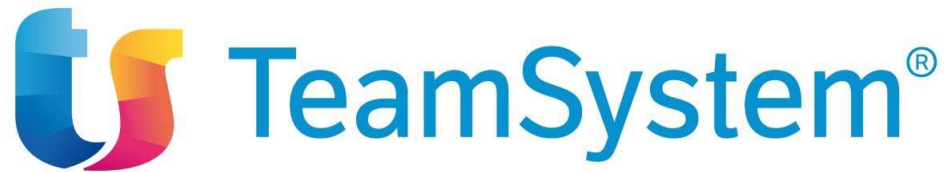




30 September 2024
Interim Condensed
Consolidated
Financial Statements
TeamSystem Group



**UNAUDITED INTERIM
CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS
ENDED
30 SEPTEMBER 2024**

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TeamSystem Group**

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**DIRECTORS’
REPORT**

► RESULTS OF OPERATIONS

Euro thousand								
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	30 Sep 2024	30 Sep 2023	Change	% Change	Quarter 3Q 2024	Quarter 3Q 2023	Change	% Change
	TOTAL REVENUE	653,594	510,596	142,998	28.0%	229,874	175,301	54,572
COGS	(98,031)	(92,275)	(5,755)	6.2%	(31,947)	(30,993)	(954)	3.1%
Personnel	(200,149)	(154,706)	(45,443)	29.4%	(65,440)	(49,728)	(15,712)	31.6%
Personnel like	(24,483)	(19,803)	(4,679)	23.6%	(7,989)	(6,543)	(1,446)	22.1%
Non Personnel	(74,200)	(50,071)	(24,129)	48.2%	(26,869)	(16,905)	(9,964)	58.9%
Capitalized development costs	25,225	16,682	8,543	51.2%	8,093	6,183	1,910	30.9%
ADJUSTED EBITDA	281,957	210,423	71,534	34.0%	105,723	77,316	28,407	36.7%
Allowance for bad debts	(5,788)	(5,337)	(451)	8.5%	(1,965)	(1,785)	(179)	10.0%
Depreciation and amortization of non current assets	(182,438)	(158,354)	(24,084)	15.2%	(62,408)	(54,067)	(8,340)	15.4%
Other provisions for risks and charges	(562)	(275)	(288)	104.7%	(42)	(264)	222	-84.2%
Non core items	(16,207)	(16,029)	(178)	1.1%	(7,060)	(6,298)	(763)	12.1%
OPERATING RESULT	76,961	30,428	46,533	152.9%	34,249	14,902	19,347	129.8%
Net Finance Income (Cost)	(116,455)	(99,551)	(16,903)	17.0%	(52,672)	(38,707)	(13,965)	36.1%
PROFIT (LOSS) BEFORE INCOME TAXES	(39,494)	(69,123)	29,629	-42.9%	(18,423)	(23,806)	5,382	-22.6%
Current income tax	(38,429)	(24,158)	(14,271)	59.1%	(12,162)	(7,304)	(4,858)	66.5%
Deferred income tax	32,912	29,759	3,153	10.6%	10,975	10,414	561	5.4%
PROFIT (LOSS) FOR THE YEAR	(45,011)	(63,523)	18,512	-29.1%	(19,610)	(20,695)	1,085	-5.2%
(Profit) Loss - Non controlling interests	(51)	(60)	10	-16.2%	(4)	(31)	27	-87.2%
PROFIT (LOSS) - OWNERS OF THE COMPANY	(45,061)	(63,583)	18,522	-29.1%	(19,615)	(20,727)	1,112	-5.4%

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

- GreeNext;
- Sistemi IT;
- Multidata;
- Aplifisa;
- Ticcyl;
- Marclamara;
- Acumbamail;
- Mail UP (and its subsidiaries Mail Up Nordics and Globase);
- Var Enterprise (only for balance sheet purposes).

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

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

- TeamSystem Tirana, consolidated at 30 September 2023 only for 3 months;
- Mikro Yazilmevi (and its subsidiaries), consolidated at 30 September 2023 only for balance sheet purposes;
- MailUp, merged by incorporation in TeamSystem S.p.A. during 2024 and consolidated at 30 September 2023 only for 2 months;
- Multidata, merged by incorporation in TeamSystem S.p.A. during 2024 and consolidated at 30 September 2023 only for 6 months;
- GreeNext Technologies, consolidated at 30 September 2023 only for 3 months;
- Innova's business unit that was contributed to Greenext during 2024;
- Acumbamail, consolidated at 30 September 2023 only for 2 months;

- MailUp Nordics (and its subsidiary Globase International), consolidated at 30 September 2023 only for 2 months;
- Aplifisa, consolidated at 30 September 2023 only for 6 months;
- Tyccil, consolidated at 30 September 2023 only for 6 months;
- Marclamara, consolidated at 30 September 2023 only for 6 months;
- 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;
- Pentaedro;
- the business unit Poker contributed to TeamSystem 14;
- Netfintech (and its subsidiary Change Capital);
- Distrito K Software;
- Clementine Group companies

All of the previous companies have been acquired / incorporated at the end of 2023 or during 2024.

TeamSystem 15 accounts and Synesthesia business unit (via TeamSystem 14) have not been consolidated for the purpose of TeamSystem Consolidated financial statements as of 30 September 2024 (see “Significant events during the first nine months of 2024” section).

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

Adjusted EBITDA = This is calculated as follows:
Profit (Loss) for the period plus (i)Income tax; (ii)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**.

	30 Sep 2024	30 Sep 2023
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(45,011)	(63,523)
Income tax	5,517	(5,601)
Share of Profit (Loss) of associates	26	-
Financial income and expenses	147,857	99,551
Monetary Gain (Loss)	(31,428)	-
Other provisions for risks and charges	562	275
Depreciation and amortization of non current assets	182,438	158,354
Allowance for bad debts	5,788	5,337
Advisory expenses related to reorganization and cost saving projects	3,256	4,840
Personnel redundancy	1,706	1,538
Acquisitions and mergers costs	9,472	8,111
Settlements with clients and agents	1,763	1,548
Other cost - (income)	11	(6)
ADJUSTED EBITDA	281,957	210,423

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 September 2024 Adjusted EBITDA amounts to € 281,957 thousand, up by € 71,534 thousand compared to the amount at 30 September 2023 (€ 210,423 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 nine months of 2024.

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TOTAL REVENUE: Total Revenue for the period ended 30 September 2024 amounts to € 653,594 thousand, up by € 142,998 thousand compared to the corresponding figure for the period ended 30 September 2023 (€ 510,596 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 nine months of 2024.

