

31 March 2023  
Interim Condensed  
Consolidated Financial  
Statements  
TeamSystem Group



**INTERIM  
CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE THREE MONTHS  
ENDED  
31 MARCH 2023**

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#### **UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST THREE MONTHS ENDED 31 MARCH 2023**

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**DIRECTORS’  
REPORT**



**► RESULTS OF OPERATIONS**

Euro thousand				
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT				
	31 Mar 2023	31 Mar 2022	Change	% Change
<b>TOTAL REVENUE</b>	<b>153,189</b>	<b>127,431</b>	<b>25,758</b>	<b>20.2%</b>
COGS	(27,791)	(23,253)	(4,537)	19.5%
Personnel	(49,628)	(43,453)	(6,175)	14.2%
Personnel like	(6,138)	(4,953)	(1,185)	23.9%
Non Personnel	(15,371)	(13,653)	(1,718)	12.6%
Capitalized development costs	5,731	4,300	1,431	33.3%
<b>ADJUSTED EBITDA</b>	<b>59,992</b>	<b>46,418</b>	<b>13,574</b>	<b>29.2%</b>
Allowance for bad debts	(1,540)	(1,275)	(264)	20.7%
Depreciation and amortization of non current assets	(50,640)	(49,500)	(1,140)	2.3%
Other provisions for risks and charges	(6)	(1)	(5)	661.6%
Non core items	(5,405)	(1,520)	(3,885)	255.6%
<b>OPERATING RESULT</b>	<b>2,401</b>	<b>(5,879)</b>	<b>8,280</b>	<b>-140.8%</b>
Net Finance Income (Cost)	(32,217)	(23,627)	(8,590)	36.4%
<b>PROFIT (LOSS) BEFORE INCOME TAXES</b>	<b>(29,816)</b>	<b>(29,505)</b>	<b>(311)</b>	<b>1.1%</b>
Current income tax	(7,036)	(5,220)	(1,815)	34.8%
Deferred income tax	9,352	9,714	(362)	-3.7%
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>(27,500)</b>	<b>(25,012)</b>	<b>(2,488)</b>	<b>9.9%</b>
(Profit) Loss for the year - Non controlling interests	(8)	(30)	22	-74.5%
<b>PROFIT (LOSS) FOR THE YEAR - OWNERS OF THE COMPANY</b>	<b>(27,508)</b>	<b>(25,042)</b>	<b>(2,465)</b>	<b>9.8%</b>

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The following comments refer to the changes between the consolidated statement of profit or loss as at 31 March 2023 and the corresponding figures for the period ended 31 March 2022.

The results as at 31 March 2023 are affected by the consolidation of the profit and loss of the following companies (which did not contribute to the 31 March 2022 consolidated profit and loss):

TeamSystem 10 S.r.l., Storeden S.r.l., ITRReview S.r.l., Ciaomanager S.r.l., TeamSyver S.r.l., CZ Informatica S.r.l., Progetto Software S.r.l., SO.GE.I. S.r.l., Fin-MD-Tech S.r.l., SIA S.r.l. and Algoritmi S.r.l.

All of the previous companies have been acquired / incorporated during 2022.

Finally, taking account the non-materiality of some acquisitions and considering the fact that most of them took place close to the end of the quarter, the results of Readytec S.r.l., Readytec Emilia S.r.l., Sistemi IT S.r.l., Sigma Sistemi S.r.l., Microntel S.r.l., Multidata S.r.l., Aplifisa S.L.U., Ticcyl Digital S.L.U. and Marclamara S.L. have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the three months ended 31 March 2023 (see “Significant events during the first three months of 2023” section).

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In these interim consolidated financial statements, the following performance indicator is used, with particular regard to the Group's earnings:

**Adjusted EBITDA** = This is calculated as follows:  
 Profit (Loss) for the period plus (i)Income tax; (ii)Financial income and expenses; (iii)Other provisions for risks and charges; (iv)Depreciation and amortization of non-current assets; (v)Allowance for bad debts; (vi)Certain costs deemed by Management to be non-core for the measurement of the Group's performance, such as: Costs for changing and closing locations; Advisory expenses related to reorganization and cost saving projects; Personnel redundancy; Acquisitions and mergers costs; Settlements with clients and agents; Other minor items.

Set out below is a reconciliation of **Adjusted EBITDA**.

	31 Mar 2023	31 Mar 2022	Change	% Change
<b>PROFIT (LOSS) FOR THE YEAR</b>	(27,500)	(25,012)	(2,488)	9.9%
Income tax	(2,316)	(4,493)	2,177	-48.5%
Financial income and expenses	32,217	23,627	8,590	36.4%
Other provisions for risks and charges	6	1	5	661.6%
Depreciation and amortization of non-current assets	50,640	49,500	1,140	2.3%
Allowance for bad debts	1,540	1,275	264	20.7%
Costs for changing and closing locations		151	(151)	-100.0%
Advisory expenses related to reorganization and cost saving projects	1,772	249	1,523	612.1%
Personnel redundancy	668	449	219	48.9%
Acquisitions and mergers costs	2,594	361	2,233	618.8%
Settlements with clients and agents	443	217	227	104.6%
Other costs - (income)	(72)	95	(167)	-176.1%
<b>ADJUSTED EBITDA</b>	<b>59,992</b>	<b>46,418</b>	<b>13,574</b>	<b>29.2%</b>

It should be noted that the **Adjusted EBITDA** financial parameter is not governed by IFRS and, accordingly, the criteria adopted by TeamSystem Group for its computation may not be comparable with those adopted by other companies or groups.

For the period ended 31 March 2023 Adjusted EBITDA amounts to € 59,992 thousand, up by € 13,574 thousand compared to the amount at 31 March 2022 (€ 46,418 thousand). The increase is mainly attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first three months of 2023.

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**TOTAL REVENUE:** Total Revenue for the period ended 31 March 2023 amounts to € 153,189 thousand, up by € 25,758 thousand compared to the corresponding figure for the period ended 31 March 2022 (€ 127,431 thousand). The increase is mainly attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first three months of 2023.



Euro Millions

	31 Mar 2023	31 Mar 2022	Change	% Change
<b>Enterprise</b>	<b>35.0</b>	<b>29.3</b>	<b>5.7</b>	<b>19.5%</b>
Recurring	26.7	23.0	3.7	16.1%
Other Revenues	8.3	6.3	2.0	31.7%
<b>Professional</b>	<b>46.1</b>	<b>39.6</b>	<b>6.5</b>	<b>16.4%</b>
Recurring	43.0	37.4	5.6	15.0%
Other Revenues	3.1	2.2	0.9	40.9%
<b>Micro</b>	<b>35.2</b>	<b>27.4</b>	<b>7.8</b>	<b>28.5%</b>
Recurring	33.9	26.2	7.7	29.4%
Other Revenues	1.3	1.2	0.1	8.3%
<b>Digital Finance</b>	<b>4.5</b>	<b>3.7</b>	<b>0.7</b>	<b>19.9%</b>
Recurring	4.2	3.2	1.0	30.9%
Other Revenues	0.2	0.5	(0.3)	-53.1%
<b>Market Specific Solution</b>	<b>25.6</b>	<b>22.6</b>	<b>3.0</b>	<b>13.4%</b>
Recurring	16.8	14.3	2.5	17.7%
Other Revenues	8.8	8.3	0.5	6.0%
<b>HR</b>	<b>6.8</b>	<b>4.8</b>	<b>2.0</b>	<b>41.7%</b>
Recurring	5.4	3.9	1.5	38.5%
Other Revenues	1.4	0.9	0.5	55.6%
<b>TOTAL REVENUE</b>	<b>153.2</b>	<b>127.4</b>	<b>25.8</b>	<b>20.2%</b>
<b>Total Recurring Revenues</b>	<b>130.1</b>	<b>108.0</b>	<b>22.0</b>	<b>20.4%</b>
<b>Total Other Revenues</b>	<b>23.1</b>	<b>19.4</b>	<b>3.7</b>	<b>19.3%</b>

The item Recurring Revenues mainly includes the revenue arising from annual software support and maintenance contracts, subscription contracts, multi-year contracts with VARs, as well as from the sale of LTA software modules following regulatory updates.

Other revenue includes the revenue arising from the sale of software licences and professional services which generally generate revenue in connection with the installation and customisation of our software products and the training services we provide to customers at product start-up.

