

30 June 2022
Interim Condensed Consolidated
Financial Statements
TeamSystem Group



**INTERIM
CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS
ENDED
30 JUNE 2022**

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

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UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS ENDED 30 JUNE 2022

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**DIRECTORS’
REPORT**

► RESULTS OF OPERATIONS

Euro thousand								
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	30 Jun 2022	30 Jun 2021	Change	% Change	Quarter 2Q 2022	Quarter 2Q 2021	Change	% Change
TOTAL REVENUE	268,733	228,862	39,871	17.4%	141,302	119,578	21,724	18.2%
COGS	(52,099)	(43,512)	(8,587)	19.7%	(28,845)	(23,844)	(5,002)	21.0%
Personnel	(86,963)	(75,389)	(11,575)	15.4%	(43,510)	(36,921)	(6,589)	17.8%
Personnel like	(9,877)	(8,632)	(1,245)	14.4%	(4,924)	(4,332)	(592)	13.7%
Non Personnel	(27,072)	(20,797)	(6,274)	30.2%	(13,419)	(9,697)	(3,721)	38.4%
Capitalized development costs	8,594	7,474	1,120	15.0%	4,294	3,774	520	13.8%
ADJUSTED EBITDA	101,316	88,006	13,310	15.1%	54,898	48,558	6,340	13.1%
Allowance for bad debts	(2,632)	(4,178)	1,546	-37.0%	(1,357)	(2,240)	883	-39.4%
Depreciation and amortization of non current assets	(100,061)	(42,294)	(57,766)	136.6%	(50,561)	(20,597)	(29,963)	145.5%
Other provisions for risks and charges	(31)	(180)	148	-82.5%	(31)	(177)	147	-82.7%
Non core items	(4,859)	(13,598)	8,739	-64.3%	(3,339)	(2,980)	(359)	12.0%
OPERATING RESULT	(6,267)	27,756	(34,023)	-122.6%	(389)	22,563	(22,952)	-101.7%
Net Finance Income (Cost)	(38,441)	(46,830)	8,389	-17.9%	(14,814)	(14,828)	14	-0.1%
PROFIT (LOSS) BEFORE INCOME TAXES	(44,708)	(19,074)	(25,634)	134.4%	(15,203)	7,735	(22,938)	-296.6%
Current income tax	(16,115)	(13,365)	(2,750)	20.6%	(10,895)	(8,604)	(2,291)	26.6%
Deferred income tax	19,393	33,445	(14,052)	-42.0%	9,679	28,253	(18,574)	-65.7%
PROFIT (LOSS) FOR THE YEAR	(41,431)	1,006	(42,437)	-4218.0%	(16,419)	27,383	(43,802)	-160.0%
(Profit) Loss for the year - Non controlling interests	(72)	(71)	(2)	2.6%	(42)	(39)	(4)	9.3%
PROFIT (LOSS) FOR THE YEAR - OWNERS OF THE COMPANY	(41,503)	936	(42,438)	-4536.4%	(16,461)	27,345	(43,806)	-160.2%

The interim consolidated financial statements for the period ended 30 June 2022 are produced at TeamSystem Holdco S.p.A. consolidation hierarchy but comparative figures relating to the prior period ending 30 June 2021 relate to Brunello Bidco S.p.A. consolidated figures for the components of the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows whereas comparative figures for the Consolidated statement of financial position as at 31 December 2021 are still presented at TeamSystem Holdco S.p.A. consolidated accounts.

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The following comments refer to the changes between the consolidated statement of profit or loss as at 30 June 2022 and the corresponding figures for the period ended 30 June 2021.

The results as at 30 June 2022 are affected by the consolidation of the profit and loss of the following companies (which did not contribute to the 30 June 2021 consolidated profit and loss):

TeamSystem Holdco S.p.A., (as parent company), TeamSystem Holdco 1 S.r.l., TeamSystem Holdco 2 S.r.l., TeamSystem Holdco 3 S.p.A., SGS System House S.r.l., My Expenses S.L., Billin Factura Electronica S.L., Logical Soft S.r.l., Itacme Informatica S.r.l., TeamSystem 11 S.r.l., Modefinance International S.r.l., Progetto Studio S.r.l., Data Consult S.r.l., Selda S.r.l., NewTronic S.r.l., Cesio S.r.l. and TeamSystem 10 S.r.l.

All of the previous companies have been acquired / incorporated during 2021 or in the first months of 2022.

Finally, taking account of the non-materiality of the acquisition, the results of Storeden S.r.l., IT Review S.r.l., Ciaomanager S.r.l. and the two business units pertaining to TeamSystem 10 S.r.l. (Infoware S.r.l. and Locatelli S.r.l.) have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the six months ended 30 June 2022 (see “Significant events during the first six months of 2022” 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**.

Euro thousands								
ADJUSTED EBITDA RECONCILIATION	30 Jun 2022	30 Jun 2021	Change	% Change	Quarter 2Q 2022	Quarter 2Q 2021	Change	% Change
PROFIT (LOSS) FOR THE YEAR	(41,431)	1,006	(42,437)	-4218.0%	(16,419)	27,383	(43,802)	-160.0%
Income tax	(3,277)	(20,080)	16,803	-83.7%	1,216	(19,649)	20,864	-106.2%
Financial income and expenses	38,441	46,830	(8,389)	-17.9%	14,814	14,828	(14)	-0.1%
Other provisions for risks and charges	31	180	(148)	-82.5%	31	177	(147)	-82.7%
Depreciation and amortization of non-current assets	100,061	42,294	57,766	136.6%	50,561	20,597	29,963	145.5%
Allowance for bad debts	2,632	4,178	(1,546)	-37.0%	1,357	2,240	(883)	-39.4%
Costs for changing and closing locations	272	0	272	0.0%	122	0	122	0.0%
Advisory expenses related to reorganization and cost saving projects	898	2,695	(1,797)	-66.7%	649	1,624	(975)	-60.0%
Personnel redundancy	784	474	310	65.3%	335	382	(47)	-12.2%
Acquisitions and mergers costs	2,061	9,233	(7,171)	-77.7%	1,701	303	1,398	461.6%
Settlements with clients and agents	571	981	(409)	-41.7%	355	602	(248)	-41.1%
Other minor items	273	216	57	26.2%	178	69	109	157.7%
ADJUSTED EBITDA	101,316	88,006	13,310	15.1%	54,898	48,558	6,340	13.1%

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 30 June 2022 Adjusted EBITDA amounts to € 101,316 thousand, up by € 13,310 thousand compared to the amount at 30 June 2021 (€ 88,006 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 six months of 2022.

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TOTAL REVENUE: Total Revenue for the period ended 30 June 2022 amounts to € 268,733 thousand, up by € 39,871 thousand compared to the corresponding figure for the period ended 30 June 2021 (€ 228,862 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 six months of 2022.

