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

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

SUBJECT TO COMPLETION, DATED JUNE 16, 2025

PRELIMINARY OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

TeamSystem S.p.A.

€1,200,000,000

€ % Senior Secured Notes due 2031
€ Senior Secured Floating Rate Notes due 2032

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

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

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

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

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

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

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

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

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

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

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

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

Joint Global Coordinators and Joint Physical Bookrunners

BofA Securities **J.P. Morgan**

Joint Bookrunners

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

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

The date of this Offering Memorandum is , 2025 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*."

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

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:

- 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 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.

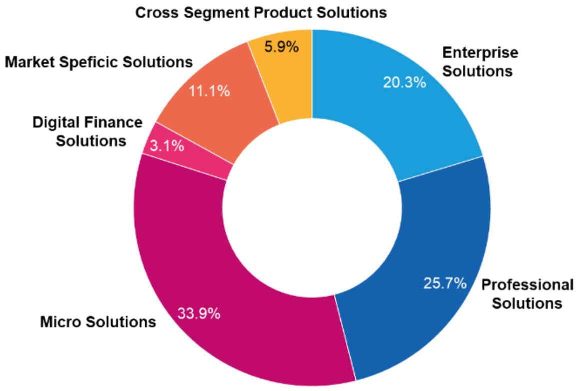
- Market Specific Solutions. Our Market Specific Solutions business unit includes products and services designed to address the needs of customers in specific industries, such as, among others, mechanical and manufacturing, construction, CAF/public sectors and legal, and the needs for all business sizes 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 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.

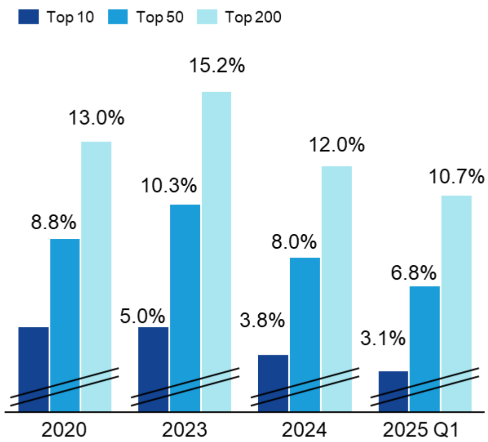
We believe that the combination of our established domestic leadership, deep sector expertise and proven commercial model positions us well to capture untapped potential in international segments. By extending the same principles that have driven, and continue to drive, our success in Italy we aim to 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.



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.

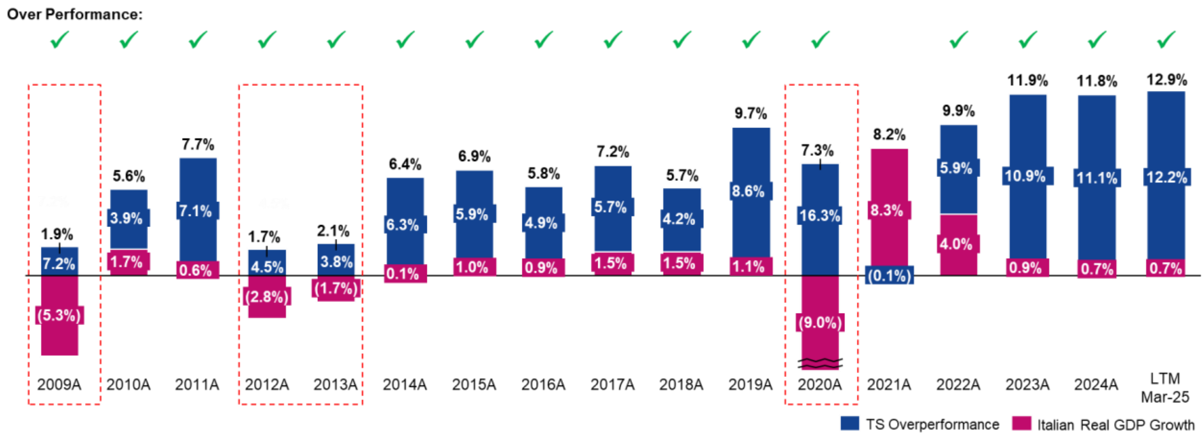
Best-in-class business model and financial profile, with predictable and resilient organic revenue growth, increasing profitability with strong cashflow conversion

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.