In aggregate, Recurring revenue for the first three months of 2023 increased by € 22.0 million compared to the previous period and was mainly driven by sales relating to the:

- Professional Business Unit (which recorded an increase in Recurring revenue of € 5.6 million compared to 2022, representing an increase of approximately 15%);
- Micro Business Unit, with an increase in Recurring revenue of € 7.7 million (or approximately 29.4% more than in 2022).

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#### **OPERATING SEGMENT**

In accordance with IFRS 8, an operating segment is a component of an entity:

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

Within TeamSystem Group, the following operating segments have been identified, characterised by the autonomous nature of their products/services and production processes that have the aforementioned features:

- **Enterprise Business Unit:** products/services for SMEs, mainly consisting of core products (ERP) and accessory products and vertical solutions;
- **Professional Business Unit:** products/services for professionals and labour consultants (accounting, tax, payroll);
- **Market Specific Solutions Business Unit:** vertical solutions aimed at highly specialised markets;
- **Micro Business Unit:** mainly cloud-based solutions for small and micro enterprises;
- **Digital Finance Business Unit:** solutions related to financial digitalisation;
- **HR Business Unit:** modular HR system covering all HR management and business process outsourcing requirements.

Euro Millions

31 Mar 2023

OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	HR	TOTALE
TOTAL REVENUE	35.1	46.1	35.2	4.5	25.6	6.8	153.2
FIRST MARGIN	16.2	24.0	21.8	1.7	6.7	1.8	72.3
INDIRECT COSTS							(18.0)
CAPITALISED DEVELOP COSTS							5.7
ADJUSTED EBITDA							60.0

Segment information is presented below:

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.

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## CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands				
CONSOLIDATED STATEMENT OF CASH FLOWS	31 Mar 2023	31 Mar 2022	Change	% Change
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>68,794</b>	<b>50,676</b>	<b>18,118</b>	<b>35.8%</b>
Capital Expenditure	(10,822)	(8,915)	(1,907)	21.4%
Acquisition of investments	(90,518)	(12,622)	(77,896)	617.1%
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(101,340)</b>	<b>(21,537)</b>	<b>(79,803)</b>	<b>370.5%</b>
Financial balance paid / cashed-in and change in financial assets / liabilities	(16,339)	(16,977)	637	-3.8%
Liabilities to non-controlling shareholders of subs. paid	(586)	(396)	(190)	48.1%
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(16,926)</b>	<b>(17,372)</b>	<b>447</b>	<b>-2.6%</b>
<b>CHANGES DUE TO EXCHANGE RATE MOVEMENTS</b>	<b>2</b>	<b>(2)</b>	<b>4</b>	<b>-198.1%</b>
<b>INCREASE (DECREASE) IN CASH AND BANK BALANCES</b>	<b>(49,470)</b>	<b>11,764</b>	<b>(61,235)</b>	<b>-520.5%</b>

**Cash flows from operating activities** amount to € 68,794 thousand for the period ended 31 March 2023, increasing by € 18,118 thousand, compared to the corresponding flows for the period ended 31 March 2022 (€ 50,676 thousand).

It should also be noted that 31 December 2022 was not a business day, and therefore, collection of about € 7.9 million in electronic bank receipts falling due on 31 December 2022 were postponed to 2023. Without this “weekend effect”, operating cash flows for the first three months of 2023 would have amounted to € 60.9 million.

**Cash flows from investing activities** changed from negative € 21,537 thousand in the period ended 31 March 2022 to negative € 101,340 thousand for the corresponding period of 2023.

The main investment activities for the first three months of 2023 are related to:

- capitalized development costs and capital expenditures on tangible and intangible assets, see “Capital expenditure” section;
- the cash-out paid for the acquisition (mainly consisting in Readytec, Aplifisa, TiccyIDigital, Marclamara and Microntel S.r.l.).

**Cash flows from financing activities** changed from negative € 17,372 thousand in the period ended 31 March 2022 to negative € 16,926 thousand for the corresponding period of 2023.

The main cash items occurred in the first three months of 2023 are attributable to:

- the payment of IFRS16 leases liabilities, consisting of principal and interests;
- the adjustments of considerations paid in relation to recent acquisitions of investments;
- the payment of Interests on Notes.

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## ► WORKING CAPITAL

Euro thousands				
	31 Mar 2023	31 Dec 2022	Change	% Change
Trade receivables	306,898	148,294	158,604	107.0%
Inventories	1,082	1,111	(29)	-2.6%
Other receivables	42,793	37,385	5,408	14.5%
Trade payables	(59,443)	(67,646)	8,203	-12.1%
Other liabilities	(342,106)	(150,466)	(191,640)	127.4%
<b>WORKING CAPITAL</b>	<b>(50,776)</b>	<b>(31,322)</b>	<b>(19,454)</b>	<b>62.1%</b>

At 31 March 2023 Working capital amounts to negative € 50,776 thousand, with a change of € 19,454 thousand compared to the balance at 31 December 2022 (negative € 31,322 thousand). The movement is primarily

attributable to Other liabilities (which balance is negative € 342,106 thousand at 31 March 2023 compared to negative € 150,466 thousand at 31 December 2022) and to Trade receivables (which balance is € 306,898 thousand at 31 March 2023 compared to € 148,294 thousand at 31 December 2022).

The movement in Working capital balance is mainly explained by the seasonality of billings of subscription fees. Actually, TeamSystem Group invoicing of subscription fees is particularly concentrated in the first quarter of the financial year with a consequent impact on the amount of Deferred Revenue (see also Note 23 about Other current and non current liabilities and Note 17 relating to Trade receivables both in the section of Notes to the Consolidated Financial Statements).

It should also be noted that 31 December 2022 was not a business day, and therefore, collection of about € 7.9 million in electronic bank receipts falling due on 31 December 2022 were postponed to 2023.

Without this “weekend effect”, working capital at 31 December 2022 would have amounted to € 39.3 million.

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### **► CAPITAL EXPENDITURE**

Euro thousand

<b>CAPEX EXPENDITURE</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>Change</b>	<b>% Change</b>
Investments in tangible assets	978	1,099	(121)	-11.0%
Investments in intangible assets	4,113	3,493	620	17.8%
Capitalized development costs - personnel costs	4,477	3,318	1,159	34.9%
Capitalized development costs - service costs	1,253	1,005	248	24.7%
<b>CAPEX EXPENDITURE - TOTAL</b>	<b>10,822</b>	<b>8,915</b>	<b>1,907</b>	<b>21.4%</b>

In the period ended 31 March 2023 the Capital expenditure amounts to € 10,822 thousand with an increase of € 1,907 thousand compared to 31 March 2022 balance (€ 8,915 thousand).

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### **► SIGNIFICANT EVENTS DURING THE FIRST THREE MONTHS OF 2023**

#### **● ACQUISITION OF INVESTMENT**

##### **TeamSystem 10 S.r.l.**

The business unit (related to accounting firms) of reseller Alpha Team S.r.l. was contributed to TeamSystem 10 with an effective date of 1st January 2023.

In January 2023, the business units of the following companies were contributed to TeamSystem 10 S.r.l.:

-GNS System News S.p.A.

-Alfaconta S.r.l.

##### **Readytec S.p.A.**

In January 2023, TeamSystem S.p.A. acquired a controlling stake (100%) in Readytec S.p.A., a TeamSystem software reseller.

##### **Readytec Emilia S.r.l.**

In January 2023, TeamSystem S.p.A. acquired a controlling stake (100%) in Readytec Emilia S.r.l., a TeamSystem software reseller.

##### **Sistemi IT S.r.l.**

In January 2023, TeamSystem S.p.A. acquired a controlling stake (100%) in Sistemi IT S.r.l., a TeamSystem software reseller.

**Sigma Sistemi S.r.l**

In January 2023, TeamSystem S.p.A. acquired a controlling stake (100%) in Sigma Sistemi S.r.l., a company that resells TeamSystem software and develops IaaS software solutions.

**Microntel S.p.A.**

In February 2023, TeamSystem S.p.A. acquired a controlling stake (57.17%) in Microntel S.p.A., a company that develops and markets HR software. Microntel holds a 100% equity interest in Euroges S.r.l.

**Multidata S.r.l.**

In March 2023, TeamSystem S.p.A. acquired a controlling stake (100%) in Multidata S.r.l., a company that develops and markets software for the textile industry.