Euro Millions								
	30 Jun 2022	30 Jun 2021	Change	% Change	Quarter 2Q 2022	Quarter 2Q 2021	Change	% Change
Enterprise	63.5	52.7	10.8	20.5%	27.7	25.9	1.8	6.9%
Recurring	49.0	39.8	9.2	23.1%	19.5	19.5	0.1	0.4%
Other Revenues	14.5	12.9	1.6	12.4%	8.2	6.5	1.7	26.6%
Professional	78.8	69.5	9.3	13.4%	45.0	35.0	10.0	28.5%
Recurring	72.4	64.3	8.1	12.6%	40.5	32.2	8.3	25.9%
Other Revenues	6.4	5.2	1.2	23.1%	4.5	2.9	1.7	58.1%
Micro	55.7	47.4	8.3	17.4%	28.4	24.4	4.0	16.4%
Recurring	53.2	45.4	7.9	17.3%	27.2	23.4	3.8	16.2%
Other Revenues	2.5	2.0	0.4	20.2%	1.2	1.0	0.2	19.7%
Digital Finance	8.9	5.2	3.7	70.2%	5.2	4.2	0.9	22.1%
Recurring	8.2	4.7	3.4	72.0%	4.9	3.8	1.1	29.1%
Other Revenues	0.7	0.5	0.3	52.4%	0.3	0.4	(0.2)	-40.6%
Market Specific Solution	52.7	46.3	6.5	14.0%	30.2	25.8	4.5	17.3%
Recurring	32.7	28.8	3.9	13.6%	18.5	15.5	3.0	19.4%
Other Revenues	20.0	17.5	2.5	14.5%	11.7	10.3	1.5	14.1%
HR	9.1	7.9	1.2	15.4%	4.6	4.3	0.4	8.4%
Recurring	7.8	6.5	1.4	21.0%	4.1	3.6	0.5	12.9%
Other Revenues	1.2	1.4	(0.2)	-11.1%	0.6	0.7	(0.1)	-15.8%
TOTAL REVENUE	268.7	229.0	39.7	17.3%	141.2	119.7	21.5	18.0%
Total Recurring Revenues	223.3	189.5	33.9	17.9%	114.7	97.9	16.8	17.1%
Total Other Revenues	45.3	39.5	5.8	14.8%	26.5	21.7	4.8	21.9%

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 six months of 2022 increased by € 33.9 million compared to the previous period and was mainly driven by sales relating to the:

- Enterprise Business Unit (which recorded an increase in Recurring revenue of € 9.2 million compared to 2021, (representing an increase of approximately 23.1%),
- Micro Business Unit, with an increase in Recurring revenue of € 7.9 million (or approximately 17.3% more than in 2021).

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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.

During 2021, TeamSystem Group, following the Group's change of control, initiated and completed a major overhaul of its organisational structure and corporate reporting system that led to significant changes to roles/responsibilities and the set of internal reports periodically reviewed by Management with the definitive elimination of the subdivision of the two previously identified operating segments: Software BU and the Financial BU.

Consistent with the Group's new strategic vision and on account of changed market and product conditions, whereby it is critical to continuously adjust to available technologies and market needs that are constantly evolving, TeamSystem Group has identified a new business direction and new organisational and reporting responsibilities that render the two previous operating segments (the Software BU and the Financial BU) no longer representative of the Group's business and the dynamics of the market.

For the above reasons, during 2021, Group Management established a new reporting model based on six operating segments for reporting purposes (Enterprise, Professional, Market Specific Solutions, Micro, Digital Finance, HR), aligned with and perfectly corresponding to the current organisational and business structure, which better responds to the operating realities of today and those of the Group.

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

Segment information is presented below:

Euro Millions							
30 Jun 2022							
OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	HR	TOTALE
TOTAL REVENUE	63.5	78.8	55.7	8.9	52.7	9.1	268.7
FIRST MARGIN	30.2	39.3	33.2	3.3	14.5	2.0	122.5
INDIRECT COSTS							(29.8)
CAPITALISED DEVELOP COSTS							8.6
ADJUSTED EBITDA							101.3

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	30 Jun 2022	30 Jun 2021	Change	% Change	Quarter 2Q 2022	Quarter 2Q 2021	Change	% Change
CASH FLOWS FROM OPERATING ACTIVITIES	114,992	88,330	26,662	30.2%	64,316	54,011	10,305	19.1%
Capital Expenditure	(16,843)	(15,617)	(1,226)	7.9%	(7,928)	(8,385)	457	-5.5%
Acquisition of investments	(16,985)	(1,844,712)	1,827,727	-99.1%	(4,363)	634	(4,997)	-788.4%
CASH FLOWS FROM INVESTING ACTIVITIES	(33,828)	(1,860,329)	1,826,501	-98.2%	(12,292)	(7,752)	(4,540)	58.6%
Financial balance paid / cashed-in and change in financial assets / liabilities	(100,953)	370,089	(471,041)	-127.3%	(83,976)	(49,273)	(34,703)	70.4%
Financing Fees paid	0	(46,478)	46,478	n.s.	0	(12,307)	12,307	n.s.
Liabilities to non-controlling shareholders of subs. paid	(16,882)	(147,835)	130,952	-88.6%	(16,487)	(39,534)	23,047	-58.3%
Capital increase	0	1,649,218	(1,649,218)	n.s.	(0)	(0)	0	-6.7%
CASH FLOWS FROM FINANCING ACTIVITIES	(117,835)	1,824,995	(1,942,830)	-106.5%	(100,463)	(101,114)	651	-0.6%
CHANGES DUE TO EXCHANGE RATE MOVEMENTS	(4)	9	(13)	-145.3%	(2)	(2)	(0)	31.3%
INCREASE (DECREASE) IN CASH AND BANK BALANCES	(36,676)	53,004	(89,680)	-169.2%	(48,440)	(54,856)	6,416	-11.7%

Cash flows from operating activities amount to € 114,992 thousand for the period ended 30 June 2022, increasing by € 26,662 thousand, compared to the corresponding flows for the period ended 30 June 2021 (€ 88,330 thousand).

Cash flows from investing activities changed from negative € 1,860,329 thousand in the period ended 30 June 2021 to negative € 33,828 thousand for the corresponding period of 2022.

The main investment activities for the first six months of 2022 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 Storeden S.r.l.).

Cash flows from financing activities changed from positive € 1,824,995 thousand in the period ended 30 June 2021 to negative € 117,835 thousand for the corresponding period of 2022.

