



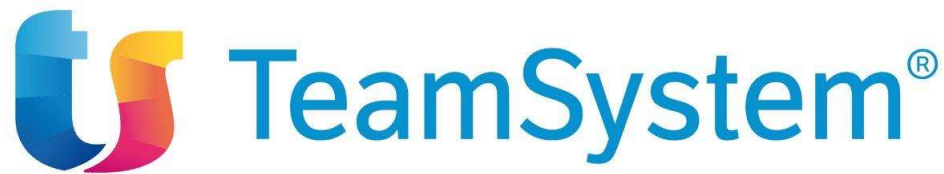
30 June 2024

Interim Condensed

Consolidated

Financial Statements

TeamSystem Group



**UNAUDITED INTERIM
CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS
ENDED
30 JUNE 2024**

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TeamSystem Group**

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**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE FIRST SIX MONTHS ENDED 30 JUNE 2024**

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**DIRECTORS’
REPORT**

► RESULTS OF OPERATIONS

Euro thousand								
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	30 Jun 2024	30 Jun 2023	Change	% Change	Quarter 2Q 2024	Quarter 2Q 2023	Change	% Change
	TOTAL REVENUE	423,720	335,295	88,426	26.4%	217,311	174,375	42,937
COGS	(66,084)	(61,282)	(4,801)	7.8%	(33,737)	(32,282)	(1,454)	4.5%
Personnel	(134,709)	(104,978)	(29,731)	28.3%	(65,094)	(52,009)	(13,085)	25.2%
Personnel like	(16,494)	(13,261)	(3,233)	24.4%	(7,635)	(6,611)	(1,024)	15.5%
Non Personnel	(47,332)	(33,166)	(14,166)	42.7%	(24,536)	(16,826)	(7,710)	45.8%
Capitalized development costs	17,132	10,500	6,633	63.2%	7,269	4,793	2,477	51.7%
ADJUSTED EBITDA	176,234	133,107	43,127	32.4%	93,579	71,439	22,140	31.0%
Allowance for bad debts	(3,823)	(3,551)	(272)	7.7%	(1,957)	(1,983)	26	-1.3%
Depreciation and amortization of non current assets	(120,030)	(104,287)	(15,744)	15.1%	(60,819)	(52,357)	(8,462)	16.2%
Other provisions for risks and charges	(520)	(11)	(510)	4746.6%	(402)	(5)	(398)	8564.4%
Non core items	(9,147)	(9,732)	585	-6.0%	(4,612)	(4,302)	(310)	7.2%
OPERATING RESULT	42,713	15,526	27,187	175.1%	25,788	12,792	12,996	101.6%
Net Finance Income (Cost)	(63,783)	(60,844)	(2,939)	4.8%	(43,371)	(30,119)	(13,252)	44.0%
PROFIT (LOSS) BEFORE INCOME TAXES	(21,070)	(45,318)	24,248	-53.5%	(17,583)	(17,327)	(256)	1.5%
Current income tax	(26,267)	(16,854)	(9,413)	55.8%	(13,186)	(9,318)	(3,867)	41.5%
Deferred income tax	21,937	19,345	2,593	13.4%	10,494	9,127	1,367	15.0%
PROFIT (LOSS) FOR THE YEAR	(25,399)	(42,827)	17,428	-40.7%	(20,274)	(17,518)	(2,756)	15.7%
(Profit) Loss - Non controlling interests	(47)	(29)	(18)	60.7%	(35)	(21)	(13)	62.3%
PROFIT (LOSS) - OWNERS OF THE COMPANY	(25,446)	(42,856)	17,411	-40.6%	(20,309)	(17,540)	(2,769)	15.8%

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30 June 2023 consolidated figures have been redetermined in order to take account of acquisitions that took place in the first six months of 2023:

- (GreeNext (only for balance sheet purposes);
- Sistemi IT;
- Sigma Sistemi;
- Microntel (and its subsidiary Euroges);
- Multidata;
- Aplifisa;
- Ticcyl;
- Marclamara.

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The following comments refer to the changes between the consolidated statement of profit or loss as at 30 June 2024 and the corresponding figures for the period ended 30 June 2023.

The results as at 30 June 2024 are affected by the consolidation of the profit and loss of the following companies (which did not contribute to the 30 June 2023 consolidated profit and loss):

- TeamSystem Tirana
- Mikro Yazılımevi (and its subsidiaries)
- MailUp, merged by incorporation in TeamSystem S.p.A. during 2024
- GreeNext Technologies, consolidated at 30 June 2023 only for balance sheet purposes
- Acumbamail
- MailUp Nordics (and its subsidiary Globase International)
- the business units contributed to TeamSystem 12 S.r.l. acquired during the first three months of 2024
- VAR Enterprise, merged by incorporation in TeamSystem S.p.A. during 2024
- Bellachioma System
- Bellachioma Enterprise

- Triarico, merged by incorporation in TeamSystem S.p.A. during 2024
- Twinlogix, merged by incorporation in TeamSystem S.p.A. during 2024
- Datamedia
- Rean
- TeamSystem Hub Espana
- Soluzioni Enterprise, merged by incorporation in TeamSystem S.p.A. during 2024
- Ecosystem
- TC Informatica
- Soluzioni Informatiche.

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

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

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

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

Euro Thousand		
	30 Jun 2024	30 Jun 2023
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(25,399)	(42,827)
Income tax	4,329	(2,491)
Share of Profit (Loss) of associates	26	-
Financial income and expenses	89,202	60,844
Monetary Gain (Loss)	(25,445)	-
Other provisions for risks and charges	520	11
Depreciation and amortization of non current assets	120,030	104,287
Allowance for bad debts	3,823	3,551
Advisory expenses related to reorganization and cost saving projects	2,035	3,066
Personnel redundancy	933	1,376
Acquisitions and mergers costs	5,223	4,203
Settlements with clients and agents	913	963
Other cost - (income)	43	123
ADJUSTED EBITDA	176,234	133,107

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

For the period ended 30 June 2024 Adjusted EBITDA amounts to € 176,234 thousand, up by € 43,127 thousand compared to the amount at 30 June 2023 (€ 133,107 thousand). The increase is mainly attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first six months of 2024.

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TOTAL REVENUE: Total Revenue for the period ended 30 June 2024 amounts to € 423,720 thousand, up by € 88,426 thousand compared to the corresponding figure for the period ended 30 June 2023 (€ 335,295 thousand). The increase is mainly attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first six months of 2024.