Euro Millions

	30 Sep 2024	30 Sep 2023	Change	% Change
Enterprise	133.4	116.4	17.0	14.6%
Recurring	103.7	84.9	18.8	22.2%
Other Revenues	29.7	31.6	(1.9)	-5.9%
Professional	174.4	156.4	18.0	11.5%
Recurring	164.0	144.4	19.5	13.5%
Other Revenues	10.4	12.0	(1.5)	-12.7%
Micro	213.4	115.9	97.5	84.1%
Recurring	198.4	108.2	90.2	83.4%
Other Revenues	14.9	7.7	7.2	94.3%
Digital Finance	17.8	15.2	2.6	17.4%
Recurring	14.0	12.0	1.9	16.2%
Other Revenues	3.9	3.2	0.7	22.0%
Market Specific Solution	75.3	72.3	3.1	4.2%
Recurring	52.1	46.4	5.7	12.2%
Other Revenues	23.2	25.8	(2.6)	-10.1%
Cross-Segment Products	39.3	34.4	4.8	14.1%
Recurring	33.2	27.3	6.0	21.9%
Other Revenues	6.0	7.1	(1.1)	-15.6%
TOTAL REVENUE	653.6	510.6	143.0	28.0%
Total Recurring Revenues	565.4	423.2	142.2	33.6%
Total Other Revenues	88.2	87.4	0.8	1.0%

The 30 September 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 Sep 2024							
OPERATING SEGMENTS	ENT	PROF	MICRO	DIF	MSS	CSP	TOTAL
TOTAL REVENUE	133.4	174.4	213.4	17.8	75.3	39.3	653.6
FIRST MARGIN	66.7	106.0	130.8	6.4	18.6	15.1	343.7
INDIRECT COSTS							(86.9)
CAPITALISED DEVELOP COSTS							25.2
ADJUSTED EBITDA							282.0

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 Sep 2024	30 Sep 2023	Change	% Change	3Q 2024	3Q 2023	Change	% Change
CASH FLOWS FROM OPERATING ACTIVITIES	282,151	172,951	109,200	63.1%	48,433	20,671	27,762	n.s.
Capital Expenditure	(44,562)	(31,516)	(13,046)	41.4%	(14,793)	(11,723)	(3,070)	26.2%
Acquisition of investments	(137,730)	(258,038)	120,308	-46.6%	(119,136)	(157,733)	38,597	-24.5%
CASH FLOWS FROM INVESTING ACTIVITIES	(182,292)	(289,554)	107,262	-37.0%	(133,929)	(169,456)	35,528	-21.0%
Repayment of financial debt	(194,076)	(6,280)	(187,796)	n.s.	(190,138)	(2,949)	(187,189)	n.s.
New financing	700,000	135,000	565,000	n.s.	700,000	135,000	565,000	n.s.
Financial charges paid	(93,717)	(71,952)	(21,765)	30.2%	(23,572)	(17,604)	(5,968)	33.9%
Financing Fees paid	(10,415)	0	(10,415)	0.0%	(10,196)	21	(10,217)	n.s.
Liabilities to non controlling shareholders of subsidiaries	(91,720)	(36,765)	(54,955)	n.s.	(58,216)	(6,825)	(51,391)	n.s.
Other equity movements	(1,443)	0	(1,443)	0.0%	(1,535)	0	(1,535)	0.0%
CASH FLOWS FROM FINANCING ACTIVITIES	308,630	20,004	288,626	n.s.	416,343	107,643	308,700	n.s.
Change in Exchange rates	26	7	19	n.s.	9	1	8	n.s.
INCREASE (DECREASE) IN CASH AND BANK BALANCES	408,514	(96,592)	505,107	n.s.	330,856	(41,141)	371,997	n.s.

Cash flows from operating activities amount to € 282,151 thousand for the period ended 30 September 2024, increasing by € 109,200 thousand, compared to the corresponding flows for the period ended 30 September 2023 (€ 172,951 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 were postponed to 2024. Without this “weekend effect”, operating cash flows for the first nine months of 2024 would have amounted to € 273.8 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 nine months of 2023 would have amounted to € 180.8 million.

Cash flows from investing activities changed from negative € 289,554 thousand in the period ended 30 September 2023 to negative € 182,292 thousand for the corresponding period of 2024.

The main investment activities for the first nine 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, NetFintech, Distrito K and Clementine Group).

Cash flows from financing activities changed from € 20,004 thousand in the period ended 30 September 2023 to € 308,630 thousand for the corresponding period of 2024.

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

- the new Senior Secured Floating Rate Notes due 2031 and the repayment of 2028 Private Notes (for further information see Note 15);
- 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 Sep 2024	31 Dec 2023	Change	% Change
Trade receivables	226,851	200,659	26,191	13.1%
Inventories	2,026	1,736	290	16.7%
Other receivables - current	71,671	62,638	9,033	14.4%
Trade payables	(73,671)	(71,529)	(2,142)	3.0%
Other liabilities - current	(315,914)	(213,410)	(102,503)	48.0%
WORKING CAPITAL	(89,037)	(19,906)	(69,130)	347.3%

At 30 September 2024 Working capital amounts to negative € 89,037 thousand, with a change of € 69,130 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 € 315,914 thousand at 30 September 2024 compared to negative € 213,410 thousand at 31 December 2023) and to Trade receivables (which balance is € 226,851 thousand at 30 September 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 was 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.

Without this “weekend effect”, working capital as at 30 September 2024 would have amounted to negative € 80.6 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 Sep 2024	30 Sep 2023	Change	% Change
Investments in tangible assets	(4,211)	(2,749)	(1,462)	53.2%
Investments in intangible assets	(15,125)	(12,084)	(3,041)	25.2%
Capitalized development costs - personnel costs	(20,448)	(14,003)	(6,445)	46.0%
Capitalized development costs - service costs	(4,778)	(2,679)	(2,098)	78.3%
CAPITAL EXPENDITURE	(44,562)	(31,516)	(13,046)	41.4%

In the period ended 30 September 2024 the Capital expenditure amounts to € 44,562 thousand with an increase of € 13,046 thousand compared to 30 September 2023 balance (€ 31,516 thousand).

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► SIGNIFICANT EVENTS DURING THE FIRST NINE MONTHS OF 2024

● REFINANCING

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 and the 2030 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, on 15 July 2024, 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.

