



31 December 2024
Consolidated
Financial Statements
TeamSystem Group

CONTENTS

TEAMSYSTEM HOLDCO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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**DIRECTORS'
REPORT**

TeamSystem Holdco S.p.A.

DIRECTORS' REPORT ON OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2024

Presented below are the results for the year ended 31 December 2024, along with comments on the operations of TeamSystem Holdco S.p.A. and its subsidiaries (“**TeamSystem Group**” or “**Group**”).

This Directors' Report accompanies the disclosures pertaining to TeamSystem Holdco S.p.A.'s consolidated financial statements and illustrates the main features of TeamSystem Group's financial position at 31 December 2024 and its results for the year then ended.

All monetary amounts in this report are expressed in €/thousands unless otherwise indicated.

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CORPORATE BODIES AND OTHER CORPORATE INFORMATION

BOARD OF DIRECTORS 31 Dec 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 (**) SEITZ DOMINIK (***)	CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR
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(*) = Director Abhishek Shankar Chawdhry was appointed on 20 February 2024.

(**) = Director Lucio Di Ciaccio resigned on 11 March 2024. On the same date, directors Klajd Panariti and Christian Lucas were appointed.

(***) = Director Klajd Panariti resigned on 18 December 2024. On the same date, Director Seitz Dominik was appointed.

31 Dec 2024

CLAUDIO SANCHIONI FABIO LANDUZZI NICOLE MAGNIFICO IVANO ANTONIOLI CRISTINA AMADORI	CHAIRMAN STATUTORY AUDITOR STATUTORY AUDITOR ALTERNATIVE AUDITOR ALTERNATIVE AUDITOR
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TEAMSYSTEM HOLDCO S.P.A.

REGISTERED OFFICE SHARE CAPITAL TAX CODE REA - PESARO INDEPENDENT AUDITORS	PESARO - Via Sandro Pertini, 88 Euro 14,596,886 11360450966 271034 DELOITTE & TOUCHE S.p.A.
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GROUP OPERATIONS AND RESULTS FOR THE YEAR

► **MACROECONOMIC CONTEXT**

European macroeconomic context

The euro area economy is expected to continue its gradual recovery over the coming years in an environment of considerable geopolitical and political uncertainty. Although growth resumed at a moderate pace in 2024, recent indicators point to a weakening of growth in the short term, with consumer confidence remaining low and heightened uncertainty potentially increasing households' propensity to save. However, the conditions are in place for economic growth to strengthen again. In particular, rising real wages and employment, in an environment of strong labour markets, should support a recovery in which consumption remains a key driver. Domestic demand is also expected to benefit from easing financing conditions, which are consistent with market expectations regarding the future path of interest rates. Fiscal policy, while clouded by considerable uncertainty, is assumed to be consolidating on the whole. However, funds from the Next Generation EU (NGEU) programme should continue to support growth until the programme expires in 2027. Assuming that the trade policies of Europe's main trading partners remain unchanged, external demand is expected to strengthen, thereby supporting euro area exports. As a result, net trade is projected to make a broadly neutral contribution to GDP growth, despite existing competitiveness challenges.

The unemployment rate is expected to decline further to historically low levels. As some of the cyclical factors that have recently weighed on productivity dissipate, productivity is projected to recover over the forecast horizon, although structural challenges remain. Overall, real GDP growth was 0.7% in 2024 and is expected to reach 1.1% in 2025 and 1.4% in 2026, before slowing to 1.3% in 2027 (source: European Central Bank).

According to projections, the overall HICP inflation (Harmonised index of consumer prices) is expected to increase in 2024, before decreasing to the ECB's inflation target of 2% starting from the second quarter of 2025. Base effects in the energy component are expected to be the main driver of the temporary rise in inflation at the beginning of the projection period. Assuming a decline in oil and gas prices, energy inflation is projected to remain negative until the second half of 2025 and subdued thereafter, except for an increase in 2027 due to the introduction of new climate change mitigation measures. Food inflation is projected to rise until mid-2025, mainly due to the renewed dynamism of unprocessed food prices, before declining to 2.2% on average in 2027. HICP inflation, excluding energy and food (HICPX) is projected to decline in early 2025 as the indirect effects of past energy price shocks fade, labour cost pressures ease and the lagged effects of past monetary policy tightening continue to feed through to consumer prices. This decline is expected to be driven by a reduction in services inflation, which has so far been relatively persistent. Overall, HICPX inflation is projected to fall to 2.9% in 2024 and to 2.3% in 2025, 1.9% in 2026 and 1.9% in 2027 (source: European Central Bank).

Wage growth is expected to remain high initially, but gradually decline as inflationary pressures ease. The moderation in employee compensation growth, coupled with a rebound in productivity, is expected to result in a marked deceleration in unit labour cost growth. As a result, domestic price pressures are expected to ease, with profit margins initially absorbing the still elevated labour cost pressures before recovering over the projection horizon. External price pressures are expected to remain generally moderate.

Italian macroeconomic context

Italy's GDP grew by 0.5% in 2024 and is expected to grow by 0.8% in 2025 (source: Istat).

In 2024, GDP growth was driven by net foreign demand (+0.7%), while domestic demand was a negative factor (-0.2% percentage points). However, domestic demand is expected to be the driving force behind Italy's economic growth in 2025 (+0.8% percentage points.).

Household private consumption will continue to be supported by a strengthening labour market and an increase in real wages. The persistence of these trends is expected to lead to a slight acceleration in household consumption growth in 2025 (+1.1%, compared to +0.6% in 2024).

Gross fixed investment saw modest growth in 2024 (+0.4%, compared with +8.7% in 2023), mainly due to the phasing out of tax incentives for construction. The impact of the removal of these fiscal stimuli is expected to be even more pronounced in 2025, when investment growth is projected to stagnate at 0%, despite the positive effects of the implementation of measures under the National Recovery and Resilience Plan (PNRR) and lower interest rates.

The strong employment growth observed in 2024, measured in full-time equivalents (FTE), is well above GDP growth (+1.2%). However, these diverging trends are expected to converge in 2025 (+0.8% for both GDP and FTEs). Improvements in the labour market will lead to a sharp fall in the unemployment rate in 2024 (6.5%, down from 7.5% in 2023), followed by a further slight decline in 2025 (6.2%).

The inflation was 1.2% in 2024, but remained broadly stable in the last five months of the year. In 2024, inflation decreased compared to the previous two years, mainly due to falling energy prices: in 2022, inflation was 7.9%, followed by 5.3% in 2023.

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► SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR

■ CORPORATE DEBT REFINANCING TRANSACTIONS

2031 NOTES issued in July 2024

On 29 July 2024, TeamSystem S.p.A. issued €700.0 million in senior secured floating rate notes due 2031 (the “**2031 Notes**”) under an indenture dated the same day. The 2031 Notes bear interest at a rate equal to the three-month Euribor (subject to a 0% floor) plus 3.50% per annum, with quarterly resets, and were issued at an offering price of 100.00% of their nominal amount.

The proceeds from the **2031 Notes** were used, among other things, to (i) repay the **2028 Private Notes** and **2030 Private Notes**, (ii) repay amounts drawn under the Revolving Credit Facility (RCF), (iii) finance certain bolt-on acquisitions and/or refinance any acquired debt or debt incurred by TeamSystem S.p.A. or its subsidiaries for such purposes, (iv) pay deferred considerations and contingent liabilities related to certain acquisitions, and (v) finance the cash on TeamSystem S.p.A.'s statement of financial position for general corporate purposes.

The 2031 Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

In connection with the issuance of the 2031 Notes, on 15 July 2024, certain lenders affiliated with the initial purchasers of the 2031 Notes entered into an amendment and restatement agreement for the revolving credit facility (the “**RCF Amendment**”). Under this agreement, the total commitments under the RCF were increased from €180.0 million to €300.0 million, and the maturity date was extended to the earlier of (x) 31 January 2031 and (y) the date falling six months prior to the maturity of the 2031 Notes, subject to certain provisions related to early maturity. Furthermore, under the RCF Amendment, the interest rate payable on the RCF is equal to the Euro Interbank Offered Rate (Euribor) for euro-denominated loans, the compounded Sterling Overnight Index Average (SONIA) rate for loans denominated in British pounds, and the Term Secured Overnight Financing Rate (Term SOFR) for loans denominated in US dollars, as applicable, with a floor of 0.00%, plus a spread, calculated quarterly based on certain contractual parameters.

Repayment of the 2030 Private Notes

The 2028 Private Notes were fully repaid (for the amount of € 185 million) in July 2024 while the 2030 Private Notes were fully repaid (for the amount of € 195 million) in October 2024.

Issuance of PIYW PIK Toggle Notes 2032 and repayment of PIYW PIK Toggle Notes 2029

On 18 November 2024, TeamSystem Holdco 3 S.p.A. issued € 300.0 million in aggregate capital of the **2032 PIYW PIK Toggle Notes** to certain private investors.

At the same time, TeamSystem Holdco 3 S.p.A. fully repaid € 300.0 million in aggregate capital of the **2029 PIYW PIK Toggle Notes**.

■ APPOINTMENT OF THE NEW CHIEF FINANCIAL OFFICER

In November 2024 TeamSystem Group appointed Pietro Maranzana as Group CFO. Pietro Maranzana brings with him extensive experience gained in his leadership roles:

1. in Cassa Depositi e Prestiti as head of two major Venture Capital Funds;
2. in SKY Group, where he spent 17 years and held key executive positions as CFO, COO, CCO, both in Italy and abroad in the Media/Pay-TV sector, and also served as Managing Director of the SKY Broadband division.

Previously, he spent five years in strategic and management consulting at Value Partners.

Tommaso Cohen, who held both the COO and CFO roles and has been with the Group since 2015, will continue in his role as COO, leveraging his extensive experience and in-depth knowledge of the Group to lead and oversee the Group's financial performance together with Pietro Maranzana, ensuring business continuity and leadership.

■ MERGERS BY ABSORPTION - SIMPLIFICATION OF GROUP STRUCTURE

Continuing its efforts towards simplifying and rationalising its organisational and corporate structure, TeamSystem Group completed a series of corporate mergers and/or other corporate reorganisation transactions in 2024, as set out below:

- a) In March 2024, the following subsidiaries were merged by absorption into TeamSystem S.p.A.: Area 32, MailUp, Twinlogix, Var Enterprise, Soluzioni Enterprise, Triarico. The effective date for accounting and tax purposes of these mergers was backdated to 1 January 2024. Also, in March 2024, the subsidiary Sistemi IT

- spun off a business unit which was merged by absorption into TeamSystem S.p.A. The effective date for accounting purposes of this merger was 1 April 2024.
- b) In April 2024, the subsidiary Multidata was merged by absorption into TeamSystem S.p.A., with the effective date for accounting and tax purposes backdated to 1 January 2024.
 - c) In June 2024, the subsidiary TeamSystem Communication was merged by absorption into TeamSystem S.p.A., with the effective date for accounting and tax purposes backdated to 1 January 2024; Also in June 2024, the subsidiary Rean spun off a business unit which was merged by absorption into TeamSystem S.p.A. The effective date for accounting purposes of this merger was 1 July 2024.
 - d) In September 2024, the subsidiaries Habble and Techmass were merged by absorption into TeamSystem S.p.A. The effective date for accounting and tax purposes of these mergers was backdated to 1 January 2024.
 - e) in October 2024, the following subsidiaries were merged by absorption into TeamSystem S.p.A.: Soluzioni Informatiche, Datamedia, Ecosystem, TC Informatica, Bellachioma System. The effective date for accounting and tax purposes of these mergers was backdated to 1 January 2024.
 - f) in December 2024, the following subsidiaries were merged by absorption into TeamSystem S.p.A.: IT Review, Readytec, Readytec Emilia, TeamSystem 10, Teamforyou, Pentaedro. The effective date for accounting and tax purposes of these mergers was backdated to 1 January 2024.
 - g) in December 2024, Software del Sol was merged into TeamSystem Spagna.
 - h) In December 2024, TeamSystem S.p.A. demerged the Contactlab business unit by transferring it to a specific company (in which TeamSystem S.p.A. holds 100% of the share capital). This equity investment, which satisfies the requirements of IFRS 5, has been recorded as an asset held for sale.

SALE AND LIQUIDATION OF COMPANIES

Company Liquidations

In December 2024, TeamSystem Financial Value Chain completed the liquidation process of the controlled company Fin-MD-Tech.

Company Sales

In the months of October, November, and December 2024, TeamSystem S.p.A. sold all its shares in the following subsidiaries:

- Sistemi IT (sold in October 2024);
- Bellanova Enterprise (sold in November 2024);
- Rean (sold in December 2024).

ACQUISITIONS/NEW COMPANY FORMATIONS AND SALE OF SUBSIDIARIES

In 2024, TeamSystem Group acquired the following companies:

TeamSystem 12 S.r.l.

In January 2024, the business units of the following companies were transferred to TeamSystem 12 S.r.l.:

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

In February 2024, the following business units were transferred to TeamSystem 12 S.r.l.:

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

Macrogroup S.r.l.

In February 2024, TeamSystem S.p.A. acquired a 49% stake in Macrogroup S.r.l., a company that markets TeamSystem software and provides IT consulting and services.

For the remaining 51%, TeamSystem entered into call/put option agreements, subject to the condition that the former shareholders do not exercise the call option on the 49% stake.

TeamSystem 14 S.r.l. and the Poker business unit

In April 2024, TeamSystem S.p.A. established a new company named TeamSystem 14 S.r.l.

In July 2024, the Poker business unit was transferred to TeamSystem 14. The Poker business unit is engaged in the development and commercialisation of an ERP software called Quasar-X, the provision and sale of services related to Quasar-X, and the distribution of third-party software currently licensed to the company (namely, Sugar and Arxivar).

Innova S.r.l.

In May 2024, the business unit of Innova S.r.l., a company specialising in software development and IT services, was transferred to Greenext S.p.A. Innova focuses on the design, development, and commercialisation of IoT hardware devices and software solutions for waste management.

Pentaedro S.r.l.

In June 2024, TeamSystem S.p.A. acquired 100% of Pentaedro S.r.l., which was created through the partial proportional demerger of Esaedro S.r.l. Pentaedro is a reseller of TeamSystem software. Pentaedro was merged into TeamSystem S.p.A. in December 2024.

Netfintech S.r.l. and Change Capital

In June 2024, TeamSystem S.p.A. acquired a majority stake (61.3%) in Netfintech S.r.l., a company operating (through its subsidiary Change Capital) in credit brokerage, subsidised finance, and the development and commercialisation of platforms for credit and subsidised finance solutions.

The remaining 38.7% is subject to an option agreement.

Deliverart S.r.l.

In July 2024, TeamSystem S.p.A. acquired a minority stake (40%) in Deliverart S.r.l., a company operating in the Ho.Re.Ca. sector that develops software for the integrated management of delivery solutions. The remaining 60% is subject to an option agreement.

Clementine Group

In July 2024, TeamSystem S.p.A. acquired, through the holding companies Clementine Holding Sas and Clementine Services Sas, 100% of the Clementine Group, which consists of the following companies: Eunomia Sas, Sofrageco Sas, Amex Sas, Expertise Choix B Sas, Expertise Choix C Sas, Tiktak Services Sas, Pepitejob Sas, Zhizhao Sarl, Comptalib Sas. The Clementine Group companies are pioneers and leaders in online accounting in France. They provide their clients with IT tools with a modern technological platform for business management and administration.

Distrito K Software S.L.U.

In August 2024, Software del Sol acquired 100% of Distrito K, a company based in Spain. The company primarily focuses on developing and licensing ERP, accounting, and tax software solutions for businesses.

TeamSystem 15 S.r.l. and the Unix business unit

In September 2024, TeamSystem S.p.A. established a new company named TeamSystem 15 S.r.l.

That same month, the Unix business unit was transferred to TeamSystem 15. Unix is a reseller of TeamSystem products.

TeamSystem 14 S.r.l. and the Synesthesia business unit

In September 2024, the Synesthesia business unit was transferred to TeamSystem 14. The Synesthesia unit focuses on the development and distribution of a software solution for managing whistleblowing activities.

■ MILITARY CONFLICTS BETWEEN RUSSIA AND UKRAINE AND ISRAEL AND HAMAS

The ongoing conflict between Russia and Ukraine, as well as the conflict between Israel and Hamas, and the resulting international tensions, continue to dominate in 2024.

While uncertainty remains very high as to how the situation will unfold and what effects this may have at a global macroeconomic level, for the moment, there have been no significant adverse effects on the Group's business, earnings and financial position in 2024.

The diversified range of operating sectors in which the Group's customers operate, as well as the Group's ability to adapt, and the availability of adequate levels of financial resources (including through undrawn credit lines), proved to be mitigating factors against the liquidity and financial risks caused, in general, by the ongoing armed conflicts.

Management will continue to closely monitor this situation and assess the potential impact of these conflicts on the Group's financial performance and position, updating its estimates accordingly.

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► SUMMARY OF TEAMSYSYSTEM GROUP'S RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Presented below are the results of TeamSystem Group for the 2024 and 2023 financial years.

Euro thousand				
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	31 Dec 2024	31 Dec 2023	Change	% Change
TOTAL REVENUE	921,793	733,180	188,612	25.7%
COGS	(136,435)	(127,387)	(9,048)	7.1%
Personnel	(277,712)	(217,866)	(59,846)	27.5%
Personnel like	(33,946)	(27,663)	(6,283)	22.7%
Non Personnel	(104,739)	(69,631)	(35,108)	50.4%
Capitalized development costs	35,612	23,205	12,407	53.5%
ADJUSTED EBITDA	404,573	313,838	90,735	28.9%
Allowance for bad debts	(9,045)	(7,025)	(2,020)	28.8%
Depreciation and amortization of non current assets	(255,763)	(224,223)	(31,540)	14.1%
Other provisions for risks and charges	(1,788)	(1,949)	162	-8.3%
Impairment of non current assets	(384)	0	(384)	0.0%
Non core items	(23,827)	(20,553)	(3,274)	15.9%
OPERATING RESULT	113,767	60,088	53,679	89.3%
Net Finance Income (Cost)	(216,739)	(139,440)	(77,299)	55.4%
PROFIT (LOSS) BEFORE INCOME TAXES	(102,973)	(79,352)	(23,620)	29.8%
Current income tax	(51,933)	(35,366)	(16,567)	46.8%
Deferred income tax	45,652	39,500	6,153	15.6%
PROFIT (LOSS) FOR THE YEAR	(109,253)	(75,219)	(34,034)	45.2%
(Profit) Loss - Non controlling interests	(156)	(75)	(80)	106.9%
PROFIT (LOSS) - OWNERS OF THE COMPANY	(109,408)	(75,294)	(34,115)	45.3%

As shown in the table above, for the 2024 financial year, TeamSystem Group recorded Total Revenue of € 921,793 thousand (€ 733,180 thousand in 2023), Adjusted EBITDA of € 404,573 thousand (€ 313,838 thousand in 2023) and a loss for the year of € 109,408 thousand (€ 75,294 thousand in 2023).

The loss mentioned above for the 2024 financial year is mainly the result of:

- the amortisation of intangible fixed assets, deriving from the values allocated to intangible fixed assets following the “Purchase Price Allocation” process of both the price paid for the acquisition of the TeamSystem Group in February 2021; and the price paid following the acquisition of additional subsidiaries made by the TeamSystem Group after February 2021;
- Finance charges on financial debt.

In any case, the loss does not reflect the Group's normalised results of operations, which, as will be described in the forthcoming paragraphs, have again improved this year compared to last year.

In the above table and elsewhere in this Directors' Report, the following performance indicator is used with regard to TeamSystem Group's operating profitability:

Adjusted EBITDA =

Calculated as follows:

Profit (loss) for the period plus (1) Income tax; (2) Profit (loss) from the valuation of associates accounted for using the equity method; (3) Financial

income and expenses; (4) Net income (expenses) from hyperinflation; (5) Other provisions for risks and charges; (6) Depreciation and amortisation of non-current assets; (7) Impairment of non-current assets; (8) Impairment of receivables and credit losses; (9) Costs deemed by Management to be **non-core** for the measurement of the Group's performance:

- Advisory costs related to reorganisation and cost saving projects;
- Personnel restructuring costs;
- Merger and acquisition costs;
- Extraordinary settlements with customers, suppliers and agents;
- Other costs – (income).

Set out below is a reconciliation of 2024 and 2023 **Adjusted EBITDA**:

Euro Thousand	31 Dec 2024	31 Dec 2023
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(109,253)	(75,219)
Income tax	6,280	(4,134)
Share of Profit (Loss) of associates	52	(42)
Financial income and expenses	271,507	155,022
Monetary Gain (Loss)	(54,820)	(15,539)
Other provisions for risks and charges	1,788	1,949
Depreciation and amortization of non current assets	255,763	224,223
Impairment of non current assets	384	-
Allowance for bad debts	9,045	7,025
Advisory expenses related to reorganization and cost saving projects	5,014	5,673
Personnel redundancy	3,006	2,729
Acquisitions and mergers costs	12,825	10,079
Settlements with clients, suppliers and agents	2,681	1,771
Other cost - (income)	302	302
ADJUSTED EBITDA	404,573	313,838

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 to those adopted by other companies or groups.

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As regards the growth in Total Revenue for 2024 (which has increased by € 188.6 million compared to the year ended 31 December 2023), this change is due to both the Group's organic growth in 2024 and the expansion of the scope of consolidation following the acquisitions made in 2024. Details of Revenue are set out below:

Euro Millions

	31 Dec 2024	31 Dec 2023	Change	% Change
Enterprise	191.0	164.6	26.5	16.1%
Recurring	142.6	118.2	24.4	20.7%
Other Revenues	48.4	46.4	2.1	4.4%
Professional	239.1	214.7	24.4	11.4%
Recurring	223.4	198.2	25.2	12.7%
Other Revenues	15.7	16.6	(0.8)	-5.0%
Micro	302.5	180.7	121.7	67.4%
Recurring	280.5	167.1	113.4	67.9%
Other Revenues	22.0	13.7	8.3	60.8%
Digital Finance	28.3	20.9	7.4	35.2%
Recurring	18.7	16.7	2.1	12.4%
Other Revenues	9.5	4.2	5.3	124.6%
Market Specific Solution	105.5	100.4	5.0	5.0%
Recurring	68.7	62.7	6.0	9.6%
Other Revenues	36.8	37.8	(1.0)	-2.6%
Cross-Segment Products	55.5	51.8	3.6	7.0%
Recurring	46.7	40.4	6.3	15.5%
Other Revenues	8.8	11.4	(2.6)	-22.9%
TOTAL REVENUE	921.8	733.2	188.6	25.7%
Total Recurring Revenues	780.6	603.2	177.4	29.4%
Total Other Revenues	141.2	130.0	11.2	8.6%

In 2024, the TeamSystem Group implemented a minor change to its operating segments, transferring "Trust" products from the "Market Specific Solutions" business to the "HR" business unit. The new business unit resulting from this reorganisation has been named "Cross Segment Products." Following this organisational change, the Group has accordingly reclassified the data as of 31 December 2023.

The item Recurring 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 linked to software installation and customisation), and revenue from the sale of training services, which are provided to customers during the product implementation phase.

Recurring revenue for 2024 increased compared to the previous year driven by the contribution of acquisitions made during 2024, and the organic growth of the Group across market/product revenue aggregation levels.

In absolute terms, the growth in recurring revenues was particularly significant in the following areas:

- 1) Micro Business Unit, which recorded an increase in recurring revenues of € 113.4 million compared to 2023, representing an increase of 67.9%.
- 2) Professional Business Unit, which reported an increase in recurring revenues of € 25.2 million (or approximately 12.7% higher than 2023).
- 3) Enterprise Business Unit, which reported an increase in recurring revenues of € 24.4 million (or approximately 20.7% higher than 2023).

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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.

The following operating segments have been identified within the TeamSystem Group:

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

In 2024, the Group also implemented a minor change to its operating segments, transferring "Trust" products from the "Market Specific Solutions" business to the "HR" business unit. The new business unit resulting from this reorganisation has been named "**Cross Segment Products**." Following this organisational change, the Group has accordingly reclassified the data as of 31 December 2023.

Euro Millions

OPERATING SEGMENTS	31 Dec 2024	31 Dec 2023	Change	% Change
ENT	191.0	164.6	26.5	16%
PROF	239.1	214.7	24.4	11%
MICRO	302.5	180.7	121.7	67%
DIF	28.3	20.9	7.4	35%
MSS	105.5	100.4	5.0	5%
CSP	55.5	51.8	3.6	7%
TOTAL REVENUE	921.8	733.2	188.6	25.7%
ENT	100.2	86.3	14.0	16%
PROF	144.0	131.6	12.5	9%
MICRO	184.8	108.5	76.3	70%
DIF	12.4	8.9	3.5	39%
MSS	26.5	23.6	3.0	13%
CSP	22.6	24.1	-1.6	-7%
FIRST MARGIN	490.5	382.9	107.6	28.1%
INDIRECT COSTS	(121.6)	(92.3)	-29.3	32%
CAPITALISED DEVELOP COSTS	35.6	23.2	12.4	53%
ADJUSTED EBITDA	404.6	313.8	90.7	28.9%

The economic performance indicator for each operating segment is the **First Margin**.

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

The **First Margin** is calculated as the difference between total revenues and the direct costs of the Business Unit, the latter being mainly:

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

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

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

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► **TEAMSISTEM GROUP'S FINANCIAL POSITION**

The tables which follow present the Group's financial position at 31 December 2024 and 31 December 2023 and highlight, among other aspects, the Group's net invested capital and working capital, being measures that are used by the Group as non-GAAP indicators (and, given that they are not governed by IFRS, the preparation criteria adopted by TeamSystem Group may not be comparable with those adopted by other companies or groups).

It should be noted that the balances at 31 December 2023 have been restated after completing the purchase price allocation process for the acquisitions (made during the 2023 financial year) of the following companies: Datamedia, Bellachioma Enterprise, TC Informatica, Soluzioni Informatiche, Rean.

Euro thousand

CONSOLIDATED NET INVESTED CAPITAL	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Trade receivables	213,516	200,311	13,204	6.6%
Inventories	2,043	1,736	307	17.7%
Other receivables - current	91,439	62,638	28,801	46.0%
Trade payables	(91,167)	(71,529)	(19,637)	27.5%
Other liabilities - current	(258,003)	(213,612)	(44,391)	20.8%
Working Capital	(42,171)	(20,456)	(21,716)	106.2%
Assets and liabilities held for sale - net	(1,658)	0	(1,658)	n.a.
Tax assets net of Tax liabilities	(19,909)	(9,497)	(10,412)	109.6%
Tangible assets	15,664	16,820	(1,156)	-6.9%
Intangible assets	1,255,699	1,348,224	(92,525)	-6.9%
Right of use	35,631	27,826	7,805	28.0%
Goodwill	2,309,440	2,125,660	183,779	8.6%
Investments	1,871	1,391	480	34.5%
Non Current Assets	3,618,305	3,519,922	98,383	2.8%
Invested Capital	3,554,566	3,489,969	64,597	1.9%
Staff leaving indemnity	(32,464)	(35,943)	3,478	-9.7%
Provisions for risks and charges	(26,567)	(25,204)	(1,363)	5.4%
Other liabilities - non current	(298)	(342)	45	-13.0%
Deferred tax assets (liabilities) - net	(262,926)	(299,137)	36,211	-12.1%
Provision and other liabilities	(322,254)	(360,626)	38,372	-10.6%
NET INVESTED CAPITAL	3,232,312	3,129,343	102,969	3.3%

Euro thousand

CONSOLIDATED FINANCIAL SOURCES	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Financial liabilities	2,390,251	2,055,558	334,693	16.3%
Other financial assets	(17,290)	(29,657)	12,367	-41.7%
Cash and bank balances	(167,529)	(46,695)	(120,834)	258.8%
Net Financial Indebtedness	2,205,432	1,979,207	226,226	11.4%
Share capital and reserves	1,135,207	1,224,526	(89,318)	-7.3%
Profit (Loss) attributable to Owners of the Company	(109,408)	(75,295)	(34,114)	45.3%
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	1,025,799	1,149,231	(123,432)	-10.7%
Non controlling interests - Capital and reserves	925	830	95	11.4%
Non controlling interests - Profit (Loss)	156	75	80	106.9%
TOTAL NON CONTROLLING INTERESTS	1,081	905	175	19.4%
FINANCIAL SOURCES	3,232,312	3,129,343	102,969	3.3%

The amounts shown above have been taken from the financial statements and some components have been adjusted and/or aggregated as follows:

Working Capital

represents the sum of Inventories, Trade receivables, Other receivables - current, less Other liabilities - current and Trade payables from the consolidated financial statements.

Tax receivables net of tax liabilities

the sum of Tax receivables, less Tax liabilities from the consolidated financial statements.

The Group's net financial indebtedness at 31 December 2024 amounts to around € 2,205,432 thousand, representing an increase of € 226,226 thousand compared to €1,979,207 thousand at 31 December 2023; this increase is primarily due to the issue (in July 2024 by TeamSystem S.p.A.) of an additional € 700 million of Notes maturing in 2031. The proceeds of this issue were used to 1) finance the acquisition of additional companies; 2) repay the liabilities to non-controlling shareholders of subsidiaries; 3) refinance any debt acquired or issued by TeamSystem S.p.A. or its subsidiaries; 4) fund the Group's liquidity for general corporate purposes.

The Group's consolidated equity at 31 December 2024 amounts to € 1,025,799 thousand, representing a decrease compared to the balance at 31 December 2023 (€ 1,149,231 thousand) of € 122,451 thousand mainly due to the consolidated financial results for 2024.

The leverage ratio (net financial indebtedness/equity for the Group) was thus 2.1 at 31 December 2024 (1.7 at 31 December 2023).

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► WORKING CAPITAL

The following table shows the components of working capital at 31 December 2024 and 31 December 2023: It should be noted that the balances at 31 December 2023 have been restated after completing the purchase price allocation process for the acquisitions (made during the 2023 financial year) of the following companies: Datamedia, Bellachioma Enterprise, TC Informatica, Soluzioni Informatiche, Rean.

Euro thousand

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Trade receivables	213,516	200,311	13,204	6.6%
Inventories	2,043	1,736	307	17.7%
Other receivables - current	91,439	62,638	28,801	46.0%
Trade payables	(91,167)	(71,529)	(19,637)	27.5%
Other liabilities - current	(258,003)	(213,612)	(44,391)	20.8%
WORKING CAPITAL	(42,171)	(20,456)	(21,716)	106.2%

TeamSystem Group's working capital is influenced by seasonal factors. This is mainly due to the timing of billings relating to support contracts that are particularly concentrated (for most of the Group's business lines) in the first months of the year. Because of this seasonality, working capital is generally at its maximum in the first quarter of the year. Deferred income, which is included in Other liabilities, has the same seasonality as support contract invoicing, with an inverse correlation to trade receivables and is released to income over the course of the year.

