# SYS-DAT S.p.A.

## HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS FOR SEMESTER ENDED 30 JUNE 2024

SYS-DAT GROUP

SYS-DAT GROUP

## DATA:

SYS-DAT S.p.A.

Headquarters: Via Muzio Attendolo Detto Sforza, 7 - 20141 Milan (MI) - Italy

Registry: Registro Imprese di C.C.I.A.A. di Milano - Fiscal code: 03699600155

R.E.A. number 963005 (Milano, Monza e Brianza)

Paid-in capital: € 1.564.244 (as of the date of approval)

VAT number: 03699600155

# Index


2023
2024
2025

# GOVERNANCE

**Board of Directors**

Vittorio Neuroni – *Chairman*

Emanuele Edoardo Angelidis – *Vice-Chairman*

Matteo Luigi Neuroni – *CEO*

Marta Neuroni – *Executive director*

Marzo Zampetti – *Independent director*

Maurizio Santacroce – *Independent director*

Stefania Tomasini – *Independent director*

**Board of Statutory Auditors**

(appointed on 21 March 2024 to remain in office until approval of the financial statements at 31 December 2026)

Carlo Zambelli – *Presidente*

Gabrio Pellegrini – *Sindaco effettivo*

Lorena Pellissier – *Sindaco effettivo*

**Appointments and Compensation Committee**

Marzo Zampetti – *Chairman and independent director*

Maurizio Santacroce – *Independent director*

Stefania Tomasini – *Independent director*

**Comitato Controllo e Rischi e Operazioni con Parti Correlate**

Maurizio Santacroce – *Chairman and independent director*

Stefania Tomasini – *Independent director*

Marzo Zampetti – *Independent director*

**Independent Auditors**

(appointed on 21 March 2024 and independent auditor for fiscal years 2024-2032)

BDO Italia S.p.A.

# MANAGEMENT REPORT ON OPERATIONS

Dear Shareholders,

The present SYS-DAT Management Report on operations on the first semester 2024, is about SYS-DAT S.p.A. and its operating companies (altogether the "Company"), and must be read together with the balance sheet, income statement, shareholders' equity and cash flow statement which constitute the half-year consolidated financial statements for the semester ended 30 June 2024 ("Half-Year financial statement").

The Half-Year financial statement has been drawn up in compliance with EU-IFRS. The financial statements that we submit for your approval close with a total profit of Euro 2.621 thousand, after accounting for tax income of Euro 1.366 thousand and depreciation and write-downs for a total of Euro 1.697 thousand.

The Management Report intends to provide information on the situation of the Company and on the performance of management as a whole and in the various divisions in which it operates, also through controlled companies and is drawn up in compliance with the provisions of the art. 2428 of the Italian Civil Code.

**Key Economic and Financial Indicators**

| *in thousand Euro* | 30 Jun 24 | % | 30 Jun 23 | % |
|---|---|---|---|---|
| **Total Revenue** | **28.657** | *100%* | **22.315** | *100%* |
| **EBITDA** | **5.906** | *21%* | **4.716** | *21%* |
| **EBIT** | **4.209** | *15%* | **3.664** | *16%* |
| **Income before taxes** | **3.987** | *14%* | **3.459** | *16%* |
| **Net income** | **2.621** | *9%* | **2.120** | *10%* |

| *in thousand Euro* | 30 Jun 24 | 31 Dec 2023 |
|---|---|---|
| **Total Group equity** | **21.550** | **19.288** |
| **Total assets** | **65.477** | **61.144** |
| **Liquidity** | **21.543** | **19.071** |
| **Net Financial Position** | **5.745** | **3.115** |

**Company performance and analysis of results for first semester 2024 and previous years**

The Company, established in 1977, represents a solid corporate reality with eleven owned companies and twenty offices in the Italian national territory. It operates in the ICT sector and its first solutions were tailor-made for specific processes such as warehouse management, administration, sales and supply chain management, operations that years later became what is currently known as ERP solutions. As a result of the experience in developing tailor-made solutions, the Company elaborated modular reusable solutions that evolved into software packages for the first two vertical markets, namely fashion and manufacturing.

The Company subsequently expanded its offering in core processes, evolving its ERP and developing solutions for different business areas and processes such as Supply Chain Management, Warehouse Management Systems, Retail Channel Management, CRM, Sales Force Automation, e-Commerce, Business Intelligence and RFID, among others. In addition to the expansion of the offering, the Company, after the fashion and manufacturing industries, addressed additional market sectors with vertical solutions.

In the last three years, the Company focused on developing innovative applications and services based, among others, on Artificial Intelligence, Cloud, Cybersecurity and Virtual solutions. Currently the Company offers core business software solutions and value added software solutions vertically specialized by market sector and ICT services that are cross market.

The Company headquarter is based in Milan and as of 30 June 2024 has 435 employees across twelve operating companies and twenty offices in the Italian national territory, not including directors and consultants. The Company operates with a network structure made up of twelve companies specialised in the field of processes, applications and technologies, constituting excellence in their respective fields of expertise and in particular:

- Sys-Dat: ERP, CRM, Retail and Cloud services

- Logic One: Digital commerce and digital marketing
- Modasystem: Fashion
- BTW: Manufacturing and System integration
- Nekte: Legal, Foundries and manufacturing
- Cast: Tiles, Banking, Business Process Management and GDPR
- Sys-Dat Verona: Fashion, Retail and Cybersecurity
- Humatics: Artificial Intelligence
- Emmedata: Footwear
- VCube: Cybersecurity and Networking
- Trizeta: Industry 4.0 and industrial processes automation
- SiSolution: Manufacturing, Textile and Managed Services

Subsequent to 30 June 2024, the Company signed a binding Term Sheet to acquire 100% of Flexxa, which offers cybersecurity and business continuity services.

During the first six months to 30 June 2024, the Group recorded significant consolidated growth in terms of revenue, EBITDA and net profit.

Revenues grew 28.4% from the first half-year to 30 June 2023 to the first half-year to 30 June 2024, from € 22.315 thousand as of 30 June 2023 to € 28.657 thousand as of 30 June 2024.

EBITDA grew 25.4% from the first six months to 30 June 2023 to the first six months to 30 June 2024, from € 4.716 thousand as of 30 June 2023 to € 5.906 thousand as of 30 June 2024.

Net profit increased by 23.6% from the first half-year to 30 June 2023 to the first half-year to 30 June 2024, from € 2.120 thousand as of 30 June 2023 to € 2.621 thousand as of 30 June 2024.

The financial KPIs are positively impacted by the Company's proprietary software solutions, which result in high margins, and by the significant share of recurring and repeat revenues, which foster growth in future years.

In addition, the vertically specialised offering and the diversified and loyal customer base with high cross-selling and up-selling potential contribute to competitive advantage and risk reduction.

With reference to its offering stack consisting of three tiers: Core Business Software Solutions, Value-Added Software Solutions and ICT Services, the following table shows the classification of revenues in the above categories.

| *in thousand Euro* | **30 Jun 24** | **%** | **31 Dec 2023** | **%** |
|---|---|---|---|---|
| Core business software solutions | 20.074 | 70% | 33.318 | 72% |
| Value added software solutions | 3.023 | 11% | 4.576 | 10% |
| ICT Services | 5.292 | 18% | 8.372 | 18% |
| Other revenue | 268 | 1% | 202 | 0% |
| **Total revenue** | **28.657** | 100% | **46.468** | 100% |

**Market trends**

The Group operates in the Italian ICT market (which is a segment of the broad digital market). According to a study by Anitec Assinform, the digital market was worth a total of € 78.7 billion in 2023, with a growth of 2.1% compared to 2022.

(Source: 'Il digitale in Italia 2024: Mercati, Dinamiche e Policy' elaborated by Anitec-Assinform in collaboration with Confindustria Digitale and NetConsulting Cube, July 2024).

The most significant growth took place in ICT Services, whose value grew by 9.0% in 2023 mainly thanks to Cloud Computing, Cybersecurity and Big Data Management services.

The overall market offers good growth prospects between 2023 and 2027, with an expected average annual growth rate of +3.9%. The forecasts on the digital market trend in Italy for the next four years will be further influenced by the ICT investments financed through the PNRR.

Between 2023 and 2027, enterprises and institutions will invest mainly in Cloud Computing services, Cybersecurity platforms and Big Data management.

Cloud computing services are a key component of all end-user technology initiatives affecting the flexibility and scalability of IT. Cloud computing had a growth rate of +15.6 % in 2023, reaching a value of € 6.3 billion.

Cybersecurity platforms ensure the protection of data and technology assets in the face of growing cyber risks. At the end of 2023, the cybersecurity market recorded a growth rate of +11.5%, reaching a value of € 1.8 billion. The main areas of investment are Disaster Recovery and Business Continuity.

AI / Cognitive services are advanced tools for analysing and exploiting data, which are essential for managing the information assets of companies and public institutions. The generation of large amounts of data now affects all business functions and proper data management enables companies to extract value. Many companies are therefore implementing data strategy initiatives aimed at comprehensive data management. By the end of 2023, the AI/Cognitive market recorded a growth rate of +31.1%, reaching a value of € 674 million.

The international context, with the conflicts between Russia and Ukraine and between Israel and Hamas, is still complex, but these conflicts do not seem to have a substantial effect on the ICT market at the moment. At the macroeconomic level, the effect of lower interest rates and the consensus on future interest rate reductions seems to prevail over the uncertainty caused by geo-political externalities.

**Main risks and uncertainties to which SYS-DAT S.p.A. is exposed**

The Company adopts specific procedures in the management of risk factors aimed at preventing risks related to the Company's activities and aimed at maximising value for its stakeholders. The main risks can be grouped into external and internal risks, as described below.

**External risks**

*Risks related to current macroeconomic conditions.*

Uncertainty in the Company's key markets, financial markets and the general economic situation or geopolitical situation could affect the investments and financial position of the Company's customers, with a possible impact on the Company's business operations, operating results and financial position. The Company uses diversification on its customer base in terms of size, sector and geographical exposure to mitigate this risk.

*Risks related to processes, regulations and authority measures*

The Company collects and processes personal data, and the leakage of such data or failure to process it in accordance with applicable regulations may have a materially adverse effect on the Company's business and reputation and lead to claims for damages, as well as fines and orders imposed by authorities. The Company has implemented specific procedures on privacy and data processing with the identification of responsibility for processing.

*ICT market risks*

The intensification of competition in the Company's market could affect the Company's ability to maintain or increase its market share, to improve the profitability of its operations or to retain current customers or acquire new customers. The

Company continues to invest in marketing and business operations and in the quality of its products and services to improve market positioning.

*Risks related to competition*

The competitiveness of the Company's software solutions could weaken if the Company fails to meet requirements resulting from technological changes in the operating environment or customer demand, which could have a negative effect on business operations, results of operations and financial position. The Company continues to invest in research and development to innovate products and services to be technologically relevant and competitive in the market.

**Internal Risks**

*Risks Related to the Company's Operations*

The Company's business operations and financial position depend in part on the continuation of customer relationships, as well as the successful sale of additional solutions. Any decline in sales could have a negative effect on the Company's operating results and financial position. The Company continues to invest in customer relationships, customer satisfaction and product and service innovation to mitigate the risk with customers.

*Risks related to loss of key personnel*

The loss of key people and qualified personnel could have an adverse effect on the Company's business operations and financial position, and the Company may not necessarily be able to recruit and retain people with the required skills. The Company continuously invests in recruitment and retention activities in the context of its long-standing ESG and employee focus policy.

*Risks relating to defects in software solutions or negligence or abuse by employees*

The software solutions offered by the Company could have defects or deficiencies that could cause disruptions to its customers. Such disruptions could cause financial losses and damage to the reputation of the Company and its customers. The Company pays specific attention to the quality of the software produced and installed and invests in continuous improvements with constant monitoring of any defects or deficiencies.

*Risks related to key partnerships*

The possible interruption of supplies and/or these relationships or the non-renewal of contracts, as well as the Company's inability to identify alternative suppliers capable of meeting the Company's needs, could lead to difficulties in procuring the relevant components or services in sufficient quantities and in a timely manner to ensure the continuity of sales activities. The Company has long-term relationships with its strategic suppliers and continuously identifies consistent alternatives to replace suppliers when necessary.

*Risks related to computer systems and intellectual property rights*

The Company's operations and software solutions rely heavily on IT systems, and any malfunctions and breaches of these networks and solutions, as well as potential failures in customer information systems, could adversely affect the Company's reputation, operations and financial position. The Company's policy does not include procedures for registering intellectual property and, despite the implementation of specific procedures, such as limited access to source code and authentication, there is a potential risk of confidentiality. The Company operates high-level, certified data centres and invests in monitoring and cybersecurity tools, including active source code and intellectual property protection policies.

*Risks related to failure to identify and/or integrate potential acquisition targets*

The Company aims to grow inorganically through selective acquisitions. For this reason, the implementation of the Company's growth strategy depends in part on the Company's ability to identify suitable acquisition targets. However, there is no guarantee that the Company's potential future acquisitions can be made on favourable terms or that suitable target companies will be available. The Company believes that the current highly fragmented market environment is conducive to an acquisitive policy and continues to invest in scouting, relational and structured activities to identify acquisition targets.

**Analysis of reclassified economic data**

| *€ thousand* | **30 Jun 24** | **%** | **30 Jun 23** | **%** |
|---|---|---|---|---|
| Operating Revenue | 28.389 | *99%* | 22.251 | *100%* |
| Other Revenue | 268 | *1%* | 63 | *0%* |
| **Total revenue** | **28.657** | *100%* | **22.315** | *100%* |
| Purchasing cost | 1.857 | *6%* | 1.080 | *5%* |
| Service cost | 8.923 | *31%* | 7.204 | *32%* |
| Personnel | 11.734 | *41%* | 8.969 | *40%* |
| Other operating cost | 237 | *1%* | 345 | *2%* |
| **Total operating cost** | **22.751** | *79%* | **17.598** | *79%* |
| **EBITDA** | **5.906** | *21%* | **4.716** | *21%* |
| | | | | |
| Amortisations and depreciations | 1.561 | *5%* | 1.038 | *5%* |
| Provisions and write-downs | 136 | *0%* | 15 | *0%* |
| **EBIT** | **4.209** | *15%* | **3.664** | *16%* |
| | | | | |
| Financial income | 19 | *0%* | 6 | *0%* |
| Financial expenses | -241 | *-1%* | -211 | *-1%* |
| **Income (Loss) before taxes** | **3.987** | *14%* | **3.459** | *16%* |
| | | | | |
| Income taxes | 1.366 | *5%* | 1.339 | *6%* |
| **Net income (Loss)** | **2.621** | *9%* | **2.120** | *10%* |

The results of operations for the first six months ended 30 June 2024 were as follows:

- Total revenues of €28.658 thousand (€22.321 thousand first half-year to 30 June 2023), an increase in total revenues of €6.342 thousand (+28.4%) due to higher sales across all business lines, including Core business software solutions, Value added software solutions and ICT services, also due to 70% recurring revenues from fees (35%) and repeat revenues from customers with more than five years of seniority (35%);
- EBITDA of €5.907 thousand (€4.716 thousand in the first half of the year to 30 June 2023), with an increase of €1.191 thousand (+25.2%) due to the correct management of operating costs, which increased proportionally to the increase in revenues;
- EBIT of Euro 4.209 thousand (Euro 3,664 thousand in the first half-year to 30 June 2023 first half-year to 30 June 2023), increased by Euro 545 thousand (+14.9%) with an increase in depreciation and amortisation given by past acquisitions and capitalisation of software development;
- Net profit of €2.621 thousand (€2.120 thousand in the first half-year to 30 June 2023), increased by €501 thousand (+23.6%) consistent with the increase in EBITDA.

**Analysis of reclassified balance sheet data**

| *in thousand Euro* | **30 Jun 24** | **31 Dec 2023** | **Delta** |
|---|---|---|---|
| Trade receivables | 15.455 | 16.015 | -560 |
| Activities for work in progress | 1.377 | 1.699 | -323 |
| Inventories | 178 | 194 | -17 |
| Trade payables (excluding non-current portion) | -3.156 | -4.543 | 1.387 |
| Advance payments on work in progress | -1.607 | -1.783 | 177 |
| **Commercial net working capital** | **12.247** | **11.582** | **665** |
| Other current assets | 3.291 | 2.340 | 951 |
| Tax debts | -3.243 | -2.092 | -1.151 |
| Other current liabilities | -11.603 | -8.696 | -2.908 |
| **Net working capital** | **692** | **3.135** | **-2.443** |

| | | | |
|---|---|---|---|
| Tangible assets | 902 | 788 | 114 |
| Right of use | 5.223 | 3.995 | 1.228 |
| Goodwill | 8.954 | 8.954 | 0 |
| Other intangible assets | 7.861 | 7.384 | 477 |
| Deferred tax assets | 607 | 615 | -9 |
| Other non current assets | 87 | 88 | 0 |
| Employee benefits | -6.438 | -6.662 | 223 |
| Provisions | -209 | -330 | 121 |
| Deferred tax liabilities | -1.873 | -1.794 | -79 |
| **Net fixed capital** | **15.114** | **13.038** | **2.076** |
| **Net invested capital** | **15.806** | **16.173** | **-368** |

| | | | |
|---|---|---|---|
| Net financial position | -5.745 | -3.115 | -2.630 |
| Net assets | 21.550 | 19.288 | 2.262 |
| **Total Net assets and Net financial position** | **15.806** | **16.173** | **-368** |

Net Invested Capital did not change significantly between 31 December 2023 and 30 June 2024.

Commercial net working capital as at 30 June 2024 increased by €665 thousand compared to 31 December 2023 mainly due to the improvement in trade receivables and trade payables in the reporting period. The balance of Net Working Capital as at 30 June 2024 was €692 thousand, a decrease from the previous period mainly due to an increase in current liabilities for property leases, due to the signing of new contracts for company premises, which also resulted in an increase in Right of Use assets.

Shareholders' equity as at 30 June 2024 increased due to the result for the period.

For an understanding of the changes in net financial debt, please refer to the following section.

### Analysis of net financial debt and net financial position

The evolution of net financial debt and net financial position is shown below.

| **Net Financial Position** *(€ thousand)* | **30 Jun 24** | **30 Jun 23** | **Var** | **Var %** |
|---|---|---|---|---|
| A. Liquid assets | 16.586 | 14.437 | 2.149 | 14,9% |
| B. Cash equivalents | 0 | 0 | 0 | n/a |
| C. Tradeable securities | 4.957 | 4.633 | 323 | 7,0% |
| **D. Liquidity (A) + (B) + (C)** | **21.543** | **19.071** | **2.472** | **13,0%** |
| E. Current financial debt | -39 | -15 | -24 | 157,1% |
| F. Current portion of non-current debt | -5.961 | -4.895 | -1.065 | 21,8% |
| **G. Current financial indebtedness (E )+ (F)** | **-5.999** | **-4.910** | **-1.089** | **22,2%** |
| **H. Net current financial debt (D) + (G)** | **15.543** | **14.160** | **1.383** | **9,8%** |
| I. Non-current financial debt | -1.231 | -1.620 | 389 | -24,0% |
| J. Bonds issued | 0 | 0 | 0 | n/a |
| K. Other non-current financial debt | -8.568 | -9.425 | 857 | -9,1% |
| **L. Non-current financial debt (I) + (J) + (K)** | **-9.799** | **-11.045** | **1.246** | **-11,3%** |
| **M. Net Financial Position (H) + (L)** | **5.745** | **3.115** | **2.630** | **84,4%** |

The Company has a positive net financial position of €5.745 thousand as of 30 June 2024 compared to €3.115 thousand as of 31 December 2023.

The improvement in the net financial position as at 30 June 2024 compared to 31 December 2023, amounting to a total of €2.630 thousand, is mainly due to the combined effect resulting from (a) the increase in liquidity of €2.149 thousand, mainly determined by the cash flow from operating activities and the improvement in net working capital, as already identified in the previous section, (b) by the net change in financial payables of €(676) thousand (current portion of non-current financial debt -€1,065 thousand and non-current portion +€389) and the change in other non-current payables of €857 thousand.