2023 Private Notes Redemption

As of 30 September 2024, the 2030 Private Notes were outstanding and listed on the MTF of the Vienna Stock Exchange. TeamSystem S.p.A. redeemed the 2030 Private Notes on 05 October 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.;
- 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 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. and Poker business unit

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

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).

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. and Change Capital

In June 2024, TeamSystem S.p.A. acquired a majority stake (61.3%) in NetFintech S.r.l., a company operating (with its subsidiary Change Capital) 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.

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 Group

In July 2024, TeamSystem S.p.A. (via the holding companies acquired Clementine Holding Sas and Clementine Services Sas) 100% of 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. Clementine Group companies are pioneers and leaders in online accounting in France; Clementine Group companies provide their 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.

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

In September 2024, TeamSystem S.p.A. set up a company called TeamSystem 15 S.r.l.

In the same month the business division of Unix was contributed to TeamSystem 15. Unix is a reseller of TeamSystem products.

Synesthesia business unit (via TeamSystem 14)

In September 2024, Synesthesia business unit was contributed to TeamSystem 14. Synesthesia business unit is organised for the development and the distribution of a software solution for the management of whistleblowing activities.

► SIGNIFICANT SUBSEQUENT EVENTS

Repayment of 195€ millions Note

TeamSystem S.p.A. redeemed the 2030 Private Notes on 05 October 2024.

Liquidation of the company Fin-MD-Tech.

During October 2024, the shareholders' meeting of Fin-MD-Tech resolved to dissolve and put the company into liquidation.

Sale of Sistemi IT investment

In October 2024 TeamSystem S.p.A. sold its investment in Sistemi IT.

Sale of Bellachioma Enterprise investment

In November 2024 TeamSystem S.p.A. sold its investment in Bellachioma Enterprise.

2032 PIK Notes Issued

In November 2024 TeamSystem Holdco 3 S.p.A. issued €300.0 million aggregate principal amount of Senior Floating Rate Pay-If-You-Want PIK Toggle notes (the “**New PIK Notes**”) due 2032 to certain investors on a private basis.

At the same time TeamSystem Holdco 3 S.p.A. entirely redeemed €300.0 million aggregate principal amount of the 2029 PIYW PIK Toggle Notes.

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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 nine 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 Sep 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 Sep 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 NINE MONTHS
ENDED
30 SEPTEMBER 2024**

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	30 Sep 2024	30 Sep 2023	NOTES
Revenue	650,272	508,170	1
Other operating income	3,322	2,426	1
TOTAL REVENUE	653,594	510,596	1
Cost of raw and other materials	(40,213)	(40,033)	2
Cost of services	(160,906)	(130,061)	3
Personnel costs	(181,416)	(142,242)	4
Other operating costs	(5,309)	(3,868)	5
Depreciation and amortization of non current assets	(182,438)	(158,354)	
Allowance for bad debts	(5,788)	(5,337)	
Other provisions for risks and charges	(562)	(275)	
OPERATING RESULT	76,961	30,428	
Finance income	23,556	10,340	6
Finance cost	(171,414)	(109,892)	6
Monetary Gain (Loss)	31,428	0	7
PROFIT (LOSS) BEFORE INCOME TAXES	(39,494)	(69,123)	
Current income tax	(38,429)	(24,158)	
Deferred income tax	32,912	29,759	14
TOTAL INCOME TAX	(5,517)	5,601	
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(45,011)	(63,523)	
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(45,011)	(63,523)	
(Profit) Loss for the period - Non controlling interests	(51)	(60)	
PROFIT (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY	(45,061)	(63,583)	
ADJUSTED EBITDA	281,957	210,423	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30 Sep 2024	30 Sep 2023	NOTES
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(45,011)	(63,523)	20
Exchange differences on translating foreign operations	(17,255)	8	
OTHER GAIN (LOSS) THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(17,255)	8	
TOTAL COMPREHENSIVE INCOME (LOSS)	(62,266)	(63,515)	
Total comprehensive (income) loss - Non controlling interests	(52)	(60)	
TOTAL COMPREHENSIVE INCOME (LOSS) - OWNER OF THE COMPANY	(62,317)	(63,575)	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30 Sep 2024	31 Dec 2023	NOTES
Tangible assets	17,690	16,820	9
Intangible assets	1,222,643	1,328,154	10
Right of use	27,251	27,826	11
Goodwill	2,358,935	2,139,665	12
Other Investments	398	523	13
Investments in associates	1,501	868	13
Deferred tax assets	16,027	16,614	14
Other financial assets - non current	13,084	24,000	15
TOTAL NON CURRENT ASSETS	3,657,529	3,554,471	
Inventories	2,026	1,736	16
Trade receivables	226,851	200,659	17
Tax receivables	1,241	1,796	18
Other receivables - current	71,671	62,638	19
Other financial assets - current	6,459	5,657	15
Cash and bank balances	455,209	46,695	15
TOTAL CURRENT ASSETS	763,458	319,181	
TOTAL ASSETS	4,420,988	3,873,652	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	30 Sep 2024	31 Dec 2023	NOTES
Share capital	14,597	14,597	20
Other reserves	1,119,856	1,210,187	20
Retained earnings (accumulated losses)	(571)	(258)	20
Profit (Loss) attributable to Owners of the Company	(45,061)	(75,295)	20
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	1,088,821	1,149,231	
Non controlling interests - Capital and reserves	906	830	20
Non controlling interests - Profit (Loss)	51	75	20
TOTAL NON CONTROLLING INTERESTS	957	905	
TOTAL EQUITY	1,089,778	1,150,137	
Financial liabilities with banks and other institutions - non current	2,077,542	1,919,420	15
Staff leaving indemnity	36,481	35,943	21
Provisions for risks and charges - non current	25,066	25,204	22
Deferred tax liabilities	280,823	310,235	14
Other liabilities - non current	308	342	23
TOTAL NON CURRENT LIABILITIES	2,420,221	2,291,144	
Financial liabilities with banks and other institutions - current	491,423	136,138	15
Trade payables	73,671	71,529	
Tax liabilities - current	29,980	11,293	24
Other liabilities - current	315,914	213,410	23
TOTAL CURRENT LIABILITIES	910,988	432,371	
TOTAL LIABILITIES	3,331,210	2,723,515	
TOTAL EQUITY AND LIABILITIES	4,420,988	3,873,652	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	30 Sep 2024	30 Sep 2023	NOTES
Operating Result	76,961	30,428	
Depreciation and amortisation of non-current assets	182,439	158,354	
Depreciation and amortisation of non-current assets	182,439	158,354	
Trade receivables	(20,613)	(33,824)	
Inventories	(261)	(4)	
Other receivables	(11,968)	(4,439)	
Trade payables	(4,261)	(13,758)	
Other liabilities	83,405	58,307	
Change in Working capital	46,302	6,282	
Staff leaving indemnity	(1,270)	226	
Provisions for risks and charges	(571)	(69)	
Change in provisions	(1,840)	157	
Income tax paid	(21,710)	(22,271)	
CASH FLOWS FROM OPERATING ACTIVITIES	282,151	172,951	
Investments in tangible assets	(4,211)	(2,749)	
Investments in intangible assets	(15,125)	(12,084)	
Capitalized development costs - personnel costs	(20,448)	(14,003)	
Capitalized development costs - service costs	(4,778)	(2,679)	
Capital Expenditure	(44,562)	(31,516)	
Acquisition of investments	(146,641)	(287,800)	8
Cash and bank balances at the date of acquisition	8,910	29,761	8
Acquisition of investments	(137,730)	(258,038)	
CASH FLOWS FROM INVESTING ACTIVITIES	(182,292)	(289,554)	
Repayment of financial debt	(194,076)	(6,280)	
New financing	700,000	135,000	8
Financial charges paid	(93,717)	(71,952)	8
Financing Fees paid	(10,415)	0	8
Liabilities to non controlling shareholders of subsidiaries	(91,720)	(36,765)	8
Other equity movements	(1,443)	0	
CASH FLOWS FROM FINANCING ACTIVITIES	308,630	20,004	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	26	7	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	408,514	(96,592)	
CASH AND BANK BALANCES - Beginning of the period	46,695	145,523	
CASH AND BANK BALANCES - End of the period	455,209	48,931	

