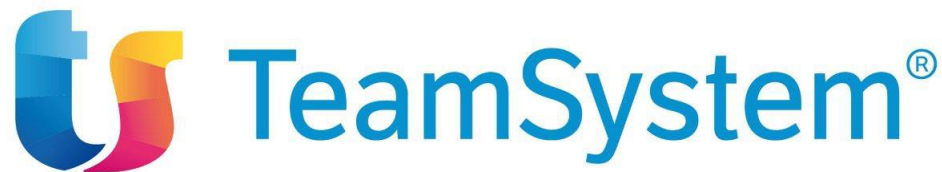


31 March 2022

Interim Condensed Consolidated
Financial Statements
TeamSystem Group



**INTERIM
CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS
ENDED
31 MARCH 2022**

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

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**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE
FIRST THREE MONTHS ENDED 31 MARCH 2022**

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**DIRECTORS'
REPORT**

► RESULTS OF OPERATIONS

Euro thousand				
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT				
	31 Mar 2022	31 Mar 2021	Change	% Change
TOTAL REVENUE	127,431	109,284	18,147	16.6%
COGS	(23,253)	(19,668)	(3,585)	18.2%
Personnel	(43,453)	(38,468)	(4,985)	13.0%
Personnel like	(4,953)	(4,300)	(653)	15.2%
Non Personnel	(13,653)	(11,100)	(2,553)	23.0%
Capitalized development costs	4,300	3,700	600	16.2%
ADJUSTED EBITDA	46,418	39,448	6,970	17.7%
Allowance for bad debts	(1,275)	(1,939)	663	-34.2%
Depreciation and amortization of non current assets	(49,500)	(21,697)	(27,803)	128.1%
Other provisions for risks and charges	(1)	(2)	2	-67.0%
Non core items	(1,520)	(10,618)	9,098	-85.7%
OPERATING RESULT	(5,878)	5,192	(11,071)	-213.2%
Net Finance Income (Cost)	(23,627)	(32,001)	8,375	-26.2%
PROFIT (LOSS) BEFORE INCOME TAXES	(29,505)	(26,809)	(2,696)	10.1%
Current income tax	(5,220)	(4,761)	(460)	9.7%
Deferred income tax	9,714	5,192	4,521	87.1%
PROFIT (LOSS) FOR THE YEAR	(25,012)	(26,377)	1,365	-5.2%
(Profit) Loss for the year - Non controlling interests	(30)	(32)	2	-5.6%
PROFIT (LOSS) FOR THE YEAR - OWNERS OF THE COMPANY	(25,042)	(26,409)	1,367	-5.2%

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

□ □ □

The following comments refer to the changes between the consolidated statement of profit or loss as at 31 March 2022 and the corresponding figures for the period ended 31 March 2021.

The results as at 31 March 2022 are affected by the consolidation of the profit and loss of the following companies (which did not contribute to the 31 March 2021 consolidated profit and loss):

TeamSystem Holdco S.p.A., (as parent company), TeamSystem Holdco 1 S.r.l., TeamSystem Holdco 2 S.r.l., TeamSystem Holdco 3 S.p.A., TeamSystem 9 S.r.l., Modefinance S.r.l., SGS System House S.r.l., My Expenses S.L., Billin Factura Electronica S.L., Logical Soft S.r.l., Itacme Informatica S.r.l., TeamSystem 11 S.r.l., Modefinance International S.r.l., Progetto Studio S.r.l., Data Consult S.r.l., Selda S.r.l., NewTronic S.r.l. and Cesio S.r.l.

All of the previous companies have been acquired / incorporated during 2021.

Finally, taking account of the non-materiality of the acquisition, the results of Storeden S.r.l. and TeamSystem 10 S.r.l. have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the three months ended 31 March 2022 (see “Significant events during the first three months of 2022” section).

□ □ □

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

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

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

	30 Mar 2022	30 Mar 2021	Change	% Change
PROFIT (LOSS) FOR THE YEAR	(25,012)	(26,377)	1,365	-5.2%
Income tax	(4,493)	(432)	(4,062)	940.7%
Financial income and expenses	23,627	32,001	(8,375)	-26.2%
Other provisions for risks and charges	1	2	(2)	-67.0%
Depreciation and amortization of non-current assets	49,500	21,697	27,803	128.1%
Allowance for bad debts	1,275	1,939	(663)	-34.2%
Costs for changing and closing locations	151		151	
Advisory expenses related to reorganization and cost saving projects	249	1,071	(822)	-76.8%
Personnel redundancy	449	93	356	385.2%
Acquisitions and mergers costs	361	8,930	(8,569)	-96.0%
Settlements with clients and agents	217	378	(162)	-42.7%
Other minor items	95	147	(52)	-35.6%
ADJUSTED EBITDA	46,418	39,448	6,970	17.7%

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

For the period ended 31 March 2022 Adjusted EBITDA amounts to € 46,418 thousand, up by € 6,970 thousand compared to the amount at 31 March 2021 (€ 39,448 thousand). The increase is mainly attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first three months of 2022.

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TOTAL REVENUE: Total Revenue for the period ended 31 March 2022 amounts to € 127,431 thousand, up by € 18,147 thousand compared to the corresponding figure for the period ended 31 March 2021 (€ 109,284 thousand). The increase is mainly attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first three months of 2022.

Euro Millions				
	31 Mar 2022	31 Mar 2021	Change	% Change
Enterprise	35.8	26.8	9.0	33.6%
Recurring	29.5	20.3	9.1	44.9%
Other Revenues	6.3	6.4	(0.1)	-1.9%
Professional	33.8	34.5	(0.7)	-2.0%
Recurring	31.9	32.1	(0.2)	-0.7%
Other Revenues	1.9	2.3	(0.5)	-19.9%
Micro	27.2	23.0	4.3	18.6%
Recurring	26.0	22.0	4.1	18.5%
Other Revenues	1.2	1.0	0.2	20.7%
Digital Finance	3.7	1.0	2.7	277.1%
Recurring	3.2	0.9	2.3	248.3%
Other Revenues	0.5	0.1	0.4	737.3%
Market Specific Solution	22.5	20.5	2.0	9.7%
Recurring	14.2	13.3	0.9	6.9%
Other Revenues	8.3	7.2	1.1	15.0%
HR	4.4	3.6	0.8	23.7%
Recurring	3.8	2.9	0.9	31.4%
Other Revenues	0.7	0.7	(0.0)	-6.7%
TOTAL REVENUE	127.4	109.3	18.2	16.6%
Total Recurring Revenues	108.6	91.5	17.1	18.7%
Total Other Revenues	18.8	17.7	1.1	6.1%

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

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

In aggregate, Recurring revenue for the first three months of 2022 increased by € 17,1 million compared to the previous period and was mainly driven by sales relating to the:

- Enterprise Business Unit (which recorded an increase in Recurring revenue of € 9.1 million compared to 2021, (representing an increase of approximately 44.9%)),
- Micro Business Unit, with an increase in Recurring revenue of € 4.1 million (or approximately 18.5% more than in 2021).

