comparative columns of our 2023 Financial Statements and 2024 Financial Statements, respectively, was restated to reflect the completion of the purchase price allocation to goodwill in relation to certain acquisitions that occurred in such years. As a result, our consolidated statements of financial position for the years ended December 31, 2022 and 2023 presented in this Offering Memorandum have been derived from the corresponding comparative column in the 2023 Financial Statements and 2024 Financial Statements, respectively (and not from the financial statements as of and for the years ended December 31, 2022 and 2023, respectively). For more information, see "—*Impact of bolt-on acquisitions made by the TeamSystem Group*."

The historical financial information included in this Offering Memorandum was prepared in accordance with IFRS and was not prepared in accordance with generally accepted accounting principles in the United States ("**U.S. GAAP**"). There could be significant differences between IFRS, as applied by us, and U.S. GAAP. We neither describe the differences between IFRS and U.S. GAAP nor reconcile our IFRS financial statements to U.S. GAAP. Accordingly, such information is not available to investors, and investors are advised to consult their professional advisors for an understanding of: (i) the differences between IFRS and U.S. GAAP and other frameworks for generally accepted accounting principles and how those differences might affect the financial information included in this Offering Memorandum; and (ii) the impact that future additions to, or amendments of, IFRS may have on our results of operations or financial condition, as well as on the comparability with prior periods. The financial information included in this Offering Memorandum is not intended to comply with SEC reporting requirements. Compliance with such requirements would require the modification, reformulation or exclusion of certain financial measures. In addition, changes would be required in the presentation of certain other information. In making an investment decision, investors must rely upon their own examination of the terms of this offering of Notes and the financial information contained in this Offering Memorandum. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the board of directors to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our financial statements, are disclosed in our Consolidated Financial Statements. See also "*Management's discussion and analysis of financial condition and results of operations—Critical accounting policies*."

The Issuer

The Issuer is indirectly controlled by TeamSystem Holdco and is the surviving entity of a merger pursuant to Article 2501-*bis* of the Italian Civil Code between Brunello Bidco S.p.A. ("**Brunello Bidco**") (i.e. the entity which originally issued the Existing 2021 Floating Rate Notes and the Existing 2021 Fixed Rate Notes), Barolo Luxco 1 S.p.A., TeamSystem Holding S.p.A. and the Issuer (the "**Merger**"), which was completed on October 26, 2021 ("**Merger Date**"). As a result of the Merger, and starting from the Merger Date, the Issuer assumed, *inter alia*, all the obligations of Brunello Bidco with respect to the Existing 2021 Floating Rate Notes and the Existing 2021 Fixed Rate Notes and the Revolving Credit Facility.

While the historical financial information contained in this Offering Memorandum and the Consolidated Financial Statements appended hereto are of TeamSystem Holdco, we also present in this Offering Memorandum certain consolidated historical financial information of the Issuer and its subsidiaries. Such information has been calculated by netting the relevant amount pertaining to TeamSystem Holdco and the intermediate holding companies sitting between TeamSystem Holdco and the Issuer in the corporate structure of the TeamSystem Group from the consolidated financial information of TeamSystem Holdco.

In addition, we present in this Offering Memorandum certain consolidated financial information of the Issuer (which has been calculated as specified above) for the twelve months ended March 31, 2025 on an adjusted basis, to give *pro forma* effect to the TS Transactions, as if the TS Transactions had occurred on March 31, 2025 for the as adjusted statement of financial position information and on April 1, 2024 for the as adjusted statement of profit or loss information. See "*—As adjusted financial information for the Transactions.*"

The consolidated financial information of the Issuer described above has not been audited or reviewed in accordance with International Standards on Auditing or any other generally accepted auditing standards.

Unaudited financial information for the twelve months ended March 31, 2025

The historical unaudited consolidated financial information of TeamSystem Holdco for the twelve months ended March 31, 2025 presented in this Offering Memorandum is calculated by adding each relevant statement of profit or loss line item for the three months ended March 31, 2025 to the corresponding statement of profit or loss line item for the year ended December 31, 2024 and subtracting from such sum the corresponding statement of profit or loss line item for the three months ended March 31, 2024. This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of TeamSystem Holdco's financial reporting and has not been audited or reviewed by TeamSystem Holdco's independent auditors.

Impact of bolt-on acquisitions made by the TeamSystem Group

Our operating results and their comparability for the historical periods covered by the Consolidated Financial Statements are impacted by the effects of various bolt-on acquisitions made by the TeamSystem Group in such periods. Between January 1, 2022 and March 31, 2025, we acquired majority stakes in or the entire capital stock of 83 companies (excluding the transactions where we only increased our stake in previously acquired companies). In particular, we made 13 acquisitions in 2022, 30 acquisitions in 2023, 19 acquisitions in 2024 and 21 acquisitions during the three months ended March 31, 2025. Due to the changes in our scope of consolidation because of each of such acquisitions, our results of operations in the periods under review may not be entirely comparable. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Acquisitions*" and "*Management's discussion and analysis of financial condition and results of operations—Factors affecting the comparability of our results of operations—Bolt-on acquisitions made by the Group*."

The financial information as of and for the years ended December 31, 2022 and 2023 included in the comparative columns of our 2023 Financial Statements and 2024 Financial Statements, respectively, was restated to reflect the completion of the purchase price allocation to goodwill in relation to certain acquisitions that occurred in such years. See "*Management's discussion and analysis of financial condition and results of operations—Key factors*

INDUSTRY AND MARKET DATA

In this Offering Memorandum, information regarding markets, market size, shares and positioning in certain segments, growth rates and other industry data pertaining to our business was estimated or derived based on reports prepared by third party industry consultants, including, among others, NielsenIQ ("**Nielsen**"), IDC Corporate USA ("**IDC**"), Kantar Italia ("**Kantar**") and a global consulting company. In particular, (i) data relating to share in the mid-market business customers and professionals segments in Italy as of and for the years ended December 31, 2022 and 2023 are based on an industry report prepared by IDC, (ii) net promoter score ("**NPS**") data are based on an industry report prepared by Nielsen, (iii) certain data relating to the Italian, Spanish, French, Israeli ERP and business management market and shares are based on a global consulting company report, other than data based on the industry report prepared by IDC as described above and (iv) brand perception and expectations on AI are based on a survey we commissioned to Kantar in 2024. The report prepared by IDC was prepared at our request in 2023, is based upon market data for 2023 and is the most recently available market data as of the date of this Offering Memorandum. The report prepared by Nielsen was prepared at our request in 2025 and is based upon data as of the last quarter of 2024. While Nielsen has accepted to have its name mentioned as source in this Offering Memorandum, no warranty or representation is made by Nielsen regarding the data sourced from Nielsen, and Nielsen does not accept any liability whatsoever to investors in respect of any data presented in this Offering Memorandum and investors should not rely on Nielsen data. The reports prepared by the global consulting company are based upon data as of the end of 2024. The survey prepared by Kantar was prepared at our request and is based on data as of October 30, 2024. Industry publications and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While we believe that each of these studies and publications is reliable, neither we nor the Initial Purchasers have independently verified such data and cannot guarantee their accuracy or completeness. When we refer to the micro and small businesses customer segment, mid-market businesses customer segment, professionals customer segment or other similar segments in which we operate, we refer specifically to the markets for ERP and business management software for micro and small businesses, mid-market businesses and professionals (i.e. labor advisors, accountants, fiscal consultants and CAF), respectively. The share in certain segments as well as similar data included in this Offering Memorandum do not include products and services for certain specific industries. Shares for (i) the ERP and business management software market for professional and mid-market in Italy for the years ended December 31, 2022 and 2023 are estimated based on the number of seats, that is the number of users within each customer, and (ii) the ERP and business management software for (a) micro in Italy, (b) mid-market and professionals in Italy (as of and for the year ended December 31, 2024) and (c) micro, mid-market and professionals in Spain, Turkey, Israel and French are estimated based on the spending of companies or CPAs, as applicable, on ERP and business management software (including e-invoicing) and software related services which are part of our offering. Any information regarding market size, shares, sectors, positioning and other industry data relating to our operations in the Israeli segment for the periods presented in this Offering Memorandum relates to Green Invoice Ltd. ("**Morning**"), an Israeli-based company which we acquired effective as of May 29, 2025. See "*Summary—Recent Developments—Bolt-on acquisitions*." The global consulting company report content described in this Offering Memorandum (the "**Global Consulting Company Report**") includes research opinions and viewpoints and is not a representation of fact. The Global Consulting Company Report and any other source of industry, market and segment data used in this Offering Memorandum speak as of its original publication date (and not as of the date of this Offering Memorandum), and the opinions expressed in the Global Consulting Company Report and any other source are subject to change without notice. The global consulting company does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. The global consulting company research publications consist of the opinions of its research organization and should not be construed as statements of fact. The global consulting company disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

Information regarding Italian GDP and on the number of SMEs in the EU is derived or based on data from the Italian National Institute for Statistics (ISTAT) and the European Commission (Eurostat), DESI 2023 Indicators (DESI 2023), Organisation for Economic Co-operation and Development (OECD), Ministerio de Industria y Turismo, GOV UK, the European Commission (Eurostat) and Alight's Global Payroll Complexity Index.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring us to rely on our own internally developed estimates regarding the industries in which we operate, our position in the relevant industry, our share and the shares of various industry participants in a given segment based on our experience, our own investigation of market conditions and our review of industry publications, including information made available to the public by our competitors. Neither we nor any of the Initial Purchasers can assure you of the accuracy and

SUMMARY

This summary highlights information from this Offering Memorandum. It is not complete and does not contain all of the information that you should consider before investing in the Notes. You should read this Offering Memorandum carefully in its entirety, including the sections entitled "Risk factors," "Management's discussion and analysis of financial condition and results of operations," "Industry" and "Business," as well as the Consolidated Financial Statements, and the related notes therein.

Overview

We are a leading European provider of AI-powered cloud-based mission critical SaaS solutions, enabling digital transformation for small and medium businesses and professional customers across Italy, Spain, Turkey, France and Israel. Our mission is to improve the competitiveness of our customers, supporting them with the digitalization and automation of their internal and external business processes through our premium cloud-based product offering and solutions which also connect businesses, professionals and public administration organizations. Our products include software solutions for the core business processes of accountants and labor consultants (such as the provision of tax and accounting advice and payroll services) and a suite of financial and accounting management, enterprise asset management, HR management, production and supply chain management, administration and invoicing management, customer management and cybersecurity software solutions, bolstered by generative artificial intelligence ("**AI**") and data analysis tools and capabilities, for micro, small and mid-market businesses and professional customers. We also offer on-premise solutions providing assistance and software maintenance services for all our products, nonetheless we actively support and transition our customers to cloud and Software-as-a-Service ("**SaaS**") native solutions, through a dual-track operating model to assist them in their transformation journey.

Across industries, we embrace customer demand for digitalization solutions for business processes that, until recently, had not been automated or digitalized. Customers who utilize our integrated cloud-based solutions may digitally execute a variety of tasks, such as invoicing, accounting recognition, tax filing document preparation, document signing and other business management processes, including strengthening their cybersecurity systems, which allows them to reduce their overall expenses and increase their business reliability and efficiency. Our easy-to-use integrated cloud-based software products have also enabled us to target micro business customers who have historically not utilized higher-functionality and more complex on-premise business management software, and drive the digitalization shift for core business management processes.

We have established positions across key segments in Italy, Turkey and Israel and are growing our presence in Spain and France. As of December 31, 2024, we held an approximately 30% share in the mid-market businesses customer segment and more than 30% share in the small business customers and professionals customer segments, in each case in Italy, based on market value for each such segment. In addition, according to an analysis conducted by a global consulting company during the first quarter of 2025 (the "**Global Consulting Company Report**"), we were estimated to have more than 30% share in the micro businesses customer segment in Italy in terms of value as of December 31, 2024. As of December 31, 2024, we had a growing or established presence in the sectors in which we operate, including Digital Finance, human capital management ("**HCM**"), payroll, trust and cyber, and CRM sectors. For example, in the HCM and payroll sector we were estimated to have an average 15% share in Italy as of December 31, 2024. Moreover, as of December 31, 2024, we achieved shares of approximately 6% in Spain, 1% in France, 10% in Israel and 19% in Turkey in the sectors in which we operate, based on revenue generated within these segments divided by the estimated serviceable addressable market ("**SAM**") of each segment and expressed as a percentage thereof, thus successfully establishing our presence in these growing segments.

We offer our products and services through six main business units:

- <u>Micro Solutions</u>. Our Micro Solutions business unit includes cloud-based products designed for micro and small business customers (0-9 employees and 10-49 employees, respectively), such as Fatture in Cloud, Danea EasyFatt, Contabilità in Cloud and Cassa in Cloud. For the twelve months ended March 31, 2025, our Micro Solutions business unit accounted for 33.9% of our total revenue.

- <u>Professional Solutions</u>. Our Professional Solutions business unit includes software for professionals, including accountants, and labor consultants, including accounting, payroll, billing and compliance tools. For the twelve months ended March 31, 2025, our Professional Solutions business unit accounted for 25.7% of our total revenue.

- Enterprise Solutions. Our Enterprise Solutions business unit includes ERP and financial management system ("**FMS**") software for mid-market business customers (50-499 employees), including administration, finance, human resources, sales, supply chain management and production. For the twelve months ended March 31, 2025, our Enterprise Solutions business unit accounted for 20.3% of our total revenue.

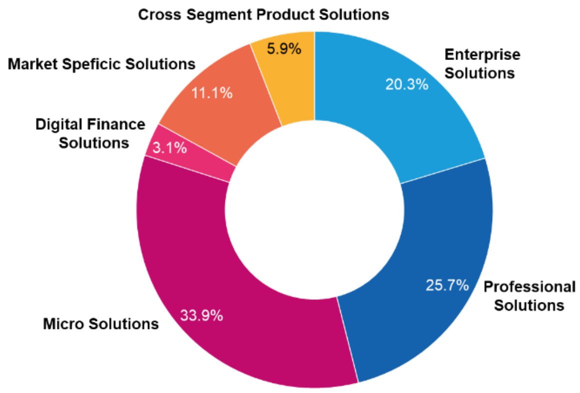
- Market Specific Solutions. Our Market Specific Solutions business unit includes products and services designed to address the needs of customers in specific industries, such as, among others, mechanical and manufacturing, construction, CAF/public sectors and legal, and the needs for all business sizes from micro to mid-size. For the twelve months ended March 31, 2025, our Market Specific Solutions business unit accounted for 11.1% of our total revenue.

- Cross Segment Product Solutions. Our Cross Segment Product Solutions business unit offers HR and Trust & Cyber services, including digital signature, archive and digital identity services and cyber risk assessment and detection, which are fully integrated with our ERP systems. For the twelve months ended March 31, 2025, our Cross Segment Product Solutions business unit accounted for 5.9% of our total revenue.

- Digital Finance Solutions. Our Digital Finance Solutions business unit includes digital financial value-added services designed to streamline the financial operations of our customers and address their needs, such as rating services, credit management and digital payment solutions. For the twelve months ended March 31, 2025, our Digital Finance Solutions business unit accounted for 3.1% of our total revenue.

For the twelve months ended March 31, 2025, we generated *Pro Forma* Total Revenue of €1,058.4 million and total revenue of €959.6 million (compared to approximately €423 million for the year ended December 31, 2020) and *Pro Forma* Adjusted EBITDA of €493.6 million and Adjusted EBITDA of €421.3 million (compared to approximately €209 million for the year ended December 31, 2020).

The following chart sets forth our Total revenue breakdown by business unit for the twelve months ended March 31, 2025.



For the twelve months ended March 31, 2025, we generated 84.8% of our total revenue from recurring revenue (compared to 79.8% for the year ended December 31, 2020), which are primarily related to annual software assistance and maintenance contracts, annual subscription contracts, annual fees from our multi-year contracts with VARs and fees from temporary annual licenses (*licenze temporanee annuali*) that we sell to our customers 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 refer to such temporary annual licenses as "**Regulatory LTAs**"). In addition, for the twelve months ended March 31, 2025, we generated 52.2% of our total revenue from our offering of cloud products and services (compared to 35.5% for the year ended December 31, 2020) supported by the successful transition of approximately 90% of our customers to more than one cloud solution as of March 31, 2025. We believe that our technology leadership, significant and ongoing expansion of our cloud-based solutions, the mission-critical nature of our products and the overall willingness of our customers to renew their contracts and upgrade to premium-tier features have contributed, and will continue to contribute, to our high annual subscription contracts and renewal rates. Most of our products are deeply integrated into our end-customers' IT systems and business processes, and their replacement is normally a complicated, time-consuming and expensive process, requiring extensive training for users. In addition, our digital and cloud-based solutions platform, Digital Invoice, which is designed to operate across all our digital products, is integrated with all our ERP solutions and allows our customers to digitally send, receive, register and store electronic invoices from and to private customers, companies, public entities, banks and external accountants and to send tax filings to the relevant tax authorities electronically.

Our three key customer segments are micro and small businesses, mid-market businesses and professionals, both in Italy and abroad. Our end customer base, including VAR's end customers, has expanded consistently over time, aligning with our sustained growth and scalable platform, increasing more than tenfold since 2017 to reach approximately 2.6 million as of March 31, 2025. Of this total figure, approximately 2.3 million are micro and small businesses, approximately 200 thousand are mid-market businesses and approximately 100 thousand are professionals. Our large and diverse customer base is also highly fragmented and diversified in terms of size and geography. As of March 31, 2025, we had approximately 525 thousand customers outside of Italy, our ten, 50 and 200 largest customers generated 3.1%, 6.8% and 10.7% of our total revenue, respectively. Our customer base is also spread across a variety of industries, including distribution and wholesale, agriculture, hospitality, accountancy, labor advisory, manufacturing, industrial, construction, wellness, fashion, retail, food and beverage, legal and other professional services sectors.

We have strategically internalized our VARs to establish stronger and more direct relationships with our customer base. This approach allows us to provide personalized and seamless services, enhancing customer satisfaction and loyalty. Such approach also supports our upselling initiatives, offering tailored solutions that meet the evolving needs of our clients and aids them in the continuing transition to cloud solutions. Through these efforts, we ensure that our clients benefit from the latest technological advancements while maintaining our competitive edge in the field. In furtherance of our internalization strategy, we have continued to pursue a series of bolt-on acquisitions to bolster our competitive position, broaden our product offerings and continue our international expansion. In recent years, we expanded into Spain by acquiring a controlling interest in the Spanish start-up Billin and consolidated our presence in the country by acquiring Software del Sol and Distrito K. In 2023, we further expanded our portfolio with acquisitions such as Acumbamail and Aplifisa, and entered the Turkish segment by acquiring the Mikro group. The acquisitions of the Clementine group in France and Morning in Israel further supported our international growth strategy. Our acquisition strategy has contributed positively to our revenue growth, product and business mix diversification and it is key to our growth plan, driving sustained expansion and reinforcing our leadership in the sectors and segments in which we operate.

We implemented a series of pricing and packaging initiatives across our customer segments. In the micro and small businesses customer segment, prices were raised by a total of 10.5 percentage points from 2020 to 2024, reflecting enhanced software functionality amidst inflationary trends. In the mid-market customers and international segments, we saw nominal price increases of 1.1 percentage points and 8.2 percentage points from 2020 to 2024, respectively, while in the mid-market customer segment prices decreased by approximately 0.1 percentage points over the same period. Regardless of these initiatives, churn remained broadly stable across most segments over the same period, underlining the resilience and stickiness of our customer base. In the micro and small businesses segment, churn decreased by 3.6 percentage points between 2020 and 2024. The mid-market segment experienced a 2.1 percentage points churn increase between 2020 and 2024, and in the professionals customer segment, churn slightly decreased by less than one percentage point from 2020 to 2024. Our international segment market experienced a decrease in churn of 4.8 percentage points over the same period.

We divide our product offering into the following three product suites and five horizontal solutions:

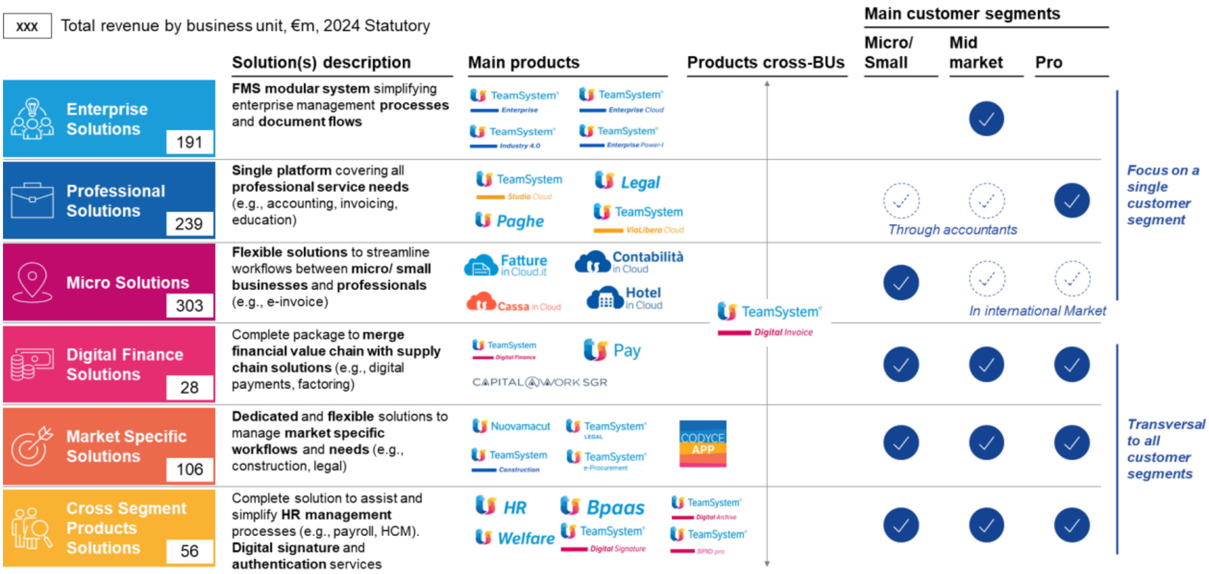
Product suites:

- *In Cloud*. Our In Cloud product line consists of cloud-based solutions tailored for micro and small businesses, enabling them to digitalize core processes such as invoicing, accounting, and customer relationship management, designed to provide a single point of contact, addressing their distinct operational needs. Our most successful software in this product line is Fatture in Cloud.

- *Studio Cloud*. Our Studio Cloud product line consists of mission-critical, comprehensive and scalable solutions for professionals, including accountants, law firms and CAFs. It integrates functionalities such as financial statement management, payroll, and tax filings preparation into a single product suite.

- *Enterprise Cloud*. Our Enterprise Cloud product line provides a full suite of customizable ERP solutions designed to support mid-sized companies in their digital transformation journey. Such product line includes modules for digital accounting, cash management, inventory management and procurement and

Set forth below is a graphic representing the interaction among our business units, product lines and target customers.



Source: *Management analysis.*

Our strengths

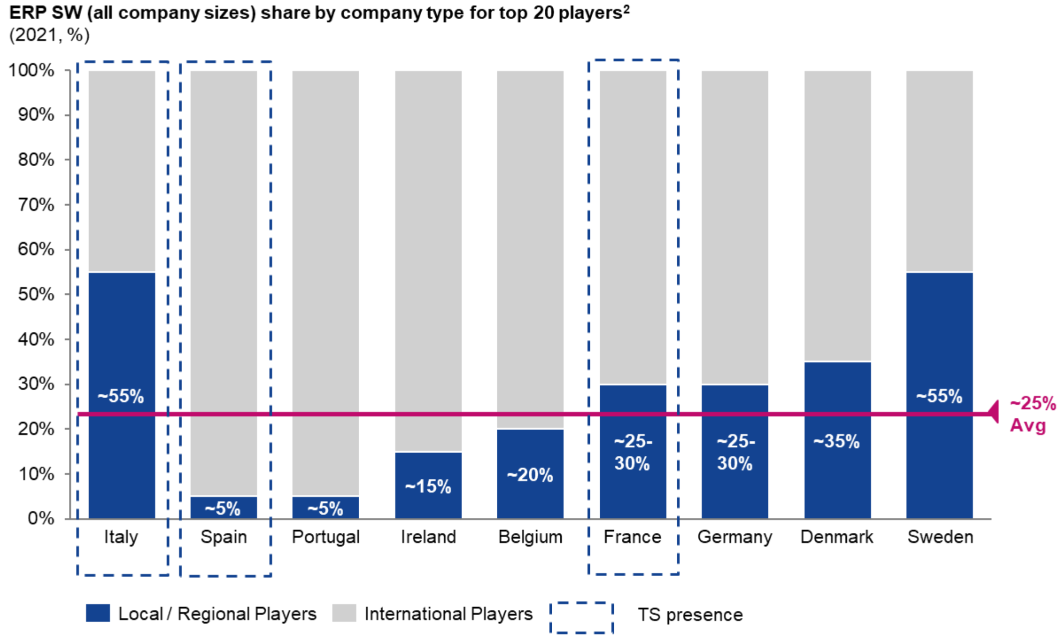
Large and growing segments benefitting from secular digitalization with regulatory tailwinds and significant investments and expertise requirements

We offer both cloud solutions (SaaS and IaaS) and on-premises solutions, in each case across sizeable and attractive sectors both in Italy and internationally, which offer substantial growth opportunities mainly supported by regulatory tailwinds, operational complexities and considerable initial investments. While Italy remains our core segment, we have entered and expanded into several international segments including the Spanish segment since 2020, with several key bolt-on acquisitions, the Turkish segment since 2023, following the acquisition of the Mikro group, and France and Israel since 2024 and 2025, respectively, through the acquisitions of key local players. As a leading player in the ERP sector both in Italy and in Turkey, we believe we are well-positioned to leverage the favorable conditions and expected trends in these countries to drive growth and expand our competitive presence.

As December 31, 2024, our total SAM was estimated to be worth approximately €9.0 billion (approximately €27.4 billion of total addressable market ("**TAM**")) and to grow at an expected CAGR of approximately 11.1% between 2024 and 2029 reaching €15.3 billion (approximately €46.2 billion of TAM) by 2029. Our SAM has grown over time, from approximately €3.1 billion in 2019, to approximately €9.0 billion in 2024, due to the growth of our core Italian ERP sector and entry into new segments such as HR, Digital Finance, Extended CRM and automation and cyber as well as new geographies such as Spain, Turkey, France and Israel. These SAM figures include also the International ERP and FMS sectors in Spain, Turkey, France and Israel (with the Spanish segment including also HR and Extended CRM solutions).

Our SAM has significantly expanded via both geographic reach and product diversification, making it less susceptible to macroeconomic fluctuations. Historically, our SAM has proved resilient through various economic cycles, including the financial crises of 2009 and 2012, as well as the COVID-19 pandemic, consistently outperforming Italy's GDP growth. This resilience is further reinforced by our strategic focus and successful repositioning initiatives in high-growth segments, such as micro and digital finance.

In 2021, local and regional players held an approximately combined 55% share in Italy, compared to approximately 25% to 30% in France and an average of 25% in other EU countries, as shown in the chart below.



Source: Global Consulting Company Report, Management Analysis.

ERP solutions are fundamental to the day-to-day activities of businesses, especially as the operations of Italian enterprises become increasingly complex. This complexity drives demand for a broader range of innovative management solutions to monitor key activities. Accounting and payroll management software remain core due to stringent Italian regulations requiring digital fiscal and labor filings. Our state-of-the-art cloud-based solutions ensure compliance with these demanding and ever-changing regulatory requirements, providing seamless support even in light of changing regulations. This allows our customers to focus on their core activities without diverting pivotal resources, ensuring stable demand for and revenue streams from our mission-critical services.

The ongoing digitalization trend in Italy is primarily driven by stringent regulatory requirements, which impose significant fiscal and administrative burdens on companies and create a strong demand for up-to-date management software that streamlines administrative functions and establishes operational complexities and considerable initial investments for new competitors. We are well-positioned to meet this demand by providing products and updates that help clients ensure regulatory compliance. The Italian market is also poised to benefit from government policies, incentives, and subsidies that promote digitalization. Subsidies introduced over the past few years, such as the "Industry 4.0" initiative, which offered financial vouchers to promote the digitalization of SMEs and micro and small businesses, and the National Recovery and Resilience Plan (*Piano Nazionale di Ripresa e Resilienza*), which allocates approximately €40 billion for digitalization projects across the public sector, further incentivize digitalization in Italy. More recently, additional €6.3 billion in funding have been introduced under the Transition Plan 5.0 to support the digital and green transition of businesses through tax credits for advanced technologies and energy efficiency projects.

Italy demonstrates strong performance in the adoption of cloud services, with approximately 55% of enterprises utilizing this technology, significantly surpassing the EU average of 39% as of December 31, 2024. Unlike other Mediterranean countries, Italy's penetration rates for cloud services more closely resemble those of Nordic and Benelux economies, which have historically been more advanced in terms of digitalization.

enable us to reinforce and expand into the segment. Combined with our modular ERP and e-invoicing solutions and established go-to-market model, this foundation enables us to capture early demand and unlock meaningful cross-sell opportunities in a rapidly digitizing market.

Long-standing leadership position with a strong track record of growth in targeted geographies and customer segments

We believe we have achieved a leading position across our customer segments, product offering and key geographies.

In terms of customers, our leading position spans across the Italian micro and small businesses customer ("**Micro**") segment, in terms of value, which mainly refers to FMS solutions for micro enterprise (including e-invoicing, accounting software and cash recorders), mid-market business customer ("**Mid-Market**") segment, in terms of number of addressable companies, which refers to the segment for ERP software for SMEs, and professional customer ("**Professional**") segment, in terms of number of addressable CPAs, which comprises accountants and labor and tax advisors.

According to the Global Consulting Company Report, as of December 31, 2024, we held more than 30% share in Italy in (i) the Micro segment based on market value, (ii) the Mid-Market segment based on the number of addressable companies and (iii) the Professional segment based on number of CPAs.

Our leading position in Italy across our customer segments is the result of many years of developing our proprietary software through significant investment, which has established our reputation for high-quality and reliable products and services in such segments. Since our early entry into the Micro segment in 2019, we have built a strong customer base and achieved high client satisfaction, enabling us to grow our share above 30% in terms value between 2019 and 2024, according to the Global Consulting Company Report. Our comprehensive offering of innovative and industry-tailored software solutions, combined with our successful model and know-how, enabled us to establish our leadership position amidst the complex Italian regulatory environment as well as successfully expand our business internationally, including into key European countries, such as Spain and France, as well as across the larger Mediterranean region. Our extensive product suite coupled with a flexible distribution model not only solidifies our share within our reference segments but also enhances customer loyalty and engagement.

In the Mid-Market segment, we have achieved a clear leadership position, underpinned by our mission to support SMEs in their digital transformation and to improve their efficiency and competitiveness while ensuring compliance with the applicable regulatory frameworks. Our ability to offer a wide range of services has enabled us to benefit from significant economies of scale. Our integrated and customizable platform of solutions allows us to address the needs of companies across selected verticals with an ample geographic reach, further reinforcing our leadership and driving sustained growth.

The Professional segment is relatively more stable and mature compared to other segments. Our leadership in this segment, which we have maintained since 2019, is underpinned by superior brand recognition, supported by a loyal customer base and delivery of high-quality, reliable and integrated AI-driven software solutions, which ensures that we remain the preferred choice for professional customers, further consolidating our competitive position.

In terms of product offering, we believe to have achieved a promising position in key product segments such as Digital Finance, human resources solutions and certain industry-specific segments. In particular, in the Digital Finance segment we see significant opportunities to further expand our product range and increase our competitive presence. Holding less than 1% share in 2024, as a percentage of SAM, there is a high potential for revenue generation in the Digital Finance segment. In the human resources solutions segment, which encompasses HCM and payroll software, we achieved an approximately 15% share as of December 31, 2024. Furthermore, as of December 31, 2024, we held an approximately 5% share for Extended CRM and marketing automation.

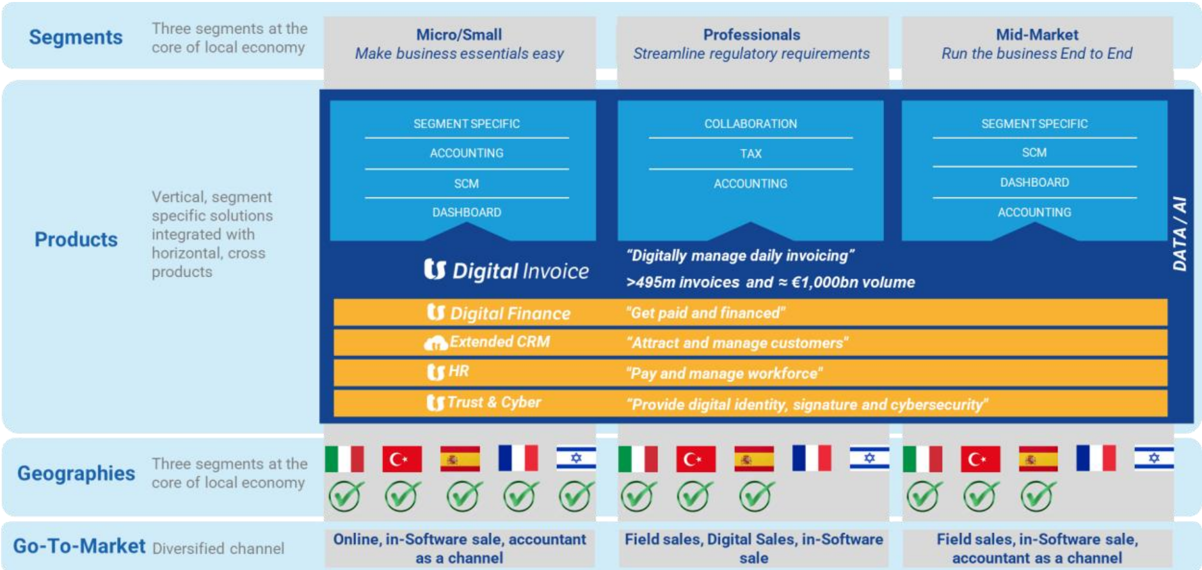
With regard to our geographic segments, we believe we are a leading player in the ERP sector in Italy, Turkey and Israel (through the acquisition of Morning), with a strong and increasing presence in Spain and France. In particular, our international expansion began in 2020 with acquisitions in Spain, followed by Turkey in 2023, France in 2024 and Israel in 2025. These strategic moves have significantly increased our presence and influence in these key segments. For our international segment, mainly comprising ERP software solutions (as well as HR and Extended CRM for the Spanish segment only), the SAM and TAM amounted to approximately €3.5 billion and approximately €16.8 billion, respectively, as of December 31, 2024. Our strategic operations and experienced leadership enabled us to achieve a share of approximately 6% in Spain, which increased at a CAGR of 48% since 2021, and shares of approximately 19%, 10% and 1% in Turkey, Israel, with the acquisition of Morning, and France, in each case in 2024 based on revenue generated within these segments divided by the estimated SAM of each segment and expressed as a percentage thereof for the same period. These results underscore our rapid development of influence and competitive edge in these segments.

Comprehensive, scalable and leading SaaS platform enhanced by AI, data-driven innovation and continuous product evolution

Since our establishment in 1979, we have consistently adapted to technological advancements, evolving from on-premises solutions to a market-leading SaaS platform. In 2014, we became one of the first companies in Italy to invest in cloud products, which allowed us to gain a significant competitive advantage in the Italian business management software sector. In 2015, we initiated the transformation of our legacy systems into a fully integrated, cloud-native SaaS platform with an open architecture. In recent years, we have continued to evolve into a comprehensive suite of integrated SaaS services, featuring extensive application programming interfaces ("**APIs**") and a strong focus on user experience ("**UX**") and user interface design, positioning ourselves swiftly as a center of excellence.

Our product offering is carefully designed to cater to the diverse requirements of our customers, providing both cloud-based and on-premise solutions that are customized for businesses of different sizes and needs. Our offering includes, among others, specialized state-of-the-art features that increase operational efficiency and advanced analytics, bolstered by AI tools and capabilities. Our integrated cloud-based offering enables customer collaboration and allows us to implement cross-selling initiatives for various solutions.

As indicated below, certain of our products within our comprehensive offering are dedicated to specific clusters of customers, while certain others are typically available for our entire customer platform.



Source: Management analysis.

Our range of cloud products, part of an integrated platform and vertical solutions, empowers customers to digitalize core processes such as quoting, billing, managing customer relationships and streamlining business monitoring. These offerings feature an intuitive, user-friendly interface, regularly enhanced through updates to ensure reliability, efficiency and ease of use. This continuous improvement cycle keeps our solutions at the forefront of technological advancements, providing customers with regular updates and cutting-edge tools, including innovative AI features, in order to stay competitive and streamline and automate complex tasks while ensuring compliance with applicable laws. This translates into critical up-selling opportunities and increased high-quality revenues, as most of our solutions generate recurring revenues.

Our leading integrated cloud application suite has enabled us to secure a substantial customer base spread across key geographies, which we aim to further expand by exploiting new opportunities, such as ongoing digitalization and regulatory tailwinds as well as through cross-selling initiatives. Most of our products and services are offered across our micro and small businesses, professional and mid-market businesses customer segments. A notable example is our Digital Invoice solution. This mission-critical solution is essential for companies adopting e-invoicing, driven by regulatory mandates. In 2024, our Digital Invoice solution supported over 495 million invoices, representing an aggregate value of approximately €1,000 billion and assisted approximately two million customers with Digital Invoice applications. Our Digital Invoice applications offer security and reliability, crucial for managing daily invoicing digitally.

We have been successful at upselling our products and expanding our customer base through value added solutions. In addition to our core invoicing and accounting services, we have capitalized on our ability to cross sell complementary offerings, such as Digital Finance, Extended CRM, in Cloud, HR, and Trust & Cyber services, which generated approximately €125.8 million in revenues for the twelve months ended March 31, 2025. Such cross selling capability is underpinned by a comprehensive and scalable SaaS platform that enables end to end digitalization across a broad customer base. High value services such as Digital Finance, Trust & Cyber services, and marketing automation are shared across multiple customer segments, enhancing both operational efficiency and customer lifetime value. The platform architecture incorporates shared low level utilities, front end and UX enhancements, workflow optimization and dedicated modules. A centralized data repository also ensures consistency, accuracy and accessibility, supporting a seamless and intuitive user experience. We believe there remains a significant opportunity to further expand our cross-selling of products within our existing customer base, as our overall cross-selling product penetration in Italy remains below approximately 5%, underscoring the untapped potential of our platform to drive additional growth through deeper adoption of our cloud-based solutions.

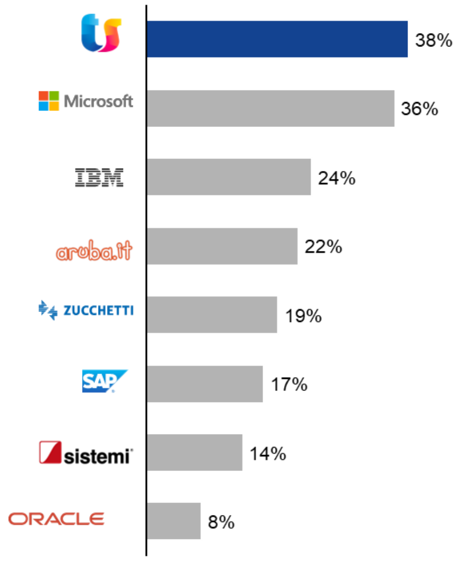
Cloud-based solutions represent a core strength of our business model, enabling scalable delivery, enhanced customer engagement, and seamless integration across our product suite. Cloud revenues accounted for 52.2% of our total revenue for the twelve months ended March 31, 2025, compared to 35.5% in the year ended December 31, 2020. As of March 31, 2025, we had successfully transitioned approximately 90% of our customers to more than one cloud solution, highlighting our strong execution and leadership in cloud adoption.

Furthermore, our SaaS platform integrates advanced analytics and AI capabilities, positioning us to leverage data monetization and AI as key drivers of growth and differentiation. Among others, our investments in data and AI are designed to achieve several key objectives: (i) collecting and measuring data to enhance our data platforms and governance; (ii) creating an AI platform to support new use cases with generative AI and machine learning; (iii) developing AI tools such as virtual assistants to support customer activities; and (iv) fostering a data-driven culture within our customers' organizations to improve cross-business coordination.

AI integration has enabled us to develop features that reduce manual tasks, such as proposing accounting codes, thereby improving efficiency and user experience. As our customers increasingly shift from Software-as-a-Service to a Services-as-a-Software model, we are committed to enabling them to harness data and AI for business insights, cost management, and decision-making. For example, we have introduced AI-powered solutions for accountants that automate data entry, manage invoices, bank feeds, and sales receipts (*corrispettivi*) in real time, and support fiscal processes such as Italian tax forms (F24) preparation and financial statement generation, including AI-generated supplementary notes.

A key focus of our AI investments is the development of an "AI Edition" of our core cloud-based solutions, which combines generative AI and machine learning to deliver more intelligent and intuitive products. Our AI Edition initiative is structured around four strategic pillars: (i) compelling use cases with broad applicability across product modules; (ii) a clearly perceived AI-enhanced user experience; (iii) a modern and scalable technology environment; and (iv) a go-to-market strategy centered on driving adoption and delivering customer value. These pillars are designed to ensure that AI capabilities are not only embedded across our platform but also deliver tangible benefits to end users. As a result, we have unlocked new upselling opportunities by offering upgraded, AI-enhanced solutions that improve operational efficiency through embedded AI agents. Our targeted investments in AI have resulted in significant enhancements to our brand value. In 2024, Kantar recognized us among the most innovative AI-driven brands in Italy's enterprise software sector, proving the effectiveness of our focused investment strategy across high-impact areas such as insights, automation, and Copilot functionalities.

The chart below shows the brand perception around AI among our closest competitors during the second quarter of 2024:



Source: Kantar 2024 – Indagine B2B sul percepito e le aspettative verso l'Intelligenza Artificiale. Note: Figures represent the percentage of respondents to Kantar's survey who selected the relevant company shown in the chart above. Respondents were allowed to select more than one company.

We believe that as customers increasingly adopt these capabilities, they will be able to streamline workflows, enhance decision-making and foster a data-driven culture that supports long-term growth. For instance, in 2025, we launched the first AI edition of TeamSystem Enterprise, featuring eight initial use cases designed to help customers automate low-margin, time-consuming operations. By expanding our portfolio of data-centric products, including tools for aggregated data and benchmarking, we have adopted data-driven approaches to enhance both our internal operations and customer-facing solutions.

Moreover, to support our innovative programs, our investments in research and development ("**R&D**") have become central to our growth strategy and product evolution. Between 2020 and 2024, we invested an average of €67 million per year in R&D, excluding cloud and infrastructure costs. Our AI-driven innovation efforts are supported by a dedicated AI team that has grown at a CAGR of 62.3% since 2022 and 31.7% since 2023, reaching 79 employees as of March 31, 2025. Our AI-related activities contribution to our ARR was approximately €1 million, €8 million and €13 million as of December 31, 2023, December 31, 2024 and March 31, 2025, respectively, supporting our recurring revenue growth. We have also leveraged AI internally to improve customer support, enhance product quality, and contain costs, thus accelerating development cycles and optimizing resource allocation.

The continuous innovation of our product portfolio and underlying technologies is central to our strategy to establish ourselves as a comprehensive B2B SaaS technology leader. This evolution is driven by our commitment to integrating R&D efforts, which strengthens our "One Platform" strategy and accelerates product development. We focus on preserving the value of legacy offerings while enhancing client engagement and trust, ensuring that our solutions remain relevant and impactful. By improving the client experience, we facilitate cross-selling and upselling through streamlined digital journeys that cater to diverse business needs. Our leadership in R&D is underscored by the adoption of best practices and cutting-edge innovations, including AI-enabled tools and methodologies, positioning us at the forefront of technological advancement.

Established domestic platform with strategic capabilities to expand into international segments

We believe we hold an established position in the enterprise resource planning sector and the micro-business customer segment in Italy, which we have consolidated through more than 45 years of accumulated knowledge and direct engagement within the industry. In particular, our detailed understanding of the needs and specific dynamics of micro and small business customers, as well as the accountant segment, is the result of sustained strategic investment in proprietary software development and the cultivation of a strong reputation for delivering high-quality and reliable products and services. Through a comprehensive suite of innovative, industry-specific software solutions, including a robust electronic invoicing offering tailored to micro businesses, and a business model consolidated through our network of accountants, we have reinforced our leadership in the complex and fragmented Italian regulatory environment. As a result, we believe our strong foundation has supported our share penetration in Italy, reaching more than 30% as of December 31, 2024, according to a Global Consulting Company Report.

Moreover, we believe that our strong domestic fundamentals represent not only a solid foundation but also a strategic platform from which we can successfully replicate our model internationally. In particular, we see significant growth potential in our international segments, where our cumulative penetration currently stands at approximately 4%, compared to more than 30% in Italy. We believe this disparity highlights a substantial opportunity to expand our presence in these segments by leveraging our strategic capabilities and accumulated know-how.

Our international growth strategy is directly informed by the same strategic capabilities that have underpinned our success in Italy. Specifically, we intend to leverage (i) a differentiated offering developed through decades of experience serving micro, small, and professional customers, with a particular emphasis on electronic invoicing solutions; (ii) the exportability of our Accountant-as-a-Channel commercial model, which has proven highly effective in customer engagement and distribution within the Italian market; and (iii) a scalable client acquisition framework, refined through our domestic operations, and designed to support rapid and efficient expansion across geographies.

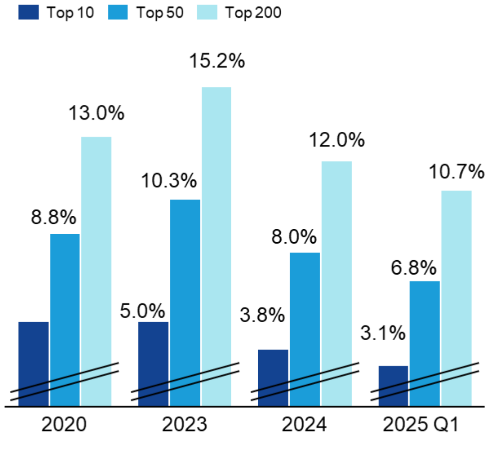
We believe that the combination of our established domestic leadership, deep sector expertise and proven commercial model positions us well to capture untapped potential in international segments. By extending the same principles that have driven, and continue to drive, our success in Italy we aim to build a broader, more diversified business with enhanced growth prospects and long-term value creation.

Large, highly diversified and fragmented customer base characterized by high retention rates

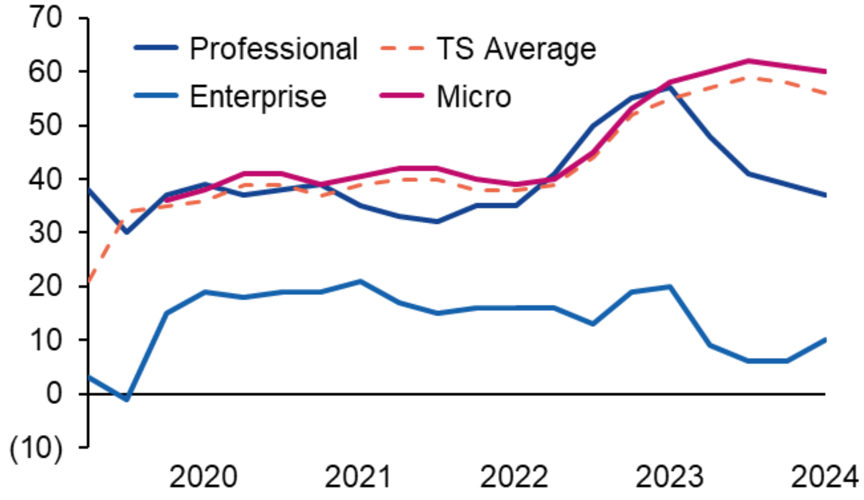
We have a growing, large, diversified and fragmented customer base which mitigates risks related to declines in product demand in any one particular industry or geography and reduces reliance on revenues from a small number of key customers. From December 31, 2020 to March 31, 2025, our end-customer base increased at a CAGR of approximately 18.4%, growing from approximately 1.5 million customers to approximately 2.6 million customers, of which approximately 2.3 million were micro and small businesses, approximately 200 thousand were mid-market businesses and approximately 100 thousand were professionals. In addition, our successful international expansion has further favored our customer diversification with a reach of approximately 525 thousand customers outside of Italy as of December 31, 2024.

For the twelve months ended March 31, 2025, our ten largest customers generated 3.1% of our total revenue, while our 50 largest customers and 200 largest customers generated 6.8% and 10.7% of our total revenue, respectively, over the same period.

The chart below shows the contribution to our total revenue from our ten, 50 and 200 largest customers for each of the years ended December 31, 2020, 2023 and 2024, which highlights a low and decreasing customer concentration.



NPS Evolution



Source: Nielsen.

(1) "Professional" includes Italian customers of our Professional business unit.

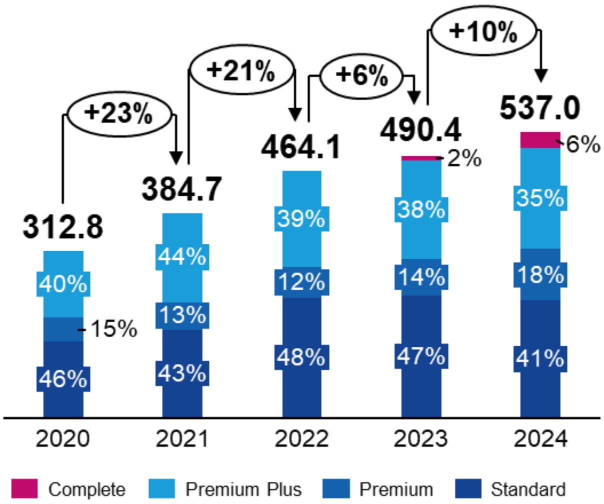
(2) "Enterprise" includes Italian customers of our Enterprise Solutions business unit.

(3) "Micro" includes Italian micro and small customers.

We have historically experienced high and stable Customer Retention Rates. For the years ended December 31, 2022, 2023 and 2024, we have experienced high and stable Customer Retention Rates in Italy of approximately (i) 90.0%, 90.7% and 91.0%, respectively, for micro and small business customers; (ii) 92.5%, 91.8% and 91.5%, respectively, for mid-market business customers; and (iii) 93.0%, 92.8% and 92.2%, respectively, for professionals. Without giving effect to the impact of revenue contraction from customers who terminated certain but not all of their agreements with us, we estimate that our Customer Retention Rates would have been approximately (i) 93.6% for micro and small business customers, (ii) 95.5% for mid-market business customers, (iii) 96.0% for professionals, and (iv) between 90% and 95% for our Spanish and Turkish customers, in each case for the year ended December 31, 2024 .Customer Retention Rate for micro and small businesses customers is typically slightly lower than Customer Retention Rate for mid-market customers and professionals due to the lower switching costs associated with solutions for micro and small businesses, mainly as a result of their lower level of complexity, and frequent business lifecycle changes within this segment. We believe that the mission-critical nature of our software products and services, which are deeply embedded in many of our customers' workflows and IT systems, has historically provided a degree of insulation from economic uncertainties and resulted in our high Customer Retention Rates. Our customers' operations depend upon our products to facilitate data flow, not only in-house, with respect to internal business management data analysis and storage, but also externally, between our customers and other businesses or between our customers, banks, tax authorities and other public administration organizations. In addition, our high Customer Retention Rate is also supported by our customers' satisfaction and overall willingness to renew their subscriptions. In particular, mid-market and professional customers tend to carefully consider the migration to alternative software providers in light of, among others: (i) the mission-critical nature of software and the possibility that customers may be exposed to data migration risk during a transition to an alternative supplier; (ii) the cost and length of time required to transition to an alternative platform given that ERP systems are integral to the various operational segments of an organization; and (iii) the training required to familiarize employees with new software. Moreover, for the professionals customer segment, we believe the adoption of our digital ancillary solutions allows a strong connection and digital interrelation between our professional customers and their end-customers, making our professional customers more dependent on our products in their day-to-day activities, which, in turn, encourages our customers to continue using our products and not to switch to competitors' solutions.

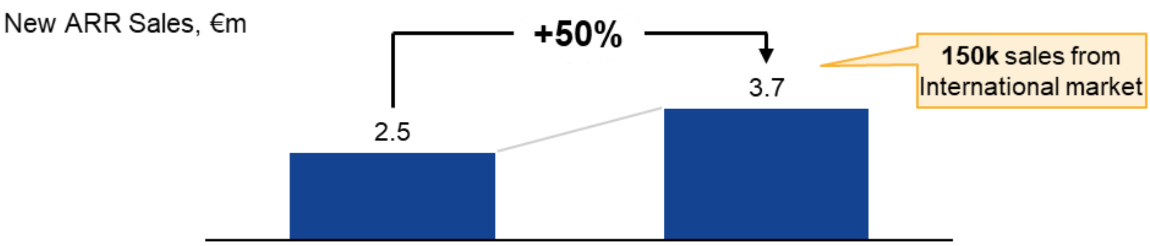
We have a proven track record of targeted initiatives aimed at improving the quality of our recurring revenues and expanding solution adoption across our customer base, which we believe are a strong foundation for stronger revenue generation, deeper engagement and broader use of our platform.

Between 2020 and 2024, we achieved a CAGR of 8% in average revenue per user ("**ARPU**") for our Digital Platform best-seller, Fatture in Cloud, reaching €226 in 2024. This performance reflects the success of our targeted commercial strategies aimed at enhancing revenue generation and customer value. A key driver of this growth has been the introduction of a tiered packaging model, offering a range of options from entry-level solutions with ARPU of approximately €10 to €20 per year, such as Digital Invoice, to premium packages generating between €140 and €500 per year, such as the "Complete" package for Fatture in Cloud. This approach has enabled us to successfully migrate a significant portion of our Fatture in Cloud customer base toward higher-value tiers. As of December 31, 2024, approximately 59% of customers had adopted these higher-ARPU packages. Through a balanced combination of pricing and packaging initiatives, and deliberate efforts to elevate the perceived value of our offerings, we have strengthened both revenue generation and customer retention. The chart below illustrates the evolution of our Fatture in Cloud customer base from the year ended December 31, 2020 to the year ended December 31, 2024.



Furthermore, to further consolidate our position across our industries, we have strategically prioritized cross-selling opportunities within our expanding and diverse customer base. By refining sales team incentives and introducing new cross-selling metrics, we have aligned our organizational objectives with the goal of enhancing customer engagement. Our bundled product and service offerings, coupled with streamlined technical and commercial integration, enables us to deliver comprehensive solutions that address the evolving needs of our customers. Additionally, we have implemented a governance framework to oversee cross-selling initiatives, ensuring consistent performance tracking and the sharing of insights across business units. The creation of new sales roles dedicated to the direct sale of horizontal solutions enhances our capacity to leverage cross-selling opportunities, fosters stronger customer relationships and drives stronger revenue visibility. By leveraging these cross-selling initiatives, we recorded a 52.9% increase in annualized recurring revenue ("**ARR**") from our Digital Finance, Extended CRM, HR and Trust & Cyber services from 2.5 million as of March 31, 2024 to 3.8 million as of March 31, 2025.

The chart below illustrates a breakdown of ARR by product within our cross-selling platform as of March 31, 2024 and March 31, 2025:



While we have made meaningful progress, our strong positioning is further underscored by the significant untapped demand, with adoption of our Digital Platform products still below 2% across all customer segments, except for HR in the mid-market segment and HR and Digital Finance among professional customers, where adoption has already reached approximately 5.5%, 17%, and 15%, respectively.

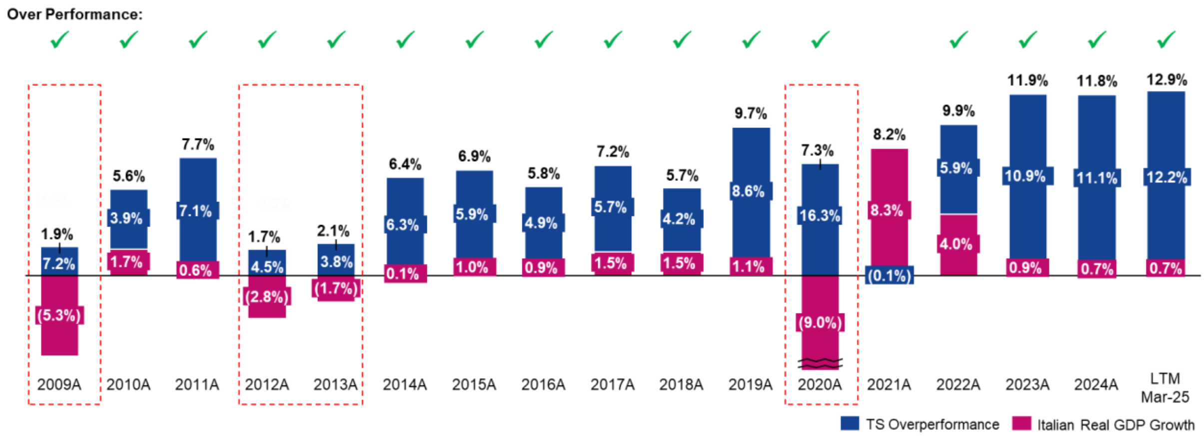
Best-in-class business model and financial profile, with predictable and resilient organic revenue growth, increasing profitability with strong cashflow conversion

Since our inception, we have achieved steady and robust growth. Our effective execution and scalable business model are reflected in our growth at a CAGR of approximately 15% between 2020 to 2024.

Moreover, our performance has consistently outpaced the Italian GDP growth, even during challenging economic periods such as the 2009 and 2012 financial crises and the COVID-19 pandemic. In 2012, amidst the global financial crisis, Italy's GDP declined by 2.8%, while we achieved organic revenue growth of 1.7%, outperforming the Italian GDP by 4.5 percentage points. Similarly, in 2020, when the Italian GDP declined compared to 2019, we achieved 7.3% organic revenue growth, outperforming the Italian GDP by 16.0 percentage points, mainly due to the successful launch of our e-invoicing products and the strong demand for these solutions underpinned by COVID-19 dynamics. For the years between 2022 and 2024, we outperformed the Italian GDP by 10.9%, 11.1% and 10.8%, respectively, underscoring our continuous and outstanding growth trajectory across complex economic cycles. Over the same period, our organic total revenue grew at an average annual rate of 11.9%.

The following chart presents a comparison of our organic revenue growth and the Italian GDP growth for each year between 2009 and 2024 and the twelve months ended March 31, 2025:

TeamSystem Group Organic Revenue Growth (YoY %)[1]



Source: IMF –World Economic Outlook Database; Management analysis.

(1) The organic revenue growth is based on managerial accounts; statutory organic revenue growth for the year ended December 31, 2022, 2023 and 2024 was 9.9%, 11.9% and 11.8%, respectively. Including the effect of the outsourcing of delivery and hardware operations in 2018 and 2019, as well as the transition to a SaaS model in 2018, organic revenue growth would have been 9.9% and 12.8% for the years ended December 31, 2018 in 2019, respectively. Organic revenue growth represents the percentage growth in our organic total revenue, compared to total revenue for the relevant previous period. Organic total revenue for a given period represents our total revenue for such period *plus* the revenue generated by businesses we acquired (or in respect of which we entered into an acquisition agreement) as if such businesses had been consolidated from the beginning of the relevant period *less* the revenue generated by businesses we disposed of (or in respect of which we entered into a divestiture agreement) during the relevant subsequent period, as if such divestitures or disposal had occurred at the beginning of the previous period.

Our resilience is evidenced by a consistent pattern of organic revenue growth since 2009, even during periods of economic turbulence. We believe such sustained growth is attributable to several key factors: (i) the recurring nature of our contracts; (ii) our customers' loyalty, as demonstrated by our high NPS and low churn rates; (iii) the mission-critical nature of our software, our broad, rich and fully integrated product suite continuously evolving and anticipating market trends, which makes customers, particularly SMEs and professional clients, reluctant to switch to alternative suppliers due to the time-consuming migration process, allowing us to maintain sales even during economic downturns; and (iv) our strong brand recognition.

For the twelve months ended March 31, 2025, we generated 84.8% of our total revenue from recurring revenue (compared to 79.8% in 2020), which we believe provides significant visibility of future earnings. In particular, in the three-month period ended March 31, 2025 our recurring revenue accounted for 86.4% of our total revenue underscoring our stability and predictability from the first months of each calendar year. The growth in the contribution of revenues with a recurring nature to our total revenue has been driven in part by the increased weight and importance of our cloud solutions in our product portfolio, with the contribution of cloud software solutions revenue to our total revenue increasing from 35.5% in 2020 to 52.2% for the twelve months ended March 31, 2025.

For the twelve months ended March 31, 2025, we generated *Pro Forma* Total Revenue of €1,058.4 million and *Pro Forma* Adjusted EBITDA of €493.6 million. As our Adjusted EBITDA grew from €227.3 million in 2022 to €313.8 million in 2023, €404.6 million in 2024 and €421.3 million for the twelve months ended March 31, 2025, our profitability and cash flow generation have also shown significant improvement. As a result of, among others, the increase in our Adjusted EBITDA, our Adjusted EBITDA margin grew from 40.0% in 2022 to 43.9% for the twelve months ended March 31, 2025. We believe there is a correlation between margins and shares in our reference segments, therefore, we see strong upside potential as we consolidate our multi-platform offerings.

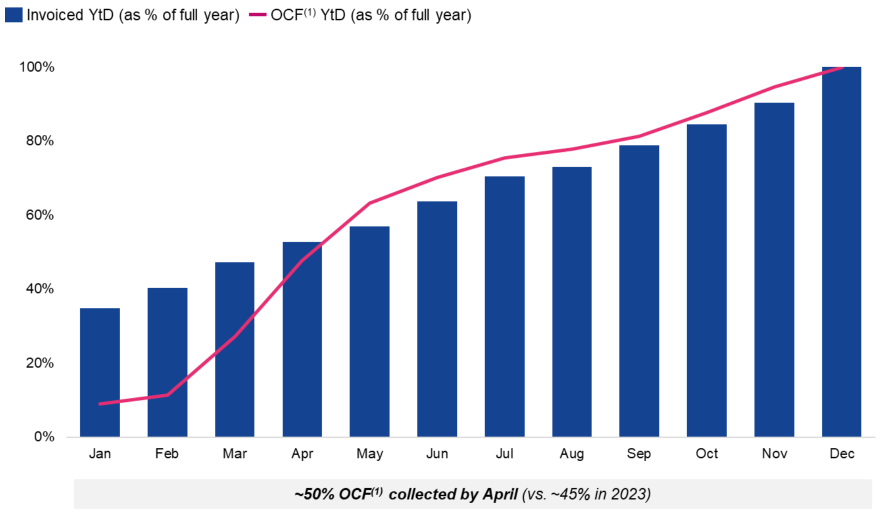
Furthermore, our invoicing strategy enhances our financial stability by invoicing our customers in advance at the beginning of each calendar year during our annual budgeting process. Additionally, most of our contracts are typically renewed unless customers provide a written termination notice prior to expiration. This approach gives us strong visibility over our cash flows and capital requirements, allowing us to carefully plan our capital needs and ensuring consistent and regular revenue streams.

We believe that our billing pattern contributes to the overall visibility of our cash flows and ensures substantial liquidity. With over 70% of invoices issued between fourth quarter of each calendar year and the first quarter of the subsequent calendar year, we secure significant cash-in contributions in the first half of the year, effectively covering our cash needs, with about 30% of invoices issued during the second and third quarter of the year, primarily for prepaid cloud products for micro and small businesses.

Approximately 35% of our invoices are issued in January and 50% by March, providing us with the liquidity needed for the rest of the year. Year-end invoicing for our In Cloud products, sold on annual subscription models, further enhances cash flow predictability.

We believe that this invoicing strategy enables us to effectively predict and monitor our revenue and cash flow levels, ensuring strong liquidity and contributing to our financial stability and operational efficiency. As a result, we maintain a robust adjusted operating cash flow, which further supports our financial health and strategic initiatives.

The following chart shows the evolution of our adjusted operating cash flow for each calendar month of the year ended December 31, 2024.



Source: Management analysis. Note 1. "OCF" means adjusted operating cash flow. Note 2. OCF YtD" refers to the aggregate adjusted operating cash flow from January 1, 2024 to the applicable month of the year ended December 31, 2024.

conviction in the business with outstanding organic growth opportunities and strong competitive positioning. We believe that our current management team and ownership structure will allow us to continue to attract and retain the industry's top talent, further driving sustainable profitable growth.

Our strategy

Since 2021, we have focused on the digitalization of our customer base, rationalizing our sales model and strengthening customer retention and satisfaction. Additionally, we have focused on expanding our horizontal solutions to drive upselling and cross-selling opportunities. This strategic emphasis has enabled us to better meet diverse customer needs and enhance our value proposition. Our internationalization efforts have also been pivotal, expanding our presence beyond Italy and capturing new opportunities, which now account for a growing share of our revenue. To support this expansion and our broader growth objectives, we have revised our organizational structure, aligning it more closely with our strategic priorities and improving operational efficiency. As a result of these strategic focuses, we have achieved remarkable growth and transformation, more than doubling in scale and enhancing our business diversification and quality, with a significant acceleration in value creation.

Business scale: Since 2020, we have made significant progress across multiple dimensions of our business. Our total revenue has increased at a CAGR of 21.3% from €422.8 million for the year ended December 31, 2020, to €959.6 million for the twelve months ended March 31, 2025, with average organic growth over the same period reaching approximately 10%. As part of this overall growth, our international operations have also shown significant expansion increasing organically by more than 30% for the twelve months ended March 31, 2025 compared to the twelve months ended March 31, 2024. Our Adjusted EBITDA also increased organically by 17.8% over the same period, reflecting continued operational scalability and disciplined cost management. Additionally, our customer base expanded from 1.5 million as of December 31, 2020 to 2.6 million as of March 31, 2025, driven by new client acquisitions, particularly among micro and small businesses adopting mandatory e-invoicing, and international growth in Spain, Turkey, France and Israel which accounted for approximately 525 thousand customers as of March 31, 2025.

Business Mix and Geographic Diversification: We have accelerated our business diversification both geographically and in terms of our business mix. In 2020, we only generated revenues in Italy, whereas for the three months ended March 31, 2025, our international expansions grew at a faster pace than our domestic revenue and accounted for approximately 14% of our total revenue for such period. Additionally, our revenue mix has also evolved significantly since 2020, with the micro and small customer segment representing approximately 33.9% of our total revenue for the twelve months ended March 31, 2025 increasing from 17.6% for the year ended December 31, 2020. We have also increased our focus on cross-selling platforms such as HR, Digital Finance and Trust & Cyber services, bolstered by strategic acquisitions which have generated approximately 9.0% of our total revenue for twelve months ended March 31, 2025.

Business Quality: Our business quality has significantly improved, with recurring revenues increasing from 79.8% for the year ended December 31, 2020 to 84.8% for the twelve months ended March 31, 2025, and cloud revenues rising from 35.5% of our total revenue for the year ended December 31, 2020 to 52.2% of our total revenue for the twelve months ended March 31, 2025. Since 2021, our customer retention rates and NPS have both improved, with churn levels decreasing across segments despite price increases, and NPS increasing from 36 as of December 31, 2020 to 56 as of December 31, 2024, which was three points higher than the average score of our competitors.

As a result of the above, the growth in our organic ARR (i.e. excluding the impact of the businesses that we acquired or in respect of which we entered into an acquisition agreement during the relevant periods) amounted to approximately 10% in 2020, 12% in 2021, 12% in 2022, 14% in 2023, 14% in 2024 and approximately 14% for the twelve months ended March 31, 2025. Our organic Net Revenue Retention rate (i.e. excluding the impact of the businesses that we acquired or in respect of which we entered into an acquisition agreement during the relevant periods) amounted to approximately 106%, 105%, 108%, 106% 107% and 108% for the same periods.

We plan to continue consolidating these trends to achieve long-term sustainable growth and strengthen our leadership in our core reference segments by: (i) growing top-line revenue by leveraging upselling and cross-selling opportunities within our large and diversified customer base, including the continued migration of on-premise customers to cloud-based solutions; (ii) leveraging AI to advance our transition to a Services-as-a-Software proposition and boost operational productivity; (iii) expanding our international footprint by capitalizing on our scalable sales model, proprietary solutions and expertise with micro businesses and e-invoicing software; and (iv) enhancing our sales model to improve customer satisfaction and retention, while diversifying our acquisition channels and optimizing cost per acquisition. Additionally, we aim to continuously enhance our

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		Uses	
	(€ million)		(€ 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.*"

or steps related to any such transactions, collectively, as the "**Transactions**." For further information, see "*Use of proceeds,*" "*Capitalization,*" "*Description of certain financing arrangements*" and "*Description of Notes.*"

Recent developments

Current trading

The preliminary results and estimates presented below for the four months ended April 30, 2025 are derived from our internal management accounts, which may not be directly comparable with our Consolidated Financial Statements included elsewhere in this Offering Memorandum. This information has not been audited or reviewed and no procedures have been completed by our external auditors with respect thereto. These results are subject to the risks related to our business, including those set forth under "Risk factors" and "Forward looking statements" in this Offering Memorandum and, because they are preliminary, are inherently subject to modification. The preliminary results set out below are based on a number of estimates and assumptions that are subject to inherent uncertainties and subject to change. While we believe these preliminary results and estimates to be reasonable, they remain subject to change and our actual results for such periods may vary from the preliminary results presented below, and these variations could be material.

We believe that our recent trading performance for the four months ended April 30, 2025 is in line with our growth trajectory as a result of the same key drivers that positively impacted our results for the first quarter of 2025. In particular, based on preliminary results derived from our unaudited management accounts and other information currently available to us, we estimate that we generated total revenue of approximately €331.9 million for the four months ended April 30, 2025, an increase of approximately €41.2 million compared to total revenue of approximately €290.7 million for the four months ended April 30, 2024. We estimate that this increase was primarily driven by the organic revenue growth of our business lines (which grew by 14.2% period-over-period), including as a result of: (i) the continued adoption of more sophisticated FMS products beyond core e-invoicing, especially by micro and small businesses; (ii) the growth of our cross-selling solutions and the contribution of the "more-for-more" campaigns, (iii) international business growth acceleration sustained by regulatory tailwinds in Turkey (e-ledger regulation) as well as the consolidation of our presence in Spain and the revenue contribution of the bolt-on acquisitions we made between April 30, 2024 and April 30, 2025, the results of which were not reflected in our results for the four months ended April 30, 2024.

In addition, based on preliminary results derived from our unaudited management accounts and other information currently available to us, we estimate that for the four months ended April 30, 2025, we generated Adjusted EBITDA of approximately €135.8 million, an increase of approximately €18.1 million compared to Adjusted EBITDA of approximately €117.7 million for the four months ended April 30, 2024. We estimate that this increase was mainly attributable to solid organic growth of 15.4% period-over-period, underpinned by less than proportional operating cost increases, primarily due to increased operational efficiency and lower incidence of certain non-personnel costs as well as the positive contribution of the bolt-on acquisitions we made between April 30, 2024 and April 30, 2025, the results of which were not reflected in our results for the four months ended April 30, 2024.

Bolt-on acquisitions

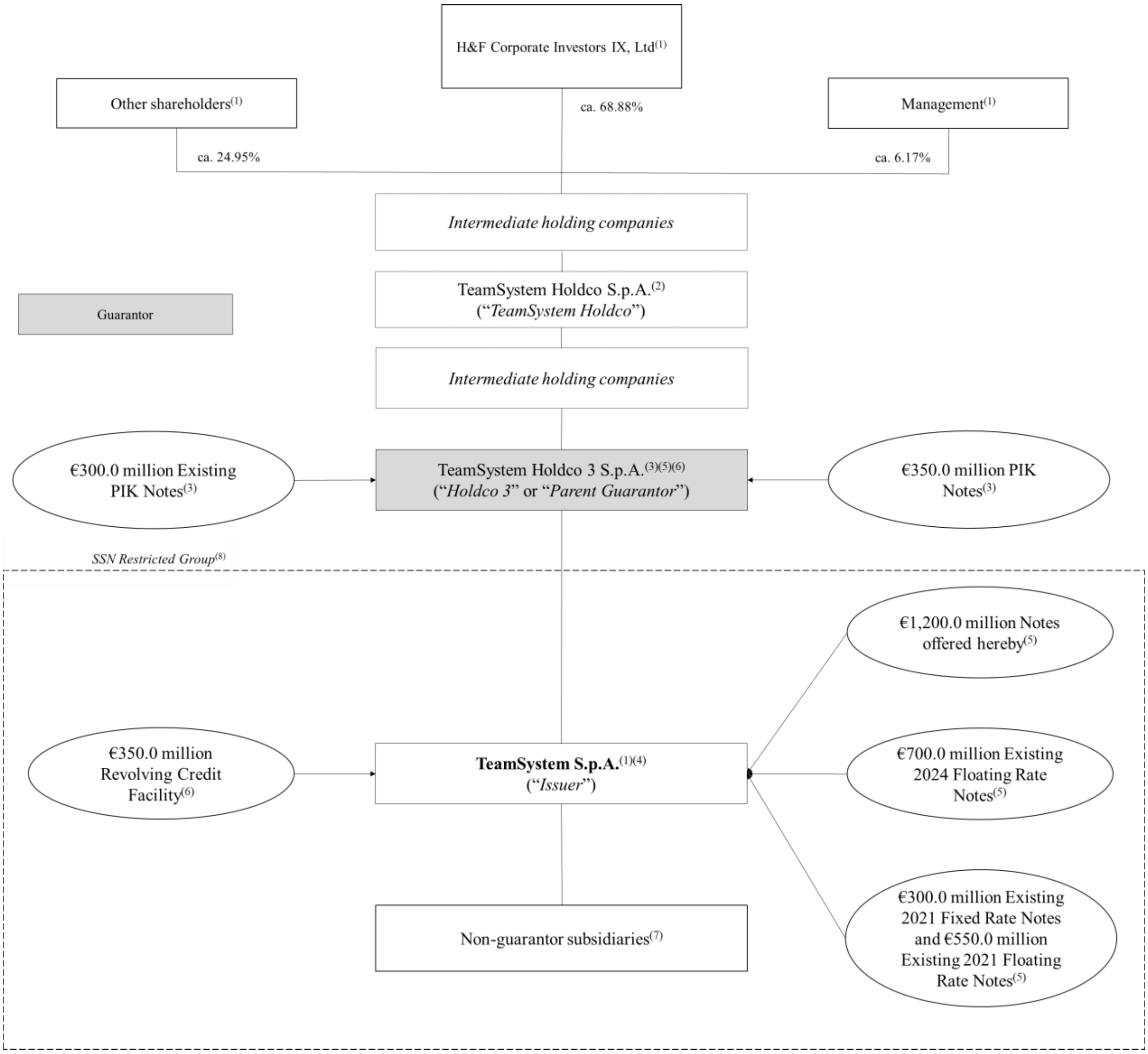
In the period following March 31, 2025:

(1) we acquired a majority stake in Morning, a software house offering e-invoicing software solutions for micro businesses in Israel; and

(2) we entered into acquisition agreements to acquire: (i) a 100% equity interest in a French software house operating across multiple jurisdictions that offers an AI-based SaaS platform for data integration and analytics, enabling users to create and interact with customizable dashboards, through which we expect to further expand in France; and (ii) a 100% equity interest in a Turkish software house offering ERP, accounting and tax software solutions to micro customers in Turkey, through which we expect to further expand in Turkey. We expect that the completion of these acquisitions will occur by the end of 2025, in each case subject to closing conditions.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram summarizes our corporate and principal outstanding financing arrangements after giving *pro forma* effect to the Transactions as described in "*Use of proceeds.*" The chart does not include all of our subsidiaries or all the debt obligations thereof. For a summary of the debt obligations referenced in this diagram, see "*Description of certain financing arrangements*" and "*Description of Notes*." Entities shown in the chart are wholly owned, unless otherwise indicated and except for the subsidiaries of the Issuer, some of which are not wholly owned (directly or indirectly) by the Issuer. For further information, see our Consolidated Financial Statements and the respective notes thereto.



(1) The Issuer is indirectly controlled by H&F Corporate Investors IX, Ltd, the ultimate general partner of Fund IX and certain Samson Brunello holdings. H&F Corporate Investors IX, Ltd owns, indirectly through intermediate holding companies, approximately 68.88% of the share capital of the Issuer. Certain members of management indirectly hold approximately 6.17% of the share capital of the Issuer through shareholding in certain intermediate holding companies of the Issuer. The remaining share capital of the Issuer is indirectly owned by Silver Lake (12.32%), Luxinva (9.83%), and CapitalG (2.77%). For a description of our principal shareholders and the shareholder agreement, see "*Principal shareholders*."

(2) TeamSystem Holdco is incorporated as a joint stock company (*società per azioni*) under the laws of Italy and is the holding company, and current reporting entity, of the TeamSystem Group. See "*Presentation of financial and other information—General—Financial Statement.*"

(3) Holdco 3 is the direct shareholder of the Issuer, incorporated as a joint stock company (*società per azioni*) under the laws of Italy. On November 18, 2024, Holdco 3 issued €300.0 million of Existing PIK Notes in a private placement. 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. 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. See "*Summary—The Transactions—Existing PIK Notes Amendments*" and "*Description of certain financing arrangements—Existing PIK Notes and 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 originally issued.

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. See "*Summary—The Transactions—PIK Notes Issuance*" and "*Description of certain financing arrangements—Existing PIK Notes and PIK Notes*."

Subject to the terms of the Security Documents, the Shared Collateral (which currently consists of 100% of the share capital of the Issuer held by Holdco 3, as further described under "*Summary—The Offering—Security*") secures the Existing PIK Notes, and following their issuance, will also secure the PIK Notes on a contractual second-ranking basis by operation of the Intercreditor Agreement. The Existing PIK Notes are also secured, and following their issuance, the PIK Notes will be secured on a first-ranking basis by pledges over 100% of the share capital of Holdco 3 held by Holdco 2 and Holdco 2's receivables under any intercompany receivables owing from Holdco 3, if any. The Existing PIK Notes are not and, following their issuance, the PIK Notes will not be guaranteed by, and will not receive any other credit support from, the Issuer and its subsidiaries. See "*Summary—the Transactions—Existing PIK Notes Amendments*" and "*Summary—the Transactions—PIK Notes Issuance.*"

For further information, see "*Description of certain financing arrangements—Existing PIK Notes and PIK Notes*," "*Description of Notes—Security*," "*Description of Notes—Guarantees*" and "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law. In addition, in the event of an enforcement over the Shared Collateral, holders of the Notes will have to rely on the contractual provisions of the Intercreditor Agreement to ensure that the security interests over the Shared Collateral for the benefit of the holders of the Existing PIK Notes and, following their issuance, the PIK Notes will receive the proceeds of the enforcement after the holders of the Notes*."

(4) The Issuer is incorporated as a joint stock company (*società per azioni*) under the laws of Italy and it is the main operating company of the TeamSystem Group. As of and for the twelve months ended March 31, 2025, the Issuer accounted for 73.2% of the TeamSystem Group's consolidated total assets, and generated 70.5% of the TeamSystem Group's total revenue and 72.4% of the TeamSystem Group's Adjusted EBITDA, in each case after the elimination of intercompany balances and including the contribution of Madbit Entertainment S.r.l. ("**Madbit**") and Danea Soft S.r.l. ("**Danea**"), which we have merged into the Issuer effective as of May 31, 2025. As of March 31, 2025, after giving *pro forma* effect to the TS Transactions, the Issuer (including Madbit and Danea) would have had €2,826.3 million in outstanding external third-party financial indebtedness (excluding €59.5 million of Liabilities to Non-Controlling Shareholders of Subsidiaries), €2,750 million of which was represented by the Notes and the Existing Senior Secured Notes that would remain outstanding *pro forma* for the TS Transactions and €76.3 million of which was represented by lease obligations under IFRS 16.

(5) The Notes will be general, senior obligations of the Issuer, will be secured, will rank senior in right of payment to all of the Issuer's future debt that is expressly subordinated in right of payment to the Notes and will rank *pari passu* in right of payment with the Issuer's existing and future debt that is not so subordinated, including the Issuer's obligations under the Existing Senior Secured Notes that would remain outstanding *pro forma* for the TS Transactions and the Revolving Credit Facility. The Notes will be senior obligations of the Issuer and, on or about the Issue Date, subject to the Agreed Security Principles, will be guaranteed on a senior basis by the Parent Guarantor. The Parent Guarantor also guarantees on a senior basis the Existing Senior Secured Notes (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) and the Revolving Credit Facility. None of the Issuer's subsidiaries will guarantee the Notes, and the Notes will therefore be structurally subordinated to any existing or future indebtedness or obligations of each of the subsidiaries of the Issuer. The Guarantee will be subject to certain material contractual and legal limitations. By virtue of these limitations, a Guarantor's obligation under its Guarantee will be significantly less than the amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. 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*" and "*Risk factors—Risks related to the Notes the Guarantees and the Collateral—Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Guarantees and the Collateral may adversely affect the validity and enforceability of the Guarantees and the Collateral.*" The Guarantee will be subject to the terms of the Intercreditor Agreement and may be subject to release under certain circumstances. See "*Description of certain financing arrangements—Intercreditor Agreement*" and "*Description of Notes—Guarantees.*" 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.*" *and "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*." The Collateral also secures, or will secure, as applicable, on a first-ranking basis the Existing Senior Secured Notes (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) and the Revolving Credit Facility 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. Subject to the terms

of the Security Documents, the Shared Collateral (which currently consists of 100% of the share capital of the Issuer held by Holdco 3, as further described under "*Summary—The Offering—Security*") secures the Existing PIK Notes, and following their issuance, will also secure the PIK Notes on a contractual second-ranking basis by operation of the Intercreditor Agreement. The security interests in the Collateral may be released under certain circumstances and, subject to the terms of the Indenture, the Existing Indentures and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. The Collateral will be subject to certain material limitations pursuant to applicable laws. 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—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.*"

(6) 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 the Revolving Credit Facility Amendment pursuant to 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. See "*Summary—The Transactions—Revolving Credit Facility Amendment*." We currently expect that the €100.0 million of drawn amounts under the Revolving Credit Facility as of the Issue Date will be repaid in full in connection with the Offering (without a corresponding cancellation of commitments thereunder). The Revolving Credit Facility is guaranteed on a senior basis by the Parent Guarantor and any other entities that may, in the future, guarantee the Existing Senior Secured Notes and the Notes and is secured on a first-ranking basis over the same Collateral that secures or will secure, as applicable, the Existing Senior Secured Notes, the Notes and certain hedging obligations, subject to the applicable contractual and legal limitations. 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. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement*." Subject to certain limitations, other subsidiaries of the Issuer may become borrowers under the Revolving Credit Facility.

(7) No subsidiary of the Issuer will guarantee the Notes. As of March 31, 2025, after giving *pro forma* effect to the TS Transactions, the Issuer's subsidiaries (excluding Madbit and Danea, which we have merged into the Issuer effective as of May 31, 2025) would have had €15.3 million in outstanding external third-party financial indebtedness, €8.8 million of which was represented by lease obligations under IFRS 16, which would have ranked structurally senior to the Notes and the Guarantee. Claims of creditors of non-guarantor subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those subsidiaries, and claims of preferred stockholders (if any) of those subsidiaries and minority stockholders of such subsidiaries generally will have priority with respect to the assets and earnings of those subsidiaries over the claims of creditors of the Issuer and the Guarantor, including holders of the Notes. The Notes and the Guarantee therefore will be structurally subordinated to creditors (including trade creditors), preferred stockholders (if any) and minority stockholders of such non-guarantor subsidiaries. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The Notes and the Guarantees will be structurally subordinated to the existing or future indebtedness or obligations of the Issuer's subsidiaries*." Certain of the Issuer's subsidiaries are operated through strategic partnerships with other investors who hold a non-controlling interest in such subsidiaries. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Contractual obligations—Liabilities to Non-Controlling Shareholders of Subsidiaries*" and "*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*."

(8) The entities in the "SSN Restricted Group" are subject to the covenants in the Existing Indentures and will be subject to the covenants in the Indenture. As of the Issue Date, all of the Issuer's subsidiaries will be part of the "SSN Restricted Group."

laws, capital maintenance and other limitations on the Guarantees and the Collateral may adversely affect the validity and enforceability of the Guarantees and the Collateral." The Guarantees will be subject to the terms of the Intercreditor Agreement and may be subject to release under certain circumstances. See "*Description of certain financing arrangements—Intercreditor Agreement*" and "*Description of Notes—Guarantees.*"

As of and for the twelve months ended March 31, 2025, the Issuer accounted for 73.2% of the TeamSystem Group's consolidated total assets, and generated 70.5% of the TeamSystem Group's total revenue and 72.4% of the TeamSystem Group's Adjusted EBITDA, in each case after the elimination of intercompany balances and including the contribution of Madbit and Danea, which we have merged into the Issuer effective as of May 31, 2025. As of March 31, 2025, after giving *pro forma* effect to the TS Transactions, the Issuer (including Madbit and Danea) would have had €2,826.3 million in outstanding external third-party financial indebtedness (excluding €59.5 million of Liabilities to Non-Controlling Shareholders of Subsidiaries), €2,750 million of which was represented by the Notes, the Existing Senior Secured Notes that would remain outstanding *pro forma* for the TS Transactions and €76.3 million of which was represented by lease obligations under IFRS 16.

On the Issue Date and subject to the provisions described under "*Description of Notes—Additional Guarantees*," none of the Issuer's subsidiaries will guarantee the Notes, and the Notes will therefore be structurally subordinated to any existing or future indebtedness or obligations of each of the subsidiaries of the Issuer. As of March 31, 2025, after giving *pro forma* effect to the TS Transactions, the Issuer's subsidiaries (excluding Madbit and Danea, which we have merged into the Issuer effective as of May 31, 2025) would have had €15.3 million in outstanding external third-party financial indebtedness, €8.8 million of which was represented by lease obligations under IFRS 16, which would have ranked structurally senior to the Notes and the Guarantee.

Ranking of the Guarantees .... The Guarantees of a Guarantor will:

- be a general senior obligation of the relevant Guarantor;
- rank *pari passu* in right of payment with any existing or future indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Guarantee (including, in the case of the Parent Guarantor, its obligations under the Existing PIK Notes and the PIK Notes, once issued);
- rank senior in right of payment to any existing or future indebtedness of that Guarantor that is expressly subordinated in right of payment to such Guarantee;
- be effectively subordinated to any existing or future indebtedness of that Guarantor that is secured by property or assets that do not secure such Guarantee, to the extent of the value of the property or assets securing such indebtedness; and
- be structurally subordinated to any existing or future indebtedness or obligation (including obligations to trade creditors) of the subsidiaries of that Guarantor (excluding the Issuer) that do not guarantee the Notes; and

- be subject to the limitations described under "*Limitations on validity and enforceability of the Guarantees and the Collateral and certain insolvency law considerations" and "Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitation on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*."

On May 30, 2025, Holdco 3 and the Issuer received notice of the Italian Golden Power Clearance by the Italian Golden Power Authority in respect of the granting of the security interest in the Collateral for the benefit of, among others, the Notes and the lenders under the Revolving Credit Facility.

Security... 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" and "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.*"

As of the date of this Offering Memorandum, the Existing PIK Notes are, and following their issuance, the PIK Notes will also be secured on a contractual second-ranking basis by operation of the Intercreditor Agreement, by security interests in 100% of the share capital of the Issuer held by Holdco 3 (the "**Shared Collateral**," which term shall also be deemed to include Holdco 3's receivables under any intercompany receivables owing from the Issuer, if any). The Existing PIK Notes are also secured, and following their issuance, the PIK Notes will also be secured on a first-ranking basis by pledges over 100% of the share capital of Holdco 3 held by Holdco 2 and Holdco 2's receivables under any intercompany receivables owing from Holdco 3, if any. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law. In addition, in the event of an enforcement over the Shared Collateral, holders of the Notes will have to rely on the contractual provisions of the Intercreditor Agreement to ensure that the security interests over the Shared Collateral for the benefit of the holders of the Existing PIK Notes and, following their issuance, the PIK Notes will receive the proceeds of the enforcement after the holders of the Notes.*"

The Collateral secures, or will secure, as applicable, on a first-ranking basis the Existing Senior Secured Notes (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 and certain hedging obligations. Under the terms of the

239 or pursuant to Italian Legislative Decree No. 461 of November 21, 1997 (“**Decree No. 461**”), except, in the case of Decree No. 239 or Decree No. 461, where the procedures required under Decree No. 239 or Decree No. 461 in order to benefit from an exemption have not been complied with due solely to the actions or omissions of the Issuer or its agents. See “*Description of Notes—Withholding taxes*.” Although we believe that, under current law, Italian withholding tax will not be imposed under Decree No. 239 or Decree No. 461 where a holder of the Notes is resident for tax purposes in a country which allows for a satisfactory exchange of information with Italy (as identified currently in Ministerial Decree of September 4, 1996 as subsequently amended and supplemented and, in the future, in any decree to be issued under Article 11(4)(c) of Decree No. 239; any such decree, the “**White List**”) and such holder of the Notes complies with certain certification requirements, there is no assurance that this will be the case. Moreover, holders of the Notes will bear the risk of any change in Decree No. 239 or in Decree No. 461 after the date hereof, including any change in the White List. See “*Certain tax considerations—Certain Italian tax considerations*.”

Certain covenants .... The Indenture will, among other things, restrict the ability of the Issuer and its restricted subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- repay or redeem subordinated debt or equity;
- make certain investments;
- create certain restrictions on the ability of the Issuer’s restricted subsidiaries to pay dividends or make other payments to the Issuer or a restricted subsidiary;
- sell, lease or transfer certain assets including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;
- impair the security interests for the benefit of holders of the Notes; and
- amend certain documents relating to the Notes.

Each of these covenants are subject to a number of important limitations and exceptions as described under “*Description of Notes—Certain Covenants*.”

Certain of the covenants will be suspended if and for as long as the Notes achieve investment-grade ratings or in the event of a Qualifying IPO (as defined in “*Description of Notes.*”). See “*Description of Notes—Certain covenants—Suspension of Covenants on Achievement of Investment Grade Status or the Occurrence of a Qualifying IPO*.” See “*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—Certain covenants and events of default will be suspended if the Notes receive investment grade ratings or upon a Qualifying IPO*.”

SUMMARY HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

Other than as specified below, the following tables present the summary historical consolidated financial information and operating data of TeamSystem Holdco, the reporting entity of the TeamSystem Group. The summary historical consolidated financial information in the tables below is derived from the relevant Consolidated Financial Statements. The Audited Financial Statements are presented in accordance with IFRS and the Unaudited Interim Financial Statements are presented in accordance with International Accounting Standard 34 "Interim Financial Reporting." The information presented below is not necessarily indicative of the results of future operations.

The historical unaudited consolidated financial information for the twelve months ended March 31, 2025 presented in this Offering Memorandum is calculated by adding each relevant statement of profit or loss line item for the three months ended March 31, 2025 to the corresponding statement of profit or loss line item for the year ended December 31, 2024 and subtracting from such sum the corresponding statement of profit or loss line item for the three months ended March 31, 2024. This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of TeamSystem Holdco's financial reporting and has not been audited or reviewed by TeamSystem Holdco's independent auditors.

We also present certain summary unaudited as adjusted consolidated financial and other data of the Issuer, which has been calculated by netting the relevant amount pertaining to TeamSystem Holdco and the intermediate holding companies sitting between TeamSystem Holdco and the Issuer in the corporate structure of the TeamSystem Group from the consolidated financial information of TeamSystem Holdco. For an overview of our corporate structure, see "Summary—Summary Corporate and Financing Structure." Any such data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of TeamSystem Holdco's or the Issuer's financial reporting and has not been audited or reviewed by any independent auditors. We also present summary unaudited as adjusted consolidated financial and other data of the Issuer (which has been calculated as described above) that gives pro forma effect to the TS Transactions as if the TS Transactions had occurred on March 31, 2025 for the as adjusted statement of financial position information and on April 1, 2024 for the as adjusted statement of profit or loss information. See "Presentation of financial and other information—General—The Issuer." Such summary unaudited as adjusted financial information is based on available information and certain assumptions and estimates that we believe are reasonable and may differ from actual amounts. It is for informational purposes only and does not purport to present what our results or other metric would have actually been had the TS Transactions occurred on the dates presented or to project our results of operations or financial position for any future period or our financial condition at any future date. See "Presentation of financial and other information—As adjusted financial information for the TS Transactions."

The Total revenue breakdown by business unit that we present in this Offering Memorandum has been derived from our management accounts and is unaudited. For further information, see "Management's discussion and analysis of financial condition and results of operations—Factors affecting the comparability of our results of operations—Revenue recognition" and "Presentation of financial and other information."

The summary consolidated financial information presented below includes certain non-IFRS financial and other measures that we use to evaluate our economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. See "Presentation of financial and other information—Non-IFRS financial measures."

The following tables should be read in conjunction with the Consolidated Financial Statements included elsewhere in this Offering Memorandum and with the information set forth under "Presentation of financial and other information," "Use of proceeds," "Capitalization" and "Management's discussion and analysis of financial condition and results of operations."

Summary consolidated statement of profit or loss data

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
			(€ in millions)			
Revenue	563.5	727.4	912.6	204.8	242.4	950.2

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	**2023**	**2024**	**2024**	**2025**	**2025**
			(€ in millions)			
Other operating income	4.7	5.8	9.2	1.6	1.7	9.3
Total revenue	**568.2**	**733.2**	**921.8**	**206.4**	**244.2**	**959.6**
Cost of raw and other materials	(51.4)	(55.7)	(57.9)	(13.1)	(13.1)	(57.9)
Cost of services	(139.7)	(177.3)	(222.3)	(51.6)	(59.5)	(230.2)
Personnel costs	(160.0)	(201.7)	(252.1)	(61.8)	(75.1)	(265.4)
Other operating costs	(3.9)	(5.1)	(8.8)	(1.8)	(4.7)	(11.7)
Depreciation and amortization of non-current assets	(208.4)	(224.2)	(255.8)	(59.2)	(64.7)	(261.3)
Allowance for bad debts	(5.5)	(7.0)	(9.0)	(1.9)	(2.0)	(9.1)
Other provisions for risks and charges	(2.4)	(1.9)	(1.8)	(0.1)	(0.1)	(1.8)
Impairment of non-current assets	(78.1)	0.0	(0.4)	0.0	0.0	(0.4)
Operating result	**(81.2)**	**60.1**	**113.8**	**16.9**	**25.1**	**122.0**
Finance income and share of profit/(loss) of associates	44.1	24.8	36.6	8.5	9.6	37.7
Finance costs	(124.4)	(179.7)	(308.2)	(46.8)	(46.3)	(307.7)
Monetary net gain (loss)	—	15.5	54.8	17.9	11.3	48.2
Profit (Loss) before income taxes	**(161.5)**	**(79.4)**	**(103.0)**	**(3.5)**	**(0.4)**	**(99.9)**
Current income taxes	(23.6)	(35.4)	(51.9)	(13.1)	(14.9)	(53.7)
Deferred income taxes	38.6	39.5	45.7	11.4	12.8	47.1
Total income taxes	**15.0**	**4.1**	**(6.3)**	**(1.6)**	**(2.1)**	**(6.8)**
Profit (Loss) for the year/period	**(146.5)**	**(75.2)**	**(109.3)**	**(5.1)**	**(2.5)**	**(106.7)**
Loss (Profit) attributable to non-controlling interests	(0.0)	(0.1)	(0.2)	0.0	0.0	(0.1)
Profit (Loss) attributable to owners of TeamSystem Holdco	**(146.5)**	**(75.3)**	**(109.4)**	**(5.1)**	**(2.5)**	**(106.8)**

Summary consolidated statement of financial position data

	As of December 31,			As of March 31,
	2022(1)	**2023(1)**	**2024**	**2025**
		(€ in millions)		
Total non-current assets	3,208.4	3,560.6	3,642.6	3,821.5
Total current assets	340.2	318.8	486.6	723.3
Total assets held for sale	**0.0**	**0.0**	**2.8**	**4.6**
Total assets	**3,548.6**	**3,879.5**	**4,132.0**	**4,549.4**
Total equity attributable to owners of TeamSystem Holdco	1,246.6	1,149.2	1,025.8	1,002.3
Total non-controlling interests	0.8	0.9	1.1	1.5
Total equity	**1,247.4**	**1,150.1**	**1,026.9**	**1,003.8**
Total non-current liabilities	1,963.1	2,296.7	2,574.4	2,634.9
Total current liabilities	338.1	432.6	526.3	905.9
Total liabilities held for sale	**0.0**	**0.0**	**4.5**	**4.8**
Total liabilities	**2,301.2**	**2,729.3**	**3,105.2**	**3,545.6**
Total equity and liabilities	**3,548.6**	**3,879.5**	**4,132.0**	**4,549.4**

(1) In our 2023 Financial Statements and 2024 Financial Statements, the comparative financial information as of and for the years ended December 31, 2022 and December 31, 2023, respectively, was restated to reflect the completion of the purchase price allocation to goodwill in relation to certain acquisitions that occurred in 2022 and 2023, respectively. As a result, our consolidated statement of financial position for the years ended December 31, 2022 and 2023 presented in this Offering Memorandum have been derived from the corresponding comparative column in the 2023 Financial Statements and in the 2024 Financial Statements, respectively, and not from the Financial Statements as of and for the years ended December 31, 2022 and 2023, respectively. For further information, see "*Presentation of financial and other information—General—Financial Statements*."

Summary consolidated statement of cash flow data

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
			(€ in millions)			
Cash flow from operating activities	178.8	211.2	348.0	71.4	106.1	382.7
Cash flow used in investing activities	(73.4)	(335.0)	(230.2)	(19.4)	(116.1)	(326.9)
Cash flow used in financing activities	(19.0)	25.0	2.9	(35.6)	8.9	47.4
Increase (decrease) in cash due to exchange rate movements	(0.0)	0.0	0.0	(0.9)	(5.9)	(5.0)
Total cash flow generated in the period	**86.4**	**(98.8)**	**120.8**	**15.5**	**(7.1)**	**98.3**
Cash and cash balances at the beginning of the period	**59.1**	**145.5**	**46.7**	**46.7**	**167.5**	**62.2**
Cash and cash balances at the end of the period	**145.5**	**46.7**	**167.5**	**62.2**	**160.5**	**160.5**

Other financial and pro forma data

	As of and for the year ended December 31,			As of and for the three months ended March 31,		As of and for the twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
			(€ in millions unless otherwise specified)			
Total revenue	568.2	733.2	921.8	206.4	244.2	959.6
Adjusted EBITDA(1)	227.3	313.8	404.6	82.7	99.4	421.3
Adjusted EBITDA margin(1)	40.0%	42.8%	43.9%	40.0%	40.7%	43.9%
First Margin(2)	267.7	382.9	490.5	100.1	122.8	513.2
Pro forma adjusted financial debt(*)(**)(3)	1,364.6	1,564.2	1,892.3			1,986.6
Pro Forma Total Revenue (*)(**)(4)(5)						1,058.4
Pro Forma Adjusted EBITDA(*)(**)(4)						493.6
Pro Forma Adjusted EBITDA margin(*)(**)(5)						46.6
Pro forma cash, cash equivalents and other financial assets(*)(**)(6)						335.2
Pro forma adjusted net financial debt(*)(**)(7)						2,506.4
Pro forma adjusted senior secured net financial debt(*)(**)(8)						2,414.8
Pro forma adjusted net interest expense(*)(**)(9)						
Ratio of *pro forma* adjusted net financial debt(*)(**)(7) to *Pro Forma* Adjusted EBITDA(*)(**)(4)						5.1x
Ratio of *pro forma* adjusted senior secured net financial debt(*)(**)(8) to *Pro Forma* Adjusted EBITDA(*)(**)(4)						4.9x
Ratio of *Pro Forma* Adjusted EBITDA(*)(**)(4) to *pro forma* adjusted net interest expense(*)(**)(9)						x

(*) Data of the Issuer and its subsidiaries. *See* "*Presentation of financial and other information—General—The Issuer.*"

(**) Unaudited.

(1) Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, IFRS. This measure is not a measurement of our financial performance under IFRS and should not be considered in isolation or as an alternative to income from continuing operations or any other measures of performance prepared in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities as a measure of liquidity prepared in accordance with IFRS.

"Adjusted EBITDA" refers to Profit (Loss) for the relevant period excluding the effect of (i) income taxes, (ii) share of profit (loss) of associates, finance income and finance costs, (iii) monetary gain (loss), (iv) impairment of non-current assets, (v) other provisions for risks and charges, (vi) depreciation and amortization of non-current assets, (vii) allowance for bad debts and (viii) certain items that we consider not to be core to our ongoing business, as described in the table below.

"Adjusted EBITDA margin" refers to Adjusted EBITDA for the relevant period divided by total revenue for the same period.

We believe Adjusted EBITDA provides useful information with respect to our overall operating performance and debt service capacity by facilitating comparisons of our operating performance on a consistent basis by removing the impact of items not directly resulting from core operations. Adjusted EBITDA is the main measure management uses to assess the trading performance of our business and, therefore, we believe it may be helpful to securities analysts, investors and other interested parties to assist them in their assessment of the trading performance of our business. However, we note that Adjusted EBITDA has limitations as an analytical tool, and should not be considered a substitute measure to operating profit, operating profit margin, as an indicator of operating performance, as an alternative to operating cash flows or as a measure of our liquidity. See "*Presentation of financial and other information—Non-IFRS financial measures.*"

The following table provides a reconciliation of our Profit (Loss) to Adjusted EBITDA for the periods indicated:

	Year ended December 31,			**Three months ended March 31,**		**Twelve months ended March 31,**
	2022	**2023**	**2024**	**2024**	**2025**	**2025**
			(€ in millions)			
Profit (Loss) for the year/period	**(146.5)**	**(75.2)**	**(109.3)**	**(5.1)**	**(2.5)**	**(106.7)**
Income taxes	(15.0)	(4.1)	6.3	1.6	2.1	6.8
Finance costs [a]	124.4	179.7	308.2	46.8	46.3	307.7
Finance income	(44.1)	(24.7)	(36.7)	(8.5)	(9.6)	(37.8)
Share of profit (loss) of associates	(0.0)	(0.0)	0.1	—	—	0.1
Monetary gain (loss)	—	(15.5)	(54.8)	(17.9)	(11.3)	(48.2)
Impairment of non-current assets	78.1	—	0.4	—	—	0.4
Other provisions for risks and charges[b]	2.4	1.9	1.8	0.1	0.1	1.8
Depreciation and amortization of non-current assets	208.4	224.2	255.8	59.2	64.7	261.3
Allowance for bad debts[c]	5.5	7.0	9.0	1.9	2.0	9.1
Costs for acquisitions and mergers[d]	5.6	10.1	12.8	2.6	6.0	16.2
Settlements with clients and agents[e]	3.5	1.8	2.7	0.4	0.3	2.6
Personnel rationalization[f]	1.6	2.7	3.0	0.4	0.8	3.4
Advisory expenses related to reorganization and cost saving projects[g]	3.1	5.7	5.0	1.1	0.5	4.4
Other minor items[h]	0.3	0.3	0.3	(0.0)	0.0	0.3
Adjusted EBITDA	**227.3**	**313.8**	**404.6**	**82.7**	**99.4**	**421.3**

(a) For the years ended December 31, 2022, 2023 and 2024, the three months ended March 31, 2024 and 2025 and the twelve months ended March 31, 2025, finance cost includes interest on IFRS 16 liabilities for an amount of €0.4 million, €0.8 million, €1.3 million, €0.4 million, €0.6 million and €1.5 million, respectively.

