



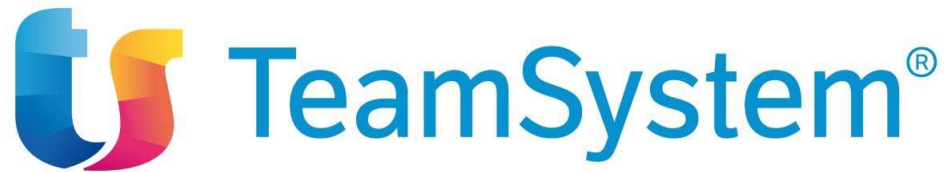
31 March 2024

Interim Condensed

Consolidated

Financial Statements

TeamSystem Group



**INTERIM
CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS
ENDED
31 MARCH 2024**

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TeamSystem Group**

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**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE
FIRST THREE MONTHS ENDED 31 MARCH 2024**

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**DIRECTORS’
REPORT**

► RESULTS OF OPERATIONS

Euro thousand				
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	31 Mar 2024	31 Mar 2023	Change	% Change
TOTAL REVENUE	206,409	153,189	53,220	34.7%
COGS	(32,347)	(27,791)	(4,556)	16.4%
Personnel	(69,626)	(49,628)	(19,998)	40.3%
Personnel like	(8,859)	(6,138)	(2,721)	44.3%
Non Personnel	(22,796)	(15,371)	(7,425)	48.3%
Capitalized development costs	9,863	5,731	4,132	72.1%
ADJUSTED EBITDA	82,644	59,992	22,652	37.8%
Allowance for bad debts	(1,866)	(1,540)	(326)	21.2%
Depreciation and amortization of non current assets	(59,211)	(50,640)	(8,571)	16.9%
Other provisions for risks and charges	(118)	(6)	(112)	1831.9%
Non core items	(4,535)	(5,405)	870	-16.1%
OPERATING RESULT	16,914	2,401	14,513	604.5%
Net Finance Income (Cost)	(20,414)	(32,217)	11,803	-36.6%
PROFIT (LOSS) BEFORE INCOME TAXES	(3,500)	(29,816)	26,316	-88.3%
Current income tax	(13,081)	(7,036)	(6,046)	85.9%
Deferred income tax	10,053	9,352	701	7.5%
PROFIT (LOSS) FOR THE YEAR	(6,528)	(27,500)	20,972	-76.3%
(Profit) Loss - Non controlling interests	(12)	(8)	(4)	49.6%
PROFIT (LOSS) - OWNERS OF THE COMPANY	(6,540)	(27,508)	20,968	-76.2%

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The following comments refer to the changes between the consolidated statement of profit or loss as at 31 March 2024 and the corresponding figures for the period ended 31 March 2023.

The results as at 31 March 2024 are affected by the consolidation of the profit and loss of the following companies (which did not contribute to the 31 March 2023 consolidated profit and loss):

- Readytec
- Readytec Emilia
- TeamSystem Tirana
- Sigma Sistemi, merged by incorporation in TeamSystem S.p.A. during 2023
- Microntel (and its subsidiary Euroges merged by incorporation in Microntel during 2023)
- Mikro Yazılımevi (and its subsidiaries)
- Sistemi IT
- Multidata
- GreeNext
- MailUp
- Acumbamail
- MailUp Nordics (and its subsidiary Globase International)
- Aplifisa
- Ticcyl Digital
- Marclamara
- the business units contributed to TeamSystem 12 S.r.l. acquired during the first three months of 2024
- VAR Enterprise
- Bellachioma System

- Bellachioma Enterprise
- Triarico
- Twinlogix
- Datamedia
- Rean
- TeamSystem Hub Espana
- Soluzioni Enterprise
- Ecosystem
- TC Informatica
- Soluzioni Informatiche.

All of the previous companies have been acquired / incorporated during 2023.

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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)Monetary Gain (Loss); (iv)Other provisions for risks and charges; (v)Depreciation and amortization of non-current assets; (vi)Allowance for bad debts; (vii)Certain costs deemed by Management to be non-core for the measurement of the Group's performance, such as: Advisory expenses related to reorganization and cost saving projects; Personnel redundancy; Acquisitions and mergers costs; Settlements with clients and agents; Other cost – (income).

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

Euro Thousand		
	31 Mar 2024	31 Mar 2023
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(6,528)	(27,500)
Income tax	3,028	(2,316)
Financial income and expenses	38,284	32,217
Monetary Gain (Loss)	(17,870)	-
Other provisions for risks and charges	118	6
Depreciation and amortization of non current assets	59,211	50,640
Allowance for bad debts	1,866	1,540
Advisory expenses related to reorganization and cost saving projects	1,082	1,772
Personnel redundancy	441	668
Acquisitions and mergers costs	2,601	2,594
Settlements with clients and agents	443	443
Other cost - (income)	(31)	(72)
ADJUSTED EBITDA	82,644	59,992

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 2024 Adjusted EBITDA amounts to € 82,644 thousand, up by € 22,651 thousand compared to the amount at 31 March 2023 (€ 59,992 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 2024.

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TOTAL REVENUE: Total Revenue for the period ended 31 March 2024 amounts to € 206,409 thousand, up by € 53,220 thousand compared to the corresponding figure for the period ended 31 March 2023 (€ 153,189 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 2024.

Euro Millions

	31 Mar 2024	31 Mar 2023	Change	% Change
Enterprise	44.0	35.4	8.6	24.2%
Recurring	33.7	26.9	6.8	25.3%
Other Revenues	10.3	8.5	1.8	20.6%
Professional	56.8	46.7	10.1	21.6%
Recurring	53.2	43.1	10.1	23.5%
Other Revenues	3.6	3.6	(0.0)	-0.8%
Micro	63.7	34.1	29.6	86.9%
Recurring	59.7	32.1	27.6	85.9%
Other Revenues	4.0	2.0	2.0	103.3%
Digital Finance	5.5	4.5	1.0	22.5%
Recurring	4.3	3.2	1.2	36.7%
Other Revenues	1.2	1.3	(0.2)	-11.6%
Market Specific Solution	23.3	23.0	0.3	1.3%
Recurring	15.9	14.2	1.7	11.7%
Other Revenues	7.4	8.7	(1.4)	-15.6%
Cross-Segment Products	13.1	9.5	3.6	37.9%
Recurring	11.1	7.6	3.5	46.8%
Other Revenues	2.0	2.0	0.1	3.5%
TOTAL REVENUE	206.4	153.2	53.2	34.7%
Total Recurring Revenues	177.9	127.0	50.9	40.1%
Total Other Revenues	28.5	26.2	2.3	8.9%

The 31 March 2023 Figures have been restated to reflect re-organization implemented in 2024, more specifically:

- Trust solution products were moved from Market Specific Solution to HR business unit. Therefore the new business unit resulting from the restatement has been called “**Cross-Segment Products**”;
- refinement of recurring revenues classification (moved cloud services from recurring to other revenues).

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.

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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;
- **Cross-Segment Products (previously called HR Business Unit):** modular HR system covering all HR management and business process outsourcing requirements and Trust solution products.