□ □ □

OPERATING SEGMENT: in accordance with IFRS 8, an operating segment is a component of an entity:

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

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

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

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

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

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

Segment information is presented below:

Euro Millions							
30 Mar 2022							
OPERATING SEGMENTS	DIF	ENT	PROF	HR	MSS	MICRO	TOTALE
TOTAL REVENUE	3.7	35.8	33.8	4.4	22.5	27.2	127.4
FIRST MARGIN	1.2	17.4	16.5	1.0	5.7	15.5	57.3
INDIRECT COSTS							(15.2)
CAPITALISED DEVELOP COSTS							4.3
ADJUSTED EBITDA							46.4

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

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

□ □ □

CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Mar 2022	31 Mar 2021	Change	% Change
CASH FLOWS FROM OPERATING ACTIVITIES	50,675	34,319	16,357	47.7%
Capital Expenditure	(8,915)	(7,232)	(1,683)	23.3%
Acquisition of investments	(12,622)	(1,845,346)	1,832,724	-99.3%
CASH FLOWS FROM INVESTING ACTIVITIES	(21,537)	(1,852,578)	1,831,041	-98.8%
Financial balance paid / cashed-in and change in financial assets / liabilities	(16,977)	419,362	(436,339)	-104.0%
Financing Fees paid	0	(34,171)	34,171	n.s.
Liabilities to non-controlling shareholders of subs. paid	(396)	(108,301)	107,905	-99.6%
Capital increase	0	1,649,218	(1,649,218)	n.s.
CASH FLOWS FROM FINANCING ACTIVITIES	(17,372)	1,926,108	(1,943,481)	-100.9%
CHANGES DUE TO EXCHANGE RATE MOVEMENTS	(2)	10	(12)	-120.1%
INCREASE (DECREASE) IN CASH AND BANK BALANCES	11,764	107,860	(96,096)	-89.1%

Cash flows from operating activities amount to € 50,675 thousand for the period ended 31 March 2022, increasing by € 16,357 thousand, compared to the corresponding flows for the period ended 31 March 2021 (€ 34,319 thousand).

Cash flows from investing activities changed from negative € 1,852,578 thousand in the period ended 31 March 2021 to negative € 21,537 thousand for the corresponding period of 2022.

The main investment activities for the first three months of 2022 are related to:

- capitalized development costs and capital expenditures on tangible and intangible assets, see “Capital expenditure” section;
- the cash-out paid for the acquisition (mainly consisting of Storeden S.r.l.).

Cash flows from financing activities changed from positive € 1,926,108 thousand in the period ended 31 March 2021 to negative € 17,372 thousand for the corresponding period of 2022.

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

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

□ □ □

►WORKING CAPITAL

Euro thousands				
	31 Mar 2022	31 Dec 2021	Change	% Change
Trade receivables	264,381	125,317	139,064	111.0%
Inventories	967	909	57	6.3%
Other receivables	41,299	38,167	3,132	8.2%
Trade payables	(58,081)	(62,371)	4,290	-6.9%
Other liabilities	(292,620)	(128,676)	(163,944)	127.4%
WORKING CAPITAL	(44,053)	(26,653)	(17,399)	65.3%

At 31 March 2022 Working capital amounts to negative € 44,053 thousand, with a change of € 17,399 thousand compared to the balance at 31 December 2021 (negative € 26,653 thousand). The movement is primarily attributable to Other liabilities (which balance is negative € 292,620 thousand at 31 March 2022 compared to negative € 128,676 thousand at 31 December 2021) and to Trade receivables (which balance is € 264,381 thousand at 31 March 2022 compared to € 125,317 thousand at 31 December 2021).

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

□ □ □

►CAPITAL EXPENDITURE

Euro thousand				
CAPEX EXPENDITURE	31 Mar 2022	31 Mar 2021	Change	% Change
Investments in tangible assets	1,099	385	714	185.4%
Investments in intangible assets	3,493	3,184	309	9.7%
Capitalized development costs - personnel costs	3,318	2,830	488	17.2%
Capitalized development costs - service costs	1,005	832	173	20.8%
CAPEX EXPENDITURE - TOTAL	8,915	7,232	1,683	23.3%

In the period ended 31 March 2022 the Capital expenditure amounts to € 8,915 thousand with an increase of € 1,683 thousand compared to 31 March 2021 balance (€ 7,232 thousand).

□ □ □

►SIGNIFICANT EVENTS DURING THE FIRST THREE MONTHS OF 2022

● ACQUISITION OF INVESTMENT

Storeden S.r.l

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

TeamSystem 8

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

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

TeamSystem 10 S.r.l.

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

• MERGER

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

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

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

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

□ □ □

► SIGNIFICANT SUBSEQUENT EVENTS

IT Review S.r.l.

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

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► ONGOING DEVELOPMENTS

Acquisitions, Joint Ventures and Other Business Combinations

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

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► RELATED PARTY TRANSACTIONS

In the first three months of 2022, transactions with subsidiaries and the parent company formed part of the Group's normal operations and were entered into at arm's length. TeamSystem Group has not been party to any transactions with related companies that merit disclosure, other than those previously commented upon.

□ □ □

**BOARD OF DIRECTORS, STATUTORY AUDITORS
and OTHER INFORMATION**

**BOARD OF DIRECTORS
31 Mar 2022**

VINCENZO MORELLI	CHAIRMAN
FEDERICO LEPROUX	CHIEF EXECUTIVE OFFICER
TOMMASO COHEN	DIRECTOR
VINCENZO FERRARI	DIRECTOR
LUCA VELUSSI	DIRECTOR
BLAKE CHRISTOPHER KLEINMAN	DIRECTOR
ALESSANDRA BRAMBILLA	DIRECTOR
GUILLAUME CHARLES VANMOERBEKE	DIRECTOR
LUCIO DI CIACCIO (*)	DIRECTOR

(*) = The Director Jean Baptiste Brian left office on 24 February 2022 replaced by the Director Lucio di Ciaccio

**BOARD OF STATUTORY AUDITORS
31 Mar 2022**

CLAUDIO SANCHIONI	CHAIRMAN
FABIO LANDUZZI	STATUTORY AUDITOR
NICOLE MAGNIFICO	STATUTORY AUDITOR
IVANO ANTONIOLI (*)	ALTERNATIVE AUDITOR
CRISTINA AMADORI	ALTERNATIVE AUDITOR

(*) = The alternative auditor Marco Cecilioni left office on 24 Febbraio 2022 replaced by Ivano Antonielli

REGISTERED OFFICE and OTHER INFORMATION

TEAMSYSTEM HOLDCO S.P.A.	
REGISTERED OFFICE	PESARO - Via Sandro Pertini, 88
SHARE CAPITAL	Euro 14,596,648
TAX CODE	11360450966
REA - PESARO	271034
INDEPENDENT AUDITOR	DELOITTE & TOUCHE S.p.A.