**Aplifisa S.L.U., Ticcyl Digital S.L.U. and Marclamara S.L.**

In March 2023, Software Del Sol S.A. acquired:

- 1) a 100% stake in Aplifisa S.L.U., a company that commercialize software solutions for the accountant market in Spain;
- 2) a 100% stake in Ticcyl Digital S.L.U., a company which hold the R&D structure of Aplifisa;
- 3) a 100% stake in Marclamara S.L.. Marclarama S.L. holds a digital platform providing ancillary services (training, webinar, etc) for the accountant market in Spain.

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**► SIGNIFICANT SUBSEQUENT EVENTS**

**GreeNext Technologies S.p.A.**

In May 2023, TeamSystem S.p.A. acquired a controlling stake (95,51%) in GreeNext Technologies S.p.A., a company that develops and markets waste management system software.

**Unitssystem Shpk**

In May 2023, TeamSystem S.p.A. acquired a controlling stake (100%) in Unitssystem Shpk, a company based in Tirana, Albania, active in the design, implementation and development of information systems and application programs.

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**► ONGOING DEVELOPMENTS**

**Acquisitions, Joint Ventures and Other Business Combinations**

We believe that we have demonstrated the ability to successfully integrate acquisitions. As a result, our business strategy includes acquiring businesses and entering into joint ventures and other business combinations if there is a strategic product fit or an activity that would complement our product offering.

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**► RELATED PARTY TRANSACTIONS**

In the first three months of 2023, transactions with subsidiaries and the parent company formed part of the Group's normal operations and were entered into at arm's length. TeamSystem Group has not been party to any transactions with related companies that merit disclosure, other than those previously commented upon.

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**BOARD OF DIRECTORS, STATUTORY AUDITORS  
and OTHER INFORMATION**

**BOARD OF DIRECTORS  
31 Mar 2023**

VINCENZO MORELLI	CHAIRMAN
FEDERICO LEPROUX	CHIEF EXECUTIVE OFFICER
TOMMASO COHEN	DIRECTOR
VINCENZO FERRARI	DIRECTOR
LUCA VELUSSI	DIRECTOR
BLAKE CHRISTOPHER KLEINMAN	DIRECTOR
ALESSANDRA BRAMBILLA	DIRECTOR
GUILLAUME CHARLES VANMOERBEKE	DIRECTOR
LUCIO DI CIACCIO	DIRECTOR

**BOARD OF STATUTORY AUDITORS  
31 Mar 2023**

CLAUDIO SANCHIONI	CHAIRMAN
FABIO LANDUZZI	STATUTORY AUDITOR
NICOLE MAGNIFICO	STATUTORY AUDITOR
IVANO ANTONIOLI	ALTERNATIVE AUDITOR
CRISTINA AMADORI	ALTERNATIVE AUDITOR

**REGISTERED OFFICE and OTHER INFORMATION**

TEAMSYSTEM HOLDCO S.P.A.	
REGISTERED OFFICE	PESARO - Via Sandro Pertini, 88
SHARE CAPITAL	Euro 14,596,648
TAX CODE	11360450966
REA - PESARO	271034
INDEPENDENT AUDITORS	DELOITTE & TOUCHE S.p.A.

**UNAUDITED  
INTERIM CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE THREE MONTHS  
ENDED  
31 MARCH 2023**

# TeamSystem Holdco S.p.A. and its Subsidiaries TeamSystem Group

## UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
	31 Mar 2023	31 Mar 2022	NOTES
Revenue	152,034	126,327	1
Other operating income	1,155	1,104	1
<b>TOTAL REVENUE</b>	<b>153,189</b>	<b>127,431</b>	<b>1</b>
Cost of raw and other materials	(11,619)	(10,143)	2
Cost of services	(39,885)	(30,258)	3
Personnel costs	(45,820)	(40,593)	4
Other operating costs	(1,278)	(1,538)	5
Depreciation and amortization of non-current assets	(50,640)	(49,500)	
Allowance for bad debts	(1,540)	(1,275)	
Other provisions for risks and charges	(6)	(1)	
<b>OPERATING RESULT</b>	<b>2,401</b>	<b>(5,878)</b>	
Finance income	1,359	124	6
Finance cost	(33,576)	(23,751)	7
<b>PROFIT (LOSS) BEFORE INCOME TAXES</b>	<b>(29,816)</b>	<b>(29,505)</b>	
Current income tax	(7,036)	(5,220)	
Deferred income tax	9,352	9,714	14
<b>TOTAL INCOME TAX</b>	<b>2,316</b>	<b>4,493</b>	
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>(27,500)</b>	<b>(25,012)</b>	
(Profit) Loss for the period - Non-controlling interests	(8)	(30)	
<b>PROFIT (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY</b>	<b>(27,507)</b>	<b>(25,042)</b>	
<b>ADJUSTED EBITDA</b>	<b>59,992</b>	<b>46,418</b>	



Euro thousands			
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
	31 Mar 2023	31 Mar 2022	NOTES
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>(27,500)</b>	<b>(25,012)</b>	<b>20</b>
Exchange rate differences	6	(5)	
<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX</b>	<b>6</b>	<b>(5)</b>	
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>(27,494)</b>	<b>(25,017)</b>	<b>20</b>
Total comprehensive (income) loss for the period attributable to Non-controlling interests	(8)	(30)	20
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY</b>	<b>(27,502)</b>	<b>(25,046)</b>	<b>20</b>

Euro thousands

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

ASSETS	31 Mar 2023	31 Dec 2022	NOTES
Tangible assets	15,919	16,203	9
Intangible assets	1,277,229	1,315,044	10
Right of use	21,437	23,154	11
Goodwill	1,808,900	1,805,191	12
Other Investments	91,633	258	13
Investments in associates	216	216	13
Deferred tax assets	13,765	14,293	14
Other financial assets - non-current	29,779	31,233	15
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,258,878</b>	<b>3,205,591</b>	
Inventories	1,082	1,111	16
Trade receivables	306,898	148,294	17
Tax receivables	902	961	18
Other receivables - current	42,793	37,385	19
Other financial assets - current	10,475	8,301	15
Cash and bank balances	96,052	145,523	15
<b>TOTAL CURRENT ASSETS</b>	<b>458,203</b>	<b>341,575</b>	
<b>TOTAL ASSETS</b>	<b>3,717,081</b>	<b>3,547,167</b>	

Euro thousands

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

EQUITY AND LIABILITIES	31 Mar 2023	31 Dec 2022	NOTES
Share capital	14,597	14,597	20
Other reserves	1,232,251	1,378,765	20
Retained earnings (accumulated losses)	(258)	(236)	20
Profit (Loss) attributable to Owners of the Company	(27,507)	(146,541)	20
<b>TOTAL EQUITY attributable to OWNERS OF THE COMPANY</b>	<b>1,219,082</b>	<b>1,246,585</b>	
Non-controlling interests - Capital and reserves	804	800	20
Non-controlling interests - Profit (Loss)	8	3	20
<b>TOTAL NON-CONTROLLING INTERESTS</b>	<b>812</b>	<b>803</b>	
<b>TOTAL EQUITY</b>	<b>1,219,894</b>	<b>1,247,388</b>	
Financial liabilities with banks and other institutions - non-current	1,656,243	1,658,232	15
Staff leaving indemnity	25,183	24,724	21
Provisions for risks and charges	12,960	12,701	22
Deferred tax liabilities	299,684	309,593	14
Other liabilities - non-current	376	389	23
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,994,445</b>	<b>2,005,639</b>	
Financial liabilities with banks and other institutions - current	85,855	67,099	15
Trade payables	59,443	67,646	
Tax liabilities - current	15,336	8,928	24
Other liabilities - current	342,106	150,466	23
<b>TOTAL CURRENT LIABILITIES</b>	<b>502,741</b>	<b>294,139</b>	
<b>TOTAL LIABILITIES</b>	<b>2,497,186</b>	<b>2,299,778</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,717,081</b>	<b>3,547,167</b>	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Mar 2023	31 Mar 2022	NOTES
<b>Operating Result</b>	<b>2,401</b>	<b>(5,878)</b>	
Depreciation and amortization of non-current assets	50,640	49,500	
<b>Depreciation and amortisation of non-current assets</b>	<b>50,640</b>	<b>49,500</b>	
Trade receivables	(158,604)	(139,925)	
Inventories	29	(57)	
Other receivables	(5,408)	(8,974)	
Trade payables	(8,203)	(4,290)	
Other liabilities	187,590	159,978	
<b>Change in Working capital</b>	<b>15,404</b>	<b>6,731</b>	
Staff leaving indemnity	127	283	
Provisions for risks and charges	259	310	
<b>Change in provisions</b>	<b>386</b>	<b>593</b>	
<b>Income tax</b>	<b>(38)</b>	<b>(270)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>68,794</b>	<b>50,676</b>	<b>8</b>
Investments in tangible assets	(978)	(1,099)	
Investments in intangible assets	(4,113)	(3,493)	
Capitalized development costs - personnel costs	(4,477)	(3,318)	
Capitalized development costs - service costs	(1,253)	(1,005)	
<b>Capital Expenditure</b>	<b>(10,822)</b>	<b>(8,915)</b>	
Acquisition of investments	(90,518)	(12,622)	<b>8</b>
<b>Acquisition of investments</b>	<b>(90,518)</b>	<b>(12,622)</b>	<b>8</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(101,340)</b>	<b>(21,537)</b>	
<b>Financial balance paid / cashed-in and change in financial assets / liabilities</b>	<b>(16,339)</b>	<b>(16,977)</b>	<b>8</b>
<b>Liabilities to non-controlling shareholders of subs. paid</b>	<b>(586)</b>	<b>(396)</b>	<b>8</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(16,926)</b>	<b>(17,372)</b>	
<b>INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS</b>	<b>2</b>	<b>(2)</b>	
<b>INCREASE (DECREASE) IN CASH AND BANK BALANCES</b>	<b>(49,471)</b>	<b>11,764</b>	
<b>CASH AND BANK BALANCES - BEGINNING OF THE YEAR</b>	<b>145,523</b>	<b>59,084</b>	
<b>CASH AND BANK BALANCES - END OF THE PERIOD</b>	<b>96,052</b>	<b>70,848</b>	