(b) Represents the provisions for risks and charges accrued for the periods indicated. For the year ended December 31, 2024, the amount primarily relates to certain disputes (with social security institutions and tax authorities), certain potential liabilities in connection with the purchase price allocation for certain companies that we acquired as well as certain provisions for corporate welfare plans and agents' indemnity.

(c) Represents the allowance of the period for bad or doubtful debts. The allowance for bad debts is determined by adopting an expected credit loss approach pursuant to IFRS 9, taking into account historical trends of overdue receivables and percentages of unpaid receivables as well as specific analysis of overdue receivables with respect to certain customers and the macroeconomic environment.

(d) Represents primarily costs in relation to mergers of subsidiaries into the Issuer and acquisitions we made in the relevant period. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Acquisitions*" and "*Management's discussion and analysis of financial condition and results of operations—Factors affecting the comparability of our results of operations—Bolt-on acquisitions made by the Group.*"

(e) Represents costs incurred for settlements with certain customers, suppliers and agents in the ordinary course of business.

(f) Represents mainly severance costs incurred in connection with the reorganization activities affecting certain internal functions (such as customer service, research and development, marketing, human resource and other staff functions) and personnel rationalization initiatives we implemented from time to time across the periods presented in connection with our bolt-on acquisitions.

(g) Represents advisory costs related to certain reorganization, cost saving and other special projects, including personnel rationalization initiatives. For all periods presented, these costs primarily relate to advisory services provided by leading advisors as part of our continuous efforts to increase the efficiency and profitability of our organization.

(h) Represents other minor non-core items. Such amounts represent the sum of the following items: (i) Other management fees included in Costs for service for an amount equal to €0.3 million, €0.2 million and €0.3 million for the years ended December 31, 2022, 2023 and 2024, respectively, and for an amount equal to €0.0 million and €0.1 million for the three months ended March 31, 2024 and 2025, respectively, and (ii) Other minor items included in Other operating costs for an amount equal to €0.0 million, €0.1 million and €0.0 million for the years ended December 31, 2022, 2023 and 2024, respectively, and for an amount equal to €0.1 million (negative) and €0.0 million for the three months ended March 31, 2024 and 2025, respectively.

(2) Represents our Profit (Loss) for the relevant periods excluding the effect of (i) income taxes, (ii) share of profit (loss) of associates, finance income and finance costs, (iii) monetary gain (loss), (iv) impairment of non current assets, (v) other provisions for risks and charges, (vi) depreciation and amortization of non current assets, (vii) allowance for bad debt and (viii) certain items that we consider not to be core to our ongoing business, as further described in the table below. First Margin is a supplemental measure of our performance that is not required by, or presented in accordance with, IFRS. This measure is not a measurement of our financial

performance or liquidity under IFRS or any other internationally accepted accounting principles and should not be considered in isolation or as an alternative to any other measures of performance prepared in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities as a measure of liquidity prepared in accordance with IFRS. We believe First Margin provides useful information with respect to our overall operating performance by facilitating comparisons of our operating performance on a consistent basis by removing the impact of items not directly resulting from core operations. However, we note that First Margin has limitations as an analytical tool, and should not be considered a substitute measure to operating profit, operating profit margin, as an indicator of operating performance, as an alternative to operating cash flows or as a measure of our liquidity and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures.*" For a breakdown by business unit of our First Margin, please refer to "*—Other financial data*."

The following table provides a reconciliation from Profit (Loss) to First Margin for the periods indicated:

	Year ended December 31,			**Three months ended March 31,**		**Twelve months ended March 31,**
	2022	**2023**	**2024**	**2024**	**2025**	**2025**
			(€ in millions)			
Profit (Loss) for the year/period	**(146.5)**	**(75.2)**	**(109.4)**	**(5.1)**	**(2.5)**	**(106.7)**
Income taxes	(15.0)	(4.1)	6.3	1.6	2.1	6.8
Finance costs [(a)]	124.4	179.7	308.2	46.8	46.3	307.7
Finance income	(44.1)	(24.7)	(36.7)	(8.5)	(9.6)	(37.8)
Share of profit (loss) of associates	(0.0)	(0.0)	0.1	-	-	0.1
Monetary gain (loss)	—	(15.5)	(54.8)	(17.9)	(11.3)	(48.2)
Impairment of non-current assets	78.1	—	(0.4)	—	—	0.4
Other provisions for risks and charges[(b)]	2.4	1.9	1.8	0.1	0.1	1.8
Depreciation and amortization of non-current assets	208.4	224.2	255.8	59.2	64.7	261.3
Allowance for bad debt[(c)]	5.5	7.0	9.0	1.9	2.0	9.1
Costs for acquisitions and mergers[(d)]	5.6	10.1	12.8	2.6	6.0	16.2
Settlements with clients and agents[(e)]	3.5	1.8	2.7	0.4	0.3	2.6
Personnel rationalization[(f)]	1.6	2.7	3.0	0.4	0.8	3.4
Advisory expenses related to reorganization and cost saving projects[(g)]	3.1	5.7	5.0	1.1	0.5	4.4
Other minor items[(h)]	0.3	0.3	0.3	(0.0)	0.0	0.3
Indirect cost[(i)]	57.6	92.3	121.6	27.3	33.3	127.6
Capitalized development costs[(j)]	(17.2)	(23.2)	(35.6)	(9.9)	(9.9)	(35.6)
First Margin	**267.7**	**382.9**	**490.5**	**100.1**	**122.8**	**513.2**

(a) For the years ended December 31, 2022, 2023 and 2024, the three months ended March 31, 2024 and 2025 and the twelve months ended March 31, 2025, finance cost includes interest on IFRS 16 liabilities for an amount of €0.4 million, €0.8 million, €1.3 million, €0.4 million, €0.6 million and €1.5 million, respectively.

(b) Represents the provisions for risks and charges accrued for the periods indicated. For the year ended December 31, 2024, the amount primarily relates to certain disputes (with social security institutions and tax authorities), certain potential liabilities in connection with the purchase price allocation for certain companies that we acquired as well as certain provisions for corporate welfare plans and agents' indemnity.

(c) Represents the allowance of the period for bad or doubtful debts. The allowance for bad debts is determined by adopting an expected credit loss approach pursuant to IFRS 9, taking into account historical trends of overdue receivables and percentages of unpaid receivables as well as specific analysis of overdue receivables with respect to certain customers and the macroeconomic environment.

(d) Represents primarily costs in relation to mergers of subsidiaries into the Issuer and acquisitions we made in the relevant period. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Acquisitions*" and "*Management's discussion and analysis of financial condition and results of operations—Factors affecting the comparability of our results of operations—Bolt-on acquisitions made by the Group*."

(e) Represents costs incurred for settlements with certain customers, suppliers and agents in the ordinary course of business.

(f) Represents mainly severance costs incurred in connection with the reorganization activities affecting certain internal functions (such as customer service, research and development, marketing, human resource and other staff functions) and personnel rationalization initiatives we implemented from time to time across the periods presented in connection with our bolt-on acquisitions.

(g) Represents advisory costs related to certain reorganization, cost saving and other special projects, including personnel rationalization initiatives. For all periods presented, these costs primarily relate to advisory services provided by leading advisors as part of our continuous efforts to increase the efficiency and profitability of our organization.

(h) Represents other minor non-core items. Such amounts represent the sum of the following items: (i) Other management fees included in Costs for service for an amount equal to €0.3 million, €0.2 million and €0.3 million for the years ended December 31, 2022, 2023 and 2024, respectively, and for an amount equal to €0.0 million and €0.1 million for the three months ended March 31, 2024 and 2025, respectively, and (ii) Other minor items included in Other operating costs for an amount equal to €0.0 million, €0.1 million and €0.0 million for the years ended December 31, 2022, 2023 and 2024, respectively, and for an amount equal to €0.1 million (negative) and €0.0 million for the three months ended March 31, 2024 and 2025, respectively.

(i) Represents the costs that are not uniquely attributable to one or more of our business units and mainly consist of (i) personnel costs relating to certain support functions (e.g., finance, marketing, technology, our CEO office, HR and general services as well as legal and corporate affairs) and those that are not directly attributed to any of our business units (such as the cost of our R&D team in relation to tools and applications used by the Group), equal to €35.0 million, €49.4 million, €58.3 million, €14.7 million and €16.3 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively, (ii) costs for IT infrastructure, cybersecurity, compliance, data and AI, equal to €5.1 million, €12.3 million, €18.1 million, €4.0 million and €5.1 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively, (iii) costs for rent, maintenance, utilities for our operating sites, equal to €4.5 million, €5.6 million, €7.1 million, €1.5 million and €2.1 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively, (iv) administrative, legal, tax, labor law and audit consultancy costs, equal to €5.2 million, €6.5 million, €8.0 million, €1.6 million and €2.2 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, (v) costs for events, recruiting and training activities, equal to €3.9 million, €5.0 million, €10.9 million, €1.4 million and €2.9 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, (vi) costs for insurance, association memberships and board of statutory auditors fees, equal to €2.6 million, €2.6 million, €3.8 million, €0.8 million and €1.0 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, (vii) R&D costs that cannot be allocated to any of our individual business units, equal to €0.9 million, €1.1 million, €1.8 million, €0.3 million and €0.3 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 and (viii) other costs that are not directly attributable to business units, equal to €0.5 million, €1.0 million, €13.6 million, €2.9 million and €3.3 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025.

(j) Represents the sum of personnel capitalized development costs and services capitalized development costs, each as reported in our Consolidated Financial Statements, for the periods indicated. Personnel capitalized development costs amounted to €11.9 million, €18.9 million, €28.6 million, €8.3 million and €8.1 million for the years ended December 31, 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively, and services capitalized development costs amounted to €5.2 million, €4.3 million, €7.0 million, €1.6 million and €1.8 million for the years ended December 31, 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

(3) Represents our total financial debt for the relevant periods, calculated as the total financial debt of the TeamSystem Group, consisting of the sum of loans with banks, overdrafts with banks, notes (including the Existing PIK Notes), dividends to be paid and other financial fees and liabilities (including lease liabilities under IFRS 16) *less* (i) accrued interest on indebtedness, financing fees and commissions of each company forming part of the TeamSystem Group, (ii) the financial liabilities relating to the put and call options and earn out arrangements under the acquisition agreements with our strategic partners relating to certain of our majority-owned subsidiaries (the "**Liabilities to Non-Controlling Shareholders of Subsidiaries**") and (iii) the financial debt of TeamSystem Holdco and the intermediate holding companies sitting between TeamSystem Holdco and the Issuer within the corporate structure of the TeamSystem Group, consisting of the Existing PIK Notes. For a description of how the Liabilities to Non-Controlling Shareholders of Subsidiaries are calculated, see "*Management's discussion and analysis of financial condition and results of operations—Contractual obligations—Liabilities to Non-Controlling Shareholders of Subsidiaries*." See also "*Presentation of financial and other information—General—The Issuer.*" The following table provides a reconciliation of *Pro forma* adjusted financial debt of the Issuer to Total financial debt of TeamSystem Holdco as reported in the Consolidated Financial Statements, as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
	(€ in millions)			
Total financial liabilities	1,685.8	1,896.6	2,220.3	2,321.9
Total other financial liabilities	87.9	204.0	208.9	235.0
Total financing fees	(47.4)	(45.0)	(38.9)	(36.7)
Total financial debt	**1,726.2**	**2,055.6**	**2,390.3**	**2,520.2**
Less:				
Accrued interest on indebtedness, financing fees and commissions[(a)]	26.0	12.5	9.8	1.0
Less:				
Liabilities to Non-Controlling Shareholders of Subsidiaries[(b)]	(87.6)	(203.9)	(207.8)	(234.5)
Total adjusted financial debt	**1,664.6**	**1,864.2**	**2,192.3**	**2,286.6**
Less:				
TeamSystem Holdco and intermediate holding companies financial liabilities[(c)]	(300.0)	(300.0)	(300.0)	(300.0)
***Pro forma* adjusted financial debt (Issuer)**	**1,364.6**	**1,564.2**	**1,892.3**	**1,986.6**

(a) Includes accrued interest on the TeamSystem Group's indebtedness, financing fees and commissions.

(b) Reflects the discounted value of such liabilities as of the relevant reporting date. We intend to extinguish a portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries with part of the proceeds from the Offering. For further information, see "*Use of proceeds.*"

(c) Includes the Existing PIK Notes. 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**"). See "*Summary—The Transactions—PIK Notes Issuance*" and "*Description of certain financing arrangements—Existing PIK Notes and PIK Notes*."

(4) *Pro Forma* Adjusted EBITDA is subject to the same limitations as Adjusted EBITDA. Each of our *Pro Forma* Adjusted EBITDA and *Pro Forma* Total Revenue (calculated as further described under footnote (5) below) is presented for illustrative purposes only and does not purport to project our results of operations or financial condition for any historical or future period. Our presentation of *Pro Forma* Adjusted EBITDA and *Pro Forma* Total Revenue may be different from the presentation used by other companies and therefore comparability may be limited. In particular, the *pro forma* adjustments relating to our annualized revenue in respect of our customer subscription arrangements used to calculate *Pro Forma* Adjusted EBITDA and *Pro Forma* Total Revenue, as applicable, are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information.

(c) Represents the negative Adjusted EBITDA contributions from TeamSystem Holdco and the intermediate holding companies sitting between TeamSystem Holdco and the Issuer within the corporate structure of the TeamSystem Group (amounting to €0.6 million for the year ended December 31, 2024, and €0.3 million and €0.1 million for the three months ended March 31, 2024 and 2025, respectively).

(5) *Pro Forma* Adjusted EBITDA margin represents *Pro Forma* Adjusted EBITDA (€493.6 million) divided by *Pro Forma* Total Revenue, which represents our total revenue for the period (€959.6 million) *plus*: (i) (x) an amount of €36.0 million corresponding to the total revenue for the twelve months ended March 31, 2025 of the businesses that we acquired during such period (or in respect of which we entered into an acquisition agreement), *minus* the revenue contribution (if any) of each such business from the relevant date of first consolidation in the TeamSystem Group to March 31, 2025 (which is already reflected in our Total revenue for such period), *plus* (y) an amount of €11.1 million corresponding to the expected revenue for the twelve months ended March 31, 2025 (or, if such data was not available for the twelve months ended March 31, 2025, the year ended December 31, 2024), based on our management's internal estimates, of the businesses that we acquired (or in respect of which we entered into an acquisition agreement or, for approximately €4 million, we expect we will enter into an acquisition agreement by the end of June 2025) between April 1, 2025 and the date of this Offering Memorandum; *plus* (ii) an amount of €51.8 million representing the annualized revenue corresponding to the difference between (a) the annual subscription fees in respect of all subscription agreements (or the subscription agreements of the businesses that we have acquired or in respect of which we have entered into an acquisition agreement by a given date) relating to certain of our key products, including cloud versions of our core ERP solutions, Fatture in Cloud, other In Cloud products and TS Digital Invoice that were in place as of the date of this Offering Memorandum, net of all subscription fees associated with churning customers who delivered termination notices in respect of all relevant subscription agreements on or prior to the date of this Offering Memorandum (or the portion of the subscription fees related to the specific subscription agreements for which such customers have opted out), for an aggregate amount of €872.4 million, and (b) an amount of €820.6 million representing the revenue we actually generated pursuant to the subscription agreements relating to such key cloud products in the twelve months ended March 31, 2025. We are adding these incremental estimated *pro forma* adjustments to our total revenue for the calculation of *Pro Forma* Adjusted EBITDA margin for the twelve months ended March 31, 2025 due to the fact that our *Pro Forma* Adjusted EBITDA for such period has also been adjusted for these items. For further information on these *pro forma* adjustments and the relevant disclaimers, assumptions and reservations, see footnote (4) above. *Pro Forma* Adjusted EBITDA margin and *Pro Forma* Total Revenue are not recognized measures of financial performance or profitability under IFRS and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures*" and "*Presentation of financial and other information—General—The Issuer.*"

(6) *Pro forma* cash, cash equivalents and other financial assets represents cash and bank balances (pro forma to reflect an adjustment of €95.0 million (of which €55.0 million from drawings under the Revolving Credit Facility) corresponding to the cash we utilized to complete the acquisition of Morning in May 2025 net of the acquired cash of Morning) *plus* other current and non-current financial assets as of March 31, 2025 as adjusted for the TS Transactions, as if the TS Transactions had occurred on March 31, 2025, as further described in footnote (1) under "*Capitalization.*" See also "*Use of proceeds*" and "*Presentation of financial and other information—General—The Issuer.*" *Pro forma* cash, cash equivalents and other financial assets does not reflect approximately €2.1 million corresponding to retained cash in the acquired entities in connection with the acquisitions we consummated (other than Morning) or for which we entered into a definitive agreement, in each case after March 31, 2025.

(7) *Pro forma* adjusted net financial debt gives effect to the TS Transactions as if they had occurred on March 31, 2025 and represents *Pro forma* adjusted financial debt less *Pro forma* cash, cash equivalents and other financial assets. See "*Capitalization*" and "*Use of proceeds.*" *Pro forma* adjusted net financial debt has not been prepared in accordance with IFRS or any other generally accepted accounting principles and has been presented for illustrative purposes only and does not purport to represent what our net financial debt would have actually been had the TS Transactions occurred on the date assumed, nor does it purport to project our net financial debt for any future period or our financial condition at any future date. *Pro forma* adjusted net financial debt is not a recognized measure of financial performance or liquidity under IFRS and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures*" and "*Presentation of financial and other information—General—The Issuer.*" See also "*Capitalization.*"

(8) *Pro forma* adjusted senior secured net financial debt gives effect to the TS Transactions as if they had occurred on March 31, 2025, and consists of our indebtedness represented by the Notes, the Existing 2021 Fixed Rate Notes and the portion of the Existing 2021 Floating Rate Notes that is expected to remain outstanding following the TS Transactions *less Pro forma* cash, cash equivalents and other financial assets. *Pro forma* adjusted senior secured net financial debt is not a recognized measure of financial performance or liquidity under IFRS and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures*" and "*Presentation of financial and other information—General—The Issuer.*" See also "*Capitalization.*"

(9) *Pro forma* adjusted net interest expense represents estimated net interest expense related to the Issuer's *Pro forma* adjusted net financial debt for the twelve months ended March 31, 2025 after giving *pro forma* effect to the TS Transactions, as if the TS Transactions had occurred on April 1, 2024 and assuming that the Revolving Credit Facility was undrawn for the entire period. This estimate reflects the issuance of (i) € million Floating Rate Notes carrying an interest rate of three-month EURIBOR (subject to a 0% floor) plus % (assuming the three-month EURIBOR rate as of , 2025 was in effect for the entire period) and (ii) € million % Fixed Rate Notes. *Pro forma* adjusted net interest expense also includes, among others, interest accruing on €85.1 million of IFRS 16 lease liabilities that we expect will remain outstanding following the TS Transactions and is calculated gross of the debt issuance costs in connection with the TS Transactions. *Pro forma* adjusted net interest expense does not include commitment fees on undrawn amounts under the Revolving Credit Facility. *Pro forma* adjusted net interest expense does not include any interest on the Existing PIK Notes and the PIK Notes, which are or will be, as applicable, secured obligations of Holdco 3. *Pro forma* adjusted net interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the TS Transactions occurred on the date assumed, nor does it purport to project our interest expense for any future period or our financial condition at any future date. See "*Use of proceeds*" and "*Capitalization.*" See also "*Presentation of financial and other information—Non-IFRS financial measures*" and "*Presentation of financial and other information—General—The Issuer.*"

Total revenue breakdown by business unit[(1)]

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
			(€ in millions)			
Enterprise	**125.1**	**164.6**	**191.0**	**44.0**	**48.2**	**195.2**
Recurring[(a)]	91.7	118.2	142.6	33.7	39.1	148.0
Licenses and professional services[(b)]	33.4	46.4	48.4	10.3	9.2	47.3
Professional	**168.8**	**214.7**	**239.1**	**56.8**	**64.3**	**246.6**
Recurring[(a)]	157.3	198.2	223.4	53.2	59.7	229.9
Licenses and professional services[(b)]	11.5	16.6	15.7	3.6	4.6	16.7
Micro	**119.7**	**180.7**	**302.5**	**63.7**	**86.4**	**325.1**
Recurring[(a)]	114.7	167.1	280.5	59.7	78.3	299.1
Licenses and professional services[(b)]	5.0	13.7	22.0	4.0	8.1	26.1
Digital Finance	**18.0**	**20.9**	**28.3**	**5.5**	**6.6**	**29.4**
Recurring[(a)]	16.3	16.7	18.7	4.3	5.1	19.6
Licenses and professional services[(b)]	1.7	4.2	9.5	1.2	1.5	9.8
Market Specific Solutions	**96.0**	**100.4**	**105.5**	**23.3**	**24.0**	**106.2**
Recurring[(a)]	54.9	62.7	68.7	15.9	16.2	69.0
Licenses and professional services[(b)]	41.1	37.8	36.8	7.4	7.8	37.2
Cross-Segment Products	**40.5**	**51.8**	**55.5**	**13.1**	**14.7**	**57.0**
Recurring[(a)]	31.2	40.4	46.7	11.1	12.6	48.2
Licenses and professional services[(b)]	9.3	11.4	8.8	2.0	2.1	8.9
Total	**568.2**	**733.2**	**921.8**	**206.4**	**244.2**	**959.6**

(1) Certain line items in the Total revenue breakdown by business unit for the years ended December 2022 and 2023 presented in this Offering Memorandum have been reclassified following the reallocation of revenue derived from our Trust & Cyber services product offering from the Market Specific Solutions business unit to the HR business unit, consistently with the breakdown presented in this Offering Memorandum for any subsequent periods thereof. As a result of this reallocation, the HR business unit was renamed "Cross-Segment Products." See "*Presentation of financial and other information—Business units and Total revenue breakdowns.*"

(a) Our recurring revenues are primarily derived from the periodic payments we receive in connection with annual software assistance and maintenance contracts, subscription contracts, annual fees from our multi-year contracts with VARs as well as from the sale of Regulatory LTAs. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Revenue recognition—Recurring*" and "*Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Recurring contracted revenues and high Customer Retention Rate*." Recurring revenue is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures.*"

(b) Includes revenues from the sale of software licenses, and professional services, which generate fees generally related to the installation and customization of our software solutions and products and to the training services we provide to our customers at the product start-up. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Revenue recognition—Licenses and professional services.*"

Other financial data

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
Recurring revenue[(1)]	82.0%	82.3%	84.7%	86.2%	86.4%	84.8%
Organic revenue growth[(2)]	9.9%	11.9%	11.8%	10.1%	12.8%	12.9%
Cloud revenue[(3)]	41.3%	46.1%	51.6%	51.2%	53.5%	52.2%
First Margin[(4)]	267.7	382.9	490.5	100.1	122.8	513.2
of which						
Enterprise Solutions	63.7	86.3	100.2	20.4	23.5	103.3
Professional Solutions	88.3	131.6	144.0	32.1	36.1	148.0
Micro Solutions	72.2	108.5	184.8	34.9	49.7	199.6
Digital Finance	6.8	8.9	12.4	2.2	2.4	12.6
Market Specific Solutions	31.4	23.6	26.5	5.4	5.1	26.2
Cross-Segment Products	5.4	24.1	22.6	5.2	6.1	23.5
Adjusted operating cash flow[(5)] (€ in millions)	185.7	228.5	354.5	58.9	93.9	389.5

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
Cash flow conversion rate(6)	90.7%	80.6%	98.5%	83.1%	107.3%	103.5%
Ratio of capital expenditure (excluding capitalized development costs) to total revenue(7)	3.4%	2.6%	2.7%	2.7%	5.8%	3.5%
Ratio of allowance for bad debts to total revenue	1.0%	1.0%	1.0%	0.9%	0.8%	0.9%
Ratio of personnel costs to total revenue(8)	27.9%	27.1%	27.0%	29.7%	30.4%	27.3%
Total revenue per employee(9) (€ in thousands)	188.1	185.6	187.4	43.1	45.7	190.9
Adjusted EBITDA per employee(9) (€ in thousands)	75.2	79.5	82.2	17.3	18.6	83.8
Annualized recurring revenues (“**ARR**”)(10)	548.2	696.2	833.7	762.7	871.3	871.3
of which						
Enterprise Solutions				*142.8*	*160.8*	*160.8*
Professional Solutions				*224.1*	*238.9*	*238.9*
Micro Solutions				*263.0*	*329.2*	*329.2*
Digital Finance				*20.1*	*20.4*	*20.4*
Market Specific Solutions				*66.0*	*70.5*	*70.5*
Cross-Segment Products				*46.8*	*51.8*	*51.8*

(1) Represents for each of the periods indicated the percentage of our total revenue that we generated from all of our business lines from revenue sources that we consider to be recurring. For further information see “*—Total revenue breakdown by business unit* ” above, “*Management’s discussion and analysis of financial condition and results of operations—Revenue recognition—Recurring*” and “*Management’s discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Recurring contracted revenues and high Customer Retention Rate.*” Recurring revenue is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See “*Presentation of financial and other information—Non-IFRS financial measures.*”

(2) Represents the percentage growth in our organic total revenue, compared to total revenue for the relevant previous period. Organic total revenue for a given period represents our total revenue for such period *plus* the revenue generated by businesses we acquired (or in respect of which we entered into an acquisition agreement) as if such businesses had been consolidated from the beginning of the relevant period *less* the revenue generated by businesses we disposed of (or in respect of which we entered into a divestiture agreement) during the relevant subsequent period, as if such divestitures or disposal had occurred at the beginning of the previous period. Organic revenue growth is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See “*Presentation of financial and other information—Non-IFRS financial measures.*”

(3) Represents for each of the periods indicated the percentage of our total revenue that we generated from the sale of cloud solutions. Cloud revenue is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See “*Presentation of financial and other information—Non-IFRS financial measures*” and “*Management’s discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Growth of our cloud business.*”

(4) See “*—Other financial and pro forma data—First Margin*” above for the definition of First Margin and a reconciliation to Profit (Loss) for the relevant periods. See also “*Presentation of financial and other information—Non-IFRS financial measures.*”

(5) Adjusted operating cash flow represents our Adjusted EBITDA for the relevant period *less* allowance for bad debts and capital expenditure and adjusted for change in working capital and change in provisions. Adjusted operating cash flow is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See “*Presentation of financial and other information—Non-IFRS financial measures.*” The following table sets forth a calculation of Adjusted operating cash flow for the periods indicated:

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
			(€ in millions)			
Adjusted EBITDA(a)	**227.3**	**313.8**	**404.6**	**82.7**	**99.4**	**421.3**
Allowance for bad debts	(5.5)	(7.0)	(9.0)	(1.9)	(2.0)	(9.1)
Change in working capital(b)	(0.1)	(36.7)	19.0	(6.7)	20.3	46.0
Adjusted EBITDA of TeamSystem Holdco and other intermediate holding companies	0.3	0.4	0.5	0.3	0.1	0.4

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2022	2023	2024	2024	2025	2025
			(€ in millions)			
Capital expenditure	(36.4)	(42.0)	(60.5)	(15.4)	(23.9)	(69.0)
of which						
Investments in tangible assets	*(5.4)*	*(3.2)*	*(5.1)*	*(1.0)*	*(5.0)*	(9.2)
Investments in intangible assets	*(13.8)*	*(15.6)*	*(20.5)*	*(4.6)*	*(9.0)*	*(25.0)*
Disposal of tangible assets	—	—	*0.8*	—	—	*0.8*
Capitalized development costs	*(17.2)*	*(23.2)*	*(35.6)*	*(9.9)*	*(9.9)*	*(35.6)*
Adjusted operating cash flow	**185.7**	**228.5**	**354.5**	**58.9**	**93.9**	**389.5**

(a) For a reconciliation of Adjusted EBITDA for the periods indicated to Profit (Loss) for the year/period, see "*—Other financial and pro forma data—Adjusted EBITDA*" above.

(b) Change in working capital is part of the calculation of our cash flows from operating activities, as reported in the consolidated statement of cash flows in our Consolidated Financial Statements, and accordingly it does not include the change in working capital, if any, associated to the items that we consider not to be core to our ongoing business and that are included in the calculation of our Adjusted EBITDA. For the year ended December 31, 2023, change in working capital does not reflect (i) the impact of cash generated by the Mikro group from January 1, 2023 to December 31, 2023, equal to €14.7 million; (ii) the different invoicing terms of VARs and customers of VARs which impacted our change in working capital as a result of the insourcing of VARs, equal to €7.8 million; (iii) higher VAT down payment for the year ended December 31, 2023 for revenues invoiced in December 2023 pertaining to fiscal year 2024, equal to €10.2 million; and (iv) advance payment of certain liabilities of our subsidiaries merged with the Issuer in December 2023, equal to €2.7 million. For the year ended December 31, 2024, change in working capital does not reflect (i) any benefit from lower VAT down payment for the year ended December 31, 2023 for revenues invoiced in December 2023 pertaining to fiscal year 2024, equal to €10.2 million; and (ii) lower payment of certain liabilities of our subsidiaries merged with the Issuer in December 2023 that would have expired in 2024, equal to €2.7 million. For the three months ended March 31, 2024, change in working capital (a) does not reflect (i) any benefit from lower VAT down payment for the year ended December 31, 2023 for revenues invoiced in 2023 pertaining to 2024, equal to €10.2 million; and (ii) lower payment of certain liabilities of our subsidiaries merged with and into the Issuer in 2023, equal to €2.7 million; and (b) timing discrepancies between account closures and cash receipts from recurring revenues due to month-end book closures occurring over weekends, equal to €36.3 million. For the twelve months ended March 31, 2025, change in working capital does reflect benefits from discrepancies between account closures and cash receipts due to month-end book closures occurring over weekends in April 2024 pertaining to March 2024, equal to €3.6 million.

(6) Cash flow conversion rate represents the ratio of (i) Adjusted operating cash flow to (ii) Adjusted EBITDA *less* allowance for bad debts and capitalized development costs. Cash flow conversion rate is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures.*"

(7) Ratio of capital expenditure to total revenue represents the ratio of our capital expenditure, excluding capitalized development costs, to our total revenue for the relevant period, expressed as a percentage. Including capitalized development costs, the ratio would have been 6.4%, 5.7%, 6.7%, 7.5%, 9.8% and 7.3% for the years ended December 31, 2022, 2023 and 2024, the three months ended March 31, 2024 and 2025 and the twelve months ended March 31, 2025, respectively.

(8) Ratio of personnel costs to total revenue represents the ratio of our personnel costs, including capitalized development costs but excluding costs for redundancy and reorganization, to our total revenue for the relevant period, expressed as a percentage. Excluding capitalized development costs, the ratio would have been 30.5%, 31.2%, 30.0%, 29.7%, 30.1% and 30.3% for the years ended December 31, 2022, 2023 and 2024, the three months ended March 31, 2024 and 2025 and the twelve months ended March 31, 2025, respectively.

(9) Total revenue per employee and Adjusted EBITDA per employee represent the ratio of total revenue or Adjusted EBITDA, as applicable, for the relevant period, to the average number of our employees for such period.

(10) Annualized recurring revenues ("**ARR**") represents the annual subscription fees in respect of our subscription agreements (or the subscription agreements of the businesses that we have acquired or in respect of which we have entered into an acquisition agreement by a given date) relating to certain key products that were in place as of a certain date, net of all subscription fees associated with churning customers who delivered termination notices in respect of all relevant subscription agreements on or prior to such date (or the portion of the subscription fees related to the specific subscription agreements for which such customers have opted out). The ARR figure presented in the table above as of March 31, 2024 has been adjusted to include the subscription fees derived from businesses we acquired between April 1, 2024 and December 31, 2024 as if such businesses had been consolidated as of March 31, 2024. Without taking into account this further adjustment, our ARR as of such date would have been €719.3 million, of which (i) €134.7 million in our Enterprise Solutions business unit, (ii) €210.8 million in our Professional Solutions business unit, (iii) €243.6 million in our Micro Solutions business unit, (iv) €20.1 million in our Digital Finance Solutions business unit, (v) €65.8 million in our Market Specific Solutions business unit and (vi) €44.2 million in our Cross-Segment Products business unit, respectively.

high-quality products and services that distinguish us from our competitors, the competition from other providers could adversely affect our established position and result in a loss of share in our reference segments.

In addition, larger conglomerates against which we compete, for instance, in Italy and Spain, such as Cegid, and may compete also in other countries in the future, including as a result of our international expansion strategy, may acquire new businesses, develop competitive solutions, benefit from economies of scale and larger customer bases. For example, in May 2024, Visma announced the acquisition of Fiscozen to expand its presence in Italy. Similarly, in Spain, in January 2025, Cegid acquired Microdata to enhance its SMEs solutions ahead of e-invoicing mandates. Such strategies could be leveraged to accelerate their competitive positions, each of which could have a material adverse effect on our business, financial condition and results of operation.

In addition, although well-established industry players such as Microsoft, Oracle and SAP have historically focused on large enterprises and do not currently compete directly with us, if such players were to expand into the Italian SME, micro and small businesses or professional ERP and business management software segment, we may be unable to compete effectively against them, due to the fact that such players have greater financial, technical, marketing and human resources, greater brand recognition, greater international presence and a longer operating and product development history than we do. For example, large operating and database system developers, such as Microsoft and Oracle, could introduce new operating systems, database systems, new software and computer hardware that incorporate features and functions currently performed by our products, which could adversely affect our competitive position, or could require substantial modification of our products to maintain compatibility with these companies' hardware or software. Furthermore, international companies which focus on SMEs and professionals (*e.g.*, Xero, Gruppo WKI, Cegid, Exact and Intuit), may decide in the future to enter the Italian market and introduce solutions that may compete with our solutions. See "*Industry—Competition.*"

In addition, emerging technologies such as generative AI may pose a growing risk to our competitive position. These technologies are evolving rapidly and may enable both established competitors and new entrants, including those with substantial financial and technical resources, to accelerate product development, reduce costs and introduce innovative solutions that compete directly with our offerings. The ability to leverage such new technologies to automate core ERP functions, including accounting, invoicing and customer support, could facilitate market participation and intensified competition across our key business units, including in our Micro Solutions and Enterprise Solutions business units. If we are unable to effectively adopt or integrate gen-AI into our own products and operations, or if our competitors are more successful or faster in doing so, we may face increased pressure on pricing, customer retention, and product differentiation, which could materially and adversely affect our business, financial condition and results of operations.

In addition, our competitors may consolidate or form alliances with each other in the future, either internationally or with local software companies. The successful consolidation of two or more of our competitors could result in a combination of their resources and technological capabilities, improved access to a wider customer base and improved economies of scale. This could lead to intensified competition and a loss of share in our reference segments. If we are unable to compete effectively against such consolidated companies or alliances, our business, prospects, financial condition and results of operations could be adversely affected.

Our international operations are subject to various risks that may have a material adverse effect on our business, financial condition, results of operations and prospects

Over the last few years, we steadily increased our efforts towards our international expansion. As of the date of this Offering Memorandum, we operate through facilities, sales offices and research and development centers in six countries, including France, Spain, Denmark, Albania, Turkey and Israel. For the years ended December 31, 2022, 2023 and 2024 and the twelve months ended March 31, 2025, our international subsidiaries (i.e. those incorporated outside of Italy) generated 2.9%, 5.6%, 13.1% and 14.3% of our total revenue, respectively.

As part of our business strategy, we continue to seek to expand our sales and positioning in various international segments, including by acquiring new companies to enable us to expand our product offering. As such, we regularly evaluate potential bolt-on acquisitions, some of which may be significant in size, and we are typically and currently engaged in discussions with several high-potential businesses that we believe are aligned with our strategic vision. See "*Summary—Our Strategy—Continue growing our customer base by capitalizing on untapped opportunities, including in the international segments*." The economies of some of the countries in which we operate differ from the economies of Western Europe and in some cases present a greater risk profile. Many of these countries have implemented measures aimed at improving the business environment and providing a stable platform for economic development. However, the political, economic and legal reforms necessary to complete such a transformation may not be implemented fully or may not be successful, and the governments of these

We may use AI and machine learning in our business, and challenges with properly managing its use, as well as uncertainty regarding the legal landscape surrounding the use of AI could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations

We have incorporated, and plan to incorporate in the future, generative AI solutions into our platform and our products and solutions, and these applications may become increasingly important in our operations over time. There are significant risks involved in utilizing AI and no assurance can be provided that the usage of such AI will enhance our business or assist our business in being more efficient or profitable. Known risks of AI currently include inaccuracy, bias, toxicity, intellectual property infringement or misappropriation, data privacy and cybersecurity and data provenance. In addition, AI may have errors or inadequacies that are not easily detectable. If the data used to train AI or the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, incomplete, overbroad or biased, the quality of our solutions as well as our reputation could be adversely impacted, which, in turn could materially and adversely affect our business, financial condition and results of operations.

Moreover, in 2025, we launched a program to enhance the productivity of our customer support team through the use of AI-driven tools, including self-care solutions and support automation. While we intend to leverage these initiatives to improve efficiency and allow our operators to focus on more complex issues, the use of AI in customer interactions may also affect the perceived quality of service. If customers perceive AI-driven support as inaccurate, impersonal or inadequate, this could negatively impact customer satisfaction and increase our customer churn, particularly in segments where human interaction is particularly valued.

The legal landscape and subsequent legal protection for the use of AI remains uncertain, and development of the law in this area could impact our ability to enforce our proprietary rights or protect against infringing uses. If we fail to comply with national and EU regulatory standards or if we do not have sufficient rights to use the data on which AI relies or to the outputs produced by AI applications, we may incur material liability through the violation of certain laws, third-party privacy or other rights or contracts to which we are a party. Our use of AI applications may also, in the future, result in cybersecurity incidents that implicate, among others, the personal data of our customers (or our customers' clients). Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations. See also "—*More stringent regulations in the area of cybersecurity and data privacy could adversely affect our business, financial condition and results of operations*."

Our competitors or other third parties may leverage AI to develop software solutions at lower cost while maintaining comparable quality and functionality, or may integrate AI into their products and services more rapidly or effectively than we do, which could impair our competitive position and materially and adversely affect our business, financial condition, and results of operations. See also "—*Competition from large or established competitors and local specialized competitors in the markets in which we operate could have a negative impact on our business and financial condition*."

Moreover, AI presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm or legal liability. The rapid evolution of AI, including potential government regulation of AI, will require significant resources to develop, test and maintain our platform, offerings, services and features to help us implement AI ethically in order to minimize unintended, harmful impact.

Delayed payments or non-payments by our customers could adversely affect us

Our ability to receive payment for the products and services we sell depends on the continued creditworthiness of our customers. We generally require our customers to pay for our subscription and maintenance services in advance, while for licensing and other services, we usually invoice them upon delivery of the relevant service or at the month end for all services provided within that period. See "*Business—Our revenue model*." We may experience a higher than normal level of delayed payments or non-payments by our customers if their economic conditions are weakened or distressed, including as a result of macroeconomic downturns or tightening credit markets, which could negatively impact our working capital as our trade receivables remain outstanding for a significant period of time or could result in an increase in bad debts and cancellations, as well as in a reduction or delay in revenue collection, which could negatively impact our liquidity and cash flow generation. For the years ended December 31, 2022, 2023 and 2024 and the twelve months ended March 31, 2025, our allowance for bad debts was €5.5 million (or 1.0% of our total revenue), €7.0 million (or 1.0% of our total revenue), €9.0 million (or 1.0% of our total revenue) and €9.1 million (or 0.9% of our total revenue), respectively. See "*—We may be adversely affected by uncertainty and/or unfavorable economic and/or political conditions internationally and in Italy.*"

- our ability to maintain high levels of customer satisfaction, including with respect to maintaining uptime and system availability standards consistent with market expectations;
- our ability to implement upgrades and other changes to our software without disrupting our service;
- the level of customization and configuration we offer;
- our ability to provide rapid response time during periods of intense activity on customer websites;
- the price, performance and availability of competing products and services;
- our ability to prevent data breaches and cyber-security attacks at our systems and premises and those we manage on behalf of our customers as well as at cloud platforms; and
- the ability of third-party hardware and cloud hosting vendors on which we depend to prevent data breaches and cyber-security attacks at our systems and premises.

The market for cloud services may develop faster than we expect. If customers require upgraded or cost-efficient cloud solutions that we have not yet developed, or if we cannot meet demand, our Customers Retention Rate could be adversely affected, and each of these could harm our business and prevent us from successfully capitalizing on such growth trends. In addition, international competitors may decide to enter into or further invest in the Italian market and introduce their own initiatives which may compete with, or not be compatible with, our cloud solutions. Finally, the technology, the market for cloud services and our business model continue to evolve and we may be unable to compete effectively, generate significant revenues or maintain profitability for our cloud-based offerings, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

We rely in part on third-party cloud infrastructure providers to deliver our services to customers

Our ability to service our customers and deliver and implement our cloud-based software applications is significantly dependent on third-party cloud providers, particularly Microsoft and Amazon Web Services (“**AWS**”), and Aruba only with respect to our CAF customers. These providers supply essential cloud infrastructure and services that are integral to our offerings. Any disruption, performance issues, or changes in the terms of service from these providers could adversely affect our operations and our ability to meet customer expectations.

If these providers fail to meet their obligations, experience service interruptions, or change their pricing or terms of service or decide to terminate their agreements with us, our ability to deliver cloud-based software applications to our customers could be hindered, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Unfavorable economic conditions may increase our costs of indebtedness, which could adversely affect our business and results of operations

Adverse conditions in the credit and capital markets could have an adverse effect on our debt servicing costs. For example, as a consequence of the EURIBOR interest rate increase in recent years, our interest payment on the Existing 2021 Floating Rate Notes and other senior secured debt then in place bearing interest at variable rates for the year ended December 31, 2023 increased by €51.6 million, or 70.2%, to €125.0 million from €73.4 million for the year ended December 31, 2022, partly as a result of the global interest rate surge occurred in 2022. In April 2022, we entered into two interest rate swap agreements for a notional amount of €425.0 million and €275.0 million, respectively, in each case terminating on December 15, 2025 (the “**Interest Rate Swap Agreements**”) to hedge against the fluctuation of the EURIBOR variable interest rate on the Existing 2021 Floating Rate Notes.

We may consider further hedging against interest rate fluctuations to maintain our interest rate risk management strategy, also depending on the evolution of interest rates and forecasts. As a substantive part of our indebtedness bears interest at a variable rate, a substantial increase in interest rates could have a material and adverse effect on our business, financial condition and results of operations. In addition, adverse conditions in the credit and capital markets could also prevent us from obtaining financing or credit on favorable terms in order to fulfill our financing needs (including the need to refinance or repay our debt obligations, including the Notes). More generally, market volatility or illiquidity, tighter lending standards, sharper focus on credit risk, increased focus on investments that investors could consider safer than our bonds such as government securities and cautious investment sentiments

More stringent regulations in the area of cybersecurity and data privacy could adversely affect our business, financial condition and results of operations

In the ordinary course of business, we process personally identifiable information on customers, business partners, employees, third parties and others (including name, address, age, bank details and personal sensitive information) as part of our business. Therefore, we are subject to stringent data protection and privacy laws and regulations, and must implement robust cybersecurity measures to safeguard this information. These requirements become even more critical in the context of SPID-related services, where the nature of the data and the authentication processes involved expose users to heightened risks such as credential theft, phishing and unauthorized access.

Any processing of personally identifiable information of individuals located in the European Economic Area in the course of the provision of services is governed by the European data protection laws and regulations, which restrict our ability to collect, process and use personally identifiable information relating to customers, potential customers, business partners, and employees, including for marketing purposes.

Such laws and regulations concern the collection, use, retention, security, processing and transfer of personally identifiable information. In particular, starting from May 25, 2018, our operations are subject to the provisions of Regulation (EU) 2016/679 of April 27, 2016 ("**General Data Protection Regulation**" or "**GDPR**") and to the Italian Privacy Code (Legislative Decree no. 196/2003, as amended by Legislative Decree no. 101/2018, which adapted Italian rules to GDPR). The GDPR increased both the number and the restrictive nature of the obligations binding us in particular with respect to the collection, processing and use of personally identifiable information.

The GDPR, amongst others, provides for:

- significant applicable maximum fines, up to the higher of (i) €20 million or (ii) 4% of annual global turnover per breach, as opposed to fines of less than €1 million under the former regime. Fines may be imposed instead of, or in addition to, measures that may be ordered by supervisory authorities (such as the request to cease processing). In addition, according to the Italian Privacy Code, certain criminal sanctions could be applied to individuals involved in unlawful processing activities;

- more onerous consent requirements, as consent will always have to be express/opt-in, while implied/opt-out consent has at times been deemed sufficient under the former regime;

- onerous transparency and compliance obligations; and

- stronger rights for individuals, including an individual "right to be forgotten," which would require us to permanently delete a user's personally identifiable information in certain circumstances.

We adapted our internal procedures and operations to the requirements imposed by the GDPR. We have appointed a dedicated data protection team, which also includes a Data Protection Officer (a "**DPO**") and we have taken actions to ensure the constant and complete implementation of the best practices for compliance with the applicable data protection regulatory framework, including internal incident management procedures and data breach policies. Nevertheless, there can be no assurance that we carried out the GDPR implementation effort in an appropriate effective and timely manner, and any related failure in complying with the applicable data protection and privacy regulatory framework could have a material adverse effect on our business, financial condition and results of operations. In addition, every time we acquire a new company, we have to review its internal processes and procedures to ensure consistency with our internal processes and procedures and compliance of the newly acquired company with GDPR, with consequent costs for us.

Furthermore, the EU institutions intend to increasingly regulate the big data economy, with the goal to increase control and trust of both citizens and companies regarding their data. For instance, on December 22, 2023, Regulation (EU) 2023/2854 (the "**Data Act**"), was adopted. The Data Act is expected to become applicable on September 12, 2025 and will set forth, among other things, minimum requirements that cloud and computing services providers will be required to meet to facilitate interoperability and enable customers of such providers to switch between equivalent providers and systems. Moreover, in recent years, the EU has proposed new rules and actions for AI with the goal to ensure that advancements in this field are inspired by trust, safety and fundamental rights. In particular, in 2024, the EU Institutions adopted a comprehensive regulation on AI (the "**AI Act**") introducing new obligations for companies providing, distributing, importing and using AI systems and general-purpose AI ("**GPAI**") models in the EU. Non-compliance with certain of these obligations could result in fines of up to €35 million or 7% of the overall annual turnover, whichever is higher. These rules will enter into force 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 pension contribution rules (provided either by law or collective agreements) implemented to reduce government budget deficits or to increase welfare benefits to employees, as well as deteriorating general health conditions. We may not manage to offset the increase in labor costs through productivity gains or other measures. If labor costs increase further, our operating costs will increase and we may be unable to recover these increased costs from our customers through increased selling prices or offset them through productivity gains or other measures, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

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

We operate a number of our businesses through strategic partnerships with other investors who hold a non-controlling interest in the relevant Group subsidiary. Our relationships with these strategic partners are governed by various contractual arrangements, which regulate, amongst others, the corporate governance, management and administration of such businesses. In certain circumstances, certain material decisions regarding such subsidiaries' operations, such as capital increases, relocation of corporate domicile and other relevant matters, require the consent of non-controlling shareholders. In selected cases, we have also undertaken to make dividend distributions. For the year ended December 31, 2024, payments of dividends to non-controlling shareholders of our subsidiaries amounted to approximately €4.0 million. Our strategic partners may not necessarily share our views on the manner in which the relevant business should operate and may exercise their rights in a manner, which is adverse to us, which, in turn, may adversely affect our business. Moreover, if we are unable to resolve such conflicts of interest or disputes with strategic partners in an amicable way, we may be required to initiate legal proceedings, which would require us to incur significant costs, divert management's attention from day-to-day operations and expose us to substantially uncertain outcomes and potentially delay our acquisition processes. As a result, any disputes with our strategic partners could cause a material adverse effect on our business, financial condition and results of operations.

In addition, our agreements with our strategic partners normally provide for put and call option arrangements on the non-controlling interest in the relevant Group subsidiary 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. Our overall liability with respect to such put and call option and earn-out arrangements relating to non-controlling holdings of certain Group companies (the "**Liabilities to Non-Controlling Shareholders of Subsidiaries**") is accounted for as financial debt in our Consolidated Financial Statements and, as of March 31, 2025, amounted to €234.5 million on a discounted basis, or €245.1 million on a non-discounted basis. For the year ended December 31, 2024, we paid €130.7 million to buy out stakes held by the non-controlling shareholders of certain of our subsidiaries, including certain in connection with the Mikro group. We currently expect to use approximately part of the proceeds of the Offering to buy out stakes held by the non-controlling shareholders of certain of our subsidiaries. Our current contractual arrangements with such non-controlling shareholders allow us to exercise our call option rights in the short-term. There can be no assurance that all such incremental equity acquisitions, including those we intend to pre-fund and that would otherwise become payable after 2025, will be completed within the expected timeframe or at all. To the extent such acquisitions are not completed as expected, we expect to use the relevant portion of the proceeds from the Offering for general corporate purposes.

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 Liabilities to Non-Controlling Shareholders of Subsidiaries for accounting purposes. If the value of the Liabilities to Non-Controlling Shareholders of Subsidiaries change, the change is accounted for in our statement of profit or loss as finance income (if the value of the Liabilities to Non-Controlling Shareholders of Subsidiaries decreases) or finance expense (if the value of the Liabilities to Non-Controlling Shareholders of

- changes in economic conditions;
- changes in our point of contact at the customers;
- reduced demand for our software solutions;
- introduction of new products by our competitors;
- lower prices offered by our competitors for similar products;
- changes in the budgets and purchasing priorities of our customers;
- need for education of customer personnel;
- complexities in the implementation and integration of our software;
- changes in the information systems of our customers; and
- changes in applicable laws and regulations.

As a result of these factors, our revenue, and in particular our revenues from licenses and professional services from SME and professional customers, may be difficult to forecast, and we could experience variations in our results of operations from quarter to quarter or year to year. The extended lengths of our selling cycles in relation to SME and professional customers may result in the incurrence of significant time and costs spent by our resources in pursuing a particular sale or customer that does not result in revenue. If we are unable to obtain contractual commitments after a selling cycle, maintain contractual commitments after the implementation period or limit upfront expenses, our business, financial condition and results of operations could be adversely affected.

Four of our subsidiaries operate in the financial industry, which is highly regulated, and any failure to comply with applicable laws and regulations or to adapt to laws and regulation as and when they change could adversely affect our business

As part of our digital strategy, in the first quarter of 2019, we incorporated TeamSystem Payments S.r.l., a wholly owned indirect subsidiary of TeamSystem, and TeamSystem Capital at Work SGR S.p.A., an indirect subsidiary of TeamSystem in which we indirectly hold a majority equity stake, with the remainder being held by certain minority financial co-investors (these two subsidiaries, collectively, the "**TS Regulated Entities**"). TeamSystem Capital at Work SGR S.p.A., which was authorized by the Bank of Italy to operate as an asset management company in May 2020, manages funds investing mainly in trade receivables, also through our Whit-e Platform, and TeamSystem Payments S.r.l., which was authorized by the Bank of Italy to operate as a payment services institution in May 2020, specializes payment services for a variety of enterprises, including, among others, financial institutions, large companies, SMEs and professionals leveraging its payment service platform integrated in our e-invoicing and ERP products. For the twelve months ended March 31, 2025, the TS Regulated Entities did not generate any material revenue.

The payment and asset management services being provided by the TS Regulated Entities are regulated activities in Italy and are therefore subject to the authorization of the Bank of Italy. Companies providing (a) payment services are required to be enrolled in the register of payment institutions held by the Bank of Italy pursuant to Article 114-*septies* of the Italian Legislative Decree No. 385 of September 1, 1993, and (b) asset management services are required to be enrolled in the register of asset managers held by the Bank of Italy pursuant to Article 35 of the Italian Legislative Decree No. 58 of February 24, 1998. As a result, the TS Regulated Entities are subject to, amongst others, a variety of complex Italian and EU laws and regulations applicable to payment or asset management services. In particular, regulators oversee a number of business areas where the TS Regulated Entities operate, including corporate governance, transparency in the provision of services and propriety in dealings with customers, reporting and registration obligations, money laundering and corruption prevention and data protection, and in order to obtain and maintain licenses to operate as a payment institution and asset management company, respectively, the TS Regulated Entities are required to comply with, among other things: (i) rules governing the segregation of assets relating to the regulated services, (ii) capital adequacy requirements (as further described below), (iii) rules relating to the conduct of business and (iv) anti-money laundering rules and regulations.

Payment institutions and asset management companies are required to maintain a minimum level of regulatory capital.

The amount of regulatory capital of payment institutions varies depending on several circumstances in accordance with the provisions set forth under the Bank of Italy "*Supervisory provisions for payment institutions and electronic money institutions*" (Order of July 23, 2019, as amended, the "**PI Supervisory Provisions**") and, in any event, must never be less than the level of the minimum initial capital required for the establishment of the payment institution (i.e. €125 thousand as of the date of this Offering Memorandum for the type of services provided by TeamSystem Payments S.r.l.). In particular, the PI Supervisory Provisions provide that payment institutions (such as TeamSystem Payments S.r.l.) may determine the capital requirement using one of two methods: (i) under the first method, the capital requirement must be at least 10% of such institution's fixed operating costs for the previous year (this method is generally applicable for the first year only. However, the payment institution may file a reasoned request to the Bank of Italy for the extended application of the same method with respect to the following years of activity; the Bank of Italy may deny such request); and (ii) under the second method (which is the standard method from the second year of activity), the capital requirement must be at least equal to the sum of a certain percentage of the "payment volume" managed by the payment institution (defined as one-twelfth (1/12) of the total amount of payment transactions managed in the preceding year), multiplied by a graduation factor which depends on the type of services provided. Overall, payment institutions must consistently hold a total minimum capital at least equal to the sum of the capital requirement for the payment services provided. The Bank of Italy may require higher or lower requirements and further requirements may apply for payments institutions providing payment services embedding a financing component.

Asset management companies are also subject to certain regulatory capital requirements, including those set forth under Bank of Italy Regulation of January 19, 2015, as amended. In particular, the amount of the regulatory capital of asset management companies (i.e. TeamSystem Capital at Work SGR S.p.A.) must at all times be at least equal to 0.02% of the portion of the assets under management exceeding €250 million, up to a maximum of €10 million. Additional specific capital requirements may apply for the coverage of specific risks.

In addition to complying with regulatory capital requirements, TeamSystem Payments S.r.l. is also subject to the prudential regime introduced by Directive (EU) No. 2015/2366 of the European Parliament and of the Council ("**PSD II**"). PSD II is a EU directive that aims to improve digital payment services throughout the EU by improving the ease and security of internet payment services, protecting consumers from fraud, abuse and payment problems, promoting innovative mobile and internet payment services, strengthening consumer rights and strengthening the role of the European Banking Authority. PSD II was implemented in Italy by Legislative Decree No. 218 of December 15, 2017, which came into force on January 13, 2018. PSD II facilitates third parties' direct access to bank accounts and, accordingly, provides opportunities for increased competition among system participants.

Compliance with the regulations governing payment institutions or asset managers may be burdensome and costly, particularly in the event of any regulatory changes or developments that may be introduced from time to time at the European or Italian level. If we fail to comply with or if we infringe any applicable rules and regulations, any person holding administrative, management and control functions of the TS Regulated Entities may be subject to administrative, civil or criminal penalties, and/or our authorization to operate as a payments service institution or asset management company, as applicable, may be temporarily or permanently revoked, and we may ultimately suffer reputational damages and lose customers' confidence as a result.

Additionally, liberalization or other changes in the regulatory framework to which we are currently subject may increase the number of competitors we face. International competitors may be subject to less stringent legal and regulatory regimes and may as a result have a competitive advantage over us, both in terms of the services and products they are able to offer as well as the commercial success they may be able to achieve as a result of being subject to less burdensome regulations.

Furthermore, the direct or indirect acquisition of equity interests in the capital stock of a payment institution or an asset management company requires prior authorization by the Bank of Italy to the extent following such acquisition the relevant acquiror, acting individually or in concert: (i) holds a stake equal to or greater than 10% of the share capital or the voting rights of the company; (ii) further increases its stake up to or above 20%, 30% or 50% of the share capital or the voting rights of the company, or (iii) is able to exercise a significant influence over the management of the company or otherwise acquires the control of the company regardless of its stake. Pursuant to these rules, in order to maintain our licenses to operate as a payment institution and an asset management company, respectively, in 2021 we were required to obtain the clearance from the Bank of Italy with respect to the change of indirect ownership of the TS Regulated Entities. Such rules are still applicable and, for

We are from time to time involved in various tax and social security audits and investigations and we may face tax and social security liabilities in the future

We are from time to time subject to tax and social security audits and investigations by the tax, social security and other public authorities, which may include, without limitation, investigations with respect to the direct tax and indirect tax regime of any of our transactions and value-added tax classification and social security contributions. Adverse developments in laws or regulations, or any change in position by the relevant authorities regarding the application, administration or interpretation of these laws or regulations, could have a material adverse effect on our business, financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and our other indebtedness. In addition, the relevant authorities may disagree with the positions we have taken or intend to take regarding the tax and social security treatment or characterization of any of our transactions, including the treatment or characterization of our indebtedness, including the Notes, existing and future intercompany loans and guarantees or the deduction of interest expenses. We may also fail, whether inadvertently or for reasons beyond our control, to comply with tax and social security laws and regulations relating to the treatment of any of our transactions or financing arrangements, which could result in unfavorable tax and social security treatment for such transactions or arrangements, and possibly lead to significant fines or penalties. Whenever a reasonable settlement with the relevant tax and social securities authorities cannot be reached, we may have to defend ourselves before the competent courts, which could be costly and distract management from the other affairs of our business. In addition, audits and investigations by the competent authorities may generate negative publicity, which could harm our reputation with customers, suppliers and counterparties. We can provide no assurance that the financial impact of any adverse tax or social security adjustment in connection with our business would not have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Changes to global tax laws, including the OECD's Pillar Two Rules could adversely affect the Group's tax profile

The OECD and many countries in Europe, as well as a number of other countries and organizations, have proposed, recommended or (in the case of certain countries) enacted changes to existing tax laws or new tax laws that address issues related to the taxation of multinational corporations. One example is Pillar Two of the OECD's "BEPS 2.0" initiative, which is aimed at ensuring all companies pay a global minimum tax. In December 2022, the member states of the EU unanimously voted to adopt the OECD's minimum tax rules and phase them into law, and in February 2023 the OECD released technical guidance on the global minimum tax which was agreed by consensus of the Pillar Two signatory jurisdictions. Under the EU's minimum tax directive, member states are to adopt, and a number of member states have adopted or proposed, legislation implementing the minimum tax rules effective for periods beginning on or after December 31, 2023, with the "under-taxed profit rule" to take effect for periods beginning on or after December 31, 2024. Italy enacted legislation implementing the minimum tax rules effective from the same dates. Multiple countries outside of the EU have also adopted or proposed legislation to implement the OECD's minimum tax proposal. As a result of these developments and similar developments in other jurisdictions, the tax laws of certain countries in which the Group and its affiliates do business could change on a prospective or retroactive basis, and any such change could significantly increase the Group's tax obligations in the countries in which it will do business or require the Group to change the manner in which it operates its business, which may adversely affect the Group.

Potential liabilities and costs from litigation and other proceedings could adversely affect our business

From time to time, we have been party as defendant or plaintiff in various legal proceedings incidental to the ordinary course of our business. As of December 31, 2024, our provision for litigation amounted to €20.8 million mainly relating to certain liabilities which have been allocated during the purchase price allocation procedures in connection with the indirect acquisition by Brunello Bidco S.p.A. (the predecessor of the Issuer before the Merger) of all the issued share capital of the Issuer in February 2021 and subsequent acquisitions we completed as well as certain disputes with social security institutions and tax authorities. As of March 31, 2025, our provision for litigation amounted to €19.7 million, which was mainly related to risks associated with certain R&D tax credits and ongoing tax disputes, representing a decrease of €1.1 million compared to the year ended December 31, 2024. The results of pending or future legal proceedings are inherently difficult to predict and we can provide no assurance that we will not incur losses in connection with current or future civil, administrative or employment suits or other types of judicial, regulatory or administrative proceedings that exceed any provision we have set aside in our financial statements or that exceed any insurance coverage available.

In addition, even if a litigation claim (of any nature) is without merit, does not prevail or is not pursued, any negative publicity surrounding assertions against our business or products could adversely affect our reputation.

financial indebtedness outstanding in the amount of €2,841.6 million, including €1,200.0 million in aggregate principal amount of the Notes, €700.0 million in aggregate principal amount of the Existing 2024 Floating Rate Notes, €300.0 million in aggregate principal amount of the Existing 2021 Fixed Rate Notes and €550.0 million in aggregate principal amount of the Existing 2021 Floating Rate Notes. Despite our substantial leverage, we may incur substantial additional debt in the future, including as a result of the upsize of the total commitments under the Revolving Credit Facility from €300.0 million to €350.0 million, subject to, among others, satisfaction of certain customary conditions. See "*—We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses,*" "*Capitalization,*" "*Description of certain financing arrangements*" and "*Description of Notes.*"

Our high leverage could have important consequences to holders of the Notes, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes, the Existing Senior Secured Notes and the Revolving Credit Facility and other debt and liabilities we have and/or that we may incur;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payments in respect of our indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, product research and development or other general corporate purposes;
- restricting us from pursuing acquisitions or exploiting business opportunities;
- limiting our flexibility in planning for, or reacting to, changes in our business, the competitive environment and/or the industry in which we operate;
- negatively impacting credit terms with our suppliers and other creditors;
- increasing our exposure to interest rate increases to the extent that our indebtedness bears a floating rate of interest;
- placing us at a competitive disadvantage compared to our competitors that are not as highly leveraged; and
- limiting our ability to obtain additional financing to fund future operations, capital expenditures, business opportunities, acquisitions and other general corporate purposes and increasing the cost of any future borrowings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our obligations, including under the Notes, the Existing Senior Secured Notes and the Revolving Credit Facility.

Our ability to service our indebtedness will depend on our future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Many of these factors are beyond our control. If we cannot service our indebtedness and meet our other obligations and commitments, we might be required to refinance our debt or to dispose of assets to obtain funds for such purpose. We cannot assure you that refinancing or asset dispositions could be effected on a timely basis or satisfactory terms, if at all, or would be permitted by the terms of our debt instruments. In addition, any such refinancing attempt could be made more difficult by the fact that Holdco 3, the direct shareholder of the Issuer, issued €300.0 million aggregate principal amount of its Existing PIK Notes on November 18, 2024, which we expect will mature, after giving effect to the Transactions, in 2033 unless earlier redeemed or repurchased and cancelled in accordance with the terms thereof and is expected to issue €350.0 million aggregate principal amount of PIK Notes, which we expect will mature in 2033 unless earlier redeemed or repurchased and cancelled in accordance with the terms thereof. The principal amount of the Existing PIK Notes and, following their issuance, the PIK Notes could increase over time should Holdco decide to capitalize any interest accruing thereunder over the remaining life of the Existing PIK Notes and the PIK Notes, respectively, in accordance with applicable provisions of law and the terms and conditions of the Existing PIK Notes and the PIK Notes, respectively, or if Holdco 3 were to issue additional notes. Moreover, if interest on the Existing PIK Notes and/or the PIK Notes is paid by Holdco 3 in cash (as opposed to in-kind), in light of the fact that Holdco 3 is a holding company with no cash generating activities, the relevant interest strategy may be impaired. Additionally, borrowings under other debt agreements or instruments that contain cross default or cross acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all of our debts, including the Existing Senior Secured Notes and the Notes.

The Existing 2021 Floating Rate Notes that will not be redeemed as part of the TS Transactions, the Existing 2024 Floating Rate Notes, the Floating Rate Notes, drawings under the Revolving Credit Facility and any future variable interest rate debt we incur in the future bear or will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow, or could otherwise be adverse to the interests of the holders of the Notes

After giving effect to the TS Transactions, a large portion of our debt, including the Existing 2021 Floating Rate Notes to the extent not redeemed, the Existing 2024 Floating Rate Notes, the Floating Rate Notes and drawings under the Revolving Credit Facility (if any) bears or will bear, as applicable, interest at a variable rate, and we are therefore exposed to the risk of fluctuations in interest rates. The Floating Rate Notes, the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate Notes and the Revolving Credit Facility bear or may bear a variable rate of interest based on the EURIBOR, term SOFR or SONIA (as applicable), plus an applicable margin. These interest rates could rise significantly in the future, increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. The Existing Indentures and the Revolving Credit Facility Agreement do not, and the Indenture will not, contain a covenant requiring us to hedge all or any portion of our floating rate debt.

We may enter into and maintain certain hedging arrangements designed to fix a portion of these rates. For example, to hedge against the fluctuation of the EURIBOR with respect to the Existing 2021 Floating Rate Notes, in 2022, we entered into certain interest rate swap agreements pursuant to which we are fixed rate payer and we receive the required floating rate amounts from our bank counterparties. Following the issuance of the Notes, we may consider further hedging against interest rate fluctuations to maintain our interest rate risk management strategy, also depending on the evolution of interest rates and forecasts. While we may continue to enter and maintain hedging arrangements to fix rates on our indebtedness, there can be no assurance that hedging will continue to be available on commercially reasonable terms or at a commercially reasonable price. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements, that hedges might not be available for the full amount or term of the borrowings, that break clauses might be required or that hedges will limit any benefit that we might otherwise receive from favorable movements in interest rates. To the extent interest rates were to increase significantly, our interest expense would correspondingly increase, thus reducing cash flow.

In July 2017, the U.K. Financial Conduct Authority (the "**FCA**") announced that it intended to stop compelling banks to submit rates for the calculation of LIBOR after 2021. Subsequently, on March 5, 2021, the FCA announced the dates on which panel bank submissions for all LIBOR settings will cease. On December 31, 2021, the traditional bank panel determined LIBOR settings ceased to be published however, the FCA required ICE Benchmark Administration (the entity responsible for administering LIBOR rates) to continue to publish certain LIBOR settings under a changed "synthetic" methodology, for a temporary period in order to help mitigate the risk of widespread disruption to legacy LIBOR contracts which had not transitioned ahead of cessation of the panel bank settings. The 1-month and 6-month synthetic sterling LIBOR settings permanently ceased at the end of March 2023, and 3-month synthetic sterling LIBOR setting permanently ceased at the end of March 2024. On September 30, 2024, the synthetic 1-month, 3-month and 6-month US dollar LIBOR settings ceased permanently.

It is possible that benchmarks such as EURIBOR may be discontinued in future if they cease to comply with the requirements of the EU Benchmarks Regulation, or if the administrator of the relevant benchmark either fails to apply for authorization or is refused authorization by its home regulator. On July 2, 2019, the European Money Markets Institute, administrator for EURIBOR, was granted authorization under the EU Benchmark Regulation by the Financial Services and Markets Authority of Belgium. Consequently, EURIBOR is at this point considered compliant with the EU Benchmark Regulation. It should be noted however that this does not mean that EURIBOR will remain a representative measure if markets evolve and the Working Group on Euro Risk-Free Rates has cautioned in a factsheet on EURIBOR fallbacks published in March 2020 that benchmarks are subject to the risk of disruption or future discontinuation.

The potential elimination of the EURIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR is determined or could result in its discontinuation, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including but not limited to the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate

Notes, the Revolving Credit Facility and the Floating Rate Notes). In addition, the development of alternatives to EURIBOR may result in our floating rate debt (including but not limited to the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate Notes, the Revolving Credit Facility and the Floating Rate Notes) performing differently than would otherwise have been the case if the alternatives to EURIBOR had not developed.

The Existing Indentures provide, and the Indenture will provide, that, in the event that EURIBOR is no longer being calculated or administered or is otherwise no longer generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities under the Existing Indentures and the Indenture, the alternative basis for determining the rate of interest on the is, and with respect to the Floating Rate Notes will be, any successor rate generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities, as identified by the Issuer in good faith. However, in the event that there is no generally accepted successor rate to EURIBOR in the good faith judgment of the Issuer, the Issuer, in consultation with a rate determination agent, will determine a reasonably appropriate alternative basis for determining the rate of interest on the applicable series of notes, including the Floating Rate Notes (and any such alternative basis adopted will in all cases never be less than 0%). This means that interest on the floating rate bearing notes, including the Floating Rate Notes, would be determined by the Issuer on the basis of a benchmark rate, together with adjustments, that was not contemplated at the time investors purchased the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate Notes and the Floating Rate Notes. See "*Description of Notes—Terms of the Notes.*" The Existing Indentures and the Indenture may require the exercise of discretion by the Issuer and the making of potentially subjective judgments (including as to the occurrence or not of any events which may trigger amendments to the Existing Indentures or the Indenture) without the consent of the holders of the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate Notes and the Notes, as applicable. The interests of the Issuer in making such determinations or amendments may be adverse to the interests of the holders of the Notes.

If we determine that EURIBOR has been permanently discontinued or, at the request of the Issuer or the agent under the Revolving Facility Agreement (acting on the instructions of the majority lenders), the agent will use an alternative reference rate in the manner as described in the Revolving Credit Facility Agreement.

On October 23, 2020, ISDA published (1) a supplement to the 2006 ISDA Definitions (the "**IBOR Fallbacks Supplement**") and (2) the ISDA 2020 IBOR Fallbacks Protocol (the "**IBOR Fallbacks Protocol**") each of which came into effect on January 25, 2021. The IBOR Fallbacks Supplement amends the 2006 ISDA Definitions (the "**2006 Definitions**") with respect to various interbank offered rates ("**IBORs**") (such as EURIBOR or LIBOR) so that new derivatives transactions that incorporate the 2006 Definitions will "fall back" to alternative reference rates upon the occurrence of certain specified events, including a permanent cessation of the relevant IBOR. The IBOR Fallbacks Protocol will enable adhering parties to implement these fallbacks into the terms of legacy transactions that incorporate the 2006 Definitions. ISDA published the first draft of the 2021 ISDA Interest Rate Derivatives Definitions (the "**2021 Definitions**") in June 2021 and, therefore, many derivative transactions will incorporate the 2021 Definitions instead of the 2006 Definitions. The 2021 Definitions incorporate the approach taken under the IBOR Fallbacks Supplement with respect to certain specific benchmarks, including LIBOR and EURIBOR, and adopt the same approach as under the ISDA Benchmarks Supplement with respect to the remaining benchmarks, although the 2021 Definitions will be further updated over time. In the event that EURIBOR is permanently discontinued, this may, therefore, result in a mismatch between the fallback benchmark that applies under any EURIBOR hedging arrangements and the fallback benchmark that applies under the Floating Rate Notes, the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate Notes and the Revolving Facility Agreement.

Hedging arrangements may expose us to credit default risks and potential losses if our hedging counterparties fall into bankruptcy

In 2022, we entered into certain hedging arrangements to hedge our exposure to fluctuations in interest rates associated with the Existing 2021 Floating Rate Notes, which will terminate in December 2025. We may enter in the future into other interest hedging arrangements to hedge our exposure to fluctuations in interest rates, including the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate Notes, the Revolving Credit Facility and the Floating Rate Notes. Under any such agreements, we would be exposed to the credit risks of our counterparties. If one or more of our counterparties falls into bankruptcy, claims we have under the swap agreements or other hedging arrangements may become worthless. In addition, in the event that we refinance our debt or otherwise terminate such hedging agreements, we may be required to make termination payments, which would result in a loss.

guarantor's liability under its Guarantee could be materially reduced or eliminated, depending upon the amounts of its other obligations and the law applicable to it.

It is possible that a Guarantor or creditor of a Guarantor, or the bankruptcy or judicial liquidation receiver in the case of a bankruptcy, insolvency and/or judicial liquidation (as applicable) of a Guarantor, may contest the validity and enforceability of the Guarantor's Guarantee on any of the above grounds and the applicable court may determine that the Guarantee should be limited, subordinated or voided. To the extent that agreed limitations on the Guarantees' obligations apply, the Notes would to that extent be structurally subordinated to all liabilities of the applicable Guarantor, including trade payables of such Guarantor. Future Guarantees may be subject to similar limitations. See "*Limitations on validity and enforceability of the Guarantees and the Collateral and certain insolvency law considerations*."

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

Each Guarantee provides the holders of the Notes with a direct claim against the relevant Guarantor. The obligations of each Guarantor, the enforcement of the relevant Guarantee and the obligations of the grantor of security and the ability of the Security Agent to enforce on the Collateral will be limited under the Indenture to the maximum amount that can be guaranteed by such Guarantor or provided by the grantor of security under the applicable laws of Italy, which has been determined so as to ensure that amounts payable will not result in violations of laws related to, among others, corporate benefit, capitalization, capital preservation, financial assistance or transactions under value, or otherwise cause the relevant Guarantor to be deemed insolvent under applicable law or such Guarantee to be deemed void, unenforceable or ultra vires, or cause the directors of such Guarantor to be held in breach of applicable corporate or commercial law for providing such Guarantee.

In particular, enforcement of any Guarantee or Collateral against the relevant Guarantor or pledgor would be subject to certain defenses available to guarantors generally or, in some cases, to limitations contained in the terms of the relevant Guarantee or pledges of security designed to ensure compliance with statutory requirements applicable to the relevant Guarantors or pledgors. These laws and defenses include those that relate to fraudulent conveyances or transfers, insolvency or bankruptcy challenges, voidable preferences, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization, capital maintenance or similar laws and regulation or defenses affecting the rights of creditors generally. As a result, the liability of a Guarantor under its Guarantee or of a pledgor of security could be materially reduced or eliminated, depending on the amounts of its other obligations and the law applicable to it.

As a result of the applicable limitations under Italian law with respect to, amongst others, corporate benefit, notwithstanding anything to the contrary provided in the Indenture, the Existing Indentures, the Revolving Credit Facility Agreement, and/or the Intercreditor Agreement, as regards to the Parent Guarantor:

(1) the maximum amount guaranteed by the Parent Guarantor, also in accordance with Article 1938 of the Italian Civil Code (where applicable), will not exceed 120% of the outstanding principal amount of the Notes; and

(2) notwithstanding any provision to the contrary in the Indenture, in order to comply with the mandatory provisions of Italian law in relation to (i) maximum interest rates (including the Italian Usury Law and Article 1815 of the Italian Civil Code) and (ii) capitalization of interests (including Article 1283 of the Italian Civil Code and Article 120 of the Italian Legislative Decree No. 385 of September 1, 1993), the obligations of the Parent Guarantor under its Guarantee shall not include and shall not extend to (A) any interest qualifying as usurious pursuant the Italian Usury Law and (B) any interest on overdue amounts compounded in violation of the provisions set forth by Article 1283 of the Italian Civil Code and/or Article 120 of the Italian Legislative Decree No. 385 of September 1, 1993, respectively.

In addition, the obligations of any Italian Guarantor and/or Italian security provider (other than the Parent Guarantor) that becomes a Guarantor and/or a security provider will be subject to the Agreed Security Principles and will be subject to the additional limitations set forth in the relevant supplemental indenture to the Indenture and/or in the applicable security documents, in order for the applicable Italian Guarantor and/or Italian security provider to comply with the above corporate law requirements on, among others, corporate benefit and financial assistance.

In any case, the maximum amount that an Italian Guarantor and/or Italian security provider (in each case, other than the Parent Guarantor) may be required to pay in respect of its obligations as Guarantor under the Indenture from 75% to 50%. Furthermore, the interaction between (i) the provisions set forth under the Indenture with respect to meetings of holders of the Notes, the applicable majorities and the rights of each holder of the Notes to vote in the relevant meeting and (ii) applicable Italian law provisions relating to quorum and majorities in meetings of holders of notes issued by Italian companies is also largely untested in the Italian courts.

The insolvency laws of Italy and other applicable jurisdictions may not be as favorable to you as the insolvency laws of the United States or those of another jurisdiction with which you are familiar; other limitations on the Guarantee and the security interests in the Collateral, including fraudulent conveyance statutes, may adversely affect their validity and enforceability

Upon the initial issuance of the Notes on the Issue Date, the Notes will only be obligations of the Issuer and the Parent Guarantor. Each of the Issuer and the Parent Guarantor is incorporated under the laws of Italy. There is a rebuttable presumption that the "center of main interest" as defined in Regulation (EU) No. 2015/848 of the European Parliament and of the Council of May 20, 2015 on Insolvency Proceedings (the "**EU Insolvency Regulation**") is the jurisdiction where the registered office is situated.

The insolvency laws of foreign jurisdictions, including Italy, may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In the event that any one or more of the Issuer, a Guarantor or any other of the Issuer's subsidiaries experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Proceedings could be initiated in Italy or any other relevant jurisdiction, and your rights under the Notes and the Guarantees will be subject to the insolvency and administrative laws of Italy and any other relevant jurisdiction.

In addition, Italian insolvency laws and regulations have recently been replaced by a new crisis and insolvency code introduced by virtue of, among others, Legislative Decree No. 14 of January 12, 2019 implementing the guidelines contained in Law No. 155 of October 19, 2017 (as subsequently amended and supplemented, the "**Italian Insolvency Code**," also known as the Code of Business Crisis and Insolvency), being a comprehensive and in material respects innovative legal framework regulating, among others, insolvency matters. Other than for minor changes in certain provisions of the Italian Civil Code, which already entered into force on March 16, 2019, the Italian Insolvency Code came into force starting from July 15, 2022. The previous Italian bankruptcy law (i.e. Royal Decree No. 267 of March 16, 1942, as amended and supplemented from time to time, the "**Italian Bankruptcy Law**") continues to apply only to filings for proposals of declaration of insolvency procedures and bankruptcy restructuring plans (*concordato fallimentare*) and filings seeking the approval of debt restructuring agreements (*accordo di ristrutturazione dei debiti*) or the opening of a composition with creditors proceeding (*concordato preventivo*), in each case filed or pending before July 15, 2022. As at the date hereof, the vast majority of the provisions of the Italian Insolvency Code are untested in Italian courts and there is no guidance or case law available yet on its application. Considering the sweeping nature of this reform and the absence of judicial guidance, the impact cannot be predicted or fully assessed as of the date of this Offering Memorandum. For a description of Italian insolvency laws and regulations, see "*Limitations on validity and enforceability of the Guarantees and the Collateral and certain insolvency law considerations*."

In particular, the Indenture and the Intercreditor Agreement could be limited in scope and effect by Italian courts to the extent their covenants and provisions, which are largely untested under Italian case law, could be considered to conflict with mandatory provisions of Italian law. In the event that the Issuer experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings or their duration (which may be significantly longer than the duration of analogous proceedings in jurisdictions you may be familiar with).

As a consequence, enforcement of rights under the Notes, the Guarantees and the Collateral in an insolvency situation may be delayed and be complex and costly for creditors. See "*Limitations on validity and enforceability of the Guarantees and the Collateral and certain insolvency law considerations*."

Although laws differ across jurisdictions, in general, applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Notes against the Issuer, the enforceability of a Guarantee against a Guarantor, the enforceability of any other guarantee of the Notes and the enforceability of the security interests in the Collateral. Furthermore, transactions featuring debt financings of distributions to shareholders, such as the Offering, are largely untested in Italian courts and, therefore, limited guidance is provided as to whether and to what extent such transactions could be challenged for lack of corporate benefit and conflict of interest. See "*Limitations on validity and enforceability of the Guarantees and the Collateral and certain insolvency law* should a lender thereunder so require, a mandatory prepayment under the Revolving Credit Facility Agreement and agreements governing any future indebtedness and may result in the acceleration of such indebtedness. Any failure by the Issuer to offer to purchase the Notes upon a change of control would constitute a default under the Indenture.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganizations, restructurings, mergers, recapitalizations, significant divestitures or other similar transactions involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a change of control as defined in the Indenture. Moreover, a change of control will be deemed not to have occurred if it constitutes a "*Specified Change of Control Event.*" See "*Description of Notes—Change of Control*" and "*Description of Notes—Certain definitions—Specified Change of Control Event.*"

Moreover, in certain circumstances specified in the Indenture, we will be required to commence an asset disposition offer (as defined under the Indenture) to all holders of the Notes pursuant to which we will be obligated to offer to purchase the Notes at a price equal to 100% of their principal amount plus accrued and unpaid interest. See "*Description of Notes—Certain covenants—Limitation on sales of assets and Subsidiary stock*."

In connection with certain tender offers for the Notes of any series, if holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, the Issuer or such third party will also have the right to redeem the Notes of such series that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of the Notes of such series. See "*Description of Notes—Optional redemption*."

The term "all or substantially all" in the context of a change of control has no clearly established meaning under relevant laws and is subject to judicial interpretation such that it may not be certain that a change of control has occurred or will occur

The definition of "change of control" and the covenant described under "*Description of Notes—Certain covenants—Merger and consolidation*" in the Indenture will include (with certain exceptions) a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries (taken as a whole) to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," it has no clearly established meaning under relevant law, varies according to the facts and circumstances of the subject transaction and is subject to judicial interpretation. Accordingly, in certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a person, and therefore it may be unclear whether the abovementioned merger covenant is triggered or a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Italian tax legislation may restrict the deductibility of all or a portion of the interest expense on our indebtedness, including interest expense in respect of the Notes

Current tax legislation in Italy (provided for by Article 96 of Presidential Decree No. 917 of December 22, 1986 ("**Article 96**"), as amended by Legislative Decree No. 142 of November 29, 2018) allows for the full tax deductibility of interest expense incurred by the Issuer in each fiscal year up to the amount of the interest income of the same fiscal year, as evidenced by the relevant annual financial statements. A further deduction of interest expense in excess of this amount is allowed up to a threshold of 30% of EBITDA (i.e. *risultato operativo lordo della gestione caratteristica* or "**ROL**"), as well as 30% of ROL carried forward from previous fiscal years. The ROL is calculated on the basis of the value of the items of the Issuer's profit and loss account, which are comprised of the operating gross revenues and expenses (excluding depreciation of tangible and intangible assets, as well as leasing fees), as determined through the application of the tax rules concerning the determination of the corporate income taxable base. The amount of ROL not used for the deduction of the amount of interest expense in a fiscal year can be carried forward for the following five fiscal years. The amount of any interest income exceeding the interest expenses in a fiscal year can be carried forward without time limits. Interest expense not deducted in a relevant fiscal year can be carried forward to the following fiscal years and deducted, provided that and to the extent that, in such fiscal years, the amount of interest expense that exceeds interest income (also carried forward from previous fiscal years) is lower than 30% of ROL. In the case of an Italian tax group (*consolidato fiscale nazionale*), interest expense not deducted by an entity within the tax group due to lack interest income or of ROL can be deducted at the tax unity level, within the limit of the excess interest income and excess of ROL of the other companies within the tax group. The 30% of ROL provision under Article 96 does not apply to certain entities active in the insurance and financial sector.

The Italian tax authorities have in certain instances challenged merger leverage buyout transactions with respect to the deductibility of interest expenses arising in connection with acquisition financing. However, on March 30, 2016, the Italian Revenue Agency issued Circular Letter No. 6/E ("**Circular Letter**") clarifying, as a common principle, that interest on the acquisition bank loan in leveraged buy-out transactions are generally deductible for IRES purposes, subject only to ordinary limitations stated in Article 96 and excluding certain cases of reinvestment (also partial) by the seller(s). In case an acquisition is considered as entered into by one or more entities that are related parties to the seller(s), the deduction of interest expenses may be challenged by the tax authorities based on anti-abuse provisions, depending on the existence of non marginal business reasons for the debt-financed acquisition.

In addition, there can be no assurance that in the case of a tax audit, the relevant tax authorities would not try to challenge the deductibility of interest expenses arising in connection with the component of any financing used, in whole or in part, to refinance an outstanding loan or debt or fund a distribution to the shareholders, when the terms and conditions of the refinancing transaction appear less favorable than the ones of the previous financing transaction. In particular, in such circumstances, the relevant tax authorities could argue that the interest expenses arising from such financing does not relate to the business of the borrowing entity (as the relevant transaction is deemed as "anti-economic" and as such not compliant with the "inherence" principle set out under Italian tax law). Italian tax laws and pronouncements of the tax authorities are subject to change and positions that the Group takes for tax purposes may be challenged.

Furthermore, if the Italian tax authorities were to successfully challenge the use of proceeds from the Offering to make a refinancing or fund a distribution to the shareholders under the "inherence" principle and/or to make an acquisition under the anti-abuse provision, we may be unable to deduct our interest expenses and/or be subject to significant penalties or other consequences that could have a material adverse effect on our financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and our other indebtedness.

Moreover, (i) any future changes in Italian tax laws or in their interpretation or application (including any future limitation on the use of the ROL of the Issuer and its subsidiaries), or (ii) the tax treatment of interest expense arising from any indebtedness, including the Notes, (iii) the failure to satisfy the applicable legal requirements relating to the deductibility of interest expense or, (iv) a change in the interpretation and application by Italian tax authorities of Italian tax law, may result in our inability to fully deduct our interest expense, which may have an adverse impact on our financial condition.

No assurance can be given that the listing of the Notes will satisfy the listing requirement of Decree No. 239

No assurance can be given that the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF Market of the Luxembourg Stock Exchange and will satisfy the listing and trading requirement of Italian Legislative Decree No. 239 of April 1, 1996 ("**Decree No. 239**") in order for the Notes to be eligible to benefit from the provisions of such legislation relating to the exemption from the requirement to apply withholding tax.

The Italian tax authorities issued an interpretive circular relating to, among others, the listing requirement of the aforementioned legislation that may be interpreted to require that the Notes be listed upon their issuance to benefit from the aforementioned provisions, including the exemption from withholding tax. According to a strict interpretation of such circular, the Notes may not be eligible to benefit from such provision if the listing of the Notes is not effective as of the Issue Date. In the event that the Notes are not listed as of the Issue Date or that such listing requirement is not satisfied, payments of interest, premium and other income with respect to the Notes would be subject to a withholding tax, currently at a rate of 26% and, subject to certain exceptions, see "*Description of Notes—Withholding taxes,*" we would be required to pay additional amounts with respect to such withholding taxes such that holders receive a net amount that is not less than the amount that they would have received in the absence of such withholding. We cannot assure you that the Italian tax authorities will not interpret the applicable legislation as requiring that the listing be effective upon issuance of the Notes and we cannot assure you that the listing can be achieved by the Issue Date. The imposition of withholding taxes with respect to payments on the Notes and the resulting obligation to pay, subject to certain exemptions, additional amounts to holders of the Notes could have a material adverse effect on our financial condition and results of operations.

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*."

CAPITALIZATION

The following table sets forth the consolidated cash, cash equivalents and other financial assets and the capitalization as of March 31, 2025 of the Issuer on an historical basis, which has been calculated as described under "*Presentation of financial and other information—General—The Issuer*" as well as on an as adjusted basis to give effect to the TS Transactions, as if they had occurred on March 31, 2025. The historical financial information of the Issuer included in the following table is unaudited and has been derived by netting the relevant amounts pertaining to TeamSystem Holdco and the intermediate holding companies between TeamSystem Holdco and the Issuer from the consolidated financial data of TeamSystem Holdco. See "*Presentation of financial and other information —General—The Issuer*." The table below does not give effect to movements in cash and cash equivalents and other financial assets or amounts borrowed or repaid after March 31, 2025 other than as specified in footnote (1) below. We have prepared the information presented in the "As Adjusted" column for illustrative purposes only. Such information is hypothetical and based on adjustments and assumptions related to the TS Transactions and, therefore, does not represent our actual financial position or results. Consequently, such information may not be indicative of our total capitalization as of the date of this Offering Memorandum, any other prior date, the Issue Date or any date thereafter. Investors are cautioned not to place undue reliance on this hypothetical information. The table below should be read in conjunction with the sections of this Offering Memorandum entitled "*Use of proceeds,*" "*Presentation of financial and other information*," "*Management's discussion and analysis of financial condition and results of operations,*" "*Description of certain financing arrangements*" and "*Description of Notes*" and with the Consolidated Financial Statements and the related notes therein.

	As of March 31, 2025	
	Issuer Historical	**Issuer As Adjusted**
	(€ in millions)	
Cash, cash equivalents and other financial assets[(1)]	**75.2**	**335.2**
Adjusted financial debt[(2)]		
Notes offered hereby[(3)]	—	1,200.0
Existing 2021 Floating Rate Notes[(4)]	850.0	550.0
Existing 2021 Fixed Rate Notes[(5)]	300.0	300.0
Existing 2024 Floating Rate Notes[(6)]	700.0	700.0
Revolving Credit Facility[(7)]	45.0	—
IFRS 16 lease liabilities[(8)]	85.1	85.1
Other indebtedness and other[(9)]	6.5	6.5
***Pro forma* adjusted financial debt**[(2)]	**1,986.6**	**2,841.6**
Total equity[(10)]	**1,003.8**	**653.8**
Total adjusted capitalization[(11)]	**2,990.4**	**3,495.4**

(1) The cash, cash equivalents and other financial assets (historical) figure reflects the cash, cash equivalents and other financial assets of the Issuer as of March 31, 2025 on an historical basis, which has been calculated as described under "*Presentation of financial and other information—General—The Issuer.*" Such amount (i) reflects an adjustment of €95.0 million (of which €55.0 million from drawings under the Revolving Credit Facility) corresponding to the cash we utilized to complete the acquisition of Morning in May 2025 net of the acquired cash of Morning and (ii) does not reflect approximately €2.1 million corresponding to retained cash of the acquired entities in connection with the acquisitions we consummated (other than Morning) or for which we entered into a definitive agreement, in each case after March 31, 2025. The as adjusted cash, cash equivalents and other financial assets figure reflects the cash, cash equivalents and other financial assets of the Issuer as of March 31, 2025 presented in the Historical column as further adjusted to give effect to the TS Transactions, as described under "*Use of proceeds,*" as if the TS Transactions had occurred on March 31, 2025. Our actual amount of cash, cash equivalents and other financial assets on the Issue Date may differ from the amount indicated in the table above due to a variety of factors. In particular, other than as specified above in connection with the acquisition of Morning, such figure in the table above does not include the amount of cash generated or otherwise resulting from drawings under our Revolving Credit Facility, acquired and/or utilized between March 31, 2025 and the Issue Date, including the actual or expected payment of the purchase price in respect of the bolt-on acquisitions that we signed and/or closed following March 31, 2025 as well as certain minor payments we made after March 31, 2025 in respect of bolt-on acquisitions we closed prior to March 31, 2025. Moreover, the as adjusted cash, cash equivalents and other financial assets figure has not been adjusted for any accrued and unpaid interest relating to (i) the amount of the Existing 2021 Floating Rate Notes that is being redeemed and (ii) the drawn amounts under the Revolving Credit Facility that is being repaid, in each case as part of the TS Transactions. Our cash, cash equivalents and other financial assets as of the Issue Date might therefore deviate, also materially, from our estimates. See "*Use of proceeds*."

(2) Does not include €234.5 million of Liabilities to Non-Controlling Shareholders of Subsidiaries as of March 31, 2025 (on a discounted basis). See "*Management's discussion and analysis of financial condition and results of operations—Contractual obligations—Liabilities to Non-Controlling Shareholders of Subsidiaries*." We intend to extinguish a portion of the Liabilities to Non-Controlling Shareholders of Subsidiaries with part of the proceeds from the Offering. See "*Use of proceeds.*" *Pro forma* adjusted financial debt presented in the table above is that of the Issuer, and therefore excludes the Existing PIK Notes (€300.0 million, before the deduction of unamortized debt issuance costs and excluding accrued but unpaid interest thereof, which are not reflected in the as adjusted cash, cash equivalents and other financial assets figure presented in the table above) issued by Holdco 3. 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. 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 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. See "*Summary—The Transactions—PIK Notes Issuance*" and "*Description of certain financing arrangements—Existing PIK Notes and PIK Notes*."

(3) Reflects the aggregate principal amount of the Notes offered hereby, before the deduction of deferred debt issuance costs.

(4) Reflects the aggregate principal amount of the Existing 2021 Floating Rate Notes (€850.0 million), before the deduction of unamortized debt issuance costs and excluding accrued but unpaid interest thereof. We currently expect that €300.0 million of the Existing 2021 Floating Rate Notes will be redeemed on or about the Issue Date at a price of 100% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption, and additional amounts, if any. We currently expect that €550.0 million Existing 2021 Floating Rate Notes will remain outstanding following the TS Transactions. See "*Use of proceeds*."

(5) Reflects the aggregate principal amount of the Existing 2021 Fixed Rate Notes (€300.0 million), before the deduction of unamortized debt issuance costs and excluding accrued but unpaid interest thereof. We expect the Existing 2021 Fixed Rate Notes to remain outstanding following the Issue Date.

(6) Reflects the aggregate principal amount of the Existing 2024 Floating Rate Notes (€700.0 million), before the deduction of unamortized debt issuance costs and excluding accrued but unpaid interest thereof. We expect the Existing 2024 Floating Rate Notes to remain outstanding following the Issue Date.

(7) 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) above. 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 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 amending and restating the Revolving Credit Facility Agreement. See "*Summary—The Transactions—Revolving Credit Facility Amendment.*"

(8) Reflects our IFRS 16 lease liabilities as of March 31, 2024, of which €74.4 million correspond to non-current lease liabilities (including €46.2 million relating to the lease agreement we entered into in connection with our headquarter in Milan (Italy) which is due to expire in 2036).

(9) Mainly reflects other minor unsecured financial debt which we expect will remain outstanding following the Issue Date. Excludes approximately €2.3 million of rolled debt in connection with the acquisitions we consummated or for which we entered into a definitive agreement, in each case after March 31, 2025, including the acquisition of Morning, which did not have any material debt to roll.

(10) Represents the total equity of the Issuer which has been calculated by netting certain items pertaining to each of TeamSystem Holdco and the intermediate holding companies sitting between TeamSystem Holdco and the Issuer in the corporate structure of the TeamSystem Group from the consolidated equity of TeamSystem Holdco. The as adjusted Total equity figure reflects the maximum amount (€350.0 million) of the available reserves distribution we currently expect to pay to our shareholders, in one or more tranches by the end of 2025, subject to applicable law and any required corporate approval. Such amount does not reflect any reserves distribution that Holdco 3 expects to make to its shareholders with the proceeds of the PIK Notes, subject to applicable law and any required corporate approvals. See "*Use of proceeds*."

(11) Total adjusted capitalization is defined as total adjusted financial debt *plus* total equity.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the consolidated financial condition and results of operations of TeamSystem Holdco for the years ended December 31, 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025. The following discussion should be read together with, and is qualified in its entirety by reference to, the Consolidated Financial Statements and the related notes thereto included elsewhere in this Offering Memorandum. The following discussion should also be read in conjunction with the sections entitled "Presentation of financial and other information" and "Summary historical financial information and other data." Except for the historical information contained herein, the discussions in this section contain forward-looking statements that reflect our plans, estimates and beliefs and involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly in "Risk factors" and "Forward-looking statements."

Some of the measures used in this Offering Memorandum are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities as a measure of liquidity or an alternative to gross operating margin for the period as indicators of our operating performance or any other measures of performance derived in accordance with IFRS.

Overview

We are a leading European provider of AI-powered cloud-based mission critical SaaS solutions, enabling digital transformation for small and medium businesses and professional customers across Italy, Spain, Turkey, France and Israel. Our mission is to improve the competitiveness of our customers, supporting them with the digitalization and automation of their internal and external business processes through our premium cloud-based product offering and solutions which also connect businesses, professionals and public administration organizations. Our products include software solutions for the core business processes of accountants and labor consultants (such as the provision of tax and accounting advice and payroll services) and a suite of financial and accounting management, enterprise asset management, HR management, production and supply chain management, administration and invoicing management, customer management and cybersecurity software solutions, bolstered by generative AI and data analysis tools and capabilities, for micro, small and mid-market businesses and professional customers. We also offer on-premise solutions providing assistance and software maintenance services for all our products, nonetheless we actively support and transition our customers to cloud and SaaS native solutions, through a dual-track operating model to assist them in their transformation journey.

Across industries, we embrace customer demand for digitalization solutions for business processes that, until recently, had not been automated or digitalized. Customers who utilize our integrated cloud-based solutions may digitally execute a variety of tasks, such as invoicing, accounting recognition, tax filing document preparation, document signing and other business management processes, including strengthening their cybersecurity systems, which allows them to reduce their overall expenses and increase their business reliability and efficiency. Our easy-to-use integrated cloud-based software products have also enabled us to target micro business customers who have historically not utilized higher-functionality and more complex on-premise business management software, and drive the digitalization shift for core business management processes.

We have established positions across key segments in Italy, Turkey and Israel and are growing our presence in Spain and France. As of December 31, 2024, we held an approximately 30% share in the mid-market businesses customer segment and more than 30% share in the small business customers and professionals customer segments, in each case in Italy, based on market value for each such segment. In addition, according to the Global Consulting Company Report, we were estimated to have more than 30% share in the micro businesses customer segment in Italy in terms of value as of December 31, 2024. As of December 31, 2024, we had a growing or established presence in the sectors in which we operate, including Digital Finance, HCM, payroll, trust and cyber, and CRM sectors. For example, in the HCM and payroll sector we were estimated to have an average 15% share in Italy as of December 31, 2024. Moreover, as of December 31, 2024, we achieved shares of approximately 6% in Spain, 1% in France, 10% in Israel and 19% in Turkey in the sectors in which we operate, based on revenue generated within these segments divided by the estimated SAM of each segment and expressed as a percentage thereof, thus successfully establishing our presence in these growing segments.

We offer our products and services through six main business units:

- Micro Solutions. Our Micro Solutions business unit includes cloud-based products designed for micro and small business customers (0-9 employees and 10-49 employees, respectively), such as Fatture in Cloud, Danea EasyFatt, Contabilità in Cloud and Cassa in Cloud. For the twelve months ended March 31, 2025, our Micro Solutions business unit accounted for 33.9% of our total revenue.

- Professional Solutions. Our Professional Solutions business unit includes software for professionals, including accountants, and labor consultants, including accounting, payroll, billing and compliance tools. For the twelve months ended March 31, 2025, our Professional Solutions business unit accounted for 25.7% of our total revenue.

- Enterprise Solutions. Our Enterprise Solutions business unit includes ERP and FMS software for mid-market business customers (50-499 employees), including administration, finance, human resources, sales, supply chain management and production. For the twelve months ended March 31, 2025, our Enterprise Solutions business unit accounted for 20.3% of our total revenue.

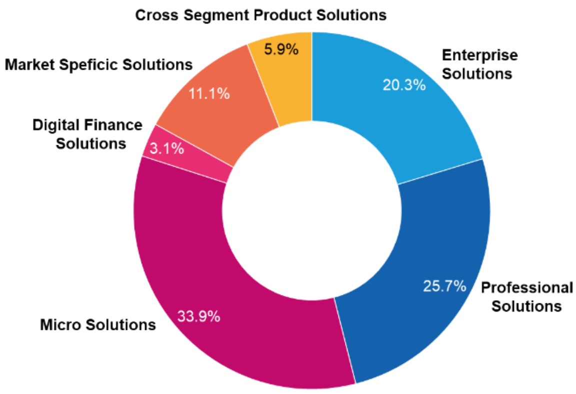
- Market Specific Solutions. Our Market Specific Solutions business unit includes products and services designed to address the needs of customers in specific industries, such as, among others, mechanical and manufacturing, construction, CAF/public sectors and legal, and the needs for all business sizes from micro to mid-size. For the twelve months ended March 31, 2025, our Market Specific Solutions business unit accounted for 11.1% of our total revenue.

- Cross Segment Product Solutions. Our Cross Segment Product Solutions business unit offers HR and Trust & Cyber services, including digital signature, archive and digital identity services and cyber risk assessment and detection, which are fully integrated with our ERP systems. For the twelve months ended March 31, 2025, our Cross Segment Product Solutions business unit accounted for 5.9% of our total revenue.

- Digital Finance Solutions. Our Digital Finance Solutions business unit includes digital financial value-added services designed to streamline the financial operations of our customers and address their needs, such as rating services, credit management and digital payment solutions. For the twelve months ended March 31, 2025, our Digital Finance Solutions business unit accounted for 3.1% of our total revenue.

For the twelve months ended March 31, 2025, we generated *Pro Forma* Total Revenue of €1,058.4 million and total revenue of €959.6 million (compared to approximately €423 million for the year ended December 31, 2020) and *Pro Forma* Adjusted EBITDA of €493.6 million and Adjusted EBITDA of €421.3 million (compared to approximately €209 million for the year ended December 31, 2020).

The following chart sets forth our Total revenue breakdown by business unit for the twelve months ended March 31, 2025.



For the twelve months ended March 31, 2025, we generated 84.8% of our total revenue from recurring revenue (compared to 79.8% for the year ended December 31, 2020), which are primarily related to annual software assistance and maintenance contracts, annual subscription contracts, annual fees from our multi-year contracts with VARs and fees from Regulatory LTAs that we sell to our customers whenever the Italian government introduces a new regulatory obligation (*e.g.*, a new tax digital reporting obligation or tax payment). In addition, for the twelve months ended March 31, 2025, we generated 52.2% of our total revenue from our offering of cloud products and services (compared to 35.5% for the year ended December 31, 2020) supported by the successful transition of approximately 90% of our customers to more than one cloud solution as of March 31, 2025. We believe that our technology leadership, significant and ongoing expansion of our cloud-based solutions, the mission-critical nature of our products and the overall willingness of our customers to renew their contracts and upgrade to premium-tier features have contributed, and will continue to contribute, to our high annual subscription contracts and renewal rates. Most of our products are deeply integrated into our end-customers' IT systems and business processes, and their replacement is normally a complicated, time-consuming and expensive process, requiring extensive training for users. In addition, our digital and cloud-based solutions platform, Digital Invoice, which is designed to operate across all our digital products, is integrated with all our ERP solutions and allows our customers to digitally send, receive, register and store electronic invoices from and to private customers, companies, public entities, banks and external accountants and to send tax filings to the relevant tax authorities electronically.