At 31 December 2024, working capital changed by € 21,716 thousand, from a negative € 20,456 thousand at 31 December 2023 to a negative € 42,171 thousand at 31 December 2024. This change was mainly due to the increase in Trade receivables of € 13,204 thousand (which went from € 200,311 thousand at 31 December 2023 to € 213,516 thousand at 31 December 2024) and the increase in Other trade receivables of € 28,801 thousand (which went from € 62,638 thousand at 31 December 2023 to € 91,439 thousand at 31 December 2024). These increases were offset by the change in Other liabilities for € 44,391 thousand (from € 213,612 thousand at 31 December 2023 to € 258,003 thousand at 31 December 2024), which mainly consists of deferred revenue.

It should also be noted that 31 December 2023 was not a business day, and therefore, collection of about € 8.4 million in electronic bank receipts falling due on 31 December 2023 was postponed to the next financial year.

Without this "weekend effect", working capital at 31 December 2023 would have amounted to a negative € 28.8 million.

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► CONSOLIDATED STATEMENT OF CASH FLOWS

Presented below is the statement of cash flows of TeamSystem Group for 2024 and 2023.

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2024	31 Dec 2023	Change	% Change
CASH FLOWS FROM OPERATING ACTIVITIES	348,011	211,249	136,762	64.7%
Capital Expenditure	(60,484)	(42,000)	(18,484)	44.0%
Disposal of investments	744	(207)	951	n.s.
Acquisition of investments	(170,413)	(292,836)	122,423	-41.8%
CASH FLOWS FROM INVESTING ACTIVITIES	(230,153)	(335,043)	104,890	-31.3%
Rapayment of financial debt	(697,226)	(11,256)	(685,971)	n.s.
New financing	1,000,000	195,000	805,000	n.s.
Financial charges paid	(148,884)	(111,400)	(37,484)	33.6%
Financing Fees paid	(18,814)	(6,683)	(12,131)	n.s.
Liabilities to non controlling shareholders of subsidiaries	(130,689)	(40,702)	(89,987)	n.s.
Capital increase	91	0	91	0.0%
Other equity movements	(1,536)	(3)	(1,533)	n.s.
CASH FLOWS FROM FINANCING ACTIVITIES	2,942	24,956	(22,014)	-88.2%
Change in Exchange rates	35	10	25	n.s.
INCREASE (DECREASE) IN CASH AND BANK BALANCES	120,835	(98,828)	219,663	n.s.

TeamSystem Group's Cash flows from operating activities for the year ended 31 December 2024 amount to € 348,011 thousand.

It should also be noted that 31 December 2023 was not a business day, and therefore, collection of about € 8.4 million in electronic bank receipts falling due on 31 December 2023 was postponed to the next financial year.

Without this "weekend effect", operating cash flows for 2024 would have amounted to € 339.6 million.

Regarding Cash flows from investing activities, these amounted to € 230,153 thousand at 31 December 2024 and were mainly attributable to cash outflows during 2024 for the acquisition of equity investments (Clementine Group, DistritoK, Netfintech, Pentaedro, just to name the main acquisitions).

Cash flows from financing activities amounted to € 2,942 thousand, mainly due to the following:

- the issuance of the **2031 Notes and PIK Toggle Notes 2032**;
- the repayment of the **2028 Private Notes, 2030 Private Notes, and PIK Toggle Notes 2029**;
- the payment of the Financing Fees associated with the Notes issue described above;
- the payment of interest on the **TeamSystem Notes and the PIK Toggle Notes**;
- the payment of liabilities to non-controlling shareholders of subsidiaries (the most significant of which were those relating to the following companies: Modefinance, Logicalsoft, Microntel, Mikro, Readytec, Rean, Sigma).

► CAPITAL EXPENDITURE

The following table shows the capital expenditure incurred by the Group in the year ended 31 December 2024:

Euro thousand

	31 Dec 2024	31 Dec 2023	Change	% Change
Investments in tangible assets	(5,140)	(3,205)	(1,935)	60.4%
Investments in intangible assets	(20,532)	(15,591)	(4,942)	31.7%
Capitalized development costs - personnel costs	(28,625)	(18,858)	(9,766)	51.8%
Capitalized development costs - service costs	(6,987)	(4,346)	(2,641)	60.8%
CAPITAL EXPENDITURE	(61,284)	(42,000)	(19,284)	45.9%

Capital expenditure encompasses expenditure on tangible and intangible non-current assets, as well as the total of amounts capitalised by the Group companies in the year for process/product development. Regarding capital expenditure on tangible and intangible assets, the Group has historically been characterised by a low level of capital expenditure, in line with the sector in which it operates.

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► RESEARCH AND DEVELOPMENT

As mentioned previously, product research and development activities were again particularly intense in 2024, focusing on the introduction of new software products, new functionalities or new modules to existing products.

The total amount of development costs capitalised (at Group level) in 2024 amounts to € 35.6 million (compared to € 23.2 million in 2023). In addition to changes in the scope of consolidation, this growth is the result of the Group's ongoing commitment to developing new solutions and products (particularly in the field of digitalisation) in response to market needs.

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► FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks that are managed and monitored centrally and which can be categorised as follows:

Foreign exchange risks

As an international organisation, the Group holds assets and conducts business in currencies other than the euro (although not yet to a significant extent) and is therefore exposed to risks arising from changes in exchange rates that could affect its results of operations and the value of its equity. Some of the TeamSystem Group companies are, however, exposed to a limited degree of foreign exchange risk due to the operational management of these companies, whose cash flows (both revenues and costs) are mostly denominated in the same functional currency as the country in which these companies are based. It should be noted that as of September 2023, TeamSystem Group owns Mikro Group, which is based in Turkey, a country experiencing hyperinflation and significant exchange rate fluctuations. However, it is important to mention that Mikro Group primarily conducts trading activity in Turkish lira.

Credit risk

Credit risk is mitigated by the high fragmentation of the customer base and the high degree of customer loyalty. In any case, the customer credit policy, by customer category (resellers and end-users), envisages:

- a) the control and assessment of credit standing;
- b) the control of the flow of payment collection;
- c) taking appropriate action by issuing reminders and by the use of credit collection procedures, including recourse to companies specialised in debt recovery.

The maximum theoretical exposure to credit risk for the Group is represented by the carrying amount of trade receivables as presented in the consolidated financial statements, as well as residual financial receivables recorded in current and non-current financial assets.

The tool used by the Group for the classification and control of trade receivables consists of an Ageing List, in which amounts of overdue receivables are summarised by ageing category, from the most recent (0-30 days) to the oldest (over 180 days).

The amount of the allowance for bad debts at 31 December 2024 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), taking into account both past due receivables, the allowance for which was determined based on a specific analysis of doubtful accounts and receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and the past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

Interest rate risk

TeamSystem Group's financial structure calls for fixed rate debt for the **2028 Fixed Rate Notes** and variable rate debt for the **2028 Floating Rate Notes, 2031 Notes, 2032 PIYW PIK Toggle Notes**, and the **RCF** credit facility. The yield on the **2028 Floating Rate Notes, the 2031 Notes** and the **2030 Private Notes** is tied to the 3-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, or to the 6-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, for the **2032 PIYW PIK Toggle Notes**. Conditions applied to the **RCF** also feature floating interest rates (based on Euribor rates - with a floor of 0.00%) plus a contractually defined spread.

If the interest rates payable on the Notes during 2024 had been 0.5% higher (with respect to the interest rate actually paid over during 2024), the financing costs of the Notes would have been approximately €5.0 million higher; if the interest rates payable on the Notes had been 0.50% lower (with respect to the interest rate actually paid during 2024), the financing costs of the Notes would have been approximately €5.1 million lower for the TeamSystem Group. It should also be noted that the above sensitivity calculation of the financial costs on the Notes took into account interest rate derivative contracts that the Group entered into during 2022. These derivative swap contracts (expiring in December 2025) stipulate that the TeamSystem Group pays a fixed interest rate and receives a variable interest rate based on the 3-month Euribor.

As regards the revolving credit facility, if interest rates payable on the RCF had been 0.5% higher during the course of 2024 (with respect to the interest rate actually paid during the course of 2024), finance costs would have been € 0.1 million higher; on the other hand, if interest rates payable on the RCF had been 0.50% lower (with respect to the interest rate actually paid during the course of 2024), the TeamSystem Group would have incurred around € 0.1 million less in finance costs.

Liquidity risk

The two main factors that determine the dynamics of the Group's liquidity are, on one hand, the resources generated/absorbed by operating and investment activities and, on the other hand, the maturity of financial liabilities. The following procedures have been adopted to optimise cash flow management and reduce liquidity risk:

- maintenance of an adequate level of available liquidity;
- adoption of Cash-pooling at Group level;
- securing of adequate credit lines;
- monitoring prospective liquidity conditions as part of the corporate planning process.

Despite the Group's high degree of leverage and the uncertain macroeconomic scenarios - including the ongoing Russian-Ukrainian conflict and the conflict between Israel and Hamas - liquidity is not an issue. The RCF facility itself, with a total available amount of € 300 million, remains undrawn at 31 December 2024. The Group has always demonstrated its ability to generate cash and to successfully raise funds in the financial markets.

► HUMAN RESOURCES

The number of TeamSystem Group employees in the year ended 31 December 2024 was 5,195 persons, broken down as follows:

	Average 2024	Average 2023	Change	31 Dec 2024	31 Dec 2023	Change
Managers	131	107	24	136	126	10
Middle managers / white collars	4,789	3,843	946	5,059	4,518	541
Total	4,920	3,950	970	5,195	4,644	551

The human resources employed by TeamSystem Group are an asset to be enhanced via attentive professional development paths. The Group constantly pursues the goal of improving the overall effectiveness of management, through attendance at training courses held by in-house personnel and by external collaboration.

The increase in the number of employees at 31 December 2024 relative to 31 December 2023 is mainly due to the addition of employees of the companies acquired in 2024.

► INFORMATION PERTAINING TO THE ENVIRONMENT

Environmental factors are not a primary concern, given that the Group operates in a sector with a relatively low environmental risk compared to other manufacturing and industrial activities.

Nevertheless, in recent years, the Group has made it a priority to operate in a responsible and environmentally friendly manner in order to reduce the impact of its activities on the outside world by implementing various initiatives related to environmental protection and the promotion of shared prosperity.

The Group recognises that it is part of an increasingly interconnected and interdependent world facing pressing challenges such as environmental protection, climate change and biodiversity loss. A successful business must be a sustainable one. The future success of any enterprise - and the well-being of the communities that share our planet - depends on a collective willingness to address and solve the challenges of an increasingly globalised and interdependent world.

In this regard, it is worth noting that TeamSystem Group publishes an annual "Impact Report", which outlines the methods used in its sustainability journey and the generation of shared prosperity. This report details the goals that have been achieved and sets additional goals for the future.

The Group's main commitment is to achieve net zero emissions for Scope 1 (direct greenhouse gas emissions) and Scope 2 (indirect emissions) by 2025, and a net positive impact for Scope 3 (offsetting more CO₂ than is generated by its activities and products) by 2030. This will be achieved through a range of actions, including:

- reducing energy consumption and natural resource usage;
- increasing reliance on renewable energy sources;
- supporting the circular economy by reusing retired hardware, utilising recycled and recyclable materials, and promoting waste recycling;
- developing a strategy to offset 100% of the emissions generated by the Group's products;
- compensating for emissions through reforestation projects in Italy and developing countries, as well as through the Agricultural Department, which directly manages organic and biodynamic farming;
- encouraging remote work to reduce energy consumption at office locations, rationalising office space, and promoting sustainable mobility solutions for commuting and business travel;
- evaluating acquired companies based on environmental, social and governance (ESG) criteria;
- allocating a significant portion of annual acquisitions to companies with a measurable positive impact.

► SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

■ Acquisitions / Business Unit Transfers / Entry of New Minority Shareholders

TeamSystem 15

In January 2025, the business units of the following companies were contributed to TeamSystem 15 S.r.l.:

Bgest S.r.l.

•Info. Tec. S.r.l. Con socio unico

•Nuova Forum Impresa S.r.l.

•Schiavon Sistemi S.r.l.

•Systematica S.r.l.

•Sistemi&Gestione S.r.l.

•G.S.C. General Systems Cuneo S.r.l.

•Meta Calabria S.r.l.,

•Syscon S.r.l.

•Sistema S.r.l.

Team2000

In January 2025, TeamSystem S.p.A. acquired 100% of the shares of Team Duemila Software S.r.l., a company formed from the partial demerger of Team Duemila S.r.l.. Team2000 is focused on the distribution and commercialization of TS software solutions.

Vicsam

In January 2025 TeamSystem S.p.A. acquired 100% of the shares of VIC-TS S.r.l., a company formed from the partial demerger of Vicsam Sistemi S.r.l. VIC-TS is focused on the distribution and commercialization of TS software solutions.

Horizon

In January 2025 TeamSystem S.P.A. acquired 100% of the shares of Horizon Software S.r.l., a company formed from the partial demerger of Horizon S.p.A. Horizon Software is focused on the distribution and commercialization of TS software solutions.

Infomart

In January 2025 TeamSystem S.P.A. acquired 100% of the shares of Infomart S.r.l., subject of the transfer of the TeamSystem branch from the company Infomart S.A.S.

Kluo

In January 2025, TeamSystem S.p.A. acquired 100% of the shares of Kluo S.r.l., a company active in the commercialization of software solutions under the "TeamSystem" brand.

Alphateam

In February 2025, TeamSystem S.p.A. acquired 100% of the shares of Alphateam S.r.l., a company active in the commercialization of software solutions under the "TeamSystem" brand.

Muscope

In February 2025, TeamSystem S.p.A. acquired 100% of the shares of Muscope Cybersecurity S.r.l., an innovative startup operating in the development, production, and commercialization of innovative, high-tech value products or services. The company focuses specifically on the design, development, sale, maintenance, and consulting of solutions, products, and services related to cybersecurity and information security, developed or managed through software or hardware.

Multidialogo

In March 2025, TeamSystem S.P.A. acquired:

(a) 100% of the share capital of a Newco established by the company Multidialogo S.r.l. (a software house specialized in creating products and providing services for condominium administrators), which contributed a business unit instrumental to the development, management, commercialization, and promotion of solutions and services for the transmission of 770 forms, CU, F24, deductions, and electronic invoicing;

(b) 100% of the share capital of Brainware, the full and exclusive owner of the software “Domus,” “Rbank,” “Labor,” “Locat,” “Fattura,” and “Tabula,” designed for condominium administration studies and/or property management;

(c) 100% of the share capital of Millesimo, the company owning the software “Millesimo,” “Setup Archivi,” “Ligs console,” and “Change it,” for condominium administration.

Goldensoft

In February 2025, Software Del Sol acquired 100% of the shares of Golden Soft S.L. and Golden Soft Service Assistant Users S.L..

Golden Soft companies are involved in the development, production, commercialization, and related support of management, tax, legal, accounting software, and human resources administration solutions for SMEs, accountants, and self-employed workers in the Spanish market. Golden Soft Service provides technical assistance and maintenance services for the software solutions developed by Golden Soft.

■ Conflict between Russia and Ukraine and Israel and Hamas

The conflicts between Russia and Ukraine and Israel and Hamas - both of which are still ongoing - and the ensuing international tensions dominated 2024. Management will continue monitoring these situations and the possible effects of these conflicts on the Group's results of operations and financial position, and will continue to make adjustments to its estimates.

■ US Tariffs and Potential Trade Wars

In February 2025, the United States announced a new round of tariffs targeting Canada, Mexico, and China. These tariffs could potentially trigger a trade war, with the affected countries retaliating through countermeasures. As a result, consumers and businesses in the impacted regions may shift their purchasing preferences, imported goods could be replaced with alternative consumer products, and exporting nations may need to adjust their trade routes. The economic consequences of these new tariff measures could affect inflation rates, economic growth, and employment levels on a global scale. However, further details will be required before a full assessment of the economic impact of these tariffs can be made.

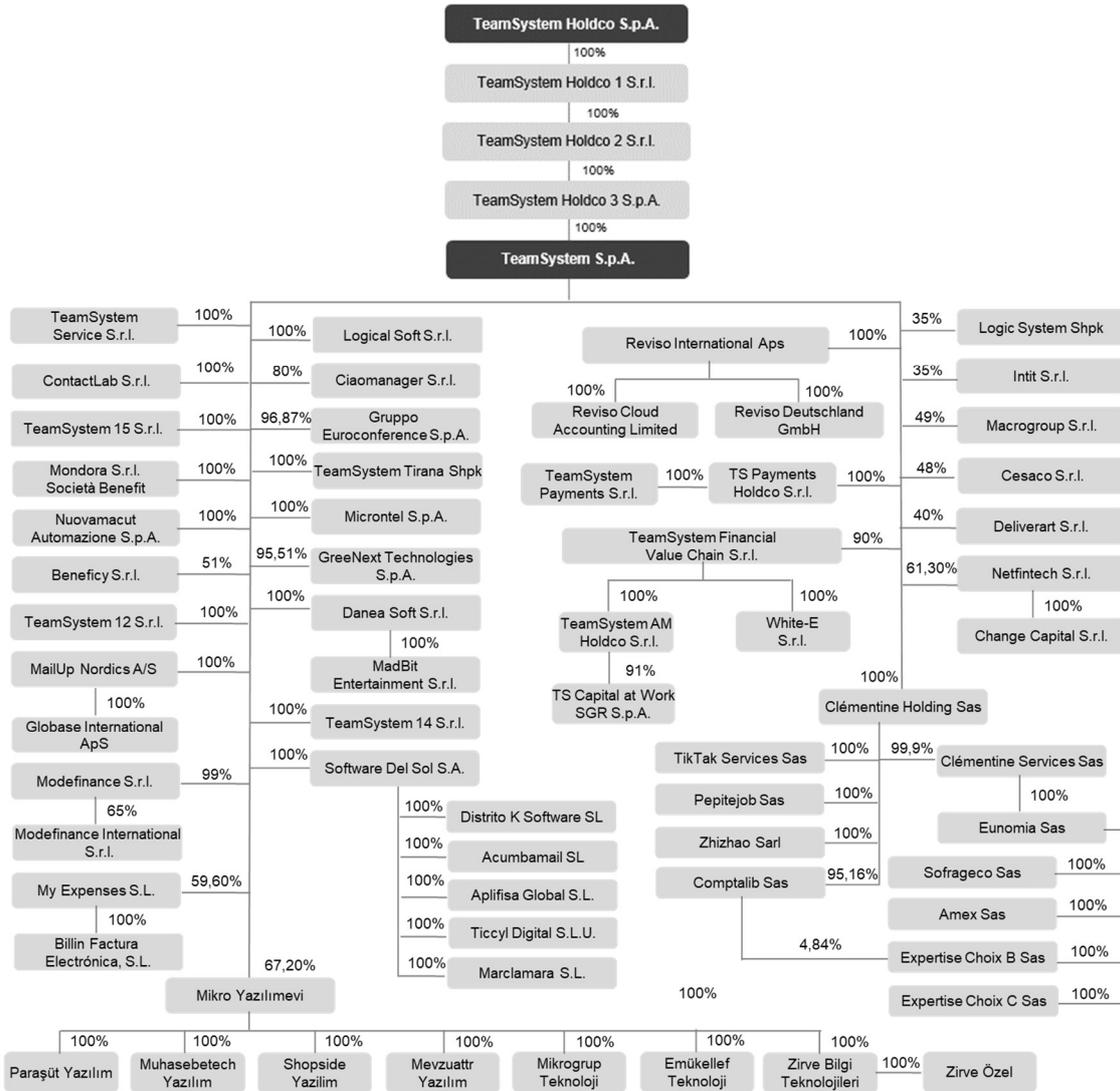
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► BUSINESS OUTLOOK

The 2024 results demonstrate the Group's ability to adapt and the resilience of the sector in which it operates. However, the continued escalation of the Russia-Ukraine and Israel-Hamas conflicts and the uncertainty since February 2025 regarding the possible implementation of US protectionist tariff measures could have a negative impact on the current year compared to initial forecasts.

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANIES

► STRUCTURE OF TEAMSYSYSTEM GROUP AT 31 DECEMBER 2024



Note:
The percentage holdings shown do not include put and call option agreements and/or treasury shares held.

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► SUBSIDIARIES

Key figures and a brief description of the Group companies are provided in the following table.

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Country	Share capital	Equity	Currency	% held	% held with put/call options	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	Italy	14,596,886	1,453,812,402	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,457,407,382	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,430	1,454,036,897	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,447,230,674	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,001	1,131,671,865	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	Italy	90,000	1,118,160	EUR	51.00	100.00	1	
Software del Sol S.A.	Jaén (Spain)	Spain	75,000	15,402,528	EUR	100.00	100.00		
Aplifisa S.L.	Salamanca (Spain)	Spain	30,600	2,174,948	EUR	100.00	100.00		
Ticcyl Digital S.L.	Salamanca (Spain)	Spain	3,216	2,419,719	EUR	100.00	100.00		
Marclamara S.L.	Madrid	Spain	3,000	488,590	EUR	100.00	100.00		
Acumbarnall S.L.	Ciudad Real (Spain)	Spain	4,500	1,388,218	EUR	100.00	100.00		
My Expenses S.L.	Madrid	Spain	73,074	608,732	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	Spain	3,050	345,060	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	10,569,247	EUR	100.00	100.00		
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	97,688,222	EUR	100.00	100.00		
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	99,883,318	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	196,773,783	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	47,031,279	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	45,027,447	EUR	96.87	96.87		4
Teamsystem Tirana	Tirana	Albania	10,000	139,427,649	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(6,280,729)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	United Kingdom	1	37,999	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	93,742	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	(5,903)	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,584,641	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	6,868,289	EUR	100.00	100.00		6
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	609,866	EUR	100.00	100.00		6
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	1,283,962	EUR	91.00	91.00		7
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	2,707,890	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	3,219,867	EUR	100.00	100.00		8
Modefinance S.r.l.	Trieste	Italy	210,000	8,385,409	EUR	99.00	100.00	1	
Modefinance International S.r.l.	Milano	Italy	100,000	293,257	EUR	65.00	100.00	1	9
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	829,522	EUR	80.00	100.00	1	
Microntel S.p.A.	Torino	Italy	1,500,000	9,559,710	EUR	100.00	100.00		
TeamSystem 12 S.r.l.	Milano	Italy	15,500	21,672,194	EUR	100.00	100.00		
TeamSystem 14 S.r.l.	Milano	Italy	11,000	535,039	EUR	100.00	100.00		
Netfintech S.r.l.	Milano	Italy	156,254	5,093,497	EUR	61.30	100.00	1	
Change Capital S.r.l.	Milano	Italy	10,000	2,296,629	EUR	100.00	100.00		
Distrito K Software SL	La Coruña (Spain)	Spain	3,000	70,847,827	EUR	100.00	100.00		
TeamSystem 15 S.r.l.	Milano	Italy	10,500	4,712,041	EUR	100.00	100.00		
Contaclub S.r.l.	Milano	Italy	410,000	580,266	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	5,679,410	EUR	95.51	100.00	1	
Sistemi IT S.r.l.	Lurago Marinone (CO)	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
Rean Srl	Milano	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
Bellachioma Enterprise S.r.l.	San Benedetto del Tronto (AP)	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
MailUp Nordics A/S	Copenhagen	Denmark	500,000	4,760,948	DKK	100.00	100.00		
Globase International A.p.S.	Copenhagen	Denmark	125,000	(568,589)	DKK	100.00	100.00		11
Clémentine Holding SAS	Paris (France)	France	27,000,000	27,000,000	EUR	100.00	100.00		
Clémentine Services SAS	Paris (France)	France	19,231,618	19,231,618	EUR	99.90	99.90		12
Comptalib SAS	Laxou (France)	France	10,829	18,102	EUR	100.00	100.00		13
Tiktak Services SAS	Laxou (France)	France	3,000	(80,242)	EUR	100.00	100.00		14
Pepitejob SAS	Paris (France)	France	5,000	(60,297)	EUR	100.00	100.00		14
Zhizhao SARL	Laxou (France)	France	5,000	210,323	EUR	100.00	100.00		14
Eunomia SAS	Paris (France)	France	8,150,000	9,422,593	EUR	100.00	100.00		15
Expertise Choix B SAS	Laxou (France)	France	500,000	(628,721)	EUR	100.00	100.00		16
Amex SAS	Nice (France)	France	466,800	960,674	EUR	100.00	100.00		16
Expertise Choix C SAS	Laxou (France)	France	150,000	(271,631)	EUR	100.00	100.00		16
Sofrageco SAS	Montreuil (France)	France	153,000	143,131	EUR	100.00	100.00		16
Mikro Yazilimevi Yazilim Hizmetleri Bilgisayar S	İstanbul	Turkey	153,452,711	1,177,897,832	TRY	67.20	100.00	1	
Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	196,399,270	TRY	100.00	100.00		17
Paraşüt Yazılım Teknolojileri A.Ş.	İstanbul	Turkey	3,600,000	46,972,847	TRY	100.00	100.00		17
Muhasebetech Yazılım A.Ş.	İstanbul	Turkey	50,000	(14,770,076)	TRY	100.00	100.00		17
Shopside Yazilim Teknolojileri A.Ş.	Ankara	Turkey	110,000	(38,452,367)	TRY	100.00	100.00		17
Mevzuat Yazilim A.Ş.	İstanbul	Turkey	50,000	(7,499,643)	TRY	100.00	100.00		17
Zirve Özel Entegrasyon Yazilim Hizm. A.Ş.	İstanbul	Turkey	50,000	(624,184)	TRY	100.00	100.00		17
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	İstanbul	Turkey	3,000,000	2,549,873	TRY	100.00	100.00		17
Emükellef Teknoloji A.Ş.	İstanbul	Turkey	50,000	7,903,111	TRY	100.00	100.00		17

- (1) = equity interest would be 100% should put and call option agreements be exercised;
(2) = equity interest held by My Expenses;
(3) = equity interest held by Danea Soft;
(4) = includes treasury shares held by Gruppo Euroconference S.p.A.;
(5) = equity interests held by Reviso International ApS;
(6) = equity interests held by TeamSystem Financial Value Chain;
(7) = equity interest held by TeamSystem AM Holdco S.r.l.;
(8) = equity interest held by TeamSystem Payments Holdco;
(9) = equity interest held by Modefinance;
(10) = equity interests sold by TeamSystem S.p.A. during the months of October, November, and December 2024.
(11) = equity interest held by MailUp Nordics
(12) = equity interest held by Clémentine Holding
(13) = equity interest held by Clémentine Holding (95.16%) and Expertise Choix B (4.84%).
(14) = equity interests held by Clémentine Holding
(15) = equity interests held by Clémentine Services
(16) = equity interests held by Eunomia
(17) = equity interests held by Mikro Yazilimevi.

As described in the section of the consolidated financial statements on the principles of consolidation, equity investments in subsidiaries are consolidated, attributing to the Group a pertinent stake that takes account of existing put and call options on account of the nature of the agreements, which, in substance, represent a deferred acquisition of equity interests.

COMPANIES CONTROLLED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

TeamSystem Holdco 1 S.r.l. (formerly TeamSystem Cleanco S.r.l.)

Vehicle company set up in connection with the acquisition of the TeamSystem Group in February 2021.

TeamSystem Holdco 2 S.r.l. (formerly TeamSystem Midco 1 S.r.l.)

Vehicle company set up in connection with the acquisition of the TeamSystem Group in February 2021.

TeamSystem Holdco 3 S.r.l. (formerly TeamSystem Midco 2 S.r.l.)

Vehicle company set up in connection with the acquisition of the TeamSystem Group in February 2021.

TeamSystem S.p.A.

The company, which was set up in 1979, is the operating Parent Company of TeamSystem Group. The company develops and distributes, both through its direct branches and through its network of specialised dealers, management software solutions for the professional and business market.

Gruppo Euroconference S.p.A.

The company is headquartered in Verona and is approximately 96.87% held (of which 5% is held through treasury shares) by TeamSystem S.p.A. The main activity of this investee is providing training and professional updates (both classroom training and online) for accountants, lawyers, labour consultants, tax advisers and corporate administration managers.

Nuovamacut Automazione S.p.A.

The company, which has its registered office in Reggio Emilia, was acquired in 2010 by TeamSystem S.p.A. (which, as of the reporting date, holds a 100% stake therein). The company's main activities are the resale of and support, training and consulting for CAD/PLM software solutions. It is also an authorised representative for the sale of machine tools.

TeamSystem Service S.r.l.

TeamSystem Service S.r.l., which was set up by TeamSystem S.p.A. in 2010, provides payroll processing services exclusively to labour consultants, who are already TeamSystem Group customers, in order to offer them the opportunity to outsource lower value added activities. In 2014, TeamSystem Service began selling electronic invoicing services to the Public Administration and digital storage and substitution services for invoices.

Danea Soft S.r.l.

The company, which has its registered office in Vigonza (PD), was acquired in 2011 by TeamSystem S.p.A., and develops and markets management software for small businesses, professional artisans and condominium managers.

Madbit Entertainment S.r.l.

In July 2015, Danea Soft S.r.l. acquired a controlling interest in Madbit Entertainment S.r.l. TeamSystem Group Management believes that the acquisition of Madbit Entertainment S.r.l. represents a fundamental step in the Group's growth strategy for the cloud products market as it adds a SaaS solution that is extremely important for the Group in the micro business segment.

Reviso International ApS and subsidiaries

In May 2016, TeamSystem S.p.A. completed the acquisition of the entire capital of ECI Denmark ApS (which changed its name to Reviso International ApS in June 2016), a Danish software house that has developed Cloud-SaaS-native accounting and invoicing software designed mainly for small and medium-sized enterprises. Reviso International holds control of the following two companies: Reviso Cloud Accounting Limited and Reviso Deutschland.

Mondora S.r.l.

In June 2016, TeamSystem S.p.A. acquired a controlling interest in Mondora S.r.l. In 2023, Mondora spun off its software development business unit, which was merged by absorption into TeamSystem S.p.A.

TeamSystem Financial Value Chain S.r.l. and subsidiaries

In February 2019, TeamSystem S.p.A. set up a subsidiary company called TeamSystem Financial Value Chain S.r.l., with the aim of making it become TeamSystem Group's centre of excellence for financial services. TeamSystem Financial Value Chain S.r.l. holds a 100% share of Whit-e S.r.l. (a leading provider of technological platforms and solutions for invoice trading services), a 100% share of FIN-MD-TECH (a company established in 2022 that provides credit brokerage services), and a majority share of TeamSystem AM Holdco S.r.l. TeamSystem AM Holdco S.r.l. itself holds a majority interest in TeamSystem Capital at Work SGR S.p.A.

TeamSystem Payments Holdco S.r.l. and TeamSystem Payments S.r.l.

