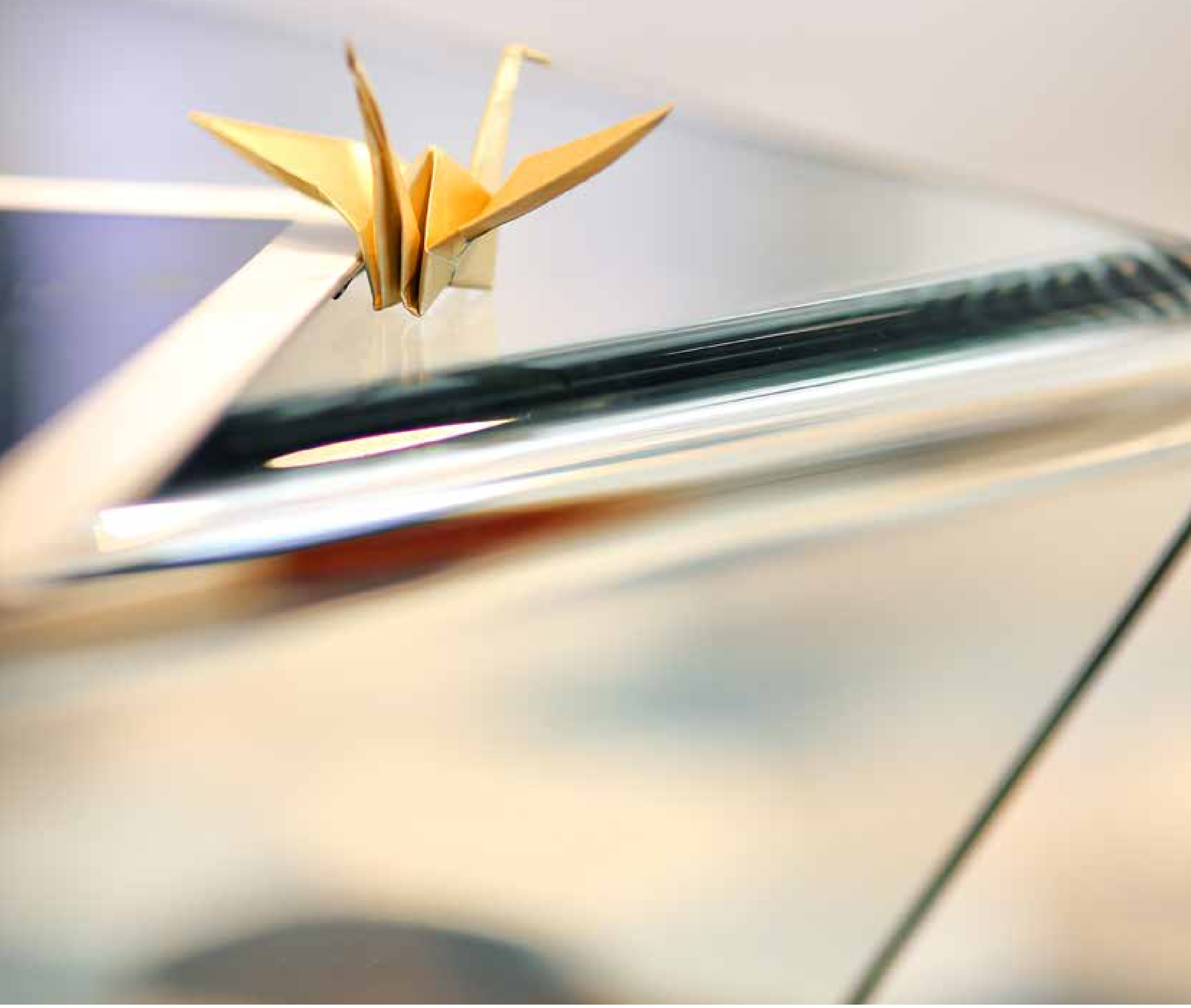
Consolidated Financial Statements and Report 2024



impresoft

impresoft

COMPANY DATA

REGISTERED OFFICE OF THE HOLDING COMPANY
Impresoft S.p.A.
66 Bisceglie Street, 20152
MILAN (MI)

HOLDING COMPANY DETAILS
Subscribed and paid-in capital of €5,000,000
Company Register of Milan Monza-Brianza, Lodi no. 12691580968
Milan REA no. 2678945
Tax Code no. 12691580968
VAT no. 12691580968

Corporate Website: **www.impresoftgroup.com**

COMPOSITION OF CORPORATE BODIES

Board of Directors

Name and surname	Role
Sergio Gasparin	President of the board
Marco Carotenuto	Vice President of the Board
Alessandro Geraldi	Chief Executive Officer
Roberta Cocco	Director
Emiliano Nitti	Director
Alberto Trigari	Director

Board of Statutory Auditors

Name and surname	Role
Piero Alonzo	President of the Board of Auditors
Cristiano Proserpio	Standing Auditor
Pietro Michele Villa	Standing Auditor

Auditing Firm

Deloitte & Touche S.p.A. 28 Santa Sofia Street, 20122 Milan (MI)

OPERATIONAL OFFICES IN ITALY

Company	Address	Of region
Impresoft S.p.A.	Via Polesine, 66, Milan, 20152, MI	Lombardy
4Ward S.r.l.	54/L Antonio Gramsci Street, Reggio Emilia, 42124, RE	Emilia Romagna
4Ward S.r.l.	31 Vigneto Street, Bolzano, 39100, BZ	Trentino-Alto Adige
4Ward S.r.l.	2 Due Ponti Street, Argelato, 40050, BO	Emilia Romagna
4Ward S.r.l.	2/A Lombardia Street, Peschiera Borromeo, 20068, MI	Lombardy
Blulink S.r.l.	2/L Antonio Gramsci Street, Reggio Emilia, 42124, RE	Emilia Romagna
Cooder S.r.l.	25 Industry Road, Porto Sant'Elpidio, 63821, FM	Marche
Cooder S.r.l.	97 Mar Egeo Street, Porto Sant'Elpidio, 63821, FM	Marche
Formula S.p.A.	235 Tazzoli Street, Turin, 10137, TO	Piedmont
Formula S.p.A.	Caleotto Street, 29/30, Lecco, 23900, LC	Lombardy
Formula S.p.A.	14/A Angelelli Street, Castel Maggiore, 40013, Bologna	Emilia Romagna
Formula S.p.A.	Via Polesine, 66, Milan, 20152, MI	Lombardy
Formula S.p.A.	29 Breda Street, Limena, 35010, PD	Veneto
Formula S.p.A.	112 Cristoforo Colombo, Rome, 00147, RM	Lazio
Formula S.p.A.	3 Sandro Totti Avenue, Ancona, 60131, AN	Marche
Formula S.p.A.	125 Vilfredo Pareto Avenue, Cesena, 47521, FC	Emilia Romagna
GN Techonomy S.r.l.	Via Polesine, 66, Milan, 20152, MI	Lombardy
GN Techonomy S.r.l.	1670 Guglielmo Marconi Avenue, Calusco d'Adda, 24033, BG	Lombardy
HBS S.p.A.	Via Polesine, 66, Milan, 20152, MI	Lombardy
HBS S.p.A.	4 Armando Caldora Street, Pescara, 65129, PE	Abruzzo
HBS S.p.A.	2/B Saletti Street, Atessa, 66041, Switzerland	Abruzzo
HBS S.p.A.	25 Vittorio Veneto Street, Brembate, 24041 BG	Lombardy
Impresoft Engage S.r.l.	15 San Nicolò Square, Mira, 30034, VE	Veneto
Impresoft Engage S.r.l.	Via Polesine, 66, Milan, 20152, MI	Lombardy
Impresoft Engage S.r.l.	18 Riva del Grappa Street, Cittadella, 35013, PD	Veneto
Impresoft Engage S.r.l.	5 Vecchia Ferriera Street, Vicenza, 36100, VI	Veneto
Kipcast S.r.l.	2/B Spagnole Street, Sant'Ambrogio di Valpolicella, 37015, VR	Veneto
Nextcrm S.r.l.	5 Vecchia Ferriera Street, Vicenza, 36100, VI	Veneto
Openco S.r.l..	81/C Corte Ronchi Street, Sant'Ambrogio di Valpolicella, 37015, VR	Veneto
Qinet S.p.A.	166 Torino Street, Collegno, 10093, TO	Piedmont
Qualitas Informatica S.p.A.	60 Agostino Tolosano Street, Faenza, 48018, RA	Emilia Romagna
Qualitas Informatica S.p.A.	20 Andrea Vici Street, Foligno, 06034, PG	Umbria
Qualitas Informatica S.p.A.	11 Poggioreale Street, Naples, 80143, NA	Campania
Qualitas Informatica S.p.A.	5 Vecchia Ferriera Street, Vicenza, 36100, VI	Veneto
Ribes Solutions S.r.l.	29 G. Telesio Av., Turin, 10146, TO	Piedmont