Segment information is presented below:

Euro Millions							
31 Mar 2024							
OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	CSP	TOTALE
TOTAL REVENUE	44.0	56.8	63.7	5.5	23.3	13.1	206.4
FIRST MARGIN	20.4	32.1	34.9	2.2	5.4	5.2	100.1
INDIRECT COSTS							(27.3)
CAPITALISED DEVELOP COSTS							9.9
ADJUSTED EBITDA							82.6

The economic performance indicator for each operating segment is the **First Margin**, calculated as the difference between total revenues and the direct costs of the Business Unit, the latter being mainly:

- 1) direct personnel costs (mainly sales, delivery, customer value);
- 2) sw / hw resale costs, external delivery costs, web-recall costs, sales rebates;
- 3) commissions and other sales incentives, recurring R&D consultant costs;
- 4) direct product marketing, direct R&D consultancy, travel & expenses of business unit personnel.

Indirect costs include costs that are not uniquely attributable to one or more business units and consist mainly of:

1. Personnel costs of the Group's support functions, specifically (i) Finance, Marketing and Technology; (ii) CEO Office; (iii) HR and General Services; (iv) Legal and Corporate Affairs and those not directly attributed to specific Business Units, such as, for example, the cost of the research and development team in relation to tools and applications used by the Group;
2. Costs for IT infrastructure, cybersecurity, compliance, Artificial Intelligence and Data;
3. Costs for rent, maintenance, utilities for the TeamSystem Group's operating sites;
4. Administrative, legal, tax, labour law and audit consultancy costs;
5. Costs for events, recruiting and training activities;
6. Costs for insurance, association memberships and board of statutory auditors fees;
7. Research and development costs that cannot be allocated to an individual Business Unit.

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CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Mar 2024	31 Mar 2023	Change	% Change
CASH FLOWS FROM OPERATING ACTIVITIES	70,466	68,794	1,673	2.4%
Capital Expenditure	(15,443)	(10,822)	(4,622)	42.7%
Acquisition of investments	(3,909)	(90,518)	86,610	-95.7%
CASH FLOWS FROM INVESTING ACTIVITIES	(19,352)	(101,340)	81,988	-80.9%
R repayment of financial debt	(1,375)	(540)	(835)	n.s.
New financing	15,000	0	15,000	0.0%
Financial charges paid	(23,692)	(15,799)	(7,893)	50.0%
Financing Fees paid	(207)	0	(207)	0.0%
Liabilities to non controlling shareholders of subsidiaries	(25,431)	(586)	(24,845)	n.s.
Other equity movements	91	0	91	0.0%
CASH FLOWS FROM FINANCING ACTIVITIES	(35,613)	(16,926)	(18,688)	n.s.
Change in Exchange rates	7	2	6	n.s.
INCREASE (DECREASE) IN CASH AND BANK BALANCES	15,508	(49,471)	64,979	n.s.

Cash flows from operating activities amount to € 70,466 thousand for the period ended 31 March 2024, increasing by € 1,673 thousand, compared to the corresponding flows for the period ended 31 March 2023 (€ 68,794 thousand).

It should also be noted that 31 December 2023 and 31 March 2024 were not a business day, and therefore, collection of about € 8.4 million in electronic bank receipts falling due on 31 December 2023 were postponed to 2024, and about € 36.3 million in electronic bank receipts falling due on 31 March 2024 were postponed to April. Without this “weekend effect”, operating cash flows for the first three months of 2024 would have amounted to € 98.3 million.

Also 31 December 2022 was not a business day, therefore, collection of about € 7.9 million in electronic bank receipts were postponed to 2023; without this “weekend effect”, operating cash flows for the first three months of 2023 would have amounted to € 76.7 million.

Cash flows from investing activities changed from negative € 101,340 thousand in the period ended 31 March 2023 to negative € 19,352 thousand for the corresponding period of 2024.

The main investment activities for the first three months of 2024 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 TeamSystem 12 and Macrogroup).

Cash flows from financing activities changed from negative € 16,926 thousand in the period ended 31 March 2023 to negative € 35,613 thousand for the corresponding period of 2024.

The main cash items occurred in the first three months of 2024 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 and the payments for acquisition of further equity interests in already controlled companies via the execution of existing put-call contracts;
- the payment of Interests on Notes;
- the draw down of the revolving credit facility (see Note 15 Net Financial Indebtedness).

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►WORKING CAPITAL

Euro thousand				
	31 Mar 2024	31 Dec 2023	Change	% Change
Trade receivables	429,685	200,659	229,025	114.1%
Inventories	1,665	1,736	(71)	-4.1%
Other receivables - current	49,321	62,638	(13,317)	-21.3%
Trade payables	(71,845)	(71,529)	(316)	0.4%
Other liabilities - current	(439,531)	(213,410)	(226,121)	106.0%
WORKING CAPITAL	(30,705)	(19,906)	(10,799)	54.2%

At 31 March 2024 Working capital amounts to negative € 30,705 thousand, with a change of € 10,799 thousand compared to the balance at 31 December 2023 (negative € 19,906 thousand). The movement is primarily attributable to Other liabilities (which balance is negative € 439,531 thousand at 31 March 2024 compared to negative € 213,410 thousand at 31 December 2023) and to Trade receivables (which balance is € 429,685 thousand at 31 March 2024 compared to € 200,659 thousand at 31 December 2023).

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 2023 and 31 March 2024 were not a business day, and therefore, collection of about € 8.4 million in electronic bank receipts falling due on 31 December 2023 were postponed to 2024, and about € 36.3 million in electronic bank receipts falling due on 31 March 2024 were postponed to April. Without this “weekend effect”, working capital as at 31 March 2024 would have amounted to negative € 67 million and working capital as at 31 December 2023 would have amounted to negative € 28.3 million.

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►CAPITAL EXPENDITURE

Euro thousand				
	31 Mar 2024	31 Mar 2023	Change	% Change
Investments in tangible assets	(993)	(978)	(15)	1.5%
Investments in intangible assets	(4,587)	(4,113)	(474)	11.5%
Capitalized development costs - personnel costs	(8,256)	(4,477)	(3,779)	84.4%
Capitalized development costs - service costs	(1,607)	(1,253)	(354)	28.2%
CAPITAL EXPENDITURE	(15,443)	(10,822)	(4,621)	42.7%

In the period ended 31 March 2024 the Capital expenditure amounts to € 15,443 thousand with an increase of € 4,621 thousand compared to 31 March 2023 balance (€ 10,822 thousand).

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►SIGNIFICANT EVENTS DURING THE FIRST THREE MONTHS OF 2024

● ACQUISITION OF INVESTMENT

TeamSystem 12 S.r.l.

In January 2024, the business units of the following companies were contributed to TeamSystem 12 S.r.l.:
-B&T Software & Service S.n.c.;

-2K Soft S.r.l.
-Slware S.r.l.;
-Next S.r.l.;
-Nordest Informatica S.r.l.;
-Giesse Dati S.r.l.;
-Zuffellato Technologies S.r.l.;
-L'informatica S.r.l.;
-Isigest S.r.l.