With the aim of optimising its operations and expanding into the payment services business, in March 2019, TeamSystem S.p.A. set up a wholly owned subsidiary called TeamSystem Payments Holdco S.r.l. In May 2019, TeamSystem Payments Holdco S.r.l. then set up the wholly owned subsidiary called TeamSystem Payments S.r.l.

Beneficy S.r.l.

In May 2020, TeamSystem S.p.A. acquired a controlling interest in Beneficy S.r.l., a company that develops an innovative cloud platform that enables companies, employees and labour consultants to provide, manage and use corporate welfare plans.

Software del Sol

In December 2020, TeamSystem S.p.A. acquired a 100% interest in Software del Sol, a Spanish company based in Jaén, Andalusia. The company has over 30,000 customers and is considered a leader in the SME management solutions market in Spain.

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

- 1) a 100% interest in Aplifisa S.L.U., a company that markets software solutions for the accountants' market in Spain.
- 2) a 100% interest in Ticcyl Digital S.L.U., the company that holds Aplifisa's research and development structure.
- 3) a 100% interest in Marclamara S.L. Marclamara S.L. owns a digital platform that provides ancillary services (training, webinars, etc.) for the accountants' market in Spain.

In July 2023, Software Del Sol acquired a 100% interest in Acumbamail S.L., a company operating in the email service provider sector.

Modefinace S.r.l. and its subsidiaries

In February 2021, TeamSystem S.p.A. acquired a controlling interest in Modefinace S.r.l., a company specialising in corporate credit ratings. In October 2021, the company established Modefinace International S.r.l., which distributes Modefinace S.r.l. products internationally.

My Expenses S.L. (and Billin)

In March 2021, TeamSystem S.p.A. acquired a 59.60% controlling interest in My Expenses S.L., a Spanish start-up that developed a cloud software product for the Spanish market. My Expenses in turn holds 100% of the share capital of Billin.

Logical Soft S.r.l.

In October 2021, TeamSystem S.p.A. acquired a controlling interest of 60% in Logical Soft S.r.l., a company specialised in developing technical software for the building and engineering sectors.

Ciaomanager S.r.l.

In June 2022, TeamSystem S.p.A. acquired a controlling interest in Ciaomanager S.r.l., a company that develops SaaS cloud software solutions for hotels, in addition to developing other software solutions based on artificial intelligence.

Microntel S.p.A.

In February 2023, TeamSystem S.p.A. acquired a controlling interest (80.00%) in Microntel S.p.A., a company that develops and sells HR software. In December 2023, Microntel merged by absorption its subsidiary Euroges S.r.l.

Greenext Technologies S.p.A.

In May 2023, TeamSystem S.p.A. acquired a 95.51% controlling interest in Greenext Technologies S.p.A., a company that develops and sells software for waste management.

Unitssystem Shpk / TeamSystem Tirana

In May 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Unitssystem Shpk, a company based in Tirana, Albania, engaged in the design, implementation and development of information systems and application programmes.

Following the acquisition, Unitssystem Shpk changed its name to TeamSystem Tirana.

Mikro Yazilimevi Yazılım Hizmetleri Bilgisayar Sanayi ve Ticaret A.Ş. (the “Mikro Group”)

In September 2023, TeamSystem S.p.A. acquired a controlling interest in Mikro Yazilimevi A.Ş., a company that sells software solutions for the tax adviser, micro business, ERP market and other accessory products in Turkey.

Mikro Yazilimevi A.Ş. holds:

- a 100% interest in PARAŞÜT YAZILIM TEKNOLOJİLERİ A.Ş.
- a 100% interest in Muhasebetech Yazilim A.Ş.
- a 100% interest in Shopside Yazilim Teknolojileri A.Ş.
- a 100% interest in Mikrogrup Teknoloji Destek Hizmetleri A.Ş.
- a 100% interest in eMükellef Teknoloji A.Ş.
- a 100% interest in Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş., which holds a 100% interest in Zirve Özel Entegrasyon Yazilim Hizm A.Ş.
- a 100% interest in MEVZUATTR YAZILIM A.Ş.

TeamSystem 12 S.r.l.

In December 2023, TeamSystem S.p.A. set up a company called TeamSystem 12 S.r.l.

During January and February 2024, the business units of the following TeamSystem product resellers were transferred 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.; Giese 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.

TeamSystem 14 S.r.l. and the Poker and Synesthesia business units

In April 2024, TeamSystem S.p.A. established a new company named TeamSystem 14 S.r.l.

In July 2024, the Poker business unit was transferred to TeamSystem 14. The Poker business unit is engaged in the development and commercialisation of an ERP software called Quasar-X.

In September 2024, the Synesthesia business unit was transferred to TeamSystem 14. The Synesthesia unit focuses on the development and distribution of a software solution for managing whistleblowing activities.

TeamSystem 15 S.r.l. and the Unix business unit

In September 2024, TeamSystem S.p.A. established a new company named TeamSystem 15 S.r.l.

That same month, the Unix business unit was transferred to TeamSystem 15. Unix is a reseller of TeamSystem products.

Netfintech S.r.l. and Change Capital

In June 2024, TeamSystem S.p.A. acquired a majority stake in Netfintech S.r.l., a company operating (through its subsidiary Change Capital) in credit brokerage, subsidised finance, and the development and commercialisation of platforms for credit and subsidised finance solutions.

Clementine Group

In July 2024, TeamSystem S.p.A. acquired, through the holding companies Clementine Holding Sas and Clementine Services Sas, 100% of the Clementine Group, which consists of the following companies: Eunomia Sas, Sofrageco Sas, Amex Sas, Expertise Choix B Sas, Expertise Choix C Sas, Tiktak Services Sas, Pepitejob Sas, Zhizhao Sarl, Comptalib Sas. The Clementine Group companies are leaders in online accounting in France. They provide their clients with IT tools equipped with a modern technological platform for business management and corporate administration.

Distrito K Software S.L.U.

In August 2024, Software del Sol acquired 100% of Distrito K, a company based in Spain. The company primarily focuses on developing and licensing ERP, accounting, and tax software solutions for businesses.

► ASSOCIATED COMPANIES

Key figures relating to the associated companies are set out in the following table.

Amounts in Euro

CONSOLIDATED COMPANIES EQUITY METHOD								
	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,948	EUR	35.00		
Cesaco (*) (**)	Vicenza	Italy	90,000	21,121	EUR	48.00		
Logic System SHPK	Tirana	Albania	11,567,500	3,380,765	LEK	35.00	1	18
Macrogroup S.r.l. (*)	Bologna	Italy	260,000	642,409	EUR	49.00	1	18
Deliverart S.r.l. (*)	Roma	Italy	24,036	(32,852)	EUR	40.00	1	18

(*) = carrying values in the financial statements at 31 December 2023.

(**) = company in liquidation

(18) = There are put/call option contracts which allow the TeamSystem Group to reach 100% ownership of the share capital.

A summary is provided below of balances at 31 December 2024 with associated companies and transactions therewith in the year then ended.

ASSOCIATED COMPANIES	Trade and Other receivables	Financial receivables	Total	Trade and Other payables	Financial liabilities	Total
INTIT	47		47			
Macrogroup	3		3	52		52
Deliverart	1	96	97			
Total	51	96	147	52		52

ASSOCIATED COMPANIES	Total Revenues	Finance income	Total	Operating costs	Finance cost	Total
Macrogroup	21		21	726		726
Deliverart		1	1			
Total	21	1	22	726		726

□ □ □

► RELATED COMPANIES

The company and TeamSystem Group have not been party to any transactions with related companies that merit disclosure, other than those previously commented upon.

□ □ □

► REGISTERED OFFICE, ADMINISTRATIVE OFFICES, ANCILLARY ESTABLISHMENTS AND OTHER CORPORATE INFORMATION

The registered office and administrative headquarters of TeamSystem Holdco S.p.A. are located in Via Sandro Pertini 88, Pesaro (PU);

TeamSystem Holdco S.p.A.'s tax code is 11360450966

TeamSystem Holding S.p.A. is registered with the Pesaro Chamber of Commerce (registration No. 271034).

The consolidated and separate financial statements of TeamSystem Holdco S.p.A. for the year ended 31 December 2024 is audited by Deloitte & Touche S.p.A.

□ □ □

TeamSystem Holdco S.p.A. and subsidiaries “TeamSystem Group”

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	31 Dec 2024	31 Dec 2023	NOTES
Revenue	912,570	727,378	1 / 2
Other operating income	9,222	5,802	1 / 2
TOTAL REVENUE	921,793	733,180	1 / 2
Cost of raw and other materials	(57,908)	(55,701)	3
Cost of services	(222,284)	(177,326)	4
Personnel costs	(252,093)	(201,737)	5
Other operating costs	(8,761)	(5,132)	6
Depreciation and amortization of non current assets	(255,763)	(224,223)	11 / 12 / 13
Allowance for bad debts	(9,045)	(7,025)	20
Other provisions for risks and charges	(1,788)	(1,949)	25
Impairment of non current assets	(384)	-	
OPERATING RESULT	113,767	60,087	
Share of Profit (Loss) of associates	(52)	42	
Finance income	36,691	24,727	7
Finance cost	(308,198)	(179,749)	7
Monetary Gain (Loss)	54,820	15,539	8
PROFIT (LOSS) BEFORE INCOME TAXES	(102,973)	(79,353)	
Current income tax	(51,933)	(35,366)	9
Deferred income tax	45,652	39,500	9
TOTAL INCOME TAX	(6,280)	4,134	
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(109,253)	(75,219)	
(Profit) Loss - Non controlling interests	(156)	(75)	
PROFIT (LOSS) - OWNERS OF THE COMPANY	(109,408)	(75,295)	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Dec 2024	31 Dec 2023	NOTES
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(109,253)	(75,219)	
Actuarial gain (loss) on defined benefit plans	1,552	(657)	24
Tax effect	(348)	123	
OTHER GAIN (LOSS) THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	1,204	(534)	
Exchange rate differences	(14,493)	(22,298)	
OTHER GAIN (LOSS) THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(14,493)	(22,298)	
TOTAL COMPREHENSIVE INCOME (LOSS)	(122,542)	(98,051)	
Total comprehensive (income) loss - Non controlling interests	(156)	(75)	
TOTAL COMPREHENSIVE INCOME (LOSS) - OWNER OF THE COMPANY	(122,697)	(98,127)	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31 Dec 2024	Restated 31 Dec 2023	NOTES
Tangible assets	15,664	16,820	11
Intangible assets	1,255,699	1,348,224	12
Right of use	35,631	27,826	13
Goodwill	2,309,440	2,125,660	14
Other Investments	313	523	16
Investments in associates	1,558	868	16
Deferred tax assets	17,779	16,698	17
Other financial assets - non current	6,512	24,000	
TOTAL NON CURRENT ASSETS	3,642,596	3,560,620	
Inventories	2,043	1,736	19
Trade receivables	213,516	200,311	20
Tax receivables	1,328	1,796	21
Other receivables - current	91,439	62,638	22
Other financial assets - current	10,778	5,657	18
Cash and bank balances	167,529	46,695	
TOTAL CURRENT ASSETS	486,632	318,833	
Asset held for sale	2,812	-	28
TOTAL ASSETS	4,132,039	3,879,453	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	31 Dec 2024	Restated 31 Dec 2023	NOTES
Share capital	14,597	14,597	23
Other reserves	1,121,181	1,210,187	23
Retained earnings (accumulated losses)	(571)	(258)	23
Profit (Loss) attributable to Owners of the Company	(109,408)	(75,295)	23
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	1,025,799	1,149,231	
Non controlling interests - Capital and reserves	925	830	23
Non controlling interests - Profit (Loss)	156	75	23
TOTAL NON CONTROLLING INTERESTS	1,081	905	
TOTAL EQUITY	1,026,880	1,150,137	
Financial liabilities with banks and other institutions - non current	2,234,348	1,919,420	18
Staff leaving indemnity	32,464	35,943	24
Provisions for risks and charges - non current	26,567	25,204	25
Deferred tax liabilities	280,704	315,835	17
Other liabilities - non current	298	342	27
TOTAL NON CURRENT LIABILITIES	2,574,381	2,296,744	
Financial liabilities with banks and other institutions - current	155,903	136,138	18
Trade payables	91,167	71,529	
Tax liabilities - current	21,237	11,293	26
Other liabilities - current	258,003	213,612	27
TOTAL CURRENT LIABILITIES	526,309	432,572	
Liabilities held for sale	4,470	-	28
TOTAL LIABILITIES	3,105,160	2,729,316	
TOTAL EQUITY AND LIABILITIES	4,132,039	3,879,453	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2024	31 Dec 2023	NOTES
Operating Result	113,767	60,087	
Depreciation and amortisation of non-current assets	255,763	224,223	
Write-off of non current assets	384	0	
(Profit) or Loss on the sale of tangible assets	398	0	
Other non monetary items	(13,324)	211	
Trade receivables - variation	(11,476)	(30,058)	
Inventories - variation	(336)	211	
Other receivables - variation	(5,244)	(8,471)	
Trade payables - variation	13,375	(6,106)	
Other liabilities - variation	36,187	7,418	
Staff leaving indemnity - variation	(1,955)	(1,433)	
Provisions for risks and charges - variation	646	(1,080)	
Income tax paid	(40,174)	(33,752)	
CASH FLOWS FROM OPERATING ACTIVITIES	348,011	211,249	
Investments in tangible assets	(5,140)	(3,205)	
Investments in intangible assets	(20,532)	(15,591)	
Disposal of tangible assets	800	0	
Capitalized development costs - personnel costs	(28,625)	(18,858)	
Capitalized development costs - service costs	(6,987)	(4,346)	
Capital Expenditure	(60,484)	(42,000)	
Disposal of investments	1,579	25	10
Cash and bank balances at the date of disposal	(835)	(232)	10
Disposal of investments	744	(207)	
Acquisition of investments	(179,170)	(326,669)	10
Cash and bank balances at the date of acquisition	8,757	33,833	10
Acquisition of investments	(170,413)	(292,836)	
CASH FLOWS FROM INVESTING ACTIVITIES	(230,153)	(335,044)	
Repayment of financial debt	(697,226)	(11,256)	10
New financing	1,000,000	195,000	10
Financial charges paid	(148,884)	(111,400)	10
Financing Fees paid	(18,814)	(6,683)	10
Liabilities to non controlling shareholders of subsidiaries	(130,689)	(40,702)	10
Capital increase	91	0	
Other equity movements	(1,536)	(3)	
CASH FLOWS FROM FINANCING ACTIVITIES	2,942	24,956	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	35	10	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	120,835	(98,828)	
CASH AND BANK BALANCES - Beginning of the period	46,695	145,523	
CASH AND BANK BALANCES - End of the period	167,529	46,695	

STATEMENT OF CHANGES IN EQUITY

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
30 Dec 2022	14,597	1,378,765	(236)	(146,541)	1,246,585	803	1,247,388
Profit (Loss) allocation		(146,519)	(22)	146,541	0		0
Acquisition of Subsidiaries					0	(253)	(253)
Other movements		(3)			(3)		(3)
Sale of minority stake in subsidiaries		998			998	27	1,025
Acquisition of minority stake in subsidiaries		(223)			(223)	253	30
Profit (Loss)				(75,295)	(75,295)	75	(75,220)
Other Profit (Loss) on comprehensive income		(22,831)			(22,832)		(22,831)
30 Dec 2023	14,597	1,210,187	(258)	(75,295)	1,149,231	905	1,150,137

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	14,597	1,210,187	(258)	(75,295)	1,149,231	905	1,150,137
Profit (Loss) allocation		(74,982)	(313)	75,295	0		0
TeamSystem Holdco Capital increase		91			91		91
Acquisition of Subsidiaries					0	20	20
Acquisition of minority stake in subsidiaries		(826)			(826)		(826)
Profit (Loss) for the period				(109,408)	(109,408)	156	(109,253)
Other Profit (Loss) on Comprehensive income		(13,289)			(13,289)	0	(13,289)
31 Dec 2024	14,597	1,121,181	(571)	(109,408)	1,025,799	1,081	1,026,880

TeamSystem Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

►COMPANY INFORMATION

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

The consolidated financial statements were approved by the Board of Directors on 28 March 2025.

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►ACCOUNTING STANDARDS ADOPTED

TeamSystem Holdco S.p.A. has adopted International Financial Reporting Standards (“IFRS”) as endorsed by the European Commission for the preparation of its consolidated financial statements pursuant to Articles 3 and 4 of Legislative Decree 38 of 28 February 2005, which governs in Italy the exercise of options provided for by Article 5 of Community regulations 1606/2002 concerning IFRS.

IFRS is intended to mean all “International Financial Reporting Standards”, all International Accounting Standards (“IAS”), all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as Standing Interpretations Committee (“SIC”) endorsed by the European Commission at the date of approval of the draft consolidated financial statements by the Parent Company's Board of Directors and covered by EU Regulations published at that date.

The consolidated financial statements have been prepared on an historical cost basis, except for derivative financial instruments and liabilities to non-controlling shareholders of subsidiaries arising from put options granted to minority shareholders which have not yet been exercised that, if and when present, have been measured at fair value at the end of each reporting period.

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►GOING CONCERN BASIS

TeamSystem Holdco S.p.A.'s consolidated financial statements have been prepared on a going concern basis and the Directors are not aware of any material uncertainties or doubts concerning the TeamSystem Group's ability to continue its activities in the foreseeable future.

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► CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include:

1. **A consolidated statement of profit or loss** for the year ended 31 December 2024. In particular, it should be noted that the consolidated statement of profit or loss format presents an analysis of costs aggregated by nature, since this classification is considered more relevant for understanding TeamSystem Group's results. Moreover, since no discontinued operations or similar transactions in 2024 or 2023, profit (loss) for the year is derived solely from continuing operations. Consequently, the Group has not presented profit (loss) from continuing operations for the year since, as indicated, this coincides with profit (loss) for the year.
2. **A consolidated statement of comprehensive income** for the year ended 31 December 2024. In fact, IAS 1 requires that the statement of changes in equity has to evidence only changes generated by transactions with shareholders along with comprehensive income, as defined below. The statement of comprehensive income begins with the profit or loss for the year followed by a section on other components of comprehensive income recognised directly in equity and then comprehensive income for the year, being the total profit (loss) for the year and other components of comprehensive income.
3. **A consolidated statement of financial position** at 31 December 2024. In particular, the statement of financial position has been prepared using a format, in accordance with IAS 1, classified based on the operating cycle, with a distinction between current and non-current components. Based on this distinction, assets and liabilities are considered current if it is expected that they will be realised or settled during the normal operating cycle. Note that the consolidated statement of some financial position at 31 December 2023 has been restated to reflect the final Purchase Price Allocation of some of the companies acquired in 2023.
4. **A consolidated statement of cash flows** for the year ended 31 December 2024. The statement of cash flows is presented using the indirect method starting with the operating result, as permitted by IAS 7, under which profit or loss for the year is adjusted for the effects of non-cash transactions, such as those arising from deferrals or allocations to provisions linked to previous or future costs and payments.
5. **A consolidated statement of changes in equity** for the year ended 31 December 2024.
6. **Notes** to the consolidated financial statements.

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► SCOPE OF CONSOLIDATION

The consolidated financial statements of TeamSystem Group include the financial statements of the Parent Company, its main subsidiary TeamSystem S.p.A. and those of the other companies in which TeamSystem Holdco S.p.A. exercises control as set out in the relevant standard (IFRS 10).

A listing of entities consolidated on a line-by-line basis is provided in the following table, whereby the percentage held through put/call options takes into account any put and call options entered into in connection with acquisitions (the “% held” column indicates the percentage held by the Group in the company in question at the reporting date without taking account of the put and call option agreements):

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Country	Share capital	Equity	Currency	% held	% held with put/call options	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	Italy	14,596,886	1,453,812,402	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,457,407,382	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,430	1,454,036,897	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,447,230,674	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,001	1,131,671,865	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	Italy	90,000	1,118,160	EUR	51.00	100.00	1	
Software del Sol S.A.	Jaén (Spain)	Spain	75,000	15,402,528	EUR	100.00	100.00		
Apifisa S.L.	Salamanca (Spain)	Spain	30,600	2,174,948	EUR	100.00	100.00		
Ticocyl Digital S.L.	Salamanca (Spain)	Spain	3,216	2,419,719	EUR	100.00	100.00		
Marciamara S.L.	Madrid	Spain	3,000	488,590	EUR	100.00	100.00		
Acumbamail S.L.	Ciudad Real (Spain)	Spain	4,500	1,388,218	EUR	100.00	100.00		
My Expenses S.L.	Madrid	Spain	73,074	608,732	EUR	59.60	100.00	1	
Bilin Factura Electronica S.L.	Bilbao	Spain	3,050	345,060	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	10,569,247	EUR	100.00	100.00		
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	97,688,222	EUR	100.00	100.00		
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	99,883,318	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	196,773,783	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	47,031,279	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	45,027,447	EUR	96.87	96.87		4
TeamSystem Tirana	Tirana	Albania	10,000	139,427,649	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(6,280,729)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	United Kingdom	1	37,999	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	93,742	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	(5,903)	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,584,641	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	6,868,289	EUR	100.00	100.00		6
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	609,866	EUR	100.00	100.00		6
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	1,283,962	EUR	91.00	91.00		7
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	2,707,890	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	3,219,867	EUR	100.00	100.00		8
Modefinance S.r.l.	Trieste	Italy	210,000	8,385,409	EUR	99.00	100.00	1	
Modefinance International S.r.l.	Milano	Italy	100,000	293,257	EUR	65.00	100.00	1	9
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	829,522	EUR	80.00	100.00	1	
Microntel S.p.A.	Torino	Italy	1,500,000	9,559,710	EUR	100.00	100.00		
TeamSystem 12 S.r.l.	Milano	Italy	15,500	21,672,194	EUR	100.00	100.00		
TeamSystem 14 S.r.l.	Milano	Italy	11,000	535,039	EUR	100.00	100.00		
Netfintech S.r.l.	Milano	Italy	156,254	5,093,497	EUR	61.30	100.00	1	
Change Capital S.r.l.	Milano	Italy	10,000	2,296,629	EUR	100.00	100.00		
Distrilo K Software SL	La Coruña (Spain)	Spain	3,000	70,847,827	EUR	100.00	100.00		
TeamSystem 15 S.r.l.	Milano	Italy	10,500	4,712,041	EUR	100.00	100.00		
Contactlab S.r.l.	Milano	Italy	410,000	580,266	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	5,679,410	EUR	95.51	100.00	1	
Sistemi IT S.r.l.	Lurago Marinone (CO)	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
Rean Srl	Milano	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
Bellachioma Enterprise S.r.l.	San Benedetto del Tronto (AP)	Italy	N.a.	N.a.	N.a.	N.a.	N.a.		10
MailUp Nordics A/S	Copenhagen	Denmark	500,000	4,760,948	DKK	100.00	100.00		
Globease International A.p.S.	Copenhagen	Denmark	125,000	(568,589)	DKK	100.00	100.00		
Clémentine Holding SAS	Paris (France)	France	27,000,000	27,000,000	EUR	100.00	100.00		11
Clémentine Services SAS	Paris (France)	France	19,231,618	19,231,618	EUR	99.90	99.90		12
Comptalib SAS	Laxou (France)	France	10,829	18,102	EUR	100.00	100.00		13
Tiktak Services SAS	Laxou (France)	France	3,000	(80,242)	EUR	100.00	100.00		14
Pepitejob SAS	Paris (France)	France	5,000	(60,297)	EUR	100.00	100.00		14
Zhizhao SARL	Laxou (France)	France	5,000	210,323	EUR	100.00	100.00		14
Eunomia SAS	Paris (France)	France	8,150,000	9,422,593	EUR	100.00	100.00		15
Expertise Choix B SAS	Laxou (France)	France	500,000	(628,721)	EUR	100.00	100.00		16
Amex SAS	Nice (France)	France	466,800	960,674	EUR	100.00	100.00		16
Expertise Choix C SAS	Laxou (France)	France	150,000	(271,631)	EUR	100.00	100.00		16
Sofrageco SAS	Montreuil (France)	France	153,000	143,131	EUR	100.00	100.00		16
Mikro Yazilmevi Yazilim Hizmetleri Bilgisayar Sa	Instanbul	Turkey	153,452,711	1,177,897,832	TRY	67.20	100.00	1	
Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	196,399,270	TRY	100.00	100.00		17
Paraşüt Yazilim Teknolojileri A.Ş.	Instanbul	Turkey	3,600,000	46,972,847	TRY	100.00	100.00		17
Muhasebetech Yazilim A.Ş.	Instanbul	Turkey	50,000	(14,770,076)	TRY	100.00	100.00		17
Shopside Yazilim Teknolojileri A.Ş.	Ankara	Turkey	110,000	(38,452,367)	TRY	100.00	100.00		17
Mevzatr Yazilim A.Ş.	Instanbul	Turkey	50,000	(7,499,643)	TRY	100.00	100.00		17
Zirve Özel Entegrasyon Yazilim Hizm.A.Ş.	Instanbul	Turkey	50,000	(624,184)	TRY	100.00	100.00		17
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	Instanbul	Turkey	3,000,000	2,549,873	TRY	100.00	100.00		17
Emükellef Teknoloji A.Ş.	Instanbul	Turkey	50,000	7,903,111	TRY	100.00	100.00		17

- (1) = equity interest would be 100% should put and call option agreements be exercised;
(2) = equity interest held by My Expenses;
(3) = equity interest held by Danea Soft;
(4) = includes treasury shares held by Gruppo Euroconference S.p.A.;
(5) = equity interests held by Reviso International ApS;
(6) = equity interests held by TeamSystem Financial Value Chain;
(7) = equity interest held by TeamSystem AM Holdco S.r.l.;
(8) = equity interest held by TeamSystem Payments Holdco;
(9) = equity interest held by Modefinance;
(10) = equity interests sold by TeamSystem S.p.A. during the months of October, November, and December 2024.
(11) = equity interest held by MailUp Nordics
(12) = equity interest held by Clémentine Holding
(13) = equity interest held by Clémentine Holding (95.16%) and Expertise Choix B (4.84%).
(14) = equity interests held by Clémentine Holding
(15) = equity interests held by Eunomia
(16) = equity interests held by Eunomia
(17) = equity interests held by Mikro Yazilmevi.

Amounts in Euro

CONSOLIDATED COMPANIES								
EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,948	EUR	35.00		
Cesaco (*) (**)	Vicenza	Italy	90,000	21,121	EUR	48.00		
Logic System SHPK	Tirana	Albania	11,567,500	3,380,765	LEK	35.00	1	18
Macrogroup S.r.l. (*)	Bologna	Italy	260,000	642,409	EUR	49.00	1	18
Deliverart S.r.l. (*)	Roma	Italy	24,036	(32,852)	EUR	40.00	1	18

(*) = carrying values in the financial statements at 31 December 2023.

(**) = company in liquidation

(18) = There are put/call option contracts which allow the TeamSystem Group to reach 100% ownership of the share capital.

As regards companies in which the Group no longer holds a 50% interest, and, consequently, holds the same percentage of voting rights exercisable at general meetings, it has been deemed that control does not exist because the Group i) does not have power over the investee, that being the ability to direct the relevant activities that significantly affect the Group's returns, ii) is not exposed to variable returns from its involvement with it, and therefore, iii) does not have power to obtain benefits from its activities, as laid down by IFRS 10 – Consolidated financial statements. As regards companies in which the Group holds an interest of more than 20% (but less than 50%), it has significant influence over them and, accordingly, such investments are recognised by using the equity method.

Changes to the scope of consolidation during the course of 2024

During 2024, the following acquisitions/sales/liquidations took place, resulting in changes in the scope of consolidation compared to 31 December 2023:

TeamSystem 12 S.r.l.

In January 2024, the business units of the following companies were transferred to TeamSystem 12 S.r.l.:

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

In February 2024, the following business units were transferred to TeamSystem 12 S.r.l.:

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

Macrogroup S.r.l.

In February 2024, TeamSystem S.p.A. acquired a 49% stake in Macrogroup S.r.l., a company that markets TeamSystem software and provides IT consulting and services.

For the remaining 51%, TeamSystem entered into call/put option agreements, subject to the condition that the former shareholders do not exercise the call option on the 49% stake.

TeamSystem 14 S.r.l. and the Poker business unit

In April 2024, TeamSystem S.p.A. established a new company named TeamSystem 14 S.r.l.

In July 2024, the Poker business unit was transferred to TeamSystem 14. The Poker business unit is engaged in the development and commercialisation of an ERP software called Quasar-X, the provision and sale of services related to Quasar-X, and the distribution of third-party software currently licensed to the company (namely, Sugar and Arxivar).

Innova S.r.l.

In May 2024, the business unit of Innova S.r.l., a company specialising in software development and IT services, was transferred to Greenext S.p.A. Innova focuses on the design, development, and commercialisation of IoT hardware devices and software solutions for waste management.

Pentaedro S.r.l.

In June 2024, TeamSystem S.p.A. acquired 100% of Pentaedro S.r.l., which was created through the partial proportional demerger of Esaedro S.r.l. Pentaedro is a reseller of TeamSystem software. Pentaedro was merged into TeamSystem S.p.A. in December 2024.

Netfintech S.r.l. and Change Capital

In June 2024, TeamSystem S.p.A. acquired a majority stake (61.3%) in Netfintech S.r.l., a company operating (through its subsidiary Change Capital) in credit brokerage, subsidised finance, and the development and commercialisation of platforms for credit and subsidised finance solutions. The remaining 38.2% is subject to an option agreement.

Deliverart S.r.l.

In July 2024, TeamSystem S.p.A. acquired a minority stake (40%) in Deliverart S.r.l., a company operating in the Ho.Re.Ca. sector that develops software for the integrated management of delivery solutions. The remaining 60% is subject to an option agreement.

Clementine Group

In July 2024, TeamSystem S.p.A. acquired, through the holding companies Clementine Holding Sas and Clementine Services Sas, 100% of the Clementine Group, which consists of the following companies: Eunomia Sas, Sofrageco Sas, Amex Sas, Expertise Choix B Sas, Expertise Choix C Sas, Tiktak Services Sas, Pepitejob Sas, Zhizhao Sarl, Comptalib Sas. The Clementine Group companies are pioneers and leaders in online accounting in France. They provide their clients with IT tools with a modern technological platform for business management and administration.

Distrito K Software S.L.U.

In August 2024, Software del Sol acquired 100% of Distrito K, a company based in Spain. The company primarily focuses on developing and licensing ERP, accounting, and tax software solutions for businesses.

TeamSystem 15 S.r.l. and the Unix business unit

In September 2024, TeamSystem S.p.A. established a new company named TeamSystem 15 S.r.l. That same month, the Unix business unit was transferred to TeamSystem 15. Unix is a reseller of TeamSystem products.

TeamSystem 14 S.r.l. and the Synesthesia business unit

In September 2024, the Synesthesia business unit was transferred to TeamSystem 14. The Synesthesia unit focuses on the development and distribution of a software solution for managing whistleblowing activities.

