SYS-DAT S.p.A.

FULL YEAR FINANCIAL STATEMENTS
AS OF 31 DECEMBER 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

VAT number: 03699600155

The accompanying Annual Report constitute a non official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815, as it has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian Language is authoritative.

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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 as of 31 December 2026)

Carlo Zambelli – *Chairman (“Sindaco effettivo”)*

Gabrio Pellegrini – *Statutory auditor (“Sindaco effettivo”)*

Lorena Pellissier – *Statutory auditor (“Sindaco effettivo”)*

Appointments and Compensation Committee

Marzo Zampetti – *Chairman and independent director*

Maurizio Santacroce – *Independent director*

Stefania Tomasini – *Independent director*

Control, Risk and Related Parties Committee

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

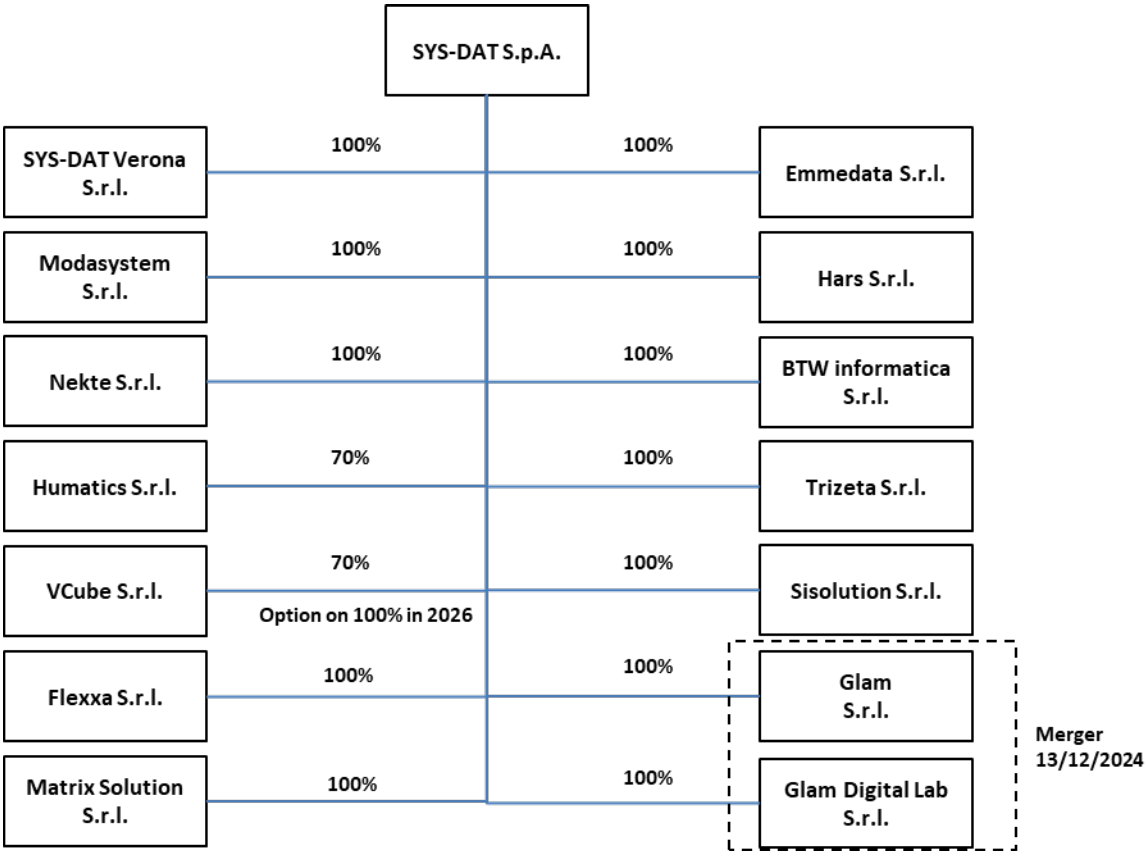
This management report for the year 2024 covers SYS-DAT S.p.A. and its operating companies (collectively, the 'Company' or the "Group") and should be read in conjunction with the balance sheet, income statement, comprehensive income statement, Statement of changed in shareholders' equity and cash flow statement as of 31 December 2024.

The statements have been prepared in accordance with EU-IFRS accounting rules and best practices. The reporting period as of 31 December 2024 closed with a total profit of Euro 6.204 thousand, after taxes of Euro 2.361 thousand, and depreciation, amortisation and write-downs totalling Euro 3.890 thousand.

The management report is intended to provide information on the Company's situation and operating performance as a whole and in the various business units by which it operates, including subsidiaries.

Structure of the Group

SYS-DAT S.p.A. is the parent company, with 13 subsidiaries as of 31 December 2024, as shown in the following diagram.



* Logic One merged into BTW Informatica on 02 October 2024

** Glam acquired as Glam S.r.l. and Glam Digital Lab S.r.l., merged into Glam S.r.l. before 31 December 2024

SYS-DAT S.p.A. holds interests in its subsidiaries constituting 100% of the shares, with the exception of Humatics (70% of the shares) and VCube (70% of the shares, with a commitment to acquire 100% of the shares by 2026).

The Company finalised during 2024 the acquisition of Flexxa S.r.l., Matrix Solution S.r.l., Glam S.r.l. . and Glam Digital Lab S.r.l., merged into Glam S.r.l., all consolidated into the Group accounts as of 1 October 2024.

BTW Informatica S.r.l. and Logic One S.r.l., two subsidiaries of SYS-DAT S.p.A., approved the merger of Logic One into BTW Informatica during the reporting period, which became effective on 02 October 2024.

Listing on the Euronext Milan stock exchange, STAR segment

During the 2024 fiscal year, the Company completed the listing of its shares on the regulated market Euronext Milan STAR segment, starting trading on the market on July 2, 2024. The proceeds from the issuance of new shares amounted to approximately Euro 32 million after the full exercise of the greenshoe option. These proceeds will be used by the Company to continue developing and focusing on the key pillars of its strategy based on: (i) accelerating its M&A activities to acquire new companies in the IT market; (ii) new hires and investments in the current personnel to pursue long-term value creation and expand its business capacity; (iii) maximizing value creation through a comprehensive service offering, a multi-sector approach, implementation of new technologies, and customer loyalty; (iv) strengthening its capital structure; (v) further expanding its territorial presence.

Key Economic and Financial Indicators on a consolidated basis

PROFIT AND LOSS MAIN KPIs

in thousand Euro	31-Dec-24	%	31-Dec-23	%
Total Revenue	**57.480**	*100%*	**46.468**	*100%*
EBITDA	**11.559**	*20%*	**9.300**	*20%*
EBIT	**7.669**	*13%*	**6.469**	*14%*
Income before taxes	**8.564**	*15%*	**6.543**	*14%*
Net income	**6.204**	*11%*	**4.242**	*9%*

BALANCE SHEET MAIN KPIs

in thousand Euro	31-Dec-24	31-Dec-23
Total Group equity	**57.164**	**19.288**
Total assets	**99.799**	**61.144**
Liquidity	**48.330**	**19.071**
Net Financial Position	**32.211**	**3.115**

Company performance and analysis of the results of fiscal year 2024

The Company, established in 1977, represents a solid corporate reality with thirteen controlled entities and twenty-two offices in Italy. 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 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 31 December 2024 has 456 employees excluding directors and collaborators for a total number of 490 people, across the Company and thirteen operating companies and twenty-one offices on the Italian national territory. The Company operates with a network structure made up of fourteen 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
- 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
- Flexxa: Cybersecurity, business continuity
- Matrix Solution: Document and workflow services, optical reading, and business continuity
- Glam: Software production in the field of digital commerce

During the fiscal year 2024, the Group recorded significant consolidated growth in terms of revenue, EBITDA and net profit.

Revenue grew by 24% from 2023 to 2024, from Euro 46.468 thousand as of 31 December 2023 to Euro 57.480 thousand as of 31 December 2024, thanks to organic growth and aquisitions.

EBITDA increased by 24% from 2023 to 2024, from Euro 9.300 thousand as of 31 December 2023 to Euro 11.559 thousand as of 31 December 2024, thanks to organic growth and aquisitions.

Net profit increased by 46% from 2023 to 2024, from €4.242 thousand as of 31 December 2023 to €6.204 thousand as of 31 December 2024, mainly due to higher financial income and proportionally lower taxes compared to the previous fiscal year.

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

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

With reference to its offering stack composed of three levels: Core business software solutions, Value-added software solutions, and ICT services, the following table shows the classification of revenues in the aforementioned categories:

(in thousand Euro)	**31-Dec-24**	**%**	**31-Dec-23**	**%**
Core business software solutions	38.906	68%	33.318	72%
Value added software solutions	5.817	10%	4.576	10%
ICT services	12.379	22%	8.372	18%
Other revenues	378	1%	202	0%
Total revenues	**57.480**	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 National Recovery and Resilience Plan (Piano Nazionale di Ripresa e Resilienza, NRRP), part of the Next Generation EU (NGEU) programme.

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 early weeks of the Trump administration and the resulting decisions regarding international trade and foreign policy, the conflicts between Russia and Ukraine, and between Israel and Hamas, remains complex. However, these conflicts do not currently seem to have a substantial effect on the ICT market. At the macroeconomic level, the effect of interest rate reductions and the consensus on future cuts to these rates appears to prevail, despite the uncertainty caused by geopolitical 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 profit and loss statement

in thousand di Euro	**31-Dec-24**	**%**	**31-Dec-23**	**%**
Operating Revenues	57.102	*99%*	46.266	*100%*
Other Revenues	378	*1%*	202	*0%*
Total revenues	**57.480**	*100%*	**46.468**	*100%*
Purchasing cost	3.879	*7%*	2.249	*5%*
Service cost	18.895	*33%*	15.533	*33%*
Personnel	22.718	*40%*	18.980	*41%*
Other operating cost	429	*1%*	405	*1%*
Total operating cost	**45.922**	*80%*	**37.167**	*80%*
EBITDA	**11.559**	*20%*	**9.300**	*20%*
Amortisations and depreciations	3.489	*6%*	2.569	*6%*
Provisions and writedowns	401	*1%*	263	*1%*
EBIT	**7.669**	*13%*	**6.469**	*14%*
Financial income	1.766	*3%*	518	*1%*
Financial expenses	-870	*-2%*	-443	*-1%*
Income (Loss) before taxes	**8.564**	*15%*	**6.543**	*14%*
Income taxes	2.361	*4%*	2.301	*5%*
Net income (Loss)	**6.204**	*11%*	**4.242**	*9%*

The results of operations for the fiscal year 2024 were as follows:

- Total revenues of Euro 57.480 million (Euro 46.468 million in 2023), with an increase in total revenues of Euro 11.012 million (+24%) due to higher sales across all business lines, including Core business software solutions, Value-added software solutions, and ICT services, also thanks to the presence of 71% recurring revenues from fees (34%) and repeat revenues from clients with more than five years of tenure (37%);
- EBITDA of Euro 11.559 million (Euro 9.300 million in 2023), with an increase of Euro 2.258 million (+24%) resulting from effective management of operating costs, which increased proportionally to the rise in revenues;
- EBIT of Euro 7.669 million (Euro 6.469 million in 2023), increased by Euro 1.200 million (+19%) with an increase in depreciation mainly due to acquisitions and capitalization of software development;
- Income (Loss) before taxes includes a net amount of Financial Income and Expenses of Euro 896 thousand in 2024 compared to Euro 74 thousand in 2023, due to the management of income generated from the management of invested liquidity received following the IPO. It is noted that for a better presentation of the items of financial income and expenses, the accounts included in the two individual items of the reclassified statement were harmonized without altering the total amount of profit before taxes.
- Net income of Euro 6.204 million (Euro 4.242 million in 2023), increased by Euro 1.962 million (+46%) mainly due to the increase in financial income from low-risk investments of the proceeds from the listing and the reduction in taxes compared to the previous year, primarily due to the deductibility of listing expenses in the 2024 fiscal year.

Analysis of reclassified statement of financial position

in thousand Euro	31-Dec-24	31-Dec-23	Delta
Trade receivables	17.124	16.015	1.109
Activities for work in progress	1.172	1.699	-527
Inventories	249	194	55
Trade payables (excluding non-current portion)	-4.964	-4.543	-421
Advance payments on work in progress	-1.346	-1.783	437
Commercial net working capital	**12.235**	**11.582**	**653**
Other current assets	3.016	2.340	676
Tax debts	-1.486	-2.092	606
Other current liabilities	-8.871	-8.696	-175
Net working capital	**4.895**	**3.135**	**1.760**
Tangible assets	871	788	82
Right of use	4.915	3.995	920
Goodwill	12.252	8.954	3.297
Other intangible assets	10.947	7.384	3.563
Deferred tax assets	802	615	186
Other non current assets	121	88	34
Employee benefits	-7.135	-6.662	-473
Provisions	-174	-330	156
Deferred tax liabilities	-2.540	-1.794	-746
Net fixed capital	**20.058**	**13.038**	**7.020**
Net invested capital	**24.953**	**16.173**	**8.779**

Net financial position	-32.212	-3.115	-29.097
Net assets	57.164	19.288	37.876
Total Net assets and Net financial position	**24.953**	**16.173**	**8.779**

Net invested capital increased by Euro 8.779 million between December 31, 2023, and December 31, 2024, mainly due to the increase in intangible assets resulting from acquisitions and capitalization of software development.

Commercial net working capital as of December 31, 2024, increased by Euro 653 thousand compared to December 31, 2023, primarily due to improvements in trade receivables and payables during the reporting period. The balance of net working capital as of December 31, 2024, is Euro 4.895 million, up from the previous period mainly due to the increase in other current assets, particularly tax receivables, and the decrease in tax payables.

Net assets as of December 31, 2024, increased from Euro 19.288 million to Euro 57.164 million as a result of the period's profits and the listing on the Euronext Milan market.

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

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 *(Euro thousand)*	**31-dic-24**	**31-dic-23**	**Variation**	**Var %**
A. Liquid assets	24.680	14.437	10.243	*70,9%*
B. Cash equivalents	0	0	0	*n/a*
C. Tradeable securities	23.650	4.633	19.016	*410,4%*
D. Liquidity (A) + (B) + (C)	**48.330**	**19.071**	**29.260**	***153,4%***
E. Current financial debt	85	15	70	*468,6%*
F. Current portion of non current debt	4.806	4.895	-90	*-1,8%*
G. Current financial indebtness (E)+ (F)	**4.891**	**4.910**	**-19**	***-0,4%***
H. Net current financial debt (G) – (D)	**43.439**	**14.160**	**29.279**	***206,8%***
I. Non-current financial debt	839	1.620	-781	*-48,2%*
J. Bonds issued	0	0	0	*n/a*
K. Other non-current financial debt	10.389	9.425	964	*10,2%*
L. Non-current financial debt (I) + (J) + (K)	**11.228**	**11.045**	**183**	***1,7%***
M. Net Financial Position (H) - (L)	**32.211**	**3.115**	**29.096**	***934,0%***

The Company has a positive net financial position (cash positive) of Euro 32.211 million as of December 31, 2024, compared to Euro 3.115 million as of December 31, 2023.

The improvement in net assets as of December 31, 2024, compared to December 31, 2023, amounting to a total of Euro 29.096 million, is primarily due to the listing on the regulated Euronext Milan market, which, along with operational activities, generated an increase in consolidated liquidity of Euro 29.260 million, net of listing costs and payments for equity stakes from acquisitions in the current and previous fiscal years.

Debts are fundamentally stable due to the combined effect of (a) a decrease in non-current financial debt of Euro (781) thousand due to repayments of bank loans and (b) an increase of Euro 964 thousand due to the rise in lease liabilities and earn-out debts.

The Company does not have any financing contracts that require compliance with financial covenants.

Reclassified cash flow statement

Below is the reclassified cash flow statement comparing fiscal year 2023 to fiscal year 2024.

Thousand Euro	31-dec-24	31-dec-23	Variation
Net Income	**6.204**	**4.242**	**1.962**
Taxes	2.361	2.301	59
Depreciation	3.471	2.569	902
Other variations	88	816	-728
Funding from operations	**12.123**	**9.928**	**2.195**
Change in inventories	-29	50	-79
Changes in WIP net of prepayments	965	-2.452	3.417
Change in trade receivables	41	-1.168	1.209
Change in trade payables	300	260	40
Change in other assets and liabilities	-2.496	2.553	-5.049
Taxes paid	-2.802	-1.876	-925
Operating Cash Flow	**8.103**	**7.296**	**807**
Investments in intangible assets	-2.947	-2.173	-774
Investments in tangible assets	-359	-136	-223
Investments in leasing assets	0	0	0
Equity investments	0	0	0
Disinvestments of fixed assets	3	30	-27
Disinvestments of leasing assets	204	0	204
Interest income collected	67	108	-41
Change in other financial assets	-18.658	411	-19.069
Investment activities Cash Flow	**-21.690**	**-1.761**	**-19.929**
Change in financial debts	-617	-3	-614
Repayment of loans	-1.762	-1.544	-219
Increase share capital	33.852	0	33.852
Listing expenses	-1.885	0	-1.885
Distribution of dividends	-660	-660	0
Interest paid	-56	-278	223
Financial activities Cash Flow	**28.873**	**-2.485**	**31.358**
Liquidity from changes in the consolidation area	-5.043	-2.480	-2.562
Total cash generated (absorbed)	**10.243**	**570**	**9.673**

Cash and cash equivalent at the beginning of the period	**14.437**	**13.867**	**570**
Total cash generated (absorbed)	10.243	570	9.673
Cash and cash equivalent at the end of the period	**24.680**	**14.437**	**10.243**

In the fiscal year ended December 31, 2024, the operating activities generated a consolidated operating cash flow of Euro 8.103 million, an increase of Euro 807 million compared to the fiscal year ended December 31, 2023, primarily due to the increase in profit by Euro 1.962 million. The changes in inventories, trade receivables, and trade payables are in line with or improved compared to business growth. The changes related to the item "Changes in other assets and liabilities," as well as the item "Taxes paid," are mainly due to differences in tax receivables and payables and the tax profile of the year 2023 compared to 2024, primarily impacted by listing costs and their tax treatment.

During the fiscal year ended December 31, 2024, investment activities increased, resulting in a cash absorption of Euro 19.929 million more than on December 31, 2023, with an increase in investments in intangible assets of Euro 774 thousand compared to December 31, 2023, mainly due to the capitalization of software development and other financial variations with an increase in investments of Euro 19.069 million compared to December 31, 2023, primarily due to the transfer of part of the liquidity obtained from the proceeds of the listing, amounting to Euro 19 million, to low-risk investments in the bond sector that cannot be classified as cash equivalents.

During the fiscal year ended December 31, 2024, financing activities generated a cash flow of Euro 28.873 million compared to a cash outflow of Euro (2.485) million in the fiscal year ended December 31, 2023, primarily due to the listing on the regulated Euronext Milan market, resulting in a capital increase net of listing costs.

The liquidity acquired (transferred) from changes in the consolidation area resulted in a transfer of Euro (5.043) million in 2024 due to the acquisitions during the period of the three companies: Flexxa, Matrix Solution, and Glam.

Thus, in the fiscal year ended December 31, 2024, the Company generated consolidated cash of Euro 10.243 million, which is Euro 9.673 million higher than the cash generated as of December 31, 2023, amounting to Euro 570 thousand, including liquidity from changes in the consolidation area.

Alternative performance indicators

In this report, in addition to the conventional financial indicators provided by IAS/IFRS standards, some alternative performance indicators are presented to allow for a better assessment of the economic and financial management performance. These indicators, which are also presented in the Management Report during other periodic disclosures, should not be considered as substitutes for the conventional indicators required by IAS/IFRS standards.

The alternative performance indicators used by the Company, in accordance with ESMA 2015/1415 Guidelines, are as follows:

EBIT: corresponds to Operating profit

EBITDA: represents Gross operating margin and is determined by adding Depreciation of tangible and intangible assets and Impairment and Provisions to the Operating Profit

Net Financial Debt or Net Financial Position: represents an indicator of the financial structure and is determined by the algebraic sum of Cash and cash equivalents, Other current financial assets, Current financial debt, Current portion of Non-current financial debt, Non-current financial debt, Trade payables and Other non-current Liabilities

Net Invested Capital: represents a balance sheet indicator and is determined as Equity net of Net financial debt

Net Trade Working Capital: A balance sheet indicator related to trade working capital, determined as the sum of Trade receivables and Inventories net of Trade payables and Advances

Net Working Capital: A balance sheet indicator related to working capital, determined as the sum of Net Trade Working Capital and Other current Assets, net of Tax liabilities and Other current Liabilities

Net Fixed Capital: A summary balance sheet indicator determined as Net invested capital net of Net working capital

Investments in tangibles and intangibles

The increases in intangible assets for the fiscal year ended December 31, 2024, amounting to Euro 183 thousand, primarily relate to the purchase of software for internal activities. For details, please refer to note 6.2 of the Financial Statements.

The increases in tangible assets for the fiscal year ended December 31, 2024, amounting to Euro 334 thousand, primarily relate to the purchase of hardware for internal activities. For details, please refer to note 6.4 of the Financial Statements.

Research and development activities.

In fiscal year 2024, the Company continued its research and development activities. All costs incurred were capitalised in the reporting period.

Research and development activity in 2024 focused mainly on five application areas: ERP, SAP, CRM, Retail and Other, including Artificial Intelligence and Digital Commerce, as illustrated in the following table expressed in days dedicated to software development activities in 2024 on a consolidated basis:

R&D 2024 - Days	ERP	Add-on SAP	CRM	Retail	Altro
10.040	5.272	1.205	558	615	2.390

R&D investments for the fiscal year 2024 are Euro 2.764 million compared to Euro 2.047 million in 2023. For further details, please refer to Note 6.2.

Below are the most significant projects for each product family:

- ERP: Data recovery tool, integration with couriers and RFID, optimization of the commercial and product area, commercial kit, customer management in consignment sales.
- SAP Add-ons: SAP Ship One AddOn (courier interface), SAP HIS AddOn (medical agreements), HIS WEB (care plans and appointments, agreements), HIS HRW (performance handbook, medical form).
- CRM: Catalog improvements with additional import/export, order enhancement with availability and statistics, advanced filters, improvements to virtual showroom and budget, statistics, and season activation.
- RETAIL: Management of inventory lists, restocking of display spaces, additional communication modules, SuitOne and RetailOne functionalities.
- Other projects primarily related to the development of AI and Digital Commerce software applications.

Outlook on operations

The significant growth in 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 and in 2024
- 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.

In the fiscal year 2024, the Company completed the acquisition of three new subsidiaries: Flexxa S.r.l., Matrix Solution S.r.l., and Glam S.r.l., which have been consolidated since October 1, 2024. The three companies are engaged in cybersecurity services, document archiving services, workflow processes, optical reading, business continuity, and software production in the field of digital commerce, in synergy and with an incremental perspective relative to the Group's solutions.

During the fiscal year 2024, the Company was listed on the regulated Euronext Milan STAR segment, with trading starting on July 2, 2024, as previously described in the earlier paragraphs, providing additional liquidity primarily to accelerate future acquisitions and enhance the operational structure.

In this context, the Company acquired shares of A & C. Holding S.r.l. and its subsidiaries ("A&C group") in March 2025, after the close of the fiscal year 2024. The A&C group consists of five operational companies offering solutions aimed at small and medium-sized enterprises, with a national presence through 12 locations and various specializations:

- Versya S.p.A. and BM Informatica S.r.l. provide solutions for companies in the SME segment and professional firms;
- Velika S.r.l. offers solutions in certain vertical markets, including Food;
- A. & C. Sistemi S.r.l. provides solutions for business automation;
- Ager Technology S.r.l. specializes in the agritech market.

The group has various software solutions for vertical markets, including those for large-scale distribution (GDO), food & beverage, logistics, and professionals such as notaries and accountants.

In 2024, the A&C group generated approximately total revenues of around Euro 25 million, with an EBITDA margin of about 14% and a net financial position (cash-positive) of approximately Euro 7 million as of December 31, 2024.

Significant events during FY 2024

On 2 July 2024, SYS-DAT began trading on the regulated market Euronext Milan - STAR Segment after completion of the offer with a price of €3.40 per share, resulting in a capitalisation of the Company of approximately €103 million (and of approximately €106 million following the full exercise of the greenshoe option).

On 8 July 2024, SYS-DAT communicated the composition of its share capital, following the execution of the share capital increase, and that it had received from Alkemia Capital Partners SGR S.p.A. the notification that the 5% share capital threshold had been exceeded.

On 9 July 2024, SYS-DAT announced that the 987,000 shares subject to the over-allotment option had been placed in full, and that no stabilisation transactions had been carried out during the stabilisation period from 2 July 2024 until 9 July 2024.

On 11 July 2024, SYS-DAT announced that, on 10 July 2024, it had executed the tranche of the capital increase by issuing 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 options related to the "Stock Option Plan 2024-2026," as already described in the "Long-term incentive plans" section of the Prospectus related to the listing.

On 23 July 2024, SYS-DAT announced that it had completed the acquisition of the entire share capital of SYS-DAT Verona S.r.l., of 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 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 that offers services in the cybersecurity and business continuity field, at a valuation in line with the multiples of previous acquisitions, of around 5 times EBITDA. The closing was finalised and announced on 24 September 2024.

On 2 October 2024, Logic One S.r.l., a wholly-owned subsidiary of the Company, was merged by incorporation into BTW Informatica, which is also wholly owned by the Company.

On 4 November 2024, following the binding LOI signed on October 16, 2024, and the signing of the purchase agreement, SYS-DAT announced that it had acquired the entire share capital of Glam S.r.l. and Glam Digital Lab S.r.l., Bologna-based companies that offer consulting and software production services in the field of digital commerce, such as CRM, web marketing, retail analysis, score management, and web development, at a valuation in line with the multiples of previous acquisitions, of approximately 5 times EBITDA. As part of the purchase agreement, Glam Digital Lab S.r.l. was merged into Glam S.r.l. before the close of the fiscal year on December 31, 2024.

On 12 November 2024, following the binding LOI signed on October 8, 2024, and the signing of the purchase agreement, SYS-DAT announced that it had acquired the entire share capital of Matrix Solution S.r.l., a Milan-based company that offers document archiving services and workflow processes, optical reading, and business continuity, at a valuation in line with the multiples of previous acquisitions, of approximately 5 times EBITDA.

Significant events after 31 December 2024

Acquisition of 80% of A&C group, Cuneo-based company specializing in services for small and medium businesses

On 5 March 2025, SYS-DAT announced that the acquisition of 80% of A & C. Holding S.r.l. ("A&C group"), a group made up of five companies with solutions aimed at small and medium-sized businesses.

A&C group, based in Cuneo, was founded in 1978 and is made of five operating companies, with a presence within the country through 12 offices and with different specializations: Versya S.p.A. and BM Informatica S.r.l. offer solutions for companies belonging to the SME segment and professional firms; Velika S.r.l. offers solutions in some vertical market including Food; A. & C. Sistemi S.r.l. offers business automation solutions; Ager Technology S.r.l. is specialized in the agritech market.

The group has various software solutions for vertical markets, including those for large-scale distribution (GDO), food & beverage, logistics, and professionals such as notaries and accountants. In 2024, the company generated approximately total revenues of around Euro 25 million, with an EBITDA margin of about 14% and a net financial position (cash-positive) of approximately Euro 7 million as of December 31, 2024.

A&C group offers, through its subsidiary companies, services aimed at the small and medium-sized enterprise market with various technologies and vertical solutions for different markets, helping companies increase productivity and improve profitability.

With the entry of A&C group into the SYS-DAT group, the first acquisition of 2025 and the fourth since the admission to the Euronext Milan STAR segment on July 2, 2024, SYS-DAT further strengthens its competitive position and expands its development prospects in the market.

80% of the company was acquired at a valuation in line with the multiples of previous acquisitions, of approximately 5 times EBITDA. A Put & Call option agreement was also signed for the purchase of the remaining 20% in 2028 using the same multiples. The overall valuation for 100% of A&C group is therefore approximately Euro 25 million, also considering the net financial position of about Euro 7 million as of December 31, 2024.

The payment for the shares will be made during the period 2025-2028, financing the acquisition with internal resources.

Other significant events

On 31 January 2025, SYS-DAT announced that it had received notification from Barca Capital Partners LLC, the American general partner of Barca Global Master Fund LP, regarding the crossing of the 5% threshold of the share capital.