**UNAUDITED
INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS
ENDED
31 MARCH 2022**

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

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

Euro thousands

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	31 Mar 2022	31 Mar 2021	NOTES
Revenue	126,327	108,498	1
Other operating income	1,104	785	1
TOTAL REVENUE	127,431	109,284	1
Cost of raw and other materials	(10,143)	(9,162)	2
Cost of services	(30,258)	(34,140)	3
Personnel costs	(40,593)	(35,702)	4
Other operating costs	(1,538)	(1,449)	5
Depreciation and amortization of non-current assets	(49,500)	(21,697)	
Allowance for bad debts	(1,275)	(1,939)	
Other provisions for risks and charges	(1)	(2)	
OPERATING RESULT	(5,878)	5,192	
Finance income	124	99	6
Finance cost	(23,751)	(32,100)	7
PROFIT (LOSS) BEFORE INCOME TAXES	(29,505)	(26,809)	
Current income tax	(5,220)	(4,761)	
Deferred income tax	9,714	5,192	14
TOTAL INCOME TAX	4,493	432	
PROFIT (LOSS) FOR THE PERIOD	(25,012)	(26,377)	
(Profit) Loss for the period - Non-controlling interests	(30)	(32)	
PROFIT (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY	(25,042)	(26,409)	
ADJUSTED EBITDA	46,418	39,448	

Euro thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Mar 2022	31 Mar 2021	NOTES
PROFIT (LOSS) FOR THE PERIOD	(25,012)	(26,377)	20
Exchange rate differences	(5)	(2)	
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX	(5)	0	
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(25,017)	(26,377)	20
Total comprehensive (income) loss for the period attributable to Non-controlling interests	(30)	(32)	20
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD - OWNERS OF THE COMPANY	(25,046)	(26,409)	20

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31 Mar 2022	31 Dec 2021	NOTES
Tangible assets	15,786	15,782	9
Intangible assets	1,405,544	1,444,462	10
Right of use	19,909	21,235	11
Goodwill	1,848,446	1,833,110	12
Other Investments	12,476	943	13
Investments in associates	470	258	13
Deferred tax assets	16,184	16,215	14
TOTAL NON-CURRENT ASSETS	3,318,815	3,332,005	
Inventories	967	909	16
Trade receivables	264,381	125,317	17
Tax receivables	2,369	3,470	18
Other receivables - current	41,299	38,167	19
Other financial assets - current	8,324	8,512	15
Cash and bank balances	70,848	59,084	15
TOTAL CURRENT ASSETS	388,188	235,459	
TOTAL ASSETS	3,707,003	3,567,464	

Euro thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	31 Mar 2022	31 Dec 2021	NOTES
Share capital	14,597	14,597	20
Other reserves	1,375,259	1,439,231	20
Retained earnings (accumulated losses)	(236)	(27)	20
Profit (Loss) attributable to Owners of the Company	(25,042)	(64,176)	20
TOTAL EQUITY attributable to OWNERS OF THE COMPANY	1,364,578	1,389,624	
Non-controlling interests - Capital and reserves	891	721	20
Non-controlling interests - Profit (Loss)	30	170	20
TOTAL NON-CONTROLLING INTERESTS	922	892	
TOTAL EQUITY	1,365,500	1,390,516	
Financial liabilities with banks and other institutions - non-current	1,479,147	1,475,267	15
Staff leaving indemnity	26,413	25,939	21
Provisions for risks and charges	13,565	13,255	22
Deferred tax liabilities	329,656	339,397	14
Other liabilities - non-current	421	432	23
TOTAL NON-CURRENT LIABILITIES	1,849,202	1,854,290	
Financial liabilities with banks and other institutions - current	128,191	122,967	15
Trade payables	58,081	62,371	
Tax liabilities - current	13,410	8,644	24
Other liabilities - current	292,620	128,676	23
TOTAL CURRENT LIABILITIES	492,302	322,658	
TOTAL LIABILITIES	2,341,504	2,176,948	
TOTAL EQUITY AND LIABILITIES	3,707,003	3,567,464	

Euro thousands

CONSOLIDATED STATEMENT OF CASH FLOWS	31 Mar 2022	31 Mar 2021	NOTES
Operating Result	(5,878)	5,192	
Depreciation and amortization of non-current assets	49,500	21,697	
Depreciation and amortisation of non-current assets	49,500	21,697	
Trade receivables	(139,925)	(113,667)	
Inventories	(57)	226	
Other receivables	(8,974)	(2,355)	
Trade payables	(4,290)	(2,674)	
Other liabilities	159,978	126,076	
Change in Working capital	6,731	7,606	
Staff leaving indemnity	283	25	
Provisions for risks and charges	310	59	
Change in provisions	593	84	
Income tax	(270)	(260)	
CASH FLOWS FROM OPERATING ACTIVITIES	50,675	34,319	8
Investments in tangible assets	(1,099)	(385)	
Investments in intangible assets	(3,493)	(3,184)	
Capitalized development costs - personnel costs	(3,318)	(2,830)	
Capitalized development costs - service costs	(1,005)	(832)	
Capital Expenditure	(8,915)	(7,232)	
Acquisition of investments	(12,622)	(1,912,222)	8
Cash and bank balances at the date of acquisition	0	66,876	
Acquisition of investments	(12,622)	(1,845,346)	8
CASH FLOWS FROM INVESTING ACTIVITIES	(21,537)	(1,852,578)	
Financial balance paid / cashed-in and change in financial assets / liabilities	(16,977)	419,362	8
Financing Fees paid	0	(34,171)	
Liabilities to non-controlling shareholders of subs. paid	(396)	(108,301)	8
Capital increase	0	1,649,218	
CASH FLOWS FROM FINANCING ACTIVITIES	(17,372)	1,926,108	
INCREASE (DECREASE) IN CASH AND BANK BALANCES DUE TO EXCHANGE RATE MOVEMENTS	(2)	10	
INCREASE (DECREASE) IN CASH AND BANK BALANCES	11,764	107,860	
CASH AND BANK BALANCES - BEGINNING OF THE YEAR	59,084	502	
CASH AND BANK BALANCES - END OF THE PERIOD	70,848	108,362	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Non-controlling interests	TOTAL
31 Dec 2020	50	0	0	(29)	21	0	21
Loss allocation		(29)		29	0		0
Capital increases		1,745,487			1,745,487		1,745,487
Acquisition of TeamSystem Group					0	673	673
Profit (Loss) for the year				(26,409)	(26,409)	32	(26,377)
Other Profit (Loss) on comprehensive income		2			2		2
31 Mar 2021	50	1,745,460	0	(26,409)	1,719,101	705	1,719,806

Euro thousands

	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Non-controlling interests	TOTAL
31 Dec 2021	14,597	1,439,231	(27)	(64,176)	1,389,624	892	1,390,516
Loss allocation		(63,967)	(209)	64,176	0		0
Profit (Loss) for the year				(25,042)	(25,042)	31	(25,012)
Other Profit (Loss) on comprehensive income		(4)			(4)	(1)	(5)
31 Mar 2022	14,597	1,375,259	(236)	(25,042)	1,364,578	922	1,365,500

TeamSystem Group

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

►COMPANY BACKGROUND

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

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►BASIS OF PREPARATION

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

The accounting standards adopted for the preparation of the TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 March 2022 are the same of that used for the preparation of TeamSystem Holdco S.p.A. consolidated financial statements for the period ended 31 December 2021 (to which reference should be made).