In February 2024, the following business units were contributed to TeamSystem 12:

-Flor Informatica S.r.l.
-SI.EL.CO. S.r.l.

Macrogroup S.r.l.

In February 2024, TeamSystem S.p.A acquired 49% of Macrogroup S.r.l., a company that markets Teamsystem software and offers consulting and services in the IT field.

On the remaining 51% TeamSystem has call/put option contracts conditional on the former shareholders not exercising the 49% call.

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►SIGNIFICANT SUBSEQUENT EVENTS

TeamSystem 14 S.r.l.

In April 2024, TeamSystem S.p.A. set up a company called TeamSytem 14 S.r.l.

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►ONGOING DEVELOPMENTS

The TeamSystem Group may from time to time opportunistically consider accessing debt markets to refinance certain existing indebtedness of the group and/or to raise funding for general corporate purposes, including to finance bolt-on acquisitions.

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 2024, 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 2024

VINCENZO MORELLI FEDERICO LEPROUX TOMMASO GIOVANNI COHEN VINCENZO FERRARI LUCA VELUSSI BLAKE CHRISTOPHER KLEINMAN ALESSANDRA BRAMBILLA GUILLAUME CHARLES VANMOERBEKE ABHISHEK SHANKAR CHAWDHRY * CHRISTIAN LUCAS ** KLAJD PANARITI **	CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR
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(*) = The Director Abhishek Shankar Chawdhry was appointed on 20 February 2024

(**) = The Director Lucio Di Ciaccio left office on 11 March 2024. On the same date the Directors Klajd Panarti and Christian Lucas were appointed

BOARD OF STATUTORY AUDITORS

31 Mar 2024

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

TEAMSYSTEM HOLDCO S.P.A. REGISTERED OFFICE SHARE CAPITAL TAX CODE REA - PESARO INDEPENDENT AUDITORS	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 THREE MONTHS
ENDED
31 MARCH 2024**

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

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	31 Mar 2024	31 Mar 2023	NOTES
Revenue	204,846	152,034	1
Other operating income	1,563	1,155	1
TOTAL REVENUE	206,409	153,189	1
Cost of raw and other materials	(13,053)	(11,619)	2
Cost of services	(51,604)	(39,885)	3
Personnel costs	(61,811)	(45,820)	4
Other operating costs	(1,833)	(1,278)	5
Depreciation and amortization of non current assets	(59,211)	(50,640)	
Allowance for bad debts	(1,866)	(1,540)	
Other provisions for risks and charges	(118)	(6)	
OPERATING RESULT	16,914	2,401	
Finance income	8,501	1,359	6
Finance cost	(46,785)	(33,576)	6
Monetary Gain (Loss)	17,870	0	7
PROFIT (LOSS) BEFORE INCOME TAXES	(3,500)	(29,816)	
Current income tax	(13,081)	(7,036)	
Deferred income tax	10,053	9,352	14
TOTAL INCOME TAX	(3,028)	2,316	
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(6,528)	(27,500)	
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(6,528)	(27,500)	
(Profit) Loss for the year - Non controlling interests	(12)	(8)	
PROFIT (LOSS) FOR THE YEAR - OWNERS OF THE COMPANY	(6,540)	(27,507)	
ADJUSTED EBITDA	82,644	59,992	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Mar 2024	31 Mar 2023	NOTES
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(6,528)	(27,500)	20
OTHER GAIN (LOSS) THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	0	0	
Exchange differences on translating foreign operations	(7,696)	6	
OTHER GAIN (LOSS) THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(7,696)	6	
TOTAL COMPREHENSIVE INCOME (LOSS)	(14,224)	(27,494)	
Total comprehensive (income) loss - Non controlling interests	(13)	(8)	
TOTAL COMPREHENSIVE INCOME (LOSS) - OWNER OF THE COMPANY	(14,237)	(27,501)	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31 Mar 2024	31 Dec 2023	NOTES
Tangible assets	16,527	16,820	9
Intangible assets	1,294,841	1,328,154	10
Right of use	28,139	27,826	11
Goodwill	2,172,710	2,139,665	12
Other Investments	258	523	13
Investments in associates	1,668	868	13
Deferred tax assets	15,578	16,614	14
Other financial assets - non current	23,356	24,000	15
TOTAL NON CURRENT ASSETS	3,553,076	3,554,471	
Inventories	1,665	1,736	16
Trade receivables	429,685	200,659	17
Tax receivables	788	1,796	18
Other receivables - current	49,321	62,638	19
Other financial assets - current	6,883	5,657	15
Cash and bank balances	62,203	46,695	15
TOTAL CURRENT ASSETS	550,544	319,181	
TOTAL ASSETS	4,103,620	3,873,652	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	31 Mar 2024	31 Dec 2023	NOTES
Share capital	14,597	14,597	20
Other reserves	1,127,601	1,210,187	20
Retained earnings (accumulated losses)	(571)	(258)	20
Profit (Loss) attributable to Owners of the Company	(6,540)	(75,295)	20
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	1,135,087	1,149,231	
Non controlling interests - Capital and reserves	906	830	20
Non controlling interests - Profit (Loss)	12	75	20
TOTAL NON CONTROLLING INTERESTS	918	905	
TOTAL EQUITY	1,136,005	1,150,137	
Financial liabilities with banks and other institutions - non current	1,901,062	1,919,420	15
Staff leaving indemnity	36,687	35,943	21
Provisions for risks and charges - non current	26,110	25,204	22
Deferred tax liabilities	301,070	310,235	14
Other liabilities - non current	330	342	23
TOTAL NON CURRENT LIABILITIES	2,265,260	2,291,144	
Financial liabilities with banks and other institutions - current	166,791	136,138	15
Trade payables	71,845	71,529	
Tax liabilities - current	24,189	11,293	24
Other liabilities - current	439,531	213,410	23
TOTAL CURRENT LIABILITIES	702,355	432,371	
TOTAL LIABILITIES	2,967,615	2,723,515	
TOTAL EQUITY AND LIABILITIES	4,103,620	3,873,652	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Mar 2024	31 Mar 2023	NOTES
Operating Result	16,914	2,401	
Depreciation and amortisation of non-current assets	59,211	50,640	
Depreciation and amortisation of non-current assets	59,211	50,640	
Trade receivables	(229,025)	(158,604)	
Inventories	71	29	
Other receivables	(1,369)	(5,408)	
Trade payables	(124)	(8,203)	
Other liabilities	224,038	187,590	
Change in Working capital	(6,409)	15,404	
Staff leaving indemnity	89	127	
Provisions for risks and charges	906	259	
Change in provisions	995	386	
Income tax paid	(245)	(38)	
CASH FLOWS FROM OPERATING ACTIVITIES	70,466	68,794	
Investments in tangible assets	(993)	(978)	
Investments in intangible assets	(4,587)	(4,113)	
Capitalized development costs - personnel costs	(8,256)	(4,477)	
Capitalized development costs - service costs	(1,607)	(1,253)	
Capital Expenditure	(15,443)	(10,822)	
Acquisition of investments	(3,909)	(90,518)	10
Acquisition of investments	(3,909)	(90,518)	
CASH FLOWS FROM INVESTING ACTIVITIES	(19,352)	(101,340)	
Rapayment of financial debt	(1,375)	(540)	
New financing	15,000	0	10
Financial charges paid	(23,692)	(15,799)	10
Financing Fees paid	(207)	0	10
Liabilities to non controlling shareholders of subsidiaries	(25,431)	(586)	10
Other equity movements	91	0	
CASH FLOWS FROM FINANCING ACTIVITIES	(35,613)	(16,926)	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	7	2	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	15,508	(49,471)	
CASH AND BANK BALANCES - Beginning of the period	46,695	145,523	
CASH AND BANK BALANCES - End of the period	62,203	96,052	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	14,597	1,210,187	(258)	(75,295)	1,149,231	905	1,150,137
Profit (Loss) allocation		(74,982)	(313)	75,295	0		0
TeamSystem Holdco Capital increase		91			91		91
Profit (Loss)				(6,540)	(6,541)	12	(6,529)
Other Profit (Loss) on comprehensive income		(7,696)			(7,696)	1	(7,695)
31 Mar 2024	14,597	1,127,601	(571)	(6,540)	1,135,087	918	1,136,005