On 25 February 2025, the merger plan for the incorporation of Trizeta S.r.l., a wholly-owned subsidiary of SYS-DAT S.p.A., into SYS-DAT Verona S.r.l., also a wholly-owned subsidiary of SYS-DAT S.p.A., was filed.

Sustainability and climate change

The recent Legislative Decree No. 125/2024 (the "Decree") regarding the certification of compliance for sustainability reporting has implemented Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive), which establishes the obligation for sustainability reporting for large enterprises, large groups, and listed small and medium-sized enterprises (excluding micro-enterprises). The purpose of the directive, and thus the Decree, is to consolidate the regulations on sustainability reporting to make it more suitable and effective in supporting the European Union's transition to a sustainable economy.

The Company has not exceeded the requirements set by the Decree for the obligation to present sustainability reporting on a consolidated basis starting from January 1, 2024.

In relation to climate risks, particularly those associated with climate change, the Company is conducting an internal preliminary assessment to identify the extent and pervasiveness of these risks both retrospectively and prospectively, analyzing any potential impacts on estimates, changes in the useful life of assets, and potential loss of value of trade receivables and other assets.

It is believed that, considering the business model and the preliminary analyses conducted, the Company does not have significant exposures to environmental risks, particularly those related to climate change.

The commitment to social responsibility and local issues has long been an integral part of the principles and conduct of the Company's subsidiaries, aimed at maintaining high levels of safety, environmental protection, and energy efficiency, as well as training, raising awareness, and involving personnel on social responsibility issues.

During 2024, as in the past, there have been no environmental damages for which the Company or any of its subsidiaries has been definitively declared responsible.

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.

Since the start of trading on the regulated Euronext Milan market, there have been no significant transactions with related parties in accordance with the regulation approved by the Company on April 15, 2024.

For further details on Transactions with Related Parties, please refer to the relevant notes in the Consolidated Annual Financial Statements and the Financial Statements.

Relationships with controlled and parent companies

The Company is not controlled by any third-party entity.

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 Italian Civil Code.

Own shares

Neither the Company nor the subsidiaries of SYS-DAT held any shares of the Company as of December 31, 2024.

Proposal for the approval of the annual financial statements and allocation of the net result

The annual financial statements for 2024 of SYS-DAT S.p.A., prepared in accordance with international financial reporting standards (IFRS) issued by IASB and endorsed by the EU, report a net profit of Euro 4,307,567 and net assets as of December 31, 2024, amounting to Euro 50,705,137, structured as follows:

(Euro)	**31-dec-24**	**31-dec-23**
Share Capital	1.564.244	1.015.000
Statutory reserve	203.000	203.000
Share premium reserves	33.502.769	60.000
Other reserves	1.574.277	1.609.655
Profits (losses) carried forward	9.553.280	9.553.280
Profit (loss) for the financial year of the parent company	4.307.567	2.382.857
Total equity of the parent company	**50.705.137**	**14.823.792**

The Board of Directors, in submitting the approval of the annual financial statements (separate financial statements of SYS-DAT S.p.A.) as of December 31, 2024, which shows a net profit of Euro 4,307,567, proposes that the Shareholders' Meeting resolves to:

- Approve the annual financial statements of SYS-DAT S.p.A. as of December 31, 2024, which highlights a net profit of Euro 4,307,567.
- Approve the proposal to allocate the net profit of Euro 4,307,567 as follows:
  - EUR 109,849.00 to the legal reserve, in order to restore, following the capital increase related to the listing on the Euronext Milan STAR segment, the portion of one-fifth of the share capital as required by Article 2430 of the Italian Civil Code;
  - to shareholders, a dividend of EUR 0.04 per each outstanding ordinary share eligible for payment, amounting to a total of EUR 1,251,395.20, with dividend payment on May 21, 2025, ex-dividend date on May 19, 2025, and record date pursuant to Article 83-terdecies of Legislative Decree No. 58/1998 on May 20, 2025;
  - the remaining amount of EUR 2,946,322.80 to be allocated to the extraordinary reserve.

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%

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

Statement of financial position

(Euro)	Note	31-Dec-24	31-Dec-23
ASSETS			
Non-current assets			
Goodwill	6.1	12.251.636	8.954.306
Intangible assets	6.2	10.947.067	7.383.815
RoU assets	6.3	4.914.601	3.994.658
Tangible assets	6.4	870.548	788.073
Equity investments and other non current assets	6.5	121.460	87.617
Deferred tax assets	6.6	801.527	615.481
Total non-current assets		**29.906.838**	**21.823.950**
Current assets			
Inventories	6.7	248.998	194.184
Trade receivables	6.8	17.124.406	16.015.464
Assets for work in progress on order	6.9	1.172.062	1.699.430
Other receivables and current assets	6.10	3.016.470	2.340.020
Current financial assets	6.11	23.649.883	4.633.409
Cash and cash equivalent	6.12	24.680.166	14.437.097
Total current assets		**69.891.985**	**39.319.604**
TOTAL ASSETS		**99.798.823**	**61.143.554**

(Euro)	Note	31-Dec-24	31-Dec-23
EQUITY AND LIABILITIES			
Share Capital	6.13	1.564.244	1.015.000
Other reserves	6.13	49.225.354	13.870.044
Net result	6.13	6.195.784	4.232.371
Third parties' equity	6.13	178.960	170.895
Total group equity		**57.164.342**	**19.288.310**
Non current liabilities			
Non current financial liabilities	6.14	11.227.539	11.024.509
Deferred taxes liabilities	6.6	2.539.525	1.793.642
Employee benefits	6.15	7.135.204	6.661.792
Provisions	6.16	173.958	330.346
Total non current liabilities		**21.076.226**	**19.810.289**
Current liabilities			
Current financial liabilities	6.14	4.856.983	4.909.934
Trade payables	6.17	4.998.291	4.564.410
Advance payments on work in progress	6.9	1.345.950	1.783.180
Current tax debt	6.18	1.486.277	2.091.846
Other current debts and liabilities	6.19	8.870.754	8.695.585
Total current liabilities		**21.558.255**	**22.044.955**
TOTAL EQUITY AND LIABILITIES		**99.798.823**	**61.143.554**

Income statement

(Euro)		31 December	
	Notes	2024	2023
Operating Revenues	7.1	57.102.083	46.265.809
Other Revenues	7.2	378.254	201.929
Total Revenue		**57.480.337**	**46.467.738**
Purchasing cost	7.3	3.400.985	2.754.127
Changes in inventories	7.3	478.310	-505.063
Service cost	7.4	18.895.109	15.533.500
Personnel	7.5	22.717.784	18.979.953
Other operating cost	7.6	429.452	404.868
Total operating cost		**45.921.640**	**37.167.385**
EBITDA		**11.558.697**	**9.300.353**
Amortisations and depreciations	7.7	3.488.961	2.568.943
Provisions and writedowns	7.8	401.217	262.590
EBIT		**7.668.519**	**6.468.820**
Income (expenses) from equity investments	7.9	15.369	17.706
Other financial income (expenses)	7.9	550.280	-84.831
Value adjustments to financial assets and liabilities	7.9	330.260	141.399
Income before taxes		**8.564.428**	**6.543.094**
Income taxes	7.10	2.360.841	2.301.356
Net Income		**6.203.587**	**4.241.738**
Of which third parties results	7.11	7.803	9.369
Net Income of the parent company		**6.195.784**	**4.232.371**

Comprehensive Income Statement

(Euro)		31 December	
	Notes	2024	2023
Net Income		6.203.587	4.241.739
Net income attributable to third parties		7.803	9.369
Net Income attributable to shareholders		6.195.783	4.232.371
Total OCI to be reclassified as Income/(loss)		**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	201.556	-98.710
Fiscal impact		-47.503	19.855
Total OCI not reclassifiable as Income/(loss)		**154.053**	**-78.855**
Other components of comprehensive income attributable to non-controlling interests.		261	-5
Other components of comprehensive income attributable to the shareholders of the parent company		153.792	-78.850
Comprehensive Net Income		**6.357.639**	**4.162.884**
Profit for the period attributable to non-controlling interests		8.064	9.364
Profit for the period attributable to the shareholders of the parent company		6.349.575	4.153.520

Statement of changes in shareholders' equity

(Euro)						Reserves									
	Share Capital	Share premium reserves	Legal reserves	OCI - IAS 19 reserves	IFRS 2 warrant reserves	FTA reserves	Other reserves	Undivided profit reserves	Retained profit reserves	Profit (Loss) for the year	Total net assets of the parent company	Third party capital and reserves	Profit (loss) of thirs parties	Total third-party net asset	Total equity
Total as of 31 Dec 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 financil year to parent company									226.902	-886.652	-659.750			0	-659.750
Allocation of profit from the previous financil year to subsidiaries								2.789.976		-2.789.976	0	14.175	-14.175	0	0
Change in consolidation area								33.000	-267.059		-234.059			0	-234.059
Warrant fair value adjustment					55.735						55.735			0	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
Total as of 31 Dec 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							1.722.857	1.849.513	660.000	-4.232.371	0	9.369	-9.369	0	0
Capital increase IPO	549.244	33.442.770			-139.871						33.852.144			0	33.852.144
Listing expenses							-1.884.758				-1.884.758			0	-1.884.758
Closing Directors' Severance Indemnity						26		9.616	-7.564		2.077			0	2.077
Distribution of dividends									-660.000		-660.000			0	-660.000
IFRS 2 Stock option					208.933						208.933			0	208.933
Rounding		-1					-0		-2		-3	0	0	0	-3
Total profit (Loss) for the financial year				153.791						6.195.784	7.010.958	262	7.803	8.064	6.357.639
Total as of 31 Dec 2024	**1.564.244**	**33.502.769**	**203.000**	**296.513**	**208.933**	**543.645**	**616.105**	**7.104.335**	**6.750.054**	**6.195.784**	**56.985.381**	**171.157**	**7.803**	**178.960**	**57.164.342**

Cash flow statement

(Euro)	Note	31 December 2024	31 December 2023
Net income		**6.203.587**	**4.241.739**
Taxes	7.10	2.360.841	2.301.356
Depreciation	7.7	3.471.108	2.568.943
Other variations		87.875	816.108
Funding from operations		**12.123.410**	**9.928.147**
Change in inventories	6.6	-28.851	50.462
Change in work in progress net of advances	6.6	964.599	-2.452.179
Change in trade receivables	6.7	41.186	-1.167.568
Change in trade payables	6.15	300.005	259.992
Change in other assets and liabilities		-2.496.020	2.553.103
Taxes paid		-2.801.644	-1.876.236
Operating cash flow		**8.102.688**	**7.295.720**
Investments in intangible assets	6.1	-2.947.306	-2.173.441
Investments in tangible assets	6.3	-358.709	-135.792
Equity investments	6.5	0	0
Disinvestments of fixed assets	6.5	2.588	30.000
Disinvestments of leasing		204.285	0
Interest income collected		67.500	108.024
Change in other financial assets and liabilities		-18.658.223	410.633
Investment activities Cash Flow		**-21.689.865**	**-1.760.575**
Change in financial debts		-616.518	-2.755
Repayment of loans		-1.762.321	-1.543.686
Increase share capital		33.852.144	0
Listing expenses		-1.884.758	0
Dividends		-660.000	-659.750
Interest paid		-55.548	-278.416
Financial activities cash flow		**28.872.999**	**-2.484.607**
Liquidity acquired (transferred) from changes in the consolidation area		-5.042.753	-2.480.298
Total cash flow (net of changes in consolidation area)		**10.243.068**	**570.241**
Cash and cash equivalent at the beginning of the period		**14.437.097**	**13.866.857**
Total cash flow		10.243.068	570.241
Cash and cash equivalent at the end of the period		**24.680.166**	**14.437.097**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

1. General information

1.1 Consolidation Area

The consolidated annual financial statements as of December 31, 2024 (the "Consolidated Annual Financial Statements") include the assets, economic, and financial situation of the SYS-DAT S.p.A. and the companies in which it holds the majority of voting rights (the “Company”).

The companies included in the consolidation area are consolidated using the full consolidation method.

The table below shows the companies subject to consolidation as of December 31, 2024.

(Euro)	Office	Share capital	Shares %
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	100%
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%
FLEXXA SRL	Verbania (VB)	20.000	100%
MATRIX SOLUTION SRL	Milano (MI)	25.000	100%
GLAM SRL	Bologna (BO)	20.000	100%

During the fiscal year, the Company acquired four companies: Flexxa Srl, Matrix Solution Srl, Glam Srl, and Glam Digital Lab Srl, with the latter merged into Glam Srl before the close of the fiscal year:

- Flexxa, a company specialized in cybersecurity and business continuity based in Verbania (VB);
- Matrix Solution, a company specialized in business process management services based in Milan (MI);
- Glam / Glam Digital Lab, companies specialized in digital commerce based in Bologna.

The three companies contribute to the economic value of the group only for the fourth quarter of 2024, according to the acquisition date and the actual enjoyment of economic benefits, with an impact on revenues, EBITDA, and profits for the period of 1.9%, 3.5%, and 3.6% of the respective consolidated values.

2. Summary of adopted accounting standards adopted

2.1 Accounting standards

The Company adopts the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (the "IFRS") for the preparation of its consolidated financial statements.

The Company prepared the previous consolidated three-year financial statements (the “Three-Year Financial Statements”) for the fiscal years ended December 31, 2023, and 2022 on a voluntary basis in accordance with the International Accounting Financial Standards (hereinafter also "EU-IFRS"), as part of the listing process (the “IPO”) of the Company's shares on Euronext Milan, a market managed by Borsa Italiana S.p.A., for inclusion in the IPO Offering Prospectus, as previously the Company prepared its financial statements in accordance with the applicable regulations in Italy and the accounting standards issued by the National Council of Chartered Accountants and Accounting Experts, modified by the Italian Accounting Body (the "Italian Accounting Standards"). The Offering Prospectus was published on June 19, 2024, following approval by CONSOB (approval notification no. 0061583/24 of June 19, 2024) and is available on the Company's website.

2.2 Statement of Compliance with IFRS

The Consolidated Annual Financial Statements have been prepared in accordance with the International Accounting Standards endorsed by the European Commission and in effect as of December 31, 2024. EU-IFRS refers to all "International Financial Reporting Standards," (IFRS) all "International Accounting Standards" (IAS), and all interpretations of the "International Financial Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC).

The Consolidated Annual Financial Statements have also been prepared in accordance with the provisions adopted by CONSOB regarding financial statement formats, in application of Article 9 of Legislative Decree 38/2005 and other CONSOB regulations and provisions regarding financial statements.

2.3 Basis of preparation

The Consolidated Annual Financial Statements consist of the mandatory financial statements required by IAS 1, namely the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, and the cash flow statement, as well as the explanatory notes, and are accompanied by the Director's report on the management performance.

The Company has prepared the Report on corporate governance and ownership structures in accordance with Article 123-bis of the Consolidated Finance Act (TUF).

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 Consolidated Annual 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 Consolidated Annual 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 Standards;
- 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 Standards and Valuation 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 impairment loss.

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.

Business combinations

The recognition of business combinations involves recording the assets and liabilities of the acquired company at their fair value as of the acquisition date, as well as the potential recognition of goodwill.

The acquisition cost is determined by the sum of the current values, at the exchange date, of the assets given, the liabilities incurred or assumed, and the financial instruments issued by the group in exchange for control of the acquired company. Costs directly attributable to the combination are expensed as incurred.

The identifiable assets, liabilities, and contingent liabilities of the acquired company that meet the criteria for recognition under IFRS 3 are recorded at their current values as of the acquisition date (Purchase Price Allocation - PPA).

The positive difference between the purchase price and the Company's share of the current values of the aforementioned assets and liabilities is recorded as goodwill and classified as an intangible asset with an indefinite life.

The interest of minority shareholders in the acquired company is initially measured at an amount equal to their share of the current values of the recorded assets, liabilities, and contingent liabilities.

In the case of put options on the minority shares of subsidiaries, such options are accounted for by recognizing, as applicable, the amount due to the minorities in the event of exercise of the options, considering this amount as part of financial liabilities.

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.

Stock options

Stock options are valued based on International Financial Reporting Standard No. 2 (IFRS 2) - "Share-based Payments" - which involves estimating the fair value of the assigned equity instruments.

The valuation of the granted rights was carried out by reflecting the financial market conditions valid at the grant date; the quantification was based on technical grounds using historical data and market benchmarks.

The methodology adopted for estimating fair value follows the risk-neutral approach typical of these issues; in the model used, the risk-free rate curve is derived from the interest rate swap rates in the market at the valuation date and is subject to bootstrapping.

The volatility of the Company's stock was estimated with reference to the historical volatility, on a daily basis, of comparable listed companies (companies belonging to two panels related to stock indices in the 'Software & Services' sector).

The valuation was conducted reflecting the characteristics of "no arbitrage" and "risk-neutral framework" common to fundamental option pricing models (such as the binomial model, the Black & Scholes model, and so on).

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.

Own shares

The consideration paid/received for the purchase/sale of own shares is recorded directly in equity. The cost of own shares held is presented as a separate reserve (the "own shares reserve"). Any excess of the consideration received from the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

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.

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

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

The following amendments are effective for fiscal years beginning on January 1, 2024. These changes have no effect on the valuation of any line item in the Company's financial statements.

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.

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.

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.

IFRS 18, "Presentation and Disclosure of Financial Statements"

IFRS 18, "Presentation and Disclosure of Financial Statements" replaces IAS 1, "Presentation of Financial Statements," and is mandatory for periods beginning on or after January 1, 2027.

3.2 Accounting standards and/or interpretations issued but not yet in effect and/or not endorsed

The amendment to IAS 21 titled "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" was published on August 15, 2023, and will come into effect in January 2025.

None of these Principles and Interpretations have been adopted by the group in advance. The Company is currently assessing the impact of these Principles and Interpretations, and based on the current state of the analyses, no significant impacts are expected.

4. Estimates and assumptions

The preparation of the financial statements requires the application of accounting standards 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 negatively impact its economic and financial situation. Below are the main financial risk management policies of the Company.

Credit Risk

The Company is exposed to credit risk. The Company's customers may delay or fail to meet their payment obligations within the agreed terms, and the internal procedures related to customer credit assessment may not be sufficient to ensure the collection of such receivables. The allowance for doubtful accounts reflects the expected losses calculated over the useful life of these assets. The estimate of expected losses is based on a dual approach that includes an individual analysis of each significant customer position and a collective analysis that groups customers with similar characteristics. Positions for which there is an objective condition of partial or total uncollectibility are subject to individual write-down. In this case, the amount of the write-down takes into account an estimate of recoverable cash flows based on payment delays. All other positions are subject to a collective assessment, using a provision matrix based on the age of receivables and the experience of actual historical losses. The historical information used to define the provision matrix is adequate to reflect current and prospective information on macroeconomic factors that influence customers' ability to settle their debts.

The value of receivables, net of the allowance for doubtful accounts, is €17,124 as of December 31, 2024, an increase from €16,015 thousand as of December 31, 2023.

In 2024, the balance of overdue receivables is in line with business growth.

Liquidity Risk

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

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

Furthermore, the Company has very limited exposure to fluctuations in exchange rates as it operates almost exclusively in euros.

6. Notes on the statement of financial position

6.1 Goodwill

The item "Goodwill" as of December 31, 2024, refers to acquisitions made over the years, with a value of €12,252 thousand, compared to €8,954 thousand at the end of the financial statements as of December 31, 2023.

The table below shows the composition and movement of the "Goodwill" item as of December 31, 2024, compared to December 31, 2023.

(Euro)	31 December 2024	Business Combinations	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 (fusione ATTUA SRL)	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
FLEXXA SRL	894.051	894.051	
MATRIX SOLUTION SRL	1.067.127	1.067.127	
GLAM SRL	1.336.154	1.336.154	
Goodwill from acquisitions before 31 Dec 2020	706.255		706.255
Total goodwill	**12.251.637**	**3.297.330**	**8.954.306**

The table below shows the composition of the "Goodwill from acquisitions before 31 Dec 2020”, as of December 31, 2024, unchanged from December 31, 2023.

(Euro)	30-giu-24	31-dic-23
VAR FASHION SRL (branch)	230.000	230.000
BMS SPA (branch)	100.000	100.000
SAI SRL (branch)	216.000	216.000
VAR DIGITAL SRL (branch)	99.255	99.255
TDA SAS DI MARIO APA (branch)	21.000	21.000
OS2 SRL (branch)	40.000	40.000
Total goodwill from acquisitions before 31 Dec 2020	**706.255**	**706.255**

Purchase Price Allocation

For each subsidiary acquired during the period from January 1, 2024, to December 31, 2024, the Company engaged a third party to conduct a purchase price allocation analysis, starting from the full acquisition price, including contractual obligations in terms of variable amounts and earn-outs. The analysis, based on a specific model, includes the valuation of the acquired assets, particularly software assets and customer portfolio assets, which are reflected in the values of the intangible assets presented in the following sections. Goodwill has been calculated as full goodwill, including the value of third parties (minorities), as a marginal share of the full price, adjusted for IFRS accounting as of the reference date, deducting the value of the acquired assets and considering the effect of deferred taxes.

	Flexxa S.r.l.	Matrix Solution S.r.l.	Glam S.r.l.
Contract date	01/10/2024	01/10/2024	01/10/2024
Contract fixed cost	1.300.628	1.831.436	2.173.695
Contract earn out	593.465	0	838.988
Total Price	**1.894.093**	**1.831.436**	**3.012.683**
% of acquisition	100%	100%	100%
Minorities (full goodwill)	0	0	0
Total cost (100%)	**1.894.093**	**1.831.436**	**3.012.683**
Total equity IAS/IFRS rectified	460.788	224.371	698.329
Acqured assets	**460.788**	**224.371**	**698.329**
Fair value software	**32.392**	**57.171**	**119.382**
ERP	0	42.806	0
CRM	0	0	0
Retail	0	0	0
Altro	32.392	14.365	119.382
Fair value relationship with customers	**715.533**	**691.700**	**1.237.345**
Deferred tax liabilities	**-208.671**	**-208.935**	**-378.527**
Net assets acquired (100%)	**1.000.043**	**764.307**	**1.676.530**
Goodwill	**894.050**	**1.067.129**	**1.336.153**

Impairment test

Based on the provisions of international accounting standards, goodwill in companies over which the Company has control, considered to have an indefinite useful life, is subjected to an analysis at least annually to verify any impairment (impairment test), based on the criteria set forth in IAS 36. If the test reveals an impairment loss, the Company will recognize a write-down in the financial statements. This verification is based on the comparison between the recoverable amount, including goodwill (enterprise value) of the controlled companies and the parent company, and the carrying amount of the net invested capital of the same.

In this case, the recoverable amount has been calculated taking into account their value in use, estimated based on expected cash flows, and discounted using an appropriate rate, calculated from the weighted average cost of debt and equity (WACC - Weighted Average Cost of Capital).

The aforementioned cash flows have been developed based on the industrial plan for 2025-2028 approved by the Board of Directors on January 22, 2025. The recoverable amount has been estimated as the sum of the present value of the cash flows related to the explicit projection period and the expected residual value beyond that forecast horizon (terminal value).

Regarding the estimation of the terminal value, the sustainable long-term cash flow has been assumed to be the extrapolation of the estimated cash flow for 2028, appropriately adjusted to consider an adequate level of investments and long-term net working capital absorption.

The cost of capital used to discount the projected cash flows for the value estimates:

- has been estimated using the CAPM model, Capital Asset Pricing Model, which is a generally accepted application criterion referenced by the accounting standard IAS 36;
- reflects current market estimates regarding the time value of money and the specific risks of the groups of activities;
- has been calculated using market comparative parameters to estimate the "beta coefficient" and the weighting coefficient of equity and debt components;
- takes into account the impacts arising from the application of the new IFRS 16 standard.

Furthermore, it is noted that:

- the weighted average cost of capital used to discount the projected cash flows (WACC) is 12.1%;
- the growth rate used to estimate the residual value after the explicit forecast period (referred to as the "g" rate), expressed in nominal terms and related to cash flows in functional currency, is 1.00%.

The growth rate in the terminal value "g" has been estimated considering the expected evolution during the explicit forecast period.

The analyses conducted, including sensitivity analyses, have led to a recoverable amount of the assets that exceeds their respective carrying amounts by no less than 30%. Based on the results of the impairment test analysis, the Company has not proceeded to recognize any write-down of the value of the aforementioned assets, as no impairment has been identified.

6.2 Intangible assets other than goodwill

Intangible assets other than goodwill mainly refer to capitalised software development costs and intangible assets related to acquisitions made over the years (software, client portfolio); client 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, even though 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 of 31 December 2024 and 31 December 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Capitalized software development costs	4.505.429	2.995.283
Software	1.108.815	1.269.923
Customer portfolio	5.250.416	3.046.911
Other intangibles	82.407	71.698
Total intangibles other than goodwill	**10.947.067**	**7.383.815**

The following table shows the movements of intangible assets other than goodwill in fiscal years 2024 and 2023.

	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 alue 1 jan 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
Decreases and reclassifications	2.046.985	2.046.985		2.046.985			0			0			0
Depreciation	0			0	0	0	0	0	0	0	0	0	0
Business combinations	-1.725.688		-917.394	-917.394		-423.141	-423.141		-374.959	-374.959		-10.195	-10.195
Investments	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 31 dec 2023	**7.383.815**	**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	182.925			0	155.715		155.715			0	27.210		27.210
Decreases and reclassifications	2.764.381	2.764.381		2.764.381			0			0			0
Depreciation	0		-1	-1	-2.840	2.840	0			0	0	0	0
Business combinations	-2.237.576		-1.254.234	-1.254.234		-525.768	-525.768		-441.073	-441.073		-16.501	-16.501
Investments	2.853.523			0	314.201	-105.256	208.945	2.644.578	0	2.644.578	2.737	-2.737	0
Net value 31 dec 2024	**10.947.067**	**7.351.349**	**-2.845.919**	**4.505.429**	**5.184.101**	**-4.075.286**	**1.108.815**	**6.304.811**	**-1.054.396**	**5.250.416**	**206.303**	**-123.896**	**82.407**

Investments in intangible assets during the year, amounting to €183 thousand, are primarily related to software and applications supporting them. In the 2024 fiscal year, the Company continued its development activities. The related costs incurred have been capitalized in the relevant period.

Although these are assets with a defined useful life, considering the continuous technological developments in the reference markets, the capitalized software development projects are subjected to an analysis at least annually to verify any impairment (impairment test), based on the criteria set forth in IAS 36. If the test reveals an impairment loss, the Company will recognize a write-down in the financial statements. This verification is based on the comparison between the recoverable amount of the intangible assets and their carrying amount recorded in the financial statements.

In this case, the recoverable amount of the intangible assets has been calculated taking into account their value in use, estimated based on expected cash flows, and discounted using an appropriate rate, calculated as the sum of equity and a spread to reflect the higher risk associated with the intangibles being evaluated.

The aforementioned cash flows have been developed based on the economic projection of the Business Units to which the capitalized projects relate. The recoverable amount has been estimated as the sum of the present value of the cash flows related to the explicit projection period without considering any terminal value.

The cost of capital used to discount the projected cash flows for the value estimates:

- has been estimated using the CAPM model, Capital Asset Pricing Model, which is a generally accepted application criterion referenced by the accounting standard IAS 36;
- reflects current market estimates regarding the time value of money and the specific risks of the groups of activities;
- has been calculated using market comparative parameters to estimate the "beta coefficient" and the weighting coefficient of equity and debt components;
- takes into account the impacts arising from the application of the new IFRS 16 standard.

Furthermore, it is noted that the discount rate used for discounting the projected cash flows is 14.6%.

The analyses conducted, including sensitivity analyses, have led to a recoverable amount of the assets that exceeds their respective carrying amounts. Based on the results of the impairment test analysis, the Company has not proceeded to recognize any write-down of the value of the aforementioned capitalized software development projects, as no impairment has been identified.

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)	**31-Dec-24**	**31-Dec-23**
Net book value of right-of-use assets (property)	3.836.190	3.210.433
Net book value of right-of-use assets (cars)	1.078.411	784.225
Total net book value of right-of-use assets	**4.914.601**	**3.994.658**
Current lease liabilities	889.846	640.569
Non current lease liabilities	4.277.441	3.484.563
Total lease liabilities	**5.167.287**	**4.125.133**

The right-of-use assets refer to leasing contracts for the properties in Milan and Turin, as well as for vehicles, primarily under long-term leases.