The main cash items occurred in the first six months of 2022 are attributable to:

- the payment of IFRS16 leases liabilities, consisting of principal and interests;
- the repayment of the revolving credit facility (see Note 15 Net Financial Indebtedness);
- 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				
	30 Jun 2022	31 Dec 2021	Change	% Change
Trade receivables	185,780	125,317	60,463	48.2%
Inventories	1,212	909	302	33.2%
Other receivables	38,200	38,167	32	0.1%
Trade payables	(53,425)	(62,371)	8,945	-14.3%
Other liabilities	(240,251)	(128,676)	(111,575)	86.7%
WORKING CAPITAL	(68,485)	(26,653)	(41,832)	156.9%

At 30 June 2022 Working capital amounts to negative € 68,485 thousand, with a change of € 41,832 thousand compared to the balance at 31 December 2021 (negative € 26,653 thousand). The movement is primarily attributable to Other liabilities (which balance is negative € 240,251 thousand at 30 June 2022 compared to negative € 128,676 thousand at 31 December 2021) and to Trade receivables (which balance is € 185,780 thousand at 30 June 2022 compared to € 125,317 thousand at 31 December 2021).

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).

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► CAPITAL EXPENDITURE

Euro thousand

CAPEX EXPENDITURE	30 Jun 2022	30 Jun 2021	Change	% Change	Quarter 2Q 2022	Quarter 2Q 2021	Change	% Change
Investments in tangible assets	1,597	1,104	494	44.7%	499	719	(220)	-30.6%
Investments in intangible assets	6,652	7,040	(388)	-5.5%	3,159	3,856	(697)	-18.1%
Capitalized development costs - personnel costs	6,404	5,786	618	10.7%	3,086	2,956	130	4.4%
Capitalized development costs - service costs	2,190	1,687	502	29.8%	1,184	855	330	38.5%
CAPEX EXPENDITURE - TOTAL	16,844	15,617	1,226	7.9%	7,928	8,386	(457)	-5.5%

In the period ended 30 June 2022 the Capital expenditure amounts to € 16,844 thousand with an increase of € 1,226 thousand compared to 30 June 2021 balance (€ 15,617 thousand).

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► SIGNIFICANT EVENTS DURING THE FIRST SIX MONTHS OF 2022

● ACQUISITION OF INVESTMENT

Storeden S.r.l.

In January 2022, TeamSystem S.p.A. acquired a controlling stake (100%) in Storeden S.r.l., a company that develops and markets e-commerce software solutions.

TeamSystem 8 S.r.l.

In January 2022, the business units of the following companies were contributed to TeamSystem 8 S.r.l.:

- Sistemi Gestionali S.r.l.
- SEDAS S.r.l.
- S.I. Global S.r.l.
- Team Ufficio S.r.l.

TeamSystem 10 S.r.l.

In February 2022, the business unit of the company Sistemi Contabili S.r.l. was contributed to TeamSystem 10 S.r.l.

In June 2022, the business unit of the companies Infoware S.r.l. and Locatelli S.r.l. were contributed to TeamSystem 10 S.r.l.

IT Review S.r.l.

In April 2022, TeamSystem S.p.A. acquired a controlling stake (100%) in IT Review S.r.l., a company that develops Business Intelligence solutions.

Ciaomanager S.r.l.

In June 2022, TeamSystem S.p.A. acquired a 36% stake in Ciaomanager S.r.l. and now it has a controlling interests of 51%. The company has developed integrated SaaS cloud solutions for the hotel management and bookings, in addition to an innovative solution for predictive revenue management based on artificial intelligence algorithms.

• MERGER

Merger by absorption of Reviso Soluciones Cloud S.L. in Software del Sol S.A.

In January 2022 Software del Sol S.A., with the aim of simplifying the Group structure, merged by absorption Reviso Soluciones Cloud S.L. by means of a deed of merger dated 17 January 2022, effective for legal purposes as at the close of business on 01 April 2022.

Merger by absorption of Factor@Work S.r.l. in TeamSystem Capital at Work SGR S.p.A.

In March 2022 TeamSystem Capital at Work SGR S.p.A., with the aim of simplifying the Group structure, merged by absorption Factor@Work S.r.l. by means of a deed of merger dated 23 March 2022, effective for legal purposes as at the close of business on 01 April 2022.

Merger by absorption of TeamSystem 6 S.r.l., TeamSystem 7 S.r.l. and AF Soluzioni S.r.l. in TeamSystem S.p.A.

In June 2022 TeamSystem S.p.A., with the aim of simplifying the Group structure, merged by absorption:

- TeamSystem 6 S.r.l. and TeamSystem 7 S.r.l., by means of a deed of merger dated 21 June 2022, effective for legal purposes as at the close of business on 30 June 2022;
- AF Soluzioni S.r.l. by means of a deed of merger dated 27 June 2022, effective for legal purposes as at the close of business on 01 July 2022.

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► SIGNIFICANT SUBSEQUENT EVENTS

There are no significant subsequent events.

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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 six months of 2022, 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 30 Jun 2022

VINCENZO MORELLI FEDERICO LEPROUX TOMMASO COHEN VINCENZO FERRARI LUCA VELUSSI BLAKE CHRISTOPHER KLEINMAN ALESSANDRA BRAMBILLA GUILLAUME CHARLES VANMOERBEKE LUCIO DI CIACCIO (*)	CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR
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(*) = The Director Jean Baptiste Brian left office on 24 February 2022 replaced by the Director Lucio di Ciaccio

BOARD OF STATUTORY AUDITORS 30 Jun 2022
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CLAUDIO SANCHIONI FABIO LANDUZZI NICOLE MAGNIFICO IVANO ANTONIOLI (*) CRISTINA AMADORI	CHAIRMAN STATUTORY AUDITOR STATUTORY AUDITOR ALTERNATIVE AUDITOR ALTERNATIVE AUDITOR
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(*) = The alternative auditor Marco Ceciloni left office on 24 Febbraio 2022 replaced by Ivano Antonioli

REGISTERED OFFICE and OTHER INFORMATION
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TEAMSYSTEM HOLDCO S.P.A. REGISTERED OFFICE SHARE CAPITAL TAX CODE REA - PESARO INDEPENDENT AUDITOR	PESARO - Via Sandro Pertini, 88 Euro 14,596,648 11360450966 271034 DELOITTE & TOUCHE S.p.A.
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**UNAUDITED
INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS
ENDED
30 JUNE 2022**

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

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	30 Jun 2022	30 Jun 2021	NOTES
Revenue	266,892	228,073	1
Other operating income	1,841	789	1
TOTAL REVENUE	268,733	228,862	1
Cost of raw and other materials	(23,283)	(20,293)	2
Cost of services	(64,905)	(61,348)	3
Personnel costs	(81,343)	(70,077)	4
Other operating costs	(2,746)	(2,735)	5
Depreciation and amortization of non-current assets	(100,061)	(42,294)	
Allowance for bad debts	(2,632)	(4,178)	
Other provisions for risks and charges	(31)	(180)	
OPERATING RESULT	(6,267)	27,756	
Finance income	11,757	846	6
Finance cost	(50,198)	(47,676)	7
PROFIT (LOSS) BEFORE INCOME TAXES	(44,708)	(19,074)	
Current income tax	(16,115)	(13,365)	
Deferred income tax	19,393	33,445	14
TOTAL INCOME TAX	3,277	20,080	
PROFIT (LOSS) FOR THE PERIOD	(41,431)	1,006	
(Profit) Loss for the period - Non-controlling interests	(72)	(71)	
PROFIT (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY	(41,503)	936	
ADJUSTED EBITDA	101,316	88,006	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30 Jun 2022	30 Jun 2021	NOTES
PROFIT (LOSS) FOR THE PERIOD	(41,431)	1,006	20
Actuarial evaluation of Staff leaving indemnity	0	2	
Fiscal effect	0	0	
Exchange rate differences	(6)	(2)	
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX	(6)	0	
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(41,437)	1,006	20
Total comprehensive (income) loss for the period attributable to Non-controlling interests	(72)	(73)	20
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY	(41,509)	933	20