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

The interim consolidated financial statements for the period ended 31 March 2022 (produced at TeamSystem Holdco consolidation hierarchy) show comparative figures for the period ended 31 March 2021 at Brunello Bidco S.p.A. consolidated figures for the components of:

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

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

The interim consolidated financial statements for the period ended 31 March 2022 consist of a consolidated statement of financial position, a consolidated statement of profit or loss, a consolidated statement of comprehensive income, a consolidated statement of cash flows, a consolidated statement of changes in equity and notes to the interim consolidated financial statements components.

The format used for the financial statements is the same as that used for the preparation of the TeamSystem

Holdco S.p.A. consolidated financial statements for the year ended 31 December 2021.

This interim consolidated financial report for the first three months ended 31 March 2022 is presented in Euros and all amounts have been rounded to Euro thousands, unless otherwise specified.

The consolidated financial statements of TeamSystem Holdco S.p.A. and its subsidiaries (TeamSystem Group) for the period ended 31 March 2022 and the consolidated financial statements of Brunello Bidco S.p.A. for the period ended 31 March 2021 have not been audited.

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►SCOPE OF CONSOLIDATION

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

Amounts in Euro

CONSOLIDATED COMPANIES LINE BY LINE	Registered office	Share capital	Equity	Currency	% held	% consol.	Put / Call Options	Notes
TeamSystem Holdco S.p.A.	Pesaro	14,596,648	1,454,244,613	EUR				
TeamSystem Holdco 1 S.r.l.	Pesaro	3,000	1,453,779,733	EUR	100.00	100.00		
TeamSystem Holdco 2 S.r.l.	Pesaro	3,000	1,453,777,911	EUR	100.00	100.00		
TeamSystem Holdco 3 S.p.A.	Pesaro	50,000	1,441,907,907	EUR	100.00	100.00		
TeamSystem S.p.A.	Pesaro	24,000,000	1,669,964,044	EUR	100.00	100.00		
TeamSystem Service S.r.l.	Campobasso	200,000	49,259,419	EUR	100.00	100.00		
TeamSystem Communication S.r.l.	Civitanova Marche (MC)	23,300	344,894	EUR	75.00	100.00	1	
Danea Soft S.r.l.	Vigonza (PD)	100,000	56,178,064	EUR	100.00	100.00		
Madbit Entertainment S.r.l.	Trevolo (BG)	10,000	104,885,574	EUR	100.00	100.00		2
Mondora S.r.l.	Milano	105,000	4,447,589	EUR	100.00	100.00		
Voispeed Limited	Saint Albans - UK	1,000	109,285	GBP	85.00	85.00		3
Aliaslab S.p.A.	Milano	156,000	52,403,669	EUR	100.00	100.00		
Reviso International ApS	Copenhagen	50,011	1,118,855	DKK	100.00	100.00		
Reviso Cloud Accounting Limited	Reading	1	31,268	GBP	100.00	100.00		4
Reviso Soluciones Cloud S.L.	Madrid	3,000	22,513	EUR	100.00	100.00		4
Reviso Deutschland GmbH	Berlin	25,000	171,658	EUR	100.00	100.00		4
Cassanova S.r.l.	Sant. di Romagna (RN)	10,000	1,980,737	EUR	51.00	100.00	1	
Evolution Fit S.r.l.	Turin	10,000	1,400,009	EUR	100.00	100.00		
Gruppo Euroconference S.p.A.	Verona	300,000	29,699,276	EUR	96.87	96.87		5
Nuovamacut Automazione S.p.A.	Bologna	108,000	28,786,885	EUR	100.00	100.00		
Skylab Italia S.r.l.	Turin	143,600	9,986,330	EUR	100.00	100.00		
Techmass S.r.l.	Bassano del Grappa (VI)	11,538	314,118	EUR	51.00	100.00	1	
TeamSystem BK S.r.l.	Campobasso	1,010,000	4,960,198	EUR	100.00	100.00		6
TeamSystem Financial Value Chain S.r.l.	Milano	4,931,373	13,350,938	EUR	61.00	100.00	1	
White S.r.l.	Milano	15,000	3,011,131	EUR	100.00	100.00		7
Factor@Work S.r.l.	Milano	65,000	212,867	EUR	100.00	100.00		7
TeamSystem AM Holdco S.r.l.	Milano	10,000	1,747,459	EUR	71.00	100.00	1	7
TeamSystem Capital at Work SGR S.p.A.	Milano	100,000	928,716	EUR	100.00	100.00		8
TeamSystem Payments Holdco S.r.l.	Milano	10,000	3,441,263	EUR	100.00	100.00		
TeamSystem Payments S.r.l.	Milano	125,000	2,387,092	EUR	100.00	100.00		9
Area 32 S.r.l.	San Donà di Piave (VE)	10,000	602,900	EUR	100.00	100.00		
MBM Italia S.r.l.	Padova	40,800	2,198,530	EUR	61.00	100.00	1	
AF Soluzioni S.r.l.	Salerno	70,000	1,214,133	EUR	60.00	100.00	1	
Beneficy S.r.l.	Roma	90,000	27,821	EUR	51.00	100.00	1	
Team4you S.r.l.	Ripalimosani (CB)	10,000	1,121,664	EUR	90.00	100.00	1	
Habble S.r.l.	Vecchiano (PI)	21,930	2,273,932	EUR	60.00	100.00	1	
Software del Sol S.A.	Mengibar (Jaén)	75,000	661,791	EUR	100.00	100.00		
TeamSystem 6 S.r.l.	Milano	10,000	2,663,722	EUR	100.00	100.00		
TeamSystem 7 S.r.l.	Milano	10,000	(36,766)	EUR	100.00	100.00		
TeamSystem 8 S.r.l.	Milano	12,000	463,845	EUR	100.00	100.00		
TeamSystem 9 S.r.l.	Milano	10,000	507,112	EUR	100.00	100.00		
Modefinance S.r.l.	Trieste	210,000	2,975,753	EUR	59.00	100.00	1	
SGS System House S.r.l.	Milano	10,400	9,567	EUR	100.00	100.00		
My Expenses S.L.	Madrid	73,074	1,631,762	EUR	59.60	100.00	1	
Billin Factura Electronica S.L.	Bilbao	3,050	(98,397)	EUR	100.00	100.00		10
Logical Soft S.r.l.	Desio (MB)	200,000	2,519,883	EUR	60.00	100.00	1	
Itacme Informatica S.r.l.	Cesena (FC)	45,000	330,284	EUR	100.00	100.00		
TeamSystem 11 S.r.l.	Milano	10,000	10,000	EUR	100.00	100.00		
Progetto Studio S.r.l.	Verona	100,000	5,663,313	EUR	100.00	100.00		
Data-Consult S.r.l.	Vado Ligure (SV)	50,000	531,901	EUR	100.00	100.00		11
Selda S.r.l.	Chiavari (GE)	20,000	661,774	EUR	100.00	100.00		12
NewTronic S.r.l.	Padova	93,000	104,910	EUR	100.00	100.00		13
Cesio S.r.l.	Brescia	90,000	261,639	EUR	100.00	100.00		13
Modefinance International S.r.l.	Milano	100,000	35,616	EUR	65.00	100.00	1	14