The table below shows the movements of the right-of-use assets in the fiscal years 2023 and 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 jan 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	1.496.016	-28.783	1.467.232	888.181		888.181	607.835	-28.783	579.052
Decreases and reclassifications	-490.545	488.525	-2.020	-379.173	384.749	5.576	-111.372	103.776	-7.596
Amortization	0	-902.152	-902.152		-523.128	-523.128		-379.024	-379.024
Business combinations	356.882	0	101.754	255.128			101.754		101.754
Net value 31 december 2024	**6.775.869**	**-1.861.268**	**4.914.601**	**4.986.543**	**-1.150.353**	**3.836.190**	**1.789.326**	**-710.915**	**1.078.411**

As of December 31, 2024, the Company has not identified any indicators of permanent impairment related to the right-of-use assets.

SYS-DAT S.p.A. has entered into lease agreements for properties in favor of Brick S.r.l., effective January 1, 2024, which have been recorded as an increase in the corresponding right-of-use asset and lease liability under IFRS 16.

The table below shows the movements of the lease liabilities in the fiscal years 2023 and 2024.

(Euro)	31-Dec-24			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)	4.102.956	487.580	3.615.376	2.938.437	171.226	-2.338.304	3.331.597	358.793	2.972.805
Lease liabilities (cars)	1.064.331	402.266	662.065	572.835	101.755	-403.794	793.535	281.776	511.759
Total lease liabilities	**5.167.287**	**889.846**	**4.277.441**	**3.511.272**	**272.981**	**-2.742.099**	**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 has been determined based on the Company's marginal borrowing rate, which is the rate that the Company would have to pay for financing of similar duration and guarantees to obtain an asset of comparable value to the underlying asset in the right-of-use in a similar economic context. The Company has determined a discount rate for the fiscal year 2024 of 4.25% for real estate lease liabilities and 4.16% for vehicle lease liabilities, and for 2023, a rate of 5.15% for all lease liabilities, taking into account the decrease in base interest rates during the period.

6.4 Tangible assets

The table below shows the composition of tangible assets as of December 31, 2024, and December 31, 2023.

(Euro)	31-Dec-24	31-Dec-23
Buildings	78.564	70.957
Plant and machinery	190.158	175.892
Other tangibles	601.826	541.224
Total tangible assets	**870.548**	**788.073**

Buildings refer to offices and car parking spots, whereas plant and machinery mainly refer to internal systems such as electrical, air conditioning and telephone systems, and other tangible assets include furniture, hardware and company vehicles.

The table below shows the movements of tangible assets in the fiscal year 2024.

(Euro)	Total	Buildings			Plant and machinery			Other tangibles		
	Net Value	Gross value	Accum. Depr.	Net Value	Gross value	Accum. Depr.	Net Value	Gross value	Accum. Depr.	Net Value
Net value 1 jan 2023	**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	0		0	16.972		16.972	124.892		124.892
Decreases and reclassifications	-262.498	-283.000	25.905	-257.095	0	0	0	-78.326	72.924	-5.403
Depreciation	-167.981		-8.522	-8.522		-20.780	-20.780		-138.679	-138.679
Business combinations	531.377	83.957	-12.968	70.989	366.545	-209.495	157.050	823.991	-520.653	303.338
Net value 31st Dec 2023	**788.073**	**83.957**	**-13.000**	**70.957**	**769.970**	**-594.079**	**175.892**	**3.012.069**	**-2.470.845**	**541.224**
Investments	358.709			0	82.565		82.565	276.144		276.144
Decreases and reclassifications	2.588		2.588	2.588	-32.436	32.436	0	-123.053	123.053	0
Depreciation	-349.233		5.019	5.019		-72.072	-72.072		-282.180	-282.180
Business combinations	70.411			0	10.545	-6.771	3.774	204.165	-137.527	66.638
Net value 31st Dec 2024	**870.548**	**83.957**	**-5.393**	**78.564**	**830.645**	**-640.486**	**190.158**	**3.369.325**	**-2.767.499**	**601.826**

Investments during the period amounting to €358 thousand primarily relate to hardware.

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

The values for buildings refer to write-offs and depreciation.

During the period under review, no indications of possible impairment related to tangible assets have emerged.

As of December 31, 2024, there are no real estate assets encumbered by any type of guarantee provided in favor 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 31 December 2024 and 31 December 2023.

(Euro)	31-Dec-24	31-Dec-23
Other equity investments	23.000	23.000
Other non-current assets	98.460	64.617
Total equity investments and other non-current assets	**121.460**	**87.617**

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

The 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 of 31 December 2024 and 31 December 2023.

(Euro)	31-Dec-24	31-Dec-23
Deferred Tax Asssets (DTA)	801.527	615.481
Deferred Tax Liabilities (DTL)	2.539.525	1.793.642

Deferred tax assets have been recognized as it is considered probable that taxable income will be generated against which they can be utilized.

The following tables show the details and movements of the deferred tax assets (DTA) as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
DTA on intangibles	166.798	170.178
DTA on provisions	284.326	237.370
DTA on director compensation	293.276	153.096
Other DTA	57.127	54.837
Total deferred tax assets	**801.527**	**615.481**

(Euro)	**31-Dec-24**	**Increments**	**Decrements**	**31-Dec-23**	**Increments**	**Decrements**	**31-Dec-22**
DTA on intangibles	166.798	10.499	-13.880	170.178	49.805	-25.340	145.713
DTA on provisions	284.326	97.131	-50.175	237.370	151.475	-279.847	365.742
DTA on director compensation	293.276	315.095	-174.914	153.096	150.314	-75.898	78.680
Other DTA	57.127	10.495	-8.205	54.837	3.400	-4.983	56.420
Total deferred tax assets	**801.527**	**433.220**	**-247.174**	**615.481**	**354.994**	**-386.068**	**646.555**

Deferred tax assets include:

- DTA on leases under IFRS 16, goodwill, and the write-offs of certain items such as goodwill amortization, incorporation and expansion costs, and software revaluation under IAS 38;
- DTA on employee benefits (TFR) and pension benefits for directors (TFM), as provided by IAS 19, and provisions for risks and doubtful receivables;
- DTA for deferred compensation, usually in the form of variable components, paid in the following year;
- DTA for financial assets and liabilities, primarily related to the write-off of revaluations of investments in subsidiaries and real estate, subject to cancellation at the time of the first adoption of EU-IFRS.

The following tables show the details and movements of deferred tax liabilities (DTL) as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
DTL on intangibles	1.722.263	1.709.211
DTL on provisions	76.258	80.641
Other DTL	741.004	3.790
Total deferred tax liabilities	**2.539.525**	**1.793.642**

(Euro)	**31-Dec-24**	**Increments**	**Decrements**	**31-Dec-23**	**Increments**	**Decrements**	**31-Dec-22**
DTL on intangibles	1.722.263	388.353	-375.302	1.709.211	1.068.939	-380.346	1.020.618
DTL on provisions	76.258	7.078	-11.460	80.641	10.434	-48.666	118.874
Other DTL	741.004	820.760	-83.546	3.790	1.262	-684	3.211
Total deferred tax liabilities	**2.539.525**	**1.216.191**	**-470.308**	**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 capitalization of software development costs and leases under IFRS 16;
- DTL on employee benefits (TFR) and pension benefits for directors (TFM), as provided by IAS 19, and provisions for risks and doubtful receivables;
- DTL on financial assets and liabilities.

Regarding the assessment of the recoverability of deferred tax assets, the Company does not consider it necessary to perform an impairment test given the expectation of generating future profits as outlined in the Industrial Plan for 2025-2028 approved by the Board of Directors on January 22, 2025.

6.7 Inventory

Inventories as of 31 December 2024 and 31 December 2023 amounted to €249 thousand and €194 thousand, respectively, and consisted mainly of minimum software and hardware licences.

(Euro)	**31-Dec-24**	**31-Dec-23**
Finished products and goods	248.998	194.184
Inventories write down provision	0	0
Inventories	**248.998**	**194.184**

6.8 Trade receivables

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

	31-Dec-24	**31-Dec-23**
Trade receivables from customers	18.156.097	16.778.678
Trade receivables from other related parties	38.955	36.314
Gross trade receivables	18.195.052	16.814.992
Provision for trade receivables	-1.070.647	-799.528
Trade receivables	**17.124.406**	**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 follow the increase in revenues. The average payment days in the fiscal year 2024 stand at 95 days compared to 108 days as of December 31, 2023.

It should be noted that almost all trade receivables are from Italy. Trade receivables are subject to an impairment review based on the provisions of IFRS 9. For the purpose of the assessment process, trade receivables are divided into aging categories. The assessment was made based on the losses recorded for assets with similar credit risk characteristics based on historical experience. The percentage of expected credit loss (ECL) was calculated at 0.3% for 2024 and 0.3% for 2023 using a moving average of historical losses stratified by year of credit generation. This base ECL was applied to receivables deemed low risk, while increasing percentages of potential losses were applied to receivables with higher aging categories, adjusting the result with specific assessments in the presence of identifiable specific risks.

The table below shows the trade receivables allowance and the movements of the allowance for doubtful trade receivables for the fiscal years 2023 and 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	703.057
Fund releases	-311.116
Used fund	-130.099
Adjustment	0
Charge in consolidation Area	9.276
31 December 2024	**1.070.646**

6.9 Assets for work in progress on order / Advance payments on work in progress

Assets related to contract work in progress as of 31 December 2024, which amounted to €1.172 thousand and €1.699 thousand as of 31 December 2023, mainly related to inventories of work in progress on order for long-term contracts.

The following table presents the net carrying amount of work in progress on order assets and related advanced payments for the fiscal year 2024 and 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Assets for work in progress on order	1.172.062	1.699.430
Advance payments for work in progress	1.345.950	1.783.180

Work in progress on order decreased due to the reduced emphasis on lump-sum contracts.

6.10 Other credits and current assets

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

(Euro)	**31-Dec-24**	**31-Dec-23**
Tax credits	993.483	344.673
Other credits	226.048	405.697
Other current assets	1.796.939	1.589.650
Total	**3.016.470**	**2.340.020**

The following table shows the details of tax credits as of 31 December 2024 and 31 December 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
VAT Credits	259.540	47.074
Tax Withholdings	156.674	17.440
IRAP	331.398	163.100
IRES	98.207	29.174
Other tax activities	147.664	87.885
Total	**993.483**	**344.673**

Tax receivables primarily relate to VAT, IRES, and IRAP credits and amount to €993 thousand as of December 31, 2024, an increase from €344 thousand as of December 31, 2023. The receivables for IRES and IRAP have benefited from tax credits arising from listing fees due to the company's listing. Please refer to the specific paragraph outlined in the share capital section.

The table below shows the details of other receivables as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Employees credits	115.951	115.150
IPO tax credits	0	253.255
Other credits	110.097	37.292
Total other credits	**226.048**	**405.697**

The table below shows the details of other current assets as of December 31, 2024, and December 31, 2023, largely represented by prepaid expenses for future periods.

(Euro)	**31-Dec-24**	**31-Dec-23**
Cost accruals	15.602	26.516
Prepaid expenses	1.781.337	1.563.134
Other current assets	**1.796.939**	**1.589.650**

6.11 Current financial assets

Current financial assets refer to investments of part of the liquidity generated in readily marketable securities with low risk, which have increased substantially from December 31, 2023, to December 31, 2024, due to the proceeds from the listing on the regulated market Euronext Milan, as shown in the table below. The Company has invested approximately €19 million in low-risk financial instruments for liquidity management.

(Euro)	**31-Dec-24**	**31-Dec-23**
Current financial assets	23.649.883	4.633.409
Total	**23.649.883**	**4.633.409**

The table below shows the details of current financial assets as of December 31, 2024, compared to December 31, 2023, measured at fair value with an impact on the income statement (FVTPL).

(Euro)	**31-Dec-24**	**31-Dec-23**
Investments in stocks	262.503	0
Investments in bonds	22.145.699	2.815.895
Investments in funds	1.241.680	1.298.586
Investments in insurance funds	0	518.928
Current financial assets	**23.649.883**	**4.633.409**

6.12 Cash and cash equivalents

The table below shows the detailed statement of cash and cash equivalents as of 31 December 2024 and 31 December 2023, which also increased significantly from 31 December 2023 to 31 December 2024 due to cash from operations and proceeds from the listing of the Company on the Euronext Milan STAR segment on 2 July 2024.

(Euro)	**31-Dec-24**	**31-Dec-23**
Bank deposits	24.264.540	14.415.146
Cash and cash equivalents	415.626	21.951
Total cash and cash equivalents	**24.680.166**	**14.437.097**

In the periods under review, cash and cash equivalents were 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 table below shows the detailed statement of equity as of December 31, 2024, and December 31, 2023.

(Euro)	31-Dec-24	31-Dec-23
Share Capital	1.564.244	1.015.000
Statutory Reserve	203.000	203.000
Share premium reserves	33.502.769	60.000
Other reserves	1.665.196	1.604.217
Profits (losses) carried forward	13.854.390	12.002.827
Profit (loss) for the financial year of the parent company	6.195.784	4.232.371
Total equity of the parent company	**56.985.382**	**19.117.415**
Third-party equity	178.960	170.895
Total group equity	**57.164.342**	**19.288.310**

Listing on the Regulated Market Euronext Milan STAR Segment

During the fiscal year 2024, the Company completed its placement offer on the regulated market Euronext Milan STAR segment, starting trading on July 2, 2024.

Prior to the placement, the Company's share capital was €1,015,000 divided into 20,300,000 ordinary shares, and there were 77,394 warrants (the "Warrants") granting the right to purchase 20 ordinary shares of the Company in a capital increase, each at a predetermined price of €1.2315 per share in the event of a liquidity event, including listing on regulated markets. The Warrants were purchased by managers of the Company and its subsidiaries at fair market value, pursuant to Article 9 of the Presidential Decree No. 917 of December 22, 1986, as determined by an independent expert's sworn appraisal, and were freely transferable in whole or in part by deed between living persons, subject to the Company's right of first refusal. All Warrants were exercised simultaneously with the listing, resulting in the corresponding reserve being released.

To service the full exercise of the Warrants, a capital increase of 1,547,880 ordinary shares was carried out, raising a gross amount of €1,906 thousand.

To facilitate the placement, a capital increase of 8,450,000 ordinary shares was made at a price of €3.40 per share, totaling €28,730 thousand in gross proceeds. Following the placement and the full exercise of the greenshoe option, an additional capital increase of 987,000 ordinary shares was executed, raising a total of €3,356 thousand in gross proceeds. The placement thus resulted in gross proceeds of €32,086 thousand, with a free float representing 35.1% of the share capital of €1,564 thousand.

The total proceeds, net of intermediary commissions, amounted to €32,522 thousand.

The listing costs consist of the sum of listing expenses incurred in the fiscal year 2023 and completed in the fiscal year 2024, amounting to €1,234 thousand, and placement commissions amounting to €1,314 thousand, which were allocated to reserves net of deferred tax assets of €661 thousand.

Share Capital

As of December 31, 2024, the Company's share capital, fully subscribed and paid, amounts to €1,564 thousand compared to €1,015 thousand as of December 31, 2023, as a result of the capital increase related to the listing on the regulated market Euronext Milan, as mentioned above.

Legal Reserve

As of December 31, 2024, the legal reserve amounts to €203 thousand, unchanged from December 31, 2023. Due to the capital increase related to the listing on the regulated market Euronext Milan, the legal reserve must be restored to the statutory value of one-fifth of the share capital.

Share Premium Reserve

As of December 31, 2024, the share premium reserve amounts to €33,503 thousand compared to €60 thousand as of December 31, 2023, as a result of the capital increase related to the listing on the regulated market Euronext Milan, as mentioned above.

Other Reserves

The following table details the Other Reserves as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Reserves from FTA	543.645	543.619
Reserves from OCI	296.513	142.722
Reserves *stock option / warrant*	208.933	139.871
Extraordinary reserve	2.322.857	599.999
Reserve for future capital increase	178.006	178.006
Listing charges	-1.884.758	0
Other reserves	**1.665.196**	**1.604.217**

As of December 31, 2024, the item Other Reserves includes:

(a) the first-time adoption reserve of EU-IFRS, which amounts to a balance of €543 thousand for the period under review and represents the effects of the transition from Italian accounting standards to EU-IFRS, with no change compared to previous periods;

(b) the reserve for actuarial gains and losses (Other Comprehensive Income – OCI) includes the gains and losses arising from changes in actuarial assumptions related to defined benefit plans, amounting to €297 thousand as of December 31, 2024, and €143 thousand as of December 31, 2023;

(c) the IFRS 2 reserve related to stock options amounting to €209 thousand, which pertains to the 2024-2026 Stock Options Plan reserved for group managers, for a total of 100,000 stock options granted free of charge with the right to purchase ordinary shares of the Company at the listing price for a maximum of 2,000,000 ordinary shares, as already described in the "Long-term incentive plans" section of the Information Prospectus related to the listing;

(d) other reserves totaling €2,323 thousand;

(e) reserves for future capital increases amounting to €178 thousand; and

(f) listing costs, which represent a negative value of €(1.885) thousand following the listing on the regulated market Euronext Milan and the capitalization of the related costs, including commissions and associated expenses net of fiscal impact.

The following table shows the reconciliation between the net result and equity of SYS-DAT S.p.A. with the consolidated group data for the periods ending December 31, 2024, and December 31, 2023.

(Euro)	**Net Result**		**Net Equity**	
	31 Dec 2024	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Amounts as per SYS-DAT S.p.A. accounts	4.307.567	2.382.857	50.705.137	14.823.792
Difference between net book value and net equity of subsidiaries	-	-	-8.720.314	-3.986.187
Net Result of subsidiaries	2.746.669	2.281.370	-	-
Surplus value of subsidiaries	-	-422.342	15.105.160	8.385.736
Reversal of dividends received	-	-	-	-
Adjustments for subsidiaries accounted for using the equity method	-	-	-	-
Other consolidation adjustments	-850.649	-146	74.359	64.969
Amounts as per consolidated accounts	**6.203.587**	**4.241.739**	**57.164.342**	**19.288.310**

6.14 Financial liabilities (current and non-current)

The table below shows the statement of current and non-current financial liabilities as of December 31, 2024, and December 31, 2023.

(Euro)	31 December 2024		31 December 2023	
Financial liabilities	**Current**	**Non-current**	**Current**	**Non-current**
Bank loans	731.479	852.657	727.500	1.617.164
Lease liabilities	889.846	4.277.441	640.569	3.484.563
Liabilities for acquisitions	3.184.601	6.097.441	3.399.070	5.903.953
Shareholders loans	0	0	128.290	0
Other financial liabilities	51.057	0	14.505	18.828
Total current and Non-current financial liabilities	**4.856.983**	**11.227.539**	**4.909.934**	**11.024.509**

The following are the main items that make up the Company's bank financial liabilities as of December 31, 2024, and December 31, 2023.

Bank loans

(Euro)	Amount	Start date	End date	Interest rate
Intesa SanPaolo N.01C10112176 (SYS-DAT SpA)	3.500.000	29 Gen 2021	29 Gen 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%

Regarding the aforementioned financing contracts, there were no changes in the fiscal year 2024, and the amount of repayments was €778 thousand. The financing contracts are covered by the guarantee of Banca del Mezzogiorno MedioCredito Centrale S.p.A. through the fund referred to in Article 2, paragraph 100, letter a), of Law No. 662 of December 23, 1996, and subsequent amendments and additions, for a percentage equal to 90% of their amount (80% in the case of Banco BPM related to Sisolution Srl).

(Euro)	31 December 2024			2024		31 December 2023		
	Outstanding debt	**Current liabilities**	**Non-current liabilities**	**Increments / Business comb.**	**Repayments**	**Outstanding debt**	**Current liabilities**	**Non-current liabilities**
Intesa SanPaolo N.01C10112176 (SYS-DAT SpA)	1.466.149	701.602	764.547	0	697.624	2.163.773	697.624	1.466.149
Unicredit N. 8799653 (Modasystem Srl)	40.884	29.876	11.007	0	30.236	71.120	29.876	41.244
Banco BPM N. 5524229 (SiSolution Srl)	59.536	0	59.536	0	50.235	109.771	0	109.771
Total Bank loan	**1.566.569**	**731.478**	**835.090**	**0**	**778.096**	**2.344.664**	**727.500**	**1.617.164**

Lease liabilities

Lease liabilities are described in detail in Note 6.3.

Liabilities from acquisitions

Liabilities from acquisition refer to the Company's acquisition activities. The tables below indicate the composition and movements of these liabilities.

(Euro)	Amount	Start date	End date
SYS-DAT VERONA SRL	2.762.706	30 Oct 2020	31 July 2024
ATTUA SRL	1.059.967	15 Feb 2021	31 July 2024
SYS-DAT BARI SRL	324.000	07 July 2022	31 July 2024
HUMATICS SRL	234.000	12 July 2022	31 Dec 2025
EMMEDATA SRL	2.767.996	15 Feb 2022	31 Dec 2025
EQUALIS SRL	968.478	15 March 2023	31 Dec 2026
VCUBE SRL	3.805.403	11 May 2023	31 Dec 2026
SISOLUTION SRL	3.197.811	16 Nov 2023	30 April 2027
TRIZETA SRL	482.081	21 Sept 2023	30 April 2026
FLEXXA SRL	1.894.093	06 August 2024	19 Dec 2027
MATRIX SOLUTION SRL	1.831.436	08 Oct 2024	30 April 2026
GLAM SRL	3.012.683	16 Oct 2024	30 April 2028

The amount indicated refers to the debt incurred for the acquisition of each specific company, including the fixed components of the price and earn-outs, which are the sum of all cash flows to third-party shareholders in past periods and/or estimated in future periods according to the agreed business plan at the time of acquisition, net of any contractual adjustments.

The start and end dates refer to the contractual obligations that begin with the acquisition deed and conclude with the due date of the final payment of the acquisition price.

(Euro)	31 December 2024			2024		31 December 2023		
	Total Liabilities	Current Liabilities	Non-current liabilities	Adjustm. / Acquisitions	Payments	Total Liabilities	Current Liabilities	Non-current liabilities
SYS-DAT VERONA SRL	0	0	0	-27.895	-1.015.031	1.042.926	1.042.926	0
ATTUA SRL	0	0	0	-5.414	-167.000	172.414	172.414	0
SYS-DAT BARI SRL	0	0	0	0	-108.000	108.000	108.000	0
HUMATICS SRL	50.423	50.423	0	-94.280	-22.944	167.647	18.403	149.244
EMMEDATA SRL	704.827	704.827	0	6.058	-705.630	1.404.399	704.000	700.399
EQUALIS	276.288	221.045	55.243	0	-253.915	530.204	235.053	295.150
VCUBE SRL	2.745.177	548.083	2.197.094	0	-31.653	2.776.830	13.594	2.763.236
SISOLUTION SRL	1.690.072	373.008	1.317.064	-442.261	-507.739	2.640.072	950.000	1.690.072
TRIZETA SRL	195.388	163.534	31.854	-110.131	-155.013	460.532	154.680	305.852
FLEXXA SRL	1.412.025	436.166	975.860	1.894.093	-482.068			
MATRIX SOLUTION SRL	278.920	139.460	139.460	1.831.436	-1.552.516			
GLAM SRL	1.928.923	548.055	1.380.868	3.012.683	-1.083.760			
Total liabilities from acquis.	**9.282.043**	**3.184.601**	**6.097.443**	**6.064.289**	**-6.085.269**	**9.303.024**	**3.399.070**	**5.903.953**

The adjustments refer to changes in the value of the debt for adjustments to payments related to fixed or variable components, particularly concerning recalculations of definitive net financial positions compared to provisional values contractually included at the time of acquisition.

During the fiscal year, the Company acquired four companies: Flexxa Srl, Matrix Solution Srl, Glam Srl, and Glam Digital Lab Srl, with the latter merging into Glam Srl before the end of the fiscal year.

Shareholder Loans at Fair Value

The shareholder loans at fair value refer to a loan from the shareholders of SYS-DAT Verona Srl, one of the subsidiaries of the Company, the details of which are provided in the following tables.

(Euro)	Amount	Fair value	Start date	End date	Interest rate
Shareholder loan	798.110	717.964	02 novembre 2016	15 gennaio 2024	2,23%

The loan was fully repaid during the fiscal year 2024, with a repayment of €128 thousand to settle all remaining debts, as shown in the following table.

(Euro)	31 December 2024			2024		31 December 2023		
	Liabilities	Current	Non-curr.	Interest	Payments	Liabilities	Current	Non-curr.
Shareholder loan	0	0	0	0	128.290	128.290	128.290	0

Other Financial Liabilities

Other financial liabilities refer to the balances of corporate credit cards totaling €51 thousand as of December 31, 2024, which are solely current, and a total of €33 thousand for both current and non-current liabilities as of December 31, 2023.

6.15 Funds for employee benefits

The following table shows the composition and movement of funds for employee benefits in the fiscal year 2024 compared to the fiscal year 2023.

(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**
Acquisitions initial value	386.926
Current service cost	855.040
Interest cost	195.504
Transfers and payments	-782.233
Actuarial gains and losses	-181.826
31-Dec-24	**7.135.204**

The employee-related funds represent the estimated obligation, determined based on actuarial techniques, regarding the amount to be paid to employees at the end of the employment relationship.

As of December 31, 2024, and December 31, 2023, the employee benefit funds refer to the severance pay (hereinafter "TFR") accrued for employees.

Severance Pay (TFR)

The employee benefits related to TFR amount to €7,136 thousand and €6,661 thousand as of December 31, 2024, and December 31, 2023, respectively.

The value of the TFR liability, which falls under the definition of defined benefit plans according to IAS 19, has been determined using an actuarial approach. Below are the main actuarial, financial, and demographic assumptions used to determine the value of the liability as of December 31, 2024, and December 31, 2023, in accordance with the provisions of IAS 19.

(Euro)	**31-Dec-24**	**31-Dec-23**
Annual rate of actualisation	3.38%	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	ISTAT 2022
Permanent disabilities	INPS tables by age and gender
Retirement	100% based on AGO requirements satisfaction
Probability of TFR anticipation	1,0%
Turn over rate	8,5%

The following table summarizes the sensitivity analysis for each actuarial, financial, and demographic assumption, showing the effects (in absolute value) that would have occurred as a result of reasonably possible changes in the actuarial assumptions as of December 31, 2024.

(Euro)	**31-Dec-24**	**31-Dec-23**
Turnover +1%	7.155.013	6.665.083
Turnover -1%	7.113.000	6.656.783
Inflation rate +0,25%	7.233.793	6.732.758
Inflation rate -0,25%	7.038.871	6.591.067
Actualization rate +0,25%	7.010.843	6.569.725
Actualization rate -0,25%	7.263.771	6.755.419

The contribution for the next fiscal year (Service cost pro futuro annuo) is stated at €969,565, with an average financial duration of the obligation of 11.33 years.

The following table shows the estimate of expected payments (in nominal value) as of December 31, 2024, related to severance pay in future years.

(Euro)	**31-Dec-24**	**31-Dec-23**
Year +1	930.902	1.225.423
Year +2	808.524	976.575
Year +3	829.944	913.384
Year +4	863.586	876.431
Year +5	1.039.989	867.501

6.16 Provisions for risks and charges

The following table shows the composition and movement of funds for risks and charges as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Provisions for retirement benefits	173.958	314.682
Other provisions	0	15.664
Total provisions for risks and liabilities	**173.958**	**330.346**

The funds related to pension benefits represent the estimated obligation, determined based on actuarial techniques, regarding the amount to be paid to the directors upon termination of their relationship.

Pension Benefits for Directors (TFM)

The pension benefits for directors amount to €174 thousand and €315 thousand as of December 31, 2024, and December 31, 2023, respectively.

The following table shows the composition and movement of the pension benefits for directors (TFM) in the fiscal years 2023 and 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	38.901
Current service cost	63.157
Interest cost	5.630
Transfers and payments	-221.006
Actuarial gains and losses	-27.406
31-Dec-24	**173.958**

The transfers and payments refer to the reimbursement of the TFM ("Trattamento di Fine Mandato") for the group's directors as authorized by the respective shareholders' meetings.