Liquidation of Fin-MD-Tech

In December 2024, TeamSystem Financial Value Chain completed the liquidation process of the controlled company Fin-MD-Tech.

Company Sales

In the months of October, November, and December 2024, TeamSystem S.p.A. sold all its shares in the following subsidiaries:

- Sistemi IT (sold in October 2024);
- Bellanova Enterprise (sold in November 2024);
- Rean (sold in December 2024).

□ □ □

► REFERENCE DATE

The consolidated financial statements have been prepared based on the financial statements of the subsidiaries included in the scope of consolidation and as already approved by the respective Boards of Directors.

All the financial statements of the TeamSystem Group companies have a 31 December financial year end.

□ □ □

► BASIS OF CONSOLIDATION

The financial statements used for the consolidation are the financial statements of the individual entities, as approved by the respective administrative bodies. These financial statements are reclassified and adjusted to comply with IFRS and the accounting policies adopted by the Parent Company.

When preparing the consolidated financial statements, the assets and liabilities, income and costs and components of other comprehensive income of the consolidated entities are consolidated line-by-line. Receivables and payables, income and charges and gains and losses originating from transactions between and among consolidated entities are eliminated. The carrying amount of consolidated equity investments is eliminated against the corresponding portion of equity attributable to the Group (or to non-controlling interest holders). Associated companies are carried under the equity method.

Business combinations

Starting from 1 January 2020, the Group applies the new provisions issued by the IASB concerning the definition of business for business combinations and acquisitions. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contributes to the ability to create outputs.

Acquired subsidiaries are accounted for in accordance with the acquisition method as provided for by IFRS 3. The cost of the acquisition is calculated as the sum of the fair values at the acquisition date of the assets transferred by the acquirer, the liabilities incurred or assumed, and equity interest issued by the Group in exchange for control of the acquiree.

All other costs associated with a transaction are expensed.

Identifiable assets, liabilities and contingent liabilities of the businesses acquired, which meet the conditions for recognition under IFRS 3, are measured at their fair value at the acquisition date, except for non-current assets (or disposal groups) classified as held for sale in accordance with IFRS 5 and which are recorded and measured in accordance with applicable accounting standards.

Goodwill is measured as the difference between the aggregate of the fair value at the acquisition date of the consideration transferred, the amount of any non-controlling interest and the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date. If the value at the acquisition date of the assets acquired and the liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree, the surplus is recognised immediately in the income statement as income arising from the completed transaction.

If it is only possible to make a preliminary determination of the fair value of the assets and liabilities at the acquisition date, the business combination shall be recognised using these preliminary amounts. Any adjustments arising from the final determination of the foregoing shall be recognised within twelve months of the acquisition and the related comparatives shall be restated.

Non-controlling interests at the acquisition date may be measured at fair value or at the non-controlling interest's proportionate share of net assets of the acquiree. The option is available on a transaction by transaction basis.

At the same time as the acquisition of majority/controlling stakes in an investee, TeamSystem Group normally enters put and call option agreements for the residual stake held by the acquiree's non-controlling interest holders. For those cases where part of the acquisition takes place through the execution of a binding option agreement, with the simultaneous presence of put and call clauses, the investee is consolidated, since the substance of the binding option agreement is that of the payment of deferred consideration for a part of the investee's capital, as evidenced by a series of transactions completed in the past. Accordingly, the estimated value of the exercise price of the put / call is included in the cost of acquisition and contributes to the overall determination of goodwill. This accounting method applies only where the Group has acquired majority control of the voting rights of the companies acquired. Regarding the recognition of goodwill related to these options, TeamSystem Group recognises as a financial liability the payable (Liabilities to non-controlling shareholders of subsidiaries) related to the estimated actual consideration for the exercise of the options. In accordance with this principle, subsequent changes in the fair value of the payable, due to amendments made to the initial assessment of the exercise consideration, are recognised in the consolidated income statement, as is the case for the notional charges deriving from the gradual decrease of the effect of

discounting. In the absence of clear accounting rules for the recognition of non-controlling interests where put and call agreements exist, as well as on account of ongoing issues being debated by IFRIC and IASB, the Group has decided to use the accounting method described above that complies with the regulatory framework and current doctrine.

Any acquisitions of non-controlling interests subsequent to control having been achieved are accounted for as transactions between shareholders/quotaholders, with recognition of any difference between the amount paid and the carrying value of the non-controlling interest recorded in equity.

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►TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS - HYPERINFLATIONARY ECONOMIES

Assets and liabilities of consolidated foreign entities that are denominated in foreign currencies other than the euro are translated at the rates of exchange prevailing at the reporting date. Income and costs are translated at the average rates of exchange for the period (except for balances related to entities subject to IAS 29 "Financial Reporting in Hyperinflationary Economies," for which the year-end rate is applied even for non-monetary balances). Any resulting translation differences are recognised in the foreign currency translation reserve included in equity.

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

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

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

EXCHANGE RATES	Average 2024	Average 2023	%	31 Dec 2024	31 Dec 2023	%
DKK	7.46	7.45	0.1%	7.46	7.45	0.1%
GBP	0.85	0.87	-2.3%	0.83	0.87	-4.6%
LEK	100.71	108.78	-7.4%	98.07	103.79	-5.5%
TRY	N.a.	N.a.		36.74	32.65	12.5%

Hyperinflationary economies

The Group has subsidiaries in Turkey. Following an extended period of monitoring inflation rates in Turkey, a consensus has been reached on the existence of conditions indicative of hyperinflation. As a result, the accounting standard IAS 29 "Financial reporting in hyperinflationary economies" has been applied to translate the accounts of the Turkish subsidiaries. In particular, in accordance with this standard, the restatement of the financial statements as a whole requires the application of specific procedures whereby, with reference to the profit or loss, all items are restated by applying the change in the general price level that occurred between the date on which the income and expenses were initially recognised in the financial statements, and the date of the financial statements. The Group used the Consumer Price Index ("CPI"), considered the most reliable indicator of changes in the general price levels and typically the closest to the general price index concept required by IAS 29. The Turkish CPI increased by approximately 44% in 2024.

With regard to the statement of financial position, monetary items have not been restated as they were already stated at the current measuring unit at the end of the reporting period; instead, non-monetary assets and liabilities have been revalued from the date on which the assets and liabilities were initially recognised, to the date of the same

financial statements. The balancing entry of the above-mentioned revaluations has been recorded in a specific line of the income statement called "Net income (expenses) from hyperinflation."

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

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►ACCOUNTING POLICIES

Set out below are the accounting policies adopted by the Group for the measurement of the components of the financial statements for the year ended 31 December 2024.

Research and development expenses

In accordance with IAS 38, research expenses are charged to income as incurred.

Development costs incurred in relation to a determined project are capitalised only when the Group can demonstrate, by means of appropriate analysis, the technical feasibility of completing the intangible asset so that it will be available for use or sale, the intention to complete the intangible asset and use or sell it, how the intangible asset will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

After initial recognition, development costs are carried at cost, less any accumulated amortisation and any accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised with reference to the period for which it is envisaged that the associated project will generate revenues for TeamSystem Group. During the period in which an asset is no longer in use, it is assessed annually to ascertain if there has been any impairment.

Other development expenses that do not meet the above requirements are expensed as incurred. Development costs that have previously been expensed are not accounted for as an asset in subsequent periods.

Capitalised development costs are amortised (from the start of production or marketing of the product) on a straight-line basis over their residual useful life (estimated to be between 3 and 5 years).

Customer relationship

The Customer relationship represents all contractual (supply contracts, service delivery contracts, etc.) and non-contractual relationships maintained with customers and has been assessed using the Multi-Period Excess Earnings Method ("MPEEM"). The MPEEM is based on the principle that, since the current income of the target company must be fully allocated to the assets identified during the purchase price allocation, the income attributable to the strategic (or primary) asset can be derived as a residual amount by deducting from the total income the normal return on all other assets (tangible, intangible, and working capital). The MPEEM follows a stratification approach, viewing the company's income as the sum of the normal returns generated by each asset. The most critical step in applying the MPEEM is identifying the Contributory Assets that support the primary strategic asset in generating profit. The most common Contributory Assets include net working capital, property, plant, and equipment (PPE), other separately identifiable intangible assets (excluding goodwill) and intangible assets that are inseparable from goodwill but still qualify as Contributory Assets (e.g. workforce).

The key parameters considered by the Group in applying the MPEEM include the revenue growth rate ("g rate"), churn rate, EBITDA margin, and the discount rate (WACC + spread).

Amortisation is recognised over the useful life of the asset, which is estimated to be between a maximum of thirteen years and a minimum of eight years.

Proprietary software

Proprietary software, which arose on recognition of the acquisition of TeamSystem Group (that took place in February 2021), and subsequent acquisitions completed by Group companies, have been measured in accordance with the Relief-from-Royalties ("RFR") method. The RFR method involves discounting the royalty cash flows that the market would be willing to pay to the software owner in exchange for a licence to use it. In the absence of specific contractual references, these cash flows are estimated by applying a royalty rate to the revenue that the software-owning company expects to generate over a reasonable period. The royalty rate is derived from the analysis of market transactions involving comparable assets. When applying this method, it is important to disregard any synergies that a third party might assume. The value of the asset is determined as the sum of the present values of

the income flows calculated as described above. The key parameters considered by the Group in applying the RFR include revenue, the royalty rate, churn rate, useful life, and the discount rate (WACC + spread).

These intangible software assets are amortised over their useful lives, which are estimated to be five years. Internally developed software intended for internal use is capitalised at cost of production and amortised over its estimated useful life, which is 5 years.

Licensed third-party software for internal use

Licensed third-party software for internal use is capitalised at acquisition cost and amortised over its estimated remaining useful life of five years.

Trademarks

Trademarks identified during the accounting for the acquisition of the TeamSystem Group (which took place in February 2021) and subsequent acquisitions by Group companies have been valued using the Relief-from-Royalty method (RFR) as previously described. These trademarks are amortised over their estimated remaining useful lives, which range from ten to twenty years.

Goodwill

Goodwill is initially measured at cost, being the excess of the consideration transferred in a business combination over the fair value of the assets acquired and liabilities assumed.

In accordance with IFRS, goodwill is not amortised but allocated to the appropriate Cash Generating Units (CGUs) or groups of CGUs. It is tested for impairment annually, or more frequently if events or changes in circumstances indicate a possible impairment, in accordance with IAS 36 - Impairment of Assets.

Subsequent costs

Subsequent expenditure on intangible assets is capitalised if it increases the future economic benefits of the specific asset.

Amortisation

Amortisation is charged to the income statement on a systematic and consistent basis over the estimated useful lives of the assets. The exception is intangible assets with an indefinite useful life (which, in this case, consists entirely of goodwill), which are not amortised but tested for impairment on a systematic basis to ensure that no impairment loss has been incurred. Other intangible assets are amortised from the date they become available for use.

The estimated useful lives of the main categories of assets are shown in the table below:

Goodwill	Indefinite useful life
Trademarks	10 - 20 years
Customer relationship	8 - 13 years
Proprietary software	5 years
Development costs	3 - 5 years

Tangible fixed assets

Tangible fixed assets, consisting mainly of land, buildings, electronic machines, furniture and fittings and general and specific plant are stated at purchase cost, net of accumulated depreciation and impairment losses. Subsequent costs (such as maintenance, repairs and replacement costs) are capitalised by increasing the carrying amount of the asset - or recognised as a separate asset - only when it is probable that future economic benefits associated with the asset will be realised and the cost of the asset can be reliably measured. Repairs and maintenance costs (or replacement costs that do not meet the above criteria) are expensed in the year in which they are incurred. Tangible fixed assets are systematically depreciated each year based on economic-technical rates determined in relation to the asset's residual useful life.

If, regardless of the depreciation already recognised, there is an indication of permanent impairment, the asset is written down to its recoverable amount. Gains and losses arising from the disposal of assets are determined by comparing the sale proceeds with the net carrying amount of the asset. The resulting amount is recognised in the consolidated profit or loss for the relevant period.

Borrowing costs incurred for investments in assets that require a substantial period of time to be ready for their intended use (qualifying assets, as defined by IAS 23 – Borrowing Costs) are capitalised and amortised over the useful life of the asset category to which they relate. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

The Group assesses whether a contract is or contains a lease at the inception date of the agreement. Under IFRS 16, for all lease contracts (except for short-term leases and low-value assets), the Group:

- a) recognises a right-of-use asset and a lease liability in the consolidated statement of financial position, initially measured at the present value of future lease payments. The right-of-use asset is presented separately under “Right-of-use assets”, while the lease liability is recognised under “Financial liabilities with banks and other lenders.”
- b) recognises depreciation of the right-of-use asset and interest expense on the lease liability in the consolidated statement of profit or loss.
- c) recognises the total amount of principal and interest paid as part of cash flows from financing activities in the consolidated statement of cash flows.

The lease liability is initially recognised at the present value of future lease payments as of the contract commencement date, discounted at the implicit interest rate of the lease. If the implicit rate is not readily determinable, the lessee's incremental borrowing rate is used.

The incremental borrowing rate is defined as the interest rate at which the lessee would obtain financing under similar terms and collateral to acquire an asset of comparable value to the right-of-use asset in a similar economic environment. In particular, to estimate the incremental borrowing rate, the Group has considered the interest rate of government bonds with comparable duration to the lease terms, as well as the credit spread derived from the Group's financing arrangements and issued Notes.

The lease payments included in the lease liability calculation comprise:

- The fixed component of lease payments (including “in-substance” fixed payments), net of any lease incentives received.
- The amount of residual value guarantees the lessee expects to pay.
- The exercise price of a purchase option, included only if the exercise of such an option is deemed reasonably certain.
- Termination penalties, if the lease term includes an early termination option and the exercise of such an option is deemed reasonably certain.

After initial recognition, the lease liability is measured using the amortised cost method. The carrying amount of the liability increases due to the recognition of interest expense (using the effective interest rate method), and decreases as lease payments are made under the lease contract.

The Group remeasures its lease liability (and recognises an adjustment to the right-of-use asset) if:

- there is a change in the lease term or a reassessment of the likelihood of exercising a purchase, extension, or termination option, in which case, the lease liability is remeasured by discounting the revised lease payments using the updated discount rate.
- a lease modification occurs that does not meet the criteria for recognition as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using the updated discount rate.

A right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the lease commencement date, and any initial direct costs incurred. A right-of-use asset is recognised net of accumulated depreciation and any impairment losses.

The Group recognises a provision if it is obliged to cover costs related to dismantling and removing the leased asset, restoring the site where the leased asset is located, or returning the leased asset to the condition required by the terms and conditions of the lease agreement. These costs are included as part of the cost of the right-of-use asset.

Right-of-use assets are amortised on a systematic basis over the shorter of the lease term and the remaining useful life of the underlying asset. If the lease transfers ownership of the asset or if the cost of the right-of-use asset reflects

the Group's intention to exercise a purchase option, the right-of-use asset is amortised over the useful life of the asset. Amortisation commences from the commencement date of the lease.

Right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to identify any impairment losses.

IFRS 16 includes a practical expedient that allows the lessee to account for lease and non-lease components as a single contract. However, the Group has not applied this practical expedient.

For short-term leases (up to 12 months) and leases of low-value assets (where the value of the new asset does not exceed approximately € 5 thousand), the Group has elected to recognise lease costs directly in the profit or loss, as permitted by IFRS 16. These costs are included in Other operating costs in the consolidated statement of profit or loss.

The main difference between IFRS 16 and IAS 17 in relation to assets previously classified as finance leases is the measurement of the residual value of guarantees provided by the lessee to the lessor. Under IFRS 16, the Group recognises only the expected residual value as part of the lease liability, rather than the maximum value of the guarantee as required by IAS 17.

Write-downs (Impairment)

At each reporting date, the Group verifies the existence of events or circumstances that call into question the recoverability of the carrying amount of tangible assets and intangible assets with a finite useful life and, in the presence of indicators of impairment, estimates the recoverable amount of the assets to determine whether any impairment exists. Intangible assets with an indefinite useful life, consisting of goodwill and intangible assets in process of formation, are not subject to amortisation but are assessed annually to determine whether an asset may be impaired.

In accordance with applicable accounting standards, the assessment is performed by comparing the carrying amount to the estimated recoverable amount, represented by the higher of the "value in use" or the "fair value less costs to sell". For the above assessment, assets are grouped into the smallest identifiable unit for which Management is capable of separating the related cash inflows, which is represented by the Cash Generating Unit (CGU). The Cash Generating Units are identified in a manner consistent with the Group's organisational and business structure, being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If the recoverable amount of the asset or Cash Generating Unit (CGU) is lower than the net carrying amount, the asset is adjusted to take into account the impairment loss, which is recognised in the consolidated statement of profit as "Depreciation, amortisation and impairment". An impairment loss relating to a CGU is firstly allocated to goodwill and any residual amount is allocated to other assets.

Investments in other companies

Investments in other entities classified as non-current assets are initially stated at purchase cost and are subsequently measured at fair value. In certain specific circumstances, depending on the characteristics of the investees and their low value, it has been deemed that cost, written down for any impairment, represents an acceptable approximation of fair value.

Investments in associates

An associate is an entity over which the Group has significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. The financial results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale.

Under the equity method, investments in associates are recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the changes subsequent to acquisition in the net worth of the associate, net of any impairment of individual equity interests. Losses in excess of the Group's interest in the associate are not recognised unless the Group has assumed an obligation to cover such losses.

Inventories

Inventories, primarily consisting of hardware products and software licences purchased for resale, are measured at

the lower of the specific purchase cost, including ancillary expenses, and the estimated realisable value based on market prices. Inventories of obsolete or slow moving items are written down by taking into account their potential use or realisation.

Financial instruments

IFRS 9 - Financial Instruments, sets out certain requirements for:

- 1) the classification and measurement of financial assets;
- 2) the classification and measurement of financial liabilities;
- 3) impairment of financial assets, and;
- 4) accounting for hedging transactions.

1) Classification and measurement of financial assets

All recognised financial assets within the scope of IFRS 9 are required to be measured at amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically, debt instruments held within a business model whose objective is to hold financial assets to collect the contractual cash flows and whose contractual cash flows consist solely of payments of principal and interest on the principal outstanding are subsequently measured at amortised cost.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- The Group may irrevocably designate a debt instrument that meets the amortised cost or fair value through other comprehensive income (FVTOCI) criteria as measured at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Group has not designated any investments in debt instruments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When an investment in a debt instrument measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. On the other hand, when an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings without going through profit or loss.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. See (3) below.

The main financial assets held by the Group consist of trade receivables, the business model classification of which has not given rise to any changes in measurement. For this class of assets, changes arose, however, in the measurement of impairment.

2) Classification and measurement of financial liabilities

An entity recognises a financial liability when it has contractual obligations to make a payment. It is therefore necessary to measure these contractual obligations at initial recognition. All financial liabilities are initially recognised at fair value, less (in the case of a financial liability that is not at FVTPL), transaction costs that are directly attributable to the issuance of the financial liability. Financial liabilities are subsequently measured at amortised cost, except for Liabilities to non-controlling shareholders of subsidiaries, which are measured at FVTPL.

3) Impairment of financial assets

Regarding the impairment of financial assets, the Group applies an expected credit loss (ECL) model to recognise credit losses. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

With regard to trade receivables and contract assets arising from contracts with customers, the Group applies the simplified approach set out in IFRS 9 to measure the allowance for doubtful accounts as an expected credit loss over the lifetime of the receivable. The Group determines the amount of expected credit losses for these items using a provision matrix, estimated based on historical credit loss experience in relation to overdue receivables, adjusted to reflect current conditions and forecasts of future economic conditions. Consequently, the credit risk profile of these assets is presented according to the ageing bands based on the provision matrix.

4) Accounting for hedging transactions.

All derivative instruments are measured at fair value, both at initial recognition and at the end of each subsequent reporting period.

If the fair value measurement is positive, the derivative financial instrument is recognised as a financial asset in the statement of financial position. Conversely, if the fair value measurement is negative, the derivative is classified as a financial liability in the statement of financial position.

As a general rule, changes in the fair value of derivatives are recognised in profit or loss. However, for hedging instruments, it is possible to recognise both the hedged item and the hedging instrument directly in the appropriate other comprehensive income reserve (“hedge accounting”).

Under IFRS 9, a hedging relationship qualifies for hedge accounting only if all the following criteria are met:

- a) the hedging relationship consists only of hedging instruments and hedged items that meet the requirements of IFRS 9;
- b) at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge;
- c) the hedging relationship meets all the hedge effectiveness requirements of IFRS 9.

The Group uses derivative financial instruments for economic hedging purposes in order to manage its exposure to risk arising from changes in interest rates. It should be noted that, although these derivative financial instruments have been entered into solely for hedging purposes and could potentially qualify as cash flow hedges, the Group has opted not to apply the hedge accounting treatment allowed under IFRS 9. Consequently, changes in the fair value of these derivative financial instruments are recognised in profit or loss.

Trade receivables

Receivables are recorded at the transaction price as set out in IFRS 15, net of an allowance recognised to take account of their expected realisable value, and that takes account of forecast expected credit losses as required by IFRS 9.

Cash and bank balances

Cash and cash equivalents include cash on hand and bank and postal deposits.

Interest bearing financial liabilities

Interest bearing financial liabilities are initially recognised at fair value, net of any transaction costs. Subsequent to initial recognition, interest bearing financial liabilities are measured at amortised cost.

Trade payables and other liabilities

Trade payables and other liabilities are measured at cost, which represents their settlement value.

Foreign currency transactions

The functional and presentation currency of the Group companies is the euro. As required by IAS 21, items originally denominated in foreign currencies are translated at the spot exchange rate at the reporting date. Foreign exchange differences realised upon the collection of receivables and the payment of liabilities in foreign currencies are recognised in the consolidated statement of profit or loss.

Employee benefit plans

1. Defined contribution plans

A defined contribution plan is a pension scheme under which the Group makes fixed contributions to a separate entity. The Group has no legal or other obligation to pay additional contributions should the fund be insufficient to provide employees with the benefits relating to their period of service. Employee contribution obligations for pensions and other benefits are recognised in the income statement when incurred.

2. Defined benefit plans

Net obligations related to defined benefit plans consist mainly of employee termination indemnities and are calculated by estimating, with actuarial techniques, the amount of the future benefit accrued to employees in the current and prior financial years. The benefit thus determined is discounted and recognised net of the fair value of any related assets. The computation is performed by an independent actuary using the projected unit credit method. Actuarial gains and losses are recognised in the statement of comprehensive income in the year in which they arise.

Following the introduction of new legislation on supplementary pensions, as per Legislative Decree 252/2005, introduced by the 2007 Finance Act, the possibility has arisen to transfer accruing severance indemnities to supplementary pension funds. Consequently, in the actuarial valuation of the Provision for staff leaving indemnity for employee termination indemnities at 31 December 2008, considered the effects deriving from the new legislation. In compliance with IAS/IFRS, only the liability relating to the accrued portion of severance indemnities retained by the company has been recognised in the financial statements, as the amounts accruing are paid over to a separate entity (supplementary pension fund or the state fund INPS).

Provisions for risks and charges

Where the Group has an obligation, legal or otherwise, resulting from a prior event and it is probable that this will lead to the loss of economic benefits to meet the obligation, an appropriate provision for risks and charges is recorded. No provision is made for future operating losses. Provisions are measured at the present value of Management's best estimate of the cost of satisfying the obligation existing at the reporting date. With respect to legal cases, the amount of the provision is determined based on estimates made by the relevant consolidated company, together with its legal advisers, in order to determine the probability, the timing and the amounts involved.

Revenue

IFRS 15 establishes the criteria for recognising revenue arising from contracts with customers, except for those contracts that fall within the scope of the standards relating to leases, insurance contracts, and financial instruments. The standard establishes a comprehensive framework for identifying the timing and amount of revenue to be recognised in the financial statements. According to IFRS 15, an entity shall recognise revenue arising from contracts with customers and the related accounting effects through the following steps:

- a) identify the contract(s) with a customer;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

Therefore, the amount the Group recognises as revenue should reflect the consideration to which it is entitled in exchange for the goods transferred to the customer and/or services rendered. This amount should be recognised when the underlying contractual obligations have been satisfied, which is when the Group has transferred control of the promised goods or service to the customer, in the following ways:

- a) over time;
- b) at a point in time.

The following are the main types of products and services of our six main business units (Enterprise, Professional, Market Specific Solutions, Micro, Digital Finance and CSP) categorised by:

- 1. Recurring Revenue**
- 2. Software licences and professional services**

•Recurring Revenue

The main sources of recurring revenue are:

Support and maintenance / Subscription: includes revenue from support and maintenance fees and subscription fees. Maintenance and support contracts, which include direct support, technical support and software updates, generally cover a twelve-month period and related revenue is recognised on a straight-line basis over the contract term, with recognition of the revenue component pertaining to future years as deferred income.

Subscriptions involve the payment of a periodic (usually annual) fee to use a particular software product and benefit from customer support, technical assistance, maintenance and software updates. The related revenues are recognised on a straight-line basis over the life of the contract.

This revenue category also includes support and maintenance contracts with VARs (Value Added Resellers). These agreements generally cover a three-year period that grants VARs the right to download an unlimited number of

software licences and to receive software updates and system support services. Revenue arising from these agreements is invoiced on a quarterly or annual basis and is recognised on a straight-line basis over the agreement term. Annual fee adjustments are also envisaged (either positive or negative with respect to the contractual consideration) based on the financial performance of the VAR, as determined by a calculation formula set out in the reseller contract.

LTA (temporary annual licences), software add-on modules that provide additional functionality (generally released for regulatory compliance), and which are invoiced on top of the existing contractual consideration. Revenue from the sale of LTA modules is recognised on a straight-line basis from the date of download to the contract expiry date. LTAs are generally renewed automatically at the beginning of the year.

•Other revenue (Software licences and Professional services)

Licences: Revenue from sales of software licences is recognised on the date control transfers to the customer (which usually corresponds to the delivery date) since all contractual obligations have normally been fulfilled and there are no rights of return or acceptance clauses.

In the event a sale agreement provides for more than one revenue component, such as maintenance and support, the revenue arising from these components is separately identifiable in the agreement.

Professional services: revenue related to training, implementation and software customisation, whether covered by the main agreement or by subsequent agreements, is recognised based on the stage of completion of the services at the reporting date. Revenue related to implementation services still ongoing at the reporting date is recognised based on the percentage of completion of the services at that date and the number of hours worked with respect to the total estimated work hours.

Income and commissions recorded by the recently incorporated and acquired financial companies are recognised when the service has been rendered.

Hardware and other items

Revenue from the sale of hardware to third parties is recognised on the date control of the asset is transferred to the customer which usually corresponds to the delivery date on account of the fact that all contractual obligations have normally been fulfilled and there are no rights of return or acceptance clauses.

Grants

Government grants are recognised when there is reasonable certainty that they will be received and that all related conditions will be met. Government grants towards cost components are recognised as income, but are systematically allocated to the financial year, in order to match the costs they are intended to offset. For grants towards the cost of an asset, the asset and the grant are recognised at their nominal value and the release to income takes place gradually, on a straight-line basis, over the expected useful life of the asset.

Where a non-cash grant is received, the asset and the contribution are recognised at their nominal value and are released to income on a straight-line basis over the expected useful life of the asset.

Dividends

The distribution of dividends to shareholders / quotaholders of the Group companies is recognised as a liability in the period in which they are approved by the general meeting of shareholders / quotaholders.

Finance income and costs

Finance income and costs are recognised in profit or loss on an accrual basis.

Current and deferred taxation

The tax charge for the year comprises current and deferred taxation. Current tax is recognised in the consolidated statement of profit or loss, except for cases where the tax relates to items accounted for as an equity component. Current tax is calculated by applying the tax rate in force at the reporting date to taxable income. Regarding IRES (corporate income tax), it should be noted that TeamSystem S.p.A and some of its subsidiaries have elected for a consolidated tax regime, with TeamSystem S.p.A acting as tax consolidator.

Deferred tax is calculated using the liability method on temporary differences between the book and tax bases of assets and liabilities. Deferred tax is calculated as a function of the expected timing of the reversal of the temporary differences, using the tax rate in force at the date of the expected reversal. Deferred tax assets are recognised only if it is probable that sufficient taxable profits will be generated in future periods for their recovery.

Assets held for sale and discontinued operations

According to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, TeamSystem Group classifies non-current assets and disposal groups as held for sale if their carrying amount is expected to be recovered primarily through a sale transaction rather than through continued use. This condition is considered met only when the asset or disposal group is available for immediate sale in its current condition, subject only to terms usual and customary for such sales, and the sale is highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale, and (i) represents a distinct major line of business or geographical area of operations, (ii) is part of a single coordinated plan to dispose of a major line of business or geographical area of operations, or (iii) is a subsidiary acquired exclusively with a view to resale, and whose disposal will result in the loss of control.

The classification as a discontinued operation occurs at the time of disposal or, if earlier, when the asset or disposal group meets the criteria to be classified as held for sale. When the asset or disposal group is classified as discontinued, comparative information is reclassified in the consolidated statement of profit or loss and consolidated statement of cash flows as if the asset or disposal group had been discontinued at the beginning of the comparative period presented.

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► EARNINGS PER SHARE

The Parent Company does not have any shares listed on regulated markets; Accordingly, as permitted by IAS 33, no information on earnings per share has been disclosed in these Notes.

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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.