## 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	Non-controlling interests	TOTAL
<b>31 Dec 2022</b>	14,597	1,378,765	(236)	(146,541)	1,246,585	803	1,247,388
Loss allocation		(146,519)	(22)	146,541	0		0
Profit (Loss) for the year				(27,507)	(27,507)	8	(27,499)
Other Profit (Loss) on comprehensive income		5			5	0	5
<b>31 Mar 2023</b>	14,597	1,232,251	(258)	(27,507)	1,219,082	812	1,219,894

# TeamSystem Group

## NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

### **►COMPANY BACKGROUND**

TeamSystem Holdco S.p.A. is a company registered with the Pesaro business register and it is domiciled in Italy with its registered office located in Pesaro. TeamSystem Holdco S.p.A (the “Parent Company” or the “Parent”) is the Parent Company of TeamSystem Group (the “Group”), leader in Italy in the production and marketing of management software and in the provision of training targeted at associations, small and medium-sized enterprises and Professionals (accountants, labour consultants, lawyers, condominium managers and self-employed professionals). Effective 2019, via the incorporation and acquisition of financial companies, the Group has extended its range of services to encompass financial services.

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### **►BASIS OF PREPARATION**

The Group's annual consolidated financial statements are prepared in accordance with international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union pursuant to Regulation No. 1606/2002.

The accounting standards adopted for the preparation of the TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 March 2023 are the same of that used for the preparation of TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 December 2022 (to which reference should be made).

These interim consolidated financial statements have not been prepared in compliance with IAS 34 “Interim financial reporting”. These financial statements do not include all the information required for annual financial statements.

The interim consolidated financial statements for the period ended 31 March 2023 consist of a consolidated statement of financial position, a consolidated statement of profit or loss, a consolidated statement of comprehensive income, a consolidated statement of cash flows, a consolidated statement of changes in equity and notes to the interim consolidated financial statements components.

The format used for the financial statements is the same as that used for the preparation of the TeamSystem Holdco S.p.A. consolidated financial statements for the year ended 31 December 2022.

This interim consolidated financial report for the first three months ended 31 March 2023 is presented in Euros and all amounts have been rounded to Euro thousands, unless otherwise specified.

The consolidated financial statements of TeamSystem Holdco S.p.A. and its subsidiaries (TeamSystem Group) for the period ended 31 March 2023 and 31 March 2022 have not been audited.

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**► SCOPE OF CONSOLIDATION**

A listing of businesses consolidated on a line-by-line basis (or with equity method) is provided in the following table and it should be noted that the consolidation percentage takes account of any put and call options stipulated during the course of acquisitions:

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Share capital	Equity	Currency	% held	% consol.	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	14,596,648	1,454,303,894	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	3,000	1,454,763,015	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	3,000	1,453,754,564	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	50,000	1,437,828,151	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	24,000,000	1,488,500,725	EUR	100.00	100.00		
Techmass S.r.l.	Bassano del Grappa (VI)	11,538	765,765	EUR	51.00	100.00	1	
Area 32 S.r.l.	San Donà di Piave (VE)	10,000	1,009,453	EUR	100.00	100.00		
MBM Italia S.r.l.	Padova	40,800	5,728,377	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	90,000	252,158	EUR	51.00	100.00		
Team4you S.r.l.	Ripalimosani (CB)	10,000	1,381,986	EUR	90.00	100.00	1	
Habble S.r.l.	Vecchiano (PI)	21,930	4,148,543	EUR	60.00	100.00	1	
Software del Sol S.A.	Mengibar (Jaén)	75,000	5,258,092	EUR	100.00	100.00		
TeamSystem 8 S.r.l.	Milano	50,011	(422,311)	EUR	100.00	100.00		
My Expenses S.L.	Madrid	1	52,899	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	25,000	190,251	EUR	100.00	100.00		10
Logical Soft S.r.l.	Desio (MB)	200,000	5,112,910	EUR	60.00	100.00	1	
TeamSystem 11 S.r.l.	Milano	10,000	(40,727)	EUR	100.00	100.00		
Progetto Studio S.r.l.	Verona	100,000	4,949,210	EUR	100.00	100.00		11
Data-Consult S.r.l.	Vado Ligure (SV)	50,000	1,330,581	EUR	100.00	100.00		11
Selda S.r.l.	Chiavari (GE)	20,000	979,491	EUR	100.00	100.00		12
NewTronic S.r.l.	Padova	93,000	2,668,345	EUR	100.00	100.00		13
Cesio S.r.l.	Brescia	90,000	334,676	EUR	100.00	100.00		13
EvolutionFit S.r.l.	Torino	10,000	1,964,976	EUR	100.00	100.00		
TeamSystem Service S.r.l.	Campobasso	200,000	56,600,806	EUR	100.00	100.00		
TeamSystem Communication S.r.l.	Civitanova Marche (MC)	23,300	513,948	EUR	75.00	100.00	1	
Danea Soft S.r.l.	Vigonza (PD)	100,000	67,358,034	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	10,000	128,792,473	EUR	100.00	100.00		2
Nuovamacut Automazione S.p.A.	Bologna	108,000	35,698,507	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	300,000	33,050,776	EUR	96.87	96.87		5
Reviso International ApS	Copenhagen	50,011	(2,973,813)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	1	49,118	GBP	100.00	100.00		4
Reviso Deutschland GmbH	Berlin	25,000	59,224	EUR	100.00	100.00		4
Mondora S.r.l.	Milano	105,000	4,341,680	EUR	100.00	100.00		
Voispeed UK Ltd	Saint Albans - UK	1,000	113,484	GBP	85.00	85.00		3
Cassanova S.r.l.	Sant. di Romagna (RN)	10,000	2,847,856	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	4,931,373	13,412,951	EUR	81.20	100.00	1	
Whit-e S.r.l.	Milano	15,000	4,798,540	EUR	100.00	100.00		7
TeamSystem AM Holdco S.r.l.	Milano	10,000	1,136,124	EUR	91.20	100.00	1	7
TeamSystem Capital at Work SGR S.p.A.	Milano	100,000	1,049,179	EUR	91.00	91.00		8
FIN-MD-TECH SRL	Milano	50,000	37,861	EUR	100.00	100.00		7
TeamSystem Payments Holdco S.r.l.	Milano	10,000	3,220,193	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	125,000	2,330,526	EUR	100.00	100.00		9
Modefinance S.r.l.	Trieste	210,000	4,847,560	EUR	59.00	100.00	1	
Modefinance International S.r.l.	Milano	100,000	247,767	EUR	65.00	100.00	1	14
StoreDen S.r.l.	Villorba (TV)	20,000	673,059	EUR	100.00	100.00		
TeamSystem 10 S.r.l.	Milano	12,500	2,927,924	EUR	100.00	100.00		
ITReview S.r.l.	Noventa Padovana (PD)	50,000	1,061,802	EUR	100.00	100.00		
Ciaomanager S.r.l.	Trento (TN)	8,350	195,145	EUR	51.00	100.00	1	
TeamSyver S.r.l.	Negrar di Valpolicella (TV)	10,000	825,229	EUR	100.00	100.00		
CZ Informatica S.r.l.	Aglia (PT)	25,000	(59,825)	EUR	100.00	100.00		
Progetto Software S.r.l.	Carrara (MS)	10,400	364,371	EUR	100.00	100.00		
Software gestionale integrato Srl - SO.GE.I.	Cagliari	15,000	528,610	EUR	100.00	100.00		6
Algoritmi S.r.l.	Tremestieri Etneo (CT)	10,000	318,742	EUR	100.00	100.00		
SIA S.r.l.	Castelleone (CR)	10,710	2,546,830	EUR	100.00	100.00		