The value of the TFM liability, which falls under the definition of defined benefit plans according to IAS 19, has been determined using an actuarial approach. Below are the main actuarial, financial, and demographic assumptions used to determine the value of the liability as of December 31, 2024, and December 31, 2023, in accordance with the provisions of IAS 19.

(Euro)	**31-Dec-24**	**31-Dec-23**
Annual actualization rate	3,05%	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, which is nil as of December 31, 2024, and amounts to €16 thousand as of December 31, 2023, refers to the funds related to the sole agent in the group, whose contract was terminated during the fiscal year, resulting in the release of the fund.

The following table shows the movement of the item Other Provisions in the fiscal years 2023 and 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	-15.664
Net Value 31 December 2024	**0**

6.17 Trade payables

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

(Euro)	31-Dec-24	31-Dec-23
Trade payables to suppliers	4.675.841	4.217.499
Trade payables to other related parties	322.451	346.911
Trade payables	**4.998.292**	**4.564.410**

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

It is believed that the carrying amount of trade payables approximates their fair value. For trade payables to related parties, please refer to the relevant section of this document.

It should be noted that almost all trade receivables are from Italy.

6.18 Tax Liabilites

Tax payables amount to €1,486 thousand as of December 31, 2024, and €2,092 thousand as of December 31, 2023.

(Euro)	31-Dec-24	31-Dec-23
VAT debt	150.740	170.113
Withholding income tax	871.973	977.170
IRAP tax	22.237	145.319
IRES tax	182.019	797.928
Other tax debts	259.308	1.316
Total Tax liabilities	**1.486.277**	**2.091.846**

The item includes only payables for certain and determined taxes, specifically referring to: i) VAT amounting to €151 thousand as of December 31, 2024, and €170 thousand as of December 31, 2023; ii) withholding taxes on employees, assimilated workers, and self-employed individuals amounting to €872 thousand as of December 31, 2024, and €977 thousand as of December 31, 2023; iii) IRAP payables amounting to €22 thousand as of December 31, 2024, and €145 thousand as of December 31, 2023; iv) IRES payables amounting to €182 thousand as of December 31, 2024, and €797 thousand as of December 31, 2023; v) payables for other taxes amounting to €259 thousand as of December 31, 2024, and €1 thousand as of December 31, 2023.

The IRES and IRAP payables have benefited from tax credits arising from listing costs due to the company's listing. Please refer to the specific paragraph outlined in the share capital section.

6.19 Other current debts and liabilities

The following table provides the details of other payables and current liabilities as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Payables to employees	3.568.259	3.514.574
Payables to social security institutions	1.234.742	1.097.201
Deferred income	2.456.248	3.080.789
Payables to the Directors	1.289.150	878.331
Accrued liabilities	64.215	17.327
Other current debts and liabilities	258.140	107.364
Other current debts and liabilities	**8.870.754**	**8.695.585**

Payables to employees primarily refer to salaries payable and deferred charges, such as vacation, leave, and additional monthly payments.

Payables to social security and welfare institutions mainly relate to debts owed to these institutions for the payment of contributions.

Deferred income primarily refers to the provision of services not related to future service periods.

Payables to directors mainly refer to the variable components of their remuneration and the reimbursement of expense reports.

The deferred income described above has increased during the period under review due to the rise in revenues and the seasonality of the billing for annual periodic fees.

7. Notes to the income statement

7.1 Operating revenues

In the fiscal year 2024, total revenues amounted to €57,480 thousand, of which €378 thousand were from other revenues and income, an increase compared to the fiscal year 2023, in which total revenues were €46,468 thousand, of which €201 thousand were from other revenues and income.

The following table shows the details of revenues for the fiscal years 2024 and 2023.

Euro thousand	**31-Dec-24**	**%**	**31-Dec-23**	**%**
Operating Revenues	57.102.083	99%	46.265.809	100%
Other Revenues	378.254	1%	201.929	0%
Total Revenue	**57.480.337**	100%	**46.467.738**	100%

The following table shows the operating revenues by geographic area for the fiscal years 2024 and 2023. The revenues are primarily from the Italy area, confirming the trend observed in previous periods.

(Euro)	**31-Dec-24**	**31-Dec-23**
Italy	54.242.629	43.579.828
Europe and UK	1.288.661	1.404.927
Rest of the world	1.570.793	1.281.054
Operating Revenues	**57.102.083**	**46.265.809**

7.2 Other revenues and income

The following table provides the details of other revenues and income for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Recoveries and chargebacks	13.515	14.354
Operating contributions	8.518	16.254
Other contributions	6.446	19.176
Insurance claims	4.905	4.976
Contingent gains	288.356	95.509
Other	56.514	51.661
Other revenues and income	**378.254**	**201.929**

The only significant amounts of other revenues refer to gains/other capital gains on sales, 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, primarily for resale, hardware and software for internal use, and other goods for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
HW for resale	1.957.863	1.288.350
SW for resale	1.134.039	1.203.234
HW and SW for internal use	96.490	95.001
Other	212.593	167.542
Purchasing cost	**3.400.985**	**2.754.127**

The costs of hardware for resale also include the costs of basic software, particularly operating systems (OS), related to the same purchases, and are increasing due to the rise in production value and acquisitions related to managed services. The costs for software licenses for resale are stable, as software licenses are progressively being replaced by SaaS subscriptions.

The following table shows the detailed statement of the change in inventories for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Change in initial and final inventories	-28.850	50.461
WIP inventories - IFRS15	507.160	-555.524
Change in inventories	**478.310**	**-505.063**

The item change in inventories mainly consists of work-in-progress (WIP) inventories, as described in note 6.9.

7.4 Costs for services

The following table shows the details of service costs for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	2023
Consulting services	5.110.932	4.537.688
Software maintenance fee	2.428.827	1.972.450
Outsourcing maintenance fee	3.149.841	2.217.819
Electronic invoicing fee	418.122	412.391
Maintenance costs	110.446	73.849
Insurance	173.167	122.317
Marketing	269.343	204.245
Directors and Board of auditors costs	4.884.590	4.076.837
Travel and accomodation fee	1.149.838	1.042.967
Utilities	471.400	377.329
Rental and leasing service costs	545.170	410.960
Other	183.433	84.648
Costs for services	**18.895.109**	**15.533.500**

All the different categories of service costs are increasing from 2023 to 2024 in line with the growth of the business.

7.5 Personnel costs

The following table shows the details of personnel costs for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	2023
Salaries	17.645.902	14.791.939
Social charges	4.114.850	3.203.364
Expenses for severance pay	748.099	928.915
Warrants	208.933	55.735
Personnel cost	**22.717.783**	**18.979.953**

The value of personnel costs for both the year 2023 and the year 2024 is reported net of capitalized costs related to employees (amounting to €1,734 thousand in 2023 and €2,539 thousand in 2024, respectively).

The increase in personnel costs between the fiscal year 2023 and the fiscal year 2024 is primarily attributable to the increase in headcount and the acquisitions of Flexxa, Matrix Solution, and Glam during the second half of 2024.

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

Number of employees at period end	**31-Dec-24**	**31-Dec-23**
Senior executives	7	8
Managers	46	30
White collar	401	390
Blue collar	2	0
Total number of employees	456	428

The following table shows the average number of employees of the Company (FTE), on a consolidated basis, as of December 31, 2024, and for the fiscal year ended December 31, 2023, along with the indication of the category.

FTE within the period	31-Dec-24	31-Dec-23
Senior executives	6	8
Managers	40	24
White collar	342	317
Blue collar	1	0
Total number of employees	389	349

7.6 Other operating costs

The following table shows the details of other operating expenses for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	2023
Stamp duties and other taxes	80.110	95.260
Membership fees and benefits	51.451	32.033
Liabilities	271.868	223.129
Other	26.023	54.446
Other operating costs	**429.452**	**404.868**

The costs related to passive accruals refer to expenses from previous periods.

7.7 Amortizations and depreciations

The following table shows the details of depreciation for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	2023
Amortisations software	1.780.002	1.340.606
Amortisations client portfolio	441.073	374.959
Amortisations other intangible assets	16.500	10.124
Amortisations RoU (real estate leases)	379.024	255.596
Amortisations RoU (lease vehicles)	523.128	419.678
Amortisations tangible assets	67.054	29.250
Amortisations other tangible assets	282.180	138.731
Total Amortisations	**3.488.961**	**2.568.943**

Depreciation of software primarily refers to the capitalization of products with current and future value and to software assets arising from the acquisition of controlled companies based on the purchase price allocation, and it increases with annual capitalizations and acquisitions.

The customer portfolio refers to the acquisitions of controlled companies or business units based on the purchase price allocation, according to the rules set forth by the international standard IFRS 3, and it grows with acquisitions.

Right-of-use assets increase with the size of the group, with a greater number of real estate contracts and car leases activated over the years.

Depreciation of tangible assets mainly refers to furniture, hardware, and owned vehicles.

The detailed statements regarding the composition and movement of intangible and tangible assets for the fiscal year 2024 are illustrated in notes 6.1 and 6.3. Information related to right-of-use assets for the fiscal year 2024 is provided in note 6.2.

7.8 Provisions and write-downs

The provisions and write-downs of €401 thousand and €263 thousand for the fiscal years 2024 and 2023, respectively, primarily refer to write-downs and releases of provisions related to trade receivables.

Below is the detail of provisions and write-downs for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Provisions for trade receivables	712.334	464.627
Write-downs on trade receivables	-311.117	-202.036
Total provisions and write-down	**401.217**	**262.590**

7.9 Financial income and expenses

The following table shows the details of financial income and expenses for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Dividends and financial income from invested assets	15.369	17.706
Other financial income (charges)	550.280	-84.831
Unrealised gains (losses) at fair value	330.260	141.399
Financial Income	**895.909**	**74.274**

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

The following table shows the details of other financial expenses for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Interests payables on loan	-13.567	-21.652
Interests payables on leasing	-167.211	-213.034
Realised gains (losses) on invested assets	344.480	159.169
Other	386.577	-9.314
Financial charges	**550.280**	**-84.831**

The item Other, in 2024, takes into account adjustments related to changes in value of fixed or variable components, particularly regarding recalculations of definitive net financial position (NFP) compared to provisional values contractually included during the acquisition phase.

7.10 Income taxes for the financial year

The following table shows the details of income taxes for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Current taxes	2.102.933	2.364.199
Deferred taxes	384.729	-85.513
Taxes relating to previous years	-126.821	22.670
Income taxes	**2.360.841**	**2.301.356**

The tax impact for 2024 is in line with the previous year, as the taxes are proportionally lower compared to the prior year due to the effect of deferred taxes.

7.11 Third-party interests

The item net results of third parties, amounting to €8 thousand in 2024 and €9 thousand in 2023, refers to third-party interests related to the company Humatics, which is controlled by the Company.

8. Sector information

According to the accounting principle IFRS 8, an entity must provide information that allows users of the financial statements to assess the nature and effects on the financial statements of the business activities it undertakes and the economic contexts in which it operates.

An operating segment is a component of an entity:

a) that engages in business activities that generate revenues and costs (including revenues and costs related to transactions with other components of the same entity);

b) whose operating results are reviewed periodically at the highest operational decision-making level of the entity for the purpose of making decisions regarding the resources to be allocated to the segment and assessing its performance; and

c) for which separate financial information is available.

The Company has not identified separate operating segments, as the business activity and the review of operating results are conducted at the company and group level within the context of the single entity and primarily by the Company's Chief Executive Officer. The group considers each controlled company as a separate cash-generating unit (CGU) and prepares separate financial statements for each company that it consolidates.

9. Hierarchical Levels of Fair Value Measurement

IFRS 13 establishes a fair value hierarchy that classifies the inputs of valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data). In some cases, the data used to assess the fair value of an asset or liability may be classified in different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely in the same level of the hierarchy in which the lowest-level input is classified, considering its significance to the measurement.

The levels used in the hierarchy are:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are variables other than quoted prices included in Level 1 that are observable, either directly or indirectly, for the assets or liabilities;

- Level 3 inputs are unobservable variables for the assets or liabilities.

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

The following table details assets and liabilities with their corresponding fair value 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	17.124.406			17.124.406
Current financial assets	6.11	23.649.883	23.649.883		
Cash and cash equivalent	6.12	24.680.166	24.680.166		
Total current assets		**65.454.455**	**48.330.049**	**0**	**17.124.406**
TOTAL ASSETS		**65.477.455**	**48.330.049**	**0**	**17.147.406**
LIABILITIES					
Non current liabilities					
Non current financial liabilities	6.14	11.227.539			11.227.539
Total non current liabilities		**11.227.539**	**0**	**0**	**11.227.539**
Current liabilities					
Current financial liabilities	6.14	4.856.983			4.856.983
Trade payables	6.17	4.998.291			4.998.291
Current tax debts	6.18	1.486.277			1.486.277
Other current debts and liabilities	6.19	6.350.291			6.350.291
Total current liabilities		**17.691.842**	**0**	**0**	**17.691.842**
TOTALE LIABILITIES AND EQUITY		**28.919.381**	**0**	**0**	**28.919.381**

10. Transactions with related parties

Transactions with related parties, identified as per IAS 24, are mainly of a commercial nature and are carried out at normal market conditions.

Related parties fall into three categories:

- Directors, statutory auditors and strategic managers of the Company
- Directors of subsidiary companies, minority shareholders and their related parties
- External companies related to the Directors that provide services or products to the group.

The following tables highlight all the entities included in the list of related parties for various periods within the fiscal years 2024 and 2023 for comparison.

<u>Directors, statutory auditors and strategic managers of the Company</u>

Company	**Related parties**	**Relation**
SYS-DAT Spa	Vittorio Neuroni, Matteo Neuroni, Marta Neuroni, Emanuele Angelidis	Directors and shareholders of SYS-DAT SpA
	Marco Zampetti, Maurizio Santacroce, Stefania Tomasini	Independent Directors of SYS-DAT SpA
	Carlo Zambelli, Gabrio Pellegrini, Lorena Pellissier	Statutory auditors of SYS-DAT SpA
	Matteo Garegnani, Andrea Baldini	Group Chief Commercial Officer and Group Chief Financial Officer

Directors of subsidiary companies, minority shareholders and their related parties

Azienda	Parti correlate	Relazione
Logic One Srl	Andrea Pizzolato	Sole Director (A. Pizzolato) to merger in BTW Informatica
Modasystem Srl	Armando Munaretto Carlo Munaretto	Sole Director (A. Munaretto) of Modasystem Supplier of Modasystem, son of A. Munaretto, Sole 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 di SYS-DAT Verona (to July 2024)
Hars Srl	Massimo Zattera, Carlo Baraldi, Dario Vimercati Giulio Zattera, Maria Cristina Cicogni, Riccardo Baraldi	Directors of Hars Sons of Massimo Zattera, wife and son of Carlo Baraldi, Directors of Hars, Hars employees
Nekte Srl	Silvia Anghileri, Umberto Bramani, Stefano Padovan	Directors of Nekte
Humatics Srl	Davide Conigliaro, Pietro Lovato Marco Cristani	Directors of Humatics Minority shareholder of Humatics
Emmedata Srl	Bucciarelli Andrea, Fabrizio Mori, Piero Vignoli	Directors of Emmedata
Vcube Srl	Roberto Pizzetti	Sole Director of Vcube
Trizeta Srl	Natale Zaramella	Sole Director of Trizeta
SiSolution Srl	Fabio Re Cecconi, Massimo Re Cecconi Matteo Re Cecconi	Directors of Sisolution Son of Massimo Re Cecconi, Director of SiSolution
Flexxa Srl	Andrea Monguzzi, Rita Lampugnani	Directors of Flexxa
Matrix Solution Srl	Roberto Fumagalli Silvano Fumagalli, Bruno Massioli, Dario Bernacchini, Roberto Rago	Sole Director of Matrix Solution Minority shareholders of Matrix Solution
Glam Srl	Federico Venturoli Silvia Salvaterra Lavinia Calzolari, Marta Sica, Andrea Pizzirani	Sole Director of Glam Wife of Federico Venturoli, Sole Director of Glam Minority shareholders of Glam

External companies providing services or products to the group.

Azienda	Parti correlate	Relazione
SYS-DAT S.p.A.	Brick Srl	Renting offices to SYS-DAT SpA, controlled by Directors and shareholders of SYS-DAT
Modasystem Srl	CFM Srl	Renting offices to Modasystem, controlled by A. Munaretto, Director of Modasystem
Nekte Srl	Nav-lab Srl Bridge 2012 Srl	U. Bramani is a Director of Nav-lab and Nekte Supplier of Nekte, controlled by U. Bramani and S. Anghileri, Directors of Nekte
SYS-DAT Verona Srl	Atelcom Srl Altama sas di Martini Daniele e c. Bellorio G. & associati sas P.M. sas di Mario Fratton Nav-lab Srl	Supplier of SYS-DAT Verona, controlled by P. Fratton, Director of SYS-DAT Verona Supplier of SYS-DAT Verona, controlled by D. Martini, shareholder of SYS-DAT Verona Supplier of SYS-DAT Verona, controlled by G. Bellorio, shareholder of SYS-DAT Verona Supplier of SYS-DAT Verona, controlled by M. Fratton, shareholder of SYS-DAT Verona Related party to Nekte, controlled entity of SYS-DAT
Emmedata Srl	Emmedata real estate	Renting offices to Emmedata, controlled by F. Mori / P. Vignoli, Directors of Emmedata
Trizeta Srl	Zaramella Group Srl Lynce Srl Business DOCG Srl	Supplier of Trizeta, controlled by N. Zaramella, Director of Trizeta Supplier of Trizeta. N. Zaramella is a Director of both Trizeta and Lynce Supplier of Trizeta. N. is a Director of both Trizeta and Business DOCG Srl

The following tables provide details of the economic and financial relationships with related parties.

(Euro)	**31-Dec-24**	**31-Dec-23**
Operating Revenue	126.659	38.393
Purchasing cost	126.998	250.184
Service cost	5.851.585	5.053.514
Personnel	1.086.787	1.131.955
Amortisations and Depreciations	220.941	116.949
Other financial income (expense)	-93.382	-27.909

(Euro)	**31-Dec-24**	**31-Dec-23**
Trade receivables	38.955	36.314
Trade payables	-322.451	-346.911
Other receivables and current assets	0	0
Other current debts and liabilities	-1.367.149	-878.325
RoU assets	1.716.163	867.038
Employee benefits	-254.776	-274.806
Provisions	-173.957	-314.682
Non current financial liabilities	-7.776.677	-6.162.632
Current financial liabilities	-3.145.299	-3.278.258

The relationships with related parties are primarily related to costs, particularly the costs of purchasing goods and services, including compensation in the form of remuneration to directors, consulting service contracts, or personnel costs. The costs for services and personnel with related parties are in line with the growth of the Group.

Trade receivables and payables are limited and relate to purchases and services provided mainly to the Group. Other payables and current liabilities refer to variable components of directors' compensation or personnel costs to be paid in the following period.

Right-of-use assets refer to properties leased to Group companies, along with related leasing assets and liabilities and depreciation. The lease contracts are at market prices.

Employee benefits refer to severance pay for employees (TFR), while provisions relate to the severance pay for directors (TFM).

Current and non-current financial liabilities refer to leases accounted for under IFRS 16, future payments for the acquisition of interests in controlled companies, and historical financing from shareholders.

During the fiscal year 2024, two lease contracts were signed between the Company and BRICK Srl. BRICK Srl is a real estate company owned by the same shareholders of the Company. The two lease contracts pertain to the rental of offices, garages, and parking spaces in Milan and Turin, as per the resolution of the Board of Directors on January 24, 2024, for a total annual amount of €134,000 for the Milan spaces and €15,800 for the Turin spaces.

In the following pages we present the consolidated balance sheets and income statements showing the amounts of transactions related parties pursuant to Consob Resolution No. 15519 of 27 July 2006.

Statement of financial position with the inclusion of related parties

(Euro)	31 December			31 December		
	2024	of which related parties	%	2023	of which related parties	%
ASSETS						
Non current assets						
Goodwill	12.251.636			8.954.306		
Intangibles other than goodwill	10.947.067			7.383.815		
RoU assets	4.914.601	1.716.163	34,9%	3.994.658	867.038	21,7%
Tangible assets	870.548			788.073		
Equity investments and other non current assets	121.460			87.617		
Deferred tax assets	801.527			615.481		
Total non current assets	**29.906.838**			**21.823.950**		
Current assets						
Inventories	248.998			194.184		
Trade receivables	17.124.406	38.955	0,2%	16.015.464	36.314	0,2%
Assets for work in progress on order	1.172.062			1.699.430		
Other receivables and current assets	3.016.470			2.340.020		
Current financial assets	23.649.883			4.633.409		
Cash and cash equivalent	24.680.166			14.437.097		
Total current assets	**69.891.985**			**39.319.604**		
TOTAL ASSETS	**99.798.823**			**61.143.554**		
NET EQUITY AND LIABILITIES						
Share Capital	1.564.244			1.015.000		
Other reserves	49.225.354			13.870.044		
Net result	6.195.784			4.232.371		
Third parties' equity	178.960			170.895		
Total equity	**57.164.342**			**19.288.310**		
Non current liabilities						
Non current financial liabilities	11.227.539	7.776.677	69,3%	11.024.509	6.162.632	55,9%
Deferred taxes liabilities	2.539.525			1.793.642		
Employee benefits	7.135.204	260.975	3,7%	6.661.792	274.806	4,1%
Provisions	173.958	173.957	100,0%	330.346	314.682	95,3%
Total non current liabilities	**21.076.226**			**19.810.289**		
Current liabilities						
Current financial liabilities	4.856.983	3.145.299	64,8%	4.909.934	3.278.258	66,8%
Trade payables	4.998.291	322.451	6,5%	4.564.410	346.911	7,6%
Advance payments on work in progress	1.345.950			1.783.180		
Current tax debts	1.486.277			2.091.846		
Other current debts and liabilities	8.870.754	1.367.149	15,4%	8.695.585	878.325	10,1%
Total current liabilities	**21.558.255**			**22.044.955**		
TOTAL LIABILITIES AND EQUITY	**99.798.823**			**61.143.554**		

RoU assets and lease liabilities with related parties represent a significant portion of the Group's leases, which are accounted for in accordance with IFRS 16.

Financial liabilities include lease liabilities related to lease agreements but are mainly related to future payments for the acquisition of subsidiaries, in the form of a fixed price or earn-out and follow the increase in acquisitions over the years.

Provisions refer to directors' severance pay (TFM).

Other current payables and liabilities refer to variable components of Directors' remuneration or salary costs to be paid in the following period and increase following the trend of directors' remuneration and the Group's results.

Income statement with the inclusion of related parties.

(Euro)	2024	of which related parties	%	2023	of which related parties	%
Operating Revenue	57.102.083	126.659	0,2%	46.265.809	38.393	0,1%
Other Operating Revenue	378.254			201.929		
Total Revenue	**57.480.337**			**46.467.738**		
Purchasing cost	3.400.985	126.998	3,7%	2.754.127	250.184	9,1%
Changes in inventories	478.310			-505.063		
Service cost	18.895.109	5.851.585	31,0%	15.533.500	5.053.514	32,5%
Personnel	22.717.784	1.086.787	4,8%	18.979.953	1.131.955	6,0%
Other operating cost	429.452			404.868		
Total operating cost	**45.921.640**			**37.167.385**		
EBITDA	**11.558.697**			**9.300.353**		
Amortisations and depreciations	3.488.961	220.941	6,3%	2.568.943	116.949	4,6%
Provisions and writedowns	401.217			262.590		
EBIT	**7.668.519**			**6.468.820**		
Income (expenses) from equity investments	15.369			17.706		
Other financial income (expense)	550.280	-93.382	-17,0%	-84.831	-27.909	32,9%
Value adjustments to financial assets and liabilities	330.260			141.399		
Income before taxes	**8.564.428**			**6.543.094**		
Income taxes	2.360.841			2.301.356		
Net Income	**6.203.587**			**4.241.738**		

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

Costs for services represent a significant portion of the Group's total costs for services as they mainly refer to Directors' remuneration, which in turn is a significant portion of total costs for services.

Depreciation, amortisation and other financial expenses refer to leases that are accounted for in accordance with IFRS 16 and involve depreciation of assets for the right of use and interest expense of lease liabilities.

11. Commitments and Risks

The Company does not have any bank guarantees in place to secure commitments made for contractual obligations. Please refer to Note 6.12 for the coverage provided by Mediocredito Centrale on specific financing agreements entered into by the Company and two of its subsidiaries.

12. Information pursuant to Article 1, paragraph 125, of Law No. 124 of August 4, 2017

Pursuant to Article 1, paragraph 125-bis of Law 124/2017, regarding the obligation to disclose any sums of money received during the fiscal year as grants, contributions, paid assignments, and any economic benefits of any kind received from public administrations and related entities, which are not of a general nature and are not compensatory, remunerative, or indemnity in nature, the Company certifies that no sums of money have been received.

13. Compensation to Directors, Statutory Auditors, and Executives with Strategic Responsibilities

The compensation approved and attributed in any form by SYS-DAT S.p.A. or its subsidiaries to members of the Board of Directors and the Board of Statutory Auditors of SYS-DAT S.p.A. and to executives with strategic responsibilities is presented in the Remuneration Report in the dedicated table.

14. Compensation to the Auditing Firm

The fee for the auditing firm for the audit of the financial statements and consolidated financial statements of SYS-DAT S.p.A. for the year 2024 is €74,731, including flat-rate expenses and statutory contributions.

The fee for the auditing firm for the audit of the financial statements of the controlled companies for the year 2024 is €49,920, including flat fees.

The fee for the auditing firm for non-audit services for the year 2024 is €247,763, related to the listing on the Euronext STAR market.

15. Research and Development Activities

The research and development activities carried out by the Company are aimed at both the introduction of new products and the implementation of new production processes. The activity is divided into several phases, ranging from the ideation and initiation of the design process for the new product or process to large-scale industrialization.

The cost for the fiscal year 2024 is €2,764 thousand compared to €2,047 thousand in 2023. For further details, please refer to Note 6.2.

16. Significant events after 31 December 2024

Acquisition of 80% of A&C group, Cuneo-based company specializing in services for small and medium businesses

On 5 March 2025, SYS-DAT announced that the acquisition of 80% of A & C. Holding S.r.l. ("A&C group"), a group made up of five companies with solutions aimed at small and medium-sized businesses.

A&C group, based in Cuneo, was founded in 1978 and is made of five operating companies, with a presence within the country through 12 offices and with different specializations: Versya S.p.A. and BM Informatica S.r.l. offer solutions for companies belonging to the SME segment and professional firms; Velika S.r.l. offers solutions in some vertical market including Food; A. & C. Sistemi S.r.l. offers business automation solutions; Ager Technology S.r.l. is specialized in the agritech market.

The group has various software solutions for vertical markets, including those for large-scale distribution (GDO), food & beverage, logistics, and professionals such as notaries and accountants. In 2024, the company generated approximately total revenues of around Euro 25 million, with an EBITDA margin of about 14% and a net financial position (cash-positive) of approximately Euro 7 million as of December 31, 2024.

A&C group offers, through its subsidiary companies, services aimed at the small and medium-sized enterprise market with various technologies and vertical solutions for different markets, helping companies increase productivity and improve profitability.

With the entry of A&C group into the SYS-DAT group, the first acquisition of 2025 and the fourth since the admission to the Euronext Milan STAR segment on July 2, 2024, SYS-DAT further strengthens its competitive position and expands its development prospects in the market.

80% of the company was acquired at a valuation in line with the multiples of previous acquisitions, of approximately 5 times EBITDA. A Put & Call option agreement was also signed for the purchase of the remaining 20% in 2028 using the same multiples. The overall valuation for 100% of A&C group is therefore approximately Euro 25 million, also considering the net financial position of about Euro 7 million as of December 31, 2024.

The payment for the shares will be made during the period 2025-2028, financing the acquisition with internal resources.

Other significant events

On 31 January 2025, SYS-DAT announced that it had received notification from Barca Capital Partners LLC, the American general partner of Barca Global Master Fund LP, regarding the crossing of the 5% threshold of the share capital.

On 25 February 2025, the merger plan for the incorporation of Trizeta S.r.l., a wholly-owned subsidiary of SYS-DAT S.p.A., into SYS-DAT Verona S.r.l., also a wholly-owned subsidiary of SYS-DAT S.p.A., was filed.

17. Approval of the Financial Statements and Authorization for Publication

The financial statements for the year ended December 31, 2023, were approved by the Board of Directors on March 13, 2025 and March 24, 2025, which authorized their publication in accordance with legal requirements.