**Reclassified financial statement**

Below is the reclassified cash flow statement with the comparison between the first half of 2024 and the first half of 2023.

| *in thousands of Euro* | 30 Jun 24 | 30 Jun 23 | Variazione |
|---|---|---|---|
| **Net Income** | **2.621** | **2.120** | **501** |
| Taxes | 1.366 | 1.320 | 45 |
| Depreciation | 1.561 | 1.038 | 524 |
| Other variations | 9 | 944 | -935 |
| **Funding from operations** | **5.557** | **5.422** | **135** |
| Change in inventories | 339 | -526 | 865 |
| Change in trade receivables | 560 | -926 | 1.486 |
| Change in trade payables | -1.377 | -859 | -518 |
| Change in other assets and liabilities | 1.978 | 2.969 | -990 |
| Taxes paid | -396 | -469 | 73 |
| **Operating Cash Flow** | **6.662** | **5.611** | **1.051** |
| Investments in intangible assets | -1.454 | -1.087 | -368 |
| Investments in tangible assets | -276 | -68 | -208 |
| Interest income collected | 51 | 30 | 21 |
| Change in other financial assets | -1.362 | -822 | -540 |
| **Investment activities Cash Flow** | **-3.041** | **-1.946** | **-1.095** |
| Change in financial debts | -4 | -3 | -1 |
| Repayment of loans | -775 | -809 | 35 |
| Distribution of dividends | -660 | -660 | 0 |
| Interest paid | -33 | 90 | -122 |
| **Financial activities Cash Flow** | **-1.472** | **-1.383** | **-89** |
| Liquidity acquired (transferred) from changes in the consolidation area | 0 | -712 | 712 |
| **Total cash generated (absorbed)** | **2.149** | **1.570** | **579** |

| | | | |
|---|---|---|---|
| **Cash and cash equivalent at the beginning of the period** | **14.437** | **13.867** | **570** |
| Total cash generated (absorbed) | 2.149 | 1.570 | 579 |
| **Cash and cash equivalent at the end of the period** | **16.586** | **15.437** | **1.149** |

During the first semester at 30 June 2024, operating activities generated operating cash flow of € 6.662 thousand, which was higher than the six months ended 30 June 2023 by € 1.051 thousand, mainly due to an increase in EBITDA of € 1.190 thousand (€ 5.906 thousand for the six months ended 30 June 2024 compared to € 4.716 thousand for the six months ended 30 June 2023).

During the six months ended 30 June 2024, investing activities increased resulting in a cash absorption of € 1.095 thousand more compared to 30 June 2023 with an increase in investments in intangible assets of € 368 thousand compared to 30 June 2023, an increase in investments in tangible assets of € 208 thousand compared to 30 June 2023 and additional investments in equity investments of € 540 thousand compared to 30 June 2023.

During the six months ended 30 June 2024, financial assets absorbed cash of € 1.472 thousand similar to the € 1.383 thousand absorbed in the year ended 30 June 2023.

The cash acquired (transferred) from changes in the scope of consolidation had no effect on the first half of 2024 as the scope of consolidation did not change.

Therefore, the Company generated cash of €2.149 thousand in the first half of the year ended 30 June 2024, which was €579 thousand higher than the cash of €1.570 thousand generated in the first half of the year ended 30 June 2023, net of the cash from change in scope of consolidation.

**Investments.**

Increases in intangible assets in the first semester ended 30 June 2024, amounting to €112 thousand, mainly related to the purchase of software for internal activities. See Note 6.2 to the Half-Yearly Financial Statements for details.

The additions to property, plant and equipment for the first semesters ended 30 June 2024, amounting to €278 thousand, mainly related to the purchase of hardware for internal activities. For details, see Note 6.4 to the Half-Yearly Financial Statements.

**Research and development activities.**

In the first semester ended 30 June 2024, the Company continued its intensive research and development activities. All costs incurred were capitalised in the reporting period.

Research and development activities in the first half of 2024 were mainly focused on five application areas: ERP, SAP, CRM, Retail and Other, including Artificial Intelligence and Digital Commerce, as shown in the table below:

| H1 2024 | ERP | Add-on SAP | CRM | Retail | Other |
|---|---|---|---|---|---|
| 5.157 | 2.623 | 650 | 291 | 365 | 1.228 |

The total cost of R&D in the first half of 2024 was €1.391 thousand.

Below are the most significant projects for each product family:

- ERP: Tool for data capture, integration with couriers and RFID, Commercial and product area optimisation.
- SAP add-ons: AddOn SAP Ship One (courier interface), AddOn SAP HIS (medical conventions), WEBApp HIS (care plans and appointments, conventions).
- CRM: Catalogue enhancements with additional import/export, order enhancement with availability and statistics and advanced filters, virtual showroom and budget enhancements.
- RETAIL: Management of stock lists, replenishment of showroom space, additional communication modules.
- Other projects mainly related to the development of AI and Digital Commerce software applications.

**Outlook on operations**

The significant growth in the first half of the year ended 30 June 2024, both in terms of revenues and margins, was based on a number of elements that can be summarised as follows:

- The up-selling and cross-selling activities, generated by an enrichment of the offer thanks to new solutions developed by the research and development activities and from the companies acquired in the second half of 2023
- The evolution of the software commercial proposal from ‘On Premise’ to ‘Software as a Service
- The increase in recurring Cloud fees, coming from more and more customers and solutions managed in Outsourcing, and recurring maintenance fees
- The identification of software proposals that brought tangible benefits by enabling new business models (e.g. Virtual Showroom, Omnichannel)
- The acquisition of new medium to large customers

The Group's focus in the coming years will be on strengthening its offering and operations, acquiring additional companies and developing a better position from an ESG perspective.

The offering will be strengthened through the identification and development of new complementary solutions for vertical markets. The new solutions will be created as a result of research and development activities, as the Group invests approximately 5% of revenues in research and development activities each year. In the coming years, research and development activities will be oriented towards the following areas:

- ‘Software as a service’ technology in the public cloud offering (multi-tenant), with highly configurable standard solutions that require a low level of customisation
- The creation of middleware that will simplify the interconnection between the different solutions offered by the Group
- The creation of a Group development framework to facilitate implementations and the transfer of know-how

In addition, from an operational point of view, the structure will grow in step with the growth of the business, the Group will continue to consolidate and expand its relationships with Universities and Vendor Partners (SAP, Microsoft, ..), focusing on maximising customer satisfaction and maintaining the attraction of additional young future talent.

There were no acquisitions during the first half year ended 30 June 2024. Subsequent to the first half year, a binding Term Sheet was signed for the acquisition of 100 per cent of Flexxa srl, a company specialising in offering cybersecurity and business continuity services.

Between 6 June and 27 June 2024, SYS-DAT announced its intention to proceed with an offer and listing of its ordinary shares on Euronext Milan and its STAR segment. Subsequently, the offer was completed with a price that was set at €3.40 per share, resulting in a capitalisation of the Company of approximately €103 million (approximately €106 million if the greenshoe option is exercised in full).

At the end of the placement, the free float is equal to 35.1% of the Company's share capital, as required by Borsa Italiana S.p.A. for the STAR segment, including the exercise of the greenshoe option.

The gross proceeds to the Company from the issue of new shares amount to approximately €29 million (approximately €32 million after the full exercise of the greenshoe option). These proceeds will be used by the Company to continue to develop and focus on the key pillars of its strategy based on: (i) the acceleration of its M&A activity to acquire new companies in the IT market; (ii) new hires and new investments towards its current staff in order to pursue long-term value creation and expand its business capacity; (iii) maximising value creation, through comprehensive service offerings, a multi-sectoral approach, implementation of new technologies and customer retention; (iv) strengthening its capital structure; and (v) further expanding its territorial presence.

On 2 July 2024, trading of the SYS-DAT share on the regulated market Euronext Milan - STAR Segment began.

**Potential Conflicts of Interest**

Some Directors and the Chief Executive Officer directly hold interests in the Company's share capital and have a familial relationship with each other. Consequently, these private interests are in potential conflict with their obligations as directors or officers of the Company. In particular, it should be noted that:

- The Chairman of the Company's Board of Directors Vittorio Neuroni: (i) holds 28.2% of the share capital of SYS-DAT S.p.A.; and (ii) is the father of the Company's CEO Matteo Luigi Neuroni and the Company's Executive Director Marta Neuroni;

- The Company's Chief Executive Officer Matteo Luigi Neuroni: (i) holds 17.2% of the share capital of SYS-DAT S.p.A.; (ii) is the son of the Company's Chairman of the Board of Directors Vittorio Neuroni; (iii) is the brother of the Company's Executive Director Marta Neuroni; and (iv) is the brother-in-law of the Company's Deputy Chairman of the Board of Directors Emanuele Edoardo Angelidis;

- The Vice Chairman of the Board of Directors, Emanuele Edoardo Angelidis: (i) holds 13.0% of the share capital of SYS-DAT S.p.A.; and (ii) is the brother-in-law of the Company's Executive Director Matteo Luigi Neuroni;

- The Company's Executive Director Marta Neuroni: (i) holds 6.5% of the share capital of SYS-DAT S.p.A.; (ii) is the daughter of the Chairman of the Board of Directors of the Company Vittorio Neuroni; and (iii) is the sister-in-law of the Company's Managing Director Matteo Luigi Neuroni.

**Relationships with controlled and parent companies**

With regard to relationships between the Company and its subsidiaries, all controlled companies are subject to direction and coordination of SYS-DAT S.p.A. as per art. 2497 – bis of the Civil Code.

The CEO

Matteo Luigi Neuroni


1,235.01
0.00
25,187.70
7,645.05
210.95
12,411.80
149.16
27,752.93
23.26
1.41%

# HALF-YEAR ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

## *Statement of Financial Position*

| *(Euro)* | Notes | 30 Jun 24 | 31 Dec 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 6.1 | 8.954.306 | 8.954.306 |
| Intangible assets | 6.2 | 7.861.012 | 7.383.815 |
| RoU assets | 6.3 | 5.222.739 | 3.994.658 |
| Tangible assets | 6.4 | 901.798 | 788.073 |
| Equity investments and other non-current assets | 6.5 | 87.317 | 87.617 |
| Deferred tax assets | 6.6 | 606.725 | 615.481 |
| **Total non-current assets** | | **23.633.897** | **21.823.949** |
| **Current assets** | | | |
| Inventories | 6.7 | 177.654 | 194.184 |
| Trade receivables | 6.8 | 15.455.337 | 16.015.464 |
| Activities for work in progress on order | 6.9 | 1.376.675 | 1.699.430 |
| Other receivables and current assets | 6.10 | 3.290.877 | 2.340.020 |
| Current financial assets | 6.11 | 4.956.800 | 4.633.409 |
| Cash and cash equivalent | 6.12 | 16.585.959 | 14.437.097 |
| **Total current assets** | | **41.843.302** | **39.319.605** |
| **TOTAL ASSETS** | | **65.477.199** | **61.143.554** |

| | | | |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Share Capital | 6.13 | 1.015.000 | 1.015.000 |
| Other reserves | 6.13 | 17.743.170 | 13.870.040 |
| Net result | 6.13 | 2.618.131 | 4.232.371 |
| Shareholders' equity | 6.13 | 174.147 | 170.895 |
| **Total group equity** | | **21.550.448** | **19.288.306** |
| **Non-current liabilities** | | | |
| Non-current financial liabilities | 6.14 | 9.798.644 | 11.024.509 |
| Deferred taxes liabilities | 6.6 | 1.872.981 | 1.793.642 |
| Employee benefits | 6.15 | 6.438.300 | 6.661.793 |
| Provisions | 6.16 | 208.908 | 330.346 |
| **Total non-current liabilities** | | **18.318.833** | **19.810.289** |
| **Current liabilities** | | | |
| Current financial liabilities | 6.14 | 5.968.334 | 4.909.934 |
| Trade payables | 6.17 | 3.186.961 | 4.564.415 |
| Advance payments on work in progress | 6.9 | 1.606.554 | 1.783.180 |
| Current tax debts | 6.18 | 3.242.570 | 2.091.846 |
| Other current debts and liabilities | 6.19 | 11.603.499 | 8.695.584 |
| **Total current liabilities** | | **25.607.918** | **22.044.960** |
| **TOTAL LIABILITIES AND EQUITY** | | **65.477.199** | **61.143.554** |

## *Income Statement*

| *(Euro)* | Notes | 30 June 2024 | 30 June 2023 | Var. % |
|---|---|---|---|---|
| Operating Revenues | 7.1 | 28.389.391 | 22.251.469 | 27,6% |
| Other Revenues | 7.2 | 267.728 | 63.241 | 323,3% |
| **Total Revenue** | | **28.657.119** | **22.314.710** | **28,4%** |
| Purchasing cost | 7.3 | 1.542.896 | 1.230.864 | 25,4% |
| Changes in inventories | 7.3 | 313.728 | -151.090 | -307,6% |
| Service cost | 7.4 | 8.923.330 | 7.204.258 | 23,9% |
| Personnel | 7.5 | 11.734.356 | 8.969.208 | 30,8% |
| Other operating cost | 7.6 | 236.524 | 345.081 | -31,5% |
| **Total operating cost** | | **22.750.834** | **17.598.321** | **29,3%** |
| **EBITDA** | | **5.906.285** | **4.716.389** | **25,2%** |
| Amortisations and depreciations | 7.7 | 1.561.438 | 1.037.542 | 50,5% |
| Provisions and write-downs | 7.8 | 135.834 | 15.031 | 803,7% |
| **EBIT** | | **4.209.013** | **3.663.816** | **14,9%** |
| Income (expenses) from equity investments | 7.9 | 18.612 | 6.084 | 205,9% |
| Other financial income (expenses) | 7.9 | -81.736 | -292.425 | -72,0% |
| Value adjustments to financial assets and liabilities | 7.9 | -159.045 | 81.770 | -294,5% |
| **Income before taxes** | | **3.986.844** | **3.459.245** | **15,3%** |
| Income taxes | 7.10 | 1.365.721 | 1.338.924 | 2,0% |
| **Net Income** | | **2.621.123** | **2.120.321** | **23,6%** |

## *Comprehensive Income Statement*

| *(Euro)* | Notes | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| **Net Income** | | 2.621.123 | 2.120.321 |
| **Other comprehensive Income//(losses) that will be re-classified as Income/(losses):** | 6.13 | 0 | 0 |
| Fiscal impact | | 0 | 0 |
| **Total** | | **0** | **0** |
| **Other comprehensive Income//(losses) that will not be re-classified as Income/(losses):** | | | |
| Actualised Income/(losses) from IAS 19 defined benefits | 6.15 | 351.273 | 49.503 |
| Fiscal impact | | -80.201 | -11.859 |
| **Total** | | **271.071** | **37.645** |
| **Comprehensive Net Income** | | **2.892.194** | **2.157.966** |

## *Statement of changes in shareholders' equity*

*(Euro)*

| | Share Capital | Reserves | | | | | | | | Profit (Loss) for the year | Total net assets of the parent company | Third party capital and reserves | Profit (loss) of third parties | Total third-party net asset | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share premium reserves | Legal reserves | OCI - IAS 19 reserves | IFRS 2 warrant reserves | FTA reserves | Other reserves | Undivided profit reserves | Retained profit reserves | | | | | | |
| **31/12/2022** | **1.015.000** | **60.000** | **203.000** | **221.573** | **84.136** | **543.619** | **778.006** | **2.422.230** | **6.797.777** | **3.676.628** | **15.801.969** | **147.356** | **14.175** | **161.531** | **15.963.500** |
| Allocation of profit from the previous financial year to parent company | | | | | | | | | 226.902 | -886.652 | -659.750 | | | | -659.750 |
| Allocation of profit from the previous financial year to subsidiaries | | | | | | | | 2.789.976 | | -2.789.976 | | 14.175 | -14.175 | | 0 |
| Change in consolidation area - controlled entities | | | | | | | | 33.000 | -267.059 | | -234.059 | | | | -234.059 |
| Warrant fair value adjustment | | | | | 55.735 | | | | | | 55.735 | | | | 55.735 |
| Total profit (Loss) for the financial year | | | | -78.850 | | | | | | 4.232.371 | 4.153.520 | -5 | 9.369 | 9.364 | 4.162.884 |
| **31/12/2023** | **1.015.000** | **60.000** | **203.000** | **142.722** | **139.871** | **543.619** | **778.006** | **5.245.206** | **6.757.620** | **4.232.371** | **19.117.415** | **161.526** | **9.369** | **170.895** | **19.288.310** |
| Allocation of profit from the previous financial year to parent company | | | | | | | 1.722.857 | | 660.000 | -2.382.857 | | | | | |
| Allocation of profit from the previous financial year to subsidiaries | | | | | | | | 1.849.513 | | -1.849.513 | | 9.369 | -9.369 | | |
| Closing Directors' Severance Indemnity | | | | | | 26 | | 9.616 | -7.564 | | 2.077 | | | | 2.077 |
| Distribution of dividends | | | | | | | | | -660.000 | | -660.000 | | | | -660.000 |
| Warrant fair value adjustment | | | | | 27.867 | | | | | | 27.867 | | | | 27.867 |
| Total profit (Loss) for the financial year | | | | 270.809 | | | | | | 2.617.765 | 2.888.575 | 262 | 3.359 | 3.621 | 2.892.195 |
| **30/06/2024** | **1.015.000** | **60.000** | **203.000** | **413.532** | **167.738** | **543.645** | **2.500.863** | **7.104.335** | **6.750.056** | **2.617.765** | **21.375.934** | **171.157** | **3.359** | **174.516** | **21.550.450** |

## *Financial statement*

| *(Euro)* | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| **Net income** | **2.621.123** | **2.120.321** |
| Taxes | 1.365.850 | 1.320.361 |
| Depreciation | 1.561.438 | 1.037.542 |
| Other variations | 8.853 | 943.951 |
| **Funding from operations** | **5.557.264** | **5.422.175** |
| Change in inventories | 339.286 | -525.990 |
| Change in trade receivables | 560.126 | -926.123 |
| Change in trade payables | -1.377.450 | -859.018 |
| Change in other assets and liabilities | 1.978.420 | 2.968.740 |
| Taxes paid | -395.806 | -469.059 |
| **Operating cash flow** | **6.661.840** | **5.610.727** |
| Investments in intangible assets | -1.454.321 | -1.086.720 |
| Investments in tangible assets | -276.220 | -67.896 |
| Interest income collected | 50.856 | 29.908 |
| Change in other financial assets | -1.361.673 | -821.682 |
| **Investment activities Cash Flow** | **-3.041.357** | **-1.946.391** |
| Change in financial debts | -4.402 | -3.134 |
| Repayment of loans | -774.681 | -809.490 |
| Dividends | -660.000 | -659.750 |
| Interest paid | -32.537 | 89.778 |
| **Financial activities cash flow** | **-1.471.620** | **-1.382.596** |
| Liquidity acquired (transferred) from changes in the consolidation area | 0 | -711.896 |
| **Total cash flow (net of changes in consolidation area)** | **2.148.862** | **1.569.845** |
| | | |
| **Cash and cash equivalent at the beginning of the period** | **14.437.097** | **13.866.857** |
| Total cash flow | 2.148.862 | 1.569.845 |
| **Cash and cash equivalent at the end of the period** | **16.585.960** | **15.436.701** |

# EXPLANATORY NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS AS OF 30 JUNE 2024

## 1. General information

### 1.1 Introduction

SYS-DAT S.p.A. is a company incorporated and domiciled in Italy, with registered office in Milano (MI), Via Muzio Attendolo detto Sforza 7/9, organized according to the law of the Italian Republic.

SYS-DAT is operating in the ICT market in Italy for the corporate world, from micro-enterprises to large multinationals, and is rooted in many years of experience developed in the market of IT solutions for the main industrial segments and services typical of Made in Italy.

SYS-DAT offers IT solutions for all of its clients' mission critical processes.

### 1.2 Scope of Consolidation

These consolidated half-year financial statements as of 30 June 2024 (the 'Half-year Financial Statements') include the financial position of the Company and the companies in which it holds the majority of voting rights.

The companies included in the consolidation area are consolidated on a line-by-line basis.