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
ASSETS	30 Jun 2022	31 Dec 2021	NOTES
Tangible assets	15,062	15,782	9
Intangible assets	1,365,397	1,444,462	10
Right of use	22,323	21,235	11
Goodwill	1,845,869	1,833,110	12
Other Investments	16,372	943	13
Investments in associates	470	258	13
Deferred tax assets	16,153	16,215	14
TOTAL NON-CURRENT ASSETS	3,281,646	3,332,005	
Inventories	1,212	909	16
Trade receivables	185,780	125,317	17
Tax receivables	2,253	3,470	18
Other receivables - current	38,200	38,167	19
Other financial assets - current	14,097	8,512	15
Cash and bank balances	22,408	59,084	15
TOTAL CURRENT ASSETS	263,948	235,459	
TOTAL ASSETS	3,545,594	3,567,464	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
EQUITY AND LIABILITIES	30 Jun 2022	31 Dec 2021	NOTES
Share capital	14,597	14,597	20
Other reserves	1,375,257	1,439,231	20
Retained earnings (accumulated losses)	(236)	(27)	20
Profit (Loss) attributable to Owners of the Company	(41,503)	(64,176)	20
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	1,348,115	1,389,624	
Non-controlling interests - Capital and reserves	891	721	20
Non-controlling interests - Profit (Loss)	72	170	20
TOTAL NON-CONTROLLING INTERESTS	964	892	
TOTAL EQUITY	1,349,079	1,390,516	
Financial liabilities with banks and other institutions - non-current	1,471,430	1,475,267	15
Staff leaving indemnity	26,572	25,939	21
Provisions for risks and charges	13,473	13,255	22
Deferred tax liabilities	319,932	339,397	14
Other liabilities - non-current	411	432	23
TOTAL NON-CURRENT LIABILITIES	1,831,818	1,854,290	
Financial liabilities with banks and other institutions - current	60,334	122,967	15
Trade payables	53,425	62,371	
Tax liabilities - current	10,687	8,644	24
Other liabilities - current	240,251	128,676	23
TOTAL CURRENT LIABILITIES	364,697	322,658	
TOTAL LIABILITIES	2,196,515	2,176,948	
TOTAL EQUITY AND LIABILITIES	3,545,594	3,567,464	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	30 Jun 2022	30 Jun 2021	NOTES
Operating Result	(6,267)	27,756	
Depreciation and amortization of non-current assets	100,061	42,294	
Depreciation and amortisation of non-current assets	100,061	42,294	
Trade receivables	(61,323)	(54,379)	
Inventories	(302)	202	
Other receivables	(7,440)	(5,778)	
Trade payables	(8,945)	(1,798)	
Other liabilities	112,317	95,378	
Change in Working capital	34,306	33,625	
Staff leaving indemnity	299	149	
Provisions for risks and charges	219	(171)	
Change in provisions	518	(22)	
Income tax	(13,626)	(15,324)	
CASH FLOWS FROM OPERATING ACTIVITIES	114,992	88,330	8
Investments in tangible assets	(1,597)	(1,104)	
Investments in intangible assets	(6,652)	(7,040)	
Capitalized development costs - personnel costs	(6,404)	(5,786)	
Capitalized development costs - service costs	(2,190)	(1,687)	
Capital Expenditure	(16,843)	(15,617)	
Acquisition of investments	(16,985)	(1,913,231)	8
Cash and bank balances at the date of acquisition	0	68,519	
Acquisition of investments	(16,985)	(1,844,712)	8
CASH FLOWS FROM INVESTING ACTIVITIES	(33,829)	(1,860,329)	
Financial balance paid / cashed-in and change in financial assets / liabilities	(100,953)	370,089	8
Financing Fees paid	0	(46,478)	
Liabilities to non-controlling shareholders of subs. paid	(16,882)	(147,835)	8
Capital increase	0	1,649,218	
CASH FLOWS FROM FINANCING ACTIVITIES	(117,835)	1,824,995	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	(4)	9	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	(36,676)	53,005	
CASH AND BANK BALANCES - BEGINNING OF THE YEAR	59,084	502	
CASH AND BANK BALANCES - END OF THE PERIOD	22,408	53,507	

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
31 Dec 2020	50	0	0	(29)	21	0	21
Loss allocation		(29)		29	0		0
Capital increases		1,745,487			1,745,487		1,745,487
Acquisition of TeamSystem Group					0	673	673
Profit (Loss) for the year				936	936	71	1,006
Other Profit (Loss) on comprehensive income		12			11	2	14
30 Jun 2021	50	1,745,470	0	936	1,746,456	745	1,747,201

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 2021	14,597	1,439,231	(27)	(64,176)	1,389,624	892	1,390,516
Loss allocation		(63,967)	(209)	64,176	0		0
Profit (Loss) for the year				(41,503)	(41,503)	72	(41,431)
Other Profit (Loss) on comprehensive income		(6)			(6)	(1)	(7)
30 Jun 2022	14,597	1,375,257	(236)	(41,503)	1,348,116	964	1,349,079

TeamSystem Group

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

►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 30 June 2022 are the same of that used for the preparation of TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 December 2021 (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 30 June 2022 (produced at TeamSystem Holdco consolidation hierarchy) show comparative figures for the period ended 30 June 2021 at Brunello Bidco S.p.A. consolidated figures for the components of:

- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;

and comparative figures for the period ended 31 December 2021 at TeamSystem Holdco S.p.A. consolidated figures for the components of consolidated statement of financial position.

The interim consolidated financial statements for the period ended 30 June 2022 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 2021.