ATTESTATION OF CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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*"), herein 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 Financial Statements during fiscal year 2024.

2. In this regard, no significant issues emerged.

3. It is also certified that:

3.1 the consolidated financial statements as of 31 December 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 financial year and their impact on the consolidated financial statements as of 31 December 2024, together with a description of the main risks and uncertainties.

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

Milan, 24 March 2025

The CEO	The Group CFO (*Dirigente Preposto*)
Matteo Luigi Neuroni	Andrea Matteo Baldini

Sys-Dat S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

Consolidated financial statements as at December 31, 2024

As disclosed by the Directors on page 3, the accompanying financial statements of Sys-Dat S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Shareholders of
Sys-Dat S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Sys-Dat Group (the "Group"), which comprise the statement of financial positions at December 31, 2024, the income statement, the comprehensive income statement, the statement of changes in shareholders' equity and the cash flow statement for the year then ended and notes to the consolidated financial statements, including material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Sys-Dat Group as at December 31, 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of Sys-Dat S.p.A. (the "Parent") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit procedures addressing the key audit matter
IMPAIRMENT TEST OF GOODWILL NOTE 6.1 "GOODWILL" AND NOTE 2.4 "ACCOUNTING PRINCIPLES AND VALUATION CRITERIA The Group recorded goodwill equal to euro 12.3 million as of December 31, 2024, with an increase of euro 3.3 million compared to FY 2023. The recoverable amount has been calculated taking into account their value in use, estimated based on expected cash flows, and discounted using an appropriate rate, calculated from the weighted average cost of debt and equity (WACC - Weighted Average Cost of Capital). The aforementioned cash flows have been developed based on the industrial plan for 2025-2028 approved by the Board of Directors on January 22, 2025. The recoverable amount has been estimated as the sum of the present value of the cash flows related to the explicit projection period and the expected residual value beyond that forecast horizon (terminal value). The impairment process carried out by directors is complex and involves the use of estimates and assumptions to determine both the amount of future cash flows and the corresponding discount rates. Considering the significance of the goodwill recorded in the financial statements and the subjectivity of the estimates used to determine future cash flows and the most significant variables used, we considered the assessment of the recoverability of goodwill a key audit matter.	Our main audit procedures performed are the following: • we understood and evaluated the methodology adopted by management for carrying out the impairment test on the cash-generating units; • we verified the correctness of the definition and determination of the CGUs and the allocation of the book values of the assets and liabilities to the individual CGUs; • we verified the presence of impairment indicators; • we analyzed the impairment test prepared by directors, as well as assessment of its competence, ability and objectivity; • we analyzed the consistency of the forecasts of future cash flows of each CGU with the business plan; • we evaluated the forecasts with respect to previous evaluations and final data; • we verified the determination of long-term growth rates and discount rates; • we verified the mathematical accuracy of the impairment model used; • we compared the accounting data and the results of the impairment test; • we verified the adequacy of the information provided in the explanatory notes to the financial statements in relation to the valuation of goodwill. In our tests we were assisted by our corporate finance experts, who were asked to carry out an independent audit of the valuation.

Responsibilities of the Directors and the Board of Statutory Auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative Decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Parent Sys-Dat S.p.A. or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) no. 537/2014

On March 21, 2024, the Shareholders' meeting of Sys-Dat S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements for the years ending from December 31, 2024 to December 31, 2032.

We declare that we did not provide the prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the consolidated financial statements at December 31, 2024 to be included in the annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements with the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements at December 31, 2024 have been prepared in XHTML format and have been marked-up, in all material respects, in compliance with the provisions of Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98

The directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure of the Sys-Dat Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 are consistent with the group's consolidated financial statements at December 31, 2024.

Moreover, in our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative Decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the statement pursuant to article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milano, March 24, 2025

BDO Italia S.p.A.
Signed by

Paolo Beretta
Partner


START UP
Stock
97%
DATA
35%
65%
S5
INCOME STATEMENT
BALANCE SHEET
S5

SYS-DAT S.P.A. FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

Statement of financial position

(Euro)	Note	31-Dec-24	31-Dec-23
ASSETS			
Non-current assets			
Goodwill	6.1	910.820	910.820
Intangible assets	6.2	2.688.919	1.656.148
RoU assets	6.3	2.048.948	1.196.411
Tangible assets	6.4	63.329	63.365
Equity investments and other non current assets	6.5	23.713.734	16.975.523
Deferred tax assets	6.6	538.599	375.701
Total non-current assets		**29.964.349**	**21.177.967**
Current assets			
Inventories	6.7	0	0
Trade receivables	6.8	7.266.348	7.494.061
Assets for work in progress on order	6.9	369.512	547.791
Other receivables and current assets	6.10	795.294	626.707
Current financial assets	6.11	21.909.328	2.994.330
Cash and cash equivalent	6.12	14.527.179	7.105.707
Total current assets		**44.867.661**	**18.768.596**
TOTAL ASSETS		**74.832.010**	**39.946.563**
EQUITY AND LIABILITIES			
Share Capital	6.13	1.564.244	1.015.000
Other reserves	6.13	44.833.326	11.425.935
Net result	6.13	4.307.567	2.382.857
Third parties' equity	6.13	0	0
Total group equity		**50.705.137**	**14.823.792**
Non current liabilities			
Non current financial liabilities	6.14	8.689.979	8.080.068
Deferred taxes liabilities	6.6	213.696	252.668
Employee benefits	6.15	2.848.839	2.882.114
Provisions	6.16	0	155.627
Total non current liabilities		**11.752.514**	**11.370.477**
Current liabilities			
Current financial liabilities	6.14	5.195.892	5.063.017
Trade payables	6.17	3.083.205	2.717.421
Advance payments on work in progress	6.9	348.009	873.857
Current tax debt	6.18	362.718	1.249.338
Other current debts and liabilities	6.19	3.384.535	3.848.662
Total current liabilities		**12.374.359**	**13.752.295**
TOTAL LIABILITIES AND EQUITY		**74.832.010**	**39.946.563**

Income statement

(Euro)		31 December	
	Notes	2024	2023
Operating Revenues	7.1	26.453.544	23.716.824
Other Revenues	7.2	213.455	128.460
Total Revenue		**26.666.999**	**23.845.284**
Purchasing cost	7.3	1.057.307	1.344.368
Changes in inventories	7.3	178.279	-445.723
Service cost	7.4	10.773.587	9.405.556
Personnel	7.5	8.410.246	8.176.909
Other operating cost	7.6	69.139	336.712
Total operating cost		**20.488.558**	**18.817.822**
EBITDA		**6.178.441**	**5.027.462**
Amortisations and depreciations	7.7	1.217.183	869.135
Provisions and writedowns	7.8	236.599	384.086
EBIT		**4.724.659**	**3.774.241**
Income (expenses) from equity investments	7.9	20.530	17.762
Other financial income (expenses)	7.9	702.296	-85.433
Value adjustments to financial assets and liabilities	7.9	222.614	100.301
Income before taxes		**5.670.099**	**3.806.871**
Income taxes	7.10	1.362.532	1.424.014
Net Income		**4.307.567**	**2.382.857**

Comprehensive Income Statement

(Euro)	31 December	
	2024	2023
Net Income	**4.307.567**	**2.382.857**
Other comprehensive Income//(losses) that will be re-classified as Income/(losses):	0	0
Fiscal impact	0	0
Total OCI to be reclassified as Income/(loss)	**0**	**0**
Other comprehensive Income//(losses) that will not be re-classified as Income/(losses):		
Actualised Income/(losses) from IAS 19 defined benefits	74.405	-52.559
Fiscal impact	-16.943	12.614
Total OCI not reclassifiable as Income/(loss)	**57.462**	**-39.945**
Comprehensive Net Income	**4.365.029**	**2.342.912**

Statement of changes in shareholders' equity

(Euro)	Share Capital	Reserves							Profit (Loss) for the year	Total net assets of the parent company
		Share premium reserves	Legal reserves	OCI - IAS 19 reserves	IFRS 2 warrant reserves	FTA reserves	Other reserves	Retained profit reserves		
Total as of 31 Dec 2022	**1.015.000**	**60.000**	**203.000**	**91.768**	**84.136**	**639.954**	**778.007**	**7.995.481**	**2.484.608**	**13.351.953**
Allocation of profit from the previous financil year to parent company								2.484.608	-2.484.608	0
Allocation of profit from the previous financil year to subsidiaries								-659.750		-659.750
Change in consolidation area								-267.059		-267.059
Warrant fair value adjustment					55.735					55.735
Rounding										0
Total profit (Loss) for the financial year				-39.945					2.382.857	2.342.912
Total as of 31 Dec 2023	**1.015.000**	**60.000**	**203.000**	**51.823**	**139.871**	**639.954**	**778.007**	**9.553.280**	**2.382.857**	**14.823.792**
Allocation of profit from the previous financil year to parent company							1.722.857	660.000	-2.382.857	0
Capital increase IPO	549.244	33.442.770								33.992.014
Listing expenses							-1.884.758			-1.884.758
Distribution of dividends								-660.000		-660.000
IFRS 2 fair value adjustment					69.092					69.062
Rounding		-1					-1			-2
Total profit (Loss) for the financial year				57.462					4.307.567	4.365.029
Total as of 31 Dec 2024	**1.564.244**	**33.502.769**	**203.000**	**109.285**	**208.933**	**639.954**	**616.106**	**9.553.280**	**4.307.567**	**50.705.137**

Cash flow statement

(Euro)		31 December	
	Note	2024	2023
Net income		**4.307.567**	**2.382.857**
Taxes	7.10	1.362.533	1.424.014
Depreciation	7.7	1.217.183	869.135
Other variations		-166.292	1.004.826
Funding from operations		**6.720.991**	**5.680.831**
Change in inventories	6.6	0	0
Change in trade receivables	6.7	159.629	-1.026.180
Change in trade payables	6.15	365.784	643.586
Change in other assets and liabilities		-2.320.695	722.272
Taxes paid		-1.269.387	-792.348
Operating cash flow		**3.834.601**	**4.782.439**
Investments in intangible assets	6.1	-1.833.579	-1.167.540
Investments in tangible assets	6.3	-19.568	-40.082
Equity investments	6.4	-6.738.211	-3.701.221
Interest income collected		20.530	25.520
Change in other financial assets		-18.450.911	-893.234
Investment activities Cash Flow		**-27.020.259**	**-5.776.556**
Change in financial debts		-31.321	429
New loans		0	0
Repayment of loans		-697.624	-1.062.335
Passive interest paid		-111.182	-185.574
Increase share capital	6.13	33.992.014	0
Listing expenses	6.13	-1.884.758	0
Dividends		-660.000	-659.750
Financial activities cash flow		**30.607.130**	**-1.907.230**
Total cash flow (net of changes in consolidation area)		**7.421.472**	**-2.901.347**

Cash and cash equivalent at the beginning of the period		**7.105.707**	**10.007.055**
Total cash flow		7.421.472	-2.901.347
Cash and cash equivalent at the end of the period		**14.527.179**	**7.105.707**

NOTES ON SYS-DAT FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

1. General information

1.1 Introduction

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

SYS-DAT is operating in the ICT market largely 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 its clients' mission-critical processes.

The present annual financial statements as of December 31, 2024 (the "Annual Financial Statements") represent the separate financial statements of the Company and include the assets, economic, and financial situation of the parent company SYS-DAT S.p.A. For the assets, economic, and financial situation of the Company and the companies in which it holds the majority of voting rights on a consolidated basis, please refer to the consolidated annual financial statements as of December 31, 2024 (the "Consolidated Annual Financial Statements").

2. Summary of accounting standards adopted

2.1 Accounting standards

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

The financial statements for the fiscal year ended December 31, 2023, were prepared by the Company on a voluntary basis in accordance with the International Accounting standards (hereinafter also referred to as "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 inclusion in the Offering Prospectus. Previously, the Company prepared its financial statements in accordance with the applicable regulations in Italy and the accounting standards issued by the National Council of Chartered Accountants and Accounting Experts, modified by the Italian Accounting Organization (the "Italian Accounting standards").

Below are the main criteria and accounting standards applied in the preparation of the Annual Financial Statements.

2.2 Statement of Compliance with IFRS

The Annual Financial Statements have been prepared in accordance with the International Accounting Standards endorsed by the European Commission and in effect as of December 31, 2024. EU-IFRS refers to all "International Financial Reporting Standards," (IFRS) all "International Accounting Standards" (IAS), and all interpretations of the "International Financial Reporting Interpretations Committee" (IFRIC), previously known as the "Standing Interpretations Committee" (SIC).

The Annual Financial Statements have also been prepared in accordance with the provisions adopted by CONSOB regarding financial statement formats, in application of Article 9 of Legislative Decree 38/2005 and other CONSOB regulations and provisions related to financial statements.

2.3 Basis of preparation

The Annual Financial Statements consist of the mandatory financial statements required by IAS 1, namely the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, and the cash flow statement, as well as the explanatory notes, and are accompanied by the management report from the Director on the performance of the management.

The Company has prepared the Report on Corporate Governance and Ownership Structures in accordance with Article 123-bis of the Consolidated Law on Finance (TUF).

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 Annual 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 Annual 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 standards;
- 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 standards and Valuation 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:

(c) annually;
(d) 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:

e) the amount of the initial valuation of the lease liability;
f) lease payments due on or before the effective date net of lease incentives received;
g) the direct initial costs incurred by the tenant; And
h) 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:

f) fixed payments, net of any lease incentives to be received;
g) variable lease payments that are dependent on an index or rate, initially valued using an index or rate at the commencement date;
h) the amounts that the lessee is expected to pay as residual value guarantees;
i) the exercise price of the purchase option, if the lessee has reasonable certainty of exercising the option; And
j) 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:

c) net of accumulated depreciation and accumulated reductions in value; And
d) adjusted to take into account any redeterminations of the lease liability.

After initial recognition, the lease liability is measured:

d) increasing the book value to take into account interest on the lease liability;
e) decreasing the book value to take into account the payments due for the leases made; And
f) 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.

Stock options

Stock options are valued based on International Financial Reporting Standard No. 2 (IFRS 2) - "Share-based Payments" - which involves estimating the fair value of the assigned equity instruments.

The valuation of the granted rights was carried out by reflecting the financial market conditions valid at the grant date; the quantification was based on technical grounds using historical data and market benchmarks.

The methodology adopted for estimating fair value follows the risk-neutral approach typical of these issues; in the model used, the risk-free rate curve is derived from the interest rate swap rates in the market at the valuation date and is subject to bootstrapping.

The volatility of the Company's stock was estimated with reference to the historical volatility, on a daily basis, of comparable listed companies (companies belonging to two panels related to stock indices in the 'Software & Services' sector).

The valuation was conducted reflecting the characteristics of "no arbitrage" and "risk-neutral framework" common to fundamental option pricing models (such as the binomial model, the Black & Scholes model, and so on).

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.

Own shares

The consideration paid/received for the purchase/sale of own shares is recorded directly in equity. The cost of own shares held is presented as a separate reserve (the "own shares reserve"). Any excess of the consideration received from the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

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.

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

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

The following amendments are effective for fiscal years beginning on January 1, 2024. These changes have no effect on the valuation of any line item in the Company's financial statements.

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.

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.

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.

IFRS 18, "Presentation and Disclosure of Financial Statements"

IFRS 18, "Presentation and Disclosure of Financial Statements" replaces IAS 1, "Presentation of Financial Statements," and is mandatory for periods beginning on or after January 1, 2027.

3.2 Accounting standards and/or interpretations issued but not yet in effect and/or not endorsed

The amendment to IAS 21 titled "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" was published on August 15, 2023, and will come into effect in January 2025.

None of these Principles and Interpretations have been adopted by the group in advance. The Company is currently assessing the impact of these Principles and Interpretations, and based on the current state of the analyses, no significant impacts are expected.

4. Estimates and assumptions

The preparation of the financial statements requires the application of accounting standards 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 negatively impact its economic and financial situation. Below are the main financial risk management policies of the Company.

Credit Risk

The Company is exposed to credit risk. The Company's customers may delay or fail to meet their payment obligations within the agreed terms, and the internal procedures related to customer credit assessment may not be sufficient to ensure the collection of such receivables. The allowance for doubtful accounts reflects the expected losses calculated over the useful life of these assets. The estimate of expected losses is based on a dual approach that includes an individual analysis of each significant customer position and a collective analysis that groups customers with similar characteristics. Positions for which there is an objective condition of partial or total uncollectibility are subject to individual write-down. In this case, the amount of the write-down takes into account an estimate of recoverable cash flows based on payment delays. All other positions are subject to a collective assessment, using a provision matrix based on the age of receivables and the experience of actual historical losses. The historical information used to define the provision matrix is adequate to reflect current and prospective information on macroeconomic factors that influence customers' ability to settle their debts.

The value of receivables, net of the allowance for doubtful accounts, is €17,124 as of December 31, 2024, an increase from €16,015 thousand as of December 31, 2023.

In 2024, the balance of overdue receivables is in line with business growth.

Liquidity Risk

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

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

Furthermore, the Company has very limited exposure to fluctuations in exchange rates as it operates almost exclusively in euros.

6. Notes on the statement of financial position

6.1 Goodwill

The item Goodwill as of December 31, 2024, refers to acquisitions made over the years, with a value of €911 thousand, unchanged compared to the closing balance as of December 31, 2023.

The following table shows the composition of the Goodwill item as of December 31, 2024, which remains unchanged from December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
VAR FASHION SRL (branch)	230.000	230.000
BMS SPA (branch)	100.000	100.000
SAI SRL (branch)	216.000	216.000
VAR DIGITAL SRL (branch)	99.255	99.255
TDA SAS DI MARIO APA (branch)	21.000	21.000
E-Lab Consulting Srl (post merger)	244.565	244.565
Total goodwill	**910.820**	**910.820**

For the companies and business units indicated under the goodwill item, acquired before the IAS/IFRS transition date, the historical value of goodwill has been used.

6.2 Intangible assets other than goodwill

Intangible assets other than goodwill primarily refer to capitalized software development costs; the software is amortized mainly at a rate of one-fifth of the original value. The following table shows the composition of intangible assets other than goodwill as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Capitalized software development costs	2.621.636	1.609.212
Software	55.487	30.520
Other intangibles	11.796	16.417
Total intangibles other than goodwill	**2.688.919**	**1.656.149**

The following table shows the movements of intangible assets other than goodwill for the fiscal years 2023 and 2024.

	Total	**Capitalized software development costs**			**Software**			**Other intangibles**		
(Euro)	**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	**1.007.890**	**1.343.121**	**-367.388**	**975.733**	**1.976.145**	**-1.945.363**	**30.781**	**44.757**	**-43.381**	**1.376**
Investments	39.910			0	20.250		20.250	19.660		19.660
Capitalizations	1.127.629	1.127.629		1.127.629			0			0
Decreases and reclassifications	0			0	0	0	0	0	0	0
Amortization	-519.282		-494.150	-494.150		-20.512	-20.512		-4.620	-4.620
Net value 31st December 2023	**1.656.148**	**2.470.750**	**-861.538**	**1.609.212**	**1.996.395**	**-1.965.875**	**30.520**	**64.417**	**-48.001**	**16.416**
Investments	123.772			0	123.772		123.772	0		0
Capitalizations	1.709.807	1.709.807		1.709.807			0			0
Decreases and reclassifications	0		0	0	-4.869	4.869	0	5.569	-5.569	0
Amortization	-800.808		-697.383	-697.383		-98.805	-98.805		-4.620	-4.620
Net value 31st December 2024	**2.688.919**	**4.180.557**	**-1.558.921**	**2.621.636**	**2.115.298**	**-2.059.810**	**55.487**	**69.986**	**-58.190**	**11.796**

Investments in intangible assets during the fiscal year, amounting to €124 thousand, are primarily related to software and applications supporting them.

In the fiscal year 2024, the Company continued its development activities. The related costs incurred have been capitalized in the relevant period.

Although these are assets with a defined useful life, considering the continuous technological developments in the reference market, the capitalized software development projects are subjected to periodic impairment testing, at least annually, based on the criteria set forth in IAS 36. If the test indicates a loss in value, the Company will recognize an impairment in the financial statements. This assessment is based on the comparison between the recoverable amount of the intangible assets and their carrying amount recorded in the financial statements.

In this case, the recoverable amount of the intangible assets was calculated taking into account their value in use, estimated based on expected cash flows, and discounted using an appropriate rate, calculated as the sum of equity and a spread to reflect the higher risk associated with the intangible assets being evaluated.

The aforementioned cash flows were developed based on the economic projections of the Business Units to which the capitalized projects refer. The recoverable amount was estimated as the sum of the present value of the cash flows for the explicit projection period without considering any terminal value.

The cost of capital used to discount the projected cash flows for the value estimates:

- was estimated using the CAPM model (Capital Asset Pricing Model), which is a generally accepted application criterion referenced by the IAS 36 accounting standard;
- reflects current market estimates regarding the time value of money and the specific risks of the asset groups;
- was calculated using market comparative parameters to estimate the "beta coefficient" and the weighting of equity and debt capital components;
- takes into account the impacts arising from the application of the new IFRS 16 standard.

Additionally, it is noted that the discount rate used for discounting the projected cash flows is 14.6%.

The analyses conducted, including sensitivity analyses, resulted in a recoverable amount of the assets exceeding their respective carrying amounts. Based on the results of the impairment test analysis, the Company did not proceed with any impairment of the value of the capitalized software development projects mentioned above, as no loss in value was identified.

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)	**31-Dec-24**	**31-Dec-23**
Net book value of right-of-use assets (property)	1.509.768	837.095
Net book value of right-of-use assets (cars)	539.180	359.316
Total net book value of right-of-use assets	**2.048.948**	**1.196.411**
Current lease liabilities	388.138	227.919
Non current lease liabilities	1.883.234	1.005.116
Total lease liabilities	**2.271.372**	**1.233.035**

The right-of-use assets refer to lease contracts for properties in Turin and Milan, as well as leasing contracts for vehicles, primarily long-term rentals.

The following table shows the movements of right-of-use assets for the fiscal years 2023 and 2024.

(Euro)	**31-Dec-24**	**31-Dec-23**
Net book value of right-of-use assets (property)	1.509.768	837.095
Net book value of right-of-use assets (cars)	539.180	359.316
Total net book value of right-of-use assets	**2.048.948**	**1.196.411**
Current lease liabilities	388.138	227.919
Non current lease liabilities	1.883.234	1.005.116
Total lease liabilities	**2.271.372**	**1.233.035**

As of December 31, 2024, the Company has not identified any indicators of permanent impairment related to the right-of-use assets.

SYS-DAT S.p.A. has entered into lease agreements for properties in favor of Brick S.r.l., effective January 1, 2024, which have been recorded as an increase in the corresponding right-of-use asset and lease liability under IFRS 16.

The table below shows the movements of the lease liabilities in the fiscal years 2023 and 2024.

	Right-of-use assets	**RoU assets (property)**			**RoU assets (cars)**		
(Euro)	**Net Value**	**Gross value**	**Accum. Amort.**	**Net Value**	**Gross value**	**Accum. Amort.**	**Net Value**
Net value 1 january 2023	**2.350.480**	**2.364.257**	**-275.646**	**2.088.610**	**594.213**	**-332.343**	**261.870**
Investments	509.463	260.092		260.092	249.370		249.370
Decreases and reclassifications	-1.337.920	-1.537.125	190.370	-1.346.756	-262.793	271.630	8.836
Amortization	-325.612		-164.851	-164.851		-160.761	-160.761
Net value 31 december 2023	**1.196.411**	**1.087.223**	**-250.128**	**837.095**	**580.790**	**-221.474**	**359.316**
Investments	1.250.790	900.824		900.824	349.967		349.967
Decreases and reclassifications	-1.481	-55.483	22.058	-33.425	-4.181	36.125	31.944
Amortization	-396.772		-194.726	-194.726		-202.047	-202.047
Net value 31st December 2024	**2.048.948**	**1.932.564**	**-1.079.856**	**1.509.768**	**926.576**	**-519.596**	**539.180**

For lease liabilities, the interest rate has been determined based on the Company's marginal borrowing rate, which is the rate that the Company would have to pay for financing of similar duration and guarantees to obtain an asset of comparable value to the underlying asset in the right-of-use in a similar economic context. The Company has determined a discount rate for the fiscal year 2024 of 4.25% for real estate lease liabilities and 4.16% for vehicle lease liabilities, and for 2023, a rate of 5.15% for all lease liabilities, taking into account the decrease in base interest rates during the period.

6.4 Tangible assets

The table below shows the composition of tangible assets as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Plant and machinery	5.600	2.511
Other tangibles	57.729	60.854
Total tangible assets	**63.329**	**63.365**

Buildings refer to offices and car parking spots, whereas plant and machinery mainly refer to internal systems such as electrical, air conditioning and telephone systems, and other tangible assets include furniture, hardware and company vehicles.

The table below shows the movements of tangible assets in the fiscal year 2024.

(Euro)	Total	Buildings			Plant and machinery			Other tangibles		
	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	**545.310**	**283.000**	**-17.415**	**265.585**	**171.927**	**-168.114**	**3.813**	**467.263**	**-432.044**	**35.220**
Investments	141.865	0		0	0		0	45.305		45.305
Decreases and reclassifications	-262.498	-283.000	25.905	-257.095	0	0	0	-41.790	36.567	-5.223
Depreciation	-167.981		-8.490	-8.490		-1.303	-1.303		-14.448	-14.448
Net value 31st December 2023	**788.073**	**0**	**0**	**0**	**171.927**	**-169.417**	**2.511**	**470.779**	**-409.924**	**60.854**
Investments	19.568			0	4.500		4.500	15.068		15.068
Decreases and reclassifications	0			0			0			0
Depreciation	-19.604			0		-1.411	-1.411		-18.192	-18.192
Net value 31st December 2024	**63.289**	**0**	**0**	**0**	**176.427**	**-170.828**	**5.559**	**485.847**	**-428.117**	**57.730**

Investments during the period primarily relate to hardware.

No tangible assets were disposed in 2024.

During the period under review, no indications of possible impairment related to tangible assets have emerged.

As of December 31, 2024, there are no real estate assets encumbered by any type of guarantee provided in favor 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 31 December 2024 and 31 December 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Investments in controlled entities	23.673.664	16.935.453
Other equity investments	9.000	9.000
Other non-current assets	31.070	31.070
Total equity investments and other non-current assets	**23.713.734**	**16.975.523**

The following table shows the details of investments in controlled companies.

(Euro)	**31 December 2024**	**31 December 2023**
LOGIC ONE SRL	0	123.723
MODASYSTEM SRL	889.334	889.334
BTW INFORMATICA SRL	307.613	183.890
NEKTE SRL	780.000	780.000
HARS SRL	1.040.000	1.040.000
SYS-DAT VERONA SRL	2.790.601	2.790.601
HUMATICS SRL	328.280	328.280
EMMEDATA SRL	2.761.938	2.761.938
TRIZETA SRL	592.212	592.212
VCUBE SRL	3.805.403	3.805.403
SISOLUTION SRL	3.640.072	3.640.072
FLEXXA SRL	1.894.093	
MATRIX SOLUTION SRL	1.831.435	
GLAM SRL	3.012.683	
Total investments in controlled entities	**23.673.664**	**16.935.453**

During the fiscal year, the Company acquired four companies: Flexxa Srl, Matrix Solution Srl, Glam Srl, and Glam Digital Lab Srl, with the latter merged into Glam Srl before the end of the fiscal year:

- Flexxa, a company specialized in cybersecurity and business continuity based in Verbania (VB);

- Matrix Solution, a company specialized in business process management services based in Milan (MI);

- Glam / Glam Digital Lab, companies specialized in digital commerce based in Bologna.

Additionally, the controlled company Logic One S.r.l. was merged into BTW Informatica S.r.l.

The following table presents the list of investments along with the main parameters from the financial statements as of December 31, 2024, in OIC standards.