Euro Millions

	30 Jun 2024	30 Jun 2023	Change	% Change
Enterprise	89.0	77.4	11.6	14.9%
Recurring	67.8	55.7	12.1	21.8%
Other Revenues	21.2	21.7	(0.6)	-2.6%
Professional	114.4	104.1	10.4	10.0%
Recurring	107.0	95.0	11.9	12.6%
Other Revenues	7.5	9.0	(1.6)	-17.4%
Micro	132.3	71.1	61.2	86.1%
Recurring	123.7	66.9	56.9	85.1%
Other Revenues	8.6	4.2	4.3	101.5%
Digital Finance	11.1	9.7	1.4	14.5%
Recurring	9.2	7.3	1.9	25.6%
Other Revenues	1.9	2.3	(0.5)	-20.6%
Market Specific Solution	50.9	50.2	0.8	1.5%
Recurring	34.8	30.8	4.0	12.8%
Other Revenues	16.1	19.3	(3.2)	-16.6%
Cross-Segment Products	26.0	22.9	3.2	13.8%
Recurring	21.8	17.0	4.9	28.6%
Other Revenues	4.2	5.9	(1.7)	-28.8%
TOTAL REVENUE	423.7	335.3	88.4	26.4%
Total Recurring Revenues	364.3	272.7	91.6	33.6%
Total Other Revenues	59.4	62.6	-3.2	-5.1%

The 30 June 2023 Figures have been restated to reflect re-organization implemented in 2024, more specifically:

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

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

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

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OPERATING SEGMENT

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

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

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

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

Segment information is presented below:

Euro Millions							
30 Jun 2024							
OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	CSP	TOTAL
TOTAL REVENUE	89.0	114.4	132.3	11.1	50.9	26.0	423.7
FIRST MARGIN	43.3	66.9	77.8	4.2	12.8	9.7	214.6
INDIRECT COSTS							(55.5)
CAPITALISED DEVELOP COSTS							17.1
ADJUSTED EBITDA							176.2

The economic performance indicator for each operating segment is the First Margin (a financial parameter non governed by IFRS), calculated as the difference between total revenues and the direct costs of the Business Unit, the latter being mainly:

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

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

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

It should be noted that First Margin and Adjusted Ebitda parameters are not governed by IFRS and, accordingly, the criteria adopted by TeamSystem Group for their computations may not be comparable to those adopted by other companies or groups.

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CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands								
CONSOLIDATED STATEMENT OF CASH FLOWS	30 Jun 2024	30 Jun 2023	Change	% Change	2Q 2024	2Q 2023	Change	% Change
CASH FLOWS FROM OPERATING ACTIVITIES	233,718	152,280	81,438	53.5%	163,252	79,991	83,260	n.s.
Capital Expenditure	(29,769)	(19,792)	(9,977)	50.4%	(14,326)	(8,996)	(5,330)	59.2%
Acquisition of investments	(18,595)	(100,305)	81,711	-81.5%	(14,686)	(25,049)	10,363	-41.4%
CASH FLOWS FROM INVESTING ACTIVITIES	(48,364)	(120,098)	71,734	-59.7%	(29,012)	(34,045)	5,033	-14.8%
Repayment of financial debt	(3,937)	(3,330)	(607)	18.2%	(2,562)	174	(2,736)	n.s.
New financing	0	0	0	0.0%	(15,000)	0	(15,000)	0.0%
Financial charges paid	(70,144)	(54,347)	(15,797)	29.1%	(46,453)	(38,634)	(7,819)	20.2%
Financing Fees paid	(219)	(21)	(198)	n.s.	(12)	(21)	9	-42.2%
Liabilities to non controlling shareholders of subsidiaries	(33,504)	(29,940)	(3,564)	11.9%	(6,073)	(29,353)	21,281	-72.5%
Other equity movements	92	(0)	92	n.s.	0	1	(0)	-40.9%
CASH FLOWS FROM FINANCING ACTIVITIES	(107,713)	(87,639)	(20,074)	22.9%	(72,099)	(67,834)	(4,266)	6.3%
Change in Exchange rates	17	6	11	n.s.	10	4	6	n.s.
INCREASE (DECREASE) IN CASH AND BANK BALANCES	77,658	(55,451)	133,109	n.s.	62,150	(21,883)	84,033	n.s.

Cash flows from operating activities amount to € 233,718 thousand for the period ended 30 June 2024, increasing by € 81,438 thousand, compared to the corresponding flows for the period ended 30 June 2023 (€ 152,280 thousand).

It should also be noted that 31 December 2023 and 30 June 2024 were not a business day, and therefore, collection of about € 8.4 million in electronic bank receipts falling due on 31 December 2023 were postponed to 2024, and about € 19.4 million in electronic bank receipts falling due on 30 June 2024 were postponed to July. Without this “weekend effect”, operating cash flows for the first six months of 2024 would have amounted to € 244.7 million.

Also 31 December 2022 was not a business day, therefore, collection of about € 7.9 million in electronic bank receipts were postponed to 2023; without this “weekend effect”, operating cash flows for the first six months of 2023 would have amounted to € 160.1 million.

Cash flows from investing activities changed from negative € 120,098 thousand in the period ended 30 June 2023 to negative € 48,364 thousand for the corresponding period of 2024.

The main investment activities for the first six months of 2024 are related to:

- capitalized development costs and capital expenditures on tangible and intangible assets, see “Capital expenditure” section;
- the cash-out paid for the acquisition (mainly consisting in TeamSystem 12, Pentaedro and NetFintech).

Cash flows from financing activities changed from negative € 87,640 thousand in the period ended 30 June 2023 to negative € 107,713 thousand for the corresponding period of 2024.

The main cash items occurred in the first six months of 2024 are attributable to:

- the payment of IFRS16 leases liabilities, consisting of principal and interests;
- the adjustments of considerations paid in relation to recent acquisitions of investments and the payments for acquisition of further equity interests in already controlled companies via the execution of existing put-call contracts;
- the payment of Interests on Notes;
- the collection of interest on derivative instruments.

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► WORKING CAPITAL

Euro thousand				
	30 Jun 2024	31 Dec 2023	Change	% Change
Trade receivables	284,279	200,659	83,620	41.7%
Inventories	2,241	1,736	505	29.1%
Other receivables - current	56,426	62,638	(6,212)	-9.9%
Trade payables	(70,753)	(71,529)	776	-1.1%
Other liabilities - current	(388,917)	(213,410)	(175,506)	82.2%
WORKING CAPITAL	(116,724)	(19,906)	(96,818)	486.4%

At 30 June 2024 Working capital amounts to negative € 116,724 thousand, with a change of € 96,818 thousand compared to the balance at 31 December 2023 (negative € 19,906 thousand). The movement is primarily attributable to Other liabilities (which balance is negative € 388,917 thousand at 30 June 2024 compared to negative € 213,410 thousand at 31 December 2023) and to Trade receivables (which balance is € 284,279 thousand at 30 June 2024 compared to € 200,659 thousand at 31 December 2023).

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

It should also be noted that 31 December 2023 and 30 June 2024 were not a business day, and therefore, collection of about € 8.4 million in electronic bank receipts falling due on 31 December 2023 were postponed to 2024, and about € 19.4 million in electronic bank receipts falling due on 30 June 2024 were postponed to July. Without this “weekend effect”, working capital as at 30 June 2024 would have amounted to negative € 136.1 million and working capital as at 31 December 2023 would have amounted to negative € 28.3 million.

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► CAPITAL EXPENDITURE

Euro thousand				
	30 Jun 2024	30 Jun 2023	Change	% Change
Investments in tangible assets	(2,585)	(1,750)	(835)	47.7%
Investments in intangible assets	(10,053)	(7,543)	(2,509)	33.3%
Capitalized development costs - personnel costs	(13,987)	(8,713)	(5,274)	60.5%
Capitalized development costs - service costs	(3,146)	(1,786)	(1,359)	76.1%
CAPITAL EXPENDITURE	(29,769)	(19,793)	(9,977)	50.4%

In the period ended 30 June 2024 the Capital expenditure amounts to € 29,769 thousand with an increase of € 9,977 thousand compared to 30 June 2023 balance (€ 19,793 thousand).

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► SIGNIFICANT EVENTS DURING THE FIRST SIX MONTHS OF 2024

● ACQUISITION OF INVESTMENT

TeamSystem 12 S.r.l.

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

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

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

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

Macrogroup S.r.l.