Our three key customer segments are micro and small businesses, mid-market businesses and professionals, both in Italy and abroad. Our end customer base, including VAR's end customers, has expanded consistently over time, aligning with our sustained growth and scalable platform, increasing more than tenfold since 2017 to reach approximately 2.6 million as of March 31, 2025. Of this total figure, approximately 2.3 million are micro and small businesses, approximately 200 thousand are mid-market businesses and approximately 100 thousand are professionals. Our large and diverse customer base is also highly fragmented and diversified in terms of size and geography. As of March 31, 2025, we had approximately 525 thousand customers outside of Italy, our ten, 50 and 200 largest customers generated 3.1%, 6.8% and 10.7% of our total revenue, respectively. Our customer base is also spread across a variety of industries, including distribution and wholesale, agriculture, hospitality, accountancy, labor advisory, manufacturing, industrial, construction, wellness, fashion, retail, food and beverage, legal and other professional services sectors.

We have strategically internalized our VARs to establish stronger and more direct relationships with our customer base. This approach allows us to provide personalized and seamless services, enhancing customer satisfaction and loyalty. Such approach also supports our upselling initiatives, offering tailored solutions that meet the evolving needs of our clients and aids them in the continuing transition to cloud solutions. Through these efforts, we ensure that our clients benefit from the latest technological advancements while maintaining our competitive edge in the field. In furtherance of our internalization strategy, we have continued to pursue a series of bolt-on acquisitions to bolster our competitive position, broaden our product offerings and continue our international expansion. In recent years, we expanded into Spain by acquiring a controlling interest in the Spanish start-up Billin and consolidated our presence in the country by acquiring Software del Sol and Distrito K. In 2023, we further expanded our portfolio with acquisitions such as Acumbamail and Aplifisa, and entered the Turkish segment by acquiring the Mikro group. The acquisitions of the Clementine group in France and Morning in Israel further supported our international growth strategy. Our acquisition strategy has contributed positively to our revenue growth, product and business mix diversification and it is key to our growth plan, driving sustained expansion and reinforcing our leadership in the sectors and segments in which we operate.

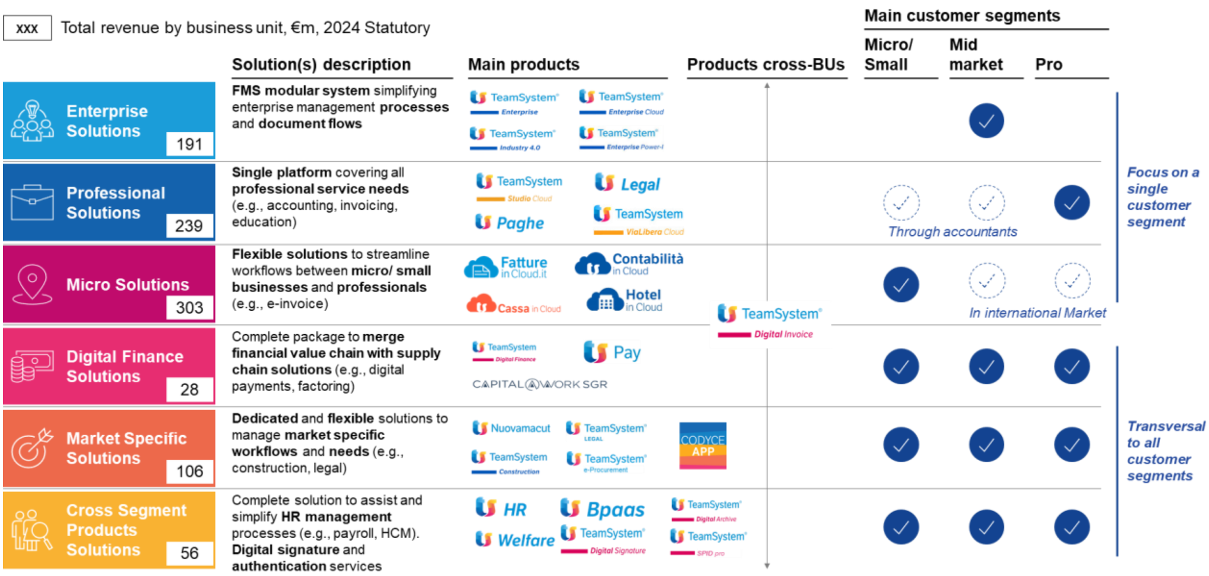
We implemented a series of pricing and packaging initiatives across our customer segments. In the micro and small businesses customer segment, prices were raised by a total of 10.5 percentage points from 2020 to 2024, reflecting enhanced software functionality amidst inflationary trends. In the mid-market customers and international segments, we saw nominal price increases of 1.1 percentage points and 8.2 percentage points from 2020 to 2024, respectively, while in the mid-market customer segment prices decreased by approximately 0.1 percentage points over the same period. Regardless of these initiatives, churn remained broadly stable across most segments over the same period, underlining the resilience and stickiness of our customer base. In the micro and small businesses segment, churn decreased by 3.6 percentage points between 2020 and 2024. The mid-market segment experienced a 2.1 percentage points churn increase between 2020 and 2024, and in the professionals customer segment, churn slightly decreased by less than one percentage point from 2020 to 2024. Our international segment market experienced a decrease in churn of 4.8 percentage points over the same period.

We divide our product offering into the following three product suites and five horizontal solutions:

Product suites:

- *In Cloud*. Our In Cloud product line consists of cloud-based solutions tailored for micro and small businesses, enabling them to digitalize core processes such as invoicing, accounting, and customer launching a dedicated module that enables accountants to manage compliance with the new framework efficiently, demonstrating our ability to respond quickly to regulatory developments and translate them into value-added offerings. Building on this momentum, we expect to further capitalize on the upcoming tax reform related to e-receipts. At an international level, we aim to leverage evolving regulatory frameworks, such as the mandatory implementation of e-invoicing in the countries where we operate, to strengthen and consolidate our presence. For example, in Spain, we believe we can leverage the expected comprehensive implementation of Veri Factu, which mandates companies to validate their invoices with the Spanish tax authority.

Set forth below is a graphic representing the interaction among our business units, product lines and target customers.



Source: Management analysis.

Key factors affecting our results of operations

Recurring contracted revenues and high Customer Retention Rate

For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025, we generated 82.0%, 82.3%, 84.7% and 86.4% of our total revenue, respectively, from sources that we consider to be recurring. We deem revenues to be recurring if we expect to generate such revenues in more than one year, either based on specific contractual arrangements or in our experience. We attribute recurring nature to a significant part of our revenues primarily due to our business model and customer loyalty.

Our recurring revenues are primarily derived from the periodic payments we receive in connection with annual software assistance and maintenance contracts, subscription contracts, annual fees from our multi-year contracts with VARs, as well as from the sale of Regulatory LTAs. In particular, whenever a new regulatory requirement has an impact on our software (*e.g.*, a new tax filing obligation or payment), our end-customers and VARs may purchase from us a Regulatory LTA for the software enhancement that enables end-customers to comply with the new rule through a new software feature. Regulatory LTA fees are of a recurring nature as they are paid to us on an annual basis, on top of the end-customer's base contract flat fee or the VARs' fees, as applicable.

Our fee structure has increasingly shifted from a license and maintenance model to a subscription-based model, as evidenced by the growing proportion of recurring revenue relative to total revenue during the periods under review. In the license and maintenance model, customers generally make a one-off payment for the purchase of a temporary or perpetual license at the outset of the contracts and are then required to make periodic payments (*e.g.*, on an annual basis) for assistance and maintenance services and/or software upgrades. Conversely, in the subscription model, revenues are almost entirely of a recurring nature as they mainly consist of fees from subscriptions, which are renewed annually and generate periodic payments from our customers.

Our price increase management process is based on two main components, i.e. our "more-for-more" pricing model and inflation-driven price adjustments.

We believe that our strategic application of the "more-for-more" pricing model has been an important driver of our recurring revenue increase. This approach uses various factors to determine price adjustments, while minimizing customer churn and maximizing product value. For more information on our "more-for-more" pricing model, see "—*Cross-selling and up-selling initiatives*." The price adjustments that we implemented reflect our continuous efforts to improve our product offering and resulted in the increase in the contribution of recurring revenue as a percentage of our total revenue, as such price adjustments affected recurring fee sources (i.e. maintenance and subscriptions).

Moreover, we have the ability to unilaterally adjust prices in line with inflation rates without prior notification to customers. This automatic adjustment mechanism is primarily driven by macroeconomic conditions characterized by high inflation, such as those experienced in 2022 and 2023. During these periods, we implemented price increases to reflect the inflationary environment, particularly in Italy and Turkey. This approach has enabled us to maintain our pricing strategy effectively, ensuring that our revenue growth keeps pace with inflation without incurring additional costs. Our price increases are generally not reversed, largely due to our strong position as a crucial solution provider that is difficult to replace. Furthermore, our ability to adjust prices in inflationary times has enabled us to maintain a balanced and proactive pricing strategy, contributing to our positive financial outcomes.

We believe that customer loyalty also significantly contributes to the recurring nature of our revenues, adding stability to our revenue flow. For the years ended December 31, 2022, 2023 and 2024, we have experienced high and stable Customer Retention Rates in Italy of approximately (i) 90.0%, 90.7% and 91.0%, respectively, for micro and small business customers; (ii) 92.5%, 91.8% and 91.5%, respectively, for mid-market business customers; and (iii) 93.0%, 92.8% and 92.2%, respectively, for professional. Without giving effect to the impact of revenue contraction from customers who terminated certain but not all of their agreements with us, we estimate that our Customer Retention Rates would have been approximately (i) 93.6% for micro and small business customers, (ii) 95.5% for mid-market business customers, and (iii) 96.0% for professionals, in each case for the year ended December 31, 2024. See "*Certain definitions—Customer Retention Rate*."

We believe that the loyalty of our customers is due to both their satisfaction (as attested by an NPS score measured by consultancy firm Nielsen of +56 as of December 31, 2024) with our products and the relatively high costs, time, other resources and risks required to switch software providers. In particular, most of our products are deeply integrated into our end-customers' IT systems and business processes and their replacement is normally a complicated, time-consuming and expensive process, which may entail certain operational risks.

Growth of our cloud business and AI solutions

For the periods under review, revenue from cloud products and services increased from €234.6 million (or 41.3% of our total revenue) for the year ended December 31, 2022 to €338.2 million (or 46.1% of our total revenue) for the year ended December 31, 2023, €475.8 million (or 51.6% of our total revenue) for the year ended December 31, 2024 and €500.6 million (or 52.2% of our total revenue) for the twelve months ended March 31, 2025. Our cloud-based products are sold via our subscription model, thus supporting the recurring portion of our total revenue. The increased contribution of our cloud business to our overall business reflects our ongoing focus on shifting our fee structure from a license and maintenance model to a subscription model, where revenues are almost entirely of a recurring nature (see "—*Recurring contracted revenues and high Customer Retention Rate*" above). This increased contribution has also been driven by our investments to enrich our cloud-based products, which enables us to offer tailored and cutting-edge solutions and meet the specific needs of both larger and sophisticated clients and smaller customers.

In particular, in recent years, the growth of our cloud business has been driven by our efforts to assist our customers to transition from on-premise solutions to cloud solutions and develop a range of innovative cloud products as well as a result of our merger and acquisition strategy to expand our cloud platform through SaaS business applications with cross-selling potential. To enable the transition to cloud products, we developed a comprehensive set of cloud-based versions of our most successful on-premises software products, such as TeamSystem Enterprise Cloud and TeamSystem Studio Cloud. In addition, we developed additional cloud-native products, such as Fatture in Cloud, Contabilità in Cloud, Cassa in Cloud, TeamSystem Digital Invoice, TeamSystem Digital Sign, TeamSystem Digital Archive, TS Pay and TS Cybersecurity, which have allowed us to penetrate the large and previously untapped market of micro and small customers in Italy, who have not historically utilized on-premise software solutions, mainly due to their relative complexity. We believe the growth of our cloud business is sustainable, as customers increasingly opt for cloud-based software and solutions that can be accessed from different locations and through various devices.

In addition, since 2024, we have further enhanced our cloud products by embedding advanced analytics and generative AI capabilities mainly designed to automate low-margin, time-intensive processes, including invoice processing, tax compliance and cyber risk identification, which allowed us to increase our recurring revenues by expanding, and upselling on, our existing customer base. We believe the implementation of a structured framework for AI integration further reinforces the value proposition of our cloud solutions and will drive significantly our recurring revenue expansion.

As part of our strategy, we continue to offer new cloud products (including cloud-native products) to our current customers and tap new customers through our various distribution channels. We believe the seamless integration of AI features and capabilities across our product suite will continue to support this strategy by enabling us to reposition existing customers toward higher-value software packages with more advanced features and to scale innovation through AI, data and platform intelligence. See also "*Summary—Our Strategy—* Capture upselling opportunities within our existing customer base, particularly among our micro business customers, by repositioning customers toward software packages with more advanced features" and "*Summary—Our Strategy—Scaling innovation through AI, data and platform intelligence*."

Acquisitions

Our operating results and their comparability for the periods under review were impacted by the effects of a number of bolt-on acquisitions. We estimate the financial impact of any potential acquisition on revenues, Adjusted EBITDA, Adjusted EBITDA margins, cash flow, cost and revenue synergies and return on investment targets before we proceed with the relevant acquisition. Between January 1, 2022 and March 31, 2025, we acquired majority stakes in or the entire capital stock of 83 companies (excluding the transactions where we only increased our stake in previously acquired companies). In particular, we made 13 acquisitions in 2022, 30 acquisitions in 2023, 19 acquisitions in 2024 and 21 acquisitions during the three months ended March 31, 2025.

We believe that the acquisitions we made in the periods under review have generated synergies for our business and have contributed to our growth. Such acquisitions have enabled us to (i) accelerate revenue growth on clients previously managed by VARs, (ii) cross-sell the newly acquired products to our existing customer base, (iii) enrich our product offering in key strategic areas and (iv) enter international markets, including other European markets or emerging markets. For example, the acquisition of Muscope in 2025 allowed us the expand into the cybersecurity sector, while the acquisition of Mikro group, the Clementine group and Morning contributed to our international expansion into the Turkish, French and Israeli segment, significantly enhancing our presence in the Mediterranean region.

Historically, we have funded our bolt-on acquisitions primarily with cash from operations, as well as third party and shareholder debt. In addition, as part of our acquisition strategy and depending on the actual circumstances of each acquisition, we often seek to initially purchase a controlling stake in the acquired business, with the minority stake remaining with the relevant sellers being subject to certain earn out arrangements and put and call options, which enable us to acquire full ownership of the relevant business at an agreed point in time.

For a description of the most significant acquisitions we carried out in the periods under review, see "*—Factors affecting the comparability of our results of operations—Bolt-on acquisitions made by the Group*" and for a description of our liabilities in connection with the put and call option and earn out arrangements under the acquisition agreements with our strategic partners relating to our majority-owned subsidiaries, see "*—Contractual obligations—Liabilities to Non-Controlling Shareholders of Subsidiaries.*" As part of the TS Transactions, on or shortly after the Issue Date, we plan to use a portion of the proceeds of this Offering to buy out the stakes held by non-controlling shareholders of certain of our subsidiaries. See "*Use of proceeds*" and "*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*."

Changes in regulations

The revenue from the sale of certain of our products and services is in part affected by the introduction of new rules and regulations both in Italy and internationally.

For example, as part of the Italian government digitalization program, all invoices to the Italian central and local public administration organizations must be submitted electronically since March 2015. From January 1, 2019, all invoices issued by businesses with revenues higher than €65,000 per year (excluding healthcare professionals) must be electronic. As of January 1, 2024, this requirement extends to all flat-rate regime taxpayers, regardless of their annual earnings. As a consequence of these innovative requirements, the total number of electronic invoices sent to the Italian Revenue Agency's exchange system (*Sistema di Interscambio*–"*SDI*") increased from approximately two million in 2014 to approximately 2.1 billion in 2019. We believe that part of the growth of our cloud business for the periods under review, and, in particular, the increase in sales of our electronic invoicing software products, such as Fatture in Cloud and TeamSystem Digital Invoice, was driven by this new regulatory requirement. Similarly, 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. We believe this regime contributed to our revenue growth in 2024 as we were able to provide on a timely basis the necessary compliance modules to our accountant customers to enable them to offer such additional tax services to end-customers, thus increasing the sales of our tax compliance software products.

In addition, 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. Customer payments relating to Regulatory LTAs form part of our recurring revenue, as we require customers to pay an annual amount to maintain the related software feature. In the periods under review, newly introduced Regulatory LTAs included: (i) in 2022, the "*Crisi d'impresa*" (regarding the requirements to monitor the financial health indicators of an enterprise, facilitating early detection of financial distress, and supporting the negotiated settlement process with creditors), (ii) in 2023, the "*Superbonus*" (regarding the requirements to obtain a tax deduction on expenses related to energy efficiency improvements and seismic retrofitting of houses and condominiums) and (iii) in 2024, the "c*oncordato fiscale*," as detailed above.

Moreover, the regulatory landscape in our key international segments continues to evolve towards increased digitization, driving demand for software and cloud-based solutions that support increasing compliance and reporting requirements. For example, in Turkey, the implementation of the mandatory e-Ledger regulation, effective June 1, 2025, requires all qualifying companies to maintain and submit digital general ledger and journal entries via government-certified systems. Such digitalization has created a clear demand for compliant software infrastructure, particularly in accounting, data archiving, and ERP integration, which we believe will further support adoption of our cloud-based platforms and drive recurring revenue through subscription-based compliance services.

Italian and Turkish economy

Despite our increasing focus on international expansion, we continue to generate the majority of our revenues from the sales of products and services to customers in Italy. Therefore, our results of operations may be affected by general economic conditions in Italy, including their impact on our customers. A downturn in the Italian economy can affect IT spending generally, demand and pricing for our products and services, the creditworthiness of our customers and other counterparties (including our VARs), the ability of other software companies to compete effectively, and the availability and cost of debt financing.

From 2011 to 2024 our organic total revenue (calculated for any given year as our total revenue for such year *less* the revenue of the companies we acquired in such year) grew at an average year-on-year growth rate of 7.3%, outperforming the Italian GDP growth for the same period by 6.8% points per year on average. From 2011 to 2014, when the effects of the financial crisis that adversely affected global financial markets and economies from 2008 were particularly strong and Italy's GDP decreased at an average year-on-year growth rate of 1.0%, our organic total revenue grew at an average year-on-year growth rate of 4.5%, outperforming Italian GDP by 5.5 percentage points per year on average thus demonstrating the resilience of our business. From 2017 to 2019, Italy's GDP showed signs of recovery with a growth of 1.4% on average per year. Over such period, our organic total revenue outperformed the Italian GDP, growing on average at 7.5% year-on-year. From 2022 to 2024, Italian GDP grew at an average year-on-year growth rate of 1.9%, recovering from the negative growth of 2020 caused by the COVID-19 pandemic. During this same period, our organic total revenue outperformed the Italian GDP by 9.3%, growing on average at 11.2% year-on-year. In addition, our Adjusted EBITDA grew at a CAGR of 33.4% from 2022 to 2024 and our Adjusted EBITDA margin increased from 40.0% in 2022 to 43.9% in 2024.

Our operations in Turkey have been characterized by a sustained high-inflationary environment, which averaged approximately 44% in 2024 and has driven the implementation of systematic price increases, which we typically executed twice per year, in the third and fourth quarters, across our entire Turkish customer base. These pricing actions were broadly accepted by customers and enabled our Turkish subsidiary to preserve, and in many cases improve, its adjusted EBITDA margin, which increased to 57.9% for the year ended December 31, 2024, from 57.5% in the prior year, despite increased operating costs, primarily driven by the effects of Turkey's hyperinflationary economy.

The inflationary environment has contributed to nominal revenue growth, as we have consistently achieved full pass-through of cost increases. In certain instances, our pricing actions have exceeded inflationary trends, resulting in an improvement in our real profitability and margins of our operations in Turkey. This disciplined approach to pricing has been instrumental in safeguarding the economic value of our contracts and mitigating the risk of margin compression.

While the Turkish government has recently introduced monetary policy measures aimed at tempering inflation and restoring macroeconomic stability, we intend to maintain our proactive pricing strategy in alignment with our value-based commercial framework. Moreover, the depreciation of the Turkish lira against the Euro in 2024 has been less severe than the domestic inflation rate, allowing us to retain a substantial portion of the inflation-driven revenue uplift when translated into Euro. This dynamic is reflected in the aggregate monetary gain of €54.8 million recorded between the years ended December 31, 2023 and December 31, 2024.

Seasonal billing pattern

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, in our Micro Solutions business unit, our revenue is predominantly recurring and primarily derived from annual subscription fees. In particular, for the year ended December 31, 2024, 92.7% of the revenue generated in our Micro Solutions business unit was of a recurring nature. Customers are mostly 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 for the Micro Solutions business unit can fluctuate significantly due to the 12-month rolling basis of our invoicing and the limited control we have over the timing and renewal of customer subscriptions. We believe that our billing pattern enables us to effectively predict and monitor our revenue and cash flow levels and working capital needed. See "—*Net working capital*."

Our average days delinquent, which for any given period measures the average number of days between the date on which our trade receivables fall due and the date on which the relevant payments are made by our customers, improved significantly from 2022 to 2024 and marginally in the three months ended March 31, 2025 compared to 2024.

Cross-selling and up-selling initiatives

By expanding the range of solutions used by our customers and encouraging them to adopt higher-value products, we have expanded our revenue base and strengthened customer relationships.

Our diverse product portfolio, including Digital Finance, Extended CRM, HR and Trust & Cyber services, provides numerous cross-selling opportunities by benefitting our customer base beyond core invoicing and accounting services. Digital Finance encompasses a suite of solutions designed to integrate financial value and supply chain solutions, providing digital payment and credit services tailored to specific industry needs. We have expanded our Digital Finance solutions across all customer segments and industries, promoting certain solutions such as TS Pay. Additionally, with the acquisition of Change Capital, we expanded into credit brokerage services, enhancing our origination capabilities and further broadening the range of credit solutions offered to our customers. We have also expanded our Extended CRM solutions to our mid-market businesses as well as micro and small business customers both in Italy and Spain, as we believe these customers can benefit from the integration of advanced tools for customer relationship management, marketing automation and e-commerce integration to enhance customer analytics and relationship management. Our HR provide an integrated suite of adaptable digital tools capable of assisting all our customer segments, both in Italy and Spain, in efficiently managing payroll and human resources, also due to the full integration with our ERP and FMS software. Following the digitalization tailwinds of SMEs, we have expanded HR to streamline their human capital management, payroll and welfare activities. Our Trust & Cyber services distinguish themselves for their adaptability, strong security protocols and seamless integration with our ERP systems. Our Trust & Cyber services include, among others, our Digital Signature software that empowers both companies and individuals to digitally sign documents and our Digital Archive module which enables the shared storage of documents. In addition, our Trust & Cyber services include TeamSystem Cybersecurity, an AI-based solution introduced to address the strategic importance of cybersecurity and the growing demand from our customers for monitoring tools.

These cross-selling activities also contribute to higher Customer Retention Rates, as customers who use multiple products and services are more satisfied and likely to remain loyal.

Our "more-for-more" pricing strategy repositions our existing customers to more advanced or premium versions of our products and services, driving the increase in our ARPU. This approach combines in-depth customer analysis and competitor benchmarking with a predictive algorithm that considers over 75 features to forecast customer price elasticity and determine optimal price adjustments. By segmenting customers into micro-clusters and conducting A/B testing, we tailor price increases to minimize churn and maximize value. Our model allows customers to trial additional features at no cost, evaluating their benefits before these are integrated into the base offering with adjusted pricing. For more information on our price adjustment strategy, see "*—Recurring contracted revenues and high Customer Retention Rate*."

For the periods under review, our revenues from cross-selling platform (covering the product offerings HR, Trust & Cyber services, Digital Finance and Extended CRM) and up-selling of our products and services increased from €63.0 million for the year ended December 31, 2022 to €125.8 million for the twelve months ended March 31, 2025.

Factors affecting the comparability of our results of operations

Bolt-on acquisitions made by the Group

During the periods under review, we completed several acquisitions and other transactions through which we changed the size of our operations, and which enabled us to grow further. In general, such transactions impact on the comparability of our results of operations from period to period. In addition, following an acquisition, we may be required to, or may elect to, make significant investments in the acquired assets or companies. The most significant bolt-on acquisitions we carried out in the period between January 1, 2022 and March 31, 2025 are described below.

Storeden. In January 2022, we acquired a 100% stake in Storeden S.r.l., which generated €1.4 million revenue for the year ended December 31, 2022. Storeden S.r.l. is a company specialized in developing and selling e-commerce software.

Readytec. In January 2023, we acquired a 100% stake in Readytec S.p.A., which generated €31.3 million revenue for the year ended December 31, 2023. Readytec S.p.A. is a reseller of TeamSystem software.

Aplifisa. In March 2023, we acquired a 100% stake in Aplifisa S.L.U., which generated €4.7 million revenue for the year ended December 31, 2023. Aplifisa S.L.U. is a company that markets software solutions for accountants in Spain.

MailUp. In July 2023, we acquired a 100% stake in MailUp S.p.A., which generated €19.9 million revenue for the year ended December 31, 2023. MailUp S.p.A. is a company primarily specialized in developing software for e-mail and SMS marketing.

Mikro. In September 2023, we acquired a 51.5% stake in Mikro Yazılımevi Yazılım Hizmetleri Bilgisayar Sanayi ve Ticaret A.Ş. ("**Mikro**"), which generated Turkish lira 484.4 million revenue for the year ended December 31, 2023. The remaining 48.5% stake is subject to a put and call option agreement with the non-controlling shareholders (see "*—Contractual obligations—Liabilities to Non-Controlling Shareholders of Subsidiaries*"). Mikro is a company specialized in developing and selling software solutions for tax advisors, accountants, micro businesses and SMEs in Turkey.

Rean. In October 2023, we acquired a 100% stake in Rean S.r.l., which generated €2.4 million revenue for the year ended December 31, 2022. Rean S.r.l. is a reseller of TeamSystem software.

Change Capital. In June 2024, we acquired a 61.3% stake of Change Capital, which generated €4.0 million revenue for the year ended December 31, 2024. The remaining 38.7% stake is subject to a put and call option agreement with the non-controlling shareholders (see "*—Contractual obligations—Liabilities to Non-Controlling Shareholders of Subsidiaries*"*).* Change Capital is a fintech company operating in the credit brokerage business and in development and sale of platforms for credit and subsidized finance solutions in Italy.

Clementine. In July 2024, we acquired a 100% stake of Eunomia Sas, Sofrageco Sas, Amex Sas, Expertise Choix B Sas, Expertise Choix C Sas, Tiktak Services Sas, Pepitejob Sas, Zhizhao Sarl, Comptalib Sas (collectively, the "**Clementine group**"), which generated €9.6 million revenue for the year ended December 31, 2024. The Clementine group is leading online accounting company in France which provides accounting and tax services for small and medium businesses embedding a modern technological platform.

Distrito K. In August 2024, we acquired a 100% stake in Distrito K Software S.L.U. ("**Distrito K**"), which generated €3.8 million revenue for the year ended December 31, 2024. Distrito K is a Spanish company that specializes in developing and licensing ERP, accounting and tax software solutions for businesses.

Muscope. In February 2025, we acquired a 100% stake in Muscope Cybersecurity S.r.l. ("**Muscope**"), which generated €0.1 million revenue for the three months ended March 31, 2025. Muscope is an Italian innovative startup specializing in the design, development, sale, maintenance and consulting of cybersecurity and information security solutions, delivered through proprietary software technologies.

Golden Soft. In February 2025, we acquired a 100% stake in Golden Soft S.L. and Golden Soft Service Assistant Users S.L. (collectively, "**Golden Soft**"), which generated €0.7 million revenue for the three months ended March 31, 2025. Golden Soft operates in the Spanish market and specializes in the development, commercialization, and support of software solutions for small and medium-sized enterprises, accounting professionals and self-employed individuals, with a focus on management, tax, legal, accounting, and human resources administration.

Multidialogo. In March 2025, we acquired a 100% stake in (i) a business unit of Multidialogo S.r.l. (the "**Multidialogo Subsidiary**"), which is specialized in the development, management and commercialization of software solutions for condominium administrators in Italy, (ii) Brainware S.r.l. ("**Brainware**"), which owns proprietary software solutions designed for condominium and property management and (iii) Millesimo S.r.l. ("**Millesimo**" and together with the Multidialogo Subsidiary and Brainware, "**Multidialogo**"), which also owns proprietary software solutions designed for condominium management.

Due to the changes in our scope of consolidation as a consequence of the acquisitions we made in the periods under review, our results of operations over the periods under review may not be entirely comparable. See "*Presentation of financial and other information—Impact of bolt-on acquisitions made by the TeamSystem Group*."

Revenue recognition

IFRS 15 establishes the criteria for recognizing 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 recognized in the financial statements. According to IFRS 15, an entity shall recognize revenue arising from contracts with customers and the related accounting effects through the following steps (five-step model): (i) identifying the contract(s) with customers; (ii) identifying the performance obligations in the contract; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations in the contract; (v) recognizing revenue when (or as) the entity satisfies a performance obligation. As a result, the amount the TeamSystem Group recognizes 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 recognized when the underlying contractual obligations have been satisfied, which is when the TeamSystem Group has transferred control of the promised goods or service to the customer, in the following ways: (i) over time; or (ii) at a point in time. The following are the main types of products and services of our six main business units, categorized by: (i) recurring revenue; (ii) software licenses; and (iii) professional services.

Depreciation expense of non-current assets primarily relates to depreciation of property, plant and equipment. Amortization expense of non-current assets primarily relates to the cost of software, trademarks, patents and licenses, the amortization of customer relationships and of capitalized development expenses. In particular, development costs in relation to a particular project are capitalized only when our directors can demonstrate the technical feasibility of completing the project so that it will be available for use or sale, the intention to complete the project and use or sell it, how the project is expected to generate future economic benefits and the availability and amount of resources required to complete the project.

Allowance for bad debts is determined by us based on losses expected to be incurred on receivables, determined on the basis of past experience with similar receivables, on current and historical past due, on losses and payment collection and on careful monitoring of asset quality and forecasts of economic and market conditions.

Operating result

Operating result consists of profit (loss) for the year/period, before gains (loss) on disposal of subsidiaries, share of profit (loss) of associates, finance income, finance cost and income taxes.

Finance income

Finance income consists of interest income on banks balances and other loans, derivative instruments and variance in the fair value of the Liabilities to Non-Controlling Shareholders of Subsidiaries. In particular, any depreciation of the fair value of the Liabilities to Non-Controlling Shareholders of Subsidiaries generates finance income in the relevant period.

Finance cost

Finance cost primarily consists of costs of interest on debt financial instruments and on bank overdrafts and loans, interest on loans from shareholders, interest on lease contracts, financing fees and variance in the fair value of the Liabilities to Non-Controlling Shareholders of Subsidiaries. In particular, any appreciation of the fair value of the Liabilities to Non-Controlling Shareholders of Subsidiaries generates a finance cost in the relevant period.

Income taxes

Income taxes are almost exclusively comprised of the Italian corporate income tax and certain changes in deferred tax assets and liabilities.

Adjusted EBITDA

"Adjusted EBITDA" refers to Profit (Loss) for the relevant period excluding the effect of (i) income taxes, (ii) share of profit (loss) of associates, finance income and finance cost, monetary gain (loss), (iii) impairment of non-current assets, (iv) other provisions for risks and charges, (v) depreciation and amortization of non-current assets, (vi) allowance for bad debts and (vii) certain items that we consider not to be core to our ongoing business (for further details, see "*Summary historical financial information and other data—Other financial and pro forma data*").

Results of operations

Three months ended March 31, 2025 compared to three months ended March 31, 2024.

The table below sets out our consolidated results of operations for the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

	Three months ended March 31		
	2024	**2025**	**Percentage change**
	(€ in millions, except percentages)		
Revenue	204.8	242.4	18.4%
Other operating income	1.6	1.7	6.2%
Total revenue	**206.4**	**244.2**	**18.3%**
Cost of raw and other materials	(13.1)	(13.1)	–
Cost of services	(51.6)	(59.5)	15.3%

	Three months ended March 31		
	2024	2025	Percentage change
	(€ in millions, except percentages)		
Personnel costs	(61.8)	(75.1)	21.5%
Other operating costs	(1.8)	(4.7)	161.1%
Depreciation and amortization of non-current assets	(59.2)	(64.7)	9.3%
Allowance for bad debts	(1.9)	(2.0)	5.3%
Other provisions for risks and charges	(0.1)	(0.1)	–
Operating result	**16.9**	**25.1**	**48.5%**
Finance income and share of profit/(loss) of associates	8.5	9.6	12.9%
Finance cost	(46.8)	(46.3)	(1.1)%
Monetary net gain (loss)	17.9	11.3	(36.9)%
Profit (Loss) before income taxes	**(3.5)**	**(0.4)**	**(88.6)%**
Current income taxes	(13.1)	(14.9)	13.7%
Deferred income taxes	11.4	12.8	12.3%
Total income taxes	**(1.6)**	**(2.1)**	**31.3%**
Profit (Loss) for the period	**(5.1)**	**(2.5)**	**(51.0)%**
Loss (Profit) attributable to non-controlling interests	0.0	0.0	**n/a**
Profit (Loss) attributable to owners of TeamSystem Holdco	**(5.1)**	**(2.5)**	**(51.0)%**
Adjusted EBITDA	**82.7**	**99.4**	**20.2%**

Total revenue

Total revenue increased by €37.8 million, or 18.3%, from €206.4 million for the three months ended March 31, 2024 to €244.2 million for the three months ended March 31, 2025, driven primarily by the increased contribution of our international subsidiaries and the micro and small businesses customers segment in the Italian market. In particular, total revenue increased as a result of (i) the first time consolidation of the several companies we acquired (Multidialogo; TeamSystem 15; Golden Soft), (ii) the revenue contribution of the bolt-on acquisitions we made in the year ended December 31, 2024, which did not have a full impact, or did not have any impact, in the three months ended March 31, 2024 and (iii) the organic growth of our business, underpinned by increased sales to new customers as well as the upselling of higher-value solutions to our existing customers.

Our total revenue broken down by business unit for the three months ended March 31, 2024 and 2025 was as follows:

	Three months ended March 31		
	2024	2025	Percentage change
	(€ in millions, except percentages)		
Enterprise	**44.0**	**48.2**	**9.5%**
Recurring[(a)]	33.7	39.1	16.0%
Other revenues[(b)]	10.3	9.2	(10.7)%
Professional	**56.8**	**64.3**	**13.2%**
Recurring[(a)]	53.2	59.7	12.2%
Other revenues[(b)]	3.6	4.6	27.8%
Micro	**63.7**	**86.4**	**35.6%**
Recurring[(a)]	59.7	78.3	31.2%
Other revenues[(b)]	4.0	8.1	102.5%
Digital Finance	**5.5**	**6.6**	**20.0%**
Recurring[(a)]	4.3	5.1	18.6%
Other revenues[(b)]	1.2	1.5	25.0%
Market Specific Solutions	**23.3**	**24.0**	**3.0%**
Recurring[(a)]	15.9	16.2	1.9%
Other revenues[(b)]	7.4	7.8	5.4%
Cross-Segment Products	**13.1**	**14.7**	**12.2%**
Recurring[(a)]	11.1	12.6	13.5%
Other revenues[(b)]	2.0	2.1	5.0%
Total	**206.4**	**244.2**	**18.3%**

(a) Our recurring revenues are primarily derived from periodic payments we receive in connection with annual software assistance and maintenance contracts, subscription contracts, annual fees from our multi-year contracts with VARs as well as from the sale of Regulatory LTAs. For further information, see "*—Revenue recognition—Recurring*" and "*—Key factors affecting our results of operations—Recurring contracted revenues and high Customer Retention Rate*." Recurring revenue is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures.*"

(b) Includes revenues from the sale of software licenses, and professional services, which generate fees generally related to the installation and customization of our software solutions products and to the training services we provide to the customers at the product start-up. For further information, see "*—Revenue recognition—Licenses and professional services.*"

Enterprise business unit revenue increased by €4.2 million, or 9.5%, from €44.0 million for the three months ended March 31, 2024 to €48.2 million for the three months ended March 31, 2025, mainly as a result of an increase in recurring revenue driven by the consolidation of newly acquired companies, the increased switch from maintenance contracts to the subscription-based model as well as customer migration from on-premise to cloud products. The organic growth of recurring revenues in the Enterprise business unit for the three months ended March 31, 2025 was 8.9%.

Professional business unit revenue increased by €7.5 million, or 13.2%, from €56.8 million for the three months ended March 31, 2024 to €64.3 million for the three months ended March 31, 2025, as a result of an increase in recurring revenue resulting from the consolidation of newly acquired companies and the expansion of the business. The organic growth of recurring revenues in the Professional business unit for the three months ended March 31, 2025 was 8.0%.

Micro business unit revenue increased by €22.7 million, or 35.6%, from €63.7 million for the three months ended March 31, 2024 to €86.4 million for the three months ended March 31, 2025, mainly as a result of the revenue generated by then-recently acquired companies including Distrito K, the Clementine group and Multidialogo and an increase in recurring revenue from sales of FMS solutions for micro businesses Additionally, revenue in this business unit was also driven by strong international sales in Turkey, Spain and France. The organic growth of recurring revenues in the Micro business unit for the three months ended March 31, 2025 was 29.9%.

Digital Finance business unit revenue increased by €1.1 million, or 20.0%, from €5.5 million for the three months ended March 31, 2024 to €6.6 million for the three months ended March 31, 2025, mainly attributable to the consolidation of Netfintech S.r.l. and Change Capital Finanza Agevolata S.r.l., following its acquisition, which contributed €1.1 million in revenue during the period through its credit brokerage operations.

Market Specific Solutions business unit revenue increased by €0.7 million, or 3.0%, from €23.3 million for the three months ended March 31, 2024 to €24.0 million for the three months ended March 31, 2025, mainly as a result of the increased sales in our CAD/CAM and construction sector.

Cross-Segment Products business unit revenue increased by €1.6 million, or 12.2%, from €13.1 million for the three months ended March 31, 2024 to €14.7 million for the three months ended March 31, 2025, mainly as a result of the increase in recurring revenue driven by the increased sale of HCM software solutions.

Cost of raw and other materials

Cost of raw and other materials remained substantially stable at €13.1 million for the three months ended March 31, 2024 and for the three months ended March 31, 2025, mainly as a result of stable hardware sales. As a percentage of total revenue, cost of raw and other materials decreased by 1.0 percentage points from 6.3% for the three months ended March 31, 2024 to 5.4% for the three months ended March 31, 2025.

Cost of services

Cost of services increased by €7.9 million, or 15.3%, from €51.6 million for the three months ended March 31, 2024 to €59.5 million for the three months ended March 31, 2025. The increase mainly reflected higher expenses related to external R&D consultants and sales agents. These cost increases were also due to the organic growth of the business and the change in consolidation perimeter. As a percentage of total revenue, cost of services decreased by 0.6 percentage points from 25.0% for the three months ended March 31, 2024 to 24.4% for the three months ended March 31, 2025.

Personnel costs

Personnel costs increased by €13.3 million, or 21.5%, from €61.8 million for the three months ended March 31, 2024 to €75.1 million for the three months ended March 31, 2025, primarily due to an increase in headcount and average personnel costs as well as the acquisitions carried out in the first three months of 2025. As a percentage of total revenue, personnel costs increased by 0.8 percentage point from 29.9% in the three months ended March 31, 2024 to 30.7% in the three months ended March 31, 2025.

Other operating costs

Other operating costs increased by €2.9 million, or 161.1%, from €1.8 million for the three months ended March 31, 2024 to €4.7 million for the three months ended March 31, 2025, primarily due to €2.6 million of acquisition-related due diligence expenses that were incurred in 2024 but recorded in the first quarter of 2025 due to delays in the accounting recognition by certain operating units. As these costs relate to prior-period activities, the increase does not reflect a structural change in our cost base.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets increased by €5.5 million, or 9.3%, from €59.2 million for the three months ended March 31, 2024 to €64.7 million for the three months ended March 31, 2025, due to due to higher amortization charges as a result of the purchase price allocation process in connection with several acquisitions, including, among others, the acquisition of Distrito K and the Clementine group carried out in 2024.

Allowance for bad debts

Allowance for bad debts increased by €0.1 million, or 5.3%, from €1.9 million for the three months ended March 31, 2024 compared to €2.0 million for the three months ended March 31, 2025. This increase was attributable to the change in the reporting perimeter following recent acquisitions. As a percentage of total revenue, Allowance for bad debts decreased by 0.1 percentage point from 0.9% for the three months ended March 31, 2024 to 0.8% for the three months ended March 31, 2025.

Operating result

Operating result increased by €8.2 million from €16.9 million for the three months ended March 31, 2024 to €25.1 million for the three months ended March 31, 2025, as a consequence of the factors discussed above and, in particular, the increase of total revenue, which more than offset the overall cost increase.

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

Finance income and share of profit/(loss) of associates increased by €1.1 million, or 12.9%, from €8.5 million for the three months ended March 31, 2024 to €9.6 million for the three months ended March 31, 2025, primarily due to higher gains on foreign exchange, increased interests from banks and the depreciation of Liabilities to Non-Controlling Shareholders of Subsidiaries which more than offset the decrease in interest (and gain of valuation) from certain interest rate swap instruments driven by a decrease in the relevant EURIBOR reference rates (for the floating rate instruments).

Finance cost

Finance cost decreased by €0.5 million, or 1.1%, from €46.8 million for the three months ended March 31, 2024 to €46.3 million for the three months ended March 31, 2025, primarily due to a decrease in average costs on our debt as a results of a decrease in the relevant EURIBOR reference rates (for our floating rate instruments) and a decrease in the average spread following the refinancing transaction completed in 2024.

Monetary net gain/(loss)

Monetary gain decreased from €17.9 for the three months ended March 31, 2024 to €11.3 million for the three months ended March 31, 2025 due to a reduction in inflation level in Turkey.

Total income taxes

Total income taxes increased by €0.5 million from a negative balance of €1.6 million for the three months ended March 31, 2024 to a negative balance of €2.1 million for the three months ended March 31, 2025, primarily as a consequence of a €1.8 million rise in current income taxes, mainly reflecting the organic growth of the business, partially offset by a €1.4 million increase in deferred tax benefits, primarily related to higher amortization of IFRS-aligned intangible assets, including customer lists, brands and internally developed software.

Profit/(Loss) for the period

For the three months ended March 31, 2024 we recorded a loss of €5.1 million, while for the three months ended March 31, 2025 we recorded a loss of €2.5 million. Such positive trend was due to the reasons discussed above.

Adjusted EBITDA

Adjusted EBITDA increased by €16.7 million, or 20.2%, from €82.7 million for the three months ended March 31, 2024 to €99.4 million for the three months ended March 31, 2025. This increase was primarily due to the change in the consolidation area as a result of our acquisition activity and to the organic growth in the first three months of 2025. For further details, see the calculation of Adjusted EBITDA presented under "*Summary historical financial information and other data—Other financial and pro forma data.*" The change in the consolidation area and the organic growth in the first three months of 2025 also positively impacted Adjusted EBITDA margin, which increased from 40.0% for the three months ended March 31, 2024 to 40.7% for the three months ended March 31, 2025.

Year ended December 31, 2024 compared to year ended December 31, 2023.

The table below sets out our consolidated results of operations for the year ended December 31, 2024, compared to the year ended December 31, 2023.

	Year ended December 31		
	2023	**2024**	**Percentage change**
	(€ in millions, except percentages)		
Revenue	727.4	912.6	25.5%
Other operating income	5.8	9.2	58.6%
Total revenue	**733.2**	**921.8**	**25.7%**
Cost of raw and other materials	(55.7)	(57.9)	3.9%
Cost of services	(177.3)	(222.3)	25.4%
Personnel costs	(201.7)	(252.1)	25.0%
Other operating costs	(5.1)	(8.8)	72.5%
Depreciation and amortization of non-current assets	(224.2)	(255.8)	14.1%
Allowance for bad debts	(7.0)	(9.0)	28.6%
Other provisions for risks and charges	(1.9)	(1.8)	(5.3)%
Impairment of non-current assets	—	(0.4)	n/a
Operating result	**60.1**	**113.8**	**89.4%**
Finance income and share of profit/(loss) of associates	24.8	36.6	47.6%
Finance cost	(179.7)	(308.2)	71.5%
Monetary net gain (loss)	15.5	54.8	253.5%
Profit (Loss) before income taxes	**(79.4)**	**(103.0)**	**29.7%**
Current income taxes	(35.4)	(51.9)	46.6%
Deferred income taxes	39.5	45.7	15.7%
Total income taxes	**4.1**	**(6.3)**	**(253.7)%**
Profit (Loss) for the year	**(75.2)**	**(109.3)**	**45.3%**
Loss (Profit) attributable to non-controlling interests	(0.1)	(0.2)	100.0%
Profit (Loss) attributable to owners of TeamSystem Holdco	**(75.3)**	**(109.4)**	**45.3%**
Adjusted EBITDA	**313.8**	**404.6**	**28.9%**

Total revenue

Total revenue increased by €188.6 million, or 25.7%, from €733.2 million for the year ended December 31, 2023 to €921.8 million for the year ended December 31, 2024. This growth was mainly the result of the significant revenue contribution from our Micro Solutions business unit as well as the increase in cross-selling activities from our HR and Digital Finance solutions. Total revenue also increased due to the first time consolidation in 2024 of the several companies in which we acquired a controlling interest or a 100% interest in such year and which contributed €42.7 million (primarily relating to the consolidation of Distrito K, the Clementine group, TeamSystem 12, Rean S.r.l. and Change Capital) to the overall revenue increase and the revenue contribution of the bolt-on acquisitions we made in the year ended December 31, 2023, which did not therefore have a full-period impact in such year.

Our total revenue broken down by business unit for the years ended December 31, 2023 and 2024 was as follows[(*)]:

	Year ended December 31		
	2023	**2024**	**Percentage change**
	(€ in millions, except percentages)		
Enterprise	**164.6**	**191.0**	**16.0%**
Recurring[(a)]	118.2	142.6	20.6%
Other revenues(b)	46.4	48.4	4.3%
Professional	**214.7**	**239.1**	**11.4%**
Recurring(a)	198.2	223.4	12.7%
Other revenues(b)	16.6	15.7	(5.4)%
Micro	**180.7**	**302.5**	**67.4%**
Recurring(a)	167.1	280.5	67.9%
Other revenues(b)	13.7	22.0	60.6%
Digital Finance	**20.9**	**28.3**	**35.4%**
Recurring(a)	16.7	18.7	12.0%
Other revenues(b)	4.2	9.5	126.2%
Market Specific Solutions	**100.4**	**105.5**	**5.1%**
Recurring(a)	62.7	68.7	9.6%
Other revenues(b)	37.8	36.8	(2.6)%
Cross-Segment Products	**51.8**	**55.5**	**7.1%**
Recurring(a)	40.4	46.7	15.6%
Other revenues(b)	11.4	8.8	(22.8)%
Total	**733.2**	**921.8**	**25.7%**

(*) Certain line items in the Total revenue breakdown by business unit for the years ended December 2022 and 2023 presented in this Offering Memorandum have been reclassified following the reallocation of revenue derived from our Trust & Cyber services product offering from the Market Specific Solutions business unit to the HR business unit, consistently with the breakdown presented in this Offering Memorandum for any subsequent periods thereof. As a result of this reallocation, the HR business unit was renamed "Cross-Segment Products." See "*Presentation of financial and other information—Business units and Total revenue breakdowns.*"

(a) Our recurring revenues are primarily derived from the periodic payments we receive in connection with annual software assistance and maintenance contracts, subscription contracts, annual fees from our multi-year contracts with VARs as well as from the sale of Regulatory LTAs. For further information, see "*—Revenue recognition—Recurring*" and "*—Key factors affecting our results of operations—Recurring contracted revenues and high Customer Retention Rate.*" Recurring revenue is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures.*"

(b) Includes revenues from the sale of software licenses and professional services, which generate fees generally related to the installation and customization of our software solutions products and to the training services we provide to the customers at the product start-up. For further information, see "*—Revenue recognition—Licenses and professional services.*"

Enterprise business unit revenue increased by €26.4 million, or 16.0%, from €164.6 million for the year ended December 31, 2023 to €191.0 million for the year ended December 31, 2024, mainly as a result of an increase in recurring revenue driven by the accelerated transition from sales of software licenses to subscription-based services as well as the change in consolidation perimeter, which also drove the increase in other revenue.

Professional business unit revenue increased by €24.4 million, or 11.4%, from €214.7 million for the year ended December 31, 2023 to €239.1 million for the year ended December 31, 2024, mainly as a result of an increase in recurring revenue and, in particular, revenue deriving from enhanced sales of cloud solutions due to upselling, migration to cloud-based alternatives and our "more-for-more" strategy that offers to customers enhanced features, services, and benefits at a higher price point.

Micro business unit revenue increased by €121.8 million, or 67.4%, from €180.7 million for the year ended December 31, 2023 to €302.5 million for the year ended December 31, 2024, mainly as a result of (i) the revenue generated by then-recently acquired companies (including Distrito K and the Clementine group) and a strong increase in recurring revenue driven by higher sales across all customer segments and, particularly, micro and small businesses as well as vertical segments, including international customers. Notably, substantial revenue was generated in the Spanish and Turkish segments as well as the micro and small business customer segment, which benefited from the final wave of e-invoicing adoption.

Digital Finance business unit revenue increased by €7.4 million, or 35.4%, from €20.9 million for the year ended December 31, 2023 to €28.3 million for the year ended December 31, 2024, mainly as a result of a substantial increase in other revenue derived from sales of our rating solutions as well as recurring revenue associated with increased usage of TS Pay, supported by the monetization of account information services for condominium administrators. This increase was partially offset by a slowdown in revenue growth for our financial value chain offering.

Market Specific Solutions business unit revenue increased by €5.1 million, or 5.1%, from €100.4 million for the year ended December 31, 2023 to €105.5 million for the year ended December 31, 2024, mainly as a result of an increase in recurring revenue driven by the acceleration of the switch to subscription models of solutions and sales of construction, legal and solutions for CAF. Revenue generated in our CAD/CAM sector remained stable, although performance was affected by broader macroeconomic conditions.

Cross-Segment Products business unit revenue increased by €3.7 million, or 7.1%, from €51.8 million for the year ended December 31, 2023 to €55.5 million for the year ended December 31, 2024, mainly as a result of an increase in recurring revenue driven by sales of our TS HR and Welfare partially offset by the evolution of Trust & Cyber services driven by a customer base pruning.

Cost of raw and other materials

Cost of raw and other materials increased by €2.2 million, or 3.9%, from €55.7 million for the year ended December 31, 2023 to €57.9 million for the year ended December 31, 2024, mainly as a result of the increase in the sales (and corresponding costs) of hardware products and other materials as well as the use of third party's software also due to the change in consolidation perimeter as a result of then-recently acquired companies. As a percentage of total revenue, cost of raw and other materials decreased by 1.3 percentage points from 7.6% in 2023 to 6.3% in 2024. This decrease was primarily due to a favorable shift in revenue mix, with a greater contribution from higher-margin software and subscription-based services, which usually do not carry a corresponding cost of raw materials.

Cost of services

Cost of services increased by €45.0 million, or 25.4%, from €177.3 million for the year ended December 31, 2023 to €222.3 million for the year ended December 31, 2024. The increase mainly reflected the overall increase in costs related to intracloud and other external cost required to manage our solutions, marketing expenses, agent commissions and other costs attributable to commercial consulting services, customer support costs, management and administrative consulting costs, rebate costs and costs of non-core services (comprising advisory expenses related to mergers and acquisitions as well as reorganization and cost-saving projects). In addition, the increase in cost of services reflects an increase in certain capitalized product development costs primarily related to key projects including TS Enterprise, TS Digital, TS Studio, Mikro Software and Zirve Desktop. As a percentage of total revenue, cost of services decreased by 0.1 percentage points from 24.2% in 2023 to 24.1% in 2024.

Personnel costs

Personnel costs increased by €50.4 million, or 25.0%, from €201.7 million for the year ended December 31, 2023 to €252.1 million for the year ended December 31, 2024, primarily due to the effect of then-recently acquired companies and partially from the organic growth achieved in 2024, which led to increased employee hires. For the year ended December 31, 2024, personnel costs increased organically by 11.4% compared to the year ended December 31, 2023. This increase has resulted in higher productivity at the Group level, as measured by revenue per full-time employee offset partially by integration of newly acquired companies. As a percentage of total revenue, personnel costs decreased by 0.2 percentage points from 27.5% in 2023 to 27.3% in 2024. The number of full time employees grew from 4,644 as of December 31, 2023 to 5,195 as of December 31, 2024.

Other operating costs

Other operating costs increased by €3.7 million, or 72.5%, from €5.1 million for the year ended December 31, 2023 to €8.8 million for the year ended December 31, 2024, due to, among other things, an increase in condominium expenses related to new rental arrangements entered into in 2024, following the consolidation of then-recently acquired companies as well as the increase in higher miscellaneous expenses, mainly attributable to the expanded consolidation perimeter resulting from these acquisitions.

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

100% interest in 2023 and which contributed €84.5 million (primarily relating to the consolidation of Readytec S.p.A., MailUp S.p.A. and Mikro) to the overall revenue increase and the revenue contribution of the bolt-on acquisitions we made in the year ended December 31, 2022, which did not therefore have a full-period impact in such year.

Our total revenue broken down by business unit for the years ended December 31, 2022 and 2023 was as follows[*]:

	Year ended December 31		
	2022	2023	Percentage change
	(€ in millions, except percentages)		
Enterprise	**125.1**	**164.6**	**31.6%**
Recurring[a]	91.7	118.2	28.9%
Other revenues[b]	33.4	46.4	38.9%
Professional	**168.8**	214.7	**27.2%**
Recurring[a]	157.3	198.2	26.0%
Other revenues[b]	11.5	16.6	44.3%
Micro	**119.7**	**180.7**	**51.0%**
Recurring[a]	114.7	167.1	45.7%
Other revenues[b]	5.0	13.7	174.0%
Digital Finance	**18.0**	**20.9**	**16.1%**
Recurring[a]	16.3	16.7	2.5%
Other revenues[b]	1.7	4.2	147.1%
Market Specific Solutions	**96.0**	**100.4**	**4.6%**
Recurring[a]	54.9	62.7	14.2%
Other revenues[b]	41.1	37.8	(8.0)%
Cross-Segment Products	**40.5**	51.8	**27.9%**
Recurring[a]	31.2	40.4	29.5%
Other revenues[b]	9.3	11.4	22.6%
Total	**568.2**	**733.2**	**29.0%**

(*) Certain line items in the Total revenue breakdown by business unit presented in this Offering Memorandum have been reclassified following the reallocation of revenue derived from our Trust & Cyber services product offering from the Market Specific Solutions business unit to the HR business unit, which is reflected in our Unaudited Interim Financial Statements. As a result of this reallocation, a new business unit, now referred to as "Cross-Segment Products," was created, replacing the former HR business unit. Therefore, the Total revenue breakdown by business unit for the periods and fiscal years prior to March 31, 2024, presented in this Offering Memorandum, has been made based on same classification that is reflected in our Unaudited Interim Financial Statements. See "*Presentation of financial and other information—Business units and Total revenue breakdowns.*"

(a) Our recurring revenues are primarily derived from periodic payments we receive in connection with annual software assistance and maintenance contracts, subscription contracts, annual fees from our multi-year contracts with VARs as well as from the sale of Regulatory LTAs. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Revenue recognition—Recurring*" and "*Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Recurring contracted revenues and high Customer Retention Rate*." Recurring revenue is not a recognized measure of financial performance or liquidity under IFRS or any other internationally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of financial and other information—Non-IFRS financial measures.*"

(b) Includes revenues from the sale of software licenses and professional services, which generate fees generally related to the installation and customization of our software solutions products and to the training services we provide to the customers at the product start-up. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Revenue recognition—Licenses and professional services.*"

Enterprise business unit revenue increased by €39.5 million, or 31.6%, from €125.1 million for the year ended December 31, 2022 to €164.6 million for the year ended December 31, 2023, mainly as a result of an increase in recurring revenue driven by the accelerated transition from sales of software licenses to subscription-based services as well as the change in consolidation perimeter, which also drove the increase in other revenue.

Professional business unit revenue increased by €45.9 million, or 27.2%, from €168.8 million for the year ended December 31, 2022 to €214.7 million for the year ended December 31, 2023, mainly as a result of an increase in recurring revenue and, in particular, revenue deriving from enhanced sales of cloud solutions due to upselling, migration to cloud-based alternatives and our "more-for-more" strategy that offers to customers enhanced features, services, and benefits at a higher price point.

Micro business unit revenue increased by €61.0 million, or 51.0%, from €119.7 million for the year ended December 31, 2022 to €180.7 million for the year ended December 31, 2023, mainly as a result of the revenue generated by then-recently acquired companies (including MailUp S.p.A., Mikro and Aplifisa S.L.) and a strong increase in recurring revenue driven by higher sales across all customer segments and, particularly, micro and small businesses as well as vertical segments, including international customers. Notably, substantial revenue was generated in the Spanish segment that outperformed overall market growth.

Digital Finance business unit revenue increased by €2.9 million, or 16.1%, from €18.0 million for the year ended December 31, 2022 to €20.9 million for the year ended December 31, 2023, mainly as a result of an increase in recurring revenue driven by sales derived from usage of TS Pay as well as other revenue derived from sales of our rating solutions. This increase was partially offset by a decrease in the number or value of invoices being traded or processed through our digital finance platform as a result of legislative changes and high interest rates, which reduced market demand for financing solutions.

Market Specific Solutions business unit revenue increased by €4.4 million, or 4.6%, from €96.0 million for the year ended December 31, 2022 to €100.4 million for the year ended December 31, 2023, mainly as a result of an increase in recurring revenue driven by the acceleration of the switch to subscription models of solutions and sales of construction, legal and solutions for CAF.

Cross-Segment Products business unit revenue increased by €11.3 million, or 27.9%, from €40.5 million for the year ended December 31, 2022 to €51.8 million for the year ended December 31, 2023, mainly as a result of an increase in recurring revenue driven by sales of our TS HR, Welfare and BPaaS solutions.

Cost of raw and other materials

Cost of raw and other materials increased by €4.3 million, or 8.4%, from €51.4 million for the year ended December 31, 2022 to €55.7 million for the year ended December 31, 2023, mainly as a result of the increase in the sales (and corresponding costs) of hardware products and the use of third party's software as well as the increase in fuel costs, primarily due to the change in consolidation perimeter as a result of then-recently acquired companies. As a percentage of total revenue, cost of raw and other materials decreased by 1.5 percentage points from 9.0% in 2022 to 7.6% in 2023. This decrease was primarily due to a minor impact on revenue from the cost of goods sold for the year ending December 31, 2023, which increased organically by 4.2% compared to 2022 mainly due to a reduced contribution from low-margin businesses (such as hardware and CAD/CAM) and the optimization of external customer support operations.

Cost of services

Cost of services increased by €37.6 million, or 26.9%, from €139.7 million for the year ended December 31, 2022 to €177.3 million for the year ended December 31, 2023. The increase mainly reflected the overall increase in costs related to intracloud and other external cost required to manage our solutions, marketing expenses, agent commissions and other costs attributable to commercial consulting services, customer support costs, management and administrative consulting costs and costs of non-core services (comprising advisory expenses related to mergers and acquisitions as well as reorganization and cost-saving projects). In addition, the increase of cost of services reflect an increase in certain capitalized product development costs primarily related to key projects, including TS Enterprise, TS Digital, SaaS Applications, STR Construction, and TS Studio. Cost of services for the year ended December 31, 2023 was partially offset by a decrease in financial interest costs, consulting and copyright costs and other costs for education services. As a percentage of total revenue, cost of services decreased by 0.4 percentage points from 24.6% in 2022 to 24.2% in 2023 as a result of increasing economies of scale that characterize our business.

Personnel costs

Personnel costs increased by €41.7 million, or 26.1%, from €160.0 million for the year ended December 31, 2022 to €201.7 million for the year ended December 31, 2023, primarily due to the effect of then-recently acquired companies and partially from the organic growth achieved in 2023, which led to increased employee hires. For the year ended December 31, 2023, personnel costs increased organically by 7.6% compared to the year ended December 31, 2022. This increase has resulted in higher productivity at the Group level, as measured by revenue per full-time employee offset partially by integration of newly acquired companies. As a percentage of total revenue, personnel costs decreased by 0.6 percentage points from 28.2% in 2022 to 27.5% in 2023. The number of full time employees grew from 3,256 as of December 31, 2022 to 4,644 as of December 31, 2023.

Other operating costs

Other operating costs increased by €1.2 million, or 30.8%, from €3.9 million for the year ended December 31, 2022 to €5.1 million for the year ended December 31, 2023, due to, among other things, an increase in condominium expenses related to new rental arrangements entered into in 2023 following the consolidation of then-recently acquired companies.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets increased by €15.8 million, or 7.6%, from €208.4 million for the year ended December 31, 2022 to €224.2 million for the year ended December 31, 2023, 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 Sigma Sistemi S.r.l., Readytec S.p.A., Mikro, MailUp S.r.l., Aplifisa S.L. and Microntel S.p.A. 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 2023.

Allowance for bad debts

Allowance for bad debts increased by €1.5 million, or 27.3% from €5.5 million for the year ended December 31, 2022 compared to €7.0 million for the year ended December 31, 2023, primarily due to the change in consolidation perimeter as a consequence of the acquisitions in 2023.

Other provisions for risks and charges

Other provisions for risks and charges decreased by €0.5 million, or 20.8%, from €2.4 million for the year ended December 31, 2022 to €1.9 million for the year ended December 31, 2023, primarily due to a decrease in the provision for litigation and disputes relating to the release of risk provisions due to the settlement of certain disputes that arose in previous years.

Impairment of non-current assets

Impairment of non-current assets decreased from €78.1 million for the year ended December 31, 2022 to €0 for the year ended December 31, 2023, due to a goodwill impairment charge that was recorded for the Digital Finance business unit, which was recognized following the results of the annual impairment test conducted for each business unit. No additional impairment of non-current assets has been recognized for the year ended December 31, 2023.

Operating result

Operating result increased by €141.3 million, from a loss of €81.2 million for the year ended December 31, 2022 to a gain of €60.1 million for the year ended December 31, 2023, 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 decreased by €19.3 million, or 43.8%, from €44.1 million for the year ended December 31, 2022 to €24.8 million for the year ended December 31, 2023, primarily due to the valuation at market value on December 31, 2023 of certain interest rate swap derivative contracts entered into in April 2022 and classified as non-hedge accounting, partially offset by interest income accrued on the foregoing interest rate swap derivative contracts.

Finance cost

Finance cost increased by €55.3 million, or 44.5%, from €124.4 million for the year ended December 31, 2022 to €179.7 million for the year ended December 31, 2023, primarily due to an increase in the interest expenses and financing fees due to the then outstanding indebtedness of TeamSystem Group, including the issuance of certain senior secured notes, and the Revolving Credit Facility as well as a loss on the valuation of certain derivative instruments. This increase was partially offset by a decrease in the revaluation of the Liabilities to Non-Controlling Shareholders.

Monetary net gain/(loss)

Monetary gain increased from nil for the year ended December 31, 2022 to €15.5 million for the year ended December 31, 2023, primarily due to the increase in the reported value of the monetary assets of our subsidiaries operating in Turkey (which we acquired in September 2023, thus, we did not control during the year ended December 31, 2022) after adjusting for hyperinflation according to IAS 29 (*Financial Reporting in Hyperinflationary Economies*).

Total income taxes

Total income taxes decreased by €10.9 million, or 72.7%, from a positive balance of €15.0 million for the year ended December 31, 2022 to a positive balance of €4.1 million for the year ended December 31, 2023, as a consequence of the increase of €11.8 million in current income taxes mainly due to the increase of the tax base. This increase was partially offset by a €0.9 million increase in the positive effect of deferred income taxes.

Profit/(Loss) for the year

Loss decreased by €71.3 million, or 48.7%, from a loss of €146.5 million for the year ended December 31, 2022 to a loss of €75.2 million for the year ended December 31, 2023 for the reasons discussed above.

Adjusted EBITDA

Adjusted EBITDA increased by €86.5 million, or 38.1%, from €227.3 million for the year ended December 31, 2022 to €313.8 million for the year ended December 31, 2023. This increase was primarily attributable to both non-organic and organic growth associated with existing customer upsell 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. 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 40.0% for the year ended December 31, 2022 to 42.8% for the year ended December 31, 2023.

Liquidity and capital resources

Following the consummation of the TS Transactions, we expect that our principal sources of liquidity will be our existing cash and cash equivalents, cash generated from operations and any borrowings under the Revolving Credit Facility. The Revolving Credit Facility Agreement contains various conditions that must be satisfied in order for the lenders thereunder to make loans available to us under the Revolving Credit Facility. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement.*" Cash flows from our financing activities have in the past included, among others, proceeds from the Existing Senior Secured Notes and the Revolving Credit Facility. Historically, our principal uses of cash have been, and we expect that our principal uses of cash following the consummation of the TS Transactions will be, to fund capital expenditures, provide working capital, meet debt service requirements, fund acquisitions, purchase of non-controlling shares, pay earn outs and exercise certain put and call options from time to time pursuant to the Liabilities to Non-Controlling Shareholders of Subsidiaries.

We believe that our operating cash flows and borrowing capacity under the Revolving Credit Facility will be sufficient to meet our requirements and commitments for the foreseeable future. However, we are highly leveraged and have significant debt service obligations. Our actual financing requirements will depend on a number of factors, many of which are beyond our control. See "*Risk factors—Risks related to our structure and the Transactions—Our substantial leverage and debt service obligations could materially adversely affect our business, financial position and results of operations and preclude us from satisfying our obligations under our indebtedness*."

The following table illustrates our cash flows from the indicated sources:

	Year ended December 31			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(€ in millions)		
Cash flow from operating activities	178.8	211.2	348.0	71.4	106.1
Cash flow used in investing activities	(73.4)	(335.0)	(230.2)	(19.4)	(116.1)
Cash flow from (used in) financing activities	(19.0)	25.0	2.9	(35.6)	8.9
Increase (decrease) in cash due to exchange rate movements	(0.0)	0.0	0.0	(0.9)	(5.9)
Total cash flow generated in the period	**86.4**	**(98.8)**	**120.8**	**15.5**	**(7.1)**
Cash and cash balances at the beginning of the period	**59.1**	**145.5**	**46.7**	**46.7**	**167.5**
Cash and cash balances at the end of the period	**145.5**	**46.7**	**167.5**	**62.2**	**160.5**

Cash flow generated from operating activities

Our cash flow from operating activities increased by €32.4 million from €178.8 million for the year ended December 31, 2022 to €211.2 million for the year ended December 31, 2023. The increase was primarily due to our organic growth and the effect of a number of bolt-on acquisitions in 2023. In light of the fact that December 31, 2023 was not a business day, the cash flow from operating activities for the year ended December 31, 2023 was impacted by the postponement of the collections of trade receivables due on December 31, 2023 to January 2024. Without considering the postponement of the collections of such for the year ended December 31, 2023, the increase in cash flow from operating activities from the year ended December 31, 2022 to the year ended December 31, 2023 would have been €32.9 million.

Our cash flow from operating activities increased by €136.8 million from €211.2 million for the year ended December 31, 2023 to €348.0 million for the year ended December 31, 2024. The increase was primarily due to our organic growth and the effect of a number of bolt-on acquisitions in 2024. In light of the fact that December 31, 2023 was not a business day, the cash flow from operating activities for the year ended December 31, 2023 was impacted by the postponement of the collections of trade receivables due on December 31, 2023 to January 2024. Without considering the postponement of the collections of such receivables for the year ended December 31, 2023, the increase in cash flow from operating activities from the year ended December 31, 2023 to the year ended December 31, 2024 would have been €120.0 million.

Our cash flow from operating activities increased by €34.7 million from €71.4 million for the three months ended March 31, 2024 to €106.1 million for the three months ended March 31, 2025. The increase was primarily due to certain working capital effects. In light of the fact that March 31, 2024 was not a business day, the cash flow from operating activities for the three months ended March 31, 2024 was impacted by the postponement of the collections of certain electronic bank receipts due on March 31, 2024 to April 2024. Without considering the postponement of the collections of such receivables for the three months ended March 31, 2024, the increase in cash flow from operating activities from the three months ended March 31, 2024 to the three months ended March 31, 2025 would have been €99.2 million.

Cash flow used in investing activities

For the year ended December 31, 2022, our cash flow used in investing activities amounted to €73.4 million reflecting, among other things, €17.2 million of capitalized development costs, €19.2 million of capital expenditures on tangible and intangible assets, and €37.0 million for further equity investments (net of cash and cash equivalents acquired) in the acquired subsidiary Ciaomanager S.r.l. and the acquisition of Storeden S.r.l., Teamsyver S.r.l., IT Review S.r.l., CZ Informatica S.r.l., Progetto Software S.r.l., SIA S.r.l. and Algoritmi S.r.l.

For the year ended December 31, 2023, our cash flow used in investing activities amounted to €335.0 million (a €261.6 million increase from the year ended December 31, 2022), reflecting, among other things, €23.2 million of capitalized development costs, €18.8 million of capital expenditures on tangible and intangible assets, as well as €292.8 million (net of cash and cash equivalents acquired) for the acquisition of, among others, Mailup S.p.A., Mikro Yazılımevi Yazılım Hizmetleri Bilgisayar Sanayi ve Ticaret A.Ş., Rean S.r.l., Readytec S.p.A., Readytec Emilia S.r.l., Aplifisa S.L.U., Acumbamail S.L., Microntel S.p.A. and Sigma Sistemi S.r.l.

For the year ended December 31, 2024, our cash flow used in investing activities amounted to €230.2 million (a €104.8 million decrease from the year ended December 31, 2023), reflecting, among other things, €35.6 million of capitalized development costs, €25.7 million of capital expenditures on tangible and intangible assets, as well as €170.4 million (net of cash and cash equivalents acquired) for the acquisition of, among others, the Clementine group, Distrito K and Change Capital.

For the three months ended March 31, 2025, our cash flow used in investing activities amounted to €116.1 million, reflecting, among other things, €9.9 million of capitalized development costs, €14.0 million of capital expenditures on tangible and intangible assets as well as €92.2 million (net of cash and cash equivalents acquired) for the acquisition of Multidialogo, Golden Soft and recently internalized VARs.

Cash flow (used in)/generated from financing activities

Our cash flow used in financing activities for the year ended December 31, 2022 was €19.0 million, mainly reflecting (i) the issuance of €185.0 million aggregate principal amount of certain senior secured notes redeemed in 2024 and associated financing fees (€6.4 million); (ii) €61.3 million related to the payment of interest under the then outstanding senior secured debt of the TeamSystem Group; (iii) €75.0 million related to the repayment on the Revolving Credit Facility; (iv) €8.3 million related to the payment of lease liabilities, consisting of principal and interests, according to IFRS 16; and (v) €45.8 million of Liabilities to Non-Controlling Shareholders of Subsidiaries paid in connection with the acquisition of further equity interests in MBM Italia S.r.l. and the payment of earn-outs primarily relating to investments in Software del Sol S.A., Modefinance S.r.l., Logical Soft S.r.l., IT Review S.r.l. and Progetto Studio S.r.l.

Our cash flow generated in financing activities for the year ended December 31, 2023 was €25.0 million, mainly reflecting (i) the issuance of €195.0 million aggregate principal amount of certain senior secured notes redeemed in 2024 and associated financing fees (€6.7 million); (ii) €111.4 million of finance costs, mainly attributable to the payment of interest under the then outstanding senior secured debt of the TeamSystem Group, including the Existing 2021 Floating Rate Notes, Existing 2021 Fixed Rate Notes, and the payment of IFRS 16 leases liabilities, consisting of principal and interests; and (iii) €40.7 million of Liabilities to Non-Controlling Shareholders of Subsidiaries paid for the payment of earn-outs primarily relating to investments in, among others, Storeden S.r.l., TeamSyver S.r.l., Algoritmi S.r.l., SIA S.r.l., Modefinance S.r.l., Area 32 S.r.l., Progetto Studio S.r.l. and NewTronic S.r.l.

Our cash flow used in financing activities for the year ended December 31, 2024 was €2.9 million, mainly reflecting (i) the issuance of €700.0 million aggregate principal amount of the Existing 2024 Floating Rate Notes and associated financing fees (€13.0 million); (ii) the issuance of €300.0 million in aggregate principal amount of the Existing PIK Notes and associated financing fees (€5.8 million); (iii) €148.9 million of finance costs, mainly attributable to the payment of interest under the then outstanding senior secured debt of the TeamSystem Group, including the Existing 2021 Floating Rate Notes, Existing 2021 Fixed Rate Notes and the payment of IFRS 16 leases liabilities, consisting of principal and interests; (iv) the redemption of certain previously existing series of notes of the TeamSystem Group in aggregate principal amount of €695.0 million with the proceeds from the Existing 2024 Floating Rate Notes and Existing PIK Notes and the payment of interest under such previously existing series of notes until the redemption thereof, as well as an early redemption premia due thereunder, if applicable; (v) €130.7 million of Liabilities to Non-Controlling Shareholders of Subsidiaries paid for the payment of earn-outs primarily relating to investments in, among others, Modefinance S.r.l., Logicalsoft S.r.l., Microntel S.p.A., Mikrogroup, Readyte S.p.A. and Sigma Sistemi S.r.l.

Our cash flow used in financing activities for the three months ended March 31, 2024 was €35.6 million, mainly reflecting (i) €23.7 million of payment of interest under the then outstanding senior secured debt of the TeamSystem Group, and the payment of interest on IFRS 16 leases liabilities; (ii) €25.4 million of Liabilities to Non-Controlling Shareholders of Subsidiaries paid in connection with the acquisition of further equity interests in Modefinance, Progetto Software and CZ Informatica; and (iii) €15.0 million drawn from the Revolving Credit Facility.

Our cash flow used in financing activities for the three months ended March 31, 2025 was €8.9 million, mainly reflecting (i) €23.3 million of payment of interest related to the Existing Senior Secured Notes, the Existing PIK Notes, the Revolving Credit Facility as well as IFRS 16 lease liabilities; and (ii) €45.0 million of drawings under the Revolving Credit Facility.

Net working capital

We focus on the management of our net working capital. The following table sets forth the components of our net working capital as of December 31, 2022, 2023 and 2024 and as of March 31, 2025.

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(€ in millions)			
Trade receivables	146.9	200.3	213.5	477.2
Inventories	1.1	1.7	2.0	2.0
Other receivables	37.4	62.6	91.4	74.5
Trade payables	(67.6)	(71.5)	(91.2)	(87.2)
Other current liabilities	(151.0)	(213.6)	(258.0)	(568.4)
Net working capital	**(33.2)**	**(20.5)**	**(42.2)**	**(101.9)**

Due to the subscription-based nature of most of our contractual arrangements, our net working capital is subject to some extent to seasonality. Net working capital is generally cash generative in the first and second quarters. 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.

For our contractual arrangements, in our Micro and Cross-Segment Products business unit which mainly consist of subscription contracts, the billing pattern is not as seasonal, given customers generally pay upfront the subscription fees at the subscription date and are therefore normally spread throughout the year. Contracts with VARs also generate more frequent cash inflows as they are usually invoiced on a quarterly basis and the related receivables are collected in approximately three months.

Accordingly, our net working capital needs are high in the first quarter, reaching their peak during the first quarter (before we start collecting receivables from our Enterprise and Professional business units) and gradually decreasing through the end of the year. Deferred income, included in "*Other current liabilities*," has the same seasonality as the invoicing of sales, with an inverse correlation to trade receivables (i.e. it is amortized on a straight-line basis through the end of the year). As a result of the seasonality of our net working capital, we plan for fixed capital expenditures for employee salaries and VAT payments, which are due monthly and, with respect to VAT, at the time the invoice is raised (despite the delay in customer payment).

Net working capital increased by €12.7 million from negative €33.2 million as of December 31, 2022 to negative €20.5 million as of December 31, 2023, mainly due to a €53.4 million increase in trade receivables and a €25.2 million increase in other receivables, which was only partially offset by a €62.6 million increase in other current liabilities. This change in net working capital was also impacted by the fact that December 31, 2023 was not a business day and therefore the collection of receivables due on December 31, 2023 was delayed to January 2024. Without this effect, we estimate that the net working capital as of December 31, 2023 would have been negative €28.9 million and, consequently, the increase compared to December 31, 2022 would have been equal to €5.8 million.

Net working capital decreased by €21.7 million from negative €20.5 million as of December 31, 2023 to negative €42.2 million as of December 31, 2024, mainly due to a €44.4 million increase in other current liabilities and a €19.7 million increase in trade payables, which was only partially offset by a €28.8 million increase in other receivables and a €13.2 million increase in trade receivables. This change in net working capital was also impacted by the fact that December 31, 2023 was not a business day and therefore the collection of receivables due on December 31, 2023 was delayed to January 2024. Without this effect, we estimate that the net working capital as of December 31, 2024 would have been negative €33.8 million and, consequently, the decrease compared to December 31, 2023 would have been equal to €5.0 million.

Net working capital decreased by €59.7 million from negative €42.2 million as of December 31, 2024 to negative €101.9 million as of March 31, 2025, mainly due to €27.8 million of working capital effect and the impact of increased invoicing at the beginning of the year as a result of the increase in organic growth toward the end of 2024.

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.

Foreign exchange risk

Our foreign exchange risk represents our exposure to potential losses due to fluctuations in exchange rates affecting our assets and business operations conducted in currencies other than the Euro. Our exposure is primarily associated with the business of our international subsidiaries, where cash flows are typically denominated in the same functional currency as the country in which such subsidiaries are based and/or operate. Although we do not consider having a significant exposure to foreign exchange risks, in 2023, we acquired Mikrogroup, which operates in Turkey, a country experiencing hyperinflation and significant exchange rate fluctuations. Despite these conditions, the Mikrogroup conducts nearly all transactions in Turkish lira, thereby minimizing significant exchange rate differences. We employ a comprehensive risk management strategy to monitor and control our foreign exchange exposure, including managing outstanding balances in major international currencies, primarily through a mix of Euro and U.S. dollar, and allocating excess liquidity in Turkish Lira. For the years ended December 31, 2022, 2023 and 2024, and the three months ended March 31, 2024 and 2025, our foreign exchange gains/losses amounted to €0.0 million, €0.5 million, €2.4 million, €0.9 million, and €2.0 million, respectively.

Credit risk

Our credit risk represents our exposure to potential losses due to counterparty inability to discharge the obligations undertaken. This exposure relates almost exclusively to trade receivables deriving from the sale of products and services. We consider our credit risk to be low given the high fragmentation of the customer base and the high degree of customer loyalty. We also use procedures to limit overdue balances and send customers reminders when balances are due. Our maximum exposure to credit risk is represented by the carrying amount of trade receivables as presented in our financial statements, as well as cash and residual financial receivables recorded in current and non-current financial assets. As of March 31, 2025, we did not have any insurance cover for trade receivables. We use an ageing list in order to classify and control our trade receivables and we organize the ageing list according to most recent overdue accounts (0-30 days) to oldest (over 180 days). With respect to overdue receivables, any write-down recorded in our financial statements is determined based on an analysis of doubtful debts, plus a general allowance to take account of further expected losses on balances not yet overdue (taking into account the requirements of the new IFRS 9). Our credit collection performance has historically been successful and losses incurred in the past have been relatively modest. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, our allowance for bad debts was €5.5 million (or 1.0% of our total revenue), €7.0 million (or 1.0% of our total revenue), €9.0 million (or 1.0% of our total revenue), €1.9 million (or 0.9% of our total revenue) and €2.0 million (or 0.8% of our total revenue), respectively.

Interest rate risk

For the periods under review in this Offering Memorandum, we were subject to interest rate risk mainly related to the Existing 2021 Floating Rate Notes, the Existing 2024 Floating Rate Notes and the Revolving Credit Facility. A portion of the Existing 2021 Floating Rate Notes will be redeemed as part of the TS Transactions (as described under "*Use of proceeds*"). With the aim of reducing the risk of market interest rate fluctuations associated with our outstanding floating debt instruments, we entered into two interest rate swap contracts in April 2022 with a total notional amount of €700.0 million. Following the issuance of the Notes, we may consider further hedging against interest rate fluctuations to maintain our interest rate risk management strategy, also depending on the evolution of interest rates and forecasts.

Liquidity risk

Liquidity risk is the risk we will not have enough financial resources available to meet our financial obligations and commitments when due. In particular, the two main factors that determine the dynamics of our liquidity are, on one hand, the resources generated/absorbed by operating and investment activities and, on the other hand, the maturity and renewal of financial liabilities. Our liquidity risk has historically been managed at a central level by our finance department. We have put in place certain procedures aimed at optimizing cash flow management and reducing the liquidity risk, including:

- the maintenance of an adequate level of available liquidity;
- the adoption of cash-pooling at the central level;
- the obtainment of adequate borrowing facilities being put in place; and
- the control of prospective liquidity conditions, in relation to the corporate planning process.

INDUSTRY

Overview

We are the leading provider of cloud-based mission critical enterprise resource planning ("**ERP**") and financial management systems ("**FMS**") and e-invoicing software for three main customer segments: (i) micro and small businesses (0-9 employees and 10-49 employees, respectively) ("**Micro**"), (ii) mid-market businesses (50-499 employees) ("**Mid-Market**") and professionals (i.e. accountants, lawyers and labor consultants) ("**Professional**" or "**Professionals**") in Italy and in Turkey for Micro and Professional, with a growing international presence in Spain. We sell our solutions in five countries, namely Italy, Turkey, Spain, France, Israel, and also have operations in Denmark and Albania.

We have an extensive integrated suite of cloud solutions that addresses the different needs of our customer base and enables us to cross-sell and up-sell our solutions effectively as our customers request incremental features and/or more advanced configuration beyond basic invoicing and accounting modules. Our core solutions are ERP and FMS, which comprise, at the core, pre-accounting, accounting, asset management, production and supply chain management, administration and invoicing management as well as business intelligence and analytics and can be horizontal or vertical. For example, in the Micro segment, we have solutions for retail, hospitality and wellness. In the Mid-Market segment, we have solutions for construction and manufacturing ("**CAM**" and "**CAD**") and in the Professional segment, we have solutions for accountants, legal and CAF. From a reporting perspective, the vertical solutions covering Mid-Market and Professionals are included separately in the Market Specific Solutions ("**MSS**") business unit. In addition to all three customer segments, we offer Cross Segment Products, which include payments, financing and ratings (Digital Finance or "**DIF**"), CRM, e-commerce and marketing automation ("**Extended CRM**") included for reporting purposes within Micro Services, payroll and HCM ("**HR**") including Welfare solutions and digital identity, e-signature, archiving and cyber ("**Trust & Cyber Services**").

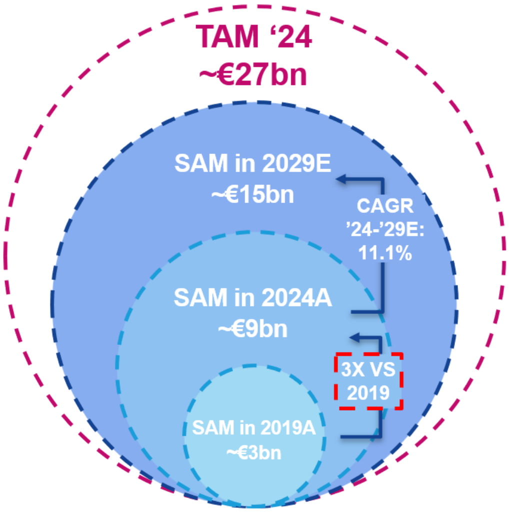
ERP software solutions represent a company's core 'system of record' for transactions, employee data and other enterprise records. The basic concepts and functionalities of ERP software products typically cover all the main business processes, such as enterprise asset management, accounting and financial management, sales/customers and supply chain management, human capital management, and manufacturing and operations. For professionals, ERP software solutions are mission critical tools through which they offer accounting and payroll services to customers, in addition to managing internal processes.

We have developed our platform of solutions via both internal R&D and M&A. For example, to further expand our product coverage and capabilities, including industry specific solutions, we acquired Multidata, which specialized in fashion industry solutions and GreeNext to expand into waste management. To broaden our HR product offering, we acquired Skylab, Microntel and Beneficy to offer an 'all-in-one' solution for human resources, which we integrated with our HR payroll and HR administration solutions, allowing our customers to manage employees' recruiting, careers, performance management, careers, development plans, benefits, training and health and safety. To enhance our E-commerce and CRM proposition, we acquired Storeden and the MailUp email and marketing suite, including ContactLab, a customer data and marketing loud, and Acumbamail, a Spanish email marketing and text messaging send-out platform. To build a customer-centric ecosystem of financial value-added services, we acquired ModeFinance, a rating agency certified by ESMA. Furthermore, in 2024, we acquired Change Capital and we expanded into credit brokerage services, enhancing our origination capabilities, and further broadening the range of credit solutions offered to our customers and to expand into cyber we acquired Muscope. By leveraging Muscope's innovative platform, Muscope Risk, our new solution offers comprehensive analysis of corporate vulnerabilities through a proprietary algorithm that simulates cybercriminal actions.

We offer our solutions both on cloud (Software as a Service ("**SaaS**") / Infrastructure as a Service ("**IaaS**")) and on premises. Our core markets are Italy, Spain, Turkey, France and Israel. We entered Spain in 2020, and further consolidated our position through the acquisition of Acumbamail and Aplifisa in 2023, Distrito K in 2024 and GoldenSoft in 2025. We entered the Turkish market in 2023 by acquiring the Mikro group, a leading local player. In 2024, we further expanded our international footprint by entering France through the acquisition of the Clementine group, an online-assisted accountancy provider offering cloud-based accounting software combined with expert support from professional accountants in France, and in 2025 we entered Israel with the acquisition of Morning, a leading provider of SaaS solution for e-invoicing for micro customers.

We have effectively been able to expand our serviceable addressable market ("**SAM**") over time, growing it from approximately €3.1 billion in 2019, to approximately €9.0 billion in 2024. We expect the SAM market to be worth €15.3 billion in 2029, as illustrated below.

TeamSystem SAM and TAM (€bn)



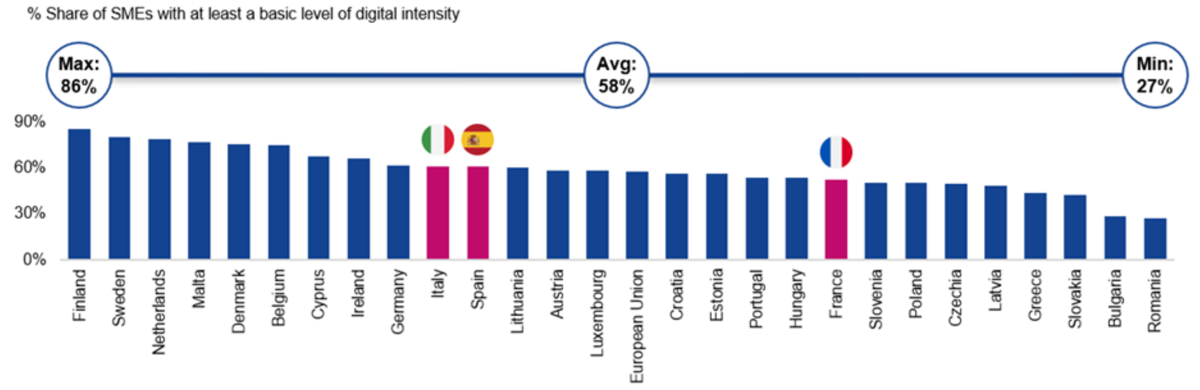
Source: Global Consulting Company Report

As of December 31, 2024, our total Italian SAM was worth €5.5 billion (€10.6 billion total addressable market ("**TAM**"), growing at a CAGR of 9% between 2024 and 2029. In addition, we are also exposed to the international ERP sector in Spain, Turkey, France and Israel, which was worth €3.5 billion (€16.8 billion TAM), growing at a CAGR of 14% over the same period. The SAM for the international sectors includes ERP and HR, as well as Extended CRM solutions for the Spanish market where we have already started to sell our horizontal solutions.

There are different dynamics and trends affecting geographies and customer segments, but we observed certain common factors across them, such as 1) ongoing regulatory driven tailwinds, 2) ongoing digitalization and ERP software uptake across all customer sizes (mainly mid-small sized companies), 3) ongoing transition to cloud, and 4) increasing AI adoption.

We believe there are still significant whitespace opportunities, as shown by the difference between SAM and TAM driven by (i) expansion of the product offering, (ii) increased customer reach (for example customers segments currently not covered or not served with a specific proposition) and (iii) expansion of the sale of horizontal product and services internationally, which is currently occurring in Spain and Turkey with plans to expand in France and Israel.

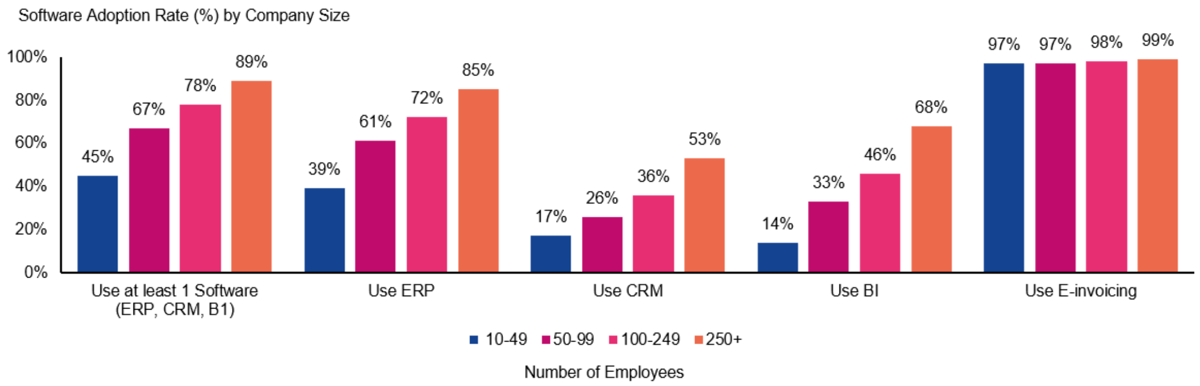
Our reference segments today are larger and more diversified than they were in the past, both geographically and product wise, which also makes them less correlated to macro-economic downturns. Our SAM has demonstrated resilience through economic cycles, outperforming Italy's GDP growth, with SAM organic growth of 10% in 2024 as compared Italy real GDP growth of 0.7% (Source: IMF), as illustrated in the chart below. Furthermore, our SAM has seen a recent acceleration, as a result of our increased focus on higher growth horizontal product and services, such as CRM, Trust & Cyber, as well as the entry into the geographies of Turkey, Spain, France and Israel with significant growth areas.



Source: Digital Economy and Society Index 2024 Indicators, data from 2023. Note: The digital intensity score is based on counting how many out of 12 selected technologies are used by enterprises. A basic level requires usage of at least four technologies.

Digitalization and ERP uptake by enterprise size

Italian micro and SMEs businesses constitute approximately 99% of all companies, of which approximately 95% are micro businesses with up to 9 employees. In terms of software adoption by company size, while the adoption of solutions for e-invoicing is very high (exceeding 97% across all segments) given the introduction of mandatory e-invoicing in Italy, the adoption of more advanced software solutions in Italy diverges by company size. The software adoption rate by company size is presented in the chart below.



Source: Istat Report Imprese 2023.

- ***Small businesses (10-49 employees)***: While 97% utilize an e-invoicing software, only 39% have an ERP software and only 17% utilize a CRM software. Continued digitalization and ERP adoption is driven by shifts and transformation of small businesses operating models that require more advanced instruments to attract and retain customers, manage the rapid growth in online demand, streamline key processes (for example tax, accounting, bookkeeping, invoicing, budgeting, estimates, inventories, POS, and accounting) via a digital platform, increase productivity and adapt to work from home ("**WFH**") arrangements with access to collaboration tools.

- ***Mid-Market (50-499 employees)***: The Mid-Market segment benefits from higher percentages of ERP adoption (61% for 50-99 employees and 72% for 100-499 employees), however i) the adoption of more advanced modules is still low (e.g. for CRM, 26% for 50-99 employees and 36% for 100-499 employees, for business intelligence, 33% for 50-99 employees and 46% for 100-499 employees), which means there is expected to be more space to cross-sell additional modules, and ii) existing solutions tend to be outdated, so there is an upgrade cycle which is expected to take place and will likely be done via cloud solutions. Demand for additional modules is expected to be driven by the increasing need of companies of digitize and automatize operations and embed data and AI within their operating model.

Security, 2025). The issue is particularly strong in Italy: on a national level, Italy is the fourth country by number of cyberattacks globally, ranking first in Europe (Source: USA International Trade Administration, 2024). In particular, Italy recorded a 40% increase in cyberattacks in 2024, with 1,979 total cases 573 classified as severe (Source: Aegister, 2025).

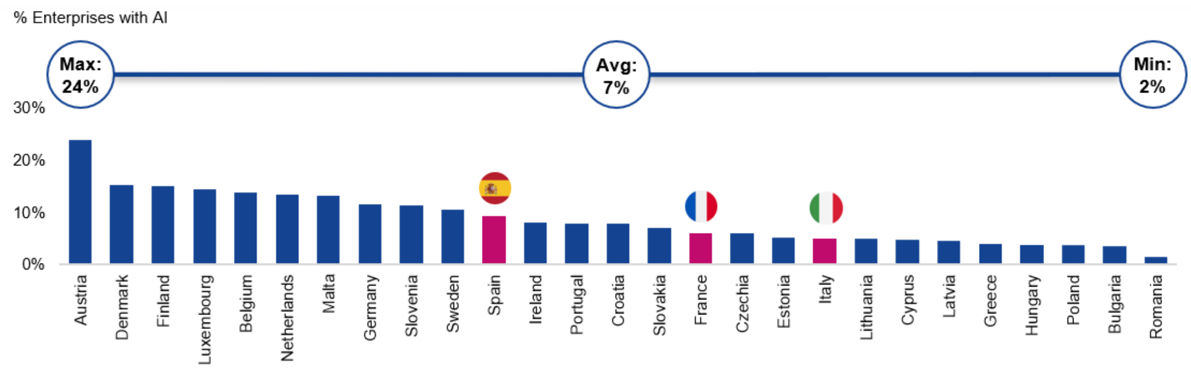
Cyberattacks are generally costly for companies to incur, yet are from our perspective often easily avoidable. We believe that approximately 90% of attacks are a result of human error due to lack of adequate technology training. As current SMB adoption of cybersecurity software is very low, and, given the ubiquitous threat level, demand for simple software solutions is on the rise. We thus believe there remains a big market opportunity to reduce cyber risks and attacks for SMBs. We believe the EU Cybersecurity SMB software TAM to be worth approximately €12 billion (as of 2022). Supported by the increase in attacks, and the SMB demand for cybersecurity software products, the EU cybersecurity SMB TAM market is expected to grow 12% between 2022 and 2024, according to management.

Emerging technology – generative AI

We believe the availability of new technology with very high level of accessibility for customers is an important growth driver in our reference market. AI is becoming a new technological paradigm in the ERP market. The AI in the ERP market is primarily driven by the growing need for business automation and the increasing reliance on data-driven decision-making. Organizations are seeking advanced solutions to handle complex operations efficiently and reduce human error. AI adoption has already accelerated, with 7.4% of SMEs in the EU on average in 2024 using AI, as illustrated in the chart below, up from 7.0% in 2023 (Source: Eurostat). Recent technological developments include emerging paradigms such as advanced machine learning and generative AI, which are expected to become increasingly integrated in ERP software solutions and therefore accessible to customers.

Winners in the ERP space are expected to be those businesses which are able to lever generative AI both for internal efficiency (e.g. software development), but more importantly, to integrate it into their customer solutions (embedding AI infused into core business applications e.g., ERP, CRM, HRM).

Enterprise AI Penetration



Source: Digital Economy and Society Index Report 2024, European Commission. Note: Enterprises with AI (represented in the chart above) are defined as using any AI technology.

In particular, generative AI ("**GenAI**") is projected to drive up to $240 billion in software market expansion (28% of current global software TAM) and potentially unlock $3.5 trillion in economic value by 2030, with software vendors expected to capture 15% of the total value unlocked and global adoption rates potentially reaching 45%, underscoring the importance of embedding GenAI into enterprise platforms early to capture long-term growth (Source: Global Consulting Company Report).

Specifically in Italy, customers are generally becoming more aware of AI and they perceive it as an important tool with which they can improve their way of working, though adoption levels are varied with significant margin of improvement in terms of penetration. Per our internal survey amongst professionals, 75% already initiated efforts to implement AI solutions whereas 80% expressed confidence around AI are thinking about engaging with AI products, which are seen as tools to boost efficiency and productivity. SMEs perceive AI as a possible substitute for repetitive tasks, and as a cognitive and/or generative tool. In terms of competitive landscape, we believe no compelling solutions are readily available on the market. We believe our traditional competitors have not yet launched AI-based solutions, but only a few vertical features/beta programs with a reduced number of customers. We have recently run a survey (Source: Kantar 2024 – *Indagine B2B sul percepito e le aspettative verso*

Enterprise digitalization and cloud

SMEs are particularly relevant in Spain, where almost 2.9 million SMEs (over 99% of the total) contributed 61% of the total value added and employed 72% of the total workforce in 2022 (Source: European Investment Bank, Digitalisation of Spanish SMEs, 2022). SME digitalization tracks slightly ahead of the EU average, with Spain registering 61% of SMEs with at least a basic level of digital intensity, in comparison to the European average of 58% (Source: Digital Economy and Society Index Report 2024, European Commission). The Spanish government is continuing to invest to improve enterprises' digitalization levels in Spain, where there remains ample growth opportunities. Starting in 2025, Spain will enforce mandatory verified billing through the Veri Factu system, which requires invoicing software providers to validate invoices directly with the Spanish Tax Agency. From 2026, usage becomes mandatory for companies and micro-enterprises (January), and for freelancers (July), driving adoption of compliant digital tools. Alongside this, the Crea y Crece Law will mandate B2B e-invoicing first for companies with revenues over €8 million (from July 2026), and then for all other companies (from July 2027), with full compliance and payment communication requirements effective from January 2028. Reforms and investments to improve scalability and digitalization of SMEs may not only have a direct effect on SMEs' basic and advanced digitalization but may also have an indirect multiplier impact on other dimensions and targets (e.g. the number and quality of ICT specialists, infrastructure, and digital public services) and the overall Spanish economy. The share of SMEs with at least a basic level of digital intensity remains just below the EU average, and there remains ample opportunity for growth.

Spain is currently also implementing several measures to increase the number of enterprises taking up cloud computing as Spain currently lags the European average for adoption of cloud computing amongst enterprises, with Spain at 27% of enterprises with cloud computing services of sophisticated or intermediate level in contrast to the European average of 39% (Source: Digital Economy and Society Index Report 2024, European Commission). In 2022, under Spain's RRP, the country launched the UNICO I+D Cloud program, which provides grants to support innovative cloud computing projects in public research centers and foundations as well as public universities. In the context of the IPCEI on Next Generation Cloud Infrastructure and Services, Spain is expected to actively contribute to increasing cloud uptake among businesses and to investing in new green-cloud infrastructure models (i.e. introducing sustainable operating models, de-carbonized with the use of natural refrigerants). While current cloud technology uptake is low in Spain, we believe there is opportunity for growth, as well as tangible initiatives to drive acceleration.

We believe a key driver of growth in Spain over the next few years will be the adoption of mandatory e-invoicing. This will force millions of companies to start adopting basic FMS solutions. Linked to this transition we expect an uptick in cloud adoption and increase in penetration of more advanced FMS solution beyond basic e-invoicing as we have experienced in the Italian market.

We are well positioned to capture this trend as we successfully reach over a 30% market share in Italy thanks to our distinctive go-to-market strategy (i) ad-hoc product tailored to micro and small companies needs; (ii) Accounting-s-a-Channel; (iii) digital marketing capabilities with online representing main acquisition channel resulting in high LTV/CAC ratio).

Overview of the Turkish market

We believe that similarly to Italy and Spain, growth in the Turkish ERP sector will also be driven by regulation, supported by government efforts to combat the shadow economy, as well as an increase in digitalization in the country.

Regulatory-driven adoption

The Turkish government has been taking proactive measures to combat the shadow economy in Turkey since 2008. A current government focus is establishing online systems for real-time tracking and auditing ("**e-txn**"). A selection of key initiatives which aim to address the grey market through increasing digitalization and monitoring, and in turn should sustain the growth of the Turkish ERP sector (as more businesses are digitalized), is listed below (all with expected completion before 2025).

- ***E-Integration***: Track cash transactions of produce sellers by integrating agriculture reporting organizations with e-systems (e.g., e-Ledger, e-Archive, etc.).

- ***Salary payments***: Expand capabilities and laws mandating business owners to pay their employees through online banking.

- ***Ledger database***: Building online system to have all business ledgers (including inventory tracking) recorded in an online database.

- ***Invoice tracking***: Make the use of the Centralized Invoice Registration System more widespread to ensure debt is used in accordance with the nature of financing.

- ***Digital payments***: Implement measures to promote widespread use of digital payment methods such as bank or credit cards, as well as other payment options, instead of cash.

- ***E-Dispatch***: digitalization of required documents for the transportation of goods from warehouse.

- ***E-Archive***: Storage of e-invoice for Turkey Revenue Administration (TRA) check purposes.

- ***Limit cash use***: Implement regulations (preventative and incentive) to reduce the grey market in activities where cash is heavily used, specifically in the service sector.

- ***Remote work***: Develop regulations and business codes for remote, hybrid, and shared-office business owners to accurately track their activities.

- ***Auditing***: Enhance effectiveness of control and auditing activities carried out by government tax offices by developing a pre-audit and analysis system.

Current regulations require companies with a turnover greater than 3 million Turkish Lira to comply with e-invoicing regulations, the inflationary environment in Turkey however is expected to result in a larger number of companies falling within the e-invoicing threshold. The Turkish market is then expected to naturally increase by 25% year-on-year as inflation will force an increasing number of companies to adopt e-invoicing. Indeed, as of December 2024, there were 1.6 million companies using e-invoicing, of which 1.4 million used a private solution, and in light of the country's inflationary environment, an increasing number of micro companies are expected to fall within the threshold. Additionally, as of May 31, 2025, two million companies were required to submit electronic ledger to fiscal authority, with requirement expected to be extended also to smaller companies in the coming years.