(Euro)	**Headquarters**	**Share Capital**	**Net income 2024**	**Equity**	**Participation %**	**Particip. Equity**	**Accounting Value**
MODASYSTEM SRL	Bassano del Grappa (VI)	250.000	377.693	1.697.966	100%	1.697.966	889.334
BTW INFORMATICA SRL	Milano (MI)	50.000	36.042	666.815	100%	666.815	307.613
NEKTE SRL	Milano (MI)	204.890	167.126	653.874	100%	653.874	780.000
HARS SRL	Modena (MO)	115.000	127.861	1.258.413	100%	1.258.413	1.040.000
SYS-DAT VERONA SRL	Verona (VR)	200.000	215.922	2.737.228	100%	2.737.228	2.790.601
HUMATICS SRL	Verona (VR)	10.000	22.392	160.821	70%	112.575	328.280
EMMEDATA SRL	Civitanova Marche (MC)	31.200	380.631	1.516.472	100%	1.516.472	2.761.938
TRIZETA SRL	Monselice (PD)	10.000	40.889	241.752	100%	241.752	592.212
VCUBE SRL	Novellara (RE)	10.000	9.440	1.907.014	70%	1.334.910	3.805.403
SISOLUTION SRL	Samarate (VA)	11.000	2.050	1.327.428	100%	1.327.428	3.640.072
FLEXXA SRL	Verbania (VB)	20.000	157.497	530.905	100%	530.905	1.894.093
MATRIX SOLUTION SRL	Milano (MI)	25.000	269.307	299.582	100%	299.582	1.831.435
GLAM SRL	Bologna (BO)	20.000	68.531	658.464	100%	658.464	3.012.683

Based on the provisions of international accounting standards, the investments in companies over which the Company has control are subject to an analysis aimed at verifying any impairment (impairment test) if indicators are present, in accordance with the criteria set out in IAS 36. If the test reveals an impairment, the Company will record a write-down in its financial statements. This verification is based on the comparison between the recoverable amount of the investment and its carrying amount recorded in the financial statements.

In this case, the recoverable amount of the investments was calculated considering their value in use, estimated based on expected cash flows, and discounted using an appropriate rate, calculated from the weighted average cost of debt and equity (WACC - Weighted Average Cost of Capital).

The aforementioned cash flows were developed based on the industrial plan for 2025-2028 approved by the Board of Directors on January 22, 2025. The recoverable amount was estimated as the sum of the present value of the cash flows related to the explicit projection period and the expected residual value beyond that forecast horizon (terminal value).

Regarding the estimation of the terminal value, a sustainable long-term cash flow was assumed by extrapolating the estimated cash flow for 2028, appropriately adjusted to consider an adequate level of investments and absorption of long-term net working capital.

The cost of capital used to discount the projected cash flows for the value estimates:

- was estimated using the CAPM model, Capital Asset Pricing Model, which is a generally accepted application criterion referenced by the accounting principle IAS 36;
- reflects current market estimates regarding the time value of money and the specific risks of the asset groups;
- was calculated using comparative market parameters to estimate the "beta coefficient" and the weighting coefficient of equity and debt components;
- takes into account the impacts arising from the application of the new IFRS 16 standard.

Furthermore, it is noted that:

- the weighted average cost of capital used to discount the projected cash flows (WACC) is 12.1%;
- the growth rate used to estimate the residual value after the explicit forecast period (the so-called growth rate g), expressed in nominal terms and related to cash flows in functional currency, is 1.00%.

The growth rate in the terminal value "g" was estimated considering the expected evolution during the explicit forecast period.

The analyses conducted, including sensitivity analyses, led to a recoverable amount of the assets that exceeds their respective carrying amounts by no less than 30%. Based on the results of the impairment test analysis, the Company did not proceed with any write-down of the value of the aforementioned investments, as no impairment was identified.

The following table shows the movements of the investments in controlled companies.

(Euro)	31 December 2024	Acquisitions	Mergers	31 December 2023
LOGIC ONE SRL	0		-123.723	123.723
MODASYSTEM SRL	889.334			889.334
BTW INFORMATICA SRL	307.613		123.723	183.890
NEKTE SRL	780.000			780.000
HARS SRL	1.040.000			1.040.000
SYS-DAT VERONA SRL	2.790.601			2.790.601
HUMATICS SRL	328.280			328.280
EMMEDATA SRL	2.761.938			2.761.938
TRIZETA SRL	592.212			592.212
VCUBE SRL	3.805.403			3.805.403
SISOLUTION SRL	3.640.072			3.640.072
FLEXXA SRL	1.894.093	1.894.093		
MATRIX SOLUTION SRL	1.831.435	1.831.435		
GLAM SRL	3.012.683	3.012.683		
Total investments in controlled entities	**23.673.664**	**6.738.211**	**-**	**16.935.453**

The other investments refer to non-significant holdings, including G.L. Italia Srl, with which the Company has a commercial agreement for the distribution of products based on the Golden Lake platform.

The 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 of 31 December 2024 and 31 December 2023.

(Euro)	31-Dec-24	31-Dec-23
Deferred Tax Asssets (DTA)	538.599	375.701
Deferred Tax Liabilities (DTL)	213.696	252.668

Deferred tax assets have been recognized as it is considered probable that taxable income will be generated against which they can be utilized.

The following tables show the details and movements of the deferred tax assets (DTA) as of December 31, 2024, and December 31, 2023.

(Euro)	31-Dec-24	31-Dec-23
DTA on intangibles	73.385	73.385
DTA on provisions	149.440	132.911
DTA on director compensation	263.712	118.031
Other DTA	52.062	51.374
Total deferred tax assets	**538.599**	**375.701**

(Euro)	31-Dec-24	Increments	Decrements	31-Dec-23	Increments	Decrements	31-Dec-22
DTA on intangibles	73.385	0	0	73.385	10.218	-18.843	82.010
DTA on provisions	149.440	47.524	-30.995	132.911	82.732	-221.416	271.595
DTA on director compensation	263.712	263.712	-118.031	118.031	118.031	-49.773	49.773
Other DTA	52.062	688	0	51.374	688	0	50.686
Total deferred tax assets	**538.599**	**311.924**	**-149.026**	**375.702**	**211.669**	**-290.032**	**454.065**

Deferred tax assets include:

- DTA on leases under IFRS 16, goodwill, and the write-offs of certain items such as goodwill amortization, incorporation and expansion costs, and software revaluation under IAS 38;
- DTA on employee benefits (TFR) and pension benefits for directors (TFM), as provided by IAS 19, and provisions for risks and doubtful receivables;
- DTA for deferred compensation, usually in the form of variable components, paid in the following year;
- DTA for financial assets and liabilities, primarily related to the write-off of revaluations of investments in subsidiaries and real estate, subject to cancellation at the time of the first adoption of EU-IFRS.

The following tables show the details and movements of deferred tax liabilities (DTL) as of December 31, 2024, and December 31, 2023.

(Euro)	31-dic-24	31-dic-23
DTL on intangibles	220.308	197.283
DTL on provisions	51.258	54.459
Other DTL	-57.870	926
Total deferred tax liabilities	**213.696**	**252.668**

(Euro)	31-Dec-24	Increments	Decrements	31-Dec-23	Increments	Decrements	31-Dec-22
DTL on intangibles	220.308	35.043	-12.018	197.283	0	-79.219	276.502
DTL on provisions	51.258	0	-3.201	54.459	2.178	-25.217	77.497
Other DTL	-57.870	0	-58.796	926	0	-684	1.610
Total deferred tax liabilities	**213.696**	**35.043**	**-74.015**	**252.668**	**2.178**	**-105.120**	**355.609**

Deferred tax liabilities include:

- DTL on software assets arising from the purchase price allocation of acquired companies for the capitalization of software development costs and leases under IFRS 16;
- DTL on employee benefits (TFR) and pension benefits for directors (TFM), as provided by IAS 19, and provisions for risks and doubtful receivables;
- DTL on financial assets and liabilities.

Regarding the assessment of the recoverability of deferred tax assets, the Company does not consider it necessary to perform an impairment test given the expectation of generating future profits as outlined in the Industrial Plan for 2025-2028 approved by the Board of Directors on January 22, 2025.

6.7 Inventory

The inventories as of December 31, 2024, and December 31, 2023, are zero, with no movements during the 2024 fiscal year.

6.8 Trade receivables

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

	31-Dec-24	31-Dec-23
Trade receivables from customers	6.877.581	7.057.835
Trade receivables from other related parties	840.937	820.312
Gross trade receivables	7.718.518	7.878.147
Provision for trade receivables	-452.170	-384.086
Trade receivables	**7.266.348**	**7.494.061**

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 follow the increase in revenues. The average payment days in the fiscal year 2024 stand at 87 days compared to 99 days as of December 31, 2023.

It should be noted that almost all trade receivables are from Italy.

Trade receivables are subject to an impairment review based on the provisions of IFRS 9. For the purpose of the assessment process, trade receivables are divided into aging categories. The assessment was made based on the losses recorded for assets with similar credit risk characteristics based on historical experience. The percentage of expected credit loss (ECL) was calculated at 0.3% for 2024 and 0.3% for 2023 using a moving average of historical losses stratified by year of credit generation. This base ECL was applied to receivables deemed low risk, while increasing percentages of potential losses were applied to receivables with higher aging categories, adjusting the result with specific assessments in the presence of identifiable specific risks.

The table below shows the trade receivables allowance and the movements of the allowance for doubtful trade receivables for the fiscal years 2023 and 2024.

(Euro)	Provisions for trade receivables
1 January 2023	**249.611**
Fund increments	384.086
Fund releases	0
Used fund	-249.611
Adjustment	0
31 December 2023	**384.086**
Fund increments	620.685
Fund releases	-384.086
Used fund	-168.514
Adjustment	0
31 December 2024	**452.171**

The value of the release for the fiscal year 2024 corresponds to the provision as of January 1, 2024, which was then re-determined as of December 31, 2024, based on the credit valuation policies in accordance with the international standards IFRS 9.

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

The work in progress assets as of December 31, 2024, amounting to €370 thousand, and €548 thousand as of December 31, 2023, primarily relate to the inventories of work in progress for multi-year contracts.

The following table illustrates the net carrying amount of the work in progress assets and the related advances for the fiscal years 2024 and 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Activities for work in progress on order	369.512	547.791
Advance payments for work in progress	348.009	873.857

Work in progress on order and related advanced payments 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 of 31 December 2024 compared to other receivables as of 31 December 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Tax credits	416.609	34.416
Other credits	6.177	272.291
Other current assets	372.508	320.000
Total	**795.294**	**626.706**

The following table shows the details of tax credits as of 31 December 2024 and 31 December 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
VAT Credits	195.383	392
Tax Withholdings	4.253	2.408
IRAP	108.735	0
IRES	108.226	30.972
Other tax activities	12	643
Total	**416.609**	**34.416**

Tax receivables primarily relate to VAT, IRES, and IRAP credits and amount to €993 thousand as of December 31, 2024, an increase from €344 thousand as of December 31, 2023. The receivables for IRES and IRAP have benefited from tax credits arising from listing fees due to the company's listing. Please refer to the specific paragraph outlined in the share capital section.

The table below shows the details of other receivables as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Employees credits	2.170	1.620
IPO tax credits	0	253.255
Other credits	4.007	17.416
Total other credits	**6.177**	**272.291**

The table below shows the details of other current assets as of December 31, 2024, and December 31, 2023, largely represented by prepaid expenses for future periods.

(Euro)	31-Dec-24	31-Dec-23
Prepaid expenses	372.508	320.000
Cost accruals	0	0
Other current assets	**372.508**	**320.000**

6.11 Current financial asset

Current financial assets refer to investments of part of the liquidity generated in readily marketable securities with low risk, which have increased substantially from December 31, 2023, to December 31, 2024, due to the proceeds from the listing on the regulated market Euronext Milan, as shown in the table below.

(Euro)	31-Dec-24	31-Dec-23
Current financial assets	21.909.328	2.994.330
Total	**21.909.328**	**2.994.330**

The table below shows the details of current financial assets as of December 31, 2024, compared to December 31, 2023, measured at fair value with an impact on the income statement (FVTPL).

(Euro)	31-Dec-24	31-Dec-23
Investments in stocks	262.503	0
Investments in bonds	21.646.825	2.815.895
Investments in funds	0	178.436
Investments in insurance funds	0	0
Current financial assets	**21.909.328**	**2.994.330**

6.12 Cash and cash equivalents

The table below shows the detailed statement of cash and cash equivalents as of 31 December 2024 and 31 December 2023, which also increased significantly from 31 December 2023 to 31 December 2024 due to cash from operations and proceeds from the listing of the Company on the Euronext Milan STAR segment on 2 July 2024.

(Euro)	31-Dec-24	31-Dec-23
Bank deposits	14.527.045	7.104.099
Cash and cash equivalents	134	1.608
Total cash and cash equivalents	**14.527.179**	**7.105.707**

In the periods under review, cash and cash equivalents were 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 assets as of 31 December 2024 and as 31 December 2023

(Euro)	31-Dec-24	31-Dec-23
Share Capital	1.564.244	1.015.000
Statutory Reserves	203.000	203.000
Share premium reserves	33.502.769	60.000
Other reserves	1.574.277	1.609.655
Profits (losses) carried forward	9.553.280	9.553.280
Profit (loss) for the financial year of the parent company	4.307.567	2.382.857
Total equity of the parent company	**50.705.137**	**14.823.792**

Listing on the Regulated Market Euronext Milan STAR Segment

During the fiscal year 2024, the Company completed its placement offer on the regulated market Euronext Milan STAR segment, starting trading on July 2, 2024.

Prior to the placement, the Company's share capital was €1,015,000 divided into 20,300,000 ordinary shares, and there were 77,394 warrants (the "Warrants") granting the right to purchase 20 ordinary shares of the Company in a capital increase, each at a predetermined price of €1.2315 per share in the event of a liquidity event, including listing on regulated markets. The Warrants were purchased by managers of the Company and its subsidiaries at fair market value, pursuant to Article 9 of the Presidential Decree No. 917 of December 22, 1986, as determined by an independent expert's sworn appraisal, and were freely transferable in whole or in part by deed between living persons, subject to the Company's right of first refusal. All Warrants were exercised simultaneously with the listing, resulting in the corresponding reserve being released.

To service the full exercise of the Warrants, a capital increase of 1,547,880 ordinary shares was carried out, raising a gross amount of €1,906 thousand.

To facilitate the placement, a capital increase of 8,450,000 ordinary shares was made at a price of €3.40 per share, totaling €28,730 thousand in gross proceeds. Following the placement and the full exercise of the greenshoe option, an additional capital increase of 987,000 ordinary shares was executed, raising a total of €3,356 thousand in gross proceeds. The placement thus resulted in gross proceeds of €32,086 thousand, with a free float representing 35.1% of the share capital of €1,564 thousand.

The total proceeds, net of intermediary commissions, amounted to €32,522 thousand.

The listing costs consist of the sum of listing expenses incurred in the fiscal year 2023 and completed in the fiscal year 2024, amounting to €1,234 thousand, and placement commissions amounting to €1,314 thousand, which were allocated to reserves net of deferred tax assets of €661 thousand.

Share Capital

As of December 31, 2024, the Company's share capital, fully subscribed and paid, amounts to €1,564 thousand compared to €1,015 thousand as of December 31, 2023, as a result of the capital increase related to the listing on the regulated market Euronext Milan, as mentioned above.

Legal Reserve

As of December 31, 2024, the legal reserve amounts to €203 thousand, unchanged from December 31, 2023. Due to the capital increase related to the listing on the regulated market Euronext Milan, the legal reserve must be restored to the statutory value of one-fifth of the share capital.

Share Premium Reserve

As of December 31, 2024, the share premium reserve amounts to €33,503 thousand compared to €60 thousand as of December 31, 2023, as a result of the capital increase related to the listing on the regulated market Euronext Milan, as mentioned above.

Other Reserves

The following table details the Other Reserves as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Reserves from FTA	639.954	639.954
Reserves from OCI	109.285	51.823
Reserves *stock option / warrant*	208.933	139.871
Extraordinary reserve	2.322.857	600.001
Reserve for future capital increase	178.006	178.006
Listing charges	-1.884.758	0
Other reserves	**1.574.277**	**1.609.655**

As of December 31, 2024, the item Other Reserves includes (a) the first-time adoption reserve of EU-IFRS, which amounts to a balance of €543 thousand for the period under review and represents the effects of the transition from Italian accounting standards to EU-IFRS, with no change compared to previous periods; (b) the reserve for actuarial gains and losses (Other Comprehensive Income – OCI) includes the gains and losses arising from changes in actuarial assumptions related to defined benefit plans, amounting to €297 thousand as of December 31, 2024, and €143 thousand as of December 31, 2023; (c) the IFRS 2 reserve related to stock options amounting to €209 thousand, which pertains to the 2024-2026 Stock Options Plan reserved for group managers, for a total of 100,000 stock options granted free of charge with the right to purchase ordinary shares of the Company at the listing price for a maximum of 2,000,000 ordinary shares, as already described in the "Long-term incentive plans" section of the Information Prospectus related to the listing; (d) other reserves totaling €2,323 thousand; (e) reserves for future capital increases amounting to €178 thousand; and (f) listing costs, which represent a negative value of €(1.885) thousand following the listing on the regulated market Euronext Milan and the capitalization of the related costs, including commissions and associated expenses net of fiscal impact.

The following table details the types and possible uses of the reserves.

(Euro)	**31-Dec-24**	**Type**	**Possible Use**	**Availability**
Share Capital	1.564.244	Capital	-	0
Statutory reserve	203.000	Capital	B	0
Share premium reserves	33.502.769	Capital	A, B (*)	33.502.769
Reserves from FTA	639.954	Profit	-	0
Reserves from OCI	109.285	Profit	-	0
Reserves *stock option / warrant*	208.933	Profit	A	208.933
Extraordinary reserve	2.322.857	Profit	A, B, C	2.322.857
Reserve for future capital increase	178.006	Capital	A	178.006
Listing charges	-1.884.758	Capital	(**)	-1.884.758
Profits (losses) carried forward	9.553.280	Profit	A, B, C	9.553.280
Profit (loss) for the financial year of the parent company	4.307.567	Profit	-	0
Total Net assets of the parent company	**50.705.137**			**43.881.087**

The table provides the possible uses of each item as indicated below:

- A: for capital increase;
- B: to cover losses;
- C: for distribution to shareholders.

(*) Since the legal reserve is less than one-fifth of the share capital due to the capital increase related to the listing that took place in 2024, the Share Premium Reserve (*) can be considered available but not distributable until the legal reserve is restored in accordance with legal requirements.

(**) The capitalized listing costs constitute a negative value in equity that limits availability.

The distributable portion of the equity reserves, at least until the restoration of the legal reserve, amounts to €9,329,996, net of listing costs.

6.14 Financial liabilities (current and non-current)

The table below shows the statement of current and non-current financial liabilities as of December 31, 2024, and December 31, 2023.

(Euro)	31-Dec-24		31-Dec-23	
Financial liabilities	**Current**	**Non current**	**Current**	**Non current**
Bank loans	701.602	764.547	727.500	1.617.164
Lease liabilities	388.138	1.883.235	640.569	3.484.563
Liabilities for acquisitions	2.963.555	6.042.198	3.399.070	5.903.953
Shareholders loans	0	0	128.290	0
Other financial liabilies	1.142.597	0	14.505	18.828
Total current and non current financial liabilities	**5.195.892**	**8.689.980**	**4.909.934**	**11.024.509**

The following are the main items that make up the Company's bank financial liabilities as of December 31, 2024, and December 31, 2023.

Bank loans

(Euro)	Amount	Start date	End date	Interest rate
Intesa SanPaolo N.01C10112176 (SYS-DAT SpA)	3.500.000	29 Gen 2021	29 Gen 2027	0,45%

Regarding the aforementioned financing contracts, there were no changes in the fiscal year 2024, and the amount of repayments was €702 thousand.

The following table describes the transactions for the fiscal year 2024.

(Euro)	31-Dec-24			2024		31-Dec-23		
	Outstanding debt	**Current liabilities**	**Non-current liabilities**	**Increments / Business comb.**	**Repayments**	**Outstanding debt**	**Current liabilities**	**Non-current liabilities**
Intesa SanPaolo N.01C10112176	1.466.149	701.602	764.547	0	-697.624	2.163.773	697.624	1.466.149
Totale Bank loan	**1.466.149**	**701.602**	**764.547**	**0**	**-697.624**	**2.163.773**	**697.624**	**1.466.149**

(Euro)	31-dic-23			2023		01-gen-23		
	Outstanding debt	**Current liabilities**	**Non-current liabilities**	**Increments / Business comb.**	**Repayments**	**Outstanding debt**	**Current liabilities**	**Non-current liabilities**
Intesa SanPaolo N.01C10112176	2.163.773	697.624	1.466.149	0	-693.733	2.857.506	693.733	2.163.773
BNL N. 6154351 ex SYS-DAT Bari	0	0	0	0	-77.398	77.398	19.722	57.677
Totale Bank loan	**2.163.773**	**697.624**	**1.466.149**	**0**	**-771.132**	**2.934.905**	**713.455**	**2.221.450**

The financing contract is covered by the guarantee of Banca del Mezzogiorno MedioCredito Centrale S.p.A. through the fund referred to in Article 2, paragraph 100, letter a), of Law No. 662 of December 23, 1996, and subsequent amendments and additions, for a percentage equal to 90% of their amount.

Lease liabilities

Lease liabilities are described in detail in Note 6.2.

Liabilities from acquisitions

Liabilities from acquisition refer to the Company's acquisition activities. The tables below indicate the composition and movements of these liabilities.

(Euro)	Amount	Start date	End date
SYS-DAT VERONA SRL	2.762.706	30 Oct 2020	31 July 2024
SYS-DAT BARI SRL	324.000	07 July 2022	31 July 2024
HUMATICS SRL	234.000	12 July 2022	31 Dec 2025
EMMEDATA SRL	2.767.996	15 Feb 2022	31 Dec 2025
VCUBE SRL	3.805.403	11 May 2023	31 Dec 2026
SISOLUTION SRL	3.197.811	16 Nov 2023	30 April 2027
TRIZETA SRL	482.081	21 Sept 2023	30 April 2026
FLEXXA SRL	1.894.093	06 August 2024	19 Dec 2027
MATRIX SOLUTION SRL	1.831.436	08 Oct 2024	30 April 2026
GLAM SRL	3.012.683	16 Oct 2024	30 April 2028

The amount indicated refers to the debt incurred for the acquisition of each specific company, including the fixed components of the price and earn-outs, which are the sum of all cash flows to third-party shareholders in past periods and/or estimated in future periods according to the agreed business plan at the time of acquisition, net of any contractual adjustments.

The start and end dates refer to the contractual obligations that begin with the acquisition deed and conclude with the due date of the final payment of the acquisition price.

(Euro)	31 December 2024			2024		31 December 2023		
	Total Liabilities	Current Liabilities	Non-current liabilities	Adjustm. / Acquisitions	Payments	Total Liabilities	Current Liabilities	Non-current liabilities
SYS-DAT VERONA SRL	0	0	0	-27.895	-1.015.031	1.042.926	1.042.926	0
SYS-DAT BARI SRL	0	0	0	0	-108.000	108.000	108.000	0
HUMATICS SRL	50.423	50.423	0	-94.280	-22.944	167.647	18.403	149.244
EMMEDATA SRL	704.827	704.827	0	6.058	-705.630	1.404.399	704.000	700.399
VCUBE SRL	2.745.177	548.083	2.197.094	0	-31.653	2.776.830	13.594	2.763.236
SISOLUTION SRL	1.690.072	373.008	1.317.064	-442.261	-507.739	2.640.072	950.000	1.690.072
TRIZETA SRL	195.388	163.534	31.854	-110.131	-155.013	460.532	154.680	305.852
FLEXXA SRL	1.412.025	436.166	975.860	1.894.093	-482.068			
MATRIX SOLUTION SRL	278.920	139.460	139.460	1.831.436	-1.552.516			
GLAM SRL	1.928.923	548.055	1.380.868	3.012.683	-1.083.760			
Total liabilities from acquis.	**9.005.754**	**2.963.555**	**6.042.198**	**6.069.703**	**-5.664.355**	**8.600.406**	**2.991.603**	**5.608.803**

The adjustments refer to changes in the value of the debt for adjustments to payments related to fixed or variable components, particularly concerning recalculations of definitive net financial positions compared to provisional values contractually included at the time of acquisition.

During the fiscal year, the Company acquired four companies: Flexxa Srl, Matrix Solution Srl, Glam Srl, and Glam Digital Lab Srl, with the latter merging into Glam Srl before the end of the fiscal year.

Other Financial Liabilities

The other financial liabilities primarily refer to intercompany debts with controlled companies, particularly with SYS-DAT Verona.

6.15 Funds for employee benefits

The following table shows the composition and movement of funds for employee benefits in the fiscal year 2024 compared to the fiscal year 2023.

(Euro)	**Severance pay (TFR)**
1 january 2023	**2.597.923**
Current service cost	290.624
Interest cost	140.946
Transfers and payments	-184.738
Actuarial gains and losses	37.359
31 december 2023	**2.882.114**
Current service cost	329.198
Interest cost	83.130
Transfers and payments	-366.197
Actuarial gains and losses	-79.406
31 december 2024	**2.848.839**

The employee-related funds represent the estimated obligation, determined based on actuarial techniques, regarding the amount to be paid to employees at the end of the employment relationship. As of December 31, 2024, and December 31, 2023, the employee benefit funds refer to the severance pay (hereinafter "TFR") accrued for employees.

Severance Pay (TFR)

The employee benefits related to TFR amount to €2.849 thousand and €2.882 thousand as of December 31, 2024, and December 31, 2023, respectively.

The value of the TFR liability, which falls under the definition of defined benefit plans according to IAS 19, has been determined using an actuarial approach. Below are the main actuarial, financial, and demographic assumptions used to determine the value of the liability as of December 31, 2024, and December 31, 2023, in accordance with the provisions of IAS 19.

(Euro)	**31-Dec-24**	**31-Dec-23**
Annual rate of actualisation	3,38%	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	ISTAT 2022
Permanent disabilities	INPS tables by age and gender
Retirement	100% based on AGO requirements satisfaction
Probability of TFR anticipation	1,0%
Turn over rate	8,5%

The following table summarizes the sensitivity analysis for each actuarial, financial, and demographic assumption, showing the effects (in absolute value) that would have occurred as a result of reasonably possible changes in the actuarial assumptions as of December 31, 2024.

(Euro)	**31-dic-24**
Turnover +1%	2.855.826
Turnover -1%	2.841.018
Inflation rate +0,25%	2.888.244
Inflation rate -0,25%	2.810.304
Actualization rate +0,25%	2.799.052
Actualization rate -0,25%	2.900.260

The contribution for the next fiscal year (Service cost pro futuro annuo) is stated at €355.239, with an average financial duration of the obligation of 10,61 years.

The following table shows the estimate of expected payments (in nominal value) as of December 31, 2024, related to severance pay in future years.

(Euro)	**31-Dec-24**
Year +1	350.087
Year +2	320.269
Year +3	328.247
Year +4	348.492
Year +5	333.582

6.16 Provisions for risks and liabilities

The following table shows the composition and movement of funds for risks and charges as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Provisions for retirement benefits	0	155.627
Other provisions	0	0
Total provisions for risks and liabilities	**0**	**155.627**

The funds related to pension benefits represent the estimated obligation, determined based on actuarial techniques, regarding the amount to be paid to the directors upon termination of their relationship.

Pension Benefits for Directors (TFM)

The pension benefits for the directors, which amounted to €116 thousand as of December 31, 2023, were settled during the fiscal year 2024. The following table shows the composition and movement of the pension benefits for directors (TFM) in the fiscal years 2023 and 2024.

(Euro)	**TFM**
1 january 2023	**124.702**
Current service cost	11.072
Interest cost	4.654
Transfers and payments	0
Actuarial gains and losses	15.200
31st December 2023	**155.627**
Adjustment	38.901
Current service cost	7.091
Interest cost	883
Transfers and payments	-202.502
Actuarial gains and losses	0
31-Dec-24	**0**

The transfers and payments refer to the reimbursement of the directors' severance pay (TFM) as authorized by the shareholders' meeting, which results in an adjustment for the year due to the difference between the nominal value of the TFM, settled during the fiscal year 2024, and the actuarial value recorded in the financial statements.

6.17 Trade payables

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

(Euro)	**31-Dec-24**	**31-Dec-23**
Trade payables to suppliers	2.066.246	1.781.557
Trade payables to other related parties	1.016.959	935.864
Trade payables	**3.083.205**	**2.717.421**

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

It is believed that the carrying amount of trade payables approximates their fair value. For trade payables to related parties, please refer to the relevant section of this document.