TeamSystem Group

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

►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 2024 are the same of that used for the preparation of TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 December 2023 (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 2024 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 2023.

This interim consolidated financial report for the first three months ended 31 March 2024 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 2024 and 31 March 2023 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	Country	Share capital	Equity	Currency	% held	% held with put/call options	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	Italy	14,596,886	1,454,001,486	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,455,070,876	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,404	1,454,141,829	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,433,709,702	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,000	1,290,906,715	EUR	100.00	100.00		
Technass S.r.l.	Bassano del Grappa (VI)	Italy	11,538	1,463,997	EUR	80.00	100.00	1	
Beneficy S.r.l.	Roma	Italy	90,000	637,294	EUR	51.00	100.00	1	
Team4you S.r.l.	Ripalimosani (CB)	Italy	10,000	1,764,808	EUR	90.00	100.00	1	
Habble S.r.l.	Vecchiano (PI)	Italy	21,930	6,160,731	EUR	100.00	100.00		
Software del Sol S.A.	Mengibar (Jaén)	Spain	75,000	11,432,320	EUR	100.00	100.00		
Aplifisa S.L.	Salamanca (Spagna)	Spain	30,600	1,825,979	EUR	100.00	100.00		
Ticcyl Digital S.L.	Salamanca (Spagna)	Spain	3,216	2,250,509	EUR	100.00	100.00		
Marclamara S.L.	Madrid	Spain	3,000	247,186	EUR	100.00	100.00		
Acumbamail S.L.	Ciudad Real (Spagna)	Spain	4,500	610,993	EUR	100.00	100.00		
My Expenses S.L.	Madrid	Spain	73,074	860,236	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	Spain	3,050	286,248	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	8,131,700	EUR	70.00	100.00	1	
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	77,504,975	EUR	100.00	100.00		
TeamSystem Communication S.r.l.	Civitanova Marche (MC)	Italy	23,300	1,206,084	EUR	100.00	100.00		
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	84,003,775	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	160,763,217	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	41,463,979	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	38,774,882	EUR	96.87	96.87		4
Teamsystem Tirana	Tirana	Albania	10,000	70,295,381	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(6,075,434)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	United Kingdom	1	53,252	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	99,882	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	130,148	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,555,843	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	6,398,135	EUR	100.00	100.00		6
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	908,098	EUR	100.00	100.00		6
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	946,347	EUR	91.00	91.00		7
FIN-MD-TECH SRL	Milano	Italy	50,000	64,030	EUR	100.00	100.00		6
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	2,942,667	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	2,671,128	EUR	100.00	100.00		8
Modefinance S.r.l.	Trieste	Italy	210,000	6,901,517	EUR	100.00	100.00		
Modefinance International S.r.l.	Milano	Italy	100,000	325,254	EUR	65.00	100.00	1	9
TeamSystem 10 S.r.l.	Milano	Italy	12,500	2,997,906	EUR	100.00	100.00		
ITReview S.r.l.	Noventa Padovana (PD)	Italy	50,000	1,325,467	EUR	100.00	100.00		
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	396,422	EUR	80.00	100.00	1	
Readytec S.p.A.	Chiusi (SI)	Italy	835,058	8,771,925	EUR	100.00	100.00		
Readytec Emilia S.r.l.	Milano	Italy	10,000	3,098,964	EUR	100.00	100.00		
Microntel S.p.A.	Torino	Italy	1,500,000	7,990,101	EUR	80.00	100.00	1	
TeamSystem 12 S.r.l.	Milano	Italy	15,500	22,679,258	EUR	100.00	100.00		
Bellachioma Systems S.r.l.	San Benedetto del Tronto (AP)	Italy	52,000	2,015,407	EUR	100.00	100.00		
Bellachioma Enterprise S.r.l.	San Benedetto del Tronto (AP)	Italy	10,000	84,988	EUR	100.00	100.00		
Datamedia S.r.l.	Reggio Calabria	Italy	10,000	611,942	EUR	100.00	100.00		
Rean Srl	Milano	Italy	2,510,000	24,562,567	EUR	100.00	100.00		
TeamSystem Hub España S.L.	Barcelona	Spain	130,000	30,313	EUR	100.00	100.00		
Ecosystem S.r.l.	Bergamo	Italy	11,000	2,183,433	EUR	100.00	100.00		
TC informatica S.r.l.	Palermo	Italy	10,000	181,358	EUR	100.00	100.00		
Soluzioni Informatiche S.r.l.	Spresiano (TV)	Italy	10,000	552,981	EUR	100.00	100.00		
Multidata S.r.l.	Prato	Italy	80,000	2,935,676	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	4,682,059	EUR	95.51	100.00	1	
Sistemi IT S.r.l.	Lurago Marinone (CO)	Italy	99,000	1,293,775	EUR	100.00	100.00		
MailUp Nordics A/S	Copenhagen	Denmark	500,000	4,787,477	DKK	100.00	100.00		10
Globase International A.p.S.	Copenhagen	Denmark	125,000	(1,108,066)	DKK	100.00	100.00		11
Area 32 S.r.l.	San Donà di Piave (VE)	Italy	10,000	1,552,719	EUR	100.00	100.00		
MailUP S.p.A.	Milano	Italy	300,000	1,506,251	EUR	100.00	100.00		
TwinLogix S.r.l.	Cesena (FC)	Italy	40,000	(29,696)	EUR	100.00	100.00		
Triarico Global Service S.r.l.	Monopoli (BA)	Italy	20,000	333,357	EUR	100.00	100.00		
VAR Enterprise S.r.l.	Molfetta (BA)	Italy	10,000	564,223	EUR	100.00	100.00		
Soluzioni Enterprise	Milano	Italy	10,000	1,371,051	EUR	100.00	100.00		
Mikro Yazilimevi Yazilim Hizmetleri Bilgisay	İstanbul	Turkey	153,452,711	1,064,516,989	TRY	51.53	100.00	1	
Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	(82,532,143)	TRY	100.00	100.00		12
Paraşüt Yazılım Teknolojileri A.Ş.	İstanbul	Turkey	3,600,000	(13,511,991)	TRY	100.00	100.00		12
Muhasebetech Yazılım A.Ş.	İstanbul	Turkey	50,000	(5,331,026)	TRY	100.00	100.00		12
Shopside Yazılım Teknolojileri A.Ş.	Ankara	Turkey	110,000	(16,212,507)	TRY	100.00	100.00		12
Mevzuat Yazılım A.Ş.	İstanbul	Turkey	50,000	(4,129,796)	TRY	100.00	100.00		12
Zirve Özel Entegrasyon Yazılım Hizm.A.Ş.	İstanbul	Turkey	50,000	(308,583)	TRY	100.00	100.00		12
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	İstanbul	Turkey	3,000,000	2,814,454	TRY	100.00	100.00		12
Emükellef Teknoloji A.Ş.	İstanbul	Turkey	50,000	369,952	TRY	100.00	100.00		12