This interim consolidated financial report for the first six months ended 30 June 2022 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 30 June 2022 and the consolidated financial statements of Brunello Bidco S.p.A. for the period ended 30 June 2021 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	% consolid.	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	14,596,648	1,454,238,688	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	3,000	1,453,776,528	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	3,000	1,453,775,212	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	50,000	1,447,582,905	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	24,000,000	1,637,041,255	EUR	100.00	100.00		
TeamSystem Service S.r.l.	Campobasso	200,000	50,883,919	EUR	100.00	100.00		
TeamSystem Communication S.r.l.	Civitanova Marche (MC)	23,300	380,918	EUR	75.00	100.00	1	
Danea Soft S.r.l.	Vigonza (PD)	100,000	58,718,982	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Trevolo (BG)	10,000	110,515,463	EUR	100.00	100.00		2
Mondora S.r.l.	Milan	105,000	4,552,534	EUR	100.00	100.00		
Voispeed Limited	Saint Albans - UK	1,000	121,081	GBP	85.00	85.00		3
Aliaslab S.p.A.	Milan	156,000	53,281,390	EUR	100.00	100.00		
Reviso International ApS	Copenhagen	50,011	986,466	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	1	31,848	GBP	100.00	100.00		4
Reviso Deutschland GmbH	Berlin	25,000	25,281	EUR	100.00	100.00		4
Cassanova S.r.l.	Sant. di Romagna (RN)	10,000	2,139,350	EUR	100.00	100.00		
Evolution Fit S.r.l.	Turin	10,000	1,562,362	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	300,000	30,956,486	EUR	96.87	96.87		5
Nuovamacut Automazione S.p.A.	Bologna	108,000	30,506,334	EUR	100.00	100.00		
Skylab Italia S.r.l.	Turin	143,600	10,364,640	EUR	100.00	100.00		
Techmass S.r.l.	Bassano del Grappa (VI)	11,538	347,661	EUR	51.00	100.00	1	
TeamSystem BK S.r.l.	Campobasso	1,010,000	4,669,915	EUR	100.00	100.00		6
TeamSystem Financial Value Chain S.r.l.	Milan	4,931,373	13,334,769	EUR	81.20	100.00	1	
Whit-e S.r.l.	Milan	15,000	3,819,862	EUR	100.00	100.00		7
TeamSystem AM Holdco S.r.l.	Milan	10,000	1,736,023	EUR	91.20	100.00	1	7
TeamSystem Capital at Work SGR S.p.A.	Milan	165,000	871,083	EUR	100.00	100.00		8
TeamSystem Payments Holdco S.r.l.	Milan	10,000	3,386,956	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milan	125,000	2,283,819	EUR	100.00	100.00		9
Area 32 S.r.l.	San Donà di Piave (VE)	10,000	711,740	EUR	100.00	100.00		
MBM Italia S.r.l.	Padova	40,800	2,951,789	EUR	61.00	100.00	1	
AF Soluzioni S.r.l.	Salerno	70,000	1,264,575	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	90,000	50,108	EUR	51.00	100.00	1	
Team4you S.r.l.	Ripalimosani (CB)	10,000	1,197,366	EUR	90.00	100.00	1	
Habble S.r.l.	Vecchiano (PI)	21,930	2,629,381	EUR	60.00	100.00	1	
Software del Sol S.A.	Mengibar (Jaén)	75,000	1,693,984	EUR	100.00	100.00		
TeamSystem 6 S.r.l.	Milan	10,000	2,613,665	EUR	100.00	100.00		
TeamSystem 7 S.r.l.	Milan	10,000	(38,939)	EUR	100.00	100.00		
TeamSystem 8 S.r.l.	Milan	12,000	771,212	EUR	100.00	100.00		
TeamSystem 9 S.r.l.	Milan	10,000	464,076	EUR	100.00	100.00		
Modefinance S.r.l.	Trieste	210,000	3,395,020	EUR	59.00	100.00	1	
SGS System House S.r.l.	Milan	10,400	97,099	EUR	100.00	100.00		
My Expenses S.L	Madrid	73,074	1,473,900	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	3,050	66,259	EUR	100.00	100.00		10
Logical Soft S.r.l.	Desio (MB)	200,000	2,989,581	EUR	60.00	100.00	1	
Itacme Informatica S.r.l.	Cesena (FC)	45,000	369,850	EUR	100.00	100.00		
TeamSystem 11 S.r.l.	Milano	10,000	(98,093)	EUR	100.00	100.00		
Progetto Studio S.r.l.	Verona	100,000	4,600,504	EUR	100.00	100.00		11
Data-Consult S.r.l.	Vado Ligure (SV)	50,000	691,856	EUR	100.00	100.00		11
Selda S.r.l.	Chiavari (GE)	20,000	905,658	EUR	100.00	100.00		12
NewTronic S.r.l.	Padova	93,000	1,948,830	EUR	100.00	100.00		13
Cesio S.r.l.	Brescia	90,000	321,511	EUR	100.00	100.00		13
Modefinance International S.r.l.	Milano	100,000	148,198	EUR	65.00	100.00	1	14
TeamSystem 10 S.r.l.	Milan	10,000	62,176	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 TeamSystem Service 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 SIX MONTHS OF 2022

The 30 June 2022 scope of consolidation has not changed compared to the TeamSystem Holdco Consolidated financial statements for the period ended 31 December 2021.

As regards the investments in Storeden S.r.l., IT Review S.r.l., Ciaomanager S.r.l. and the two business units pertaining to TeamSystem 10 S.r.l. (Infoware S.r.l. and Locatelli S.r.l. - see “Significant events during the first six months of 2022” section, in Directors’ Report), their results and their financial position have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the six months ended 30 June 2022, taking into account the non-materiality of the acquisitions in question.

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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 30 June 2022 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 six months of 2022	Exchange rate as at 30 Jun 2022	Average exchange rate for the first six months of 2021	Exchange rate as at 31 December 2021
GBP	0.84	0.86	0.87	0.84
DKK	7.44	7.44	7.4364	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.

During 2021, TeamSystem Group, following the Group's change of control, initiated and completed a major overhaul of its organisational structure and corporate reporting system that led to significant changes to roles/responsibilities and the set of internal reports periodically reviewed by Management with the definitive elimination of the subdivision of the two previously identified operating segments: Software BU and the Financial BU.

For the above reasons, in 2021, Group Management established a new reporting model based on six operating segments for reporting purposes (Enterprise, Professional, Market Specific Solutions, Micro, Digital Finance, HR), aligned with and perfectly corresponding to the current organisational and business structure, which better responds to the operating realities of today and those of the Group.

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 30 June 2022 amounts to € 268.7 million, and is comprised of Revenue of € 266.9 million and Other Revenue of € 1.8 million. Total revenue for period ended 30 June 2021 stood at € 228.9 million.

The table below provides a breakdown of total revenue for the 30 June 2022 and for the 30 June 2021 period based on whether control was passed over time or at a point in time:

Euro Millions			
	30 Jun 2022	30 Jun 2021	
Over time	223.3	189.5	
Point in time	45.3	39.5	
TOTAL REVENUE	268.7	229.0	

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 six ended 30 June 2022, were almost exclusively realised in Italy.

2. COST OF RAW AND OTHER MATERIALS

	30 Jun 2022	30 Jun 2021	Change	% Change
Hardware purchases	5,236	4,729	508	10.7%
Third parties' software	16,452	14,676	1,775	12.1%
Materials for education	52	8	44	585.4%
Fuel	1,021	463	558	120.6%
Other materials	821	218	603	276.6%
Change in inventory of raw materials	(300)	200	(499)	-249.8%
Total	23,283	20,293	2,989	14.7%

Cost of raw and other materials amounts to € 23,283 thousand for the period ended 30 June 2022, up by € 2,989 thousand compared to the amount at 30 June 2021 (€ 20,293 thousand). This increase, mainly recorded in the line item Third parties' software, is attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first six months of 2022.