Enterprise digitalization and cloud

SMEs play an important role in Turkey, with almost 3.7 million SMEs (over 99.7% of the total number of companies) employing approximately 71% of the total workforce and accounting for 47.4% of total turnover (Source: TurkStat, 2023). As such, SMEs can play a large role in driving the digitalization process in Turkey. The government has been driving digitalization across SMEs in Turkey with various initiatives, of note, the Turkish Enterprise and Business Confederation has initiated the "*Digital Transformation Center*" project which is a part of Istanbul Development Agency's 2018 Innovative and Creative Istanbul Financial Support Program, an institution working in coordination with the Ministry of Industry and Technology of Turkey. The project (with a 3 million Turkish Lira budget) is aimed to help SMEs with digital transformation and increase their global competitiveness capacity, also further sustaining Istanbul's broader innovation ecosystem.

We expect the digitalization initiatives mentioned above and the e-invoicing expansion drive ERP uptake as well as cloud penetration too, similarly to trends that we have experienced in Italy.

According to a report prepared by Deloitte and TÜBİSAD, Turkish enterprises still lag the European average for use of cloud computing services with only 16% of enterprises in Turkey investing in cloud solutions in 2023 in comparison to 39% European average of cloud adoption. Nonetheless, the uptake of cloud computing services amongst enterprises has been on the rise in Turkey and there remains a vast opportunity for further growth as detailed in the following chart.

- ***Self-employed/sole traders***: Typically operate without employees, with limited digital infrastructure, but many will become ERP software buyers due to regulatory enforcement.

The structural diversity of the French businesses is mirrored by the scale and fragmentation of the market itself. In 2022, France had a large and varied business base with approximately 5.3 million companies subject to VAT that are potentially eligible for the upcoming e-invoicing mandates. This includes over four million sole traders, many of whom operate under the simplified "micro-BIC" regime. Notably, more than 80% of micro-BICs do not use accountants today, representing a major opportunity for digital enablement through ERP or light-touch accounting solutions. This opportunity is reinforced by the demographics and renewal rates of the French SME sector. Over 600,000 new businesses are created annually, providing a constant inflow of potential ERP users. Meanwhile, in 2022, approximately 85% of the total market consisted of companies with fewer than ten employees, underscoring the need for modular, affordable, and easily implementable ERP offerings. Importantly, as tax and compliance expectations become increasingly burdensome even for the smallest firms, ERP adoption is no longer just an operational upgrade but a baseline requirement for efficient business administration (Source: INSEE for number of companies in France).

As a result of this structural complexity, France has developed a deeply rooted culture of outsourced accounting, particularly among SMEs that lack the internal capacity to manage compliance and financial reporting requirements. The reliance on external expertise has historically substituted for internal digitalization in many small businesses.

This unique ecosystem provides an embedded distribution channel for ERP providers, particularly those who can offer integrated, accountant-friendly solutions that align with both compliance requirements and existing workflows.

Regulatory-driven adoption

Similarly to the Italian government, the French government has taken structured steps to enforce e-invoicing and e-reporting obligations as part of a broader push toward digitalizing the economy. While originally set for 2024, the timeline has been revised, with a unified entry into force now scheduled from 2026. The reform applies to all B2B transactions and includes differentiated timelines by company size, as outlined below (all with expected completion before September 2027 (Source, L'Association Française de Normalisation (AFNOR)).

- ***July 2024 (postponed)***: Initial obligation for large companies to receive and issue B2B e-invoices;

- ***January 2025 (postponed)***: Planned start date for medium-sized companies to issue B2B e-invoices;

- ***January 2026 (postponed)***: Originally intended obligation for small companies to issue B2B e-invoices;

- ***September 2026 (new timeline)***: Obligation to receive B2B e-invoices for all companies and issue B2B e-invoices for large (over 5,000 employees and either over €1,500 million in revenue per year or over €2,000 million in assets) and medium-sized companies (over 250 employees and either over €50 million in revenue per year or over €43 million in assets); and

- ***September 2027 (new timeline)***: Obligation to issue B2B e-invoices for small companies (fewer than 250 employees and less than €50 million revenue per year).

Key implementation areas

- ***E-invoicing***: All businesses established in France and subject to VAT (excluding exempt entities such as non-profits, certain public sector organizations, and finance/insurance firms) will be required to issue and receive electronic invoices for B2B transactions involving other VAT-registered businesses. This applies to approximately 5.1 million businesses.

- ***E-reporting***: Companies will also be required to transmit transaction data to the tax authorities for B2B and B2C transactions involving non-VAT-registered parties or foreign entities.

- ***Phased rollout***: Implementation phases include pilot programs throughout 2024 and 2025, ensuring infrastructure readiness before mass enforcement in 2026 and 2027.

- ***Integration with ERP systems***: Companies are expected to adapt their ERP tools to comply with government interoperability standards and reporting mechanisms.

- ***Growth catalyst for SMEs***: Regulatory pressure is expected to drive ERP and digital solution adoption particularly among small and mid-sized businesses, which historically had lower penetration.

Enterprise digitalization and cloud

While historically below the EU average, cloud adoption in France has seen a marked acceleration in recent years. In 2023, 22.9% of enterprises were using cloud solutions, a significant step forward and an indicator of growing digital maturity despite there is still a significant gap with EU average of 38.9%. The French government has made digital transformation a strategic priority, especially for SMEs, supported by targeted initiatives and trusted infrastructure development.

- The French roadmap demonstrates that the country plans some effort to achieve the "Digital Decade" objectives and targets. It sets targets for 12 out of 14 key performance indicators (KPIs) and, in most of the cases, targets are aligned with the EU 2030 ambitions. To achieve its digital transformation, France plans to allocate a total budget (excluding private investments) estimated at EUR 10.2 billion (0.4% GDP).

- France has launched multiple initiatives to accelerate SME digitalization, notably through the France Num platform, which offers advisory support and co-financing for digital investments. These programs are designed to lower the barriers to entry for SMEs seeking to adopt cloud solutions, helping bridge the digital gap.

- Investing in sovereign and trusted cloud services: The formation of "Bleu", a joint venture between Orange and Capgemini, marks a major step in building secure, European-compliant infrastructure. Bleu aims to deliver cloud solutions that meet the SecNumCloud 3.2 certification by 2025, addressing data privacy, compliance, and national sovereignty — key enablers for broader adoption in sensitive sectors.

Across the broader SME segment, awareness and adoption are increasing as more businesses recognize the operational flexibility, security, and scalability that cloud solutions offer. The Special Eurobarometer "Digital Decade 2024" reveals some positive trends, such as the high importance that French people give to digital technologies for accessing public services (82%), indicating strong appreciation for digital advancements, and for connecting with friends and family (85%). This trend is expected to continue, supported by a combination of public sector incentives and private investment in secure, sovereign cloud infrastructure (Source: AWS France 2024 Digital Decade Country Report).

Overview of the Israeli Market

Israel is currently undergoing a major digital tax reform aimed at reducing VAT fraud and improving tax transparency. The government is introducing a mandatory real-time invoice clearance model, which will require businesses to obtain an official allocation number from the Israeli Tax Authority (ITA) for B2B invoices above a certain value as a condition for deducting VAT from invoices. This reform is being implemented gradually through a phased reduction in invoice value thresholds, which will expand the scope of companies and transactions subject to the new requirements over time.

Regulatory-driven adoption

The Israeli Tax Authority is rolling out its Continuous Transaction Controls (CTC) regime in stages. The reform mandates that businesses submit invoice details electronically to the SHAAM platform (the ITA's clearance system) and receive a government-issued allocation number before issuing the invoice to their customer.

This obligation currently applies to higher-value invoices but will progressively extend to lower-value (pre-VAT) invoices each year:

- ***May 5, 2024***: Mandatory for invoices above NIS 25,000 (USD 7,100);

- ***January 1, 2025***: Threshold lowered to NIS 20,000 (USD 5,700);

- ***January 1, 2026***: Threshold lowered to NIS 10,000 (USD 2,900); and
- ***June 1, 2026***: Threshold lowered to NIS 5,000 (USD 1,400).

Note: USD amounts shown at rate 1 NIS = 0.285 USD as of 30 May 2025 and rounded to the nearest USD 100.

This staged reduction means that over time, a growing number of routine B2B invoices will fall under the e-invoicing obligation, significantly increasing ERP adoption and digitalization across the Israeli economy. (Source: Sovos: Israel e-invoicing).

Key implementation areas

- ***Real-time clearance system***: Businesses must submit invoice data to the SHAAM platform to receive an allocation number before the invoice can be issued and used for VAT deduction.
- ***ERP integration***: Companies must upgrade or adapt ERP systems to automate the process of sending invoice data and retrieving allocation numbers, minimizing operational disruption.
- ***Digital signatures***: While e-invoicing itself is not yet compulsory for all invoices, electronic invoices must be signed with a certified digital signature to ensure legal validity.
- ***Archiving requirements***: Invoices must be digitally stored for at least seven years, ensuring compliance with local tax record-keeping laws.

This reform is expected to significantly increase ERP and digital finance software penetration in Israel, especially among mid-sized companies that previously relied on manual processes (Source: Edicom - Electronic Invoicing in Israel: CTC clearance model).

Enterprise digitalization and cloud

Israel is making significant strides in digital transformation, with cloud computing playing a pivotal role in enhancing business operations and public services. The nation's robust digital infrastructure, coupled with strategic investments, supporting government initiatives, and dynamic tech ecosystem position it as a leader in technological advancement.

As of January 2024, Israel's internet penetration reached 92.1%, with 8.51 million individuals online and the country's Information and Communication Technology (ICT) sector is projected to grow from $50.74 billion in 2023 to $59.88 billion by 2028, reflecting a CAGR of 3.37%. The high-tech sector significantly influences Israel's economy, accounting for approximately 20% of the national GDP and 53% of total exports as of 2023 (Source: US International Trade Administration, Datareportal, Reuters).

Cloud computing adoption in Israel is also accelerating. According to Deloitte, cloud adoption could contribute 1.58% to Israel's GDP during 2023-2033, amounting to US$105.9 billion (Source: Deloitte, The Economic Impact of Cloud Computing in Israel 2024). Major tech companies are investing in Israel's cloud infrastructure. For instance, AWS launched a new cloud region in Tel Aviv in 2023, with a planned investment of ILS 26.6 billion (approximately $7.2 billion) through 2037. This initiative is expected to contribute ILS 51.7 billion (around $13.9 billion) to Israel's GDP and support over 7,700 full-time equivalent jobs annually (Source: Amazon Web Services, Capacity Media).

Additionally, Israel's participation in the Digital Nations group reflects its commitment to advancing digital government services and fostering international collaboration in digital innovation.

Target customer segments

Our main target customer segments are (i) micro business (1-9 employees) and small businesses (10-49 employees), (ii) mid-market business (50-499 employees) and (iii) professionals (i.e. accountants, lawyers and labor consultants)). Key market drivers are still the ones described in the previous section, albeit market dynamics differ slightly across the customer segments, as outlined below.

Micro and small businesses

We offer ERP, FMS and our broader product platform of software solutions to micro (1-9 employees) and small businesses (10-49 employees). Our Micro Solutions business unit has become an increasingly important part of our business, reaching €302.5 million and accounting for 33.9% of our total revenue for the year ended December 31, 2024.

Italian SMEs and micro and small businesses represent 99.9% of all of the approximate 4.5 million companies in Italy (Eurostat, 2023). Of these companies, approximately 4.2 million are categorized as microbusinesses (Source: Eurostat, 2023), with less than 10 employees. Thus, making Italy one of the largest SME and micro and small businesses sectors in Europe, compared to approximately 5.3 million companies in France and almost 2.9 million companies in Spain (Source: European Investment Bank, Digitalisation of Spanish SMEs, 2022). We believe SMEs and micro businesses play a major role in global economic growth, particularly for Italy.

Micro, small, and medium-size enterprises ("MSME") in Italy

Our Micro segment has benefitted from mandatory B2B and B2G e-invoicing regulation, which prompts widespread adoption of e-invoicing solutions across all company sizes (over 97% of Italian small enterprises adopt e-invoicing solutions in 2023 in comparison to the 37% UE27 average – Source: Eurostat).

Italy became the first country in Europe which mandated e-invoicing, with the objective to combat tax fraud and tax evasion, and thus increasing the efficiency of the fiscal system. Since 2015, B2G e-invoicing has been mandatory in Italy. This is consistent with many other European countries which have introduced mandatory B2G invoicing. In 2019, mandatory B2B and business-to-consumer ("**B2C**") e-invoicing was also introduced. The invoices must be in the *FatturaPA* format and are transmitted via the *Sistema di interscambio*. There was originally an exemption for businesses with turnover below €65,000, which as of January 2024 was removed, thus becoming applicable for all businesses. Adoption of mandatory e-invoicing regulation has been varied across Europe, with France only making B2G e-invoicing mandatory since 2020, while B2B invoicing currently remains voluntary, with an envisioned staged implementation. It is currently envisioned that LME invoicing will be made mandatory by September 2026, and SMEs and micro businesses e-invoicing will be made mandatory by the third quarter of 2027. In Spain, B2G e-invoicing has been mandatory since 2015, albeit only for transactions above €5,000. B2B e-invoicing in Spain currently remains voluntary, but is expected to be become mandatory from as early as 2026, once final legislation is passed, likely with a phased introduction with large businesses required to comply first followed by other businesses (Source: The Spanish Ministry of the Economy).

The *Sistema di interscambio*, the Italian invoice exchange platform, processes over two billion B2B e-invoicing per year. The mandatory e-invoicing is helping achieve important goals in tackling VAT evasion and simplification of administrative and fiscal processes and boosted the growth of the market of services. The Italian Revenue Agency has made available free services to support the onboarding process of SMEs and to facilitate the process of transmission and archiving of e-invoicing. The Italian Revenue Agency developed a dedicated smartphone application, which allows SMEs to create and transmit e-invoicing (Source: European Commission).

While a free e-invoicing solution from the Italian Revenue Agency exists, we observe that this is used primarily by cost-conscious micro businesses that do not issue a high number of invoices (below approximately 20 to 40 invoices per month). A lot of micro businesses and *partite IVA* (a self-employed worker or owner of a company) still benefit from our e-invoicing solution, even if it includes only some basic modules (e.g. a basic e-invoicing and dashboard) as it represents a cost effective solution (approximately €60 to €140 per annum) to keep their finances readily available and effectively share data with their accountant.

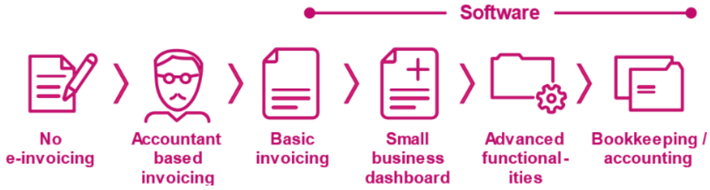
We believe the below to be key drivers of growth in this segment.

1. ***Ongoing digitalization, ERP uptake and cross-selling***: as basic needs are met (e.g. e-invoicing), customers discover new modules (bookkeeping / accounting), as well as other features (CRM, HCM). Broader ERP solutions are largely unpenetrated in the smaller end of the market, where amongst small businesses (10-49 employees) 37% utilize an e-invoicing software, but only 38% utilize an ERP software and 22% utilize a CRM software (Source: Eurostat). Given TeamSystem's leading positioning in the e-invoicing space, it is well placed to offer adjacent solutions on top of the more basic functionality. Another element which gives us comfort to believe there is upsell, cross-sell (and pricing) upside is that customer average spend (ARPU) is six times lower than other European countries; and

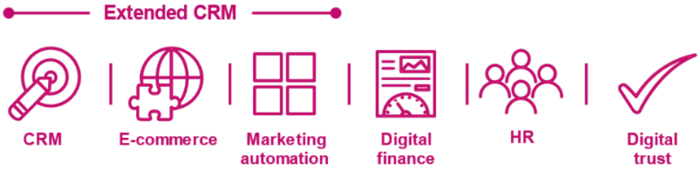
2. ***Cloud***: most of adoption of new solutions across the Micro segment is cloud based.

Evolution of a Micro-business' software solution adoption

Evolution from adoption of invoicing solutions to more advanced software solutions:



Continued customer evolution and adoption of broader software solutions:



We believe that our success factors in this segment include:

- First mover advantage on e-invoicing enabling to establish a market leading position;
- Comprehensive suite of product offering for micro and small businesses, to cater for their needs and a modular based approach allowing for ease of up-sell and cross-sell; and
- Strength across both horizontal and vertical offering, with an extensive portfolio of industry specific solutions to cater to our customers' needs (without need for extensive integration and customization of products).

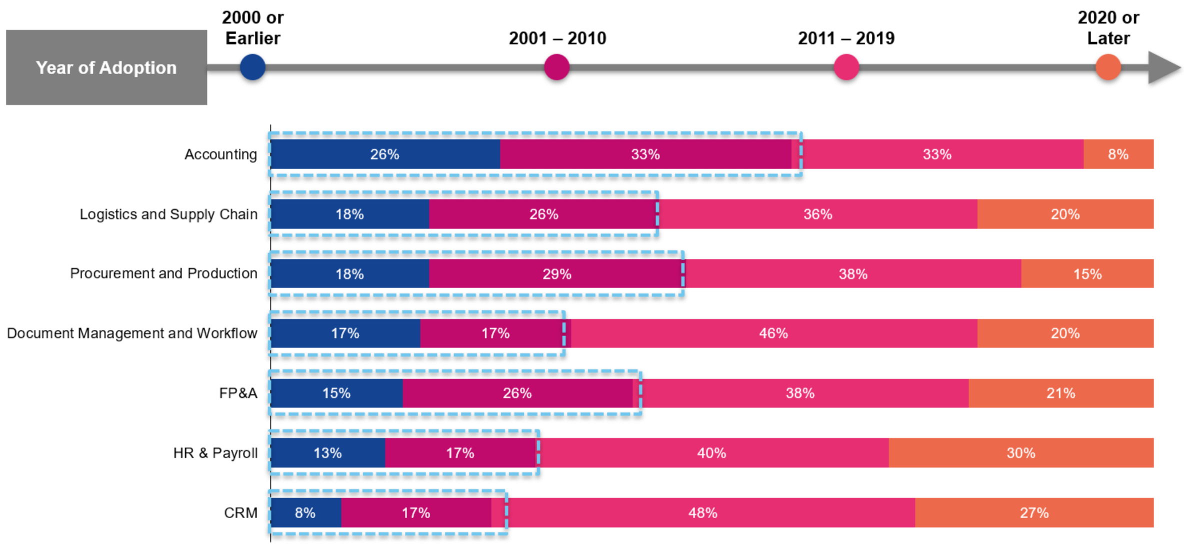
Mid-Market

We offer ERP, FMS and our broader product platform of software solutions to mid-market businesses (50-499 employees, but also have some larger customers in this segment). Our Enterprise Solutions business unit has grown consistently, reaching €186.6 million and accounting for 20.3% of our total revenue for the year ended December 31, 2024.

We believe key drivers of growth in this segment include:

- ***Regulatory driven adoption***: Mid-market businesses are also impacted by tax and legal compliance obligations, which are constantly evolving. As a matter of fact, the mid-market and upper end of the market is often the "first adopter" of new regulations, which tend to be first rolled out to larger businesses in the first instance, and to smaller businesses in a second moment.
- ***Ongoing digitalization***, ERP uptake and cross-selling: The mid-market benefits from higher percentages of ERP adoption (38% for 10-49 employees and 66% for 50-499 employees in the EU in 2023), however i) the adoption of other modules is comparably low (e.g. for CRM: 22% for 10-49 employees and 40% for 50-499 employees) and ii) existing solutions tend to be outdated, so there is an upgrade cycle which is expected to occur via cloud solutions (Source: Eurostat, 2023). The year of adoption of various management software types is illustrated below.

Year of adoption of management software in Italy



Source: AssoSoftwareResearch Survey 2023.

- ***Cloud***: most of ERP software for Italian mid-size businesses is still on-premise. The migration to cloud-based services is expected to be a major growth driver over the next few years. Migration to cloud is often done with an uptick in ARPU so-called "uplift" (higher revenue from SaaS subscription compared to replaced maintenance revenues since infrastructure service is offered on top of core application services).

We believe that our success factors in this segment include:

- comprehensive, modular and integrated suite of product offering for mid-market businesses, to cater for their needs and a modular based approach allowing for ease of up-sell and cross-sell; and

- strength across both horizontal and vertical offering, with an extensive portfolio of industry specific product and service to cater to our customers' needs (without need for extensive integration and customization of products).

Professional

We offer ERP, FMS and our broader product platform of software solutions to professionals. Our Professional Solutions business unit, historically our key customer segment, represents €239 million of 2024 revenues (26% of total 2024 revenues), and growing organically 7% from 2023 to 2024.

Such segment consists of professional advisors providing tax, labor and accounting advice to businesses and private individuals, and can be divided into three main customer groups:

- ***Accountants***: Professional advisors providing tax filing services and tax and accounting advice to businesses and private individuals;

- ***Labor consultants***: HR administration and management advisors providing advice and services relating to payroll and HR matters to businesses and professional organizations;

- ***Law firms***: Law firms providing legal advice to businesses and private individuals; and

- ***Authorized Fiscal Advisory for Individuals ("CAFs") and public sector entities***: Require specific software solutions to submit annual tax income filings for individuals and /or companies.

We believe regular and timely software updates are critical for professional advisors, as ERP and business management software products must constantly be updated to accommodate changes in tax, accounting and labor

Since our early entry in the Micro customer segment in 2019, we have built a strong customer base and achieved high client satisfaction, enabling us to grow our share above 30% between 2019 and 2024 (Global Consulting Company Report). Our comprehensive offering of innovative software solutions has allowed us to navigate the evolving Italian regulatory environment and establish our leadership position within this fragmented sector. We offer a comprehensive set of solutions on top of basic e-invoicing, which is very appealing to our micro customer base: from accounting and bookkeeping, to verticalized solutions (Welness, HoreCa), to marketing automation and digital finance. Our extensive product suite not only solidifies our share within our reference segments but also enhances customer loyalty and engagement. As a result, our closest top three competitors in this segment held a collective estimated share in the sector of approximately 26% as of June 30, 2023, underscoring our established leadership and the effectiveness of our first-mover advantage (Global Consulting Company Report).

Small (10-49 employees) and mid-size (50-499 employees) businesses

In 2023, the Italian ERP sector for businesses between 10-499 employees was fragmented, with the top three software providers behind TeamSystem accounting for approximately 20% of such segment, based on number of seats. In this segment, we have managed to gain a leadership position *vis-à-vis* our competitors.

We believe that we and other large Italian software providers are best positioned to take advantage of this sector due to several factors. Firms with greater resources can offer a wider range of services, cover a greater geographical reach and deliver consistent quality of customer support. Additionally, large national providers benefit from economies of scale in providing services and products to a large number of customers across and are able to invest higher resources in product research and development to keep up with technological innovation and regulatory evolution and to maintain their product offer aligned with state-of-the-art technology. Finally, customers are less likely to be concerned about the risk that their services will be discontinued when dealing with large providers. As a result, we have established ourselves as a clear leader in the Italian Mid-Market segment.

The remaining space is divided among numerous smaller ERP and FMS software providers. We do not compete with international software providers such as Microsoft and SAP as they target large and multinational enterprises, which are not our target customers.

Professional

While the Professional segment in Italy is more stable and mature compared to the Micro segment, large providers are still best positioned to take advantage of the fragmentation remaining in the market due to similar factors to those relevant to the SMEs and micro businesses customer segment. In addition, larger national and international firms are better placed to promptly implement software updates critical to professional services firms, such as those relating to changes in regulation or accounting standards. Moreover, superior brand recognition derived from being a key provider in this market may be leveraged to both attract new customers and retain existing customers. As a result of these factors, we have secured a leading position in the Professional segment, maintaining a share of over 30% without ceding ground to competitors, mainly due to our strong reputation for innovation and a compelling product offering.

International and Cross-Solutions

Spain

We estimate our overall share to be approximately 6% based on our revenues for the year ended December 31, 2024 and our estimate of the Spanish segment size (Spanish 2024 SAM of ERP and FMS solutions: €0.7 billion) over the same period. Our share has grown from less than 2% in 2020 (based on a Spanish 2020 SAM of €0.5 billion) due to strong organic and inorganic growth.

Although mandatory e-invoicing regulation will not be adopted until at least 2026, we are strengthening our position in this segment, primarily gaining share from larger players such as Wolters Kluwer in the professional market, thanks to our more advanced and competitively priced solutions.

Micro

We believe we have a strong position in Spain in the Micro segment which has historically been less of a focus for the larger players in Spain. Our strong position in the micro businesses in Spain is further bolstered by our extensive experience in the Micro Solutions market in Italy – we have successfully exported both our know-how and products to Spain.

Furthermore, our strong relationships with accountant customers in Spain are a further growth enabler in the Micro segment. Our product is well-recognized amongst accountant customers in Spain, which in turn can encourage their clients to adopt our solutions for streamlined accounting management, expanding our reach and impact within the micro segment. We expect to further grow in the Micro segment aiming to replicate the success achieved in Italy, where TeamSystem holds a share exceeding 30%.

Enterprise (small (10-49 employees) and mid-size businesses (50-499 employees))

The Spanish ERP sector for small businesses is more fragmented than other segments, with a long tail of solutions which represent approximately 50% of the share. The mid-size segment instead is concentrated around key players, such as Sage, SAP, Microsoft, and Wolters Kluwer, which control approximately 50% of the share.

Professional

The Spanish market is consolidated and dominated by specialist players such as Wolters Kluwer and Sage. Other players have a limited presence, and mainly cover historical clients given lack of recent strategic investments in the segment. Most recently, TeamSystem has expanded its presence in this segment, with customers increasingly recognizing the advanced functionality and competitive pricing of its solutions as compared to its primary competitors, such as Wolters Kluwer.

Turkey

We estimate our overall share to be approximately 19% based on our revenues for the year ended December 31, 2024 and Turkish segment size (Turkish 2024 SAM: €284 million) over the same period. Within the total Turkish segment, our share in the Micro and Mid-Market segments were valued more than 30% and approximately 12%, respectively as of December 31, 2024, accordingly to management's estimates and analysis. We estimate to have more than a 30% share in the Professional segment (Source: Management analysis and Global Consulting Company Report).

Micro and small businesses

In the SME segment, Logo is the leading player followed by Mikro group, with a fragmented long tail of competition. The SME segment is highly stable with low churn rates, keeping companies' positions intact. The user perception of Logo and Mikro are similar with very little differentiation across two. Furthermore, Mikro is gaining traction against the competition via its subscriber model.

In the micro segment, Mikro (Paraşüt product) is well-positioned as a leading player with stronger customer perception. Paraşüt's position is driven by its first mover advantage and strong CPA recommendations.

Professional

In the Professional segment, Luca and Mikro (Zirve product) are the two market leaders. Luca's leading position (for number of users) is driven by its connection to TURMOB (CPA association) and considerably low pricing point in comparison to Zirve. Luca and Zirve appear to have similar functionality, whereas Luca has the advantage of being web based. Recent growth indicators show similar growth rate for both solutions, hence, the position of the two leading players appears to be stable. A significant portion of CPAs own multiple softwares, hence, there are exist an overlap between Luca and Zirve users in the professional sector.

Mid-Market

In Turkey's Mid-Market segment, Logo is the leading local player, ahead of both domestic and international competitors. Logo's strength is underpinned by its broad end-to-end solution suite, covering areas like accounting, HR, inventory, and supply chain management. International players such as SAP, Oracle, and Mikro also have presence in the segment but generally follow Logo in terms of market share and local reach.

Logo's strategy of operating with separate product development and sales teams allows it to compete more dynamically across different customer needs. Similar to Netsis, Logo İşbaşı functions as a distinct entity with focused GTM efforts, currently holding a challenger position in the microSME segment after Paraşüt. However, Logo Mali Müşavir has yet to achieve meaningful traction among accountants.

BUSINESS

Overview

We are a leading European provider of AI-powered cloud-based mission critical SaaS solutions, enabling digital transformation for small and medium businesses and professional customers across Italy, Spain, Turkey, France and Israel. Our mission is to improve the competitiveness of our customers, supporting them with the digitalization and automation of their internal and external business processes through our premium cloud-based product offering and solutions which also connect businesses, professionals and public administration organizations. Our products include software solutions for the core business processes of accountants and labor consultants (such as the provision of tax and accounting advice and payroll services) and a suite of financial and accounting management, enterprise asset management, HR management, production and supply chain management, administration and invoicing management, customer management and cybersecurity software solutions, bolstered by generative AI and data analysis tools and capabilities, for micro, small and mid-market businesses and professional customers. We also offer on-premise solutions providing assistance and software maintenance services for all our products, nonetheless we actively support and transition our customers to cloud and Saas native solutions, through a dual-track operating model to assist them in their transformation journey.

Across industries, we embrace customer demand for digitalization solutions for business processes that, until recently, had not been automated or digitalized. Customers who utilize our integrated cloud-based solutions may digitally execute a variety of tasks, such as invoicing, accounting recognition, tax filing document preparation, document signing and other business management processes, including strengthening their cybersecurity systems, which allows them to reduce their overall expenses and increase their business reliability and efficiency. Our easy-to-use integrated cloud-based software products have also enabled us to target micro business customers who have historically not utilized higher-functionality and more complex on-premise business management software, and drive the digitalization shift for core business management processes.

We have established positions across key segments in Italy, Turkey and Israel and are growing our presence in Spain and France. As of December 31, 2024, we held an approximately 30% share in the mid-market businesses customer segment and more than 30% share in the small business customers and professionals customer segments, in each case in Italy, based on market value for each such segment. In addition, according to the Global Consulting Company Report, we were estimated to have more than 30% share in the micro businesses customer segment in Italy in terms of value as of December 31, 2024. As of December 31, 2024, we had a growing or established presence in the sectors in which we operate, including Digital Finance, HCM, payroll, trust and cyber, and CRM sectors. For example, in the HCM and payroll sector we were estimated to have an average 15% share in Italy as of December 31, 2024. Moreover, as of December 31, 2024, we achieved shares of approximately 6% in Spain, 1% in France, 10% in Israel and 19% in Turkey in the sectors in which we operate, based on revenue generated within these segments divided by the estimated SAM of each segment and expressed as a percentage thereof, thus successfully establishing our presence in these growing segments.

We offer our products and services through six main business units:

- Micro Solutions. Our Micro Solutions business unit includes cloud-based products designed for micro and small business customers (0-9 employees and 10-49 employees, respectively), such as Fatture in Cloud, Danea EasyFatt, Contabilità in Cloud and Cassa in Cloud. For the twelve months ended March 31, 2025, our Micro Solutions business unit accounted for 33.9% of our total revenue.

- Professional Solutions. Our Professional Solutions business unit includes software for professionals, including accountants, and labor consultants, including accounting, payroll, billing and compliance tools. For the twelve months ended March 31, 2025, our Professional Solutions business unit accounted for 25.7% of our total revenue.

- Enterprise Solutions. Our Enterprise Solutions business unit includes ERP and FMS software for mid-market business customers (50-499 employees), including administration, finance, human resources, sales, supply chain management and production. For the twelve months ended March 31, 2025, our Enterprise Solutions business unit accounted for 20.3% of our total revenue.

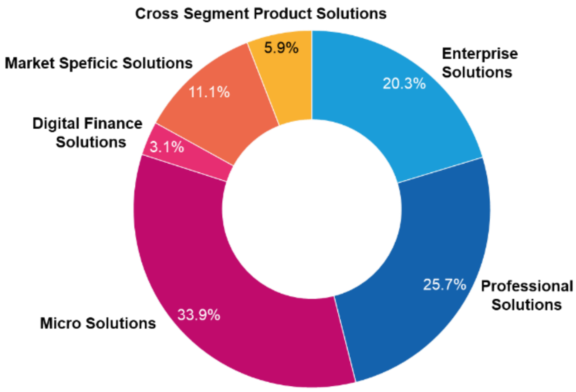
- Market Specific Solutions. Our Market Specific Solutions business unit includes products and services designed to address the needs of customers in specific industries, such as, among others, mechanical and manufacturing, construction, CAF/public sectors and legal, and the needs for all business sizes from micro to mid-size. For the twelve months ended March 31, 2025, our Market Specific Solutions business unit accounted for 11.1% of our total revenue.

- Cross Segment Product Solutions. Our Cross Segment Product Solutions business unit offers HR and Trust & Cyber services, including digital signature, archive and digital identity services and cyber risk assessment and detection, which are fully integrated with our ERP systems. For the twelve months ended March 31, 2025, our Cross Segment Product Solutions business unit accounted for 5.9% of our total revenue.

- Digital Finance Solutions. Our Digital Finance Solutions business unit includes digital financial value-added services designed to streamline the financial operations of our customers and address their needs, such as rating services, credit management and digital payment solutions. For the twelve months ended March 31, 2025, our Digital Finance Solutions business unit accounted for 3.1% of our total revenue.

For the twelve months ended March 31, 2025, we generated *Pro Forma* Total Revenue of €1,058.4 million and total revenue of €959.6 million (compared to approximately €423 million for the year ended December 31, 2020) and *Pro Forma* Adjusted EBITDA of €493.6 million and Adjusted EBITDA of €421.3 million (compared to approximately €209 million for the year ended December 31, 2020).

The following chart sets forth our Total revenue breakdown by business unit for the twelve months ended March 31, 2025.



For the twelve months ended March 31, 2025, we generated 84.8% of our total revenue from recurring revenue (compared to 79.8% for the year ended December 31, 2020), which are primarily related to annual software assistance and maintenance contracts, annual subscription contracts, annual fees from our multi-year contracts with VARs and fees from Regulatory LTAs that we sell to our customers whenever the Italian government introduces a new regulatory obligation (*e.g.*, a new tax digital reporting obligation or tax payment). In addition, for the twelve months ended March 31, 2025, we generated 52.2% of our total revenue from our offering of cloud products and services (compared to 35.5% for the year ended December 31, 2020) supported by the successful transition of approximately 90% of our customers to more than one cloud solution as of March 31, 2025. We believe that our technology leadership, significant and ongoing expansion of our cloud-based solutions, the mission-critical nature of our products and the overall willingness of our customers to renew their contracts and upgrade to premium-tier features have contributed, and will continue to contribute, to our high annual subscription contracts and renewal rates. Most of our products are deeply integrated into our end-customers' IT systems and business processes, and their replacement is normally a complicated, time-consuming and expensive process, requiring extensive training for users. In addition, our digital and cloud-based solutions platform, Digital Invoice, which is designed to operate across all our digital products, is integrated with all our ERP solutions and allows our customers to digitally send, receive, register and store electronic invoices from and to private customers, companies, public entities, banks and external accountants and to send tax filings to the relevant tax authorities electronically.

Our three key customer segments are micro and small businesses, mid-market businesses and professionals, both in Italy and abroad. Our end customer base, including VAR's end customers, has expanded consistently over time, aligning with our sustained growth and scalable platform, increasing more than tenfold since 2017 to reach approximately 2.6 million as of March 31, 2025. Of this total figure, approximately 2.3 million are micro and small businesses, approximately 200 thousand are mid-market businesses and approximately 100 thousand are professionals. Our large and diverse customer base is also highly fragmented and diversified in terms of size and geography. As of March 31, 2025, we had approximately 525 thousand customers outside of Italy, our ten, 50 and 200 largest customers generated 3.1%, 6.8% and 10.7% of our total revenue, respectively. Our customer base is also spread across a variety of industries, including distribution and wholesale, agriculture, hospitality, accountancy, labor advisory, manufacturing, industrial, construction, wellness, fashion, retail, food and beverage, legal and other professional services sectors.

We have strategically internalized our VARs to establish stronger and more direct relationships with our customer base. This approach allows us to provide personalized and seamless services, enhancing customer satisfaction and loyalty. Such approach also supports our upselling initiatives, offering tailored solutions that meet the evolving needs of our clients and aids them in the continuing transition to cloud solutions. Through these efforts, we ensure that our clients benefit from the latest technological advancements while maintaining our competitive edge in the field. In furtherance of our internalization strategy, we have continued to pursue a series of bolt-on acquisitions to bolster our competitive position, broaden our product offerings and continue our international expansion. In recent years, we expanded into Spain by acquiring a controlling interest in the Spanish start-up Billin and consolidated our presence in the country by acquiring Software del Sol and Distrito K. In 2023, we further expanded our portfolio with acquisitions such as Acumbamail and Aplifisa, and entered the Turkish segment by acquiring the Mikro group. The acquisitions of the Clementine group in France and Morning in Israel further supported our international growth strategy. Our acquisition strategy has contributed positively to our revenue growth, product and business mix diversification and it is key to our growth plan, driving sustained expansion and reinforcing our leadership in the sectors and segments in which we operate.

We implemented a series of pricing and packaging initiatives across our customer segments. In the micro and small businesses customer segment, prices were raised by a total of 10.5 percentage points from 2020 to 2024, reflecting enhanced software functionality amidst inflationary trends. In the mid-market customers and international segments, we saw nominal price increases of 1.1 percentage points and 8.2 percentage points from 2020 to 2024, respectively, while in the mid-market customer segment prices decreased by approximately 0.1 percentage points over the same period. Regardless of these initiatives, churn remained broadly stable across most segments over the same period, underlining the resilience and stickiness of our customer base. In the micro and small businesses segment, churn decreased by 3.6 percentage points between 2020 and 2024. The mid-market segment experienced a 2.1 percentage points churn increase between 2020 and 2024, and in the professionals customer segment, churn slightly decreased by less than one percentage point from 2020 to 2024. Our international segment market experienced a decrease in churn of 4.8 percentage points over the same period.

We divide our product offering into the following three product suites and five horizontal solutions:

Product suites:

- *In Cloud*. Our In Cloud product line consists of cloud-based solutions tailored for micro and small businesses, enabling them to digitalize core processes such as invoicing, accounting, and customer relationship management, designed to provide a single point of contact, addressing their distinct operational needs. Our most successful software in this product line is Fatture in Cloud.

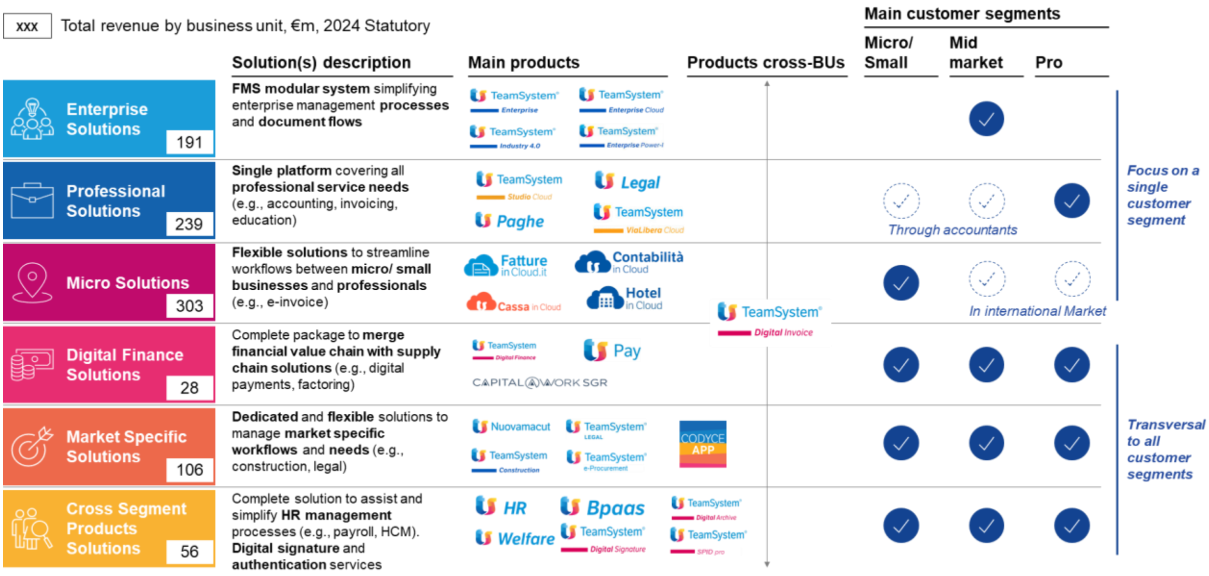
- *Studio Cloud*. Our Studio Cloud product line consists of mission-critical, comprehensive and scalable solutions for professionals, including accountants, law firms and CAFs. It integrates functionalities such as financial statement management, payroll, and tax filings preparation into a single product suite.

- *Enterprise Cloud*. Our Enterprise Cloud product line provides a full suite of customizable ERP solutions designed to support mid-sized companies in their digital transformation journey. Such product line includes modules for digital accounting, cash management, inventory management and procurement and industry-specific features that cater to the unique needs of target segments, such as construction and fashion, waste management and manufacturing.

Horizontal products and services:

- *Digital Invoice*. Our Digital Invoice product line is a cornerstone of our ERP and FMS platforms, offering a secure solution for creating, sending, receiving, and storing electronic invoices. It ensures full compliance with Italian regulatory frameworks, thereby playing a pivotal role in the rapidly evolving digital landscape, offering a comprehensive and integrated approach to managing daily invoicing tasks. Internationally, we offer similar solutions, such as e-Portal in Turkey and FactuSol and Billin in Spain, tailored to meet regional requirements and ensure compliance with local regulations.

Set forth below is a graphic representing the interaction among our business units, product lines and target customers.



Source: Management analysis.

Our strengths

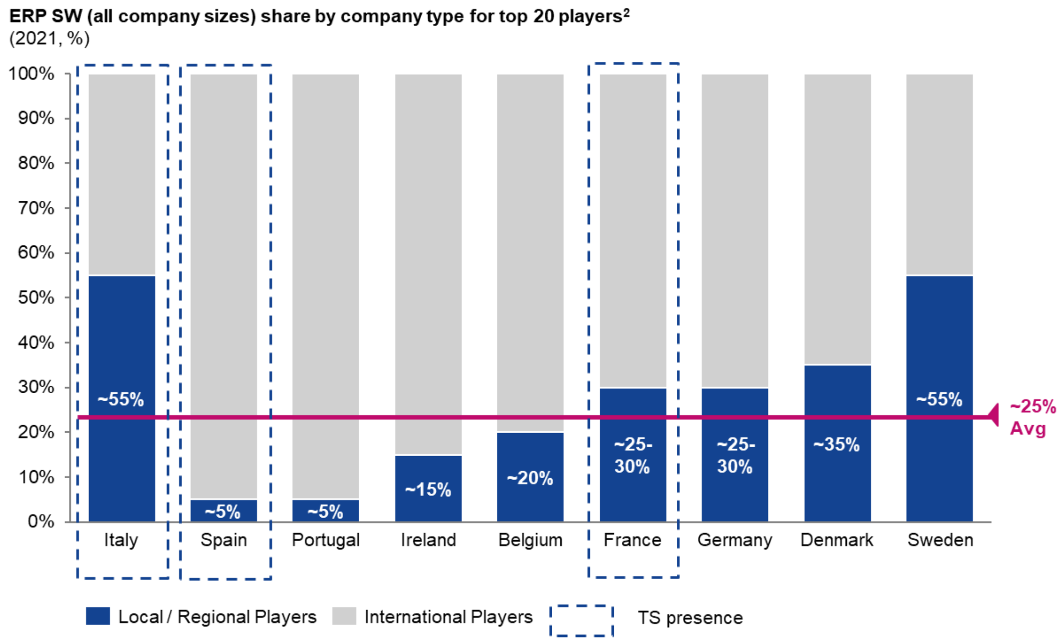
Large and growing segments benefitting from secular digitalization with regulatory tailwinds and significant investments and expertise requirements

We offer both cloud solutions (SaaS and IaaS) and on-premises solutions, in each case across sizeable and attractive sectors both in Italy and internationally, which offer substantial growth opportunities mainly supported by regulatory tailwinds, operational complexities and considerable initial investments. While Italy remains our core segment, we have entered and expanded into several international segments including the Spanish segment since 2020, with several key bolt-on acquisitions, the Turkish segment since 2023, following the acquisition of the Mikro group, and France and Israel since 2024 and 2025, respectively, through the acquisitions of key local players. As a leading player in the ERP sector both in Italy and in Turkey, we believe we are well-positioned to leverage the favorable conditions and expected trends in these countries to drive growth and expand our competitive presence.

As December 31, 2024, our total SAM was estimated to be worth approximately €9.0 billion (approximately €27.4 billion of TAM) and to grow at an expected CAGR of approximately 11.1% between 2024 and 2029 reaching €15.3 billion (approximately €46.2 billion of TAM) by 2029. Our SAM has grown over time, from approximately €3.1 billion in 2019, to approximately €9.0 billion in 2024, due to the growth of our core Italian ERP sector and entry into new segments such as HR, Digital Finance, Extended CRM and automation and cyber as well as new geographies such as Spain, Turkey, France and Israel. These SAM figures include also the International ERP and FMS sectors in Spain, Turkey, France and Israel (with the Spanish segment including also HR and Extended CRM solutions).

Our SAM has significantly expanded via both geographic reach and product diversification, making it less susceptible to macroeconomic fluctuations. Historically, our SAM has proved resilient through various economic cycles, including the financial crises of 2009 and 2012, as well as the COVID-19 pandemic, consistently outperforming Italy's GDP growth. This resilience is further reinforced by our strategic focus and successful repositioning initiatives in high-growth segments, such as micro and digital finance.

In 2021, local and regional players held an approximately combined 55% share in Italy, compared to approximately 25% to 30% in France and an average of 25% in other EU countries, as shown in the chart below.



Source: Global Consulting Company Report, Management Analysis.

ERP solutions are fundamental to the day-to-day activities of businesses, especially as the operations of Italian enterprises become increasingly complex. This complexity drives demand for a broader range of innovative management solutions to monitor key activities. Accounting and payroll management software remain core due to stringent Italian regulations requiring digital fiscal and labor filings. Our state-of-the-art cloud-based solutions ensure compliance with these demanding and ever-changing regulatory requirements, providing seamless support even in light of changing regulations. This allows our customers to focus on their core activities without diverting pivotal resources, ensuring stable demand for and revenue streams from our mission-critical services.

The ongoing digitalization trend in Italy is primarily driven by stringent regulatory requirements, which impose significant fiscal and administrative burdens on companies and create a strong demand for up-to-date management software that streamlines administrative functions and establishes operational complexities and considerable initial investments for new competitors. We are well-positioned to meet this demand by providing products and updates that help clients ensure regulatory compliance. The Italian market is also poised to benefit from government policies, incentives, and subsidies that promote digitalization. Subsidies introduced over the past few years, such as the "Industry 4.0" initiative, which offered financial vouchers to promote the digitalization of SMEs and micro and small businesses, and the National Recovery and Resilience Plan (*Piano Nazionale di Ripresa e Resilienza*), which allocates approximately €40 billion for digitalization projects across the public sector, further incentivize digitalization in Italy. More recently, additional €6.3 billion in funding have been introduced under the Transition Plan 5.0 to support the digital and green transition of businesses through tax credits for advanced technologies and energy efficiency projects.

Italy demonstrates strong performance in the adoption of cloud services, with approximately 55% of enterprises utilizing this technology, significantly surpassing the EU average of 39% as of December 31, 2024. Unlike other Mediterranean countries, Italy's penetration rates for cloud services more closely resemble those of Nordic and Benelux economies, which have historically been more advanced in terms of digitalization.

enable us to reinforce and expand into the segment. Combined with our modular ERP and e-invoicing solutions and established go-to-market model, this foundation enables us to capture early demand and unlock meaningful cross-sell opportunities in a rapidly digitizing market.

Long-standing leadership position with a strong track record of growth in targeted geographies and customer segments

We believe we have achieved a leading position across our customer segments, product offering and key geographies.

In terms of customers, our leading position spans across the Italian Micro segment, in terms of value, which mainly refers to FMS solutions for micro enterprise (including e-invoicing, accounting software and cash recorders), Mid-Market segment, in terms of number of addressable companies, which refers to the segment for ERP software for SMEs, and Professional segment, in terms of number of addressable CPAs, which comprises accountants and labor and tax advisors.

According to the Global Consulting Company Report, as of December 31, 2024, we held more than 30% share in Italy in (i) the Micro segment based on market value, (ii) the Mid-Market segment based on the number of addressable companies and (iii) the Professional segment based on number of CPAs.

Our leading position in Italy across our customer segments is the result of many years of developing our proprietary software through significant investment, which has established our reputation for high-quality and reliable products and services in such segments. Since our early entry into the Micro segment in 2019, we have built a strong customer base and achieved high client satisfaction, enabling us to grow our share above 30% in terms value between 2019 and 2024, according to the Global Consulting Company Report. Our comprehensive offering of innovative and industry-tailored software solutions, combined with our successful model and know-how, enabled us to establish our leadership position amidst the complex Italian regulatory environment as well as successfully expand our business internationally, including into key European countries, such as Spain and France, as well as across the larger Mediterranean region. Our extensive product suite coupled with a flexible distribution model not only solidifies our share within our reference segments but also enhances customer loyalty and engagement.

In the Mid-Market segment, we have achieved a clear leadership position, underpinned by our mission to support SMEs in their digital transformation and to improve their efficiency and competitiveness while ensuring compliance with the applicable regulatory frameworks. Our ability to offer a wide range of services has enabled us to benefit from significant economies of scale. Our integrated and customizable platform of solutions allows us to address the needs of companies across selected verticals with an ample geographic reach, further reinforcing our leadership and driving sustained growth.

The Professional segment is relatively more stable and mature compared to other segments. Our leadership in this segment, which we have maintained since 2019, is underpinned by superior brand recognition, supported by a loyal customer base and delivery of high-quality, reliable and integrated AI-driven software solutions, which ensures that we remain the preferred choice for professional customers, further consolidating our competitive position.

In terms of product offering, we believe to have achieved a promising position in key product segments such as Digital Finance, human resources solutions and certain industry-specific segments. In particular, in the Digital Finance segment we see significant opportunities to further expand our product range and increase our competitive presence. Holding less than 1% share in 2024, as a percentage of SAM, there is a high potential for revenue generation in the Digital Finance segment. In the human resources solutions segment, which encompasses HCM and payroll software, we achieved an approximately 15% share as of December 31, 2024. Furthermore, as of December 31, 2024, we held an approximately 5% share for Extended CRM and marketing automation.

With regard to our geographic segments, we believe we are a leading player in the ERP sector in Italy, Turkey and Israel (through the acquisition of Morning), with a strong and increasing presence in Spain and France. In particular, our international expansion began in 2020 with acquisitions in Spain, followed by Turkey in 2023, France in 2024 and Israel in 2025. These strategic moves have significantly increased our presence and influence in these key segments. For our international segment, mainly comprising ERP software solutions (as well as HR and Extended CRM for the Spanish segment only), the SAM and TAM amounted to approximately €3.5 billion and approximately €16.8 billion, respectively, as of December 31, 2024. Our strategic operations and experienced leadership enabled us to achieve a share of approximately 6% in Spain, which increased at a CAGR of 48% since across our micro and small businesses, professional and mid-market businesses customer segments. A notable example is our Digital Invoice solution. This mission-critical solution is essential for companies adopting e-invoicing, driven by regulatory mandates. In 2024, our Digital Invoice solution supported over 495 million invoices, representing an aggregate value of approximately €1,000 billion and assisted approximately two million customers with Digital Invoice applications. Our Digital Invoice applications offer security and reliability, crucial for managing daily invoicing digitally.

We have been successful at upselling our products and expanding our customer base through value added solutions. In addition to our core invoicing and accounting services, we have capitalized on our ability to cross sell complementary offerings, such as Digital Finance, Extended CRM, in Cloud, HR, and Trust & Cyber services, which generated approximately €125.8 million in revenues for the twelve months ended March 31, 2025. Such cross selling capability is underpinned by a comprehensive and scalable SaaS platform that enables end to end digitalization across a broad customer base. High value services such as Digital Finance, Trust & Cyber services, and marketing automation are shared across multiple customer segments, enhancing both operational efficiency and customer lifetime value. The platform architecture incorporates shared low level utilities, front end and UX enhancements, workflow optimization and dedicated modules. A centralized data repository also ensures consistency, accuracy and accessibility, supporting a seamless and intuitive user experience. We believe there remains a significant opportunity to further expand our cross-selling of products within our existing customer base, as our overall cross-selling product penetration in Italy remains below approximately 5%, underscoring the untapped potential of our platform to drive additional growth through deeper adoption of our cloud-based solutions.

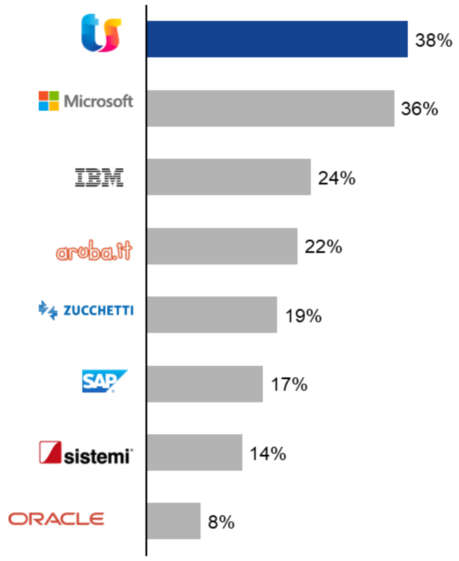
Cloud-based solutions represent a core strength of our business model, enabling scalable delivery, enhanced customer engagement, and seamless integration across our product suite. Cloud revenues accounted for 52.2% of our total revenue for the twelve months ended March 31, 2025, compared to 35.5% in the year ended December 31, 2020. As of March 31, 2025, we had successfully transitioned approximately 90% of our customers to more than one cloud solution, highlighting our strong execution and leadership in cloud adoption.

Furthermore, our SaaS platform integrates advanced analytics and AI capabilities, positioning us to leverage data monetization and AI as key drivers of growth and differentiation. Among others, our investments in data and AI are designed to achieve several key objectives: (i) collecting and measuring data to enhance our data platforms and governance; (ii) creating an AI platform to support new use cases with generative AI and machine learning; (iii) developing AI tools such as virtual assistants to support customer activities; and (iv) fostering a data-driven culture within our customers' organizations to improve cross-business coordination.

AI integration has enabled us to develop features that reduce manual tasks, such as proposing accounting codes, thereby improving efficiency and user experience. As our customers increasingly shift from Software-as-a-Service to a Services-as-a-Software model, we are committed to enabling them to harness data and AI for business insights, cost management, and decision-making. For example, we have introduced AI-powered solutions for accountants that automate data entry, manage invoices, bank feeds, and sales receipts (*corrispettivi*) in real time, and support fiscal processes such as Italian tax forms (F24) preparation and financial statement generation, including AI-generated supplementary notes.

A key focus of our AI investments is the development of an "AI Edition" of our core cloud-based solutions, which combines generative AI and machine learning to deliver more intelligent and intuitive products. Our AI Edition initiative is structured around four strategic pillars: (i) compelling use cases with broad applicability across product modules; (ii) a clearly perceived AI-enhanced user experience; (iii) a modern and scalable technology environment; and (iv) a go-to-market strategy centered on driving adoption and delivering customer value. These pillars are designed to ensure that AI capabilities are not only embedded across our platform but also deliver tangible benefits to end users. As a result, we have unlocked new upselling opportunities by offering upgraded, AI-enhanced solutions that improve operational efficiency through embedded AI agents. Our targeted investments in AI have resulted in significant enhancements to our brand value. In 2024, Kantar recognized us among the most innovative AI-driven brands in Italy's enterprise software sector, proving the effectiveness of our focused investment strategy across high-impact areas such as insights, automation, and Copilot functionalities.

The chart below shows the brand perception around AI among our closest competitors during the second quarter of 2024:



Source: Kantar 2024 – Indagine B2B sul percepito e le aspettative verso l'Intelligenza Artificiale. Note: Figures represent the percentage of respondents to Kantar's survey who selected the relevant company shown in the chart above. Respondents were allowed to select more than one company.

We believe that as customers increasingly adopt these capabilities, they will be able to streamline workflows, enhance decision-making and foster a data-driven culture that supports long-term growth. For instance, in 2025, we launched the first AI edition of TeamSystem Enterprise, featuring eight initial use cases designed to help customers automate low-margin, time-consuming operations. By expanding our portfolio of data-centric products, including tools for aggregated data and benchmarking, we have adopted data-driven approaches to enhance both our internal operations and customer-facing solutions.

Moreover, to support our innovative programs, our investments in R&D have become central to our growth strategy and product evolution. Between 2020 and 2024, we invested an average of €67 million per year in R&D, excluding cloud and infrastructure costs. Our AI-driven innovation efforts are supported by a dedicated AI team that has grown at a CAGR of 62.3% since 2022 and 31.7% since 2023, reaching 79 employees as of March 31, 2025. Our AI-related activities contribution to our ARR was approximately €1 million, €8 million and €13 million as of December 31, 2023, December 31, 2024 and March 31, 2025, respectively, supporting our recurring revenue growth. We have also leveraged AI internally to improve customer support, enhance product quality, and contain costs, thus accelerating development cycles and optimizing resource allocation.

The continuous innovation of our product portfolio and underlying technologies is central to our strategy to establish ourselves as a comprehensive B2B SaaS technology leader. This evolution is driven by our commitment to integrating R&D efforts, which strengthens our "One Platform" strategy and accelerates product development. We focus on preserving the value of legacy offerings while enhancing client engagement and trust, ensuring that our solutions remain relevant and impactful. By improving the client experience, we facilitate cross-selling and upselling through streamlined digital journeys that cater to diverse business needs. Our leadership in R&D is underscored by the adoption of best practices and cutting-edge innovations, including AI-enabled tools and methodologies, positioning us at the forefront of technological advancement.

Established domestic platform with strategic capabilities to expand into international segments

We believe we hold an established position in the enterprise resource planning sector and the micro-business customer segment in Italy, which we have consolidated through more than 45 years of accumulated knowledge and direct engagement within the industry. In particular, our detailed understanding of the needs and specific dynamics of micro and small business customers, as well as the accountant segment, is the result of sustained strategic investment in proprietary software development and the cultivation of a strong reputation for delivering high-quality and reliable products and services. Through a comprehensive suite of innovative, industry-specific software solutions, including a robust electronic invoicing offering tailored to micro businesses, and a business model consolidated through our network of accountants, we have reinforced our leadership in the complex and fragmented Italian regulatory environment. As a result, we believe our strong foundation has supported our share penetration in Italy, reaching more than 30% as of December 31, 2024, according to a Global Consulting Company Report.

Moreover, we believe that our strong domestic fundamentals represent not only a solid foundation but also a strategic platform from which we can successfully replicate our model internationally. In particular, we see significant growth potential in our international segments, where our cumulative penetration currently stands at approximately 4%, compared to more than 30% in Italy. We believe this disparity highlights a substantial opportunity to expand our presence in these segments by leveraging our strategic capabilities and accumulated know-how.

Our international growth strategy is directly informed by the same strategic capabilities that have underpinned our success in Italy. Specifically, we intend to leverage (i) a differentiated offering developed through decades of experience serving micro, small, and professional customers, with a particular emphasis on electronic invoicing solutions; (ii) the exportability of our Accountant-as-a-Channel commercial model, which has proven highly effective in customer engagement and distribution within the Italian market; and (iii) a scalable client acquisition framework, refined through our domestic operations, and designed to support rapid and efficient expansion across geographies.

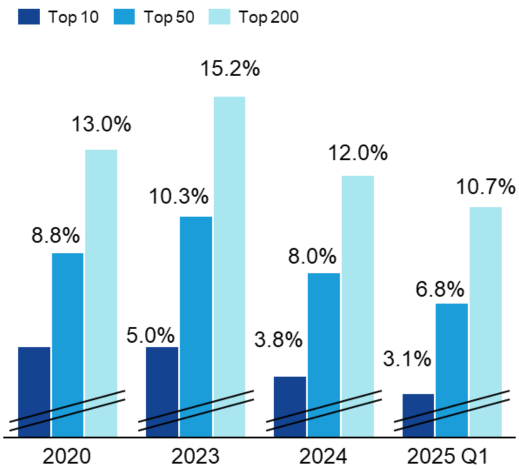
We believe that the combination of our established domestic leadership, deep sector expertise and proven commercial model positions us well to capture untapped potential in international segments. By extending the same principles that have driven, and continue to drive, our success in Italy we aim to build a broader, more diversified business with enhanced growth prospects and long-term value creation.

Large, highly diversified and fragmented customer base characterized by high retention rates

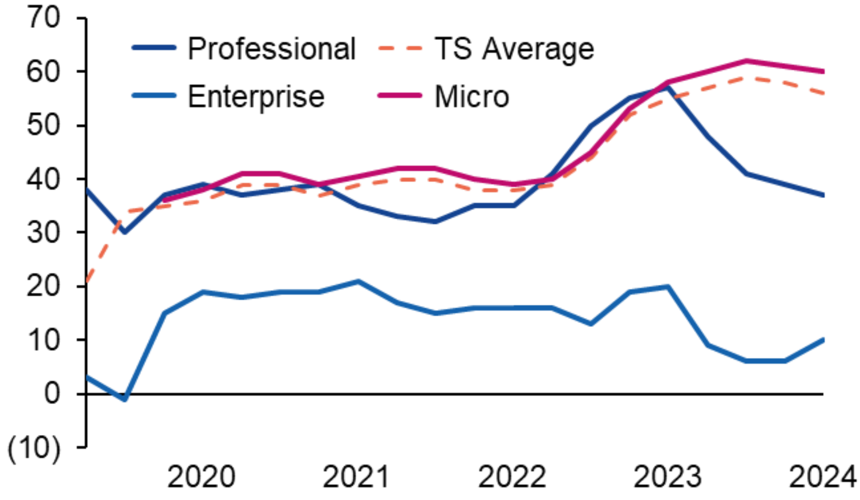
We have a growing, large, diversified and fragmented customer base which mitigates risks related to declines in product demand in any one particular industry or geography and reduces reliance on revenues from a small number of key customers. From December 31, 2020 to March 31, 2025, our end-customer base increased at a CAGR of approximately 18.4%, growing from approximately 1.5 million customers to approximately 2.6 million customers, of which approximately 2.3 million were micro and small businesses, approximately 200 thousand were mid-market businesses and approximately 100 thousand were professionals. In addition, our successful international expansion has further favored our customer diversification with a reach of approximately 525 thousand customers outside of Italy as of December 31, 2024.

For the twelve months ended March 31, 2025, our ten largest customers generated 3.1% of our total revenue, while our 50 largest customers and 200 largest customers generated 6.8% and 10.7% of our total revenue, respectively, over the same period.

The chart below shows the contribution to our total revenue from our ten, 50 and 200 largest customers for each of the years ended December 31, 2020, 2023 and 2024, which highlights a low and decreasing customer concentration.



NPS Evolution



Source: Nielsen.

(1) "Professional" includes Italian customers of our Professional business unit.

(2) "Enterprise" includes Italian customers of our Enterprise Solutions business unit.

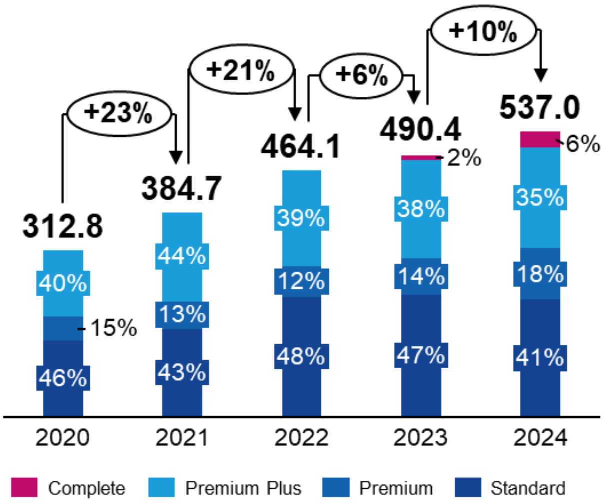
(3) "Micro" includes Italian micro and small customers.

We have historically experienced high and stable Customer Retention Rates. For the years ended December 31, 2022, 2023 and 2024, we have experienced high and stable Customer Retention Rates in Italy of approximately (i) 90.0%, 90.7% and 91.0%, respectively, for micro and small business customers; (ii) 92.5%, 91.8% and 91.5%, respectively, for mid-market business customers; and (iii) 93.0%, 92.8% and 92.2%, respectively, for professionals. Without giving effect to the impact of revenue contraction from customers who terminated certain but not all of their agreements with us, we estimate that our Customer Retention Rates would have been approximately (i) 93.6% for micro and small business customers, (ii) 95.5% for mid-market business customers, (iii) 96.0% for professionals, and (iv) between 90% and 95% for our Spanish and Turkish customers, in each case for the year ended December 31, 2024. Customer Retention Rate for micro and small businesses customers is typically slightly lower than Customer Retention Rate for mid-market customers and professionals due to the lower switching costs associated with solutions for micro and small businesses, mainly as a result of their lower level of complexity, and frequent business lifecycle changes within this segment. We believe that the mission-critical nature of our software products and services, which are deeply embedded in many of our customers' workflows and IT systems, has historically provided a degree of insulation from economic uncertainties and resulted in our high Customer Retention Rates.

Our customers' operations depend upon our products to facilitate data flow, not only in-house, with respect to internal business management data analysis and storage, but also externally, between our customers and other businesses or between our customers, banks, tax authorities and other public administration organizations. In addition, our high Customer Retention Rate is also supported by our customers' satisfaction and overall willingness to renew their subscriptions. In particular, mid-market and professional customers tend to carefully consider the migration to alternative software providers in light of, among others: (i) the mission-critical nature of software and the possibility that customers may be exposed to data migration risk during a transition to an alternative supplier; (ii) the cost and length of time required to transition to an alternative platform given that ERP systems are integral to the various operational segments of an organization; and (iii) the training required to familiarize employees with new software. Moreover, for the professionals customer segment, we believe the adoption of our digital ancillary solutions allows a strong connection and digital interrelation between our professional customers and their end-customers, making our professional customers more dependent on our products in their day-to-day activities, which, in turn, encourages our customers to continue using our products and not to switch to competitors' solutions.

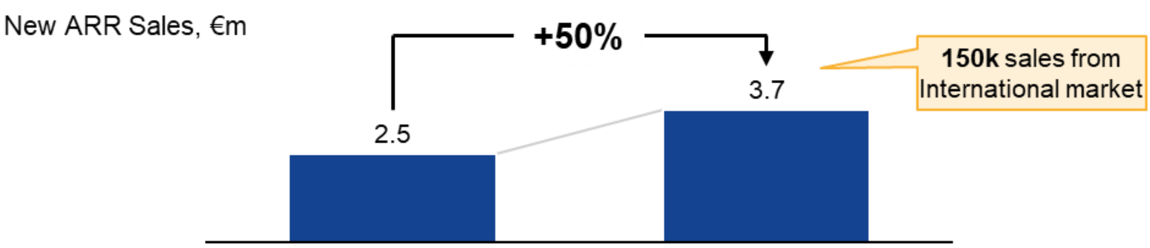
We have a proven track record of targeted initiatives aimed at improving the quality of our recurring revenues and expanding solution adoption across our customer base, which we believe are a strong foundation for stronger revenue generation, deeper engagement and broader use of our platform.

Between 2020 and 2024, we achieved a CAGR of 8% in ARPU for our Digital Platform best-seller, Fatture in Cloud, reaching €226 in 2024. This performance reflects the success of our targeted commercial strategies aimed at enhancing revenue generation and customer value. A key driver of this growth has been the introduction of a tiered packaging model, offering a range of options from entry-level solutions with ARPU of approximately €10 to €20 per year, such as Digital Invoice, to premium packages generating between €140 and €500 per year, such as the "Complete" package for Fatture in Cloud. This approach has enabled us to successfully migrate a significant portion of our Fatture in Cloud customer base toward higher-value tiers. As of December 31, 2024, approximately 59% of customers had adopted these higher-ARPU packages. Through a balanced combination of pricing and packaging initiatives, and deliberate efforts to elevate the perceived value of our offerings, we have strengthened both revenue generation and customer retention. The chart below illustrates the evolution of our Fatture in Cloud customer base from the year ended December 31, 2020 to the year ended December 31, 2024.



Furthermore, to further consolidate our position across our industries, we have strategically prioritized cross-selling opportunities within our expanding and diverse customer base. By refining sales team incentives and introducing new cross-selling metrics, we have aligned our organizational objectives with the goal of enhancing customer engagement. Our bundled product and service offerings, coupled with streamlined technical and commercial integration, enables us to deliver comprehensive solutions that address the evolving needs of our customers. Additionally, we have implemented a governance framework to oversee cross-selling initiatives, ensuring consistent performance tracking and the sharing of insights across business units. The creation of new sales roles dedicated to the direct sale of horizontal solutions enhances our capacity to leverage cross-selling opportunities, fosters stronger customer relationships and drives stronger revenue visibility. By leveraging these cross-selling initiatives, we recorded a 52.9% increase in ARR from our Digital Finance, Extended CRM, HR and Trust & Cyber services from 2.5 million as of March 31, 2024 to 3.8 million as of March 31, 2025.

The chart below illustrates a breakdown of ARR by product within our cross-selling platform as of March 31, 2024 and March 31, 2025:



While we have made meaningful progress, our strong positioning is further underscored by the significant untapped demand, with adoption of our Digital Platform products still below 2% across all customer segments, except for HR in the mid-market segment and HR and Digital Finance among professional customers, where adoption has already reached approximately 5.5%, 17%, and 15%, respectively.

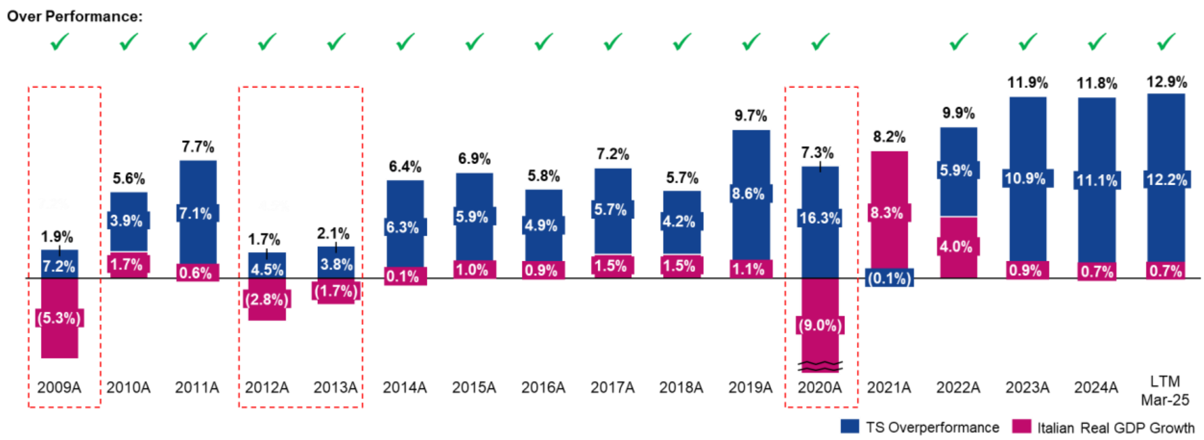
Best-in-class business model and financial profile, with predictable and resilient organic revenue growth, increasing profitability with strong cashflow conversion

Since our inception, we have achieved steady and robust growth. Our effective execution and scalable business model are reflected in our growth at a CAGR of approximately 15% between 2020 to 2024.

Moreover, our performance has consistently outpaced the Italian GDP growth, even during challenging economic periods such as the 2009 and 2012 financial crises and the COVID-19 pandemic. In 2012, amidst the global financial crisis, Italy's GDP declined by 2.8%, while we achieved organic revenue growth of 1.7%, outperforming the Italian GDP by 4.5 percentage points. Similarly, in 2020, when the Italian GDP declined compared to 2019, we achieved 7.3% organic revenue growth, outperforming the Italian GDP by 16.0 percentage points, mainly due to the successful launch of our e-invoicing products and the strong demand for these solutions underpinned by COVID-19 dynamics. For the years between 2022 and 2024, we outperformed the Italian GDP by 10.9%, 11.1% and 10.8%, respectively, underscoring our continuous and outstanding growth trajectory across complex economic cycles. Over the same period, our organic total revenue grew at an average annual rate of 11.9%.

The following chart presents a comparison of our organic revenue growth and the Italian GDP growth for each year between 2009 and 2024 and the twelve months ended March 31, 2025:

TeamSystem Group Organic Revenue Growth (YoY %)[1]



Source: IMF –World Economic Outlook Database; Management analysis.

(1) The organic revenue growth is based on managerial accounts; statutory organic revenue growth for the year ended December 31, 2022, 2023 and 2024 was 9.9%, 11.9% and 11.8%, respectively. Including the effect of the outsourcing of delivery and hardware operations in 2018 and 2019, as well as the transition to a SaaS model in 2018, organic revenue growth would have been 9.9% and 12.8% for the years ended December 31, 2018 in 2019, respectively. Organic revenue growth represents the percentage growth in our organic total revenue, compared to total revenue for the relevant previous period. Organic total revenue for a given period represents our total revenue for such period *plus* the revenue generated by businesses we acquired (or in respect of which we entered into an acquisition agreement) as if such businesses had been consolidated from the beginning of the relevant period *less* the revenue generated by businesses we disposed of (or in respect of which we entered into a divestiture agreement) during the relevant subsequent period, as if such divestitures or disposal had occurred at the beginning of the previous period.

Our resilience is evidenced by a consistent pattern of organic revenue growth since 2009, even during periods of economic turbulence. We believe such sustained growth is attributable to several key factors: (i) the recurring nature of our contracts; (ii) our customers' loyalty, as demonstrated by our high NPS and low churn rates; (iii) the mission-critical nature of our software, our broad, rich and fully integrated product suite continuously evolving and anticipating market trends, which makes customers, particularly SMEs and professional clients, reluctant to switch to alternative suppliers due to the time-consuming migration process, allowing us to maintain sales even during economic downturns; and (iv) our strong brand recognition.

For the twelve months ended March 31, 2025, we generated 84.8% of our total revenue from recurring revenue (compared to 79.8% in 2020), which we believe provides significant visibility of future earnings. In particular, in the three-month period ended March 31, 2025 our recurring revenue accounted for 86.4% of our total revenue underscoring our stability and predictability from the first months of each calendar year. The growth in the contribution of revenues with a recurring nature to our total revenue has been driven in part by the increased weight and importance of our cloud solutions in our product portfolio, with the contribution of cloud software solutions revenue to our total revenue increasing from 35.5% in 2020 to 52.2% for the twelve months ended March 31, 2025.

For the twelve months ended March 31, 2025, we generated *Pro Forma* Total Revenue of €1,058.4 million and *Pro Forma* Adjusted EBITDA of €493.6 million. As our Adjusted EBITDA grew from €227.3 million in 2022 to €313.8 million in 2023, €404.6 million in 2024 and €421.3 million for the twelve months ended March 31, 2025, our profitability and cash flow generation have also shown significant improvement. As a result of, among others, the increase in our Adjusted EBITDA, our Adjusted EBITDA margin grew from 40.0% in 2022 to 43.9% for the twelve months ended March 31, 2025. We believe there is a correlation between margins and shares in our reference segments, therefore, we see strong upside potential as we consolidate our multi-platform offerings.

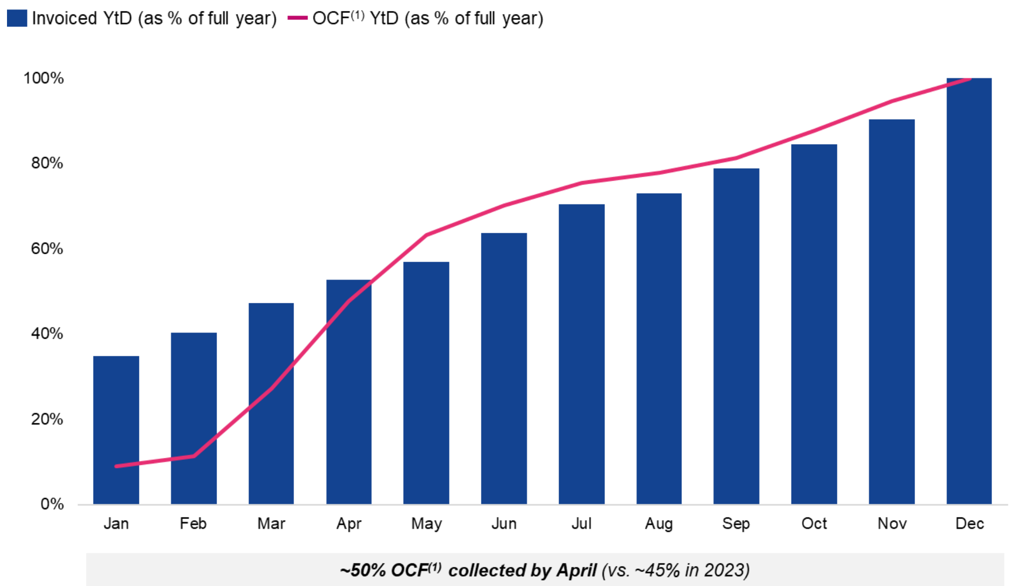
Furthermore, our invoicing strategy enhances our financial stability by invoicing our customers in advance at the beginning of each calendar year during our annual budgeting process. Additionally, most of our contracts are typically renewed unless customers provide a written termination notice prior to expiration. This approach gives us strong visibility over our cash flows and capital requirements, allowing us to carefully plan our capital needs and ensuring consistent and regular revenue streams.

We believe that our billing pattern contributes to the overall visibility of our cash flows and ensures substantial liquidity. With over 70% of invoices issued between fourth quarter of each calendar year and the first quarter of the subsequent calendar year, we secure significant cash-in contributions in the first half of the year, effectively covering our cash needs, with about 30% of invoices issued during the second and third quarter of the year, primarily for prepaid cloud products for micro and small businesses.

Approximately 35% of our invoices are issued in January and 50% by March, providing us with the liquidity needed for the rest of the year. Year-end invoicing for our In Cloud products, sold on annual subscription models, further enhances cash flow predictability.

We believe that this invoicing strategy enables us to effectively predict and monitor our revenue and cash flow levels, ensuring strong liquidity and contributing to our financial stability and operational efficiency. As a result, we maintain a robust adjusted operating cash flow, which further supports our financial health and strategic initiatives.

The following chart shows the evolution of our adjusted operating cash flow for each calendar month of the year ended December 31, 2024.



Source: Management analysis. Note 1: "OCF" means adjusted operating cash flow. Note 2. "OCF YtD" refers to the aggregate adjusted operating cash flow from January 1, 2024 to the applicable month of the year ended December 31, 2024.

conviction in the business with outstanding organic growth opportunities and strong competitive positioning. We believe that our current management team and ownership structure will allow us to continue to attract and retain the industry's top talent, further driving sustainable profitable growth.

Our strategy

Since 2021, we have focused on the digitalization of our customer base, rationalizing our sales model and strengthening customer retention and satisfaction. Additionally, we have focused on expanding our horizontal solutions to drive upselling and cross-selling opportunities. This strategic emphasis has enabled us to better meet diverse customer needs and enhance our value proposition. Our internationalization efforts have also been pivotal, expanding our presence beyond Italy and capturing new opportunities, which now account for a growing share of our revenue. To support this expansion and our broader growth objectives, we have revised our organizational structure, aligning it more closely with our strategic priorities and improving operational efficiency. As a result of these strategic focuses, we have achieved remarkable growth and transformation, more than doubling in scale and enhancing our business diversification and quality, with a significant acceleration in value creation.

Business scale: Since 2020, we have made significant progress across multiple dimensions of our business. Our total revenue has increased at a CAGR of 21.3% from €422.8 million for the year ended December 31, 2020, to €959.6 million for the twelve months ended March 31, 2025, with average organic growth over the same period reaching approximately 10%. As part of this overall growth, our international operations have also shown significant expansion increasing organically by more than 30% for the twelve months ended March 31, 2025 compared to the twelve months ended March 31, 2024. Our Adjusted EBITDA also increased organically by 17.8% over the same period, reflecting continued operational scalability and disciplined cost management. Additionally, our customer base expanded from 1.5 million as of December 31, 2020 to 2.6 million as of March 31, 2025, driven by new client acquisitions, particularly among micro and small businesses adopting mandatory e-invoicing, and international growth in Spain, Turkey, France and Israel which accounted for approximately 525 thousand customers as of March 31, 2025.

Business Mix and Geographic Diversification: We have accelerated our business diversification both geographically and in terms of our business mix. In 2020, we only generated revenues in Italy, whereas for the three months ended March 31, 2025, our international expansions grew at a faster pace than our domestic revenue and accounted for approximately 14% of our total revenue for such period. Additionally, our revenue mix has also evolved significantly since 2020, with the micro and small customer segment representing approximately 33.9% of our total revenue for the twelve months ended March 31, 2025 increasing from 17.6% for the year ended December 31, 2020. We have also increased our focus on cross-selling platforms such as HR, Digital Finance and Trust & Cyber services, bolstered by strategic acquisitions which have generated approximately 9.0% of our total revenue for twelve months ended March 31, 2025.

Business Quality: Our business quality has significantly improved, with recurring revenues increasing from 79.8% for the year ended December 31, 2020 to 84.8% for the twelve months ended March 31, 2025, and cloud revenues rising from 35.5% of our total revenue for the year ended December 31, 2020 to 52.2% of our total revenue for the twelve months ended March 31, 2025. Since 2021, our customer retention rates and NPS have both improved, with churn levels decreasing across segments despite price increases, and NPS increasing from 36 as of December 31, 2020 to 56 as of December 31, 2024, which was three points higher than the average score of our competitors.

As a result of the above, the growth in our organic ARR (i.e. excluding the impact of the businesses that we acquired or in respect of which we entered into an acquisition agreement during the relevant periods) amounted to approximately 10% in 2020, 12% in 2021, 12% in 2022, 14% in 2023, 14% in 2024 and approximately 14% for the twelve months ended March 31, 2025. Our organic Net Revenue Retention rate (i.e. excluding the impact of the businesses that we acquired or in respect of which we entered into an acquisition agreement during the relevant periods) amounted to approximately 106%, 105%, 108%, 106% 107% and 108% for the same periods.

We plan to continue consolidating these trends to achieve long-term sustainable growth and strengthen our leadership in our core reference segments by: (i) growing top-line revenue by leveraging upselling and cross-selling opportunities within our large and diversified customer base, including the continued migration of on-premise customers to cloud-based solutions; (ii) leveraging AI to advance our transition to a Services-as-a-Software proposition and boost operational productivity; (iii) expanding our international footprint by capitalizing on our scalable sales model, proprietary solutions and expertise with micro businesses and e-invoicing software; and (iv) enhancing our sales model to improve customer satisfaction and retention, while diversifying our acquisition channels and optimizing cost per acquisition. Additionally, we aim to continuously enhance our

Cross Segment Product Solutions

Our Cross Segment Product Solutions business unit offers both HR and Trust & Cyber services to meet specialized requirements of our diverse customer base. Our Trust & Cyber services distinguish themselves for their adaptability, strong security protocols and seamless integration with our ERP systems. Our HR include TS HR, Dipendenti in Cloud, BPaaS and Welfare, which are designed to streamline administrative and managerial tasks, facilitating payroll processing, workforce monitoring, recruitment and welfare management. Cloud-based software in our Cross Segment Product Solutions business unit offers solutions tailored to manage the full spectrum of human resources functions for companies of various sizes. The platform's modular design allows for extensive customization, accommodating the specific requirements of both small businesses and larger corporations, and due to its seamless integration with our core ERP solutions it facilitates process automation and productivity. Through this business unit, we provide an integrated solution for the entire HR lifecycle, including recruitment, onboarding, employee management, payroll, performance evaluations and professional development. Products like TeamSystem HR offer structured and sophisticated software that meets the complex needs of our larger clients. In contrast, other solutions, such as Dipendenti in Cloud, deliver comprehensive and standardized services suitable for all-sized business and professionals. In addition, centralized document storage, real-time analytics and mobile accessibility are other core features of our Cross-Segment Product business unit that facilitate an efficient and effective HR management process.

Trust & Cyber services play a pivotal role in the digital transition of our varied customer base. It includes tools for digital identity management, such as e-signature services and SPID (Public Digital Identity System) and secured digital storage of documents, which all play a fundamental role in the digital transformation of our customer base. In addition, these services facilitate our customers' compliance with evolving regulatory standards and ensure secure and efficient online transactions and simplify customer onboarding processes. In addition, with the acquisition of Muscope and the launch of our new TeamSystem Cybersecurity product, we offer to our customers a tailored solution to identify and assess their exposure to cyber risks such as email, passwords, web domains, corporate websites and networks. We also provide customers with lists of remediation actions to mitigate their exposure to cyber risks through our Cyber Security Rating platform.

Customers

Our three key end-customer segments are (i) micro and small businesses, (ii) mid-market businesses and (iii) professionals. Internationally, our micro and small business, mid-market business and professional customer groups have seen growth, reflecting our increasing global reach and penetration.

Our end-customer base increased from approximately 1.5 million as of December 31, 2020 to approximately 2.6 million as of March 31, 2025. Of this total figure, approximately 2.3 million are micro and small businesses, approximately 0.2 million are mid-market businesses and approximately 0.1 million are professionals.

Our large and diverse customer base is highly fragmented and diversified in terms of number of customers, industries and geography. As of March 31, 2025, we had approximately 525 thousand customers outside of Italy from approximately 55 thousand for the year ended December 31, 2022. Our ten, 50 and 200 largest customers accounted for 3.1%, 6.8% and 10.7% of our total revenue for the twelve months ended March 31, 2025, respectively. Generally, there is no industry on which we rely for our customer base, which we believe helps sustain our business through the various economic cycles. In addition, we have historically experienced high Customer Retention Rates. See "*—Our strengths—Large, highly diversified and fragmented customer base characterized by high retention rates.*"

We serve our customers through the broad offering of our business units, which allows us to deliver a comprehensive suite of products and services that assist our customers with their day-to-day business operations and ease their shift to digital management systems and cloud solutions. Product integration is aimed at, amongst others, promoting cross-selling opportunities and creating a product ecosystem that addresses our customers' specific requirements and needs. We have honed a diverse mix of sales channels to effectively broaden our reach and cater to the varied preferences of our customer base in terms of communication, sales and support. For instance, our micro and small business customers are less frequently engaged through our Field Sales Channels. Instead, we predominantly reach these customers indirectly via our network of accountant customers and through our online channels, which are more aligned with the purchasing behaviors and service expectations of these customers.

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

Team leverages AI and increasing levels of automation to enhance the conversion of leads generated by our marketing efforts and investments.

Online sales have experienced strong and consistent growth, driven by a series of strategic initiatives and targeted investments. One of the key performance indicators underscoring the performance of the online channel is the long-term value to customer acquisition cost ratio. This metric, which measures the lifetime value of a customer against the cost of acquiring them, demonstrated a significant return for our top online products in the first quarter of 2025, namely, Fatture in Cloud and Danea EasyFatt, for which the ratio exceeded a multiple of 8 and 11, respectively, with Danea EasyFatt achieving this performance without the benefit of any regulatory-driven influence. This ratio demonstrates the efficiency and effectiveness of the online marketing and sales processes, highlighting the channel's ability to attract and retain valuable customers at a relatively low cost. Marketing efforts have been increased to support the Online Sales Channel's growth, with marketing spend as a percentage of the channel's revenue increasing over time. This investment in marketing has been instrumental in driving traffic to our website and converting visitors into customers. The channel's visibility index has also seen a significant uptick, mirroring our incumbent position in the Italian segment. The Online Sales Channel's performance is further bolstered by its scalability and the lean and intuitive sales process that it delivers. This approach has made it easier for customers to complete the purchase process, from product discovery to final transaction. The channel's scalability ensures that we can efficiently manage a growing volume of transactions without a proportional increase in salesforce or support staff. As digitalization continues to shape consumer behavior and business operations, the Online Sales Channel is well-equipped to capitalize on these trends and continue its upward trajectory.

As part of our sales channel diversification strategy, we have implemented advanced in-software engagement to facilitate revenue growth through direct and personalized customer interactions. Utilizing tools such as targeted banners, promotional content and free trial offers, we aim to provide a seamless experience for customers to discover and upgrade to higher-value products and features, guiding them toward premium offerings. This initiative also yields insights into customer behavior and preferences, enabling more effective tailoring of our offerings. We anticipate that adopting in-software engagement as a sales channel will lower customer acquisition costs and enhance scalability and sales efficiency, allowing customers to independently explore and purchase additional features, thereby rationalizing our sales process.

Field Sales Channel

Our Field Sales Channel provides capillary and extensive geographical coverage through direct and indirect "on field" salesforce, providing software solutions and related services, including installation, start-up, maintenance and post-sale customer assistance, directly to our customers.

Direct Salesforce

Our direct "on field" salesforce sells our products mainly to our SME and professional end-customers. As of March 31, 2025, our sales team was composed of approximately 900 in-house on-field representatives, distributed throughout our main locations spread across Italy. In addition, as of March 31, 2025, we operated through approximately 11 ACG agencies as well as 12 from other agencies. The ACG agencies, which are not VARs, resell certain of our Enterprise Solutions products, provide software installation services directly to our customers and are remunerated based on a percentage of their sales to our customers. For the year ended December 31, 2024, approximately 2.2% of our total revenue was generated by ACG agencies. We have expanded our Field Sales Channel by establishing exclusive regional networks (*reti monomandatarie*) to distribute our ERP and digital solutions to smaller clients, facilitating the growth of our customer base and allowing our internal salesforce to concentrate on upselling to existing customers.

Our sales representatives are employed directly by us while our sales agents operate under exclusive agency contracts, which ensure that their activities are aligned with our objectives and goals, through targets levels, reporting, marketing guidelines, training and pricing policies.

Indirect Salesforce

Our indirect salesforce is mainly composed of our VAR network.

VARs resell our products and are mainly focused on professional and mid-sized companies. VARs sell on behalf of ERP software providers and usually operate on an exclusive basis with a single provider. VARs install the relevant software and provide assistance and software maintenance services to customers. The provision of these business services is particularly important to micro and small businesses and professionals, who do not usually have the necessary in-house capabilities to efficiently install and maintain a new software system or the ability to train staff in using such new software.

In the past, VARs have been key to ensure close customer relationships, enabling us to deliver tailored services, market our products effectively and reach a wider customer base while optimizing commercial costs. However, digital solution adoption and new sales drives, including enhanced reliance on high recurring revenues as well as the industry-wide shift towards SaaS technologies has lessened the necessity for an extensive indirect network, as the breadth of commercial coverage and the need for service proximity become less critical. As a result, we embarked on a VAR transformation program in 2018 to transition from an extensive VAR network to a more streamlined, insourced model.

The VAR insourcing initiative is designed to streamline our sales approach and enhance profitability by embedding the insourcing margin directly into our direct salesforce segment, demonstrating our commitment to optimizing our sales channel mix and driving sustained growth through strategic insourcing. Since 2022, we successfully integrated more than 52 VARs. The VAR insourcing initiative has led to an increase in sales productivity by leveraging our best practices, such as incentives and tools. The initiative has also accelerated the penetration of cloud products and expanded our new offering to acquired customers through cross-selling. Financial benefits have been realized from integration, increasing efficiency in customer support, delivery and general and administrative functions. Moreover, the insourcing margin has been embedded into the direct salesforce channel, improving profitability.

The strategic shift has significantly reshaped our sales structure, leading to a reduction in the revenue contribution of our indirect salesforce, which has reduced from 23.1% in 2020 to 6.3% by 2024. As of March 31, 2025, our indirect salesforce included over 100 VARs, which are located and service customers throughout Italy. See "*Risk factors—Risks related to our business—If we fail to maintain, expand or develop our relationships with VARs and ACG agencies, we could lose a significant portion of our end-customers, which could have a negative impact on our business and financial conditions"* and "*Risk factors—Risks related to our business—Changes to our sales organization and other corporate functions harm our business and may negatively impact our results of operations*."

Accountants Sales Channel

Our Accountants Sales Channel benefits from the relationships that accountants have with their own clients, particularly micro and small businesses. As financial advisors and intermediaries to their clients, accountants can recommend solutions that improve the efficiency and compliance of their clients' business. We incentivize accountants to introduce clients to our solutions through three key benefits: the ease of integrating and managing customer data with our software, the ability to resell solutions like Digital Invoice at a discounted rate from us and referral awards for new leads that convert into our customers.

Recognizing the impact that the Accountants Sales Channel has had in boosting revenue and expanding our customer base, especially in the Micro and Small Business segment, we launched a program in 2022 that provides accountants with opportunities for profit-sharing (through rebates based on the sales of our software that they generate), specialized support and access to a credit platform. This initiative is tailored for accountant firms looking to grow and benefit from the opportunities afforded by digital transformation. It forms a core part of our "Be Amazing" campaign, which includes two main strategies: "Be Digital," focused on integrating digital processes and solutions into the operations and client services of accountant firms and "Be Leader" (Accountant-as-a-Channel), which empowers professionals to become key distributors of our digital solutions to their end customers. As of December 31, 2024, approximately 3.5 thousand of our accountants clients participated in the "Be Amazing" initiative increasing from approximately 2.5 thousand accountants clients as of December 31, 2023.

Given our strong positioning in the Micro and Small Business segment with more than 30% share, accountants remain a crucial channel for driving digitalization in micro and small businesses and serve as an important sales channel for us.

Self-provisioning and Delivery operating models

We employ a dual approach in delivering our products and services, leveraging both self-provisioning and delivery operating models to cater to a diverse range of customer needs. While the delivery operating model has traditionally played a key role in the implementation and operation of our products, our shift to cloud-based solutions reduces its criticality. Cloud products inherently streamline deployment processes, offering flexibility and efficiency that mitigate some of the challenges previously managed by a delivery operating model.

Self-Provisioning Model

Most of our products are cloud-based and do not require extensive delivery services. As they are cloud-native and largely self-provisioning, customers can easily deliver and set up these software products using straightforward processes, gaining immediate access to the product. Our customer support team offers assistance and training to our customers, including help with activating their solutions. In the self-provisioning model, customers have the flexibility to configure and manage our software solutions independently. This is especially beneficial for businesses that prefer to maintain control over their IT environments and possess technical expertise to handle setup and maintenance tasks.

By offering cloud-based solutions, we enable users to access, configure and scale their applications as needed. This model provides significant advantages in terms of agility, scalability and cost-efficiency, allowing businesses to quickly adapt to changing demands and optimize their operations without the need for extensive IT support.

Delivery Operating Model

The delivery operating model is designed for customers who utilize certain of our software that is based on on-premises deployment. This software is not self-provisioning, although the level of customization is limited and the activities required to install those solutions are standard. We have externalized all delivery services for our on-premises software, maintaining internally only the personnel responsible for the training, governance and staffing of the relevant external system integrators (the "**System Integrators**") which perform the delivery. As of March 31, 2025, we worked with approximately 46 System Integrators. In particular, since June 2018, we have started a strategic partnership with selected System Integrators specialized in the installation, configuration and customization of our on-premises Enterprise Solutions products. These System Integrators manage their activities relying on dedicated teams which have a specific know-how in management and realization of ERP projects. We believe this delivery operating model ensures the high-quality standards of our service and customers' satisfaction, although it is becoming a residual service as our focus shifts to SaaS and other cloud-based solutions.

By utilizing this delivery model, customers can focus on their core business activities while relying on us for seamless software performance, updates and security. This model is, therefore, particularly suited for organizations that may lack the in-house resources or expertise to manage complex IT solutions.

In addition, our VARs are responsible for the delivery of the products they sell to end-customers, as well as for customers training. When requested, we provide assistance to VARs engaging in delivery processes. See "*—Field Sales Channel—Indirect Salesforce.*"

Our Revenue Model

We generate our revenue through a combination of recurring and non-recurring models, designed to provide both stability and growth. The recurring revenue model includes subscription, maintenance and consumption services, while non-recurring revenue is derived from one-off sales and professional services. This diversified approach ensures a steady stream of income while allowing for flexibility to meet various customer needs.

Recurring Revenue

Recurring revenue is a critical component of our financial strategy, providing a predictable and stable income stream. This model relies on continuous engagement with customers through ongoing services and support. By structuring revenue in a recurring format, we are able to build long-term relationships with clients, ensuring sustained revenue and minimizing the impact of market fluctuations. This stream is further categorized into three models:

Subscription Model

Our subscription model involves customers subscribing to annual subscription plans to access our software and data through cloud platforms (SaaS or IaaS) or on-premises installations. The subscription fee encompasses not only access to the software but also customer support, software upgrades, technical support and maintenance. Our customers have the flexibility to pay subscription fees either upfront or within 30, 60, or 90 days from the start of the annual period.

business unit's total revenue, in each case for the twelve months ended March 31, 2025. Similarly to our Digital Finance business unit, the Market Specific Solutions business unit presented a more balanced distribution for the twelve months ended March 31, 2025, with 65.0% being recurring revenue under the subscription model and 35.0% being non-recurring revenue. For the twelve months ended March 31, 2025, the Cross Segment Product Solutions business unit showed greater reliance on recurring revenue, with 84.5% of its revenue being recurring.

We are actively transitioning towards subscription-based models. Revenue generated by our subscription-based model represented 41.6% of our total revenue for the year ended December 31, 2024 compared to 37.9% for the year ended December 31, 2022. As our existing customer base adapts and new clients join, we expect an increase in higher-margin subscription revenue. This transition reflects our commitment to building a stable business with a reliable revenue foundation.

Employees and Footprint

The table below sets out our number of employees as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
Managers	88	126	136
Other employees	3,168	4,518	5,059
Total	3,256	4,644	5,195

We believe that we have satisfactory working relationships with our employees and have not experienced any significant labor disputes or work stoppages. We have historically measured employees' satisfaction and collected employees' feedback to identify the areas to act on in order to further improve our working environment. In addition, since 2018 we also launched a talent program for our best performing employees, giving them the opportunity to participate in dedicated trainings, leadership programs and mentorship initiatives. In 2022, we launched the Future Shaper program, which aims at promoting employment among recent graduates in the areas where we operate. This initiative offers participants the chance to join our company on a rotational basis, providing them with a broad and strategic perspective on our operations. We believe this program represents a valuable opportunity to discover and integrate new talents who can contribute fresh ideas and drive innovation within our inclusive and supportive workplace culture.

Furthermore, we continuously promote work-life balance and healthy food habits; we have initiatives in place to build awareness around and promote diversity and gender balance, as part of both the hiring and career development processes. As of December 31, 2024, approximately 41% of our employees were women.

Our Italian employees are based in three main offices located in Pesaro, Milan and Campobasso as well as seven additional main locations in Bologna, Roma, Catania, Mantova, Napoli, Vigonza and Turin. We also maintain development centers in Copenhagen (Denmark), Jaen (Spain) and Tirana (Albania), along with a billing center in Madrid (Spain) and offices in Istanbul (Turkey) and Nancy (France) following the acquisition in 2023 of Mikro and the Clementine group, respectively.

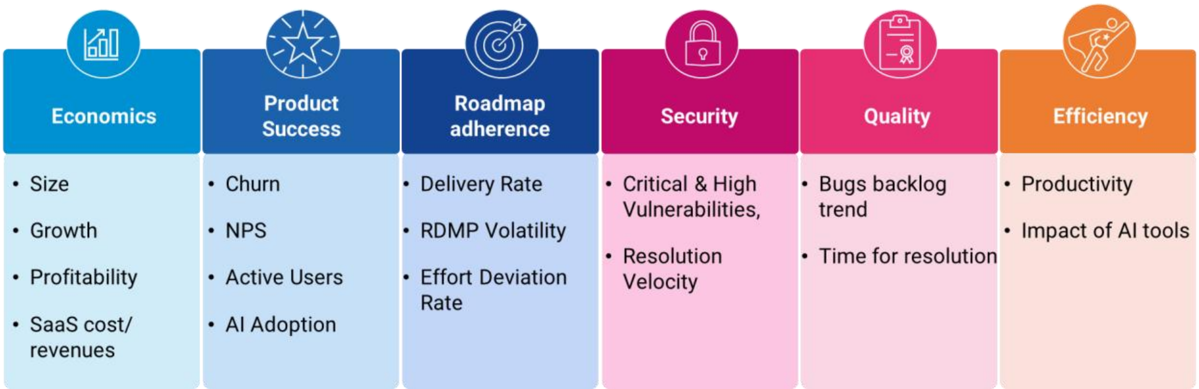
We lease most of our offices. We believe that, if required, suitable additional or alternative space will be available on commercially reasonable terms to accommodate the expansion of our operations.

Research and Development ("R&D")

The continuous innovation of our product portfolio and the technologies that underpin them is a cornerstone of our strategy to drive growth and transition into a comprehensive B2B SaaS technology leader. This evolution is guided by four key initiatives: (i) integrating R&D to boost our "One Platform" that accelerates product development and incorporates future-proof technology; (ii) maintaining value from legacy offerings while enhancing client engagement and trust; (iii) improving client experience to facilitate cross-selling and upselling through streamlined and digital customer journeys; and (iv) leading in R&D by adopting best practices and innovations, including AI-enabled tools and methodologies.

With these objectives in mind, our current R&D strategy is designed to ensure the delivery of solutions that are reliable and secure and at the same time also contemporary and fully responsive to our customers' needs, enhancing their operational efficiency. At the heart of this strategy is our "One Platform" program, which focuses on developing solutions at the forefront of technological and functional innovation. In particular, our "One Platform" program is a framework that informs the development of our products, ensuring they adhere to a set of coding assistant that provides accurate, context-aware code suggestions to developers, streamlines code review, and enables additional use cases; (ii) test case generation, allowing developers to draft test cases aligned with our best practices and guidelines; (iii) code documentation, expanding the drafting of technical documents and API references by analyzing existing code bases; and (iv) acceleration of the creation of epics and user stories by leveraging generative AI to automatically synthesize feedback from multiple input sources into structured templates.

To further enhance and guide our R&D efforts, we have developed a comprehensive dashboard designed to monitor performance and ensure alignment with our strategic objectives.



Development costs are generally expensed in our results of operations, with the exception of our development costs related to new product developments, which are capitalized. Capitalized development costs were €17.2 million, €23.2 million and €35.6 million in 2022, 2023 and 2024, respectively and €35.6 million for the twelve months ended March 31, 2025. For the year ended December 31, 2024, our R&D expense accounted for 8.0% of our total revenue. For further information, see "*Management's discussion and analysis of financial condition and results of operations—Capital expenditure.*" We believe our level of investment and commitment to research and development provide us with a competitive advantage over our competitors.