It should be noted that almost all trade receivables are from Italy.

6.18 Tax Liabilites

Tax payables amount to €363 thousand as of December 31, 2024, and €1.249 thousand as of December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
VAT debt	0	20.443
Withholding income tax	360.672	576.935
IRAP tax	0	95.740
IRES tax	0	566.190
Other tax debts	2.046	-10.362
Total Current tax liabilities	**362.718**	**1.248.945**

The item includes only debts for certain and determined taxes, specifically referring to VAT debts, which were zero as of December 31, 2024, withholding taxes applied at source related to employees, assimilated workers, and self-employed individuals, IRAP and IRES debts, which were also zero as of December 31, 2024, and debts for other taxes of insignificant amounts.

The differences compared to December 31, 2023, mainly consist of the VAT, IRES, and IRAP credit positions, as well as a decrease in withholding taxes due to a different timing of payments for directors' bonuses, with no advance payments in 2024.

6.19 Other current debts and liabilities

The following table provides the details of other payables and current liabilities as of December 31, 2024, and December 31, 2023.

(Euro)	**31-Dec-24**	**31-Dec-23**
Payables to employees	1.511.234	1.397.907
Payables to social security institutions	452.029	407.418
Deferred income	287.935	1.404.527
Payables to the Directors	1.073.263	612.894
Accrued liabilities	-1.336	9.724
Other current debts and liabilities	61.410	16.193
Other current debts and liabilities	**3.384.535**	**3.848.662**

Payables to employees primarily refer to salaries payable and deferred charges, such as vacation, leave, and additional monthly payments.

Payables to social security and welfare institutions mainly relate to debts owed to these institutions for the payment of contributions.

Deferred income primarily refers to the provision of services not related to future service periods.

Payables to directors mainly refer to the variable components of their remuneration and the reimbursement of expense reports.

The increase in the "Other" item in 2024 is primarily due to the provision for Consob contributions amounting to €53 thousand.

7. Notes to the income statement

7.1 Operating revenues

In the fiscal year 2024, total revenues amounted to €26,667 thousand, of which €213 thousand were from other revenues and income, representing an increase of 11.8% compared to the fiscal year 2023, in which total revenues were €23,845 thousand, including €128 thousand from other revenues and income.

The following table shows the details of the revenues for the fiscal year 2024 compared to 2023.

Euro thousand	**31-Dec-24**	**%**	**31-Dec-23**	**%**
Operating Revenues	26.453.544	99%	23.716.824	99%
Other Revenues	213.455	1%	128.460	1%
Total Revenue	**26.666.999**	100%	**23.845.284**	100%

The following table shows the operating revenues by geographic area for the fiscal years 2024 and 2023. The revenues are primarily from the Italy area, confirming the trend observed in previous periods.

(Euro)	31-Dec-24	31-Dec-23
Italy	24.258.666	21.788.703
Europe and UK	1.024.062	922.084
Rest of the world	1.170.816	1.006.037
Operating Revenues	**26.453.544**	**23.716.824**

7.2 Other revenues and income

The following table provides the details of other revenues and income for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	2023
Recoveries and chargebacks	5.143	6.613
Other contributions	20.679	36.049
Contingent gains	183.013	62.301
Other	4.620	23.497
Other revenues and income	**213.455**	**128.460**

The only significant amounts of other revenues refer to gains/other capital gains on sales, 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, primarily for resale, hardware and software for internal use, and other goods for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	2023
HW for resale	350.197	448.719
SW for resale	525.051	652.143
HW and SW for internal use	63.389	73.601
Other	118.671	169.905
Purchasing cost	**1.057.308**	**1.344.368**

The costs of hardware for resale also include the costs of basic software, particularly operating systems (OS), related to the same purchases, and are increasing due to the rise in production value and acquisitions related to managed services. The costs for software licenses for resale are stable, as software licenses are progressively being replaced by SaaS subscriptions.

The following table shows the detailed statement of the change in inventories for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	2023
Change in initial and final inventories	0	0
WIP inventories - IFRS15	178.279	-445.723

Change in inventories	**178.279**	**-445.723**

The item change in inventories mainly consists of work-in-progress (WIP) inventories, as described in note 6.9.

7.4 Services costs

The following table shows the details of service costs for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Consulting services	1.672.195	1.413.029
Software maintenance fee	1.108.324	1.006.160
Outsourcing maintenance fee	1.509.292	1.221.169
Electronic invoicing fee	269.202	304.699
Maintenance costs	44.332	17.442
Insurance	58.637	50.403
Marketing	120.556	62.431
Directors and Board of auditors costs	2.560.048	2.498.802
Travel and accomodation fee	500.276	597.282
Utilities	166.348	151.256
Rental and leasing service costs	170.358	284.398
Other	332.696	60.117
ICO	2.261.323	1.738.367
Costs for services	**10.773.587**	**9.405.556**

All the different categories of service costs increased between 2023 and 2024 in line with business growth, particularly with regard to intercompany (ICO) items, which demonstrate the increase in up- and cross-selling among the group companies.

7.5 Personnel costs

The following table shows the details of personnel costs for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Salaries	6.304.495	6.313.443
Social charges	1.566.296	1.372.332
Expenses for severance pay	330.523	435.399
Warrants	208.933	55.735
Personnel cost	**8.410.246**	**8.176.909**

The increase in personnel costs between the fiscal year 2023 and the fiscal year 2024 is primarily attributable to the growth in the workforce, net of the benefit derived from the capitalizations in research and development carried out during 2024. The following table shows the number of employees of the Company as of December 31, 2024, and for the fiscal year ended December 31, 2023, along with the indication of the category.

Number of employees at period end	**2024**	**2023**
Senior executives	6	6
Managers	27	26
White collar	112	111
Total number of employees	145	143

The following table shows the average number of employees of the Company (FTE) as of December 31, 2024, and for the fiscal year ended December 31, 2023, along with the indication of the category.

FTE within the period	**2024**	**2023**
Senior executives	5	6
Managers	25	24
White collar	100	98
Total number of employees	130	128

7.6 Other operating costs

The following table shows the details of other operating expenses for the fiscal years 2024 and 2023.

(Euro)	**31 December**	
	2024	**2023**
Stamp duties and other taxes	26.636	47.762
Membership fees and benefits	22.941	13.198
Liabilities	19.011	232.132
Other	551	43.621
Other operating costs	**69.139**	**336.713**

The costs related to passive accruals refer to expenses from previous periods.

7.7 Amortizations and depreciations

The following table shows the details of depreciation for the fiscal years 2024 and 2023.

(Euro)	**31 December**	
	2024	**2023**
Amortisations software	796.187	513.781
Amortisations client portfolio	0	0
Amortisations other intangible assets	4.620	5.501
Amortisations RoU (real estate leases)	202.047	160.761
Amortisations RoU (lease vehicles)	194.726	164.851
Amortisations tangible assets	1.411	9.793
Amortisations other tangible assets	18.192	14.448
Total Amortisations	**1.217.183**	**869.135**

Depreciation of software primarily refers to the capitalization of products with current and future value and it increases with annual capitalizations.

Right-of-use assets increase with the size of the group, with a greater number of real estate contracts and car leases activated over the years.

Depreciation of tangible assets mainly refers to furniture, hardware, and owned vehicles.

The detailed statements regarding the composition and movement of intangible and tangible assets for the fiscal year 2024 are illustrated in notes 6.1 and 6.3. Information related to right-of-use assets for the fiscal year 2024 is provided in note 6.2.

7.8 Provisions and write-downs

The provisions and write-downs of €237 thousand and €384 thousand for the fiscal years 2024 and 2023, respectively, primarily refer to write-downs and releases of provisions related to trade receivables.

Below is the detail of provisions and write-downs for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Provisions for trade receivables	620.685	384.086
Write-downs on trade receivables	-384.086	0
Total provisions and write-down	**236.599**	**384.086**

7.9 Financial income and expenses

The following table shows the details of financial income and expenses for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Dividends and financial income from invested assets	20.530	17.762
Other financial income (charges)	702.296	-85.433
Unrealised gains (losses) at fair value	222.614	100.302
Financial Income	**945.440**	**32.630**

The value adjustments of financial assets and liabilities are related to the revaluations and write-downs associated with asset management, an investment activity that began in 2022 and was enhanced by the cash influx from the Company's listing, which is largely dedicated to potential future strategic acquisitions.The following table shows the details of other financial expenses for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Interests payables on leasing	-10.412	-15.542
Realised gains (losses) on invested assets	-75.614	-138.657
Other	292.927	142.865
Financial charges	**702.296**	**-85.433**

Gains (losses) from investments are related to the realizations from asset management, an investment activity that began in 2022.

The "Other" item is largely related to lower payments on shares of controlled companies.

7.10 Income taxes for the financial year

The following table shows the details of income taxes for the fiscal years 2024 and 2023.

(Euro)	31 December	
	2024	**2023**
Current taxes	1.099.468	1.435.978
Deferred taxes	442.571	-11.964
Taxes relating to previous years	-163.436	0
Financial Income	**1.362.533**	**1.424.014**

The tax impact for 2024 is decreasing compared to 2023, primarily due to the effect of deferred taxes.

8. Sector information

According to the accounting principle IFRS 8, an entity must provide information that allows users of the financial statements to assess the nature and effects on the financial statements of the business activities it undertakes and the economic contexts in which it operates.

An operating segment is a component of an entity:

a) that engages in business activities that generate revenues and costs (including revenues and costs related to transactions with other components of the same entity);

b) whose operating results are reviewed periodically at the highest operational decision-making level of the entity for the purpose of making decisions regarding the resources to be allocated to the segment and assessing its performance; and

c) for which separate financial information is available.

The Company has not identified separate operating segments, as the business activity and the review of operating results are conducted at the company and group level within the context of the single entity and primarily by the Company's Chief Executive Officer. The group considers each controlled company as a separate cash-generating unit (CGU) and prepares separate financial statements for each company that it consolidates.

9. Hierarchical Levels of Fair Value Measurement

IFRS 13 establishes a fair value hierarchy that classifies the inputs of valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data). In some cases, the data used to assess the fair value of an asset or liability may be classified in different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely in the same level of the hierarchy in which the lowest-level input is classified, considering its significance to the measurement.

The levels used in the hierarchy are:

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

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

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

(Euro)	Note	Total	Level 1	Level 2	Level 3
ASSETS					
Non current assets					
Equity investments	6.5	23.682.664			23.682.664
Total non current assets		**23.682.664**	**0**	**0**	**23.682.664**
Current assets					
Trade receivables	6.8	7.266.348			7.266.348
Current financial assets	6.11	21.909.328	21.909.328		
Cash and cash equivalent	6.12	14.527.179	14.527.179		
Total current assets		**43.702.855**	**36.436.507**	**0**	**7.266.348**
TOTAL ASSETS		**67.385.519**	**36.436.507**	**0**	**30.949.012**
LIABILITIES					
Non current liabilities					
Non current financial liabilities	6.14	8.689.979			8.689.979
Total non current liabilities		**8.689.979**	**0**	**0**	**8.689.979**
Current liabilities					
Current financial liabilities	6.14	5.195.892			5.195.892
Trade payables	6.17	3.083.205			3.083.205
Current tax debts	6.18	362.718			362.718
Other current debts and liabilities	6.19	3.097.936			3.097.936
Total current liabilities		**11.739.751**	**0**	**0**	**11.739.751**
TOTALE LIABILITIES AND EQUITY		**20.429.730**	**0**	**0**	**20.429.730**

10. Transactions with related parties

Transactions with related parties, identified as per IAS 24, are mainly of a commercial nature and are carried out at normal market conditions.

Related parties fall into three categories:

- Directors, statutory auditors and strategic managers of the Company
- Controlled entities, Directors of subsidiary companies, minority shareholders and their related parties
- External companies related to the Directors that provide services or products to the group.

The following tables highlight all the entities included in the list of related parties for various periods within the fiscal years 2024 and 2023 for comparison.

Directors, statutory auditors and strategic managers of the Company

Company	Related parties	Relation
SYS-DAT Spa	Vittorio Neuroni, Matteo Neuroni, Marta Neuroni, Emanuele Angelidis	Directors and shareholders of SYS-DAT SpA
	Marco Zampetti, Maurizio Santacroce, Stefania Tomasini	Independent Directors of SYS-DAT SpA
	Carlo Zambelli, Gabrio Pellegrini, Lorena Pellissier	Statutory auditors of SYS-DAT SpA
	Matteo Garegnani, Andrea Baldini	Group Chief Commercial Officer and Group Chief Financial Officer

Controlled entities, Directors of subsidiary companies, minority shareholders and their related parties

Controlled entity	Headquarters
MODASYSTEM SRL	Bassano del Grappa (VI)
BTW INFORMATICA SRL	Milano (MI)
NEKTE SRL	Milano (MI)
HARS SRL	Modena (MO)
SYS-DAT VERONA SRL	Verona (VR)
HUMATICS SRL	Verona (VR)
EMMEDATA SRL	Civitanova Marche (MC)
TRIZETA SRL	Monselice (PD)
VCUBE SRL	Novellara (RE)
SISOLUTION SRL	Samarate (VA)
FLEXXA SRL	Verbania (VB)
MATRIX SOLUTION SRL	Milano (MI)
GLAM SRL	Bologna (BO)

Azienda	Parti correlate	Relazione
SYS-DAT Verona Srl	Paolo Fratton, Giordano Pagani Griso, Giovanni Bellorio, Mario Fratton, Paolo Vinco, Daniele Martini	Minority shareholders di SYS-DAT Verona (to July 2024)
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	Roberto Pizzetti	Sole Director of Vcube
Trizeta Srl	Natale Zaramella	Sole Director of Trizeta
SiSolution Srl	Massimo Re Cecconi	Director of Sisolution
Flexxa Srl	Andrea Monguzzi	Director of Flexxa
Matrix Solution Srl	Roberto Fumagalli	Sole Director of Matrix Solution
	Silvano Fumagalli, Bruno Massioli, Dario Bernacchini, Roberto Rago	Minority shareholders of Matrix Solution
Glam Srl	Federico Venturoli	Sole Director of Glam
	Lavinia Calzolari, Marta Sica, Andrea Pizzirani	Minority shareholders of Glam

External companies providing services or products to the group.

Azienda	Parti correlate	Relazione
SYS-DAT S.p.A.	Brick Srl	Renting offices to SYS-DAT SpA, controlled by Directors and shareholders of SYS-DAT
Trizeta Srl	Zaramella Group Srl	Supplier of Trizeta, controlled by N. Zaramella, Director of Trizeta

The following tables provide details of the economic and financial relationships with related parties.

(Euro)	**31-Dec-24**	**31-Dec-23**
Operating Revenue	1.938.678	1.393.859
Purchasing cost	105.836	148.648
Service cost	4.846.769	4.222.513
Personnel	382.764	359.866
Amortisations and Depreciations	101.701	0
Other financial income (expense)	-87.436	-32.226

(Euro)	**31-Dec-24**	**31-Dec-23**
Trade receivables	840.937	820.312
Trade payables	-1.016.959	-935.864
Other receivables and current assets	0	0
Other current debts and liabilities	-1.151.263	-612.894
RoU assets	811.941	0
Employee benefits	-31.588	-28.995
Provisions	0	-155.627
Non current financial liabilities	-6.918.293	-5.608.803
Current financial liabilities	-4.274.766	-4.014.969

The relationships with related parties are primarily linked to intercompany revenues and costs, as well as costs related to the purchase of goods and services, particularly compensation in the form of remuneration for directors, consulting service contracts, or personnel costs. The costs for services and personnel with related parties are in line with the Company's growth.

Trade receivables and payables are predominantly intercompany.

Other debts and current liabilities refer to variable components of directors' compensation or personnel costs to be paid in the following period.

The right-of-use assets relate to properties leased to the Company, along with the associated lease liabilities and amortization. The lease contracts are at market prices.

Employee benefits refer to severance pay for employees (TFR), while provisions relate to the end-of-term compensation for directors (TFM).

Current and non-current financial liabilities refer to leases accounted for under IFRS 16, future payments for the acquisition of stakes in controlled companies, and historical financing from shareholders.

During the fiscal year 2024, two lease contracts were signed between the Company and BRICK Srl. The two lease contracts pertain to the rental of offices, garages, and parking spaces in Milan and Turin, as per the resolution of the Board of Directors on January 24, 2024, for a total annual amount of €134,000 for the Milan spaces and €15,800 for the Turin spaces.

In the following pages we present the consolidated balance sheets and income statements showing the amounts of transactions related parties pursuant to Consob Resolution No. 15519 of 27 July 2006.

Statement of financial position with the inclusion of related parties

(Euro)	31 December			31 December		
	2024	of which related parties	%	2023	of which related parties	%
ASSETS						
Non current assets						
Goodwill	910.820			910.820		
Intangibles other than goodwill	2.688.919			1.656.148		
RoU assets	2.048.948	811.941	39,6%	1.196.411		
Tangible assets	63.329			63.365		
Equity investments and other non current assets	23.713.734			16.975.523		
Deferred tax assets	538.599			375.701		
Total non current assets	**29.964.349**			**21.177.967**		
Current assets						
Inventories	0			0		
Trade receivables	7.266.348	840.937	11,6%	7.494.061	820.312	10,9%
Activities for work in progress on order	369.512			547.791		
Other receivables and current assets	795.294			626.707		
Current financial assets	21.909.328			2.994.330		
Cash and cash equivalent	14.527.179			7.105.707		
Total current assets	**44.867.661**			**18.768.596**		
TOTAL ASSETS	**74.832.010**			**39.946.563**		
NET EQUITY AND LIABILITIES						
Share Capital	1.564.244			1.015.000		
Other reserves	44.833.326			11.425.935		
Net result	4.307.567			2.382.857		
Total equity	**50.705.137**			**14.823.792**		
Non current liabilities						
Non current financial liabilities	8.689.979	6.918.293	79,6%	8.080.068	5.608.803	69,4%
Deferred taxes liabilities	213.696			252.668		
Employee benefits	2.848.839	32.356	1,1%	2.882.114	28.995	1,0%
Provisions	0			155.627	155.627	100,0%
Total non current liabilities	**11.752.514**			**11.370.477**		
Current liabilities						
Current financial liabilities	5.195.892	4.274.766	82,3%	5.063.017	4.014.969	79,3%
Trade payables	3.083.205	1.016.959	33,0%	2.717.421	935.864	34,4%
Advance payments on work in progress	348.009			873.857		
Current tax debts	362.718			1.249.338		
Other current debts and liabilities	3.384.535	1.151.263	34,0%	3.848.662	612.894	15,9%
Total current liabilities	**12.374.359**			**13.752.295**		
TOTALE LIABILITIES AND EQUITY	**74.832.010**			**39.946.563**		

Lease assets with related parties represent a significant portion of the Company's leases, which are accounted for in accordance with IFRS 16.

Financial liabilities include lease liabilities related to lease agreements but are mainly related to future payments for the acquisition of subsidiaries, in the form of a fixed price or earn-out and follow the increase in acquisitions over the years.

Provisions refer to directors' severance pay (TFM).

Other current payables and liabilities refer to variable components of Directors' remuneration or salary costs to be paid in the following period and increase following the trend of directors' remuneration and the Company's results.

Income statement with the inclusion of related parties.

(Euro)	2024	of which related parties	%	2023	of which related parties	%
Operating Revenue	26.453.544	1.938.678	7,3%	23.716.824	1.393.859	5,9%
Other Operating Revenue	213.455			128.460		
Total Revenue	**26.666.999**			**23.845.284**		
Purchasing cost	1.057.307	105.836	10,0%	1.344.368	148.648	11,1%
Changes in inventories	178.279			-445.723		
Service cost	10.773.587	4.846.769	45,0%	9.405.556	4.222.513	44,9%
Personnel	8.410.246	382.764	4,6%	8.176.909	359.866	4,4%
Other operating cost	69.139			336.712		
Total operating cost	**20.488.558**			**18.817.822**		
EBITDA	**6.178.441**			**5.027.462**		
Amortisations and depreciations	1.217.183	101.701	8,4%	869.135		
Provisions and writedowns	236.599			384.086		
EBIT	**4.724.659**			**3.774.241**		
Income (expenses) from equity investments	20.530			17.762		
Other financial income (expense)	702.296	-87.436	-12,5%	-85.433	-32.226	37,7%
Value adjustments to financial assets and liabilities	222.614			100.301		
Income before taxes	**5.670.099**			**3.806.871**		
Income taxes	1.362.532			1.424.014		
Net Income	**4.307.567**			**2.382.857**		

Purchase costs are primarily related to intercompany relationships.

Service costs represent a significant portion of the total service costs of the Company, as they mainly pertain to intercompany relationships and the compensation of directors, which in turn constitutes a significant part of the total service costs.

Depreciation and other financial charges relate to leases accounted for in accordance with IFRS 16, which involve the depreciation of right-of-use assets and interest expenses on lease liabilities.

11. Commitments and Risks

The Company does not have any bank guarantees in place to secure commitments made for contractual obligations. Please refer to Note 6.12 for the coverage provided by Mediocredito Centrale on specific financing agreements entered into by the Company.

12. Information pursuant to Article 1, paragraph 125, of Law No. 124 of August 4, 2017

Pursuant to Article 1, paragraph 125-bis of Law 124/2017, regarding the obligation to disclose any sums of money received during the fiscal year as grants, contributions, paid assignments, and any economic benefits of any kind received from public administrations and related entities, which are not of a general nature and are not compensatory, remunerative, or indemnity in nature, the Company certifies that no sums of money have been received.

13. Significant and Non-Recurring Events and Transactions

In accordance with Consob communication no. 6064293 of July 28, 2006, it is specified that no significant and non-recurring transactions were carried out in 2024.

14. Transactions Arising from Atypical and/or Unusual Operations

In accordance with Consob communication no. 6064293 of July 28, 2006, it is specified that during 2024, SYS-DAT S.p.A. did not engage in atypical and/or unusual transactions, as defined by the communication itself. Atypical and/or unusual transactions are those that, due to their significance/relevance, the nature of the counterparties, the subject of the transaction, the method of determining the transfer price, and the timing of the occurrence (proximity to the end of the fiscal year), may raise doubts regarding the accuracy/completeness of the information in the financial statements, potential conflicts of interest, the safeguarding of corporate assets, and the protection of minority shareholders.

15. Compensation to Directors, Statutory Auditors, and Executives with Strategic Responsibilities

The compensation approved and attributed in any form by SYS-DAT S.p.A. or its subsidiaries to members of the Board of Directors and the Board of Statutory Auditors of SYS-DAT S.p.A. and to executives with strategic responsibilities is presented in the Remuneration Report in the dedicated table.

16. Compensation to the Auditing Firm

The fee for the auditing firm for the audit of the financial statements and consolidated financial statements of SYS-DAT S.p.A. for the year 2024 is €74,731, including flat-rate expenses and statutory contributions. The sole component related to the financial statements for 2024 amounts to €26,443, including flat-rate expenses and statutory contributions.

The fee for the auditing firm for non-audit services for the year 2024 is €247,763, related to the listing on the Euronext STAR market.

17. Research and Development Activities

The research and development activities carried out by the Company are aimed at both the introduction of new products and the implementation of new production processes. The activity is divided into several phases, ranging from the ideation and initiation of the design process for the new product or process to large-scale industrialization.

The cost for the fiscal year 2024 is €1,710 thousand compared to €1,128 thousand in 2023. For further details, please refer to Note 6.2.

18. Significant events after 31 December 2024

Acquisition of 80% of A&C group, Cuneo-based company specializing in services for small and medium businesses

On 5 March 2025, SYS-DAT announced that the acquisition of 80% of A & C. Holding S.r.l. ("A&C group"), a group made up of five companies with solutions aimed at small and medium-sized businesses.

A&C group, based in Cuneo, was founded in 1978 and is made of five operating companies, with a presence within the country through 12 offices and with different specializations: Versya S.p.A. and BM Informatica S.r.l. offer solutions for companies belonging to the SME segment and professional firms; Velika S.r.l. offers solutions in some vertical market including Food; A. & C. Sistemi S.r.l. offers business automation solutions; Ager Technology S.r.l. is specialized in the agritech market.

The group has various software solutions for vertical markets, including those for large-scale distribution (GDO), food & beverage, logistics, and professionals such as notaries and accountants. In 2024, the company generated approximately total revenues of around Euro 25 million, with an EBITDA margin of about 14% and a net financial position (cash-positive) of approximately Euro 7 million as of December 31, 2024.

A&C group offers, through its subsidiary companies, services aimed at the small and medium-sized enterprise market with various technologies and vertical solutions for different markets, helping companies increase productivity and improve profitability.

With the entry of A&C group into the SYS-DAT group, the first acquisition of 2025 and the fourth since the admission to the Euronext Milan STAR segment on July 2, 2024, SYS-DAT further strengthens its competitive position and expands its development prospects in the market.

80% of the company was acquired at a valuation in line with the multiples of previous acquisitions, of approximately 5 times EBITDA. A Put & Call option agreement was also signed for the purchase of the remaining 20% in 2028 using the same multiples. The overall valuation for 100% of A&C group is therefore approximately Euro 25 million, also considering the net financial position of about Euro 7 million as of December 31, 2024.

The payment for the shares will be made during the period 2025-2028, financing the acquisition with internal resources.

Other significant events

On 31 January 2025, SYS-DAT announced that it had received notification from Barca Capital Partners LLC, the American general partner of Barca Global Master Fund LP, regarding the crossing of the 5% threshold of the share capital.

On 25 February 2025, the merger plan for the incorporation of Trizeta S.r.l., a wholly-owned subsidiary of SYS-DAT S.p.A., into SYS-DAT Verona S.r.l., also a wholly-owned subsidiary of SYS-DAT S.p.A., was filed.

19. Approval of the Financial Statements and Authorization for Publication

The financial statements for the year ended December 31, 2023, were approved by the Board of Directors on March 13, 2025 and March 24, 2025, which authorized their publication in accordance with legal requirements.

ATTESTATION OF FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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*"), herein 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 Financial Statements during fiscal year 2024.

2. In this regard, no significant issues emerged.

3. It is also certified that:

3.1 the financial statements as of 31 December 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 financial year and their impact on the financial statements as of 31 December 2024, together with a description of the main risks and uncertainties.

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

Milan, 24 March 2025

The CEO	The Group CFO (*Dirigente Preposto*)
Matteo Luigi Neuroni	Andrea Matteo Baldini

Sys-Dat S.p.A.

Independent auditor’s report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

Financial statements as at December, 31 2024

As disclosed by the Directors on page 3, the accompanying financial statements of Sys-Dat S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor’s report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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Independent auditor's Report

pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Shareholders of
Sys-Dat S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sys-Dat S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2024, the income statement, the comprehensive income statement, the statement of changes in shareholders' equity and the cash flow statement for the year then ended, and notes to the financial statements, including material information on the accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Sys-Dat S.p.A. as at December 31, 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of Sys-Dat S.p.A. (the "Company") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

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Key audit matter	Audit procedures addressing the key audit matter
IMPAIRMENT TEST OF INVESTMENTS IN SUBSIDIARIES NOTE 6.5 “EQUITY INVESTMENTS AND OTHER NON-CURRENT ASSETS” AND NOTE 2.4 “ACCOUNTING STANDARDS AND VALUATION CRITERIA” The company recorded equity investments in controlled entities equal to euro 23,7 million as of December 31, 2024, of which euro 6,7 million with regards to acquisitions completed during the year. Directors assesses at least annually the presence of impairment indicators for each equity investment in line with its strategy for managing legal entities within the group. The recoverable amount of the investments was calculated considering their value in use, estimated based on expected cash flows, and discounted using an appropriate rate, calculated from the weighted average cost of debt and equity (WACC - Weighted Average Cost of Capital). The valuation process carried out by directors is complex and involves the use of estimates and assumptions to determine both the amount of future cash flows and the corresponding discount rates. Considering the significance of the equity investments recorded in the financial statements and the subjectivity of the estimates relating to the determination of future cash flows and the most significant variables used, we considered the assessment of the recoverability of equity investments a key audit matter.	Our main audit procedures performed are the following: • we analyzed the movements occurred during the year; • we verified that acquisitions completed during the year have been correctly accounted for, including the treatment of earn-out clauses; • we understood and evaluated the methodology adopted by directors for the identification of impairment indicators and for the performance of the related impairment test; • we analyzed the impairment test prepared by directors, as well as assessment of its competence, capacity and objectivity; • we verified the consistency of the business plan forecasts and evaluation of the forecasts with respect to previous forecasts and final data; • we verified the mathematical accuracy of the impairment model used; • we compared the accounting data and the results of the impairment test; • we verified the adequacy of the information provided in the explanatory notes to the financial statements in relation to the valuation of equity investments. In our tests we were assisted by our corporate finance experts, who were asked to carry out an independent audit of the valuation.