- (1) = equity interest would be 100% should put/call options be exercised;
(2) = investment held by My Expenses S.L.;
(3) = investment held by Danea S.r.l.;
(4) = takes account of treasury shares held by Gruppo Euroconference;
(5) = investment held by Reviso International ApS;
(6) = investment held by TeamSystem Financial Value Chain S.r.l.;

- (7) = investment held by TeamSystem AM Holdco S.r.l.;
 (8) = investment held by TeamSystem Payments Holdco S.r.l.;
 (9) = investment held by Modefinance S.r.l.;
 (10) = investment held by MailUp S.p.A.;
 (11) = investment held by MailUp Nordics A.S.;
 (12) = investment held by Mikro Yazilimevi.

Amounts in Euro

CONSOLIDATED COMPANIES								
EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
Esaedro S.r.l. (*)	Parma	Italy	20,800	500,603	EUR	40.00		
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,041	EUR	35.00		
Cesaco S.r.l. (*)	Vicenza	Italy	90,000	25,384	EUR	48.00		
Innova S.r.l. (*)	Matera	Italy	714,288	1,547,950	EUR	20.00		
Logic System SHPK	Tirana	Albania	N.A.	N.A.	LEK	35.00	13	
Macrogroup S.r.l.	Bologna	Italy	N.A.	N.A.	EUR	49.00	13	

(*) = figures updated to 31 December 2022 financial statements;

(13) = negotiated put/call options contracts that allow TeamSystem Group to reach 100% ownership.

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►CHANGES TO THE SCOPE OF CONSOLIDATION DURING THE FIRST THREE MONTHS OF 2024

The 31 March 2024 scope of consolidation has changed compared to the TeamSystem Holdco Consolidated financial statements for the period ended 31 December 2023 because of the consolidation of the following companies that were contributed to TeamSystem 12:

- B&T Software & Service S.n.c.;
- 2K Soft S.r.l.
- Slware S.r.l.;
- Next S.r.l.;
- Nordest Informatica S.r.l.;
- Giesse Dati S.r.l.;
- Zuffellato Technologies S.r.l.;
- L'informatica S.r.l.;
- Isigest S.r.l.
- Flor Informatica S.r.l.
- SI.EL.CO. S.r.l.

As regards the investments in Macrogroup S.r.l. ,which should be consolidated using the equity method as of 31 March 2024,_(see “Significant events during the first three months of 2024” 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 2024 taking into account the non-materiality of this acquisition and considering the fact that this acquisition 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 (except for balances related to entities subject to IAS 29 "Financial Reporting in Hyperinflationary Economies," for which the year-end rate is applied even for non-monetary balances). Any resulting translation differences are recognised in the foreign currency translation reserve included in equity.

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

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

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

EXCHANGE RATES						
	Average 2024	Average 2023	%	31 Mar 2024	31 Dec 2023	%
DKK	7.46	7.45	0.1%	7.46	7.45	0.1%
GBP	0.86	0.88	-2.3%	0.86	0.87	-1.1%
LEK	103.79	NA		103.83	103.79	
TRY	34.95	NA		34.95	32.65	

Hyperinflationary economies

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

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

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

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► SEGMENT INFORMATION

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

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

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

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

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► USE OF ESTIMATES

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

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

- Business combinations (IFRS 3) and measurement of intangible assets;
- Goodwill and other intangible assets;
- Allowance for bad debts;
- Provisions for risks and charges;
- 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 2024 amounts to € 206.4 million, and is comprised of Revenue of € 204.8 million and Other operating income of € 1.5 million. Total revenue for period ended 31 March 2023 stood at € 153.1 million.

The table below provides a breakdown of total revenue for the 31 March 2024 and for the 31 March 2023 period based on whether control was passed over time or at a point in time:

Euro Millions			
	31 Mar 2024	31 Mar 2023	
Over time	177.9	127.0	
Point in time	28.5	26.2	
TOTAL REVENUE	206.4	153.2	

Lastly, it should be noted that there is no concentration of revenue with any specific customer, given the notable segmentation of Group sales which, for the three months ended 31 March 2024, have been earned in Italy for the vast majority.

2. COST OF RAW AND OTHER MATERIALS

	31 Mar 2024	31 Mar 2023	Change	% Change
Hardware purchases	2,003	2,424	(422)	-17.4%
Third party' software	8,587	7,983	604	7.6%
Handbooks and forms	2	3	(0)	-16.0%
Materials for education	15	25	(9)	-38.3%
Fuel	783	599	184	30.7%
Other materials	1,508	553	955	n.s.
Change in inventory of raw materials	154	32	122	n.s.
Total	13,053	11,619	1,434	12.3%

Cost of raw and other materials amounts to € 13,053 thousand for the period ended 31 March 2024, up by € 1,434 thousand compared to the amount at 31 March 2023 (€ 11,619 thousand). This increase, mainly recorded in the line items Hardware purchases and Other materials, is attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first three months of 2024.

3. COST OF SERVICES

	31 Mar 2024	31 Mar 2023	Change	% Change
Agent commissions and other costs	7,910	5,289	2,622	49.6%
Consulting and third parties services	5,847	4,976	871	17.5%
Software and Hardware maintenance costs	13,842	9,102	4,740	52.1%
Customer support service costs	2,400	2,158	242	11.2%
Administrative and management consulting costs	1,590	1,113	477	42.9%
Financial interest costs	727	743	(16)	-2.2%
Education - consulting and copyrights	616	613	3	0.5%
Magazines - consulting and copyrights	289	341	(52)	-15.4%
Other costs for education services	64	28	35	n.s.
Advertising and marketing	7,155	5,759	1,396	24.2%
Management Fees	30	-	30	0.0%
Car rentals	1,266	880	385	43.7%
Rebate costs	1,235	1,115	119	10.7%
Utilities	1,261	1,061	200	18.8%
Costs for services - Non core	4,130	4,819	(689)	-14.3%
Other service expenses	4,850	3,140	1,710	54.4%
Cost of services - Gross of capitalization	53,211	41,139	12,072	29.3%
Services capitalised development costs	(1,607)	(1,253)	(353)	28.2%
			0	0.0%
Total	51,604	39,885	11,719	29.4%

Cost of services for the period ended 31 March 2024 amounts to € 51,604 thousand, up by € 11,719 thousand from the amount of the period ended 31 March 2023 (€ 39,885 thousand).