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

- (6) = investment held by TeamSystem Service S.r.l.;
 (7) = investment held by TeamSystem Financial Value Chain S.r.l.;
 (8) = investment held by TeamSystem AM Holdco S.r.l.;
 (9) = investment held by TeamSystem Payments Holdco S.r.l.;
 (10) = investment held by My Expenses S.L.;
 (11) = investment held by TeamSystem 11 S.r.l.;
 (12) = 50% interest held by Progetto Studio S.r.l. with the remaining 50% held by Data-Consult S.r.l.;
 (13) = investment held by Progetto Studio S.r.l.;
 (14) = investment held by Modefinance S.r.l..

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►CHANGES TO THE SCOPE OF CONSOLIDATION DURING THE FIRST THREE MONTHS OF 2022

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

As regards the investments in Storeden S.r.l. and TeamSystem 10 S.r.l. (see “Significant events during the first three months of 2022” section, in Directors’ Report), their results and their financial position have not been consolidated for the purpose of TeamSystem Consolidated financial statements for the three months ended 31 March 2022, taking into account the non-materiality of the acquisitions in question.

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►TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

Assets and liabilities of consolidated foreign entities that are denominated in foreign currencies other than the Euro are translated at the rates of exchange prevailing at the reporting date; income and costs are translated at the average rates of exchange for the period. Any resulting translation differences are recognised in the foreign currency translation reserve included in equity.

The foreign companies included in the scope of consolidation at 31 March 2022 that use a currency other than the Euro are: Voispeed Limited and Reviso Cloud Accounting Limited, which use the British Pound (GBP), and Reviso International ApS, which uses the Danish Krone (DKK).

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

EXCHANGE RATES	Average exchange rate for the first three months of 2022	Exchange rate as at 31 Mar 2022	Average exchange rate for the first three months of 2021	Exchange rate as at 31 December 2021
GBP	0.84	0.85	0.87	0.84
DKK	7.44	7.44	7.44	7.44

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►SEGMENT INFORMATION

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

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

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

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

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

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

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► USE OF ESTIMATES

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

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

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

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Notes to Interim Unaudited Consolidated Financial Statement Components

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

1. TOTAL REVENUE

Total revenue for the period ended 31 March 2022 amounts to € 127.4 million, and is comprised of Revenue of € 126.3 million and Other Revenue of € 1.1 million. Total revenue for period ended 31 March 2021 stood at € 109.3 million.

The table below provides a breakdown of total revenue for the 31 March 2022 and for the 31 March 2021 period based on whether control was passed over time or at a point in time:

Euro Millions

	31 Mar 2022	31 Mar 2021
Over time	108.6	91.5
Point in time	18.8	17.7
TOTAL REVENUE	127.4	109.3

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 three months ended 31 March 2022, were almost exclusively realised in Italy.

2. COST OF RAW AND OTHER MATERIALS

	31 Mar 2022	31 Mar 2021	Change	% Change
Hardware purchases	996	1,383	(387)	-28.0%
Third parties' software	7,941	7,257	684	9.4%
Materials for education	5	4	1	24.1%
Fuel	402	217	185	85.1%
Other materials	201	76	125	163.9%
Change in inventory of raw materials	597	225	373	165.9%
Total	10,143	9,162	981	10.7%

Cost of raw and other materials amounts to € 10,143 thousand for the period ended 31 March 2022, up by € 981 thousand compared to the amount at 31 March 2021 (€ 9,162 thousand). This increase, mainly recorded in the line item Third parties' software, is attributable to the change in the consolidation area and to the organic growth experienced by the Group in the first three months of 2022.

3. COST OF SERVICES

	31 Mar 2022	31 Mar 2021	Change	% Change
Agent commissions and other costs	4,331	3,748	582	15.5%
Consulting and third parties services	3,342	3,063	279	9.1%
Software and Hardware maintenance costs	6,986	5,453	1,533	28.1%
Customer support service costs	1,766	1,477	289	19.5%
Administrative tax and legal	1,287	1,565	(279)	-17.8%
Financial interest costs	731	75	655	872.3%
Education - consulting and copyrights	586	642	(56)	-8.7%
Magazines - consulting and copyrights	393	344	48	14.0%
Other costs for education services	32	21	11	54.3%
Advertising and marketing	5,100	4,245	855	20.1%
Car rentals	858	920	(63)	-6.8%
Utilities	1,083	931	152	16.3%
Costs for mergers and acquisitions	361	8,930	(8,569)	-96.0%
Other minor items	13	62	(49)	-79.0%
Costs for strategic projects and reorganizations	398	1,076	(678)	-63.0%
Cost of Rebates	934	761	172	22.7%
Other services	3,065	1,657	1,408	85.0%
Cost of services - Gross of capitalisation	31,263	34,971	(3,708)	-10.6%
Services capitalized development costs	(1,005)	(832)	(173)	20.8%
Total	30,258	34,140	(3,881)	-11.4%

Cost of services for the period ended 31 March 2022 amounts to € 30,258 thousand, down by € 3,881 thousand from the amount of the period ended 31 March 2021 (€ 34,140 thousand).

Compared to the corresponding period ended 31 March 2021, the main decreases have been registered in Costs for mergers and acquisition, consisting of one-off cost related to the Acquisition of TeamSystem Group occurred in 2021.

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

4. PERSONNEL COSTS

	31 Mar 2022	31 Mar 2021	Change	% Change
Wages, salaries and social contributions	40,051	35,850	4,202	11.7%
Staff leaving indemnities	1,817	1,520	297	19.5%
Other personnel costs	620	72	548	765.6%
Personnel costs for redundancy and reorganizations	449	82	367	448.8%
Employee costs	42,937	37,523	5,414	14.4%
Freelancers and collaborators fees	77	74	2	3.3%
Directors' fees and related costs	897	936	(38)	-4.1%
Directors and Collaborators	974	1,010	(36)	-3.5%
Personnel - Gross of capitalisation	43,911	38,533	5,378	14.0%
Personnel capitalized development costs	(3,318)	(2,830)	(488)	17.2%
Total	40,593	35,702	4,891	13.7%

Personnel costs for the period ended 31 March 2022 (€ 40,593 thousand) have increased by € 4,891 thousand, compared to the corresponding amount for the period ended 31 March 2021 (€ 35,702 thousand), as a consequence of the change in the consolidation area and of the organic growth experienced by the Group in the first three months of 2022.