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
Other movements		1,814			1,814		1,814
Profit (Loss) for the period				(45,061)	(45,062)	51	(45,011)
Other Profit (Loss) on comprehensive income		(17,255)			(17,255)	1	(17,255)
30 Sep 2024	14,597	1,119,856	(571)	(45,061)	1,088,821	957	1,089,778

TeamSystem Group

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 September 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 September 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 September 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 September 2024 and 30 September 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	1,453,799,618	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	Italy	3,000	1,457,767,597	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	Italy	53,430	1,454,132,841	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	Italy	50,000	1,460,736,060	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	Italy	24,000,000	1,146,255,067	EUR	100.00	100.00		
Beneficy S.r.l.	Roma	Italy	90,000	844,971	EUR	51.00	100.00	1	
Team4you S.r.l.	Ripalimosani (CB)	Italy	10,000	2,172,912	EUR	100.00	100.00		
Software del Sol S.A.	Jaén (Spain)	Spain	75,000	15,249,653	EUR	100.00	100.00		
Apifisa S.L.	Salamanca (Spain)	Spain	30,600	2,113,570	EUR	100.00	100.00		
Ticcy! Digital S.L.	Salamanca (Spain)	Spain	3,216	2,833,961	EUR	100.00	100.00		
Marclamara S.L.	Madrid	Spain	3,000	401,002	EUR	100.00	100.00		
Acumbamail S.L.	Ciudad Real (Spain)	Spain	4,500	1,109,333	EUR	100.00	100.00		
My Expenses S.L.	Madrid	Spain	73,074	765,391	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	Spain	3,050	108,783	EUR	100.00	100.00		2
Logical Soft S.r.l.	Desio (MB)	Italy	200,000	9,671,690	EUR	70.00	100.00	1	
TeamSystem Service S.r.l.	Campobasso	Italy	200,000	89,087,767	EUR	100.00	100.00		
Danea Soft S.r.l.	Vigonza (PD)	Italy	100,000	94,485,441	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Treviolo (BG)	Italy	10,000	184,958,144	EUR	100.00	100.00		3
Nuovamacut Automazione S.p.A.	Bologna	Italy	108,000	44,201,861	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	Italy	300,000	41,963,353	EUR	96.87	96.87		4
TeamSystem Tirana	Tirana	Albania	10,000	70,413,458	LEK	100.00	100.00		
Reviso International ApS	Copenhagen	Denmark	50,011	(3,090,672)	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	United Kingdom	1	34,737	GBP	100.00	100.00		5
Reviso Deutschland GmbH	Berlino	Germany	25,000	104,314	EUR	100.00	100.00		5
Mondora S.r.l.	Milano	Italy	105,000	(142,056)	EUR	100.00	100.00		
TeamSystem Financial Value Chain S.r.l.	Milano	Italy	4,931,373	13,640,723	EUR	90.00	100.00	1	
Whit-e S.r.l.	Milano	Italy	15,000	6,749,487	EUR	100.00	100.00		6
TeamSystem AM Holdco S.r.l.	Milano	Italy	10,000	762,979	EUR	100.00	100.00		6
TeamSystem Capital at Work SGR S.p.A.	Milano	Italy	100,000	1,154,260	EUR	91.00	91.00		7
FIN-MD-TECH SRL	Milano	Italy	50,000	53,473	EUR	100.00	100.00		6
TeamSystem Payments Holdco S.r.l.	Milano	Italy	10,000	2,809,934	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	Italy	125,000	2,563,771	EUR	100.00	100.00		8
Modefinance S.r.l.	Trieste	Italy	210,000	7,702,392	EUR	99.00	100.00		
Modefinance International S.r.l.	Milano	Italy	100,000	336,717	EUR	65.00	100.00	1	9
TeamSystem 10 S.r.l.	Milano	Italy	12,500	3,532,024	EUR	100.00	100.00		
ITReview S.r.l.	Noventa Padovana (PD)	Italy	50,000	1,546,543	EUR	100.00	100.00		
Ciaomanager S.r.l.	Trento (TN)	Italy	8,350	656,899	EUR	80.00	100.00	1	
Readytec S.p.A.	Chiusi (SI)	Italy	835,058	14,569,438	EUR	100.00	100.00		
Readytec Emilia S.r.l.	Milano	Italy	10,000	3,592,570	EUR	100.00	100.00		
Microntel S.p.A.	Torino	Italy	1,500,000	8,767,824	EUR	80.00	100.00	1	
TeamSystem 12 S.r.l.	Milano	Italy	15,500	25,778,118	EUR	100.00	100.00		
Bellachiomia Systems S.r.l.	San Benedetto del Tronto (AP)	Italy	52,000	2,461,076	EUR	100.00	100.00		
Bellachiomia Enterprise S.r.l.	San Benedetto del Tronto (AP)	Italy	10,000	90,105	EUR	100.00	100.00		
Datamedia S.r.l.	Reggio Calabria	Italy	10,000	735,435	EUR	100.00	100.00		
Rean Srl	Milano	Italy	200,000	(452,138)	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	3,359,461	EUR	100.00	100.00		
TC informatica S.r.l.	Palermo	Italy	10,000	424,625	EUR	100.00	100.00		
Soluzioni Informatiche S.r.l.	Spresiano (TV)	Italy	10,000	942,457	EUR	100.00	100.00		
Pentaedro S.r.l.	Parma (PR)	Italy	10,000	4,832,473	EUR	100.00	100.00		
TeamSystem 14 S.r.l.	Milano	Italy	10,500	329,005	EUR	100.00	100.00		
Netfintech S.r.l.	Milano	Italy	156,254	4,907,264	EUR	100.00	100.00		
Change Capital S.r.l.	Milano	Italy	10,000	2,120,109	EUR	100.00	100.00		
Distrito K Software SL	La Coruña (Spain)	Spain	3,000	70,503,172	EUR	100.00	100.00		
Greenext S.r.l.	Torino	Italy	1,000,000	4,717,808	EUR	95.51	100.00	1	
Sistemi IT S.r.l.	Lurago Marinone (CO)	Italy	99,000	416,184	EUR	100.00	100.00		
MailUp Nordics A/S	Copenhagen	Denmark	500,000	4,787,333	DKK	100.00	100.00		
Globase International A.p.S.	Copenhagen	Denmark	125,000	(1,017,065)	DKK	100.00	100.00		10
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	100.00	100.00		11
Comptalib SAS	Laxou (France)	France	10,829	18,102	EUR	100.00	100.00		11
Tiktak Services SAS	Laxou (France)	France	3,000	(80,242)	EUR	100.00	100.00		11
Pepitejob SAS	Paris (France)	France	5,000	(60,297)	EUR	100.00	100.00		11
Zhizhao SARL	Laxou (France)	France	5,000	210,323	EUR	100.00	100.00		11
Eunomia SAS	Paris (France)	France	8,150,000	9,422,593	EUR	100.00	100.00		12
Expertise Choix B SAS	Laxou (France)	France	500,000	(628,721)	EUR	100.00	100.00		13
Amex SAS	Nice (France)	France	466,800	960,674	EUR	100.00	100.00		13
Expertise Choix C SAS	Laxou (France)	France	150,000	(271,631)	EUR	100.00	100.00		13
Sofrageco SAS	Montreuil (France)	France	153,000	143,131	EUR	100.00	100.00		13
Mikro Yazilimevi Yazilim Hizmetleri Bilgisa	Instanbul	Turkey	153,452,711	981,777,771	TRY	67.20	100.00	1	
Zrve Bilgi Teknolojileri Sanayi Ticaret A.Ş.	Ankara	Turkey	7,500,000	53,312,095	TRY	100.00	100.00		14
Paraşüt Yazilim Teknolojileri A.Ş.	Instanbul	Turkey	3,600,000	63,772,510	TRY	100.00	100.00		14
Muhasebetech Yazilim A.Ş.	Instanbul	Turkey	50,000	(11,051,080)	TRY	100.00	100.00		14
Shopside Yazilim Teknolojileri A.Ş.	Ankara	Turkey	110,000	(31,444,921)	TRY	100.00	100.00		14
Mevzuatt Yazilim A.Ş.	Instanbul	Turkey	50,000	(6,383,871)	TRY	100.00	100.00		14
Zrve Özel Entegrasyon Yazilim Hizm.A.Ş.	Instanbul	Turkey	50,000	(405,035)	TRY	100.00	100.00		14
Mikrogrup Teknoloji Destek Hizmetleri A.Ş.	Instanbul	Turkey	3,000,000	2,697,886	TRY	100.00	100.00		14
Emkellef Teknoloji A.Ş.	Instanbul	Turkey	50,000	2,780,647	TRY	100.00	100.00		14