Intellectual Property

We regard certain aspects of our internal operations, software and documentation as proprietary and rely on a combination of contract, copyright, trademark, patent and trade secret laws to protect our proprietary information. Our policy is to protect all of our significant technologies by seeking trademarks and/or other intellectual property rights and, where required, defending and enforcing our intellectual property rights. In addition, we have implemented a variety of practical measures aimed at providing additional security for our intellectual property. For example, we include non-compete and non-solicitation clauses in the contracts of our key employees and in the acquisition agreements with our strategic partners relating to our majority-owned subsidiaries. In addition, we use repositories for our source code, which may be accessed only by authorized individuals and only in certain circumstances. Moreover, we have developed certain contingency and disaster recovery plans and maintain backup systems to reduce the potentially adverse effect of these types of events. We believe that, because of the rapid pace of technological change in the computer software industry, trade secret and copyright protection is less significant than factors such as the knowledge, ability and experience of our employees, frequent software product enhancements and the timeliness and quality of assistance services.

See "*Risk factors—Risks related to our business—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*."

Customer Support and Retention

We provide customer support and other assistance and maintenance services directly to all of our customers, including our VARs. Our dedicated customer service unit is organized by product type. All of our customers, including our VARs, have access to a web portal through which they can submit their requests of assistance. Through this web portal, our customer service team can prioritize and manage the requests and, based on the level of complexity and type of request, assign them to an expert team. After an initial assessment and, in case of simple requests, a first answer via email, our customer support services are delivered by telephone conference between the customer and one of our customer support representatives. If the technical problem that the customer is experiencing is related to the software and requires a structural intervention on the product, our customer support largest Italian reseller of SolidWorks CAD/CAM products. For the twelve months ended March 31, 2025, the Nuovamacut group of companies accounted for 6.5% of our costs.

We continuously enhance our cost management capabilities to boost efficiency and further reduce the cost base of our supply chain and operations, encompassing utilities, fleets, and external consultants. Accordingly, we regularly undertake initiatives such as (i) reviewing and refining our purchasing processes and policy provisions, including vendor management and qualification, (ii) implementing supplier rationalization strategies, and (iii) developing benchmarking practices to improve cost visibility and identify areas for further efficiencies.

Furthermore, we select our suppliers through a dedicated purchasing process to ensure they meet high standards and adhere to industry's best practices. Currently, we are extending our vendor qualification procedures across our subsidiaries to ensure compliance with GDPR, maintain robust financial and economic performance, and hold relevant certifications. For high-cost orders or purchases, we conduct competitive bids involving at least two vendors. Additionally, we have implemented an internal vendor rating system to effectively monitor our suppliers' performance, assessing factors such as financial stability, dependency on the Group, and customer satisfaction.

Non-Controlling Shareholders in Our Subsidiaries

As part of our acquisition strategy, when we acquire new businesses, we typically acquire a majority interest and offer sellers the option to become non-controlling shareholders (as occurred, for example, with the acquisitions of Mikro group, Change Capital, Distrito K, Billin as well as recently acquired VARs). In order to incentivize such non-controlling shareholders, we typically enter into agreements with them providing for, *inter alia*, (i) our undertaking to hire individual sellers or appoint them as directors of the company, (ii) put and call option rights with a strike price to be calculated on the basis of, among others, the results of the company and (iii) non-compete undertakings of the sellers with respect to the activities carried out by the company in which we acquired the majority interest. We believe managers and employees are incentivized to perform at high levels as a result of the above acquisition strategy. See the notes 14 and 15 to our 2024 Financial Statements included elsewhere in this Offering Memorandum for further details regarding our bolt-on acquisitions. In selected cases, we have also undertaken to make reserve distributions, provided that the relevant subsidiary's financial condition is stable and we are legally permitted to do so. For the year ended December 31, 2024, payments of dividends to non-controlling shareholders of our subsidiaries amounted to approximately €4.0 million.

As part of the TS Transactions, on or shortly after the Issue Date, we plan to use a portion of the proceeds of this Offering to, among other things, buy out the stakes held by these non-controlling shareholders in certain of our subsidiaries. As of March 31, 2025, we had €234.5 million of Liabilities to Non-Controlling Shareholders of Subsidiaries on a discounted basis (or €245.1 million on a non-discounted basis). For further information, see "*Summary—The Transactions," "Use of proceeds," "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" and "Management's discussion and analysis of financial condition and results of operations—Contractual obligations—Liabilities to Non-Controlling Shareholders of Subsidiaries.*"

Environmental, Social and Governance Matters

Environment

We are committed to integrating environmental protection into our business operations. In addition to complying with applicable laws and other voluntary obligations, we strive to continuously improve our environmental performance and management systems through a well-developed impact strategy that has yielded significant achievements. We have successfully reduced paper usage through the digitalization of customer invoicing, contributing to a decrease in annual CO_2 emissions. Additionally, we are transitioning our data center operations into environmentally friendly options by utilizing green computational capacities on platforms such as Azure AWS, Google and MongoDB. We are also transitioning our fleet to fully electric and hybrid vehicles and reducing our office footprint, with the aim of minimizing the environmental impact of our physical operations.

A key future objective is to achieve a net positive impact for Scope 3 by 2030. This goal will be pursued through different initiatives, including by leveraging software and digital solutions to lower emissions of our customers and suppliers, while facilitating access to emission compensation mechanisms for customers.

We are also committed to increasing the use of electricity from renewable resources. For the year ended December 31, 2024, renewable resources accounted for approximately 98% of our total energy consumption, highlighting our dedication to environmental stewardship. In line with our goal to continue raising this value, we are taking concrete steps, including the planned installation of photovoltaic plants at our Pesaro and Milan offices, to deepen our investment in clean energy solutions and further reduce our carbon footprint. As part of our broader sustainability strategy, two of our offices are already LEED certified, reflecting our commitment to high environmental standards in building design and operation.

Furthermore, as part of our commitment to comply with stringent environmental certifications, in 2025 we achieved the ISO 14000 certification, which demonstrates our dedication to environmental protection and effective risk management.

Social Responsibility

We place a high emphasis on social responsibility, with a range of policies and initiatives designed to foster a diverse, inclusive and supportive workplace. We have implemented gender diversity initiatives and are committed to broadening our diversity and inclusion programs. For the year ended December 31, 2024, approximately 41% of our employees were women. Efforts to support employees also include new ways of working (*e.g.*, our Light Friday policy), leadership training focused on inclusivity and support for caregivers.

We also actively engage in community development, with team-building activities that positively impact local communities and a focus on early STEM education through school orientation activities. Employee engagement is further enhanced through initiatives and welfare benefits that contribute to a positive workplace culture.

Governance

Our governance efforts are underscored by a dedicated committee on ESG and risk, led by our ESG Officer, which steers and oversees our adherence to high standards of corporate governance and risk management. Policies and compliance frameworks are in place, including a whistleblowing policy, anti-bribery measures, an ethical code and adherence to relevant laws and standards such as Legislative Decree No. 231/2001, ISDP 10003 and ISO 27001. A dedicated cybersecurity program is in place to protect company and customer data. We also utilize employee net promoter scores as an indicator in management by objectives.

We are committed to transparency in our ESG efforts, with plans to enhance non-financial reporting by way of sustainability reports, compliance with the CSRD reporting mandates and pursue external certifications, such as ESG ratings and B-Corp certification.

Compliance with Applicable Regulations

We are subject to numerous regulations, including labor and employment regulations, regulations concerning data protection and regulation concerning intellectual property. We believe the following regulations are particularly relevant to our business.

Data Protection and Cybersecurity

As part of our business, we process a large amount of personal data, including personal data of our employees as well as personal data collected by our customers and therefore we believe that data security and strict compliance with data protection and privacy laws are competitive factors in our segments. We adapted our internal procedures and operations to the requirements imposed by the GDPR. We have appointed a dedicated data protection team, which also includes a Data Protection Officer (a "**DPO**"), a central data protection office and we have taken and will continue to take action to ensure the constant and complete implementation of the best practices for compliance with the applicable data protection laws and regulation.

In addition, we specifically focus on customers' needs and we have designed software and programs to assist our customers in respect of compliance with GDPR requirements.

Furthermore, we invest regularly in the cybersecurity area (*e.g.*, internal and external penetration tests conducted regularly, constant collaboration with Microsoft and AWS to adopt best practices for cloud security and architectural review, constant trainings for developers on secure coding practices and common vulnerabilities and new e-learning program for all employees), adopt advanced threat intelligence solutions to ensure full visibility on and quick response time to, cyber threats and moved to state-of-the-art data centers with no single point of failure, ensuring data recovery in a few minutes in case of a complete data center failure.

Legislative Decree No. 231/2001

We have taken and will continue to take action to ensure the constant and complete implementation of the best practices for compliance with Legislative Decree No. 231/2001. We have adopted a "Code of Ethics" that includes provisions addressing compliance with anti-corruption and anti-bribery laws and regulations and best practices and "Anti-Corruption Code," which include specific provisions aimed at ensuring compliance with national and international regulations on anti-corruption, conflict of interest, and other unlawful conduct as well as adherence to industry best practices. TeamSystem and certain of its subsidiaries (TeamSystem Service S.r.l., TeamSystem Payments S.r.l., TeamSystem Capital at Work SGR S.p.A., Nuovamacut Automazione S.p.A., Whit-e S.r.l., Logical soft S.r.l., Modefinance S.r.l and Netfintech S.r.l.) adopted a 231/2001 Management and Organizational Model (*Modello di Organizzativo e Gestionale*) aimed, *inter alia*, at preventing the possibility to commit specifically identified offences in the interest or for the benefit of the TeamSystem Group. In addition, TeamSystem and these subsidiaries have appointed a supervisory body, with the scope to supervise the functioning and the adherence to the 231/2001 Management and Organizational Model, the internal procedures and the commitment to constantly update those procedures and the Management and Organizational Model, to adapt such compliance system to the changes in the applicable Italian regulatory framework and to the development of our business. This further reinforces our system of internal controls and will make a specific contribution to mitigate our exposure to operational and reputational risks. We are currently in the process of implementing the necessary measures to ensure that the remaining subsidiaries are also equipped with appropriate compliance programs.

Legal and Other Proceedings

We become involved from time to time in various claims and lawsuits arising in the ordinary course of our business. We are not involved in any ongoing governmental, tax, legal or arbitration proceedings which, either individually or in the aggregate, have had, or are expected to have, a material adverse effect on our financial position or profitability, nor, so far as we are aware, are any such proceedings pending or threatened. As of March 31, 2025, the provisions we had set aside for potential liabilities from litigation in our financial statements were €19.7 million. See "*Risk factors—Risks related to our business—Potential liabilities and costs from litigation and other proceedings could adversely affect our business*."

Insurance

We maintain insurance to cover risks associated with the ordinary operation of our business, including coverage for injuries and accidents, civil liability claims (including claims brought in connection with errors and omissions) and IT, such as damage to hardware, software and databases. We have directors' and officers' civil liability insurance for members of our board of directors, the board of statutory auditors and the other managers of the Group's companies. Certain of our companies also maintain coverage relating to the specific risks of their business. We regularly conduct periodic reviews of our insurance cover to ensure that we have adequate coverage and that our deductibles and premiums are at reasonable levels. See "*Risk factors—Risks related to our business—Undetected defects or delays in the introduction of new software products and product enhancements may harm our reputation, result in increased costs to us and reduce demand for our products and services*." Although we do not have insurance protection against the risk of failure by customers to pay, our credit collection performance has historically been successful and losses incurred in the past have been relatively modest. For the year ended December 31, 2024 and the three months ended March 31, 2025, our allowance for bad debts was €9.0 million (or 1.0% of our total revenue) and €2.0 million (or 0.8% of our total revenue), respectively. See also "*Management's discussion and analysis of financial condition and results of operations—Qualitative and quantitative disclosures about market risk—Credit risk*."

MANAGEMENT

The following is a summary of information relating to management of the Issuer and certain provisions of the Issuer's bylaws (statuto). This summary is qualified in its entirety by reference to the Issuer's bylaws and/or Italian law, as the case may be, and it does not purport to be complete.

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 Issuer's LEI is 81560062081DF3AB7A90.

As of the date of this Offering Memorandum, and pursuant to the provision of its bylaws (*statuto*) which requires TeamSystem to be governed by a board of directors with no fewer than three and no more than 15 members, the Issuer's board of directors is composed of five members. Members of the board of directors are appointed by an ordinary shareholders' meeting for a term indicated in the appointment deed, which cannot exceed three years, expiring on the date of the ordinary shareholders' meeting called to approve the financial statements for the last financial year of their term. The board of directors may perform all acts related to the ordinary and extraordinary management of the Issuer, except for those actions reserved to the shareholders' meeting by law or pursuant to our bylaws.

Board of Directors and senior management of the Issuer

The following table lists the current members of the Issuer's board of directors, together with their age, position and other roles they hold within the Group. The Issuer's directors can be contacted at the Issuer's business address.

Name	Age	Position
Federico Leproux	53	Director and Chief Executive Officer
Vincenzo Morelli	69	Chairperson
Vincenzo Ferrari	65	Director and General Counsel
Tommaso Giovanni Cohen	44	Director and Chief Operating Officer
Pietro Maranzana	52	Director and Chief Financial Officer

Summarized below is a brief description of the experience of the individuals who serve as members of the board of directors of the Issuer:

Federico Leproux is the Chief Executive Officer of the TeamSystem Group and has guided the group with a clear strategic vision through significant transformation and growth. During his 18 years at TeamSystem, he has collaborated with several private equity funds as key shareholders, such as Bain Capital, HG Capital and since 2015 he and his management team successfully partnered with H&F. Mr. Leproux holds a degree in Mechanical Engineering at La Sapienza University in Rome. Prior to taking on executive roles at TeamSystem, he held various positions at McKinsey & Co., Bain & Co., Procter & Gamble.

Vincenzo Morelli was first appointed as Director and Chairman in 2013. He served until March 2016, when TeamSystem's majority control was sold by HgCapital LLP to Hellman & Friedman. He was then re appointed as Director and Chairman in October 2016, March 2019, April 2022 and April 2025. He also serves on the Board of Directors of Balsu Aida Sanayi A.S, a Turkish food trading and processing company. Mr. Morelli is a Partner Emeritus at TPG Capital, having served as European Operating Partner in their London office from 2004 until 2012. While active with TPG Capital, he served as Chairman and/or Director of several companies, including Bally International, TIM Hellas, Mey Icki, Télédiffusion de France (TDF), Republic Retail and Strauss Coffee. Prior to his association with TPG in 2004, Mr. Morelli was CEO or Executive Chairman of several enterprises, including GE's European Medical Systems Business, FIAT New Holland, Kontron Instruments and two other privately held companies which he helped restructure as a Managing Director of Alvarez & Marsal. He holds an M.A. from the University of Oxford and an MBA from Stanford University. From 2009 to 2013 Mr. Morelli served on the Board of the European Private Equity and Venture Capital Association in Brussels (now Invest Europe), which he chaired for one year.

Vincenzo Ferrari has held positions in the TeamSystem Group since 2000. Mr. Ferrari was first appointed as Director in June 2011, confirmed in that position in April 2013 and was appointed as Chief Financial Officer in April 2013. He was then appointed as Legal and Procurement Director in 2016 and confirmed in that position in

2019. He served as CFO and Human Resources Director from 2000 until 2015. He was a member of the board of directors of AMPS, an energy distribution company and he has also held various positions as CFO or Financial Director in other companies such as the ICM Group, Bonatti, Stayer Group and the Bonfiglioli Group. Mr. Ferrari holds a degree in Economics from the University of Parma and a master's in business administration from Università Commerciale Luigi Bocconi.

Tommaso Giovanni Cohen was appointed as Director and Chief Financial Officer in 2018 and as Chief Operating Officer in 2021. Mr. Cohen is currently responsible for our finance, administration, financial planning and analysis, investor relations, product development and technology and the Group's IT departments. From 2015 to 2018 he was Director and Head of CEO Office with responsibility on Strategy, M&A, Special Projects, Marketing, IT and overall coordination of product management cycle. Previously, from 2007 to 2015, he worked as associate partner at McKinsey Business Technology Office, leading the private equity practice in the technology sector and serving clients across Europe. From 2004 to 2007 he held a position at ABLA, as head of business development and pre-sales. Mr. Cohen holds a MSc. in Management, Economics and Industrial Engineering from Politecnico di Milano University.

Pietro Maranzana joined TeamSystem as Chief Financial Officer in 2024. Prior to this, Mr. Maranzana served as a senior partner at CDP Venture Capital, during which he led the Green & Digital transition funds with approximately $0.7 billion assets under management. From 2005 to 2022, Mr. Maranzana held various executive positions at Sky Group, including as CFO, across Italy and Germany, covering the commercial, operational, digital and financial departments. Mr. Maranzana began his career in strategy and management consulting at Value Partners and in corporate finance at Banca Intesa in Frankfurt. He holds a degree in Business Administration from the University of Trieste.

Compensation

For the year ended December 31, 2024, the Issuer paid to its board of directors and senior management team an aggregate remuneration, excluding bonuses, of €3.5 million.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we may from time to time enter into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into from time to time within the ordinary course of business.

Affiliate transactions

We believe that all transactions with affiliated companies are negotiated and conducted on a basis equivalent to those that would have been achievable on an arm’s-length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third party suppliers, manufacturers and service providers. We currently have non-material investments in a small number of minority-owned subsidiaries. For further information, see Note 32 to our 2024 Financial Statements and Note 31 to our 2023 Financial Statements.

Other

During the year ended December 31, 2024, transactions with subsidiaries formed part of the Group’s normal operations and were entered into on an arm’s length basis. The Group has not otherwise been party to any transactions with related companies that merit disclosure.

Certain members of senior management and certain other employees in key departments of the Group have invested in Holdco 2 by purchased shared in Holdco 2 and entered with Holdco 1 an investment agreement providing for customary call option rights of Holdco 1.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of the material terms of our principal financing arrangements. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. We recommend you refer to the actual agreements for further details, copies of which are available upon request.

Revolving Credit Facility

Overview and structure

On January 27, 2021, the Issuer (as an original borrower and an original guarantor), Holdco (as parent), Banque Nomura France, Bank of America Europe Designated Activity Company, Barclays Bank Ireland PLC, BNP Paribas Italian Branch, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, JPMorgan Chase Bank, N.A., Milan Branch, Morgan Stanley Bank AG and UniCredit S.p.A. (as original lenders) and Deutsche Bank AG, London Branch (as agent and security agent) (amongst others) entered into a revolving credit facility agreement in an original amount of €180.0 million (the "**Original Revolving Credit Facility Agreement**").

On July 29, 2024, in connection with the issuance of the Existing 2024 Floating Rate Notes, the total commitments under the Original Revolving Credit Facility Agreement were upsized from €180.0 million to €300.0 million through an amendment and restatement agreement to the Revolving Credit Facility Agreement. As part of such amendment, the maturity of the Revolving Credit Facility has been extended to mature on the earlier of (x) January 31, 2031 and (y) the date falling six months prior to the maturity date of the Existing 2024 Floating Rate Notes (such earlier date being, the "**RCF Maturity Date**"), provided that, to the extent that more than €200.0 million in aggregate of the Existing 2021 Floating Rate Notes and the Existing 2021 Fixed Rate Notes remain outstanding as at the date falling six months prior to February 15, 2028 (such February 15, 2028 date being the "**First Existing Senior Secured Notes Maturity Date**"), the RCF Maturity Date shall be adjusted at such time to be the date falling three months prior to the First Existing Senior Notes Maturity Date.

Subject to the 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 the Revolving Credit Facility Amendment pursuant to the Revolving Credit Facility Amendment and Restatement Agreement. 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 as will be set out in the Indenture.

The Revolving Credit Facility Agreement, as amended pursuant to the Revolving Credit Facility Amendment and Restatement Agreement will provide for a super senior revolving credit facility in a principal amount of €350.0 million (the "**Revolving Credit Facility**"), made available to the Issuer as original borrower.

The Revolving Credit Facility may be utilized by the Issuer (and certain restricted subsidiaries of the Issuer who accede as additional borrowers) in euro, U.S. dollars, pound sterling and any other currency approved by the lenders under the Revolving Credit Facility, by the drawing of cash advances, the issuance of letters of credit and by way of ancillary facilities (on a bilateral and fronted basis). Subject to certain exceptions and conditions, amounts under the Revolving Credit Facility that have been repaid or prepaid may be re-borrowed. The Revolving Credit Facility may be used towards financing or refinancing, directly or indirectly (a) the refinancing, discharge and/or acquisition of existing indebtedness of the Group and paying any breakage costs, redemption premium, make-whole costs and other fees, costs and expenses payable in connection with such refinancing and/or acquisition, (b) any other purpose or payment contemplated by the tax structure memorandum, the funds flow statement or the transaction documents, (c) other related amounts, including fees, costs, expenses, liabilities, taxes (including stamp duty) and other amounts, including those incurred in connection with the Transaction, the tax structure memorandum and/or the transaction documents and (d) the general corporate and/or working capital purposes of the Group and any related fees, costs, expenses, liabilities, taxes (including stamp duty) and other amounts.

The Revolving Credit Facility may be utilized from the date of the Revolving Credit Facility Agreement until the date which is one month prior to the maturity date applicable to the Revolving Credit Facility.

In addition, the Issuer may elect to request additional facilities either as a new additional or existing commitment or facility or as an additional tranche or class of, or an increase of, or an extension of an existing facility under the Revolving Credit Facility Agreement (the "**Additional Facility Commitments**") provided that the aggregate

Existing PIK Notes are held in dematerialized book entry form through the facilities of Monte Titoli S.p.A. and are listed on the Vienna MTF of the Vienna Stock Exchange.

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. See "*Summary—The Transactions—Existing PIK Notes Amendments*."

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.

PIK Notes

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 (distinct from and in addition to the distribution of our available reserves with part of the proceeds from the Offering) of Holdco 3's available reserves 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. See "*Summary—The Transactions—PIK Notes Issuance.*"

The PIK Notes will be an unguaranteed senior obligation of Holdco 3, and will be secured, among others, on a contractual second priority basis for the benefit of the holders of the PIK Notes by 100% of the share capital of the Issuer held by Holdco 3. The PIK Notes will not be guaranteed by, and will not benefit from any other credit support from, the Issuer and its subsidiaries. Interest on the PIK Notes will be 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 PIK Notes. Interest will be payable semi-annually in arrears. The PIK Notes will generally be serviced by Holdco 3 through dividends or other distributions by the Issuer or its subsidiaries to Holdco 3, subject to the limitations under applicable law. The PIK Notes will be held in dematerialized book entry form through the facilities of Monte Titoli S.p.A. and will be listed on the Vienna MTF of the Vienna Stock Exchange.

Existing 2021 Fixed Rate Notes

On February 10, 2021, Brunello Bidco (the predecessor of the Issuer before the Merger) issued €300.0 million in aggregate principal amount of its 3 1⁄2% Senior Secured Notes due 2028, under the Existing 2021 Indenture. The Existing 2021 Fixed Rate Notes will mature on February 15, 2028, unless earlier redeemed or repurchased and cancelled in accordance with the Existing 2021 Indenture.

The terms of the Existing 2021 Fixed Rate Notes are, *mutatis mutandis*, substantially similar to the terms of the Existing 2024 Floating Rate Notes and the Notes offered hereby. See "*Summary—The Offering*" and "*Description of Notes—Certain Covenants.*" Interest on the Existing 2021 Fixed Rate Notes accrues at a rate of 3.50% per annum.

On and after February 15, 2024, the Issuer may redeem all or, from time to time, part of the Existing 2021 Fixed Rate Notes upon not less than 10 nor more than 60 days' notice at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and certain additional amounts, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on February 15 of the years indicated below:

Year	Redemption Price
2024	101.750%
2025	100.875%
2026 and thereafter	100.000%

The Issuer is required to pay interest on the Existing 2021 Fixed Rate Notes semi-annually in arrears on April 15 and October 15 of each year, in accordance with applicable provisions of law and the terms and conditions of the

Existing 2021 Fixed Rate Notes. The Existing 2021 Fixed Rate Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market thereof, in accordance with the rules and regulations of such exchange.

The Fixed Rate Notes will trade separately under different ISIN/Common Code numbers than the Existing 2021 Fixed Rate Notes and will not be fungible with them. The Existing 2021 Fixed Rate Notes sold under Regulation S have been accepted for clearance through the facilities of Euroclear and Clearstream under common code and ISIN code 229569074 and XS2295690742, respectively. The Existing 2021 Fixed Rate Notes sold under Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under common code and ISIN code 229569147 and XS2295691476, respectively.

Existing 2021 Floating Rate Notes

On February 10, 2021, Brunello Bidco (the predecessor of the Issuer before the Merger) issued €850.0 million in aggregate principal amount of its Senior Secured Floating Rate Notes due 2028, under the Existing 2021 Indenture. The Existing 2021 Floating Rate Notes will mature on February 15, 2028, unless earlier redeemed or repurchased and cancelled in accordance with the Existing 2021 Indenture. We currently expect that €300.0 million of the Existing 2021 Floating Rate Notes will be redeemed on or about the Issue Date at a price of 100% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption, and additional amounts, if any. We currently expect that €550.0 million Existing 2021 Floating Rate Notes will remain outstanding following the TS Transactions.

The terms of the Existing 2021 Floating Rate Notes are substantially similar to the terms of the Existing 2024 Floating Rate Notes and the Notes offered hereby. See "*Summary—The Offering*" and "*Description of Notes—Certain Covenants.*" Interest on the Existing 2021 Floating Rate Notes accrues at a rate of three-month EURIBOR (subject to a 0.0% floor) plus 3.75% per annum, reset quarterly.

On and after February 15, 2022, the Issuer may redeem all or, from time to time, part of the Existing 2021 Floating Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and certain additional amounts, if any, to, but not including, the applicable redemption date. The Issuer is required to pay interest on the Existing 2021 Floating Rate Notes quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, in accordance with applicable provisions of law and the terms and conditions of the Existing 2021 Floating Rate Notes. The Existing 2021 Floating Rate Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market thereof, in accordance with the rules and regulations of such exchange.

The Floating Rate Notes will trade separately under different ISIN/Common Code numbers than the Existing 2021 Floating Rate Notes and will not be fungible with them. The Existing 2021 Floating Rate Notes sold under Regulation S have been accepted for clearance through the facilities of Euroclear and Clearstream under common code and ISIN code 229569163 and XS2295691633, respectively. The Existing 2021 Floating Rate Notes sold under Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under common code and ISIN code 229569210 and XS2295692102, respectively.

Existing 2024 Floating Rate Notes

On July 29, 2024, the Issuer issued €700.0 million in aggregate principal amount of its Senior Secured Floating Rate Notes due 2031, under the Existing 2024 Indenture. The Existing 2024 Floating Rate Notes will mature on July 31, 2031, unless earlier redeemed or repurchased and cancelled in accordance with the Existing 2024 Indenture.

The terms of the Existing 2024 Floating Rate Notes are substantially similar to the terms of the Notes offered hereby. See "*Summary—The Offering*" and "*Description of Notes—Certain Covenants.*" Interest on the Existing 2024 Floating Rate Notes accrues at a rate of three-month EURIBOR (subject to a 0.0% floor) plus 3.50% per annum, reset quarterly.

On and after July 29, 2025, the Issuer may redeem all or, from time to time, part of the Existing 2024 Floating Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and certain additional amounts, if any, to, but not including, the applicable redemption date. The Issuer is required to pay interest on the Existing 2024 Floating Rate Notes quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, in accordance with applicable provisions of law and the terms and conditions of the Existing 2024 Floating Rate Notes. The Existing

Notwithstanding any other provision to the contrary, if the remuneration applicable to the Notes (including interest, default interest, fees, charges, expenses and other costs and any other form of compensation related to the Notes (the "**Total Remuneration**")) at any time exceeds the maximum remuneration permitted under applicable Italian law (including Italian Law No. 108 of March 7, 1996, as amended and supplemented), then the Total Remuneration shall immediately and automatically be reduced to the maximum admissible remuneration pursuant to applicable Italian law for, and limited to, the period during which it is not possible to apply the remuneration as originally provided; *provided, however, that* the Calculation Agent shall not be responsible for verifying that the rate of interest on the Notes is permitted under applicable law.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (London time) on each Interest Calculation Date, determine the Applicable Rate and calculate the aggregate amount of interest payable on the Floating Rate Notes in respect of the following Interest Period (the "**Interest Amount**") and notify the Issuer in writing thereof. The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of the Floating Rate Note outstanding on the Interest Calculation Date, multiplying each such amount by the actual number of days in the Interest Period concerned divided by 365; *provided, however,* that interest shall only be paid in respect of Notes outstanding on the applicable interest payment dates. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one-half euro cent being rounded upwards). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Floating Rate Notes.

"**Calculation Agent**" means a financial institution appointed by the Issuer to calculate the interest rate payable on the Floating Rate Notes in respect of each interest period, which shall initially be U.S. Bank Europe DAC.

"**EURIBOR**" with respect to an Interest Period, means the rate (expressed as a percentage per annum) for deposits in euro for a three-month period beginning on the day that is two TARGET Days after the Interest Calculation Date that appears on Reuters Page EURIBOR01 as of 11:00 a.m. (London time), on the Interest Calculation Date; *provided, however,* that the EURIBOR shall never be less than 0%. If Reuters Page EURIBOR01 does not include such a rate or is unavailable on an Interest Calculation Date, the Issuer will request (or cause to be requested) that the principal London or Frankfurt office of each of four major banks in the euro-zone inter-bank market, as selected by the Issuer, provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m. (London time), on such Interest Calculation Date, to prime banks in the euro-zone inter-bank market for deposits in a Representative Amount in euro for a three-month period beginning on the day that is two TARGET Days after the Interest Calculation Date. If at least two such offered quotations are so provided, the rate for such Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer will request (or cause to be requested) that each of three major banks in London or Frankfurt, as selected by the Issuer, provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m. (London time), on such Interest Calculation Date, for loans in a Representative Amount in euro to leading European banks for a three-month period beginning on the day that is two TARGET Days after the Interest Calculation Date. If at least two such rates are so provided, the rate for such Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided then the rate for such Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

If the Issuer determines in good faith prior to any Interest Calculation Date, that:

(1) there has been a material disruption to EURIBOR;

(2) EURIBOR is not available for use temporarily, indefinitely or permanently;

(3) there are restrictions or prohibitions on the use of EURIBOR;

(4) an alternative rate has replaced EURIBOR in customary market practice in the international capital markets applicable generally to floating rate notes; or

(5) it has become unlawful for the Calculation Agent, the Issuer or a third party agent of the Issuer to calculate any payments due to Holders using EURIBOR,

Methods of Receiving Payments on the Notes

Principal, interest, premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made by one or more Paying Agents; *provided* that all such payments with respect to the Notes represented by one or more Global Notes registered in the name of or held by a nominee of a common depositary for Euroclear and Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, interest, premium and Additional Amounts, if any, on any certificated securities ("**Definitive Registered Notes**") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by bank transfer to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes.*"

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes. The initial Paying Agent will be U.S. Bank Europe DAC (the "**Paying Agent**").

The Issuer will also maintain a registrar (the "**Registrar**") and a transfer agent (the "**Transfer Agent**"). The initial Registrar and the initial Transfer Agent will be U.S. Bank Europe DAC. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and, together with the Transfer Agent, will facilitate transfers of the Notes on behalf of the Issuer.

The Issuer may change any Paying Agents, Registrar, Transfer Agent or Calculation Agent for the Notes without prior notice to the Holders of such Notes. However, for so long as Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market thereof and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notice of any change of Paying Agent, Registrar, Transfer Agent or Calculation Agent in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.luxse.com*), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Guarantees

On or about the Issue Date, subject to the Agreed Security Principles, the Notes will be guaranteed on a senior basis by the Parent Guarantor. The Parent Guarantor also guarantees or will guarantee, as applicable, on a senior basis the Existing Senior Secured Notes and the Revolving Credit Facility. The Guarantee of the Parent Guarantor will rank *pari passu* with the Parent Guarantor's obligations, as issuer, under the Existing PIK Notes and, once issued, the PIK Notes. As of and for the twelve months ended March 31, 2025, the Issuer accounted for 73.2% of the TeamSystem Group's consolidated total assets, and generated 70.5% of the TeamSystem Group's total revenue and 72.4% of the TeamSystem Group's Adjusted EBITDA, in each case after the elimination of intercompany balances and including the contribution of Madbit and Danea, which we have merged into the Issuer on May 31, 2025. As of March 31, 2025, after giving *pro forma* effect to the Transactions, the Parent Guarantor would have had €650.0 million of external third-party financial indebtedness, of which €300.0 million of Existing PIK Notes and €350.0 million of PIK Notes.

As described below under "*—Certain covenants—Additional Guarantees*" and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary that guarantees the Revolving Credit Facility, Public Debt or certain other Indebtedness, in each case of the Issuer or a Subsidiary Guarantor, shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

For the purposes of this "*Description of Notes,*" "**Guarantor**" means the Parent Guarantor and any Restricted Subsidiary of the Issuer that may guarantee the Notes from time to time pursuant to the Indenture (each a "**Subsidiary Guarantor**") on or after the Issue Date (in each case, together with any and all successors thereto).

The obligations of a Guarantor under its Guarantee will be limited as necessary to prevent the relevant Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, thin capitalization rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit

In addition, the Security Interests created by the Security Documents will be released in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement (including in connection with an IPO pushdown as described under "*Description of certain financing arrangements—Intercreditor Agreement—Release and/or transfer of claims and liabilities in respect of the Senior Notes, the Senior Secured Notes, the Future Pari Passu Debt and the Transaction Security—Provisions following an IPO*").

The Security Agent (and the Trustee, but only to the extent necessary) will take all necessary action required to effectuate any release of Collateral securing the Notes and the Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders (except to the extent required under clause (3) above) or any action on the part of the Trustee.

IPO Debt Pushdown

On, in contemplation of, or following an Initial Public Offering, the terms of the Intercreditor Agreement provide (and the Indenture and the Notes shall be subject to such provisions) that the Issuer or its successor shall be entitled to require (by written notice to the Trustee and the Security Agent) that the terms of the Indenture, the Intercreditor Agreement (and any Additional Intercreditor Agreement) and the Security Documents shall operate (with effect from the date specified in such notice) as described in "*Description of certain financing arrangements—Intercreditor Agreement—Release and/or transfer of claims and liabilities in respect of the Senior Notes, the Senior Secured Notes, the Future Pari Passu Debt and the Transaction Security—Provisions following an IPO*" (an "**IPO Debt Pushdown**"). The Trustee and the Security Agent shall be required (at the expense of the Issuer) to enter into any amendment to the Indenture, the Intercreditor Agreement (and any Additional Intercreditor Agreement) or the Security Documents required by the Issuer and/or take such other action as is required by the Issuer in order to facilitate or reflect any of the matters contemplated by this paragraph; *provided that* such amendment will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, as applicable, adversely affect the rights, duties, liabilities, indemnities or immunities of the Trustee or the Security Agent under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement. See "*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.*"

Optional Redemption

Floating Rate Notes

Except as described below and except as described under "*—Post tender redemption*" and "*—Redemption for taxation reasons*," the Floating Rate Notes are not redeemable until , 2026. On and after , 2026, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice, at 100.000% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any (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 redemption date).

Prior to , 2026, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100.000% of the principal amount thereof, plus the Applicable Premium and accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any (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 redemption date).

Fixed Rate Notes

Except as described below and except as described under "*—Post tender redemption*" and "*—Redemption for taxation reasons*," the Fixed Rate Notes are not redeemable until , 2027. On and after , 2027, the Issuer may redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any (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 redemption date), if redeemed during the twelve month period beginning on of the years indicated below:

Year	Redemption Price
2027	%
2028 and thereafter	%

At any time and from time to time prior to , 2027, upon not less than 10 nor more than 60 days' notice, 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 102.000% 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 (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 redemption date).

At any time and from time to time prior to , 2027, upon not less than 10 nor more than 60 days' notice, the Issuer may redeem in the aggregate up to 40% of the aggregate principal amount of the Fixed Rate Notes (including any Additional Fixed Rate Notes) with an amount equal to the net cash proceeds of one or more Equity Offerings by the Issuer or any direct or indirect Parent of the Issuer, to the extent (in the case of an Equity Offering by a direct or indirect Parent of the Issuer) that such net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer through an issuance of Capital Stock by the Issuer, at a redemption price of % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any (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 redemption date); *provided* that:

(1) at least 50% of the original aggregate principal amount of the Fixed Rate Notes (excluding the original principal amount of any Additional Fixed Rate Notes) remains outstanding immediately after each such redemption (except to the extent otherwise repurchased or redeemed in accordance with the terms of the Indenture concurrently with or following the Equity Offering); and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time and from time to time prior to , 2027, the Issuer may, at its option, during each calendar year redeem up to 10% of the original principal amount of the Fixed Rate Notes (including the original principal amount of any Additional Fixed Rate Notes), upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 103.000% of the principal amount of the Fixed Rate Notes so redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any (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 redemption date); *provided that* the aggregate principal amount of Fixed Rate Notes that the Issuer may redeem in each relevant calendar year pursuant to this paragraph may be increased at the option of the Issuer pursuant to the mechanics described in the last paragraph under "*—Certain covenants—Financial Calculations*."

In addition, prior to , 2027, the Issuer may redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100.000% of the principal amount of the Fixed Rate Notes, plus the Applicable Premium and accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any (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 redemption date).

General

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

the Issuer or any Guarantor (including, in each case, any successor entity) with respect to any Guarantee, as the case may be, is, or on the next interest payment date in respect of such series of Notes would be, required to pay Additional Amounts (but in the case of any Guarantor, only if such amount payable cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Issuer or such Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable).

Such Change in Tax Law must become effective on or after the Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date). Notice of redemption for taxation reasons will be published in accordance with the procedures described under "*Selection and notice*." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor (as defined below) would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuer will deliver to the Registrar, the Trustee and the relevant Paying Agent (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer or the applicable Guarantor, as the case may be, has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Notwithstanding any other provision to the contrary, if the Total Remuneration at any time exceeds the maximum remuneration permitted under applicable Italian law (including Italian Law No. 108 of March 7, 1996, as amended and supplemented), then the Total Remuneration shall immediately and automatically be reduced to the maximum admissible remuneration pursuant to applicable Italian law for, and limited to, the period during which it is not possible to apply the remuneration as originally provided; provided that the Calculation Agent shall not be responsible for verifying that the rate of interest on the Notes is permitted under applicable law.

Withholding Taxes

All payments made by or on behalf of the Issuer or any of the Guarantors or a successor of the Issuer or Guarantor (each, a "**Payor**") on the Notes or any Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law or by the interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) Italy or any political subdivision or governmental Authority thereof or therein having the power to tax;

(2) any jurisdiction from or through which payment on any such Note or Guarantee is made by or on behalf of a Payor (including the jurisdiction of the Paying Agent), or any political subdivision or governmental authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which a Payor is incorporated, organized, engaged in business for tax purposes or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "**Relevant Taxing Jurisdiction**"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor on any Note or Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by the Holders, after such withholding, deduction or imposition (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes, to the extent that such Taxes would not have been so imposed or withheld but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant

Holder is an estate, nominee, trust, partnership, limited liability company or corporation) or the beneficial owner of a Note and the Relevant Taxing Jurisdiction (including, without limitation, being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership, disposition or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note or the Indenture or any Guarantee in respect thereof;

(2) any Tax, to the extent that such Tax is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor, a Paying Agent, or other person acting as an agent for the Payor or a Paying Agent, addressed to the Holder at least 15 days before any such withholding or deduction would be made, to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from or reduction in the rate of deduction or withholding of all or part of such Tax but only to the extent that the Holder or beneficial owner is legally eligible to provide such evidence;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on or with respect to the Notes or any Guarantee;

(4) any estate, inheritance, gift, sales, transfer, personal property or similar Tax;

(5) any Taxes imposed in connection with a Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union;

(6) any Taxes imposed, withheld or deducted pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (or any amended or successor version of such sections that is substantially comparable) (the "**Code**"), any current or future regulations thereunder, official interpretations thereof or agreements (including any intergovernmental agreement or any laws, rules or practices implementing such intergovernmental agreement) entered into in connection therewith or otherwise pursuant to any agreements described in Section 1471(b) of the Code;

(7) any Taxes to the extent such Taxes are for or on account of *imposta sostitutiva* (pursuant to Italian Legislative Decree No. 239 of April 1, 1996, as amended or supplemented from time to time ("**Decree No. 239**")) and any related implementing regulations, or pursuant to Italian Legislative Decree No. 461 of November 21, 1997, as amended or supplemented from time to time ("**Decree No. 461**") and any related implementing regulations, *provided that*:

   (i) Additional Amounts shall be payable in circumstances where the procedures required under Legislative Decree No. 239 in order to benefit from an exemption from *imposta sostitutiva* have not been complied with due solely to the actions or omissions of the Payor or their agents; and

   (ii) for the avoidance of doubt, (A) no Additional Amounts shall be payable with respect to any Taxes to the extent that such Taxes result from payment to a non-Italian resident legal entity or a non-Italian resident individual which is subject to *imposta sostitutiva* by reason of not being resident in a country which allows for a satisfactory exchange of information with Italy (the "**White List**") and (B) no Additional Amounts shall be payable with respect to Taxes to the extent such Taxes are for or on account of *imposta sostitutiva* if the Holder becomes subject to *imposta sostitutiva* after the Issue Date by reason of any change in Decree No. 239 or Decree No. 461 or any change in the White List; or

(8) any combination of the items (1) through (7) above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such Tax resulting in Additional

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided that*, in connection with such disposition, the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(10)

(a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) Indebtedness consisting of obligations owing under any client, customer or supplier sale, purchase, incentive, supply, license or similar agreements or arrangements entered into in the ordinary course of business or consistent with past practice;

(c) client or customer deposits and advance payments received in the ordinary course of business from clients and customers;

(d) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(e) Indebtedness Incurred by the Issuer or a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case, Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of €250 million and 50% of Consolidated EBITDA;

(12) Indebtedness Incurred (a) in a Qualified Receivables Financing or (b) pursuant to factoring financings, securitizations, asset-backed loans and financings (howsoever described or structured), receivables financings, reverse factoring financings or similar arrangements, in each case under this clause (12)(b), that are either: (x) not recourse to the Issuer or any Restricted Subsidiary other than a Securitization Subsidiary (except to the extent customary in the good faith determination of the Issuer for such type of arrangement or except for Standard Securitization Undertakings); or (y) not in excess of the greater of €50 million and 10% of Consolidated EBITDA at any time outstanding;

(13) Indebtedness of the Issuer and any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer or any Subsidiary Guarantor from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution, an Excluded Contribution or Excluded Amounts) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution, an Excluded Contribution or Excluded Amounts) of the Issuer, in each case, subsequent to the 2021 Completion Date and, for the avoidance of doubt, excluding the 2021 Equity Contribution; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6), (10) and (to the extent included in the Available Amount used to fund a Restricted Payment thereunder) (18)(b) and

(18)(c) of the second paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6), (10) and (to the extent included in the Available Amount used to fund a Restricted Payment thereunder) (18)(b) and (18)(c) of the second paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon;

(14) Indebtedness under daylight borrowing facilities Incurred in connection with the Transactions or any refinancing of Indebtedness so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness was Incurred;

(15) Indebtedness of Restricted Subsidiaries that are not Guarantors and guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of joint ventures in an aggregate amount not to exceed the greater of €50 million and 10% of Consolidated EBITDA at any time outstanding;

(16) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness consisting of local lines of credit, overdraft facilities, bilateral, club facilities or working capital facilities, and any Refinancing Indebtedness in respect thereof, not exceeding the greater of €100 million and 20% of Consolidated EBITDA at any time outstanding; and

(17) Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (17) and then outstanding, will not exceed an amount equal to 100% of the Available RP Capacity Amount, *provided that*, to the extent Available RP Capacity Amount is used to Incur Indebtedness pursuant to this clause (17), the Incurrence of such Indebtedness shall reduce the capacity to make Restricted Payments pursuant to the relevant Restricted Payment provisions under the first paragraph of the covenant described under *"—Limitation on Restricted Payments*" or pursuant to the relevant Permitted Payment provisions under the second paragraph of the covenant described under "*—Limitation on Restricted Payments*" in an amount equal to the Available RP Capacity Amount so utilized (it being understood that the capacity to make any Restricted Payments under the first paragraph of the covenant described under "*—Limitation on Restricted Payments*" or any Permitted Payments provision under the second paragraph of the covenant described under "*—Limitation on Restricted Payments*" may not be reduced below zero under this proviso) until prepaid in accordance with paragraph (d) of the definition of Available RP Capacity Amount.

Notwithstanding the foregoing, the aggregate principal amount of outstanding Indebtedness (excluding any interest paid in kind) Incurred by Restricted Subsidiaries that are not Subsidiary Guarantors pursuant to the first paragraph of this covenant and clauses (1)(b), (1)(c) and (1)(d) of the second paragraph of this covenant and, without double counting, all Refinancing Indebtedness in respect thereof Incurred by Restricted Subsidiaries that are not Subsidiary Guarantors shall not exceed an amount equal to the greater of €125 million and 25% of Consolidated EBITDA at the time of the Incurrence of any such Indebtedness; *provided* that Refinancing Indebtedness Incurred in respect of such Indebtedness originally permitted by this paragraph shall always be permitted hereunder.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) subject to clause (2) below, in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one (or more, if applicable) of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Issue Date under the Revolving Credit Facility shall be deemed initially Incurred under clause (1)(a) of the second paragraph of this covenant and may not be reclassified;

(3) the amount of Indebtedness that may be Incurred pursuant to any provision of this covenant or secured pursuant to the covenant set forth under "*—Limitation on Liens*" shall be deemed to include all amounts necessary to renew, refund, redeem, refinance, replace, restructure, defease or discharge any such

Indebtedness Incurred and/or secured pursuant to such provisions, including after giving effect to additional Indebtedness in an amount equal to the aggregate amount of fees, underwriting discounts, *premia*, tax gross-up amounts and other costs and expenses Incurred in connection with such renewal, refund, redemption, refinancing, replacement, restructuring, defeasance or discharge. Notwithstanding any other provision of this covenant or any provision of the covenant set forth in "*—Limitation on Liens*," the maximum amount that the Issuer or a Restricted Subsidiary may Incur and/or secure pursuant to this covenant and/or the covenant set forth in "*—Limitation on Liens*" shall not be deemed to be exceeded, with respect to such Incurrence or grant of Lien, due solely to the result of fluctuations in the amount of Consolidated EBITDA (and, for the avoidance of doubt, such Indebtedness and such Lien will be permitted to be refinanced or replaced notwithstanding that, after giving effect to such refinancing or replacement, such excess will continue);

(4) guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(5) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (13), (15), (16) or (17) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(6) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(7) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(8) the amount of Indebtedness (a) issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS and (b) shall be the principal amount, or liquidation preference thereof, in the case of any other Indebtedness;

(9) accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness (including interest paid in kind), the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "*—Limitation on Indebtedness*;"

(10) in the event that the Issuer or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness or commits to Incur any Lien pursuant to clause (31) of the definition of "Permitted Liens" or any Permitted Collateral Lien, the Incurrence or issuance thereof for all purposes under the Indenture, including, without limitation, for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Senior Secured Net Leverage Ratio, as applicable, or use of clauses (1) through (17) of the preceding paragraph for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers' acceptances thereunder) will, at the Issuer's option, either: (a) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Indebtedness, and, if such Fixed Charge Coverage Ratio, the Consolidated Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Senior Secured Net Leverage Ratio, as applicable, test or other provision of the Indenture is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be permitted under this covenant and under "*—Limitation on Liens*" irrespective of the Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio, Consolidated Secured Net Leverage Ratio, Consolidated Senior Secured Net Leverage Ratio, as applicable, or other provision of the Indenture at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount

(12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided*, *however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or a member of Senior Management);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate amount of cash Excluded Contributions, or an amount equal to the fair market value of non-cash Excluded Contributions, or Restricted Payments in exchange for or using as consideration Restricted Payments previously made under this clause (13);

(14) payment of any Receivables Fees and purchases of receivables and other assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(15) (a) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (b) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; *provided*, *however*, that, in the case of clauses (a) and (b), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution, Excluded Amounts or a Parent Debt Contribution or, in the case of Designated Preference Shares by such Parent or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) dividends, loans, distributions, advances or other payments in amounts required for a direct or indirect Parent of the Issuer to service the substantially concurrent payment of interest amounts and premiums (excluding make-whole premiums) as and when due under or in respect of (a) the Existing PIK Notes and the PIK Notes (or, in each case, any refinancing Indebtedness thereof), or (b) any Indebtedness of such Parent, in the case of this clause (b), the net proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any of its Restricted Subsidiaries Incurred in accordance with the covenant described under "*—Limitation on Indebtedness*" above; *provided that*, in the case of this sub-clause (b), any such Indebtedness of the Issuer or any of its Restricted Subsidiaries (including in the form of a guarantee) is subordinated in right of payment to the Notes and the Guarantees;

(18) so long as no Default or Event of Default has occurred and is continuing (or would result immediately thereafter therefrom), any Restricted Payments; *provided that*, on a *pro forma* basis after giving effect thereto, on the date of such Restricted Payment:

    (a) the Consolidated Net Leverage Ratio would not exceed 5.25 to 1.0;

    (b) in the case the Consolidated Net Leverage Ratio exceeds 5.25 to 1.0, but does not exceed 5.50 to 1.0, 50% of such Restricted Payment would be funded from the Available Amount (without double counting); and

    (c) in the case the Consolidated Net Leverage Ratio exceeds 5.50 to 1.0, 100% of such Restricted Payment would be funded from the Available Amount (without double counting); and

(19) advances or loans (a) to any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement; (b) to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or

(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 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

Trustee) and all obligations of that Subsidiary Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents; and

(2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of a Subsidiary Guarantor (in each case, other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture,

provided, *however*, that the prohibition in clauses (1), (2) and (3) of this covenant shall not apply to the extent that compliance with clauses (A) or (B)(1) could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses.

General

The provisions set forth in this "—*Merger and consolidation*" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not a Subsidiary Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Restricted Subsidiary that is a Subsidiary Guarantor or any other Restricted Subsidiary that is not a Subsidiary Guarantor; (ii) any Restricted Subsidiary that is a Subsidiary Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Restricted Subsidiary that is a Subsidiary Guarantor; (iii) any consolidation or merger of the Issuer into any Restricted Subsidiary that is a Subsidiary Guarantor; *provided that*, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Subsidiary Guarantor will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, if any, to which it is a party, and clauses (1) and (4) under the heading "—*The Issuer*" shall apply to such transaction; (iv) the Issuer or any Subsidiary Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided, however*, that clauses (1), (2) and (4) under the heading "—*The Issuer*" and clause (3) (other than clause (3)(B)(2)) under the heading "—*Subsidiary Guarantors*," as the case may be, shall apply to any such transaction under this clause (iv).

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status or the Occurrence of a Qualifying IPO

If on any date following the Issue Date, (i) the Notes have achieved Investment Grade Status or (ii) a Qualifying IPO has occurred and, in each case, no Default or Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any and other than to the extent the Suspension Event arises as a result of a Qualifying IPO, at which the Notes cease to have Investment Grade Status (the "**Reversion Date**"), the provisions of the Indenture summarized under the following captions will not apply to the Notes: "—*Limitation on Restricted Payments*," "—*Limitation on Indebtedness*," "—*Limitation on restrictions on distributions from Restricted Subsidiaries,*" "—*Limitation on Affiliate Transactions*," "—*Limitation on sales of assets and Subsidiary stock,*" the provisions of clause (3) of the first paragraph of the covenant described under "—*Merger and consolidation—The Issuer*," the second, third and fourth paragraphs of the definition of "*Unrestricted Subsidiary*" and "—*Impairment of Security Interests*" and, in the case of a Qualifying IPO only, any other obligation, undertaking or restriction under the Indenture or the Notes which the Issuer considers in good faith would not comply with (or may adversely affect the ability of the Issuer or any Holding Company of the Issuer to comply with) applicable law, regulation or securities exchange requirements following an Initial Public Offering, and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Parent Guarantor, the Issuer and its Restricted Subsidiaries. Other than to the extent the Suspension Event arises as a result of a Qualifying IPO, such covenants and any related comply for 60 days after notice by the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes with their respective agreements contained in the Indenture (other than a default in performance or breach of a covenant or agreement which is specifically dealt with in clauses (1) or (2) above);

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("***payment default***"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision"), and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, exceeds the greater of €75.0 million and 15% of Consolidated EBITDA;

(5) certain events of bankruptcy, insolvency or court protection of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer or any other applicable reporting entity under the covenant described under "*—Certain covenants—Reports*"), would constitute a Significant Subsidiary (the "***bankruptcy provisions***");

(6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries or any other applicable reporting entity under the covenant described under "*—Certain covenants—Reports*"), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of the greater of €75.0 million and 15% of Consolidated EBITDA (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "***judgment default provision***");

(7) any Security Interest under the Security Documents shall, at any time, cease to be in full force and effect (other than (i) in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture or (ii) caused by the action or inaction of the Trustee or Security Agent) with respect to Collateral having a fair market value in excess of €30.0 million for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such Security Interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any Security Interest created thereunder shall be declared invalid or unenforceable or the Issuer or the Parent Guarantor, as applicable, shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 10 days; and

(8) any Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Guarantee and any such Default continues for 10 days.

However, a Default under clauses (3), (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes under the Indenture notify the Issuer of the Default and, with respect to clauses (3), (4) and (6) the Issuer does not cure such Default within the time specified in clauses (3), (4) or (6), as applicable, of this paragraph after receipt of such notice; *provided* that notice of Default may not be given with respect to any action taken or reported to the Trustee more than two years prior to such notice of Default. Any time period providing for the cure of any actual or alleged Default or Event of Default described under the first paragraph of this section may be extended or stayed by a court of competent jurisdiction to the extent such actual or alleged Default or Event of Default is the subject of litigation.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by notice to the Issuer or the Holders of at least 30% in principal amount of the outstanding Notes under

Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its, its Restricted Subsidiaries' and the Parent Guarantor's obligations under the covenants described under *"—Certain covenants*" (other than clauses (1) and (2) of "*—Certain covenants—Merger and consolidation—The Issuer*") and "—Change of Control" and the default provisions relating to such covenants described under "*Events of Default,*" the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Issuer and Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*—Events of Default*" ("**covenant defeasance**").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain covenants—Merger and consolidation—The Issuer*"), (4), (5) (with respect only to Significant Subsidiaries), (6), (7) or (8) under "*—Events of Default.*"

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "**defeasance trust**") with the Trustee (or another entity designated by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof in an amount sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States, subject to customary assumptions and exclusions, to the effect that Holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with; and

(4) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes of any series when (1) either (a) all such Notes of such series previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all such Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity directed, selected or designated by the Trustee for this purpose), euro or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes of such series not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to their Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee, the Paying Agent or other entity directed, designated or selected by the Trustee, as applicable, to apply the funds deposited towards the payment of such Notes at their Stated Maturity or on the redemption date, as the case may be; *provided that*, if requested by the Issuer, the Trustee, the Paying Agent or other entity directed, designated or selected by the Trustee, as applicable, may distribute any amounts deposited in trust to the Holders prior to the maturity or the redemption date, as the case may be, *provided*, however, that the Holders shall have received at least five Business Days' notice from the Issuer of such earlier repayment date (which notice may be contained in the notice of redemption); and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with as to such Notes, *provided that* any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

If requested in writing by the Issuer, which request may be included in the applicable notice of redemption or pursuant to the applicable Officer's Certificate no later than two Business Days prior to such distribution, the Trustee or the Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) shall distribute any amounts deposited to the Holders prior to the Stated Maturity of the relevant Notes or the applicable redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to Holders prior to the Stated Maturity or applicable redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of the clearing system.

Meetings of Holders of Notes

All meetings of Holders of each series of the Notes will be held in accordance with applicable Italian laws and regulations.

In addition to and without prejudice to the provisions described above under "*—Amendments and Waivers*," in accordance with the provisions set forth under the Italian Civil Code, the Indenture will include provisions for the convening of meetings of the Holders to consider any matter affecting their interests, including, without limitation, the modification or abrogation by extraordinary resolution of any provisions of the Notes or the Indenture. A meeting may be convened either (i) by the Board of Directors of the Issuer, (ii) by the Noteholders' Representative (as defined below) (if appointed) or (iii) upon request by Holders of at least 5.0% of the aggregate principal amount of the outstanding Notes.

In accordance with the Italian Civil Code, the vote required to pass a resolution by a meeting of the Holders will be (i) in the case of the first meeting, one or more persons that hold or represent Holders of more than one half of the aggregate principal amount of the outstanding Notes, and (ii) in the case of the second and any further adjourned meeting, one or more persons that hold or represent Holders of at least two-thirds of the aggregate principal amount of the Notes so present or represented at such meeting. Any such second or further adjourned meeting will be validly held if there are one or more persons present that hold or represent Holders of more than one-third of the aggregate principal amount of the outstanding Notes; *provided, however*, that the Issuer's bylaws may provide for a higher quorum (to the extent permitted under Italian law). Certain proposals, as set out under Article 2415 paragraph 1, item 2, and paragraph 3 of the Italian Civil Code (namely, the amendment of the economic terms and conditions of the Notes) may only be approved by an extraordinary resolution passed at a meeting of Holders (including any adjourned meeting) by one or more persons present that hold or represent Holders of not less than one-half of the aggregate principal amount of the outstanding Notes.

With respect to the matters set forth in the second paragraph under "*—Amendments and Waivers,*" and to the extent permitted under Italian law, the Indenture will contractually increase the percentage of the aggregate principal amount of Notes otherwise required by Article 2415 of the Italian Civil Code to pass an extraordinary resolution with respect to such matters from 50% to 75% of the aggregate principal amount of the outstanding Notes. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—The Issuer may amend the economic terms and conditions of the Notes without the prior consent of all noteholders with the vote of either 75% or 50% of the aggregate principal amount of the outstanding Notes or the relevant series of Notes, as the case may be.*" Any resolution duly passed at any such meeting shall be binding on all the Holders, whether or not such holder was present at such meeting or voted to approve such resolution. To the extent provided by the Italian Civil Code, the resolutions passed by a meeting of Holders can be challenged by Holders pursuant to Articles 2377 and 2379 of the Italian Civil Code.

amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower euro equivalent) or made, as the case may be.

Listing

Application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF thereof on the Issue Date. There can be no assurance that the application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes on the Euro MTF will be approved and settlement of the Notes is not conditioned on obtaining such listing.

Enforceability of Judgments

Since substantially all of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes and the Guarantees, the Issuer and each Guarantor will in the Indenture or any supplemental indenture, as applicable, irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States. The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Guarantees brought in any U.S. Federal or New York State court located in the City of New York.

Governing Law

The Indenture, the Notes and the Guarantees, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of the State of New York. The Intercreditor Agreement and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of England and Wales. The Security Documents are, and will be (as applicable) governed by the applicable local laws of the jurisdiction under which the Liens over the Collateral are granted. For the avoidance of doubt, the governing law of the Indenture (including the Guarantees) and the Notes may be amended with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Certain Definitions

"**Acquired Indebtedness**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**2021 Completion Date**" means February 18, 2021 (i.e. the date on which Brunello Bidco S.p.A. completed the acquisition of Barolo Lux 1 S.à r.l.).

"**2021 Equity Contribution**" means the equity contribution which was made into the Issuer by its shareholders for purposes of the acquisition of Barolo Lux 1 S.à r.l. and its Subsidiaries on or about the 2021 Completion Date, including, for the avoidance of doubt, the 2021 PIK Contribution.

"**2021 Fixed Rate Notes**" means the €300.0 million aggregate principal amount of 3½% Senior Secured Notes due 2028 issued by the Issuer on February 10, 2021 under the 2021 Senior Secured Notes Indenture.

"**2021 Floating Rate Notes**" means the €850.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2028 issued by the Issuer on February 10, 2021 under the 2021 Senior Secured Notes Indenture, of which €300.0 million will be redeemed on or about the Issue Date as part of the Transactions with the proceeds from the offering of the Notes.

"**2021 Offering Memorandum**" means the offering memorandum relating to the 2021 Senior Secured Notes dated January 27, 2021.

"**2021 PIK Contribution**" means the contribution to the equity of the Issuer or other share capital increase of the Issuer made or underwritten for, as the case may be, by the Parent Guarantor on or about the 2021 Completion Date with the net proceeds of the Parent Guarantor's €300.0 million aggregate principal amount of senior floating rate pay-if-you-want PIK-toggle notes due 2029 issued on February 17, 2021 under the indenture dated as of February 17, 2021, as amended from time to time, including on October 5, 2023, which were redeemed in November 2024 with the proceeds of the Existing PIK Notes.

"**2021 Senior Secured Notes**" means, collectively, the 2021 Fixed Rate Notes and the 2021 Floating Rate Notes (with respect to the 2021 Floating Rate Notes, *pro forma* for the Transactions, only the 2021 Floating Rate Notes that will remain outstanding thereafter).

"**2021 Senior Secured Notes Indenture**" means the indenture entered into by, *inter alios,* the Issuer on February 10, 2021, as amended and/or supplemented from time to time, and governing, among others, the 2021 Senior Secured Notes.

"**2021 Senior Secured Notes Issue Date**" means February 10, 2021.

"**2024 Floating Rate Notes**" means the €700.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2031 issued by the Issuer on July 29, 2024 under the 2024 Indenture.

"**2024 Indenture**" means the indenture entered into by, *inter alios*, the Issuer on July 29, 2024, as amended and/or supplemented from time to time, and governing, among others, the 2024 Floating Rate Notes.

"**2024 Offering Memorandum**" means the offering memorandum relating to the 2024 Floating Rate Notes dated July 17, 2024.

"**Additional Amounts**" has the meaning ascribed to that term under "*—Withholding taxes*."

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agreed Security Principles**" means the agreed security principles appended to the Indenture.

"**Alphabet Group**" means Alphabet Inc. and each of its Subsidiaries, other than any member of the CapG Portfolio Company Group.

"**Applicable Premium**" means, with respect to any Note the greater of:

(a) 1% of the principal amount of such Note; and

(b) (i) with respect to any Floating Rate Note, the excess (to the extent positive) of:

(A) the present value at such redemption date of (1) the redemption price of such Floating Rate Note at , 2026 (such redemption price (expressed in percentage of principal amount) being 100.000% (excluding accrued and unpaid interest)), plus (2) all required interest payments due on such Floating Rate Note to and including , 2026 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points and assuming that the rate of interest on the Floating Rate Notes for the period from the redemption date through ,

(j) an amount equal to the sum of:

(i) the amount of any investment made by the Issuer or any Restricted Subsidiary using the Available Amount in any Unrestricted Subsidiary (in an amount not to exceed the original amount of such investment) that has been re-designated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or is liquidated, wound up or dissolved into, the Issuer or any Restricted Subsidiary; and

(ii) the fair market value (as reasonably determined by the Issuer) of the property or assets of any Unrestricted Subsidiary that have been transferred, conveyed or otherwise distributed (in an amount not to exceed the original amount of the investment in such Unrestricted Subsidiary) to the Issuer or any Restricted Subsidiary,

in each case, during the period from and including the day immediately following the Issue Date through and including such time.

"**Available RP Capacity Amount**" means:

(a) an amount equal to the capacity to make Restricted Payments calculated in accordance with clause (c) of the first paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments;*" *plus*

(b) the aggregate amount of Permitted Payments that could be made as of that date of determination pursuant to clauses (6), (10), (11), (13) and (18) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments*;" *minus*

(c) an amount equal to the aggregate amount of: (i) Restricted Payments made (and not returned or rescinded) by the Issuer or any Restricted Subsidiary in reliance on clause (c) of the first paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments*;" (ii) Permitted Payments made (and not returned or rescinded) by the Issuer or any Restricted Subsidiary pursuant to clauses (6), (10), (11), (13) and (18) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments;*" and (iii) Indebtedness Incurred and outstanding pursuant to clause (17) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*;" in each case, subsequent to the Issue Date; *plus*

(d) the aggregate principal amount of Indebtedness prepaid prior to or substantially concurrently at such time, solely to the extent such Indebtedness was Incurred pursuant to clause (17) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*."

"**Bank Products**" means any facilities or services related to treasury and/or cash management, cash pooling, treasury, depository, overdraft, BACS, CHAPS, payment lines, processing, credit or debit card, purchase card, returned check concentration, electronic funds transfer, daylight exposures, open credits, contingent obligation lines, letters of credit, the collection of cheques, deposits and direct debits, account reconciliation and reporting, cash, or other cash management and cash pooling arrangements.

"**Board of Directors**" means (1) with respect to the Issuer or any corporation, the board of directors or managers or sole director, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). References to "Board of Directors" shall be construed to mean "Board of Directors" of the Issuer or any Parent unless expressly stated otherwise.

"**Bund Rate**" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so

(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, 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

"**Permissible Jurisdiction**" means any member state of the European Union as of the Issue Date.

"**Permitted Asset Swap**" means the substantially concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash or Cash Equivalents or Temporary Cash Investments between the Issuer or any of its Restricted Subsidiaries and another Person; provided that any Net Cash Proceeds received by the Issuer or a Restricted Subsidiary in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "*Limitation on sales of assets and Subsidiary stock*" (to the extent required pursuant to such covenant).

"**Permitted Collateral Liens**" means:

(1) Liens on the Collateral that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (13), (14), (17), (18), (19), (20), (21), (23) and (24) of the definition of "Permitted Liens" and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(2) Liens on the Collateral to secure:

(a) Indebtedness that is permitted to be Incurred under the first paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*," *provided that* if such Lien is *pari passu* with the Liens securing the Notes or the relevant Guarantees, after giving *pro forma* effect to such Incurrence on that date and the application of proceeds therefrom, the Consolidated Senior Secured Net Leverage Ratio would have been no greater than 5.5 to 1.0;

(b) Indebtedness described under clause (1)(a) and (b) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*;" *provided that* Indebtedness described under clause (1)(a) thereof may have super seniority priority status not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement (or equivalent provisions in any Additional Intercreditor Agreement);

(c) Indebtedness described under clause (2) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness,*" to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in another clause of this definition of Permitted Collateral Liens;

(d) Indebtedness described under clause (5) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*;"

(e) Indebtedness described under clauses (4)(a)(x) and 4(b) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*;"

(f) Indebtedness described under clause (6) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness,*" which Indebtedness may have super senior priority status not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement;

(g) Indebtedness described under clauses (7)(a) (other than with respect to Capitalized Lease Obligations), (11), (13) or (17) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*;"

(h) Indebtedness secured on a junior priority basis to the Notes and the Guarantees; and

(i) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (a) to (h) and this clause (i),

provided that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided*, *further* that subject to the Agreed Security Principles, all property and assets (including, without limitation, the Collateral) of the Issuer or any Restricted Subsidiary securing such Indebtedness (including any Guarantees thereof) or Refinancing Indebtedness secure the Notes and related Guarantees and the Indenture on a senior or *pari passu* basis (including by application of payment order, turnover or equalization provisions substantially consistent with the corresponding provisions set forth in the Intercreditor Agreement or any Additional Intercreditor Agreement), except to the extent provided in clauses (2)(b) and (2)(f) above;

(3) Liens on the Shared Collateral to secure Indebtedness issued or borrowed by Holdco, including the Existing PIK Notes and the PIK Notes, and the guarantees thereof; *provided* that such Liens rank junior to the Liens on the same Collateral securing the Notes and Guarantees in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement; and

(4) Liens Incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that in total do not exceed the greater of €25 million and 5% of Consolidated EBITDA at any one time outstanding and that (i) are not Incurred in connection with the borrowing of money and (ii) do not in the aggregate materially detract from the value of the property or materially impair the use thereof or the operation of the Issuer's or such Restricted Subsidiary's business.

In the event that a Permitted Collateral Lien meets the criteria of more than one of the types of Permitted Collateral Liens (at the time of Incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Collateral Lien in any manner that complies with the Indenture and such Permitted Collateral Lien shall be treated as having been made pursuant only to the paragraph or paragraphs of the definition of Permitted Collateral Lien to which such Permitted Collateral Lien has been classified or reclassified.

"**Permitted Holders**" means, collectively, (1) the H&F Investors, (2) the Silver Lake Investors, (3) the Luxinva Investors, (4) the CapG Investors, (5) Management Investors, (6) any Related Person of any Persons specified in clause (1) through (5), (7) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any IPO Entity, the Parent or the Issuer, acting in such capacity and (8) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing (including any Persons mentioned in the following sentence) are members; *provided that*, in the case of such group and without giving effect to the existence of such group or any other group, no Person (other than Persons referred to in clauses (1) through (7) above and such Persons referred to in the following sentence, collectively) has beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies held by such group. Any Person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (ii) a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates and Related Persons, constitute an additional Permitted Holder.

"**Permitted Investment**" means (in each case, by the Issuer or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business, including Investments made in connection with any Qualified Receivables Financing, including Investments held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness;

(5) Investments in payroll, travel, relocation, entertainment and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) (a) Management Advances and (b) any advances or loans not to exceed €3.0 million at any one time outstanding to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or

other acquisition for value of Capital Stock (other than Disqualified Stock) of the Issuer or a Parent of the Issuer;

(7) Investments received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "*—Certain covenants—Limitation on sales of assets and Subsidiary stock*;"

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided that* the amount of the Investment may be increased (a) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(10) (i) Bank Products and (ii) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain covenants—Limitation on Indebtedness*;"

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of 40% of Consolidated EBITDA and €200 million; *provided that*, if an Investment is made pursuant to this clause in a Person that is not the Issuer or a Restricted Subsidiary and such Person subsequently becomes the Issuer or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary in accordance with the definition of "*Unrestricted Subsidiary*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause (11);

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens not prohibited under "*—Certain covenants—Limitation on Liens*;"

(13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (8), (9) and (12) of that paragraph));

(15) guarantees not prohibited by the covenant described under "*—Certain covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(16) Investments in loans under the Revolving Credit Facility, the Notes, the Existing Senior Secured Notes and any Additional Notes and any other Indebtedness of the Issuer and/or its Restricted Subsidiaries;

(17) Investments in a Similar Business, taken together with all other Investments made pursuant to this clause (17) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €115 million or 22.5% of Consolidated EBITDA; *provided that*, if an Investment is made pursuant to this clause (17) in a Person that is not the Issuer or a Restricted Subsidiary and such Person subsequently becomes the Issuer or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary in accordance with the definition of "*Unrestricted Subsidiary*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause (17);

(18) Investments in joint ventures or Unrestricted Subsidiaries, taken together with all other Investments made pursuant to this clause (18) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments)

(21) Liens on receivables and other assets (a) of the type described in the definition of "*Qualified Receivables Financing*" Incurred in connection with a Qualified Receivables Financing and (b) in connection with Indebtedness permitted to be Incurred under clause (12)(y) of the second paragraph under "*—Certain covenants—Limitation on Indebtedness*;"

(22) Liens on cash proceeds (including, for the avoidance of doubt, any Escrowed Proceeds) for the benefit of the related holders of debt securities (including holders of a specific series of Notes and not any other series) or other Indebtedness (or the underwriters, arrangers or trustees (including the Trustee) thereof) or Liens on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash to prefund any interest or other costs associated with such Indebtedness;

(23) Liens (i) in connection with Bank Products or (ii) arising under general business conditions in the ordinary course of business, including without limitation the general business conditions of any bank or financial institution with whom the Issuer or any of its Restricted Subsidiaries maintains a banking relationship, and including Liens arising by reason of any treasury and/or cash management, cash pooling, netting or set-off arrangement or other banking or trading activities;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) (a) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement or deferred consideration as part of any acquisition or permitted disposal by the Issuer or a Restricted Subsidiary, (b) Liens over cash paid into an escrow account to fund an acquisition or pay related fees and expenses pending the closing of such acquisition by the Issuer or any Restricted Subsidiary and (c) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement or deferred consideration in connection with any acquisition by the Issuer or any Restricted Subsidiary;

(26) Permitted Collateral Liens;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(28) any security granted over the marketable securities portfolio described in clause (10) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(29) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(30)

(a) Liens created for the benefit of or to secure, directly or indirectly, the Notes and the Guarantees and the Existing Senior Secured Notes and the related guarantees;

(b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Revolving Credit Facility;

(c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement; and

(d) Liens to secure Indebtedness where the granting of an equal and ratable (or prior) Lien on such property or assets to secure the Notes would be inconsistent with the Agreed Security Principles;

(31) Liens, *provided that* the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (31) does not exceed the greater of €150 million and 30% of Consolidated EBITDA; and

(32) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (31) (other than Liens described in clause (31) of this definition); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"**Retained Cash**" means, at any time and from time to time to the extent allocated as such at the option of the Issuer and to the extent not previously applied or allocated for a particular purpose (without double counting):

(a) Net Cash Proceeds;

(b) any prepayment waived (and not taken up by another lender) or deemed waived by a lender under the Revolving Credit Facility;

(c) any amounts received or receivable from any person which is not a member of the Group for the purpose of, or with the intention that such amounts are available to be used for, the relevant expenditure;

(d) the net cash proceeds of a disposition which are not required to be applied in prepayment of the Notes;

(e) prepayments under any relevant contractual arrangements;

(f) investment grants; and

(g) capital contributions received from landlords in relation to real property.

"**Revolving Credit Facility**" means the revolving credit facility made available under the Revolving Credit Facility Agreement.

"**Revolving Credit Facility Agreement**" means the revolving credit facility agreement originally dated January 27, 2021 among, *inter alios*, the Issuer, Deutsche Bank AG, London Branch, as security agent, and the original lenders named therein, as amended and restated from time to time including as part of the Transactions, as further amended and/or amended and restated from time to time.

"**Sale and Leaseback Transaction**" means any arrangement providing for the leasing by the Issuer or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"**S&P**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Security Documents**" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, confirmed, supplemented or otherwise modified from time to time, creating the Liens in the Collateral as contemplated by the Indenture.

"**Security Interests**" means the security interests in the Collateral that is created by the Security Documents and secures obligations under the Notes or the Guarantees and the Indenture.

"**Senior Management**" means the officers, directors, and other members of senior management of the Issuer or the Parent Guarantor.

"**Senior Secured Indebtedness**" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that is Incurred under the first paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" or clauses (1)(a), 1(b), (4)(a)(x) (but, for the avoidance of doubt, including any Additional Notes), (5)(I), (5)(II)(A), (11), (13) or (17) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" (and any Refinancing Indebtedness in respect thereof), in each case secured by a Lien on the Collateral (excluding any Junior Secured Indebtedness).

(5) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) Investments in securities maturing not more than one year after the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United Kingdom, United States, Canada, a Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB-" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

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

(8) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long-term debt is rated at least "A" by S&P, "A2" by Moody's or "A" by Fitch (or, in each case, the equivalent of such rating by such organization or, if no rating of Moody's, S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(9) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (8) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(10) investments in money market funds (a) complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended or (b) rated "AAA" by S&P, "Aaa" by Moody's or "AAA" by Fitch (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Moody's or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization).

"**Transactions**" shall have the meaning assigned to such term in this Offering Memorandum under "*Summary—The Transactions.*"

"**Uniform Commercial Code**" means the New York Uniform Commercial Code.

"**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Issuer or the relevant Restricted Subsidiary in such Subsidiary complies with "*—Certain covenants—Limitation on Restricted Payments.*"

CERTAIN TAX CONSIDERATIONS

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in the European Union, Italy and the United States and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Prospective purchasers of the Notes are advised to consult with their own tax advisors as to the tax consequences of a purchase of Notes including, without limitation, the consequences of receipt of interest and premium paid (if any), and the sale or redemption of the Notes or any interest therein.

The summaries set forth below are based upon, as applicable, European Union, Italian or United States law as in effect on the date of this Offering Memorandum and are subject to any change in such law that may take effect after such date, also on a retroactive basis.

References in this section to holders of the Notes include the beneficial owners of the Notes. Terms defined under each subsection related to European Union, Italian and United States tax law below only have such meanings as defined therein for such respective section. The statements regarding the Italian and United States laws and practices set forth below assume that the Notes will be issued, and the transfers thereof will be made, in accordance with the Indenture.

Certain Italian tax considerations

The statements herein regarding Italian taxation are based on the laws and published practice of the Italian tax authorities in effect in Italy as of the date of this Offering Memorandum and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Law No. 111 of August 2023 mandated the Italian Government to enact one or more legislative decrees to reform the Italian tax system (Tax Reform). The Tax Reform could significantly change the taxation of financial income and capital gains and could introduce several amendments in the Italian tax system at different levels. Please note that Articles 1-11 of Decree No. 239 have been repealed as of 1 January 2026 and the relevant provisions were included in the new Consolidated Law on Payment and Collection Procedures under the Legislative Decree No. 33 of 24 March 2025. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with any certainty at this stage. Therefore, the information provided below may not reflect the future tax framework. The following is a summary only of the material Italian tax consequences of the purchase, ownership and disposal of the Notes for Italian resident and non-Italian resident beneficial owners, although it is not intended to be, nor should it be constructed to be, legal or tax advice. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Neither the Issuer nor any other entity belonging to the Group will update this summary to reflect changes in law or in the interpretation thereof and, if any such change occurs, the information in this summary could be superseded.

Tax treatment of interest

Decree No. 239 sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and similar securities (pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented ("**Decree No. 917**")), issued, *inter alia*, by:

(a) companies resident of Italy for tax purposes whose shares are listed on a regulated market or on a multilateral trading platform of EU Member States or States party to the European Economic Area Agreement ("**EEA State**") allowing a satisfactory exchange of information with the Italian tax authorities as included in (i) the decree of the ministry of Economy and Finance of September 4, 1996 as subsequently amended and supplemented or (ii) once effective, any other decree that will be issued in the future under Article 11(4)(c) of Decree No. 239 (any of such decrees, the "**White List**"); or

(b) companies resident of Italy for tax purposes whose shares are not listed, issuing notes traded (*negoziati*) upon their issuance on the aforementioned regulated markets or platforms; or

(c) if not traded on the aforementioned markets or multilateral trading platforms, when such notes are held by "qualified investors" pursuant to article 100 of the Italian Legislative Decree No. 58 of February 24, 1998.

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation for the Issuer to actually pay, at maturity (or at any earlier redemption), an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the Issuer or of the business in connection with which they are issued.

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity

Where an Italian-resident beneficial owner of the Notes (a "**Noteholder**") is:

- an individual not engaged in an entrepreneurial activity to which the Notes are connected;
- a non-commercial partnership (*società semplice*) or a professional association;
- a non-commercial private or public institution (other than Italian undertakings for collective investment); or
- an investor exempt from Italian corporate income taxation,

then interest derived from the Notes, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*), levied at a rate of 26%, unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorized intermediary and has validly opted for the application of the *risparmio gestito regime* under Article 7 of Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**") (see also "*—Tax treatment of capital gains—Discretionary investment portfolio regime (Risparmio Gestito Regime)*" below).

Subject to certain conditions (including a minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes (being financial instruments issued by an Italian resident corporation) may be exempt from any income taxation (including the 26% *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of June 30, 1994 and Legislative Decree No. 103 of February 10, 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth under Italian law.

Noteholders engaged in an entrepreneurial activity

In the event that the Italian-resident Noteholders mentioned above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Where a Noteholder is an Italian-resident company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and the Notes are deposited with an authorized intermediary, Interest from the Notes will not be subject to the *imposta sostitutiva*. Interest must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate income taxation (i.e. IRES and, if applicable, any relevant additional surcharge, such as the additional 3.5% surcharge for banks and certain financial institutions) and, in certain circumstances, depending on the status of the Noteholder and also to the Italian regional tax on productive activities ("**IRAP**") (*i.e.* generally in the case of banks and financial institutions).

Real estate investment funds and real estate SICAFs

Payments of Interest deriving from the Notes made to Italian resident real estate investment funds and real estate closed-ended investment companies (*società di investimento a capitale fisso*, or "**SICAFs**"), provided that the Notes, together with the coupons relating thereto, are timely deposited directly or indirectly with an Italian authorized financial intermediary (or permanent establishment in Italy of non-Italian resident intermediary) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the real estate SICAF. However, a withholding or substitute tax of 26% will apply, in certain circumstances, to income realized by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realized by Italian real estate investment funds or real

(c) an "institutional investor," whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Noteholders must promptly deposit the Notes together with the coupons relating to such Notes directly or indirectly with:

(1) an Italian or non-Italian resident bank or financial institution (there is no requirement for the bank or financial institution to be an EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or

(2) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "**Second Level Bank**"). Organizations and companies that are not resident of Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or the permanent establishment in Italy of a non-Italian resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of February 24, 1998) for the purposes of the application of Decree No. 239. If a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-Italian resident Noteholders is conditional upon:

(1) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(2) the submission to the First Level Bank or the Second Level Bank (as the case may be) of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares, *inter alia*, that it is eligible to benefit from the exemption from the *imposta sostitutiva*.

Such statement must comply with the requirements set forth by a Ministerial Decree dated December 12, 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy referred to in point b) above or Central Banks or entities also authorized to manage the official reserves of a State referred to in point d) above. Additional requirements are provided for "institutional investors" referred to in point c) above (in this respect see Circular No. 23/E of March 1, 2002 and No. 20/E of March 27, 2003).

The *imposta sostitutiva* will be applicable at a rate of 26% to interest paid to Noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the requested conditions (including the procedures set forth under Decree No. 239 and in the relevant implementation rules). Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

Tax treatment of capital gains

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity. Where an Italian-resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realized by such Noteholder from the sale or redemption of the Notes would be subject to a capital gain tax (*imposta sostitutiva*, or "**CGT**") levied at a rate of 26%. Noteholders may set off any capital losses with their capital gains.

fund or the Real Estate SICAF (see "*Tax treatment of interest—Real estate investment funds and real estate SICAFs*"). However, a withholding or substitute tax of 26% will apply, in certain circumstances, to income realized by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares.

Moreover, subject to certain conditions, income realized by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

Any capital gains realized by a Noteholder which is a Fund, a SICAF (other than a real estate SICAF) or a SICAV will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAF or the SICAV, but income realized by the unitholders or shareholders in case of distributions, redemption or sale of the units / shares may be subject to a withholding tax of 26%.

Pension funds

Any capital gains realized by a Noteholder which qualifies as an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of December 5, 2005) will be included in the result of the relevant portfolio accrued at the end of the relevant tax period, and subject to 20% substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth under Italian law.

Non-Italian resident Noteholders

A 26% CGT on capital gains may be payable on capital gains realized on the sale or redemption of the Notes by non-Italian resident persons without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, under Article 23(1)(f)(2) of Decree No. 917, capital gains realized by non-Italian resident Noteholders from the sale or redemption of notes issued by an Italian resident issuer and traded on regulated markets (which term includes, for these purposes, also certain multilateral trading facilities) in Italy or abroad are not subject to the CGT, subject to the filing of required documentation in a timely fashion (in particular, a self-declaration that the Noteholder is not resident in Italy for tax purposes and has no permanent establishment in Italy to which the Notes are effectively connected).

Capital gains realized by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer, even if the Notes are not traded on regulated markets (which term includes, for these purposes, also multilateral trading facilities), are not subject to the CGT, provided that the beneficial owner is:

(a) a resident, for tax purposes, of a state or territory included in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) an "institutional investor," whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, inter alia, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Noteholders must satisfy the same conditions set forth above to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree No. 239 (see "*—Tax treatment of interest*").

If none of the above conditions is met, capital gains realized by non-Italian resident Noteholders from the sale or the redemption of Notes issued by an Italian resident issuer and not traded on regulated markets (which term includes, for these purposes, also multilateral trading facilities), may be subject to the CGT at the current rate of 26%. However, Noteholders might benefit from an applicable tax treaty with Italy, providing that capital gains realized upon the sale or redemption of the Notes are to be taxed only in the State where the recipient is tax resident, subject to certain conditions to be satisfied.

Under these circumstances, if non-Italian resident persons without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorized financial intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that the non-Italian residents Noteholders file in time with the authorized financial intermediary appropriate documents which include, *inter alia*, a certificate of residence from the competent tax authorities of their country of residence.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Intermediary, but non-Italian resident Noteholders retain the right to waive this regime.

Certain reporting obligations for Italian-resident Noteholders

Under Law Decree No. 167 of June 28, 1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the tax year, hold investments abroad or have financial assets abroad (including possibly the Notes) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding €15,000 threshold throughout the year, which per se do not require such disclosure). The requirement applies also where the persons above, being not the direct holder of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of June 28, 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

Italian inheritance tax and gift tax

The transfer of Notes by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

(a) 4% for transfers in favor of the spouse or direct relatives exceeding, for each beneficiary, a threshold of €1.0 million;

(b) 6% for transfers in favor of siblings exceeding, for each beneficiary, a threshold of €0.1 million;

(c) 6% for transfers in favor of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and

(d) 8% for transfers in favor of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress or the donee is a person with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds €1.5 million.

With respect to Notes listed on regulated markets (including multilateral trading facilities), the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth under Italian law, is exempt from inheritance taxes.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Wealth tax on financial products held abroad—direct holding

According to Article 19(18) of Law Decree No. 201 of December 6, 2011, Italian resident individuals, Italian non-commercial entities, Italian non-commercial partnerships and similar Italian resident entities holding financial products, including the Notes, outside Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.2% (the level of tax being determined in proportion to the period of ownership). The rate is increased to 0.4% if the financial products are held in one of the states or territories included in the Italian Ministerial Decree of 4 May 1999. The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, on the nominal value or redemption value of such financial products held outside Italy by Italian-resident individual. Taxpayers are generally permitted to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

The wealth tax cannot exceed €14,000 per year for Noteholders other than individuals.

The wealth tax is due only in relation to financial assets held outside the Italian territory (and not through an Italian intermediary). If the Notes are held through Italian intermediaries, the rules described in subsection "*Stamp taxes and duties—holding through financial intermediary*" apply.

Stamp taxes and duties—holding through financial intermediary

Under Article 13(2*bis*-2*ter*) of Decree No. 642 of October 26, 1972, a 0.2% stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed €14,000.00 for Noteholders other than individuals.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on May 24, 2012, the 0.2% stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

Registration tax

Contracts relating to the transfer of the Notes are subject to the registration tax as follows:

(a) public deeds and private deeds with notarized signatures (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at a rate of €200.00; and

(b) private deeds (*scritture private non autenticate*) are subject to fixed registration tax of €200.00 only in the case of use or voluntary registration or occurrence of the so-called *enunciazione*.

Additional Notes

The Issuer may issue Additional Notes (as defined in "*Description of Notes*") under the Indenture. Any Additional Notes will be considered fungible for Italian income tax purposes with the applicable series of initial Notes issued under the Indenture only if the conditions set forth in Article 11(2) of Decree No. 239, which requires in particular that (i) the issuance of Additional Notes occurs within 12 months of the original issue of the initial Notes, and (ii) the spread between (a) the issue price of the applicable series of initial Notes and (b) the issue price of the Additional Notes is less than 1 percent of the principal amount of the issuance multiplied by the number of full years until the maturity date. If these requirements are not met, the Additional Notes will not be considered fungible for Italian income tax purposes with the applicable series of initial Notes issued under the Indenture.

or sale of the Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer or the Parent Guarantor;

- it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- to the extent it is also a "Manufacturer," as defined in MiFID II, it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes to any retail investor in the European Economic Area in compliance with the applicable provisions of MiFID II, the Insurance Distribution Directive or the Prospectus Regulation relating to the offer and sale of securities to retail investors.

In the Purchase Agreement, each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any securities to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation and, in Italy, Article 100 of the Italian Financial Act, and implementing regulations by CONSOB, including Regulation 20307, Article 34-*ter*, first paragraph, letter (b) of the Issuer Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling any in scope securities or otherwise making them available to retail investors in the EEA has been or will be prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Solely for the purposes of each manufacturer's approval process, the target market assessment in respect of the securities described in this Offering Memorandum has led to the conclusion that: (i) the target market for such securities is eligible counterparties ("**ECP**") and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of such securities to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In the Purchase Agreement, each Initial Purchaser has represented and agreed that the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been or will be prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the securities described in this Offering Memorandum has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the COBS, and professional clients only, each as defined in UK MiFIR; and (ii) all channels for distribution of such securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of such securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

No action has been taken in any jurisdiction, including the United States, Italy and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may

SERVICE OF PROCESS AND ENFORCEMENT OF FOREIGN JUDGMENTS

Each of the Issuer and the Parent Guarantor is a joint stock company (*società per azioni*) incorporated under the laws of Italy. The Indenture, the Notes and the Guarantees will be governed by New York law. The Intercreditor Agreement and the Revolving Credit Facility Agreement are governed by the laws of England and Wales.

Service of process

None of the directors or executive officers of the Issuer and the Parent Guarantor are residents or citizens of the United States. Because substantially all of the assets of the Issuer and the Parent Guarantor, and their directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or the Parent Guarantor or any such other non-U.S. resident person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. federal or state securities laws, may not be collectible in the United States. Furthermore, although the Issuer and the Parent Guarantor will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action in relation to the Notes and the Indenture or under U.S. securities laws, it may not be possible for investors to effect service of process on such persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal or state securities laws, or other laws against such persons as mentioned above in the courts of a foreign jurisdiction. It may be possible for investors to effect service of process within other jurisdictions (including Italy) upon those persons or the Issuer or the Parent Guarantor *provided that* The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

If a judgment is obtained in a U.S. court against the Issuer or the Parent Guarantor, or any of their respective directors or executive officers, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which the Parent Guarantor or the Collateral is located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Enforcement of judgements in Italy

Recognition and enforcement in Italy of final, enforceable and conclusive judgments rendered by U.S. courts, including judgments obtained in actions predicated upon the civil liability provisions of the U.S. federal or state securities laws, may not require retrial and will be enforceable in Italy, provided that pursuant to Article 64 of Italian Law No. 218 of May 31, 1995 (*Riforma del sistema italiano di diritto internazionale privato*), among others, the following conditions are met:

- the U.S. court which rendered the final judgment had jurisdiction according to Italian law principles of jurisdiction;
- the relevant summons and complaint was appropriately served on the defendants in accordance with U.S. law and during the proceedings the essential rights of the defendant have not been violated;
- the parties to the proceeding appeared before the court in accordance with U.S. law or, in the event of the defendant party's failure to appear before the court, the U.S. court declared such default in accordance with U.S. law;
- the judgment is final, binding and not subject to any further appeal (*passato in giudicato*) in accordance with U.S. law;
- there is no conflicting final judgment rendered by an Italian court;
- there is no action pending in Italy among the same parties for decision on the same matter which commenced prior to the action in the United States; and
- the provisions of such judgment would not violate Italian public policy (*ordine pubblico*).

In addition, pursuant to Article 67 of Italian Law No. 218 of May 31, 1995, if a judgment rendered by a U.S. court is not complied with, its recognition is challenged or its compulsory enforcement is necessary, then a proceeding

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE COLLATERAL AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary of certain limitations on the validity and enforceability of the Guarantees and of the security interests and a summary of certain insolvency law considerations in Italy, the jurisdiction where each of the Issuer and the Parent Guarantor are organized. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor or a future security provider of the Notes and it does not purport to be complete or to discuss all the limitations or considerations that may affect the validity and enforceability of the Notes or the Guarantees or security interests being provided for the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes and the security interests in the Collateral. Prospective investors should consult their own legal advisors with respect to such limitations and considerations.

European Union

The Issuer and the Parent Guarantor are incorporated under the laws of Member States of the European Union (the "**EU**").

Pursuant to Regulation (EU) no. 2015/848 of the European Parliament and of the European Council of May 20, 2015 on insolvency proceedings (which entered into force on June 26, 2017 and applies to insolvency proceedings opened on or after that date) replacing Regulation (EC) 1346/2000 of May 29, 2000, (the "**EU Insolvency Regulation**"), which applies within the European Union, other than Denmark, the courts of the member state of the EU in which a company's "centre of main interests" (which according to Article 3(1) of the EU Insolvency Regulation is "*the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third-parties*") *is situated have jurisdiction to open main insolvency proceedings (subject to certain exceptions). The determination of where a company has its* "*centre of main interests*" is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

Pursuant to Article 3(1) of the EU Insolvency Regulation the "*centre of main interests*" of a company is presumed to be in the Member State in which it has its registered office in the absence of proof to the contrary. This presumption only applies if the registered office has not been moved to another member state of the European Union within the three-month period prior to the request for the opening of insolvency proceedings. Furthermore, preamble 30 of the EU Insolvency Regulation states that "*it should be possible to rebut this presumption where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third-parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State*." The courts have taken into consideration a number of factors in determining the "*centre of main interests*" of a company, including in particular where board meetings are held, the location where the company conducts the majority of its business or has its head office and the location where the majority of the company's creditors are established. A company's "*centre of main interests*" may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition unless (as set forth above) the registered office has been moved within the three-month period prior to the filing of the insolvency petition. If the centre of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be opened in such jurisdiction and accordingly a court in such jurisdiction would be entitled to open the types of insolvency proceedings.

The EU Insolvency Regulation applies to insolvency proceedings which are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

If the "*centre of main interests*" of a company is, at the time an insolvency application is made in one member state of the European Union (other than Denmark), under Article 3(2) of the EU Insolvency Regulation the courts of another member state of the European Union (other than Denmark) have jurisdiction to open (subject to certain exceptions) secondary insolvency proceedings or territorial insolvency proceedings against that company only if such company has an "*establishment*" in the territory of such other member state of the European Union. Secondary proceedings may be any insolvency proceeding listed in Annex A of the EU Insolvency Regulation and for the avoidance of doubt, are not limited to winding-up proceedings. Territorial proceedings are, in effect, secondary proceedings which are commenced prior to the opening of main insolvency proceedings. An "*establishment*" is defined to mean a place of operations where the company carries out or has carried out in the

Italy

Limitation on granting of security interests and on enforcement under Italian law

Under Italian law, the entry into a transaction (including the creation of a security interest or the granting of a guarantee) by a company incorporated under Italian law must be permitted by the applicable laws and by its by-laws (*statuto sociale*) and is subject to compliance with the rules on corporate benefit, corporate authorization and certain other Italian mandatory provisions. If a security interest or a guarantee is being provided in the context of an acquisition, group reorganization, refinancing or restructuring, financial assistance issues may also be triggered.

Corporate Benefit

An Italian company entering into a transaction (including granting a guarantee or a security interest) must receive a real and adequate benefit in exchange for the guarantee or the security interest being provided by such company. The concept of real and adequate benefit is not defined in the applicable legislation; it is assessed and determined by a factual analysis on a case by case basis and its existence is a business decision of the directors and the statutory auditors, if any. As a general rule, corporate benefit is to be assessed at the level of the relevant company on a stand-alone basis, although upon certain circumstances and subject to specific rules the interest of the group to which such company belongs may also be taken into consideration.

While corporate benefit for downstream guarantee or security (*i.e.* a guarantee guaranteeing or a security interest granted to secure financial obligations of direct or indirect subsidiaries of the relevant grantor) is usually self-evident, the validity and effectiveness of up-stream or cross stream security or guarantee (*i.e.* a guarantee guaranteeing or a security interest granted to secure financial obligations of the direct or indirect parent or sister companies of the relevant grantor) granted by an entity incorporated under the laws of Italy depend on the existence of a real and adequate benefit in exchange for the granted security interest or guarantee and may be challenged unless it can be proved that the grantor may derive adequate benefits or advantages from the granting of such guarantee or security. The general rule is that, the risk assumed by an Italian grantor of security or guarantor under a guarantee must not be disproportionate to the direct or indirect economic benefit to it. In particular, in case of an up-stream and cross-stream guarantee or security for the financial obligations of group companies, examples may include financial consideration in the form of access to cash flows through intercompany loans from other members of the group (without duplication), while transactions featuring debt financings of distributions to shareholders are largely untested in Italian courts, and, therefore, limited guidance is provided as to whether and to what extent such transactions could be challenged for lack of corporate benefit and conflict of interest.

As a general rule, absence of a real and adequate benefit could render the transaction (including granting a security interest or a guarantee entered into) by an Italian company *ultra vires* and potentially affected by a conflict of interest and the related corporate resolutions adopted by the shareholders and directors may be the subject matter of challenges and annulment. Civil liabilities may be imposed on the directors of an Italian grantor if a court holds that it did not act in the best interest of the grantor and that the acts carried out do not fall within the corporate purpose of the company or were against mandatory provisions of Italian law. The lack of corporate benefit could also result in the imposition of civil liabilities on those companies or persons ultimately exercising control over an Italian grantor or having knowingly received an advantage or profit from such improper control. Moreover, the transaction (including the security interest or guarantee granted by an Italian company) could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the Italian company.

The above principles on corporate benefit apply equally to up-stream, cross-stream and down-stream guarantees or security interests granted by Italian companies.

Upon certain conditions, the granting of guarantees may be considered as a restricted financial activity within the meaning of Article 106 of Italian Legislative Decree No. 385 of September 1, 1993 (as amended from time to time and related implementing rules and regulations, the "**Italian Banking Act**"), whose exercise is exclusively demanded to banks and authorized financial intermediaries. Non-compliance with the provisions of the Italian Banking Act may, among other things, entail the relevant guarantees being considered null and void. In this respect, Italian Ministerial Decree No. 53 of April 2, 2015, implementing Article 106, paragraph 3, of the Italian Banking Act, states that the issuance of guarantees or the granting of security by a company for the obligations of another company which is part of the same group does not qualify as a restricted financial activity, whereby "group" includes controlling and controlled companies within the meaning of Article 2359 of the Italian Civil

Code as well as companies which are under the control of the same entity. As a result of the above described rules, subject to the relevant guarantors and the guaranteed entity being part of the same group of companies, the provision of the guarantees would not amount to a restricted financial activity.

Financial Assistance

In addition, the granting of a security or a guarantee by an Italian company cannot include any liability which would result in unlawful financial assistance within the meaning of Article 2358 or 2474, as the case may be, of the Italian Civil Code pursuant to which, subject to specific exceptions, it is unlawful for a company to give financial assistance (whether by means of loans, security, guarantees or otherwise) to support the acquisition or subscription by a third party of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company. Financial assistance for refinancing indebtedness originally incurred for the purchase or subscription of its own shares or quotas or those of its direct or indirect parent company would also be a violation of financial assistance provisions. Any loan, guarantee or security given or granted in breach of these provisions is null and void. In addition, directors may be personally liable for failure to act in the best interests of the company.

Article 1938 of the Italian Civil Code

Pursuant to Article 1938 of the Italian Civil Code, if a guarantee granted by an Italian guarantor is issued to guarantee conditional or future obligations, the guarantee must be limited to a maximum amount. Such maximum amount should be expressly identified at the outset and expressed in figures (either in the guarantee deed or by reference to a separate document, such as the Indenture). In addition, as mentioned above, the guarantees granted by an Italian guarantor must be supported by corporate benefit; in other words, the maximum guaranteed amount must be indicated in the guarantee and shall not exceed the financial capabilities of the relevant Italian guarantor. It has been held that such determination must be proportionate to the relevant Italian guarantor’s assets. If such determination is deemed disproportional to the assets of the relevant Italian guarantor, there is the risk that the guarantee could be declared void.

Limitations to the Guarantees and Collateral

In order to comply with the above corporate law requirements on, *inter alia*, corporate benefit and financial assistance, the maximum amount that any Guarantor incorporated under the laws of Italy (each, an “**Italian Guarantor**”) and/or any security provider incorporated under the laws of Italy, may be required to pay in respect of its obligations as Guarantor under the Indenture, the Revolving Credit Facility Agreement and/or the Intercreditor Agreement and any other transaction documents related thereto, will be subject to limitations. By virtue of these limitations, an Italian Guarantor’s and/or security provider’s obligations under its Guarantee, or security interest provided by it, will be significantly less than amounts payable with respect to the Notes, or an Italian Guarantor may have effectively no obligation under its Guarantee or security interest.

As a result of the applicable limitations under Italian law with respect to, amongst others, corporate benefit, notwithstanding anything to the contrary provided in the Indenture, the Revolving Credit Facility Agreement and/or the Intercreditor Agreement, as regards to the Parent Guarantor:

(1) the maximum amount guaranteed by the Parent Guarantor, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed 120% of the outstanding principal amount of the Notes; and

(2) notwithstanding any provision to the contrary in the Indenture, in order to comply with the mandatory provisions of Italian law in relation to (i) maximum interest rates (including the Italian Usury Law and article 1815 of the Italian Civil Code) and (ii) capitalization of interests (including article 1283 of the Italian Civil Code and article 120 of the Italian Legislative Decree No. 385 of 1 September 1993), the obligations of the Parent Guarantor under its Guarantee shall not include and shall not extend to (A) any interest qualifying as usurious pursuant the Italian Usury Law and (B) any interest on overdue amounts compounded in violation of the provisions set forth by article 1283 of the Italian Civil Code and/or article 120 of the Italian Legislative Decree No. 385 of 1 September 1993, respectively.

In addition, the obligations of any Italian Guarantor and/or Italian security provider (other than the Parent Guarantor) that becomes a Guarantor and/or a security provider will be subject to the Agreed Security Principles and will be subject to the additional limitations set forth in the relevant supplemental indenture to the Indenture and/or in the applicable security documents, in order for the applicable Italian Guarantor and/or Italian security provider to comply with the above corporate law requirements on, among others, corporate benefit and financial assistance.

In any case, the maximum amount that an Italian Guarantor and/or Italian security provider (in each case, other than the Parent Guarantor) may be required to pay in respect of its obligations as Guarantor under the Indenture and/or security provider under the relevant security documents upon enforcement of the security interests granted by such Italian Guarantor and/or Italian security provider will ratably concur and not cumulate with the corresponding amounts due by it to any guaranteed and/or secured creditor pursuant to the Revolving Credit Facility Agreement, and/or the Intercreditor Agreement (including any guaranteed and/or secured creditors with respect to any further *pari passu* indebtedness contemplated under the Intercreditor Agreement) and/or any security documents, and *vice versa*. For the avoidance of doubt, by virtue of the abovementioned limitations applicable to the guarantees and the security interests granted by an Italian Guarantor (other than the Parent Guarantor) and/or Italian security provider, the obligations of each Italian Guarantor as guarantor and/or security provider under the Notes, the Indenture, the Revolving Credit Facility Agreement, and/or the Intercreditor Agreement and any agreement regulating future *pari passu* indebtedness contemplated under the Intercreditor Agreement, the security documents relating to the Collateral and any other transaction documents related thereto shall not be deemed to be cumulative and shall be considered without duplication, and the transaction documents will provide that the aggregate amount of the proceeds deriving from any enforcement of any such guarantee and/or security obligations of the relevant Italian Guarantor and/or Italian security provider shall not exceed on an aggregate basis the limit of the relevant Italian Guarantor's and (or (as applicable) security provider's credit support as described above.

The proceeds of the enforcement of said guarantees and/or security interests will be distributed amongst the guaranteed and/or secured creditors (including, without, limitation, the holders of the Notes) in accordance with the provisions of the Intercreditor Agreement. Accordingly, the holders of the Notes will be able to recover limited amounts under the relevant Guarantees and security.