The following table shows the consolidated companies as at 30 June 2024. The scope of consolidation did not change compared to 31 December 2023.

| *(Euro)* | **Office** | **Share capital** | **Shares %** |
|---|---|---|---|
| LOGIC ONE SRL | Palermo | 40.000 | 100% |
| MODASYSTEM SRL | Bassano del Grappa (VI) | 250.000 | 100% |
| BTW INFORMATICA SRL | Milano | 50.000 | 100% |
| NEKTE SRL | Milano | 204.890 | 100% |
| HARS SRL | Modena | 115.000 | 100% |
| SYS-DAT VERONA SRL | Verona | 200.000 | 82% |
| HUMATICS SRL | Verona | 10.000 | 70% |
| EMMEDATA SRL | Civitanova Marche (MC) | 31.200 | 100% |
| TRIZETA SRL | Monselice (PD) | 10.000 | 100% |
| VCUBE SRL | Novellara (RE) | 10.000 | 70% |
| SISOLUTION SRL | Milano | 11.000 | 100% |

## 2. Summary of accounting principles adopted

### 2.1 Preparation basis

The Company uses the *International Financial Reporting Standards*, issued by the *International Accounting Standards Board*, and adopted by the European Union (the "**International Accounting Standards**") for the preparation of its financial statements.

It should be noted that the Company prepared the previous Three-Year Financial Statements for the years ended 31 December 2023, 2022 and 2021 (hereinafter the "**Three-Years Consolidated Financial Statements**") on a voluntary basis in accordance with the International Accounting Standards (hereinafter also "**EU-IFRS**"), as part of the process of listing the Company's shares on Euronext Milan organized and managed by Borsa Italiana S.p.A., for the purposes of its inclusion in the Offer Prospectus since, previously, the Company prepared its financial statements in accordance with the regulations applicable in Italy and the accounting principles issued by the National Council of Chartered Accountants and Experts Accounting Standards, modified by the Italian Accounting Body (the "**Italian Accounting Principles**"). The Offer Prospectus was published on 19 June 2024 following approval by CONSOB (approval notification No. 0061583/24 of 19 June 2024) and is available on the Company's website.

Below are the main accounting criteria and principles applied in the preparation of the Half-Year Financial Statements.

### 2.2 Declaration of compliance with international accounting standards

The half-yearly balance sheet drawn up in accordance with the International Accounting Principles approved by European Commission and in force on 31 December 2023. EU-IFRS means all the "*International Financial Reporting Standards*", all the "*International Accounting Standards*" (IAS) and all the interpretations of the "*International Financial Reporting Interpretations Committee*" (IFRIC), previously called the "*Standing Interpretations Committee*" (SIC).

### 2.3 General drafting principles

The half-yearly balance sheet is made up of the mandatory accounting statements required by IAS 1, namely the statement of financial position, the income statement, the comprehensive income statement, the statement of changes in equity and the cash flow statement, as well as the explanatory notes and is accompanied by the Directors' report on management performance.

The Company has chosen to represent the income statement by nature of expense, while the assets and liabilities of the equity and financial situation are divided into current and non-current. The financial statement is prepared according to the indirect method. The schemes used are those that best represent the economic, equity and financial situation of the Company.

An asset is classified as current when:

- it is assumed that this asset is carried out, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held primarily for the purpose of trading;
- it is assumed that it will be achieved within twelve months of the closing date of the financial year;
- consists of cash or cash equivalents (unless it is prohibited to exchange it or use it to settle a liability for at least twelve months from the closing date of the financial year).

All other assets are classified as non-current. In particular, IAS 1 includes tangible assets, intangible assets and financial assets of a long-term nature among non-current assets.

A liability is classified as current when:

- it is expected to be extinguished in the normal operating cycle;
- it is held primarily for the purpose of trading;
- will be settled within twelve months of the closing date of the financial year;
- there is no unconditional right to defer its settlement for at least twelve months from the closing date of the financial year. The clauses of a liability which could, at the choice of the counterparty, give rise to its extinction through the issue of equity instruments, do not affect its classification.

All other liabilities are classified by the company as non-current.

The operating cycle is the time between the acquisition of goods for the production process and their realization in cash or equivalent means. When the normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

The Half-year Financial Statements were drawn up in Euro, the Company's functional currency. The financial, equity and economic situations, the informative notes and the illustrative tables are expressed in Euros, unless otherwise indicated.

The Half-year Financial Statements have been prepared:

- based on the best knowledge of EU-IFRS and taking into account the best doctrine on the subject; any future guidelines and interpretative updates will be reflected in subsequent years, according to the methods provided from time to time by the reference accounting standards;
- in the perspective of the continuity of the company activity, according to the principle of accrual accounting, in compliance with the principle of relevance and significance of information, the prevalence of substance over form and with a view to promoting consistency with future presentations. Assets and liabilities, costs and revenues are not offset against each other, unless this is permitted or required by International Accounting Principles;
- on the basis of the conventional historical cost criterion, except for the measurement of financial assets and liabilities in cases where the application of the fair value criterion is mandatory, and for the financial statements of companies operating in economies subject to hyperinflation, drawn up based on the current cost criterion.

## 2.4 Accounting principles and evaluation criteria

The criteria adopted with reference to the classification, registration, evaluation and cancellation of the various asset and liability items, as well as the criteria for recording the income components, are illustrated below.

**Intangible assets**

An intangible asset is an asset that, at the same time, satisfies the following conditions:

- is identifiable;
- it is non-monetary;
- it has no physical consistency;
- is under the control of the company that prepares the financial statements;
- it is expected to produce future economic benefits for the company.

If an asset does not meet the above requirements to be defined as an intangible asset, the expense incurred to purchase the asset or generate it internally is accounted for as a cost when it is incurred.

Intangible assets are initially recognized at cost. The cost of intangible assets acquired externally includes the purchase price and any directly attributable costs.

Internally generated goodwill is not recognized as an asset as are intangible assets arising from research (or from the research phase of an internal project).

An intangible asset arising from the development or development phase of an internal project is recognized if compliance with the following conditions is demonstrated:

- the technical feasibility of completing the intangible asset so that it is available for use or sale;
- the intention to complete the intangible asset to use or sell it;
- the ability to use or sell the intangible asset;
- the way in which the intangible asset is capable of generating future economic benefits and in particular the existence of a market for the product of the intangible asset or for the intangible asset itself or, if it is to be used for internal purposes , its usefulness;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset;
- the ability to reliably evaluate the cost attributable to the intangible asset during its development.

Intangible assets are valued using the cost method in accordance with one of the two different criteria provided by IAS 38 (cost model and value redetermination model). The cost model provides that after initial recognition an intangible asset must be recognized at cost net of accumulated amortization and any accumulated impairment losses.

The useful life estimated by the Company for the various categories of intangible assets is shown below:

| Intangible asset category | Depreciation rate |
|---|---|
| Brands | 20% |
| Customer relationship | 10% |
| Software | 20 - 33% |

Software typically has a depreciation rate of 20%, but some of the acquired companies had an historical rate of 33%

The following main intangible assets can be identified within the Company:

*(a) Intangible assets with a finite useful life*

Intangible assets with a finite useful life are recognized at cost, as previously described, net of cumulative amortization and any losses in value.

Depreciation begins when the asset is available for use and is systematically distributed in relation to its residual possibility of use, i.e. on the basis of its estimated useful life; for the value to be amortized and the recoverability of the book value, the criteria indicated, respectively, in the paragraphs "*Tangible assets*" and "*Impairment of goodwill, tangible and intangible assets and right-of-use assets*" apply.

*(b) Intangible assets with an indefinite useful life*

Intangible assets with an indefinite useful life are recognized at cost, as previously described, net of any losses in value. An intangible asset with an indefinite useful life is not depreciated.

In accordance with IAS 36, an entity must verify whether an intangible asset with an indefinite useful life has been impaired by comparing its recoverable amount to its carrying amount:

(a) annually;

(b) whenever there is an indication that the intangible asset may have been impaired.

The useful life of an intangible asset that is not depreciated shall be reviewed at each reporting period to determine whether facts and circumstances continue to support an indefinite useful life determination for that asset. If this is not the case, the change in the determination of the useful life from indefinite to finite shall be accounted for as a change in accounting estimate in accordance with IAS 8.

In accordance with IAS 36, the restatement of the useful life of an intangible asset as finite rather than indefinite indicates that the asset may have been impaired. As a result, an entity tests the asset by comparing its recoverable amount, as determined in accordance with IAS 36, with its carrying amount, and recognising any excess of the carrying amount over the recoverable amount as an impairment loss.

**Assets and liabilities for right of use and lease**

In accordance with IFRS 16, a contract is, or contains, a *lease* if, in exchange for consideration, it confers the right to control the use of a specified asset for a period of time. The contract is re-evaluated to see whether it is, or contains, a *lease* only if the terms and conditions of the contract change.

For a contract that is, or contains, a *lease*, each *lease* component is separated from the *non-lease* components, unless the Company applies the practical expedient in paragraph 15 of IFRS 16. This practical expedient allows the lessee to choose , for each underlying asset class, not to separate the *non-lease* components from the *lease* components and to account for each *lease* component and the associated *non-lease* components as a single *lease* component.

The *lease* duration is determined as the non-cancellable period of the *lease*, to which both of the following periods are added:

- periods covered by a *lease* extension option, if the lessee has reasonable certainty of exercising the option; And
- periods covered by the *lease* termination option, if the lessee has the reasonable certainty of not exercising the option.

When assessing whether the lessee is reasonably certain to exercise the *lease* extension option or not to exercise the *lease* termination option, all relevant facts and circumstances that create an economic incentive for the lessee to exercise the *lease* termination option shall be considered. option to extend the *lease* or not to exercise the option to terminate the *lease*. The lessee must re-determine the *lease* duration in the event of a change in the non-cancellable period of the *lease*.

On the effective date of the contract, the Company recognizes the right-of-use asset and the related *lease* liability.

On the effective date of the contract, the right-of-use asset is valued at cost. The cost of the right-of-use activity includes:

a) the amount of the initial valuation of the *lease* liability;

b) lease payments due on or before the effective date net of *lease* incentives received;

c) the direct initial costs incurred by the tenant; And

d) the estimate of the costs that the lessee will have to bear for the dismantling and removal of the underlying asset and for the restoration of the site on which it is located or for the restoration of the underlying asset in the conditions established by the terms and conditions of the *lease*, unless such costs are incurred for the production of inventories. The obligation relating to the aforementioned costs arises with the lessee on the effective date or as a consequence of the use of the underlying asset during a specific period.

At the effective date of the contract, the lessee must measure the *lease* liability at the present value of the *lease* payments not paid as of that date. *Lease* payments include the following amounts:

a) fixed payments, net of any *lease* incentives to be received;

b) variable *lease* payments that are dependent on an index or rate, initially valued using an index or rate at the commencement date;

c) the amounts that the lessee is expected to pay as residual value guarantees;

d) the exercise price of the purchase option, if the lessee has reasonable certainty of exercising the option; And

e) *lease* termination penalty payments, if the lease duration takes into account the lessee's exercise of the lease termination option.

*Lease* payments should be discounted using the interest rate implied by the *lease*, if it can be easily determined. If this is not possible, the lessee must use its marginal financing rate, i.e. the incremental interest rate that the Company would have to pay to obtain financing of the same duration and amount as the *lease*.

After initial recognition, the right-of-use asset is valued at cost:

a) net of accumulated depreciation and accumulated reductions in value; And

b) adjusted to take into account any redeterminations of the *lease* liability.

After initial recognition, the *lease* liability is measured:

a) increasing the book value to take into account interest on the *lease* liability;

b) decreasing the book value to take into account the payments due for the leases made; And

c) recalculating the book value to take into account any new assessments or changes to the *lease* or the review of payments due for substantially fixed leases.

In the event of *lease* modifications that are not configured as a separate *lease*, the right-of-use asset is redetermined (upwards or downwards), consistently with the change in the lease liability on the date of the modification. The *lease* liability is redetermined based on the new conditions set out in the *lease* contract, using the discount rate at the date of the modification.

It should be noted that the Company makes use of the exemption provided for by IFRS 16, with reference to the *leases* of assets of modest value (i.e. when the value of the underlying asset, if new, is approximately lower than Euro 5.000) and to short-term *leases* (i.e. *lease* contracts that have a duration equal to or less than 12 months from the effective date). In such cases, the right-of-use asset and the related *lease* liability are not recognised, and the payments due for the *lease* are recognized in the income statement.

The lessor must classify each of its leases as operational or financial. A *lease* is classified as financial if it transfers substantially all the risks and rewards associated with ownership of an underlying asset. A *lease* is classified as operational if it does not substantially transfer all the risks and rewards of ownership of an underlying asset. In the case of financial leases, on the effective date the lessor must recognize the assets held under the financial lease in the statement of financial position and expose them as a credit at a value equal to the net investment in the *lease*. In the case of operating leases, the lessor must recognize payments due as income on a straight-line or other systematic basis. The lessor must also recognize the costs, including depreciation, incurred to realize the lease proceeds.

**Tangible assets**

The accounting of property, plant and machinery among tangible assets occurs only when the following conditions occur simultaneously:

- it is probable that the future economic benefits attributable to the asset will be enjoyed by the company;
- the cost can be reliably determined.

Tangible assets are initially measured at cost, defined as the monetary or equivalent amount paid or the fair value of other considerations given to acquire an asset, at the time of purchase or replacement. After initial registration, tangible assets are valued using the cost method, net of the depreciation charges recorded and any accumulated loss in value.

The cost includes the costs directly incurred to make their use possible, as well as any dismantling and removal costs that will be incurred as a result of contractual obligations that require the asset to be returned to its original conditions.

Charges incurred for maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement when incurred. The capitalization of costs relating to the expansion, modernization or improvement of structural elements owned or used by third parties is carried out to the extent that they meet the requirements to be separately classified as an asset or part of an asset.

The depreciation criterion used for tangible assets is the straight-line method, over their useful life.

The useful life estimated by the Company for the various categories of tangible assets is shown below:

| Tangible asset category | Depreciation rate |
|---|---|
| Real estate buildings | 3% |
| Plants and Machinery | 15 - 25% |
| Electronic office machines | 20% |
| Furniture | 15 - 20% |
| Cars | 20 - 25% |

Plants and Machinery typically has a depreciation rate of 25%, but some of the acquired companies had an historical rate of 15%

Furniture typically has a depreciation rate of 20%, but some of the acquired companies had an historical rate of 15%

Cars typically has a depreciation rate of 25%, but some of the acquired companies had an historical rate of 20%

At the end of each financial year, the Company verifies whether significant changes have occurred in the expected characteristics of the economic benefits deriving from the capitalized assets and in this case proceeds to modify the depreciation criterion, which is considered as a change in estimate in accordance with the provisions of the IAS 8 principle.

The value of the tangible asset is completely written off upon its disposal or when the company expects that no economic benefit will derive from its disposal.

Capital contributions are accounted for when there is reasonable certainty that they will be received and that all the conditions relating to them are satisfied. The contributions are therefore suspended among the liabilities and credited pro-rata to the income statement in relation to the useful life of the relevant assets.

**Reduction in value of tangible and intangible assets and right-of-use assets**

At each balance sheet reference date, a check is carried out to ascertain whether there are indicators that the tangible and intangible assets and right-of-use assets may have suffered a reduction in value. To this end, both internal and external sources of information are considered. With

regard to the former (internal sources), the following are considered: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset and the economic performance of the asset compared to what was expected. As regards external sources, the following are considered: the trend in market prices of the assets, any technological, market or regulatory discontinuities, the trend in market interest rates or the cost of capital used to evaluate investments.

If the presence of such indicators is identified, the recoverable value of the aforementioned assets is estimated, attributing any write-down compared to the related book value to the comprehensive income statement. The recoverable value of an asset is represented by the greater of the fair value, net of ancillary costs of sale, and the related value in use, determined by discounting the future financial flows estimated for that asset, including, if significant and reasonably determinable , those deriving from the sale at the end of the relevant useful life, net of any disposal costs. In determining the value in use, the expected future financial flows are discounted using a pre-tax discount rate that reflects current market assessments of the cost of money, in relation to the investment period and the specific risks of the asset. For an asset that does not generate largely independent financial flows, the recoverable amount is determined in relation to the cash generating unit to which the asset belongs.

A loss of value is recognized in the comprehensive income statement if the carrying value of the asset,or of the CGU to which it is allocated, is higher than the related recoverable value. Reductions in the value of a CGU are attributed primarily to a reduction in the book value of any goodwill attributed to it and, therefore, to a reduction in other assets, in proportion to their book value and within the limits of the related recoverable value. If the conditions for a previously carried out write-down cease to exist, the book value of the asset is restored with attribution to the income statement, within the limits of the net book value that the asset in question would have had if the write-down had not been carried out and they had been the related amortizations have been carried out.

**Equity investments**

Equity investments in subsidiary companies are valued at cost, net of any losses in value ("*impairment*"). An investment is impaired when its book value exceeds its recoverable amount. The book values of investments are subject to evaluation whenever there are clear internal or external indicators of the company that indicate the possibility of a reduction in the value of the investment.

In particular, the indicators analyzed to assess whether an investment has suffered a loss in value are the following:

- the book value of the investment in the separate financial statements exceeds the book value of the net assets of the investee expressed in the consolidated financial statements, including, if applicable, the related goodwill;
- the dividend distributed by the subsidiary exceeds the total retained earnings of the subsidiary from the date of purchase or incorporation;
- the operating result achieved by the investee company is significantly lower than the amount envisaged in the management plan, in the event that this indicator can be considered significant for the reference company;
- there are expectations of significantly decreasing operating results for future years;
- existence of changes in the technological, market, economic or regulatory environment in which the investee operates which may generate significant negative economic effects on the Company's results.

The *impairment* test consists of comparing the book value and the recoverable value of the investment. If the recoverable value of an investment is lower than the book value, the latter is reduced to the recoverable value. This reduction constitutes a loss of value charged to the income statement.

The recoverable value of an investment is identified as the greater of the *fair value* and the value in use. The value in use of an investment is the present value of the future financial flows that are expected to originate from a financial flow-generating investment. Value in use reflects the effects of factors that may be entity-specific, factors that may not apply to any one entity. If the conditions for a previously carried out devaluation cease to exist, the book value of the investment is restored with attribution to the income statement, within the limits of the original cost.

**Financial activities**

At the time of their initial recognition, financial assets must be classified into one of the following categories: (i) financial assets measured at amortized cost, (ii) financial assets measured at *fair value* with impact on other comprehensive income (OCI) and (iii) financial assets measured at *fair value* through profit and loss. This classification is carried out on the basis of the following elements:

- the entity's business model for managing financial assets; and
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are subsequently cancelled from the balance sheet only if the sale has resulted in the substantial transfer of all the risks and benefits connected to the assets themselves. On the other hand, if a significant portion of the risks and benefits relating to the financial assets sold have been maintained, these continue to be recorded in the balance sheet, even if legally the ownership of the assets themselves has actually been transferred.

*Financial assets measured at amortized cost*

Financial assets that satisfy both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved through the collection of contractually envisaged financial flows ("*Hold to Collect*" business model); And
- the contractual terms of the financial asset provide, on certain dates, financial flows represented solely by payments of principal and interest on the amount of principal to be repaid (so-called "SPPI test" passed).

Upon initial recognition, these assets are accounted for at *fair value*, including transaction costs or proceeds directly attributable to the instrument itself. After initial recognition, the financial assets in question are valued at amortized cost, using the effective interest rate method. The amortized cost method is not used for assets - valued at historical cost - whose short duration means that the effect of applying the discounting logic is negligible, for those without a defined maturity and for revocable credits.

*Financial assets measured at fair value through profit and loss*

A financial asset representing a debt instrument that is not measured at amortised cost or fair value through OCI is measured at fair value through profit and loss. This category includes financial assets held for trading purposes. Interest income accrued on financial assets held for trading contributes to the overall measurement of the fair value of the instrument and is recognised under "Financial income (expense)". When the purchase or sale of financial assets takes place in accordance with a contract that provides for the settlement of the transaction and the delivery of the asset within a certain number of days, established by market supervisory bodies or market conventions (e.g. purchase of securities on regulated markets), the transaction is recognised on the settlement date.

**Warrants**

The Warrants are valued on the basis of the International Financial Reporting Standard n. 2 (IFRS 2) – "Share-based payments" – the estimate of the fair value of the equity instruments assigned.

The evaluation of the rights assigned was carried out by reflecting the financial market conditions valid at the date of assignment.

The methodology adopted for estimating the fair value follows the risk neutral approach typical of these problems; in our model the risk free rate curve is deduced from the interest rate swap rates on the market on the measurement date.

The volatility of the Company's stock was estimated with reference to the historical volatility, on a daily basis, of comparable companies.