- (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 Nordics A.S.;
(11) = investment held by Clementine Holding Sas;
(12) = investment held by Clementine Services Sas;
(13) = investment held by Eunomia Sas;
(14) = investment held by Mikro.

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	1	15
Macrogroup S.r.l.	Bologna	Italy	N.A.	N.A.	EUR	49.00	1	15
Deliverart S.r.l.	Roma	Italy	N.A.	N.A.	EUR	40.00	1	15

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

(15) = 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 NINE MONTHS OF 2024

The 30 September 2024 scope of consolidation has changed compared to the TeamSystem Holdco Consolidated financial statements for the period ended 31 December 2023 because of:

1) 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.
- SI.EL.CO. S.r.l.

2) the consolidation of Innova's business unit that was contributed to Greenext;

3) the consolidation of Netfintech (and its subsidiary Change Capital)

4) the consolidation of Poker's business unit that was contributed to TeamSystem 14;

5) the consolidation of Pentaedro;

6) the consolidation of Distrito K.

7) the consolidation of Clementine Group which consists of the following companies: Clementine Holding Sas, Clementine Services Sas, Eunomia Sas, Sofrageco Sas, Amex Sas, Expertise Choix B Sas, Expertise Choix C Sas, Tiktak Services Sas, Pepitejob Sas, Zhizhao Sarl, Comptalib Sas.

As regards the investments in Macrogroup S.r.l., Deliverart S.r.l. (which should be both consolidated using the equity method as of 30 September 2024) Synesthesia business unit (via TeamSystem 14) and TeamSystem 15 S.r.l., their results and their financial position have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the nine months ended 30 September 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 September 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 Sep 2024	31 Dec 2023	%
DKK	7.46	7.45	0.1%	7.46	7.45	0.1%
GBP	0.85	0.87	-2.3%	0.84	0.87	-3.4%
LEK	101.48	110.29		99.03	103.79	
TRY	N.a.	N.a.		38.27	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 36% during the first nine months 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 September 2024 amounts to € 653.6 million, and is comprised of Revenue of € 650.2 million and Other operating income of € 3.3 million. Total revenue for period ended 30 September 2023 stood at € 510.6 million.

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

Euro Millions			
	30 Sep 2024	30 Sep 2023	
Over time	565.4	423.2	
Point in time	88.2	87.4	
TOTAL REVENUE	653.6	510.6	

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 nine months ended 30 September 2024, have been earned in Italy for the vast majority.