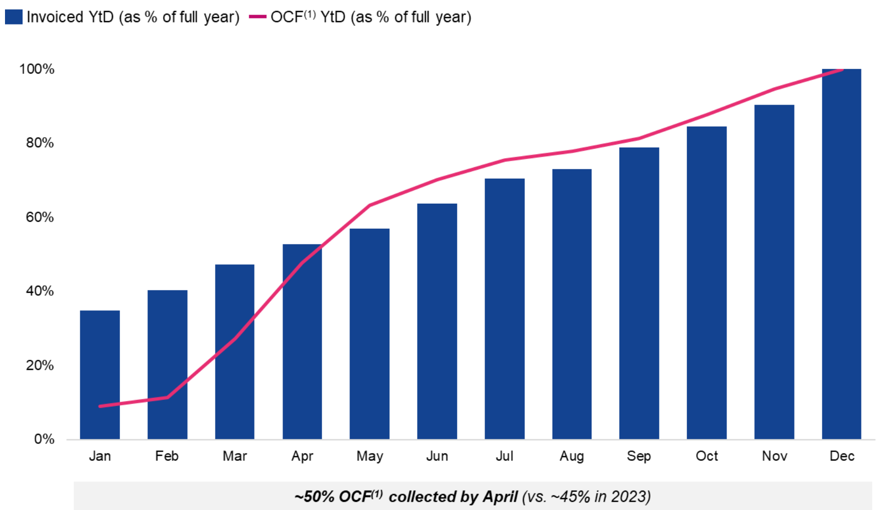
Furthermore, our invoicing strategy enhances our financial stability by invoicing our customers in advance at the beginning of each calendar year during our annual budgeting process. Additionally, most of our contracts are typically renewed unless customers provide a written termination notice prior 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 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.

	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.

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.

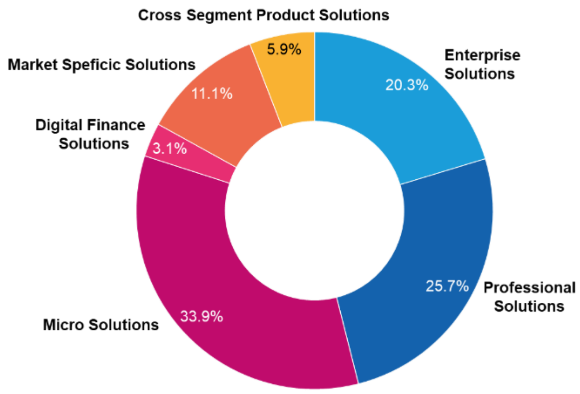
- Market Specific Solutions. Our Market Specific Solutions business unit includes products and services designed to address the needs of customers in specific industries, such as, among others, mechanical and manufacturing, construction, CAF/public sectors and legal, and the needs for all business sizes 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

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

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.

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.

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.

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.

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.

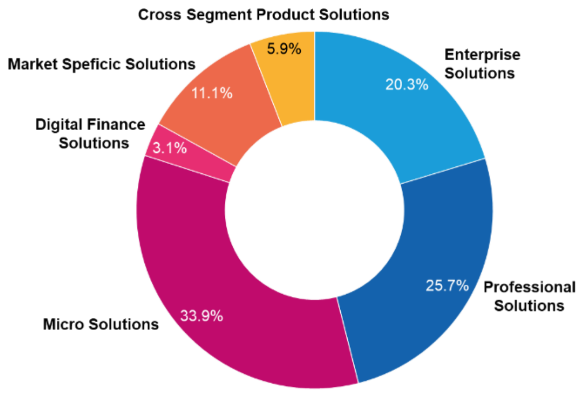
- Market Specific Solutions. Our Market Specific Solutions business unit includes products and services designed to address the needs of customers in specific industries, such as, among others, mechanical and manufacturing, construction, CAF/public sectors and legal, and the needs for all business sizes 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.

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.

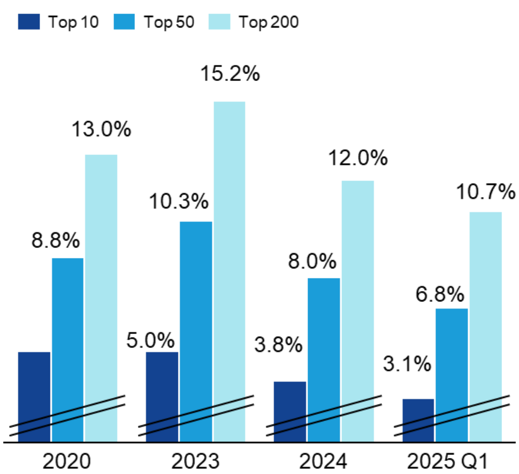
We believe that the combination of our established domestic leadership, deep sector expertise and proven commercial model positions us well to capture untapped potential in international segments. By extending the same principles that have driven, and continue to drive, our success in Italy we aim to 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.