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

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

TeamSystem 14 S.r.l.

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

Innova S.r.l.

In May 2024, the business unit of Innova S.r.l., a company active in the production of software and IT services, was conferred to Greenext S.p.A.. Innova is involved in the design, development and marketing 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., the result of the partial proportional demerger of Esaedro S.r.l. Pentaedro is a reseller of TeamSystem software.

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 in the sector of credit mediation, subsidised finance and the development and marketing of platforms for credit and subsidised finance solutions.

The remaining 38.2% is subject to an option agreement.

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► SIGNIFICANT SUBSEQUENT EVENTS

Poker business unit (via TeamSystem 14)

In July 2024, Poker business unit was contributed to TeamSystem 14. Poker business unit is organised for the development and marketing of an ERP software called Quasar-X, for the provision and marketing of services related to the Quasar-X software and for the marketing of third-party software currently licensed to the Company (i.e., Sugar and Arxivar).

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, developing a software for the integrated management of delivery solutions. The remaining 60% is subject to an option agreement.

Clementine

In July 2024, TeamSystem S.p.A., acquired 100% of Clementine Group, which consists of the following companies: Eunomia SAS, Comptalib SAS, Tiktak Services SAS, Pepitejob SAS, Zhizhao SARL, Expertise Choix B SAS. Clementine is a pioneer and leader in online accounting in France; Clementine provides its customers with connected tools and a modern technological platform: AI-assisted business management, accounting and governance.

Distrito K Software S.L.U.

In August 2024, Software del Sol acquired 100% of Distrito K, a company incorporated in Spain. The company is primarily engaged in the development and licencing of ERP, accounting and tax software solutions for enterprises.

2031 Notes Issued On July 2024

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

The proceeds from the 2031 Notes were intended, among other things, to (i) repay the 2028 Private Notes, (ii) repay drawn amounts under the RCF, (iii) finance certain bolt-on acquisitions and/or refinance any acquired debt or debt raised by TeamSystem S.p.A. or its subsidiaries for such purposes, (iv) pay contingent deferred consideration and contingent liabilities relating to certain acquisitions and (v) fund cash on TeamSystem S.p.A.’s balance sheet 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, certain lenders affiliated to the initial purchasers of the 2031 Notes entered into an RCF amendment and restatement agreement (the “**RCF Amendment**”) pursuant to which, the total commitments under the RCF were increased from € 180.0 million to € 300.0 million, and the maturity thereof was extended to the earlier of (x) January 31, 2031 and (y) the date falling six months prior to the maturity of the 2031 Notes, subject to certain springing maturity provisions. Furthermore, pursuant to the RCF Amendment, the interest rate payable on the RCF is equal to Euribor in respect of loans denominated in Euro, compounded SONIA for loans denominated in British pound sterling and term SOFR for loans denominated in U.S. dollars, as applicable, with a floor of 0.00%, plus a spread, calculated quarterly based on certain contractual parameters.

Moreover, on 15 July 2024, the PIK Issuer received written commitments from certain investors to purchase from the PIK Issuer, by way of a private placement and subject to the satisfaction of certain customary conditions, € 300.0 million of Senior Floating Rate Pay-If-You-Want PIK Toggle notes (the “**New PIK Notes**”). The New PIK Notes are expected to be issued on or prior to 31 December 2024 and the proceeds thereof are expected to be used by the PIK Issuer to refinance in full its outstanding 2029 PIYW PIK Toggle Notes.

Upon receipt of the required approval pursuant to Italian Law Decree 21/2012 (the “**Italian Golden Power Clearance**”) from the Italian Presidency of the Council of Ministers, in its capacity as the “**Italian Golden Power Authority**” on 06 August 2024, the 2031 Notes are expected to be secured on a first-ranking basis by the Collateral to be granted or reconfirmed, as applicable, within 30 business days following the date of the Italian Golden Power Clearance. The New PIK Notes, once issued, are also expected to be secured by certain collateral.

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► ONGOING DEVELOPMENTS

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

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

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► RELATED PARTY TRANSACTIONS

In the first six months of 2024, transactions with subsidiaries and the parent company formed part of the Group’s normal operations and were entered into at arm’s length. TeamSystem Group has not been party to any transactions with related companies that merit disclosure, other than those previously commented upon.

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BOARD OF DIRECTORS, STATUTORY AUDITORS and OTHER INFORMATION

BOARD OF DIRECTORS
30 Jun 2024

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

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

BOARD OF STATUTORY AUDITORS
30 Jun 2024

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

TEAMSYSTEM HOLDCO S.P.A.	
REGISTERED OFFICE	PESARO - Via Sandro Pertini, 88
SHARE CAPITAL	Euro 14,596,886
TAX CODE	11360450966
REA - PESARO	271034
INDEPENDENT AUDITORS	DELOITTE & TOUCHE S.p.A.