The following operating segments have been identified within the TeamSystem Group:

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

In 2024, the Group also implemented a minor change to its operating segments, transferring "Trust" products from the "Market Specific Solutions" business to the "HR" business unit. The new business unit resulting from this reorganisation has been named "**Cross Segment Products.**"



► USE OF ESTIMATES AND ASSUMPTIONS

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 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 assets acquired and liabilities assumed: the process of allocation of the cost of a transaction to the assets of TeamSystem Group following a business combination is based on estimates and assumptions derived from Management's professional judgement that may not reflect unforeseeable events. Professional judgement is also used to determine the most appropriate methodologies for the measurement of assets acquired and liabilities assumed (including contingent assets and liabilities) and, in certain cases, provisional initial recognition has been opted for, as permitted by the applicable accounting standard. In the process of allocating amounts to certain asset items, the Group applied estimates to determine their fair value. To determine the fair value, the Group used valuation methods, including discounted cash flows. To calculate the present value of future cash flows, certain assumptions need to be made regarding uncertain factors, including Management's expectations regarding:
 - customer portfolio margins
 - the probability of contract renewals with customers
 - the selection of the discount rate and the growth rate
- Goodwill and other intangible assets: goodwill and other intangible assets with an indefinite useful life (none of the latter existed as at the reporting date) are tested annually for impairment and throughout the year if there are indicators of impairment. Other intangible assets are tested annually for impairment when there are indications that the carrying amount may not be recovered. When value in use needs to be computed, the Directors estimate the cash flows expected from an asset or from the Cash Generating Unit and choose a discount rate in order to calculate the present value of the cash flows. Therefore, the assessment of any potential permanent impairment of fixed assets is carried out using cash flow forecasts - naturally subject to uncertainty - as included in the multi-year plans approved by the relevant Boards of Directors.
- Allowance for bad debts: the allowance for bad debts reflects Management's estimate of the losses pertaining to receivables due from end customers and the sales network. The estimate of the allowance for bad debts is based on losses expected to be incurred by the Group (also considering the requirements of the new IFRS 9), determined based on past experience with similar receivables, on current and historical past due, on losses and payment collection and on careful monitoring of asset quality and forecasts of economic and market conditions.
- Provisions for risks and charges: these provisions relate to liabilities that are certain or probable, the amount of which has not been determined at the reporting date, but the cost of which, as required to meet the obligation, can be reliably estimated by Management. They are recognised in the financial statements in the event of an existing legal or implicit obligation resulting from a prior event and it is probable that the Group will be required to meet the obligation. If the impact is significant, the provisions are measured at discounted present value.
- Liabilities to non-controlling shareholders of subsidiaries: This represents the estimated liability with respect to put and call options or earn-out agreements relating to non-controlling interests in Group companies. This is accounted for at its estimated fair value, having applied various assumptions regarding the estimated indicators that form the basis for its computation and the expected timing of disbursements. The nominal value of the exercise price of the liability to non-controlling shareholders of subsidiaries is then discounted at the reporting date by applying the relevant discount rate, which is the same as that adopted for the cost of debt component in impairment tests.

► ROUNDING

The figures included in the consolidated financial statements and in the Notes to the consolidated financial statements are expressed in thousands of euro (unless otherwise indicated) since this is the currency used in the conduct of TeamSystem Group's operations.

Certain amounts reported in these consolidated financial statements, including financial information and certain operating data, have been subject to rounding adjustments due to the presentation of figures in thousands of euro. Accordingly, in certain cases, the sum of the numbers in a column or a row in tables may not correspond exactly to the total figure given for that column or row.

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IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2024

The following IFRS Accounting Standards, amendments and interpretations are applicable to the Group for the first time starting on 1 January 2024:

- On 23 January 2020, the IASB issued “**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**” and on 31 October 2022, the IASB issued “**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**”. The objective of the amendments is to provide clarity on how payables and other short-term or long-term liabilities are to be classified. The amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments has had no effect on the Group's consolidated financial statements.
- On 22 September 2022, the IASB issued “**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**”. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right-of-use it retains. The adoption of these amendments has had no effect on the Group's consolidated financial statements.
- On 25 May 2023, the IASB issued “**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**”. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to assess how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of these amendments has had no effect on the Group's consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, BUT NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED EARLY BY THE GROUP AT 31 DECEMBER 2024

As of the reporting date of this document, the competent bodies of the European Union have yet to complete the endorsement process required for the adoption of the amendments and standards described below. However, these standards are not yet mandatorily applicable and have not been early adopted by the Group at 31 December 2024:

- On 15 August 2023, the IASB issued “**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**”. The document requires an entity to apply a consistent methodology for verifying whether one currency is exchangeable into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendments will be effective beginning on or after 1 January 2025, with early application permitted. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

As of the date of this document, the European Union's delegated bodies had not yet concluded the endorsement process required for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB issued the document **Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**. The document clarifies certain issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary based on the achievement of ESG targets (e.g. green bonds). In particular, the amendments aim to:
 - Clarify the classification of financial assets with variable returns linked to environmental, social, and governance (ESG) objectives and the criteria to be used for assessing the SPPI test.
 - Determine that the settlement date of liabilities processed through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to apply an accounting policy that allows derecognition of a financial liability before transferring cash at the settlement date, provided specific conditions are met.

Additionally, through these amendments, the IASB has introduced further disclosure requirements, particularly regarding investments in equity instruments designated at FVOCI.

The amendments will be applicable for financial statements for annual periods beginning on or after 1 January 2026. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.

- On 18 July 2024, the IASB issued **Annual Improvements Volume 11**. This document includes clarifications, simplifications, corrections, and amendments aimed at improving the consistency of various IFRS Accounting Standards. The amended standards include:
 - IFRS 1 – First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 – Financial Instruments: Disclosures and related implementation guidance of IFRS 7;
 - IFRS 9 – Financial Instruments;
 - IFRS 10 – Consolidated Financial Statements; and
 - IAS 7 – Statement of Cash Flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.

- On 18 December 2024, the IASB issued **“Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7”**. The amendment aims to support entities in reporting the financial effects of electricity purchase agreements for power generated from renewable sources, which are often structured as Power Purchase Agreements (PPAs). Under these contracts, the quantity of electricity generated and purchased may vary due to uncontrollable factors such as weather conditions. The IASB introduced targeted amendments to IFRS 9 and IFRS 7. These amendments include:
 - clarifications on the application of the “own use” exemption for this type of contract;
 - criteria enabling the accounting of such contracts as hedging instruments; and
 - new disclosure requirements to help financial statement users understand the impact of these contracts on an entity’s financial performance and cash flows.

The amendments will be effective beginning on or after 1 January 2026, with early application permitted. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.

- On 9 April 2024, the IASB issued a new standard, **IFRS 18 – Presentation and Disclosure in Financial Statements**, which will replace IAS 1 – Presentation of Financial Statements. The objective of this new standard is to enhance the presentation of financial statements, with a particular focus on the income statement. Specifically, IFRS 18 requires:
 - classification of income and expenses into three new categories (operating section, investing section, financing section), in addition to the existing categories for income taxes and discontinued operations already included in the income statement format;
 - presentation of two new subtotals: operating profit and profit before interest and tax (EBIT).

The new standard also:

- requires enhanced disclosures on management-defined performance measures;
- introduces new criteria for aggregating and disaggregating information; and,

- introduces certain modifications to the statement of cash flows, including, requiring operating profit as the starting point for the presentation of the statement of cash flows under the indirect method, and eliminating some existing classification options for specific items (such as interest paid, interest received, dividends paid, and dividends received).

The new standard will be effective from 1 January 2027, with early application permitted. The Directors are currently assessing the potential effect of introducing the new standard on the Group's consolidated financial statements.

- On 9 May 2024, the IASB issued **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces some simplifications with reference to the information required by the IFRS Accounting Standards in the financial statements of a subsidiary that complies with the following requirements:
 - it has not issued, and is not in the process of issuing, equity or debt instruments traded in a regulated market;
 - its parent company prepares consolidated financial statements in compliance with IFRS Accounting Standards.

The new standard will be effective from 1 January 2027, with early application permitted. The Directors do not believe that there will be any significant impact on the Group's consolidated financial statements as a result of the adoption of these amendments.

- On 30 January 2024 the IASB published **IFRS 14 – Regulatory Deferral Accounts**, which permits an entity, which is a first-time adopter of International Financial Reporting Standards, to continue to account for amounts relating to rate-regulated activities in accordance with its previous GAAP. Given that the Company/Group is not a first-time adopter, this standard is not applicable.

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Notes to the consolidated financial statements

(All amounts are expressed in thousands of euro, unless otherwise indicated)

1. TOTAL REVENUE

Total revenue for the year ended 31 December 2024 amounts to € 921.8 million, and is comprised of Revenue of € 912.6 million and Other Revenue of € 9.2 million. Total revenue for the year ended 31 December 2023 was € 733.2 million. Values for 2023 were subject to insignificant reclassifications following the introduction during 2024 of the CSP Business Unit (as further described in the following paragraphs).

The table below provides a breakdown of total revenue based on whether control was passed over time or at a point in time:

	31 Dec 2024	31 Dec 2023
Over time	780.6	603.2
Point in time	141.2	130.0
TOTAL REVENUE	921.8	733.2

Lastly, it should be noted that there is no concentration of revenue with any specific customer, given the notable segmentation of Group sales which, in the year ended 31 December 2024, were mostly realised in Italy (approximately 87%) and residually in Spain, Turkey, France, Albania and Denmark.

2. OPERATING SEGMENTS

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

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

In 2024, the Group also implemented a minor change to its operating segments, transferring "Trust" products from the "Market Specific Solutions" business to the "HR" business unit. The new business unit resulting from this reorganisation has been named "**Cross Segment Products.**" Following this organisational change, the Group has accordingly reclassified the data as of 31 December 2023.

There are no revenues from transactions with other operating segments; therefore, the revenues shown in the table below are entirely from third-party customers.

Euro Millions

OPERATING SEGMENTS	31 Dec 2024	31 Dec 2023	Change	% Change
ENT	191.0	164.6	26.5	16%
PROF	239.1	214.7	24.4	11%
MICRO	302.5	180.7	121.7	67%
DIF	28.3	20.9	7.4	35%
MSS	105.5	100.4	5.0	5%
CSP	55.5	51.8	3.6	7%
TOTAL REVENUE	921.8	733.2	188.6	25.7%
ENT	100.2	86.3	14.0	16%
PROF	144.0	131.6	12.5	9%
MICRO	184.8	108.5	76.3	70%
DIF	12.4	8.9	3.5	39%
MSS	26.5	23.6	3.0	13%
CSP	22.6	24.1	-1.6	-7%
FIRST MARGIN	490.5	382.9	107.6	28.1%

The economic performance indicator for each operating segment is the **First Margin**. It should be noted that: The **First Margin** financial parameter is not governed by **IFRS** and, accordingly, the criteria adopted by TeamSystem Group for its computation may not be comparable to those adopted by other companies or groups.

The **First Margin** is calculated as the difference between total revenues and the direct costs of the Business Unit, the latter being mainly:

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

The reconciliation of the First Margin with the Consolidated Profit (loss) of the period is presented below:

Euro Millions

	31 Dec 2024	31 Dec 2023
First Margin	490.5	382.9
Indirect Cost	(121.6)	(92.3)
Capitalised develop costs	35.6	23.2
Non core items	(23.8)	(20.6)
Allowance for bad debts	(9.0)	(7.0)
Depreciation and amortization of non current assets	(255.8)	(224.2)
Other provisions for risks and charges	(1.8)	(1.9)
Impairment of non current assets	(0.4)	
Share of Profit (Loss) of associates	(0.1)	0.0
Finance income	36.7	24.7
Finance cost	(308.2)	(179.7)
Monetary Gain (Loss)	54.8	15.5
Current income tax	(51.9)	(35.4)
Deferred income tax	45.6	39.4
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(109.3)	(75.3)

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

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

In order to monitor the performance of the operating segments and the allocation of resources between the segments, the Group monitors the intangible assets (Software, Customer Relationship, Brand) and Goodwill attributable to each of them. A breakdown of the Group's intangible assets and goodwill by operating segment is provided below:

31 Dec 2024							
OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	CSP	TOTAL
Goodwill	481.6	604.2	875.0	150.3	66.8	131.5	2,309.4
Intangibles Assets	205.5	277.5	390.8	68.2	101.0	109.3	1,152.5
Total	687.1	881.8	1,265.8	218.6	167.8	240.8	3,461.9

3. COST OF RAW AND OTHER MATERIALS

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Hardware purchases	11,733	12,609	(876)	-6.9%
Third party' software	36,915	35,737	1,177	3.3%
Handbooks and forms	9	26	(18)	-67.3%
Materials for education	58	107	(48)	-45.3%
Fuel	3,389	3,019	369	12.2%
Other materials	6,298	4,165	2,132	51.2%
Change in inventory of raw materials	(493)	38	(530)	n.s.
Total	57,908	55,701	2,207	4.0%

The cost of raw and other materials for the year ended 31 December 2024 came to € 57,908 thousand (€ 55,701 thousand for the year ended 31 December 2023). This mainly relates to the cost of sales of hardware and third-party software.

4. COST OF SERVICES

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Agent commissions and other costs	29,677	24,642	5,035	20.4%
Consulting and third parties services	24,049	20,727	3,322	16.0%
Software and Hardware maintenance costs	57,494	45,505	11,989	26.3%
Customer support service costs	9,447	7,973	1,475	18.5%
Administrative and management consulting costs	8,004	6,500	1,504	23.1%
Costs of financial services	2,560	2,923	(363)	-12.4%
Education - consulting and copyrights	2,020	2,189	(169)	-7.7%
Magazines - consulting and copyrights	1,006	1,096	(91)	-8.3%
Other costs for education services	213	175	38	21.6%
Advertising and marketing	30,073	21,071	9,002	42.7%
Management Fees	290	227	63	27.7%
Car rentals	5,345	4,564	781	17.1%
Rebate costs	8,697	5,080	3,618	71.2%
Utilities	5,188	4,771	417	8.7%
Costs for services - Non core	19,825	17,583	2,241	12.7%
Other service expenses	25,384	16,646	8,738	52.5%
Cost of services - Gross of capitalization	229,271	181,672	47,599	26.2%
Services capitalised development costs	(6,987)	(4,346)	(2,641)	60.8%
Total	222,284	177,326	44,958	25.4%

Cost of services totalled € 222,284 thousand for the year ended 31 December 2024, net of an amount capitalised in the year pertaining to software projects of € 6,987 thousand, details of which are provided in Note 12 on Intangible assets.

The main components are the following:

- Agent commissions and other costs (€ 29,677 thousand) relating to compensation payable to agents, an allocation to the provision for agents' indemnity and other costs attributable to commercial consulting services.
- Consulting and third-party services (€ 24,049 thousand) mainly relating to delivery activities and on-site customer support.
- Hardware and Software subscription charges (€ 57,494 thousand) relating to periodic fees for support services and subscriptions for third-party products.
- Customer support service costs (€ 9,447 thousand), relating to customer assistance / support costs.
- Advertising and marketing costs (amounting to € 30,073 thousand), relating to costs incurred for the organisation of events and for the advertising campaigns carried out during the year.
- Costs for services - non-core amount to € 19,825 thousand. Among the main items included in this category are: 1) acquisition and merger costs amounting to € 12,745 thousand (related to M&A transactions both finalised in 2024 and with reference to target companies that were not ultimately acquired); 2) costs for strategic and reorganisation projects amounting to € 4,373 thousand (mainly related to consultancy costs for reorganisation and cost saving initiatives); 3) costs for extraordinary transactions with customers amounting to € 2,681 thousand; 4) other minor expenses amounting to € 314 thousand.

As regards the capitalisation of cost of services (€ 6,987 thousand) reference should be made to Note 12 on Intangible assets.

5. PERSONNEL COSTS

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Wages, salaries and social contributions	252,398	197,020	55,378	28.1%
Staff leaving indemnities	11,106	9,238	1,868	20.2%
Other personnel costs	8,655	5,332	3,323	62.3%
Personnel costs for redundancy and reorganizations	3,006	2,729	277	10.2%
Employees costs	275,165	214,319	60,847	28.4%
				0.0%
Freelancers and collaborators fees	1,073	694	379	54.6%
Directors' fees and related costs	4,479	5,582	(1,103)	-19.8%
Directors and Collaborators	5,553	6,276	(724)	-11.5%
Personnel - Gross of capitalization	280,718	220,595	60,123	27.25%
Personnel capitalised development costs	(28,625)	(18,858)	(9,766)	51.8%
Total	252,093	201,737	50,357	25.0%

Personnel costs came to € 252,093 thousand for the year ended 31 December 2024.

Total non-core personnel restructuring costs amounted to € 3,006 thousand at 31 December 2024.

As regards the capitalisation of personnel costs (€ 28,625 thousand) reference should be made to Note 12 on Intangible assets.

The following table provides details of employee numbers at 31 December 2024 and the average number of employees in the 2024 financial year.

	Average 2024	Average 2023	Change	31 Dec 2024	31 Dec 2023	Change
Managers	131	107	24	136	126	10
Middle managers / white collars	4,789	3,843	946	5,059	4,518	541
Total	4,920	3,950	970	5,195	4,644	551

6. OTHER OPERATING COSTS

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Condominium expenses and other rents	3,560	2,051	1,509	73.6%
Rentals	241	178	63	35.1%
Other expenses for use of third parties assets	41	205	(165)	-80.3%
Other taxes	1,156	794	362	45.6%
Losses from assets disposals	144	105	38	36.4%
Other expenses	3,620	1,798	1,821	n.s.
Total	8,761	5,132	3,629	70.7%

Other operating costs came to € 8,761 thousand for the year ended 31 December 2024.

7. FINANCE INCOME and COSTS

Finance income

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Interest and other finance income	5,139	1,282	3,857	n.s.
Gains on foreign exchange	2,372	523	1,849	n.s.
Interest from cash pooling and other loans	1	106	(105)	-99.3%
Interest from banks	6,796	1,586	5,210	n.s.
Interest from derivative instruments	14,837	11,047	3,791	34.3%
Depreciation - liabilities to non controlling shareholders of subs	7,546	10,183	(2,637)	-25.9%
Total	36,691	24,727	11,964	48.4%

Finance income came to € 36,691 thousand for the year ended 31 December 2024 and was attributable to the remeasurement of the fair value of the liability to non-controlling shareholders of subsidiaries and interest income accrued on interest rate swap derivative contracts.

Finance costs

Euro thousands

	31 Dec 2024	31 Dec 2023	Change	% Change
Interest on bank overdrafts and loans	1,085	1,420	(335)	-23.6%
Interest on Notes	156,121	125,014	31,106	24.9%
Interest on financing fees	25,554	9,264	16,290	n.s.
Revaluation - liabilities to non controlling shareholders of subs	89,958	13,016	76,942	n.s.
Bank commissions	8,629	3,919	4,710	n.s.
Loss on valuation of derivative instruments	10,305	16,613	(6,308)	-38.0%
Interest on actuarial valuation of employee benefits	927	506	421	83.1%
Interest on lease contracts - IFRS 16	1,319	799	520	65.1%
Other IFRS financial charges	12,528	8,418	4,110	48.8%
Interest on cash pooling and other loans	205	19	186	n.s.
Other financial charges	1,181	484	697	n.s.
Losses on foreign exchange	387	149	237	n.s.
Write-downs of financial assets	(0)	127	(127)	n.s.
Total	308,198	179,749	128,449	71.5%

Finance costs for the year ended 31 December 2024 came to € 308,198 thousand. The main components are the following:

- Interest on Notes (€ 156,121 thousand), includes interest on the **TeamSystem Notes** and the **PIK Toggle Notes**;
- Interest on financing fees (€ 25,554 thousand) includes finance costs relating to the financing fees on the **TeamSystem Notes**, the **PIK Toggle Notes**, as well as finance costs relating to the **RCF** line of credit;
- Revaluation of liabilities to non-controlling shareholders of subsidiaries (€ 89,958 thousand) arising from a change in the fair value of such liabilities due to the remeasurement of the initial exercise price of the put/call option agreements and/or earn-outs;
- Other IFRS financial charges (€ 12,528 thousand), which represent the finance costs recognised by the Group on having discounted the liability to non-controlling shareholders of subsidiaries based on the new discount rate for the period;

8. NET INCOME AND COSTS OF HYPERINFLATION

Net income from hyperinflation amounts to € 54,820 thousand in the financial statements as of 31 December 2024 and is recognised following the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” concerning the subsidiaries of the TeamSystem Group operating in Turkey. Such hyperinflation income refers almost exclusively to the revaluation of assets (and the resulting deferred tax liabilities) that were valued in the Mikro Group's purchase price allocation process.

9. TOTAL TAXES FOR THE YEAR

Current tax

Current tax for 2024 amounted to € 51,933 thousand and mainly consisted of the balances of corporate income taxes IRES and IRAP, as TeamSystem Group carries out most of its operations in Italy.

With reference to IRES tax, please note that TeamSystem S.p.A. has elected for a consolidated tax regime pursuant to Articles 117 to 129 of the Italian Consolidated Income Tax Act. TeamSystem S.p.A., the tax consolidating parent, determines the total comprehensive income which is equal to the sum of the taxable amounts (income or loss) realised by the individual companies that adhere to this method of Group taxation.

The tax balance for the 2024 financial year is also impacted by the effects of the Patent Box tax regime, calculated with reference to TeamSystem S.p.A. for the 2023 tax period and relating to software, as well as by extraordinary charges pertaining to previous financial years affecting TeamSystem S.p.A. and some of its subsidiaries.

Deferred taxes

As regards the amount of deferred tax recognised in the consolidated statement of profit or loss, reference should be made to Note 17.

Reconciliation theoretical Tax charge and actual Tax charge

The following table provides a reconciliation of the theoretical tax charge with the actual tax charge.

Euro millions

	31 Dec 2024	31 Dec 2023
PROFIT (LOSS) BEFORE INCOME TAXES	(103.0)	(79.4)
Theoretical Taxation	24.4	18.9
Non deductible Depreciation and Amortization	13.0	7.8
Non deductible interests	107.1	56.6
ACE		(21.1)
Other	(8.3)	12.7
Tax base	8.8	(23.4)
Actual taxation	(2.2)	5.5
Actual tax rate	-2%	7%
IRAP and Other	(4.1)	(1.4)
TOTAL INCOME TAX	(6.3)	4.1

10. CONSOLIDATED STATEMENT OF CASH FLOWS

As regards the more significant components of the statement of cash flows, a description is provided below of the main factors impacting the Group's cash flow over the course of 2024:

Disposals of equity investments = The amount of € 1,579 thousand mainly refers to the proceeds from the disposal of equity interests held by TeamSystem S.p.A. in the following companies: Bellachioma Enterprise, Rean, Esaedro. As of the disposal date of the aforementioned companies, the cash and cash equivalents of the divested investments amounted to € 835 thousand.

Acquisition of equity investments = € 179,170 thousand relates mainly to the cash paid out in 2024 for the acquisition of equity investments (DistritoK, Clementine, Netfintech, Pentaedro just to mention the main acquisitions). As of the acquisition date of the aforementioned companies, the cash and cash equivalents of the acquired investments amounted to € 8,757 thousand.

Repayment of financing = The amount of € 697,226 thousand mainly refers to the repayment by TeamSystem S.p.A. of the 2028 Private Notes in July 2024 for € 185 million and the 2030 Private Notes in October 2024 for € 195 million. Additionally, in November 2024, TeamSystem Holdco 3 S.p.A. repaid € 300 million of the **2029 PIK Toggle Notes**.

New financing = The amount of € 1,000 million includes € 700 million from the issuance by TeamSystem S.p.A. in July 2024 of additional floating rate senior secured notes maturing in July 2031 (“**2031 Notes**”) and € 300 million from the issuance of **2032 PIYW PIK Toggle Notes** by TeamSystem Holdco 3 S.p.A. in November 2024.

Financial charges paid = € 148,884 thousand at 31 December 2024 is almost exclusively for the payment of interest on the **TeamSystem Notes**, and the **PIK Toggle Notes**.

Financing Fees paid = € 18,814 thousand refers to the payment of the Financing Fees connected with the issue of the **2031 Notes** and the **2032 PIYW PIK Toggle Notes**.

Liabilities to non-controlling shareholders of subsidiaries = the liabilities to non-controlling shareholders of subsidiaries paid in 2024 amount to € 130,689 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Mikro, Logicalsoft, Microntel, Modefinance, Readytec, Sigma (to list the main payments).

11. TANGIBLE FIXED ASSETS

<small>Euro thousands</small>						
NET BOOK VALUE	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	(Depreciation)	31 Dec 2023
Land	638					638
Buildings	2,446				(294)	2,152
Plant and machinery	2,145		349	151	(1,003)	1,642
Equipment	977		440	283	(355)	1,345
Other assets	9,997	2,869	2,442	(441)	(3,823)	11,044
Total	16,203	2,869	3,231	(7)	(5,475)	16,821

<small>Euro thousands</small>						
NET BOOK VALUE	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	(Depreciation)	31 Dec 2024
Land	638			(340)		298
Buildings	2,152			(858)	(265)	1,029
Plant and machinery	1,642	1,008	988	(959)	(833)	1,846
Equipment	1,345		617	(1,024)	(252)	686
Other assets	11,045		3,535	2,055	(4,829)	11,805
Total	16,820	1,008	5,141	(1,126)	(6,178)	15,664

Tangible fixed assets amount to € 15,664 thousand at 31 December 2024, a net decrease of € 1,156 thousand compared to 31 December 2023 (€ 16,820 thousand) due to the net effect of:

- Additions (€ 5,141 thousand) and Changes in the scope of consolidation totalling € 1,008 thousand;
- Depreciation of € 6,178 thousand;
- Other movements and disposals of € 1,126 thousand;

The additions relate mainly to the furnishing/upgrading of TeamSystem Group offices. Disposals in land and buildings, on the other hand, relate to the sale of the Osimo (AN) property in 2024 (which generated a loss of approximately € 397 thousand).

12. INTANGIBLE ASSETS

Euro thousands								
NET BOOK VALUE								
	Restated 31 Dec 2022	Change in cons. area	Additions	Other movements and disposals	Capitalization	(Amortization)	(Write-downs)	31 Dec 2023
Capitalised development	26,336	4,684		11,914	23,205	(14,186)		51,953
Brand IFRS	262,029					(15,679)		246,350
Software IFRS	210,694	65,415		(11,394)		(73,447)		191,268
Customer relationship IFRS	757,230	111,527		(1,829)		(86,858)		780,070
Other IFRS assets	30,719					(3,764)		26,955
IFRS Assets	1,260,673	176,942		(13,223)		(179,748)		1,244,644
Software, trademarks, patents	25,020	3,261	14,082	(1,095)		(13,927)		27,341
Other intangible assets	2,585	1,530	1,371	(515)		(1,161)		3,811
Intangible assets - in progress	429	2	127	(154)				404
Other intangible assets	28,035	4,793	15,580	(1,764)		(15,088)		31,556
Total	1,315,044	186,419	15,580	(3,073)	23,205	(209,021)		1,328,153

Euro thousands								
NET BOOK VALUE								
	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	Capitalization	(Amortization)	(Write-downs)	31 Dec 2024
Capitalised development	51,952			22	35,612	(22,686)		64,900
Brand IFRS	246,350			(0)		(15,716)		230,635
Software IFRS	191,269	19,071		7,938		(80,310)		137,967
Customer relationship IFRS	800,141	32,592		24,148		(96,414)		760,467
Other IFRS assets	26,955					(3,764)		23,192
IFRS Assets	1,264,715	51,663		32,086		(196,204)		1,152,261
Software, trademarks, patents	27,341	6,419	17,969	(4,039)		(16,507)		31,184
Other intangible assets	3,812		2,483	2,816		(2,201)		6,909
Intangible assets - in progress	404		79	(37)				446
Other intangible assets	31,557	6,419	20,531	(1,260)		(18,708)		38,539
Total	1,348,224	58,082	20,531	30,848	35,612	(237,598)		1,255,699

Intangible assets amount to € 1,255,699 thousand at 31 December 2024 (€ 1,348,224 at 31 December 2023), a net decrease of € 92,525 thousand with respect to 31 December 2023.

The item IFRS Assets, consisting mainly of Brand, Software and Customer Relationship, originates from the Purchase Price Allocation ("PPA") process carried out in February 2021 following the acquisition of the TeamSystem Group and then increased over the years as a result of the price allocation processes on the acquisition of subsidiaries. In the Change in consolidation area column, the amounts related to "Customer Relationship IFRS" and "Software IFRS" arise from the identification and subsequent fair value measurement of these intangible assets in connection with the 2024 acquisitions of the following companies:

- Gruppo Clementine: € 13.6 million in Software IFRS;
- DistritoK: € 5.4 million in Software IFRS and € 32.6 million in Customer Relationship IFRS.

As regards capitalised development costs recognised in 2024 of € 35,612 thousand, the main investment components relate to development costs capitalised by TeamSystem S.p.A. in 2024. In particular, capitalised personnel costs amount to € 28,624 thousand, while capitalised service costs total € 6,988 thousand. The main projects to which these capitalisations refer are related to the development of the following software: TS Enterprise, TS Digital, STR Construction, TS Studio – tax and accounting, Mikro V17 and Zirve Desktop.

13. RIGHT-OF-USE

This comprises the present value of future payments for the right to use leased assets arising from the application of IFRS 16 as follows:

Euro thousands							
	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	(Amortization)		31 Dec 2024
Buildings - Right of use	19,290	3,570	10,199	(2,168)	(6,234)		24,657
Other assets - Right of use	8,536	406	7,708	(262)	(5,415)		10,974
Total	27,826	3,976	17,908	(2,430)	(11,650)		35,631

Right-of-use assets amount to € 35,631 thousand at 31 December 2024.

Assets held under lease consist of:

- Buildings of € 24,657 thousand, relating to the operational premises of the Group companies and corporate accommodation used by certain Group employees, the total balance of which increased by € 5,367 thousand at 31 December 2024 with respect to 31 December 2023 (€ 19,290 thousand) due to the combined effect of changes to the scope of consolidation (€ 3,570 thousand), depreciation (€ 6,234 thousand), additions (€ 10,199 thousand) and other movements and disposals (€ 2,168 thousand) during the period.
- Other assets of € 10,974 thousand relating mainly to company cars.

The contracts subject to IFRS 16 do not contain any significant renewal clauses, variable lease payments, restrictions or covenants, and there have been no leaseback transactions.

The impacts on profit or loss related to the values of right-of-use assets for leased assets are as follows:

- depreciation of right-of-use assets: € 11,650 thousand
- interest expense on lease liabilities: € 1,319 thousand

The lease liability represents the financial obligation associated with the recognition of leases in accordance with IFRS 16.

14. GOODWILL

Euro thousands

	Restated 31 Dec 2023	CSP Business Unit	Change in cons. area	Disposals	Other movements	31 Dec 2024
CGU - DIGITAL FINANCE	126,476		23,875	(6)		150,344
CGU - MICRO	763,710		85,827	(14)	25,464	874,987
CGU - HR	121,185	(121,176)		(9)		
CGU - CSP		130,798	697			131,495
CGU - PROFESSIONAL	583,617		20,870	(270)		604,217
CGU - ENTERPRISE	454,223		27,899	(649)	98	481,572
CGU - MARKET SPECIFIC SOLUTIONS	76,448	(9,622)		(3)		66,824
Total	2,125,660		159,169	(951)	25,561	2,309,439

The Goodwill balance relates to the amount recognised from the acquisition of TeamSystem Group in February 2021 by investment funds managed by the international private equity firm Hellman & Friedman. This Goodwill then increased as a result of goodwill arising in connection with other acquisitions of subsidiaries. Goodwill consists of the excess consideration paid for the above acquisitions, over the fair value of the assets acquired and the liabilities assumed and has been allocated to the CGUs identified by the Group.

As established by IFRS 3, following the completion of accounting activities related to the fair value assessments of acquired assets and assumed liabilities, and the consequent retrospective adjustment of values, goodwill as of 31 December 2023 has been restated for an amount of € 14,005 thousand. In particular, the retrospective adjustment is attributable to the identification and fair value assessment of the assets and liabilities of the following companies: Datamedia, Bellachioma System, TC Informatica, Soluzioni Informatiche, Rean.