It was considered reasonable to use 30 June 2024 as the time horizon for the realization of the liquidity event; furthermore, a percentage of occurrence was attributed to this event. Consequently, this time reference was used for the evaluation of the Warrants.

Please refer to Note 7.5 for details on related costs.

**Trade receivables**

Trade receivables deriving from the transfer of goods and the provision of services are recognized according to the terms set out in the contract with the customer based on the provisions of IFRS 15 and classified according to the nature of the debtor and/or the expiry date of the credit (this definition includes invoices to be issued for services already provided).

Furthermore, since trade credits are generally short-term and do not provide for the payment of interest, the amortized cost is not calculated, and they are accounted for on the basis of the nominal value reported in the invoices issued or in the contracts stipulated with customers: this provision it is also adopted for trade credits that have a contractual duration exceeding 12 months, unless the effect is particularly significant. The choice derives from the fact that the amount of short-term credits is very similar when applying the historical cost method or the amortized cost criterion and the impact of the discounting logic would therefore be completely negligible.

Trade receivables are subject to a test for reduction in value (so-called impairment) based on the provisions of IFRS 9. For the purposes of the evaluation process, trade receivables are divided into overdue time bands. For performing loans, a collective assessment is carried out by grouping the individual exposures on the basis of similar credit risk. The measurement is carried out on the basis of expected losses over the life of the credit, determined starting from the losses recorded for assets with similar credit risk characteristics based on historical experience, and adjusted in order to reflect forecasts of future economic conditions.

**Inventories**

Inventories are goods:

- held for sale in the normal course of business;
- employed in production processes for sale;
- in the form of materials or supplies of goods to be used in the production process or in the provision of services.

Inventories are recorded at cost and valued at the lower of cost and net realizable value.

The cost of inventories includes all purchase costs, transformation costs as well as other costs incurred to bring the inventories to their current location and conditions while it does not include exchange differences in the case of inventories invoiced in foreign currencies. In compliance with the provisions of IAS 2, the weighted average cost method is used to determine the cost of inventories.

When the net realizable value is less than the cost, the excess is immediately written down in the income statement.

*Activities for work in progress*

Contract work in progress is represented by specific projects in progress in relation to multi-year or one-year contracts. When the result of a specific contract can be reliably estimated, the revenues and costs attributable to the relevant order are recognised as revenues and costs respectively in relation to the progress of the activity at the balance sheet date, based on the ratio between the costs incurred for the activity carried out up to the balance sheet date and the total estimated costs of the contract, unless this is considered representative of the progress of the order.

Contract changes, price revisions and incentives are included to the extent that they have been agreed with the client. When the result of a contract cannot be reliably estimated, the revenues attributable to the relevant order are recognised only within the limits of the contract costs incurred which are likely to be recovered. Contract costs are recognised as expenses in the year in which they are incurred. When the total contract costs are likely to be higher than the contract revenues, the expected loss is immediately recognized as an expense. The advances paid by the principals are deducted from the value of the inventories within the limits of the amounts accrued; the portion in excess of the value of inventories is recorded in liabilities.

**Cash and cash equivalents**

Cash and cash equivalents include cash and bank accounts and deposits repayable on demand and other highly liquid short-term financial investments, which are readily convertible into cash and are subject to a non-significant risk of change in value.

**Debts**

Trade payables and other payables are initially recognized at fair value and are subsequently valued based on the amortized cost method.

Payables to banks and other financiers are initially recorded at fair value, net of directly attributable ancillary costs, and are subsequently valued at amortized cost, applying the effective interest rate criterion. In the event that, following a change in the conditions of a financial liability, there is a change in the estimate of the expected cash flows that leads to a variation of less than 10% in such flows, it is necessary to recalculate the amortized cost of the financial liability and recognize a profit or loss resulting from the change in the net result. The amortized cost of the financial liability must be recalculated as the present value of the renegotiated or modified cash flows discounted at the original effective interest rate of the financial liability. Any costs or fees incurred in connection with the modification adjust the carrying amount of the modified financial liability and are amortized over the remaining term of the modified financial liability.

Debts are removed from the balance sheet upon their extinction and when the Company has transferred all the risks and charges relating to the instrument itself.

**Employee benefits**

Employee benefits include benefits provided to employees or their dependents and may be paid through payments (or the provision of goods and services) made directly to employees, their spouse, children or other dependents or to third parties, such as insurance companies and are divided into short-term benefits, benefits due to employees for the termination of the employment relationship and benefits following the end of the employment relationship.

Short-term benefits, which also include incentive programs represented by annual bonuses, MBOs and one-off renewals of national collective agreements, are accounted for as liabilities (cost accrual) after deducting any amount already paid, and as cost, unless some other IFRS requires or permits the inclusion of benefits in the cost of an asset (for example the cost of personnel employed in the development of internally generated intangible assets).

The category of benefits for the termination of the employment relationship includes early retirement incentive plans, which arise in the case of voluntary resignations which provide for the adhesion of the employee or a group of employees to trade union agreements for the activation of the so-called severance funds. solidarity, and dismissal plans, which take place in the case of termination of the employment relationship following a unilateral choice by the company. The enterprise recognizes the cost of such benefits as a balance sheet liability at the earliest date between the time the enterprise cannot withdraw the offer of those benefits and the time the enterprise recognizes the costs of a restructuring that falls within the scope of IAS 37. Provisions for redundancies are reviewed at least every six months.

Post-employment benefit plans are divided into two categories: defined contribution plans and defined benefit plans.

Defined contribution plans mainly include:

- supplementary pension funds which imply a defined amount of contribution by the company;
- the Staff leaving indemnity provision fund, limited to the amounts accruing from 1 January 2007 for companies with over 50 employees, regardless of the destination option chosen by the employee;
- the Staff leaving indemnity provision portions accrued from 1 January 2007 and allocated to supplementary pensions, in the case of companies with fewer than 50 employees;
- supplementary healthcare funds.

Defined benefit plans include:

- Staff leaving indemnity provision, limited to the portion accrued up to 31 December 2006 for all companies, as well as the portions accrued from 1 January 2007 and not intended for supplementary pension provision for companies with fewer than 50 employees;
- supplementary pension funds whose conditions provide for the payment of a defined benefit to members;
- seniority bonuses, which provide an extraordinary payment to the employee upon reaching a certain level of seniority.

In defined contribution plans, the obligation of the company that prepares the financial statements is determined on the basis of the contributions due for that financial year and therefore the evaluation of the obligation does not require actuarial hypotheses and there is no possibility of actuarial profits or losses.

The accounting of defined benefit plans is characterized by the use of actuarial hypotheses to determine the value of the obligation. This assessment is entrusted to an external actuary and is carried out on an annual basis. For discounting purposes, the Company uses the unitary credit projection method which involves the projection of future disbursements on the basis of historical statistical analyzes and the demographic curve and the financial discounting of such flows on the basis of a market interest rate . Actuarial profits and losses are recognized as a contra-entry to shareholders' equity (in the item "Reserve for actuarial profits and losses") as required by accounting standard IAS 19.

**Provisions for risks and charges, contingent assets and liabilities**

Potential assets and liabilities can be divided into several categories depending on their nature and their accounting implications. In particular:

- funds are actual obligations of uncertain amount and contingency/maturity that arise from past events and for which it is probable that there will be an outlay of economic resources for which it is possible to make a reliable estimate of the amount;
- contingent liabilities are possible obligations for which the probability of an outlay of economic resources is not remote;
- remote liabilities are those for which the outlay of economic resources is unlikely;
- contingent assets are assets for which the requirement of certainty is lacking and cannot be accounted for in the financial statements;
- the onerous contract is a contract in which the non-discretionary costs necessary to fulfill the obligations undertaken are greater than the economic benefits that are supposed to be obtainable from the contract;
- restructuring is a program planned and controlled by company management that significantly changes the scope of an activity undertaken by the company or the way in which the activity is managed.

For the purposes of accounting recognition of the burden, provisions are recognized in cases where there is uncertainty regarding the expiry or the amount of the flow of resources necessary to fulfill the obligation or other liabilities and in particular trade debts or allocations for presumed debts.

Provisions are distinguished from other liabilities as there is no certainty regarding the maturity or amount of future expenditure required for compliance. Given their different nature, provisions are shown separately from trade payables and provisions for presumed debts.

The accounting of a liability or the allocation to a fund occurs when:

- there is a current legal or implicit obligation as a result of past events;
- it is probable that the use of resources capable of producing economic benefits will be necessary to fulfill the obligation;
- a reliable estimate of the amount of the obligation can be made.

Provisions require the use of estimates. In extremely rare circumstances where a reliable estimate cannot be made, there is a liability that cannot be reliably determined and is therefore described as a contingent liability.

The provision for risks and charges is made for an amount that represents the best possible estimate of the expense necessary to liquidate the relevant obligation existing at the balance sheet reference date and takes into consideration the risks and uncertainties that inevitably surround

many facts and circumstances . The amount of the provision reflects any future events that may affect the amount required to settle an obligation if there is sufficient objective evidence that these will occur.

Once the best possible estimate of the expense necessary to liquidate the relevant obligation existing at the balance sheet reference date has been determined, the current value of the provision is determined, in the event that the effect of the current value of money is a relevant aspect.

*Financial liabilities*

Financial liabilities are classified, at the time of initial recognition, at fair value through profit or loss. All financial liabilities are initially recognised at fair value, plus transaction costs directly attributable to them in the case of mortgages, loans and payables. The Group's financial liabilities include trade payables and other payables, mortgages and loans, including overdrafts and guarantees. Loans and payables (the most important category for the Group) are measured at amortised cost, using the effective interest rate method. Gains and losses are accounted for in the income statement when the liability is settled, as well as through the depreciation process.

Amortized cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that are an integral part of the effective interest rate.

Financial guarantees are contracts that require payment to reimburse the holder of a debt instrument for a loss suffered as a result of the debtor's default on payment on the contractually stipulated deadline. In the event of issuance by the Group, financial collateral arrangements are initially recognised as liabilities at fair value, plus transaction costs directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the greater of the best estimate of the disbursement required to meet the secured obligation at the balance sheet date and the amount initially recognised, net of accumulated depreciation.

A financial liability is written off when the obligation underlying the liability is extinguished, cancelled or honoured. Where an existing financial liability is replaced by another from the same lender, under substantially different conditions, or the terms of an existing liability are substantially changed, such exchange or modification is treated as an accounting write-off of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognised in the income statement.

*Treasury shares*

The treasury shares repurchased are recognised at cost and reducing shareholders' equity. The purchase, sale or cancellation of treasury shares do not give rise to any profit or loss in the income statement. Any differences in the event of reissue are recognised in the share premium reserve.

**Operating Revenue**

Operating revenues are recognized when the following conditions occur:

- the contract with the customer has been identified;
- the contractual obligations (“performance obligations”) contained in the contract have been identified;
- the price has been determined;
- the price was allocated to the individual contractual obligations contained in the contract;
- the contractual obligation contained in the contract has been satisfied.

The Company recognizes operating revenues when (or as it) fulfills the contractual obligation by transferring the promised good or service (i.e. the activity) to the customer. The asset is transferred when (or as) the customer acquires control.

The Company transfers control of the good or service over time, and therefore fulfills the contractual obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and uses the benefits deriving from the entity's performance as the latter performs it;
- the Company's performance creates or improves the asset (for example, work in progress) that the customer controls as the asset is created or improved;
- the Company's performance does not create an activity that presents an alternative use for the Company and the Company has the enforceable right to payment for the service completed up to the date considered.

If the contractual obligation is not fulfilled over time, the contractual obligation is fulfilled at a certain time. In this case, the Company recognizes the revenue when the customer acquires control of the promised activity.

The contractual consideration included in the customer contract may include fixed amounts, variable amounts, or both. If the contractual consideration includes a variable amount (e.g. discounts, price concessions, incentives, penalties or other similar elements), the Company will estimate the amount of consideration to which it will be entitled in exchange for the transfer of the goods or services to the customer

promised. The Company includes in the price of the transaction the amount of the estimated variable consideration only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved there will not be a significant downward adjustment in the amount of cumulative revenues recognized.

In the event that the Company has the right to receive consideration in exchange for goods or services transferred to the customer, the Company recognizes an asset arising from contracts with customers. In the event of an obligation to transfer goods and services to the customer for which consideration has been received from the customer, the Company recognizes a liability arising from contracts with customers.

Incremental costs for obtaining contracts with customers are accounted for as assets and amortized over the life of the underlying contract, if the Company expects their recovery. The incremental costs for obtaining the contract are the costs that the Company incurs to obtain the contract with the customer and which it would not have incurred if it had not obtained the contract. Costs to obtain the contract that would have been incurred even if the contract had not been obtained must be recognized as a cost when they are incurred, unless they are explicitly chargeable to the customer even if the contract is not obtained.

*Cost recognition*

Costs are recognized in the income statement according to the accrual principle.

*Listing costs*

In accordance with IAS 32, the listing costs relating to a public subscription offer are recorded as a direct reduction of shareholders' equity, while the costs relating to a public sale offer are recorded directly in the income statement. In the event of a positive outcome of the listing operation, the ratio between the number of new shares and the number of post-listing shares will determine the percentage of charges that will be accounted for as a direct reduction of shareholders' equity. If the transaction does not occur, these costs must instead be expensed in the income statement. As of June 30, 2024, the Company has Euro 712 thousand listing costs accounted for in the balance sheet.

*Dividends*

Dividends received are accounted for in the income statement according to the accrual principle, i.e. in the financial year in which the related right to credit arises, following the shareholders' resolution to distribute dividends by the investee company.

Dividends distributed are represented as a movement in shareholders' equity in the year in which they are approved by the shareholders' meeting.

*Income taxes*

Current taxes are calculated on the basis of the taxable income for the year, applying the tax rates in force at the balance sheet date. Current taxes for the financial year and previous years, to the extent that they have not been paid, are recognized as liabilities. Current tax assets and liabilities, for the current and previous financial years, must be determined at the value that is respectively expected to be recovered or paid to the tax authorities, applying the tax rates and tax legislation in force or substantially issued on the date of balance sheet reference.

Deferred taxes are divided into:

- deferred tax liabilities, are the amounts of income taxes due in future years relating to taxable temporary differences;
- deferred tax assets, are the amounts of income taxes recoverable in future years relating to deductible temporary differences, carry forward of unused tax losses, carry forward of unused tax credits.

To calculate the amount of deferred tax assets and liabilities, the tax rate is applied to the identified temporary, taxable or deductible differences, or to unused tax losses and unused tax credits.

At each balance sheet reference date, a new evaluation is carried out of both the deferred tax assets not recognized in the balance sheet and the deferred tax assets recognized in the balance sheet in order to verify the existence of the assumption of the probability of recovery of the deferred tax assets.

*International Tax Reform - Second Pillar Model Rules (Amendments to IAS 12)*

In December 2022, the Organisation for Economic Cooperation and Development (OECD) published a draft legislative framework for a global minimum tax that should be used by individual jurisdictions. The aim of the framework is to reduce the transfer of profit from one jurisdiction to another in order to in order to reduce global tax obligations in corporate structures. In March 2022, the OECD published detailed technical guidance on the second pillar of standards.

Stakeholders have expressed concerns with the IASB about the potential implications on the income tax accounting, particularly with regard to deferred taxes, arising from the Pillar 2 rules.

On 23 May 2023, the IASB published final amendments relating to the International Tax Reform - Model Rules for the Second Pillar, in response to the concerns of the stakeholders.

The amendments introduce a mandatory exception for entities from the recognition and disclosure of deferred tax assets and liabilities related to the Second Pillar model rules. The exception has immediate and retroactive effect. The amendments also provide for additional disclosure requirements in relation to the entity's exposure to Pillar 2 income taxes.

Sys-Dat’s Management has determined that the Company does not fall within the scope of the OECD Model Rules of the Second Pillar of the OECD and that the exception to the recognition and disclosure of deferred tax assets and deferred tax liabilities relating to the Second Pillar is not applicable to the Company.

*Conversion of items into currency*

Transactions in currencies other than the functional currency are recognized at the exchange rate in force on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the Euro are subsequently adjusted to the exchange rate in force at the end of the financial year. Any exchange differences that may arise are reflected in the income statement under the item "Profits and losses on exchange rates"

## 3. Recently issued accounting standards

*New Accounting Standards, Interpretations and Amendments adopted as of 1 January 2024*

The following amendments are effective for the financial year beginning 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements) and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

*Financing Arrangements with Suppliers (Amendments to IAS 7 and IFRS 7)*

On 25 May 2023, the IASB published Financing Arrangements with Suppliers, amending IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) about financing arrangements with suppliers. The amendments also provide guidance on the characteristics of supplier financing arrangements.

The amendments provide a transitional exemption whereby an entity is not required to provide the disclosures otherwise required by the amendments for any interim period presented in the period in which the entity first applies these amendments.

The Group carried out an assessment of its contracts and operations and concluded that these amendments had no effect on the interim financial statements, regardless of the transition exemption provided.

*Lease Liabilities in a Sale and Leaseback Transaction (Amendments to IFRS 16)*

On 22 September 2022, the IASB issued amendments to IFRS 16 - Lease Liabilities in a Sale and Leaseback Transaction (the Amendments).

Prior to these Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising from a sale and leaseback transaction. The Amendments require that, in applying the following measurement requirements to lease liabilities in a sale and leaseback transaction, the seller-lessee determines the 'lease payments' or 'revised lease payments' in a manner that does not recognise any amount of gain or loss related to the right of use retained by the seller-lessee.

These changes had no effect on the Group's condensed interim consolidated financial statements.

*Classification of Liabilities as Current or Non-Current and Liabilities with Covenants (Amendments to IAS 1)*

The IASB published Amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-Current and subsequently, in October 2022 Non-Current Liabilities with Covenants.

The Amendments clarify the following:

The entity's right to defer settlement of a liability for at least twelve months after the exercise must be substantial and exist at the end of the period.

If an entity's right to defer settlement of a liability is subject to covenants, those covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant by the end of the reporting period.

The classification of a liability as current or non-current is not affected by the probability that the entity will exercise its right to defer settlement.

In the case of a liability that can be settled, at the option of the counterparty, by transferring the entity's own equity instruments, those settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These changes have no effect on the measurement of any item in the Group's financial statements.

### 4. *Estimates and assumptions*

The preparation of the financial statements requires the application of accounting principles and methodologies by the Directors which, in certain circumstances, are based on difficult and subjective assessments and estimates, based on historical experience and on assumptions that are considered from time to time. reasonable and realistic in light of the relevant circumstances.

The application of these estimates and assumptions influences the amounts reported in the financial statements, such as the statement of financial position, the income statement, the statement of comprehensive income, the cash flow statement, as well as the information provided. The final results of the financial statement items for which the aforementioned estimates and assumptions were used could differ, even significantly, from those reported in the financial statements which reveal the effects of the occurrence of the event being estimated, due to the uncertainty that characterizes the assumptions and conditions on which the estimates are based.

The areas that require greater subjectivity on the part of the Directors in the preparation of estimates more than others and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial results of the Company are the following:

a) *Reduction in value of tangible and intangible assets with a finite useful life:* tangible and intangible assets with a defined useful life are subject to verification in order to ascertain whether a loss in value has occurred when there are indicators that indicate difficulties in recovery of its net book value through use. The verification of the existence of the aforementioned indicators requires the Directors to carry out subjective assessments based on the information available from both internal and external sources, as well as on historical experience. Furthermore, if it is determined that a potential loss of value may have been generated, it is determined using valuation techniques deemed suitable. The correct identification of the indicators of a potential loss of value, as well as the estimates for determining them, depend on subjective assessments as well as on factors that can vary over time, influencing the assessments and estimates made by management.

b) *Reduction in value of tangible and intangible assets with a indefinite useful life:* in accordance with IAS 36, an entity must verify whether an intangible asset with an indefinite useful life has been impaired by comparing its recoverable amount to its carrying amount (a) annually (b) whenever there is an indication that the intangible asset may have been impaired.

c) *Provision for bad debts:* the determination of this provision reflects management estimates linked to the historical and expected solvency of customers.

d) *Provisions for risks and charges:* the identification of the existence or otherwise of a current obligation (legal or implicit) is in some circumstances not easy to determine. The Directors evaluate these phenomena on a case-by-case basis, together with the estimate of the amount of economic resources required to fulfill the obligation. When the Directors believe that the occurrence of a liability is only possible, the risks are indicated in the specific information note on commitments and risks, without giving rise to any allocation.

e) *Useful life of tangible and intangible assets:* the useful life is determined at the time the asset is recognized in the balance sheet. Useful life assessments are based on historical experience, market conditions and expectations of future events that could affect useful life, including technological changes. Accordingly, it is possible that the actual useful life may differ from the estimated useful life.

f) *Deferred tax assets:* deferred tax assets are recognized to the extent that the existence of adequate future tax profits against which the temporary differences or any tax losses can be used is probable.

g) *Inventories:* the final inventories of products that exhibit characteristics of obsolescence or slow turnover are periodically subjected to valuation tests and written down in the event that their recoverable value is lower than the book value. The write-downs carried out are based on assumptions and estimates of the Directors deriving from their experience and the historical results achieved.

h) *Lease liabilities:* the amount of the lease liability and consequently of the related right-of-use assets depends on the determination of the lease term. This determination is subject to management assessments, with particular reference to the inclusion or otherwise of the periods covered by the lease renewal and termination options provided for in the lease contracts. These assessments will be reviewed upon the occurrence of a significant event or significant change in circumstances that impacts management's reasonable certainty of exercising an option previously not considered in determining the lease term or of not exercising an option previously considered in the determination of the lease term.