**UNAUDITED
INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS
ENDED
30 JUNE 2024**

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	30 Jun 2024	30 Jun 2023	NOTES
Revenue	422,013	333,454	1
Other operating income	1,707	1,841	1
TOTAL REVENUE	423,720	335,295	1
Cost of raw and other materials	(26,720)	(27,215)	2
Cost of services	(104,522)	(84,231)	3
Personnel costs	(121,656)	(97,642)	4
Other operating costs	(3,736)	(2,833)	5
Depreciation and amortization of non current assets	(120,030)	(104,287)	
Allowance for bad debts	(3,823)	(3,551)	
Other provisions for risks and charges	(520)	(11)	
OPERATING RESULT	42,713	15,526	
Finance income	14,384	7,890	6
Finance cost	(103,586)	(68,734)	6
Monetary Gain (Loss)	25,445	0	7
PROFIT (LOSS) BEFORE INCOME TAXES	(21,070)	(45,318)	
Current income tax	(26,267)	(16,854)	
Deferred income tax	21,937	19,345	14
TOTAL INCOME TAX	(4,329)	2,491	
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(25,399)	(42,827)	
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(25,399)	(42,827)	
(Profit) Loss for the period - Non controlling interests	(47)	(29)	
PROFIT (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY	(25,446)	(42,856)	
ADJUSTED EBITDA	176,234	133,107	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30 Jun 2024	30 Jun 2023	NOTES
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(25,399)	(42,827)	20
Exchange differences on translating foreign operations	(6,132)	8	
OTHER GAIN (LOSS) THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(6,132)	8	
TOTAL COMPREHENSIVE INCOME (LOSS)	(31,531)	(42,819)	
Total comprehensive (income) loss - Non controlling interests	(48)	(29)	
TOTAL COMPREHENSIVE INCOME (LOSS) - OWNER OF THE COMPANY	(31,579)	(42,848)	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30 Jun 2024	31 Dec 2023	NOTES
Tangible assets	16,637	16,820	9
Intangible assets	1,260,833	1,328,154	10
Right of use	28,001	27,826	11
Goodwill	2,184,902	2,139,665	12
Other Investments	14,592	523	13
Investments in associates	1,260	868	13
Deferred tax assets	16,248	16,614	14
Other financial assets - non current	22,165	24,000	15
TOTAL NON CURRENT ASSETS	3,544,639	3,554,471	
Inventories	2,241	1,736	16
Trade receivables	284,279	200,659	17
Tax receivables	480	1,796	18
Other receivables - current	56,426	62,638	19
Other financial assets - current	6,799	5,657	15
Cash and bank balances	124,353	46,695	15
TOTAL CURRENT ASSETS	474,578	319,181	
TOTAL ASSETS	4,019,217	3,873,652	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	30 Jun 2024	31 Dec 2023	NOTES
Share capital	14,597	14,597	20
Other reserves	1,131,758	1,210,187	20
Retained earnings (accumulated losses)	(571)	(258)	20
Profit (Loss) attributable to Owners of the Company	(25,446)	(75,295)	20
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	1,120,339	1,149,231	
Non controlling interests - Capital and reserves	906	830	20
Non controlling interests - Profit (Loss)	47	75	20
TOTAL NON CONTROLLING INTERESTS	953	905	
TOTAL EQUITY	1,121,292	1,150,137	
Financial liabilities with banks and other institutions - non current	1,859,262	1,919,420	15
Staff leaving indemnity	35,929	35,943	21
Provisions for risks and charges - non current	24,928	25,204	22
Deferred tax liabilities	292,051	310,235	14
Other liabilities - non current	319	342	23
TOTAL NON CURRENT LIABILITIES	2,212,490	2,291,144	
Financial liabilities with banks and other institutions - current	191,077	136,138	15
Trade payables	70,753	71,529	
Tax liabilities - current	34,689	11,293	24
Other liabilities - current	388,917	213,410	23
TOTAL CURRENT LIABILITIES	685,436	432,371	
TOTAL LIABILITIES	2,897,925	2,723,515	
TOTAL EQUITY AND LIABILITIES	4,019,217	3,873,652	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	30 Jun 2024	30 Jun 2023	NOTES
Operating Result	42,713	15,526	
Depreciation and amortisation of non-current assets	120,030	104,287	
Depreciation and amortisation of non-current assets	120,030	104,287	
Trade receivables	(83,620)	(61,218)	
Inventories	(476)	68	
Other receivables	(8,451)	(10,599)	
Trade payables	(1,653)	(7,121)	
Other liabilities	170,050	132,967	
Change in Working capital	75,851	54,098	
Staff leaving indemnity	(1,064)	59	
Provisions for risks and charges	(276)	(129)	
Change in provisions	(1,341)	(70)	
Income tax paid	(3,536)	(21,561)	
CASH FLOWS FROM OPERATING ACTIVITIES	233,718	152,280	
Investments in tangible assets	(2,585)	(1,750)	
Investments in intangible assets	(10,053)	(7,543)	
Capitalized development costs - personnel costs	(13,987)	(8,713)	
Capitalized development costs - service costs	(3,146)	(1,786)	
Capital Expenditure	(29,769)	(19,792)	
Acquisition of investments	(18,595)	(117,099)	8
Cash and bank balances at the date of acquisition	0	16,793	8
Acquisition of investments	(18,595)	(100,305)	
CASH FLOWS FROM INVESTING ACTIVITIES	(48,364)	(120,098)	
Repayment of financial debt	(3,937)	(3,330)	
Financial charges paid	(70,144)	(54,347)	8
Financing Fees paid	(219)	(21)	8
Liabilities to non controlling shareholders of subsidiaries	(33,504)	(29,940)	8
Other equity movements	92	(0)	
CASH FLOWS FROM FINANCING ACTIVITIES	(107,713)	(87,639)	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	17	6	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	77,658	(55,451)	
CASH AND BANK BALANCES - Beginning of the period	46,695	145,523	
CASH AND BANK BALANCES - End of the period	124,353	90,072	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euro thousands							
	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	14,597	1,210,187	(258)	(75,295)	1,149,231	905	1,150,137
Profit (Loss) allocation		(74,982)	(313)	75,295	0		0
TeamSystem Holdco Capital increase		91			91		91
Profit (Loss) for the period				(25,446)	(25,446)	47	(25,399)
Other Profit (Loss) on comprehensive income		(6,132)			(6,133)	1	(6,132)
30 Jun 2024	14,597	1,131,758	(571)	(25,446)	1,120,339	953	1,121,292

TeamSystem Group

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

►COMPANY BACKGROUND

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

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►BASIS OF PREPARATION

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

The accounting standards adopted for the preparation of the TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 30 June 2024 are the same of that used for the preparation of TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 December 2023 (to which reference should be made).

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

The interim consolidated financial statements for the period ended 30 June 2024 consist of a consolidated statement of financial position, a consolidated statement of profit or loss, a consolidated statement of comprehensive income, a consolidated statement of cash flows, a consolidated statement of changes in equity and notes to the interim consolidated financial statements components.

The format used for the financial statements is the same as that used for the preparation of the TeamSystem Holdco S.p.A. consolidated financial statements for the year ended 31 December 2023.

This interim consolidated financial report for the first six months ended 30 June 2024 is presented in Euros and all amounts have been rounded to Euro thousands, unless otherwise specified.

The consolidated financial statements of TeamSystem Holdco S.p.A. and its subsidiaries (TeamSystem Group) for the period ended 30 June 2024 and 30 June 2023 have not been audited.