- (1) = equity interest would be 100% should put/call options be exercised;  
(2) = investment held by Danea Soft S.r.l.;  
(3) = investment held by TeamSystem Communication S.r.l.;  
(4) = investment held by Reviso International ApS;  
(5) = takes account of treasury shares held by Gruppo Euroconference;  
(6) = investment held by Progetto Software S.r.l.;  
(7) = investment held by TeamSystem Financial Value Chain S.r.l.;  
(8) = investment held by TeamSystem AM Holdco S.r.l.;  
(9) = investment held by TeamSystem Payments Holdco S.r.l.;  
(10) = investment held by My Expenses S.L.;  
(11) = investment held by TeamSystem 11 S.r.l.;  
(12) = 50% interest held by Progetto Studio S.r.l. with the remaining 50% held by Data-Consult S.r.l.;  
(13) = investment held by Progetto Studio S.r.l.;  
(14) = investment held by Modefinance S.r.l..

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**► CHANGES TO THE SCOPE OF CONSOLIDATION DURING THE FIRST THREE MONTHS OF 2023**

The 31 March 2023 scope of consolidation has not changed compared to the TeamSystem Holdco Consolidated financial statements for the period ended 31 December 2022.

As regards the investments in Readytec S.r.l., Readytec Emilia S.r.l., Sistemi IT S.r.l., Sigma Sistemi S.r.l., Microntel S.r.l., Multidata S.r.l., Aplifisa S.L.U., Ticcyl Digital S.L.U. and Marclamara S.L. (see “Significant events during the first three months of 2023” section, in Directors’ Report), their results and their financial position have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the three months ended 31 March 2023, taking into account the non-materiality of some acquisitions in question and considering the fact that most of them took place close to the end of the quarter.

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**► TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS**

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. 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 March 2023 that use a currency other than the Euro are: Voispeed Limited and Reviso Cloud Accounting Limited, which use the British Pound (GBP), and Reviso International ApS, which uses the Danish Krone (DKK).

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

EXCHANGE RATES	Average exchange rate for the first three months of 2023	Exchange rate as at 31 Mar 2023	Average exchange rate for the first nine months of 2022	Exchange rate as at 31 Mar 2022
GBP	0.88	0.88	0.84	0.85
DKK	7.44	7.45	7.44	7.44

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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;
- **HR Business Unit:** modular HR system covering all HR management and business process outsourcing requirements.

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#### **► USE OF ESTIMATES**

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

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

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

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## Notes to Interim Unaudited Consolidated Financial Statement Components

(All amounts are expressed in thousands of Euro except where otherwise indicated)

### 1. TOTAL REVENUE

Total revenue for the period ended 31 March 2023 amounts to € 153 million, and is comprised of Revenue of € 152 million and Other Revenue of € 1.1 million. Total revenue for period ended 31 March 2022 stood at € 127.5 million.

The table below provides a breakdown of total revenue for the 31 March 2023 and for the 31 March 2022 period based on whether control was passed over time or at a point in time:

Euro Millions			
	31 Mar 2023	31 Mar 2022	
Over time	130.1	108.0	
Point in time	23.1	19.4	
<b>TOTAL REVENUE</b>	<b>153.2</b>	<b>127.4</b>	

Lastly, it should be noted that there is no concentration of revenue with any specific customer, given the notable segmentation of Group sales which, for the three months ended 31 March 2023, were almost exclusively realised in Italy.

### 2. COST OF RAW AND OTHER MATERIALS

	31 Mar 2023	31 Mar 2022	Change	% Change
Hardware purchases	2,424	996	1,428	143.3%
Third parties' software	7,983	7,941	42	0.5%
Materials for education	25	5	20	391.1%
Fuel	599	402	197	48.9%
Other materials	553	201	352	174.8%
Change in inventory of raw materials	32	597	(566)	-94.7%
<b>Total</b>	<b>11,619</b>	<b>10,143</b>	<b>1,476</b>	<b>14.5%</b>

Cost of raw and other materials amounts to € 11,619 thousand for the period ended 31 March 2023, up by € 1,476 thousand compared to the amount at 31 March 2022 (€ 10,143 thousand). This increase, mainly recorded in the line item Hardware purchases, is attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first three months of 2023.

### 3. COST OF SERVICES

	31 Mar 2023	31 Mar 2022	Change	% Change
Agent commissions and other costs	5,289	4,331	958	22.1%
Consulting and third parties services	4,976	3,342	1,635	48.9%
Software and Hardware maintenance costs	9,102	6,986	2,117	30.3%
Customer support service costs	2,158	1,766	392	22.2%
Administrative tax and legal	1,113	1,287	(174)	-13.5%
Financial interest costs	743	731	12	1.7%
Education - consulting and copyrights	613	586	26	4.5%
Magazines - consulting and copyrights	341	393	(51)	-13.0%
Other costs for education services	28	32	(4)	-11.3%
Advertising and marketing	5,759	5,100	659	12.9%
Car rentals	880	858	23	2.7%
Utilities	1,061	1,083	(21)	-2.0%
Costs for mergers and acquisitions	2,573	361	2,212	612.7%
Other minor items	31	13	18	138.5%
Costs for strategic projects and reorganizations	2,215	398	1,816	456.0%
Cost of Rebates	1,115	934	182	19.5%
Other services	3,140	3,065	75	2.5%
<b>Cost of services - Gross of capitalisation</b>	<b>41,139</b>	<b>31,263</b>	<b>9,876</b>	<b>31.6%</b>
Services capitalized development costs	(1,253)	(1,005)	(248)	24.7%
<b>Total</b>	<b>39,885</b>	<b>30,258</b>	<b>9,627</b>	<b>31.8%</b>

Cost of services for the period ended 31 March 2023 amounts to € 39,885 thousand, up by € 9,627 thousand from the amount of the period ended 31 March 2022 (€ 30,258 thousand).

Compared to the corresponding period ended 31 March 2022, the main decreases have been registered in Costs for mergers and acquisition, consisting of cost related to acquisitions.

As regards the capitalisation of cost of services recognised in the first three months of 2023, reference should be made to the Note 10 Intangible Assets.

### 4. PERSONNEL COSTS

	31 Mar 2023	31 Mar 2022	Change	% Change
Wages, salaries and social contributions	44,800	40,051	4,749	11.9%
Staff leaving indemnities	2,003	1,817	186	10.2%
Other personnel costs	1,382	620	762	123.0%
Personnel costs for redundancy and reorganizations	668	449	220	49.0%
<b>Employee costs</b>	<b>48,854</b>	<b>42,937</b>	<b>5,917</b>	<b>13.8%</b>
Freelancers and collaborators fees	138	77	61	79.7%
Directors' fees and related costs	1,305	897	408	45.4%
<b>Directors and Collaborators</b>	<b>1,443</b>	<b>974</b>	<b>469</b>	<b>48.1%</b>
<b>Personnel - Gross of capitalisation</b>	<b>50,297</b>	<b>43,911</b>	<b>6,386</b>	<b>14.5%</b>
Personnel capitalized development costs	(4,477)	(3,318)	(1,159)	34.9%
<b>Total</b>	<b>45,820</b>	<b>40,593</b>	<b>5,227</b>	<b>12.9%</b>

Personnel costs for the period ended 31 March 2023 (€ 45,820 thousand) have increased by € 5,227 thousand, compared to the corresponding amount for the period ended 31 March 2022 (€ 40,593 thousand), as a consequence of the change in the consolidation area and of the organic growth experienced by the Group in the first three months of 2023.

As regards the capitalisation of personnel costs recognised in the first three months of 2023, reference should be made to the Note 10 Intangible Assets.