Company	Address	Of region
Ribes Solutions S.r.l.	58 Diomede Carafa Street, Naples, 80124, NA	Campania
Ribes Solutions S.r.l.	11 Jervis Street, Ivrea, 10015, TO	Piedmont
Syscons Interactive S.r.l.	Via Polesine, 66, Milan, 20152, MI	Lombardy
Syscons S.r.l.	12 Vittorio Emanuele II Street, Turin, 10123, TO	Piedmont
Syscons S.r.l.	Via Polesine, 66, Milan, 20152, MI	Lombardy
Syscons S.r.l.	112 Cristoforo Colombo, Rome, 00187, RM	Lazio
Syscons S.r.l.	104 Umberto Street, Bra, 12042, CN	Piedmont
Syscons S.r.l.	5 Viale Restelli Francesco, Milan, 20124, MI	Lombardy
Upgrade S.r.l.	State Road 36, km 36, 10, Garbagnate Monastero, 23846, LC	Lombardy
Upgrade S.r.l.	29 Buccari Street, Genoa, 16121, GE	Liguria
Webformat S.r.l.	12 Corte Europa, Spilimbergo, 33097, PN	Friuli-Venezia Giulia

The Group is present nationwide with 39 operational offices located in 23 Italian provinces. In addition to these, the Group operates in 5 other countries with active offices in: Canada, France, Romania, Switzerland, and the United States.

Letter to the Shareholder

Milan, May 28, 2025

Dear Shareholder,

We are pleased to present the Consolidated Financial Statements for the fiscal year ended December 31, 2024, a year that has marked a significant phase of expansion and strategic consolidation for our Group.

The IT services and software market in which we operate continues to exhibit a robust growth trajectory. In this scenario, Impresoft reaffirms its position as one of the leading Italian players in the digital transformation of companies, with a distinctive positioning in the relevant segments.

In 2024, the Group showed consolidated revenues, before the adjustment for the new accounting standard on revenues, amounting to €192.2 million. EBITDA stood at €35.8 million, with a margin of 19%, reaffirming our ability to generate value in a solid and sustainable manner. The consolidated net result is a loss of €28.4 million, primarily due to depreciation, impairment losses, taxes, and financial expenses. In particular, the total impact was approximately €40 million, primarily related to goodwill impairment and software revaluations. The results demonstrate the Group's ability to double revenue volume compared to 2022, thanks to a collaborative growth strategy, both organic and through external channels.

The M&A transactions completed in 2024 have been a key component of our growth strategy, enhancing the Group's competitive profile, broadening our offerings, and strengthening our presence in high-potential sectors. In particular, they have enabled (i) the expansion of the SAP offering through the integration of specialized companies in Business One and S/4HANA solutions; (ii) the enhancement of the Sage offering; (iii) the strengthening of proprietary solutions targeted at the manufacturing industry, particularly in Quality Management and Warehouse Management systems; (iv) the development of eCommerce, incorporating technologies aimed at large enterprises; (v) the consolidation of expertise in Enabling Technologies & Security.

At the same time, we have continued our commitment to developing proprietary solutions, aiming to strengthen our competitive advantage and foster ongoing innovation, with an increasing focus on high-impact technologies such as Artificial Intelligence.

The expansion of the offering has been accompanied by a significant investment in human capital. Throughout the year, the average resources employed at the Group level increased by over 500 units, partly due to acquisitions. The growth has impacted both operational areas and staff functions, supporting organizational and technological evolution.

In 2024 and the early months of 2025, the Group has accelerated its organizational simplification process, aiming to build a more cohesive and efficient operating model. In this context, efforts to integrate and streamline corporate structures have successfully continued, through mergers of complementary entities aimed at establishing centers of technological excellence in key strategic areas. Among the most notable initiatives are (i) Impresoft 4ward, the hub of expertise in Cybersecurity, Cloud, and Artificial Intelligence; (ii) Impresoft Engage, a specialist in CRM and Marketing Automation, born from the integration of several vertical realities; (iii) Impresoft Univerce, an eCommerce platform with vertical solutions designed to meet the complete range of business needs, from small and medium-sized enterprises to large corporations; (iv) HBS, the SAP Business One hub for the SME segment. Simultaneously, new cross-sector offerings have been introduced in the fields of Cybersecurity and Artificial Intelligence, leveraging the integrated expertise of the companies within the Group.

In support of this evolution, the role of the Holding has been strengthened as a strategic coordination center through the advancement of cross-functional roles (Finance, Procurement, Marketing, IT) that have facilitated the harmonization of processes, enhanced risk management, and fostered the extraction of synergies at the Group level.

At the same time, we have strengthened our commitment to ESG principles through concrete initiatives aimed at promoting environmental sustainability, enhancing human capital, and ensuring responsible governance. These efforts are monitored and communicated transparently via our institutional portal.

Looking towards 2025 and the years ahead, we reaffirm our confidence in the Group's ability to successfully navigate market challenges by leveraging a customer-centric strategy, ongoing investments in technology and expertise, and robust governance. In particular, the Group must pursue and enhance its distinctive traits that currently position it as a unique and highly competitive player in the Italian market. These traits include being a cohesive portfolio of companies with multidisciplinary expertise and a diverse brand presence. The challenge that the Group faces is to grow while honoring the culture and positions of both its existing entities and those that will join over time. This involves fostering the creation of synergistic and complementary aggregations that can maintain and enhance the Group's distinctive identity and recognition. These elements form the foundation for advancing our journey of growth and value creation for all stakeholders.

We would like to extend our gratitude to the Shareholders for their trust and unwavering support of our industrial project. The prospects that lie ahead are ambitious, and we are committed to pursuing them with determination and accountability.