Trust

The Collateral will be created and perfected in favor of the Security Agent acting in its capacity as representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code. Under such provision (introduced by Italian Law No. 164 of November 11, 2014), the security interests and guarantees assisting bond issuances can be validly created in favor of the holders of the notes or in favor of a representative (*rappresentante*) of the holders of the Notes who will then be entitled to exercise in the name and on behalf of the holders all their rights (including any rights before any court and judicial proceedings) relating to the security interests and guarantees. However, there is no guidance or available case law on the exercise of the rights and enforcement of such security interest and guarantees by a *rappresentante* pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code also in the name and on behalf of the holders of the Notes which are neither directly parties to the Collateral nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries.

In addition, as the holders of the Notes are not direct parties to the Indenture, there is the risk that the appointment of the Security Agent in its capacity as representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code is not upheld by an Italian court and that therefore an Italian court may determine that the holders of the Notes at the time of enforcement are not secured by the security under the Security Documents and/or that the *rappresentante* cannot exercise the rights and enforce the Collateral also in the name and on behalf of the holders of the Notes. In addition, the provisions and the subject matter of paragraph 3 of Article 2414-*bis*, paragraph 3, of the Italian Civil Code are untested by Italian Courts and, therefore, even if the appointment of the *rappresentante* is upheld by an Italian Court, it cannot be excluded that an Italian Court may take a different view and interpretation and determine that, where the Collateral is granted in favor of the *rappresentante*, the holders of the Notes at the time of enforcement are not secured by the Collateral and/or cannot enforce that Collateral.

Furthermore, to date, the Italian courts have not considered whether a common representative (*rappresentante comune*) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code may be validly appointed by means of a contractual arrangement (such as the Indenture) and the validity and enforceability of such appointment may not be upheld by a court.

Moreover, it is uncertain and untested in the Italian courts whether, under Italian law, a security interest can be created and perfected: (i) in favor of creditors (such as the holders of the Notes) which are neither directly parties to the relevant security documents or are not specifically identified therein or in the relevant share certificates and would be terminated and, therefore, the latter would lose entitlement to the voting rights on the pledged quotas/shares.

In addition, under Italian law, in certain circumstances also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, security, agreement and any other act by which it disposes of any of its assets, in order to seek a claw-back action (*azione revocatoria ordinaria*) pursuant to Articles 2901 and following of the Italian Civil Code (which results in a declaration of ineffectiveness as to the acting creditor) of the said guarantee, security, agreement and other act that is purported to be prejudicial to the acting creditor's right of credit. An Italian court could revoke the said guarantee, security, agreement and other act only if it, in addition to the ascertainment of the prejudice, was to make the two following findings:

- that the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor, or, if such act was done prior to the existence of the claim or credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim or credit; and

- that, in the case of non-gratuitous acts, the third party involved was aware of said prejudice and, if the act was done prior to the existence of the claim or credit, that the said third party participated in the fraudulent design.

Certain Italian insolvency law considerations

The insolvency laws of Italy may not be as favorable to investors' interests as those of other jurisdictions with which investors may be familiar. In Italy, courts play a central role in the insolvency process. Moreover, in court procedures may be materially more complex and the enforcement of security interests by creditors in Italy can be more time-consuming than in equivalent situations in jurisdictions with which holders of the Notes may be familiar.

The following is a brief description of certain aspects of insolvency law in Italy, which does not include special provisions applying to banks, insurance and other companies authorized to carry out certain reserved activities nor it provides a comprehensive description of insolvency laws application where publicly owned companies are involved.

Insolvency laws and regulations have been replaced by a new crisis and insolvency code. In particular, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, among others, insolvency matters (the "**Legislative Decree**"), which enacts a new comprehensive legal framework in order to regulate, among others, insolvency matters which came into force on July 15, 2022 (so called "**Code of Business Crisis and Insolvency**," as subsequently amended and supplemented and including Italian Legislative Decree No. 83 of June 17, 2022 implementing the EU Restructuring Directive hereinafter, the "**Italian Insolvency Code**"). The Legislative Decree was published in the Italian Official Gazette (*Gazzetta Ufficiale*) on February 14, 2019 no. 38—Suppl. Ordinario No. 6.

The main innovations introduced by the Italian Insolvency Code include, among others: (i) the elimination of the term "bankrupt" (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of "state of crisis" (*crisi*); (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different restructuring tools and frameworks (s*trumenti di regolazione della crisi e dell'insolvenza della società*) provided for by the same Italian Insolvency Code, (iv) a new set of rules concerning group restructurings, (v) restrictions to the use of the pre-bankruptcy composition with creditors (*concordato preventivo*) in order to favor going concern proceedings; (vi) a new crisis settlement procedure (*composizione negoziata della crisi*), (vii) jurisdiction of specialized courts over proceedings involving large debtors; (viii) the adoption of the definition of debtor's "center of main interest" as provided in the new set of rules concerning group restructurings; (ix) the introduction of the new restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) among the restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*); (x) the regulation of adequate measures and plans to early detect a crisis with specific criteria to be adopted by companies; and (xi) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness of the reform.

Except for minor changes in some provisions of the Italian Civil Code, which already entered into force on March 16, 2019, in response to the COVID-19 pandemic, the entry into force of the Italian Insolvency Code has been initially postponed to September 1, 2021 by the "*Decreto liquidità*" (*i.e.* Law Decree No. 23 of April 8, 2020, published in the *Gazzetta Ufficiale* on April 8, 2020 and converted in law by the Italian Parliament by the Law No. 40 of June 5, 2020, published in the Italian Official Gazette (*Gazzetta Ufficiale*) on June 6, 2020), and is now effective starting from July 15, 2022.

Provisions under the Italian Bankruptcy Law (i.e. the Royal Decree No. 267 of March 16, 1942) continue to apply only to any filings for proposals of declaration of insolvency procedures and bankruptcy restructuring plans (*concordato fallimentare*) and any filings seeking for the sanctioning (*omologazione*) of debt restructuring agreements (*accordo di ristrutturazione dei debiti*) or for the opening of a composition with creditors proceeding (*concordato preventivo*) filed or pending before July 15, 2022 (*i.e.* the effective date of the Italian Insolvency Code).

The Italian Insolvency Code has been amended and supplemented by, among others, (i) the Italian Legislative Decree No. 147 of October 26, 2020 (as amended and supplemental by Legislative Decree No. 83 dated June 17, 2022), by Law Decree No. 69 of June 13, 2023 (as converted by Law No. 103 of August 10, 2023), by Legislative Decree No. 224 of December 6, 2023, and, lastly, by Legislative Decree No. 136 of September 13, 2024 (so called "**Correttivo-ter Decree**"), providing the corrective interventions to the Italian Insolvency Code.

The Correttivo-ter Decree was published in the Italian Official Gazette (*Gazzetta Ufficiale*) on September 27, 2024 and, as provided thereunder, entered into force on September 28, 2024. Starting from September 28, 2024, the provisions of the Correttivo-ter Decree (which supplement and amend the Italian Insolvency Code) shall generally apply (unless otherwise provided) to all insolvency/restructuring proceedings (including negotiated crisis composition) pending as of 28 September as well as to those which will be started or opened after 28 September 2024. As an exception to such general rule, the Correttivo-ter Decree provides, *inter alia*, that: (i) the provisions under article 5, para. 9, lett. b), no. 3 of the decree shall apply only to negotiated composition for which filing is made after September 28, 2024; and (ii) the provisions under article 16, para. 6, article 17 para. 1 lett. a) and article 21, para. 4 of the decree shall apply only to arrangement proposals to Tax Authorities/Social Security Authorities (*proposte di transazione fiscale e previdenziale*) filed after September 28, 2024.

Considering the above, the following is a brief description of certain main aspects of insolvency law in Italy as it stands now and in particular of the Italian Insolvency Code (taking into account also the latest amendments introduced by the Correttivo-ter Decree).

Italian Insolvency Laws

Please find below a brief description of the main provisions of the Italian Insolvency Code which, upon its entry into force (on July 15, 2022 and as amended from time to time), has superseded the Italian Bankruptcy Law.

The two primary aims of the Italian Insolvency Code are to liquidate the debtor's assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors' claims. The aim of the other Italian insolvency laws in force – i.e. the Legislative Decree No. 270 of July 8, 1999, as amended (the "**Decree 270**"), and the Law Decree No. 347 of December 23, 2003, converted into law, with amendments, by Law No. 39 of February 18, 2004, as amended (the "**Decree 347**") — is to maintain employment. These competing aims often have been balanced by the sale of businesses as going concerns and ensuring that employees are transferred along with the businesses being sold.

Under the Italian Insolvency Code, the judicial liquidation (*liquidazione giudiziale*) must be declared by a court, based on the insolvency (*insolvenza*) of a debtor upon a petition filed by the debtor itself, the bodies and authorities who exercise control or supervision thereto, one or more creditors and the public prosecutor. Insolvency, as defined under article 2, letter (b) of the Italian Insolvency Code, is defined as the state of the debtor, manifested by defaults and/or other external elements evidencing that the debtor is no longer able to regularly meet its obligations as they come due. This must be a permanent, and not a temporary status of insolvency, in order for a court to hold that a debtor is insolvent. The Italian Insolvency Code also introduced a specific concept of crisis, which is defined under article 2, letter (a) of the Italian Insolvency Code as the state of the debtor such that it is likely that insolvency will follow, which is manifested by the inadequacy of prospective cash flows to meet obligations in the following twelve months. Both insolvency and crisis are factual situations upon the occurrence of which different instruments provided for by the Italian Insolvency Code may be activated.

In cases where a debtor is facing financial difficulties or temporary cash shortfall and, in general, a state of crisis/financial distress, it may be possible for it to enter into out-of-court arrangements with its creditors, which

Pursuant to article 22 of the Italian Insolvency Code, the court, upon the entrepreneur's request and to the extent that this is consistent with the continuation of the business as a going concern and with the maximization of the creditors' recovery, may authorize:

(a) the entrepreneur to incur new super-senior (*prededucibile*) financings in any form, including requesting the issuance of collateral, or authorizing an agreement with the bank and financial intermediary to the reactivation of suspended credit lines;

(b) the entrepreneur to incur new super-senior indebtedness (so-called *prededucibile*) via shareholders' financing;

(c) one or more companies belonging to the same group under article 25 of the Insolvency Code to incur super-senior (*prededucibile*) financings; and

(d) the entrepreneur to transfer its business, or certain business branches, without the effects provided under article 2560, paragraph 2, of the Italian Civil Code, without prejudice to article 2112 of the Italian Civil Code. However, in such case it will be for the court itself to identify the measures it considers appropriate, taking also into account the requests of the parties concerned, in order to protect all the interests involved. The court shall also verify the compliance with the competitiveness principle in choosing the purchaser.

The execution of the above-mentioned authorizations may also be postponed after the ending of the *composizione negoziata* if so provided under the court authorization or the Final Report.

Pursuant to article 23, para 1. of the Italian Insolvency Code, when a viable solution to overcome the crisis or insolvency of the debtor is identified, upon completion of the *composizione negoziata*, the relevant parties may proceed with one of the following:

(a) execution of an agreement between the entrepreneur and one or more creditors and any interested party, which constitutes cause for application of the reward measures provided under article 25-*bis*, paragraph 1 of the Italian Insolvency Code if, according to the Expert's Final Report, such agreement ensures the continuation of the business as a going concern for at least 2 years;

(b) execution of a standstill agreement (*convenzione di moratoria*) pursuant to article 62 of the Italian Insolvency Code;

(c) execution of an agreement signed by the entrepreneur, by the adhering creditors and by any other adhering interested party, and also by the Expert, with the effects provided under articles 166, paragraph 3, lett. d) and 324 of the Italian Insolvency Code. With the execution of such agreement the Expert acknowledges that the reorganization plan (*piano di risanamento*) seems consistent with the composition of crisis or insolvency of the entrepreneur.

Pursuant to article 23, para. 2 of the Italian Insolvency Code, the entrepreneur may, alternatively:

(a) arrange an out-of-court reorganization plan (*piano attestato di risanamento*) pursuant to Article 56 of the Italian Insolvency Code;

(b) file a petition requesting the sanctioning of a debt restructuring agreement with creditors (*accordo di* ristrutturazione *dei debiti*) pursuant to articles 57, 60 and 61 of the Italian Insolvency Code. The percentage referred to under article 61, paragraph 2, letter (c) of the Italian Insolvency Code is reduced to 60% if the achievement of the agreement results from the Final Report of the Expert or if the request for homologation is filed within 60 days from the notification of the same.

(c) file a petition for admission to the *concordato semplificato per la liquidazione del patrimonio* pursuant to article 25-*sexies* of the Italian Insolvency Code;

(d) enter into one of the other restructuring tools or insolvency proceedings provided for under the Italian Insolvency Code or in the extraordinary administration proceedings under so-called Prodi-*bis* law (d.lgs. n. 270/1999) or the Marzano law (d.l. n. 347/2003).

The agricultural entrepreneur may access to one of the restructuring tools provided forth under article 25-*quater* of the Italian Insolvency Code.

Moreover, pending the *composizione negoziata* the entrepreneur may submit a proposal for a settlement agreement to Italian Tax Authorities/Social Security Authorities providing for partial payment or rescheduling of the relevant debts and related accessories, subject to certain requirements, terms and conditions being met (including, *inter alia*, court-filing and necessary court approval to execute the settlement), as set forth under article 23, para. 2-bis of the Italian Insolvency Code. Such settlement proposal cannot include taxes constituting own resources of the European Union. Certain other tax-relevant provisions (in the context of *composizione negoziata*) are set forth, *inter alia*, under article 25-bis of the Italian Insolvency Code.

Furthermore, pursuant to article 24 of the Italian Insolvency Code:

(a) the acts authorized by the court pursuant to article 22 of the Italian Insolvency Code shall maintain their effects in the event of subsequent sanctioned debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti omologato*), sanctioned composition with creditors (*concordato preventivo omologato*), opening of the judicial liquidation proceeding (*apertura della liquidazione giudiziale*), a sanctioned restructuring plan provided for pursuant to article 64-bis of the Italian Insolvency Code, a compulsory administrative liquidation (*liquidazione coatta amministrativa*), extraordinary administration for large insolvent companies (*amministrazione straordinaria*) or a sanctioned simplified composition with creditors (*concordato semplificato per la liquidazione del patrimonio*) provided for pursuant to article 25-sexies of the Italian Insolvency Code;

(b) the acts, payments and granting of security interests made after the Expert accepted its appointment, are exempted from claw-back actions pursuant to article 166, paragraph 2, of the Italian Insolvency Code, provided that they are consistent with the development and the status of the negotiations and with the perspectives of recovery (*risanamento*) existing at the time the payment/transaction/granting of security interest was made;

(c) acts of extraordinary administration and payment made after the Expert accepted its appointment are subject to claw-back actions pursuant to article 165 and Article 166 of the Italian Insolvency Code if the Expert has registered his/her dissent in the Companies' Register pursuant to Article 21, paragraph 4 of the Italian Insolvency Code or if the competent Court has denied its authorization pursuant to article 22 of the Italian Insolvency Code; and

(d) payment and transactions made after the Expert accepted its appointment, which were consistent with the development of the negotiations and in the perspective of the recovery (*risanamento*) of the enterprise, or which have been authorized by the Court pursuant to article 22 of the Italian Insolvency Code, benefit of exemptions from the potential application of certain criminal sanctions.

Potential outcomes: Simplified composition with creditors proceeding for the liquidation of assets (concordato semplificato per la liquidazione del patrimonio)

Article 25-*sexies* of the Italian Insolvency Code introduces a simplified court-supervised composition with creditors with liquidation purpose (*concordato semplificato per la liquidazione del patrimonio*).

If, in its Final Report, in the context of a *composizione negoziata*, the Expert states that the negotiations have been conducted according to fairness and good faith and that the options provided under article 23, paragraphs 1 and 2, letters (a) and (b), of the Italian Insolvency Code are not feasible, within 60 days following the notification of the Final Report the entrepreneur may file to the competent court where the entrepreneur has its center of main interests a petition for admission to the *concordato semplificato per la liquidazione del patrimonio*, together with a liquidation plan and the documents listed under article 39 of the Italian Insolvency Code. The petition for *concordato semplificato per la liquidazione del patrimonio* is then published in the Companies' Register within the day following the filing with the court. From the date of such publication, the effects provided under articles 6, 46, 94 and 96 of the Italian Insolvency Code are produced. The proposal may provide for the division of the creditors into different classes and article 84 para. 5 of the Italian Insolvency Code shall apply.

Within the above-mentioned deadline, the debtor may file a petition under article 40 of the Italian Insolvency Code, also reserving to subsequently file the plan and proposal (*anche con riserva di deposito della proposta e del piano*). Protective Measures might be requested also in the context of this proceeding.

Following the filing of such application, the court (i) appoints a so-called "auxiliary" (*ausiliario*) to, *inter alia*, express an opinion on the entrepreneur's proposal; (ii) orders that the proposal, together with the opinion of the auxiliary, the Final Report of the Expert and an opinion of the Expert with specific reference to the likely outcomes maximizing creditor's repayment are the main goals both of the previous legal framework and the Italian Insolvency Code.

However, the new provisions under the Italian Insolvency Code remove some uncertainties and clarifies some debated issues.

In addition, the provisions under the Italian Bankruptcy Law focused mainly on the perspective of creditors already having claims against the company to avoid that the expectations of recovery of such claims were reduced due to the potential considerable increase in super senior (*prededucibili*) claims and, to this extent, granted a preeminent role to the independent expert together with the court authorization procedures. Unlike the former legal framework, the new provisions of the Italian Insolvency Code focus more on preserving the business value of the distressed company as a going concern by strengthening the key role of the financing of the debtor in the context of the relevant proceedings.

The provision of article 99 of the Italian Insolvency Code applies to both debt restructuring agreement and to the court-supervised compositions with creditors (*concordato preventivo*) and to (ii) restructuring plans subject to homologation pursuant to the reference included in article 64-*bis* para. 9 of the Italian Insolvency Code (as they are compatible (*in quanto compatibili*).

Please find below a brief summary of the main features of the provisions concerning different available financings under the Insolvency Code. The provisions under article 99, 101 and 102 of the Italian Insolvency Code apply to *concordato preventivo* as well as to (i) debt-restructuring agreements (*accordi di ristrutturazione dei debiti*) pursuant to the reference in article 57, paragraph 4-bis, of the Insolvency Code and to (ii) restructuring plans subject to homologation pursuant to the reference included in article 64-*bis* para. 9 of the Italian Insolvency Code (as they are compatible (*in quanto compatibili*)).

Interim financing – Article 99 Paragraphs 1 to 4 of the Italian Insolvency Code

Pursuant to article 99, paragraphs 1 and 2, of the Italian Insolvency Code, in the context of restructuring transactions on a going concern basis, also in cases in which business continuity is maintained exclusively in a view of liquidation, the court, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to article 57 et seq. of the Italian Insolvency Code or a petition (in relation to the court-supervised composition with creditors procedure) or a petition for a restructuring plan subject to homologation (given the reference included in article 64 bis para. 9 of the Italian Insolvency Code) may authorize the debtor, if so expressly requested to incur in new super senior indebtedness and to secure such indebtedness, subject to the court's authorization with in rem security (*garanzie reali*), or by assigning claims, provided that: (i) the petition specifies (A) the purpose of the financing; (B) that the debtor is unable to otherwise obtain the required funds and (C) that the absence of such financing will entail an imminent and irreparable prejudice to the going concern or to the proceedings; and (ii) the expert appointed by the debtor, having verified the overall financial needs of the company until the sanctioning (*omologazione*), declares that the new financing are functional to the continuity of the business activities until the sanctioning (*omologa*) of the relevant insolvency proceedings or to the opening of the proceedings or to conduct them and, in any case, are aimed at providing a better satisfaction of the rights of the creditors. The expert report is not necessary in case the court recognizes that there is the urgent need to avoid an imminent and irreparable prejudice to the going concern. In the event of the subsequent admission of the debtor to the judicial liquidation proceeding (*liquidazione giudiziale*), the aforementioned financings do not enjoy the super senior priority status (*prededucibilità*) in case the petition or the expert report contain false data or omit important information or in case the debtor performed acts in fraud of the creditors (*atti in frode ai creditori*) and the judicial receiver proves that who made available such financings to the debtor, had knowledge of such circumstances at the date of the disbursement.

Bridge Financings – Article 99 Paragraph 5 of the Italian Insolvency Code

Pursuant to article 99, paragraph 5, of the Italian Insolvency Code, financings (together with the related claims) granted, in any form, in view of (*i.e.* before) presentation of a petition for the sanctioning (*omologazione*) of a debt restructuring agreement, a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) or a court-supervised composition with creditors (*concordato preventivo*) (*finanza ponte*), may be granted such priority status provided that (i) they meet the requirements of article 99, paragraphs 1 and 2 (described above), and (ii) it is envisaged by the relevant plan or agreement and that such priority status is expressly provided for by the court at the time of approval of the plan or sanctioning (*omologazione*) of the debt restructuring agreement (*accordi di ristrutturazione dei debiti*), the approval of the *concordato preventivo,* or the sanctioning of the restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad* includes, for example, a ban on enforcement measures. The same rules set forth for insolvency proceedings with respect to existing contracts and creditors' claims largely apply to a compulsory administrative liquidation.

Common rules for pre-judicial liquidation restructuring frameworks (strumenti di regolazione della crisi e dell'insolvenza della società)

In order to facilitate access and filing of restructuring procedures by the Italian companies, articles 120-*bis* and ff. of the Italian Insolvency Code have been enacted, introducing a set of rules applicable to all pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*). Among other things, pursuant to article 120-*bis*, paragraph 2 of the Italian Insolvency Code and the purposes of a successful restructuring, the plan may provide for "*any modification of the articles of association of the debtor company, including capital increases and reductions, including with limitation or exclusion of the option right and other modifications that directly affect the shareholders' participation rights, as well as for mergers, demergers and transformations*." Shareholders, who may no longer have an interest in the company, are prevented from hindering the restructuring or even one of its stages. For this reason, pursuant to article 120-*bis*, paragraphs 3 and 4 of the Italian Insolvency Code, the shareholders, while retaining a right to information in relation to both the initiation and the progress of the restructuring process, may not remove the directors without just cause, as is the case for the statutory auditors of joint stock companies, also in light of the fact that under the provisions of the Italian Insolvency Code it is not considered as being just cause for directors' removal, the filing for access to the pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) when the related legal conditions and requirements are met. However, pursuant to article 120-*bis*, paragraph 5, shareholders representing at least 10% of the filing company's corporate capital may make a competing proposal.

The plan may provide for the formation of one class of shareholders or several classes if there are shareholders to whom different rights are granted by the by-laws, including as a result of the changes provided for in the plan. The formation of classes is, however, mandatory if the plan provides for changes that directly affect the shareholders' participation rights and, in any case, for large companies and companies with widespread capital. In this context, special conditions for sanctioning of the arrangement are set out pursuant to article 120-*quater* of the Italian Insolvency Code when and if the plan provides for shareholder attributions. Specific rules are then provided to ensure that creditors' interests are protected in all cases in which the restructuring tool envisages shareholders to retain a participation in the company with a certain value, which is determined in accordance with the applicable accounting principles for determining the value in use, based on the present value of future cash flows using the data resulting from the underlying restructuring plan and applying the projections for subsequent years.

Article 120-*quinquies* of the Italian Insolvency Code, regulates the execution phase of such measure. In order to avoid any obstructive attitude of the shareholders towards the approval of the restructuring tool, this provision expressly excludes the necessity for their approval and/or resolution on the implementation of such restructuring tool, by generally attributing the relevant powers to the directors or more specifically to the competent court, in relation to any amendment to the debtor's by-laws which - being specifically provided for by the plan – do not require any discretionary resolution. Finally, it is stipulated that changes in the corporate structure resulting from the implementation of a pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) shall not be considered as and constitute cause for the termination or amendment of any agreement entered into by the debtor with third parties.

Articles 284 et seq. of the Italian Insolvency Code contain specific rules regarding (i) the access of a group to one of the pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) aiming at unifying – to the extent possible – the relevant proceedings; (ii) liability lawsuits available to the receiver; and (iii) subordination of claims.

Hardening period/clawback and fraudulent transfer

In a judicial liquidation proceeding, the Italian Insolvency Code provides for a claw-back period of up to two years (six-months in certain circumstances). In addition, in certain cases, the judicial receiver can request that certain transactions of the debtor are declared ineffective within the Italian Civil Code ordinary claw-back period of five years (*revocatoria ordinaria*).

Under Italian law, in the event that the relevant guarantor and/or security provider enters into insolvency proceedings, the security interests created under the documents entered into to secure the Collateral and any future security interests or guarantees could be subject to potential challenges by an insolvency administrator or by other creditors of such guarantor and/or security provider under the rules of avoidance or claw-back of (*revocatoria*)

LISTING AND GENERAL INFORMATION

Listing

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 in accordance with the rules and regulations of that exchange.

For so long as any of the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices with respect to the Notes will be published on the official website of the Luxembourg Stock Exchange (*www.luxse.com*). Such notices may instead be published in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or if, in the opinion of the Issuer such publication is not practicable, in an English language newspaper having general circulation in Europe.

For 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 thereof and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents may be inspected in physical / electronic form and obtained free of charge at the specified office of the Issuer during normal business hours on any weekday:

- this Offering Memorandum
- the organizational documents of the Issuer and the Guarantor;
- our most recent audited consolidated financial statements;
- the Indenture;
- the Intercreditor Agreement; and
- other material agreements described in this Offering Memorandum as to which we specify that copies thereof will be made available.

We will maintain a Registrar in Luxembourg for as long as any of the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange. The current paying agent and transfer agent is U.S. Bank Europe DAC. We reserve the right to vary such appointment and we will publish notice of such change of appointment on the website of the Luxembourg Stock Exchange or in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

Clearing information

The Fixed Rate Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Clearstream and Euroclear under Common Codes and , respectively. The international securities identification number ("**ISIN**") for the Fixed Rate Notes sold pursuant to Regulation S is and the ISIN for the Fixed Rate Notes sold pursuant to Rule 144A is .

The Floating Rate Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Clearstream and Euroclear under Common Codes and , respectively. The ISIN for the Floating Rate Notes sold pursuant to Regulation S is and the ISIN for the Floating Rate Notes sold pursuant to Rule 144A is .

Legal information

Issuer

The Issuer is a joint stock company (*società per azioni*) incorporated under the laws of Italy. The Issuer is registered under number 01035310414, REA PS-103483 with the Companies' Register of Marche. The LEI code of the Issuer is 81560062081DF3AB7A90. The registered office of the Issuer is at Via Sandro Pertini 88, Pesaro (PU), Italy. The Issuer has an authorized share capital of Euro 24,000,000, fully paid up and composed of 24,000,000 ordinary shares of Euro 1.00 each. The Issuer's financial year runs from January 1 to December 31. The Issuer obtained, or will obtain before the Issue Date, all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance of and performance of its obligations under the Notes. The Issuer has obtained, or will obtain before the Issue Date, all necessary consents, approvals and

TeamSystem Holdco S.p.A.
and its Subsidiaries
TeamSystem Group

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2025

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	31 Mar 2025	31 Mar 2024	NOTES
Revenue	242,434	204,846	1
Other operating income	1,726	1,563	1
TOTAL REVENUE	**244,160**	**206,409**	**1**
Cost of raw and other materials	(13,089)	(13,053)	2
Cost of services	(59,465)	(51,604)	3
Personnel costs	(75,059)	(61,800)	4
Other operating costs	(4,733)	(1,833)	5
Depreciation and amortization of non current assets	(64,703)	(59,211)	
Allowance for bad debts	(1,990)	(1,866)	
Other provisions for risks and charges	(67)	(118)	
OPERATING RESULT	**25,055**	**16,925**	
Finance income	9,610	8,501	6
Finance cost	(46,292)	(46,783)	6
Monetary Gain (Loss)	11,259	17,870	7
PROFIT (LOSS) BEFORE INCOME TAXES	**(368)**	**(3,487)**	
Current income tax	(14,938)	(13,081)	
Deferred income tax	12,803	11,443	14
TOTAL INCOME TAX	**(2,135)**	**(1,638)**	
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(2,503)**	**(5,125)**	
Attributable to			
Non controlling interests	**37**	**12**	
OWNERS OF THE COMPANY	**(2,540)**	**(5,137)**	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Mar 2025	31 Mar 2024	NOTES
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(2,503)**	**(5,125)**	**20**
Actuarial gain (loss) on defined benefit plans	825	584	
Tax effect	(198)	(140)	
OTHER GAIN (LOSS) THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**627**	**444**	
Exchange differences on translating foreign operations	(21,133)	(7,696)	
OTHER GAIN (LOSS) THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**(21,133)**	**(7,696)**	
TOTAL COMPREHENSIVE INCOME (LOSS)	**(23,009)**	**(12,377)**	
Attributable to			
Non controlling interests	**37**	**13**	
OWNER OF THE COMPANY	**(23,046)**	**(12,390)**	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
ASSETS	**31 Mar 2025**	**31 Dec 2024**	**NOTES**
Tangible assets	19,453	15,664	9
Intangible assets	1,220,169	1,255,699	10
Right of use	83,752	35,631	11
Goodwill	2,470,604	2,309,440	12
Other Investments	451	313	13
Investments in associates	1,558	1,558	13
Deferred tax assets	18,894	17,779	14
Other financial assets - non current	6,647	6,512	15
TOTAL NON CURRENT ASSETS	**3,821,529**	**3,642,596**	
Inventories	1,961	2,043	16
Trade receivables	477,178	213,516	17
Tax receivables	1,012	1,328	18
Other receivables - current	74,517	91,439	19
Other financial assets - current	8,138	10,778	15
Cash and bank balances	160,472	167,529	15
TOTAL CURRENT ASSETS	**723,277**	**486,632**	
Asset held for sale	4,612	2,812	25
TOTAL ASSETS	**4,549,418**	**4,132,039**	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
EQUITY AND LIABILITIES	**31 Mar 2025**	**31 Dec 2024**	**NOTES**
Share capital	14,597	14,597	20
Other reserves	991,209	1,121,181	20
Retained earnings (accumulated losses)	(976)	(571)	20
Profit (Loss) attributable to Owners of the Company	(2,540)	(109,408)	20
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	**1,002,290**	**1,025,799**	
Non controlling interests - Capital and reserves	1,445	925	20
Non controlling interests - Profit (Loss)	37	156	20
TOTAL NON CONTROLLING INTERESTS	**1,482**	**1,081**	
TOTAL EQUITY	**1,003,771**	**1,026,880**	
Financial liabilities with banks and other institutions - non current	2,304,984	2,234,348	15
Staff leaving indemnity	33,719	32,464	21
Provisions for risks and charges - non current	24,949	26,567	22
Deferred tax liabilities	270,970	280,704	14
Other liabilities - non current	285	298	23
TOTAL NON CURRENT LIABILITIES	**2,634,907**	**2,574,381**	
Financial liabilities with banks and other institutions - current	215,208	155,903	15
Trade payables	87,191	91,167	
Tax liabilities - current	35,112	21,237	24
Other liabilities - current	568,404	258,003	23
TOTAL CURRENT LIABILITIES	**905,915**	**526,309**	
Liabilities held for sale	4,824	4,470	25
TOTAL LIABILITIES	**3,545,646**	**3,105,160**	
TOTAL EQUITY AND LIABILITIES	**4,549,418**	**4,132,039**	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Mar 2025	31 Mar 2024	NOTES
Operating Result	**25,055**	**16,925**	
Depreciation and amortisation of non-current assets	64,703	59,211	
Other non monetary items	1,923	4,537	
Trade receivables - variation	(259,554)	(229,135)	
Inventories - variation	83	71	
Other receivables - variation	(6,681)	109	
Trade payables - variation	(12,637)	(264)	
Other liabilities - variation	297,132	219,633	
Staff leaving indemnity - variation	(74)	(506)	
Provisions for risks and charges - variation	(1,704)	1,056	
Income tax paid	(2,140)	(245)	
CASH FLOWS FROM OPERATING ACTIVITIES	**106,104**	**71,392**	
Investments in tangible assets	(5,022)	(993)	
Investments in intangible assets	(9,018)	(4,587)	
Capitalized development costs - personnel costs	(8,114)	(8,256)	
Capitalized development costs - service costs	(1,758)	(1,607)	
Capital Expenditure	**(23,911)**	**(15,443)**	
Acquisition of investments	(97,150)	(3,909)	8
Cash and bank balances at the date of acquisition	4,916	0	8
Acquisition of investments	**(92,234)**	**(3,909)**	
CASH FLOWS FROM INVESTING ACTIVITIES	**(116,146)**	**(19,352)**	
Repayment of financial debt	**(2,114)**	**(1,375)**	**8**
New financing	**45,000**	**15,000**	**8**
Financial charges paid	**(23,329)**	**(23,692)**	**8**
Financing Fees paid	**(452)**	**(207)**	**8**
Liabilities to non controlling shareholders of subsidiaries	**(10,238)**	**(25,431)**	**8**
Capital increase	**0**	**91**	
CASH FLOWS FROM FINANCING ACTIVITIES	**8,867**	**(35,614)**	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	**(5,882)**	**(919)**	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	**(7,057)**	**15,508**	
CASH AND BANK BALANCES - Beginning of the period	**167,529**	**46,695**	
CASH AND BANK BALANCES - End of the period	**160,472**	**62,202**	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	**14,597**	**1,210,187**	**(258)**	**(75,295)**	**1,149,231**	**905**	**1,150,137**
Profit (Loss) allocation		(74,982)	(313)	75,295	**0**		**0**
TeamSystem Holdco Capital increase		91			**91**		**91**
Profit (Loss)				(5,137)	**(5,137)**	12	**(5,125)**
Other Profit (Loss) on comprehensive income		(7,252)			**(7,253)**	1	**(7,252)**
31 Mar 2024	**14,597**	**1,128,044**	**(571)**	**(5,137)**	**1,136,933**	**918**	**1,137,851**

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2024	**14,597**	**1,121,181**	**(571)**	**(109,408)**	**1,025,799**	**1,081**	**1,026,880**
Profit (Loss) allocation		(109,003)	(405)	109,408	**0**		**0**
Acquisition of minority interests in subsidiaries		(463)			**(463)**	364	**(99)**
Profit (Loss) for the period				(2,540)	**(2,540)**	37	**(2,503)**
Other Profit (Loss) on Comprehensive income		(20,506)			**(20,506)**	0	**(20,506)**
31 Mar 2025	**14,597**	**991,209**	**(976)**	**(2,540)**	**1,002,290**	**1,482**	**1,003,771**

TeamSystem Group

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2025

►COMPANY BACKGROUND

TeamSystem Holdco S.p.A. is a company registered with the Pesaro business register and it is domiciled in Italy with its registered office located in Pesaro. TeamSystem Holdco S.p.A (the "Parent Company" or the "Parent") is the Parent Company of TeamSystem Group (the "Group"), leader in Italy in the production and marketing of management software and in the provision of training targeted at associations, small and medium-sized enterprises and Professionals (accountants, labour consultants, lawyers, condominium managers and self-employed professionals). Effective 2019, via the incorporation and acquisition of financial companies, the Group has extended its range of services to encompass financial services.

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►BASIS OF PREPARATION

The Group's annual consolidated financial statements are prepared in accordance with international accounting standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union pursuant to Regulation No. 1606/2002.

The accounting standards adopted for the preparation of the TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 March 2025 are the same of that used for the preparation of TeamSystem Holdco S.p.A. consolidated financial statements for the year ended 31 December 2024 (to which reference should be made).

These interim condensed consolidated financial statements have been prepared in compliance with IAS 34 "Interim financial reporting". These financial statements do not include all the information required for annual financial statements.

The interim condensed consolidated financial statements for the period ended 31 March 2025 consist of a consolidated statement of financial position, a consolidated statement of profit or loss, a consolidated statement of comprehensive income, a consolidated statement of cash flows, a consolidated statement of changes in equity and notes to the interim consolidated financial statements components.

The format used for the financial statements is the same as that used for the preparation of the TeamSystem Holdco S.p.A. consolidated financial statements for the year ended 31 December 2024.

This interim condensed consolidated financial report for the first three months ended 31 March 2025 is presented in Euros and all amounts have been rounded to Euro thousands, unless otherwise specified.

The condensed consolidated financial statements of TeamSystem Holdco S.p.A. and its subsidiaries (TeamSystem Group) for the period ended 31 March 2025 and 31 March 2024 have not been audited.

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►SCOPE OF CONSOLIDATION

A listing of businesses consolidated on a line-by-line basis (or with equity method) is provided in the following table and it should be noted that the consolidation percentage takes account of any put and call options stipulated during the course of acquisitions (the "% held" column indicates the percentage held by the Group in the company at the reporting date without taking account of the put and call option agreements):

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Country	Share capital	Equity	Currency	% held	% held with put/call options	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	Italy	14,596,886	1,453,670,229	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,457,394,027	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,430	1,454,008,448	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,440,545,261	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,001	1,089,132,738	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	Italy	90,000	1,227,583	EUR	51.00	100.00	1	
Software del Sol S.A.	Jaén(Spain)	Spain	75,000	17,866,747	EUR	100.00	100.00		
Aplifisa S.L.	Salamanca (Spain)	Spain	30,600	2,420,966	EUR	100.00	100.00		
Ticcyl Digital S.L.	Salamanca (Spain)	Spain	3,216	2,597,416	EUR	100.00	100.00		
Marclamara S.L	Madrid	Spain	3,000	586,711	EUR	100.00	100.00		
Acumbamail S.L.	Ciudad Real (Spain)	Spain	4,500	1,528,251	EUR	100.00	100.00		
My Expenses S.L	Madrid	Spain	73,074	795,177	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	Spain	3,050	159,262	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	11,081,750	EUR	100.00	100.00		
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	104,226,622	EUR	100.00	100.00		
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	104,648,073	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	206,397,436	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	48,038,197	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	46,221,948	EUR	96.87	96.87		4
Teamsystem Tirana	Tirana	Albania	10,000	109,465,616	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(5,593,795)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	UK	1	50,327	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	2,490	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	163,737	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,552,872	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	6,759,458	EUR	100.00	100.00		6
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	603,675	EUR	100.00	100.00		6
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	1,252,690	EUR	100.00	100.00		7
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	2,645,495	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	3,607,431	EUR	100.00	100.00		8
Modefinance S.r.l.	Trieste	Italy	210,000	8,644,779	EUR	99.00	100.00	1	
Modefinance International S.r.l.	Milano	Italy	100,000	277,595	EUR	65.00	100.00	1	9
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	825,706	EUR	80.00	100.00	1	
Microntel S.p.A.	Torino	Italy	1,500,000	9,736,006	EUR	100.00	100.00		
TeamSystem 12 S.r.l.	Milano	Italy	15,500	22,763,942	EUR	100.00	100.00		
TeamSystem 14 S.r.l.	Milano	Italy	11,000	270,450	EUR	100.00	100.00		
Netfintech S.r.l.	Milano	Italy	156,254	4,765,929	EUR	61.30	100.00	1	
Change Capital S.r.l.	Milano	Italy	10,000	2,282,738	EUR	100.00	100.00		
Distrito K Software SL	La Coruña (Spain)	Spain	3,000	69,612,585	EUR	100.00	100.00		
TeamSystem 15 S.r.l.	Milano	Italy	16,000	31,800,741	EUR	100.00	100.00		
Contaclab S.r.l.	Milano	Italy	410,000	(41,493)	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	5,782,865	EUR	95.51	100.00	1	
MailUp Nordics A/S,	Copenaghen	Denmark	0	4,787,373	DKK	100.00	100.00		
Globase International A.p.S.	Copenaghen	Denmark	125,000	(568,589)	DKK	100.00	100.00		10
Clémentine Holding SAS	Paris (France)	France	27,000,000	26,781,396	EUR	100.00	100.00		
Clémentine Services SAS	Paris (France)	France	9,999	17,082,305	EUR	99.90	99.90		11
Comptalib SAS	Laxou (France)	France	10,829	137,325	EUR	100.00	100.00		12
Tiktak Services SAS	Laxou (France)	France	3,000	22,877	EUR	100.00	100.00		13
Pepitejob SAS	Paris (France)	France	5,000	135,749	EUR	100.00	100.00		13
Zhizhao SARL	Laxou (France)	France	5,000	1,101,559	EUR	100.00	100.00		13
Eunomia SAS	Paris (France)	France	8,150,000	9,715,374	EUR	100.00	100.00		14
Expertise Choix B SAS	Laxou (France)	France	500,000	2,271,968	EUR	100.00	100.00		15
Amex SAS	Nice (France)	France	466,800	(648,516)	EUR	100.00	100.00		15
Expertise Choix C SAS	Laxou (France)	France	150,000	(68,351)	EUR	100.00	100.00		15
Sofrageco SAS	Montreuil (France)	France	153,000	573,811	EUR	100.00	100.00		15
Alphateam Srl	Milano	Italy	100,000	2,137,109	EUR	100.00	100.00		
Muscope CyberSecurity Srl	Milano	Italy	12,984	72,394	EUR	100.00	100.00		
Multifatture S.r.l.	Parma	Italy	500,000	20,991,442	EUR	100.00	100.00		
Millesimo S.r.l.	Parma	Italy	10,000	27,447	EUR	100.00	100.00		
Brainware S.r.l.	Ascoli Piceno	Italy	10,000	218,311	EUR	100.00	100.00		
Infomart S.r.l.	Milano	Italy	10,500	450,967	EUR	100.00	100.00		
KLUO S.r.l.	Milano	Italy	10,000	324,356	EUR	100.00	100.00		
Team 2000 software S.r.l.	Milano	Italy	12,000	1,034,360	EUR	100.00	100.00		
Horizon Software S.r.l.	Milano	Italy	100,000	1,555,319	EUR	100.00	100.00		
Golden Soft S.L.	Madrid	Spain	3,005	319,694	EUR	100.00	100.00		
Golden Soft Services Assistant Users, S.L.	Madrid	Spain	3,005	2,432	EUR	100.00	100.00		
Mikro Yazılımevi Yazılım Hizmetleri Bilgisayar Sa	Instanbul	Turkey	153,452,711	1,377,257,690	TRY	67.20	100.00	1	
Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	364,798,418	TRY	100.00	100.00		16
Paraşüt Yazılım Teknolojileri A.Ş.	Instanbul	Turkey	3,600,000	116,723,180	TRY	100.00	100.00		16
Muhasebetech Yazılım A.Ş.	Instanbul	Turkey	50,000	(15,158,625)	TRY	100.00	100.00		16
Shopside Yazilim Teknolojileri A.Ş.	Ankara	Turkey	110,000	(36,799,739)	TRY	100.00	100.00		16
Mevzuattr Yazılım A.Ş.	Instanbul	Turkey	50,000	(7,376,329)	TRY	100.00	100.00		16
Zirve Özel Entegrasyon Yazılım Hizm.A.Ş.	Instanbul	Turkey	50,000	(683,868)	TRY	100.00	100.00		16
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	Instanbul	Turkey	3,000,000	2,490,035	TRY	100.00	100.00		16
Emükellef Teknoloji A.Ş.	Instanbul	Turkey	50,000	10,516,871	TRY	100.00	100.00		16

(1) = equity interest would be 100% should put/call options be exercised;
(2) = investment held by My Expenses S.L.;
(3) = investment held by Danea S.r.l.;
(4) = takes account of treasury shares held by Gruppo Euroconference;
(5) = investment held by Reviso International Aps;
(6) = investment held by TeamSystem Financial Value Chain S.r.l.;
(7) = investment held by TeamSystem AM Holdco S.r.l.;
(8) = investment held by TeamSystem Payments Holdco S.r.l.;

(9) = investment held by Modefinance S.r.l.;
(10)= investment held by MailUp Nordics;
(11) = equity interest held by Clementine Holding
(12) = equity interest held by Clementine Holding (95.16%) and Expertise Choix B (4.84%).
(13) = equity interests held by Clementine Holding
(14) = equity interests held by Clementine Services
(15) = equity interests held by Eunomia
(16) = equity interests held by Mikro Yazılımevi.

Amounts in Euro

COMPANIES EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Notes
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,948	EUR	35.00	
Cesaco (*) (**)	Vicenza	Italy	90,000	21,121	EUR	48.00	
Logic System SHPK	Tirana	Albania	11,567,500	3,380,765	LEK	35.00	18
Macrogroup S.r.l. (*)	Bologna	Italy	260,000	642,409	EUR	49.00	18
Deliverart S.r.l. (*)	Roma	Italy	24,036	(32,852)	EUR	40.00	18

(*) = carrying values in the financial statements at 31 December 2023.
(**) = company in liquidation
(18) = There are put/call option contracts which allow the TeamSystem Group to reach 100% ownership of the share capital.

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►CHANGES TO THE SCOPE OF CONSOLIDATION DURING THE FIRST THREE MONTHS OF 2025

The 31 March 2025 scope of consolidation has changed compared to the TeamSystem Holdco Consolidated financial statements for the period ended 31 December 2024 because of the consolidation of the following companies:

TeamSystem 15

In January 2025, the business units of the following companies were contributed to TeamSystem 15 S.r.l.:
•Bgest S.r.l.
•Info. Tec. S.r.l. Con socio unico
•Nuova Forum Impresa S.r.l.
•Schiavon Sistemi S.r.l.
•Systematica S.r.l.
•Sistemi&Gestione S.r.l.
•G.S.C. General Systems Cuneo S.r.l.
•Meta Calabria S.r.l.,
•Syscon S.r.l.
•Sistema S.r.l.

Team2000

In January 2025, TeamSystem S.p.A. acquired 100% of the shares of Team 2000 Software S.r.l., a company formed from the partial demerger of Team Duemila S.r.l.. Team 2000 is focused on the distribution and commercialization of TS software solutions.

VIC-TS

In January 2025 Teamsystem S.p.A. acquired 100% of the shares of VIC-TS S.r.l., a company formed from the partial demerger of Vicsam Sistemi S.r.l. VIC-TS is focused on the distribution and commercialization of TeamSystem software solutions.

Horizon

In January 2025 TeamSystem S.P.A. acquired 100% of the shares of Horizon Software S.r.l., a company formed from the partial demerger of Horizon S.p.A. Horizon Software is focused on the distribution and commercialization of TeamSystem software solutions.

Infomart

In January 2025 TeamSystem S.P.A. acquired 100% of the shares of Infomart S.r.l., subject of the transfer of the TeamSystem branch from the company Infomart S.A.S.

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

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments have been applied starting from 1 January 2025. The application of these amendments had not an impact on the Group's consolidated financial statements.

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

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the new standards and/or amendments described below.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:
- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Directors anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:
- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:
- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or

Notes to the Unaudited Interim Unaudited Consolidated Financial Statement Components

(All amounts are expressed in thousands of Euro except where otherwise indicated)

1.TOTAL REVENUE

Total revenue for the period ended 31 March 2025 amounts to € 244.2 million, and is comprised of Revenue of € 242.4 million and Other operating income of € 1.7 million. Total revenue for period ended 31 March 2024 stood at € 206.4 million.

The table below provides a breakdown of total revenue for the 31 March 2025 and for the 31 March 2024 period based on whether control was passed over time or at a point in time:

Euro Millions

	31 Mar 2025	31 Mar 2024
Over time	211.0	177.9
Point in time	33.1	28.5
TOTAL REVENUE	**244.2**	**206.4**

Lastly, it should be noted that there is no concentration of revenue with any specific customer, given the notable segmentation of Group sales which, for the three months ended 31 March 2025, has been earned in Italy for the vast majority.

Operating Segment

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:** modular HR system covering all HR management and business process outsourcing requirements and Trust solution products.

There are no revenues from transactions with other operating segments; therefore, the revenues shown in the table below are entirely from third-party customers.

Euro Millions

OPERATING SEGMENTS	31 Mar 2025	31 Mar 2024	Change	% Change
ENT	48.2	44.0	4.2	10%
PROF	64.3	56.8	7.5	13%
MICRO	86.4	63.7	22.7	36%
DIF	6.6	5.5	1.1	20%
MSS	24.0	23.3	0.7	3%
CSP	14.7	13.1	1.5	12%
TOTAL REVENUE	**244.2**	**206.4**	**37.8**	**18.3%**
ENT	23.5	20.4	3.0	15%
PROF	36.1	32.1	4.0	12%
MICRO	49.7	34.9	14.9	43%
DIF	2.4	2.2	0.2	9%
MSS	5.1	5.4	-0.3	-5%
CSP	6.1	5.2	0.9	17%
FIRST MARGIN	**122.8**	**100.1**	**22.7**	**22.7%**

The economic performance indicator for each operating segment is the **First Margin**, calculated as the difference between total revenues and the direct costs of the Business Unit, the latter being mainly:
1) direct personnel costs (mainly sales, delivery, customer value);
2) sw / hw resale costs, external delivery costs, web-recall costs, sales rebates;
3) commissions and other sales incentives, recurring R&D consultant costs;
4) direct product marketing, direct R&D consultancy, travel & expenses of business unit personnel.

Indirect costs include costs that are not uniquely attributable to one or more business units and consist mainly of:
1. Personnel costs of the Group's support functions, specifically (i) Finance, Marketing and Technology; (ii) CEO Office; (iii) HR and General Services; (iv) Legal and Corporate Affairs and those not directly attributed to specific Business Units, such as, for example, the cost of the research and development team in relation to tools and applications used by the Group;
2. Costs for IT infrastructure, cybersecurity, compliance, Artificial Intelligence and Data;
3. Costs for rent, maintenance, utilities for the TeamSystem Group's operating sites;
4. Administrative, legal, tax, labour law and audit consultancy costs;
5. Costs for events, recruiting and training activities;
6. Costs for insurance, association memberships and board of statutory auditors fees;
7. Research and development costs that cannot be allocated to an individual Business Unit.

Details are set out below of the First Margin reconciliation for the first three months of 2025, compared with the corresponding period ended 31 March 2024:

Euro Millions

	31 Mar 2025	31 Mar 2024
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(2.5)**	**(5.1)**
Current income tax	14.9	13.1
Deferred income tax	(12.8)	(11.4)
Monetary Gain (Loss)	(11.3)	(17.9)
Finance cost	46.3	46.8
Finance income	(9.6)	(8.5)
Other provisions for risks and charges	0.1	0.1
Depreciation and amortization of non current assets	64.7	59.2
Allowance for bad debts	2.0	1.9
Non core items	7.6	4.5
Indirect Cost	33.3	27.3
Capitalised develop costs	(9.9)	(9.9)
FIRST MARGIN	**122.8**	**100.1**

It should be noted that First Margin parameter is not governed by IFRS and, accordingly, the criteria adopted by TeamSystem Group for its computation may not be comparable to those adopted by other companies or groups.

In the table below is presented the split of Non Core items:

Euro Thousand

	31 Mar 2025	31 Mar 2024
Advisory expenses related to reorganization and cost saving projects	473	1,082
Personnel redundancy	756	441
Acquisitions and mergers costs	5,976	2,601
Settlements with clients, suppliers and agents	325	443
Other cost - (income)	34	(31)
Non Core Items	**7,564**	**4,535**

In order to monitor the performance of the operating segments and the allocation of resources between the segments, the Group monitors the intangible assets (Software, Customer Relationship, Brand, other IFRS Assets) and Goodwill attributable to each of them.
A breakdown of the Group's intangible assets and goodwill by operating segment is provided below:

Euro Millions

31 Mar 2025

OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	CSP	TOTAL
Goodwill	510.0	662.9	933.2	150.3	67.4	146.8	2,470.6
Intangibles Assets	197.3	266.5	378.0	65.6	96.1	104.8	1,108.3
Total	707.2	929.4	1,311.2	216.0	163.4	251.6	3,578.9

2. COST OF RAW AND OTHER MATERIALS

Euro thousands

	31 Mar 2025	31 Mar 2024	Change	% Change
Hardware purchases	2,104	2,003	101	5.1%
Third party' software	8,706	8,587	119	1.4%
Handbooks and forms	0	2	(2)	-100.0%
Materials for education	14	15	(1)	-9.4%
Fuel	891	783	108	13.8%
Other materials	1,346	1,508	(162)	-10.8%
Change in inventory of raw materials	28	154	(126)	-81.9%
Total	**13,089**	**13,053**	**37**	**0.3%**

Cost of raw and other materials amounts to € 13,089 thousand for the period ended 31 March 2025 and it is substantially unchanged compared to the amount at 31 March 2024 (€ 13,053 thousand).

3. COST OF SERVICES

Euro thousands

	31 Mar 2025	31 Mar 2024	Change	% Change
Agent commissions and other costs	9,659	7,910	1,748	22.1%
Consulting and third parties services	5,700	5,847	(147)	-2.5%
Software and Hardware maintenance costs	16,324	13,842	2,482	17.9%
Customer support service costs	2,511	2,400	111	4.6%
Administrative and management consulting costs	2,278	1,590	688	43.2%
Financial Interest Costs	512	727	(215)	-29.5%
Education - consulting and copyrights	535	616	(81)	-13.1%
Magazines - consulting and copyrights	244	289	(45)	-15.6%
Other costs for education services	88	64	24	38.1%
Advertising and marketing	7,993	7,155	838	11.7%
Car rentals	1,458	1,266	192	15.2%
Rebate costs	1,723	1,235	488	39.6%
Utilities	1,274	1,261	13	1.1%
Costs for services - Non core	4,228	4,160	68	1.6%
Expense reimbursements	2,123	1,825	298	16.3%
Other service expenses	4,572	3,024	1,548	51.2%
Services capitalised development costs	(1,758)	(1,607)	(151)	9.4%
Total	**59,465**	**51,604**	**7,861**	**15.2%**

Cost of services for the period ended 31 March 2025 amounts to € 59,465 thousand, up by € 7,861 thousand from the amount of the period ended 31 March 2024 (€ 51,604 thousand) as a consequence of the change in the consolidation area and of the organic growth experienced by the Group in the first three months of 2025.

Costs for services – Non core for € 4,228 thousand (€ 4,160 thousand as of 31 March 2024) include costs incurred for: advisory expenses related to reorganization and cost saving projects (€ 473 thousand), acquisition and merger costs (€ 3,384 thousand), settlements with client suppliers and agents (€ 325 thousand) and other costs (€ 46 thousand).

4. PERSONNEL COSTS

Euro thousands

	31 Mar 2025	31 Mar 2024	Change	% Change
Wages, salaries and social contributions	75,665	62,769	12,896	20.5%
Staff leaving indemnities	3,069	3,002	67	2.2%
Other personnel costs	2,513	2,340	173	7.4%
Personnel costs for redundancy and reorganizations	757	441	316	71.6%
Employees costs	**82,004**	**68,552**	**13,452**	**19.6%**
				0.0%
Freelancers and collaborators fees	284	255	29	11.6%
Directors' fees and related costs	885	1,250	(365)	-29.2%
Directors and Collaborators	**1,169**	**1,505**	**(335)**	**-22.3%**
Personnel capitalised development costs	**(8,114)**	**(8,256)**	**141**	**-1.7%**
Total	**75,059**	**61,800**	**13,258**	**21.5%**

Personnel costs for the period ended 31 March 2025 (€ 75,059 thousand) have increased by € 13,258 thousand, compared to the corresponding amount for the period ended 31 March 2024 (€ 61,800 thousand), as a conseguence of the change in the consolidation area and of the organic growth experienced by the Group in the first three months of 2025.

Total personnel redundancy costs as at 31 March 2025 amounted to € 757 thousand (€ 441 thousand) for the three months ended 31 March 2024 and they are classified among the above "Personnel costs for redundancy and reorganisations".

5. OTHER OPERATING COSTS

Euro thousands

	31 Mar 2025	31 Mar 2024	Change	% Change
Condominium expenses and other rents	1,117	682	435	63.8%
Rentals	62	74	(12)	-15.9%
Other expenses for use of third parties assets	1	32	(30)	-96.4%
Other taxes	229	222	7	3.1%
Losses from assets disposals	10	145	(135)	-93.0%
Other expenses	735	744	(9)	-1.2%
Other operating costs - non core	2,579	(65)	2,645	n.s.
Total	**4,733**	**1,833**	**2,901**	**n.s.**

Other operating costs for the period ended 31 March 2025 (€ 4,733 thousand) have increased for an amount of € 2.901 thousand compared to the corresponding amount for the period ended 31 March 2024 (€ 1,833 thousand). This increase is substantially due to Other operating costs – non core which mainly refer to acquisition and merger costs (€ 2,593 thousand) and other (€ -12 thousand).

6. FINANCE INCOME and FINANCE COST

Finance Income

Euro thousands

	31 Mar 2025	31 Mar 2024	Change	% Change
Interest and other finance income	73	6	67	n.s.
Gains on foreign exchange	1,953	910	1,043	n.s.
Interest from cash pooling and other loans	496	(1)	498	n.s.
Interest from banks	2,612	590	2,023	n.s.
Interest from derivative instruments	2,167	4,103	(1,935)	-47.2%
Depreciation - liabilities to non controlling shareholders of subs	2,284	84	2,200	n.s.
Gain on valuation of derivative instruments	(0)	2,810	(2,810)	n.s.
Total	**9,610**	**8,501**	**1,108**	**13.0%**

Finance income for the period ended 31 March 2025 (€ 9,610 thousand) have increased compared to the corresponding amount at 31 March 2024 (€ 8,501 thousand) for an amount of € 1,108 thousand due to Interest from banks (increased for an amount of € 2,023 thousand) and Depreciation of liabilities to non controlling shareholders (increased for an amount of € 2,200). These increase have been partially offset by a decrease in Interest form derivative instruments and a decrease in Gain on valuation of derivative instruments.

Finance Cost

Euro thousands

	31 Mar 2025	31 Mar 2024	Change	% Change
Interest on bank overdrafts and loans	598	516	82	15.8%
Interest on Notes	33,852	37,273	(3,421)	-9.2%
Interest on financing fees	2,207	2,466	(259)	-10.5%
Revaluation - liabilities to non controlling shareholders of subs	1,200	1,225	(25)	-2.0%
Bank commissions	2,810	1,633	1,178	72.1%
Loss on valuation of derivative instruments	1,378	0	1,378	n.s.
Interest on actuarial valuation of employee benefits	346	120	226	n.s.
Interest on lease contracts - IFRS 16	639	418	221	52.8%
Other IFRS financial charges	3,112	3,012	100	3.3%
Interest on cash pooling and other loans	(3)	21	(25)	n.s.
Other financial charges	53	57	(4)	-7.6%
Losses on foreign exchange	100	42	58	n.s.
Total	**46,292**	**46,783**	**(492)**	**-1.1%**

Finance cost for the period ended 31 March 2025 amounts to € 46,292 thousand and is substantially unchanged compared to the corresponding amount at 31 March 2024 (€ 46,783 thousand). This is due to a decrease in Interest on Notes (€ 3,421 thousand) partially offset by an increase in Bank commissions (€1,178 thousand) and in Loss on valuation of derivative instruments (€ 1,378 thousand).

7.MONETARY GAIN (LOSS)

Monetary gain amounted to € 11,259 thousand for the interim consolidated financial statements as at 31 March 2025 and is recognised following the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' in respect of the TeamSystem Group's subsidiaries operating in Turkey.

8. CONSOLIDATED STATEMENT OF CASH FLOWS

As regards the more significant components of the statement of cash flow, below a description of the main factors impacting the Group’s cash flows during the first three months of 2025.

Cash flows from operating activities = amount to € 106,104 thousand for the period ended 31 March 2025, increasing by € 34,711 thousand, compared to the corresponding flows for the period ended 31 March 2024 (€ 71,392 thousand).
It should also be noted that both 31 December 2023 and 31 March 2024 were not a business day and therefore the collection of about € 8.4 million in electronic bank receipts falling due on 31 December 2023 were postponed to 2024 and the collection of about € 36.3 million in electronic bank receipts falling due on 31 March 2024 were postponed to April 2024.

Cash flows from investing activities = amount to negative € 116,146 thousand for the period ended 31 March 2025 (€ negative 19,352 thousand for the period ended 31 March 2024).
The main investment activities for the first three months of 2025 are related to:

- capitalized development costs and capital expenditures on tangible and intangible assets (€ 23,911 thousand for the period ended 31 March 2025; € 15,443 thousand for the period ended 31 March 2024);
- the cash-out paid for the acquisition that took place in the first three months of 2025 (Horizon, Muscope; Alphateam, Multidialogo, Golden Soft to name the main-ones) for a total amount of € 92,234 thousand for the period ended 31 March 2025 compared to € 3,909 thousand for the period ended 31 March 2024.

Cash flows from financing activities = amount to positive € 8,867 thousand for the period ended 31 March 2025 (negative € 35,614 thousand for the period ended 31 March 2024).
The main cash items occurred in the first three months of 2025 are attributable to:

- the payment of Liabilities to non controlling shareholders of subsidiaries (for an amount of € 10,238 thousand) in connection with the acquisition of further equity interests and/or the payment of earn-out or deferred consideration mainly in Clementine and Mikro;
- the payment of financial interest (€ 23,329 thousand for the period ended 31 March 2025) mainly consisting of Interest on Notes;
- the utilisation of the revolving credit facility (€ 45,000 thousand for the period ended 31 March 2025) (see also Note 15 Net Financial Indebtedness).

9. TANGIBLE ASSETS

Euro thousands

NET BOOK VALUE	**31 Mar 2025**	**31 Dec 2024**	**Change**	**% Change**
Land	298	298		
Buildings	1,007	1,029	(22)	-2.1%
Plant and machinery	4,558	1,846	2,712	146.9%
Equipment	637	686	(49)	-7.1%
Other assets	12,952	11,805	1,147	9.7%
Total	**19,453**	**15,664**	**3,788**	**24.2%**

At 31 March 2025 Tangible fixed assets amount to € 19,453 thousand, with an increase of € 3,788 thousand compared with the balance recorded at 31 December 2024 (€ 15,664 thousand). This is mainly due to the investment in setting up the new headquarters in Milan.

10. INTANGIBLE ASSETS

Euro thousands

NET BOOK VALUE	**31 Mar 2025**	**31 Dec 2024**	**Change**	**% Change**
Capitalised development	**66,602**	**64,900**	**1,701**	**2.6%**
IFRS Assets	**1,108,257**	**1,152,261**	**(44,004)**	**-3.8%**
Other intangible assets	**45,311**	**38,539**	**6,772**	**17.6%**
Total	**1,220,169**	**1,255,699**	**(35,530)**	**-2.8%**

Intangible assets have gone from € 1,255,699 thousand at 31 December 2024 to € 1,220,169 thousand at 31 March 2025, with a decrease of € 35,530 thousand resulting from the aggregate of disposals, additions, capitalised development costs and amortisation for the period ended 31 March 2025.

IFRS assets include intangible assets identified on allocation of the price paid for the acquisition of TeamSystem Group and other subsidiaries (Software, Brands, Customer relationships and other IFRS assets). During the first three months of 2025 the Software pertaining to the acquisition of Golden Soft (for an amount of € 2,402 thousand) and Multidialogo (for an amount of € 4,628 thousand) have been evaluated.

11. RIGHT OF USE

As at 31 March 2025 Right of use amounts to € 83,752 thousand, up by € 48,121 thousand compared to the balance as at 31 December 2024 (€ 35,631 thousand). This increase is due to the setting-up of the new headquarter in Milan. Right of use consists of the present value of future payments for the right of use of leased assets (mainly buildings and company cars) arising from the application of IFRS 16.

12. GOODWILL

Euro thousands

	31 Dec 2024	Change in cons. area	Disposals	Other movements	31 Mar 2025
CGU - DIGITAL FINANCE	150,344				150,344
CGU - MICRO	874,987	59,918		(1,673)	933,232
CGU - CSP	131,495	15,322			146,817
CGU - PROFESSIONAL	604,217	58,675			662,892
CGU - ENTERPRISE	481,572	28,418		(22)	509,968
CGU - MARKET SPECIFIC SOLUTIONS	66,824	527			67,351
Total	**2,309,439**	**162,860**		**(1,695)**	**2,470,603**

Goodwill at 31 March 2025 amounts to € 2,470,603 thousand with an increase of € 161,164 thousand compared to the balance at 31 December 2024 (€ 2,309,439 thousand).

Goodwill consists of the excess of the consideration paid by the shareholders over the fair value of the assets acquired and the liabilities assumed pertaining to the subsidiaries acquired.

The increase in goodwill of € 162,860 thousand, occurred in the first three months of 2025, is due to the acquisitions of new subsiadires as described in the following paragraph "Allocation of provisional Goodwill" while "Other movements" are mainly attributable to the change in exchange rates adopted for the preparation of financial statements.

Allocation of provisional Goodwill

TeamSystem 15

In January 2025, the business units of the following companies were contributed to TeamSystem 15 S.r.l.:
•Info. Tec. S.r.l. Con socio unico
• Bgest S.r.l.
•Nuova Forum Impresa S.r.l.
•Schiavon Sistemi S.r.l.
•Systematica S.r.l.
•Sistemi&Gestione S.r.l.
•G.S.C. General Systems Cuneo S.r.l.
•Meta Calabria S.r.l.,
•Syscon S.r.l.
•Sistema S.r.l.

The purchase price allocation recognised was provisional at the date of preparation of the financial statements for the period ended 31 March 2025 and therefore the related goodwill is also considered provisional.

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYSTEM 15 ASSETS	PPA provisional balances	NOTES
Intangible assets	184	
TOTAL NON CURRENT ASSETS	**184**	
TOTAL ASSETS	**184**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYSTEM 15 EQUITY AND LIABILITIES	PPA provisional balances	NOTES
TOTAL EQUITY	**(8,767)**	
Staff leaving indemnity	757	
TOTAL NON CURRENT LIABILITIES	**757**	
Trade payables	7,923	
Other liabilities - current	271	
TOTAL CURRENT LIABILITIES	**8,194**	
TOTAL LIABILITIES	**8,951**	**B**
TOTAL EQUITY AND LIABILITIES	**184**	
Fair Value of acquired net assets	**(8,767)**	**C = A - B**
Cost of the investment	**40,118**	**D**
Provisional Goodwill IFRS 3	**48,885**	**E = D - C**

The goodwill that emerged as a result of the aforementioned acquisition was allocated € 10.6 million to the Enterprise CGU, € 34.3 million to the Professional CGU, € 1.2 million to the Micro CGU, € 2.5 million to the Cross Segment prodcuts CGU and € 0.2 million to the Market Specific Solutions CGU.

Team2000

In January 2025, TeamSystem S.p.A. acquired 100% of the shares of Team 2000 Software S.r.l., a company formed from the partial demerger of Team 2000 S.r.l.. Team 2000 is focused on the distribution and commercialization of TS software solutions.

The purchase price allocation recognised was provisional at the date of preparation of the financial statements for the period ended 31 March 2025 and therefore the related goodwill is also considered provisional.

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAM2000 ASSETS	PPA provisional balances	NOTES
Trade receivables	23	
Other receivables - current	284	
Cash and bank balances	36	
TOTAL CURRENT ASSETS	**343**	
TOTAL ASSETS	**343**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION MILLESIMO EQUITY AND LIABILITIES	PPA provisional balances	NOTES
TOTAL EQUITY	**27**	
Trade payables	7	
Other liabilities - current	18	
TOTAL CURRENT LIABILITIES	**26**	
TOTAL LIABILITIES	**26**	**B**
TOTAL EQUITY AND LIABILITIES	**53**	
Fair Value of acquired net assets	**27**	**C = A - B**
Cost of the investment	**73**	**D**
Provisional Goodwill IFRS 3	**45**	**E = D - C**

The goodwill that emerged as a result of the aforementioned acquisition was completely allocated to the Micro CGU.

13. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Investments in Associates	1,558	1,558		
Other Investments	451	313	138	44.2%
Total	**2,009**	**1,871**	**138**	**7.4%**

The balance of Investments in Associates and Other investments changed from € 1,871 thousand at 31 December 2024 to € 2,009 thousand at 31 March 2025, with an increase of € 138 thousand mainly due to forex exchange movements.

There is no change in the balance of Investments in Associates because the data of the associated companies as of 31 March 2025 are not available as of today. The adjustment would have been immaterial in any case.

14. DEFERRED TAX ASSETS AND LIABILITIES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Deferred tax assets	18,894	17,779	1,116	6.3%
Deferred tax liabilities	270,970	280,704	(9,734)	-3.5%

At 31 March 2025 Deferred tax assets amount to € 18,894 thousand, up by € 1,116 thousand compared to the balance at 31 December 2024 (€ 17,779 thousand).
The main components for which the Group companies have recognised deferred tax assets relate to the allowance for bad debts, the provisions for risks and charges, tax revaluation-of goodwill and other items.

At 31 March 2025 Deferred tax liabilities amount to € 270,970 thousand with a decrease of € 9,734 thousand compared to the balance at 31 December 2024 (€ 280,704 thousand).

The Deferred tax liabilities are almost entirely related to the valuation of intangible assets (Software, Brand, Customer relationships, and Other IFRS assets) identified during the purchase price allocation process of acquisition of new companies. The movements in the first three months of 2025 are mainly related to reversal of Deferred tax liability pertaining to the amortization of intangible assets.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Euro thousands

			31 Mar 2025			31 Dec 2024
	Current	**Non Current**	**Total**	**Current**	**Non Current**	**Total**
Bank accounts and post office	160,441		160,441	167,498		167,498
Cash and bank balances	31		31	31		31
Total Cash and bank balances	**160,472**	**0**	**160,472**	**167,529**	**0**	**167,529**
Loans	102	-	102	2,222	-	2,222
Derivative instruments - assets	4,649	-	4,649	6,655	-	6,655
Others financial accruals	61	-	61	590	-	590
Accruals and prepaid commissions	86	-	86	53	-	53
Other financial assets	3,239	6,647	9,886	1,258	6,512	7,770
Total Other financial assets	**8,138**	**6,647**	**14,785**	**10,778**	**6,512**	**17,290**
Loans with banks	(45,877)	(1,928)	(47,805)	(844)	(2,022)	(2,866)
Finance leases liabilities	(10,716)	(74,361)	(85,077)	(10,716)	(26,096)	(36,812)
Notes	(35,213)	(2,150,000)	(2,185,213)	(27,991)	(2,150,000)	(2,177,991)
Financial liabilities with other institutions	(3,805)	-	(3,805)	(2,575)	-	(2,575)
Dividends to be paid	(40)	-	(40)	(40)	-	(40)
Total Financial liabilities	**(95,651)**	**(2,226,289)**	**(2,321,940)**	**(42,166)**	**(2,178,118)**	**(2,220,283)**
Financing Fees - notes	-	33,067	33,067	-	35,090	35,090
Financing Fees - banks	3,649	-	3,649	-	3,803	3,803
Total Financing Fees	**3,649**	**33,067**	**36,716**	**0**	**38,893**	**38,893**
Liabilities to non controlling shareholders of subsidiaries	(122,780)	(111,761)	(234,542)	(112,676)	(95,123)	(207,799)
Commissions financial liabilities	(194)	-	(194)	(270)	-	(270)
Other financial accruals	-	-	-	(6)	-	(6)
Cash pooling liabilities	(232)	-	(232)	(785)	-	(785)
Total Other financial liabilities	**(123,206)**	**(111,761)**	**(234,967)**	**(113,737)**	**(95,123)**	**(208,860)**
Total	**(46,598)**	**(2,298,336)**	**(2,344,935)**	**22,404**	**(2,227,836)**	**(2,205,432)**

■Lease liabilities

The financial debt for leases at 31 March 2025 amounted to € 85,077 thousand. This liability reflects the financial liability recognised as a result of accounting for leases under IFRS 16.

■2028 Fixed Rate Notes, 2028 Floating Rate Notes, 2031 Notes and 2032 PIYW PIK Toggle Notes

To finance the acquisition of the TeamSystem Group, in February 2021, **Brunello Bidco S.p.A. ("Issuer SSN")** issued:

- senior secured fixed rate notes (ISIN XS2295691476 - XS2295690742) with a total nominal value of € 300 million maturing on 15 February 2028 ("**2028 Fixed Rate Notes**"). The 2028 Fixed Rate Notes bear interest at a fixed rate of 3.50%, payable semi-annually in arrears on 15 April and 15 October, starting from 15 October 2021.
- senior secured floating rate notes (ISIN XS2295692102 - XS2295691633) with a total nominal value of € 850 million maturing on 15 February 2028 ("**2028 Floating Rate Notes**"). The 2028 Floating Rate Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus an annual spread of 3.75%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October, starting from 15 July 2021.

Both the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

The merger between Brunello Bidco S.p.A., Barolo Luxco 1 S.p.A., TeamSystem Holding S.p.A. and TeamSystem S.p.A. was completed on 26 October 2021 ("Merger Date"). The surviving company from the above-mentioned merger is TeamSystem S.p.A., which, by virtue of the merger and from the Merger Date, assumed all obligations of the Issuer SSN in relation to the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes.

Brunello Midco 2 S.p.A. ("**PIK Issuer**"), which changed its company name to TeamSystem Holdco 3 S.p.A. with effect from 17 December 2021, issued:

- Senior Floating Rate Pay-If-You-Want PIK toggle notes (ISIN: IT0005619686) with a total nominal value of € 300 million, maturing on 18 November 2032 (the "**2032 PIYW PIK Toggle Notes**"). The PIK Issuer pays interest on the PIK Toggle Notes 2032 in cash (6-month Euribor with a 0.00% floor), plus a cash margin (calculated based on the consolidated net leverage ratio of the PIK Issuer), or in kind (6-

month Euribor with a 0.00% floor), plus a cash margin (calculated based on the consolidated net leverage ratio of the PIK Issuer), or a combination of both, at the discretion of the PIK Issuer. The 2032 PIYW PIK Toggle Notes accrue semi-annual interest payable on the third business day following 15 April and 15 October each year.

The 2032 PIYW PIK Toggle Notes are listed on the multilateral trading system of the Vienna Stock Exchange.

The fees and costs incurred for the issuance of the 2028 Fixed Rate Notes, the 2028 Floating Rate Notes, and the 2032 PIYW PIK Toggle Notes have been accounted for as Financing Fees and amortised on a pro-rata basis over the contractual term of the respective series of Notes.

TeamSystem S.p.A. issued:

- On 29 July 2024, senior secured floating rate notes (ISIN XS2864287540 - XS2864287466) were issued with a total nominal value of € 700 million, maturing on 31 July 2031 (the "**2031 Notes**" and, together with the **2028 Fixed Rate Notes and the 2028 Floating Rate Notes**, the "**TeamSystem Notes**"). The 2031 Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus a spread of 3.50%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October each year, starting from 15 October 2024.

The fees and costs incurred for the issuance of the 2031 Notes have been accounted for as Financing Fees and amortised on a pro-rata basis over the contractual term of the respective series of Notes.

Collateral

The obligations arising from the **TeamSystem Notes** and the **RCF**, as modified and amended by the **RCF Amendment** (as described below), are secured by the following guarantees:
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;
- a pledge on the Italian bank accounts of TeamSystem S.p.A., originally granted on 12 November 2021 and confirmed and extended from time to time.

The obligations arising from the **2032 PIYW PIK Toggle Notes** are secured by the following guarantees:
- a pledge on the entire share capital of the PIK Issuer, granted on 18 November 2024;
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;

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.

Revolving Credit Facility

On 27 January 2021, Brunello Bidco S.p.A. (now merged into TeamSystem S.p.A.) negotiated a revolving credit facility ("**RCF**") with a principal amount of € 180 million and a maturity date of 18 August 2027.

In connection with the issuance of the 2031 Notes, in July 2024, certain lenders affiliated with the initial purchasers of the 2031 Notes entered into an amendment and restatement agreement for the revolving credit facility (the "**RCF Amendment**"). Under this agreement, the total commitments under the RCF were increased from € 180.0 million to € 300.0 million, and the maturity date was extended to the earlier of (x) 31 January 2031 and (y) the date falling six months prior to the maturity of the 2031 Notes, subject to certain provisions related to early maturity. Furthermore, under the RCF Amendment, the interest rate payable on the RCF is equal to the Euro Interbank Offered Rate (Euribor) for euro-denominated loans, the compounded Sterling Overnight Index Average (SONIA) rate for loans denominated in British pounds, and the Term Secured Overnight Financing Rate (Term SOFR) for loans denominated in US dollars, as applicable, with a floor of 0.00%, plus a spread, calculated quarterly based on certain contractual parameters.

The costs incurred for obtaining the RCF have been accounted for as financing fees and are amortised on a straight-line basis over the contractual term of the credit facility.

Interest Rate Swaps – Financial derivative assets / liabilities

With the aim of reducing the risk of market interest rate fluctuations associated with the Floating Rate Notes, in April 2022, TeamSystem S.p.A. entered into two interest rate swap contracts with a total notional amount of € 700 million and with a termination date of 15 December 2025. The change in fair value of the interest rate swaps has been recognised in profit or loss for the reporting period ended 31 March 2025.

Euro Million

Risk Hedged	Hedged item	Company	Notional	Fair value 31 Mar 2025
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	425.0	2.8
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	275.0	1.8
Total			**700.0**	**4.7**

■Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 234,542 thousand at 31 March 2025) relate to put and call options and/or earn-outs and/or deferred consideration due to non-controlling interest holders of certain consolidated subsidiaries. The most significant liabilities relate to the following companies: Mikro, My Expenses, Change Capital, Multidialogo, Horizon (just to name the main ones).

Changes in the balance of Liabilities to non-controlling shareholders of subsidiaries in 2025 are summarised in the table below.

Euro thousands

	31 Dec 2024	Change in cons. area	Interest	Revaluations	Depreciations	Payments	31 Mar 2025
Liabilities to non controlling shareholders of	207,799	34,953	3,112	1,200	(2,284)	(10,238)	234,542
Total	**207,799**	**34,953**	**3,112**	**1,200**	**(2,284)**	**(10,238)**	**234,542**

The liabilities to non-controlling shareholders of subsidiaries paid in the first three months of 2025 amount to € 10,238 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Mikro, Clementine.

16. INVENTORIES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Raw and ancillary materials	412	417	(4)	-1.0%
Finished products and goods	2,782	2,793	(11)	-0.4%
Advances	2	57	(55)	-96.8%
(Allowance for slow-moving inventory)	(1,235)	(1,223)	(13)	1.1%
Total	**1,961**	**2,043**	**(83)**	**-4.1%**

At 31 March 2025 Inventories amount to € 1,961 thousand, substiantially unchanged compared to the balance at 31 December 2024 (€ 2,043 thousand).

17. TRADE RECEIVABLES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Trade receivables	505,054	240,331	264,723	n.s.
(Allowance for bad debts)	(27,875)	(26,816)	(1,060)	4.0%
Total	**477,178**	**213,516**	**263,663**	**n.s.**

At 31 March 2025 Trade receivables (net of Allowance for bad debts) amount to € 477,178 thousand. The balance of this line item is affected by the seasonality of billings for subscription fees that characterises the business of the Group.

Trade receivables are recorded net of an Allowance for doubtful debts of € 27,875 thousand, that has been posted in the accounts after having analysed the specific risk associated with doubtful balances. The balance of Allowance for bad debts is the aggregate of utilisations, accruals and any other movements.

18. TAX RECEIVABLES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Tax credits	237	134	103	77.3%
Other tax receivables	530	501	29	5.7%
Advances and credit on income taxes	245	693	(448)	-64.6%
Total	**1,012**	**1,328**	**(316)**	**-23.8%**

At 31 March 2025 Tax receivables amount to € 1,012 thousand, down by € 316 thousand compared to the balance at 31 December 2024 (€ 1,328 thousand).

19. OTHER CURRENT RECEIVABLES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
VAT receivables	3,279	204	3,075	n.s.
Deposits	7,883	7,843	40	0.5%
Receivables from employees	225	563	(337)	-60.0%
Other receivables - current	15,513	40,480	(24,967)	-61.7%
Accrued income	86	69	17	25.4%
Prepayments	47,529	42,280	5,249	12.4%
Total	**74,517**	**91,439**	**(16,922)**	**-18.5%**

At 31 March 2025 the Other current receivables balance amounts to € 74,517 thousand, down by € 16,922 thousand compared to the 31 December 2024 balance (€ 91,439 thousand). The change is mainly due to the movement in the line-item:
- Prepayments (increase of € 5,249 thousand), because of the seasonality of the business of the Group;
-Other receivables (decrease of € 24,967 thousand) mainly due to the decrease in advances paid for acquisitions of companies;

20. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2024	**14,597**	**1,121,181**	**(571)**	**(109,408)**	**1,025,799**	**1,081**	**1,026,880**
Profit (Loss) allocation		(109,003)	(405)	109,408	**0**		**0**
Acquisition of minority interests in subsidiaries		(463)			**(463)**	364	**(99)**
Profit (Loss) for the period				(2,540)	**(2,540)**	37	**(2,503)**
Other Profit (Loss) on Comprehensive income		(20,506)			**(20,506)**	0	**(20,506)**
31 Mar 2025	**14,597**	**991,209**	**(976)**	**(2,540)**	**1,002,290**	**1,482**	**1,003,771**

As at 31 March 2025 the Group's equity amounts to € 1,002,290 thousand.

21. STAFF LEAVING INDEMNITY

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Staff leaving indemnity	33,719	32,464	1,255	3.9%
Total	**33,719**	**32,464**	**1,255**	**3.9%**

At 31 March 2025 Staff leaving indemnity amounts to € 33,719 thousand, up by € 1,255 thousand compared to the balance at 31 December 2024 (€ 32,464 thousand). The movements are due to accruals, utilisations and any other movements.

22. PROVISIONS FOR RISKS AND CHARGES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Provision for pension and similar obligation	1,948	1,835	114	6.2%
Provision for litigations	19,701	20,757	(1,056)	-5.1%
Other provision for risks and charges	3,300	3,975	(676)	-17.0%
Total	**24,949**	**26,567**	**(1,617)**	**-6.1%**

At 31 March 2025 Provisions for risks and charges amount to € 24,949 thousand, down by € 1,617 thousand compared to the balance at 31 December 2024 (€ 26,567 thousand). The movements are due to accruals, utilisations and any other movements.

Note that the Group companies are not party to any additional litigations or disputes worthy of note (in terms of contingent liabilities) other than those already reflected by the figures in the interim financial statements.

23. OTHER CURRENT AND NON-CURRENT LIABILITIES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
VAT liabilities	16,441	7,047	9,394	n.s.
Withholdings liabilities	13,946	8,715	5,231	60.0%
Employees payables and Social security liabilities - current	45,043	51,239	(6,196)	-12.1%
Advances	679	908	(228)	-25.2%
Other liabilities	1,585	1,915	(330)	-17.2%
Accrued liabilities	307	457	(150)	-32.8%
Deferred revenues	490,403	187,721	302,682	n.s.
				0.0%
Other current liabilities	**568,404**	**258,003**	**310,402**	**n.s.**
Social security liabilities - non current	278	290	(12)	-4.2%
Other tax liabilities - non current	8	8	-	0.0%
Other non current liabilities	**285**	**298**	**(12)**	**-4.10%**
Total Other liabilities	**568,690**	**258,300**	**310,389**	**n.s.**

At 31 March 2025 Total Other liabilities amount to € 568,690 thousand, up by € 310,389 thousand compared to the balance at 31 December 2024 (€ 258,300 thousand).
This increase is substantially due to the seasonality of billings for subscription fees that characterises the business of the Group and results in the increase in deferred revenues.

At 31 March 2025 Other non-current liabilities amount to € 285 thousand (€ 298 thousand at 31 December 2024 and relate primarily to balances pertaining to the subsidiary TeamSystem S.p.A..

24. CURRENT TAX LIABILITIES

Euro thousands

	31 Mar 2025	31 Dec 2024	Change	% Change
Income tax payables	34,631	21,109	13,522	64.06%
Other tax liabilities	481	128	353	n.s.
Total	**35,112**	**21,237**	**13,875**	**65.3%**

At 31 March 2025 Current tax liabilities amount to € 35,122 thousand, up by € 13,875 thousand compared to the balance at 31 December 2024 (€ 21,237 thousand).

25. ASSETS AND LIABILITIES HELD FOR SALE

As of 31 March 2025, within the TeamSystem Group, the interest held by TeamSystem S.p.A. in the controlled company Contactlab meets the criteria under IFRS 5 to be classified as held for sale. Consequently, the related assets (for an amount of € 4,612 thousand) and liabilities (for an amount of € 4,824 thousand) of the company have been classified as held for sale.

26. FINANCIAL INSTRUMENTS AND IFRS 7

The Group is exposed to a variety of financial risks that are managed and monitored centrally and which can be categorised as follows:

Foreign exchange risks

As an international organisation, the Group holds assets and conducts business in currencies other than the euro (although not yet to a significant extent) and is therefore exposed to risks arising from changes in exchange rates that could affect its results of operations and the value of its equity. Some of the TeamSystem Group companies are, however, exposed to a limited degree of foreign exchange risk due to the operational management of these companies, whose cash flows (both revenues and costs) are mostly denominated in the same functional currency as the country in which these companies are based. It should be noted that as of September 2023, TeamSystem Group owns Mikro Group, which is based in Turkey, a country experiencing hyperinflation and significant exchange rate fluctuations. However, it is important to mention that Mikro Group primarily conducts trading activity in Turkish lira.

Credit risk

Credit risk is mitigated by the high fragmentation of the customer base and the high degree of customer loyalty. In any case, the customer credit policy, by customer category (resellers and end-users), envisages:
a) the control and assessment of credit standing;
b) the control of the flow of payment collection;
c) taking appropriate action by issuing reminders and by the use of credit collection procedures, including recourse to companies specialised in debt recovery.

The maximum theoretical exposure to credit risk for the Group is represented by the carrying amount of trade receivables as presented in the consolidated financial statements, as well as residual financial receivables recorded in current and non-current financial assets.

The tool used by the Group for the classification and control of trade receivables consists of an Ageing List, in which amounts of overdue receivables are summarised by ageing category, from the most recent (0-30 days) to the oldest (over 180 days).

The amount of the allowance for bad debts at 31 December 2024 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), taking into account both past due receivables, the allowance for which was determined based on a specific analysis of doubtful accounts and receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and the past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

Interest rate risk

TeamSystem Group's financial structure calls for fixed rate debt for the **2028 Fixed Rate Notes** and variable rate

debt for the **2028 Floating Rate Notes, 2031 Notes, 2032 PIYW PIK Toggle Notes,** and the **RCF** credit facility. The yield on the **2028 Floating Rate Notes,** the **2031 Notes** is tied to the 3-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, while the **2032 PIYW PIK Toggle Notes** is tied to the 6-month Euribor rate (with a floor of 0.00%), plus a contractually established spread.
With the aim of reducing the risk of market interest rate fluctuations associated with the Floating Rate Notes, in April 2022, TeamSystem S.p.A. entered into two interest rate swap contracts with a total notional amount of € 700 million and with a termination date of 15 December 2025.

Conditions applied to the **RCF** also feature floating interest rates (based on Euribor rates - with a floor of 0.00%) plus a contractually defined spread.

Liquidity risk

The two main factors that determine the dynamics of the Group's liquidity are, on one hand, the resources generated/absorbed by operating and investment activities and, on the other hand, the maturity of financial liabilities.
The following procedures have been adopted to optimise cash flow management and reduce liquidity risk:
- maintenance of an adequate level of available liquidity;
- adoption of Cash-pooling at Group level;
- securing of adequate credit lines;
- monitoring prospective liquidity conditions as part of the corporate planning process.

Despite the Group's high degree of leverage and the uncertain macroeconomic scenarios - including the ongoing Russian-Ukrainian conflict the conflict between Israel and Hamas and the possible application of tariffs in international trade- liquidity is not an issue. The Group has always demonstrated its ability to generate cash and to successfully raise funds in the financial markets.

Financial instruments by category (IFRS 7 paragraph 8)

As required by IFRS 7, paragraph 8, the Group's financial instruments have been identified by asset and liability category with respect to their classification in the statement of financial position.

Euro thousands

	31 Mar 2025	FVTPL	FVTOCI	AC
FINANCIAL ASSETS				
Loans	102			102
Derivative instruments - assets	4,649	4,649		
Others financial accruals	61			61
Accruals and prepaid commissions	86			86
Other financial assets	9,886	6,646		3,240
Financing Fees	36,716			36,716
Trade receivables	477,178			477,178
Other Equity investments	451	451		
FINANCIAL LIABILITIES				
Loans with banks	(47,805)			(47,805)
Finance leases liabilities	(85,077)			(85,077)
Notes	(2,185,213)			(2,185,213)
Financial liabilities with other institutions	(3,805)			(3,805)
Dividends to be paid	(40)			(40)
Liabilities to non controlling shareholders of subs	(234,542)	(234,542)		
Commissions financial liabilities	(194)			(194)
Other financial accruals				
Cash pooling liabilities	(232)			(232)
Trade payables	(87,191)			(87,191)
Total	**(2,114,968)**	**(222,795)**		**(1,892,173)**

KEY TO FINANCIAL INSTRUMENT CATEGORIES

FVTPL =	**Financial assets and liabilities measured at fair value through profit or loss;**
FVTOCI =	**Financial assets and liabilities measured at fair value through other comprehensive income;**
AC =	**Financial assets and liabilities measured at amortised cost.**

Considering the characteristics of the financial assets and liabilities recorded in the financial statements and as shown by the above table, the fair value of many of these (current trade receivables and payables and current and non-current financial liabilities) do not differ from their related carrying amounts, with the exception of the **2028 Fixed Rate Notes,** the **2028 Floating Rate Notes and the 2031 Notes** for which the market quotation at 31 March 2025 (97.50 for the **2028 Fixed Rate Notes,** 100.317 for the **2028 Floating Rate Notes** and 99.924 for the **2031 Notes**) corresponds to the best estimate of fair value at 31 March 2025.

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.

Euro thousands

	Level 1	Level 2	Level 3	Total
Financial Assets				
Other Equity investments			451	**451**
Derivative instruments - assets		4,649		**4,649**
Other financial assets		6,646		**6,646**
		11,295	**451**	**11,747**
Financial Liabilities				
Liabilities to non controlling shareholders of subs			234,542	**234,542**
			234,542	**234,542**

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 financial asset component for Derivative Instruments is the main category within level 2 of the fair value hierarchy and it consists of the fair value of the two interest rate swap contracts; the related fair value is determined considering the expected interest rate curve up to the expiry date of the derivative istruments.

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

■Collateral

The obligations arising from the **TeamSystem Notes** and the **RCF**, as modified and amended by the **RCF Amendment** (as described in Note 15), are secured by the following guarantees:
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;
- a pledge on the Italian bank accounts of TeamSystem S.p.A., originally granted on 12 November 2021 and confirmed and extended from time to time.

The obligations arising from the **2032 PIYW PIK Toggle Notes** are secured by the following guarantees:
- a pledge on the entire share capital of the PIK Issuer, granted on 18 November 2024;
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;

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 Mar 2025	31 Dec 2024
TeamSystem Financial Value Chain S.r.l.	10.00%	10.00%
Beneficy S.r.l.	49.00%	49.00%
Netfintech S.r.l.	38.70%	38.70%
My Expenses S.L	40.40%	40.40%
Modefinance S.r.l.	1.00%	1.00%
Modefinance International S.r.l.	35.00%	35.00%
Ciaomanager S.r.l.	20.00%	20.00%
Greenext S.r.l.	4.49%	4.49%
Mikro	32.80%	32.80%

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 15).

Other commitments and contingent assets/liabilities

The Group companies, in performing their activities, are exposed to a series of legal and other risks. These risks relate to ongoing legal disputes (the outcome of which cannot be forecast with certainty) or claims made against Group companies to recover damages suffered by third parties. An adverse outcome of these proceedings could lead to the payment of costs not covered (or not fully covered) by insurance with a consequent impact on the financial position.

The Group, in accordance with opinions provided by its legal advisers, has made specific provision as part of the provision for risks and charges (Note 22) for litigation for which it is believed that a disbursement of resources is probable and for which the amount can be reliably estimated. Based on the information available, there are no further potentially significant contingent liabilities that could lead to significant disbursements for the Group.

►RELATED PARTY TRANSACTIONS

In the first three months of 2025, transactions with related companies formed part of the Group's normal operations and were entered into at arm's length. TeamSystem Group has not been party to any transactions with related companies that merit disclosure, other than those commented.

TeamSystem Holdco S.p.A. and subsidiaries "TeamSystem Group"

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	**31 Dec 2024**	**31 Dec 2023**	**NOTES**
Revenue	912,570	727,378	**1 / 2**
Other operating income	9,222	5,802	**1 / 2**
TOTAL REVENUE	**921,793**	**733,180**	**1 / 2**
Cost of raw and other materials	(57,908)	(55,701)	**3**
Cost of services	(222,284)	(177,326)	**4**
Personnel costs	(252,093)	(201,737)	**5**
Other operating costs	(8,761)	(5,132)	**6**
Depreciation and amortization of non current assets	(255,763)	(224,223)	**11 / 12 / 13**
Allowance for bad debts	(9,045)	(7,025)	**20**
Other provisions for risks and charges	(1,788)	(1,949)	**25**
Impairment of non current assets	(384)	-	
OPERATING RESULT	**113,767**	**60,087**	
Share of Profit (Loss) of associates	(52)	42	
Finance income	36,691	24,727	**7**
Finance cost	(308,198)	(179,749)	**7**
Monetary Gain (Loss)	54,820	15,539	**8**
PROFIT (LOSS) BEFORE INCOME TAXES	**(102,973)**	**(79,353)**	
Current income tax	(51,933)	(35,366)	**9**
Deferred income tax	45,652	39,500	**9**
TOTAL INCOME TAX	**(6,280)**	**4,134**	
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(109,253)**	**(75,219)**	
(Profit) Loss - Non controlling interests	**(156)**	**(75)**	
PROFIT (LOSS) - OWNERS OF THE COMPANY	**(109,408)**	**(75,295)**	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Dec 2024	31 Dec 2023	NOTES
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(109,253)**	**(75,219)**	
Actuarial gain (loss) on defined benefit plans	1,552	(657)	24
Tax effect	(348)	123	
OTHER GAIN (LOSS) THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**1,204**	**(534)**	
Exchange rate differences	(14,493)	(22,298)	
OTHER GAIN (LOSS) THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**(14,493)**	**(22,298)**	
TOTAL COMPREHENSIVE INCOME (LOSS)	**(122,542)**	**(98,051)**	
Total comprehensive (income) loss - Non controlling interests	(156)	(75)	
TOTAL COMPREHENSIVE INCOME (LOSS) - OWNER OF THE COMPANY	**(122,697)**	**(98,127)**	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
ASSETS	**31 Dec 2024**	**Restated 31 Dec 2023**	**NOTES**
Tangible assets	15,664	16,820	**11**
Intangible assets	1,255,699	1,348,224	**12**
Right of use	35,631	27,826	**13**
Goodwill	2,309,440	2,125,660	**14**
Other Investments	313	523	**16**
Investments in associates	1,558	868	**16**
Deferred tax assets	17,779	16,698	**17**
Other financial assets - non current	6,512	24,000	
TOTAL NON CURRENT ASSETS	**3,642,596**	**3,560,620**	
Inventories	2,043	1,736	**19**
Trade receivables	213,516	200,311	**20**
Tax receivables	1,328	1,796	**21**
Other receivables - current	91,439	62,638	**22**
Other financial assets - current	10,778	5,657	**18**
Cash and bank balances	167,529	46,695	
TOTAL CURRENT ASSETS	**486,632**	**318,833**	
Asset held for sale	2,812	-	**28**
TOTAL ASSETS	**4,132,039**	**3,879,453**	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
EQUITY AND LIABILITIES	**31 Dec 2024**	**Restated 31 Dec 2023**	**NOTES**
Share capital	14,597	14,597	**23**
Other reserves	1,121,181	1,210,187	**23**
Retained earnings (accumulated losses)	(571)	(258)	**23**
Profit (Loss) attributable to Owners of the Company	(109,408)	(75,295)	**23**
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	**1,025,799**	**1,149,231**	
Non controlling interests - Capital and reserves	925	830	**23**
Non controlling interests - Profit (Loss)	156	75	**23**
TOTAL NON CONTROLLING INTERESTS	**1,081**	**905**	
TOTAL EQUITY	**1,026,880**	**1,150,137**	
Financial liabilities with banks and other institutions - non current	2,234,348	1,919,420	**18**
Staff leaving indemnity	32,464	35,943	**24**
Provisions for risks and charges - non current	26,567	25,204	**25**
Deferred tax liabilities	280,704	315,835	**17**
Other liabilities - non current	298	342	**27**
TOTAL NON CURRENT LIABILITIES	**2,574,381**	**2,296,744**	
Financial liabilities with banks and other institutions - current	155,903	136,138	**18**
Trade payables	91,167	71,529	
Tax liabilities - current	21,237	11,293	**26**
Other liabilities - current	258,003	213,612	**27**
TOTAL CURRENT LIABILITIES	**526,309**	**432,572**	
Liabilities held for sale	4,470	-	**28**
TOTAL LIABILITIES	**3,105,160**	**2,729,316**	
TOTAL EQUITY AND LIABILITIES	**4,132,039**	**3,879,453**	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2024	31 Dec 2023	NOTES
Operating Result	**113,767**	**60,087**	
Depreciation and amortisation of non-current assets	255,763	224,223	
Write-off of non current assets	384	0	
(Profit) or Loss on the sale of tangible assets	398	0	
Other non monetary items	(13,324)	211	
Trade receivables - variation	(11,476)	(30,058)	
Inventories - variation	(336)	211	
Other receivables - variation	(5,244)	(8,471)	
Trade payables - variation	13,375	(6,106)	
Other liabilities - variation	36,187	7,418	
Staff leaving indemnity - variation	(1,955)	(1,433)	
Provisions for risks and charges - variation	646	(1,080)	
Income tax paid	(40,174)	(33,752)	
CASH FLOWS FROM OPERATING ACTIVITIES	**348,011**	**211,249**	
Investments in tangible assets	(5,140)	(3,205)	
Investments in intangible assets	(20,532)	(15,591)	
Disposal of tangible assets	800	0	
Capitalized development costs - personnel costs	(28,625)	(18,858)	
Capitalized development costs - service costs	(6,987)	(4,346)	
Capital Expenditure	**(60,484)**	**(42,000)**	
Disposal of investments	1,579	25	10
Cash and bank balances at the date of disposal	(835)	(232)	10
Disposal of investments	**744**	**(207)**	
Acquisition of investments	(179,170)	(326,669)	10
Cash and bank balances at the date of acquisition	8,757	33,833	10
Acquisition of investments	**(170,413)**	**(292,836)**	
CASH FLOWS FROM INVESTING ACTIVITIES	**(230,153)**	**(335,044)**	
Repayment of financial debt	**(697,226)**	**(11,256)**	**10**
New financing	**1,000,000**	**195,000**	**10**
Financial charges paid	**(148,884)**	**(111,400)**	**10**
Financing Fees paid	**(18,814)**	**(6,683)**	**10**
Liabilities to non controlling shareholders of subsidiaries	**(130,689)**	**(40,702)**	**10**
Capital increase	**91**	**0**	
Other equity movements	**(1,536)**	**(3)**	
CASH FLOWS FROM FINANCING ACTIVITIES	**2,942**	**24,956**	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	**35**	**10**	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	**120,835**	**(98,828)**	
CASH AND BANK BALANCES - Beginning of the period	**46,695**	**145,523**	
CASH AND BANK BALANCES - End of the period	**167,529**	**46,695**	

STATEMENT OF CHANGES IN EQUITY

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
30 Dec 2022	**14,597**	**1,378,765**	**(236)**	**(146,541)**	**1,246,585**	**803**	**1,247,388**
Profit (Loss) allocation		(146,519)	(22)	146,541	**0**		**0**
Acquisition of Subsidiaries					**0**	(253)	**(253)**
Other movements		(3)			**(3)**		**(3)**
Sale of minority stake in subsidiaries		998			**998**	27	**1,025**
Acquisition of minotiry stake in subsidiaries		(223)			**(223)**	253	**30**
Profit (Loss)				(75,295)	**(75,295)**	75	**(75,220)**
Other Profit (Loss) on comprehensive income		(22,831)			**(22,832)**		**(22,831)**
30 Dec 2023	**14,597**	**1,210,187**	**(258)**	**(75,295)**	**1,149,231**	**905**	**1,150,137**

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	**14,597**	**1,210,187**	**(258)**	**(75,295)**	**1,149,231**	**905**	**1,150,137**
Profit (Loss) allocation		(74,982)	(313)	75,295	**0**		**0**
TeamSystem Holdco Capital increase		91			**91**		**91**
Acquisition of Subsidiaries					**0**	20	**20**
Acquisition of minotiry stake in subsidiaries		(826)			**(826)**		**(826)**
Profit (Loss) for the period				(109,408)	**(109,408)**	156	**(109,253)**
Other Profit (Loss) on Comprehensive income		(13,289)			**(13,289)**	0	**(13,289)**
31 Dec 2024	**14,597**	**1,121,181**	**(571)**	**(109,408)**	**1,025,799**	**1,081**	**1,026,880**

►CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include:

1. **A consolidated statement of profit or loss** for the year ended 31 December 2024. In particular, it should be noted that the consolidated statement of profit or loss format presents an analysis of costs aggregated by nature, since this classification is considered more relevant for understanding TeamSystem Group's results. Moreover, since no discontinued operations or similar transactions in 2024 or 2023, profit (loss) for the year is derived solely from continuing operations. Consequently, the Group has not presented profit (loss) from continuing operations for the year since, as indicated, this coincides with profit (loss) for the year.

2. **A consolidated statement of comprehensive income** for the year ended 31 December 2024. In fact, IAS 1 requires that the statement of changes in equity has to evidence only changes generated by transactions with shareholders along with comprehensive income, as defined below. The statement of comprehensive income begins with the profit or loss for the year followed by a section on other components of comprehensive income recognised directly in equity and then comprehensive income for the year, being the total profit (loss) for the year and other components of comprehensive income.

3. **A consolidated statement of financial position** at 31 December 2024. In particular, the statement of financial position has been prepared using a format, in accordance with IAS 1, classified based on the operating cycle, with a distinction between current and non-current components. Based on this distinction, assets and liabilities are considered current if it is expected that they will be realised or settled during the normal operating cycle. Note that the consolidated statement of some financial position at 31 December 2023 has been restated to reflect the final Purchase Price Allocation of some of the companies acquired in 2023.

4. **A consolidated statement of cash flows** for the year ended 31 December 2024. The statement of cash flows is presented using the indirect method starting with the operating result, as permitted by IAS 7, under which profit or loss for the year is adjusted for the effects of non-cash transactions, such as those arising from deferrals or allocations to provisions linked to previous or future costs and payments.

5. **A consolidated statement of changes in equity** for the year ended 31 December 2024.

6. **Notes** to the consolidated financial statements.