3. COST OF SERVICES

	30 Jun 2022	30 Jun 2021	Change	% Change
Agent commissions and other costs	8,288	7,591	698	9.2%
Consulting and third parties services	8,638	6,560	2,077	31.7%
Software and Hardware maintenance costs	14,370	11,811	2,558	21.7%
Customer support service costs	3,577	3,219	358	11.1%
Administrative tax and legal	2,314	2,576	(263)	-10.2%
Financial interest costs	1,999	376	1,623	431.5%
Education - consulting and copyrights	1,185	1,262	(77)	-6.1%
Magazines - consulting and copyrights	787	707	80	11.3%
Other costs for education services	165	44	121	274.0%
Advertising and marketing	10,194	7,471	2,723	36.5%
Car rentals	1,728	1,730	(2)	-0.1%
Utilities	2,099	1,851	248	13.4%
Costs for mergers and acquisitions	2,061	9,233	(7,172)	-77.7%
Other minor items	19	126	(107)	-84.9%
Costs for strategic projects and reorganizations	1,185	2,689	(1,505)	-56.0%
Cost of Rebates	2,479	1,867	612	32.8%
Other services	6,007	3,922	2,085	53.2%
Cost of services - Gross of capitalisation	67,094	63,036	4,059	6.4%
Services capitalized development costs	(2,190)	(1,687)	(502)	29.8%
Total	64,905	61,348	3,556	5.8%

Cost of services for the period ended 30 June 2022 amounts to € 64,905 thousand, up by € 3,556 thousand from the amount of the period ended 30 June 2021 (€ 61,348 thousand).

Compared to the corresponding period ended 30 June 2021, the main decreases have been registered in Costs for mergers and acquisition, consisting of one-off cost related to the Acquisition of TeamSystem Group occurred in 2021.

As regards the capitalisation of cost of services recognised in the first six months of 2022, reference should be made to the Note 10 Intangible Assets.

4. PERSONNEL COSTS

	30 Jun 2022	30 Jun 2021	Change	% Change
Wages, salaries and social contributions	79,132	69,712	9,421	13.5%
Staff leaving indemnities	3,941	3,219	723	22.4%
Other personnel costs	1,594	342	1,251	365.7%
Personnel costs for redundancy and reorganizations	784	474	310	65.2%
Employee costs	85,451	73,747	11,704	15.9%
Freelancers and collaborators fees	150	133	17	12.6%
Directors' fees and related costs	2,147	1,983	163	8.2%
Directors and Collaborators	2,296	2,116	180	8.5%
Personnel - Gross of capitalisation	87,747	75,863	11,884	15.7%
Personnel capitalized development costs	(6,404)	(5,786)	(618)	10.7%
Total	81,343	70,077	11,266	16.1%

Personnel costs for the period ended 30 June 2022 (€ 81,343 thousand) have increased by € 11,266 thousand, compared to the corresponding amount for the period ended 30 June 2021 (€ 70,077 thousand), as a consequence of the change in the consolidation area and of the organic growth experienced by the Group in the first six months of 2022.

As regards the capitalisation of personnel costs recognised in the first six months of 2022, reference should be made to the Note 10 Intangible Assets.

5. OTHER OPERATING COSTS

	30 Jun 2022	30 Jun 2021	Change	% Change
Rents	652	893	(241)	-27.0%
Rentals	205	150	54	36.2%
Other expenses for use of third parties assets	84	132	(48)	-36.3%
Other tax	307	260	47	18.3%
Losses from assets disposals	45	35	9	26.9%
Other expenses and settlement costs	1,453	1,265	188	14.9%
Total	2,746	2,735	11	0.4%

Other operating costs for the period ended 30 June 2022 (€ 2,746 thousand) have increased for an amount of € 11 thousand compared to the corresponding amount for the period ended 30 June 2021 (€ 2,735 thousand).

6. FINANCE INCOME

	30 Jun 2022	30 Jun 2021	Change	% Change
Interest and other finance income	54	49	5	11.1%
Gains on foreign exchange	0	6	(6)	-93.4%
Interest from cash pooling and other loans	5	0	5	n.s.
Depreciation - Liabilities to non-controll. shareholders of subs.	5,873	236	5,637	n.s.
MTM valuation of derivative instruments	5,764		5,764	n.s.
Dividends	60	554	(494)	n.s.
Total	11,757	846	10,912	1290.2%

Finance income for the period ended 30 June 2022 (€ 11,757 thousand) have increased compared to the corresponding amount at 30 June 2021 (€ 846 thousand) for an amount of € 10,912 thousand mainly due to Depreciation of Liabilities to non-controlling shareholders and MTM valuation of derivative instruments.

7. FINANCE COST

	30 Jun 2022	30 Jun 2021	Change	% Change
Interest on bank loans	1,103	631	472	74.8%
Interest on Notes	32,915	20,453	12,462	60.9%
Interest on financing fees	3,903	10,303	(6,400)	-62.1%
Revaluation - Liabilities to non-controll. shareholders of subs.	8,252	11,912	(3,659)	-30.7%
Bank commissions	1,623	1,708	(84)	-4.9%
Interests on actuarial valuation of employees benefit	334	129	205	158.5%
Interests on leases - IFRS 16	488	511	(23)	-4.5%
Other IFRS financial charges	1,351	1,867	(516)	-27.6%
Other financial charges	85	126	(41)	-32.9%
Losses on foreign exchange	14	37	(23)	-62.6%
Write-downs of investments	131	0	130	n.s.
Total	50,198	47,676	2,523	5.3%

Finance cost for the period ended 30 June 2022 amounts to € 50,198 thousand with an increase of € 2,523 thousand, compared to the corresponding amount at 30 June 2021 (€ 47,676 thousand).

This change is mainly attributable to:

- the decrease of € 3,659 thousand in the line item Revaluation – Liabilities to non-controlling shareholders of subsidiaries;
- the decrease of € 6,400 thousand in the line item Interest of financing fees, mainly related to the 2021 one-off write-off of financing fees pertaining to the Existing RCF facility and to the Existing Floating Rate Notes, both as a consequence of the Acquisition of TeamSystem Group and the following refinancing process made in February 2021;
- the increase of € 12,462 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).

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 six months of 2022.

Cash flows from operating activities = amount to € 114,992 thousand for the period ended 30 June 2022, increasing by € 26,662 thousand, compared to the corresponding flows for the period ended 30 June 2021 (€ 88,330 thousand).

Cash flows from investing activities = amount to negative € 33,828 thousand for the period ended 30 June 2022. The main investment activities for the first six months of 2022 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 Storeden S.r.l.).