In 2024, the Group also implemented a minor change to its operating segments, transferring "Trust" products from the "Market Specific Solutions" business to the "HR" business unit. The new business unit resulting from this reorganisation has been named "**Cross Segment Products.**" Following this organisational change, the Group has accordingly reclassified the portion of Goodwill related to "Trust" products from the Market Specific Solutions ("MSS") CGU to the resulting Cross Segment Products ("CSP") CGU.

The Other movements in goodwill also include variations in amounts due to exchange rate fluctuations, while the increase in goodwill (€ 159,169 thousand) relates to the companies acquired by the Group during the 2024 financial year, as listed below:

- business units contributed to TeamSystem 12 (B&T Software & Service S.n.c.; 2K Soft S.r.l. Slware S.r.l.; Next S.r.l.; Nordest Informatica S.r.l.; Giese Dati S.r.l.; Zuffellato Technologies S.r.l.; L'informatica S.r.l.; Isigest S.r.l. Flor Informatica S.r.l. SIEL.CO. S.r.l.) for an amount equal to € 25,909 thousand (final allocation);
- Innova business unit contributed to Greenext, for € 3,914 thousand (provisional allocation);
- acquisition of Pentaedro, for € 10,547 thousand (provisional allocation);
- acquisition of Netfintech (and its subsidiary Change Capital) for an amount of € 23,764 thousand (provisional allocation);

- acquisition of the companies of the Clementine Group, for € 43,169 thousand (provisional allocation);
- acquisition of Distrito K, for € 41,447 thousand (provisional allocation);
- contribution of the Unix business unit into TeamSystem 15 for an amount of € 6,881 thousand (provisional allocation);
- contribution of the Poker and Synesthesia business units into TeamSystem 14 for an amount of €3,535 thousand (provisional allocation).

► **Impairment Test – Goodwill 31 December 2024**

The operating sectors with which the TeamSystem Group is currently organised, corresponding to the Group's CGUs, are as follows:

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

A CGU is defined as a business activity or the smallest group of activities that generate cash inflows that are largely independent of the cash inflows generated by other activities or groups of activities. The CGUs have been identified in line with the Management's view, both in terms of performance monitoring and economic and financial planning.

Goodwill allocated to each of the CGUs identified above is tested for impairment at least annually.

Regarding the impairment test conducted as of 31 December 2024, steps have been taken to determine the recoverable amount (enterprise value) of each CGU of TeamSystem Group as a whole that had been identified by Management as the lowest level to which goodwill is allocated for internal management purposes, by means of the application of discounted cash flow methodology. The test was performed by discounting prospective cash flows for 2025-2029 based on amounts included in the 2025-2029 Group Business Plan approved by the Board of Directors of TeamSystem Holdco on 05 December 2024.

A terminal value was determined beyond the explicit forecast horizon based on operating cash flows (net operating profit less adjusted taxes - NOPLAT) appropriately normalised to reflect normal business operations. In the choice of the growth rate to apply to NOPLAT, it was established that, consistent with the growth envisaged in the Business Plan and with historical growth rates, there was a reasonable expectation of growth of 2.0% ("g rate").

In addition to the assumed g rate, the main assumptions adopted regarded an estimate of the post-tax weighted average cost of capital ("WACC") of 8.6% (Enterprise CGU, Professional CGU, Market Specific Solutions CGU, and CSP CGU), 8.9% (Digital Finance CGU) and 9.1% (Micro CGU).

In particular, the values considered in the calculation of WACC are as follows:

- Gross cost of debt: estimated as the sum of the six-month average of the 3-month Euribor and a spread of 3.5%, in line with the terms defined following the debt refinancing transaction completed in July 2024;
- Cost of equity: based on market parameters, including:
 - A risk-free rate, determined by considering the yield on 10-year government bonds in the countries where each CGU operates (six-month average preceding 31 December 2024);
 - A market risk premium of 5.5% (Source: Fernandez/Kroll/Duff & Phelps);
 - A beta calculated with reference to the unlevered market beta of a panel of comparable companies, re-levered based on the average financial structure of those comparables, and a tax rate corresponding to the applicable tax rate.
- Weighted average tax rate of the countries in which each cluster operates;
- Financial structure used for weighting the cost of debt and the cost of equity, based on the market averages of comparable companies.

The results of the impairment tests conducted did not provide any indication of impairment at 31 December 2024.

The Group also performed sensitivity analysis by applying different assumptions for the determination of WACC and g rate parameters. The results of this analysis are set out below:

Euro million						
CGU - DIGITAL FINANCE						
Cover Impairment Sensitivity		WACC				
		7.9%	8.4%	8.9%	9.4%	9.9%
G RATE	1.0%	28.3	11.0	(4.1)	(17.3)	(29.1)
	1.5%	44.4	24.7	7.7	(7.2)	(20.2)
	2.0%	63.1	40.5	21.1	4.4	(10.2)
	2.5%	85.4	58.9	36.6	17.6	1.2
	3.0%	112.2	80.9	54.8	32.9	14.2

Euro million						
CGU - MICRO						
Cover Impairment Sensitivity		WACC				
		8.1%	8.6%	9.1%	9.6%	10.1%
G RATE	1.0%	1,952.0	1,740.9	1,556.0	1,392.7	1,247.5
	1.5%	2,145.4	1,906.2	1,698.6	1,516.8	1,356.3
	2.0%	2,370.2	2,096.5	1,861.3	1,657.2	1,478.4
	2.5%	2,635.1	2,317.7	2,048.5	1,817.3	1,616.6
	3.0%	2,951.5	2,578.3	2,266.3	2,001.6	1,774.2

Euro million						
CGU - CSP						
Cover Impairment Sensitivity		WACC				
		7.6%	8.1%	8.6%	9.1%	9.6%
G RATE	1.0%	172.5	143.5	118.3	96.3	76.8
	1.5%	199.7	166.5	138.0	113.3	91.6
	2.0%	231.8	193.3	160.7	132.7	108.4
	2.5%	270.1	224.9	187.1	155.0	127.4
	3.0%	316.8	262.6	218.1	180.9	149.4

Euro million						
CGU - PROFESSIONAL						
Cover Impairment Sensitivity		WACC				
		7.6%	8.1%	8.6%	9.1%	9.6%
G RATE	1.0%	639.2	532.4	439.6	358.3	286.5
	1.5%	739.4	617.1	512.0	420.8	340.8
	2.0%	857.3	715.6	595.3	492.0	402.3
	2.5%	998.2	831.6	692.3	574.0	472.5
	3.0%	1,169.6	970.3	806.4	669.4	553.2

Euro million						
CGU - ENTERPRISE						
Cover Impairment Sensitivity		WACC				
		7.6%	8.1%	8.6%	9.1%	9.6%
G RATE	1.0%	168.0	105.8	51.9	4.6	(37.1)
	1.5%	226.5	155.3	94.2	41.1	(5.4)
	2.0%	295.3	212.8	142.8	82.7	30.5
	2.5%	377.5	280.5	199.4	130.6	71.5
	3.0%	477.6	361.4	266.0	186.2	118.6

Euro million

CGU - MARKET SPECIFIC SOLUTIONS						
Cover Impairment Sensitivity		WACC				
		7.6%	8.1%	8.6%	9.1%	9.6%
G RATE	1.0%	15.9	4.5	(5.5)	(14.2)	(21.9)
	1.5%	26.6	13.5	2.3	(7.5)	(16.1)
	2.0%	39.2	24.1	11.2	0.1	(9.5)
	2.5%	54.3	36.5	21.5	8.9	(2.0)
	3.0%	72.6	51.3	33.7	19.1	6.6

The impairment test models, as well as the financial data contained therein and the related results, were approved by the Board of Directors of TeamSystem Holdco S.p.A. on 28 March 2025, in accordance with the guidelines contained in joint document No. 4 of March 2010 issued by ISVAP, Bank of Italy and Consob.

As a result of the uncertainty caused by the ongoing conflict between Russia and Ukraine (further compounded, as of February 2025, by uncertainties arising from potential import tariffs in the United States) there may be impacts on the estimates used by management in preparing the impairment test as of 31 December 2024. These could include, for example, assumptions related to expected cash flows, applied discount rates, and the growth rate ("g rate") used, among others.

In any case, we reiterate that the Directors continue to constantly monitor the situation, to identify possible effects, including accounting effects, that may arise from a continuation of the ongoing international crisis caused by the ongoing armed conflicts and tariff uncertainties.

15. ALLOCATION OF GOODWILL - RESTATEMENT OF 2023 GOODWILL and COMPANIES ACQUIRED IN 2024

► Restatement of 2023 Goodwill

In 2024, the purchase price allocation processes were finalised for the acquisitions completed in 2023 of the following companies:

- Bellachioma System
- Datamedia
- Rean
- TC Informatica
- Soluzioni Informatica

As a result of the finalisation of the purchase price allocation for these companies, total goodwill increased from €2,139,665 thousand (31 December 2023) to € 2,125,600 thousand (31 December 2023 restated), with goodwill decreasing by € 14,005 thousand as a result of the allocations.

As required by IFRS 3, the values presented above have been reflected retrospectively from the acquisition date, resulting in the modification and integration of the amounts that had been provisionally included in the consolidated financial statements for the year ended 31 December 2023.

The final goodwill values relating to these acquisitions are set out below.

Bellachioma Systems

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Bellachioma Systems S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of Bellachioma Systems, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024.

The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION BELLACHIOMA SYSTEM		
ASSETS	PPA final balances	NOTES
Tangible assets	5	
Intangible assets	1	
Deferred tax assets	34	
TOTAL NON CURRENT ASSETS	40	
Trade receivables	991	
Tax receivables	24	
Other receivables - current	217	
Cash and bank balances	1,174	
TOTAL CURRENT ASSETS	2,406	
TOTAL ASSETS	2,446	A

Euro thousands

STATEMENT OF FINANCIAL POSITION BELLACHIOMA SYSTEM		
EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	1,586	
Staff leaving indemnity	125	
TOTAL NON CURRENT LIABILITIES	125	
Trade payables	517	
Provisions for risks and charges - current	96	
Tax liabilities - current	0	
Other liabilities - current	121	
TOTAL CURRENT LIABILITIES	735	
TOTAL LIABILITIES	860	B
TOTAL EQUITY AND LIABILITIES	2,446	
Fair Value of acquired net assets	1,586	C = A - B
Cost of the investment	3,962	D
Final Goodwill IFRS 3	2,376	E = D - C

The goodwill that emerged as a result of the above transaction accounting was mainly allocated € 1 million to the “Enterprise” CGU and € 1.3 million to the “Professional” CGU.

Details of the main changes in the final allocation of Bellachioma Systems’ goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

Euro thousands			
STATEMENT OF FINANCIAL POSITION			
BELLACHIOMA SYSTEM			
ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	5	5	0
Intangible assets	1	1	0
Deferred tax assets	34	1	33
TOTAL NON CURRENT ASSETS	40	7	33
Trade receivables	991	1,128	(136)
Tax receivables	24	24	0
Other receivables - current	217	217	0
Cash and bank balances	1,174	1,174	0
TOTAL CURRENT ASSETS	2,406	2,542	(136)
TOTAL ASSETS	2,446	2,549	(104)

Euro thousands			
STATEMENT OF FINANCIAL POSITION			
BELLACHIOMA SYSTEM			
LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	1,586	1,689	(104)
Staff leaving indemnity	125	125	0
TOTAL NON CURRENT LIABILITIES	125	125	0
Trade payables	517	517	0
Provisions for risks and charges - current	96	96	0
Tax liabilities - current	0	0	0
Other liabilities - current	121	121	0
TOTAL CURRENT LIABILITIES	735	735	0
TOTAL LIABILITIES	860	860	0
TOTAL EQUITY AND LIABILITIES	2,446	2,549	(104)

Datamedia

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Datamedia S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of Datamedia, considered provisional at the time the consolidated financial statements for the year ended 31 December 2022 were approved, was finalised in 2023.

The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands			
STATEMENT OF FINANCIAL POSITION			
DATAMEDIA			
ASSETS	PPA final balances	NOTES	
Deferred tax assets	25		
TOTAL NON CURRENT ASSETS	25		
Trade receivables	1,032		
Other receivables - current	20		
Other financial assets - current	358		
Cash and bank balances	309		
TOTAL CURRENT ASSETS	1,718		
TOTAL ASSETS	1,743	A	

Euro thousands

STATEMENT OF FINANCIAL POSITION DATAMEDIA		PPA final balances	NOTES
EQUITY AND LIABILITIES			
Share capital		0	
Other reserves		(79)	
Retained earnings (accumulated losses)		466	
Profit (Loss) attributable to Owners of the Company		0	
TOTAL EQUITY attributable to OWNERS OF THE COMPANY		387	
Non controlling interests - Capital and reserves		0	
Non controlling interests - Profit (Loss)		0	
TOTAL NON CONTROLLING INTERESTS		0	
TOTAL EQUITY		387	
Staff leaving indemnity		71	
TOTAL NON CURRENT LIABILITIES		71	
Financial liabilities with banks and other institutions - current		16	
Trade payables		150	
Tax liabilities - current		201	
Other liabilities - current		918	
TOTAL CURRENT LIABILITIES		1,285	
TOTAL LIABILITIES		1,356	B
TOTAL EQUITY AND LIABILITIES		1,743	
Fair Value of acquired net assets		387	C = A - B
Cost of the investment		2,104	D
Final Goodwill IFRS 3		1,716	E = D - C

Goodwill that emerged as a result of the above transaction accounting was allocated € 0.9 million to the “Enterprise” CGU, € 0.7 million to the “Professional” CGU and € 0.1 million to the “Micro” CGU.

Details of the main changes in the final allocation of Datamedia's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

Euro thousands

STATEMENT OF FINANCIAL POSITION DATAMEDIA			
ASSETS	PPA final balances	PPA provisional balances	Changes
Deferred tax assets	25		25
TOTAL NON CURRENT ASSETS	25	0	25
Trade receivables	1,032	1,136	(104)
Other receivables - current	20	20	0
Other financial assets - current	358	358	0
Cash and bank balances	309	309	0
TOTAL CURRENT ASSETS	1,718	1,822	(104)
TOTAL ASSETS	1,743	1,822	(79)

Euro thousands			
STATEMENT OF FINANCIAL POSITION			
DATAMEDIA			
LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	387	466	(79)
Staff leaving indemnity	71	71	0
TOTAL NON CURRENT LIABILITIES	71	71	0
Financial liabilities with banks and other institutions - current	16	16	0
Trade payables	150	150	0
Tax liabilities - current	201	201	0
Other liabilities - current	918	918	0
TOTAL CURRENT LIABILITIES	1,285	1,285	0
TOTAL LIABILITIES	1,356	1,356	0
TOTAL EQUITY AND LIABILITIES	1,743	1,822	(79)

Rean

In October 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Rean S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of Rean, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024.

The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands		
STATEMENT OF FINANCIAL POSITION		
REAN		
ASSETS	PPA final balances	NOTES
Tangible assets	12	
Intangible assets	20,078	
TOTAL NON CURRENT ASSETS	20,090	
Trade receivables	790	
Other receivables - current	24	
TOTAL CURRENT ASSETS	814	
TOTAL ASSETS	20,904	A

Euro thousands

STATEMENT OF FINANCIAL POSITION REAN		
EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	12,248	
Staff leaving indemnity	974	
Deferred tax liabilities	5,600	
TOTAL NON CURRENT LIABILITIES	6,574	
Trade payables	63	
Tax liabilities - current	282	
Other liabilities - current	1,737	
TOTAL CURRENT LIABILITIES	2,082	
TOTAL LIABILITIES	8,656	B
TOTAL EQUITY AND LIABILITIES	20,904	
Fair Value of acquired net assets	12,248	C = A - B
Cost of the investment	22,157	D
Final Goodwill IFRS 3	9,909	E = D - C

The goodwill that emerged as a result of the aforementioned transaction accounting was allocated € 4 million to the “Enterprise” CGU, € 5 million to the “Professional” CGU, € 0.7 million to the “Micro” CGU, € 0.1 million to the “Digital Finance” CGU, € 0.1 million to the “Market Specific Solutions” CGU, and € 0.1 million to the “Cross Segment Products” CGU.

Details of the main changes in the final allocation of Rean's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

STATEMENT OF FINANCIAL POSITION REAN			
ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	12	12	0
Intangible assets	20,078	8	20,070
TOTAL NON CURRENT ASSETS	20,090	20	20,070
Trade receivables	790	790	0
Other receivables - current	24	24	0
TOTAL CURRENT ASSETS	814	814	0
TOTAL ASSETS	20,904	834	20,070

Euro thousands

STATEMENT OF FINANCIAL POSITION			
REAN			
LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	12,248	(2,021)	14,269
Staff leaving indemnity	974	974	0
Deferred tax liabilities	5,600		5,600
TOTAL NON CURRENT LIABILITIES	6,574	974	5,600
Trade payables	63	63	0
Tax liabilities - current	282	282	0
Other liabilities - current	1,737	1,535	201
TOTAL CURRENT LIABILITIES	2,082	1,881	201
TOTAL LIABILITIES	8,656	2,855	5,801
TOTAL EQUITY AND LIABILITIES	20,904	834	20,070

TC Informatica

In November 2023, TeamSystem S.p.A. acquired a 100% controlling interest in TC Informatica S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of TC Informatica, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024. The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION		
TC INFORMATICA		
ASSETS	PPA final balances	NOTES
Deferred tax assets	20	
Trade receivables	195	
Tax receivables	2	
Other receivables - current	12	
Cash and bank balances	62	
TOTAL CURRENT ASSETS	272	
TOTAL ASSETS	292	A

Euro thousands

STATEMENT OF FINANCIAL POSITION		
TC INFORMATICA		
EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	(355)	
Staff leaving indemnity	30	
TOTAL NON CURRENT LIABILITIES	30	
Financial liabilities with banks and other institutions - current	94	
Trade payables	469	
Tax liabilities - current	4	
Other liabilities - current	50	
TOTAL CURRENT LIABILITIES	617	
TOTAL LIABILITIES	647	B
TOTAL EQUITY AND LIABILITIES	292	

Fair Value of acquired net assets	(355)	C = A - B
Cost of the investment	1,314	D
Final Goodwill IFRS 3	1,669	E = D - C

The goodwill that emerged as a result of the above transaction accounting was allocated € 1.2 million to the “Professional” CGU, € 0.4 million to the “Micro” CGU, and € 0.1 million to the “Digital Finance” CGU.

Details of the main changes in the final allocation of TC Informatica's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

Euro thousands

STATEMENT OF FINANCIAL POSITION TC INFORMATICA	PPA final balances	PPA provisional balances	Changes
ASSETS			
Deferred tax assets	20		20
TOTAL NON CURRENT ASSETS	20	0	20
Trade receivables	195	277	(82)
Tax receivables	2	2	0
Other receivables - current	12	12	0
Cash and bank balances	62	62	0
TOTAL CURRENT ASSETS	272	354	(82)
TOTAL ASSETS	292	354	(62)

Euro thousands

STATEMENT OF FINANCIAL POSITION TC INFORMATICA	PPA final balances	PPA provisional balances	Changes
LIABILITIES			
TOTAL EQUITY	(355)	(293)	(62)
Staff leaving indemnity	30	30	0
TOTAL NON CURRENT LIABILITIES	30	30	0
Financial liabilities with banks and other institutions - current	94	94	0
Trade payables	469	469	0
Tax liabilities - current	4	4	0
Other liabilities - current	50	50	0
TOTAL CURRENT LIABILITIES	617	617	0
TOTAL LIABILITIES	647	647	0
TOTAL EQUITY AND LIABILITIES	292	354	(62)

Soluzioni Informatiche

In December 2023, TeamSystem S.p.A. acquired a 100% controlling interest in Soluzioni Informatiche S.r.l., a TeamSystem software dealer.

The purchase price allocation recognised for the acquisition of Soluzioni Informatiche, considered provisional at the time the consolidated financial statements for the year ended 31 December 2023 were approved, was finalised in 2024.

The following table presents the carrying amounts of the acquired assets and assumed liabilities as of the acquisition date, along with the final identified fair values.

Euro thousands

STATEMENT OF FINANCIAL POSITION SOLUZIONI INFORMATICHE		
ASSETS	PPA final balances	NOTES
Tangible assets	8	
Deferred tax assets	6	
TOTAL NON CURRENT ASSETS	14	
Trade receivables	254	
Other receivables - current	37	
Cash and bank balances	381	
TOTAL CURRENT ASSETS	672	
TOTAL ASSETS	687	A

Euro thousands

STATEMENT OF FINANCIAL POSITION SOLUZIONI INFORMATICHE		
EQUITY AND LIABILITIES	PPA final balances	NOTES
TOTAL EQUITY	315	
Staff leaving indemnity	16	
TOTAL NON CURRENT LIABILITIES	16	
Financial liabilities with banks and other institutions - current	153	
Trade payables	109	
Tax liabilities - current	27	
Other liabilities - current	67	
TOTAL CURRENT LIABILITIES	356	
TOTAL LIABILITIES	371	B
TOTAL EQUITY AND LIABILITIES	687	

Fair Value of acquired net assets	315	C = A - B
Cost of the investment	2,274	D
Finale Goodwill IFRS 3	1,959	E = D - C

Goodwill that emerged as a result of the above transaction accounting was allocated € 1.3 million to the “Professional” CGU, € 0.6 million to the “Micro” CGU, and € 0.1 million to the “Digital Finance” CGU.

Details of the main changes in the final allocation of Soluzioni Infomatiche's goodwill compared to the provisional allocation made in the financial statements for the year ended 31 December 2023 are set out below.

Euro thousands

**STATEMENT OF FINANCIAL POSITION
SOLUZIONI INFORMATICHE**

ASSETS	PPA final balances	PPA provisional balances	Changes
Tangible assets	8	8	0
Deferred tax assets	6		6
TOTAL NON CURRENT ASSETS	14	8	6
Trade receivables	254	280	(26)
Other receivables - current	37	37	0
Cash and bank balances	381	381	0
TOTAL CURRENT ASSETS	672	698	(26)
TOTAL ASSETS	687	706	(20)

Euro thousands

**STATEMENT OF FINANCIAL POSITION
SOLUZIONI INFORMATICHE**

LIABILITIES	PPA final balances	PPA provisional balances	Changes
TOTAL EQUITY	315	335	(20)
Staff leaving indemnity	16	16	0
TOTAL NON CURRENT LIABILITIES	16	16	0
Financial liabilities with banks and other institutions - current	153	153	0
Trade payables	109	109	0
Tax liabilities - current	27	27	0
Other liabilities - current	67	67	0
TOTAL CURRENT LIABILITIES	356	356	0
TOTAL LIABILITIES	371	371	0
TOTAL EQUITY AND LIABILITIES	687	706	(20)

□ □ □

► Final allocations in 2024

TeamSystem 12 S.r.l.

The business units of the following TeamSystem software dealers:

- 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.;
- Giese 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.

were been transferred to TeamSystem 12 (effective date 1 January 2024) in the months of January and February.

The purchase price allocation recognised was final at the date of preparation of the financial statements for the year ended 31 December 2024 and, therefore, the related goodwill is also considered final.

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYSTEM 12	PPA final balances	NOTES
ASSETS		
Deferred tax assets	3	
TOTAL NON CURRENT ASSETS	4	
Trade receivables	7	
TOTAL CURRENT ASSETS	7	
TOTAL ASSETS	10	A

Euro thousands

STATEMENT OF FINANCIAL POSITION TEAMSYSTEM 12	PPA final balances	NOTES
EQUITY AND LIABILITIES		
TOTAL EQUITY	(1,608)	
Staff leaving indemnity	586	
TOTAL NON CURRENT LIABILITIES	586	
Other liabilities - current	1,033	
TOTAL CURRENT LIABILITIES	1,033	
TOTAL LIABILITIES	1,619	B
TOTAL EQUITY AND LIABILITIES	10	

Fair Value of acquired net assets	<u>(1,608)</u>	C = A - B
Cost of the investment	<u>24,301</u>	D
Final Goodwill IFRS 3	<u>25,910</u>	E = D - C

The goodwill resulting from the accounting of the above-mentioned transaction has been allocated as follows: € 9.9 million to the "Enterprise" CGU, € 13.9 million to the "Professional" CGU, € 1.2 million to the "Micro" CGU, € 0.6 million to the "Cross Segment Product" CGU.

□ □ □

► Provisional allocations in 2024

Innova S.r.l.

In May 2024, the business unit related to Innov was transferred to Greenext.

The purchase price allocation recognised was provisional at the date of preparation of the financial statements for the year ended 31 December 2024 and, therefore, the related goodwill is also considered provisional.

Euro thousands

STATEMENT OF FINANCIAL POSITION		
INNOVA		
ASSETS	PPA provisional adjustments	NOTES
Tangible assets	2	
TOTAL NON CURRENT ASSETS	2	
Inventories	29	
Other receivables - current	31	
TOTAL CURRENT ASSETS	61	
TOTAL ASSETS	63	A

Euro thousands

STATEMENT OF FINANCIAL POSITION		
INNOVA		
EQUITY AND LIABILITIES	PPA provisional adjustments	NOTES
TOTAL EQUITY	(368)	
Staff leaving indemnity	244	
TOTAL NON CURRENT LIABILITIES	244	
Other liabilities - current	188	
TOTAL CURRENT LIABILITIES	188	
TOTAL LIABILITIES	431	B
TOTAL EQUITY AND LIABILITIES	63	

Fair Value of acquired net assets	<u>(368)</u>	C = A - B
Cost of the investment	<u>3,546</u>	D
Provisional Goodwill IFRS 3	<u>3,914</u>	E = D - C

The goodwill arising from the above-mentioned accounting of the transaction has been fully allocated to the “Enterprise” CGU:

Pentaedro S.r.l.

In June 2024, TeamSystem S.p.A. acquired 100% of Pentaedro S.r.l. Pentaedro was created through the partial proportional demerger of Esaedro S.r.l. (in which TeamSystem S.p.A held a 40.00% equity interest). Pentaedro is a reseller of TeamSystem software. Pentaedro was merged into TeamSystem S.p.A. in December 2024.

The purchase price allocation recognised for the acquisition of Pentaedro was provisional at the date of preparation of the financial statements for the year ended 31 December 2024 and the related goodwill is also considered provisional.

Euro thousands

STATEMENT OF FINANCIAL POSITION PENTAEDRO		
ASSETS	PPA provisional adjustments	NOTES
Trade receivables	315	
Other receivables - current	408	
TOTAL CURRENT ASSETS	723	
TOTAL ASSETS	723	A

Euro thousands

STATEMENT OF FINANCIAL POSITION PENTAEDRO		
EQUITY AND LIABILITIES	PPA provisional adjustments	NOTES
TOTAL EQUITY	(1,971)	
Staff leaving indemnity	121	
TOTAL NON CURRENT LIABILITIES	121	
Trade payables	81	
Other liabilities - current	2,491	
TOTAL CURRENT LIABILITIES	2,572	
TOTAL LIABILITIES	2,694	B
TOTAL EQUITY AND LIABILITIES	723	
Fair Value of acquired net assets	(1,971)	C = A - B
Cost of the investment	8,577	D
Provisional Goodwill IFRS 3	10,548	E = D - C

The goodwill arising from the above-mentioned accounting of the transaction has been fully allocated to the "Enterprise" CGU.

Netfintech S.r.l.

In June 2024, TeamSystem S.p.A. acquired a majority stake (61.3%) in Netfintech S.r.l., a company operating (through its subsidiary Change Capital) in credit brokerage, subsidised finance, and the development and commercialisation of platforms for credit and subsidised finance solutions.

In 2024, the company Netfintech generated total revenues of € 3,723 thousand and a positive result of € 189 thousand, while the company Change Capital generated total revenues of € 3,457 thousand and a positive result of € 356 thousand.

The purchase price allocation recognised for the acquisition of Netfintech S.r.l. was still provisional at 31 December 2024 and, therefore, the related goodwill was also provisional at the reporting date.

Euro thousands

STATEMENT OF FINANCIAL POSITION NETFINTECH		
ASSETS	PPA provisional adjustments	NOTES
Tangible assets	41	
Intangible assets	1,827	
Right of use	366	
TOTAL NON CURRENT ASSETS	2,354	
Trade receivables	1,898	
Tax receivables	201	
Other receivables - current	242	
Other financial assets - current	250	
Cash and bank balances	2,696	
TOTAL CURRENT ASSETS	5,287	
TOTAL ASSETS	7,641	A

Euro thousands

STATEMENT OF FINANCIAL POSITION NETFINTECH		
EQUITY AND LIABILITIES	PPA provisional adjustments	NOTES
TOTAL EQUITY	2,408	
Financial liabilities with banks and other institutions - non current	366	
Staff leaving indemnity	120	
TOTAL NON CURRENT LIABILITIES	486	
Financial liabilities with banks and other institutions - current	3,149	
Trade payables	624	
Provisions for risks and charges - current	314	
Tax liabilities - current	46	
Other liabilities - current	614	
TOTAL CURRENT LIABILITIES	4,747	
TOTAL LIABILITIES	5,233	B
TOTAL EQUITY AND LIABILITIES	7,641	

Fair Value of acquired net assets	2,408	C = A - B
Cost of the investment	26,171	D
Provisional Goodwill IFRS 3	23,764	E = D - C

The goodwill arising from the above-mentioned accounting of the transaction has been fully allocated to the “Digital Finance” CGU.

TeamSystem 14 S.r.l.

In July 2024, the Poker business unit was transferred to TeamSystem 14. The Poker business unit is organised for the development, marketing, and provision of related services for an ERP software called Quasar-X.

In September 2024, the Synesthesia business unit was transferred to TeamSystem 14. The Synesthesia unit focuses on the development and distribution of a software solution for managing whistleblowing activities.

The purchase price allocation recognised for the acquisition of the Poker and Synesthesia business units was still provisional at 31 December 2024 and, therefore, the related goodwill was also provisional at the reporting date.

Euro thousands

STATEMENT OF FINANCIAL POSITION TS 14		
ASSETS	PPA provisional adjustments	NOTES
Tangible assets	3	
Intangible assets	1,071	
TOTAL NON CURRENT ASSETS	1,074	
Other receivables - current	166	
TOTAL CURRENT ASSETS	166	
TOTAL ASSETS	1,240	A

Euro thousands

STATEMENT OF FINANCIAL POSITION TS 14		
EQUITY AND LIABILITIES	PPA provisional adjustments	NOTES
TOTAL EQUITY	198	
Staff leaving indemnity	270	
Deferred tax liabilities	3	
TOTAL NON CURRENT LIABILITIES	273	
Trade payables	24	
Other liabilities - current	745	
TOTAL CURRENT LIABILITIES	769	
TOTAL LIABILITIES	1,042	B
TOTAL EQUITY AND LIABILITIES	1,240	

Fair Value of acquired net assets	198	C = A - B
Cost of the investment	3,733	D
Provisional Goodwill IFRS 3	3,535	E = D - C

The goodwill arising from the above-mentioned accounting of the transaction has been fully allocated to the “Enterprise” CGU.