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►SCOPE OF CONSOLIDATION

The consolidated financial statements of TeamSystem Group include the financial statements of the Parent Company, its main subsidiary TeamSystem S.p.A. and those of the other companies in which TeamSystem Holdco S.p.A. exercises control as set out in the relevant standard (IFRS 10).

A listing of entities consolidated on a line-by-line basis is provided in the following table, whereby the percentage held through put/call options takes into account any put and call options entered into in connection with acquisitions (the “% held” column indicates the percentage held by the Group in the company in question at the reporting date without taking account of the put and call option agreements):

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Country	Share capital	Equity	Currency	% held	% held with put/call options	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	Italy	14,596,886	1,453,812,402	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,457,407,382	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,430	1,454,036,897	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,447,230,674	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,001	1,131,671,865	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	Italy	90,000	1,118,160	EUR	51.00	100.00	1	
Software del Sol S.A.	Jaén(Spain)	Spain	75,000	15,402,528	EUR	100.00	100.00		
Aplifisa S.L.	Salamanca (Spain)	Spain	30,600	2,174,948	EUR	100.00	100.00		
Ticcyl Digital S.L.	Salamanca (Spain)	Spain	3,216	2,419,719	EUR	100.00	100.00		
Marclamara S.L	Madrid	Spain	3,000	488,590	EUR	100.00	100.00		
Acumbamail S.L.	Ciudad Real (Spain)	Spain	4,500	1,388,218	EUR	100.00	100.00		
My Expenses S.L	Madrid	Spain	73,074	608,732	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	Spain	3,050	345,060	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	10,569,247	EUR	100.00	100.00		
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	97,688,222	EUR	100.00	100.00		
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	99,883,318	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	196,773,783	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	47,031,279	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	45,027,447	EUR	96.87	96.87		4
Teamsystem Tirana	Tirana	Albania	10,000	139,427,649	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(6,280,729)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	United Kingdom	1	37,999	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	93,742	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	(5,903)	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,584,641	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	6,868,289	EUR	100.00	100.00		6
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	609,866	EUR	100.00	100.00		6
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	1,283,962	EUR	91.00	91.00		7
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	2,707,890	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	3,219,867	EUR	100.00	100.00		8
Modefinance S.r.l.	Trieste	Italy	210,000	8,385,409	EUR	99.00	100.00	1	
Modefinance International S.r.l.	Milano	Italy	100,000	293,257	EUR	65.00	100.00	1	9
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	829,522	EUR	80.00	100.00	1	
Microntel S.p.A.	Torino	Italy	1,500,000	9,559,710	EUR	100.00	100.00		
TeamSystem 12 S.r.l.	Milano	Italy	15,500	21,672,194	EUR	100.00	100.00		
TeamSystem 14 S.r.l.	Milano	Italy	11,000	535,039	EUR	100.00	100.00		
Netfintech S.r.l.	Milano	Italy	156,254	5,093,497	EUR	61.30	100.00	1	
Change Capital S.r.l.	Milano	Italy	10,000	2,296,629	EUR	100.00	100.00		
Distrito K Software SL	La Coruña (Spain)	Spain	3,000	70,847,827	EUR	100.00	100.00		
TeamSystem 15 S.r.l.	Milano	Italy	10,500	4,712,041	EUR	100.00	100.00		
Contaclab S.r.l.	Milano	Italy	410,000	580,266	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	5,679,410	EUR	95.51	100.00	1	
Sistemi IT S.r.l.	Lurago Marinone (CO)	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
Rean Srl	Milano	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
Bellachioma Enterprise S.r.l.	San Benedetto del Tronto (AP)	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
MailUp Nordics A/S,	Copenaghen	Denmark	500,000	4,760,948	DKK	100.00	100.00		
Globase International A.p.S.	Copenaghen	Denmark	125,000	(568,589)	DKK	100.00	100.00		11
Clémentine Holding SAS	Paris (France)	France	27,000,000	27,000,000	EUR	100.00	100.00		
Clémentine Services SAS	Paris (France)	France	19,231,618	19,231,618	EUR	99.90	99.90		12
Comptalib SAS	Laxou (France)	France	10,829	18,102	EUR	100.00	100.00		13
Tiktak Services SAS	Laxou (France)	France	3,000	(80,242)	EUR	100.00	100.00		14
Pepitejob SAS	Paris (France)	France	5,000	(60,297)	EUR	100.00	100.00		14
Zhizhao SARL	Laxou (France)	France	5,000	210,323	EUR	100.00	100.00		14
Eunomia SAS	Paris (France)	France	8,150,000	9,422,593	EUR	100.00	100.00		15
Expertise Choix B SAS	Laxou (France)	France	500,000	(628,721)	EUR	100.00	100.00		16
Amex SAS	Nice (France)	France	466,800	960,674	EUR	100.00	100.00		16
Expertise Choix C SAS	Laxou (France)	France	150,000	(271,631)	EUR	100.00	100.00		16
Sofrageco SAS	Montreuil (France)	France	153,000	143,131	EUR	100.00	100.00		16
Mikro Yazılımevi Yazılım Hizmetleri Bilgisayar Sa	Instanbul	Turkey	153,452,711	1,177,897,832	TRY	67.20	100.00	1	
Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	196,399,270	TRY	100.00	100.00		17
Paraşüt Yazılım Teknolojileri A.Ş.	Instanbul	Turkey	3,600,000	46,972,847	TRY	100.00	100.00		17
Muhasebetech Yazılım A.Ş.	Instanbul	Turkey	50,000	(14.770.076)	TRY	100.00	100.00		17
Shopside Yazilim Teknolojileri A.Ş.	Ankara	Turkey	110,000	(38.452.367)	TRY	100.00	100.00		17
Mevzuattr Yazılım A.Ş.	Instanbul	Turkey	50,000	(7.499.643)	TRY	100.00	100.00		17
Zirve Özel Entegrasyon Yazılım Hizm.A.Ş.	Instanbul	Turkey	50,000	(624.184)	TRY	100.00	100.00		17
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	Instanbul	Turkey	3,000,000	2,549,873	TRY	100.00	100.00		17
Emükellef Teknoloji A.Ş.	Instanbul	Turkey	50,000	7,903,111	TRY	100.00	100.00		17

(1) = equity interest would be 100% should put and call option agreements be exercised;
(2) = equity interest held by My Expenses;
(3) = equity interest held by Danea Soft;
(4) = includes treasury shares held by Gruppo Euroconference S.p.A.;
(5) = equity interests held by Reviso International ApS;
(6) = equity interests held by TeamSystem Financial Value Chain;
(7) = equity interest held by TeamSystem AM Holdco S.r.l.;
(8) = equity interest held by TeamSystem Payments Holdco;
(9) = equity interest held by Modefinance;
(10) = equity interests sold by TeamSystem S.p.A. during the months of October, November, and December 2024.
(11) = equity interest held by MailUp Nordics
(12) = equity interest held by Clementine Holding
(13) = equity interest held by Clementine Holding (95.16%) and Expertise Choix B (4.84%).
(14) = equity interests held by Clementine Holding
(15) = equity interests held by Clementine Services
(16) = equity interests held by Eunomia
(17) = equity interests held by Mikro Yazılımevi.

Amounts in Euro

CONSOLIDATED COMPANIES EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,948	EUR	35.00		
Cesaco (*) (**)	Vicenza	Italy	90,000	21,121	EUR	48.00		
Logic System SHPK	Tirana	Albania	11,567,500	3,380,765	LEK	35.00	1	18
Macrogroup S.r.l. (*)	Bologna	Italy	260,000	642,409	EUR	49.00	1	18
Deliverart S.r.l. (*)	Roma	Italy	24,036	(32,852)	EUR	40.00	1	18

(*) = carrying values in the financial statements at 31 December 2023.
(**) = company in liquidation
(18) = There are put/call option contracts which allow the TeamSystem Group to reach 100% ownership of the share capital.

As regards companies in which the Group no longer holds a 50% interest, and, consequently, holds the same percentage of voting rights exercisable at general meetings, it has been deemed that control does not exist because the Group i) does not have power over the investee, that being the ability to direct the relevant activities that significantly affect the Group's returns, ii) is not exposed to variable returns from its involvement with it, and therefore, iii) does not have power to obtain benefits from its activities, as laid down by IFRS 10 – Consolidated financial statements. As regards companies in which the Group holds an interest of more than 20% (but less than 50%), it has significant influence over them and, accordingly, such investments are recognised by using the equity method.

Changes to the scope of consolidation during the course of 2024
During 2024, the following acquisitions/sales/liquidations took place, resulting in changes in the scope of consolidation compared to 31 December 2023:

TeamSystem 12 S.r.l.
In January 2024, the business units of the following companies were transferred to TeamSystem 12 S.r.l.:
-B&T Software & Service S.n.c.;
-2K Soft S.r.l.
-Slware S.r.l.;
-Next S.r.l.;
-Nordest Informatica S.r.l.;
-Giesse Dati S.r.l.;
-Zuffellato Technologies S.r.l.;
-L'informatica S.r.l.;
-Isigest S.r.l.

In February 2024, the following business units were transferred to TeamSystem 12 S.r.l.:
-Flor Informatica S.r.l.
-SI.EL.CO. S.r.l.

Macrogroup S.r.l.
In February 2024, TeamSystem S.p.A. acquired a 49% stake in Macrogroup S.r.l., a company that markets TeamSystem software and provides IT consulting and services.
For the remaining 51%, TeamSystem entered into call/put option agreements, subject to the condition that the former shareholders do not exercise the call option on the 49% stake.

TeamSystem 14 S.r.l.and the Poker business unit
In April 2024, TeamSystem S.p.A. established a new company named TeamSystem 14 S.r.l.
In July 2024, the Poker business unit was transferred to TeamSystem 14. The Poker business unit is engaged in the development and commercialisation of an ERP software called Quasar-X, the provision and sale of services related to Quasar-X, and the distribution of third-party software currently licensed to the company (namely, Sugar and Arxivar).

Innova S.r.l.
In May 2024, the business unit of Innova S.r.l., a company specialising in software development and IT services, was transferred to Greenext S.p.A. Innova focuses on the design, development, and commercialisation of IoT hardware devices and software solutions for waste management.

Pentaedro S.r.l.

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

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2024

The following IFRS Accounting Standards, amendments and interpretations are applicable to the Group for the first time starting on 1 January 2024:

- On 23 January 2020, the IASB issued "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**" and on 31 October 2022, the IASB issued "**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**". The objective of the amendments is to provide clarity on how payables and other short-term or long-term liabilities are to be classified. The amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments has had no effect on the Group's consolidated financial statements.
- On 22 September 2022, the IASB issued **"Amendments to IFRS 16 Leases: *Lease Liability in a Sale and Leaseback".*** The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right-of-use it retains. The adoption of these amendments has had no effect on the Group's consolidated financial statements.
- On 25 May 2023, the IASB issued **"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements".** The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to assess how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of these amendments has had no effect on the Group's consolidated financial statements.

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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Notes to the consolidated financial statements
(All amounts are expressed in thousands of euro, unless otherwise indicated)

1. TOTAL REVENUE

Total revenue for the year ended 31 December 2024 amounts to € 921.8 million, and is comprised of Revenue of € 912.6 million and Other Revenue of € 9.2 million. Total revenue for the year ended 31 December 2023 was € 733.2 million. Values for 2023 were subject to insignificant reclassifications following the introduction during 2024 of the CSP Business Unit (as further described in the following paragraphs).

The table below provides a breakdown of total revenue based on whether control was passed over time or at a point in time:

	31 Dec 2024	31 Dec 2023
Over time	780.6	603.2
Point in time	141.2	130.0
TOTAL REVENUE	**921.8**	**733.2**

Lastly, it should be noted that there is no concentration of revenue with any specific customer, given the notable segmentation of Group sales which, in the year ended 31 December 2024, were mostly realised in Italy (approximately 87%) and residually in Spain, Turkey, France, Albania and Denmark.

2. OPERATING SEGMENTS

Within TeamSystem Group, the following representative operating segments have been identified, characterised by the autonomous nature of their products/services and production processes with the following characteristics:

- **Enterprise ("ENT") Business Unit:** products/services for SMEs, mainly consisting of core products (ERP) and accessory products and vertical solutions;
- **Professional ("PROF") Business Unit:** products/services for professionals and labour consultants (accounting, tax, payroll);
- **Market Specific Solutions ("MSS") Business Unit:** vertical solutions aimed at highly specialised markets;
- **Micro ("MICRO") Business Unit:** mainly Cloud-based solutions for small and micro enterprises;
- **Digital Finance ("DIF") Business Unit:** solutions related to financial digitalisation;
- **Cross Segment Products ("CSP") Business Unit:** Trust and modular HR systems covering all HR management and business process outsourcing requirements.

In 2024, the Group also implemented a minor change to its operating segments, transferring "Trust" products from the "Market Specific Solutions" business to the "HR" business unit. The new business unit resulting from this reorganisation has been named "**Cross Segment Products**." Following this organisational change, the Group has accordingly reclassified the data as of 31 December 2023.

There are no revenues from transactions with other operating segments; therefore, the revenues shown in the table below are entirely from third-party customers.

Euro Millions

OPERATING SEGMENTS	31 Dec 2024	31 Dec 2023	Change	% Change
ENT	191.0	164.6	26.5	16%
PROF	239.1	214.7	24.4	11%
MICRO	302.5	180.7	121.7	67%
DIF	28.3	20.9	7.4	35%
MSS	105.5	100.4	5.0	5%
CSP	55.5	51.8	3.6	7%
TOTAL REVENUE	**921.8**	**733.2**	**188.6**	**25.7%**
ENT	100.2	86.3	14.0	16%
PROF	144.0	131.6	12.5	9%
MICRO	184.8	108.5	76.3	70%
DIF	12.4	8.9	3.5	39%
MSS	26.5	23.6	3.0	13%
CSP	22.6	24.1	-1.6	-7%
FIRST MARGIN	**490.5**	**382.9**	**107.6**	**28.1%**

The economic performance indicator for each operating segment is the **First Margin**. It should be noted that: The **First Margin** financial parameter is not governed by **IFRS** and, accordingly, the criteria adopted by TeamSystem Group for its computation may not be comparable to those adopted by other companies or groups.

The **First Margin** is calculated as the difference between total revenues and the direct costs of the Business Unit, the latter being mainly:
1) direct personnel costs (mainly sales, delivery, customer value);
2) software / hardware resale costs, external delivery costs, web-recall costs, sales rebates;
3) commissions and other sales incentives, recurring R&D consultant costs;
4) direct product marketing, direct R&D consultancy, travel & expenses of business unit personnel.

The reconciliation of the First Margin with the Consolidated Profit (loss) of the period is presented below:

Euro Millions

	31 Dec 2024	31 Dec 2023
First Margin	490.5	382.9
Indirect Cost	(121.6)	(92.3)
Capitalised develop costs	35.6	23.2
Non core items	(23.8)	(20.6)
Allowance for bad debts	(9.0)	(7.0)
Depreciation and amortization of non current assets	(255.8)	(224.2)
Other provisions for risks and charges	(1.8)	(1.9)
Impairment of non current assets	(0.4)	
Share of Profit (Loss) of associates	(0.1)	0.0
Finance income	36.7	24.7
Finance cost	(308.2)	(179.7)
Monetary Gain (Loss)	54.8	15.5
Current income tax	(51.9)	(35.4)
Deferred income tax	45.6	39.4
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(109.3)**	**(75.3)**

Indirect costs include costs that are not uniquely attributable to one or more business units and consist mainly of:

1. Personnel costs of the Group's support functions, specifically (i) Finance, Marketing and Technology; (ii) CEO Office; (iii) HR and General Services; (iv) Legal and Corporate Affairs and those not directly attributed to specific Business Units, such as, for example, the cost of the research and development team in relation to tools and applications used by the Group;
2. Costs for IT infrastructure, cybersecurity, compliance, Artificial Intelligence and Data;
3. Costs for rent, maintenance, utilities for the TeamSystem Group's operating sites;
4. Administrative, legal, tax, labour law and audit consultancy costs;
5. Costs for events, recruiting and training activities;
6. Costs for insurance, association memberships and board of statutory auditors fees;
7. Research and development costs that cannot be allocated to an individual Business Unit.

In order to monitor the performance of the operating segments and the allocation of resources between the segments, the Group monitors the intangible assets (Software, Customer Relationship, Brand) and Goodwill attributable to each of them. A breakdown of the Group's intangible assets and goodwill by operating segment is provided below:

31 Dec 2024							
OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	CSP	TOTAL
Goodwill	481.6	604.2	875.0	150.3	66.8	131.5	2,309.4
Intangibles Assets	205.5	277.5	390.8	68.2	101.0	109.3	1,152.5
Total	687.1	881.8	1,265.8	218.6	167.8	240.8	3,461.9

3. COST OF RAW AND OTHER MATERIALS

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Hardware purchases	11,733	12,609	(876)	-6.9%
Third party' software	36,915	35,737	1,177	3.3%
Handbooks and forms	9	26	(18)	-67.3%
Materials for education	58	107	(48)	-45.3%
Fuel	3,389	3,019	369	12.2%
Other materials	6,298	4,165	2,132	51.2%
Change in inventory of raw materials	(493)	38	(530)	n.s.
Total	**57,908**	**55,701**	**2,207**	**4.0%**

The cost of raw and other materials for the year ended 31 December 2024 came to € 57,908 thousand (€ 55,701 thousand for the year ended 31 December 2023). This mainly relates to the cost of sales of hardware and third-party software.

4. COST OF SERVICES

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Agent commissions and other costs	29,677	24,642	5,035	20.4%
Consulting and third parties services	24,049	20,727	3,322	16.0%
Software and Hardware maintenance costs	57,494	45,505	11,989	26.3%
Customer support service costs	9,447	7,973	1,475	18.5%
Administrative and management consulting costs	8,004	6,500	1,504	23.1%
Costs of financial services	2,560	2,923	(363)	-12.4%
Education - consulting and copyrights	2,020	2,189	(169)	-7.7%
Magazines - consulting and copyrights	1,006	1,096	(91)	-8.3%
Other costs for education services	213	175	38	21.6%
Advertising and marketing	30,073	21,071	9,002	42.7%
Management Fees	290	227	63	27.7%
Car rentals	5,345	4,564	781	17.1%
Rebate costs	8,697	5,080	3,618	71.2%
Utilities	5,188	4,771	417	8.7%
Costs for services - Non core	19,825	17,583	2,241	12.7%
Other service expenses	25,384	16,646	8,738	52.5%
Cost of services - Gross of capitalization	**229,271**	**181,672**	**47,599**	**26.2%**
Services capitalised development costs	(6,987)	(4,346)	(2,641)	60.8%
Total	**222,284**	**177,326**	**44,958**	**25.4%**

Cost of services totalled € 222,284 thousand for the year ended 31 December 2024, net of an amount capitalised in the year pertaining to software projects of € 6,987 thousand, details of which are provided in Note 12 on Intangible assets.

The main components are the following:

- Agent commissions and other costs (€ 29,677 thousand) relating to compensation payable to agents, an allocation to the provision for agents' indemnity and other costs attributable to commercial consulting services.
- Consulting and third-party services (€ 24,049 thousand) mainly relating to delivery activities and on-site customer support.
- Hardware and Software subscription charges (€ 57,494 thousand) relating to periodic fees for support services and subscriptions for third-party products.
- Customer support service costs (€ 9,447 thousand), relating to customer assistance / support costs.
- Advertising and marketing costs (amounting to € 30,073 thousand), relating to costs incurred for the organisation of events and for the advertising campaigns carried out during the year.
- Costs for services - non-core amount to € 19,825 thousand. Among the main items included in this category are: 1) acquisition and merger costs amounting to € 12,745 thousand (related to M&A transactions both finalised in 2024 and with reference to target companies that were not ultimately acquired); 2) costs for strategic and reorganisation projects amounting to € 4,373 thousand (mainly related to consultancy costs for reorganisation and cost saving initiatives); 3) costs for extraordinary transactions with customers amounting to € 2,681 thousand; 4) other minor expenses amounting to € 314 thousand.

As regards the capitalisation of cost of services (€ 6,987 thousand) reference should be made to Note 12 on Intangible assets.

5. PERSONNEL COSTS

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Wages, salaries and social contributions	252,398	197,020	55,378	28.1%
Staff leaving indemnities	11,106	9,238	1,868	20.2%
Other personnel costs	8,655	5,332	3,323	62.3%
Personnel costs for redundancy and reorganizations	3,006	2,729	277	10.2%
Employees costs	**275,165**	**214,319**	**60,847**	**28.4%**
				0.0%
Freelancers and collaborators fees	1,073	694	379	54.6%
Directors' fees and related costs	4,479	5,582	(1,103)	-19.8%
Directors and Collaborators	**5,553**	**6,276**	**(724)**	**-11.5%**
Personnel - Gross of capitalization	**280,718**	**220,595**	**60,123**	**27.25%**
Personnel capitalised development costs	**(28,625)**	**(18,858)**	**(9,766)**	**51.8%**
Total	**252,093**	**201,737**	**50,357**	**25.0%**

Personnel costs came to € 252,093 thousand for the year ended 31 December 2024.

Total non-core personnel restructuring costs amounted to € 3,006 thousand at 31 December 2024.

As regards the capitalisation of personnel costs (€ 28,625 thousand) reference should be made to Note 12 on Intangible assets.

The following table provides details of employee numbers at 31 December 2024 and the average number of employees in the 2024 financial year.

	Average 2024	Average 2023	Change	31 Dec 2024	31 Dec 2023	Change
Managers	131	107	24	136	126	10
Middle managers / white collars	4,789	3,843	946	5,059	4,518	541
Total	**4,920**	**3,950**	**970**	**5,195**	**4,644**	**551**

6. OTHER OPERATING COSTS

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Condominium expenses and other rents	3,560	2,051	1,509	73.6%
Rentals	241	178	63	35.1%
Other expenses for use of third parties assets	41	205	(165)	-80.3%
Other taxes	1,156	794	362	45.6%
Losses from assets disposals	144	105	38	36.4%
Other expenses	3,620	1,798	1,821	n.s.
Total	**8,761**	**5,132**	**3,629**	**70.7%**

Other operating costs came to € 8,761 thousand for the year ended 31 December 2024.

7. FINANCE INCOME and COSTS

Finance income

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Interest and other finance income	5,139	1,282	3,857	n.s.
Gains on foreign exchange	2,372	523	1,849	n.s.
Interest from cash pooling and other loans	1	106	(105)	-99.3%
Interest from banks	6,796	1,586	5,210	n.s.
Interest from derivative instruments	14,837	11,047	3,791	34.3%
Depreciation - liabilities to non controlling shareholders of subs	7,546	10,183	(2,637)	-25.9%
Total	**36,691**	**24,727**	**11,964**	**48.4%**

Finance income came to € 36,691 thousand for the year ended 31 December 2024 and was attributable to the remeasurement of the fair value of the liability to non-controlling shareholders of subsidiaries and interest income accrued on interest rate swap derivative contracts.

Finance costs

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Interest on bank overdrafts and loans	1,085	1,420	(335)	-23.6%
Interest on Notes	156,121	125,014	31,106	24.9%
Interest on financing fees	25,554	9,264	16,290	n.s.
Revaluation - liabilities to non controlling shareholders of subs	89,958	13,016	76,942	n.s.
Bank commissions	8,629	3,919	4,710	n.s.
Loss on valuation of derivative instruments	10,305	16,613	(6,308)	-38.0%
Interest on actuarial valuation of employee benefits	927	506	421	83.1%
Interest on lease contracts - IFRS 16	1,319	799	520	65.1%
Other IFRS financial charges	12,528	8,418	4,110	48.8%
Interest on cash pooling and other loans	205	19	186	n.s.
Other financial charges	1,181	484	697	n.s.
Losses on foreign exchange	387	149	237	n.s.
Write-downs of financial assets	(0)	127	(127)	n.s.
Total	**308,198**	**179,749**	**128,449**	**71.5%**

Finance costs for the year ended 31 December 2024 came to € 308,198 thousand. The main components are the following:

- Interest on Notes (€ 156,121 thousand), includes interest on the **TeamSystem Notes** and the **PIK Toggle Notes**;
- Interest on financing fees (€ 25,554 thousand) includes finance costs relating to the financing fees on the **TeamSystem Notes**, the **PIK Toggle Notes**, as well as finance costs relating to the **RCF** line of credit;
- Revaluation of liabilities to non-controlling shareholders of subsidiaries (€ 89,958 thousand) arising from a change in the fair value of such liabilities due to the remeasurement of the initial exercise price of the put/call option agreements and/or earn-outs;
- Other IFRS financial charges (€ 12,528 thousand), which represent the finance costs recognised by the Group on having discounted the liability to non-controlling shareholders of subsidiaries based on the new discount rate for the period;

8. NET INCOME AND COSTS OF HYPERINFLATION

Net income from hyperinflation amounts to € 54,820 thousand in the financial statements as of 31 December 2024 and is recognised following the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” concerning the subsidiaries of the TeamSystem Group operating in Turkey. Such hyperinflation income refers almost exclusively to the revaluation of assets (and the resulting deferred tax liabilities) that were valued in the Mikro Group's purchase price allocation process.

Repayment of financing = The amount of € 697,226 thousand mainly refers to the repayment by TeamSystem S.p.A. of the 2028 Private Notes in July 2024 for € 185 million and the 2030 Private Notes in October 2024 for € 195 million. Additionally, in November 2024, TeamSystem Holdco 3 S.p.A. repaid € 300 million of the **2029 PIK Toggle Notes**.

New financing = The amount of € 1,000 million includes € 700 million from the issuance by TeamSystem S.p.A. in July 2024 of additional floating rate senior secured notes maturing in July 2031 ("**2031 Notes**") and € 300 million from the issuance of **2032 PIYW PIK Toggle Notes** by TeamSystem Holdco 3 S.p.A. in November 2024.

Financial charges paid = € 148,884 thousand at 31 December 2024 is almost exclusively for the payment of interest on the **TeamSystem Notes,** and the **PIK Toggle Notes**.

Financing Fees paid = € 18,814 thousand refers to the payment of the Financing Fees connected with the issue of the **2031 Notes** and the **2032 PIYW PIK Toggle Notes**.

Liabilities to non-controlling shareholders of subsidiaries = the liabilities to non-controlling shareholders of subsidiaries paid in 2024 amount to € 130,689 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Mikro, Logicalsoft, Microntel, Modefinance, Readytec, Sigma (to list the main payments).

11. TANGIBLE FIXED ASSETS

Euro thousands

NET BOOK VALUE	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	(Depreciation)	31 Dec 2023
Land	638					638
Buildings	2,446				(294)	2,152
Plant and machinery	2,145		349	151	(1,003)	1,642
Equipment	977		440	283	(355)	1,345
Other assets	9,997	2,869	2,442	(441)	(3,823)	11,044
Total	**16,203**	**2,869**	**3,231**	**(7)**	**(5,475)**	**16,821**

Euro thousands

NET BOOK VALUE	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	(Depreciation)	31 Dec 2024
Land	638			(340)		298
Buildings	2,152			(858)	(265)	1,029
Plant and machinery	1,642	1,008	988	(959)	(833)	1,846
Equipment	1,345		617	(1,024)	(252)	686
Other assets	11,045		3,535	2,055	(4,829)	11,805
Total	**16,820**	**1,008**	**5,141**	**(1,126)**	**(6,178)**	**15,664**

Tangible fixed assets amount to € 15,664 thousand at 31 December 2024, a net decrease of € 1,156 thousand compared to 31 December 2023 (€ 16,820 thousand) due to the net effect of:

- Additions (€ 5,141 thousand) and Changes in the scope of consolidation totalling € 1,008 thousand;
- Depreciation of € 6,178 thousand;
- Other movements and disposals of € 1,126 thousand;

The additions relate mainly to the furnishing/upgrading of TeamSystem Group offices. Disposals in land and buildings, on the other hand, relate to the sale of the Osimo (AN) property in 2024 (which generated a loss of approximately € 397 thousand).

12. INTANGIBLE ASSETS

Euro thousands

NET BOOK VALUE	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	Capitalization	(Amortization)	(Write-downs)	31 Dec 2023
Capitalised development	**26,336**	**4,684**		**11,914**	**23,205**	**(14,186)**		**51,953**
Brand IFRS	262,029					(15,679)		246,350
Software IFRS	210,694	65,415		(11,394)		(73,447)		191,268
Customer relationship IFRS	757,230	111,527		(1,829)		(86,858)		780,070
Other IFRS assets	30,719					(3,764)		26,955
IFRS Assets	**1,260,673**	**176,942**		**(13,223)**		**(179,748)**		**1,244,644**
Software, trademarks, patents	25,020	3,261	14,082	(1,095)		(13,927)		27,341
Other intangible assets	2,585	1,530	1,371	(515)		(1,161)		3,811
Intangible assets - in progress	429	2	127	(154)				404
Other intangible assets	**28,035**	**4,793**	**15,580**	**(1,764)**		**(15,088)**		**31,556**
Total	**1,315,044**	**186,419**	**15,580**	**(3,073)**	**23,205**	**(209,021)**		**1,328,153**

Euro thousands

NET BOOK VALUE	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	Capitalization	(Amortization)	(Write-downs)	31 Dec 2024
Capitalised development	**51,952**			**22**	**35,612**	**(22,686)**		**64,900**
Brand IFRS	246,350			(0)		(15,716)		230,635
Software IFRS	191,269	19,071		7,938		(80,310)		137,967
Customer relationship IFRS	800,141	32,592		24,148		(96,414)		760,467
Other IFRS assets	26,955					(3,764)		23,192
IFRS Assets	**1,264,715**	**51,663**		**32,086**		**(196,204)**		**1,152,261**
Software, trademarks, patents	27,341	6,419	17,969	(4,039)		(16,507)		31,184
Other intangible assets	3,812		2,483	2,816		(2,201)		6,909
Intangible assets - in progress	404		79	(37)				446
Other intangible assets	**31,557**	**6,419**	**20,531**	**(1,260)**		**(18,708)**		**38,539**
Total	**1,348,224**	**58,082**	**20,531**	**30,848**	**35,612**	**(237,598)**		**1,255,699**

Intangible assets amount to € 1,255,699 thousand at 31 December 2024 (€ 1,348,224 at 31 December 2023), a net decrease of € 92,525 thousand with respect to 31 December 2023.

The item IFRS Assets, consisting mainly of Brand, Software and Customer Relationship, originates from the Purchase Price Allocation ("PPA") process carried out in February 2021 following the acquisition of the TeamSystem Group and then increased over the years as a result of the price allocation processes on the acquisition of subsidiaries. In the Change in consolidation area column, the amounts related to “Customer Relationship IFRS” and “Software IFRS” arise from the identification and subsequent fair value measurement of these intangible assets in connection with the 2024 acquisitions of the following companies:

- Gruppo Clementine: € 13.6 million in Software IFRS;
- DistritoK: € 5.4 million in Software IFRS and € 32.6 million in Customer Relationship IFRS.

As regards capitalised development costs recognised in 2024 of € 35,612 thousand, the main investment components relate to development costs capitalised by TeamSystem S.p.A. in 2024. In particular, capitalised personnel costs amount to € 28,624 thousand, while capitalised service costs total € 6,988 thousand. The main projects to which these capitalisations refer are related to the development of the following software: TS Enterprise, TS Digital, STR Construction, TS Studio – tax and accounting, Mikro V17 and Zirve Desktop.

13. RIGHT-OF-USE

This comprises the present value of future payments for the right to use leased assets arising from the application of IFRS 16 as follows:

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	(Amortization)	31 Dec 2024
Buildings - Right of use	19,290	3,570	10,199	(2,168)	(6,234)	24,657
Other assets - Right of use	8,536	406	7,708	(262)	(5,415)	10,974
Total	**27,826**	**3,976**	**17,908**	**(2,430)**	**(11,650)**	**35,631**

Right-of-use assets amount to € 35,631 thousand at 31 December 2024.

Assets held under lease consist of:

- Buildings of € 24,657 thousand, relating to the operational premises of the Group companies and corporate accommodation used by certain Group employees, the total balance of which increased by € 5,367 thousand at 31 December 2024 with respect to 31 December 2023 (€ 19,290 thousand) due to the combined effect of changes to the scope of consolidation (€ 3,570 thousand), depreciation (€ 6,234 thousand), additions (€ 10,199 thousand) and other movements and disposals (€ 2,168 thousand) during the period.
- Other assets of € 10,974 thousand relating mainly to company cars.

The contracts subject to IFRS 16 do not contain any significant renewal clauses, variable lease payments, restrictions or covenants, and there have been no leaseback transactions.

The impacts on profit or loss related to the values of right-of-use assets for leased assets are as follows:

- depreciation of right-of-use assets: € 11,650 thousand
- interest expense on lease liabilities: € 1,319 thousand

The lease liability represents the financial obligation associated with the recognition of leases in accordance with IFRS 16.

14. GOODWILL

Euro thousands

	Restated 31 Dec 2023	CSP Business Unit	Change in cons. area	Disposals	Other movements	31 Dec 2024
CGU - DIGITAL FINANCE	126,476		23,875	(6)		150,344
CGU - MICRO	763,710		85,827	(14)	25,464	874,987
CGU - HR	121,185	(121,176)		(9)		
CGU - CSP		130,798	697			131,495
CGU - PROFESSIONAL	583,617		20,870	(270)		604,217
CGU - ENTERPRISE	454,223		27,899	(649)	98	481,572
CGU - MARKET SPECIFIC SOLUTIONS	76,448	(9,622)		(3)		66,824
Total	**2,125,660**		**159,169**	**(951)**	**25,561**	**2,309,439**

The Goodwill balance relates to the amount recognised from the acquisition of TeamSystem Group in February 2021 by investment funds managed by the international private equity firm Hellman & Friedman. This Goodwill then increased as a result of goodwill arising in connection with other acquisitions of subsidiaries. Goodwill consists of the excess consideration paid for the above acquisitions, over the fair value of the assets acquired and the liabilities assumed and has been allocated to the CGUs identified by the Group.

As established by IFRS 3, following the completion of accounting activities related to the fair value assessments of acquired assets and assumed liabilities, and the consequent retrospective adjustment of values, goodwill as of 31 December 2023 has been restated for an amount of € 14,005 thousand. In particular, the retrospective adjustment is attributable to the identification and fair value assessment of the assets and liabilities of the following companies: Datamedia, Bellachioma System, TC Informatica, Soluzioni Informatiche, Rean.

In 2024, the Group also implemented a minor change to its operating segments, transferring "Trust" products from the "Market Specific Solutions" business to the "HR" business unit. The new business unit resulting from this reorganisation has been named "**Cross Segment Products**." Following this organisational change, the Group has accordingly reclassified the portion of Goodwill related to "Trust" products from the Market Specific Solutions ("MSS") CGU to the resulting Cross Segment Products ("CSP") CGU.

The Other movements in goodwill also include variations in amounts due to exchange rate fluctuations, while the increase in goodwill (€ 159,169 thousand) relates to the companies acquired by the Group during the 2024 financial year, as listed below:

- business units contributed to TeamSystem 12 (B&T Software & Service S.n.c.; 2K Soft S.r.l. Slware S.r.l.; Next S.r.l.; Nordest Informatica S.r.l.; Giesse Dati S.r.l.; Zuffellato Technologies S.r.l.; L'informatica S.r.l.; Isigest S.r.l. Flor Informatica S.r.l. SI.EL.CO. S.r.l.) for an amount equal to € 25,909 thousand (final allocation);
- Innova business unit contributed to Greenext, for € 3,914 thousand (provisional allocation);
- acquisition of Pentaedro, for € 10,547 thousand (provisional allocation);
- acquisition of Netfintech (and its subsidiary Change Capital) for an amount of € 23,764 thousand (provisional allocation);

The results of the impairment tests conducted did not provide any indication of impairment at 31 December 2024.

The Group also performed sensitivity analysis by applying different assumptions for the determination of WACC and g rate parameters. The results of this analysis are set out below:

Euro million

CGU - DIGITAL FINANCE Cover Impairment Sensitivity		**WACC**				
		7.9%	**8.4%**	**8.9%**	**9.4%**	**9.9%**
	1.0%	28.3	11.0	(4.1)	(17.3)	(29.1)
	1.5%	44.4	24.7	7.7	(7.2)	(20.2)
G RATE	**2.0%**	63.1	40.5	**21.1**	4.4	(10.2)
	2.5%	85.4	58.9	36.6	17.6	1.2
	3.0%	112.2	80.9	54.8	32.9	14.2

Euro million

CGU - MICRO Cover Impairment Sensitivity		**WACC**				
		8.1%	**8.6%**	**9.1%**	**9.6%**	**10.1%**
	1.0%	1,952.0	1,740.9	1,556.0	1,392.7	1,247.5
	1.5%	2,145.4	1,906.2	1,698.6	1,516.8	1,356.3
G RATE	**2.0%**	2,370.2	2,096.5	**1,861.3**	1,657.2	1,478.4
	2.5%	2,635.1	2,317.7	2,048.5	1,817.3	1,616.6
	3.0%	2,951.5	2,578.3	2,266.3	2,001.6	1,774.2

Euro million

CGU - CSP Cover Impairment Sensitivity		**WACC**				
		7.6%	**8.1%**	**8.6%**	**9.1%**	**9.6%**
	1.0%	172.5	143.5	118.3	96.3	76.8
	1.5%	199.7	166.5	138.0	113.3	91.6
G RATE	**2.0%**	231.8	193.3	**160.7**	132.7	108.4
	2.5%	270.1	224.9	187.1	155.0	127.4
	3.0%	316.8	262.6	218.1	180.9	149.4

Euro million

CGU - PROFESSIONAL Cover Impairment Sensitivity		**WACC**				
		7.6%	**8.1%**	**8.6%**	**9.1%**	**9.6%**
	1.0%	639.2	532.4	439.6	358.3	286.5
	1.5%	739.4	617.1	512.0	420.8	340.8
G RATE	**2.0%**	857.3	715.6	**595.3**	492.0	402.3
	2.5%	998.2	831.6	692.3	574.0	472.5
	3.0%	1,169.6	970.3	806.4	669.4	553.2

Euro million

CGU - ENTERPRISE Cover Impairment Sensitivity		**WACC**				
		7.6%	**8.1%**	**8.6%**	**9.1%**	**9.6%**
	1.0%	168.0	105.8	51.9	4.6	(37.1)
	1.5%	226.5	155.3	94.2	41.1	(5.4)
G RATE	**2.0%**	295.3	212.8	**142.8**	82.7	30.5
	2.5%	377.5	280.5	199.4	130.6	71.5
	3.0%	477.6	361.4	266.0	186.2	118.6

Euro million

CGU - MARKET SPECIFIC SOLUTIONS Cover Impairment Sensitivity		WACC				
		7.6%	8.1%	8.6%	9.1%	9.6%
G RATE	1.0%	15.9	4.5	(5.5)	(14.2)	(21.9)
	1.5%	26.6	13.5	2.3	(7.5)	(16.1)
	2.0%	39.2	24.1	11.2	0.1	(9.5)
	2.5%	54.3	36.5	21.5	8.9	(2.0)
	3.0%	72.6	51.3	33.7	19.1	6.6

The impairment test models, as well as the financial data contained therein and the related results, were approved by the Board of Directors of TeamSystem Holdco S.p.A. on 28 March 2025, in accordance with the guidelines contained in joint document No. 4 of March 2010 issued by ISVAP, Bank of Italy and Consob.

As a result of the uncertainty caused by the ongoing conflict between Russia and Ukraine (further compounded, as of February 2025, by uncertainties arising from potential import tariffs in the United States) there may be impacts on the estimates used by management in preparing the impairment test as of 31 December 2024. These could include, for example, assumptions related to expected cash flows, applied discount rates, and the growth rate ("g rate") used, among others.

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 caused by the ongoing armed conflicts and tariff uncertainties.

15. ALLOCATION OF GOODWILL - RESTATEMENT OF 2023 GOODWILL and COMPANIES ACQUIRED IN 2024

►Restatement of 2023 Goodwill

In 2024, the purchase price allocation processes were finalised for the acquisitions completed in 2023 of the following companies:

- Bellachioma System
- Datamedia
- Rean
- TC Informatica
- Soluzioni Informatica

As a result of the finalisation of the purchase price allocation for these companies, total goodwill increased from €2,139,665 thousand (31 December 2023) to € 2,125,600 thousand (31 December 2023 restated), with goodwill decreasing by € 14,005 thousand as a result of the allocations.
As required by IFRS 3, the values presented above have been reflected retrospectively from the acquisition date, resulting in the modification and integration of the amounts that had been provisionally included in the consolidated financial statements for the year ended 31 December 2023.

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

Bellachioma Systems

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Bellachioma Systems S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of Bellachioma Systems, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024.
The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION BELLACHIOMA SYSTEM ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	5	5	0
Intangible assets	1	1	0
Deferred tax assets	34	1	33
TOTAL NON CURRENT ASSETS	**40**	**7**	**33**
Trade receivables	991	1,128	(136)
Tax receivables	24	24	0
Other receivables - current	217	217	0
Cash and bank balances	1,174	1,174	0
TOTAL CURRENT ASSETS	**2,406**	**2,542**	**(136)**
TOTAL ASSETS	**2,446**	**2,549**	**(104)**

Euro thousands

STATEMENT OF FINANCIAL POSITION BELLACHIOMA SYSTEM LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**1,586**	**1,689**	**(104)**
Staff leaving indemnity	125	125	0
TOTAL NON CURRENT LIABILITIES	**125**	**125**	**0**
Trade payables	517	517	0
Provisions for risks and charges - current	96	96	0
Tax liabilities - current	0	0	0
Other liabilities - current	121	121	0
TOTAL CURRENT LIABILITIES	**735**	**735**	**0**
TOTAL LIABILITIES	**860**	**860**	**0**
TOTAL EQUITY AND LIABILITIES	**2,446**	**2,549**	**(104)**

Datamedia

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Datamedia S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of Datamedia, 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 presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION DATAMEDIA ASSETS	PPA final balances	NOTES
Deferred tax assets	25	
TOTAL NON CURRENT ASSETS	**25**	
Trade receivables	1,032	
Other receivables - current	20	
Other financial assets - current	358	
Cash and bank balances	309	
TOTAL CURRENT ASSETS	**1,718**	
TOTAL ASSETS	**1,743**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION DATAMEDIA EQUITY AND LIABILITIES	PPA final balances	NOTES
Share capital	0	
Other reserves	(79)	
Retained earnings (accumulated losses)	466	
Profit (Loss) attributable to Owners of the Company	0	
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	**387**	
Non controlling interests - Capital and reserves	0	
Non controlling interests - Profit (Loss)	0	
TOTAL NON CONTROLLING INTERESTS	**0**	
TOTAL EQUITY	**387**	
Staff leaving indemnity	71	
TOTAL NON CURRENT LIABILITIES	**71**	
Financial liabilities with banks and other institutions - current	16	
Trade payables	150	
Tax liabilities - current	201	
Other liabilities - current	918	
TOTAL CURRENT LIABILITIES	**1,285**	
TOTAL LIABILITIES	**1,356**	**B**
TOTAL EQUITY AND LIABILITIES	**1,743**	
Fair Value of acquired net assets	**387**	**C = A - B**
Cost of the investment	**2,104**	**D**
Final Goodwill IFRS 3	**1,716**	**E = D - C**

Goodwill that emerged as a result of the above transaction accounting was allocated € 0.9 million to the “Enterprise” CGU, € 0.7 million to the “Professional” CGU and € 0.1 million to the “Micro” CGU.

Details of the main changes in the final allocation of Datamedia's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

Euro thousands

STATEMENT OF FINANCIAL POSITION DATAMEDIA ASSETS	PPA final balances	PPA provisional balances	Changes
Deferred tax assets	25		25
TOTAL NON CURRENT ASSETS	**25**	**0**	**25**
Trade receivables	1,032	1,136	(104)
Other receivables - current	20	20	0
Other financial assets - current	358	358	0
Cash and bank balances	309	309	0
TOTAL CURRENT ASSETS	**1,718**	1,822	**(104)**
TOTAL ASSETS	**1,743**	**1,822**	**(79)**

Euro thousands

STATEMENT OF FINANCIAL POSITION DATAMEDIA LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**387**	**466**	**(79)**
Staff leaving indemnity	71	71	0
TOTAL NON CURRENT LIABILITIES	**71**	**71**	**0**
Financial liabilities with banks and other institutions - current	16	16	0
Trade payables	150	150	0
Tax liabilities - current	201	201	0
Other liabilities - current	918	918	0
TOTAL CURRENT LIABILITIES	**1,285**	**1,285**	**0**
TOTAL LIABILITIES	**1,356**	**1,356**	**0**
TOTAL EQUITY AND LIABILITIES	**1,743**	**1,822**	**(79)**

Rean

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Rean S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of Rean, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024.

The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION REAN ASSETS	PPA final balances	NOTES
Tangible assets	12	
Intangible assets	20,078	
TOTAL NON CURRENT ASSETS	**20,090**	
Trade receivables	790	
Other receivables - current	24	
TOTAL CURRENT ASSETS	**814**	
TOTAL ASSETS	**20,904**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION REAN EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	**12,248**	
Staff leaving indemnity	974	
Deferred tax liabilities	5,600	
TOTAL NON CURRENT LIABILITIES	**6,574**	
Trade payables	63	
Tax liabilities - current	282	
Other liabilities - current	1,737	
TOTAL CURRENT LIABILITIES	**2,082**	
TOTAL LIABILITIES	**8,656**	**B**
TOTAL EQUITY AND LIABILITIES	**20,904**	
Fair Value of acquired net assets	**12,248**	**C = A - B**
Cost of the investment	**22,157**	**D**
Final Goodwill IFRS 3	**9,909**	**E = D - C**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 4 million to the “Enterprise” CGU, € 5 million to the “Professional” CGU, € 0.7 million to the “Micro” CGU, € 0.1 million to the “Digital Finance” CGU, € 0.1 million to the “Market Specific Solutions” CGU, and € 0.1 million to the “Cross Segment Products” CGU.

Details of the main changes in the final allocation of Rean's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

Euro thousands

STATEMENT OF FINANCIAL POSITION REAN ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	12	12	0
Intangible assets	20,078	8	20,070
TOTAL NON CURRENT ASSETS	**20,090**	**20**	**20,070**
Trade receivables	790	790	0
Other receivables - current	24	24	0
TOTAL CURRENT ASSETS	**814**	**814**	**0**
TOTAL ASSETS	**20,904**	**834**	**20,070**

Euro thousands

STATEMENT OF FINANCIAL POSITION REAN LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	12,248	(2,021)	14,269
Staff leaving indemnity	974	974	0
Deferred tax liabilities	5,600		5,600
TOTAL NON CURRENT LIABILITIES	6,574	974	5,600
Trade payables	63	63	0
Tax liabilities - current	282	282	0
Other liabilities - current	1,737	1,535	201
TOTAL CURRENT LIABILITIES	2,082	1,881	201
TOTAL LIABILITIES	8,656	2,855	5,801
TOTAL EQUITY AND LIABILITIES	20,904	834	20,070

TC Informatica

In November 2023, TeamSystem S.p.A. acquired a 100% controlling interest in TC Informatica S.r.l., a TeamSystem software dealer.
The purchase price allocation recognised for the acquisition of TC Informatica, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024.
The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION TC INFORMATICA ASSETS	PPA final balances	NOTES
Deferred tax assets	20	
Trade receivables	195	
Tax receivables	2	
Other receivables - current	12	
Cash and bank balances	62	
TOTAL CURRENT ASSETS	272	
TOTAL ASSETS	292	A

Euro thousands

STATEMENT OF FINANCIAL POSITION TC INFORMATICA EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	(355)	
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	292	

Fair Value of acquired net assets	**(355)**	**C = A - B**
Cost of the investment	**1,314**	**D**
Final Goodwill IFRS 3	**1,669**	**E = D - C**

The goodwill that emerged as a result of the above transaction accounting was allocated € 1.2 million to the "Professional" CGU, € 0.4 million to the "Micro" CGU, and € 0.1 million to the "Digital Finance" CGU.

Details of the main changes in the final allocation of TC Informatica's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

Euro thousands

STATEMENT OF FINANCIAL POSITION TC INFORMATICA ASSETS	PPA final balances	PPA provisional balances	Changes
Deferred tax assets	20		20
TOTAL NON CURRENT ASSETS	**20**	**0**	**20**
Trade receivables	195	277	(82)
Tax receivables	2	2	0
Other receivables - current	12	12	0
Cash and bank balances	62	62	0
TOTAL CURRENT ASSETS	**272**	**354**	**(82)**
TOTAL ASSETS	**292**	**354**	**(62)**

Euro thousands

STATEMENT OF FINANCIAL POSITION TC INFORMATICA LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**(355)**	**(293)**	**(62)**
Staff leaving indemnity	30	30	0
TOTAL NON CURRENT LIABILITIES	**30**	**30**	**0**
Financial liabilities with banks and other institutions - current	94	94	0
Trade payables	469	469	0
Tax liabilities - current	4	4	0
Other liabilities - current	50	50	0
TOTAL CURRENT LIABILITIES	**617**	**617**	**0**
TOTAL LIABILITIES	**647**	**647**	**0**
TOTAL EQUITY AND LIABILITIES	**292**	**354**	**(62)**

Soluzioni Informatiche

In December 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Soluzioni Informatiche S.r.l., a TeamSystem software dealer.
The purchase price allocation recognised for the acquisition of Soluzioni Informatiche, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024.
The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION SOLUZIONI INFORMATICHE ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	8	8	0
Deferred tax assets	6		6
TOTAL NON CURRENT ASSETS	**14**	**8**	**6**
Trade receivables	254	280	(26)
Other receivables - current	37	37	0
Cash and bank balances	381	381	0
TOTAL CURRENT ASSETS	**672**	**698**	**(26)**
TOTAL ASSETS	**687**	**706**	**(20)**

Euro thousands

STATEMENT OF FINANCIAL POSITION SOLUZIONI INFORMATICHE LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**315**	**335**	**(20)**
Staff leaving indemnity	16	16	0
TOTAL NON CURRENT LIABILITIES	**16**	**16**	**0**
Financial liabilities with banks and other institutions - current	153	153	0
Trade payables	109	109	0
Tax liabilities - current	27	27	0
Other liabilities - current	67	67	0
TOTAL CURRENT LIABILITIES	**356**	**356**	**0**
TOTAL LIABILITIES	**371**	**371**	**0**
TOTAL EQUITY AND LIABILITIES	**687**	**706**	**(20)**

□ □ □

16. INVESTMENTS IN OTHER COMPANIES AND INVESTMENTS IN ASSOCIATES

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	(Write-downs)	Additions	Other movements and disposals	31 Dec 2024
Investments in Associates	868		(26)	1,124	(408)	1,558
Other Investments	523	1			(211)	313
Total	**1,391**	**1**	**(26)**	**1,124**	**(619)**	**1,871**

As of 31 December 2024, the balance of investments in Other companies and Investments accounted for using the equity method amounts to € 1,871 thousand. The increases recorded in 2024 primarily relate to the purchase of 40% of the share capital in the associate Deliverart and the purchase of 49% of the share capital in the associate Macrogroup.

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets

Euro thousands

DEFERRED TAX ASSETS	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
IFRS 16 - Right of use assets	77	27	49	n.s.
Tax step-up of goodwill	3,382	3,900	(518)	-13.28%
Intangible assets - PPA	174		174	
Other tangible/intangible assets	112	49	63	n.s.
Provision for bad-debts	6,216	5,379	838	15.6%
Provision for litigations and other provisions	1,442	1,029	413	40.1%
Provision for slow-moving inventories	232	220	12	5.6%
Capitalized development costs	724	569	155	27.3%
Deferred revenues / Prepaid expenses	3,083	1,840	1,243	67.5%
Tax Losses brought forward	2,283	3,089	(806)	-26.1%
IAS 29 Hyperinflation	36	100	(65)	-64.6%
Other items	17	494	(477)	-96.5%
Total	**17,779**	**16,698**	**1,031**	**6.18%**

Deferred tax assets at 31 December 2024 amounted to € 17,779 thousand (€ 16,698 thousand, at 31 December 2023). The Deferred tax assets mainly relate to the tax relief on goodwill values, provisions for the allowance for doubtful accounts, and other provisions for risks and charges that are not recognised for tax purposes. These deferred tax assets are not subject to any maturity or expiration.

TeamSystem S.p.A. did not recognise deferred tax assets on the interest expense exceeding gross operating income (GOI) and therefore it was not deducted for tax purposes. The potential deferred tax asset relating to the foregoing amounts to around € 51,228 thousand at 31 December 2024.

In addition to the above, the Group did not recognise deferred tax assets (amounting to € 3,990 thousand at 31 December 2024) on the differences in depreciation rates on Brands that were subject to a tax revaluation in 2021 in accordance with Decree Law No. 104 of 14 August 2020.

Deferred tax liabilities

Euro thousands

DEFERRED TAX LIABILITIES	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Intangible assets - PPA	277,843	313,438	(35,596)	-11.4%
Other tangible/intangible assets	327	687	(359)	-52.3%
Capitalized development costs	1,858	1,315	543	41.2%
Staff leaving indemnity - actuarial valuation	512	214	298	n.s.
Other items	164	180	(16)	-9.0%
Total	**280,704**	**315,835**	**(35,131)**	**-11.12%**

Deferred tax liabilities at 31 December 2024 amounted to € 280,704 thousand. (€ 315,835 thousand at 31 December 2023).

The Deferred tax liabilities are almost entirely related to the valuation of intangible assets (Software, Brand, Customer relationships, and Other IFRS assets) identified during the purchase price allocation process in relation to:

- the extraordinary "change of control" transaction that involved the TeamSystem Group in 2021;
- price allocations resulting from subsequent acquisitions made by the TeamSystem Group.

18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Euro thousands

	Current	Non Current	31 Dec 2024 Total	Current	Non Current	Restated 31 Dec 2023 Total
Bank accounts and post office	167,498		167,498	46,631		46,631
Cash and bank balances	31		31	64		64
Total Cash and bank balances	**167,529**	**0**	**167,529**	**46,695**	**0**	**46,695**
Loans	2,222	-	2,222	2,129	-	2,129
Derivative instruments - assets	6,655	-	6,655	-	18,075	18,075
Others financial accruals	590	-	590	619	-	619
Accruals and prepaid commissions	53	-	53	39	-	39
Other financial assets	1,258	6,512	7,770	2,869	5,925	8,795
Total Other financial assets	**10,778**	**6,512**	**17,290**	**5,657**	**24,000**	**29,657**
Loans with banks	(844)	(2,022)	(2,866)	(2,286)	-	(2,286)
Finance leases liabilities	(10,716)	(26,096)	(36,812)	(8,728)	(20,613)	(29,341)
Notes	(27,991)	(2,150,000)	(2,177,991)	(32,405)	(1,830,000)	(1,862,405)
Financial liabilities with other institutions	(2,575)	-	(2,575)	(2,500)	-	(2,500)
Dividends to be paid	(40)	-	(40)	(40)	-	(40)
Total Financial liabilities	**(42,166)**	**(2,178,118)**	**(2,220,283)**	**(45,959)**	**(1,850,613)**	**(1,896,572)**
Financing Fees - notes	-	35,090	35,090	-	42,688	42,688
Financing Fees - banks	-	3,803	3,803	-	2,347	2,347
Total Financing Fees	**0**	**38,893**	**38,893**	**0**	**45,035**	**45,035**
Liabilities to non controlling shareholders of subsidiaries	(112,676)	(95,123)	(207,799)	(90,023)	(113,842)	(203,865)
Commissions financial liabilities	(270)	-	(270)	(156)	-	(156)
Other financial accruals	(6)	-	(6)	(0)	-	(0)
Cash pooling liabilities	(785)	-	(785)	0	-	0
Total Other financial liabilities	**(113,737)**	**(95,123)**	**(208,860)**	**(90,179)**	**(113,842)**	**(204,021)**
Total	**22,404**	**(2,227,836)**	**(2,205,432)**	**(83,786)**	**(1,895,420)**	**(1,979,207)**

■Lease liabilities

The financial debt for leases at 31 December 2024 amounted to € 36,812 thousand. This liability reflects the financial liability recognised as a result of accounting for leases under IFRS 16.

■2028 Fixed Rate Notes, 2028 Floating Rate Notes, 2029 PIYW PIK Toggle Notes and 2032 PIYW PIK Toggle Notes

To finance the acquisition of the TeamSystem Group, in February 2021, **Brunello Bidco S.p.A. ("Issuer SSN")** issued:

- senior secured fixed rate notes (ISIN XS2295691476 - XS2295690742) with a total nominal value of € 300 million maturing on 15 February 2028 ("**2028 Fixed Rate Notes**"). The 2028 Fixed Rate Notes bear interest at a fixed rate of 3.50%, payable semi-annually in arrears on 15 April and 15 October, starting from 15 October 2021.
- senior secured floating rate notes (ISIN XS2295692102 - XS2295691633) with a total nominal value of € 850 million maturing on 15 February 2028 ("**2028 Floating Rate Notes**"). The 2028 Floating Rate Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus an annual spread of 3.75%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October, starting from 15 July 2021.

Both the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

The merger between Brunello Bidco S.p.A., Barolo Luxco 1 S.p.A., TeamSystem Holding S.p.A. and TeamSystem S.p.A. was completed on 26 October 2021 ("Merger Date"). The surviving company from the above-mentioned merger is TeamSystem S.p.A., which, by virtue of the merger and from the Merger Date, assumed all obligations of the Issuer SSN in relation to the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes.

Brunello Midco 2 S.p.A. ("**PIK Issuer**"), which changed its company name to TeamSystem Holdco 3 S.p.A. with effect from 17 December 2021, issued:

- Senior Floating Rate Pay-If-You-Want PIK toggle notes (ISIN: IT0005434441) with a total nominal value of € 300 million, which were amended on 5 October 2023, maturing on 15 December 2029 (as amended from time to time "**2029 PIYW PIK Toggle Notes**"). The PIYW PIK Toggle Notes 2029 allowed the PIK Issuer to pay interest in cash (6-month Euribor with a 0.00% floor, plus 8.00% annually) or in kind (6-month Euribor with a 0.00% floor, plus 8.75% annually), or a combination of both, at the discretion of the PIK Issuer. The 2029 PIYW PIK Toggle Notes are payable semi-annually in arrears every 15 April and 15 October, commencing 15 October 2021.

- Senior Floating Rate Pay-If-You-Want PIK toggle notes (ISIN: IT0005619686) with a total nominal value of € 300 million, maturing on 18 November 2032 (the "**2032 PIYW PIK Toggle Notes**"). The PIK Issuer pays interest on the PIK Toggle Notes 2032 in cash (6-month Euribor with a 0.00% floor), plus a cash margin (calculated based on the consolidated net leverage ratio of the PIK Issuer), or in kind (6-month Euribor with a 0.00% floor), plus a cash margin (calculated based on the consolidated net leverage ratio of the PIK Issuer), or a combination of both, at the discretion of the PIK Issuer. The 2032 PIYW PIK Toggle Notes accrue semi-annual interest payable on the third business day following 15 April and 15 October each year.

The 2029 PIYW PIK Toggle Notes were redeemed and delisted from the multilateral trading system of the Vienna Stock Exchange on 19 November 2024.

The 2032 PIYW PIK Toggle Notes are listed on the multilateral trading system of the Vienna Stock Exchange.

The fees and costs incurred for the issuance of the 2028 Fixed Rate Notes, the 2028 Floating Rate Notes, and the 2032 PIYW PIK Toggle Notes have been accounted for as Financing Fees and amortised on a pro-rata basis over the contractual term of the respective series of Notes.

TeamSystem S.p.A. issued:

- On 6 October 2022, senior secured floating rate notes (ISIN XS2533816042 - XS2533896721) were issued with a total nominal value of € 185 million, maturing on 15 February 2028 ("**2028 Private Notes**"). The 2028 Private Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus a spread of 6.25%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October each year, starting from 15 July 2023.
- On 5 October 2023, senior secured floating rate notes (ISIN XS2689127897 - XS2689129752) were issued with a total nominal value of € 195 million, maturing on 5 October 2030 ("**2030 Private Notes**"). The 2030 Private Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus a spread of 5.50%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October each year, starting from 15 January 2024.
- On 29 July 2024, senior secured floating rate notes (ISIN XS2864287540 - XS2864287466) were issued with a total nominal value of € 700 million, maturing on 31 July 2031 (the "**2031 Notes**" and, together with the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes, the "**TeamSystem Notes**"). The 2031 Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus a spread of 3.50%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October each year, starting from 15 October 2024.

The 2028 Private Notes and the 2030 Private Notes were redeemed on 30 July 2024 and 5 October 2024, respectively.

The fees and costs incurred for the issuance of the 2028 Fixed and Floating Notes and the 2031 Notes have been accounted for as Financing Fees and amortised on a pro-rata basis over the contractual term of the respective series of Notes.

<u>**Collateral**</u>
The obligations arising from the **TeamSystem Notes** and the **RCF**, as modified and amended by the **RCF Amendment** (as described below), are secured by the following guarantees:
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;
- a pledge on the Italian bank accounts of TeamSystem S.p.A., originally granted on 12 November 2021 and confirmed and extended from time to time.

The obligations arising from the **2032 PIYW PIK Toggle Notes** are secured by the following guarantees:

- a pledge on the entire share capital of the PIK Issuer, granted on 18 November 2024;
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;

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.

Revolving Credit Facility

On 27 January 2021, Brunello Bidco S.p.A. (now merged into TeamSystem S.p.A.) negotiated a revolving credit facility ("**RCF**") with a principal amount of € 180 million and a maturity date of 18 August 2027. The surviving company following the merger is TeamSystem S.p.A., which, as a result of the merger and from the Merger Date, assumed all the obligations of Brunello Bidco S.p.A. regarding the RCF.

In connection with the issuance of the 2031 Notes, in July 2024, certain lenders affiliated with the initial purchasers of the 2031 Notes entered into an amendment and restatement agreement for the revolving credit facility (the "**RCF Amendment**"). Under this agreement, the total commitments under the RCF were increased from € 180.0 million to € 300.0 million, and the maturity date was extended to the earlier of (x) 31 January 2031 and (y) the date falling six months prior to the maturity of the 2031 Notes, subject to certain provisions related to early maturity. Furthermore, under the RCF Amendment, the interest rate payable on the RCF is equal to the Euro Interbank Offered Rate (Euribor) for euro-denominated loans, the compounded Sterling Overnight Index Average (SONIA) rate for loans denominated in British pounds, and the Term Secured Overnight Financing Rate (Term SOFR) for loans denominated in US dollars, as applicable, with a floor of 0.00%, plus a spread, calculated quarterly based on certain contractual parameters.

The costs incurred for obtaining the RCF have been accounted for as financing fees and are amortised on a straight-line basis over the contractual term of the credit facility.

Interest Rate Swaps – Financial derivative assets / liabilities

With the aim of reducing the risk of market interest rate fluctuations associated with the Floating Rate Notes, in April 2022, TeamSystem S.p.A. entered into two interest rate swap contracts with a total notional amount of € 700 million and with a termination date of 15 December 2025. The change in fair value of the interest rate swaps has been recognised in profit or loss for the year ended 31 December 2024.

Euro Million

Risk Hedged	Hedged item	Company	Notional	Fair value 31 Dec 2024
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	425.0	4.0
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	275.0	2.6
Total			**700.0**	**6.7**

■Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 208,424 thousand at 31 December 2024) relate to put and call options and/or earn-outs and/or deferred compensation due to non-controlling interest holders of certain consolidated subsidiaries. The most significant liabilities relate to the following companies: Mikro, My Expenses, Netfintech, Readytec (just to name the main ones).

Changes in the balance of Liabilities to non-controlling shareholders of subsidiaries in 2024 are summarised below.

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	Interest	Revaluations	Write-downs	Payments	31 Dec 2024
Liabilities to non controlling shareholders of	203,865	39,684	12,528	87,365	(7,546)	(128,096)	207,799
Total	**203,865**	**39,684**	**12,528**	**87,365**	**(7,546)**	**(128,096)**	**207,799**

The liabilities to non-controlling shareholders of subsidiaries paid in 2024 amount to € 128,096 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Modefinance, Logical Soft, Microntel, Mikro, Readytec, Sigma.

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 2024 (such as, for example, the plan projections used and the discount rates) may be affected.

19. INVENTORIES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Raw and ancillary materials	417	335	82	24.5%
Finished products and goods	2,793	2,103	689	32.8%
Advances	57	68	(11)	-16.3%
(Allowance for slow-moving inventory)	(1,223)	(770)	(453)	58.8%
Total	**2,043**	**1,736**	**307**	**17.7%**

Inventories amounted to € 2,043 thousand at 31 December 2024 and included hardware products not yet delivered at the reporting date, as well as consumables, accessories, third-party software modules and software licences for resale.

20. TRADE RECEIVABLES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Trade receivables	240,331	224,440	15,891	7.1%
(Allowance for bad debts)	(26,816)	(24,129)	(2,687)	11.1%
Total	**213,516**	**200,311**	**13,204**	**6.6%**

Trade receivables at 31 December 2024 amounted to € 213,516 thousand, net of the allowance for bad debts of € 26,816 thousand.

Movements in the allowance for bad debts in 2024 are summarised below.

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	Other movements	(*) Additions	(*) (Utilisations)	31 Dec 2024
Allowance for bad debts	24,129	465	6	9,045	(6,830)	26,816
Total	**24,129**	**465**	**6**	**9,045**	**(6,830)**	**26,816**

(*) = Credit Losses balance included both in Addition and Utilisation figures

Trade receivables are recorded net of the allowance for bad debts, the balance of which amounted to € 26,816 thousand at 31 December 2024.
The allowance for bad debts at 31 December 2024 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), which took into account:

a) past due receivables, the write-down of which is determined based on a grouping of receivables by ageing class and risk associated with the processing stage of the receivable. This write-down is based both on historical data and on a specific analysis of doubtful accounts;

b) the receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

21. TAX RECEIVABLES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Tax credits	134	141	(8)	-5.3%
Other tax receivables	501	1,023	(522)	-51.0%
Advances and credit on income taxes	693	632	61	9.6%
Total	**1,328**	**1,796**	**(469)**	**-26.1%**

Tax receivables at 31 December 2024 amounted to € 1,328 thousand.

22. OTHER CURRENT RECEIVABLES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
VAT receivables	204	8,380	(8,176)	-97.6%
Deposits	7,843	1,125	6,718	n.s.
Receivables from employees	563	187	376	n.s.
Other receivables - current	40,480	19,024	21,456	n.s.
Accrued income	69	146	(77)	-52.9%
Prepayments	42,280	33,776	8,504	25.2%
Total	**91,439**	**62,638**	**28,801**	**46.0%**

Other current receivables came to € 91,439 thousand at 31 December 2024. The main components that make up this balance are Prepayments (€ 42,280 thousand), which mainly consist of fees for maintenance and support provided by third parties.

Other current receivables mainly relate to advances paid at the end of the 2024 financial year for acquisitions of a number of companies that will be finalised over the course of the 2025 financial year.

23. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY AND TO NON-CONTROLLING INTERESTS

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	**14,597**	**1,210,187**	**(258)**	**(75,295)**	**1,149,231**	**905**	**1,150,137**
Profit (Loss) allocation		(74,982)	(313)	75,295	**0**		**0**
TeamSystem Holdco Capital increase		91			**91**		**91**
Acquisition of Subsidiaries					**0**	20	**20**
Acquisition of minotiry stake in subsidiaries		(826)			**(826)**		**(826)**
Profit (Loss) for the period				(109,408)	**(109,408)**	156	**(109,253)**
Other Profit (Loss) on Comprehensive income		(13,289)			**(13,289)**	0	**(13,289)**
31 Dec 2024	**14,597**	**1,121,181**	**(571)**	**(109,408)**	**1,025,799**	**1,081**	**1,026,880**

Equity attributable to owners of the Parent Company at 31 December 2024 amounted to € 1,026,781 thousand.

Equity attributable to non-controlling interests (€ 1,081 thousand) relates to equity interests held by third parties in Gruppo Euroconference and TeamSystem Capital at Work SGR and the companies of the Clementine Group.

In 2021, the following companies:

- TeamSystem S.p.A.
- Aliaslab S.p.A., (merged into TeamSystem S.p.A. in 2022)
- Madbit Entertainment S.r.l.
- Danea Soft S.r.l.
- Gruppo Euroconference S.p.A.

decided to revalue the tax basis of intangible software and trademark assets in accordance with Decree Law No. 104 of 14 August 2020. This resulted in the generation of equity reserves subject to taxation upon distribution totalling € 160,459 thousand in the companies listed above.

24. STAFF LEAVING INDEMNITY

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	Other movements	Service cost	Interest cost	Actuarial (gain) / loss	(Utilisations)	31 Dec 2024
Staff leaving indemnity	35,943	1,384	(2,925)	1,426	856	(1,235)	(2,985)	32,464
Total	**35,943**	**1,384**	**(2,925)**	**1,426**	**856**	**(1,235)**	**(2,985)**	**32,464**

The liability associated with the staff leaving indemnity at 31 December 2024 amounted to € 32,464 thousand. (€ 35,943 thousand at 31 December 2023).

In accordance with IAS 19, the Staff leaving indemnity is considered a defined benefit plan to be accounted for by applying the "projected unit credit method," which consists of discounting an estimate of the amount to be paid to each employee on termination of their employment and the consequent determination of:

- **initial DBO**, which is the present value of employee service payments expected to be made in the future, already available at the beginning of the period;
- **service cost**, which is the present value of expected future employee service relating to services provided in the current period;
- **interest cost**, which is interest on the provision at the beginning of the period and on corresponding movements in the period being considered;
- **benefits paid and transfers in/out**, representing all payments and transfers in and out relating to the period being considered, being elements that lead to the utilisation of the provision;
- **the actuarial gain/loss**, namely, the actuarial gain/loss relating to the valuation period.

The estimate as of 31 December 2024 was prepared using the following assumptions:

	Other Countries 31 Dec 2024	Turkey 31 Dec 2023
Turnover	4.00%	20.00%
Discount rate	3.38%	0.01%
Anticipation rate	1.00%	0.25%

It should also be noted that, should the annual discount rate change by +/- 0.25%, the staff leaving indemnity would decrease by approximately € 793 thousand (in the event of a 0.25% increase in the discount rate) and increase by approximately € 804 thousand in the event of a 0.25% decrease in the discount rate.

IAS 19 - Employee Benefits requires the recognition of actuarial gains and losses arising from the "remeasurement" of liabilities and assets in the consolidated statement of comprehensive income. Consequently, the amount included in the 2024 consolidated statement of comprehensive income (€ 1,204 thousand) corresponds to the actuarial gains/losses, net of the tax effect.

25. PROVISIONS FOR RISKS AND CHARGES

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	31 Dec 2024
Provision for pension and other obligation	1,671		402	(238)	1,835
Provision for litigations	21,331	741	2,333	(3,648)	20,757
Other provision for risks and charges	2,203		8,439	(6,666)	3,975
Total	**25,204**	**741**	**11,173**	**(10,552)**	**26,567**

Provisions for risks and charges amounted to € 26,567 thousand at 31 December 2024. Its components are as follows:

- The Provision for pensions and similar obligations of € 1,835 thousand, relating mainly to the Provision for agents' indemnity; disbursements are triggered by the termination of agreements with Group companies' agents for reasons not attributable to the companies themselves (death, natural termination of activities and similar circumstances). Accordingly, it is not possible to reliably estimate the timing of disbursements.
- The Provision for litigation, amounting to € 20,757 thousand, mainly related to certain disputes (with social security institutions and tax authorities) as well as to certain liabilities (deemed possible) allocated during the purchase price allocation process of company acquisitions (in accordance with the reference accounting standards, IFRS 3.23) made both by the TeamSystem Group (in connection with the "change of control" transaction that took place in February 2021) and subsequent acquisitions made by the TeamSystem Group. Management is currently unable to estimate when the related cash outflows will occur. The increases to the Provision for litigation and disputes in 2024 mainly refer to outstanding disputes with some customers/suppliers as well as ongoing tax assessments.
  The decreases to the Provision for litigation and disputes in 2024, refer to: 1) the resolution of certain tax disputes (within the framework of a settlement procedure initiated with the competent tax authorities) arising in relation to the tax periods 2016, 2017 and 2018 concerning certain subsidiaries that were later merged into TeamSystem S.p.A.; 2) the release/use of risk provisions following the resolution of disputes that arose in previous years.
- Other provisions for risks and charges amounted to € 3,975 thousand at 31 December 2024, which primarily includes the provision for corporate welfare plans.

26. CURRENT TAX LIABILITIES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Income tax payables	21,109	11,293	9,816	86.92%
Other tax liabilities	128	-	128	0.00%
Total	**21,237**	**11,293**	**9,944**	**88.1%**

Income tax payables, amounting to € 21,237 thousand at 31 December 2024, refer to corporate income tax payables recognised by the individual consolidated companies based on applicable national legislation (since the TeamSystem Group conducts most of its operations in Italy, these tax payables mainly relate to IRES and IRAP taxes).

27. OTHER CURRENT AND NON-CURRENT LIABILITIES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
VAT liabilities	7,047	3,400	3,647	n.s.
Withholdings liabilities	8,715	7,121	1,594	22.4%
Employees payables and Social security liabilities - current	51,239	45,280	5,959	13.2%
Advances	908	639	268	41.9%
Other liabilities	1,915	1,817	98	5.4%
Accrued liabilities	457	426	31	7.3%
Deferred revenues	187,721	154,928	32,793	21.2%
				0.0%
Other current liabilities	**258,003**	**213,612**	**44,391**	**20.78%**
Social security liabilities - non current	290	335	(45)	-13.3%
Other tax liabilities - non current	8	8	-	0.0%
Other non current liabilities	**298**	**342**	**(45)**	**-13.02%**
Total Other liabilities	**258,300**	**213,954**	**44,346**	**20.73%**

Other current and non-current liabilities amounted to € 258,300 thousand at 31 December 2024.

Employee payables and social security liabilities of € 51,239 thousand relate to salaries and 2024 production bonuses (not yet paid at the year end) payable to employees, directors and collaborators, as well as accruals for public holidays and holiday pay, inclusive of related social contributions.

Deferred revenue (€ 187,721 thousand) mainly relates to the portion of software support contract revenue attributable to future financial years, based upon the duration of the underlying contracts.

28. ASSETS AND LIABILITIES HELD FOR SALE

As of 31 December 2024, within the TeamSystem Group, the interest held by TeamSystem S.p.A. in the controlled company Contactlab meets the criteria under IFRS 5 to be classified as held for sale. Consequently, the related assets (for an amount of € 2,812 thousand) and liabilities (for an amount of € 4,470 thousand) of the company have been classified as held for sale.

29. FINANCIAL INSTRUMENTS AND IFRS 7

The Group is exposed to a variety of financial risks that are managed and monitored centrally and which can be categorised as follows:

Foreign exchange risks

As an international organisation, the Group holds assets and conducts business in currencies other than the euro (although not yet to a significant extent) and is therefore exposed to risks arising from changes in exchange rates that could affect its results of operations and the value of its equity. Many of the TeamSystem Group companies are, however, exposed to a limited degree of foreign exchange risk due to the operational management of these companies, whose cash flows (both revenues and costs) are mostly denominated in the same functional currency as the country in which these companies are based. It should be noted that as of September 2023, TeamSystem Group owns Mikro Group, which is based in Turkey, a country experiencing hyperinflation and significant exchange rate fluctuations. However, it is important to mention that Mikro Group primarily conducts trading activity in Turkish lira.

Credit risk

Credit risk is mitigated by the high fragmentation of the customer base and the high degree of customer loyalty. In any case, the customer credit policy, by customer category (resellers and end-users), envisages:
a) the control and assessment of credit standing;
b) the control of the flow of payment collection;
c) taking appropriate action by issuing reminders and by the use of credit collection procedures, including recourse to companies specialised in debt recovery.

The maximum theoretical exposure to credit risk for the Group is represented by the carrying amount of trade receivables as presented in the consolidated financial statements, as well as residual financial receivables recorded in current and non-current financial assets.

The tool used by the Group for the classification and control of trade receivables consists of an Ageing List, in which amounts of overdue receivables are summarised by ageing category, from the most recent (0-30 days) to the oldest (over 180 days).

The amount of the allowance for bad debts at 31 December 2024 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), taking into account both past due receivables, the allowance for which was determined based on a specific analysis of doubtful accounts and receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and the past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

Interest rate risk

TeamSystem Group's financial structure calls for fixed rate debt for the **2028 Fixed Rate Notes** and variable rate debt for the **2028 Floating Rate Notes, 2031 Notes, 2032 PIYW PIK Toggle Notes,** and the **RCF** credit facility.
The yield on the **2028 Floating Rate Notes,** the **2031 Notes** and the **2030 Private Notes** is tied to the 3-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, or to the 6-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, for the **2032 PIYW PIK Toggle Notes**.
Conditions applied to the **RCF** also feature floating interest rates (based on Euribor rates - with a floor of 0.00%) plus a contractually defined spread.

If the interest rates payable on the Notes during 2024 had been 0.5% higher (with respect to the interest rate actually paid over during 2024), the financing costs of the Notes would have been approximately €5.0 million higher; if the interest rates payable on the Notes had been 0.50% lower (with respect to the interest rate actually paid during 2024), the financing costs of the Notes would have been approximately €5.1 million lower for the TeamSystem Group. It should also be noted that the above sensitivity calculation of the financial costs on the Notes took into account interest rate derivative contracts that the Group entered into during 2022. These derivative swap contracts (expiring in December 2025) stipulate that the TeamSystem Group pays a fixed interest rate and receives a variable interest rate based on the 3-month Euribor.

As regards the revolving credit facility, if interest rates payable on the RCF had been 0.5% higher during the course of 2024 (with respect to the interest rate actually paid during the course of 2024), finance costs would have been € 0.1 million higher; on the other hand, if interest rates payable on the RCF had been 0.50% lower (with respect to the interest rate actually paid during the course of 2024), the TeamSystem Group would have incurred around € 0.1 million less in finance costs.

Liquidity risk

The two main factors that determine the dynamics of the Group's liquidity are, on one hand, the resources generated/absorbed by operating and investment activities and, on the other hand, the maturity of financial liabilities.
The following procedures have been adopted to optimise cash flow management and reduce liquidity risk:
- maintenance of an adequate level of available liquidity;
- adoption of Cash-pooling at Group level;
- securing of adequate credit lines;
- monitoring prospective liquidity conditions as part of the corporate planning process.

Despite the Group's high degree of leverage and the uncertain macroeconomic scenarios - including the ongoing Russian-Ukrainian conflict and the conflict between Israel and Hamas - liquidity is not an issue. The RCF facility itself, with a total available amount of € 300 million, remains undrawn at 31 December 2024. The Group has always demonstrated its ability to generate cash and to successfully raise funds in the financial markets.

Set out below are details of the Group's financial assets and liabilities analysed according to the related due dates of the payment outflows. The flows indicated are non-discounted nominal cash flows, determined with reference to the residual contractual maturity for both capital and interest elements for which the interest rates are assumed to have remained unchanged from those in effect.

Euro thousands

	31 Dec 2024	within 12 months	between 1 - 5 years	over 5 years	Total cash flows
FINANCIAL ASSETS					
Loans	2,222	2,222			**2,222**
Derivative instruments - assets	6,655	7,195			**7,195**
Others financial accruals	590	590			**590**
Accruals and prepaid commissions	53	53			**53**
Other financial assets	7,770		7,770		**7,770**
FINANCIAL LIABILITIES					
Loans with banks	(2,866)	(2,866)			**(2,866)**
Finance leases liabilities	(36,812)	(11,752)	(26,788)	(3,492)	**(42,031)**
Notes	(2,177,991)	(130,866)	(1,582,340)	(1,130,871)	**(2,844,077)**
Financial liabilities with other institutions	(2,575)	(2,575)			**(2,575)**
Dividends to be paid	(40)	(40)			**(40)**
Liabilities to non controlling shareholders of subs	(207,799)	(112,846)	(109,706)		**(222,553)**
Commissions financial liabilities	(270)	(270)			**(270)**
Other financial accruals	(6)	6			**6**
Cash pooling liabilities	(785)	(785)			**(785)**
Total	**(2,411,854)**	**(251,934)**	**(1,711,064)**	**(1,134,362)**	**(3,097,360)**

The difference between the amounts reported in the consolidated financial statements and total cash flow is mainly attributable to the computation of interest over the contractual term on amounts due to banks, to noteholders and to liabilities to non-controlling shareholders of subsidiaries.

Financial instruments by category (IFRS 7 paragraph 8)

As required by IFRS 7, paragraph 8, the Group's financial instruments have been identified by asset and liability category with respect to their classification in the statement of financial position.

Euro thousands

	31 Dec 2024	FVTPL	FVTOCI	AC
FINANCIAL ASSETS				
Loans	2,222			2,222
Derivative instruments - assets	6,655	6,655		
Others financial accruals	590			590
Accruals and prepaid commissions	53			53
Other financial assets	7,770	6,511		1,259
Financing Fees	38,893			38,893
Trade receivables	213,516			213,516
Other Equity investments	313	313		
FINANCIAL LIABILITIES				
Loans with banks	(2,866)			(2,866)
Finance leases liabilities	(36,812)			(36,812)
Notes	(2,177,991)			(2,177,991)
Financial liabilities with other institutions	(2,575)			(2,575)
Dividends to be paid	(40)			(40)
Liabilities to non controlling shareholders of subs	(207,799)	(207,799)		
Commissions financial liabilities	(270)			(270)
Other financial accruals	(6)			(6)
Cash pooling liabilities	(785)			(785)
Trade payables	(91,167)			(91,167)
Total	**(2,250,299)**	**(194,320)**		**(2,055,979)**

KEY TO FINANCIAL INSTRUMENT CATEGORIES

FVTPL = **Financial assets and liabilities measured at fair value through profit or loss;**
FVTOCI = **Financial assets and liabilities measured at fair value through other comprehensive income;**
AC = **Financial assets and liabilities measured at amortised cost.**

Considering the characteristics of the financial assets and liabilities recorded in the financial statements and as shown by the above table, the fair value of many of these (current trade receivables and payables and current and non-current financial liabilities) do not differ from their related carrying amounts, with the exception of the **2031 Floating Rate Notes, 2028 Floating Rate Notes** and the **2028 Fixed Rate Notes** for which the market quotation at 31

December 2024 (100,396 for the **2031 Floating Rate Notes,** 100,227 for the **2028 Floating Rate Notes** and 98,254 for the **2028 Fixed Rate Notes**) corresponds to the best estimate of fair value at 31 December 2023.

Fair value hierarchy levels

With regard to financial instruments measured at fair value in the statement of financial position, IFRS 7 requires that such values be classified based on a hierarchy of levels reflecting the significance of the inputs used in the fair value determination. The levels are the following:

- Level 1 - quoted prices in active markets for the assets or liabilities being measured;
- Level 2 - inputs other than those included within Level 1 that are observable in the market, either directly (prices) or indirectly (derived from prices);
- Level 3 - Inputs not based on observable market data.

Euro thousands

	Level 1	Level 2	Level 3	Total
Financial Assets				
Other Equity investments			313	**313**
Derivative instruments - assets		6,655		**6,655**
Other financial assets		6,511		**6,511**
		13,166	**313**	**13,479**
Financial Liabilities				
Liabilities to non controlling shareholders of subs			207,799	**207,799**
			207,799	**207,799**

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 by 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 2024 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 € 7,546 thousand and an increase in their measurement of approximately € 87,365 thousand whereas € 12,528 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 Costs and Note 18 Financial Assets and Financial Liabilities).

Note that the discount rate applied for the measurement of the liabilities to non-controlling shareholders of subsidiaries at 31 December 2024 is that adopted for performing Group impairment tests at 31 December 2024, which is the rate that equates to the cost of debt (gross of the tax effect) of 6.2% at 31 December 2024. This cost of debt is deemed representative of TeamSystem Group's specific credit risk at the financial statement 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.

Euro thousands

Cost of Debt - gross of tax	**5.2%**	**5.7%**	**6.2%**	**6.7%**	**7.2%**
Liabilities to non controlling shareholders of subsidiaries	210,023	208,886	**207,799**	206,647	205,543

Due to the uncertainty caused by the ongoing Russian-Ukrainian conflict and the conflict between Israel and Hamas (to which, starting from February 2025, the potential effects of a trade war resulting from the US decisions on tariffs will be added), it is believed that there could be effects on the estimates used by Management to determine the value of put/call options and earn-out agreements in favour of minority shareholders as of 31 December 2024 (such as, for example, the forecast plans used and the discount rate).

■Lease disclosures

Euro Million

31 Dec 2024	within 12 months	between 1 - 5 years	over 5 years	Total
Leases for operational premises	6.8	19.0	3.5	**29.2**
Leases for motor cars	4.3	7.6		**11.9**
Other leases	0.7	0.2		**0.9**
Total	**11.8**	**26.8**	**3.5**	**42.0**

Other commitments and contingent assets/liabilities

The Group companies, in performing their activities, are exposed to a series of legal and other risks. These risks relate to ongoing legal disputes (the outcome of which cannot be forecast with certainty) or claims made against Group companies to recover damages suffered by third parties. An adverse outcome of these proceedings could lead to the payment of costs not covered (or not fully covered) by insurance with a consequent impact on the financial position.

The Group, in accordance with opinions provided by its legal advisers, has made specific provision as part of the provision for risks and charges (Note 25) for litigation for which it is believed that a disbursement of resources is probable and for which the amount can be reliably estimated. Similarly, when acquiring and subsequently determining the "ppa" related to new companies that have entered the scope, it has recognized where applicable contingent liabilities (mainly tax liabilities) assessed consistently with applicable standards. Based on the available information, there are no additional material possible contingent liabilities that could cause significant outlays for the Group.

31. SUMMARY OF IFRS 12 DISCLOSURE REQUIREMENTS CONCERNING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES WITH MATERIAL NON-CONTROLLING INTERESTS

Investments in associates

As required by IFRS 12, additional information concerning Investments in associates is provided in the table set out below.

Amounts in Euro

CONSOLIDATED COMPANIES EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,948	EUR	35.00		
Cesaco (*) (**)	Vicenza	Italy	90,000	21,121	EUR	48.00		
Logic System SHPK	Tirana	Albania	11,567,500	3,380,765	LEK	35.00	**1**	**18**
Macrogroup S.r.l. (*)	Bologna	Italy	260,000	642,409	EUR	49.00	**1**	**18**
Deliverart S.r.l. (*)	Roma	Italy	24,036	(32,852)	EUR	40.00	**1**	**18**

(*) = carrying values in the financial statements at 31 December 2023.
(**) = company in liquidation
(18) = There are put/call option contracts which allow the TeamSystem Group to reach 100% ownership of the share capital.

Investments in subsidiaries with material non-controlling interests

As required by IFRS 12, a summary is provided below of information concerning the Group's principal subsidiaries with material non-controlling interests. The amounts shown in the following tables are before intercompany eliminations and consolidation entries.

Note that the percentage holding in the subsidiaries is the actual percentage held by the Group at the reporting date, without taking account of the impact of agreements entered into by the Group for the acquisition of non-controlling interests (further details are provided in the paragraphs on "Scope of consolidation" and on "Basis of consolidation").

Euro thousands

GRUPPO EUROCONFERENCE	31 Dec 2024	31 Dec 2023	Change
% Held by Non Controlling Interests	3.13	3.13	0.00
Total Assets	58,303	48,445	9,858
Total Equity	45,027	37,985	7,042
Total Revenue	16,933	15,626	1,307
Profit (Loss) for the year	7,042	5,670	1,372

TRY thousands

MIKRO	31 Dec 2024	31 Dec 2023	Change
% Held by Non Controlling Interests	32.80	48.47	n.a.
Total Assets	4,443,584	1,989,061	2,454,524
Total Equity	2,260,418	932,399	1,328,019
Total Revenue	2,648,624	1,406,809	1,241,816
Profit (Loss) for the year	1,227,805	476,905	750,901

32. TRANSACTIONS WITH RELATED PARTIES, DIRECTORS, STATUTORY AUDITORS AND TOP MANAGEMENT

Emoluments

As required by IAS 24, the table below shows the emoluments payable for the year ended 31 December 2024 to the members of the Board of Directors, to the members of the Board of Statutory Auditors and to the Group's Top Management.

Euro thousands

	31 Dic 2024	31 Dic 2023
Directors	75	75
Statutory Auditors	38	45
Top Management	5,996	6,110

Related companies

TeamSystem Group has not been party to any transactions with related companies that are worth disclosing, other than those previously commented upon.

33. INDEPENDENT AUDITORS

The following table shows the fees received in the 2023 financial year by Deloitte & Touche S.p.A. and the companies belonging to the audit firm's network, categorised by audit engagements and the provision of other services:

Euro thousands

Type of service	Service provider	Recipient	Fee
Audit	Deloitte & Touche SpA	Teamsystem Holdco	74
Audit	Deloitte & Touche SpA	Subsidiaries	480
Other services	Deloitte & Touche SpA	Teamsystem S.p.A.	755
			1,309
Audit	Deloitte & Touche network	Subsidiaries	
Other services	Deloitte & Touche network	Subsidiaries	15
			15

34. DISCLOSURE REQUIRED BY LAW 124 / 2017

Regarding the disclosure requirements introduced by Law 124/2017, in the 2024 financial year, TeamSystem Group did not benefit from any subsidies, economic advantages, grants or aid paid in cash or in kind that was not of a general nature and that did not take the form of consideration, remuneration or compensation except as set forth in the following table.

Please also note that for the details of the State Aid and De-Minimis aid received, which are required to be reported in the National State Aid Register pursuant to Article 52, Law 234/2012, please refer to that register.

Euro

LEGAL ENTITY RECEIVING THE BENEFIT	PROVIDING THE BENEFIT	DESCRIPTION	AMOUNT RECEIVED
Modefinance	University of Venice	Project Delivereem	37,485
Modefinance	University of Venice	Call H2020-LC-SC3-EE-2020-2 TRANSPAREENS	40,612
Bellachioma System	Italian Revenue Agency	IRPEF deductions, car tax and Irap	3,928
Microntel	Italian Revenue Agency	IRAP tax breaks for increasing and stabilizing jobs	1,300

35. SUBSEQUENT EVENTS

■Acquisition / Contribution of business units

TeamSystem 15

In January 2025, the business units of the following companies were contributed to TeamSystem 15 S.r.l.:
Bgest S.r.l.
•Info. Tec. S.r.l. Con socio unico
•Nuova Forum Impresa S.r.l.
•Schiavon Sistemi S.r.l.
•Systematica S.r.l.
•Sistemi&Gestione S.r.l.
•G.S.C. General Systems Cuneo S.r.l.
•Meta Calabria S.r.l.,
•Syscon S.r.l.
•Sistema S.r.l.

Team2000

In January 2025, TeamSystem S.p.A. acquired 100% of the shares of Team Duemila Software S.r.l., a company formed from the partial demerger of Team Duemila S.r.l.. Team2000 is focused on the distribution and commercialization of TS software solutions.

TeamSystem Holdco S.p.A. and subsidiaries "TeamSystem Group"

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	**31 Dec 2023**	**31 Dec 2022**	**NOTES**
Revenue	727,378	563,508	**1 / 2**
Other operating income	5,802	4,670	**1 / 2**
TOTAL REVENUE	**733,180**	**568,178**	**1 / 2**
Cost of raw and other materials	(55,701)	(51,410)	**3**
Cost of services	(177,326)	(139,739)	**4**
Personnel costs	(201,737)	(159,952)	**5**
Other operating costs	(5,132)	(3,882)	**6**
Depreciation and amortization of non current assets	(224,223)	(208,358)	**11 / 12 / 13**
Allowance for bad debts	(7,025)	(5,489)	**20**
Other provisions for risks and charges	(1,949)	(2,413)	**25**
Impairment of non current assets	-	(78,109)	
OPERATING RESULT	**60,087**	**(81,173)**	
Share of Profit (Loss) of associates	42	43	
Finance income	24,727	44,051	**7**
Finance cost	(179,749)	(124,415)	**7**
Monetary Net Gain (Loss)	15,539	0	**8**
PROFIT (LOSS) BEFORE INCOME TAXES	**(79,353)**	**(161,493)**	
Current income tax	(35,366)	(23,600)	**9**
Deferred income tax	39,500	38,555	**9**
TOTAL INCOME TAX	**4,134**	**14,955**	
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(75,219)**	**(146,538)**	
(Profit) Loss - Non controlling interests	**(75)**	**(3)**	
PROFIT (LOSS) - OWNERS OF THE COMPANY	**(75,295)**	**(146,541)**	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Dec 2023	31 Dec 2022	NOTES
CONSOLIDATE PROFIT (LOSS) FOR THE PERIOD	(75,219)	(146,538)	
Actuarial gain (loss) on defined benefit plans	(657)	4,387	24
Tax ffect	123	(1,053)	
OTHER GAIN (LOSS) THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(533)	3,334	
Exchange differences on translating foreign operations	(22,298)	(9)	
OTHER GAIN (LOSS) THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(22,298)	(9)	
TOTAL COMPREHENSIVE INCOME (LOSS)	(98,050)	(143,213)	
Total comprehensive (income) loss - Non controlling interests	(75)	(2)	
TOTAL COMPREHENSIVE INCOME (LOSS) - OWNER OF THE COMPANY	(98,125)	(143,215)	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS	31 Dec 2023	Restated 31 Dec 2022	NOTES
Tangible assets	16,820	16,203	11
Intangible assets	1,328,154	1,315,044	12
Right of use	27,826	24,063	13
Goodwill	2,139,665	1,806,633	14 /15
Other Investments	523	258	16
Investments in associates	868	216	16
Deferred tax assets	16,614	14,712	17
Other financial assets - non current	24,000	31,233	
TOTAL NON CURRENT ASSETS	**3,554,471**	**3,208,361**	
Inventories	1,736	1,111	19
Trade receivables	200,659	146,912	20
Tax receivables	1,796	961	21
Other receivables - current	62,638	37,383	22
Other financial assets - current	5,657	8,301	18
Cash and bank balances	46,695	145,523	
TOTAL CURRENT ASSETS	**319,181**	**340,192**	
TOTAL ASSETS	**3,873,652**	**3,548,553**	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION EQUITY AND LIABILITIES	31 Dec 2023	Restated 31 Dec 2022	NOTES
Share capital	14,597	14,597	23
Other reserves	1,210,187	1,378,765	23
Retained earnings (accumulated losses)	(258)	(236)	23
Profit (Loss) attributable to Owners of the Company	(75,295)	(146,541)	23
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	**1,149,231**	**1,246,585**	
Non controlling interests - Capital and reserves	830	800	23
Non controlling interests - Profit (Loss)	75	3	23
TOTAL NON CONTROLLING INTERESTS	**905**	**803**	
TOTAL EQUITY	**1,150,137**	**1,247,388**	
Financial liabilities with banks and other institutions - non current	1,919,420	1,615,769	18
Staff leaving indemnity	35,943	24,661	24
Provisions for risks and charges - non current	25,204	12,701	25
Deferred tax liabilities	310,235	309,593	17
Other liabilities - non current	342	389	27
TOTAL NON CURRENT LIABILITIES	**2,291,144**	**1,963,113**	
Financial liabilities with banks and other institutions - current	136,138	110,470	18
Trade payables	71,529	67,646	
Tax liabilities - current	11,293	8,928	26
Other liabilities - current	213,410	151,007	27
TOTAL CURRENT LIABILITIES	**432,371**	**338,051**	
TOTAL LIABILITIES	**2,723,515**	**2,301,164**	
TOTAL EQUITY AND LIABILITIES	**3,873,652**	**3,548,553**	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2023	31 Dec 2022	NOTES
Operating Result	**60,087**	**(81,173)**	
Depreciation and amortisation of non-current assets	224,223	208,358	
Write-off of non current assets	0	78,109	
Depreciation and amortisation of non-current assets	**224,223**	**286,467**	
Trade receivables	(30,058)	(18,155)	
Inventories	211	(229)	
Other receivables	(5,328)	(3,790)	
Trade payables	(6,106)	1,668	
Other liabilities	4,486	20,371	
Change in Working capital	**(36,795)**	**(135)**	
Staff leaving indemnity	(1,433)	428	
Provisions for risks and charges	(1,080)	(1,262)	
Change in provisions	**(2,514)**	**(834)**	
Income tax paid	**(33,752)**	**(25,481)**	
CASH FLOWS FROM OPERATING ACTIVITIES	**211,249**	**178,844**	
Investments in tangible assets	(3,205)	(5,353)	
Investments in intangible assets	(15,591)	(13,834)	
Capitalized development costs - personnel costs	(18,858)	(11,946)	
Capitalized development costs - service costs	(4,346)	(5,217)	
Capital Expenditure	**(42,000)**	**(36,350)**	
Disposal of investments	25	0	
Cash and bank balances at the date of disposal	(232)	0	
Disposal of investments	**(207)**	**0**	
Acquisition of investments	(326,669)	(42,716)	**10**
Cash and bank balances at the date of acquisition	33,833	5,671	**10**
Acquisition of investments	**(292,836)**	**(37,045)**	
CASH FLOWS FROM INVESTING ACTIVITIES	**(335,044)**	**(73,395)**	
Rapayment of financial debt	**(11,256)**	**(82,946)**	
New financing	**195,000**	**185,000**	**10**
Financial charges paid	**(111,400)**	**(68,867)**	**10**
Financing Fees paid	**(6,683)**	**(6,420)**	**10**
Liabilities to non controlling shareholders of subsidiaries	**(40,702)**	**(45,759)**	**10**
Other equity movements	**(3)**	**(16)**	
CASH FLOWS FROM FINANCING ACTIVITIES	**24,956**	**(19,007)**	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	**10**	**(10)**	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	**(98,828)**	**86,433**	
CASH AND BANK BALANCES - Beginning of the period	**145,523**	**59,090**	
CASH AND BANK BALANCES - End of the period	**46,695**	**145,523**	

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2021	**14,597**	**1,439,231**	**(27)**	**(64,176)**	**1,389,624**	**892**	**1,390,516**
Profit (Loss) allocation		(63,967)	(209)	64,176	**0**		**0**
Other movements		(15)			**(15)**		**(15)**
Sale of minotiry stake in subsidiaries		190			**190**	(90)	**100**
Profit (Loss) for the year				(146,541)	**(146,541)**	3	**(146,538)**
Other Profit (Loss) on comprehensive income		3,326			**3,326**	(1)	**3,325**
31 Dec 2022	**14,597**	**1,378,765**	**(236)**	**(146,541)**	**1,246,585**	**803**	**1,247,388**

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2022	**14,597**	**1,378,765**	**(236)**	**(146,541)**	**1,246,585**	**803**	**1,247,388**
Profit (Loss) allocation		(146,519)	(22)	146,541	**0**		**0**
Acquisition of Subsidiaries					**0**	(253)	**(253)**
Other movements		(3)			**(3)**		**(3)**
Sale of minotiry stake in subsidiaries		998			**998**	27	**1,025**
Acquisition of minotiry stake in subsidiaries		(223)			**(223)**	253	**30**
Profit (Loss)				(75,295)	**(75,294)**	75	**(75,219)**
Other Profit (Loss) on comprehensive income		(22,831)			**(22,831)**	0	**(22,831)**
31 Dec 2023	**14,597**	**1,210,187**	**(258)**	**(75,295)**	**1,149,231**	**905**	**1,150,137**

TeamSystem Group

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

►COMPANY BACKGROUND

TeamSystem Holdco S.p.A. is a company registered with the Pesaro business register and it is domiciled in Italy with its registered office located in Pesaro. TeamSystem Holdco S.p.A (the "Parent Company" or the "Parent") is the Parent Company of TeamSystem Group (the "Group"), leader in Italy in the production and marketing of management software and providing training targeted at associations, small and medium-sized enterprises and professionals (accountants, labour consultants, lawyers, condominium managers and self-employed professionals). Effective 2019, via the incorporation and acquisition of financial companies, the Group has extended its range of services to encompass financial services.

The consolidated financial statements were approved by the Board of Directors on 19 April 2024.

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►ACCOUNTING STANDARDS ADOPTED

TeamSystem Holdco S.p.A. has adopted International Financial Reporting Standards ("IFRS")as endorsed by the European Commission for the preparation of its consolidated financial statements pursuant to Articles 3 and 4 of Legislative Decree 38 of 28 February 2005, which governs in Italy the exercise of options provided for by Article 5 of Community regulations 1606/2002 concerning IFRS.

IFRS is intended to mean all "International Financial Reporting Standards", all International Accounting Standards ("IAS"), all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as Standing Interpretations Committee ("SIC") endorsed by the European Commission at the date of approval of the draft consolidated financial statements by the Parent Company's Board of Directors and covered by EU Regulations published at that date.

The consolidated financial statements have been prepared on an historical cost basis, except for derivative financial instruments and liabilities to non-controlling shareholders of subsidiaries arising from put options granted to minority shareholders which have not yet been exercised that, if and when present, have been measured at fair value at the end of each reporting period.

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►GOING CONCERN BASIS

TeamSystem Holdco S.p.A.'s consolidated financial statements have been prepared on a going concern basis and the Directors are not aware of any material uncertainties or doubts concerning the TeamSystem Group's ability to continue its activities in the foreseeable future.

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►CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements include:

1. **A consolidated statement of profit or loss** for the year ended 31 December 2023. In particular, it should be noted that the consolidated statement of profit or loss format presents an analysis of costs aggregated by nature, since this classification is considered more relevant for understanding TeamSystem Group's results. Moreover, since no discontinued operations or similar transactions in 2023 or 2022, profit (loss) for the year is derived solely from continuing operations. Consequently, the Group has not presented profit (loss) from continuing operations for the year since, as indicated, this coincides with profit (loss) for the year.

2. **A consolidated statement of comprehensive income** for the year ended 31 December 2023. In fact, IAS 1 requires that the statement of changes in equity has to evidence only changes generated by transactions with shareholders along with comprehensive income, as defined below. The statement of comprehensive income begins with the profit or loss for the year followed by a section on other components of comprehensive income recognised directly in equity and then comprehensive income for the year, being the total profit (loss) for the year and other components of comprehensive income.

3. **A consolidated statement of financial position** at 31 December 2023. In particular, the statement of financial position has been prepared using a format, in accordance with IAS 1, classified based the operating cycle, with a distinction between current and non-current components. Based on this distinction, assets and liabilities are considered current if it is expected that they will be realised or settled during the normal operating cycle. Note that the consolidated statement of some financial position at 31 December 2022 has been restated to reflect the final Purchase Price Allocation of some of the companies acquired in 2022.

4. **A consolidated statement of cash flows** for the year ended 31 December 2023. The statement of cash flows is presented using the indirect method starting with the operating result, as permitted by IAS 7, under which profit or loss for the year is adjusted for the effects of non-cash transactions, such as those arising from deferrals or allocations to provisions linked to previous or future costs and payments.