## 5. OTHER OPERATING COSTS

	31 Mar 2023	31 Mar 2022	Change	% Change
Rents	454	664	(209)	-31.6%
Rentals	90	70	20	28.4%
Other expenses for use of third parties assets	8	45	(37)	-81.4%
Other tax	177	138	38	27.7%
Losses from assets disposals	4	13	(9)	-68.6%
Other expenses and settlement costs	544	608	(64)	-10.5%
<b>Total</b>	<b>1,278</b>	<b>1,538</b>	<b>(261)</b>	<b>-17.0%</b>

Other operating costs for the period ended 31 March 2023 (€ 1,278 thousand) have decreased for an amount of € 261 thousand compared to the corresponding amount for the period ended 31 March 2022 (€ 1,538 thousand).

## 6. FINANCE INCOME

	31 Mar 2023	31 Mar 2022	Change	% Change
Interest and other finance income	(15)	54	(69)	-127.6%
Gains on foreign exchange	11	0	10	n.s.
Interest from cash pooling and other loans	25	10	15	154.6%
Interest from banks	342	0	341	n.s.
Interest from derivative instruments	997		997	n.s.
Dividends		60	(60)	n.s.
<b>Total</b>	<b>1,359</b>	<b>124</b>	<b>1,235</b>	<b>993.7%</b>

Finance income for the period ended 31 March 2023 (€ 1,359 thousand) have increased compared to the corresponding amount at 31 March 2022 (€ 124 thousand) for an amount of € 1,235 thousand due to Interest from derivative instruments (see Note 15 Net Financial Indebtedness for further information).

## 7. FINANCE COST

	31 Mar 2023	31 Mar 2022	Change	% Change
Interest on bank loans	23	691	(668)	-96.6%
Interest on Notes	26,184	16,366	9,817	60.0%
Interest on financing fees	2,236	1,941	295	15.2%
Revaluation - Liabilities to non-controll. shareholders of subs.		2,845	(2,845)	-100.0%
Bank commissions	1,072	742	330	44.5%
MTM valuation of derivative instruments	2,451		2,451	
Interests on actuarial valuation of employees benefit	60	190	(130)	-68.5%
Interests on leases - IFRS 16	245	223	21	9.5%
Other IFRS financial charges	1,271	585	686	117.2%
Other financial charges	21	29	(8)	-27.0%
Losses on foreign exchange	13	7	6	84.0%
Write-downs of investments		131	(131)	-100.0%
<b>Total</b>	<b>33,576</b>	<b>23,751</b>	<b>9,825</b>	<b>41.4%</b>

Finance cost for the period ended 31 March 2023 amounts to € 33,576 thousand with an increase of € 9,825 thousand, compared to the corresponding amount at 31 March 2022 (€ 23,751 thousand).

This change is mainly attributable to:

- the increase of € 9,817 thousand in the line item Interest on Notes related to the “2028 Fixed Rate Notes” and “2028 Floating Rate Notes” (see also Note 15 for further details);
- the increase of € 2,451 thousand in the line item MTM valuation of derivative instruments (see also Note 15 for further details);
- the decrease of € 2,845 thousand in the line item Revaluation – Liabilities to non-controlling shareholders of subsidiaries.

## 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 in the course of the first three months of 2023.

**Cash flows from operating activities** = amount to € 68,794 thousand for the period ended 31 March 2023, increasing by € 18,118 thousand, compared to the corresponding flows for the period ended 31 March 2022 (€ 50,676 thousand).

**Cash flows from investing activities** = amount to negative € 101,340 thousand for the period ended 31 March 2023.

The main investment activities for the first three months of 2023 are related to:

- capitalized development costs and capital expenditures on tangible and intangible assets, see "Capital expenditure" section;
- the cash-out paid for the acquisition (mainly consisting on Readytec S.r.l., Aplifisa S.L.U. and Microntel S.r.l.).

**Cash flows from financing activities** = amount to negative € 16,926 thousand for the period ended 31 March 2023.

The main cash items occurred in the first three months of 2023 are attributable to:

- the payment of IFRS16 leases liabilities, consisting of principal and interests;
- the adjustments of considerations paid in relation to recent acquisitions of investments;
- the payment of Interests on Notes.

## 9. TANGIBLE ASSETS

NET BOOK VALUE	31 Mar 2023	31 Dec 2022	Change	% Change
Land	638	638		
Buildings	2,373	2,446	(72)	-3.0%
Plant and machinery	1,916	2,145	(230)	-10.7%
Equipment	887	977	(90)	-9.2%
Other assets	10,105	9,997	108	1.1%
<b>Total</b>	<b>15,919</b>	<b>16,203</b>	<b>(284)</b>	<b>-1.8%</b>

At 31 March 2023 Tangible fixed assets amount to € 15,919 thousand, with a decrease of € 284 thousand compared with the balance recorded at 31 December 2022 (€ 16,203 thousand).

## 10. INTANGIBLE ASSETS

NET BOOK VALUE	31 Mar 2023	31 Dec 2022	Change	% Change
Capitalised development	29,703	26,336	3,367	12.8%
IFRS Assets	1,218,246	1,260,673	(42,427)	-3.4%
Other intangible assets	29,280	28,035	1,245	4.4%
<b>Total</b>	<b>1,277,229</b>	<b>1,315,044</b>	<b>(37,815)</b>	<b>-2.9%</b>

Intangible assets have gone from € 1,315,044 thousand at 31 December 2022 to € 1,277,229 thousand at 31 March 2023, with a decrease of € 37,815 thousand resulting from the aggregate of disposals, additions, capitalised development costs and amortisation for the period ended 31 March 2023.

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).

### 11. RIGHT OF USE

As at 31 March 2023 Right of use amounts to € 21,437 thousand, down by € 1,717 thousand compared to the balance as at 31 December 2022 (€ 23,154 thousand).

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

Goodwill at 31 March 2023 amounts to € 1,808,900 thousand with an increase of € 3,709 thousand compared to the balance at 31 December 2022 (€ 1,805,191 thousand).

Goodwill consists mainly of the excess of the consideration paid by the new shareholders over the fair value of the assets acquired and the liabilities assumed.

In terms of Impairment test, the line-item Goodwill is subjected annually (or more frequently if certain events or circumstances indicate potential impairment) to impairment testing and TeamSystem Group will postpone a more thorough analysis with impairment testing to 31 December 2023.

### 13. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

	31 Mar 2023	31 Dec 2022	Change	% Change
Investments in Associates	216	216		
Other Investments	91,633	258	91,375	n.s.
<b>Total</b>	<b>91,848</b>	<b>474</b>	<b>91,375</b>	<b>19272.5%</b>

The balance of Investments in Associates and Other investments changed from € 474 thousand at 31 December 2022 to € 91,848 thousand at 31 March 2023, with an increase of € 91,375 thousand mainly attributable to the acquisition of Readytec S.r.l., Aplifisa S.L.U. and Microntel S.r.l. (for further information, see “Significant events during the first three months of 2023” section in Directors’ report).

### 14. DEFERRED TAX ASSETS AND LIABILITIES

	31 Mar 2023	31 Dec 2022	Change	% Change
Deferred tax assets	13,765	14,293	(528)	-3.7%
Deferred tax liabilities	299,684	309,593	(9,909)	-3.2%

At 31 March 2023 Deferred tax assets amount to € 13,765 thousand, down by € 528 thousand compared to the balance at 31 December 2022 (€ 14,293 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, other items.

At 31 March 2023 Deferred tax liabilities amount to € 299,684 thousand with a decrease of € 9,909 thousand compared to the balance at 31 December 2022 (€ 309,593 thousand).