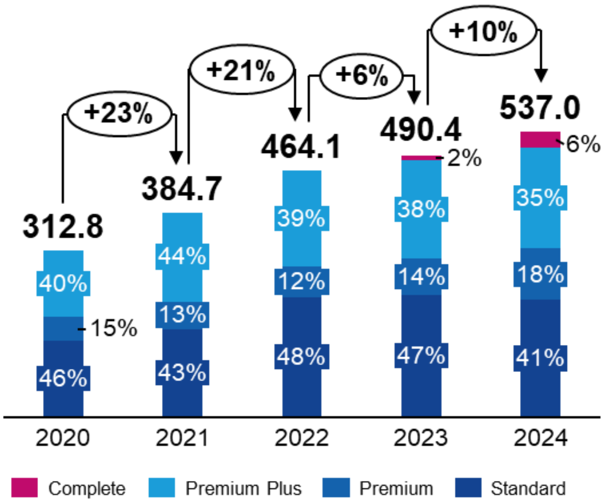
For the twelve months ended March 31, 2025, our ten largest customers generated 3.1% of our total revenue, while our 50 largest customers and 200 largest customers generated 6.8% and 10.7% of our total revenue, respectively, over the same period.

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.



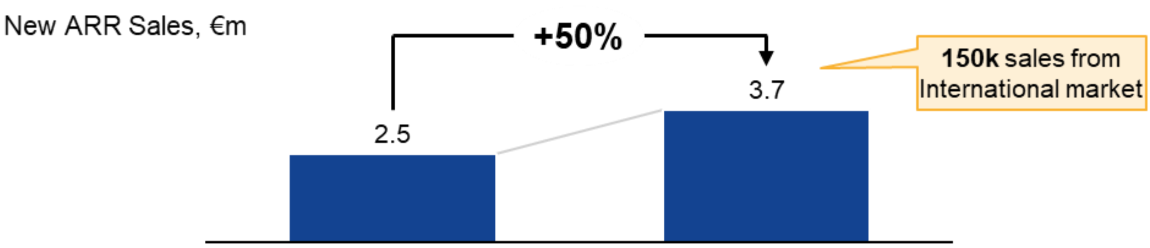
We have a proven track record of targeted initiatives aimed at improving the quality of our recurring revenues and expanding solution adoption across our customer base, which we believe are a strong foundation for stronger revenue generation, deeper engagement and broader use of our platform.

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.

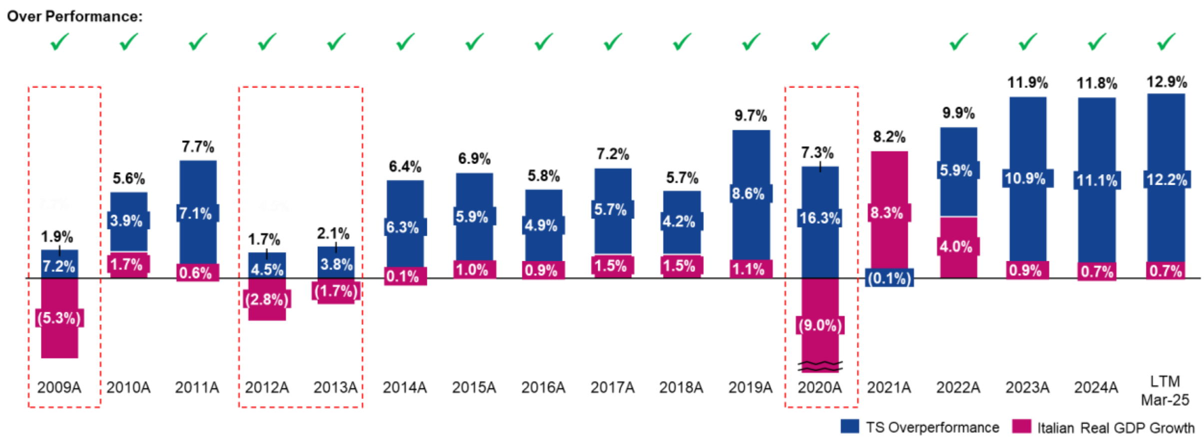
Best-in-class business model and financial profile, with predictable and resilient organic revenue growth, increasing profitability with strong cashflow conversion

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.