IMPAIRMENT TEST OF GOODWILL

NOTE 6.1 “GOODWILL” AND NOTE 2.4 “ACCOUNTING STANDARDS AND VALUATION CRITERIA

The company recorded goodwill equal to euro 1 million as of December 31, 2024.

The recoverable amount has been calculated taking into account their value in use, estimated based on expected cash flows, and discounted using an appropriate rate, calculated from the weighted average cost of debt and equity (WACC - Weighted Average Cost of Capital). The aforementioned cash flows have been developed based on the industrial plan for 2025-2028 approved by the Board of Directors on January 22, 2025. The recoverable amount has been estimated as the sum of the present value of the cash flows related to the explicit projection period and the expected residual value beyond that forecast horizon (terminal value).

The impairment process carried out by directors is complex and involves the use of estimates and assumptions to determine both the amount of future cash flows and the corresponding discount rates. Considering the significance of the goodwill recorded in the financial statements and the subjectivity of the estimates used to determine future cash flows and the most significant variables used, we considered the assessment of the recoverability of goodwill a key audit matter.

Our main audit procedures performed are the following:

- we understood and evaluated the methodology adopted by management for carrying out the impairment test on the cash-generating units;
- we verified the correctness of the definition and determination of the CGUs and the allocation of the book values of the assets and liabilities to the individual CGUs;
- we verified the presence of impairment indicators;
- we analyzed the impairment test prepared by directors, as well as assessment of its competence, ability and objectivity;
- we analyzed the consistency of the forecasts of future cash flows of each CGU with the business plan;
- we evaluated the forecasts with respect to previous evaluations and final data;
- we verified the determination of long-term growth rates and discount rates;
- we verified the mathematical accuracy of the impairment model used;
- we compared the accounting data and the results of the impairment test;
- we verified the adequacy of the information provided in the explanatory notes to the financial statements in relation to the valuation of goodwill.

In our tests we were assisted by our corporate finance experts, who were asked to carry out an independent audit of the valuation.

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative Decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company’s ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by Italian law, the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- concluded on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We described these matters in our auditor’s report.

Other information communicated pursuant to article 10 of Regulation (EU) no. 537/2014

On March 21, 2024, the Shareholders' meeting of Sys-Dat S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements for the years ending from December 31, 2024 to December 31, 2032.

We declare that we did not provide the prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Sys-Dat S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements at December 31, 2024 to be included in the annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements with the requirements of the Delegated Regulation.

In our opinion, the financial statements at December 31, 2024 have been prepared in XHTML format and have been marked-up in compliance with the provisions of Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98

The directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at December 31, 2024, including their consistency with the related financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the financial statements;
- express an opinion on the compliance of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 are consistent with the company's financial statements at December 31, 2024.

Moreover, in our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative Decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milano, March 24, 2025

BDO Italia S.p.A.
Signed by

Paolo Beretta
Partner

Report of the Board of Statutory Auditors to the Shareholders' Meeting Pursuant to art. 153 of Legislative Decree 58/1998 and art. 2429, para. 2 of the Civil Code concerning the annual financial statements and the consolidated financial statements and the consolidated financial statements for the year ended December 31, 2024

Dear Shareholders,

pursuant to Article 153 of Legislative Decree No. 58/1998, and in compliance with current regulations, the Board of Statutory Auditors is called upon to report to the Shareholders' Meeting on the supervisory activity carried out during the year, on the omissions and censurable facts detected, and to submit observations and proposals regarding the financial statements, their approval and matters within its competence.

During the fiscal year, the Board of Statutory Auditors carried out its activities in accordance with current provisions, supervising compliance with the law, the Memorandum of Association and the Articles of Association on the observance of the principles of proper administration, in accordance with the provisions of the Civil Code, Legislative Decree 58/1998 (T.U.F.), Legislative Decree 39/2010, the regulations issued by the Authorities that exercise supervisory and control activities, also taking into account the principles of behavior recommended by the National Council of Certified Public Accountants and Accounting Experts.
The Board of Auditors also supervised the adequacy of the provisions issued by the Company to the Subsidiaries on how the rules of corporate governance are actually implemented, as well as monitored - as the internal control and audit committee pursuant to Article 19 of Legislative Decree No. 39 of January 27, 2010 - the statutory audit of the annual and consolidated accounts and verifying the selection process and the independence of the Statutory Auditing Company.
In particular, the Board of Statutory Auditors supervised: (i) on compliance with the law and the Memorandum of Incorporation, (ii) on compliance with the principles of proper administration, (iii) on the adequacy of the Company's organizational structure, internal control and risk management system and administrative-accounting system, as well as on the reliability of the latter in correctly representing operating events, (iv) on the manner of concrete implementation of the corporate governance rules adopted by the Company, in adherence to the Corporate Governance Code of Listed Companies, (v) on the adequacy of the instructions given to subsidiaries pursuant to Art. 114, paragraph 2, T.U.F.

In conducting its supervisory activities, the Board made reference to the Rules of Conduct of the Board of Statutory Auditors of Listed Companies, in particular adopting a risk-based approach that allowed it to focus its activities on the most significant aspects of the Company's management.

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Supervisory activities pursuant to D.lgs. 39/2010 implementing the Directive 2006/43/EC on statutory audits of annual accounts and consolidated financial statements

The Board of Statutory Auditors, in its capacity as Committee for Internal Control and Audit, has performed the functions provided for by art. 19 of the D. Lgs. n. 39/2010, monitoring the following aspects:

• the financial reporting process;
• the effectiveness of internal control, internal audit and risk management systems;
• the statutory audit of annual and consolidated accounts;
• the independence of the statutory auditor, in particular with regard to the provision of non-audit services.

The statutory auditor, met periodically in compliance with the provisions of art. 150, paragraph 3, of the T.U.F. in order to exchange reciprocal information, has not highlighted to the Board of Statutory Auditors acts or facts deemed censurable, nor irregularities that have required the formulation of specific alerts pursuant to art. 155, paragraph 2, of the TUF.

During the meetings, particular attention was paid to the application of the impairment test to the value of participations, to that of registered goodwill following corporate acquisitions and to capitalised software development projects. The College acknowledges that the impairment procedure has not been changed compared to the one adopted in the previous year.
The Board of Statutory Auditors, pursuant to art. 2424 of the Civil Code, paragraph 1 , nn. 5 and 6, agreed to the inclusion of start-ups and development expenditure in the budget, as the requirements were met.

The Control and Risk Committee has examined the results of the impairment test as at 31 December 2024 prepared in application of the above mentioned procedure. The Board of Directors has previously approved the 2024-2028 financial economic projections prepared specifically for the test and at its next meeting has therefore approved the results of the application of the impairment procedure.
The Board of Statutory Auditors held, during the financial year, after listing, meetings with the Auditing company, with BDO Italia S.p.A. Partner in charge of activities related to the SYS-DAT Group. During the meetings, all activities carried out with regard to the quality control of the audit process for the SYS-DAT Group were explained to the Mayors, as well as the results of the audit of the financial statements of Sys-Dat and the consolidated financial statements of the Group.

The Board of Statutory Auditors also requested the statutory auditor to provide support for the assessment of the quality of the audit, with a particular focus on the quantitative and qualitative dimensions of the audit service, on the assessment of the auditor's necessary expertise and on the independence guidelines implemented by the auditor.

The Board of Statutory Auditors has also taken note of the Transparency Report of 30 October 2024 prepared by BDO, published on its website pursuant to article 13 of EU Regulation n. 537/2014.

The Board of Statutory Auditors acknowledges that it has carried out activities relating to the assignment to the statutory audit company of services other than statutory audits which, after careful analysis, have been authorised in advance by the Board itself.

Self-evaluation of the Board of Auditors

As soon after the listing, the Board of Statutory Auditors put in place its own self-assessment process, and subsequently during the first months of 2025, it drafted its annual assessment process, the outcome of which must be forwarded to the Board of Directors so that the Board can include its conclusions in the Report on Corporate Governance and Ownership.

To this end, the Board requested and acquired information from individual members, collected individual statements and prepared a questionnaire having regard to the document "The Self-Assessment of the Board of Statutory Auditors - Standards of Conduct of the Board of Statutory Auditors of Listed Companies - Standard Q.1.1," of the National Council of Certified Public Accountants and Accounting Experts, referred to in Standard Q.1.7. of the new Standards of Conduct of the Board of Statutory Auditors of Listed Companies of December 2024.
In the course of its self-assessment activities, the Board of Statutory Auditors has verified and confirmed that all its members continue to possess:
of the independence requirements provided for by both the law (Article 148, paragraph 3, TUF) and the Corporate Governance Code (Article 2, Recommendation No. 7);
- of the requirements of professionalism, honorability, competence and experience in accordance with Articles 1 and 2 of Ministry of Justice Decree No. 162 of March 30, 2000;
- of the requirements set forth in the company's bylaws.

It was also verified that each of the members of the Board of Statutory Auditors continues to comply with the provisions of the applicable regulations in relation to the limits on the accumulation of positions.
In the light of the information in its possession, the Board of Statutory Auditors has therefore assessed, at present, its composition as adequate, having reference to the requirements of professionalism, diversity, competence, honorability and independence

* * *

That being said, the information set forth in Consob Communication No. DEM 1025564 of April 6, 2001 as subsequently amended is provided below.

1. Major economic, financial, and capital transactions.

We have obtained from the Directors timely and adequate information regarding the transactions of major economic, financial, and equity significance carried out by the Company and/or its subsidiaries during or after the fiscal year 2024.

These transactions, with respect to which the Board has no observations, are adequately disclosed in the documentation pertaining to the financial statements submitted for your approval.

2. Existence of atypical and/or unusual transactions, if any, including intercompany and related party transactions.

The documents submitted for your approval, the information received at the meetings of the Board of Directors and those received from the Chairman and CEO, management, the Boards of Statutory Auditors, if any, of the companies directly controlled by SYS-DAT S.p.A. and the independent auditor have not revealed the existence of any atypical and/or unusual transactions, including intra-group or with related parties, entered into in fiscal year 2024, nor at any date subsequent to the closing of the same.

With reference to intercompany transactions, it should be noted that in FY2024 SYS-DAT S.p.A:
- purchased from group companies professional services related to revenues from contracts signed with third-party customers;
- provided subsidiaries with consulting services, strategic direction, administrative services, marketing and quality direction, and management services;

- signed two lease contracts with the company Brick Srl. owned by the shareholders.
Transactions with related parties are mainly related to costs, particularly costs for the purchase of goods and services, especially compensation in the form of emoluments to directors, contracts for consulting services, or personnel costs. Service and personnel costs with related parties are in line with the Group's growth.
The Procedure for Related Party Transactions was not applied to these transactions because they are exempt transactions as defined by the Procedure applied by the company.

3. Information made, in the management report, on atypical and/or unusual transactions, including intragroup and related party transactions.

The information provided by the Directors in the Management Report to the Financial Statements as of December 31, 2024, in the explanatory notes and in the accompanying schedules to the consolidated financial statements of the SYS-DAT Group and to the financial statements of SYS-DAT S.p.A. as of December 31, 2024 about the transactions of major economic, financial, and equity significance, as well as the active and passive relationships with subsidiaries, associates, and related parties, appears to be adequate.

The Report on Operations, the information received during the Board of Directors' meetings and those received from the Chairman and Managing Directors, management, supervisory bodies, if any, of subsidiaries, and the Statutory Auditor did not reveal the existence of any atypical and/or unusual transactions, including intercompany or with related parties, completed during the fiscal year or after the end of the fiscal year.

4. Observations and proposals on the remarks and calls for information in the independent auditors' report.

The Board of Statutory Auditors has examined the following reports prepared by the statutory auditor BDO Italia S.p.A.:

- the reports on the audit of the annual financial statements and on the audit of the consolidated financial statements issued on 24 March 2025 pursuant to art. 14 of D. Lgs. 39/2010 and art. 10 of Regulation (EU) n. 537/2014;
- the additional report issued on 24 March 2025, pursuant to article 11 of the aforementioned Regulation, to the Board of Statutory Auditors acting as the Committee for Internal Control and Audit.

The above-mentioned audit reports show that the separate financial statements and consolidated financial statements of the SYS-DAT Group as at 31.12.2024:

- have been drawn up in accordance with the international accounting standards IAS/IFRS issued by the International Accounting Standards Board and adopted by the European Union, in force on 31 December 2024, as well as in accordance with the measures adopted pursuant to art. 9 of D. Lgs. 38/2005 and subsequent amendments and additions;
- They are clearly drawn up and such that the financial position, profit and loss and cash flows for the year ended 31 December 2024 are represented truthfully and correctly;
- have been prepared in the XHTML format in accordance with the provisions of the Delegated Regulation (EU) 2019/815 of the European Commission on regulatory technical standards relating to the specification of the single electronic reporting format (ESEF - European Single Electronic Format).

Furthermore, in the opinion of the statutory auditor, the management report and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of art. 123-bis of the T.U.F. contained in the Report on corporate governance and ownership structures are consistent with the financial statements.

With reference to the possible identification of significant errors in the management report (art. 14, paragraph 2, lett. e) D.Lgs. 39/2010) the auditor stated that he had nothing to report.

Regarding the additional report issued pursuant to Article 11 EU Regulation 537/2014 and art. 19 of the D. Lgs. 39/2010 , the College has verified that it indicates:

- the main aspects of the review;
- the significance levels for consolidated financial statements and separate financial statements;
- the review plan;
- the consolidation area and method;
- the review methodology and valuation methods applied in consolidated financial statements and separate financial statements;
- the areas of focus relating to consolidated financial statements and separate financial statements;
- An indication of the key aspects of the separate financial statements and consolidated financial statements;
- the activities carried out by the review team.

In the same document, the statutory auditor also attested that no significant audit differences were detected on the consolidated and separate financial statements, nor identified significant weaknesses in the internal control system in relation to the financial reporting process, listing the mandatory disclosures made to corporate bodies, and finally acknowledging that, The audits on the proper keeping of the social accounts and the correct recording of management facts in the accounting records did not reveal any significant aspects to be reported.

The Board of Statutory Auditors has examined the declaration on the independence of the statutory auditor, referred to in article 17 of the D. Lgs. 39/2010, issued by the latter on March 24, 2025, which does not highlight situations that have compromised its independence or causes incompatibilities, pursuant to Articles 10 and 17 of the same decree and its implementing provisions.

5. Complaints ex art. 2408 c.c.

The Board of Statutory Auditors has not received any communications and/or reports, even qualified as such pursuant to art. 2408 of the Civil Code, during the financial year or on a date after its closure.

6. Submission of complaints

The company's directors have not reported any exposure to them during the financial year, nor on a date after the end of the year.

7. **Possible assignment of additional tasks to the statutory audit company and related costs.**

During 2024, in addition to the legal audit of the financial statements as at 31 December 2024, BDO Italia S.p.A. was given the following assignments for services relating to prodromal processes related to the listing on the Euronext Star market, provided to the company equal to euro (€/000) 248, while the audits of subsidiaries are equal to (€/000) 50.

8. **Possible assignment of tasks to subjects related to the company in charge of the statutory audit, by continuous reports and related costs.**

During the financial year, no assignments were given to entities linked to BDO Italia S.p.A. by continuous relationships and/or to entities belonging to the network of the same.

9. **Indication of the existence of opinions issued in accordance with the law during the financial year.**

The Board of Statutory Auditors did not issue any opinion during the financial year.

10. **Indication of the frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors.**

During the financial year, the Board of Directors held n. 13 meetings and the Statutory Auditors, appointed by the Shareholders' Meeting of 21 March 2024, participated in each of them, while attending n. 7 meetings to carry out the work of its mandate.

The Control and Risk Committee met n. 5 times, the Remuneration Committee met n. 2 times.

11. **Comments on compliance with the principles of sound administration**

The Board of Statutory Auditors, having participated in the meetings of the Board of Directors, acknowledges that it has verified, with the exclusion of the review of merits, the appropriateness and expediency of the choices made by this body, that the transactions carried out and carried out by the Company have been guided by principles of sound administration, are in accordance with the law and the articles of association, are not in conflict with the resolutions of the shareholders or such as to compromise the integrity of the company's assets and have been adequately supported by information, analysis and verification processes.

12. **Comments on the appropriateness of the organisational design and structure**

The College assessed the timeliness of updating and completeness of the organizational structure as well as the responsiveness of the organizational structure to business and governance needs in terms of both professionalism and ability to achieve strategic objectives and operational, taking into account the appropriateness of the system of delegations and the principles of appropriate "segregation of duties", and in relation to the principle of proportionality.
To this end, the College has monitored the adequacy of the composition, size and functioning of the Board of Directors and the Committees, participating in the meetings and analysing the documentation produced by these bodies in the course of their duties and as a collegiate body, does not consider it necessary to make any comments on this matter.
The Board of Statutory Auditors also points out that:

• the President of the Company, the Vice President and the Chief Executive Officer shall be the recipients, each for the areas of its specific intervention, of executive delegations substantially necessary for the performance of their duties;
• Such delegations enable their holders to implement the policies and strategic plans established by the Board of Directors.

The Board of Statutory Auditors can attest that the Board of Directors dictates the strategic guidelines, which are implemented, within the scope of the delegated powers, by the board of managers with powers.

The Board of Statutory Auditors also considered the documentation relating to the other components of the overall organisational structure of Sys-Dat S.p.A. and took note of the existence of:
• an organizational chart and the related company documentation that shows the organizational structures;
• a system of delegations, exercised in accordance with the roles and powers assigned to each of the functions/committees involved;
• consolidated business practices for the exercise of governance by Sys-Dat S.p.A. within its functions of direction, coordination and control of subsidiaries, mainly exercised through: (i) centralized functions to govern the main activities deemed sensitive for the Group (Personnel, Communication, Management Control, Innovation), (ii) a constant activity of monitoring the business by the top management.
Overall, based on the above analysis, these additional components of the organisational structure were mainly based on structured and effective management practices.

13. Comments on the adequacy of the internal control system

The Board of Statutory Auditors, taking note of what was decided by the Board of Directors and reported in the Report on corporate governance and ownership structures regarding the adequacy and effective functioning of the internal control system, examined the Internal Audit function's 2024 report.

In particular, the Board of Statutory Auditors reports that:

• during the financial year, the necessary functional and informative link between the Head of the Internal Audit function, the Control and Risk Committee and the Supervisory Body was maintained on how to carry out the evaluation tasks, the supervision and control entrusted to them, as regards their respective responsibilities, the adequacy, operation and effective functioning of the internal control and risk management system, as well as the results of the audit activities carried out by the Internal Audit function, in accordance with the audit plan approved by the Board of Directors, and the risk assessment performed by the Company;
• the Company has described in its Report on corporate governance and ownership arrangements, the main features of the internal control and risk management system and the coordination arrangements between the parties involved, Identifying national and international reference models and best practices;
• in 2024, the Company updated its risk management area following the guidelines of the latest reference standard and carried out the annual edition of the risk assessment process, with the involvement of the relevant business functions, which involved the identification of key business risks. The Board of Directors considered the overall results of the risk management process compatible with a company's management consistent with the Group's strategic

objectives. The 2024 Management Report describes, as required by law, the main risk factors of the Sys-Dat Group, regardless of the mitigation actions implemented by the management.

The head of the Internal Audit function updated the Board of Statutory Auditors on the activities carried out and the main findings of the audits carried out, without highlighting any corrective action.

The documents presented during the information exchange with the Board of Statutory Auditors summarised the results of the audits, which, for all the audits concluded, did not reveal any findings, suggestions or recommendations.

The Board of Statutory Auditors has taken note that the Internal Audit analysis of the overall Internal Control and Risk Management System for the purpose of assessing its suitability was carried out and did not highlight any aspects to be reported.
As part of its supervisory activities, the Board of Statutory Auditors also considered the current effectiveness of the quality, environment and safety and energy management system in place in the SYS-DAT Group.

During these verifications no particular criticalities were found and the integrated quality, environment and safety management system is evaluated by the competent function of head of group as effective in its concrete operativity and adequate.

The College has also found that the Company incorporates, in its internal processes, the measures provided by the Supervisor for the protection of personal data and acts in substantive compliance with the provisions of EU Regulation n. 679 of 27 April 2016 (GDPR), of D. Lgs. n. 196 of 30 June 2003, as amended by D. Lgs. n. 101 of 10 August 2018, and the additional applicable rules on personal data protection.

The Board of Statutory Auditors has noted that the Data Protection Officer has not highlighted any critical elements to be reported in this report. The College has not received any report of violation of the Model of Organization and Management ex D.Lgs. 231/01 by the Supervisory Body.

Overall, in sharing and appreciating the initiatives undertaken by management on Risk Management and Internal Control System, the College recommends the timely completion of its implementation in an evolutionary perspective of a progressive advancement of its level of maturity. In this respect, the College points out that the introduction of the concept of AR on individual risks represents a further step towards completing a path which it hopes can lead to a definition of the nature and level of risk compatible with the strategic objectives of the company, so that it can be used as a general reference for all risks in order to determine its supervisory priorities. The College also hopes that the path taken can lead to the establishment of a continuous process integrated with business management that identifies roles and responsibilities within the organization for its conduct and coordination.

The College in its collegiality considers that there are no further elements to bring to the attention of the Assembly.

14.Comments on the administrative accounting system

The Board of Statutory Auditors has examined the internal regulations inherent to the system of internal control of financial reporting, that is the set of activities for identifying risks/controls and the procedures adopted to ensure, with reasonable certainty, the achievement of the objectives of reliability, accuracy, reliability and timeliness of financial reporting. This system is the prerequisite that allows the Manager responsible for the preparation of accounting and corporate documents, together with the delegated administrative bodies, to issue the attestations provided by art. 154-bis of the TUF.

The Board of Statutory Auditors has met regularly with the Chief Executive and the Auditing Company for an exchange of information that also concerned, among other topics, the management and control model of the SYS-DAT Group ex Law 262/2005.

During these meetings, no significant weaknesses in the operational and control processes were reported that could affect the assessment of adequacy and effective application of administrative-accounting procedures for the purpose of correct economic representation, financial and financial facts of the management in accordance with international accounting standards.

Similarly, during the regular meetings aimed at exchanging information, as well as in the additional report prepared pursuant to art. 11 of Regulation EU 537/2014 and 19 D. Lgs 39/2010, the statutory auditor also did not, in turn, report any significant weaknesses in the internal control system inherent to the financial reporting process.

15. Provisions given by the company to subsidiaries pursuant to art. 114, paragraph 2 of D.Lgs. 58/1998.

The provisions issued by SYS-DAT S.p.A. to its subsidiaries, pursuant to paragraph 2 of art. 114 of the D.Lgs. 58/1998, appear adequate; as from the same subsidiaries has been provided to the parent company the information necessary for the timely knowledge of the business facts.

16. Relevant issues arising during the meetings held with statutory auditors pursuant to art. 150, paragraph 3, D.Lgs. 58/1998.

During the meetings and regular meetings held with representatives of the BDO statutory audit company, no acts or facts deemed to be objectionable or relevant and worthy of mention and/or specific reports pursuant to art. 155, paragraph 2, of D. Lgs. 58/1998.

17.The company's adherence to the self-regulatory code of the Committee for Corporate Governance of listed companies.

The Company adheres to the Code of Corporate Governance (formerly the Code of Self-regulation).

On 13 March 2025, the Board of Directors approved the annual report prepared pursuant to art. 123-bis of D. Lgs. 58/1998.

The College has taken note of the report on remuneration policy and remuneration paid (Report on Remuneration), prepared pursuant to art. 123- ter of D. Lgs. 58/98, art. 84 - quater of the Issuers Regulation and its annex 3 A, schemes n. 7-bis and 7-ter. This report was approved by the Board of Directors on a proposal from the Remuneration Committee.

As recommended by the Corporate Governance Code, in defining the remuneration of executive directors, the Board of Directors has taken into account best practices in in order to attract, retain and motivate people with the appropriate professional qualities to run the company effectively.

With regard to the supervision carried out on the implementation of the Corporate Governance Code, the College has no comments to make other than those indicated in the previous paragraphs.

18. Any proposals to be presented to the Assembly ex art. 153 D. Lgs. 58/1998.

In relation to the second paragraph of art. 153 of the D.Lgs. 58/1998, and the general obligation of supervision under art. 149 letter a) of this decree, is still on the agenda of the Assembly that provides for the discussion of the annual report, the Board of Statutory Auditors acknowledges having monitored compliance with the rules of procedure and law concerning the formation of the latter.
The Directors stated that:
• the financial statements as of December 31, 2024 have been prepared in accordance with European Regulation n. 1606/2002 of 19 July 2002, in compliance with international accounting standards (IFRS);
• The annual consolidated financial report as at 31 December 2024 has been prepared in electronic format, according to the provisions of European Regulation 815/2018 cd "ESEF".

On the agenda item relating to the decision to be taken regarding the purchase and sale of own shares referred to by the Directors, the Board acknowledges that the proposal for a decision complies with the requirements set out in articles. 2357, 2357-ter of the Civil Code, those referred to in art. 132 of D. Lgs. 58/1998, as well as those of art. 144- bis of the CONSOB Regulation adopted by resolution no. 11971 of 14 May 1999, after revocation of the authorization granted by the meeting of 15 April 2024.

19. Conclusive assessments of the supervisory activity carried out, as well as any omissions, objectionable facts or irregularities detected in the course of supervision.

The control activity carried out by the College, in addition to the above, took place through:
• the acquisition of information during meetings with representatives of the Board of Statutory Auditors, where they exist, of subsidiaries and parent companies to exchange information on the Group's activities and to coordinate the control and supervision activity;
• the collection of additional information in meetings with the Administrator Designated according to the Procedure for Transactions with Related Parties and the Entity responsible for implementing the Code of Conduct on Internal Dealing;
• the analysis of any new legal provisions or Consob communications of interest to the Company.

The College has found that there are organizational prerequisites for compliance with the statutory rules, law and regulations governing the matter, in the continuous evolution and search for improvement.

In particular, it is brought to the attention of shareholders that:

• we have monitored compliance with the Procedure for Related Party Transactions law, initially approved by the Board of Directors of SYS-DAT S.p.A. on 15 April 2024, and its observance;

• we have verified the correct application of the criteria adopted by the Board of Directors in assessing the existence of the conditions for independence of "independent directors";

• we have monitored, where required, the compatibility with the limitations provided by law of services other than the statutory audit of annual and consolidated accounts provided by the company in charge of the statutory audit BDO, to SYS-DAT S.p.A. and its subsidiaries;

• we have monitored compliance with the provisions of art. 17, paragraph 4, of D. Lgs. 39/2010 and in this respect we inform you that the key person responsible for the review of the financial statements of SYS-DAT S.p.A. is Partner Dr. Paolo Beretta;

• we have verified and monitored the independence of the statutory audit company BDO ITALIA S.p.A. pursuant to Articles 10, 10-bis, 10-ter, 10-quater and 17 of the D. Lgs. 39/2010 and Article 6 of Regulation (EU) 537/2014;

• we have verified the fulfilment of the requirements related to the "Market abuse" and "Protection of savings" regulations on corporate reporting and "Internal Dealing", based on the communications received by the Company.

Indication of any proposals to be presented to the Assembly pursuant to art. 153, paragraph 2, of the T.U.F.

On the basis of what has been stated and illustrated in this Report, considering the findings contained in the Auditor's Report and also taking into account the information acquired by the Board of Statutory Auditors in the course of the periodic control rituals, the Board of Statutory Auditors does not find any reason for not approving the financial statements closed on 31 December 2024, as drawn up and approved by the Board of Directors on 13 March 2025 and 24 March 2025, and to the proposals made by him at the Shareholders' Meeting regarding the allocation of profit for the year and the distribution of dividends.

* * *

Milan, 24 March 2025

The Board of Auditors

Dr. Carlo Zambelli

Dr Lorena Pellissier

Dr. Gabrio Pellegrini


LAST 12 MONTHS
PERFORMANCE
79%
34%
65%
VALUE