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► SCOPE OF CONSOLIDATION

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

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Country	Share capital	Equity	Currency	% held	% held with put/call options	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	Italy	14,596,886	1,453,970,555	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,455,065,249	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,404	1,454,122,934	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,442,781,486	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,000	1,232,043,546	EUR	100.00	100.00		
Techmass S.r.l.	Bassano del Grappa (VI)	Italy	11,538	1,485,929	EUR	80.00	100.00	1	
Beneficy S.r.l.	Roma	Italy	90,000	768,668	EUR	51.00	100.00	1	
Team4you S.r.l.	Ripalimosani (CB)	Italy	10,000	1,968,047	EUR	90.00	100.00	1	
Habble S.r.l.	Vecchiano (PI)	Italy	21,930	6,448,761	EUR	100.00	100.00		
Software del Sol S.A.	Mengibar (Jaén)	Spain	75,000	13,034,646	EUR	100.00	100.00		
Aplifisa S.L.	Salamanca (Spagna)	Spain	30,600	1,931,628	EUR	100.00	100.00		
Ticcyl Digital S.L.	Salamanca (Spagna)	Spain	3,216	2,613,385	EUR	100.00	100.00		
Marclamara S.L.	Madrid	Spain	3,000	314,746	EUR	100.00	100.00		
Acumbamail S.L.	Ciudad Real (Spagna)	Spain	4,500	855,016	EUR	100.00	100.00		
My Expenses S.L.	Madrid	Spain	73,074	777,423	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	Spain	3,050	180,139	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	8,880,476	EUR	70.00	100.00	1	
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	82,446,633	EUR	100.00	100.00		
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	88,921,783	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	172,190,648	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	42,961,546	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	40,539,701	EUR	96.87	96.87		4
Teamsystem Tirana	Tirana	Albania	10,000	52,277,896	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(6,075,434)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	United Kingdom	1	53,252	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	99,882	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	(7,221)	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,600,966	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	6,698,755	EUR	100.00	100.00		6
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	835,557	EUR	100.00	100.00		6
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	713,472	EUR	91.00	91.00		7
FIN-MD-TECH SRL	Milano	Italy	50,000	58,836	EUR	100.00	100.00		7
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	2,872,459	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	2,595,554	EUR	100.00	100.00		8
Modefinance S.r.l.	Trieste	Italy	210,000	7,129,616	EUR	100.00	100.00		
Modefinance International S.r.l.	Milano	Italy	100,000	321,819	EUR	65.00	100.00	1	9
TeamSystem 10 S.r.l.	Milano	Italy	12,500	3,224,326	EUR	100.00	100.00		
ITReview S.r.l.	Noventa Padovana (PD)	Italy	50,000	1,413,421	EUR	100.00	100.00		
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	548,306	EUR	80.00	100.00	1	
Readytec S.p.A.	Chiusi (SI)	Italy	835,058	11,713,498	EUR	100.00	100.00		
Readytec Emilia S.r.l.	Milano	Italy	10,000	3,355,648	EUR	100.00	100.00		
Microntel S.p.A.	Torino	Italy	1,500,000	8,339,836	EUR	80.00	100.00	1	
TeamSystem 12 S.r.l.	Milano	Italy	15,500	23,825,179	EUR	100.00	100.00		
Bellachiona Systems S.r.l.	San Benedetto del Tronto (AP)	Italy	52,000	2,221,946	EUR	100.00	100.00		
Bellachiona Enterprise S.r.l.	San Benedetto del Tronto (AP)	Italy	10,000	70,552	EUR	100.00	100.00		
Datamedia S.r.l.	Reggio Calabria	Italy	10,000	628,615	EUR	100.00	100.00		
Rean Srl	Milano	Italy	2,510,000	25,764,519	EUR	100.00	100.00		
TeamSystem Hub España S.L.	Barcelona	Spain	130,000	30,314	EUR	100.00	100.00		
Ecosystem S.r.l.	Bergamo	Italy	11,000	2,753,576	EUR	100.00	100.00		
TC informatica S.r.l.	Palermo	Italy	10,000	296,892	EUR	100.00	100.00		
Soluzioni Informatiche S.r.l.	Spresiano (TV)	Italy	10,000	753,105	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	4,774,468	EUR	95.51	100.00	1	
Sisterni IT S.r.l.	Lurago Marinone (CO)	Italy	99,000	475,791	EUR	100.00	100.00		
MailUp Nordics A/S	Copenhagen	Denmark	500,000	4,787,333	DKK	100.00	100.00		10
Globease International A.p.S.	Copenhagen	Denmark	125,000	(1,085,015)	DKK	100.00	100.00		11
Mikro Yazilimevi Yazilim Hizmetleri Bilgisa	Instanbul	Turkey	153,452,711	801,192,262	TRY	51.53	100.00	1	
Zirve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	(45,764,697)	TRY	100.00	100.00		12
Paraşüt Yazilim Teknolojileri A.Ş.	Instanbul	Turkey	3,600,000	19,627,181	TRY	100.00	100.00		12
Muhasebetech Yazilim A.Ş.	Instanbul	Turkey	50,000	(7,590,204)	TRY	100.00	100.00		12
Shopside Yazilim Teknolojileri A.Ş.	Ankara	Turkey	110,000	(23,100,757)	TRY	100.00	100.00		12
Mevzuatir Yazilim A.Ş.	Instanbul	Turkey	50,000	(5,162,529)	TRY	100.00	100.00		12
Zirve Özel Entegrasyon Yazilim Hizm.A.Ş.	Instanbul	Turkey	50,000	(360,702)	TRY	100.00	100.00		12
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	Instanbul	Turkey	3,000,000	2,746,951	TRY	100.00	100.00		12
Emükellef Teknoloji A.Ş.	Instanbul	Turkey	50,000	1,875,687	TRY	100.00	100.00		12

- (1) = equity interest would be 100% should put/call options be exercised;
(2) = investment held by My Expenses S.L.;
(3) = investment held by Danea S.r.l.;
(4) = takes account of treasury shares held by Gruppo Euroconference;
(5) = investment held by Reviso International Aps;
(6) = investment held by TeamSystem Financial Value Chain S.r.l.;
(7) = investment held by TeamSystem AM Holdco S.r.l.;
(8) = investment held by TeamSystem Payments Holdco S.r.l.;
(9) = investment held by Modefinance S.r.l.;
(10) = investment held by MailUp S.p.A.;
(11) = investment held by MailUp Nordics A.S.;
(12) = investment held by Mikro Yazilimevi.

Amounts in Euro

CONSOLIDATED COMPANIES								
EQUITY METHOD	Registered office	Country	Share capital	Equity	Currency	% held	Put / Call Options	Notes
INTIT S.r.l. (*)	Frosinone	Italy	20,800	299,948	EUR	35.00		
Logic System SHPK	Tirana	Albania	N.A.	N.A.	LEK	35.00	13	
Macrogroup S.r.l.	Bologna	Italy	N.A.	N.A.	EUR	49.00	13	

(*) = figures updated to 31 December 2023 financial statements;

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

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

The 30 June 2024 scope of consolidation has changed compared to the TeamSystem Holdco Consolidated financial statements for the period ended 31 December 2023 because of the consolidation of the following companies that were contributed to TeamSystem 12:

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

As regards the investments in Macrogroup S.r.l., (which should be consolidated using the equity method as of 30 June 2024), TeamSystem 14 S.r.l., Pentaedro S.r.l. and NetFintech S.r.l., their results and their financial position have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the six months ended 30 June 2024 taking into account the non-materiality of these acquisitions and considering the fact that some of them took place close to the end of the quarter.

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► TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

Assets and liabilities of consolidated foreign entities that are denominated in foreign currencies other than the euro are translated at the rates of exchange prevailing at the reporting date. Income and costs are translated at the average rates of exchange for the period (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 30 June 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	%	30 Jun 2024	31 Dec 2023	%
DKK	7.46	7.44	0.3%	7.46	7.45	0.1%
GBP	0.85	0.88	-3.4%	0.85	0.87	-2.3%
LEK	102.29	112.83		100.37	103.79	
TRY	35.19	N.a.		35.19	32.65	

Hyperinflationary economies

The Group has subsidiaries in Turkey. Following an extended period of monitoring inflation rates in Turkey, a consensus has been reached on the existence of conditions indicative of hyperinflation. As a result, the accounting standard IAS 29 "Financial reporting in hyperinflationary economies" has been applied to translate the accounts of the Turkish subsidiaries. In particular, in accordance with this standard, the restatement of the financial statements as a whole requires the application of specific procedures whereby, with reference to the profit or loss, all items are restated by applying the change in the general price level that occurred between the date on which the income and expenses were initially recognised in the financial statements and the balance sheet date. The Group used the consumer price index ("CPI"), considered the most reliable indicator of changes in general price levels, and normally closest to the concept of the general price index required by IAS 29. The Turkish CPI increased by 25% during the first half of 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 balance sheet date. The contra-entry for the above-mentioned revaluations was recorded in a dedicated line in the income statement called 'Monetary Net Gain (Loss)'.

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

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► SEGMENT INFORMATION

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

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

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

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

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► USE OF ESTIMATES

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

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

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

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Notes to Interim Unaudited Consolidated Financial Statement Components

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

1. TOTAL REVENUE

Total revenue for the period ended 30 June 2024 amounts to € 423.7 million, and is comprised of Revenue of € 422.0 million and Other operating income of € 1.7 million. Total revenue for period ended 30 June 2023 stood at € 335.3 million.

The table below provides a breakdown of total revenue for the 30 June 2024 and for the 30 June 2023 period based on whether control was passed over time or at a point in time:

Euro Millions			
	30 Jun 2024	30 Jun 2023	
Over time	364.3	272.7	
Point in time	59.4	62.6	
TOTAL REVENUE	423.7	335.3	

Lastly, it should be noted that there is no concentration of revenue with any specific customer, given the notable segmentation of Group sales which, for the six months ended 30 June 2024, have been earned in Italy for the vast majority.