Kind regards,

Sergio Gasparin — *President*

Alessandro Geraldi — *CEO*

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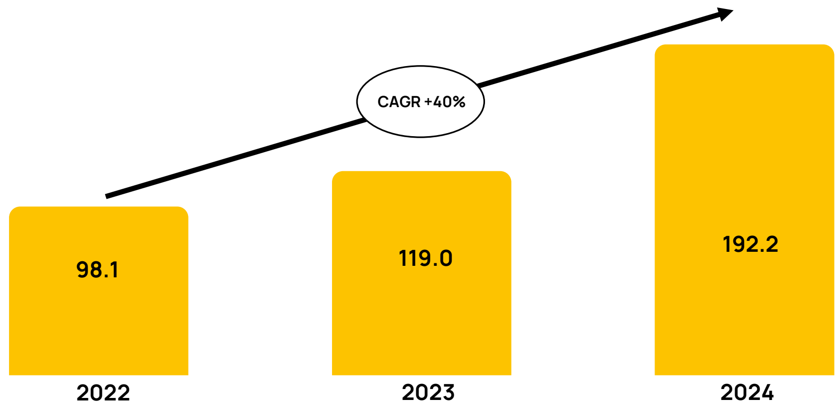
Directors' Report on Management Performance

ADDITIONAL FINANCIAL INFORMATION ABOUT THE GROUP

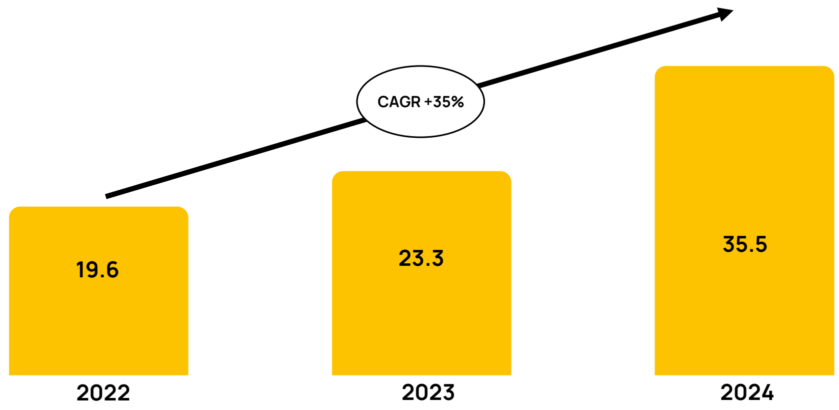
Group Financial Indicators[1][2]

The following presents the consolidated revenues and Adjusted EBITDA, based on reported figures, pertaining to the scope of Impresoft and its consolidated subsidiaries for the respective reporting periods.

Consolidated revenues reported (in million Euros)



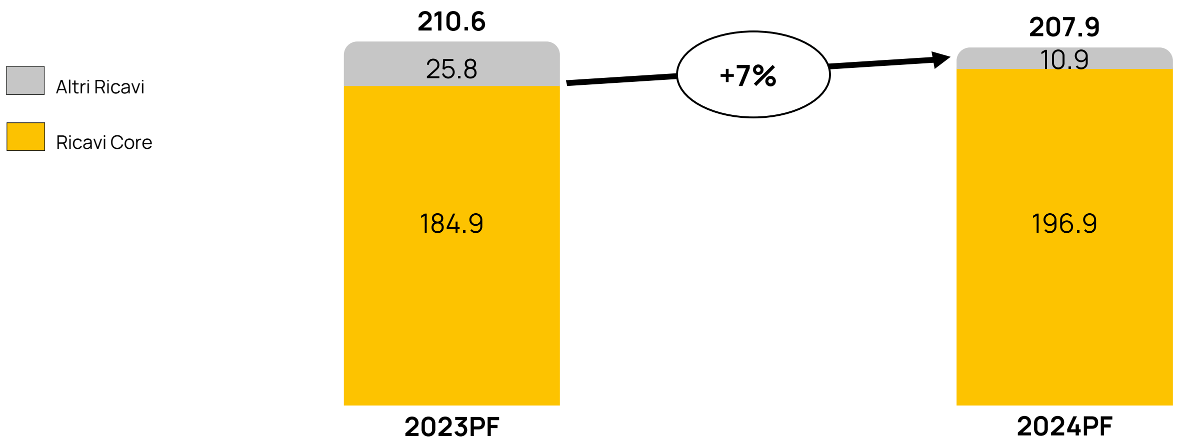
Consolidated Adjusted EBITDA (in million Euros)



[1] It is important to note that the data in this section of the document has not been subject to an audit by the auditing firm.
[2] For the definition of Adjusted EBITDA, please refer to the note titled "Management Information."

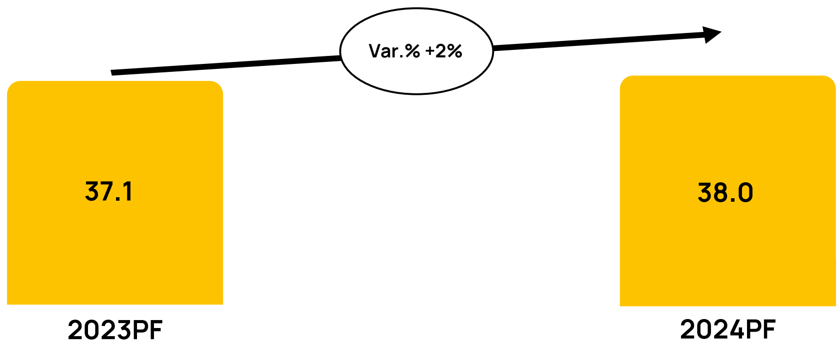
The following presents the Pro-Forma aggregated revenues and Adjusted EBITDA, representative of a 12-month period encompassing Impresoft and all its subsidiaries as of December 31, 2024. The revenues were allocated between (i) the Core Revenue component, which includes software licensing and the provision of professional services; and (ii) the Other Revenues component, primarily represented by the resale of third-party hardware and software, without any customization or development efforts ("HW/SW"), as well as intercompany transactions involving companies targeted for acquisition in 2024.

Pro-Forma Aggregate Revenues (in millions of Euros)



There has been significant growth in the Group's Core Revenues, reflecting a year-over-year increase of 7% (approximately €12 million), despite a shift in the revenue mix from licenses (-20% YoY) to subscription models (+15% YoY). The decline in total aggregated revenues for the Group is primarily attributable to non-core revenues (e.g., HW/SW) as well as intercompany eliminations, which will be elaborated upon in the following chapter.

Adjusted Pro-Forma EBITDA total (in millions of Euros)



There is a notable increase in Adjusted EBITDA, primarily driven by a focus on Core Revenues and improvements in credit management. These factors have helped maintain profitability by offsetting the decline in non-recurring revenues and the investments made to strengthen the organizational structure and integrate the Group.

Management Income Statement: Reported and Pro-Forma

Below is a profit and loss statement that presents a comparison of the economic data for 2023 and 2024.