## 5. *Financial risks management*

The Company's operations are exposed to financial risks that could adversely impact the economical and financial situation of the Company. Below they are listed the main policies to manage the Company's financial risks.

### Credit risk

The Company is exposed to credit risk. The Company's customers could delay or not fulfill their payment obligations in the agreed terms and that the internal procedures, related to customer credit evaluation, could not be sufficient to guarantee the cash in of such credits. The provision for bad debts reflects the expected losses calculated over the useful life of these assets. The estimate of expected losses is based on a dual approach which involves an individual analysis of each position of the most relevant customers and a collective analysis which groups customers with similar characteristics. Positions for which an objective condition of partial or total uncollectability is detected are subject to individual write-downs. In this case, the amount of the write-down takes into account an estimate of the recoverable flows based on the delay in payments. All other positions are instead subject to collective assessment using a matrix of provisions based on the age of the receivables and the experience of actual historical losses. The historical information used in defining the provisioning matrix is adequate to reflect current and prospective information on macroeconomic factors that influence customers' ability to settle their debts.

The value of receivables due, net of the provision for bad debts, is equal to Euro 15.455 thousand as of 30 June 2024, Euro 16.015 thousand as of 31 December 2023.

In the first semester of 2024, the credit balance is in line with the growth of the business.

### Liquidity risk

The Company is not exposed to funding risk given the amount of net financial position and the cash generated from the operations. The Company's cash flows, financing needs and liquidity are carefully monitored and managed through:

- maintaining an adequate level of available liquidity;
- obtaining adequate credit lines;
- monitoring prospective liquidity conditions, in relation to the business planning process.

Moreover, the Company has a very limited exposure to fluctuations in the exchange rates as it almost exclusively operates in Euro.

*6. Notes on the equity and financial situation*

### 6.1 Goodwill

The item Goodwill as of 30 June 2024 refers to acquisitions made over the years, with a value of €8.954 thousand, unchanged with respect to the balance as of 31 December 2023.

The following table shows the breakdown of Goodwill as of 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 June 2024** | **31 December 2023** |
|---|---|---|
| E-LAB CONSULTING SRL | 244.565 | 244.565 |
| MODASYSTEM SRL | 430.000 | 430.000 |
| BTW INFORMATICA SRL | 11.134 | 11.134 |
| NEKTE SRL | 526.380 | 526.380 |
| HARS SRL | 426.423 | 426.423 |
| SYS-DAT VERONA SRL | 1.637.255 | 1.637.255 |
| SYS-DAT VERONA SRL (ATTUA SRL merger) | 19.897 | 19.897 |
| HUMATICS SRL | 282.132 | 282.132 |
| EMMEDATA SRL | 1.495.156 | 1.495.156 |
| EQUALIS SRL | 57.728 | 57.728 |
| VCUBE SRL | 1.285.598 | 1.285.598 |
| SISOLUTION SRL | 1.584.080 | 1.584.080 |
| TRIZETA SRL | 247.701 | 247.701 |
| Business combinations goodwill before 31 December 2020 | 706.255 | 706.255 |
| **Total Goodwill** | **8.954.306** | **8.954.306** |

The following table shows the breakdown of Goodwill of acquisitions before 31 Dec 2020 as at 30 June 2024, unchanged from 31 Dec 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| VAR FASHION SRL (Company branch) | 230.000 | 230.000 |
| BMS SPA (Company branch) | 100.000 | 100.000 |
| SAI SRL (Company branch) | 216.000 | 216.000 |
| VAR DIGITAL SRL (Company branch) | 99.255 | 99.255 |
| TDA SAS DI MARIO APA (Company branch) | 21.000 | 21.000 |
| OS2 SRL (Company branch) | 40.000 | 40.000 |
| **Total Business combinations goodwill before 31 December 2020** | **706.255** | **706.255** |

In preparing these Half-Year Financial Statements, the Directors verified the sustainability of the forecasts of the main economic and equity indicators contained in the consolidated business plan for the period 2024-2027.

The analysis conducted did not reveal any impairment indicators and confirmed that the assumptions adopted are still valid to date, also in light of both the results achieved and the coverage resulting from the impairment tests of the balance sheet values recognised as of 31 December 2023.

The Group's directors therefore deemed that the conditions existed to confirm the goodwill values at 30 June 2024, without updating the impairment test.

### 6.2 Intangible assets other than goodwill

Intangible assets other than goodwill mainly refer to capitalised software development costs and customer portfolios related to acquisitions made over the years; customer portfolios are amortised at a rate of one-tenth of the original value, while software is mainly amortised at a rate of one-fifth of the original value, although some of the acquired companies had a historical rate of one-third for software.

The following table shows the breakdown of intangible assets other than goodwill as at 30 March 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Capitalized software development costs | 3.828.761 | 2.995.283 |
| Software | 1.106.815 | 1.269.923 |
| Customer portfolio | 2.859.431 | 3.046.911 |
| Other intangibles | 66.004 | 71.698 |
| **Total intangibles other than goodwill** | **7.861.011** | **7.383.815** |

The following table shows the changes in intangible assets other than goodwill in the financial year 2023 and in the first half of 2024.

| *(Euro)* | **Total** | **Capitalized software development costs** | | | **Software** | | | **Customer portfolio** | | | **Other intangibles** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Net Value** | **Gross value** | **Accum. Amort.** | **Net Value** | **Gross value** | **Accum. Amort.** | **Net Value** | **Gross value** | **Accum. Amort.** | **Net Value** | **Gross value** | **Accum. Amort.** | **Net Value** |
| **Net value 1st January 2023** | **3.906.906** | **2.539.983** | **-674.292** | **1.865.691** | **3.766.676** | **-2.989.965** | **776.711** | **1.451.716** | **-238.364** | **1.213.353** | **117.824** | **-66.672** | **51.152** |
| Investments | 106.657 | | | 0 | 77.856 | | 77.856 | 0 | | 0 | 28.801 | | 28.801 |
| Capitalizations | 2.046.985 | 2.046.985 | | 2.046.985 | | | 0 | | | 0 | | | 0 |
| Decreases and reclassifications | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization | -1.725.688 | | -917.394 | -917.394 | | -423.141 | -423.141 | | -374.959 | -374.959 | | -10.195 | -10.195 |
| Business combinations | 3.048.954 | | | 0 | 872.493 | -33.996 | 838.497 | 2.208.517 | 0 | 2.208.517 | 29.732 | -27.791 | 1.940 |
| **Net value 31st December 2023** | **7.383.814** | **4.586.968** | **-1.591.685** | **2.995.283** | **4.717.025** | **-3.447.102** | **1.269.923** | **3.660.233** | **-613.322** | **3.046.911** | **176.356** | **-104.658** | **71.698** |
| Investments | 111.809 | | | 0 | 101.318 | | 101.318 | | | 0 | 10.491 | | 10.491 |
| Capitalizations | 1.390.737 | 1.390.737 | | 1.390.737 | -2.840 | 2.840 | 0 | | | 0 | | | 0 |
| Decreases and reclassifications | -49.231 | | -8.938 | -8.938 | 91.735 | -128.745 | -37.010 | | | 0 | 4.992 | -8.275 | -3.283 |
| Amortization | -976.116 | | -548.320 | -548.320 | | -227.415 | -227.415 | | -187.479 | -187.479 | | -12.902 | -12.902 |
| Business combinations | 0 | | | 0 | | | 0 | | | 0 | | | 0 |
| **Net value 30 June 2024** | **7.861.012** | **5.977.704** | **-2.148.943** | **3.828.761** | **4.907.237** | **-3.800.422** | **1.106.815** | **3.660.233** | **-800.802** | **2.859.431** | **191.839** | **-125.835** | **66.004** |

Investments in intangible assets during the year, which amounted to Euro 112,000, were mainly attributable to software and applications supporting them.
During the reporting period, there were no indications of possible impairment losses with regard to intangible assets.

In the first half of 2024, the Company continued its development activities. The related costs incurred were capitalised in the period.

### 6.3 Right-of-use assets and current and non-current lease liabilities

The main financial information relating to the leasing contracts held by the Company, which mainly acts as a lessee, is shown in the following table.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Net book value of right-of-use assets (property) | 4.241.930 | 3.210.433 |
| Net book value of right-of-use assets (cars) | 980.809 | 784.225 |
| **Total net book value of right-of-use assets** | **5.222.739** | **3.994.658** |
| | | |
| Current lease liabilities | 863.142 | 640.569 |
| Non-current lease liabilities | 4.653.946 | 3.484.563 |
| **Total lease liabilities** | **5.517.088** | **4.125.132** |

The following table reports the main economic and financial information relating to the leasing contracts held by the Company.

| *(Euro)* | | |
|---|---|---|
| | **30 Jun 2024** | **31 Dec 2023** |
| Depreciation of right-of-use assets (property) | 261.112 | 206.015 |
| Depreciation of right-of-use assets (cars) | 160.707 | 124.505 |
| **Depreciation of right-of-use assets** | **421.819** | **330.520** |

| | | |
|---|---|---|
| **Interest expense for lease** | **105.679** | **109.928** |
| Property lease fees | 330.367 | 272.869 |
| Cars lease fees | 169.675 | 140.269 |
| **Total lease interest fees** | **500.042** | **413.138** |

Right-of-use assets relates to Properties owned by the company in Turin and leases for properties in Milan and to cars long term rentals mainly.

The following table shows the movements of right-of-use assets for the year 2023 and the first semester 2024.

| *(Euro)* | | Right-of-use assets | | | RoU assets (property) | | | RoU assets (cars) | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross value | Accum. Amort. | Net Value | Gross value | Accum. Amort. | Net Value | Gross value | Accum. Amort. | Net Value |
| **Net value 1 january 2023** | **5.980.581** | **-1.036.026** | **4.944.555** | **5.132.988** | **-634.252** | **4.498.736** | **847.593** | **-401.774** | **445.819** |
| Investments | 862.871 | | 862.871 | 395.289 | | 395.289 | 467.583 | | 467.583 |
| Decreases and reclassifications | -1.822.723 | 484.803 | -1.337.920 | -1.537.125 | 190.370 | -1.346.756 | -285.598 | 294.434 | 8.836 |
| Amortization | | -675.273 | -675.273 | | -419.678 | -419.678 | | -255.596 | -255.596 |
| Business combinations | 392.786 | -192.362 | 200.425 | 231.256 | -148.414 | 82.842 | 161.531 | -43.948 | 117.583 |
| **Net value 31 december 2023** | **5.413.516** | **-1.418.858** | **3.994.658** | **4.222.407** | **-1.011.974** | **3.210.433** | **1.191.109** | **-406.884** | **784.225** |
| Investments | 797.448 | | 797.448 | 634.553 | | 634.553 | 162.895 | | 162.895 |
| Decreases and reclassifications | 611.227 | 241.225 | 852.452 | 464.826 | 92.825 | 557.651 | 146.401 | 148.400 | 294.801 |
| Amortization | | -421.819 | -421.819 | | -160.707 | -160.707 | | -261.112 | -261.112 |
| Business combinations | | | | | | | | | |
| **Net value 30 june 2024** | **6.822.191** | **-1.599.452** | **5.222.739** | **5.321.785** | **-1.079.856** | **4.241.929** | **1.500.405** | **-519.596** | **980.809** |

As at 30 June 2024, the Company did not identify any indicators of impairment relating to assets with right-of-use.

On 27 December 2023, the Company carried out a partial and proportional demerger of its entire real estate assets, as already disclosed in the Three-Year Report.

The Company transferred leasing contracts for additional real estate in favour of Brick S.r.l., contracts that commenced on 1 January 2024 and consequently recognised as an increase on the related right-of-use assets and lease liabilities IFRS 16.

The following table shows the changes in lease liabilities in the financial year 2023 and in the first half of 2024.

| *(Euro)* | | 30 june 2024 | | | I semester 2024 | | | 31 december 2023 | |
|---|---|---|---|---|---|---|---|---|---|
| | Outstanding debt | Current liabilities | Non-current liabilities | Increments | Business comb. | Repayments | Outstanding debt | Current liabilities | Non-current liabilities |
| Lease liabilities (property) | 4.520.356 | 521.692 | 3.998.664 | 2.103.544 | 0 | -914.786 | 3.331.597 | 358.793 | 2.972.805 |
| Lease liabilities (cars) | 996.732 | 341.450 | 655.282 | 385.005 | 0 | -181.808 | 793.535 | 281.776 | 511.759 |
| **Total lease liabilities** | **5.517.088** | **863.142** | **4.653.946** | **2.488.549** | **0** | **-1.096.594** | **4.125.133** | **640.569** | **3.484.563** |

| *(Euro)* | | 31 december 2023 | | | 2023 | | | 1 january 2023 | |
|---|---|---|---|---|---|---|---|---|---|
| | Outstanding debt | Current liabilities | Non-current liabilities | Increments | Business comb. | Repayments | Outstanding debt | Current liabilities | Non-current liabilities |
| Lease liabilities (property) | 3.331.597 | 358.793 | 2.972.805 | 395.289 | 89.386 | -1.658.484 | 4.505.406 | 380.065 | 4.125.341 |
| Lease liabilities (cars) | 793.535 | 281.776 | 511.759 | 467.583 | 118.976 | -270.762 | 477.739 | 218.457 | 259.282 |
| **Total lease liabilities** | **4.125.133** | **640.569** | **3.484.563** | **862.871** | **208.363** | **-1.929.246** | **4.983.145** | **598.522** | **4.384.623** |

For lease liabilities, the interest rate was determined based on the Company's marginal borrowing rate, i.e. the rate the Company would have had to pay for a loan of similar term and collateral to obtain an asset of similar value in a similar economic environment. The Company determined a discount rate relative to the first half of 2024 of 4.25% for property lease liabilities and 4.16% for motor vehicle lease liabilities and relative to 2023 a rate for all lease liabilities of 5.15%, taking into account the decrease in base interest rates during the period.

### 6.4 Tangible assets

The following table shows the composition of tangible assets as of 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 23** |
|---|---|---|
| Buildings | 73.032 | 70.957 |
| Plant and machinery | 162.626 | 175.892 |
| Other tangibles | 666.140 | 541.224 |
| **Total tangibles** | **901.798** | **788.073** |

Buildings refer to offices and parking spaces, plant and machinery mainly refer to internal system such as electrical, air conditioning and telephone systems, whereas other tangibles include furniture, hardware and company vehicles.

The following table shows the movements of tangible assets for the year 2023 and the first semester 2024.

| *(Euro)* | **Total** | | | **Buildings** | | | **Plant and machinery** | | | **Other tangibles** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Gross value** | **Accum. Depr.** | **Net Value** | **Gross value** | **Accum. Depr.** | **Net Value** | **Gross value** | **Accum. Depr.** | **Net Value** | **Gross value** | **Accum. Depr.** | **Net Value** |
| **Net value 1st January 2023** | **2.810.965** | **-2.265.654** | **545.310** | **283.000** | **-17.415** | **265.585** | **386.453** | **-363.803** | **22.650** | **2.141.512** | **-1.884.436** | **257.076** |
| Investments | 141.865 | | 141.865 | 0 | | 0 | 16.972 | | 16.972 | 124.892 | | 124.892 |
| Decreases and reclassifications | -361.326 | 98.829 | -262.498 | -283.000 | 25.905 | -257.095 | 0 | 0 | 0 | -78.326 | 72.924 | -5.403 |
| Depreciation | | -167.981 | -167.981 | | -8.522 | -8.522 | | -20.780 | -20.780 | | -138.679 | -138.679 |
| Business combinations | 1.274.493 | -743.117 | 531.377 | 83.957 | -12.968 | 70.989 | 366.545 | -209.495 | 157.050 | 823.991 | -520.653 | 303.338 |
| **Net value 31st December 2023** | **3.865.996** | **-3.077.923** | **788.073** | **83.957** | **-13.000** | **70.957** | **769.970** | **-594.079** | **175.892** | **3.012.069** | **-2.470.845** | **541.224** |
| Investments | 278.445 | 0 | 278.445 | | | 0 | 29.440 | | 29.440 | 249.005 | | 249.005 |
| Decreases and reclassifications | -202.132 | 200.914 | -1.218 | | | 0 | -33.723 | 33.537 | -186 | -168.409 | 167.377 | -1.032 |
| Depreciation | 0 | -163.502 | -163.502 | | 2.075 | 2.075 | | -42.520 | -42.520 | | -123.057 | -123.057 |
| Business combinations | 0 | 0 | 0 | | | 0 | | | 0 | | | 0 |
| **Net value 30 June 2024** | **3.942.310** | **-3.040.512** | **901.798** | **83.957** | **-10.925** | **73.032** | **765.688** | **-603.062** | **162.626** | **3.092.665** | **-2.426.525** | **666.140** |

Investments in the period mainly relate to hardware.

The net value of tangible assets disposed of in the first half of 2024 is not significant.

During the period under review, there were no indications of possible impairment losses with respect to property, plant and equipment.

As of 30 June 2024, there were no real estate assets encumbered by any type of guarantee provided in favour of third parties.

### 6.5 Equity investments and other non-current assets

The following table shows the breakdown of equity investments and other non-current assets as of 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Other equity investments | 23.000 | 23.000 |
| Other non-current assets | 64.317 | 64.617 |
| **Total equity investments and other non-current assets** | **87.317** | **87.617** |

Other equity investments refer to former non-significant equity investments, including G.L. Italia Srl, with which the Company has a commercial agreement for the distribution of products based on the Golden Lake platform, Nav-Lab Srl, a supplier group of Microsoft products.

Other non-current assets include various security deposits.

### 6.6 Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities arise from temporary differences between the value attributed to an asset or liability in the balance sheet and the value attributed to that same asset or liability for tax purposes.

The following table shows the situation of deferred tax assets (DTA) and deferred tax liabilities (DTL) as at 30 June 2024 and 31 December 2023.

| *(Euro)* | 30 Jun 24 | 31 Dec 2023 |
|---|---|---|
| DTA | 606.725 | 615.481 |
| DTL | 1.872.981 | 1.793.642 |

Deferred tax assets have been recognised as it is considered probable that taxable income will be generated against which they can be utilised. The following tables show the details and changes in deferred tax assets (DTA) as at 30 June 2024 and 31 December 2023

| *(Euro)* | 30 Jun 24 | 31 Dec 2023 |
|---|---|---|
| DTA on intangibles | 169.213 | 170.178 |
| DTA on provisions | 244.406 | 237.370 |
| DTA on director compensation | 131.494 | 153.096 |
| Other DTA | 61.556 | 54.837 |
| **Total deferred tax assets** | **606.669** | **615.481** |

| *(Euro)* | 30 Jun 24 | Increments | Decrements | 31 Dec 2023 | Increments | Decrements | 31-Dec-22 |
|---|---|---|---|---|---|---|---|
| DTA on intangibles | 169.213 | 5.998 | -6.963 | 170.178 | 49.805 | -25.340 | 145.713 |
| DTA on provisions | 244.406 | 32.528 | -25.491 | 237.370 | 151.475 | -279.847 | 365.742 |
| DTA on director compensation | 131.494 | 141.312 | -162.914 | 153.096 | 150.314 | -75.898 | 78.680 |
| Other DTA | 61.556 | 7.679 | -961 | 54.837 | 3.400 | -4.983 | 56.420 |
| **Total deferred tax assets** | **606.669** | **187.517** | **-196.329** | **615.481** | **354.994** | **-386.068** | **646.555** |

Deferred tax assets include:

- DTAs on leases under IFRS 16, goodwill and reversals of certain items such as goodwill amortisation, formation and expansion costs and software revaluation under IAS 38;
- DTAs on employee benefits (TFR) and directors' retirement benefits (TFM), as required by IAS 19, and provisions on doubtful debts and risks;
- DTAs on deferred compensation, usually in the form of variable components, paid in the following year;
- DTAs for financial assets and liabilities, mainly related to the reversal of revaluations of investments in subsidiaries and real estate, which were subject to derecognition upon first-time adoption of EU-IFRS.