2. COST OF RAW AND OTHER MATERIALS

	30 Sep 2024	30 Sep 2023	Change	% Change
Hardware purchases	7,071	9,049	(1,978)	-21.9%
Third party' software	26,829	26,261	568	2.2%
Handbooks and forms	8	20	(11)	-57.3%
Materials for education	44	79	(35)	-44.6%
Fuel	2,520	2,093	426	20.4%
Other materials	4,044	2,498	1,546	61.9%
Change in inventory of raw materials	(303)	32	(335)	n.s.
Total	40,213	40,033	180	0.4%

Cost of raw and other materials amounts to € 40,213 thousand for the period ended 30 September 2024, in line with the amount at 30 September 2023 (€ 40,033 thousand).

3. COST OF SERVICES

	30 Sep 2024	30 Sep 2023	Change	% Change
Agent commissions and other costs	21,340	17,678	3,662	20.7%
Consulting and third parties services	17,787	15,211	2,576	16.9%
Software and Hardware maintenance costs	43,729	32,431	11,298	34.8%
Customer support service costs	7,101	6,054	1,047	17.3%
Administrative and management consulting costs	5,940	4,373	1,567	35.8%
Financial interest costs	2,149	2,273	(123)	-5.4%
Education - consulting and copyrights	1,465	1,726	(261)	-15.1%
Magazines - consulting and copyrights	822	823	(1)	-0.1%
Other costs for education services	130	97	33	33.8%
Advertising and marketing	20,370	15,070	5,300	35.2%
Car rentals	3,955	3,617	338	9.3%
Rebate costs	4,554	3,240	1,314	40.6%
Utilities	3,794	3,574	220	6.1%
Costs for services - Non core	14,269	14,519	(250)	-1.7%
Other service expenses	18,276	12,052	6,224	51.6%
Cost of services - Gross of capitalization	165,684	132,740	32,943	24.8%
Services capitalised development costs	(4,778)	(2,679)	(2,098)	78.3%
Total	160,906	130,061	30,845	23.7%

Cost of services for the period ended 30 September 2024 amounts to € 160,906 thousand, up by € 30,845 thousand from the amount of the period ended 30 September 2023 (€ 130,061 thousand).

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

4. PERSONNEL COSTS

	30 Sep 2024	30 Sep 2023	Change	% Change
Wages, salaries and social contributions	181,275	138,995	42,280	30.4%
Staff leaving indemnities	8,356	6,883	1,473	21.4%
Other personnel costs	6,114	4,004	2,110	52.7%
Personnel costs for redundancy and reorganizations	1,715	1,539	177	11.5%
Employees costs	197,459	151,421	46,039	30.4%
				0.0%
Freelancers and collaborators fees	812	486	326	67.1%
Directors' fees and related costs	3,593	4,338	(745)	-17.2%
Directors and Collaborators	4,405	4,824	(419)	-8.7%
Personnel - Gross of capitalization	201,864	156,245	45,619	29.20%
Personnel capitalised development costs	(20,448)	(14,003)	(6,445)	46.0%
Total	181,416	142,242	39,175	27.5%

Personnel costs for the period ended 30 September 2024 (€ 181,416 thousand) have increased by € 39,175 thousand, compared to the corresponding amount for the period ended 30 September 2023 (€ 142,242 thousand), as a consequence of the change in the consolidation area and of the organic growth experienced by the Group in the first nine months of 2024.

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

5. OTHER OPERATING COSTS

	30 Sep 2024	30 Sep 2023	Change	% Change
Condominium expenses and other rents	2,261	1,444	817	56.6%
Rentals	198	136	63	46.0%
Other expenses for use of third parties assets	23	158	(135)	-85.4%
Other taxes	684	568	116	20.4%
Losses from assets disposals	200	18	182	n.s.
Other expenses	1,943	1,543	400	25.9%
Total	5,309	3,868	1,442	37.3%

Other operating costs for the period ended 30 September 2024 (€ 5,309 thousand) have increased for an amount of € 1,442 thousand compared to the corresponding amount for the period ended 30 September 2023 (€ 3,868 thousand).

6. FINANCE INCOME and FINANCE COST

Finance Income

	30 Sep 2024	30 Sep 2023	Change	% Change
Interest and other finance income	4,778	295	4,482	n.s.
Gains on foreign exchange	1,705	81	1,625	n.s.
Interest from cash pooling and other loans	(1)	56	(57)	n.s.
Interest from banks	3,692	376	3,316	n.s.
Interest from derivative instruments	11,897	6,958	4,939	71.0%
Depreciation - liabilities to non controlling shareholders of subs	1,486	2,574	(1,088)	-42.3%
Total	23,556	10,340	13,216	n.s.

Finance income for the period ended 30 September 2024 (€ 23,556 thousand) have increased compared to the corresponding amount at 30 September 2023 (€ 10,340 thousand) for an amount of € 13,216 thousand mainly due to Interest from derivative instruments and Interest and other finance income (see Note 15 Net Financial Indebtedness for further information).

Finance Cost

	30 Sep 2024	30 Sep 2023	Change	% Change
Interest on bank overdrafts and loans	933	1,190	(257)	-21.6%
Interest on Notes	116,647	87,659	28,988	33.1%
Interest on other loans	-	3	(3)	-100.0%
Interest on financing fees	11,749	6,782	4,967	73.2%
Revaluation - liabilities to non controlling shareholders of subs	17,612	3,079	14,532	n.s.
Bank commissions	5,450	2,680	2,770	n.s.
Loss on valuation of derivative instruments	7,632	2,092	5,540	n.s.
Interest on actuarial valuation of employee benefits	471	215	256	n.s.
Interest on lease contracts - IFRS 16	1,359	927	432	46.6%
Other IFRS financial charges	9,081	4,910	4,171	84.9%
Interest on cash pooling and other loans	121	7	113	n.s.
Other financial charges	175	137	37	27.3%
Losses on foreign exchange	186	87	99	n.s.
Write-downs of financial assets	(1)	124	(125)	n.s.
Total	171,414	109,892	61,522	56.0%

Finance cost for the period ended 30 September 2024 amounts to € 171,414 thousand with an increase of € 61,522 thousand, compared to the corresponding amount at 30 September 2023 (€ 109,892 thousand).

This change is mainly attributable to:

- the increase of € 28,988 thousand in the line item Interest on Notes is mainly due to the issuance of “2030 Private Notes” (issued in October 2023) and to the issuance of “2031 Notes” (issued in July 2024) - see Note 15 for further details;
- the increase of € 14,532 thousand in the line item Revaluation – Liabilities to non-controlling shareholders of subsidiaries;
- the increase of € 5,540 thousand on derivative instruments, due to the valuation of derivative instruments at 30 September 2024;

- the increase of € 4,967 thousand in the line item Interest on financing fees is mainly due to the amortization of the fees connected to the “2030 Private Notes” and to the “2031 Notes”.