2. COST OF RAW AND OTHER MATERIALS

	30 Jun 2024	30 Jun 2023	Change	% Change
Hardware purchases	4,189	6,072	(1,883)	-31.0%
Third party' software	18,581	18,076	505	2.8%
Handbooks and forms	7	8	(1)	-14.0%
Materials for education	34	43	(9)	-21.0%
Fuel	1,693	1,425	267	18.7%
Other materials	2,725	1,540	1,185	77.0%
Change in inventory of raw materials	(508)	50	(559)	n.s.
Total	26,720	27,215	(495)	-1.8%

Cost of raw and other materials amounts to € 26,720 thousand for the period ended 30 June 2024, down by € 495 thousand compared to the amount at 30 June 2023 (€ 27,215 thousand). This decrease, mainly recorded in the line items Hardware purchases, is attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first six months of 2024.

3. COST OF SERVICES

	30 Jun 2024	30 Jun 2023	Change	% Change
Agent commissions and other costs	14,485	11,868	2,616	22.0%
Consulting and third parties services	12,129	10,541	1,588	15.1%
Software and Hardware maintenance costs	28,773	19,623	9,150	46.6%
Customer support service costs	4,860	4,209	651	15.5%
Administrative and management consulting costs	3,041	3,006	35	1.2%
Financial interest costs	1,588	1,542	46	3.0%
Education - consulting and copyrights	1,156	1,418	(262)	-18.5%
Magazines - consulting and copyrights	579	588	(8)	-1.4%
Other costs for education services	114	80	34	42.8%
Advertising and marketing	14,783	10,526	4,257	40.4%
Car rentals	2,601	2,073	529	25.5%
Rebate costs	3,128	2,333	795	34.1%
Utilities	2,445	2,337	109	4.7%
Costs for services - Non core	7,863	8,259	(396)	-4.8%
Other service expenses	10,122	7,615	2,507	32.9%
Cost of services - Gross of capitalization	107,668	86,017	21,651	25.2%
Services capitalised development costs	(3,146)	(1,786)	(1,359)	76.1%
Total	104,522	84,230	20,292	24.1%

Cost of services for the period ended 30 June 2024 amounts to € 104,522 thousand, up by € 20,292 thousand from the amount of the period ended 30 June 2023 (€ 84,230 thousand).

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

4. PERSONNEL COSTS

	30 Jun 2024	30 Jun 2023	Change	% Change
Wages, salaries and social contributions	122,515	94,725	27,790	29.3%
Staff leaving indemnities	5,458	4,435	1,023	23.1%
Other personnel costs	3,769	2,745	1,024	37.3%
Personnel costs for redundancy and reorganizations	933	1,377	(444)	-32.2%
Employees costs	132,674	103,281	29,393	28.5%
				0.0%
Freelancers and collaborators fees	518	268	249	92.9%
Directors' fees and related costs	2,450	2,805	(355)	-12.7%
Directors and Collaborators	2,968	3,074	(106)	-3.4%
Personnel - Gross of capitalization	135,642	106,355	29,288	27.54%
Personnel capitalised development costs	(13,987)	(8,713)	(5,274)	60.5%
Total	121,656	97,642	24,014	24.6%

Personnel costs for the period ended 30 June 2024 (€ 121,656 thousand) have increased by € 24,014 thousand, compared to the corresponding amount for the period ended 30 June 2023 (€ 97,642 thousand), as a consequence of the change in the consolidation area and of the organic growth experienced by the Group in the first six months of 2024.

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

5. OTHER OPERATING COSTS

	30 Jun 2024	30 Jun 2023	Change	% Change
Condominium expenses and other rents	1,464	981	483	49.3%
Rentals	107	145	(39)	-26.6%
Other expenses for use of third parties assets	16	111	(95)	-85.4%
Other taxes	500	414	86	20.8%
Losses from assets disposals	158	5	153	n.s.
Other expenses	1,491	1,177	314	26.7%
Total	3,736	2,833	903	31.9%

Other operating costs for the period ended 30 June 2024 (€ 3,736 thousand) have increased for an amount of € 903 thousand compared to the corresponding amount for the period ended 30 June 2023 (€ 2,833 thousand).

6. FINANCE INCOME and FINANCE COST

Finance Income

	30 Jun 2024	30 Jun 2023	Change	% Change
Interest and other finance income	1,309	376	933	n.s.
Gains on foreign exchange	1,137	4	1,132	n.s.
Interest from cash pooling and other loans	(0)	30	(31)	n.s.
Interest from banks	1,726	356	1,370	n.s.
Interest from derivative instruments	8,146	3,468	4,678	n.s.
Depreciation - liabilities to non controlling shareholders of subs	499	2,358	(1,859)	-78.9%
Gain on valuation of derivative instruments	1,569	1,297	272	21.0%
Total	14,384	7,890	6,495	82.3%

Finance income for the period ended 30 June 2024 (€ 14,384 thousand) have increased compared to the corresponding amount at 30 June 2023 (€ 7,890 thousand) for an amount of € 6,495 thousand mainly due to Interest from derivative instruments (see Note 15 Net Financial Indebtedness for further information).

Finance Cost

	30 Jun 2024	30 Jun 2023	Change	% Change
Interest on bank overdrafts and loans	792	74	718	n.s.
Interest on Notes	74,279	55,945	18,333	32.8%
Interest on other loans	-	2	(2)	-100.0%
Interest on financing fees	4,947	4,498	449	10.0%
Revaluation - liabilities to non controlling shareholders of subs	12,479	2,195	10,284	n.s.
Bank commissions	3,412	2,061	1,351	65.6%
Interest on actuarial valuation of employee benefits	274	122	152	n.s.
Interest on lease contracts - IFRS 16	871	598	273	45.7%
Other IFRS financial charges	6,202	2,955	3,248	n.s.
Interest on cash pooling and other loans	68	(0)	68	n.s.
Other financial charges	122	115	7	6.0%
Losses on foreign exchange	141	17	124	n.s.
Write-downs of financial assets	-	152	(152)	-100.0%
Total	103,586	68,734	34,853	50.7%

Finance cost for the period ended 30 June 2024 amounts to € 103,586 thousand with an increase of € 34,853 thousand, compared to the corresponding amount at 30 June 2023 (€ 68,734 thousand).

This change is mainly attributable to:

- the increase of € 18,333 thousand in the line item Interest on Notes, mainly related to the “2030 Private Notes” issued in October 2023 (see also Note 15 for further details);
- the increase of € 10,284 thousand in the line item Revaluation – Liabilities to non-controlling shareholders of subsidiaries;
- the increase of € 3,248 thousand in the line item Other IFRS financial charges due to the change in the consolidation area.

7. MONETARY GAIN (LOSS)

Monetary net gain amounted to € 25,445 thousand for the financial statements as at 30 June 2024 and is recognised following the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' in respect of the TeamSystem Group's subsidiaries operating in Turkey (acquired by the Group in September 2023). The Group used the consumer price index ("CPI"), considered the most reliable indicator of changes in general price levels, and normally closest to the concept of the general price index required by IAS 29. The Turkish CPI increased by 25% during the first half of 2024.

8. CONSOLIDATED STATEMENT OF CASH FLOWS

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

Cash flows from operating activities = amount to € 233,718 thousand for the period ended 30 June 2024, increasing by € 81,438 thousand, compared to the corresponding flows for the period ended 30 June 2023 (€ 152,280 thousand).