Management Income Statement	Reported		Pro Forma	
Amounts in millions of euros	**FY23**	**FY24**	**FY23**	**FY24**
Core Revenues	116.3	186.8	184.9	196.9
Other Revenues	6.3	10.6	25.8	10.9
Aggregated Revenues	**122.6**	**197.3**	**210.6**	**207.9**
Intercompany Eliminations	(3.6)	(5.1)	(3.6)	(5.1)
Consolidated Revenues	**119.0**	**192.2**	**207.1**	**202.8**
Direct costs	(69.9)	(119.4)	(128.1)	(125.0)
of which Cost of Goods Sold	(23.0)	(32.1)	(44.2)	(32.6)
Direct Labor Costs	(46.9)	(87.4)	(84.0)	(92.4)
Gross Margin	**49.1**	**72.8**	**78.9**	**77.8**
Gross Margin %	*41%*	*38%*	*38%*	*38%*
Other operating expenses	(25.8)	(37.3)	(41.8)	(39.8)
Adjusted EBITDA	**23.3**	**35.5**	**37.1**	**38.0**
Ebitda Adj Margin%	*20%*	*18%*	*18%*	*19%*

The "Reported" results are representative of the consolidated scope for the fiscal years 2023 and 2024. Below is a summary table of the included companies:

2023 Reported	Consolidation months	2024 Reported	Consolidation months
Impresoft S.p.A. (Parent company)	*12*	Impresoft S.p.A. (Parent company)	*12*
4Ward S.r.l.	*12*	4Ward S.r.l.	*12*
Aiseek S.r.l.	*0*	Aiseek S.r.l.	*0*
		Blulink S.r.l.	*0*
Cloudnova S.r.l.	*12*	Cloudnova S.r.l.	*12*
Cooder S.r.l.	*0*	Cooder S.r.l.	*12*
Develon Digital S.r.l.	*6*	Develon Digital S.r.l.	*12*
Esprime Scarl	*0*	Esprime Scarl	*0*
Formula S.p.A.	*12*	Formula S.p.A.	*12*
Gn Techonomy S.r.l.	*12*	Gn Techonomy S.r.l.	*12*
Hiteco S.p.A.	*9*	HBS S.p.A. (former Hiteco S.p.A.)	*12*
		In3 GmbH (Germany)	*0*
Kipcast Corp. (Canada)	*12*	Kipcast Corp. (Canada)	*12*
Kipcast S.r.l.	*12*	Kipcast S.r.l.	*12*
Nextcrm S.r.l.	*12*	Nextcrm S.r.l.	*12*
Nexttech S.r.l.	*12*	Nexttech S.r.l.	*12*
		Nuovi S.O.C.I. S.r.l.	*0*
Openco S.r.l.	*7*	Openco S.r.l.	*12*
Opensymbol S.r.l.	*12*	Impresoft Engage S.r.l. (formerly Opensymbol S.r.l.)	*12*
		Perigeo S.r.l.	*0*
Qinet S.p.A.	*0*	Qinet S.p.A.	*12*
Qrmes S.r.l. (Romania)	*12*	Qrmes S.r.l. (Romania)	*12*
Qualitas Informatica S.p.A.	*12*	Qualitas Informatica S.p.A.	*12*
		Ribes Solutions S.r.l.	*9*
Starty Italia S.r.l.	*0*	Starty Italia S.r.l.	*0*
		Syscons Interactive S.r.l.	*12*
		Syscons NA Inc. (USA)	*12*
		Syscons S.r.l.	*12*
		Syscons SAGL (Switzerland)	*12*
Tech1 S.r.l.	*0*	Tech1 S.r.l.	*12*
Upgrade S.r.l.	*0*	Upgrade S.r.l.	*12*
Upgrade SA (Switzerland)	*0*	Upgrade SA (Switzerland)	*12*
Webformat S.r.l.	*0*	Webformat S.r.l.	*12*
		X-Techarts SAS (France)	*5*

In accordance with the applicable accounting principles, the companies acquired during the financial year have been proportionately consolidated based on the month of acquisition.

The "Pro-Forma" results are representative of a 12-month scope of all companies included in the consolidation perimeter as of 12/31/2024.

Comments on Management IS Results

Taking into account the Pro-Forma results of the companies, the fiscal year 2024 anticipates a Core Revenue increase of approximately €12 million (around +7%).

It is important to emphasize that, despite a complex macroeconomic environment and delays in the implementation of the incentive mechanisms outlined in the Industry 5.0 plan, which have negatively affected certain key sectors for the Group (e.g., the manufacturing industry) during the reporting period, the Group has been able to achieve solid growth in Core Revenues. This growth was primarily driven by (i) an increase in software commercialization, despite a shift in the revenue mix from licenses (-20% YoY) to subscription models (+15% YoY), as well as (ii) the provision of professional services.

The positive trend is also reflected in a significant strengthening of the recurring component, which is showing an increasing share of total consolidated revenues, confirming the enhanced stability and quality of the Group's portfolio.

At an aggregate level, there has been a slight decline in Group revenues (approximately 1%), attributable to specific extraordinary and/or accounting factors that are clearly identifiable, as outlined below:

- **A reduction in non-recurring HW/SW revenues**, down approximately 64% compared to the previous fiscal year, amounting to around €12.3 million. This dynamic trend can largely be attributed to Qinet S.p.A. and Upgrade S.r.l., which in 2023 reported a significant revenue stream from the closure of substantial contracts for the replacement of strategic infrastructure in the Networking sector;
- **Accounting effects** resulting from the mergers and acquisitions undertaken in 2024, which, as will be detailed in the following sections, have led to a reduction in overall revenues due to the elimination of intercompany transactions.

There is also a noted growth in the Group's pro-forma Adjusted EBITDA compared to the previous year (+2.3%), enhancing profitability with an Adjusted EBITDA margin of approximately 19% of revenues. The current level of profitability is significantly higher than the market average, which typically ranges between 10% and 15% for key competitors.

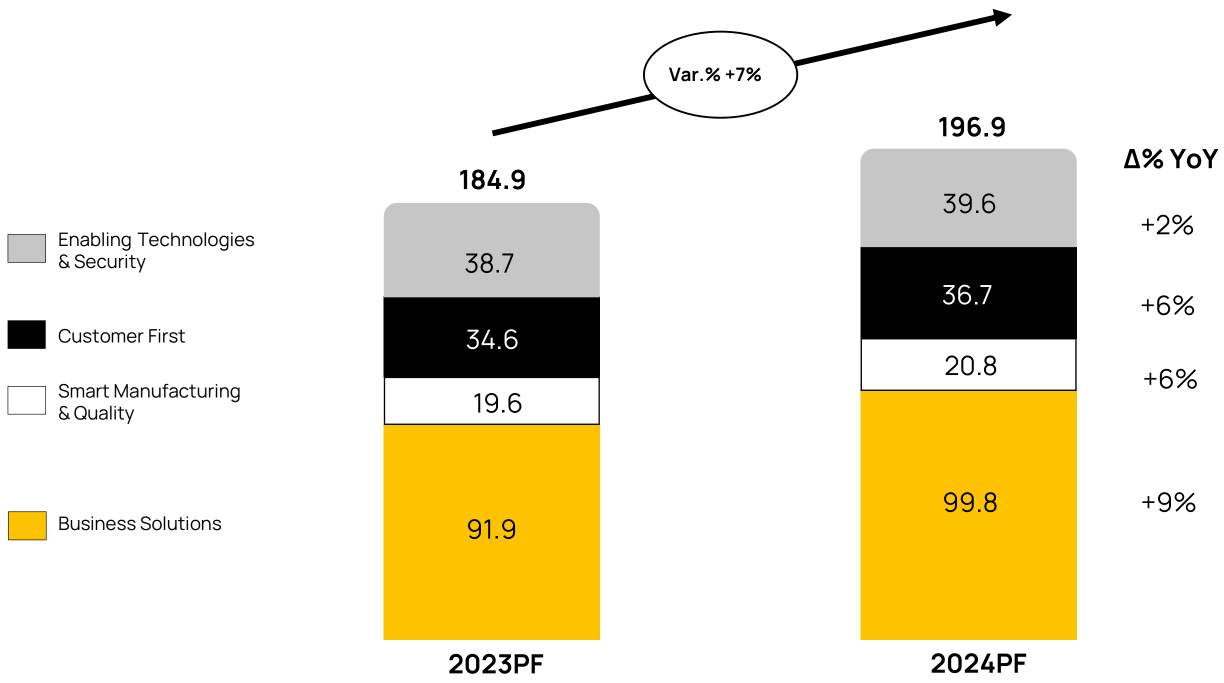
Below are the key drivers that have impacted the operating profitability of the Group, in terms of Gross Margin and Adjusted EBITDA, during the fiscal year:

- The Gross Margin has been impacted by the **favorable evolution of the revenue mix**, featuring a gradual **reduction in non-recurring HW/SW elements**, which are typically characterized by lower margins, and a **strengthening of the recurring components** that provide greater added value. This dynamic story has enabled us to maintain high levels of profitability, despite targeted investments in **strengthening our direct personnel** in strategic areas and a contraction in total revenues.
- The Adjusted EBITDA was impacted by several transient elements related to the **integration projects** initiated following the corporate transactions of 2024 and the **enhancement of the central structure**, which involved the activation of initiatives aimed at generating synergies and coordination among the Group companies. A significant **improvement in credit management** has been achieved, resulting from a process of aligning policies across various business units, which has positively impacted both operational profitability and cash generation.

Division Revenue and EBITDA Indicators[1,2]

Below are presented the **Core Revenues and the Adjusted EBITDA** aggregated on a pro forma basis, representing a 12-month perimeter for Impresoft and all its subsidiaries as of December 31, 2024. The companies have been organized by competence center, thereby **excluding the holding** Impresoft. For the description of the competence centers, please refer to the note titled "Group Structure." For a description of Core Revenues, please refer to page 15.

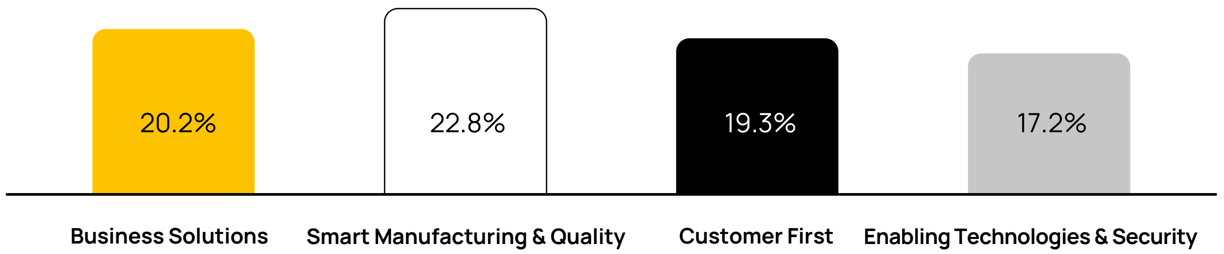
Pro-Forma Core Aggregate Revenues (in millions of Euros)



[1] Please note that the data presented in this section of the document has not been subject to an audit by the external auditing firm.
[2] For the definition of Adjusted EBITDA, please refer to the note titled "Management Information."

Adjusted Pro-Forma EBITDA by Division (in millions of Euros)

Adjusted EBITDA Margin % for 2024 Pro Forma



Below is a summary comment on the aggregated Pro-Forma Core Revenue indicators and Pro-Forma Adjusted EBITDA by Competence Center.

- The **Business Solutions Competence Center** has recorded a revenue growth of +9%, driven by the expansion of its management offerings and the consolidation of high-value solutions. In particular, merger and acquisition activities have led to the establishment of the Group's SAP Hub, integrating expertise in SAP Business One for SMEs and SAP S/4HANA for large enterprises. Additionally, the acquisition of X-Techarts SAS has strengthened the value proposition in the Sage X3 segment, enhancing the offering with proprietary vertical solutions and contributing to the international expansion of the Group. The Adjusted EBITDA has benefited from these developments, showcasing resilience and the ability to create value through innovative offerings.
- The **Smart Manufacturing & Quality Competence Center** has reported a revenue increase of +6%, fueled by steady demand in industrial sectors and the integration of companies that have expanded their proprietary portfolio, which includes ProlabQ (Laboratory Information Management System) and Net@Pro (Manufacturing Execution System) alongside QuartaEVO (Quality Management System) and Movisped (Warehouse Management System). The Adjusted EBITDA has experienced a decline, attributed to the cyclical slowdown in the sector and the investments made to enhance capacity and scalability for future growth.
- The **Customer First Competence Center** has showcased a revenue growth of 6%, driven by the expansion of the CRM market and the inception of Impresoft Engage, a new entity formed from the unification of several vertical companies. The new hub has enhanced the Group's capability to offer specialized solutions in customer experience management and marketing automation. The Adjusted EBITDA has shown a significant improvement in margin, driven by synergies realized both commercially and organizationally.
- **Competence Center Enabling Technologies & Security** has recorded a revenue growth of 2%, amidst a significant phase of corporate integration involving four entities. This complex operation required significant organizational commitment, temporarily slowing growth, but it represents a strategic investment aimed at unlocking operational and technological synergies. The redefinition of our offering on four pillars – Cybersecurity, Artificial Intelligence, Cloud, and Modern Workplace – establishes a solid foundation for robust growth in high-potential technology segments.

GROUP STRUCTURE

The Group is one of the leading players in the Italian IT market, specializing in driving digital transformation for businesses. We stand out for our comprehensive and innovative portfolio of solutions.

Specifically, the Group operates in the design, production, and sale of systems for automation and data processing, encompassing both physical components and software (programs), as well as providing a full suite of services, consulting, and support related to data processing and organizational management. With an agile and scalable approach, the group identifies the most suitable technological ecosystem to optimize business processes while ensuring compliance with current regulations. Thanks to its extensive value proposition, it is capable of designing, developing, and managing customized solutions for businesses of all sizes, from small and medium enterprises to multinational corporations, operating across various sectors.

The Group operates in the market under the Impresoft brand, as well as through the distinctive brands of the individual companies that are part of the Group.

The Group has established a unified framework for its Vision, Mission, and Values.

Vision Becoming a leading player in Europe by driving the digital and sustainable transformation of companies, inspiring and empowering them to embrace technology and sustainability as the primary engines of their success to enhance both the quality of work and life.

Mission. Creating sustainable value and becoming the lifelong partner for mid-to-large companies in accelerating their key processes and adopting the latest technological enablers .