7. MONETARY GAIN (LOSS)

Monetary net gain amounted to € 31,428 thousand for the financial statements as at 30 September 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 36% during the first nine months 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 nine months of 2024.

Cash flows from operating activities = amount to € 282,151 thousand for the period ended 30 September 2024, increasing by € 109,200 thousand, compared to the corresponding flows for the period ended 30 September 2023 (€ 172,951 thousand).

Cash flows from investing activities = amount to negative € 182,292 thousand for the period ended 30 September 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, NetFintech and DistritoK and Clementine Group).

Cash flows from financing activities = amount to € 308,630 thousand for the period ended 30 September 2024.

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

- the issuance of new Senior Secured Floating Rate Notes due 2031 (for an amount of € 700 million) and to the repayment of 2028 Private Notes for an amount of € 185 million (for further information see Note 15);
- 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 Sep 2024	31 Dec 2023	Change	% Change
Land	638	638		
Buildings	1,980	2,152	(172)	-8.0%
Plant and machinery	1,573	1,642	(68)	-4.2%
Equipment	631	1,345	(714)	-53.1%
Other assets	12,868	11,045	1,824	16.5%
Total	17,690	16,820	870	5.2%

At 30 September 2024 Tangible fixed assets amount to € 17,690 thousand, with an increase of € 870 thousand compared with the balance recorded at 31 December 2023 (€ 16,820 thousand).

10. INTANGIBLE ASSETS

NET BOOK VALUE	30 Sep 2024	31 Dec 2023	Change	% Change
Capitalised development	61,857	51,952	9,905	19.1%
IFRS Assets	1,120,826	1,244,645	(123,819)	-9.9%
Other intangible assets	39,960	31,557	8,403	26.6%
Total	1,222,643	1,328,154	(105,511)	-7.9%

Intangible assets have gone from € 1,328,154 thousand at 31 December 2023 to € 1,222,643 thousand at 30 September 2024, with a decrease of € 105,511 thousand resulting from the aggregate of disposals, additions, capitalised development costs and amortisation for the period ended 30 September 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 September 2024 Right of use amounts to € 27,251 thousand, down by € 575 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 September 2024 amounts to € 2,358,935 thousand with an increase of € 219,270 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 Sep 2024	31 Dec 2023	Change	% Change
Investments in Associates	1,501	868	632	72.8%
Other Investments	398	523	(125)	-23.9%
Total	1,899	1,391	508	36.5%

The balance of Investments in Associates and Other investments changed from € 1,391 thousand at 31 December 2023 to € 1,899 thousand at 30 September 2024, with an increase of € 508 thousand.

14. DEFERRED TAX ASSETS AND LIABILITIES

	30 Sep 2024	31 Dec 2023	Change	% Change
Deferred tax assets	16,027	16,614	(588)	-3.5%
Deferred tax liabilities	280,823	310,235	(29,412)	-9.5%

At 30 September 2024 Deferred tax assets amount to € 16,027 thousand, down by € 588 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 September 2024 Deferred tax liabilities amount to € 280,823 thousand with a decrease of € 29,412 thousand compared to the balance at 31 December 2023 (€ 310,235 thousand).

15. NET FINANCIAL INDEBTEDNESS

	30 Sep 2024			31 Dec 2023		
	Current	Non Current	Total	Current	Non Current	Total
Bank accounts and post office	455,172		455,172	46,631		46,631
Cash and bank balances	37		37	64		64
Total Cash and bank balances	455,209	0	455,209	46,695	0	46,695
Loans	2,250	-	2,250	2,129	-	2,129
Derivative instruments - assets	3,320	6,988	10,308	-	18,075	18,075
Others financial accruals	48	-	48	619	-	619
Accruals and prepaid commissions	75	-	75	39	-	39
Other financial assets	766	6,096	6,862	2,869	5,925	8,795
Total Other financial assets	6,459	13,084	19,544	5,657	24,000	29,657
Loans with banks	(6,543)	-	(6,543)	(2,286)	-	(2,286)
Finance leases liabilities	(8,728)	(19,967)	(28,695)	(8,728)	(20,613)	(29,341)
Notes	(347,305)	(2,045,000)	(2,392,305)	(32,405)	(1,830,000)	(1,862,405)
Financial liabilities with other institutions	(2,745)	-	(2,745)	(2,500)	-	(2,500)
Dividends to be paid	(40)	-	(40)	(40)	-	(40)
Total Financial liabilities	(365,361)	(2,064,967)	(2,430,328)	(45,959)	(1,850,613)	(1,896,572)
Financing Fees - notes	-	42,958	42,958	-	42,688	42,688
Financing Fees - banks	3,961	-	3,961	-	2,347	2,347
Total Financing Fees	3,961	42,958	46,918	0	45,035	45,035
Liabilities to non controlling shareholders of subsidiaries	(129,729)	(55,532)	(185,261)	(90,023)	(113,842)	(203,865)
Commissions financial liabilities	(268)	-	(268)	(156)	-	(156)
Other financial accruals	(26)	-	(26)	(0)	-	(0)
Total Other financial liabilities	(130,023)	(55,532)	(185,555)	(90,179)	(113,842)	(204,021)
Total	(29,754)	(2,064,458)	(2,094,212)	(83,786)	(1,895,420)	(1,979,207)

Net debt as of 30 September 2024 amounted to € 2,064,458 thousand.

■ Lease liabilities

The financial debt for leases at 30 September 2024 amounted to € 28,695 thousand. This liability reflects the financial liability recognised as a result of accounting for leases under IFRS 16.

■ 2028 Fixed Rate Notes, 2028 Floating Rate Notes and 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-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**"). The 2028 Private Notes bore 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**"). The 2030 Private Notes bore 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.
- On 29 July 2024, senior secured floating rate notes (ISIN XS2864287540 - XS2864287466) with a total nominal value of € 700.0 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 the 3-month Euribor rate - with a floor of 0.00% - plus a spread of 3.50%, payable quarterly in arrears on 15 January, 15 April, 15 July and October 15 of each year starting on 15 October 2024.

The 2028 Private Notes were redeemed in July 2024. As of 30 September 2024, the 2030 Private Notes were outstanding and listed on the MTF of the Vienna Stock Exchange. TeamSystem redeemed the 2030 Private Notes on 05 October 2024. See "Significant Subsequent Events" section in the Directors' report.