As regards the capitalisation of cost of services recognised in the first three months of 2024, reference should be made to the Note 10 Intangible Assets.

4. PERSONNEL COSTS

	31 Mar 2024	31 Mar 2023	Change	% Change
Wages, salaries and social contributions	62,769	44,800	17,968	40.1%
Staff leaving indemnities	3,013	2,003	1,010	50.4%
Other personnel costs	2,340	1,382	958	69.3%
Personnel costs for redundancy and reorganizations	441	668	(228)	-34.0%
Employees costs	68,563	48,854	19,709	40.3%
				0.0%
Freelancers and collaborators fees	255	138	117	84.9%
Directors' fees and related costs	1,250	1,305	(55)	-4.2%
Directors and Collaborators	1,505	1,443	62	4.3%
Personnel - Gross of capitalization	70,067	50,297	19,770	39.31%
Personnel capitalised development costs	(8,256)	(4,477)	(3,779)	84.4%
Total	61,811	45,820	15,992	34.9%

Personnel costs for the period ended 31 March 2024 (€ 61,811 thousand) have increased by € 15,992 thousand, compared to the corresponding amount for the period ended 31 March 2023 (€ 45,820 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 2024.

As regards the capitalisation of personnel costs recognised in the first three months of 2024, reference should be made to the Note 10 Intangible Assets.

5. OTHER OPERATING COSTS

	31 Mar 2024	31 Mar 2023	Change	% Change
Condominium expenses and other rents	682	454	228	50.2%
Rentals	74	90	(16)	-18.3%
Other expenses for use of third parties assets	32	8	23	n.s.
Other taxes	222	177	45	25.7%
Losses from assets disposals	145	4	141	n.s.
Other expenses	679	544	134	24.6%
Total	1,833	1,278	555	43.4%

Other operating costs for the period ended 31 March 2024 (€ 1,833 thousand) have increased for an amount of € 555 thousand compared to the corresponding amount for the period ended 31 March 2023 (€ 1,278 thousand).

6. FINANCE INCOME and FINANCE COST

Finance Income

	31 Mar 2024	31 Mar 2023	Change	% Change
Interest and other finance income	6	(15)	21	n.s.
Gains on foreign exchange	910	11	900	n.s.
Interest from cash pooling and other loans	(1)	25	(27)	n.s.
Interest from banks	590	342	248	72.6%
Interest from derivative instruments	4,103	997	3,106	n.s.
Depreciation - liabilities to non controlling shareholders of subs	84	-	84	0.0%
Gain on valuation of derivative instruments	2,810	(0)	2,810	n.s.
Total	8,501	1,359	7,142	n.s.

Finance income for the period ended 31 March 2024 (€ 8,501 thousand) have increased compared to the corresponding amount at 31 March 2023 (€ 1,359 thousand) for an amount of € 7,142 thousand due to Depreciation – liabilities to non controlling shareholders of subsidiaries and to Gain on valuation of derivative instruments (see Note 15 Net Financial Indebtedness for further information).

Finance Cost

	31 Mar 2024	31 Mar 2023	Change	% Change
Interest on bank overdrafts and loans	516	23	493	n.s.
Interest on Notes	37,273	26,184	11,089	42.4%
Interest on financing fees	2,466	2,236	230	10.3%
Revaluation - liabilities to non controlling shareholders of subs	1,225	-	1,225	0.0%
Bank commissions	1,633	1,072	561	52.3%
Loss on valuation of derivative instruments	0	2,451	(2,451)	-100.0%
Interest on actuarial valuation of employee benefits	122	60	62	n.s.
Interest on lease contracts - IFRS 16	418	245	174	71.1%
Other IFRS financial charges	3,012	1,271	1,741	n.s.
Interest on cash pooling and other loans	21	-	21	0.0%
Other financial charges	57	21	36	n.s.
Losses on foreign exchange	42	13	29	n.s.
Total	46,785	33,576	13,209	39.3%

Finance cost for the period ended 31 March 2024 amounts to € 46,785 thousand with an increase of € 13,209 thousand, compared to the corresponding amount at 31 March 2023 (€ 33,576 thousand).

This change is mainly attributable to:

- the increase of € 11,089 thousand in the line item Interest on Notes related to the “2030 Private Notes” issued in October 2023 (see also Note 15 for further details);
- the increase of € 1,225 thousand in the line item Revaluation – Liabilities to non-controlling shareholders of subsidiaries;

- the decrease in Loss on valuation of derivative instruments, which effect at 31 March 2024 has been recorded on finance income.

7. MONETARY GAIN (LOSS)

Monetary net gain amounted to € 17,870 thousand for the financial statements as at 31 March 2024 and is recognised following the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' in respect of the TeamSystem Group's subsidiaries operating in Turkey (acquired by the Group in September 2023).

8. CONSOLIDATED STATEMENT OF CASH FLOWS

As regards the more significant components of the statement of cash flow, below a description of the main factors impacting the Group's cash flows during the first three months of 2024.

Cash flows from operating activities = amount to € 70,466 thousand for the period ended 31 March 2024, increasing by € 1,673 thousand, compared to the corresponding flows for the period ended 31 March 2023 (€ 68,794 thousand).

Cash flows from investing activities = amount to negative € 19,352 thousand for the period ended 31 March 2024.

The main investment activities for the first three months of 2024 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 TeamSystem 12 S.r.l. and Macrogrouop S.r.l.).

Cash flows from financing activities = amount to negative € 35,613 thousand for the period ended 31 March 2024.

The main cash items occurred in the first three months of 2024 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;
- the draw down of the revolving credit facility (see Note 15 Net Financial Indebtedness).

9. TANGIBLE ASSETS

NET BOOK VALUE	31 Mar 2024	31 Dec 2023	Change	% Change
Land	638	638		
Buildings	2,079	2,152	(72)	-3.3%
Plant and machinery	1,434	1,642	(207)	-12.6%
Equipment	1,271	1,345	(73)	-5.5%
Other assets	11,104	11,045	59	0.5%
Tangible assets - in progress				
Total	16,527	16,820	(294)	-1.7%

At 31 March 2024 Tangible fixed assets amount to € 16,527 thousand, with a decrease of € 294 thousand compared with the balance recorded at 31 December 2023 (€ 16,820 thousand).

10. INTANGIBLE ASSETS

NET BOOK VALUE	31 Mar 2024	31 Dec 2023	Change	% Change
Capitalised development	56,532	51,952	4,579	8.8%
IFRS Assets	1,205,925	1,244,645	(38,720)	-3.1%
Other intangible assets	32,385	31,557	828	2.6%
Total	1,294,841	1,328,154	(33,313)	-2.5%

Intangible assets have gone from € 1,328,154 thousand at 31 December 2023 to € 1,294,841 thousand at 31 March 2024, with a decrease of € 33,313 thousand resulting from the aggregate of disposals, additions, capitalised development costs and amortisation for the period ended 31 March 2024.