Our Core Values

Generate a positive and sustainable impact

- Create lasting value for people, clients, the company, and society as a whole
- Guide companies toward generating sustainable value through digital innovation
- Maintain high professional and ethical standards
- Work with passion for our clients' success, always putting them at the center

Foster an excellent environment to attract and develop talent

- Value the unique abilities of each individual
- Be inclusive and recognize diversity as a strength
- Constantly set ourselves new and ambitious goals
- Listen actively and maintain an objective perspective

Play as a team, with method and rhythm, to achieve victoryù

- Build lasting relationships based on trust
- Embrace and respect diverse perspectives
- Establish an effective work method that supports the best teamwork
- Enhance our skills and codified knowledge for the benefit of colleagues

Be passionate about innovation and spread enthusiasm

- Always maintain a positive attitude, even when faced with challenging conditions
- Be innovative, hungry, passionate, and find joy in what you do
- Set a positive example that inspires other people and organizations
- Combine passions, skills, and experiences to take digitalization to the next level

To best serve our clients, the Group is organized into **four Competence Centers** that specialize in the key processes of businesses and the adoption of leading technological platforms.

Our competence centers

Business Solutions

We support companies in selecting the best ERP solution by implementing technologies to digitize information, simulate scenarios, and optimize processes while reducing errors.

Smart Manufacturing & Quality

We help companies improve processes, optimize production, and ensure quality thanks to proprietary MES, LIMS, and QMS software that guarantees efficiency, cost reduction, and compliance support.

Customer First

We create digital environments that integrate people, processes, and data for a unique experience.
We connect businesses with the best CRM technologies, Marketing & Sales Force Automation, and eCommerce solutions.

Enabling Technologies & Security

We guide companies along an integrated path using Artificial Intelligence, Cloud services, and Cybersecurity. We employ the best technologies to accomplish today what others will do tomorrow.

The Group offers a distinctive suite of solutions known as UniQa, designed to assist companies in digitizing their processes, enhancing efficiency, and sustaining competitiveness.

UniQa

A solution for your digital acceleration

Governance	Controlling	Financial Planning	Treasury Management	Performance Management	Credit Management	Advanced Analytics
ERP Core	Finance & Administration	Order to Cash	Purchase to Payment	Production Management	Logistic & Inventory	Distribution
Digital SupplyChain	Demand & Forecasting	Production Optimization	Smart Factory & IoT	Quality & Compliance Management and Quality Supplier Portal	Warehouse Management	New Product Design & Formulation
Customer First	Digital Strategy Design	Digital Marketing Automation	CRM	E-Commerce	Customer Analytics	Customer Service
Business Technology	Enterprise Integration	Modern Application Development	Hyperautomation & Artificial Intelligence	Data Platform	Document Management	
Enabling Technologies & Security	Artificial Intelligence	Cloud Infrastructure	Managed Services	Cybersecurity	Modern Workplace	

End to end solutions for your company's digital transformation

Guides your business

Enable responsive processes to help you take swift and dynamic actions with ease, minimizing risks while achieving your ambitions.

Best technologies

We invest in technological innovation to always offer you the finest solutions and give you a competitive edge.

Reduces complexity

We have shaped technology to evolve alongside your business, supporting your transformation planning every step of the way.

One partner

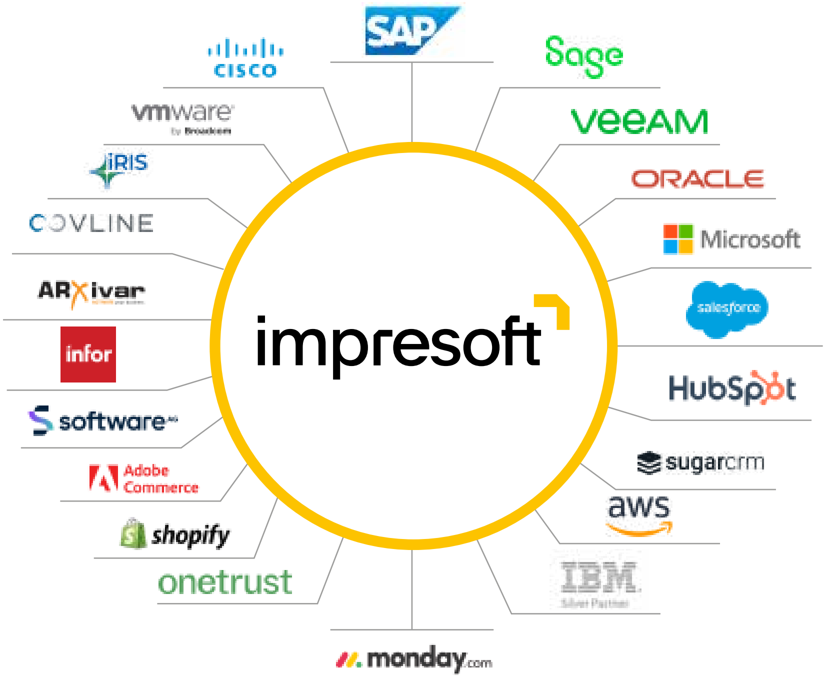
We develop targeted strategies to deliver your projects with a methodical and practical approach, drawing on years of experience and specialized skills tailored to the unique demands of different sectors.

The Group leverages a robust ecosystem of partnerships with leading global technology operators, built on a proven track record of reliability and the ability to deliver success stories for our clients.

Below, we present an overview of some key existing partnerships.

We collaborate with the most technological partners in the world

We select the best certified partners and the most advanced technologies to ensure your performance and innovation in full safety



Below are the key awards and recognitions received by the Group.

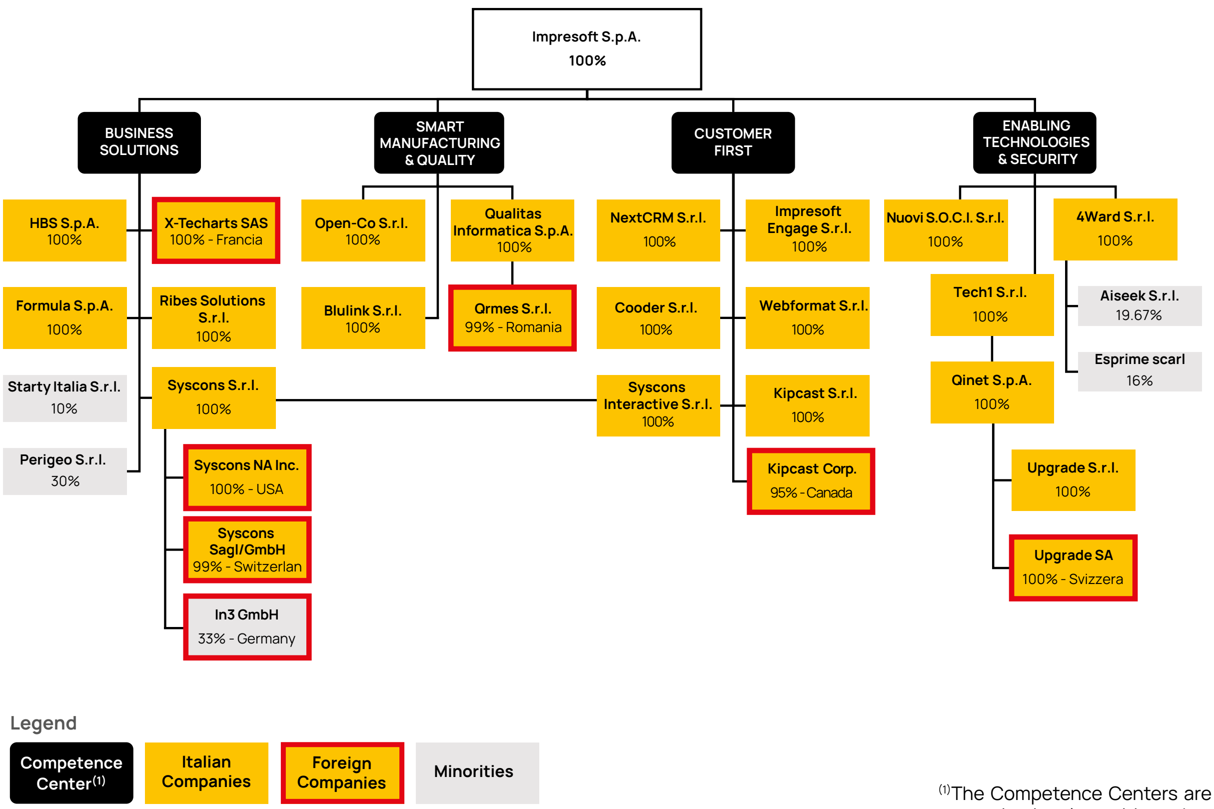
Furthermore, the Group can rely on a portfolio of proprietary products based on:

- Deep understanding of business processes
- Designing highly specialized solutions for niche sectors
- Experts dedicated to the innovation process with multidisciplinary expertise
- Ongoing investments in enhancing our solutions

Below are some of our proprietary solutions:

Proprietary Solution	Description
DUE	Complete ERP with a seamless user experience, enabling you to manage your business anytime, anywhere.
NET@PRO	MES 4.0 system for managing industrial production that captures data from machines and operators, processes KPIs in real-time, and schedules production.
ProlabQ	Leading LIMS software in Italy that enables the automation of operational procedures and the management workflows for laboratory data, R&D, quality assurance, and production control.
quartaEVO	A web-based Software Quality Management System equipped with a powerful work flow engine to ensure Quality Assurance compliance with industry standards, Supplier Quality Control, and Production oversight, while facilitating direct engagement with suppliers through the Quality Supplier Portal.
forSales	The comprehensive suite for managing sales force and customer relationships through B2B and eCommerce solutions.
Highstreet.io	Leading platform for managing product feeds for both marketing and marketplace support.
Powngo	The ideal solution for managing omnichannel sales, a tool that simplifies, organizes, and maximizes business potential, all within a single platform.
SAFE	Enhance the security posture and ongoing management of cybersecurity.

Regarding the consolidation perimeter, given that the consolidating entity is Impresoft, the structure of the Group is outlined below.



(1) The Competence Centers are organizational entities, but they are not incorporated; the interests of individual companies are held directly or indirectly by Impresoft.

THE MACROECONOMIC CONTEXT AND THE TARGET MARKET

The macroeconomic context

The international macroeconomic context in 2024 has been marked by significant uncertainty, driven by persistent geopolitical factors, climate pressures, and the potential resurgence of protectionist economic policies. Despite these challenges, global production growth has demonstrated remarkable resilience, accompanied by a gradual yet uneven decline in inflation.

According to the latest projections from the International Monetary Fund (IMF), the global Gross Domestic Product (GDP) is expected to grow by 2.8% in 2025 and by 3% in 2026. However, the macroeconomic balance is being undermined by the recent protectionist policies implemented by the United States, culminating in the announcement of generalized tariffs of 10% and increased duties on strategic products. The escalating trade tensions have heightened market volatility and raised concerns about a potential cyclical slowdown, which could have negative repercussions on international trade.

In the first quarter of 2024, the Purchase Managers Index (PMI) experienced significant fluctuations driven by diverse sectoral developments. For example, the service sector has maintained a positive trend, while the manufacturing industry has shown signs of slowdown in many advanced economies. Additionally, fluctuations in the PMI have also been influenced by inflationary trends and the restrictive monetary policies implemented by major central banks.

Global inflation has continued to display a divergent trend: it has eased in goods but remains elevated in services. In certain countries, including Italy, signs of inflation recovery were noted in the first quarter of 2025, driven by energy assets and agricultural commodities. The market expectations regarding monetary easing have thus become more cautious.

The commodity markets have experienced significant volatility. The price of Brent has decreased, reflecting expectations of a slowdown in global growth due to heightened trade tensions. The natural gas (TTF) market has experienced an increase, driven by geopolitical tensions and supply chain challenges.

2025 has commenced with a heightened escalation of international trade tensions. The U.S. Administration has announced new tariffs on all imports, with additional levies on steel, aluminum, and automobiles directed at the European Union. In response, the European Commission has threatened countermeasures.

Recent studies from the OECD and IMF indicate that escalating tariffs can diminish global GDP, increase consumer prices, and hinder employment, without delivering significant benefits to the trade balance. The uncertainty generated by these dynamics acts as a brake on investments and undermines the confidence of businesses and consumers.

In 2024, the Eurozone economy experienced moderate (+0.9%) and uneven growth. GDP remained stable in the last quarter of the year, with a further contraction in Germany and growth in Spain. France experienced a slight conjunctural contraction of -0.1%, whereas Italy maintained a growth rate of 0.7%, consistent with 2023.

Inflation has gradually decreased, settling at 2.2% in March 2025, with core inflation at 2.4%. The trend in prices has been predominantly influenced by the services sector, which continued to be the primary driver of inflation growth. In contrast, the energy sector has exhibited a deflationary effect, contributing to the moderation of the overall inflation rate.

The Euro/Dollar exchange rate has exhibited significant volatility, driven by divergences in monetary policies and geopolitical dynamics.

In 2024, the Italian economy exhibited moderate yet steady growth, falling short of the eurozone average. Following a strong winter performance, the second half of the year has shown signs of economic stagnation.

Investment activity has exhibited uncertain dynamics: after experiencing a decline in the summer, it rebounded in the fourth quarter (+1.6%), driven by non-residential construction and machinery. However, corporate profit margins are declining, and mark-ups have contracted across most sectors. At the same time, it is noteworthy that the accumulation of intellectual property assets, which contribute to technological innovation, has been significant at 2.6 percent, accounting for 3.3 percent of GDP.

The volume of Italian exports has experienced four consecutive quarters of decline, particularly in goods, while the services sector has benefited from tourism. The dynamics of exports have proven more favorable towards non-EU markets, whereas exports to the EU have faced challenges. On an annual basis, export volume has decreased by 5.9%, with notable declines in the automotive, machinery, and refined products sectors, while the pharmaceutical sector has maintained a positive trend.

Target Market

The Group operates within a vast and continuously expanding market. Based on industry sources and internal analysis, the IT Services & Software market, which is the core business of the Impresoft Group, is estimated to be around 28 billion euros, with a projected compound annual growth rate (CAGR) of 9% for the period from 2024 to 2027.

Within this context, demand trends exhibit significant variations depending on the sectors served. Specifically, a double-digit growth is anticipated in the Energy and Healthcare sectors, whereas demand growth in the Retail and Manufacturing sectors is expected to be more moderate.

According to our analysis, the examined market is poised to experience acceleration as early as 2025, driven by the consolidation of favorable structural dynamics. There are multiple growth drivers, and they are expected to continue supporting the development of the industry in the future.

- **Accelerating digital transformation** in response to complexity and volatility: Companies are enhancing their information systems to boost efficiency, resilience, and decision-making capabilities. This translates into an increasing demand for integrated solutions for process management, data handling, and supply chain operations.