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

5. OTHER OPERATING COSTS

	31 Mar 2022	31 Mar 2021	Change	% Change
Rents	664	403	260	64.5%
Rentals	70	69	1	1.5%
Other expenses for use of third parties assets	45	94	(49)	-51.9%
Other tax	138	133	5	3.6%
Losses from assets disposals	13	16	(3)	-20.4%
Other expenses and settlement costs	608	733	(125)	-17.0%
Total	1,538	1,449	89	6.2%

Other operating costs for the period ended 31 March 2022 (€ 1,538 thousand) have increased for an amount of € 89 thousand compared to the corresponding amount for the period ended 31 March 2021 (€ 1,449 thousand).

6. FINANCE INCOME

	31 Mar 2022	31 Mar 2021	Change	% Change
Interest and other finance income	54	19	35	188.5%
Gains on foreign exchange	0	1	(1)	-72.2%
Interest from cash pooling and other loans	10	0	10	n.s.
Interest from banks	0	1	(0)	-55.9%
Depreciation - Liabilities to non-controll. shareholders of subs.	0	78	(78)	-100.0%
Dividends	60	0	60	n.s.
Total	124	99	26	26.0%

Finance income for the period ended 31 March 2022 (€ 124 thousand) have increased compared to the corresponding amount at 31 March 2021 (€ 99 thousand) for an amount of € 26 thousand.

7. FINANCE COST

	31 Mar 2022	31 Mar 2021	Change	% Change
Interest on bank loans	691	601	91	15.1%
Interest on Notes	16,366	9,939	6,428	64.7%
Interest on financing fees	1,941	8,640	(6,699)	-77.5%
Revaluation - Liabilities to non-controll. shareholders of subs.	2,845	10,485	(7,640)	-72.9%
Bank commissions	742	660	82	12.4%
Interests on actuarial valuation of employees benefit	190	67	123	183.6%
Interests on leases - IFRS 16	223	266	(43)	-16.1%
Other IFRS financial charges	585	1,391	(806)	-57.9%
Other financial charges	29	24	5	22.9%
Losses on foreign exchange	7	28	(21)	-74.9%
Write-downs of investments	131	0	130	n.s.
Total	23,751	32,100	(8,349)	-26.0%

Finance cost for the period ended 31 March 2022 amounts to € 23,751 thousand with a decrease of € 8,349 thousand, compared to the corresponding amount at 31 March 2021 (€ 32,100 thousand).

This change is mainly attributable to:

- the decrease of € 7,640 thousand in the line item Revaluation – Liabilities to non-controlling shareholders of subsidiaries;
- the decrease of € 6,699 thousand in the line item Interest of financing fees, mainly related to the 2021 one-off write-off of financing fees pertaining to the Existing RCF facility and to the Existing Floating Rate Notes, both as a consequence of the Acquisition of TeamSystem Group and the following refinancing process made in February 2021;
- the increase of € 6,428 thousand in the line item Interest on Notes related to the “2028 Fixed Rate Notes” and “2028 Floating Rate Notes” (see also Note 15 for further details).

8. CONSOLIDATED STATEMENT OF CASH FLOWS

As regards the more significant components of the statement of cash flow, below a description of the main factors impacting the Group's cash flows in the course of the first three months of 2022.

Cash flows from operating activities = amount to € 50,675 thousand for the period ended 31 March 2022, increasing by € 16,357 thousand, compared to the corresponding flows for the period ended 31 March 2021 (€ 34,319 thousand).

Cash flows from investing activities = amount to negative € 21,537 thousand for the period ended 31 March 2022.

The main investment activities for the first three months of 2022 are related to:

- capitalized development costs and capital expenditures on tangible and intangible assets, see "Capital expenditure" section;
- cash out related to new acquisition in the period (mainly pertaining to Storeden S.r.l.)

Cash flows from financing activities = amount to € 17,372 thousand for the period ended 31 March 2022.

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

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

9. TANGIBLE ASSETS

NET BOOK VALUE	31 Mar 2022	31 Dec 2021	Change	% Change
Land	685	685	(0)	0.0%
Buildings	2,845	2,915	(70)	-2.4%
Plant and machinery	2,857	3,099	(242)	-7.8%
Equipment	1,083	1,130	(47)	-4.2%
Other assets	8,305	7,942	363	4.6%
Tangible assets - in progress	11	10	2	17.9%
Total	15,786	15,782	4	0.0%

At 31 March 2022 Tangible fixed assets amount to € 15,786 thousand, substantially unchanged compared with the balance recorded at 31 December 2021 (€ 15,782 thousand).

10. INTANGIBLE ASSETS

NET BOOK VALUE	31 Mar 2022	31 Dec 2021	Change	% Change
Development costs - completed	18,572	16,298	2,274	14.0%
Development costs - in progress	1,526	1,078	448	41.6%
Capitalised development	20,098	17,375	2,722	15.7%
Brand IFRS	273,834	277,708	(3,874)	-1.4%
Software IFRS	259,340	276,634	(17,294)	-6.3%
Customer relationship IFRS	790,284	810,194	(19,910)	-2.5%
Other IFRS assets	33,542	34,483	(941)	-2.7%
IFRS Assets	1,357,001	1,399,020	(42,019)	-3.0%
Software, trademarks, patents	25,975	25,221	754	3.0%
Other intangible assets	2,121	2,534	(414)	-16.3%
Intangible assets - in progress	350	312	38	12.3%
Other intangible assets	28,445	28,067	378	1.3%
Total	1,405,544	1,444,462	(38,918)	-2.7%

Intangible assets have gone from € 1,444,462 thousand at 31 December 2021 to € 1,405,544 thousand at 31 March 2022, with a decrease of € 38,918 thousand resulting from the aggregate of disposals, additions, capitalised development costs (€ 4,323 thousand) and amortisation (€ 46,734 thousand) for the period ended 31 March 2022.

IFRS assets include intangible assets identified on allocation of the price paid for the acquisition of TeamSystem

Group and other subsidiaries (Software, Brands, Customer relationships and other IFRS assets).

11. RIGHT OF USE

As at 31 March 2022 Right of use amounts to € 19,909 thousand, down by € 1,326 thousand compared to the balance as at 31 December 2021 (€ 21,235 thousand).

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

12. GOODWILL

Goodwill at 31 March 2022 amounts to € 1,848,446 thousand with an increase of € 15,336 thousand compared to the balance at 31 December 2021 (€ 1,833,110 thousand).

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

In terms of Impairment test, the line-item Goodwill is subjected annually (or more frequently if certain events or circumstances indicate potential impairment) to impairment testing and TeamSystem Group will postpone a more thorough analysis with impairment testing to 31 December 2021.

13. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

	31 Mar 2022	31 Dec 2021	Change	% Change
Investments in Associates	470	258	213	82.4%
Other Investments	12,476	943	11,534	1223.2%
Total	12,946	1,201	11,746	978.1%

The balance of Investments in Associates and Other investments changed from € 1,201 thousand at 31 December 2021 to € 12,946 thousand at 31 March 2022, with an increase of € 11,746 thousand mainly attributable to the acquisition of Storeden S.r.l. (for further information, see “Significant events during the first three months of 2022” section in Directors’ report).

14. DEFERRED TAX ASSETS AND LIABILITIES

	31 Mar 2022	31 Dec 2021	Change	% Change
Deferred tax assets	16,184	16,215	(31)	-0.2%
Deferred tax liabilities	329,656	339,397	(9,741)	-2.9%

At 31 March 2022 Deferred tax assets amount to € 16,184 thousand, down by € 31 thousand compared to the balance at 31 December 2021 (€ 16,215 thousand).

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

At 31 March 2022 Deferred tax liabilities amount to € 329,656 thousand with a decrease of € 9,741 thousand compared to the balance at 31 December 2021 (€ 339,397 thousand).

15. NET FINANCIAL INDEBTEDNESS

	Current	Non-Current	31 Mar 2022 Total	Current	Non-Current	31 Dec 2021 Total
Bank accounts and post office Cash and bank balances Total Cash and bank balances	70,818 29 70,848		70,818 29 70,848	59,038 46 59,084		59,038 46 59,084
Loans Accruals and prepaid commissions Other financial assets Total Other financial assets	75 58 8,191 8,324		75 58 8,191 8,324	79 43 8,389 8,512		79 43 8,389 8,512
Loans with banks Overdrafts with banks Finance leases liabilities Notes Financial liabilities with other institutions Dividends to be settled Total Financial liabilities	(70,945) (0) (10,061) (22,451) (1,346) (867) (105,670)	(12,039) (1,450,000)	(70,945) (0) (22,100) (1,472,451) (1,346) (867) (1,567,709)	(76,513) (722) (10,061) (14,118) (1,226) (45) (102,685)	(13,161) (1,450,000)	(76,513) (722) (23,222) (1,464,118) (1,226) (45) (1,565,846)
Financing Fees - bond Financing Fees - banks Total Financing Fees	(0) 3,488 3,488	43,709	43,709 3,488 47,197	3,648 45,489 49,137	45,489	45,489 3,648 49,137
Liabilities to non-controlling shareholders of subs. Commission financial liabilities Other financial liabilities Total Other financial liabilities	(25,756) (174) (78) (26,009)	(60,817)	(86,573) (174) (78) (86,826)	(23,757) (173) (0) (23,930)	(57,595)	(81,352) (173) (0) (81,525)
Total	(49,019)	(1,479,147)	(1,528,166)	(55,371)	(1,475,267)	(1,530,638)

Net financial indebtedness as at 31 March 2022 amounts to negative € 1,528,166 thousand.

Cash and bank balances

The amount of cash and bank balances stands at € 70,848 thousand as at 31 March 2022 and at € 59,084 thousand as at 31 December 2021.

Financial leases liabilities

Following the adoption of IFRS 16 – Leases, Financial leases liabilities at 31 March 2022 reflects the recognition of a financial liability of € 22,100 thousand (€ 23,222 at 31 December 2021), consisting of the present value of future lease payments.

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

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

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

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

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

Brunello Midco 2 S.p.A. (“PIK Issuer”), has issued:

- Senior Floating Rate Pay-If-You-Want PIK Toggle notes (ISIN: IT0005434441) with a total nominal value of € 300 million maturing on 15 February 2029 ("**2029 PIYW PIK Toggle Notes**"). The PIK Issuer pays interest on the 2029 PIYW PIK Toggle Notes either in cash (6-month Euribor with a floor of 0.00%, plus 8.00% per annum) or in kind (6-month Euribor with a floor of 0.00%) plus 8.75% per annum) or a combination thereof, at the sole option of the PIK Issuer. The 2029 PIYW PIK Toggle Notes bear interest payable semi-annually in arrears each April 15 and October 15, commencing 15 October 2021.

The 2029 PIYW PIK Toggle Notes are listed on the MTF of the Vienna Stock Exchange. The PIK Issuer changed its company name to TeamSystem Holdco 3 S.p.A. with effect from 17 December 2021.

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

Collateral provided

The obligations arising under the **2028 Fixed Rate Notes**, the **2028 Floating Rate Notes** and the **New RCF** (as described below) were secured by the following security rights:

- a pledge on the entire share capital of TeamSystem S.p.A.,
- a pledge on the Italian bank accounts of TeamSystem S.p.A..

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

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

The **2028 Fixed Rate Notes** and the **2028 Floating Rate Notes** were originally guaranteed (and continue to be guaranteed) by the PIK Issuer.

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

Revolving Credit Facility (Existing and New)

On 27 January 2021, Brunello Bidco S.p.A. negotiated a new super senior revolving credit facility ("**New RCF**") with a principal amount of € 180 million and expiring on 18 August 2027.

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

As of 31 March 2022, a total of € 70 million had been drawn from the **New RCF**.

The New RCF line is secured by the same guarantees granted on the **2028 Fixed Rate Notes** and the **2028 Floating Rate Notes** (see previous paragraph).

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

The surviving company from the above mentioned merger transaction occurred in 2021 was TeamSystem S.p.A. which, as a result of the merger and starting from the Merger Date, assumed all the obligations of Brunello Bidco S.p.A with respect to the New RCF.

Liabilities to non-controlling shareholders of subsidiaries

Liabilities to non-controlling shareholders of subsidiaries (€ 86,573 thousand at 31 March 2022) relates to put and call options and/or earn-outs due to non-controlling interest holders of certain consolidated subsidiaries. The main ones are: TeamSystem Financial Value Chain., MBM Italia, Modefinance, Logical Soft and Progetto Studio (together with its subsidiaries).

16. INVENTORIES

	31 Mar 2022	31 Dec 2021	Change	% Change
Raw and ancillary materials	423	420	3	0.8%
Finished products and goods	1,157	1,103	54	4.9%
Other inventory				
Advances (Allowance for slow-moving inventory)	(613)	(613)	0	0.0%
Total	967	909	57	6.3%

At 31 March 2022 Inventories amount to € 967 thousand, substantially unchanged compared to the balance at 31 December 2021 (€ 909 thousand).

17. TRADE RECEIVABLES

	31 Mar 2022	31 Dec 2021	Change	% Change
Trade receivables	287,791	147,766	140,025	94.8%
(Allowance for bad debts)	(23,410)	(22,449)	(961)	4.3%
Total	264,381	125,317	139,064	111.0%

At 31 March 2022 Trade receivables (gross of Allowance for bad debts) amount to € 287,791 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 € 23,410 thousand, that has been posted in the accounts after having analysed the specific risk associated with doubtful balances. The balance of Allowance for bad debts is the aggregate of utilisations, accruals and any other movements.