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 2024 Right of use amounts to € 28,139 thousand, up by € 313 thousand compared to the balance as at 31 December 2023 (€ 27,826 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 2024 amounts to € 2,172,710 thousand with an increase of € 33,045 thousand compared to the balance at 31 December 2023 (€ 2,139,665 thousand).

Goodwill consists mainly of the excess of the consideration paid by the 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 2024.

13. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

	31 Mar 2024	31 Dec 2023	Change	% Change
Investments in Associates	1,668	868	800	92.1%
Other Investments	258	523	(265)	-50.7%
Total	1,926	1,391	535	38.5%

The balance of Investments in Associates and Other investments changed from € 1,391 thousand at 31 December 2023 to € 1,926 thousand at 31 March 2024, with an increase of € 535 thousand mainly attributable to the acquisition of Macrogroup S.r.l. (for further information, see “Significant events during the first three months of 2024” section in Directors’ report).

14. DEFERRED TAX ASSETS AND LIABILITIES

	31 Mar 2024	31 Dec 2023	Change	% Change
Deferred tax assets	15,578	16,614	(1,037)	-6.2%
Deferred tax liabilities	301,070	310,235	(9,165)	-3.0%

At 31 March 2024 Deferred tax assets amount to € 15,578 thousand, down by € 1,037 thousand compared to the balance at 31 December 2023 (€ 16,614 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 and other items.

At 31 March 2024 Deferred tax liabilities amount to € 301,070 thousand with a decrease of € 9,165 thousand compared to the balance at 31 December 2023 (€ 310,235 thousand).

15. NET FINANCIAL INDEBTEDNESS

	31 Mar 2024			31 Dec 2023		
	Current	Non Current	Total	Current	Non Current	Total
Bank accounts and post office	62,141		62,141	46,631		46,631
Cash and bank balances	61		61	64		64
Total Cash and bank balances	62,203	0	62,203	46,695	0	46,695
Loans	2,157	-	2,157	2,129	-	2,129
Derivative instruments - assets	3,421	17,430	20,851	-	18,075	18,075
Others financial accruals	135	-	135	619	-	619
Accruals and prepaid commissions	53	-	53	39	-	39
Other financial assets	1,117	5,925	7,043	2,869	5,925	8,795
Total Other financial assets	6,883	23,356	30,238	5,657	24,000	29,657
Loans with banks	(16,037)	-	(16,037)	(2,286)	-	(2,286)
Finance leases liabilities	(8,728)	(20,967)	(29,695)	(8,728)	(20,613)	(29,341)
Notes	(43,228)	(1,830,000)	(1,873,228)	(32,405)	(1,830,000)	(1,862,405)
Financial liabilities with other institutions	(2,254)	-	(2,254)	(2,500)	-	(2,500)
Dividends to be paid	(40)	-	(40)	(40)	-	(40)
Total Financial liabilities	(70,287)	(1,850,967)	(1,921,254)	(45,959)	(1,850,613)	(1,896,572)
Financing Fees - notes	-	40,427	40,427	-	42,688	42,688
Financing Fees - banks	2,184	-	2,184	-	2,347	2,347
Total Financing Fees	2,184	40,427	42,612	0	45,035	45,035
Liabilities to non controlling shareholders of subsidiaries	(98,571)	(90,523)	(189,094)	(90,023)	(113,842)	(203,865)
Commissions financial liabilities	(117)	-	(117)	(156)	-	(156)
Total Other financial liabilities	(98,688)	(90,523)	(189,211)	(90,179)	(113,842)	(204,021)
Total	(97,705)	(1,877,707)	(1,975,412)	(83,786)	(1,895,420)	(1,979,207)

Net debt as of 31 March 2024 amounted to € 1,975,412 thousand.

■ Lease liabilities

The financial debt for leases at 31 March 2024 amounted to € 29,695 thousand. This liability reflects the financial liability recognised as a result of accounting for leases under IFRS 16.

■ 2028 Fixed Rate Notes, 2028 Floating Rate Notes and 2028 Private Notes, 2030 Floating Rate Notes and 2029 PIYW PIK Toggle Notes

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

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

The 2028 Fixed Rate Notes and the 2028 Floating Rate Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

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

Brunello Midco 2 S.p.A. ("PIK Issuer"), which changed its company name to TeamSystem Holdco 3 S.p.A. with effect from 17 December 2021, issued:

- Senior Floating Rate Pay-If-You-Want PIK Toggle notes (ISIN: IT0005434441) with a total nominal value of € 300 million, which were amended on 5 October 2023, maturing on 15 December 2029 (as amended from time to time "**2029 PIYW PIK Toggle Notes**"). The PIK Issuer pays interest on the 2029 PIYW PIK Toggle Notes either in cash (6-month Euribor with a floor of 0.00%, plus 8.00% per annum) or in kind (6-month Euribor with a floor of 0.00%) plus 8.75% per annum) or a combination of the two, at the sole option of the

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

The 2029 PIYW PIK Toggle Notes are listed on the MTF of the Vienna Stock Exchange.

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

TeamSystem S.p.A. issued:

- on 06 October 2022, senior secured floating rate notes (ISIN XS2533816042 - XS2533896721) with a total nominal value of € 185 million maturing on 15 February 2028 (“**2028 Private Notes**” along with the **2028 Fixed Rate Notes** and then **2028 Floating Rate Notes**, the “**2028 Notes**”). The 2028 Private Notes bear interest at a rate equal to the 3-month Euribor rate - with a floor of 0.00% - plus a spread of 6.25%, payable quarterly in arrears on 15 January, 15 April, 15 July, 15 October of each year starting on 15 July 2023.
- On 05 October 2023, senior secured floating rate notes (ISIN XS2689127897 - XS2689129752) with a total nominal value of € 195 million maturing on 05 October 2030 (“**2030 Private Notes**” along with the **2028 Notes**, “**TeamSystem Notes**”). The 2030 Private Notes bear interest at a rate equal to the 3-month Euribor rate - with a floor of 0.00% - plus a spread of 5.50%, payable quarterly in arrears on 15 January, 15 April, 15 July, 15 October of each year starting on 15 January 2024.

The 2028 Private Notes and the 2023 Private Notes are listed on the MTF of the Vienna Stock Exchange.

■Collateral

The obligations arising under the **TeamSystem Notes** and the **RCF** (as described below) were secured by the following security rights:

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

The obligations arising under the **2029 PIYW PIK Toggle Notes** were secured by the following security rights:

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

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

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

■Revolving Credit Facility

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

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

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

The costs incurred to obtain the RCF have been recognised as financing fees and are being amortised on a straight-line basis over the contractual term of the credit facility.

Interest Rate Swaps – Financial derivative assets / liabilities

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

Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 189,094 thousand at 31 March 2024) relate to put and call options and/or earn-outs and/or deferred payments due to non-controlling interest holders of certain consolidated subsidiaries. The most significant liabilities relate to the following companies: Logical Soft, Mikro, Microntel, Sigma Sistemi, Readytech, Rean.