## 15. NET FINANCIAL INDEBTEDNESS

	31 Mar 2023		31 Dec 2022	
	Current	Non-Current	Current	Non-Current
	Total		Total	
Bank accounts and post office	96,021		96,021	145,496
Cash and bank balances	31		31	27
<b>Total Cash and bank balances</b>	<b>96,052</b>		<b>96,052</b>	<b>145,523</b>
Loans	2,125		2,125	25
Derivative instruments - assets		29,779	29,779	31,233
Accruals and prepaid commissions	57		57	38
Other financial assets	8,293		8,293	8,238
<b>Total Other financial assets</b>	<b>10,475</b>	<b>29,779</b>	<b>40,254</b>	<b>39,534</b>
Loans with banks	(1,536)		(1,536)	(1,767)
Overdrafts with banks	(0)		(0)	(2)
Finance leases liabilities	(6,561)	(17,069)	(23,630)	(6,561)
Notes	(32,578)	(1,635,000)	(1,667,578)	(21,181)
Financial liabilities with other institutions	(1,816)		(1,816)	(1,607)
Dividends to be settled	(40)		(40)	(40)
<b>Total Financial liabilities</b>	<b>(42,531)</b>	<b>(1,652,069)</b>	<b>(1,694,600)</b>	<b>(1,653,715)</b>
Financing Fees - bond		42,329	42,329	44,404
Financing Fees - banks		2,837	2,837	2,997
<b>Total Financing Fees</b>		<b>45,166</b>	<b>45,166</b>	<b>47,402</b>
Liabilities to non-controlling shareholders of subs.	(39,801)	(49,340)	(89,141)	(51,919)
Commission financial liabilities	(195)		(195)	(217)
Cash pooling liabilities	(3,328)		(3,328)	(0)
<b>Total Other financial liabilities</b>	<b>(43,324)</b>	<b>(49,340)</b>	<b>(92,664)</b>	<b>(87,860)</b>
<b>Total</b>	<b>20,673</b>	<b>(1,626,464)</b>	<b>(1,605,791)</b>	<b>86,725</b>
				<b>(1,626,999)</b>
				<b>(1,540,274)</b>

Net financial indebtedness as at 31 March 2023 amounts to negative € 1,605,791 thousand.

### ■ **Cash and bank balances**

The amount of cash and bank balances stands at € 96,052 thousand as at 31 March 2023 and at € 145,523 thousand at 31 December 2022.

### ■ **Financial leases liabilities**

Following the adoption of IFRS 16 – Leases, Financial leases liabilities at 31 March 2023 reflects the recognition of a financial liability of € 23,630 thousand (€ 25,276 at 31 December 2022), consisting of the present value of future lease payments.

### ■ **2028 Fixed, Floating Rate and Private Rate Notes ("2028 Notes") and 2029 PIYW PIK Toggle Notes**

In February 2021, **Brunello Bidco S.p.A. ("SSN Issuer")**, in order to finance the acquisition of the TeamSystem Group, issued:

- senior secured fixed rate notes (ISIN XS2295691476 - XS2295690742) with a total nominal value of € 300 million maturing on 15 February 2028 ("**2028 Fixed Rate Notes**"). The 2028 Fixed Rate Notes bear interest at a fixed interest rate of 3.50%, payable semi-annually in arrears each April 15 and October 15, commencing 15 October 2021.
- senior secured floating rate notes (ISIN XS2295692102 - XS2295691633) with a total nominal value of € 850 million maturing on 15 February 2028 ("**2028 Floating Rate Notes**"). The 2028 Floating Rate Notes bear interest at a rate equal to the 3-month Euribor rate - with a floor of 0.00% - plus a spread of 3.75%, payable quarterly in arrears each January 15, April 15, July 15, October 15, commencing 15 July 2021.

The 2028 Fixed and 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. (SSN Issuer), Barolo Luxco 1 S.p.A., TeamSystem Holding S.p.A. and TeamSystem S.p.A. was completed on 26 October 2021 ("Merger Date"). The surviving company from the above-mentioned merger transaction was TeamSystem S.p.A. which, as a result of the merger and starting from the Merger Date, assumed all the obligations of the SSN Issuer with respect to the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes.

**Brunello Midco 2 S.p.A. ("PIK Issuer")**, which changed its company name to TeamSystem Holdco 3 in 2021, issued:

- senior floating rate pay-if-you-want PIK toggle notes (ISIN: IT0005434441) with a total nominal value of € 300 million maturing on 15 February 2029 ("**2029 PIYW PIK Toggle Notes**"). The PIK Issuer pays interest on the 2029 PIYW PIK Toggle Notes either in cash (6-month Euribor with a floor of 0.00%, plus 8.00% per annum) or in kind (6-month Euribor with a floor of 0.00%) plus 8.75% per annum or a combination thereof,

at the sole option of the PIK Issuer. The 2029 PIYW PIK Toggle Notes bear interest payable semi-annually in arrears each April 15 and October 15, commencing 15 October 2021.

The 2029 PIYW PIK Toggle Notes are listed on the MTF of the Vienna Stock Exchange. The PIK Issuer changed its company name to TeamSystem Holdco 3 S.p.A. with effect from 17 December 2021.

The fees and costs incurred for the issue of the 2028 Fixed and Floating Rate Notes and the issue of the 2029 PIYW PIK Toggle Notes have been accounted for as Financing Fees and have been amortised pro-rata over the contractual term of the respective Notes.

On 06 October 2022, **TeamSystem S.p.A.** issued:

- senior secured floating rate notes (ISIN XS2533816042 - XS2533896721) with a total nominal value of € 185 million maturing on 15 February 2028 (“**2028 Private Notes**”) along with the **2028 Fixed Rate Notes** and then **2028 Floating Rate Notes**, the “**2028 Notes**”). The 2028 Private Notes bear interest at a rate equal to the 3-month Euribor rate - with a floor of 0.00% - plus a spread of 6.25%, payable quarterly in arrears on 15 January, 15 April, 15 July, 15 October of each year starting on 15 July 2023.

The 2028 Private Notes are listed on the MTF of the Vienna Stock Exchange.

#### **■ Collateral**

At 31 March 2023, the obligations arising under the **2028 Notes** and the **New RCF** (as described below) were secured by the following security rights:

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

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

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

The **2028 Notes** were originally guaranteed (and continue to be guaranteed) by the PIK Issuer.

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

#### **■ Revolving Credit Facility (Existing and New)**

On 27 January 2021, Brunello Bidco S.p.A. (now merged with TeamSystem S.p.A.) negotiated a new super senior revolving credit facility (“**New RCF**”) with a principal amount of € 180 million and expiring on 18 August 2027. The surviving company from the above-mentioned merger transaction was TeamSystem S.p.A. which, as a result of the merger and starting from the merger date, assumed all the obligations of Brunello Bidco S.p.A. with respect to the New RCF.

The interest rate payable on the **New RCF** credit facility is equal to the Euribor / LIBOR, with a floor of 0.00%, plus a spread, calculated quarterly based on certain contractual parameters (“**Senior Secured Net Leverage Ratio**”).

The New RCF line is secured by the same guarantees granted on the **2028 Notes** (see previous paragraph).

The costs incurred to obtain the New RCF have been recognised as financing fees and are being amortised on a straight-line basis over the contractual term of the credit facility. The remaining balance of the related Financing Fees on the date the Existing RCF was extinguished was charged to the Group's consolidated statement of profit or loss.

#### **■ Liabilities to non-controlling shareholders of subsidiaries**

Liabilities to non-controlling shareholders of subsidiaries (€ 89,141 thousand at 31 March 2023) relates to put and call options and/or earn-outs due to non-controlling interest holders of certain consolidated subsidiaries. The main

ones are: Modefinance S.r.l., Logical Soft S.r.l., Algoritmi S.r.l., TeamSyver S.r.l. and Progetto Studio S.r.l. (together with its subsidiaries).

#### **■ Interest Rate Swaps – Financial derivative assets / liabilities**

With the aim of reducing the risk of market interest rate fluctuations associated with the Floating Rate Notes, in April 2022, TeamSystem S.p.A. entered into two interest rate swap contracts with a total notional amount of € 700 million and with a termination date of 15 December 2025. The market value of the interest rate swaps has been recognised in profit or loss for the year ended 31 March 2023.

### **16. INVENTORIES**

	31 Mar 2023	31 Dec 2022	Change	% Change
Raw and ancillary materials	367	406	(39)	-9.5%
Finished products and goods	1,114	1,205	(91)	-7.6%
(Allowance for slow-moving inventory)	(400)	(500)	101	-20.1%
<b>Total</b>	<b>1,082</b>	<b>1,111</b>	<b>(29)</b>	<b>-2.6%</b>

At 31 March 2023 Inventories amount to € 1,082 thousand, substantially unchanged compared to the balance at 31 December 2021 (€ 1,111 thousand).