■ Collateral

The obligations arising under the **TeamSystem Notes** and the **RCF**, as amended and restated by the **RCF Amendment** (as described below) are 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 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 under the **2029 PIYW PIK Toggle Notes** are 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 from time to time;
- 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 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.

In connection with the issuance of the 2031 Notes, on July 2024, 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.

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 (€ 185,264 thousand at 30 September 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, Netfintech, Distrito K, Readytec and Clementine.

The liabilities to non-controlling shareholders of subsidiaries paid in 2024 amount to € 89,122 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, Readytec and MyExpenses.

16. INVENTORIES

	30 Sep 2024	31 Dec 2023	Change	% Change
Raw and ancillary materials	392	335	58	17.2%
Finished products and goods	2,419	2,103	316	15.0%
Advances	37	68	(32)	-46.3%
(Allowance for slow-moving inventory)	(822)	(770)	(52)	6.7%
Total	2,026	1,736	290	16.7%

At 30 September 2024 Inventories amount to € 2,026 thousand, substantially unchanged compared to the balance at 31 December 2023 (€ 1,736 thousand).

17. TRADE RECEIVABLES

	30 Sep 2024	31 Dec 2023	Change	% Change
Trade receivables	254,249	224,440	29,809	13.3%
(Allowance for bad debts)	(27,399)	(23,781)	(3,618)	15.2%
Total	226,851	200,659	26,191	13.1%

At 30 September 2024 Trade receivables (gross of Allowance for bad debts) amount to € 226,851 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 € 27,399 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 Sep 2024	31 Dec 2023	Change	% Change
Tax credits	138	141	(3)	-2.0%
Other tax receivables	169	1,023	(853)	-83.4%
Tax consolidation receivables	11	-	11	0.0%
Advances and credit on income taxes	923	632	290	45.9%
Total	1,241	1,796	(555)	-30.9%

At 30 September 2024 Tax receivables amount to € 1,241 thousand, down by € 555 thousand compared to the balance at 31 December 2023 (€ 1,796 thousand).

19. OTHER CURRENT RECEIVABLES

	30 Sep 2024	31 Dec 2023	Change	% Change
VAT receivables	1,783	8,380	(6,597)	-78.7%
Deposits	7,835	1,125	6,710	n.s.
Receivables from employees	165	187	(22)	-12.0%
Other receivables - current	20,387	19,024	1,364	7.2%
Accrued income	185	146	39	26.5%
Prepayments	41,317	33,776	7,541	22.3%
Total	71,671	62,638	9,033	14.4%

At 30 September 2024 the Other current receivables balance amounts to € 71,671 thousand, up by € 9,033 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 € 7,541 thousand), because of the seasonality of the business of the Group;
- VAT receivables (decrease of € 6,597 thousand);
- Deposits (increase of € 6,710 thousand).

20. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	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
Other movements		1,814			1,814		1,814
Profit (Loss) for the period				(45,061)	(45,062)	51	(45,011)
Other Profit (Loss) on comprehensive income		(17,255)			(17,255)	1	(17,255)
30 Sep 2024	14,597	1,119,856	(571)	(45,061)	1,088,821	957	1,089,778

As at 30 September 2024 the Group's equity amounts to € 1,088,821 thousand.

21. STAFF LEAVING INDEMNITY

	30 Sep 2024	31 Dec 2023	Change	% Change
Staff leaving indemnity	36,481	35,943	539	1.5%
Total	36,481	35,943	539	1.5%

At 30 September 2024 Staff leaving indemnity amounts to € 36,481 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 Sep 2024	31 Dec 2023	Change	% Change
Provision for pension and similar obligation	1,693	1,671	22	1.3%
Provision for litigations	20,250	21,331	(1,080)	-5.1%
Other provision for risks and charges	3,123	2,203	921	41.8%
Total	25,066	25,204	(138)	-0.5%

At 30 September 2024 Provisions for risks and charges amount to € 25,066 thousand, down by € 138 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 Sep 2024	31 Dec 2023	Change	% Change
VAT liabilities	5,377	3,400	1,977	58.14%
Withholdings liabilities	5,423	7,121	(1,697)	-23.8%
Employees payables and Social security liabilities - current	49,918	45,079	4,840	10.7%
Advances	772	639	132	20.7%
Other liabilities	3,844	1,817	2,027	n.s.
Accrued liabilities	785	426	359	84.3%
Deferred revenues	249,794	154,928	94,866	61.2%
	0.0%			
Other current liabilities	315,914	213,410	102,503	48.03%
Social security liabilities - non current	301	335	(34)	-10.1%
Other tax liabilities - non current	8	8	-	0.0%
Other non current liabilities	308	342	(34)	-9.86%
Total Other liabilities	316,222	213,753	102,470	47.94%

At 30 September 2024 Other current liabilities amount to € 316,222 thousand, up by € 102,470 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 September 2024 Other non-current liabilities amount to € 308 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 Sep 2024	31 Dec 2023	Change	% Change
Income tax payables	29,916	11,293	18,623	n.s.
Other tax liabilities	64	-	64	0.00%
Total	29,980	11,293	18,687	n.s.

At 30 September 2024 Current tax liabilities amount to € 29,980 thousand, up by € 11,293 thousand compared to the balance at 31 December 2023 (€ 11,293 thousand).

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

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

Euro thousands

RECONCILIATION OF NET FINANCIAL POSITION TEAMSYSYSTEM HOLDCO GROUP vs TEAMSYSYSTEM SPA GROUP	TEAMSYSYSTEM HOLDCO CONSOLIDATED	TEAMSYSYSTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	TEAMSYSYSTEM HOLDCO 1 STAND ALONE NET OF INTERCOMAPY	TEAMSYSYSTEM HOLDCO 2 STAND ALONE NET OF INTERCOMAPY	TEAMSYSYSTEM HOLDCO 3 CONSOLIDATED	TEAMSYSYSTEM HOLDCO 3 STAND ALONE NET OF INTERCOMAPY	TEAMSYSYSTEM SPA CONSOLIDATED
Other financial assets	19,544	-	-	-	19,544	1	19,542
Cash and bank balances	455,209	39	82	37	455,052	70	454,982
Financial liabilities with banks and other institutions	(2,568,965)	-	-	-	(2,568,965)	(310,676)	(2,258,289)
TOTAL	(2,094,212)	39	82	37	(2,094,369)	(310,605)	(1,783,765)

□ □ □

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