The liabilities to non-controlling shareholders of subsidiaries paid in 2024 amount to € 25,431 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Modefinance, TeamSystem Financial value chain, Progetto Software, CZ Informatica.

16. INVENTORIES

	31 Mar 2024	31 Dec 2023	Change	% Change
Raw and ancillary materials	340	335	5	1.5%
Finished products and goods	2,077	2,103	(27)	-1.3%
Advances	159	68	91	n.s.
(Allowance for slow-moving inventory)	(910)	(770)	(140)	18.2%
Total	1,665	1,736	(71)	-4.1%

At 31 March 2024 Inventories amount to € 1,665 thousand, substantially unchanged compared to the balance at 31 December 2023 (€ 1,736 thousand).

17. TRADE RECEIVABLES

	31 Mar 2024	31 Dec 2023	Change	% Change
Trade receivables	455,016	224,440	230,575	n.s.
(Allowance for bad debts)	(25,331)	(23,781)	(1,550)	6.5%
Total	429,685	200,659	229,025	n.s.

At 31 March 2024 Trade receivables (gross of Allowance for bad debts) amount to € 429,685 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 € 25,331 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 2024	31 Dec 2023	Change	% Change
Tax credits	129	141	(12)	-8.3%
Other tax receivables	207	1,023	(816)	-79.8%
Tax consolidation receivables	11	-	11	0.0%
Advances and credit on income taxes	441	632	(192)	-30.3%
Total	788	1,796	(1,009)	-56.2%

At 31 March 2024 Tax receivables amount to € 788 thousand, down by € 1,009 thousand compared to the balance

at 31 December 2023 (€ 1,796 thousand).

19. OTHER CURRENT RECEIVABLES

	31 Mar 2024	31 Dec 2023	Change	% Change
VAT receivables	370	8,380	(8,011)	-95.6%
Deposits	622	1,125	(503)	-44.7%
Receivables from employees	173	187	(14)	-7.5%
Other receivables - current	4,799	19,024	(14,224)	-74.8%
Accrued income	128	146	(18)	-12.6%
Prepayments	43,229	33,776	9,453	28.0%
Other current receivables	49,321	62,638	(13,317)	-21.26%

At 31 March 2024 the Other current receivables balance amounts to € 49,321 thousand, down by € 13,317 thousand compared to the 31 December 2023 balance (€ 62,638 thousand). The movement is mainly due to the movement in the line-item:

- Prepayments (increase of € 9,453 thousand), because of the seasonality of the business of the Group;
- Other receivables (decrease of € 14,224 thousand);
- VAT receivables (decrease of € 8,011 thousand).

20. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	14,597	1,210,187	(258)	(75,295)	1,149,231	905	1,150,137
Profit (Loss) allocation		(74,982)	(313)	75,295	0		0
TeamSystem Holdco Capital increase		91			91		91
Profit (Loss)				(6,540)	(6,541)	12	(6,529)
Other Profit (Loss) on comprehensive income		(7,696)			(7,696)	1	(7,695)
31 Mar 2024	14,597	1,127,601	(571)	(6,540)	1,135,087	918	1,136,005

As at 31 March 2024 the Group's equity amounts to € 1,135,087 thousand.

21. STAFF LEAVING INDEMNITY

	31 Mar 2024	31 Dec 2023	Change	% Change
Staff leaving indemnity	36,687	35,943	744	2.1%
Total	36,687	35,943	744	2.1%

At 31 March 2024 Staff leaving indemnity amounts to € 36,687 thousand, up by € 744 thousand compared to the balance at 31 December 2023 (€ 35,943 thousand). The balance is the aggregate of utilisations, accruals and any other movements.

22. PROVISIONS FOR RISKS AND CHARGES

	31 Mar 2024	31 Dec 2023	Change	% Change
Provision for pension and similar obligation	1,691	1,671	20	1.2%
Provision for litigations	21,181	21,331	(150)	-0.7%
Other provision for risks and charges	3,239	2,203	1,036	47.0%
Total	26,110	25,204	906	3.6%

At 31 March 2024 Provisions for risks and charges amount to € 26,110 thousand, up by € 906 thousand compared to the balance at 31 December 2023 (€ 25,204 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 2024	31 Dec 2023	Change	% Change
VAT liabilities	2,012	3,400	(1,388)	-40.81%
Withholdings liabilities	10,153	7,121	3,032	42.6%
Employees payables and Social security liabilities - current	37,441	45,079	(7,638)	-16.9%
Advances	459	639	(181)	-28.3%
Other liabilities	1,026	1,817	(791)	-43.5%
Accrued liabilities	154	426	(272)	-63.8%
Deferred revenues	388,285	154,928	233,357	n.s.
Other current liabilities	439,531	213,410	226,121	n.s.
Social security liabilities - non current	322	335	(12)	-3.6%
Other tax liabilities - non current	8	8	-	0.0%
Other non current liabilities	330	342	(12)	-3.54%
Total Other liabilities	439,861	213,753	226,109	n.s.

At 31 March 2024 Other current liabilities amount to € 439,531 thousand, up by € 226,121 thousand compared to the balance at 31 December 2023 (€ 213,410 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 2024 Other non-current liabilities amount to € 330 thousand (€ 342 thousand at 31 December 2022) and relate primarily to balances pertaining to the subsidiary TeamSystem S.p.A..

24. CURRENT TAX LIABILITIES

	31 Mar 2024	31 Dec 2023	Change	% Change
Income tax payables	24,189	11,293	12,896	n.s.
Total	24,189	11,293	12,896	n.s.

At 31 March 2024 Current tax liabilities amount to € 24,189 thousand, up by € 12,896 thousand compared to the balance at 31 December 2023 (€ 11,293 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.

Euro thousands

RECONCILIATION OF NET FINANCIAL POSITION TEAMSYSYSTEM HOLDCO GROUP vs TEAMSYSYSTEM SPA GROUP	TEAMSYSYSTEM HOLDCO CONSOLIDATED	TEAMSYSYSTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	TEAMSYSYSTEM HOLDCO 1 STAND ALONE NET OF INTERCOMPANY	TEAMSYSYSTEM HOLDCO 2 STAND ALONE NET OF INTERCOMPANY	TEAMSYSYSTEM HOLDCO 3 CONSOLIDATED	TEAMSYSYSTEM HOLDCO 3 STAND ALONE NET OF INTERCOMPANY	TEAMSYSYSTEM SPA CONSOLIDATED
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Other financial assets	30,238	-	-	-	30,238	-	30,238
Cash and bank balances	62,203	115	33	8	62,047	42	62,005
Financial liabilities with banks and other institutions	(2,067,853)	-	-	-	(2,067,853)	(310,490)	(1,757,363)
TOTAL	(1,975,412)	115	33	8	(1,975,568)	(310,447)	(1,665,120)

□ □ □

**On behalf of the Board of Directors of
TeamSystem Holdco S.p.A.
Tommaso Cohen**