The following tables show details and changes in deferred tax liabilities (DTL) as of 30 June 2024 and 31 December 2023.

| *(Euro)* | 30 Jun 24 | 31 Dec 23 |
|---|---|---|
| DTL on intangibles | 1.791.400 | 1.709.211 |
| DTL on provisions | 78.090 | 80.641 |
| Other DTL | 3.491 | 3.790 |
| **Total deferred tax liabilities** | **1.872.981** | **1.793.642** |

| *(Euro)* | 30 Jun 24 | Increments | Decrements | 31 Dec 2023 | Increments | Decrements | 31 Dec 2022 |
|---|---|---|---|---|---|---|---|
| DTL on intangibles | 1.791.400 | 247.186 | -164.998 | 1.709.211 | 1.068.939 | -380.346 | 1.020.618 |
| DTL on provisions | 78.090 | 3.610 | -6.161 | 80.641 | 10.434 | -48.666 | 118.874 |
| Other DTL | 3.491 | 1.373 | -1.671 | 3.790 | 1.263 | -684 | 3.211 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Total deferred tax liabilities** | **1.872.981** | **252.169** | **-172.830** | **1.793.642** | **1.080.635** | **-429.696** | **1.142.703** |

Deferred tax liabilities include:

- DTL on software assets arising from the purchase price allocation of acquired companies for the capitalisation of software development costs and leases in accordance with IFRS 16;
- DTL on employee benefits (termination benefits) and directors' retirement benefits (TFM), as required by IAS 19; and provisions on doubtful debts;
- DTLs on financial assets and liabilities.

### 6.7 Inventories

Inventories at 30 June 2024 and 31 December 2023 amounted to €178 thousand and €194 thousand, respectively, and consisted mainly of software licences and minimal hardware.

| *(Euro)* | **30 Jun 24** | **31 Dec 23** |
|---|---|---|
| Finished products and goods | 177.654 | 194.184 |
| Inventories write down provision | 0 | 0 |
| **Inventories** | **177.654** | **194.184** |

### 6.8 Trade receivables

The following table shows the detailed statement of trade receivables as 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Trade receivables from customers | 16.241.155 | 16.778.678 |
| Trade receivables from other related parties | 26.808 | 36.314 |
| **Gross trade receivables** | 16.267.963 | 16.814.992 |
| Provision for trade receivables | -812.626 | -799.528 |
| **Trade receivables** | **15.455.337** | **16.015.464** |

The carrying value of trade receivables is deemed to approximate their *fair value* in all reporting periods. For trade receivables from related parties, please refer to the relevant section of this document.

Trade receivables are improving in view of the increase in revenues. Average payment days for the first half of 2024 stood at 85 days, compared to 108 days as at 31 December 2023 and 103 days as at 30 June 2023.

Note that almost all trade receivables are due in Italy.

Trade receivables are subject to an impairment test based on the provisions of IFRS 9. For the purposes of the valuation process, trade receivables are divided into maturity bands. The valuation was based on losses recorded for assets with similar credit risk characteristics on the basis of historical experience. The potential loss percentage (expected credit loss or ECL) was then calculated as 0.3% for 2024 and 0.3% for 2023 using a moving average of historical losses stratified by year of origination. This baseline ECL was applied on receivables deemed to be low risk, while increasing percentages of potential losses were applied on receivables with higher (aging) timeframes, adjusting the result with point assessments in the presence of specific identifiable risks.

The table below shows the provision for doubtful trade receivables and the changes in the provision for doubtful trade receivables for the financial year 2023 and the first half of 2024.

| *(Euro)* | **Provisions for trade receivables** |
|---|---|
| **1 January 2023** | **916.851** |
| Fund increments | 464.627 |
| Fund releases | -202.036 |

| | |
|---|---|
| Used fund | -379.914 |
| Adjustment | 0 |
| **31 December 2023** | **799.528** |
| Fund increments | 611.454 |
| Fund releases | -475.620 |
| Used fund | -122.737 |
| Adjustment | 0 |
| **30 June 2024** | **812.626** |

### 6.9 Activities for work in progress on order / Advance payments on work in progress

Assets for contract work in progress as of 30 June 2024, which amounted to €1.378 thousand and €1.699 thousand as of 31 December 2023, mainly related to inventories of contract work in progress of long-term contracts.

Contract work in progress assets are stated gross of future losses yet to be accrued, which are classified as provisions for risks and charges.

The following table shows the net carrying amount of contract work in progress assets and related payments on account for the first half of 2024 and 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Activities for work in progress on order | 1.376.675 | 1.699.430 |
| Advance payments for work in progress | 1.606.554 | 1.783.180 |

Contract work in progress decreased due to the reduced emphasis on lump-sum contracts.

### 6.10 Other credits and current activities

The following table shows the breakdown of other receivables and current assets as at 30 June 2024 compared to other receivables as at 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Tax credits | 99.783 | 344.673 |
| Other credits | 913.339 | 405.697 |
| Other current assets | 2.277.755 | 1.589.650 |
| **Total** | **3.290.877** | **2.340.020** |

Tax credits relate to credits for substitute tax on severance pay, IRES on IRAP payments and tax credits for research and development and amounted to Euro 100 thousand as of 30 June 2024, down from Euro 344 thousand as of 31 December 2023.

The following table shows the breakdown of other receivables as of 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Employees credits | 115.726 | 117.255 |
| IPO project credits | 711.511 | 253.255 |
| Other credits | 86.102 | 35.187 |
| **Total** | **913.339** | **405.697** |

The following table shows the breakdown of other current assets as at 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|

| | | |
|---|---|---|
| Cost accruals | 7.575 | 26.516 |
| Prepaid expenses | 2.270.180 | 1.563.134 |
| **Other current assets** | **2.277.755** | **1.589.650** |

### 6.11 Current financial asset

Current financial assets refer to investments of part of the cash generated in readily available securities with low risk, which increased insignificantly from 31 December 2023 to 30 June 2024, as shown in the table below.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Current financial assets | 4.956.800 | 4.633.409 |
| **Total** | **4.956.800** | **4.633.409** |

The following table shows the breakdown of current financial assets as at 30 June 2024 to 31 December 2023, measured at fair value through profit or loss (FVTPL).

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Investments in bonds | 3.352.583 | 2.815.895 |
| Investments in funds | 1.246.581 | 1.298.586 |
| Investments in insurance funds | 357.636 | 518.928 |
| **Current financial assets** | **4.956.800** | **4.633.409** |

### 6.12 Cash and cash equivalents

The following table shows the detailed statement of liquid assets as of 30 June 2024 and as 31 December 2023

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Bank deposits | 16.565.213 | 14.415.146 |
| Cash and cash equivalents | 20.746 | 21.951 |
| **Total cash and cash equivalents** | **16.585.959** | **14.437.097** |

In the periods under review, cash and cash equivalents are not subject to restrictions or restrictions.

For changes in cash and cash equivalents in the years under review, see the cash flow statement.

### 6.13 Net Equity

The following table shows the detailed statement of net equity at 30 June 2024 and at 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Share Capital | 1.015.000 | 1.015.000 |
| Share premium reserves | 60.000 | 60.000 |
| Other reserves | 2.871.602 | 1.120.877 |
| Reserves from FTA | 543.645 | 543.619 |
| Reserves from OCI | 413.532 | 142.722 |
| Profits (losses) carried forward | 13.854.392 | 12.002.827 |
| Profit (loss) for the financial year of the parent company | 2.618.131 | 4.232.371 |
| **Total net equity of the parent company** | **21.376.301** | **19.117.415** |

Minority interest in shareholders' equity amounted to €174 thousand as of 30 June 2024 and €171 thousand as of 31 December 2024.

*Share capital*

As of 30 June 2024, the Company's share capital, fully subscribed and paid up, amounted to Euro 1.015 thousand with no change from previous periods.

*EU-IFRS first adoption reserve*

The reserve for the first adoption of EU-IFRS amounts to a balance of Euro 553 thousand in the periods in question, and represents the effects of the conversion from Italian accounting standards to EU-IFRS with no change from previous periods.

*Reserve for actuarial profits and losses*

The reserve for actuarial gains and losses includes gains and losses arising from changes in actuarial assumptions in relation to defined benefit plans, amounting to €416 thousand at 30 June 2024 and €143 thousand at 31 December 2023.

*Other reserves*

As at 30 June 2024, they included the legal reserve amounting to €203 thousand, the reserve for outstanding warrants amounting to €168 thousand and other capital reserves totalling €778 thousand. The remaining portion amounting to €1.723 thousand was classified as extraordinary reserve.

The following table shows the reconciliation between Net results and Net equity as per the SYS-DAT S.p.A. accounts and as per consolidated accounts for the first semester 2024 and the year 2023.

| *(Euro)* | Net Result | | Net Equity | |
|---|---|---|---|---|
| | **30 Jun 24** | **31 Dec 2023** | **30 Jun 24** | **31 Dec 2023** |
| **Amounts as per SYS-DAT S.p.A. accounts** | 1.987.129 | 2.382.857 | 16.293.461 | 14.823.792 |
| Difference between net book value and net equity of subsidiaries | - | - | -4.855.289 | -3.986.187 |
| Net Result of subsidiaries | 815.912 | 2.281.370 | - | - |
| Surplus value of subsidiaries | - | -422.342 | 8.954.306 | 8.385.736 |
| Reversal of dividends received | - | - | - | - |
| Adjustments for subsidiaries accounted for using the equity method | - | - | - | - |
| Other consolidation adjustments | -181.917 | -146 | 1.157.972 | 64.969 |
| **Amounts as per consolidated accounts** | **2.621.124** | **4.241.739** | **21.550.450** | **19.288.310** |

### 6.14 Financial liabilities (current and non-current)

The following table shows the detailed statement of current and non-current financial liabilities as of 30 June 2024 and as 31 December 2023.

| *(Euro)* | 30 June 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| **Financial liabilities** | **Current** | **Non-current** | **Current** | **Non-current** |
| Bank loans | 729.486 | 1.226.732 | 727.500 | 1.617.164 |
| Lease liabilities | 863.142 | 4.653.946 | 640.569 | 3.484.563 |
| Liabilities for acquisitions | 4.365.605 | 3.900.195 | 3.399.070 | 5.903.953 |
| Shareholders loans | 0 | 0 | 128.290 | 0 |
| Other financial liabilities | 10.101 | 17.771 | 14.505 | 18.828 |
| **Total current and Non-current financial liabilities** | **5.968.334** | **9.798.644** | **4.909.934** | **11.024.509** |

Bank loans are related to four financing agreements, listed in the table below, with the indication of lender and borrower and the main terms, and a detailed description follows.

| *(Euro)* | Amount | Starting date | End date | Interest rate |
|---|---|---|---|---|
| Intesa SanPaolo N.01C10112176 (SYS-DAT SpA) | 3.500.000 | 29 Jan 2021 | 29 Jan 2027 | 0,45% |
| Unicredit N. 8799653 (Modasystem Srl) | 150.000 | 09 Apr 2021 | 30 Apr 2026 | 1,20% |
| Banco BPM N. 5524229 (SiSolution Srl) | 200.000 | 11 Feb 2022 | 11 Feb 2026 | 1,45% |

With respect to the aforementioned financing agreements, there were no changes in the first half of 2024 and the amount of the reimbursements was €388 thousand.

*Lease liabilities*

Lease liabilities refers to leases accounted for using IFRS 16 and detailed in Note 6.2

*Debt for acquisitions*

Liabilities for acquisitions refer to debt to shareholders or former shareholders of subsidiaries as future payments of the acquisition price.

The following tables detail the composition and movement of the outstanding debt for acquisitions.

| *(Euro)* | Amount | Starting date | End date |
|---|---|---|---|
| SYS-DAT VERONA SRL | 2.424.176 | 30 October 2020 | 31 July 2024 |
| ATTUA SRL | 631.381 | 15 February 2021 | 31 July 2024 |
| SYS-DAT BARI SRL | 216.000 | 07 July 2022 | 31 July 2024 |
| HUMATICS SRL | 167.647 | 12 July 2022 | 30 June 2025 |
| EMMEDATA SRL | 2.111.938 | 15 February 2022 | 30 June 2025 |
| EQUALIS SRL | 530.204 | 15 March 2023 | 30 June 2026 |
| VCUBE SRL | 2.776.830 | 11 May 2023 | 30 June 2026 |
| SISOLUTION SRL | 2.640.072 | 16 November 2023 | 30 April 2027 |
| TRIZETA SRL | 460.532 | 21 September 2023 | 30 April 2026 |

The amount indicated refers to the debt from the acquisition of each specific company, including fixed components and earn-out and net of the first payment at the signing of the deed of acquisitions.

Starting and ending dates refer to the contractual obligations started with the deed of acquisition and to the deadline for the last payment of the acquisition price.

| *(Euro)* | 30 Jun 24 | | | I semester 2024 | | 31 dec 2023 | | |
|---|---|---|---|---|---|---|---|---|
| | Outstanding debt | Current liabilities | Non-current liabilities | Increments / Business comb. | Repayments | Outstanding debt | Current liabilities | Non-current liabilities |
| SYS-DAT VERONA SRL | 1.015.031 | 1.015.031 | 0 | -27.895 | 0 | 1.042.926 | 1.042.926 | 0 |
| ATTUA SRL | 67.000 | 67.000 | 0 | -5.414 | 100.000 | 172.414 | 172.414 | 0 |
| SYS-DAT BARI SRL | 108.000 | 108.000 | 0 | 0 | 0 | 108.000 | 108.000 | 0 |
| HUMATICS SRL | 167.647 | 73.367 | 94.280 | 0 | 0 | 167.647 | 18.403 | 149.244 |
| EMMEDATA SRL | 754.399 | 754.399 | 0 | 0 | 650.000 | 1.404.399 | 704.000 | 700.399 |
| EQUALIS SRL | 276.288 | 245.053 | 31.235 | 0 | 253.915 | 530.204 | 235.053 | 295.150 |
| VCUBE SRL | 2.776.830 | 788.725 | 1.988.105 | 0 | 0 | 2.776.830 | 13.594 | 2.763.236 |
| SISOLUTION SRL | 2.640.072 | 1.085.177 | 1.554.895 | 0 | 0 | 2.640.072 | 950.000 | 1.690.072 |
| TRIZETA SRL | 460.532 | 228.852 | 231.680 | 0 | 0 | 460.532 | 154.680 | 305.852 |
| **Total liabilities for acquisitions** | **8.265.799** | **4.365.604** | **3.900.195** | **-33.309** | **1.003.915** | **9.303.024** | **3.399.070** | **5.903.953** |

In the first half of 2024, the Company and its subsidiaries did not acquire any new companies. The earn-outs of SYS-DAT Verona Srl and Attua Srl were adjusted according to the results obtained and reduced by €33 thousand.

*Shareholders loan at fair value*

Shareholders loan refer to one historical shareholders loan of SYS-DAT Verona, one of the controlled companies, accounted for at fair value, as detailed below with its movements.

| *(Euro)* | Cash Amount | Discounted value | Starting date | End date | Interest rate |
|---|---|---|---|---|---|
| Shareholders loan | 798.110 | 717.964 | 02 November 2016 | 15 January 2024 | 2,23% |

The loan was repaid in full during the first half of 2024, with a repayment of EUR 128,000 to close all remaining debts.

*Other financial liabilities*

Other financial liabilities refers to financing of tangible assets (cars) of non-material amounts and include credit card balances totalling Euro 10 thousand and with an average credit line of Euro 11 thousand.

### 6.15 Funds for employee benefits

The following table shows the composition and movements of provisions for employee benefits for the year 2023 and first semester 2024.

| *(Euro)* | Severance pay (TFR) |
|---|---|
| **1 January 2023** | **5.432.389** |
| Acquisitions initial value | 606.653 |
| Current service cost | 682.905 |
| Interest cost | 299.442 |
| Transfers and payments | -455.645 |
| Actuarial gains and losses | 96.049 |
| **31 December 2023** | **6.661.793** |
| Current service cost | 428.320 |
| Interest cost | 103.361 |
| Transfers and payments | -394.723 |
| Actuarial gains and losses | -360.451 |
| **30 June 2024** | **6.438.300** |

The provisions for employee benefits represent the estimated obligation, determined on the basis of actuarial techniques, related to the amount to be paid to employees at the end of their employment.

As at 30 June 2024 and 31 December 2023, the provisions for employee benefits refer to the severance indemnity fund (hereafter 'TFR') set aside for employees.

*Staff leaving indemnity provision*

Employee benefits relating to severance pay amount to Euro 929 thousand, Euro 710 thousand and Euro 486 thousand respectively at 31 December 2023, 2022 and 2021 and at 1 January 2021.

The value of the debt for Staff leaving indemnity provision, which falls within the definition of defined benefit plans according to IAS 19, was determined according to actuarial logic. Below are the main actuarial, financial and demographic hypotheses used to determine the value of the liability at 31 December 2023, 2022 and 2021 and at 1 January 2021 in accordance with the provisions of IAS 19.

| *(Euro)* | 30 Jun 24 | 31 Dec 2023 |
|---|---|---|
| Annual rate of actualisation | 3.61% | 3,06% |
| Annual rate of inflation | 2,00% | 2,00% |
| Annual rate of TFR increase | 3,00% | 3,00% |
| Annual rate of salary increase | 0,50% | 0,50% |

| | |
|---|---|
| Death | Mortality tables RG48 published by Ragioneria Generale dello Stato |
| Permanent disabilities | INPS tables by age and gender |
| Retirement | 100% based on AGO requirements satisfaction |
| Probability of TFR anticipation | 1,0% |
| Turnover rate | 8,5% |

The following table summarises the sensitivity analysis for each actuarial, financial and demographic assumption, showing the effects (in absolute value) that would have occurred as a result of changes in actuarial assumptions that were reasonably possible as of 30 June 2024.

| *(Euro)* | **30 Jun 24** |
|---|---|
| Turnover +1% | 6.463.249 |
| Turnover -1% | 6.410.173 |
| Inflation rate +0,25% | 6.524.136 |
| Inflation rate -0,25% | 6.354.416 |
| Actualization rate +0,25% | 6.330.349 |
| Actualization rate -0,25% | 6.549.876 |

The following table shows the estimated expected payments (in nominal value) as at 30 June 2024 relating to severance pay in future years.

| *(Euro)* | **30 Jun 24** |
|---|---|
| Year +1 | 957.532 |
| Year +2 | 734.961 |
| Year +3 | 756.362 |
| Year +4 | 800.689 |
| Year +5 | 1.030.686 |

## 6.16 Provisions for risks and liabilities

The following table shows the breakdown and changes in the provisions for liabilities and charges as at 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Provisions for retirement benefits | 188.448 | 314.682 |
| Other provisions | 20.460 | 15.664 |
| **Total provisions for risks and liabilities** | **208.908** | **330.346** |

The provisions relating to retirement benefits represent the estimate of the obligation, determined based on actuarial techniques, relating to the amount to be paid to directors upon termination of the relationship.

*Directors Retirement Benefits (TFM)*

Directors' retirement benefits amounted to €188 thousand and €315 thousand as at 30 June 2024 and 31 December 2023, respectively.

The following table shows the composition and changes in directors' retirement benefits (TFM) in 2023 and the first half of 2024.

| *(Euro)* | **TFM** |
|---|---|
| **1 January 2023** | **231.888** |
| Acquisitions initial value | 24.896 |
| Current service cost | 41.265 |
| Interest cost | 8.920 |

| | |
|---|---|
| Transfers and payments | 0 |
| Actuarial gains and losses | 7.712 |
| **31st December 2023** | **314.682** |
| Adjustment | 37.793 |
| Current service cost | 34.431 |
| Interest cost | 2.543 |
| Transfers and payments | -202.502 |
| Actuarial gains and losses | 1.502 |
| **30 June 2024** | **188.448** |

Transfers and payments refer to reimbursement of TFM of the group's directors as authorised by the relevant shareholders' meetings.