Cash flows from financing activities = amount to negative € 117,835 thousand for the period ended 30 June 2022.

The main cash items occurred in the first six months of 2022 are attributable to:

- the payment of IFRS16 leases liabilities, consisting of principal and interests;
- the repayment of the revolving credit facility (see Note 15 Net Financial Indebtedness);
- the adjustments of considerations paid in relation to recent acquisitions of investments;
- the payment of Interests on Notes.

9. TANGIBLE ASSETS

NET BOOK VALUE				
	30 Jun 2022	31 Dec 2021	Change	% Change
Land	638	685	(48)	-7.0%
Buildings	2,594	2,915	(321)	-11.0%
Plant and machinery	2,597	3,099	(502)	-16.2%
Equipment	1,037	1,130	(93)	-8.2%
Other assets	8,185	7,942	242	3.1%
Tangible assets - in progress	11	10	2	17.9%
Total	15,062	15,782	(720)	-4.6%

At 30 June 2022 Tangible fixed assets amount to € 15,062 thousand, substantially unchanged compared with the balance recorded at 31 December 2021 (€ 15,782 thousand).

10. INTANGIBLE ASSETS

NET BOOK VALUE				
	30 Jun 2022	31 Dec 2021	Change	% Change
Capitalised development	22,388	17,375	5,013	28.8%
IFRS Assets	1,314,526	1,399,020	(84,493)	-6.0%
Other intangible assets	28,483	28,067	416	1.5%
Total	1,365,397	1,444,462	(79,065)	-5.5%

Intangible assets have gone from € 1,444,462 thousand at 31 December 2021 to € 1,365,397 thousand at 30 June 2022, with a decrease of € 79,065 thousand resulting from the aggregate of disposals, additions, capitalised development costs and amortisation for the period ended 30 June 2022.

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 30 June 2022 Right of use amounts to € 22,323 thousand, up by € 1,087 thousand compared to the balance as at 31 December 2021 (€ 21,235 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 30 June 2022 amounts to € 1,845,869 thousand with an increase of € 12,759 thousand compared to the balance at 31 December 2021 (€ 1,833,110 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 2021.

13. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

	30 Jun 2022	31 Dec 2021	Change	% Change
Investments in Associates	470	258	213	82.4%
Other Investments	16,372	943	15,429	1636.3%
Total	16,842	1,201	15,641	1302.5%

The balance of Investments in Associates and Other investments changed from € 1,201 thousand at 31 December 2021 to € 16,842 thousand at 30 June 2022, with an increase of € 15,641 thousand mainly attributable to the acquisition of Storeden S.r.l. (for further information, see “Significant events during the first three months of 2022” section in Directors’ report).

14. DEFERRED TAX ASSETS AND LIABILITIES

	30 Jun 2022	31 Dec 2021	Change	% Change
Deferred tax assets	16,153	16,215	(61)	-0.4%
Deferred tax liabilities	319,932	339,397	(19,465)	-5.7%

At 30 June 2022 Deferred tax assets amount to € 16,153 thousand, down by € 61 thousand compared to the balance at 31 December 2021 (€ 16,215 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 30 June 2022 Deferred tax liabilities amount to € 319,932 thousand with a decrease of € 19,465 thousand compared to the balance at 31 December 2021 (€ 339,397 thousand).

15. NET FINANCIAL INDEBTEDNESS

	30 Jun 2022		31 Dec 2021	
	Current	Non-Current	Current	Non-Current
Bank accounts and post office	22,375		22,375	59,038
Cash and bank balances	33		33	46
Total Cash and bank balances	22,408		22,408	59,084
Loans	125		125	79
Derivative instruments - assets	5,764		5,764	43
Accruals and prepaid commissions	107		107	8,389
Other financial assets	8,101		8,101	
Total Other financial assets	14,097		14,097	8,512
Loans with banks	(14,762)		(14,762)	(76,513)
Overdrafts with banks	(0)		(0)	(722)
Finance leases liabilities	(10,061)	(14,528)	(24,589)	(13,161)
Notes	(13,937)	(1,450,000)	(1,463,937)	(1,464,118)
Financial liabilities with other institutions	(1,358)		(1,358)	(1,226)
Dividends to be settled	(40)		(40)	(45)
Total Financial liabilities	(40,157)	(1,464,528)	(1,504,685)	(1,565,846)
Financing Fees - bond		41,909	41,909	45,489
Financing Fees - banks	3,326		3,326	3,648
Total Financing Fees	3,326	41,909	45,235	49,137
Liabilities to non-controlling shareholders of subs.	(22,348)	(48,811)	(71,159)	(81,352)
Commission financial liabilities	(228)		(228)	(173)
Cash pooling liabilities	(926)		(926)	(0)
Total Other financial liabilities	(23,502)	(48,811)	(72,313)	(81,525)
Total	(23,829)	(1,471,430)	(1,495,259)	(55,371)
				(1,475,267)
				(1,530,638)

Net financial indebtedness as at 30 June 2022 amounts to negative € 1,495,259 thousand.

Cash and bank balances

The amount of cash and bank balances stands at € 22,408 thousand as at 30 June 2022 and at € 59,084 thousand at 31 December 2021.

Financial leases liabilities

Following the adoption of IFRS 16 – Leases, Financial leases liabilities at 30 June 2022 reflects the recognition of a financial liability of € 24,589 thousand (€ 23,222 at 31 December 2021), consisting of the present value of future lease payments.

2028 Fixed and Floating Rate Notes and 2029 PIYW PIK Toggle Notes

Brunello Bidco S.p.A. (“SSN Issuer”) issued in February 2021:

- 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”), has 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.

Derivative financial instruments

On the month of April 2022, TeamSystem S.p.A. entered a financial interest rate swap for a total notional amount of € 700 millions with the aim of hedging its financial exposure against movements in interest rates paid on Notes. These interest rate swap contracts are effective from 15 January 2023 and expire on 15 December 2025.

Collateral provided

The obligations arising under the **2028 Fixed Rate Notes**, the **2028 Floating Rate 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.,
- a pledge on the Italian bank accounts of TeamSystem S.p.A..

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;
- a pledge on the entire share capital of TeamSystem S.p.A..

The **2028 Fixed Rate Notes** and the **2028 Floating Rate 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. negotiated a new super senior revolving credit facility ("**New RCF**") with a principal amount of € 180 million and expiring on 18 August 2027.

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**").

As of 30 June 2022, a total of € 14 million had been drawn from the **New RCF**.

The **New RCF** line is secured by the same guarantees granted on the **2028 Fixed Rate Notes** and the **2028 Floating Rate 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 surviving company from the above mentioned merger transaction occurred in 2021 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**.

Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 71,159 thousand at 30 June 2022) relates to put and call options and/or earn-outs due to non-controlling interest holders of certain consolidated subsidiaries. The main ones are: TeamSystem Financial Value Chain S.r.l., MBM Italia S.r.l., Modefinance S.r.l., Logical Soft S.r.l. and Progetto Studio S.r.l. (together with its subsidiaries).