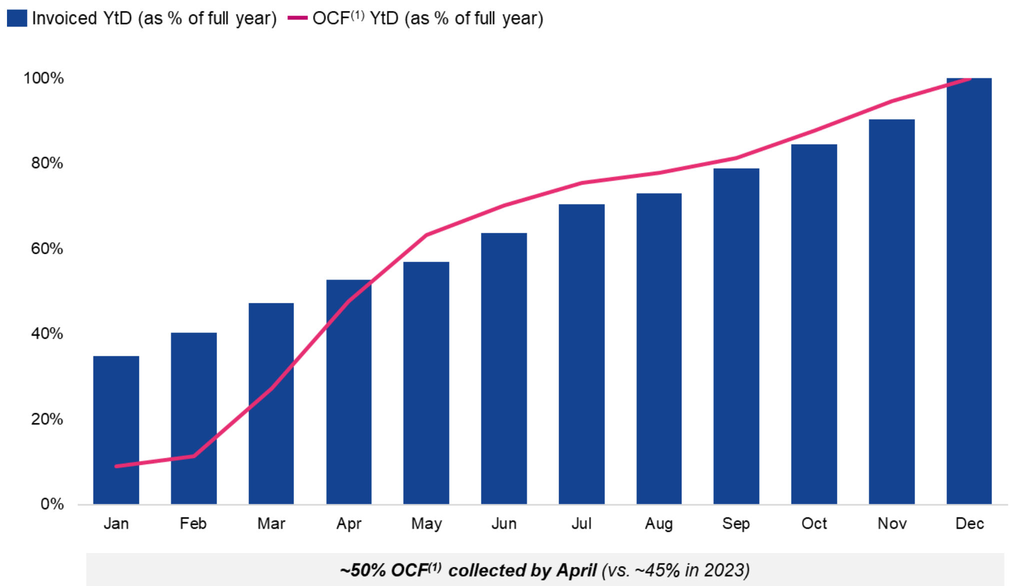
Furthermore, our invoicing strategy enhances our financial stability by invoicing our customers in advance at the beginning of each calendar year during our annual budgeting process. Additionally, most of our contracts are typically renewed unless customers provide a written termination notice prior 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.

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

(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

"**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 , 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

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 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**

►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

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

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

<u>TeamSystem 15</u>

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 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

	Current	Non Current	31 Mar 2025 Total	Current	Non Current	31 Dec 2024 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-

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.

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 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.

□ □ □

►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	Jnited Kingdon	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.

□ □ □

►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

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.

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);

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	**PPA**	**PPA**	
	final	**provisional**	
LIABILITIES	**balances**	**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	**PPA**	
	final	
ASSETS	**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)**

<u>Soluzioni Informatiche</u>

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)**

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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,

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.

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.

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 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**

►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.

□ □ □

►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.;

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. 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.

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;

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);

- 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%**
G RATE	**1.0%**	7.8	(5.0)	(16.3)	(26.4)	(35.5)
	1.5%	20.0	5.6	(7.0)	(18.2)	(28.2)
	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%**
G RATE	**1.0%**	713.1	608.3	515.7	433.1	359.1
	1.5%	812.7	694.9	591.4	499.8	418.3
	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%**
G RATE	**1.0%**	93.0	75.0	59.1	45.1	32.7
	1.5%	110.5	90.0	72.2	56.6	42.8
	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%**
G RATE	**1.0%**	335.6	258.4	190.5	130.5	76.9
	1.5%	410.4	322.7	246.4	179.4	120.1
	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**

Progetto Software (and subsidiaries)

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	**PPA**	**PPA**	
	final	**provisional**	
LIABILITIES	**balances**	**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	**PPA**	
	final	
ASSETS	**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	**PPA final balances**	
LIABILITIES		**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	**PPA final balances**	**PPA provisional balances**	
ASSETS			**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	**PPA final balances**	**PPA provisional balances**	
LIABILITIES			**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	**PPA**	**PPA**	
	final	**provisional**	
ASSETS	**balances**	**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	**PPA**	**PPA**	
	final	**provisional**	
LIABILITIES	**balances**	**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	**PPA**	
	final	
ASSETS	**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)**

	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.

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.

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).

	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.

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.

	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:

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.

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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.