Cash flows from investing activities = amount to negative € 48,364 thousand for the period ended 30 June 2024. The main investment activities for the first six months of 2024 are related to:

- capitalized development costs and capital expenditures on tangible and intangible assets, see "Capital expenditure" section;
- the cash-out paid for the acquisition (mainly consisting on TeamSystem 12, Pentaedro and NetFintech).

Cash flows from financing activities = amount to negative € 107,713 thousand for the period ended 30 June 2024.

The main cash items occurred in the first six months of 2024 are attributable to:

- the payment of IFRS16 leases liabilities, consisting of principal and interests;
- the adjustments of considerations paid in relation to recent acquisitions of investments and the payments for acquisition of further equity interests in already controlled companies via the execution of existing put-call contracts;
- the payment of Interests on Notes;
- the collection of interest on derivative instruments.

9. TANGIBLE ASSETS

NET BOOK VALUE	30 Jun 2024	31 Dec 2023	Change	% Change
Land	638	638		
Buildings	2,007	2,152	(144)	-6.7%
Plant and machinery	1,275	1,642	(367)	-22.4%
Equipment	792	1,345	(553)	-41.1%
Other assets	11,926	11,045	881	8.0%
Total	16,637	16,820	(183)	-1.1%

At 30 June 2024 Tangible fixed assets amount to € 16,637 thousand, with a decrease of € 183 thousand compared with the balance recorded at 31 December 2023 (€ 16,820 thousand).

10. INTANGIBLE ASSETS

NET BOOK VALUE	30 Jun 2024	31 Dec 2023	Change	% Change
Capitalised development	57,066	51,952	5,113	9.8%
IFRS Assets	1,168,335	1,244,645	(76,310)	-6.1%
Other intangible assets	35,433	31,557	3,876	12.3%
Total	1,260,833	1,328,154	(67,321)	-5.1%

Intangible assets have gone from € 1,328,154 thousand at 31 December 2023 to € 1,260,833 thousand at 30 June 2024, with a decrease of € 67,321 thousand resulting from the aggregate of disposals, additions, capitalised development costs and amortisation for the period ended 30 June 2024.

IFRS assets include intangible assets identified on allocation of the price paid for the acquisition of TeamSystem Group and other subsidiaries (Software, Brands, Customer relationships and other IFRS assets).

11. RIGHT OF USE

As at 30 June 2024 Right of use amounts to € 28,001 thousand, up by € 175 thousand compared to the balance as at 31 December 2023 (€ 27,826 thousand).

Right of use consists of the present value of future payments for the right of use of leased assets (mainly buildings and company cars) arising from the application of IFRS 16.

12. GOODWILL

Goodwill at 30 June 2024 amounts to € 2,184,902 thousand with an increase of € 45,237 thousand compared to the balance at 31 December 2023 (€ 2,139,665 thousand).

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

In terms of Impairment test, the line-item Goodwill is subjected annually (or more frequently if certain events or circumstances indicate potential impairment) to impairment testing and TeamSystem Group will postpone a more thorough analysis with impairment testing to 31 December 2024.

13. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

	30 Jun 2024	31 Dec 2023	Change	% Change
Investments in Associates	1,260	868	392	45.1%
Other Investments	14,592	523	14,069	2691.3%
Total	15,852	1,391	14,461	1039.5%

The balance of Investments in Associates and Other investments changed from € 1,391 thousand at 31 December 2023 to € 15,852 thousand at 30 June 2024, with an increase of € 14,461 thousand mainly attributable to the acquisition of Macrogroupp S.r.l., Pentaedro S.rl. and NetFintech (for further information, see “Significant events during the first six months of 2024” section in Directors’ report).

14. DEFERRED TAX ASSETS AND LIABILITIES

	30 Jun 2024	31 Dec 2023	Change	% Change
Deferred tax assets	16,248	16,614	(366)	-2.2%
Deferred tax liabilities	292,051	310,235	(18,184)	-5.9%

At 30 June 2024 Deferred tax assets amount to € 16,248 thousand, down by € 366 thousand compared to the balance at 31 December 2023 (€ 16,614 thousand).

The main components for which the Group companies have recognised deferred tax assets relate to the allowance for bad debts, the provisions for risks and charges and other items.

At 30 June 2024 Deferred tax liabilities amount to € 292,051 thousand with a decrease of € 18,184 thousand compared to the balance at 31 December 2023 (€ 310,235 thousand).

15. NET FINANCIAL INDEBTEDNESS

Euro thousands

	30 Jun 2024			31 Dec 2023		
	Current	Non Current	Total	Current	Non Current	Total
Bank accounts and post office	124,305		124,305	46,631		46,631
Cash and bank balances	48		48	64		64
Total Cash and bank balances	124,353	0	124,353	46,695	0	46,695
Loans	2,153	-	2,153	2,129	-	2,129
Derivative instruments - assets	3,369	16,189	19,558	-	18,075	18,075
Others financial accruals	36	-	36	619	-	619
Accruals and prepaid commissions	98	-	98	39	-	39
Other financial assets	1,143	5,976	7,119	2,869	5,925	8,795
Total Other financial assets	6,799	22,165	28,964	5,657	24,000	29,657
Loans with banks	(649)	-	(649)	(2,286)	-	(2,286)
Finance leases liabilities	(8,728)	(20,681)	(29,409)	(8,728)	(20,613)	(29,341)
Notes	(31,174)	(1,830,000)	(1,861,174)	(32,405)	(1,830,000)	(1,862,405)
Financial liabilities with other institutions	(2,622)	-	(2,622)	(2,500)	-	(2,500)
Dividends to be paid	(40)	-	(40)	(40)	-	(40)
Total Financial liabilities	(43,213)	(1,850,681)	(1,893,894)	(45,959)	(1,850,613)	(1,896,572)
Financing Fees - notes	0	38,321	38,321	-	42,688	42,688
Financing Fees - banks	2,022	-	2,022	-	2,347	2,347
Total Financing Fees	2,022	38,321	40,343	0	45,035	45,035
Liabilities to non controlling shareholders of subsidiaries	(149,732)	(46,902)	(196,634)	(90,023)	(113,842)	(203,865)
Commissions financial liabilities	(154)	-	(154)	(156)	-	(156)
Total Other financial liabilities	(149,886)	(46,902)	(196,788)	(90,179)	(113,842)	(204,021)
Total	(59,925)	(1,837,097)	(1,897,022)	(83,786)	(1,895,420)	(1,979,207)

Net debt as of 30 June 2024 amounted to € 1,897,022 thousand.

■ Lease liabilities

The financial debt for leases at 30 June 2024 amounted to € 29,409 thousand. This liability reflects the financial liability recognised as a result of accounting for leases under IFRS 16.

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

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

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

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

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

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

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

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

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

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

TeamSystem S.p.A. issued:

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

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

■ Collateral

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

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

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

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

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

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

■ Revolving Credit Facility

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

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

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

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

■ Interest Rate Swaps – Financial derivative assets / liabilities

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

■ Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 196,634 thousand at 30 June 2024) relate to put and call options and/or earn-outs and/or deferred payments due to non-controlling interest holders of certain consolidated subsidiaries. The most significant liabilities relate to the following companies: Logical Soft, Mikro, Microntel, Sigma Sistemi, Readytec and Rean.

The liabilities to non-controlling shareholders of subsidiaries paid in 2024 amount to € 33,504 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, Mikro, Progetto Software, CZ Informatica, SIA and MyExpenses.