18. TAX RECEIVABLES

	31 Mar 2022	31 Dec 2021	Change	% Change
Tax credits	239	165	74	45.1%
Other tax receivables	626	607	19	3.1%
Withholding tax credit	51	30	21	71.4%
Tax consolidation receivables	-	(0)	0	-100.0%
Advances and income tax credits	1,453	2,668	(1,215)	-45.6%
Total	2,369	3,470	(1,101)	-31.7%

At 31 March 2022 Tax receivables amount to € 2,369 thousand, down by € 1,101 thousand compared to the balance at 31 December 2021 (€ 3,470 thousand).

19. OTHER CURRENT RECEIVABLES

	31 Mar 2022	31 Dec 2021	Change	% Change
Deposits	674	680	(6)	-0.9%
Receivables from employees	159	148	11	7.2%
Other receivables	5,034	12,481	(7,448)	-59.7%
Accrued income	83	23	60	260.3%
Prepayments	34,732	23,260	11,472	49.3%
VAT receivables	618	1,575	(957)	-60.8%
Total	41,299	38,167	3,132	8.2%

At 31 March 2022 the Other current receivables balance amounts to € 41,299 thousand, up by € 3,132 thousand compared to the 31 December 2021 balance (€ 38,167 thousand). The movement is mainly due to the movement in the line-item Prepayments (increase of € 11,472 thousand), because of the seasonality of the business of the Group, and it is offset by the decrease of Other receivables (€ 7,448 thousand) and VAT receivables (€ 957 thousand).

20. TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Euro thousands							
	Share capital	Other reserves	Retained earnings (accumulated losses)	Profit (Loss) attributable to Owners of the Company	Equity attributable to Owners of the Company	Non-controlling interests	TOTAL
31 Dec 2021	14,597	1,439,231	(27)	(64,176)	1,389,624	892	1,390,516
Loss allocation		(63,967)	(209)	64,176	0		0
Profit (Loss) for the year				(25,042)	(25,042)	31	(25,012)
Other Profit (Loss) on comprehensive income		(4)			(4)	(1)	(5)
31 Mar 2022	14,597	1,375,259	(236)	(25,042)	1,364,578	922	1,365,500

At 31 March 2022 the Group's equity amounts to € 1,364,578 thousand.

21. STAFF LEAVING INDEMNITY

	31 Mar 2022	31 Dec 2021	Change	% Change
Staff leaving indemnity	26,413	25,939	473	1.8%
Total	26,413	25,939	473	1.8%

At 31 March 2022 Staff leaving indemnity amounts to € 26,413 thousand, up by € 473 thousand compared to the balance at 31 December 2021 (€ 25,939 thousand). The balance is the aggregate of utilisations, accruals and any other movements.

22. PROVISIONS FOR RISKS AND CHARGES

	31 Mar 2022	31 Dec 2021	Change	% Change
Provision for pension and similar obligation	1,354	1,465	(111)	-7.6%
Provision for litigations	11,349	11,260	89	0.8%
Other provision for risks and charges	862	530	332	62.6%
Provision for losses on investments				
Total	13,565	13,255	310	2.3%

At 31 March 2022 Provisions for risks and charges amount to € 13,565 thousand, up by € 310 thousand compared to the balance at 31 December 2021 (€ 13,255 thousand). The balance is the aggregate of utilisations, accruals and any other movements.

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

23. OTHER CURRENT AND NON-CURRENT LIABILITIES

	31 Mar 2022	31 Dec 2021	Change	% Change
VAT liabilities	8,430	1,885	1,799	95.4%
Withholdings liabilities	8,081	5,141	(220)	-4.3%
Employees payables and Social security liabilities	25,115	33,381	(8,266)	-24.8%
Advances	703	1,827	(1,124)	-61.5%
Other liabilities	867	991	(124)	-12.5%
Accrued liabilities	8,258	180	8,078	4489.7%
Deferred revenues	241,165	85,271	155,895	182.8%
Other current liabilities	292,620	128,676	156,038	121.3%
Due to social securities - non-current	414	425	(11)	-2.6%
Other tax liabilities - non-current	8	8		
Other non-current liabilities	421	432	(11)	-2.5%
Total Other liabilities	293,041	129,109	156,027	120.8%

At 31 March 2022 Other current liabilities amount to € 292,620 thousand, up by € 156,038 thousand compared to the balance at 31 December 2021 (€ 128,676 thousand).

This increase is substantially due to the seasonality of billings for subscription fees that characterises the business of the Group and results in the increase in deferred revenues (€ 155,895 thousand).

At 31 March 2022 Other non-current liabilities amount to € 421 thousand (€ 432 thousand at 31 December 2021) and relate primarily to balances pertaining to the subsidiary TeamSystem S.p.A..

24. CURRENT TAX LIABILITIES

	31 Mar 2022	31 Dec 2021	Change	% Change
Income tax payables	13,239	8,466	4,773	56.4%
Liabilities from tax consolidation	(0)	0	(0)	-7733.3%
Other tax liabilities	171	178	(7)	-3.7%
Total	13,410	8,644	4,766	55.1%

At 31 March 2022 Current tax liabilities amount to € 13,410 thousand, up by € 4,766 thousand compared to the balance at 31 December 2021 (€ 8,644 thousand).

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

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

RECONCILIATION OF NET FINANCIAL POSITION TEAMSYSTEM HOLDCO GROUP vs TEAMSYSTEM SPA GROUP	TEAMSYSTEM HOLDCO CONSOLIDATED	TEAMSYSTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 1 STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 2 STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 3 CONSOLIDATED	TEAMSYSTEM HOLDCO 3 STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM SPA CONSOLIDATED
Bank accounts and post office	70,818	360	7	7	70,444	474	69,970
Cash and bank balances	29				29		29
Total Cash and bank balances	70,848	360	7	7	70,473	474	69,999
Loans	75				75		75
Accruals and prepaid commissions	58				58		58
Other financial assets	8,191				8,191		8,191
Total Other financial assets	8,324				8,324		8,324
Loans with banks	(70,945)				(70,945)		(70,945)
Finance leases liabilities	(22,100)				(22,100)		(22,100)
Notes	(1,472,451)				(1,472,451)	(310,981)	(1,161,470)
Financial liabilities with other institutions	(1,346)				(1,346)		(1,346)
Dividends to be settled	(867)				(867)		(867)
Total Financial liabilities	(1,567,709)				(1,567,709)	(310,981)	(1,256,729)
Financing Fees - bond	43,709				43,709	8,660	35,049
Financing Fees - banks	3,488				3,488		3,488
Total Financing Fees	47,197				47,197	8,660	38,536
Liab. to non-controlling shareholders of subs.	(86,573)				(86,573)		(86,573)
Commission financial liabilities	(174)				(174)		(174)
Other financial liabilities	(78)				(78)		(78)
Total Other financial liabilities	(86,826)				(86,826)		(86,826)
Total	(1,528,166)	360	7	7	(1,528,541)	(301,847)	(1,226,694)

□ □ □

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