### **17. TRADE RECEIVABLES**

	31 Mar 2023	31 Dec 2022	Change	% Change
Trade receivables	331,117	171,815	159,303	92.7%
(Allowance for bad debts)	(24,219)	(23,521)	(699)	3.0%
<b>Total</b>	<b>306,898</b>	<b>148,294</b>	<b>158,604</b>	<b>107.0%</b>

At 31 March 2023 Trade receivables (gross of Allowance for bad debts) amount to € 306,898 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 € 24,219 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**

	31 Mar 2023	31 Dec 2022	Change	% Change
Tax credits	199	186	13	6.7%
Other tax receivables	185	145	40	27.7%
Withholding tax credit	143	20	122	608.7%
Tax consolidation receivables	81	(0)	81	-16630.4%
Advances and income tax credits	295	610	(315)	-51.7%
<b>Total</b>	<b>902</b>	<b>961</b>	<b>(59)</b>	<b>-6.2%</b>

At 31 March 2023 Tax receivables amount to € 902 thousand, down by € 59 thousand compared to the balance at 31 December 2022 (€ 961 thousand).



## 19. OTHER CURRENT RECEIVABLES

	31 Mar 2023	31 Dec 2022	Change	% Change
Deposits	580	666	(86)	-13.0%
Receivables from employees	169	124	45	36.5%
Other receivables	5,111	8,519	(3,408)	-40.0%
Accrued income	393	226	167	74.0%
Prepayments	35,456	27,375	8,082	29.5%
VAT receivables	1,083	475	609	128.3%
<b>Total</b>	<b>42,793</b>	<b>37,385</b>	<b>5,408</b>	<b>14.5%</b>

At 31 March 2023 the Other current receivables balance amounts to € 42,793 thousand, up by € 5,408 thousand compared to the 31 December 2022 balance (€ 37,385 thousand). The movement is mainly due to the movement in the line-item Prepayments (increase of € 8,082 thousand), because of the seasonality of the business of the Group, and it is offset by the decrease of Other receivables (€ 3,408 thousand).

## 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	Non-controlling interests	TOTAL
31 Dec 2022	14,597	1,378,765	(236)	(146,541)	1,246,585	803	1,247,388
Loss allocation		(146,519)	(22)	146,541	0		0
Profit (Loss) for the year				(27,507)	(27,507)	8	(27,499)
Other Profit (Loss) on comprehensive income		5			5	0	5
31 Mar 2023	14,597	1,232,251	(258)	(27,507)	1,219,082	812	1,219,894

At 31 March 2023 the Group's equity amounts to € 1,219,082 thousand.

## 21. STAFF LEAVING INDEMNITY

	31 Mar 2023	31 Dec 2022	Change	% Change
Staff leaving indemnity	25,183	24,724	459	1.9%
<b>Total</b>	<b>25,183</b>	<b>24,724</b>	<b>459</b>	<b>1.9%</b>

At 31 March 2023 Staff leaving indemnity amounts to € 25,183 thousand, up by € 459 thousand compared to the balance at 31 December 2022 (€ 24,724 thousand). The balance is the aggregate of utilisations, accruals and any other movements.

## 22. PROVISIONS FOR RISKS AND CHARGES

	31 Mar 2023	31 Dec 2022	Change	% Change
Provision for pension and similar obligation	1,296	1,567	(271)	-17.3%
Provision for litigations	9,589	9,610	(21)	-0.2%
Other provision for risks and charges	2,074	1,524	551	36.1%
<b>Total</b>	<b>12,960</b>	<b>12,701</b>	<b>259</b>	<b>2.0%</b>

At 31 March 2023 Provisions for risks and charges amount to € 12,960 thousand, up by € 259 thousand compared to the balance at 31 December 2022 (€ 12,701 thousand). The balance is the aggregate of utilisations, accruals 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 financial statements.

### 23. OTHER CURRENT AND NON-CURRENT LIABILITIES

	31 Mar 2023	31 Dec 2022	Change	% Change
VAT liabilities	6,742	4,037	1,799	44.6%
Withholdings liabilities	9,549	5,144	(220)	-4.3%
Employees payables and Social security liabilities	28,016	35,990	(7,974)	-22.2%
Advances	754	1,198	(444)	-37.1%
Other liabilities	1,106	1,137	(31)	-2.8%
Accrued liabilities	132	161	(29)	-18.1%
Deferred revenues	295,808	102,798	193,010	187.8%
<b>Other current liabilities</b>	<b>342,106</b>	<b>150,466</b>	<b>186,110</b>	<b>123.7%</b>
Due to social securities - non-current	368	381	(13)	-3.4%
Other tax liabilities - non-current	8	8		
<b>Other non-current liabilities</b>	<b>376</b>	<b>389</b>	<b>(13)</b>	<b>-3.3%</b>
<b>Total Other liabilities</b>	<b>342,482</b>	<b>150,855</b>	<b>186,097</b>	<b>123.4%</b>

At 31 March 2023 Other current liabilities amount to € 342,106 thousand, up by € 186,110 thousand compared to the balance at 31 December 2022 (€ 150,466 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 2023 Other non-current liabilities amount to € 376 thousand (€ 389 thousand at 31 December 2022) and relate primarily to balances pertaining to the subsidiary TeamSystem S.p.A..

### 24. CURRENT TAX LIABILITIES

	31 Mar 2023	31 Dec 2022	Change	% Change
Income tax payables	15,263	8,519	6,744	79.2%
Other tax liabilities	73	409	(336)	-82.1%
<b>Total</b>	<b>15,336</b>	<b>8,928</b>	<b>6,408</b>	<b>71.8%</b>

At 31 March 2023 Current tax liabilities amount to € 15,336 thousand, up by € 6,408 thousand compared to the balance at 31 December 2022 (€ 8,928 thousand).

**25. RECONCILIATION OF NET FINANCIAL INDEBTEDNESS – TeamSystem Holdco S.p.A. – TeamSystem Holdco 3 S.p.A. – TeamSystem S.p.A.**

In the table below, we provide a reconciliation of the net financial indebtedness between the consolidated accounts of TeamSystem Holdco S.p.A., the consolidated accounts of TeamSystem Holdco 3 S.p.A. and the consolidated accounts of TeamSystem S.p.A., being the net financial indebtedness the only material difference between these three consolidated accounts.

RECONCILIATION OF NET FINANCIAL POSITION TEAMSYSTEM HOLDCO GROUP vs TEAMSYSTEM SPA GROUP	TEAMSYSTEM HOLDCO CONSOLIDATED	TEAMSYSTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 1 STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 2 STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 3 CONSOLIDATED	TEAMSYSTEM HOLDCO 3 STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM SPA CONSOLIDATED
Bank accounts and post office	96,021	95	23	24	95,878	74	95,805
Cash and bank balances	31				31		31
<b>Total Cash and bank balances</b>	<b>96,052</b>	<b>95</b>	<b>23</b>	<b>24</b>	<b>95,910</b>	<b>74</b>	<b>95,836</b>
Loans	2,125				2,125		2,125
Derivative instruments - assets	29,779				29,779		29,779
Accruals and prepaid commissions	57				57	2	55
Other financial assets	8,293				8,293		8,293
<b>Total Other financial assets</b>	<b>40,254</b>				<b>40,254</b>	<b>2</b>	<b>40,252</b>
Loans with banks	(1,536)				(1,536)		(1,536)
Finance leases liabilities	(23,630)				(23,630)		(23,630)
Notes	(1,667,578)				(1,667,578)	(313,770)	(1,353,808)
Financial liabilities with other institutions	(1,816)				(1,816)		(1,816)
Dividends to be settled	(40)				(40)		(40)
<b>Total Financial liabilities</b>	<b>(1,694,600)</b>				<b>(1,694,600)</b>	<b>(313,770)</b>	<b>(1,380,830)</b>
Financing Fees - bond	42,329				42,329	7,402	34,927
Financing Fees - banks	2,837				2,837		2,837
<b>Total Financing Fees</b>	<b>45,166</b>				<b>45,166</b>	<b>7,402</b>	<b>37,764</b>
Liab. to non-controlling shareholders of subs.	(89,141)				(89,141)		(89,141)
Commission financial liabilities	(195)				(195)		(195)
Cash pooling liabilities	(3,328)				(3,328)		(3,328)
<b>Total Other financial liabilities</b>	<b>(92,664)</b>				<b>(92,664)</b>		<b>(92,664)</b>
<b>Total</b>	<b>(1,605,791)</b>	<b>95</b>	<b>23</b>	<b>24</b>	<b>(1,605,934)</b>	<b>(306,292)</b>	<b>(1,299,642)</b>

□ □ □

**On behalf of the Board of Directors of  
TeamSystem Holdco S.p.A.  
Chief Executive Officer  
Federico Leproux**