16. INVENTORIES

	30 Jun 2022	31 Dec 2021	Change	% Change
Raw and ancillary materials	427	420	7	1.7%
Finished products and goods	1,397	1,103	294	26.7%
(Allowance for slow-moving inventory)	(613)	(613)	0	0.0%
Total	1,212	909	302	33.2%

At 30 June 2022 Inventories amount to € 1,212 thousand, substantially unchanged compared to the balance at 31 December 2021 (€ 909 thousand).

17. TRADE RECEIVABLES

	30 Jun 2022	31 Dec 2021	Change	% Change
Trade receivables	209,909	147,766	62,143	42.1%
(Allowance for bad debts)	(24,129)	(22,449)	(1,680)	7.5%
Total	185,780	125,317	60,463	48.2%

At 30 June 2022 Trade receivables (gross of Allowance for bad debts) amount to € 209,909 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 € 24,129 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

	30 Jun 2022	31 Dec 2021	Change	% Change
Tax credits	206	165	41	25.1%
Other tax receivables	677	607	69	11.4%
Withholding tax credit	53	30	23	76.8%
Advances and income tax credits	1,317	2,668	(1,351)	-50.6%
Total	2,253	3,470	(1,217)	-35.1%

At 30 June 2022 Tax receivables amount to € 2,253 thousand, down by € 1,217 thousand compared to the balance at 31 December 2021 (€ 3,470 thousand).

19. OTHER CURRENT RECEIVABLES

	30 Jun 2022	31 Dec 2021	Change	% Change
Deposits	660	680	(19)	-2.9%
Receivables from employees	114	148	(34)	-22.9%
Other receivables	2,979	12,481	(9,502)	-76.1%
Accrued income	193	23	169	735.2%
Prepayments	33,516	23,260	10,256	44.1%
VAT receivables	738	1,575	(837)	-53.1%
Total	38,200	38,167	32	0.1%

At 30 June 2022 the Other current receivables balance amounts to € 38,200 thousand, up by € 32 thousand compared to the 31 December 2021 balance (€ 38,167 thousand). The movement is mainly due to the movement in the line-item Prepayments (increase of € 10,256 thousand), because of the seasonality of the business of the Group, and it is offset by the decrease of Other receivables (€ 9,502 thousand) and VAT receivables (€ 837 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 2021	14,597	1,439,231	(27)	(64,176)	1,389,624	892	1,390,516
Loss allocation		(63,967)	(209)	64,176	0		0
Profit (Loss) for the year				(41,503)	(41,503)	72	(41,431)
Other Profit (Loss) on comprehensive income		(6)			(6)	(1)	(7)
30 Jun 2022	14,597	1,375,257	(236)	(41,503)	1,348,116	964	1,349,079

At 30 June 2022 the Group's equity amounts to € 1,348,116 thousand.

21. STAFF LEAVING INDEMNITY

	30 Jun 2022	31 Dec 2021	Change	% Change
Staff leaving indemnity	26,572	25,939	633	2.4%
Total	26,572	25,939	633	2.4%

At 30 June 2022 Staff leaving indemnity amounts to € 26,572 thousand, up by € 633 thousand compared to the balance at 31 December 2021 (€ 25,939 thousand). The balance is the aggregate of utilisations, accruals and any other movements.

22. PROVISIONS FOR RISKS AND CHARGES

	30 Jun 2022	31 Dec 2021	Change	% Change
Provision for pension and similar obligation	1,290	1,465	(176)	-12.0%
Provision for litigations	10,926	11,260	(334)	-3.0%
Other provision for risks and charges	1,258	530	728	137.4%
Total	13,473	13,255	219	1.7%

At 30 June 2022 Provisions for risks and charges amount to € 13,473 thousand, up by € 219 thousand compared to the balance at 31 December 2021 (€ 13,255 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

	30 Jun 2022	31 Dec 2021	Change	% Change
VAT liabilities	3,157	1,885	1,799	95.4%
Withholdings liabilities	4,298	5,141	(220)	-4.3%
Employees payables and Social security liabilities	31,495	33,381	(1,886)	-5.6%
Advances	794	1,827	(1,033)	-56.5%
Other liabilities	835	991	(156)	-15.8%
Accrued liabilities	246	180	66	36.7%
Deferred revenues	199,426	85,271	114,155	133.9%
Other current liabilities	240,251	128,676	112,725	87.6%
Due to social securities - non-current	403	425	(22)	-5.1%
Other tax liabilities - non-current	8	8		
Other non-current liabilities	411	432	(22)	-5.1%
Total Other liabilities	240,662	129,109	112,703	87.3%

At 30 June 2022 Other current liabilities amount to € 240,251 thousand, up by € 112,725 thousand compared to the balance at 31 December 2021 (€ 128,676 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 (€ 114,155 thousand).

At 30 June 2022 Other non-current liabilities amount to € 411 thousand (€ 432 thousand at 31 December 2021) and relate primarily to balances pertaining to the subsidiary TeamSystem S.p.A..

24. CURRENT TAX LIABILITIES

	30 Jun 2022	31 Dec 2021	Change	% Change
Income tax payables	10,529	8,466	2,063	24.4%
Liabilities from tax consolidation	48	0	48	1592333.3%
Other tax liabilities	111	178	(67)	-37.9%
Total	10,687	8,644	2,043	23.6%

At 30 June 2022 Current tax liabilities amount to € 10,687 thousand, up by € 2,043 thousand compared to the balance at 31 December 2021 (€ 8,644 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	22,375	151	13	14	22,197	511	21,686
Cash and bank balances	33				33		33
Total Cash and bank balances	22,408	151	13	14	22,230	511	21,719
Loans	125				125		125
Derivative instruments - assets	5,764				5,764		5,764
Accruals and prepaid commissions	107				107	2	105
Other financial assets	8,101				8,101		8,101
Total Other financial assets	14,097				14,097	2	14,095
Loans with banks	(14,762)				(14,762)		(14,762)
Finance leases liabilities	(24,589)				(24,589)		(24,589)
Notes	(1,463,937)				(1,463,937)	(304,997)	(1,158,939)
Financial liabilities with other institutions	(1,358)				(1,358)		(1,358)
Dividends to be settled	(40)				(40)		(40)
Total Financial liabilities	(1,504,685)				(1,504,685)	(304,997)	(1,199,688)
Financing Fees - bond	41,909				41,909	8,347	33,562
Financing Fees - banks	3,326				3,326		3,326
Total Financing Fees	45,235				45,235	8,347	36,888
Liab. to non-controlling shareholders of subs.	(71,159)				(71,159)		(71,159)
Commission financial liabilities	(228)				(228)		(228)
Cash pooling liabilities	(926)				(926)		(926)
Total Other financial liabilities	(72,313)				(72,313)		(72,313)
Total	(1,495,259)	151	13	14	(1,495,437)	(296,138)	(1,199,299)

□ □ □

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