Clementine Group

In July 2024, TeamSystem S.p.A. acquired, through the holding companies Clementine Holding Sas and Clementine Services Sas, 100% of the Clementine Group, which consists of the following companies: Eunomia Sas, Sofrageco Sas, Amex Sas, Expertise Choix B Sas, Expertise Choix C Sas, Tiktak Services Sas, Pepitejob Sas, Zhizhao Sarl, Comptalib Sas. The Clementine Group companies are pioneers and leaders in online accounting in France. They provide their clients with IT tools equipped with a modern technological platform for business management and corporate administration.

In fiscal year 2024, the Clementine Group achieved total revenues of € 17,648 thousand and a positive result of € 1,642 thousand.

The purchase price allocation recognised for the acquisition of the Clementine Group was still provisional at 31 December 2024 and, therefore, the related goodwill was also provisional at the reporting date.

Euro thousands

STATEMENT OF FINANCIAL POSITION CLEMENTINE		
ASSETS	PPA provisional adjustments	NOTES
Tangible assets	927	
Intangible assets	17,168	
Right of use	3,329	
Other Investments	1	
Deferred tax assets	735	
TOTAL NON CURRENT ASSETS	22,160	
Trade receivables	722	
Other receivables - current	2,863	
Other financial assets - current	48	
Cash and bank balances	5,787	
TOTAL CURRENT ASSETS	9,419	
TOTAL ASSETS	31,579	A

Euro thousands

STATEMENT OF FINANCIAL POSITION CLEMENTINE		
EQUITY AND LIABILITIES	PPA provisional adjustments	NOTES
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	9,121	
TOTAL NON CONTROLLING INTERESTS	19	
Financial liabilities with banks and other institutions - non current	3,329	
Deferred tax liabilities	3,412	
TOTAL NON CURRENT LIABILITIES	6,741	
Financial liabilities with banks and other institutions - current	6,652	
Trade payables	4,493	
Provisions for risks and charges - current	352	
Tax liabilities - current	614	
Other liabilities - current	3,587	
TOTAL CURRENT LIABILITIES	15,698	
TOTAL LIABILITIES	22,438	B
TOTAL EQUITY AND LIABILITIES	31,579	

Fair Value of acquired net assets	9,121	C = A - B
Cost of the investment	52,291	D
Provisional Goodwill IFRS 3	43,169	E = D - C

The goodwill arising from the above-mentioned accounting of the transaction has been fully allocated to the “Micro” CGU.

Distrito K Software S.L.U.

In August 2024, Software del Sol acquired 100% of Distrito K, a company based in Spain. The company primarily focuses on developing and licensing ERP, accounting, and tax software solutions for businesses.

In 2024, the company reported total revenue of € 4319 thousand and a profit of € 364 thousand.

The purchase price allocation recognised for the acquisition of Distrito K was still provisional at 31 December 2024 and, consequently, the related goodwill was also provisional at the reporting date.

Euro thousands

**STATEMENT OF FINANCIAL POSITION
DISTRITO K**

ASSETS	PPA provisional adjustments	NOTES
Tangible assets	34	
Intangible assets	38,017	
Right of use	281	
Deferred tax assets	589	
TOTAL NON CURRENT ASSETS	38,921	
Trade receivables	259	
Cash and bank balances	275	
TOTAL CURRENT ASSETS	534	
TOTAL ASSETS	39,455	A

Euro thousands

**STATEMENT OF FINANCIAL POSITION
DISTRITO K**

EQUITY AND LIABILITIES	PPA provisional adjustments	NOTES
TOTAL EQUITY	36,498	
Financial liabilities with banks and other institutions - non current	281	
Other liabilities - non current	227	
TOTAL NON CURRENT LIABILITIES	508	
Trade payables	20	
Provisions for risks and charges - current	75	
Other liabilities - current	2,355	
TOTAL CURRENT LIABILITIES	2,450	
TOTAL LIABILITIES	2,957	B
TOTAL EQUITY AND LIABILITIES	39,455	

Fair Value of acquired net assets	36,498	C = A - B
Cost of the investment	77,945	D
Provisional Goodwill IFRS 3	41,448	E = D - C

The goodwill arising from the above-mentioned accounting of the transaction has been fully allocated to the “Micro” CGU.

Unix

In September 2024, the Unix business unit was transferred to TeamSystem 15. Unix is a reseller of TeamSystem products.

The purchase price allocation recognised for the acquisition of the Unix business unit was still provisional at 31 December 2024 and, therefore, the related goodwill was also provisional at the reporting date.

Euro thousands

STATEMENT OF FINANCIAL POSITION TS 15		
ASSETS	PPA provisional adjustments	NOTES
Other receivables - current	47	
TOTAL CURRENT ASSETS	47	
TOTAL ASSETS	47	A

Euro thousands

STATEMENT OF FINANCIAL POSITION TS 15		
EQUITY AND LIABILITIES	PPA provisional adjustments	NOTES
TOTAL EQUITY	(702)	
Staff leaving indemnity	43	
TOTAL NON CURRENT LIABILITIES	43	
Other liabilities - current	705	
TOTAL CURRENT LIABILITIES	705	
TOTAL LIABILITIES	748	B
TOTAL EQUITY AND LIABILITIES	47	

Fair Value of acquired net assets	(702)	C = A - B
Cost of the investment	6,180	D
Provisional Goodwill IFRS 3	6,882	E = D - C

The goodwill arising from the above-mentioned accounting of the transaction has been fully allocated to the “Professional” CGU.

16. INVESTMENTS IN OTHER COMPANIES AND INVESTMENTS IN ASSOCIATES

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	(Write-downs)	Additions	Other movements and disposals	31 Dec 2024
Investments in Associates	868		(26)	1,124	(408)	1,558
Other Investments	523	1			(211)	313
Total	1,391	1	(26)	1,124	(619)	1,871

As of 31 December 2024, the balance of investments in Other companies and Investments accounted for using the equity method amounts to € 1,871 thousand. The increases recorded in 2024 primarily relate to the purchase of 40% of the share capital in the associate Deliverart and the purchase of 49% of the share capital in the associate Macrogroup.

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets

Euro thousands

DEFERRED TAX ASSETS	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
IFRS 16 - Right of use assets	77	27	49	n.s.
Tax step-up of goodwill	3,382	3,900	(518)	-13.28%
Intangible assets - PPA	174		174	
Other tangible/intangible assets	112	49	63	n.s.
Provision for bad-debts	6,216	5,379	838	15.6%
Provision for litigations and other provisions	1,442	1,029	413	40.1%
Provision for slow-moving inventories	232	220	12	5.6%
Capitalized development costs	724	569	155	27.3%
Deferred revenues / Prepaid expenses	3,083	1,840	1,243	67.5%
Tax Losses brought forward	2,283	3,089	(806)	-26.1%
IAS 29 Hyperinflation	36	100	(65)	-64.6%
Other items	17	494	(477)	-96.5%
Total	17,779	16,698	1,031	6.18%

Deferred tax assets at 31 December 2024 amounted to € 17,779 thousand (€ 16,698 thousand, at 31 December 2023). The Deferred tax assets mainly relate to the tax relief on goodwill values, provisions for the allowance for doubtful accounts, and other provisions for risks and charges that are not recognised for tax purposes. These deferred tax assets are not subject to any maturity or expiration.

TeamSystem S.p.A. did not recognise deferred tax assets on the interest expense exceeding gross operating income (GOI) and therefore it was not deducted for tax purposes. The potential deferred tax asset relating to the foregoing amounts to around € 51,228 thousand at 31 December 2024.

In addition to the above, the Group did not recognise deferred tax assets (amounting to € 3,990 thousand at 31 December 2024) on the differences in depreciation rates on Brands that were subject to a tax revaluation in 2021 in accordance with Decree Law No. 104 of 14 August 2020.

Deferred tax liabilities

Euro thousands

DEFERRED TAX LIABILITIES	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Intangible assets - PPA	277,843	313,438	(35,596)	-11.4%
Other tangible/intangible assets	327	687	(359)	-52.3%
Capitalized development costs	1,858	1,315	543	41.2%
Staff leaving indemnity - actuarial valuation	512	214	298	n.s.
Other items	164	180	(16)	-9.0%
Total	280,704	315,835	(35,131)	-11.12%

Deferred tax liabilities at 31 December 2024 amounted to € 280,704 thousand. (€ 315,835 thousand at 31 December 2023).

The Deferred tax liabilities are almost entirely related to the valuation of intangible assets (Software, Brand,

Customer relationships, and Other IFRS assets) identified during the purchase price allocation process in relation to:

- the extraordinary “change of control” transaction that involved the TeamSystem Group in 2021;
- price allocations resulting from subsequent acquisitions made by the TeamSystem Group.

18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Euro thousands

	31 Dec 2024			Restated 31 Dec 2023		
	Current	Non Current	Total	Current	Non Current	Total
Bank accounts and post office	167,498		167,498	46,631		46,631
Cash and bank balances	31		31	64		64
Total Cash and bank balances	167,529	0	167,529	46,695	0	46,695
Loans	2,222	-	2,222	2,129	-	2,129
Derivative instruments - assets	6,655	-	6,655	-	18,075	18,075
Others financial accruals	590	-	590	619	-	619
Accruals and prepaid commissions	53	-	53	39	-	39
Other financial assets	1,258	6,512	7,770	2,869	5,925	8,795
Total Other financial assets	10,778	6,512	17,290	5,657	24,000	29,657
Loans with banks	(844)	(2,022)	(2,866)	(2,286)	-	(2,286)
Finance leases liabilities	(10,716)	(26,096)	(36,812)	(8,728)	(20,613)	(29,341)
Notes	(27,991)	(2,150,000)	(2,177,991)	(32,405)	(1,830,000)	(1,862,405)
Financial liabilities with other institutions	(2,575)	-	(2,575)	(2,500)	-	(2,500)
Dividends to be paid	(40)	-	(40)	(40)	-	(40)
Total Financial liabilities	(42,166)	(2,178,118)	(2,220,283)	(45,959)	(1,850,613)	(1,896,572)
Financing Fees - notes	-	35,090	35,090	-	42,688	42,688
Financing Fees - banks	-	3,803	3,803	-	2,347	2,347
Total Financing Fees	0	38,893	38,893	0	45,035	45,035
Liabilities to non controlling shareholders of subsidiaries	(112,676)	(95,123)	(207,799)	(90,023)	(113,842)	(203,865)
Commissions financial liabilities	(270)	-	(270)	(156)	-	(156)
Other financial accruals	(6)	-	(6)	(0)	-	(0)
Cash pooling liabilities	(785)	-	(785)	0	-	0
Total Other financial liabilities	(113,737)	(95,123)	(208,860)	(90,179)	(113,842)	(204,021)
Total	22,404	(2,227,836)	(2,205,432)	(83,786)	(1,895,420)	(1,979,207)

■ Lease liabilities

The financial debt for leases at 31 December 2024 amounted to € 36,812 thousand. This liability reflects the financial liability recognised as a result of accounting for leases under IFRS 16.

■ 2028 Fixed Rate Notes, 2028 Floating Rate Notes, 2029 PIYW PIK Toggle Notes and 2032 PIYW PIK Toggle Notes

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

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

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

The merger between Brunello Bidco S.p.A., Barolo Luxco 1 S.p.A., TeamSystem Holding S.p.A. and TeamSystem S.p.A. was completed on 26 October 2021 (“Merger Date”). The surviving company from the above-mentioned merger is TeamSystem S.p.A., which, by virtue of the merger and from the Merger Date, assumed all obligations of the Issuer SSN in relation to the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes.

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

- Senior Floating Rate Pay-If-You-Want PIK toggle notes (ISIN: IT0005434441) with a total nominal value of € 300 million, which were amended on 5 October 2023, maturing on 15 December 2029 (as amended from time to time "**2029 PIYW PIK Toggle Notes**"). The PIYW PIK Toggle Notes 2029 allowed the PIK Issuer to pay interest in cash (6-month Euribor with a 0.00% floor, plus 8.00% annually) or in kind (6-month Euribor with a 0.00% floor, plus 8.75% annually), or a combination of both, at the discretion of the PIK Issuer. The 2029 PIYW PIK Toggle Notes are payable semi-annually in arrears every 15 April and 15 October, commencing 15 October 2021.
- Senior Floating Rate Pay-If-You-Want PIK toggle notes (ISIN: IT0005619686) with a total nominal value of € 300 million, maturing on 18 November 2032 (the "**2032 PIYW PIK Toggle Notes**"). The PIK Issuer pays interest on the PIK Toggle Notes 2032 in cash (6-month Euribor with a 0.00% floor), plus a cash margin (calculated based on the consolidated net leverage ratio of the PIK Issuer), or in kind (6-month Euribor with a 0.00% floor), plus a cash margin (calculated based on the consolidated net leverage ratio of the PIK Issuer), or a combination of both, at the discretion of the PIK Issuer. The 2032 PIYW PIK Toggle Notes accrue semi-annual interest payable on the third business day following 15 April and 15 October each year.

The 2029 PIYW PIK Toggle Notes were redeemed and delisted from the multilateral trading system of the Vienna Stock Exchange on 19 November 2024.

The 2032 PIYW PIK Toggle Notes are listed on the multilateral trading system of the Vienna Stock Exchange.

The fees and costs incurred for the issuance of the 2028 Fixed Rate Notes, the 2028 Floating Rate Notes, and the 2032 PIYW PIK Toggle Notes have been accounted for as Financing Fees and amortised on a pro-rata basis over the contractual term of the respective series of Notes.

TeamSystem S.p.A. issued:

- On 6 October 2022, senior secured floating rate notes (ISIN XS2533816042 - XS2533896721) were issued with a total nominal value of € 185 million, maturing on 15 February 2028 ("**2028 Private Notes**"). The 2028 Private Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus a spread of 6.25%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October each year, starting from 15 July 2023.
- On 5 October 2023, senior secured floating rate notes (ISIN XS2689127897 - XS2689129752) were issued with a total nominal value of € 195 million, maturing on 5 October 2030 ("**2030 Private Notes**"). The 2030 Private Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus a spread of 5.50%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October each year, starting from 15 January 2024.
- On 29 July 2024, senior secured floating rate notes (ISIN XS2864287540 - XS2864287466) were issued with a total nominal value of € 700 million, maturing on 31 July 2031 (the "**2031 Notes**" and, together with the 2028 Fixed Rate Notes and the 2028 Floating Rate Notes, the "**TeamSystem Notes**"). The 2031 Notes bear interest at a rate equal to 3-month Euribor - with a floor of 0.00% - plus a spread of 3.50%, payable quarterly in arrears on 15 January, 15 April, 15 July, and 15 October each year, starting from 15 October 2024.

The 2028 Private Notes and the 2030 Private Notes were redeemed on 30 July 2024 and 5 October 2024, respectively.

The fees and costs incurred for the issuance of the 2028 Fixed and Floating Notes and the 2031 Notes have been accounted for as Financing Fees and amortised on a pro-rata basis over the contractual term of the respective series of Notes.

Collateral

The obligations arising from the **TeamSystem Notes** and the **RCF**, as modified and amended by the **RCF Amendment** (as described below), are secured by the following guarantees:

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

The obligations arising from the **2032 PIYW PIK Toggle Notes** are secured by the following guarantees:

- a pledge on the entire share capital of the PIK Issuer, granted on 18 November 2024;
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;

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

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

Revolving Credit Facility

On 27 January 2021, Brunello Bidco S.p.A. (now merged into TeamSystem S.p.A.) negotiated a revolving credit facility (“**RCF**”) with a principal amount of € 180 million and a maturity date of 18 August 2027. The surviving company following the merger is TeamSystem S.p.A., which, as a result of the merger and from the Merger Date, assumed all the obligations of Brunello Bidco S.p.A. regarding the RCF.

In connection with the issuance of the 2031 Notes, in July 2024, certain lenders affiliated with the initial purchasers of the 2031 Notes entered into an amendment and restatement agreement for the revolving credit facility (the “**RCF Amendment**”). Under this agreement, the total commitments under the RCF were increased from € 180.0 million to € 300.0 million, and the maturity date was extended to the earlier of (x) 31 January 2031 and (y) the date falling six months prior to the maturity of the 2031 Notes, subject to certain provisions related to early maturity. Furthermore, under the RCF Amendment, the interest rate payable on the RCF is equal to the Euro Interbank Offered Rate (Euribor) for euro-denominated loans, the compounded Sterling Overnight Index Average (SONIA) rate for loans denominated in British pounds, and the Term Secured Overnight Financing Rate (Term SOFR) for loans denominated in US dollars, as applicable, with a floor of 0.00%, plus a spread, calculated quarterly based on certain contractual parameters.

The costs incurred for obtaining the RCF have been accounted for as financing fees and are amortised on a straight-line basis over the contractual term of the credit facility.

Interest Rate Swaps – Financial derivative assets / liabilities

With the aim of reducing the risk of market interest rate fluctuations associated with the Floating Rate Notes, in April 2022, TeamSystem S.p.A. entered into two interest rate swap contracts with a total notional amount of € 700 million and with a termination date of 15 December 2025. The change in fair value of the interest rate swaps has been recognised in profit or loss for the year ended 31 December 2024.

Euro Million				
Risk Hedged	Hedged item	Company	Notional	Fair value 31 Dec 2024
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	425.0	4.0
Change in interest rate	Floating Rate Notes	TeamSystem S.p.A.	275.0	2.6
	Total		700.0	6.7

Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 208,424 thousand at 31 December 2024) relate to put and call options and/or earn-outs and/or deferred compensation due to non-controlling interest holders of certain consolidated subsidiaries. The most significant liabilities relate to the following companies: Mikro, My Expenses, Netfintech, Readytec (just to name the main ones).

Changes in the balance of Liabilities to non-controlling shareholders of subsidiaries in 2024 are summarised below.

Euro thousands							
	Restated 31 Dec 2023	Change in cons. area	Interest	Revaluations	Write-downs	Payments	31 Dec 2024
Liabilities to non controlling shareholders of	203,865	39,684	12,528	87,365	(7,546)	(128,096)	207,799
Total	203,865	39,684	12,528	87,365	(7,546)	(128,096)	207,799

The liabilities to non-controlling shareholders of subsidiaries paid in 2024 amount to € 128,096 thousand and mainly relate to the acquisition of further interests and/or the payment of earn-outs and/or deferred consideration relating to investments in the following companies: Modefinance, Logical Soft, Microntel, Mikro, Readytec, Sigma.

Because of the uncertainties caused by the armed conflict between Russia and Ukraine and the conflict between Israel and Hamas, the development of which is still not entirely predictable, the estimates used by Management to determine the value of the put/call options and earn-outs due to non-controlling interest holders at 31 December 2024 (such as, for example, the plan projections used and the discount rates) may be affected.

19. INVENTORIES

Euro thousands				
	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Raw and ancillary materials	417	335	82	24.5%
Finished products and goods	2,793	2,103	689	32.8%
Advances	57	68	(11)	-16.3%
(Allowance for slow-moving inventory)	(1,223)	(770)	(453)	58.8%
Total	2,043	1,736	307	17.7%

Inventories amounted to € 2,043 thousand at 31 December 2024 and included hardware products not yet delivered at the reporting date, as well as consumables, accessories, third-party software modules and software licences for resale.

20. TRADE RECEIVABLES

Euro thousands				
	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Trade receivables	240,331	224,440	15,891	7.1%
(Allowance for bad debts)	(26,816)	(24,129)	(2,687)	11.1%
Total	213,516	200,311	13,204	6.6%

Trade receivables at 31 December 2024 amounted to € 213,516 thousand, net of the allowance for bad debts of € 26,816 thousand.

Movements in the allowance for bad debts in 2024 are summarised below.

Euro thousands						
	Restated 31 Dec 2023	Change in cons. area	Other movements	(*) Additions	(*) (Utilisations)	31 Dec 2024
Allowance for bad debts	24,129	465	6	9,045	(6,830)	26,816
Total	24,129	465	6	9,045	(6,830)	26,816

(*) = Credit Losses balance included both in Addition and Utilisation figures

Trade receivables are recorded net of the allowance for bad debts, the balance of which amounted to € 26,816 thousand at 31 December 2024.

The allowance for bad debts at 31 December 2024 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), which took into account:

- a) past due receivables, the write-down of which is determined based on a grouping of receivables by ageing class and risk associated with the processing stage of the receivable. This write-down is based both on historical data and on a specific analysis of doubtful accounts;

- b) the receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

21. TAX RECEIVABLES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Tax credits	134	141	(8)	-5.3%
Other tax receivables	501	1,023	(522)	-51.0%
Advances and credit on income taxes	693	632	61	9.6%
Total	1,328	1,796	(469)	-26.1%

Tax receivables at 31 December 2024 amounted to € 1,328 thousand.

22. OTHER CURRENT RECEIVABLES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
VAT receivables	204	8,380	(8,176)	-97.6%
Deposits	7,843	1,125	6,718	n.s.
Receivables from employees	563	187	376	n.s.
Other receivables - current	40,480	19,024	21,456	n.s.
Accrued income	69	146	(77)	-52.9%
Prepayments	42,280	33,776	8,504	25.2%
Total	91,439	62,638	28,801	46.0%

Other current receivables came to € 91,439 thousand at 31 December 2024. The main components that make up this balance are Prepayments (€ 42,280 thousand), which mainly consist of fees for maintenance and support provided by third parties.

Other current receivables mainly relate to advances paid at the end of the 2024 financial year for acquisitions of a number of companies that will be finalised over the course of the 2025 financial year.

23. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY AND TO NON-CONTROLLING INTERESTS

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	14,597	1,210,187	(258)	(75,295)	1,149,231	905	1,150,137
Profit (Loss) allocation		(74,982)	(313)	75,295	0		0
TeamSystem Holdco Capital increase		91			91		91
Acquisition of Subsidiaries					0	20	20
Acquisition of minority stake in subsidiaries		(826)			(826)		(826)
Profit (Loss) for the period				(109,408)	(109,408)	156	(109,253)
Other Profit (Loss) on Comprehensive income		(13,289)			(13,289)	0	(13,289)
31 Dec 2024	14,597	1,121,181	(571)	(109,408)	1,025,799	1,081	1,026,880

Equity attributable to owners of the Parent Company at 31 December 2024 amounted to € 1,026,781 thousand.

Equity attributable to non-controlling interests (€ 1,081 thousand) relates to equity interests held by third parties in Gruppo Euroconference and TeamSystem Capital at Work SGR and the companies of the Clementine Group.

In 2021, the following companies:

- TeamSystem S.p.A.
- Aliaslab S.p.A., (merged into TeamSystem S.p.A. in 2022)
- Madbit Entertainment S.r.l.
- Danea Soft S.r.l.
- Gruppo Euroconference S.p.A.

decided to revalue the tax basis of intangible software and trademark assets in accordance with Decree Law No. 104 of 14 August 2020. This resulted in the generation of equity reserves subject to taxation upon distribution totalling € 160,459 thousand in the companies listed above.

24. STAFF LEAVING INDEMNITY

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	Other movements	Service cost	Interest cost	Actuarial (gain) / loss	(Utilisations)	31 Dec 2024
Staff leaving indemnity	35,943	1,384	(2,925)	1,426	856	(1,235)	(2,985)	32,464
Total	35,943	1,384	(2,925)	1,426	856	(1,235)	(2,985)	32,464

The liability associated with the staff leaving indemnity at 31 December 2024 amounted to € 32,464 thousand. (€ 35,943 thousand at 31 December 2023).

In accordance with IAS 19, the Staff leaving indemnity is considered a defined benefit plan to be accounted for by applying the “projected unit credit method,” which consists of discounting an estimate of the amount to be paid to each employee on termination of their employment and the consequent determination of:

- **initial DBO**, which is the present value of employee service payments expected to be made in the future, already available at the beginning of the period;
- **service cost**, which is the present value of expected future employee service relating to services provided in the current period;
- **interest cost**, which is interest on the provision at the beginning of the period and on corresponding movements in the period being considered;
- **benefits paid and transfers in/out**, representing all payments and transfers in and out relating to the period being considered, being elements that lead to the utilisation of the provision;
- **the actuarial gain/loss**, namely, the actuarial gain/loss relating to the valuation period.

The estimate as of 31 December 2024 was prepared using the following assumptions:

	Other Countries 31 Dec 2024	Turkey 31 Dec 2023
Turnover	4.00%	20.00%
Discount rate	3.38%	0.01%
Anticipation rate	1.00%	0.25%

It should also be noted that, should the annual discount rate change by +/- 0.25%, the staff leaving indemnity would decrease by approximately € 793 thousand (in the event of a 0.25% increase in the discount rate) and increase by approximately € 804 thousand in the event of a 0.25% decrease in the discount rate.

IAS 19 - Employee Benefits requires the recognition of actuarial gains and losses arising from the “remeasurement” of liabilities and assets in the consolidated statement of comprehensive income. Consequently, the amount included in the 2024 consolidated statement of comprehensive income (€ 1,204 thousand) corresponds to the actuarial gains/losses, net of the tax effect.

25. PROVISIONS FOR RISKS AND CHARGES

Euro thousands

	Restated 31 Dec 2023	Change in cons. area	Additions	Other movements and disposals	31 Dec 2024
Provision for pension and other obligation	1,671		402	(238)	1,835
Provision for litigations	21,331	741	2,333	(3,648)	20,757
Other provision for risks and charges	2,203		8,439	(6,666)	3,975
Total	25,204	741	11,173	(10,552)	26,567

Provisions for risks and charges amounted to € 26,567 thousand at 31 December 2024. Its components are as follows:

- The Provision for pensions and similar obligations of € 1,835 thousand, relating mainly to the Provision for agents' indemnity; disbursements are triggered by the termination of agreements with Group companies' agents for reasons not attributable to the companies themselves (death, natural termination of activities and similar circumstances). Accordingly, it is not possible to reliably estimate the timing of disbursements.
- The Provision for litigation, amounting to € 20,757 thousand, mainly related to certain disputes (with social security institutions and tax authorities) as well as to certain liabilities (deemed possible) allocated during the purchase price allocation process of company acquisitions (in accordance with the reference accounting standards, IFRS 3.23) made both by the TeamSystem Group (in connection with the "change of control" transaction that took place in February 2021) and subsequent acquisitions made by the TeamSystem Group. Management is currently unable to estimate when the related cash outflows will occur. The increases to the Provision for litigation and disputes in 2024 mainly refer to outstanding disputes with some customers/suppliers as well as ongoing tax assessments.
The decreases to the Provision for litigation and disputes in 2024, refer to: 1) the resolution of certain tax disputes (within the framework of a settlement procedure initiated with the competent tax authorities) arising in relation to the tax periods 2016, 2017 and 2018 concerning certain subsidiaries that were later merged into TeamSystem S.p.A.; 2) the release/use of risk provisions following the resolution of disputes that arose in previous years.
- Other provisions for risks and charges amounted to € 3,975 thousand at 31 December 2024, which primarily includes the provision for corporate welfare plans.

26. CURRENT TAX LIABILITIES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
Income tax payables	21,109	11,293	9,816	86.92%
Other tax liabilities	128	-	128	0.00%
Total	21,237	11,293	9,944	88.1%

Income tax payables, amounting to € 21,237 thousand at 31 December 2024, refer to corporate income tax payables recognised by the individual consolidated companies based on applicable national legislation (since the TeamSystem Group conducts most of its operations in Italy, these tax payables mainly relate to IRES and IRAP taxes).

27. OTHER CURRENT AND NON-CURRENT LIABILITIES

Euro thousands

	31 Dec 2024	Restated 31 Dec 2023	Change	% Change
VAT liabilities	7,047	3,400	3,647	n.s.
Withholdings liabilities	8,715	7,121	1,594	22.4%
Employees payables and Social security liabilities - current	51,239	45,280	5,959	13.2%
Advances	908	639	268	41.9%
Other liabilities	1,915	1,817	98	5.4%
Accrued liabilities	457	426	31	7.3%
Deferred revenues	187,721	154,928	32,793	21.2%
	0.0%			
Other current liabilities	258,003	213,612	44,391	20.78%
Social security liabilities - non current	290	335	(45)	-13.3%
Other tax liabilities - non current	8	8	-	0.0%
Other non current liabilities	298	342	(45)	-13.02%
Total Other liabilities	258,300	213,954	44,346	20.73%

Other current and non-current liabilities amounted to € 258,300 thousand at 31 December 2024.

Employee payables and social security liabilities of € 51,239 thousand relate to salaries and 2024 production bonuses (not yet paid at the year end) payable to employees, directors and collaborators, as well as accruals for public holidays and holiday pay, inclusive of related social contributions.

Deferred revenue (€ 187,721 thousand) mainly relates to the portion of software support contract revenue attributable to future financial years, based upon the duration of the underlying contracts.

28. ASSETS AND LIABILITIES HELD FOR SALE

As of 31 December 2024, within the TeamSystem Group, the interest held by TeamSystem S.p.A. in the controlled company Contactlab meets the criteria under IFRS 5 to be classified as held for sale. Consequently, the related assets (for an amount of € 2,812 thousand) and liabilities (for an amount of € 4,470 thousand) of the company have been classified as held for sale.

29. FINANCIAL INSTRUMENTS AND IFRS 7

The Group is exposed to a variety of financial risks that are managed and monitored centrally and which can be categorised as follows:

Foreign exchange risks

As an international organisation, the Group holds assets and conducts business in currencies other than the euro (although not yet to a significant extent) and is therefore exposed to risks arising from changes in exchange rates that could affect its results of operations and the value of its equity. Many of the TeamSystem Group companies are, however, exposed to a limited degree of foreign exchange risk due to the operational management of these companies, whose cash flows (both revenues and costs) are mostly denominated in the same functional currency as the country in which these companies are based. It should be noted that as of September 2023, TeamSystem Group owns Mikro Group, which is based in Turkey, a country experiencing hyperinflation and significant exchange rate fluctuations. However, it is important to mention that Mikro Group primarily conducts trading activity in Turkish lira.

Credit risk

Credit risk is mitigated by the high fragmentation of the customer base and the high degree of customer loyalty. In any case, the customer credit policy, by customer category (resellers and end-users), envisages:

- a) the control and assessment of credit standing;
- b) the control of the flow of payment collection;
- c) taking appropriate action by issuing reminders and by the use of credit collection procedures, including recourse to companies specialised in debt recovery.

The maximum theoretical exposure to credit risk for the Group is represented by the carrying amount of trade receivables as presented in the consolidated financial statements, as well as residual financial receivables recorded in current and non-current financial assets.

The tool used by the Group for the classification and control of trade receivables consists of an Ageing List, in which amounts of overdue receivables are summarised by ageing category, from the most recent (0-30 days) to the oldest (over 180 days).