The value of the TFM liability, which falls under the definition of defined benefit plans according to IAS 19, was determined on an actuarial basis. Below are the main actuarial, financial and demographic assumptions used to determine the value of the liability as of 30 June 2024 and 31 December 2023 in accordance with IAS 19.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Annual rate of actualisation | 3,49% | 3,06% |

| | |
|---|---|
| Death | Mortality tables RG48 published by Ragioneria Generale dello Stato |
| Permanent disabilities | INPS tables by age and gender |
| Retirement | 100% based on AGO requirements satisfaction |

The item Other provisions, amounting to €20 thousand as of 30 June 2024 and €16 thousand as of 31 December 2023, refers to provisions related to the only agent in the group, a contract being terminated and consequent release of the provision.

The following table shows the changes in the item Other provisions in 2023 and in the first half of 2024.

| *(Euro)* | **Other provisions** |
|---|---|
| **Net value 1st January 2023** | **10.958** |
| Increases | 0 |
| Uses | 0 |
| Adjustments | 4.705 |
| **Net value 31 December 2023** | **15.664** |
| Increases | 0 |
| Uses | 0 |
| Adjustments | 4.796 |
| **Net Value 30 June 2024** | **20.460** |

## 6.17 Trade payables

The following table shows a breakdown of trade payables as at 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Trade payables to suppliers | 2.955.174 | 4.217.504 |
| Trade payables to other related parties | 231.788 | 346.911 |
| **Trade payables** | **3.186.961** | **4.564.415** |

Trade payables mainly relate to transactions for the purchase of services.

The carrying value of trade payables is deemed to approximate their fair value. For trade payables to related parties, please refer to the relevant section of this document.

Note that almost all trade receivables are due in Italy.

### 6.18 Tax liabilities

Taxes payable amounted to €3.243 as at 30 June 2024 and €2.092 as at 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| VAT debt | 367.018 | 170.113 |
| Withholding income tax | 615.724 | 977.170 |
| IRAP tax | 465.719 | 145.319 |
| IRES tax | 1.622.689 | 797.928 |
| Other tax debts | 171.420 | 1.316 |
| **Total current tax liabilities** | **3.242.570** | **2.091.846** |

This item only includes payables for certain and certain related taxes, specifically it refers to: (i) VAT for €367 thousand as of 30 June 2024 and €170 thousand as of 31 December 2023; (ii) withholding taxes on employees, assimilated and self-employed workers for €616 thousand as of 30 June 2024 and €977 thousand as of 31 December 2023; (iii) IRAP payables for €465 thousand as of 30 June 2024 and €145 thousand as of 31 December 2023; (iv) IRES payables for €1.623 thousand as of 30 June 2024 and €797 thousand as of 31 December 2023; (v) other taxes payable for €171 thousand as of 30 June 2024 and €1 thousand as of 31 December 2023.

### 6.19 Other current debts and liabilities

The following table shows the detailed statement of other current debts and liabilities as at 30 June 2024 and 31 December 2023.

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Payables to employees | 3.879.687 | 3.514.573 |
| Payables to social security institutions | 1.144.244 | 1.097.201 |
| Deferred income | 5.826.139 | 3.080.788 |
| Payables to the Directors | 655.455 | 878.331 |
| Accrued liabilities | 860 | 17.327 |
| Other current debts and liabilities | 97.114 | 107.364 |
| **Other current debts and liabilities** | **11.603.499** | **8.695.584** |

Payables to employees mainly refer to salaries to be paid and deferred charges, such as holidays, leave and additional monthly payments.

Payables to social security institutions mainly refer to payables to social security institutions for the payment of contributions.

Deferred income mainly refers to goods and services not yet accrued.

Payables to directors mainly refer to salaries to be paid and deferred charges.

The deferred income described above increased in the period under review as a result of the increase in revenue and the seasonality of the invoicing of annual periodic fees.

## 7. *Notes to the income statement*

### 7.1 Operating revenues

In the first half of 2024, total revenues amounted to €28 thousand, of which €267 thousand in other revenues and income, an increase compared to the first half of 2023 in which total revenues amounted to €22.315 thousand, of which €63 thousand in other revenues and income.

The following table shows the breakdown of revenues for the first half of 2024 and 2023.

| *Euro thousand* | **30 Jun 24** | **%** | **30 Jun 23** | **%** |
|---|---|---|---|---|
| Operating Revenues | 28.390.120 | 99% | 22.251.469 | 100% |
| Other Revenues | 266.999 | 1% | 63.241 | 0% |
| **Total Revenue** | **28.657.119** | 100% | **22.314.710** | 100% |

The following table shows total revenues by geographic area for the first half of 2024 and 2023. Revenues are mainly from the Italy area, confirming the trend already seen in previous periods.

| *(Euro)* | **30 Jun 24** | **30 Jun 23** |
|---|---|---|
| Italy | 27.250.236 | 20.982.987 |
| European Union and UK | 480.631 | 637.568 |
| Rest of the world | 659.253 | 630.914 |
| **Operating Revenues** | **28.390.120** | **22.251.469** |

### 7.2 Other revenues and income

The following table shows the breakdown of other revenues and income for the first half of 2024 and 2023.

| *(Euro)* | **30 June** | |
|---|---|---|
| | **2024** | **2023** |
| Recoveries and chargebacks | 7.542 | 8.218 |
| Operating contributions | 137 | 15.624 |
| Other contributions | 983 | 10.846 |
| Insurance claims | 715 | 3.583 |
| Contingent gains | 232.597 | 24.969 |
| Other | 25.025 | 1 |
| **Other revenues and income** | **266.999** | **63.241** |

The only significant amounts of other income relate to Contingencies/Other gains on sales, mostly related to income from previous years.

### 7.3 Cost of purchasing goods and changes in inventories

The following table shows the details of purchases of hardware and software, mainly for resale, of hardware and software for internal use and of other goods for the first half of 2024 and 2023.

| *(Euro)* | **30 June** | |
|---|---|---|
| | **2024** | **2023** |
| HW for resale | 832.220 | 747.961 |
| SW for resale | 551.892 | 341.853 |
| HW and SW for internal use | 44.854 | 52.112 |
| Other | 113.930 | 88.939 |
| **Purchasing cost** | **1.542.896** | **1.230.865** |

The following table shows the detailed statement of Change in inventories for the first semester 2024 and 31 December 2023.

| *(Euro)* | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| Change in initial and final inventories | 16.530 | 29.168 |
| WIP inventories - IFRS15 | 297.198 | -180.257 |
| **Change in inventories** | **313.728** | **-151.089** |

The item changes in inventories is mainly made by work in progress (WIP) inventories.

### 7.4 Personnel costs

The following table shows the breakdown of personnel costs for the first half of 2024 and 2023.

| *(Euro)* | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| Salaries | 9.198.080 | 7.184.173 |
| Social charges | 2.105.780 | 1.505.233 |
| Expenses for severance pay | 402.628 | 251.935 |
| Warrants | 27.867 | 27.867 |
| **Personnel cost** | **11.734.355** | **8.969.208** |

The increase in personnel costs between the first half of 2023 and the first half of 2024 is mainly attributable to the increase in the number of employees, which was mainly driven by the acquisitions of the VCube, Trizeta and SiSolution companies during the second half of 2023, as already reported in the Three-Year Report.

The following table shows the number of employees of the Company, on a consolidated basis, as of 30 June 2024 and for the year ended 31 December 2023 with an indication of the category.

| *Number at end period* | 30-giu-24 | 31-dic-23 |
|---|---|---|
| Senior executives | 7 | 8 |
| Managers | 40 | 30 |
| White collar | 388 | 390 |
| Total number of employees | 435 | 428 |

### 7.5 Services costs

The following table shows the breakdown of costs for services for the first half of 2024 and 2023.

| *(Euro)* | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| Consulting services | 2.384.781 | 2.134.622 |
| Software maintenance fee | 1.064.307 | 891.594 |
| Outsourcing maintenance fee | 1.463.976 | 1.018.744 |
| Electronic invoicing fee | 186.646 | 175.897 |
| Maintenance costs | 57.947 | 38.015 |
| Insurance | 78.490 | 58.997 |
| Marketing | 92.897 | 61.442 |
| Directors and Board of auditors costs | 2.408.918 | 1.937.853 |
| Travel and accomodation fee | 621.389 | 506.794 |

| | | |
|---|---|---|
| Utilities | 234.756 | 174.853 |
| Rental and leasing service costs | 141.707 | 171.681 |
| Other | 187.516 | 33.765 |
| **Costs for services** | **8.923.330** | **7.204.257** |

All the different categories of Service cost are growing from first semester 2023 at 2024 in line with the business growth.

### 7.6 Other operating costs

The following table shows the breakdown of other operating expenses for the first half of 2024 and 2023.

| *(Euro)* | **30 June** | |
|---|---|---|
| | **2024** | **2023** |
| Stamp duties and other taxes | 29.430 | 41.378 |
| Membership fees and benefits | 23.201 | 11.109 |
| Liabilities | 179.530 | 261.334 |
| Other | 4.364 | 31.260 |
| **Other operating costs** | **236.525** | **345.081** |

Costs relating to Liabilities mainly related to extraordinary credit losses.

### 7.7 Amortizations and depreciations

The following table shows details of depreciation for the first half of 2024 and 2023.

| *(Euro)* | **30 June** | |
|---|---|---|
| | **2024** | **2023** |
| Amortisations software | 775.735 | 497.831 |
| Amortisations client portfolio | 187.479 | 135.333 |
| Amortisations other intangible assets | 12.902 | 2.266 |
| Amortisations RoU (real estate leases) | 160.707 | 124.505 |
| Amortisations RoU (lease vehicles) | 261.112 | 206.015 |
| Amortisations tangible assets | 40.445 | 8.579 |
| Amortisations other tangible assets | 123.057 | 63.012 |
| **Total Amortisations** | **1.561.437** | **1.037.541** |

Software amortizations are mainly related to software capitalization of product with current and future value and software assets derived from purchases of subsidiaries as per purchase price allocation, and they grow with yearly capitalizations and acquisitions.

Customer portfolio refer to acquisitions of subsidiaries or company branches as per purchase price allocation and they grow with acquisitions.

Right-of-use assets grow with the size of the group, with more real estate contracts and car leases activated during the years.

Amortization for tangible assets mainly refer to furniture, hardware and company owned vehicles.

The detailed statements relating to the composition and movement of intangible assets and tangible assets for the years ended 31 December 2023, 2022 and 2021 are shown in notes 6.1 and 6.3. Information relating to right-of-use activities in the periods in question is reported in note 6.2.

### 7.8 Provisions and write-downs

Provisions and write-downs of €136 thousand and €-185 thousand (income) for the first half of 2024 and 2023, respectively, refer mainly to write-downs and releases of provisions related to trade receivables.

The breakdown of provisions and write-downs for the first half of 2024 and 2023 is shown below.

| (Euro) | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| Provisions for trade receivables | 611.454 | 371.481 |
| Write-downs on trade receivables | -475.620 | -356.450 |
| **Total provisions and write-down** | **135.834** | **15.031** |

## 7.9 Financial income and expenses

The following table shows the breakdown of financial income and expenses for the first half of 2024 and 2023.

| (Euro) | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| Dividends and financial income from invested assets | 18.612 | 6.084 |
| Other financial income (charges) | -81.736 | -292.425 |
| Unrealised gains (losses) at fair value | -159.045 | 81.770 |
| **Financial Income** | **-222.169** | **-204.571** |

The value adjustments of financial assets and liabilities are related to asset management, an investment activity started in 2022.

The following table shows the breakdown of other financial expenses for the first half of 2024 and 2023.

| (Euro) | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| Interests payables on loan | -6.060 | 11.558 |
| Interests payables on leasing | -90.099 | -106.258 |
| Realised gains (losses) on invested assets | 100.312 | 10.568 |
| Other | -85.889 | -208.292 |
| **Financial charges** | **-81.736** | **-292.425** |

## 7.10 Income taxes for the financial year

The following table shows the breakdown of income taxes for the first half of 2024 and 2023.

| (Euro) | 30 June | |
|---|---|---|
| | 2024 | 2023 |
| Current taxes | 1.325.913 | 1.352.947 |
| Deferred taxes | 7.296 | -14.022 |
| Taxes relating to previous years | 32.512 | 0 |
| **Financial Income** | **1.365.721** | **1.338.925** |

### *8. Operating segments*

Under IFRS 8, an entity must provide information that enables users of the financial statements to assess the nature and effects of the business activities it undertakes and the economic environments in which it operates.

IFRS 8 defines an operating segment as follows. An operating segment is a component of an entity:

- 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)
- 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 and
- for which discrete financial information is available

The Company has not identified separate operating segments, since the entrepreneurial activity and the review of the operating results carried out at the company and group level in the context of the single entity and by the Chief Executive Officer of the Group. The Group considers each subsidiary as a separate cash generating unit (CGU) and accounts separately for each company consolidating the results in the consolidated financial statements.

### *9. Fair value hierarchy*

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

If the inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to the entire measurement (based on the application of judgement).

The levels in the hierarchy are:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company uses Level 1 inputs for the valuation of current financial assets, which are largely made up of securities or portfolios of securities with quoted prices.

The following table details the assets and liabilities with their related fair value and hierarchy levels.

| *(Euro)* | **Note** | **Total** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Equity investments | 6.5 | 23.000 | | | 23.000 |
| **Total Non-current assets** | | **23.000** | **0** | **0** | **23.000** |
| **Current assets** | | | | | |
| Trade receivables | 6.8 | 15.455.337 | | | 15.455.337 |
| Current financial assets | 6.11 | 4.956.800 | 4.956.800 | | |
| Cash and cash equivalent | 6.12 | 16.585.959 | 16.585.959 | | |
| **Total current assets** | | **36.998.096** | **21.542.759** | **0** | **15.455.337** |
| **TOTAL ASSETS** | | **37.021.096** | **21.542.759** | **0** | **15.478.337** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Non-current financial liabilities | 6.14 | 9.798.644 | | | 9.798.644 |
| **Total Non-current liabilities** | | **9.798.644** | **0** | **0** | **9.798.644** |
| **Current liabilities** | | | | | |
| Current financial liabilities | 6.14 | 5.968.334 | | | 5.968.334 |

| | | | | | |
|---|---|---|---|---|---|
| Trade payables | 6.17 | 3.186.961 | | | 3.186.961 |
| Current tax debts | 6.18 | 3.242.570 | | | 3.242.570 |
| Other current debts and liabilities | 6.19 | 5.776.500 | | | 5.776.500 |
| **Total current liabilities** | | **18.174.365** | **0** | **0** | **18.174.365** |
| **TOTALE LIABILITIES AND EQUITY** | | **27.973.009** | **0** | **0** | **27.973.009** |

### *10. Transactions with related parties*

The transactions carried out with related parties, identified on the basis of the criteria defined by IAS 24, are mainly of a commercial nature and are carried out at normal market conditions.

Related parties are of three categories:

- Directors and strategic managers of the Company
- Directors of the controlled companies, minority shareholders and their related persons
- External companies related to the Directors providing services or products to the group.

The following tables show all parties included in the list of related parties for various periods of time within the three-year time period presented.

*Directors and strategic managers of the Company*

| **Company** | **Related parties** | **Related relationship** |
|---|---|---|
| SYS-DAT Spa | Vittorio Neuroni, Matteo Neuroni, Marta Neuroni, Emanuele Angelidis<br>Matteo Garegnani, Andrea Baldini | Directors and shareholders of SYS-DAT SpA<br>Group Chief Commercial Officer and Group Chief Financial Officer |

*Directors, minority shareholders and related persons of the subsidiaries of the Company*

| | | |
|---|---|---|
| Logic One Srl | Andrea Pizzolato, Vito Garraffa | Sole Director (A. Pizzolato) and minority shareholders of Logic One |
| Modasystem Srl | Armando Munaretto<br>Carlo Munaretto | Sole Director (A. Munaretto) of Modasystem<br>Supplier to Modasystem, son of A. Munaretto, Director of Modasystem |
| BTW Informatica Srl | Alessandro Tomaselli, Domenico Buccelli | Directors of BTW |
| SYS-DAT Verona Srl | Paolo Fratton, Giordano Pagani Griso, Giovanni Bellorio, Mario Fratton, Paolo Vinco, Daniele Martini | Minority shareholders of SYS-DAT Verona |
| Hars Srl | Massimo Zattera, Carlo Baraldi, Dario Vimercati<br>Giulio Zattera, Maria Cristina Cicogni, Riccardo Baraldi | Directors of Hars<br>Son of Massimo Zattera, wife and son of Carlo Baraldi, Directors of Hars, employed at Hars |
| Nekte Srl | Silvia Anghileri, Umberto Bramani, Stefano Padovan | Directors of Nekte |
| Humatics Srl | Davide Conigliaro, Pietro Lovato | Directors of Humatics |
| | Marco Cristani | Minority shareholder of Humatics |
| Emmedata Srl | Bucciarelli Andrea, Fabrizio Mori, Piero Vignoli | Directors of Emmedata |
| Vcube Srl<br>Trizeta Srl<br>SiSolution Srl | Roberto Pizzetti<br>Natale Zaramella<br>Fabio Re Cecconi, Massimo Re Cecconi<br>Matteo Re Cecconi | Director of Vcube<br>Sole Director of Trizeta<br>Directors of Sisolution<br>Son of Massimo Re Cecconi, a Director of SiSolution |

*External companies providing services or products to the Group*

| | | |
|---|---|---|
| SYS-DAT S.p.A. | Brick Srl | Renting offices to SYS-DAT SpA, controlled by SYS-DAT shareholders and directors |
| Modasystem Srl | CFM Srl | Renting offices to Modasystem, controlled by A. Munaretto, Director of Modasystem |
| Nekte Srl | Nav-lab Srl<br>Bridge 2012 Srl | Controlled by Nekte and U. Bramani is a Director of both Nav-lab and Nekte<br>Supplier to Nekte, controlled by U. Bramani and S. Anghileri, Directors of Nekte |
| SYS-DAT Verona Srl | Atelcom Srl<br>Altama sas di Martini Daniele e c.<br>Bellorio G. & associati sas<br>P.M. sas di Mario Fratton | Supplier to SYS-DAT Verona, controlled by P. Fratton, Director of SYS-DAT Verona<br>Supplier to SYS-DAT Verona, controlled by D. Martini, shareholder of SYS-DAT Verona<br>Supplier to SYS-DAT Verona, controlled by G. Bellorio, shareholder of SYS-DAT Verona<br>Supplier to SYS-DAT Verona, controlled by M. Fratton, shareholder of SYS-DAT Verona |

| | | |
|---|---|---|
| | Nav-lab Srl | Related party for Nekte, part of SYS-DAT Group |
| Emmedata Srl | Emmedata real estate | Renting offices to Emmedata, controlled by F. Mori / P. Vignoli, Directors of Emmedata |
| Trizeta Srl | Zaramella Group Srl | Supplier to Trizeta, controlled by N. Zaramella, Sole Director of Trizeta |
| | Lynce Srl | Supplier to Trizeta. N. Zaramella is a Director of both Trizeta and Lynce |
| | Business DOCG Srl | Supplier to Trizeta. N. Zaramella is a Director of both Trizeta and Business DOCG Srl |

The following table provides details of the economic and financial relationships with related parties.

| *(Euro)* | **30 Jun 24** | **30 Jun 23** |
|---|---|---|
| Operating Revenue | 61.450 | 21.656 |
| Purchasing cost | 78.066 | 70.622 |
| Service cost | 3.014.767 | 2.353.144 |
| Personnel | 594.953 | 514.478 |
| Amortisations and Depreciations | 91.482 | 51.454 |
| Other financial income (expense) | -206.209 | -14.012 |

| *(Euro)* | **30 Jun 24** | **31 Dec 2023** |
|---|---|---|
| Trade receivables | 26.808 | 36.314 |
| Trade payables | -231.788 | -346.911 |
| Other receivables and current assets | 0 | 0 |
| Other current debts and liabilities | -655.099 | -878.325 |
| RoU assets | 2.323.751 | 867.038 |
| Employee benefits | -267.166 | -274.806 |
| Provisions | -188.448 | -314.682 |
| Non-current financial liabilities | -6.138.994 | -6.162.632 |
| Current financial liabilities | -4.268.538 | -3.278.258 |

Relationships with related parties are mainly linked to costs, in particular purchasing and service costs, mainly compensation in the form of Director compensation, service contracts for consulting services or payroll costs. Service and payroll costs with related parties are in line with the growth of the Group.