16. INVENTORIES

	30 Jun 2024	31 Dec 2023	Change	% Change
Raw and ancillary materials	407	335	72	21.7%
Finished products and goods	2,705	2,103	602	28.6%
Advances	45	68	(23)	-33.6%
(Allowance for slow-moving inventory)	(916)	(770)	(146)	19.0%
Total	2,241	1,736	505	29.1%

At 30 June 2024 Inventories amount to € 2,241 thousand, substantially unchanged compared to the balance at 31 December 2023 (€ 1,736 thousand).

17. TRADE RECEIVABLES

	30 Jun 2024	31 Dec 2023	Change	% Change
Trade receivables	310,177	224,440	85,737	38.2%
(Allowance for bad debts)	(25,898)	(23,781)	(2,117)	8.9%
Total	284,279	200,659	83,620	41.7%

At 30 June 2024 Trade receivables (gross of Allowance for bad debts) amount to € 310,177 thousand. The balance of this line item is affected by the seasonality of billings for subscription fees that characterises the business of the Group.

Trade receivables are recorded net of an Allowance for doubtful debts of € 25,898 thousand, that has been posted in the accounts after having analysed the specific risk associated with doubtful balances. The balance of Allowance for bad debts is the aggregate of utilisations, accruals and any other movements.

18. TAX RECEIVABLES

	30 Jun 2024	31 Dec 2023	Change	% Change
Tax credits	127	141	(14)	-10.2%
Other tax receivables	139	1,023	(884)	-86.5%
Tax consolidation receivables	11	-	11	0.0%
Advances and credit on income taxes	204	632	(428)	-67.7%
Total	480	1,796	(1,316)	-73.3%

At 30 June 2024 Tax receivables amount to € 480 thousand, down by € 1,316 thousand compared to the balance at 31 December 2023 (€ 1,796 thousand).

19. OTHER CURRENT RECEIVABLES

	30 Jun 2024	31 Dec 2023	Change	% Change
VAT receivables	2,619	8,380	(5,761)	-68.7%
Deposits	634	1,125	(491)	-43.6%
Receivables from employees	212	187	25	13.4%
Other receivables - current	5,502	19,024	(13,522)	-71.1%
Accrued income	180	146	34	23.0%
Prepayments	47,278	33,776	13,503	40.0%
Total	56,426	62,638	(6,212)	-9.9%

At 30 June 2024 the Other current receivables balance amounts to € 56,426 thousand, down by € 6,212 thousand compared to the 31 December 2023 balance (€ 62,638 thousand). The movement is mainly due to the movement in the line-item:

- Prepayments (increase of € 13,503 thousand), because of the seasonality of the business of the Group;
- Other receivables (decrease of € 13,522 thousand);
- VAT receivables (decrease of € 5,761 thousand).

20. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Equity attributable to Non controlling interests	TOTAL EQUITY
31 Dec 2023	14,597	1,210,187	(258)	(75,295)	1,149,231	905	1,150,137
Profit (Loss) allocation		(74,982)	(313)	75,295	0		0
TeamSystem Holdco Capital increase		91			91		91
Profit (Loss) for the period				(25,446)	(25,446)	47	(25,399)
Other Profit (Loss) on comprehensive income		(6,132)			(6,133)	1	(6,132)
30 Jun 2024	14,597	1,131,758	(571)	(25,446)	1,120,339	953	1,121,292

As at 30 June 2024 the Group's equity amounts to € 1,120,339 thousand.

21. STAFF LEAVING INDEMNITY

	30 Jun 2024	31 Dec 2023	Change	% Change
Staff leaving indemnity	35,929	35,943	(14)	0.0%
Total	35,929	35,943	(14)	0.0%

At 30 June 2024 Staff leaving indemnity amounts to € 35,929 thousand, substantially unchanged compared to the balance at 31 December 2023 (€ 35,943 thousand). The balance is the aggregate of utilisations, accruals and any other movements.

22. PROVISIONS FOR RISKS AND CHARGES

	30 Jun 2024	31 Dec 2023	Change	% Change
Provision for pension and similar obligation	1,609	1,671	(62)	-3.7%
Provision for litigations	20,834	21,331	(496)	-2.3%
Other provision for risks and charges	2,485	2,203	282	12.8%
Total	24,928	25,204	(276)	-1.1%

At 30 June 2024 Provisions for risks and charges amount to € 24,928 thousand, down by € 276 thousand compared to the balance at 31 December 2023 (€ 25,204 thousand). The balance is the aggregate of utilisations, accruals and any other movements.

Note that the Group companies are not party to any additional litigations or disputes worthy of note (in terms of contingent liabilities) other than those already reflected by the figures in the financial statements.

23. OTHER CURRENT AND NON-CURRENT LIABILITIES

	30 Jun 2024	31 Dec 2023	Change	% Change
VAT liabilities	6,665	3,400	3,265	96.04%
Withholdings liabilities	6,222	7,121	(899)	-12.6%
Employees payables and Social security liabilities - current	44,314	45,079	(764)	-1.7%
Advances	763	639	124	19.4%
Other liabilities	1,593	1,817	(224)	-12.3%
Accrued liabilities	517	426	91	21.4%
Deferred revenues	328,841	154,928	173,912	n.s. 0.0%
Other current liabilities	388,917	213,410	175,506	82.24%
Social security liabilities - non current	312	335	(23)	-6.8%
Other tax liabilities - non current	8	8	-	0.0%
Other non current liabilities	319	342	(23)	-6.70%
Total Other liabilities	389,236	213,753	175,483	82.10%

At 30 June 2024 Other current liabilities amount to € 388,917 thousand, up by € 175,506 thousand compared to the balance at 31 December 2023 (€ 213,410 thousand).

This increase is substantially due to the seasonality of billings for subscription fees that characterises the business of the Group and results in the increase in deferred revenues.

At 30 June 2024 Other non-current liabilities amount to € 319 thousand (€ 342 thousand at 31 December 2023) and relate primarily to balances pertaining to the subsidiary TeamSystem S.p.A..

24. CURRENT TAX LIABILITIES

	30 Jun 2024	31 Dec 2023	Change	% Change
Income tax payables	34,481	11,293	23,188	n.s.
Other tax liabilities	208	-	208	0.00%
Total	34,689	11,293	23,396	n.s.

At 30 June 2024 Current tax liabilities amount to € 34,689 thousand, up by € 23,396 thousand compared to the balance at 31 December 2023 (€ 11,293 thousand).

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

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

Euro thousands

RECONCILIATION OF NET FINANCIAL POSITION TEAMSYSTEM HOLDCO GROUP vs TEAMSYSTEM SPA GROUP	TEAMSYSTEM HOLDCO CONSOLIDATED	TEAMSYSTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 1 STAND ALONE NET OF INTERCOMAPY	TEAMSYSTEM HOLDCO 2 STAND ALONE NET OF INTERCOMAPY	TEAMSYSTEM HOLDCO 3 CONSOLIDATED	TEAMSYSTEM HOLDCO 3 STAND ALONE NET OF INTERCOMAPY	TEAMSYSTEM SPA CONSOLIDATED
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Other financial assets	28,964	-	-	-	28,964	-	28,964
Cash and bank balances	124,353	23	30	2	124,298	81	124,218
Financial liabilities with banks and other institutions	(2,050,339)	-	-	0	(2,050,339)	(301,447)	(1,748,892)
TOTAL	(1,897,022)	23	30	2	(1,897,077)	(301,366)	(1,595,711)

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