5. **A consolidated statement of changes in equity** for the year ended 31 December 2023.

6. **Notes** to the consolidated financial statements.

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►SCOPE OF CONSOLIDATION
The consolidated financial statements of TeamSystem Group include the financial statements of the Parent Company, its main subsidiary TeamSystem S.p.A. and those of the other companies in which TeamSystem Holdco S.p.A. exercises control as set out in the relevant standard (IFRS 10).

A listing of entities consolidated on a line-by-line basis is provided in the following table, whereby the percentage held through put/call options takes into account any put and call options entered into in connection with acquisitions (the "% held" column indicates the percentage held by the Group in the company in question at the reporting date without taking account of the put and call option agreements):

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Country	Share capital	Equity	Currency	% held	% held with put/call options	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	Italy	14,596,648	1,454,126,076	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,455,082,917	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,404	1,454,184,493	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,443,048,285	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,000	1,333,680,192	EUR	100.00	100.00		
Techmass S.r.l.	Bassano del Grappa (VI)	Italy	11,538	1,369,440	EUR	80.00	100.00	1	
Area 32 S.r.l.	San Donà di Piave (VE)	Italy	10,000	1,372,311	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	Italy	90,000	554,507	EUR	51.00	100.00	1	
Team4you S.r.l.	Ripalimosani (CB)	Italy	10,000	1,567,847	EUR	90.00	100.00	1	
Habble S.r.l.	Vecchiano (PI)	Italy	21,930	5,938,263	EUR	100.00	100.00		
Software del Sol S.A.	Mengìbar (Jaén)	Spain	75,000	9,516,269	EUR	100.00	100.00		
Aplifisa S.L.	Salamanca (Spagna)	Spain	30,600	1,482,992	EUR	100.00	100.00		
Ticcyl Digital S.L.	Salamanca (Spagna)	Spain	3,216	2,010,945	EUR	100.00	100.00		
Marclamara S.L	Madrid	Spain	3,000	197,096	EUR	100.00	100.00		
Acumbamail S.L.	Ciudad Real (Spagna)	Spain	4,500	328,739	EUR	100.00	100.00		
My Expenses S.L	Madrid	Spain	73,074	870,590	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	Spain	3,050	354,678	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	7,551,517	EUR	70.00	100.00	1	
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	74,512,451	EUR	100.00	100.00		
TeamSystem Communication S.r.l.	Civitanova Marche (MC)	Italy	23,300	1,019,565	EUR	100.00	100.00	1	
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	79,905,046	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	154,063,373	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	40,373,385	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	37,985,221	EUR	96.87	96.87		4
Teamsystem Tirana	Tirana	Albania	10,000	54,591,067	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(2,658,882)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	United Kingdom	1	53,206	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	(11,822)	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	279,496	EUR	100.00	100.00		
Voispeed UK Ltd	Saint Albans - UK	United Kingdom	N.A.	N.A.	N.A.	N.A.	N.A.		6
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,558,124	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	5,993,724	EUR	100.00	100.00		7
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	912,646	EUR	100.00	100.00		7
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	1,102,024	EUR	91.00	91.00		8
FIN-MD-TECH SRL	Milano	Italy	50,000	68,760	EUR	100.00	100.00		7
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	3,000,907	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	2,329,268	EUR	100.00	100.00		9
Modefinance S.r.l.	Trieste	Italy	210,000	6,602,600	EUR	59.00	100.00	1	
Modefinance International S.r.l.	Milano	Italy	100,000	347,079	EUR	65.00	100.00	1	10
TeamSystem 10 S.r.l.	Milano	Italy	12,500	2,769,510	EUR	100.00	100.00		
ITReview S.r.l.	Noventa Padovana (PD)	Italy	50,000	1,337,813	EUR	100.00	100.00		
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	384,577	EUR	80.00	100.00	1	
Readytec S.p.A.	Chiusi (SI)	Italy	835,058	4,887,341	EUR	100.00	100.00		
Readytec Emilia S.r.l.	Milano	Italy	10,000	2,784,393	EUR	100.00	100.00		
Microntel S.p.A.	Torino	Italy	1,500,000	7,764,906	EUR	80.00	100.00	1	
TeamSystem 12 S.r.l.	Milano	Italy	10,000	9,579	EUR	100.00	100.00		
VAR Enterprise S.r.l.	Molfetta (BA)	Italy	10,000	157,344	EUR	100.00	100.00		
Bellachioma Systems S.r.l.	San Benedetto del Tronto (AP)	Italy	52,000	1,689,278	EUR	100.00	100.00		
Bellachioma Enterprise S.r.l.	San Benedetto del Tronto (AP)	Italy	10,000	84,206	EUR	100.00	100.00		
Triarico Global Service S.r.l.	Monopoli (BA)	Italy	20,000	260,102	EUR	100.00	100.00		
TwinLogix S.r.l.	Cesena (FC)	Italy	40,000	(133,661)	EUR	100.00	100.00		
Datamedia S.r.l.	Reggio Calabria	Italy	10,000	466,440	EUR	100.00	100.00		
Rean Srl	Milano	Italy	2,510,000	22,908,562	EUR	100.00	100.00		
TeamSystem Hub España S.L.	Barcellona	Spain	130,000	30,314	EUR	100.00	100.00		
Soluzioni Enterprise	Milano	Italy	10,000	999,184	EUR	100.00	100.00		
Ecosystem S.r.l.	Bergamo	Italy	11,000	1,617,724	EUR	100.00	100.00		
TC informatica S.r.l.	Palermo	Italy	10,000	(293,314)	EUR	100.00	100.00		
Soluzioni Informatiche S.r.l.	Spresiano (TV)	Italy	10,000	334,982	EUR	100.00	100.00		
Multidata S.r.l.	Prato	Italy	80,000	2,649,579	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	4,598,054	EUR	95.51	100.00		
Sistemi IT S.r.l.	Lurago Marinone (CO)	Italy	99,000	1,256,990	EUR	100.00	100.00		
MailUP S.p.A.	Milano	Italy	300,000	1,559,471	EUR	100.00	100.00		
MailUp Nordics A/S,	Copenaghen	Denmark	500,000	4,787,989	DKK	100.00	100.00		11
Globase International A.p.S.	Copenaghen	Denmark	125,000	(1,156,311)	DKK	100.00	100.00		12
Mikro Yazılımevi Yazılım Hizmetleri Bilgisay	Instanbul	Turkey	153,451,327	572,282,236	TRY	51.53	100.00	1	
Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	29,879,188	TRY	100.00	100.00		13
Paraşüt Yazılım Teknolojileri A.Ş.	Instanbul	Turkey	3,600,000	(20,427,420)	TRY	100.00	100.00		13
Muhasebetech Yazılım A.Ş.	Instanbul	Turkey	50,000	(4,220,635)	TRY	100.00	100.00		13
Shopside Yazilim Teknolojileri A.Ş.	Ankara	Turkey	110,000	(12,694,347)	TRY	100.00	100.00		13
Mevzuattr Yazılım A.Ş.	Instanbul	Turkey	50,000	(3,215,303)	TRY	100.00	100.00	1	13
Zirve Özel Entegrasyon Yazılım Hizm.A.Ş.	Instanbul	Turkey	50,000	(262,170)	TRY	100.00	100.00		13
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	Instanbul	Turkey	3,000,000	2,862,152	TRY	100.00	100.00		13
Emükellef Teknoloji A.Ş.	Instanbul	Turkey	50,000	886,485	TRY	100.00	100.00		13

Amounts in Euro

CONSOLIDATED COMPANIES EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
Esaedro S.r.l. (*)	Parma	Italy	20,800	500,603	EUR	40.00		
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,041	EUR	35.00		
Cesaco S.r.l. (*)	Vicenza	Italy	90,000	25,384	EUR	48.00		
Innova S.r.l. (*)	Matera	Italy	714,288	1,547,950	EUR	20.00		
Logic System SHPK (**)	Tirana	Albania	N.A.	N.A.	LEK	35.00	14	

(*) = figures updated to 31 December 2022 financial statements.
(**) = new incorporated company
(14) = negotiated put/call options contracts that allow TeamSystem Group to reach 100% ownership

(1) =equity interest would be 100% should put and call option agreements be exercised;
(2) =investment held by My Expenses;
(3) = investment held by Danea Soft;
(4) =takes account of treasury shares held by Gruppo Euroconference S.p.A.;

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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.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLICABLE FROM 1 JANUARY 2023

The following accounting standards, amendments and IFRS interpretations are applicable to the Group for the first time starting on 1 January 2023:

- On 18 May 2017, the IASB issued **IFRS 17 – Insurance Contracts**, which replaces **IFRS 4 – Insurance Contracts**. The standard has been applied starting from 1 January 2023. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations arising from insurance contracts. The adoption of this standard and the related amendment has had no effect on the Group's consolidated financial statements.

- On 7 May 2021, the IASB issued "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts at the date of initial recognition, such as leases and decommissioning obligations. The amendments were applied from 1 January 2023.
  The adoption of this amendment had no significant effect on the Group's consolidated financial statements disclosure.

- On 12 February 2021, the IASB issued two amendments entitled "**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**" and "**Definition of Accounting Estimates - Amendments to IAS 8**". The amendments to IAS 1 require an entity to disclose relevant information on the accounting policies applied by the Group. The amendments are intended to improve the disclosure of the accounting standards applied by the Group to provide more useful information to investors and other primary
- On 23 May 2023, the IASB issued **"Amendments to IAS 12 Income Taxes: *International Tax Reform - Pillar Two Model Rules*"**. The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules (which are effective in Italy as of 31 December 2023, but applicable as of 1 January 2024) and includes specific disclosure requirements for entities affected by the related International Tax Reform.
  The document provides for immediate application of the temporary exception, while the disclosure requirements only apply to annual financial statements for periods beginning on or after 1 January 2023, and not to interim financial statements with a reporting date before 31 December 2023. This amendment is not currently applicable to the Group and therefore has no impact on the Group's consolidated financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION AS OF 31 DECEMBER 2023, BUT NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED EARLY BY THE GROUP AT 31 DECEMBER 2023

The following accounting standards, amendments and IFRS interpretations have been endorsed by the European Union, but are not yet mandatorily applicable and have not been adopted early by the Group at 31 December 2023:

- On 23 January 2020, the IASB issued "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**" and on 31 October 2022, the IASB issued "**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**". The objective of the amendments is to provide clarity on how payables and other short-term or long-term liabilities are to be classified. The amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The amendments are effective from 1 January 2024, although early application is permitted. The Directors do not believe there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of this amendment.

- On 22 September 2022, the IASB issued **"Amendments to IFRS 16 Leases: *Lease Liability in a Sale and Leaseback".*** The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right-of-use it retains. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. The Directors do not believe there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of this amendment.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AS OF 31 DECEMBER 2023

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 25 May 2023, the IASB issued **"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements".** The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to assess how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. The Directors are currently evaluating the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

- On 15 August 2023, the IASB issued**"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".** The document requires an entity to apply a consistent methodology for verifying whether one currency is exchangeable into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendments will be effective beginning on or after 1 January 2025, with early application permitted. The Directors are currently evaluating the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

- On 30 January 2014 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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Notes to the consolidated financial statements
(All amounts are expressed in thousands of euro, unless otherwise indicated)

1. TOTAL REVENUE
Total revenue for the year ended 31 December 2023 amounts to € 733.2 million, and is comprised of Revenue of € 727.4 million and Other Revenue of € 5.8 million. Total revenue for the year ended 31 December 2022 was € 568.1million.

The table below provides a breakdown of total revenue based on whether control was passed over time or at a point in time:

Euro Millions

	31 Dec 2023	31 Dec 2022
Over time	604.7	466.1
Point in time	128.6	102.0
TOTAL REVENUE	733.3	568.1

Lastly, it should be noted that there is no concentration of revenue with any specific customer, given the notable segmentation of Group sales which, in the year ended 31 December 2023, were mostly realised in Italy.

2. OPERATING SEGMENTS
Within TeamSystem Group, the following operating segments have been identified, characterised by the autonomous nature of their products/services and production processes with the following characteristics:

- **Enterprise ("ENT") Business Unit:** products/services for SMEs, mainly consisting of core products (ERP) and accessory products and vertical solutions;
- **Professional ("PROF") Business Unit:** products/services for professionals and labour consultants (accounting, tax, payroll);
- **Market Specific Solutions ("MSS") Business Unit:** vertical solutions aimed at highly specialised markets;
- **Micro ("MICRO") Business Unit:** mainly Cloud-based solutions for small and micro enterprises;
- **Digital Finance ("DIF") Business Unit:** solutions related to financial digitalisation;
- **HR ("HR") Business Unit:** modular HR system covering all HR management and business process outsourcing requirements;

Set out below is the Group's segment information for the year just ended, which has been restated to reflect the current operating segment structure.

Euro Millions

31 Dec 2023

OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	HR	TOTALE
TOTAL REVENUE	164.6	214.7	181.8	20.9	114.3	36.9	733.2
FIRST MARGIN	78.1	125.8	112.3	8.8	31.9	12.0	369.0
INDIRECT COSTS							(78.4)
CAPITALISED DEVELOP COSTS							23.2
ADJUSTED EBITDA							313.8

There are not revenue which are common to several operating segments.

The economic performance indicator for each operating segment is the **First Margin**, calculated as the difference between total revenues and the direct costs of the Business Unit, the latter being mainly:
1) direct personnel costs (mainly sales, delivery, customer value);
2) software / hardware resale costs, external delivery costs, web-recall costs, sales rebates;

3) commissions and other sales incentives, recurring R&D consultant costs;
4) direct product marketing, direct R&D consultancy, travel & expenses of business unit personnel.

Indirect costs include costs that are not uniquely attributable to one or more business units and consist mainly of:

1. Personnel costs of the Group's support functions, specifically (i) Finance, Marketing and Technology; (ii) CEO Office; (iii) HR and General Services; (iv) Legal and Corporate Affairs and those not directly attributed to specific Business Units, such as, for example, the cost of the research and development team in relation to tools and applications used by the Group;
2. Costs for IT infrastructure, cybersecurity, compliance, Artificial Intelligence and Data;
3. Costs for rent, maintenance, utilities for the TeamSystem Group's operating sites;
4. Administrative, legal, tax, labour law and audit consultancy costs;
5. Costs for events, recruiting and training activities;
6. Costs for insurance, association memberships and board of statutory auditors fees;
7. Research and development costs that cannot be allocated to an individual Business Unit.

It should be noted that the First Margin is not identified as an accounting measure under the IFRS accounting standards adopted by the European Union. Consequently, the determination criterion applied by the Group may not be homogeneous with that adopted by other Groups and, therefore, the balance obtained may not be comparable with that determined by the latter.

Set out below is a reconciliation of Adjusted EBITDA to the Profit/(Loss) for the year. It should be noted that the **Adjusted EBITDA** parameter is not governed by **IFRS** and, accordingly, the criteria adopted by TeamSystem Group for its computation may not be comparable to those adopted by other companies or groups.

Euro Thousand

	31 Dec 2023	31 Dec 2022
PROFIT (LOSS)	(75,219)	(146,538)
Income tax	(4,134)	(14,955)
Share of Profit (Loss) of associates	(42)	(43)
Financial income and expenses	155,022	80,363
Monetary Net Gain (Loss)	(15,539)	-
Other provisions for risks and charges	1,949	2,413
Depreciation and amortization of non current assets	224,223	208,358
Allowance for bad debts	7,025	5,489
Advisory expenses related to reorganization and cost saving projects	5,673	3,075
Personnel redundancy	2,729	1,588
Acquisitions and mergers costs	10,079	5,578
Settlements with clients and agents	1,771	3,527
Other cost - (income)	302	320
ADJUSTED EBITDA	**313,838**	**227,282**

In order to monitor the performance of the operating segments and the allocation of resources between the segments, the Group monitors the intangible assets (Software, Customer Relationship, Brand) and Goodwill attributable to each of them.
A breakdown of the Group's intangible assets and goodwill by operating segment is provided below:

Euro Millions

31 Dec 2023

OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	HR	TOTAL
Goodwill	459.9	590.7	764.6	126.6	76.6	121.3	2,139.7
Intangibles Assets	231.7	312.8	373.0	78.6	187.1	61.4	1,244.6
Total	691.6	903.5	1,137.7	205.2	263.7	182.7	3,384.3

3. COST OF RAW AND OTHER MATERIALS

	31 Dec 2023	31 Dec 2022	Change	% Change
Hardware purchases	12,609	11,771	838	7.1%
Third party' software	35,737	34,189	1,549	4.5%
Handbooks and forms	26	0	26	n.s.
Materials for education	107	99	8	8.1%
Fuel	3,019	2,135	884	41.4%
Other materials	4,165	3,560	605	17.0%
Change in inventory of raw materials	38	(345)	382	n.s.
Total	**55,701**	**51,410**	**4,292**	**8.3%**

The cost of raw and other materials for the year ended 31 December 2023 came to € 55,701 thousand (€ 51,410 thousand for the year ended 31 December 2022). This mainly relates to the cost of sales of hardware and third party software.

4. COST OF SERVICES

	31 Dec 2023	31 Dec 2022	Change	% Change
Agent commissions and other costs	24,642	17,311	7,331	42.4%
Consulting and third parties services	20,727	19,679	1,049	5.3%
Software and Hardware maintenance costs	45,505	30,941	14,563	47.1%
Customer support service costs	7,973	6,739	1,234	18.3%
Administrative and management consulting costs	6,500	5,180	1,320	25.5%
Financial interest costs	2,923	3,224	(301)	-9.3%
Education - consulting and copyrights	2,189	2,214	(25)	-1.1%
Magazines - consulting and copyrights	1,096	1,390	(294)	-21.1%
Other costs for education services	175	294	(119)	-40.4%
Advertising and marketing	21,071	20,375	696	3.4%
Management Fees	227	-	227	0.0%
Car rental service costs	4,564	3,566	998	28.0%
Rebate costs	5,080	4,662	418	9.0%
Utilities	4,771	4,288	483	11.3%
Costs for services - Non core	17,583	12,546	5,038	40.2%
Other service expenses	16,646	12,547	4,099	32.7%
Cost of services - Gross of capitalization	**181,672**	**144,956**	**36,716**	**25.3%**
Services capitalised development costs	(4,346)	(5,217)	871	-16.7%
			0	0.0%
Total	**177,326**	**139,739**	**37,586**	**26.9%**

Cost of services totalled € 177,326 thousand for the year ended 31 December 2023, net of an amount capitalised in the year pertaining to software projects of € 4,346 thousand, details of which are provided in Note 12 on Intangible assets.

The main components are the following:

- Agent commissions and other costs (€ 24,642 thousand) relating to compensation payable to agents, an allocation to the provision for agents' indemnity and other costs attributable to commercial consulting services.
- Consulting and third party services (€ 20,727 thousand) mainly relating to delivery activities and on-site customer support.
- Software and hardware maintenance costs (€ 45,505 thousand) relating to periodic fees for support services and subscriptions for third party products.
- Customer support service costs (€ 7,973 thousand), relating to customer assistance / support costs.
- Advertising and marketing costs (amounting to € 21,071 thousand), relating to costs incurred for the organisation of events and for the advertising campaigns carried out during the year.

- Costs for services - non-core amount to € 17,583 thousand. The main items included in this category include 1)acquisition and merger costs amounting to € 10,130 thousand (related both to M&A transactions completed in 2023 and to target companies not aquired) 2)costs for strategic and reorganisation projects amounting to € 5,659 thousand (mainly referring to advisory costs related to reorganisation and cost saving projects); 3)costs for extraordinary transactions with customers fot the amount of € 1,771 thousand.

As regards the capitalisation of cost of services (€ 4,346 thousand) reference should be made to Note 12 on Intangible assets.

5. PERSONNEL COSTS

	31 Dec 2023	31 Dec 2022	Change	% Change
Wages, salaries and social contributions	197,020	154,370	42,650	27.6%
Staff leaving indemnities	9,238	8,023	1,215	15.1%
Other personnel costs	5,332	3,034	2,299	75.8%
Personnel costs for redundancy and reorganizations	2,729	1,588	1,141	71.9%
Employees costs	**214,319**	**167,014**	**47,304**	**28.3%**
				0.0%
Freelancers and collaborators fees	694	329	365	n.s.
Directors' fees and related costs	5,582	4,555	1,028	22.6%
Directors and Collaborators	**6,276**	**4,883**	**1,393**	**28.5%**
Personnel - Gross of capitalization	**220,595**	**171,898**	**48,697**	**28.33%**
Personnel capitalised development costs	**(18,858)**	**(11,946)**	**(6,912)**	**57.9%**
Total	**201,737**	**159,952**	**41,785**	**26.1%**

Personnel costs came to € 201,737 thousand for the year ended 31 December 2023.

Total non-core personnel restructuring costs amounted to € 2,729 thousand at 31 December 2023.

As regards the capitalisation of personnel costs (€ 18,858 thousand) reference should be made to Note 12 on Intangible assets.

The following table provides details of employee numbers at 31 December 2023 and the average number of employees in the 2022 financial year.

	Average 2023	Average 2022	Change	31 Dec 2023	31 Dec 2022	Change
Managers	107	84	23	126	88	38
Middle managers / white collars	3,843	2,937	906	4,518	3,168	1,350
Total	**3,950**	**3,021**	**929**	**4,644**	**3,256**	**1,388**

6. OTHER OPERATING COSTS

	31 Dec 2023	31 Dec 2022	Change	% Change
Condominium expenses and other rents	2,051	1,403	647	46.1%
Rentals	178	375	(197)	-52.5%
Other expenses for use of third parties assets	205	146	60	41.1%
Other taxes	794	692	103	14.8%
Losses from assets disposals	105	119	(13)	-11.1%
Other expenses	1,798	1,148	650	56.7%
Total	**5,132**	**3,882**	**1,250**	**32.2%**

Other operating costs came to € 5,132 thousand for the year ended 31 December 2023.

7. FINANCE INCOME and FINANCE COSTS

Finace Income

	31 Dec 2023	31 Dec 2022	Change	% Change
Interest and other finance income	1,282	171	1,111	n.s.
Gains on foreign exchange	523	25	498	n.s.
Interest from other loans	106	6	100	n.s.
Interest from banks	1,586	13	1,573	n.s.
Interest from derivative instruments	11,047	-	11,047	0.0%
Depreciation - liabilities to non controlling shareholders of subs	10,183	12,603	(2,420)	-19.2%
Gain on valuation of derivative instruments	-	31,233	(31,233)	-100.0%
Total	**24,727**	**44,051**	**(19,324)**	**-43.9%**

Finance income came to € 24,727 thousand for the year ended 31 December 2023 and was mainly attributable to the remeasurement of the fair value of the liability to non-controlling shareholders of subsidiaries and interest income accrued on interest rate swap derivative contracts.

Finance Costs

	31 Dec 2023	31 Dec 2022	Change	% Change
Interest on bank overdrafts and loans	1,420	1,357	64	4.7%
Interest on Notes	125,014	73,437	51,577	70.2%
Interest on financing fees	9,264	8,156	1,109	13.6%
Revaluation - liabilities to non controlling shareholders of subs	13,016	34,016	(21,000)	-61.7%
Bank commissions	3,919	3,456	463	13.4%
Loss on valuation of derivative instruments	16,613	-	16,613	0.0%
Interest on actuarial valuation of employee benefits	506	342	164	48.0%
Interest on lease contracts - IFRS 16	799	406	393	97.0%
Other IFRS financial charges	8,418	2,762	5,656	n.s.
Interest on cash pooling and other loans	19	(0)	19	n.s.
Other financial charges	484	269	214	79.7%
Losses on foreign exchange	149	61	88	n.s.
Write-downs of financial assets	127	153	(25)	-16.5%
Total	**179,749**	**124,415**	**55,334**	**44.5%**

Finance costs for the year ended 31 December 2023 came to €179,749 thousand. The main components are the following:

- Interest on Notes (€ 125,014 thousand), includes interest on the **2028 Notes**, the **2023 Notes**, and the **2029 PIYW PIK Toggle Notes;**
- Interest on financing fees (€ 9,264 thousand) includes finance costs relating to the financing fees on the **2028 Notes**, the **2023 Notes**, and the **2029 PIYW PIK Toggle Notes**, as well as finance costs relating to the **RCF** line of credit;
- Revaluation of contingent liabilities to minority shareholders (€ 13,016 thousand) arising from a change in the fair value such liabilities due to the remeasurement of the initial exercise price of the put/call option agreements and/or earn-outs;
- Other IFRS financial charges (€ 8,418 thousand), which represent the finance costs recognised by the Group on having discounted the liability to non-controlling shareholders of subsidiaries based on the new discount rate for the period;

8.MONETARY NET GAIN (LOSS)
Monetary net gain amounted to € 15,539 thousand for the financial statements as at 31 December 2023 and is recognised following the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' in respect of the TeamSystem Group's subsidiaries operating in Turkey (acquired by the Group in September 2023).

9. TOTAL INCOME TAX

Current tax
Current tax for 2023 amounted to € 35,366 thousand and mainly consisted of the balances of corporate income taxes IRES and IRAP, as TeamSystem Group carries out most of its operations in Italy.

With reference to IRES tax, please note that TeamSystem S.p.A. has elected for a consolidated tax regime pursuant to Articles 117 to 129 of the Italian Consolidated Income Tax Act. TeamSystem S.p.A., the tax consolidating parent, determines the total comprehensive income which is equal to the sum of the taxable amounts (income or loss) realised by the individual companies that adhere to this method of Group taxation.

Current tax for the 2023 financial year is also impacted by the effects of the Patent Box taxation regime, calculated with reference to TeamSystem S.p.A. for the 2022 tax year and related to software.

In addition, the ACE deduction (Aid for Economic Growth), accruing to TeamSystem S.p.A. for 2023, was calculated considering the ruling issued on 25 January 2023 and the calculation basis of the ACE as formulated in the ruling itself.

Deferred taxes
As regards the amount of deferred tax recognised in the consolidated statement of profit or loss, reference should be made to Note 17.

Reconciliation theoretical Tax charge and actual Tax charge
The following table provides a reconciliation of the theoretical tax charge with the actual tax charge for the 2023 financial year.

Euro millions

	31 Dec 2023	31 Dec 2022
PROFIT (LOSS) BEFORE INCOME TAXES	**(79.4)**	**(161.5)**
Theoretical tax rate	24%	24%
Theoretical IRES Taxation	**19.0**	**38.8**
Non deductible Depreciation and Amortization	8.1	8.0
Impairment of non current assets		78.1
Non deductible interests	56.6	45.2
Patent box		(11.6)
ACE	(21.1)	(21.9)
Other	1.2	8.3
IRES Tax base	**(34.5)**	**(55.4)**
IRES Actual taxation	**8.3**	**13.3**
IRES Actual tax rate	10%	8%
IRAP and Other	(4.1)	1.6
TOTAL INCOME TAX	**4.1**	**15.0**

10. CONSOLIDATED STATEMENT OF CASH FLOWS
As regards the more significant components of the statement of cash flows, a description is provided below of the main factors impacting the Group's cash flow over the course of 2023:

New Loans = € 195 million refers to the issuance of additional senior secured floating rate notes maturing in 2030 ("**2030 Private Notes**") in October 2023 to certain private investors. These 2030 Private Notes were placed at a price equal to 100% of their nominal amount.

Financing Fees paid = € 6,683 thousand refers to the payment of the Financing Fees connected with the issue of € 195 million of the **2030 Private Notes**.

Liabilities to non-controlling shareholders of subsidiaries = the liabilities to non-controlling shareholders of subsidiaries paid in 2023 amount to € 40,702 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Storeden, TeamSyver, Algoritmi, Sia, Modefinance, Area 32, Progetto Studio, Newtronic (to quote the main cash-outs)

Financial charges paid = € 111,400 thousand at 31 December 2023 is almost exclusively for the payment of interest expenses on the **2028 Notes**, the **2030 Notes,** and the **2029 PIYW PIK Toggle Notes**.

Acquisition of investments = € 326,669 thousand relates mainly to the cash paid out in 2023 for the acquisition of equity investments (Mailup, Mikro Group, Rean, Readytec, Aplifisa, Acumbamail, Microntel, Sigma Sistemi just to mention the main acquisitions). At the date of the acquisition of the above-mentioned companies, the cash and cash equivalents of the acquired participations amounted to € 33,833 thousand.

11. TANGIBLE FIXED ASSETS

NET BOOK VALUE	Restated 31 Dec 2021	Change in cons. area	Additions	Other movements and disposals	(Depreciation)	31 Dec 2022
Land	685			(47)		638
Buildings	2,920			(180)	(294)	2,446
Plant and machinery	3,099		75	(47)	(982)	2,145
Equipment	1,131		211	6	(372)	977
Other assets	7,943	207	5,330		(3,484)	9,997
Total	15,778	207	5,617	(268)	(5,132)	16,203

NET BOOK VALUE	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	(Depreciation)	31 Dec 2023
Land	638					638
Buildings	2,446				(294)	2,152
Plant and machinery	2,145		349	151	(1,003)	1,642
Equipment	977		440	283	(355)	1,345
Other assets	9,997	2,869	2,442	(441)	(3,823)	11,045
Tangible assets - in progress						
Total	16,203	2,869	3,231	(7)	(5,476)	16,820

Tangible fixed assets amount to € 16,820 thousand at 31 December 2023, a net increase of € 617 thousand compared to 31 December 2022 due to the net effect of:

- Additions and Changes in the scope of consolidation totalling € 6,500 thousand;
- Depreciation of € 5,476 thousand;
- Other movements and disposals of € 407 thousand;

The additions relate mainly to the furnishing/upgrading of TeamSystem Group offices.

12. INTANGIBLE ASSETS

NET BOOK VALUE	Restated 31 Dec 2021	Change in cons. area	Additions	Other movements and disposals	Capitalization	(Amortization)	(Write-downs)	31 Dec 2022
Capitalised development	**17,375**			**(378)**	**17,163**	**(7,823)**		**26,337**
Brand IFRS	277,708					(15,679)		262,029
Software IFRS	279,690	1,939		(64)		(70,871)		210,694
Customer relationship IFRS	840,314					(83,084)		757,230
Other IFRS assets	34,483					(3,764)		30,719
IFRS Assets	**1,432,195**	**1,939**		**(64)**		**(173,398)**		**1,260,672**
Software, trademarks, patents	25,221	320	11,646	449		(12,615)		25,021
Other intangible assets	2,483		1,838	215		(1,847)	(104)	2,585
Intangible assets - in progress	301		1	127				429
Other intangible assets	**28,005**	**320**	**13,485**	**791**		**(14,462)**	**(104)**	**28,035**
Total	**1,477,575**	**2,259**	**13,485**	**349**	**17,163**	**(195,683)**	**(104)**	**1,315,044**

NET BOOK VALUE	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	Capitalization	(Amortization)	31 Dec 2023
Capitalised development	**26,336**	**4,684**		**11,914**	**23,205**	**(14,186)**	**51,952**
Brand IFRS	262,029					(15,679)	246,350
Software IFRS	210,694	65,415		(11,394)		(73,447)	191,269
Customer relationship IFRS	757,230	111,527		(1,829)		(86,858)	780,071
Other IFRS assets	30,719					(3,764)	26,955
IFRS Assets	**1,260,673**	**176,942**		**(13,223)**		**(179,748)**	**1,244,645**
Software, trademarks, patents	25,020	3,261	14,082	(1,095)		(13,927)	27,341
Other intangible assets	2,585	1,530	1,371	(515)		(1,161)	3,812
Intangible assets - in progress	429	2	127	(154)			404
Other intangible assets	**28,035**	**4,794**	**15,580**	**(1,764)**		**(15,088)**	**31,557**
Total	**1,315,044**	**186,420**	**15,580**	**(3,073)**	**23,205**	**(209,021)**	**1,328,154**

Intangible assets amount to € 1,328,154 thousand at 31 December 2023 (€ 1,315,044 at 31 December 2022), a net increase of € 13,110 thousand with respect to 31 December 2022.

The item IFRS Assets, consisting mainly of Brand, Software and Customer Relationship, originates from the Purchase Price Allocation ("PPA") process carried out in February 2021 following the acquisition of the TeamSystem Group and then increased over the years as a result of the price allocation processes on the acquisition of subsidiaries. The increase in the items "Customer Relationship IFRS" and "Software IFRS" was mainly due to the identification and measurement of the fair values, pursuant to IFRS 3, of these assets in the allocation process, at the date of acquisition of control, of the consideration paid for the acquisition of control of the companies: Mikro Group (€125.8 million), Mail-up (€15.7 million), Sigma Sistemi (€2.5 million), Readytec (€22.1 million), Microntel (€6.4 million) and Aplifisa (€4.5 million), as more fully discussed below.

As regards capitalised development costs recognised in 2023 of € 23,205 thousand, the main investment components relate to development costs capitalised by the subsidiary TeamSystem S.p.A. in 2023. In particular, capitalised personnel costs amounted to € 18,858 thousand, while capitalised service costs amounted to € 4,346 thousand. The main projects to which these capitalisations refer are: TS Enterprise, TS Digital, Saas Applications, STR Construction, TS Studio - taxation and accounting.

13. RIGHT-OF-USE

This comprises the present value of future payments for the right to use leased assets arising from the application of IFRS 16 as follows:

	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	(Amortization)	31 Dec 2023
Buildings - Right of use	19,689	6,074	844	(1,390)	(5,926)	19,290
Other assets - Right of use	4,374	964	5,718	757	(3,277)	8,536
Total	**24,063**	**7,038**	**6,562**	**(634)**	**(9,203)**	**27,826**

Right-of-use assets amount to € 27,826 thousand at 31 December 2023.

Assets held under lease consist of:

- Buildings of € 19,290 thousand, relating to the operational premises of the Group companies and corporate accommodation used by certain Group employees, the total balance of which decreased by € 399 thousand at 31 December 2023 with respect to 31 December 2022 (€ 19,689 thousand) due to the combined effect of changes to the scope of consolidation (€ 6,074 thousand), depreciation (€ 5,926 thousand), additions (€ 844 thousand) and other movements and disposals (€ 1,390 thousand) during the period.
- Other assets of € 8,536 thousand relating mainly to company cars.

The contracts subject to IFRS 16 do not contain any significant renewal clauses, variable lease payments, restrictions or covenants, and there have been no leaseback transactions.

The impact on the profit and loss statement of the values related to rights of use of leased assets are as follows:
- amortisation of right of use: € 9,203 thousand;
- interest expense on lease liabilities: € 799 thousand.

The lease liability expresses the financial liability associated with lease accounting in accordance with IFRS 16.

14. GOODWILL

	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements	(Impairment)	31 Dec 2023
CGU - DIGITAL FINANCE	125,901	682				126,583
CGU - MICRO	558,055	208,685		(2,111)		764,630
CGU - HR	110,403	10,877				121,280
CGU - PROFESSIONAL	542,198	48,509				590,707
CGU - ENTERPRISE	394,029	65,818		42		459,890
CGU - MARKET SPECIFIC SOLUTIONS	76,047	529				76,576
Total	**1,806,633**	**335,100**		**(2,068)**		**2,139,665**

The Goodwill balance relates to the amount recognised from the acquisition of TeamSystem Group in February 2021 by investment funds managed by the international private equity firm Hellman & Friedman. This Goodwill then increased as a result of goodwill arising in connection with other acquisitions of subsidiaries. Goodwill consists of the excess consideration paid for the above acquisitions, over the fair value of the assets acquired and the liabilities assumed and has been allocated to the CGUs identified by the Group.

Other movements in goodwill are mainly due to changes in exchange rates, while increase in goodwill of € 335,100 thousand is attributable to the companies acquired by the Group in 2023, as detailed below:

- Readytec, for € 25,439 thousand (final allocation);
- Teamsyver, for € 4,504 thousand (final allocation);
- Alfaconta, GNS, Alpha Team (later contributed to TeamSystem 10) for € 3,459 thousand (final allocation);
- Sigma Systems, for € 6,385 thousand (final allocation);
- Microntel, for € 9,154 thousand (final allocation);
- Multidata, for € 12,094 thousand (final allocation);
- Sistemi IT, for € 9,620 thousand (final allocation);
- Aplifisa, for € 25,307 thousand (final allocation);
- Ticcyl, for € 7,340 thousand (final allocation);
- Marclamara, for € 4,361 thousand (final allocation);
- MailUP, for € 59,084 thousand (provisional allocation);
- TeamSystem Tirana, for € 1,632 thousand (provisional allocation);
- Mikro, for € 93,051 thousand (provisional allocation);
- Bitech, for € 1,445 thousand (provisional allocation);
- GreeNext, for € 10,223 thousand (provisional allocation);
- Acumbamail, for € 14,406 thousand (provisional allocation);
- Var Enterprise, for € 3,904 thousand (provisional allocation);
- Bellanova System, for € 2,273 thousand (provisional allocation);
- Bellanova Enterprise, for € 316 thousand (provisional allocation);

- Triarico, for € 494 thousand (provisional allocation);
- Twinlogix, for € 940 thousand (provisional allocation);
- Datamedia, for € 1,638 thousand (provisional allocation);
- Rean, for € 24,178 thousand (provisional allocation);
- TeamSystem Hub Espagna, for € 363 thousand (provisional allocation);
- Solutions Enterprise, for € 4,459 thousand (provisional allocation);
- Ecosystem, for € 5,483 thousand (provisional allocation);
- TC Informatica, for € 1,607 thousand (provisional allocation);
- Soluzioni Informatiche, for € 1,939 thousand (provisional allocation);

As required by IFRS 3, following the completion of the accounting activities related to the fair value measurements of the assets acquired and liabilities assumed and the consequent retrospective change in values, goodwill at 31 December 2022 (€ 1,805,191 thousand) was restated in the amount of € 1,442 thousand. In particular, the retrospective change is attributable to the identification and measurement of the fair values, pursuant to IFRS 3, of the assets and liabilities of the companies Teamsyver, CZ Informatica, Progetto Software, Sia and Algoritmi.

►Impairment Test – Goodwill 31 December 2023

The operating sectors (corresponding the the Group’ s CGU) under which the TeamSystem Group is currently organised are as follows:

- **Digital Finance ("DIF") CGU:** solutions related to financial digitalisation;
- **Micro ("MICRO") CGU:** mainly Cloud-based solutions for small and micro enterprises;
- **HR ("HR") CGU:** modular HR system covering all HR management and business process outsourcing requirements;
- **Professional ("PROF") CGU:** products/services for professionals and labour consultants (accounting, tax, payroll);
- **Enterprise ("ENT”) CGU:** products/services for SMEs, mainly consisting of core products (ERP) and accessory products and vertical solutions;
- **Market Specific Solutions ("MSS") CGU:** vertical solutions aimed at highly specialised markets;

A CGU is defined as an activity or the smallest group of activities that generate cash inflows largely independent of the cash inflows from other activities or groups of activities. CGUs have been identified consistently with the management's vision both at the level of monitoring results and at the level of economic-financial planning

Goodwill allocated to each of the CGUs identified above is tested for impairment at least annually.

Regarding the impairment test conducted as of 31 December 2023, steps have been taken to determine the recoverable amount (enterprise value) of each CGU of TeamSystem Group as a whole that had been identified by Management as the lowest level to which goodwill is allocated for internal management purposes, by means of the application of discounted cash flow methodology. The test was performed by discounting prospective cash flows for 2024-2027 based on amounts included in the 2023-2027 Group Business Plan approved by the Board of Directors of TeamSystem Holding S.p.A on 20 March 2023 and updated only for the year 2024 with the 2024 budget.

A terminal value was determined beyond the explicit forecast horizon based on operating cash flows (net operating profit less adjusted taxes - NOPLAT) appropriately normalised to reflect normal business operations. In the choice of the growth rate to apply to NOPLAT, it was established that, consistent with the growth envisaged in the Business Plan and with historical growth rates, there was a reasonable expectation of growth of 2.0% (“g rate”).

In addition to the assumed g rate, the main assumptions adopted regarded an estimate of the post-tax weighted average cost of capital (“WACC”) of 9.2% (Enterprise CGU, Professional CGU, Market Specific Solutions CGU, and HR CGU), 9.8% (Digital Finance CGU) and 9.7% (Micro CGU).

In particular, the values considered in the calculation of the WACC are shown below:

- the gross cost of debt was estimated as the six-monthly average of the IRS 10Y yield equal to 3.1% plus a spread equal to 5.2% related to the B- rating attributable to TeamSystem (rating source: S&P; spread source: Damodaran)
- the cost of equity considers market parameters such as:
- an interest rate for risk-free assets, obtained considering the yield on government bonds of the countries in which each CGU operates with a maturity of 10 years (average of the six months prior to 31 December 2023)
- a market risk premium of 5.5% (Source: Fernandez/Kroll/Duff&Phelps);
- a beta determined by reference to the unlevered market beta of a panel of comparable companies re-levered on the basis of the average financial structure of the comparables and the tax rate equal to the relevant tax rate.
- the weighted average tax rate of the countries in which each cluster operates.
- the financial structure used for weighting the cost of debt and cost of capital was based on the average market data of the comparable companies.

The results of the impairment tests conducted did not provide any indication of impairment at 31 December 2023.

The Group also performed sensitivity analysis by applying different assumptions for the determination of WACC and g rate parameters. The results of this analysis are set out below:

CGU - DIGITAL FINANCE Cover Impairment Sensitivity Euro million		**WACC**				
		8.8%	**9.3%**	**9.8%**	**10.3%**	**10.8%**
	1.0%	7.8	(5.0)	(16.3)	(26.4)	(35.5)
	1.5%	20.0	5.6	(7.0)	(18.2)	(28.2)
G RATE	**2.0%**	34.0	17.7	**3.5**	(9.0)	(20.1)
	2.5%	50.2	31.5	15.4	1.3	(11.0)
	3.0%	69.2	47.5	29.0	13.1	(0.8)

CGU - MICRO Cover Impairment Sensitivity Euro million		**WACC**				
		8.7%	**9.2%**	**9.7%**	**10.2%**	**10.7%**
	1.0%	713.1	608.3	515.7	433.1	359.1
	1.5%	812.7	694.9	591.4	499.8	418.3
G RATE	**2.0%**	927.2	793.4	**676.9**	574.7	484.3
	2.5%	1,060.1	906.6	774.3	659.3	558.3
	3.0%	1,216.3	1,038.0	886.2	755.6	641.9

CGU - HR Cover Impairment Sensitivity Euro million		**WACC**				
		8.2%	**8.7%**	**9.2%**	**9.7%**	**10.2%**
	1.0%	93.0	75.0	59.1	45.1	32.7
	1.5%	110.5	90.0	72.2	56.6	42.8
G RATE	**2.0%**	130.8	107.3	**87.1**	69.6	54.1
	2.5%	154.7	127.4	104.3	84.3	66.9
	3.0%	183.1	151.0	124.1	101.2	81.5

CGU - PROFESSIONAL Cover Impairment Sensitivity Euro million		**WACC**				
		8.2%	**8.7%**	**9.2%**	**9.7%**	**10.2%**
	1.0%	335.6	258.4	190.5	130.5	76.9
	1.5%	410.4	322.7	246.4	179.4	120.1
G RATE	**2.0%**	497.2	396.7	**310.1**	234.7	168.5
	2.5%	599.1	482.4	383.1	297.6	223.1
	3.0%	720.5	583.2	468.0	369.8	285.3

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	PPA provisional balances	Changes
Tangible assets	4	4	0
Intangible assets	31	31	0
Right of use	472		472
Deferred tax assets	96	0	96
TOTAL NON CURRENT ASSETS	**602**	**35**	**568**
Trade receivables	944	1,106	(163)
Other receivables - current	48	48	0
Other financial assets - current	493	493	0
Cash and bank balances	524	524	0
TOTAL CURRENT ASSETS	**2,009**	**2,172**	**(163)**
TOTAL ASSETS	**2,611**	**2,206**	**405**

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYVER LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**438**	**741**	**(303)**
Staff leaving indemnity	266	266	0
TOTAL NON CURRENT LIABILITIES	**266**	**266**	**0**
Financial liabilities with banks and other institutions - current	472	0	472
Trade payables	407	407	0
Tax liabilities - current	334	334	0
Other liabilities - current	695	458	236
TOTAL CURRENT LIABILITIES	**1,907**	**1,199**	**708**
TOTAL LIABILITIES	**2,174**	**1,465**	**708**
TOTAL EQUITY AND LIABILITIES	**2,611**	**2,206**	**405**

<u>Progetto Software (and subsidiaries)</u>

In December 2022, TeamSystem S.p.A. acquired a 100% interest in Progetto Studio S.r.l., which in turn holds 100% of the share capital of Sogei S.p.A. Both companies are resellers of TeamSystem software.

The purchase price allocation recognised for the acquisition of Progetto Software, 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 PROGETTO SOFTWARE ASSETS	PPA final balances	NOTES
Tangible assets	19	
Intangible assets	40	
Right of use	231	
Deferred tax assets	85	
TOTAL NON CURRENT ASSETS	**376**	
Trade receivables	611	
Tax receivables	56	
Other receivables - current	42	
Cash and bank balances	535	
TOTAL CURRENT ASSETS	**1,244**	
TOTAL ASSETS	**1,620**	**A**

Euro thousands STATEMENT OF FINANCIAL POSITION PROGETTO SOFTWARE LIABILITIES	PPA final balances	NOTES
Share capital	25	
Other reserves	(260)	
Retained earnings (accumulated losses)	(797)	
Profit (Loss) attributable to Owners of the Company	85	
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	**(947)**	
Non controlling interests - Capital and reserves	0	
Non controlling interests - Profit (Loss)	0	
TOTAL NON CONTROLLING INTERESTS	**0**	
TOTAL EQUITY	**(947)**	
Staff leaving indemnity	526	
TOTAL NON CURRENT LIABILITIES	**526**	
Financial liabilities with banks and other institutions - current	990	
Trade payables	438	
Tax liabilities - current	8	
Other liabilities - current	606	
TOTAL CURRENT LIABILITIES	**2,041**	
TOTAL LIABILITIES	**2,567**	**B**
TOTAL EQUITY AND LIABILITIES	**1,620**	
Fair Value of acquired net assets	**(947)**	**C = A - B**
Cost of the investment	**5,015**	**D**
Final Goodwill IFRS 3	**5,962**	**E = D - C**

Details of the main changes in the final allocation of Progetto Software'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 PROGETTO SOFTWARE ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	19	19	0
Intangible assets	40	40	0
Right of use	231		231
Deferred tax assets	85		85
TOTAL NON CURRENT ASSETS	**376**	**60**	**316**
Inventories			0
Trade receivables	611	922	(311)
Tax receivables	56	56	0
Other receivables - current	42	42	0
Cash and bank balances	535	535	0
TOTAL CURRENT ASSETS	**1,244**	**1,556**	**(311)**
TOTAL ASSETS	**1,620**	**1,615**	**5**

Euro thousands STATEMENT OF FINANCIAL POSITION PROGETTO SOFTWARE LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**(947)**	**(505)**	**(442)**
Staff leaving indemnity	526	531	(5)
TOTAL NON CURRENT LIABILITIES	**526**	**531**	**(5)**
Financial liabilities with banks and other institutions - current	990	758	231
Trade payables	438	438	0
Tax liabilities - current	8	8	0
Other liabilities - current	606	385	221
TOTAL CURRENT LIABILITIES	**2,041**	**1,589**	**452**
TOTAL LIABILITIES	**2,567**	**2,120**	**447**
TOTAL EQUITY AND LIABILITIES	**1,620**	**1,615**	**5**

CZ Informatica S.r.l.

In December 2022, TeamSystem S.p.A. acquired 100% interest in CZ Informatica S.r.l., a reseller of TeamSystem software.

The purchase price allocation recognised for the acquisition of CZ Informatica, 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 CZ INFORMATICA ASSETS	PPA final balances	NOTES
Tangible assets	24	
Intangible assets	52	
Other Investments	3	
Deferred tax assets	136	
TOTAL NON CURRENT ASSETS	**215**	
Trade receivables	276	
Tax receivables	60	
Other receivables - current	40	
Cash and bank balances	249	
TOTAL CURRENT ASSETS	**625**	
TOTAL ASSETS	**840**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION CZ INFORMATICA LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	(881)	
Staff leaving indemnity	227	
Provisions for risks and charges	377	
TOTAL NON CURRENT LIABILITIES	604	
Trade payables	801	
Tax liabilities - current	2	
Other liabilities - current	313	
TOTAL CURRENT LIABILITIES	1,116	
TOTAL LIABILITIES	1,721	B
TOTAL EQUITY AND LIABILITIES	840	
Fair Value of acquired net assets	(881)	C = A - B
Cost of the investment	5,076	D
Final Goodwill IFRS 3	5,957	E = D - C

Details of the main changes in the final allocation of CZ Informatica'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 CZ INFORMATICA ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	24	24	0
Intangible assets	52	52	0
Right of use	0		0
Deferred tax assets	136	17	119
TOTAL NON CURRENT ASSETS	215	95	119
Trade receivables	276	689	(414)
Other receivables - current	40	40	0
Other financial assets - current	0	0	0
Cash and bank balances	249	249	0
TOTAL CURRENT ASSETS	625	1,039	(414)
TOTAL ASSETS	840	1,134	(294)

Euro thousands

STATEMENT OF FINANCIAL POSITION CZ INFORMATICA LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	(881)	(516)	(365)
Staff leaving indemnity	227	241	(13)
TOTAL NON CURRENT LIABILITIES	604	618	(13)
Financial liabilities with banks and other institutions - current	0	0	0
Trade payables	801	801	0
Tax liabilities - current	2	2	0
Other liabilities - current	313	229	84
TOTAL CURRENT LIABILITIES	1,116	1,032	84
TOTAL LIABILITIES	1,721	1,650	71
TOTAL EQUITY AND LIABILITIES	840	1,134	(294)

SIA S.r.l.

Euro thousands

STATEMENT OF FINANCIAL POSITION SIA ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	25	25	0
Right of use	87		87
Deferred tax assets	112	9	103
TOTAL NON CURRENT ASSETS	**224**	**34**	**190**
Inventories	2	2	0
Trade receivables	550	978	(428)
Tax receivables	2	2	0
Other receivables - current	(19)	(19)	0
Other financial assets - current	1	1	0
Cash and bank balances	2,612	2,612	0
TOTAL CURRENT ASSETS	**3,149**	**3,577**	**(428)**
TOTAL ASSETS	**3,372**	**3,611**	**(239)**

Euro thousands

STATEMENT OF FINANCIAL POSITION SIA LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**1,688**	**1,998**	**(310)**
Staff leaving indemnity	394	409	(15)
Provisions for risks and charges	192	192	0
TOTAL NON CURRENT LIABILITIES	**586**	**601**	**(15)**
Shareholders' Loan - current	509	422	87
Trade payables	312	312	0
Tax liabilities - current	83	83	0
Other liabilities - current	196	196	0
TOTAL CURRENT LIABILITIES	**1,099**	**1,012**	**87**
TOTAL LIABILITIES	**1,685**	**1,613**	**72**
TOTAL EQUITY AND LIABILITIES	**3,372**	**3,611**	**(239)**

Algoritmi S.r.l.

In December 2022, TeamSystem S.p.A. acquired 100% interest in Algoritmi S.r.l S.r.l., a reseller of TeamSystem software.

The purchase price allocation recognised for the acquisition of Algoritmi, 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 ALGORITMI ASSETS	PPA final balances	NOTES
Tangible assets	59	
Intangible assets	6	
Right of use	118	
Deferred tax assets	16	
TOTAL NON CURRENT ASSETS	**199**	
Trade receivables	676	
Tax receivables	4	
Other receivables - current	39	
Cash and bank balances	867	
TOTAL CURRENT ASSETS	**1,586**	
TOTAL ASSETS	**1,785**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION ALGORITMI LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	**8**	
Staff leaving indemnity	765	
Provisions for risks and charges	128	
TOTAL NON CURRENT LIABILITIES	**893**	
Shareholders' Loan - current	118	
Trade payables	304	
Tax liabilities - current	41	
Other liabilities - current	420	
TOTAL CURRENT LIABILITIES	**884**	
TOTAL LIABILITIES	**1,776**	**B**
TOTAL EQUITY AND LIABILITIES	**1,785**	
Fair Value of acquired net assets	**8**	**C = A - B**
Cost of the investment	**8,748**	**D**
Final Goodwill IFRS 3	**8,740**	**E = D - C**

Details of the main changes in the final allocation of Algoritmi'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 ALGORITMI ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	59	59	0
Goodwill TeamSystem			0
Deferred tax assets	16		16
TOTAL NON CURRENT ASSETS	**81**	**65**	**16**
Inventories			0
Trade receivables	676	743	(67)
Tax receivables	4	4	0
Other receivables - current	39	39	0
Other financial assets - current			0
Cash and bank balances	867	867	0
TOTAL CURRENT ASSETS	**1,586**	**1,653**	**(67)**
TOTAL ASSETS	**1,667**	**1,717**	**(51)**

Euro thousands

STATEMENT OF FINANCIAL POSITION ALGORITMI LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	**8**	**30**	**(22)**
Staff leaving indemnity	765	794	(29)
TOTAL NON CURRENT LIABILITIES	**893**	**922**	**(29)**
Financial liabilities with banks and other institutions - current			0
Trade payables	304	304	0
Tax liabilities - current	41	41	0
Other liabilities - current	420	420	0
TOTAL CURRENT LIABILITIES	**766**	**766**	**0**
TOTAL LIABILITIES	**1,658**	**1,687**	**(29)**
TOTAL EQUITY AND LIABILITIES	**1,667**	**1,717**	**(51)**

□ □ □

►Final allocations in 2023

TeamSystem 10 S.r.l.
The business unit (which focuses on accounting firm segment) of the dealer Alpha Team S.r.l. was transferred to TeamSystem 10 with an effective date of 1 January 2023. In addition, the business units of the following companies were transferred to TeamSystem 10 S.r.l. in mid-January 2023:
-GNS System News S.p.A.
-Alfaconta S.r.l.

The purchase price allocation recognised was final at the date of preparation of the financial statements for the year ended 31 December 2023 and, therefore, the related goodwill is also considered final.

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYSTEM 10 ASSETS	PPA final balances	NOTES
Tangible assets	2	
Intangible assets	42	
TOTAL NON CURRENT ASSETS	**44**	
TOTAL ASSETS	**44**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYSTEM 10 EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	**(281)**	
Staff leaving indemnity	246	
TOTAL NON CURRENT LIABILITIES	**246**	
Trade payables	15	
Other liabilities - current	64	
TOTAL CURRENT LIABILITIES	**79**	
TOTAL LIABILITIES	**325**	**B**
TOTAL EQUITY AND LIABILITIES	**44**	
Fair Value of acquired net assets	**(281)**	**C = A - B**
Cost of the investment	**3,178**	**D**
Final Goodwill IFRS 3	**3,459**	**E = D - C**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 2.5 million to the 'Enterprise' CGU, € 0.7 million to the 'Professional' CGU, and € 0.2 million to the 'Market Specific Solution' CGU.

Readytec S.p.A.
In January 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Readytec S.p.A., a TeamSystem software dealer.

In 2023, the company reported revenues of € 31,323 thousand and a profit of € 3,728 thousand.

In 2023, the company reported revenues of € 3,609 thousand and a loss of € 11 thousand.

The purchase price allocation recognised for the acquisition of Readytech Emilia was final at the date of preparation of the financial statements for the year ended 31 December 2023 and the related goodwill is also considered final.

Euro thousands

STATEMENT OF FINANCIAL POSITION READYTEC EMILIA ASSETS	PPA final balances	NOTES
Tangible assets	21	
Intangible assets	64	
Right of use	396	
Deferred tax assets	37	
TOTAL NON CURRENT ASSETS	**518**	
Other receivables - current	20	
TOTAL CURRENT ASSETS	**20**	
TOTAL ASSETS	**537**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION READYTEC EMILIA EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	**(516)**	
Staff leaving indemnity	304	
TOTAL NON CURRENT LIABILITIES	**304**	
Financial liabilities with banks and other institutions - current	396	
Other liabilities - current	354	
TOTAL CURRENT LIABILITIES	**750**	
TOTAL LIABILITIES	**1,054**	**B**
TOTAL EQUITY AND LIABILITIES	**537**	
Fair Value of acquired net assets	**(516)**	**C = A - B**
Cost of the investment	**3,988**	**D**
Final Goodwill IFRS 3	**4,504**	**E = D - C**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 1.5 million to the 'Enterprise' CGU, € 2.8 million to the 'Professional' CGU, € 0.1 million to the 'Micro' CGU, and € 0.1 million to the 'HR' CGU.

Sistemi IT S.r.l.

In January 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Sistemi IT S.r.l., a TeamSystem software dealer.

In 2023, the company reported revenues of € 5,274 thousand and a profit of € 359 thousand.

The purchase price allocation recognised for the acquisition of Sistemi IT was final at the date of preparation of the financial statements for the year ended 31 December 2023 and the related goodwill is also considered final.

In September 2023, TeamSystem S.p.A. acquired a controlling interest of 51.534% in Mikro Yazilimevi A.Ş., a company that sells software solutions for the tax advisor, micro business, ERP market and other products in Turkey.
Mikro Yazilimevi A.Ş. holds:
- a 100% interest in PARAŞÜT YAZILIM TEKNOLOJİLERİ A.Ş.
- a 100% interest in Muhasebetech Yazilim A.Ş.
- a 100% interest in Shopside Yazilim Teknolojileri A.Ş.
- a 100% interest in Mikrogrup Teknoloji Destek Hizmetleri A.Ş.
- a 100% interest in eMükellef Teknoloji A.Ş.
- a 100% interest in Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş., which holds a 100% interest in Zirve Özel Entegrasyon Yazilim Hizm A.Ş.
- a 60% interest in MEVZUATTR YAZILIM A.Ş. (100% from October 2023).

A put and call option agreement was entered into with respect to the remaining interest not held by Mikro.

The parent company Mikro reported total revenue for 2023 of Try 484,367 thousand and a profit of Try 294,586 thousand.

The purchase price allocation recognised for the acquisition of the Mikro Group 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 MIKRO ASSETS	PPA provisional balances	NOTES
Tangible assets	854	
Intangible assets	126,770	
Right of use	1,258	
Goodwill	0	
Other Investments	238	
Investments in associates	0	
Deferred tax assets	1,301	
TOTAL NON CURRENT ASSETS	**130,420**	
Trade receivables	1,632	
Tax receivables	63	
Other receivables - current	3,125	
Other financial assets - current	2,048	
Cash and bank balances	4,406	
TOTAL CURRENT ASSETS	**11,273**	
TOTAL ASSETS	**141,693**	**A**

The goodwill arising from the aforementioned transaction accounting was allocated entirely to the 'Enterprise' CGU.

Datamedia S.r.l.

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Datamedia S.r.l., a TeamSystem software dealer.

In 2023, the company reported total revenue of € 1,393 thousand and a profit of € 199 thousand.

The purchase price allocation recognised for the acquisition of Datamedia 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 DATAMEDIA ASSETS	PPA provisional balances	NOTES
Trade receivables	1,136	
Other receivables - current	20	
Other financial assets - current	358	
Cash and bank balances	309	
TOTAL CURRENT ASSETS	**1,822**	
TOTAL ASSETS	**1,822**	**A**

Euro thousands

STATEMENT OF FINANCIAL POSITION DATAMEDIA EQUITY AND LIABILITIES	PPA provisional balances	NOTES
TOTAL EQUITY	**466**	
Staff leaving indemnity	71	
TOTAL NON CURRENT LIABILITIES	**71**	
Financial liabilities with banks and other institutions - current	16	
Trade payables	150	
Tax liabilities - current	201	
Other liabilities - current	918	
TOTAL CURRENT LIABILITIES	**1,285**	
TOTAL LIABILITIES	**1,356**	**B**
TOTAL EQUITY AND LIABILITIES	**1,822**	

Fair Value of acquired net assets	**466**	**C = A - B**
Cost of the investment	**2,104**	**D**
Provisional Goodwill IFRS 3	**1,638**	**E = D - C**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 0.9 million to the 'Enterprise' CGU, € 0.6 million to the 'Professional' CGU, and € 0.1 million to the 'Micro' CGU.

Rean S.r.l.

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Rean S.r.l., a TeamSystem software dealer.

In 2023, the company reported total revenue of € 2,404 thousand and a profit of € 286 thousand.

The purchase price allocation recognised for the acquisition of Rean 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 REAN ASSETS	PPA provisional balances	NOTES
Tangible assets	12	
Intangible assets	8	
TOTAL NON CURRENT ASSETS	**20**	
Trade receivables	790	
Other receivables - current	24	
TOTAL CURRENT ASSETS	**814**	
TOTAL ASSETS	**834**	**A**

Euro thousands STATEMENT OF FINANCIAL POSITION REAN EQUITY AND LIABILITIES	PPA provisional balances	NOTES
TOTAL EQUITY	**(2,021)**	
Staff leaving indemnity	974	
TOTAL NON CURRENT LIABILITIES	**974**	
Trade payables	63	
Tax liabilities - current	282	
Other liabilities - current	1,535	
TOTAL CURRENT LIABILITIES	**1,881**	
TOTAL LIABILITIES	**2,855**	**B**
TOTAL EQUITY AND LIABILITIES	**834**	
Fair Value of acquired net assets	**(2,021)**	**C = A - B**
Cost of the investment	**22,157**	**D**
Provisional Goodwill IFRS 3	**24,178**	**E = D - C**

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 9.8 million to the 'Enterprise' CGU, € 12.2 million to the 'Professional' CGU, € 1.6 million to the 'Micro' CGU, € 0.2 million to the 'Market Specific Solutions' CGU, and € 0.2 million to the 'HR' CGU.

TeamSystem Hub España S.L.

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in TeamSystem Hub España S.L., a TeamSystem software dealer based in Spain.

The company reported total revenue for 2023 of € 49 thousand and a loss of € 35 thousand.

The purchase price allocation recognised for the acquisition of TeamSystem Hub España S.L. was still provisional at 31 December 2023 and, consequently, the related goodwill was also provisional at the reporting date.

	Restated 31 Dec 2022	Change in cons. area	Revaluations	(Write-downs)	Additions	Other movements and disposals	31 Dec 2023
Investments in Associates	216	400	42		210		868
Other Investments	258	239				26	523
Total	474	639	42		210	26	1,391

In the column Changes in scope of consolidation, € 400 thousand relate to the associated company Innova (investment held by GreeNext). The €210 thousand reported under Additions relates to the acquisition of 35% of the newly established company LogicSystem, an Albanian company providing outsourced accounting services.

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets

Deferred tax assets at 31 December 2023 amounted to € 16,614 thousand. Details of movements in deferred tax assets are provided in the following table.

DEFERRED TAX ASSETS	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	31 Dec 2023
Provision for slow-moving inventories	31			(31)	(0)
Provision for litigations and other provisions	848		384	(463)	769
Other items	0		87	(89)	(2)
Provision for bad-debts	4,813		1,173	(1,438)	4,547
Tax step-up	4,435			(813)	3,623
TeamSystem S.p.A.	**10,126**		**1,644**	**(2,835)**	**8,936**
Deferred tax asset of other Subsidiaries	4,012	2,430	712		7,154
Other Subsidiaries	**4,012**	**2,430**	**712**		**7,154**
Provision for slow-moving inventories	64	84		(61)	87
Right of use assets	48			(18)	30
Provision for litigations and other provisions		70			70
Provision for bad-debts	332	193	18	(399)	144
Staff leaving indemnity - actuarial valuation	(79)	6		38	(35)
Deferred revenues	139	567		(477)	229
Other items	69			(69)	0
Consolidation entries	**573**	**919**	**18**	**(986)**	**525**
Total	**14,712**	**3,349**	**2,374**	**(3,820)**	**16,614**

Deferred tax assets as 31 December 2023 primarily relate to the allowance for bad debts and to other provisions for risks and charges which are disallowed for tax purposes. These deferred tax assets are not subject to any maturity or expiration.

TeamSystem S.p.A. did not recognise deferred tax assets on the interest expense exceeding gross operating income (GOI) and therefore it was not deducted for tax purposes. The potential deferred tax asset relating to the foregoing amounts to around € 44,069 thousand at 31 December 2023.

In addition to the above, the Group did not recognise deferred tax assets (amounting to € 2,941 thousand at 31 December 2023) on the differences in depreciation rates on Brands that were subject to a tax revaluation in 2021 in accordance with Decree Law No. 104 of 14 August 2020.

Deferred tax liabilities

Deferred tax liabilities at 31 December 2023 amounted to € 310,235 thousand. Changes in deferred tax liabilities are summarised in the following table.

DEFERRED TAX LIABILITIES	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	31 Dec 2023
Fair value valuation of land and buildings	764			(77)	687
TeamSystem - Intangibles	225,513			(18,887)	206,626
Staff leaving indemnity - actuarial valuation			214		214
Investments revaluation	4,969			(67)	4,902
Other					
TeamSystem S.p.A.	**231,245**		**214**	**(19,031)**	**212,429**
Deferred tax liabilities of other Subsidiaries	53	207		(56)	204
Other Subsidiaries	**53**	**207**		**(56)**	**204**
Investments revaluation	(4,969)			67	(4,902)
Intangibles - subsidiaries	82,404	42,674		(23,862)	101,216
Capitalized development costs	859		456		1,315
Other		15		(42)	(27)
Consolidation entries	**78,294**	**42,689**	**456**	**(23,837)**	**97,602**
Total	**309,593**	**42,896**	**670**	**(42,924)**	**310,235**

The other changes / decreases mainly refer to the release of the deferred tax liability recognised on the amortisation of intangible assets (Software, Brands, Customer relationships and other IFRS assets) identified during the purchase price allocation process in relation to:

- the extraordinary “change of control” transaction that involved the TeamSystem Group in 2021;
- price allocations resulting from subsequent acquisitions made by the TeamSystem Group.

18. NET CASH/DEBT

	Current	Non Current	31 Dec 2023 Total	Current	Non Current	Restated 31 Dec 2022 Total
Bank accounts and post office	46,631		46,631	145,496		145,496
Cash and bank balances	64		64	27		27
Total Cash and bank balances	**46,695**	**0**	**46,695**	**145,523**	**0**	**145,523**
Loans	2,129	-	2,129	25	-	25
Derivative instruments - assets	-	18,075	18,075	-	31,233	31,233
Others financial accruals	619	-	619	-	-	-
Accruals and prepaid commissions	39	-	39	38	-	38
Other financial assets	2,869	5,925	8,795	8,238	-	8,238
Total Other financial assets	**5,657**	**24,000**	**29,657**	**8,301**	**31,233**	**39,534**
Loans with banks	(2,286)	-	(2,286)	(1,767)	-	(1,767)
Overdrafts with banks	(0)		(0)	(2)		(2)
Finance leases liabilities	(8,728)	(20,613)	(29,341)	(11,660)	(14,524)	(26,184)
Notes	(32,405)	(1,830,000)	(1,862,405)	(21,181)	(1,635,000)	(1,656,181)
Financial liabilities with other institutions	(2,500)	-	(2,500)	(1,607)	-	(1,607)
Dividends to be paid	(40)	-	(40)	(40)	-	(40)
Total Financial liabilities	**(45,959)**	**(1,850,613)**	**(1,896,572)**	**(36,257)**	**(1,649,524)**	**(1,685,781)**
Financing Fees - notes	-	42,688	42,688	-	44,404	44,404
Financing Fees - banks	-	2,347	2,347	-	2,997	2,997
Total Financing Fees	**0**	**45,035**	**45,035**	**0**	**47,402**	**47,402**
Liabilities to non controlling shareholders of subsidiaries	(90,023)	(113,842)	(203,865)	(73,996)	(13,647)	(87,643)
Commissions financial liabilities	(156)	-	(156)	(217)	-	(217)
Total Other financial liabilities	**(90,179)**	**(113,842)**	**(204,021)**	**(74,213)**	**(13,647)**	**(87,860)**
Total	**(83,786)**	**(1,895,420)**	**(1,979,207)**	**43,354**	**(1,584,536)**	**(1,541,182)**

Net debt as of 31 December 2023 amounted to € 1,979,207 thousand.

■Lease liabilities

The financial debt for leases at 31 December 2023 amounted to € 29,341 thousand. This liability reflects the financial liability recognised as a result of accounting for leases under IFRS 16.

■2028 Fixed Rate Notes, 2028 Floating Rate Notes and 2028 Private Notes, 2030 Floating Rate Notes and 2029 PIYW PIK Toggle Notes

To finance the acquisition of the TeamSystem Group, in February 2021, **Brunello Bidco S.p.A. ("SSN Issuer")** issued:

- senior secured fixed rate notes (ISIN XS2295691476 - XS2295690742) with a total nominal value of € 300 million maturing on 15 February 2028 ("**2028 Fixed Rate Notes**"). The 2028 Fixed Rate Notes bear interest at a fixed interest rate of 3.50%, payable semi-annually in arrears each 15 April and 15 October, commencing 15 October 2021.
- senior secured floating rate notes (ISIN XS2295692102 - XS2295691633) with a total nominal value of € 850 million maturing on 15 February 2028 ("**2028 Floating Rate Notes**"). The 2028 Floating Rate Notes bear interest at a rate equal to the 3-month Euribor rate - with a floor of 0.00% - plus an annual spread of 3.75%, payable quarterly in arrears each 15 January, 15 April, 15 July and 15 October, commencing 15 July 2021.

The 2028 Fixed Rate Notes and the 2028 Floating Rate Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

The merger between Brunello Bidco S.p.A., Barolo Luxco 1 S.p.A., TeamSystem Holding S.p.A. and TeamSystem S.p.A. was completed on 26 October 2021 ("Merger Date"). The surviving company from the above-mentioned merger transaction was TeamSystem S.p.A. which, as a result of the merger and starting from the Merger Date, assumed all the obligations of the SSN Issuer with respect to the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes.

Brunello Midco 2 S.p.A. ("**PIK Issuer**"), which changed its company name to TeamSystem Holdco 3 S.p.A. with effect from 17 December 2021, issued:

- Senior Floating Rate Pay-If-You-Want PIK Toggle notes (ISIN: IT0005434441) with a total nominal value of € 300 million, which were amended on 5 October 2023, maturing on 15 December 2029 (as amended from time to time "**2029 PIYW PIK Toggle Notes**"). The PIK Issuer pays interest on the 2029 PIYW PIK Toggle Notes either in cash (6-month Euribor with a floor of 0.00%, plus 8.00% per annum) or in kind (6-month Euribor with a floor of 0.00%) plus 8.75% per annum) or a combination of the two, at the sole option of the PIK Issuer. The 2029 PIYW PIK Toggle Notes bear interest payable semi-annually in arrears each 15 April and 15 October, commencing 15 October 2021;

The 2029 PIYW PIK Toggle Notes are listed on the MTF of the Vienna Stock Exchange.

The fees and costs incurred for the issue of the 2028 Fixed Rate Notes, the 2028 Floating Rate Notes and the issue of the 2029 PIYW PIK Toggle Notes have been accounted for as Financing Fees and have been amortised pro-rata over the contractual term of the respective Notes.

TeamSystem S.p.A. issued:

- on 06 October 2022, senior secured floating rate notes (ISIN XS2533816042 - XS2533896721) with a total nominal value of € 185 million maturing on 15 February 2028 ("**2028 Private Notes"** along with the **2028 Fixed Rate Notes** and then **2028 Floating Rate Notes**, the "**2028 Notes**"). The 2028 Private Notes bear interest at a rate equal to the 3-month Euribor rate - with a floor of 0.00% - plus a spread of 6.25%, payable quarterly in arrears on 15 January, 15 April, 15 July, 15 October of each year starting on 15 July 2023.
- On 05 October 2023, senior secured floating rate notes (ISIN XS2689127897 - XS2689129752) with a total nominal value of € 195 million maturing on 05 October 2030 ("**2030 Private Notes"** along with the **2028 Notes, "TeamSystem Notes"**). The 2030 Private Notes bear interest at a rate equal to the 3-month Euribor rate - with a floor of 0.00% - plus a spread of 5.50%, payable quarterly in arrears on 15 January, 15 April, 15 July, 15 October of each year starting on 15 January 2024.

The 2028 Private Notes and the 2023 Private Notes are listed on the MTF of the Vienna Stock Exchange.

■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.

■Revolving Credit Facility

On 27 January 2021, Brunello Bidco S.p.A. (now merged with TeamSystem S.p.A.) negotiated a super senior revolving credit facility (**"RCF"**) with a principal amount of € 180 million and expiring on 18 August 2027. The surviving company from the above-mentioned merger transaction was TeamSystem S.p.A. which, as a result of the merger and starting from the Merger Date, assumed all the obligations of Brunello Bidco S.p.A with respect to the New RCF.

The interest rate payable on the **RCF** credit facility is equal to the Euribor / LIBOR, with a floor of 0.00%, plus a spread, calculated quarterly based on certain contractual parameters ("**Senior Secured Net Leverage Ratio**").

The RCF line is secured by the same guarantees granted on the **TeamSystem Notes** (see previous paragraph).

The costs incurred to obtain the New RCF have been recognised as financing fees and are being amortised on a straight-line basis over the contractual term of the credit facility.

Interest Rate Swaps – Financial derivative assets / liabilities

With the aim of reducing the risk of market interest rate fluctuations associated with the Floating Rate Notes, in April 2022, TeamSystem S.p.A. entered into two interest rate swap contracts with a total notional amount of € 700 million and with a termination date of 15 December 2025. The fair value change of these interest rate swaps has been recognised in profit or loss for the year ended 31 December 2023.

Euro Million Risk Hedged	Hedged item	Company	Notional	Fair value 31 Dec 2023
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	425.0	11.0
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	275.0	7.1
Total			**700.0**	**18.1**

■Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 203,865 thousand at 31 December 2023) relate to put and call options and/or earn-outs and/or deferred compensation due to non-controlling interest holders of certain consolidated subsidiaries. The most significant liabilities relate to the following companies: Modefinance, Logical Soft, Mikro, My Expenses, Teamsyver, IT Review, Readytec, Sigma Sistemi.

Changes in the balance of Liabilities to non-controlling shareholders of subsidiaries in 2023 are summarised below.

	Restated 31 Dec 2022	Change in cons. area	Interest	Revaluations	Write-downs	Payments	31 Dec 2023
Liabilities to non controlling shareholders	87,643	145,674	11,959	13,017	(13,727)	(40,701)	203,865
Total	**87,643**	**145,674**	**11,959**	**13,017**	**(13,727)**	**(40,701)**	**203,865**

The liabilities to non-controlling shareholders of subsidiaries paid in 2023 amount to € 40,701 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Storeden, Teamsyver, Algoritmi, Sia, Modefinance, Area 32, Progetto Studio, Newtronic.

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 sed) may be affected.

19. INVENTORIES

	31 Dec 2023	Restated 31 Dec 2022	Change	% Change
Raw and ancillary materials	335	406	(72)	-17.6%
Finished products and goods	2,103	1,205	898	74.5%
Advances	68	-	68	0.0%
(Allowance for slow-moving inventory)	(770)	(500)	(270)	53.9%
Total	**1,736**	**1,111**	**625**	**56.3%**

Inventories amounted to € 1,736 thousand at 31 December 2023 and included hardware products not yet delivered at the reporting date, as well as consumables, accessories, third party software modules and software licences for resale.

20. TRADE RECEIVABLES

	31 Dec 2023	Restated 31 Dec 2022	Change	% Change
Trade receivables	224,440	171,816	52,624	30.6%
(Allowance for bad debts)	(23,781)	(24,904)	1,123	-4.5%
Total	**200,659**	**146,912**	**53,747**	**36.6%**

Trade receivables at 31 December 2023 amounted to € 200,659 thousand, net of the allowance for bad debts of € 23,781 thousand.

Movements in the allowance for bad debts in 2023 are summarised below.

	Restated 31 Dec 2022	Change in cons. area	Other movements	(*) Additions	(*) (Utilisations)	31 Dec 2023
Allowance for bad debts	24,904	1,470		7,025	(9,618)	23,781
Total	**24,904**	**1,470**		**7,025**	**(9,618)**	**23,781**

(*) = Credit Losses balance included both in Addition and Utilisation figures

Trade receivables are recorded net of the allowance for bad debts, the balance of which amounted to € 23,781 thousand at 31 December 2023.
The allowance for bad debts at 31 December 2023 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), which took into account:

a) past due receivables, the write-down of which is determined based on a grouping of receivables by ageing class and risk associated with the processing stage of the receivable. This write-down is based both on historical data and on a specific analysis of doubtful accounts;
b) the receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

21. TAX RECEIVABLES

	31 Dec 2023	Restated 31 Dec 2022	Change	% Change
Tax credits	141	186	(45)	-24.2%
Other tax receivables	1,023	165	857	n.s.
Advances and credit on income taxes	632	610	22	3.7%
Total	**1,796**	**961**	**835**	**86.9%**

Tax receivables at 31 December 2023 amounted to € 1,796 thousand.

22. OTHER CURRENT RECEIVABLES

	31 Dec 2023	Restated 31 Dec 2022	Change	% Change
VAT receivables	8,380	475	7,906	n.s.
Deposits	1,125	666	459	68.9%
Receivables from employees	187	124	63	50.8%
Other receivables - current	19,024	8,518	10,506	n.s.
Accrued income	146	226	(80)	-35.4%
Prepayments	33,776	27,375	6,401	23.4%
Other current receivables	**62,638**	**37,383**	**25,255**	**67.56%**

Other current receivables came to € 62,638 thousand at 31 December 2023. The main components that make up this balance are Prepaid expenses (€ 33,776 thousand), which mainly consist of fees for maintenance and support provided by third parties.

Other current receivables mainly relate to advances paid at the end of the 2023 financial year for acquisitions of a number of companies that will be finalised over the course of the 2024 financial year.

23. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY AND TO NON-CONTROLLING INTERESTS

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2022	**14,597**	**1,378,765**	**(236)**	**(146,541)**	**1,246,585**	**803**	**1,247,388**
Profit (Loss) allocation		(146,519)	(22)	146,541	**0**		**0**
Acquisition of Subsidiaries					**0**	(253)	**(253)**
Other movements		(3)			**(3)**		**(3)**
Sale of minotiry stake in subsidiaries		998			**998**	27	**1,025**
Acquisition of minotiry stake in subsidiaries		(223)			**(223)**	253	**30**
Profit (Loss)				(75,295)	**(75,294)**	75	**(75,219)**
Other Profit (Loss) on comprehensive income		(22,831)			**(22,831)**	0	**(22,831)**
31 Dec 2023	**14,597**	**1,210,187**	**(258)**	**(75,295)**	**1,149,231**	**905**	**1,150,137**

Equity attributable to owners of the Parent Company at 31 December 2023 amounted to € 1,149,231 thousand.

Equity attributable to non-controlling interests (€ 905 thousand) relates to equity interests held by third parties in Gruppo Euroconference and TeamSystem Capital at Work SGR.

In 2021, the following companies:
- TeamSystem S.p.A.
- TeamSystem Service S.r.l.
- Aliaslab S.p.A., (merged into TeamSystem S.p.A. in 2022)

- Madbit Entertainment S.r.l.
- Danea Soft S.r.l.
- Gruppo Euroconference S.p.A.

decided to revalue the tax basis of intangible software and trademark assets in accordance with Decree Law No. 104 of 14 August 2020. This resulted in the generation of equity reserves subject to taxation upon distribution totalling € 173,703 thousand in the companies listed above.

24. STAFF LEAVING INDEMNITY

	31 Dec 2023	Restated 31 Dec 2022	Change	% Change
Staff leaving indemnity	35,943	24,661	11,282	45.7%
Total	**35,943**	**24,661**	**11,282**	**45.7%**

The liability associated with the staff leaving indemnity at 31 December 2023 amounted to € 35,943 thousand. The increase of € 11,282 thousand compared to the balances as at 31 December 2022 is mainly due to acquisitions made during 2023.

In accordance with IAS 19, the staff leaving indemnity is considered a defined benefit plan to be accounted for by applying the "projected unit credit method," which consists of discounting an estimate of the amount to be paid to each employee on termination of their employment and the consequent determination of:

- **initial DBO**, which is the present value of employee service payments expected to be made in the future, already available at the beginning of the period;
- **service cost**, which is the present value of expected future employee service relating to services provided in the current period;
- **interest cost**, which is interest on the provision at the beginning of the period and on corresponding movements in the period being considered;
- **benefits paid and transfers in/out**, representing all payments and transfers in and out relating to the period being considered, being elements that lead to the utilisation of the provision;
- **the actuarial gain/loss**, namely, the actuarial gain/loss relating to the valuation period.

The estimate, which was performed by an independent actuary, was computed based on the following assumptions:

	2023 financial year
Discount rate	3.77%
Anticipation rate	1.00%

The discount rate used for the determination of the present value of the staff leaving indemnity at 31 December 2023 was determined with reference to the IBoxx Eurozone Corporate AA index.

It should also be noted that, should the annual discount rate change by +/- 0.25%, the staff leaving indemnity would decrease by approximately € 830 thousand (in the event of a 0.25% increase in the discount rate) and increase by approximately € 865 thousand in the event of a 0.25% decrease in the discount rate.

IAS 19 - Employee Benefits requires the recognition of actuarial gains and losses arising from the "remeasurement" of liabilities and assets in the consolidated statement of comprehensive income. Consequently, the amount included in the 2023 consolidated statement of comprehensive income (€ 533 thousand) corresponds to the actuarial gains/losses, net of the tax effect.

25. PROVISIONS FOR RISKS AND CHARGES

	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	31 Dec 2023
Provision for pension and other obligation	1,567	346		(242)	1,671
Provision for litigations	9,610	13,238	1,684	(3,202)	21,331
Other provision for risks and charges	1,524		1,205	(526)	2,203
Total	**12,701**	**13,584**	**2,889**	**(3,969)**	**25,204**

Provisions for risks and charges amounted to € 25,204 thousand at 31 December 2023. Its components are as follows:

- Provision for pensions and similar obligations of € 1,671 thousand, relating mainly to the Provision for agents' indemnity; disbursements are triggered by the termination of agreements with Group companies' agents for reasons not attributable the companies themselves (death, natural termination of activities and similar circumstances); accordingly, it is not possible to reliably estimate the timing of disbursements.
- the Provision for litigation, amounting to € 21,331 thousand, mainly related to certain disputes (with social security institutions and tax authorities) as well as to certain liabilities (deemed possible) allocated during the purchase price allocation process of company acquisitions (in accordance with the reference accounting standards, IFRS 3.23) made both by the TeamSystem Group (in connection with the "change of control" transaction that took place in February 2021) and subsequent acquisitions made by the TeamSystem Group. Management is currently unable to estimate when the related cash outflows will occur. The increases to the Provision for litigation and disputes in 2023, mainly refer to outstanding disputes with some suppliers as well as ongoing assessments.
  The decreases to the Provision for litigation and disputes in 2023, refer to: 1) the settlement of certain tax disputes (as part of an assessment process agreed with the relevant tax authorities) that arose in relation to the 2017 tax year; 2) the release of risk provisions due to the settlement of disputes that arose in previous years.
- Other provisions for risks and charges amounted to € 2,203 thousand at 31 December 2023 which primarily includes the provision for corporate welfare plans.

26. CURRENT TAX LIABILITIES

	31 Dec 2023	Restated 31 Dec 2022	Change	% Change
Income tax payables	11,293	8,519	2,774	32.57%
Other tax liabilities	-	409	(409)	-100.00%
Total	**11,293**	**8,928**	**2,365**	**26.5%**

Income tax payables, amounting to € 11,293 thousand at 31 December 2023, refer to corporate income tax payables recognised by the individual consolidated companies based on applicable national legislation (since the TeamSystem Group conducts most of its operations in Italy, these tax payables mainly relate to IRES and IRAP taxes).

27. OTHER CURRENT AND NON-CURRENT LIABILITIES

	31 Dec 2023	Restated 31 Dec 2022	Change	% Change
VAT liabilities	3,400	4,037	(637)	-15.78%
Withholdings liabilities	7,121	5,144	1,977	38.4%
Employees payables and Social security liabilities - current	45,079	35,990	9,089	25.3%
Advances	639	1,198	(559)	-46.6%
Other liabilities	1,817	1,317	500	38.0%
Accrued liabilities	426	161	265	n.s.
Deferred revenues	154,928	103,159	51,769	50.2%
				0.0%
Other current liabilities	**213,410**	**151,007**	**62,404**	**41.33%**
Social security liabilities - non current	335	381	(46)	-12.2%
Other tax liabilities - non current	8	8	-	0.0%
Other non current liabilities	**342**	**389**	**(46)**	**-11.96%**
Total Other liabilities	**213,753**	**151,395**	**62,357**	**41.19%**

Other current and non-current liabilities amounted to € 213,753 thousand at 31 December 2023.

Employee payables and social security liabilities of € 45,079 thousand relate to salaries and 2023 production bonuses (not yet paid at the year end) payable to employees, directors and collaborators, as well as accruals for public holidays and holiday pay, inclusive of related social contributions.

Deferred revenue (€ 154,928 thousand) relates to the portion of software support contract revenue (pertaining essentially to Nuovamacut, TeamSystem, Gruppo Euroconference, Madbit Entertainment, Danea Soft, Software del Sol, Mikro) attributable to future financial years, based upon the duration of the underlying contracts.

28. FINANCIAL INSTRUMENTS AND IFRS 7

The Group is exposed to a variety of financial risks that are managed and monitored centrally and which can be categorised as follows:

Foreign exchange risks

As an international organisation, the Group holds assets and conducts business in currencies other than the euro (although not yet to a significant extent) and is therefore exposed to risks arising from changes in exchange rates that could affect its results of operations and the value of its equity. Many of the TeamSystem Group companies are, however, exposed to a limited degree of foreign exchange risk due to the operational management of these companies, whose cash flows (both revenues and costs) are mostly denominated in the same functional currency as the country in which these companies are based. Finally, it should be noted that the TeamSystem Group, as from September 2023, owns the Mikro Group which operates in Turkey, a country currently characterised by hyperinflation and significant fluctuations in exchange rates. However, it should be noted that almost all of the Mikro Group's transactions are carried out in Turkish lira, therefore no significant exchange rate differences arise.

Credit risk

Credit risk is mitigated by the high fragmentation of the customer base and the high degree of customer loyalty. In any case, the customer credit policy, by customer category (resellers and end-users), envisages:
a) the control and assessment of credit standing;
b) the control of the flow of payment collection;
c) taking appropriate action by issuing reminders and by the use of credit collection procedures, including recourse to companies specialised in debt recovery.

The maximum theoretical exposure to credit risk for the Group is represented by the carrying amount of trade receivables as presented in the consolidated financial statements, as well as residual financial receivables recorded in current and non-current financial assets.

The tool used by the Group for the classification and control of trade receivables consists of an Ageing List, in which amounts of overdue receivables are summarised by ageing category, from the most recent (0-30 days) to the oldest (over 180 days).

The amount of the allowance for bad debts at 31 December 2023 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), taking into account both past due receivables, the allowance for which was determined based on a specific analysis of doubtful accounts and receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and the past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

Interest rate risk

TeamSystem Group's financial structure calls for fixed rate debt for the **2028 Fixed Rate Notes** and variable rate debt for the **2028 Floating Rate Notes, 2028 Private Notes, 2030 Private Notes, 2029 PIYW PIK Toggle Notes,** and the **New RCF** credit facility.
The yield on the **2028 Floating Rate Notes,** the **2028 Private Notes** and the **2030 Private Notes** is tied to the 3-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, or to the 6-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, for the **2029 PIYW PIK Toggle Notes**.
Conditions applied to the **New RCF** also feature floating interest rates (based on Euribor rates - with a floor of 0.00% - plus a spread established contractually each quarter).

If the interest rates payable on the Notes during 2023 had been 0.5% higher (with respect to the interest rate actually paid over during 2023), the financing costs of the Notes would have been approximately €3.4 million higher; if the interest rates payable on the Notes had been 0.50% lower (with respect to the interest rate actually paid during 2023), the financing costs of the Notes would have been approximately €3.4 million lower for the TeamSystem Group. It should also be noted that the above sensitivity calculation of the financial costs on the Notes took into account interest rate derivative contracts that the Group entered into during 2022 but which became effective during 2023. These derivative swap contracts (expiring in December 2025) stipulate that the TeamSystem Group pays a fixed interest rate and receives a variable interest rate based on the 3-month Euribor.

As regards the revolving credit facility, if interest rates payable on the RCF had been 0.5% higher during the course of 2023 (with respect to the interest rate actually paid during the course of 2023), finance costs would have been € 0.1 million higher; on the other hand, if interest rates payable on the RCF had been 0.50% lower (with respect to the interest rate actually paid during the course of 2023), the TeamSystem Group would have incurred around € 0.1 million less in finance costs.

Liquidity risk

The two main factors that determine the dynamics of the Group's liquidity are, on one hand, the resources generated/absorbed by operating and investment activities and, on the other hand, the maturity of financial liabilities.
The following procedures have been adopted to optimise cash flow management and reduce liquidity risk:
- maintenance of an adequate level of available liquidity;
- adoption of Cash-pooling at Group level;
- securing adequate credit lines;
- monitoring prospective liquidity conditions as part of the corporate planning process.

Despite the Group's high degree of leverage and the uncertain macroeconomic scenarios - including the ongoing Russian-Ukrainian conflict and the conflict between Israel and Hamas - liquidity is not an issue. The RCF facility itself, with a total available amount of € 180 million, remains undrawn at 31 December 2023. The Group has always demonstrated its ability to generate cash and to successfully raise funds in the financial markets.

Set out below are details of the Group's financial assets and liabilities analysed according to the related due dates of the payment outflows. The flows indicated are non-discounted nominal cash flows, determined with reference to the residual contractual maturity for both capital and interest elements for which the interest rates are assumed to have remained unchanged from those in effect.

	31 Dec 2023	within 12 months	between 1 - 5 years	over 5 years	Total cash flows
FINANCIAL ASSETS					
Loans	2,129	2,129			**2,129**
Derivative instruments - assets	18,075	16,205	18,951		**35,156**
Others financial accruals	619	619			**619**
Accruals and prepaid commissions	39	39			**39**
Other financial assets	8,795	2,869	5,926		**8,795**
FINANCIAL LIABILITIES					
Loans with banks	(2,286)	(2,286)			**(2,286)**
Finance leases liabilities	(29,341)	(10,531)	(20,654)	(1,936)	**(33,121)**
Notes	(1,862,405)	(150,112)	(1,871,274)	(574,329)	**(2,595,715)**
Financial liabilities with other institutions	(2,500)	(2,500)			**(2,500)**
Dividends to be paid	(40)	(40)			**(40)**
Liabilities to non controlling shareholders of subs	(203,865)	(92,070)	(134,854)		**(226,924)**
Commissions financial liabilities	(156)	(156)			**(156)**
Total	**(2,070,936)**	**(235,834)**	**(2,001,904)**	**(576,265)**	**(2,814,003)**

The difference between the amounts reported in the consolidated financial statements and total cash flow is mainly attributable to the computation of interest over the contractual term on amounts due to banks, to noteholders and to liabilities to non-controlling shareholders of subsidiaries.

<u>Financial instruments by category (IFRS 7 paragraph 8)</u>

As required by IFRS 7, paragraph 8, the Group's financial instruments have been identified by asset and liability category with respect to their classification in the statement of financial position.

	31 Dec 2023	FVTPL	FVTOCI	AC
FINANCIAL ASSETS				
Loans	2,129			2,129
Derivative instruments - assets	18,075	18,075		
Others financial accruals	619			619
Accruals and prepaid commissions	39			39
Other financial assets	8,795	5,926		2,869
Financing Fees	45,035			45,035
Trade receivables	200,659			200,659
Equity investments	523	523		
FINANCIAL LIABILITIES				
Loans with banks	(2,286)			(2,286)
Finance leases liabilities	(29,341)			(29,341)
Notes	(1,862,405)			(1,862,405)
Financial liabilities with other institutions	(2,500)			(2,500)
Dividends to be paid	(40)			(40)
Liabilities to non controlling shareholders of subs	(203,865)	(203,865)		
Commissions financial liabilities	(156)			(156)
Trade payables	(71,529)			(71,529)
Total	**(1,896,248)**	**(179,341)**		**(1,716,907)**

KEY TO FINANCIAL INSTRUMENT CATEGORIES

<u>FVTPL</u> = **Financial assets and liabilities measured at fair value through profit or loss;**
<u>FVTOCI</u> = **Financial assets and liabilities measured at fair value through other comprehensive income;**
<u>AC</u> = **Financial assets and liabilities measured at amortised cost.**

Considering the characteristics of the financial assets and liabilities recorded in the financial statements and as shown by the above table, the fair value of many of these (current trade receivables and payables and current and non-current financial liabilities) do not differ from their related carrying amounts, with the exception of the **2028 Fixed Rate Notes** and the **2028 Floating Rate Notes** for which the market quotation at 31 December 2023 (92.00 for the **2028 Fixed Rate Notes** and 99.375 for the **2028 Floating Rate Notes**) corresponds to the best estimate of fair value at 31 December 2023.

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

Euro Million 31 Dec 2023	within 12 months	between 1 - 5 years	over 5 years	Total
Leases for operational premises	6.5	14.7	1.9	**23.1**
Leases for motor cars	3.0	5.1		**8.1**
Other leases	1.0	0.9		**1.9**
Total	**10.5**	**20.7**	**1.9**	**33.1**

Other commitments and contingent assets/liabilities

The Group companies, in performing their activities, are exposed to a series of legal and other risks. These risks relate to ongoing legal disputes (the outcome of which cannot be forecast with certainty) or claims made against Group companies to recover damages suffered by third parties. An adverse outcome of these proceedings could lead to the payment of costs not covered (or not fully covered) by insurance with a consequent impact on the financial position.

The Group, in accordance with opinions provided by its legal advisers, has made specific provision as part of the provision for risks and charges (Note 25) for litigation for which it is believed that a disbursement of resources is probable and for which the amount can be reliably estimated. Based on the information available, there are no further potentially significant contingent liabilities that could lead to significant disbursements for the Group.

30. SUMMARY OF IFRS 12 DISCLOSURE REQUIREMENTS CONCERNING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES WITH MATERIAL NON-CONTROLLING INTERESTS

Investments in associates

As required by IFRS 12, additional information concerning Investments in associates is provided in the table set out below.

Amounts in Euro

CONSOLIDATED COMPANIES EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
Esaedro S.r.l. (*)	Parma	Italy	20,800	500,603	EUR	40.00		
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,041	EUR	35.00		
Cesaco S.r.l. (*)	Vicenza	Italy	90,000	25,384	EUR	48.00		
Innova S.r.l. (*)	Matera	Italy	714,288	1,547,950	EUR	20.00		
Logic System SHPK (**)	Tirana	Albania	N.A.	N.A.	LEK	35.00	14	

(*) = figures updated to 31 December 2022 financial statements.
(**) = new incorporated company
(14) = negotiated put/call options contracts that allow TeamSystem Group to reach 100% ownership

Investments in subsidiaries with material non-controlling interests

As required by IFRS 12, a summary is provided below of information concerning the Group's principal subsidiaries with material non-controlling interests. The amounts shown in the following tables are before intercompany eliminations and consolidation entries.

Note that the percentage holding in the subsidiaries is the actual percentage held by the Group at the reporting date, without taking account of the impact of agreements entered into by the Group for the acquisition of non-controlling interests (further details are provided in the paragraphs on "Scope of consolidation" and on "Basis of consolidation").

Euro thousands GRUPPO EUROCONFERENCE	31 Dec 2023	31 Dec 2022	Change
% Held by Non Controlling Interests	3.13	3.13	0.00
Total Assets	48,445	41,958	6,487
Total Equity	37,985	32,315	5,670
Total Revenue	15,626	14,685	941
Profit (Loss) for the year	5,670	3,494	2,176

Euro thousands MODEFINANCE	31 Dec 2023	31 Dec 2022	Change
% Held by Non Controlling Interests	41.00	41.00	0.00
Total Assets	10,046	7,945	2,101
Total Equity	6,603	4,454	2,149
Total Revenue	8,875	6,880	1,995
Profit (Loss) for the year	2,149	1,687	462

Euro thousands MICRONTEL	31 Dec 2023	31 Dec 2022	Change
% Held by Non Controlling Interests	80.00	n.a.	n.a.
Total Assets	10,392	8,943	1,449
Total Equity	7,765	6,490	1,275
Total Revenue	7,051	6,512	539
Profit (Loss) for the year	1,275	785	491

31. RELATED PARTY TRANSACTIONS, DIRECTORS, STATUTORY AUDITORS AND TOP MANAGEMENT

Emoluments

As required by IAS 24, the table below shows the emoluments payable for the year ended 31 December 2023 to the members of the Board of Directors, to the members of the Board of Statutory Auditors and to the Group's Top Management.

	31 Dic 2023	31 Dic 2022
Directors	75	75
Statutory Auditors	45	49
Top Management	3,042	2,996
Total emoluments	**3,162**	**3,120**

Related companies

TeamSystem Group has not been party to any transactions with related companies that are worth disclosing, other than those previously commented upon.

32. INDEPENDENT AUDITORS

The following table shows the fees received in the 2023 financial year by Deloitte & Touche S.p.A. and the companies belonging to the audit firm's network, categorised by audit engagements and the provision of other services:

Euro thousands

Type of service	Service provider	Recipient	Fee
Audit	Deloitte & Touche SpA	Teamsystem Holdco	53
Audit	Deloitte & Touche SpA	Subsidiaries	521
Other services	Deloitte & Touche SpA		6
			580
Audit	Deloitte & Touche network	Subsidiaries	
Other services	Deloitte & Touche network	Subsidiaries	2
			2

33. DISCLOSURE REQUIRED BY LAW 124 / 2017

Regarding the disclosure requirements introduced by Law 124/2017, in the 2023 financial year, TeamSystem Group did not benefit from any subsidies, economic advantages, grants or aid paid in cash or in kind that was not of a general nature and that did not take the form of consideration, remuneration or compensation except as set forth in the following table.

Please also note that for the details of the State Aid and De-Minimis aid received, which are required to be reported in the National State Aid Register pursuant to Article 52, Law 234/2012, please refer to that register.

Valori in Euro

LEGAL ENTITY RECEIVING THE BENEFIT	PUBLIC ENTITY PROVIDING THE BENEFIT	DESCRIPTION	AMOUNT RECEIVED
Ciaomanager	Revenue Agency	Covid	2,000
CZ Informatica	Revenue Agency	Covid	1,004
CZ Informatica	National Social Insurance Agency	Social contribution exemption	6,000
Readytec	Tax Administration	Artbonus tax credit	3,250
Readytec	Tax Administration	Capital goods tax credit	2,384
Readytec	Tuscany Region	Intership Reimbursement	1,800
Readytec	Lombardy Region	Staff training Reimbursement	15,000
Multidata	Tax Administration	Contribution Law 234/2021	1,081
Multidata	Tax Administration	Contribution energy Decree Law 144/2022	2,979
Multidata	Revenue Agency	Contribution Decree Law 34/2020	14,198
IT Review	Tax Administration	Omega project	5,398

34. SUBSEQUENT EVENTS

■Acquisition / Contribution of business units

TeamSystem 12 S.r.l.

In January 2024, the business units of the following companies were contributed to TeamSystem 12 S.r.l.:
-B&T Software & Service S.n.c.;
-Slware S.r.l.;
-Next S.r.l.;
-Nordest Informatica S.r.l.;
-Giesse Dati S.r.l.;
-Zuffellato Technologies S.r.l.;
-L'informatica S.r.l.;
-Isigest S.r.l.

In February 2024, the following business units were contributed to TeamSystem 12:
-Flor Informatica S.r.l.
-SI.EL.CO. S.r.l.

■Integration of minority shareholders in the TeamSystem Group

In the course of early 2024, ADIA (a wholly owned subsidiary of the Abu Dhabi Investment Authority), CapitalG (Alphabet's independent growth fund), Silver Lake (a global leader in technology investments), acquired minority stakes in the TeamSystem Group. Hellman & Friedman (H&F) remains the majority shareholder after these transactions.

■Conflict between Russia and Ukraine and Israel and Hamas

The conflicts between Russia and Ukraine and the outbraak of the new conflict between Israel and Hamas (both of which are still ongoing) and the ensuing international tensions dominated 2023.

Deloitte & Touche S.p.A.
Via Marsala, 12
60121 Ancona
Italia
Tel: +39 071 50149.11
Fax: +39 071 50149.12
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
TeamSystem Holdco S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of TeamSystem Holdco Group ("TeamSystem Group" or "Group"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of TeamSystem Holdco S.p.A. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10

The Directors of TeamSystem Holdco S.p.A. are responsible for the preparation of the report on operations of the Group as at December 31, 2023, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of TeamSystem Group as at December 31, 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations is consistent with the consolidated financial statements of TeamSystem Group as at December 31, 2023 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianfranco Recchia
Partner

Ancona, Italy
April 22, 2024

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

THE ISSUER

TeamSystem S.p.A.
Via Sandro Pertini 88
61122 Pesaro
Italy

LEGAL ADVISORS TO THE ISSUER

As to U.S. federal, New York State and Italian law
Latham & Watkins
Corso Matteotti 22
20121 Milan
Italy

As to English law
Latham & Watkins
99 Bishopsgate
London EC2M 3XF
United Kingdom

As to Italian tax law
Maisto e Associati
Piazza Filippo Meda 5
20121 Milan
Italy

LEGAL ADVISORS TO THE INITIAL PURCHASERS

As to U.S. federal, New York State and English law
Paul Hastings (Europe) LLP
100 Bishopsgate
London EC2N 4AG
United Kingdom

As to Italian law
PedersoliGattai
Via Principe Amedeo 5
20121 Milan
Italy

SECURITY AGENT

Deutsche Bank AG, London Branch
21 Moorfields
London EC2Y 9DB
United Kingdom

TRUSTEE

U.S. Bank Trustees Limited
5th Floor
125 Old Broad Street
London EC2N 1AR
United Kingdom

CALCULATION AGENT AND PAYING AGENT

U.S. Bank Europe DAC
Block F1
Cherrywood Business Park
Cherrywood, Dublin 18
Ireland D18 W2X7

REGISTRAR AND TRANSFER AGENT

U.S. Bank Europe DAC
Block F1
Cherrywood Business Park
Cherrywood, Dublin 18
Ireland D18 W2X7

LEGAL ADVISOR TO THE TRUSTEE

Mayer Brown International LLP
201 Bishopsgate
London
EC2M 3AF
United Kingdom

LEGAL ADVISOR TO THE SECURITY AGENT

White & Case LLP
ICD Brookfield Place, Al Mustaqbal Street
Dubai International Financial Centre
P.O. Box 9705
Dubai
United Arab Emirates

INDEPENDENT AUDITORS TO THE ISSUER

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milan
Italy