Trade receivables and payables are limited and related to purchases and services mainly sold to the Group.

Other current debts and liabilities relate to variable components of the Director compensation or payroll costs to be paid the following period.

Right of use assets relate to properties rented out to Group companies, resulting in RoU assets, related lease liabilities and depreciation. The rental agreements are at market prices.

Employee benefits relate to staff leaving indemnity provision (TFR), whereas provisions relate to director retirement benefits (TFM).

Current and non-current financial liabilities relate to leases accounted for following IFRS 16, future payments for the acquisition of stakes in subsidiaries and historical shareholder loans.

Following the 31st December 2023 two rental agreements have been signed between the Company and BRICK Srl.

BRICK Srl is a real estate company owned by the same shareholders of the Company and more specifically Vittorio Neuroni owns 43,5% shareholding, Matteo Luigi Neuroni owns 26,5% shareholding, Emanuele Edoardo Angelidis owns 20,0% shareholding and Marta Neuroni owns 10,0% shareholding of BRICK. The two rental agreement refer to the rental of offices, garages and parking spaces in Milan and Turin as per resolution of the Board of Directors of the 24th of January 2024, for a total annual amount of Euro 134.000 for the spaces in Milan and Euro 15.800 for the spaces in Turin.

The tables below indicate the financial and economic relationship with related parties with the percentage with respect to single items of the balance sheet and income statement as per Consob ruling number 15519 of 27 July 2026.

**Balance sheet with the inclusion of related parties.**

| *(Euro)* | 30 June | | | 31 December | | |
|---|---|---|---|---|---|---|
| | **2024** | **of which related parties** | **%** | **2023** | **of which related parties** | **%** |
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Goodwill | 8.954.306 | | | 8.954.306 | | |
| Intangibles other than goodwill | 7.861.012 | | | 7.383.815 | | |
| RoU assets | 5.222.739 | 2.323.751 | 44,5% | 3.994.658 | 867.038 | 21,7% |
| Tangible assets | 901.798 | | | 788.073 | | |
| Equity investments and other Non-current assets | 87.317 | | | 87.617 | | |
| Deferred tax assets | 606.725 | | | 615.481 | | |
| **Total Non-current assets** | **23.633.897** | | | **21.823.949** | | |
| **Current assets** | | | | | | |
| Inventories | 177.654 | | | 194.184 | | |
| Trade receivables | 15.455.337 | 26.808 | 0,2% | 16.015.464 | 36.314 | 0,2% |
| Activities for work in progress on order | 1.376.675 | | | 1.699.430 | | |
| Other receivables and current assets | 3.290.877 | | | 2.340.020 | | |
| Current financial assets | 4.956.800 | | | 4.633.409 | | |
| Cash and cash equivalent | 16.585.959 | | | 14.437.097 | | |
| **Total current assets** | **41.843.302** | | | **39.319.605** | | |
| **TOTAL ASSETS** | **65.477.199** | | | **61.143.554** | | |
| | | | | | | |
| **NET EQUITY AND LIABILITIES** | | | | | | |
| Share Capital | 1.015.000 | | | 1.015.000 | | |
| Other reserves | 17.743.170 | | | 13.870.040 | | |
| Net result | 2.618.131 | | | 4.232.371 | | |
| Equity attributable to owners of the parent | 174.147 | | | 170.895 | | |
| **Total equity** | **21.550.448** | | | **19.288.306** | | |
| **Non-current liabilities** | | | | | | |
| Non-current financial liabilities | 9.798.644 | 6.138.994 | 62,7% | 11.024.509 | 6.162.632 | 55,9% |
| Deferred taxes liabilities | 1.872.981 | | | 1.793.642 | | |
| Employee benefits | 6.438.300 | 267.166 | 4,1% | 6.661.793 | 274.806 | 4,1% |
| Provisions | 208.908 | 188.448 | 90,2% | 330.346 | 314.682 | 95,3% |
| **Total Non-current liabilities** | **18.318.833** | | | **19.810.289** | | |
| **Current liabilities** | | | | | | |
| Current financial liabilities | 5.968.334 | 4.268.538 | 71,5% | 4.909.934 | 3.278.258 | 66,8% |
| Trade payables | 3.186.961 | 231.788 | 7,3% | 4.564.415 | 346.911 | 7,6% |
| Advance payments on work in progress | 1.606.554 | | | 1.783.180 | | |
| Current tax debts | 3.242.570 | | | 2.091.846 | | |
| Other current debts and liabilities | 11.603.499 | 655.099 | 5,6% | 8.695.584 | 878.325 | 10,1% |
| **Total current liabilities** | **25.607.918** | | | **22.044.960** | | |
| **TOTALE LIABILITIES AND EQUITY** | **65.477.199** | | | **61.143.554** | | |

Right of use assets with related parties represent a material portion of the rental agreements of the Group, accounted for following IFRS 16.

Financial liabilities include lease liabilities related to rental agreement but are mainly related to future payments for the acquisition of subsidiaries, in the form of fixed price or earn-outs, and they are increasing with the acquisitions during the years.

Provisions relate to director retirement benefits (TFM).

Other current debts and liabilities relate to variable components of the Director compensation or payroll costs to be paid the following period and increase with director compensation and Group results.

**Income statement with the inclusion of related parties.**

| *(Euro)* | 30 June | | | 31 December | | |
|---|---|---|---|---|---|---|
| | **2024** | **of which related parties** | **%** | **2023** | **of which related parties** | **%** |
| Operating Revenue | 28.389.391 | 61.450 | 0,2% | 22.251.469 | 21.656 | 0,1% |
| Other Operating Revenue | 267.728 | | | 63.241 | | |
| **Total Revenue** | **28.657.119** | | | **22.314.710** | | |
| Purchasing cost | 1.542.896 | 78.066 | 5,1% | 1.230.864 | 70.622 | 5,7% |
| Changes in inventories | 313.728 | | | -151.090 | | |
| Service cost | 8.923.330 | 3.014.767 | 33,8% | 7.204.258 | 2.353.144 | 32,7% |
| Personnel | 11.734.356 | 594.953 | 5,1% | 8.969.208 | 514.478 | 5,7% |
| Other operating cost | 236.524 | | | 345.081 | | |
| **Total operating cost** | **22.750.834** | | | **17.598.321** | | |
| **EBITDA** | **5.906.285** | | | **4.716.389** | | |
| Amortisations and depreciations | 1.561.438 | 91.482 | 5,9% | 1.037.542 | 51.454 | 5,0% |
| Provisions and write-downs | 135.834 | | | 15.031 | | |
| **EBIT** | **4.209.013** | | | **3.663.816** | | |
| Income (expenses) from equity investments | 18.612 | | | 6.084 | | |
| Other financial income (expense) | -81.736 | -206.209 | 252,3% | -292.425 | -14.012 | 4,8% |
| Value adjustments to financial assets and liabilities | -159.045 | | | 81.770 | | |
| **Income before taxes** | **3.986.844** | | | **3.459.245** | | |
| Income taxes | 1.365.721 | | | 1.338.924 | | |
| **Net Income** | **2.621.123** | | | **2.120.321** | | |

Purchasing costs are mainly related to the relationship with Nav-Lab S.r.l., a partner selling Microsoft licenses and services to Nekte and SYS-DAT Verona, subsidiaries of the Group.

Service costs represent a significant portion of the total service costs of the Group as they related mainly to Director compensation, in turn a significant portion of total service costs.

Depreciations and other financial expenses refer to leases accounted for following IFRS 16 and resulting in depreciation of right-of-use assets and lease liabilities interest expenses.

### *11. Commitments and risks*

The Company has no bank guarantees in place to guarantee the commitments undertaken for contractual obligations. Please refer to Note 6.12 for coverage of Mediocredito Centrale on specific loans undersigned by the Company and two of its subsidiaries.

### *12. Research and development activities*

The R&D activity carried out by the Company is aimed at both the introduction of new products and the implementation of new production processes. The activity is divided into different phases, ranging from the conception and start of the design process of the new product or process to large-scale industrialisation.

The cost as of June 2024 was Euro 1.391 thousand compared to Euro 2.047 thousand in 2023. Please refer to Note 6.2 for additional details.

### *13. Significant events subsequent to the end of the period*

The main significant events occurred since 30 June 2024 are:

- On 2 July 2024, trading of SYS-DAT shares began on the regulated market Euronext Milan - STAR Segment.
- On 8 July 2024 SYS-DAT announced, pursuant to Article 85-bis of the Issuers' Regulations adopted by CONSOB resolution no. 11971/1999 (the 'Issuers' Regulations"), the composition of its share capital, following (i) the execution of the share capital increase to service the Euronext Milan listing transaction, STAR segment; as well as (ii) the execution of the share capital increase to service the exercise of the warrants issued by the Company on 29 June 2021. On the same date, the Company announced that it had received from Alkemia Capital Partners SGR S.p.A. the notice of significant shareholdings pursuant to Article 120 of Legislative Decree

No. 58/1998 and Article 117 of the Issuers' Regulations, with which it informed the Company that the threshold of 5% of the share capital had been exceeded.

- On 9 July 2024, SYS-DAT announced that the 987,000 shares subject to the over-allotment option had been fully placed and, consequently, that Intermonte SIM S.p.A. had exercised in full the greenshoe option granted by the Company. In the same press release, the Company announced that during the stabilisation period (from 2 July 2024 to 9 July 2024) no stabilisation transaction was carried out.
- On 11 July 2024, SYS-DAT announced that on 10 July 2024 it had executed the tranche of the capital increase by issuing no. 987,000 shares, for an equivalent value of €3,355,800.00, of which €49,350.00 was share capital and €3,306,450.00 was share premium.
- On 15 July 2024, the Company granted the options relating to the 'Stock Option Plan 2024-2026' as already described in the section 'Long term incentive plans' of the Prospectus relating to the listing.
- On 23 July 2024, the Company announced that it had completed the acquisition of the entire share capital of SYS-DAT Verona S.r.l., in which the Company already held 82%. The acquisition of SYS-DAT Verona marked a further step in the growth path of the SYS-DAT Group and the consolidation of its position in the management systems and cybersecurity sector.
- On 25 July 2024, the project to merge the company Logic One S.r.l. into BTW Informatica S.r.l., both companies wholly owned by the Company, was started, given that both entities involved operate in the same business and this merger could achieve synergies, not only administrative and management, but also asset consolidation.
- On 7 August 2024, SYS-DAT announced that it had signed the binding Term Sheet for the acquisition of the entire share capital of Flexxa S.r.l., a company offering services in the cybersecurity and business continuity field, at a valuation in line with the multiples of previous acquisitions, of approximately 5 times EBITDA.


START UP
Stock
97%
S5
35%
65%
STATEMENT
INCOME STATEMENT
S5

# ATTESTATION OF HALF-YEAR FINANCIAL STATEMENTS

Pursuant to Article 154-bis, paragraph 5 of Legislative Decree 58/98 (TUF) and Article 81-ter of Consob Regulation No. 11971/1999 (Issuers' Regulation)

1. The undersigned Matteo Luigi Neuroni, Chief Executive Officer, and Andrea Matteo Baldini, the Group CFO, in his capacity as Manager in charge of preparing the corporate accounting documents of Sys-Dat S.p.A. ("*Dirigente Preposto*"), attest, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the Half-Yearly Financial Statements, during the first half of 2024.

2. In this regard, no significant issues emerged.

3. It is also certified that:

3.1 the abbreviated consolidated financial statements as of 30 June 2024:

a) have been prepared in accordance with the applicable International Accounting Standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) correspond to the results of the accounting books and records;

c) give a true and fair view of the financial position, results of operations and cash flows of the issuer and the group of companies included in the consolidation.

3.2 The Management report includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year.

The interim management report also includes a reliable analysis of information on material transactions with related parties.

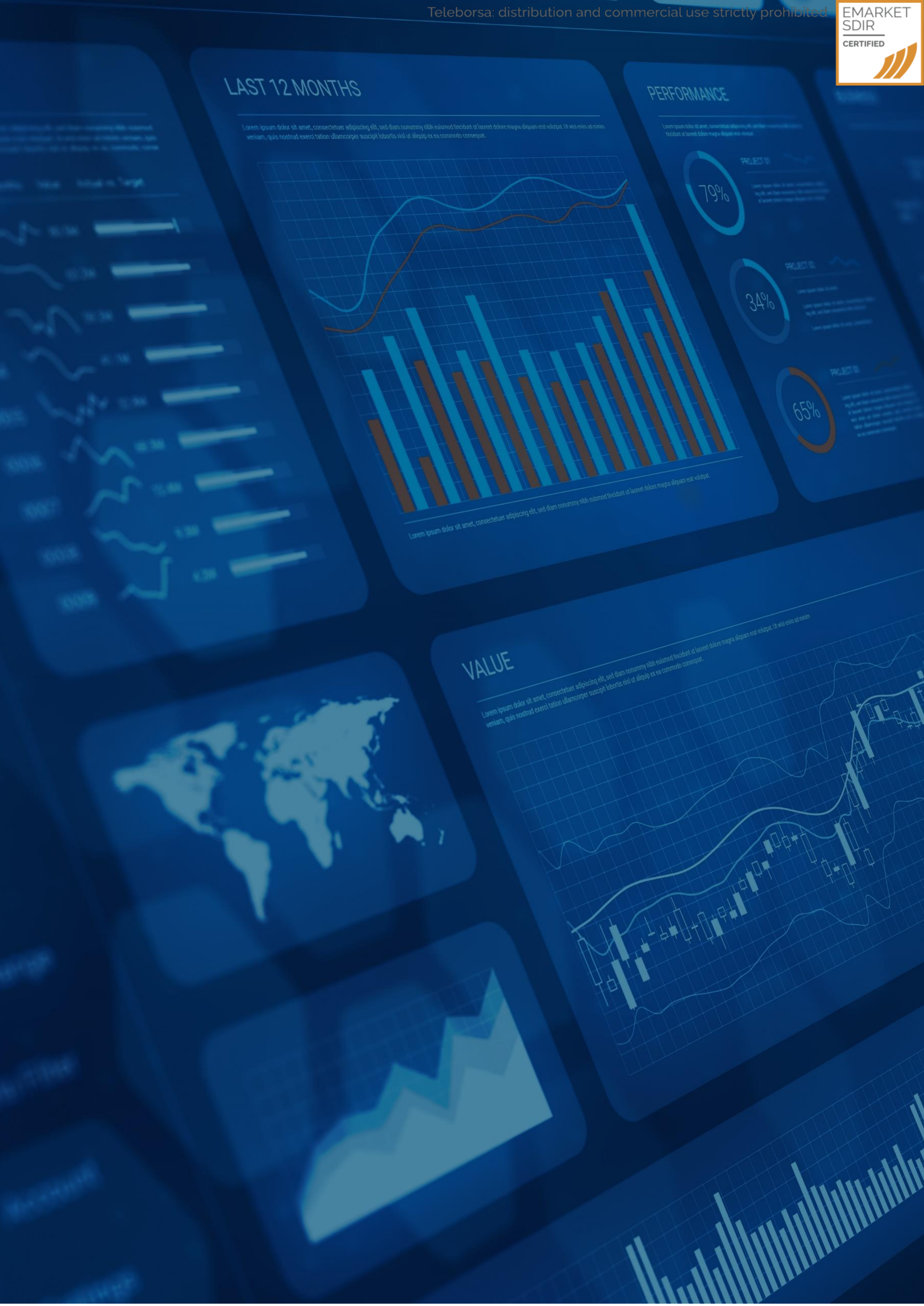
Milan, 12 September 2024

The CEO

Matteo Luigi Neuroni

The Group CFO (*Dirigente Preposto*)

Andrea Matteo Baldini


LAST 12 MONTHS
PERFORMANCE
79%
34%
65%
VALUE

# INDEPENDENT AUDITOR REPORT

# Sys-Dat Group S.p.A.

Relazione sulla revisione contabile del bilancio consolidato semestrale abbreviato al 30 giugno 2024

PBT/MAR/cpt - RC105972024BD0266

BDO

BDO

Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

**Relazione di revisione contabile limitata sul bilancio consolidato semestrale abbreviato**

Agli Azionisti di
Sys-Dat Group S.p.A.

## Introduzione

Abbiamo svolto la revisione contabile limitata dell'allegato bilancio consolidato semestrale abbreviato, costituito dalla situazione patrimoniale-finanziaria, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative di Sys-Dat Group S.p.A. e controllate al 30 giugno 2024.

Gli Amministratori sono responsabili per la redazione del bilancio consolidato semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

È nostra la responsabilità di esprimere una conclusione sul bilancio consolidato semestrale abbreviato sulla base della revisione contabile limitata svolta.

## Portata della revisione contabile limitata

Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla Consob con Delibera n. 10867 del 31 luglio 1997. La revisione contabile limitata del bilancio consolidato semestrale abbreviato consiste nell'effettuare colloqui, prevalentemente con il personale della società responsabile degli aspetti finanziari e contabili, analisi di bilancio ed altre procedure di revisione contabile limitata.

La portata di una revisione contabile limitata è sostanzialmente inferiore rispetto a quella di una revisione contabile completa svolta in conformità ai principi di revisione internazionali (ISA Italia) e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti significativi che potrebbero essere identificati con lo svolgimento di una revisione contabile completa.

Pertanto, non esprimiamo un giudizio professionale sul bilancio consolidato semestrale abbreviato.

## Conclusioni

Sulla base della revisione contabile limitata svolta, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio consolidato semestrale abbreviato di Sys-Dat Group S.p.A. al 30 giugno 2024 non sia stato redatto, in tutti gli aspetti significativi, in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

## Altri aspetti

I dati di Sys-Dat Group S.p.A. relativi al semestre chiuso al 30 giugno 2023 presentati ai fini comparativi nel bilancio consolidato semestrale abbreviato al 30 giugno 2024 non sono stati sottoposti a revisione contabile.

Milano, 13 settembre 2024

BDO Italia S.p.A.

Paolo Beretta

Paolo Beretta
Socio

# Sys-Dat Group S.p.A.

*Review report on interim abreviated*

*consolidated financial statements*

*as of June 30, 2024*

*Translation from the Italian original which remains the definitive version)*

PBT/MAR/cpt - RC105972024BD0266

BDO

BDO

Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

**Review report on interim abbreviated consolidated financial statements**

To the shareholders of
Sys-Dat Group S.p.A.

## Introduction

We have reviewed the accompanying interim abbreviated consolidated financial statements comprising the statement of financial position, the income statement, the comprehensive income statement, the statement of changes in consolidated shareholders 'equity, the financial statement and related explanatory notes of Sys-Dat Group S.p.A. and its subsidiaries as of June 30, 2024.

Management is responsible for the preparation of this interim abbreviated consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) endorsed by the European Union.

Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review.

## Scope of review

We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 dated July 31, 1997. A review of interim abbreviated consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim abbreviated consolidated financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim abbreviated consolidated financial statements of Sys-Dat Group S.p.A. as of June 30, 2024, are not prepared, in all material respects, in accordance with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34), endorsed by the European Union.

## Other aspects

The data of Sys-Dat Group S.p.A. for the six months ended June 30, 2023 presented for comparative purposes in interim abbreviated consolidated financial statements as of June 30, 2024 have not been audited.

Milan, September 13, 2024

BDO Italia S.p.A.
(signed on the original)
Paolo Beretta
Partner



BDO Italia S.p.A. - Sede Legale: Viale Abruzzi, 94 - 20131 Milano - Capitale Sociale Euro 1.000.000 i.v.
Codice Fiscale, Partita IVA e Registro Imprese di Milano n. 07722780967 - R.E.A. Milano 1977842
Iscritta al Registro dei Revisori Legali al n. 167911 con D.M. del 15/03/2013 G.U. n. 26 del 02/04/2013
BDO Italia S.p.A., società per azioni italiana, è membro di BDO International Limited, società di diritto inglese (company limited by guarantee), e fa parte della rete internazionale BDO, network di società indipendenti.