The amount of the allowance for bad debts at 31 December 2024 was determined by adopting an expected credit loss approach (as required by the relevant IFRS 9), taking into account both past due receivables, the allowance for which was determined based on a specific analysis of doubtful accounts and receivables that are not yet past due at the reporting date, therefore estimating a generic write-down based on historical data and the past credit loss experience of the Group, adjusted to take into account expected losses from specific debtors and the macroeconomic environment.

Interest rate risk

TeamSystem Group's financial structure calls for fixed rate debt for the **2028 Fixed Rate Notes** and variable rate debt for the **2028 Floating Rate Notes, 2031 Notes, 2032 PIYW PIK Toggle Notes**, and the **RCF** credit facility. The yield on the **2028 Floating Rate Notes**, the **2031 Notes** and the **2030 Private Notes** is tied to the 3-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, or to the 6-month Euribor rate (with a floor of 0.00%), plus a contractually established spread, for the **2032 PIYW PIK Toggle Notes**. Conditions applied to the **RCF** also feature floating interest rates (based on Euribor rates - with a floor of 0.00%) plus a contractually defined spread.

If the interest rates payable on the Notes during 2024 had been 0.5% higher (with respect to the interest rate actually paid over during 2024), the financing costs of the Notes would have been approximately €5.0 million higher; if the interest rates payable on the Notes had been 0.50% lower (with respect to the interest rate actually paid during 2024), the financing costs of the Notes would have been approximately €5.1 million lower for the TeamSystem Group. It should also be noted that the above sensitivity calculation of the financial costs on the Notes took into account interest rate derivative contracts that the Group entered into during 2022. These derivative swap contracts (expiring in December 2025) stipulate that the TeamSystem Group pays a fixed interest rate and receives a variable interest rate based on the 3-month Euribor.

As regards the revolving credit facility, if interest rates payable on the RCF had been 0.5% higher during the course of 2024 (with respect to the interest rate actually paid during the course of 2024), finance costs would have been € 0.1 million higher; on the other hand, if interest rates payable on the RCF had been 0.50% lower (with respect to the interest rate actually paid during the course of 2024), the TeamSystem Group would have incurred around € 0.1 million less in finance costs.

Liquidity risk

The two main factors that determine the dynamics of the Group's liquidity are, on one hand, the resources generated/absorbed by operating and investment activities and, on the other hand, the maturity of financial liabilities. The following procedures have been adopted to optimise cash flow management and reduce liquidity risk:

- maintenance of an adequate level of available liquidity;
- adoption of Cash-pooling at Group level;
- securing of adequate credit lines;
- monitoring prospective liquidity conditions as part of the corporate planning process.

Despite the Group's high degree of leverage and the uncertain macroeconomic scenarios - including the ongoing Russian-Ukrainian conflict and the conflict between Israel and Hamas - liquidity is not an issue. The RCF facility itself, with a total available amount of € 300 million, remains undrawn at 31 December 2024. The Group has always demonstrated its ability to generate cash and to successfully raise funds in the financial markets.

Set out below are details of the Group's financial assets and liabilities analysed according to the related due dates of the payment outflows. The flows indicated are non-discounted nominal cash flows, determined with reference to the residual contractual maturity for both capital and interest elements for which the interest rates are assumed to have remained unchanged from those in effect.

Euro thousands

	31 Dec 2024	within 12 months	between 1 - 5 years	over 5 years	Total cash flows
FINANCIAL ASSETS					
Loans	2,222	2,222			2,222
Derivative instruments - assets	6,655	7,195			7,195
Others financial accruals	590	590			590
Accruals and prepaid commissions	53	53			53
Other financial assets	7,770		7,770		7,770
FINANCIAL LIABILITIES					
Loans with banks	(2,866)	(2,866)			(2,866)
Finance leases liabilities	(36,812)	(11,752)	(26,788)	(3,492)	(42,031)
Notes	(2,177,991)	(130,866)	(1,582,340)	(1,130,871)	(2,844,077)
Financial liabilities with other institutions	(2,575)	(2,575)			(2,575)
Dividends to be paid	(40)	(40)			(40)
Liabilities to non controlling shareholders of subs	(207,799)	(112,846)	(109,706)		(222,553)
Commissions financial liabilities	(270)	(270)			(270)
Other financial accruals	(6)	6			6
Cash pooling liabilities	(785)	(785)			(785)
Total	(2,411,854)	(251,934)	(1,711,064)	(1,134,362)	(3,097,360)

The difference between the amounts reported in the consolidated financial statements and total cash flow is mainly attributable to the computation of interest over the contractual term on amounts due to banks, to noteholders and to liabilities to non-controlling shareholders of subsidiaries.

Financial instruments by category (IFRS 7 paragraph 8)

As required by IFRS 7, paragraph 8, the Group's financial instruments have been identified by asset and liability category with respect to their classification in the statement of financial position.

Euro thousands

	31 Dec 2024	FVTPL	FVTOCI	AC
FINANCIAL ASSETS				
Loans	2,222			2,222
Derivative instruments - assets	6,655	6,655		
Others financial accruals	590			590
Accruals and prepaid commissions	53			53
Other financial assets	7,770	6,511		1,259
Financing Fees	38,893			38,893
Trade receivables	213,516			213,516
Other Equity investments	313	313		
FINANCIAL LIABILITIES				
Loans with banks	(2,866)			(2,866)
Finance leases liabilities	(36,812)			(36,812)
Notes	(2,177,991)			(2,177,991)
Financial liabilities with other institutions	(2,575)			(2,575)
Dividends to be paid	(40)			(40)
Liabilities to non controlling shareholders of subs	(207,799)	(207,799)		
Commissions financial liabilities	(270)			(270)
Other financial accruals	(6)			(6)
Cash pooling liabilities	(785)			(785)
Trade payables	(91,167)			(91,167)
Total	(2,250,299)	(194,320)		(2,055,979)

KEY TO FINANCIAL INSTRUMENT CATEGORIES

FVTPL = Financial assets and liabilities measured at fair value through profit or loss;
FVTOCI = Financial assets and liabilities measured at fair value through other comprehensive income;
AC = Financial assets and liabilities measured at amortised cost.

Considering the characteristics of the financial assets and liabilities recorded in the financial statements and as shown by the above table, the fair value of many of these (current trade receivables and payables and current and non-current financial liabilities) do not differ from their related carrying amounts, with the exception of the **2031 Floating Rate Notes**, **2028 Floating Rate Notes** and the **2028 Fixed Rate Notes** for which the market quotation at 31

December 2024 (100,396 for the **2031 Floating Rate Notes**, 100,227 for the **2028 Floating Rate Notes** and 98,254 for the **2028 Fixed Rate Notes**) corresponds to the best estimate of fair value at 31 December 2023.

Fair value hierarchy levels

With regard to financial instruments measured at fair value in the statement of financial position, IFRS 7 requires that such values be classified based on a hierarchy of levels reflecting the significance of the inputs used in the fair value determination. The levels are the following:

- Level 1 - quoted prices in active markets for the assets or liabilities being measured;
- Level 2 - inputs other than those included within Level 1 that are observable in the market, either directly (prices) or indirectly (derived from prices);
- Level 3 - Inputs not based on observable market data.

Euro thousands

	Level 1	Level 2	Level 3	Total
Financial Assets				
Other Equity investments			313	313
Derivative instruments - assets		6,655		6,655
Other financial assets		6,511		6,511
		13,166	313	13,479
Financial Liabilities				
Liabilities to non controlling shareholders of subs			207,799	207,799
			207,799	207,799

The financial liability component for Liabilities to non-controlling shareholders of subsidiaries is the main category within level 3 of the fair value hierarchy and it consists of the fair value of the estimated liability arising from put and call or earn-out agreements relating to various non-controlling interests in Group companies; the related fair value was determined by considering the contractual hypotheses for the determination of the consideration. Changes in fair value, due both to timing and possible changes in estimated indicators that form the basis for the computation of the consideration, are recognised in the consolidated statement of profit or loss; the impact recognised in the 2024 consolidated statement of profit or loss arising from the change in the fair value measurement of the liabilities to non-controlling shareholders of subsidiaries amounts to a decrease in their measurement of approximately € 7,546 thousand and an increase in their measurement of approximately € 87,365 thousand whereas € 12,528 thousand was recognised as finance costs for the discounting of the liability to non-controlling shareholders of subsidiaries at the new rate for the period in the item Other IFRS financial charges (see Note 7 - Finance Income and Costs and Note 18 Financial Assets and Financial Liabilities).

Note that the discount rate applied for the measurement of the liabilities to non-controlling shareholders of subsidiaries at 31 December 2024 is that adopted for performing Group impairment tests at 31 December 2024, which is the rate that equates to the cost of debt (gross of the tax effect) of 6.2% at 31 December 2024. This cost of debt is deemed representative of TeamSystem Group's specific credit risk at the financial statement date. The Group has also performed an analysis of the sensitivity of the carrying amount of the liabilities to non-controlling shareholders of subsidiaries with respect to the interest rates applied. The results of this analysis are set out in the table below.

Euro thousands

Cost of Debt - gross of tax	5.2%	5.7%	6.2%	6.7%	7.2%
Liabilities to non controlling shareholders of subsidiaries	210,023	208,886	207,799	206,647	205,543

Due to the uncertainty caused by the ongoing Russian-Ukrainian conflict and the conflict between Israel and Hamas (to which, starting from February 2025, the potential effects of a trade war resulting from the US decisions on tariffs will be added), it is believed that there could be effects on the estimates used by Management to determine the value of put/call options and earn-out agreements in favour of minority shareholders as of 31 December 2024 (such as, for example, the forecast plans used and the discount rate).

30. GUARANTEES PROVIDED, COMMITMENTS AND OTHER CONTINGENT ASSETS AND LIABILITIES

Collateral

The obligations arising from the **TeamSystem Notes** and the **RCF**, as modified and amended by the **RCF Amendment** (as described in Note 18 Financial Assets and Financial Liabilities), are secured by the following guarantees:

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

The obligations arising from the **2032 PIYW PIK Toggle Notes** are secured by the following guarantees:

- a pledge on the entire share capital of the PIK Issuer, granted on 18 November 2024;
- a pledge on the entire share capital of TeamSystem S.p.A., originally granted on 30 March 2021 and confirmed and extended from time to time;

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

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

Other significant commitments and contractual rights

The Group companies are party to put and call option agreements in connection with shares/quotas held by non-controlling interest holders in the following companies and for the percentage interests as indicated below:

SUBSIDIARIES		
Put / Call Options Outstanding	31 Dec 2024	31 Dec 2023
TeamSystem Communication S.r.l.		
Techmass S.r.l.		20.00%
TeamSystem Financial Value Chain S.r.l.	10.00%	10.00%
Beneficy S.r.l.	49.00%	49.00%
Team4you S.r.l.		10.00%
Netfintech S.r.l.	38.70%	
Modefinance S.r.l.		41.00%
Logical Soft S.r.l.		30.00%
My Expenses S.L	40.40%	40.40%
Modefinance International S.r.l.	35.00%	35.00%
Ciaomanager S.r.l.	20.00%	20.00%
Greenext S.r.l.	4.49%	4.49%
Microntel S.p.a.		20.00%
Mikro	32.80%	48.47%

The exercise price of these options will be determined based on normalised earnings parameters for the companies in question to which will be added the average (or actual) financial indebtedness for the period in which the put options may be exercised.

The best estimate of the net present value of future disbursements (relating to the put and call option agreements with subsidiaries) has been recognised in the financial statements (Note 18) while the best estimate of future disbursements (by financial year) is indicated in the table shown in Note 29 – Liquidity risk – analysis of financial liabilities by due date of cash outflows.

■ Lease disclosures

Euro Million

31 Dec 2024	within 12 months	between 1 - 5 years	over 5 years	Total
Leases for operational premises	6.8	19.0	3.5	29.2
Leases for motor cars	4.3	7.6		11.9
Other leases	0.7	0.2		0.9
Total	11.8	26.8	3.5	42.0

Other commitments and contingent assets/liabilities

The Group companies, in performing their activities, are exposed to a series of legal and other risks. These risks relate to ongoing legal disputes (the outcome of which cannot be forecast with certainty) or claims made against Group companies to recover damages suffered by third parties. An adverse outcome of these proceedings could lead to the payment of costs not covered (or not fully covered) by insurance with a consequent impact on the financial position.

The Group, in accordance with opinions provided by its legal advisers, has made specific provision as part of the provision for risks and charges (Note 25) for litigation for which it is believed that a disbursement of resources is probable and for which the amount can be reliably estimated. Similarly, when acquiring and subsequently determining the “ppa” related to new companies that have entered the scope, it has recognized where applicable contingent liabilities (mainly tax liabilities) assessed consistently with applicable standards. Based on the available information, there are no additional material possible contingent liabilities that could cause significant outlays for the Group.

31. SUMMARY OF IFRS 12 DISCLOSURE REQUIREMENTS CONCERNING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES WITH MATERIAL NON-CONTROLLING INTERESTS

Investments in associates

As required by IFRS 12, additional information concerning Investments in associates is provided in the table set out below.

Amounts in Euro

CONSOLIDATED COMPANIES EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,948	EUR	35.00		
Cesaco (*) (**)	Vicenza	Italy	90,000	21,121	EUR	48.00		
Logic System SHPK	Tirana	Albania	11,567,500	3,380,765	LEK	35.00	1	18
Macrogroup S.r.l. (*)	Bologna	Italy	260,000	642,409	EUR	49.00	1	18
Deliverart S.r.l. (*)	Roma	Italy	24,036	(32,852)	EUR	40.00	1	18

(*) = carrying values in the financial statements at 31 December 2023.

(**) = company in liquidation

(18) = There are put/call option contracts which allow the TeamSystem Group to reach 100% ownership of the share capital.

Investments in subsidiaries with material non-controlling interests

As required by IFRS 12, a summary is provided below of information concerning the Group’s principal subsidiaries with material non-controlling interests. The amounts shown in the following tables are before intercompany eliminations and consolidation entries.

Note that the percentage holding in the subsidiaries is the actual percentage held by the Group at the reporting date, without taking account of the impact of agreements entered into by the Group for the acquisition of non-controlling interests (further details are provided in the paragraphs on “Scope of consolidation” and on “Basis of consolidation”).

Euro thousands

GRUPPO EUROCONFERENCE	31 Dec 2024	31 Dec 2023	Change
% Held by Non Controlling Interests	3.13	3.13	0.00
Total Assets	58,303	48,445	9,858
Total Equity	45,027	37,985	7,042
Total Revenue	16,933	15,626	1,307
Profit (Loss) for the year	7,042	5,670	1,372

TRY thousands

MIKRO	31 Dec 2024	31 Dec 2023	Change
% Held by Non Controlling Interests	32.80	48.47	n.a.
Total Assets	4,443,584	1,989,061	2,454,524
Total Equity	2,260,418	932,399	1,328,019
Total Revenue	2,648,624	1,406,809	1,241,816
Profit (Loss) for the year	1,227,805	476,905	750,901

32. TRANSACTIONS WITH RELATED PARTIES, DIRECTORS, STATUTORY AUDITORS AND TOP MANAGEMENT

Emoluments

As required by IAS 24, the table below shows the emoluments payable for the year ended 31 December 2024 to the members of the Board of Directors, to the members of the Board of Statutory Auditors and to the Group's Top Management.

Euro thousands

	31 Dic 2024	31 Dic 2023
Directors	75	75
Statutory Auditors	38	45
Top Management	5,996	6,110

Related companies

TeamSystem Group has not been party to any transactions with related companies that are worth disclosing, other than those previously commented upon.

33. INDEPENDENT AUDITORS

The following table shows the fees received in the 2023 financial year by Deloitte & Touche S.p.A. and the companies belonging to the audit firm's network, categorised by audit engagements and the provision of other services:

Euro thousands

Type of service	Service provider	Recipient	Fee
Audit	Deloitte & Touche SpA	Teamsystem Holdco	74
Audit	Deloitte & Touche SpA	Subsidiaries	480
Other services	Deloitte & Touche SpA	Teamsystem S.p.A.	755
			1,309
Audit	Deloitte & Touche network	Subsidiaries	
Other services	Deloitte & Touche network	Subsidiaries	15
			15

34. DISCLOSURE REQUIRED BY LAW 124 / 2017

Regarding the disclosure requirements introduced by Law 124/2017, in the 2024 financial year, TeamSystem Group did not benefit from any subsidies, economic advantages, grants or aid paid in cash or in kind that was not of a general nature and that did not take the form of consideration, remuneration or compensation except as set forth in the following table.

Please also note that for the details of the State Aid and De-Minimis aid received, which are required to be reported in the National State Aid Register pursuant to Article 52, Law 234/2012, please refer to that register.

Euro

LEGAL ENTITY RECEIVING THE BENEFIT	PROVIDING THE BENEFIT	DESCRIPTION	AMOUNT RECEIVED
Modefinance	University of Venice	Project Deliverem	37,485
Modefinance	University of Venice	Call H2020-LC-SC3-EE-2020-2 TRANSPAREENS	40,612
Bellachiomia System	Italian Revenue Agency	IRPEF deductions, car tax and Irap	3,928
Microntel	Italian Revenue Agency	IRAP tax breaks for increasing and stabilizing jobs	1,300

35. SUBSEQUENT EVENTS

■ Acquisition / Contribution of business units

TeamSystem 15

In January 2025, the business units of the following companies were contributed to TeamSystem 15 S.r.l.:

Bgest S.r.l.

- Info. Tec. S.r.l. Con socio unico
- Nuova Forum Impresa S.r.l.
- Schiavon Sistemi S.r.l.
- Systematica S.r.l.
- Sistemi&Gestione S.r.l.
- G.S.C. General Systems Cuneo S.r.l.
- Meta Calabria S.r.l.,
- Syscon S.r.l.
- Sistema S.r.l.

Team2000

In January 2025, TeamSystem S.p.A. acquired 100% of the shares of Team Duemila Software S.r.l., a company formed from the partial demerger of Team Duemila S.r.l.. Team2000 is focused on the distribution and commercialization of TS software solutions.

Vicsam

In January 2025 TeamSystem S.p.A. acquired 100% of the shares of VIC-TS S.r.l., a company formed from the partial demerger of Vicsam Sistemi S.r.l. VIC-TS is focused on the distribution and commercialization of TS software solutions.

Horizon

In January 2025 TeamSystem S.P.A. acquired 100% of the shares of Horizon Software S.r.l., a company formed from the partial demerger of Horizon S.p.A. Horizon Software is focused on the distribution and commercialization of TS software solutions.

Infomart

In January 2025 TeamSystem S.P.A. acquired 100% of the shares of Infomart S.r.l., subject of the transfer of the TeamSystem branch from the company Infomart S.A.S.

Kluo

In January 2025, TeamSystem S.p.A. acquired 100% of the shares of Kluo S.r.l., a company active in the commercialization of software solutions under the "TeamSystem" brand.

Alphateam

In February 2025, TeamSystem S.p.A. acquired 100% of the shares of Alphateam S.r.l., a company active in the commercialization of software solutions under the "TeamSystem" brand.

Muscope

In February 2025, TeamSystem S.p.A. acquired 100% of the shares of Muscope Cybersecurity S.r.l., an innovative startup operating in the development, production, and commercialization of innovative, high-tech value products or services. The company focuses specifically on the design, development, sale, maintenance, and consulting of solutions, products, and services related to cybersecurity and information security, developed or managed through software or hardware.

Multidialogo

In March 2025, TeamSystem S.P.A. acquired:

- (a) 100% of the share capital of a Newco established by the company Multidialogo S.r.l. (a software house specialized in creating products and providing services for condominium administrators), which contributed a business unit instrumental to the development, management, commercialization, and promotion of solutions and services for the transmission of 770 forms, CU, F24, deductions, and electronic invoicing;
- (b) 100% of the share capital of Brainware, the full and exclusive owner of the software "Domus," "Rbank," "Labor," "Locat," "Fattura," and "Tabula," designed for condominium administration studies and/or property management;
- (c) 100% of the share capital of Millesimo, the company owning the software "Millesimo," "Setup Archivi," "Ligs console," and "Change it," for condominium administration.

Goldensoft

In February 2025, Software Del Sol acquired 100% of the shares of Golden Soft S.L. and Golden Soft Service Assistant Users S.L..

Golden Soft companies are involved in the development, production, commercialization, and related support of management, tax, legal, accounting software, and human resources administration solutions for SMEs, accountants, and self-employed workers in the Spanish market. Golden Soft Service provides technical assistance and maintenance services for the software solutions developed by Golden Soft.

■ Conflict between Russia and Ukraine and Israel and Hamas

The conflicts between Russia and Ukraine and Israel and Hamas - both of which are still ongoing - and the ensuing international tensions dominated 2024. Management will continue monitoring these situations and the possible effects of these conflicts on the Group's results of operations and financial position, and will continue to make adjustments to its estimates.

■ US Tariffs and Potential Trade Wars

In February 2025, the United States announced a new round of tariffs targeting Canada, Mexico, and China. These tariffs could potentially trigger a trade war, with the affected countries retaliating through countermeasures. As a result, consumers and businesses in the impacted regions may shift their purchasing preferences, imported goods could be replaced with alternative consumer products, and exporting nations may need to adjust their trade routes. The economic consequences of these new tariff measures could affect inflation rates, economic growth, and employment levels on a global scale. However, further details will be required before a full assessment of the economic impact of these tariffs can be made.

□ □ □



Milan, 28 March 2025

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

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
TeamSystem Holdco S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of TeamSystem Holdco Group (“TeamSystem Group” or “Group”), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of TeamSystem Holdco S.p.A. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of TeamSystem Holdco S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10

The Directors of TeamSystem Holdco S.p.A. are responsible for the preparation of the report on operations of the Group as at December 31, 2024, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on compliance with the law of the report on operations;
- make a statement about any material misstatement in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of TeamSystem Holdco S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianfranco Recchia
Partner

Ancona, Italy
April 11, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

TEAMSYSTEM HOLDCO S.P.A. a socio unico

Sede legale a Pesaro – Via Sandro Pertini n. 88

Capitale sociale euro 14.596.648,00 i.v.

Codice Fiscale e numero iscrizione Registro Imprese 11360450966 - Rea Pesaro 271034

***Relazione del Collegio Sindacale ai sensi dell'art. 2429, comma 2, c.c.,
al bilancio al 31/12/2024***

All'Azionista unico di TeamSystem Holdco S.p.A.

La presente Relazione è predisposta secondo le disposizioni di legge e le indicazioni contenute nella Norma di comportamento n. 7.1. delle "Norme di comportamento del Collegio sindacale - Principi di comportamento del collegio sindacale di società non quotate", emanate dal CNDCEC ed allo stato attuale vigenti.

Premessa

Il Collegio sindacale è stato nominato dall'assemblea degli Azionisti della Società del 20 maggio 2024, con l'affidamento della funzione di vigilanza ai sensi dell'art. 2403 e ss., c.c., fino all'approvazione del bilancio relativo all'esercizio chiuso al 31 dicembre 2026.

La revisione legale del bilancio d'esercizio della Società e del bilancio consolidato del Gruppo TeamSystem chiuso al 31 dicembre 2024 è stata affidata a Deloitte & Touche S.p.a..

Si premette che la Società svolge la funzione di holding capogruppo del Gruppo TeamSystem, essendo detentrica dell'intero capitale sociale di TeamSystem Holdco 1 S.r.l., a sua volta titolare dell'intero capitale sociale di TeamSystem Holdco 2 S.r.l., a sua volta titolare dell'intero capitale sociale di TeamSystem Holdco 3 S.p.A. la quale è a sua volta titolare dell'intero capitale sociale di TeamSystem S.p.A..

Conoscenza della società, valutazione dei rischi e rapporto sugli incarichi affidati

Con riferimento all'attività svolta dalla Società nell'esercizio chiuso al 31 dicembre 2024, possiamo confermare che essa è risultata coerente con quanto previsto dall'oggetto sociale ed in modo particolare con la sua funzione di holding capogruppo del Gruppo TeamSystem.

La presente Relazione riassume quindi l'informativa prevista dall'art. 2429, co. 2, c.c., e più precisamente riferisce:

- sui risultati dell'esercizio sociale;
- sull'attività svolta in adempimento dei doveri prescritti dall'art. 2403, c.c.;
- sulle osservazioni in ordine al bilancio d'esercizio e sulle proposte in merito alla destinazione del risultato netto dell'esercizio;
- sull'eventuale ricevimento di denunce da parte dei soci di cui all'art. 2408, c.c..

Attività svolta

L'attività della Società corrisponde a quella di un'"impresa di partecipazione finanziaria".

Il Collegio sindacale ha quindi posto particolare attenzione ai fatti di maggiore rilievo verificatisi nell'esercizio, al fine di individuarne l'impatto economico e finanziario, nonché quello prodotto sul risultato d'esercizio e sull'equilibrio finanziario e patrimoniale della Società.

Dei fatti di rilievo occorsi nell'esercizio 2024, viene data informativa da parte degli Amministratori nella Nota integrativa relativa al bilancio d'esercizio, e nella Relazione sulla gestione.

La struttura organizzativa della Società è coerente rispetto alla sua natura di "impresa di partecipazione finanziaria", quale capogruppo del Gruppo TeamSystem.

I rapporti con il management della Società e del Gruppo TeamSystem si sono sempre informati a canoni di reciproca e fattiva collaborazione, nel rispetto dei rispettivi ruoli.

Il Collegio sindacale ha ricevuto da parte degli Amministratori le informazioni in merito alle operazioni di maggiore rilevanza ed all'andamento della gestione della Società e del Gruppo TeamSystem, anche riguardo ai doveri di informativa di cui all'art. 2381, co. 5, c.c.; ciò è avvenuto nel corso delle relative riunioni collegiali che si sono svolte mediante sistemi di telecomunicazione, mediante scambi di corrispondenza e contatti telefonici.

In virtù delle informazioni assunte e delle evidenze che è stato possibile trarre dalle attività svolte, il Collegio sindacale può quindi ragionevolmente affermare che:

- le decisioni assunte dall'Azionista unico e dall'organo amministrativo sono state conformi alla legge ed allo statuto, e non sono state palesemente imprudenti o tali da compromettere l'integrità del patrimonio sociale;
- sono state fornite le informazioni in merito al generale andamento della gestione ed alla sua prevedibile evoluzione, nonché sulle operazioni di maggior rilievo, per dimensioni o caratteristiche, effettuate dalla Società e dalle sue controllate;
- le operazioni poste in essere dagli Amministratori sono state conformi alla legge ed allo statuto, non sono risultate in contrasto con le delibere assunte dall'Azionista unico e né sono risultate tali da compromettere l'integrità del patrimonio sociale;
- non sono emersi punti significativi di debolezza in merito all'adeguatezza dell'assetto organizzativo della Società, né in merito all'adeguatezza del sistema amministrativo contabile, nonché sull'affidabilità di quest'ultimo a rappresentare adeguatamente i fatti di gestione anche ai fini della predisposizione del bilancio consolidato del Gruppo TeamSystem;
- nel corso dell'attività di vigilanza, come sopra descritta, non sono emersi ulteriori fatti significativi tali da richiederne la segnalazione nella presente Relazione;
- non sono stati richiesti interventi in conseguenza di omissioni dell'organo amministrativo ai sensi dell'art. 2406, c.c.;
- non sono state ricevute denunce ai sensi dell'art. 2408, c.c.;
- non sono state fatte denunce ai sensi dell'art. 2409, co. 7, c.c.;
- non sono stati richiesti al Collegio sindacale pareri specifici previsti dalla legge.

Osservazioni in ordine al bilancio ed alla sua approvazione

Si dà atto che, come esposto nella Nota integrativa, il bilancio d'esercizio è stato predisposto secondo la disciplina del Codice civile ed applicando i Principi contabili italiani approvati dall'OIC, in vigore con riferimento all'esercizio in oggetto.

In particolare, la Società, pur avendo i requisiti per usufruire delle semplificazioni previste dall'art. 2435-ter, c.c. (c.d. bilancio delle microimprese), ha predisposto il bilancio dell'esercizio chiuso al 31 dicembre 2024 in forma abbreviata, in ottemperanza al comma 5 all'articolo 2345-ter, c.c., (come emendato dall'art. 24, co. 2, della Legge 238/2021), ai sensi del quale agli enti di investimento e alle imprese di partecipazione finanziaria è fatto divieto di redigere il bilancio con le semplificazioni delle microimprese, ex art. 2435-ter, c.c.. Per gli stessi soggetti, inoltre, è fatto

obbligo di redigere la Relazione sulla gestione di cui all'art. 2428 c.c., oltre ad ulteriori e minori interventi riguardanti talune voci dello schema di Stato patrimoniale.

Si dà atto che la revisione legale è stata affidata alla società di revisione Deloitte & Touche S.p.a.; nello scambio di informazioni intercorso con la società di revisione è stato riferito che la relazione ex art. 14 del D.Lgs. 27 gennaio 2010 n. 39 è in corso di emissione e riporterà un giudizio positivo senza rilievi sul bilancio dell'esercizio chiuso al 31 dicembre 2024.

Per quanto concerne le funzioni affidate al Collegio sindacale rispetto al bilancio d'esercizio, diamo atto di quanto segue:

- I criteri utilizzati nella redazione del bilancio chiuso al 31 dicembre 2024 sono conformi a quelli indicati dalla normativa civilistica di riferimento ed ai Principi contabili italiani in vigore;
- Si è vigilato sulla generale impostazione del progetto di bilancio, sulla sua generale conformità al quadro normativo e regolamentare di riferimento per quanto concerne la sua formazione e struttura; a tale riguardo, non si hanno osservazioni suscettibili di essere evidenziate nella presente relazione;
- Ai sensi dell'art. 2426, n. 5, c.c., abbiamo espresso il nostro consenso all'iscrizione nell'attivo dello Stato Patrimoniale, di costi di impianto e di ampliamento per l'ammontare ivi indicato;
- E' stata verificata la rispondenza del bilancio ai fatti ed alle informazioni di cui si è avuta conoscenza, ed a tale riguardo non si hanno osservazioni suscettibili di essere evidenziate nella presente Relazione.

Risultato dell'esercizio

Il risultato netto accertato dall'organo amministrativo nel bilancio dell'esercizio chiuso al 31 dicembre 2024, come emerge dalla lettura del bilancio stesso, risulta essere negativo per Euro (404.870).

Il Collegio sindacale, in ordine alla sua destinazione, concorda con la proposta dagli Amministratori indicata nella Nota integrativa.

Conclusioni

Sulla base di quanto sopra esposto e per quanto è stato portato a conoscenza del Collegio sindacale, si ritiene che non sussistano ragioni ostantive all'approvazione da parte dell'Azionista unico del progetto di bilancio per l'esercizio chiuso al 31 dicembre 2024 così come è stato redatto ed è stato proposto dall'organo amministrativo.

Si approva all'unanimità.

Pesaro, li 11 aprile 2025

P. Il Collegio sindacale

Dott. Claudio Sanchioni (Presidente del Collegio sindacale)