- **Leveraging Artificial Intelligence Consolidation** as a Cross-Functional Innovation Driver: Artificial Intelligence is no longer limited to experimental use cases; it is emerging as a vital enabler across various domains: from decision support to operational optimization, from service personalization to content generation, all with an increasing impact on business models.
- **Strategic priority for Cybersecurity** within an environment of evolving threats: The rise in cyberattacks, driven by geopolitical factors and the expansion of digital attack surfaces, has prompted both corporations and public sector organizations to substantially increase their spending on security and reassess their defense architectures.
- Expansion of the adoption of **cloud and hybrid architectures**: Organizations are transitioning to cloud-native models to enhance scalability, agility, and interoperability, while also increasingly focusing on data localization and regulatory compliance, particularly in light of digital sovereignty.
- Revitalizing digital investments through **public and regulatory incentives**: Despite some uncertainties regarding the implementation timeline of national plans, instruments such as the NRRP and European programs continue to promote the adoption of digital technologies, particularly in the industrial, healthcare, and energy sectors.
- **Addressing the structural digital divide in Italy**: The historically low level of ICT spending in relation to GDP, compared to the European average, presents significant growth opportunities, with an increasing recognition of digital transformation as a strategic asset even for small and medium-sized enterprises (SMEs).

MANAGEMENT INFORMATION

Introduction

As noted in the accompanying disclosures, the consolidating entity Impresoft S.p.A. (“Impresoft”) was involved, as the beneficiary, in a capital contribution transaction on January 20, 2023, by its parent company Pitagora S.p.A. (“Pitagora”). Impresoft was established on December 20, 2022, by its sole shareholder, Pitagora, with an initial capital contribution of €50,000. On January 30, 2023, Impresoft resolved to increase its share capital on a paid and indivisible basis through the issuance of 4,950,000 ordinary shares without par value. These shares will be offered for subscription to the sole shareholder, Pitagora, and will be paid up in kind through the contribution of a business unit, effective from February 1, 2023.

In light of the above, the first fiscal year closed on December 31, 2023.

The following paragraph outlines the guidelines for the composition of the performance indicators utilized in this document.

The indicators mentioned, including EBITDA, are not recognized as accounting measures under the Italian GAAP (OIC) and, therefore, should not be regarded as alternative metrics for assessing the Group’s operating performance. Since their composition is not governed by the applicable accounting principles, the method used by the Group for their determination may not be consistent with that adopted by others and, therefore, may not be comparable.

“**Consolidated Revenues**” refers to the production value as reflected in the consolidated financial statements, before accounting for components that do not impact EBITDA, as detailed below.

“**Extraordinary Income/(Expenses)**” encompasses both positive and negative elements of income that are not related to core operations, being exceptional and non-recurring in nature.

“**Gross Margin**” represents the operating result before depreciation, provisions, extraordinary income/(charges), non-operating items, and operating expenses not directly related to production activities (such as sales and marketing costs, administrative expenses, and corporate overhead).

“**EBITDA**” represents the operating result before depreciation, provisions/releases for the bad debt allowance and risk provisions, extraordinary income/(expenses), non-operational components, and operating expenses not directly related to production activities.

“**Adjusted EBITDA**” represents the operating result before depreciation, extraordinary income/(expenses), non-operating components, and operating expenses not directly related to production activities.

Main Financial and Economic Data and Key Financial Ratios

In order to gain a clearer understanding of the management performance, we provide below a reclassification of the Consolidated Income Statement and the Consolidated Balance Sheet.

The following presents the consolidated income statement for 2024 of the Group, reclassified on a managerial basis.

Management Income Statement		
Amounts in millions of euros	**FY23**	**FY24**
Total Production Value	**119.4**	**178.2**
OIC 34		15.4
Other components that are non-standard or non-recurring	(0.4)	(1.3)
Consolidated Revenues	**119.0**	**192.2**
Direct costs	(69.9)	(119.4)
of which COGS	(23.0)	(32.1)
Direct Labor Costs	(46.9)	(87.4)
Gross Margin	**49.1**	**72.8**
Other Operating Expenses	(24.1)	(37.0)
Reported EBITDA	**25.0**	**35.8**
Ebitda Margin%	*21%*	*19%*
Reserves for bad debt and provisions for risks and expenses	(1.7)	(0.3)
Adjusted EBITDA	**23.3**	**35.5**
Ebitda Adjusted Margin%	*20%*	*18%*
Depreciation of Fixed Assets	(30.8)	(41.1)
Extraordinary	(2.2)	(4.1)
EBIT	**(9.6)**	**(9.8)**
Net financial income/(expenses)	(9.0)	(15.6)
Taxes	(2.4)	(3.0)
Profit (loss) for the year	**(21.0)**	**(28.4)**

The Group reported revenues of €192.2 million, an EBITDA of €35.8 million, and an EBITDA margin of 19% for 2024.

The difference between the consolidated revenues presented above (amounting to €192.2 million) and the production value reported in the Notes to the Financial Statements (amounting to €178.2 million) is attributed to an increase of €15.4 million due to the application of the new accounting principle OIC 34, and a decrease of €1.3 million related to non-core and non-recurring revenues, resulting in a net effect of €14.1 million.

Similarly, the difference between the Adjusted EBITDA and the operating margin derived from the financial statements, calculated as the difference between Item A (Value of Production) and Item B (Production Costs) excluding depreciation and amortization, amounts to Euro -3.2 million. This discrepancy is primarily attributable to extraordinary items and non-recurring revenues.

The term "Amortization of Fixed Assets" primarily encompasses the amortization of intangible assets revalued under Law 126/2020, amounting to approximately €9 million, and the amortization of goodwill calculated as referenced in the notes to the financial statements, totaling around €30 million.

The term "Extraordinary income/(Expenses)" primarily encompasses the costs associated with M&A activities.

The term "Net Financial Income/(Expenses)" primarily encompasses the costs associated with debts incurred with credit institutions and the bonds issued by Impresoft, net of amounts received for the coverage subscribed, as detailed in the section "Information Regarding Derivative Financial Instruments."

The impact of depreciation and impairment, along with interest on debt and taxes, results in a consolidated operating loss of €28.4 million.

Below is the reclassified consolidated balance sheet of the Group on a management basis:

Asset Reclassification

Amounts in Euros	31/12/2023	31/12/2024
Intangible Assets	230,944,871	247,564,436
Tangible Assets	3,191,318	4,600,854
Financial Assets	2,433,980	1,399,497
Total Fixes Assets	**236,570,169**	**253,564,787**
Inventories	3,773,468	217,862
Trade receivables	50,342,524	69,054,002
Accrued Income and Prepaid Expenses	5,085,460	8,701,050
Other assets	8,496,971	8,907,853
Trade account payables	(29,325,493)	(18,588,321)
Accrued Expenses and Deferred Income	(10,586,587)	(22,025,427)
Other liabilities	(21,757,408)	(29,415,825)
Net working capital	**6,028,935**	**16,851,194**
Total capital employed	**242,599,104**	**270,415,981**
Group Equity	101,634,621	101,108,023
Third-party equity	86,091	5,288
Accruals provisions and expenses	549,428	1,275,691
SEVERANCE PAY	9,198,961	14,398,501
Net financial debt	131,130,003	153,628,478
Total provisions	**242,599,104**	**270,415,981**

Throughout the year, investments are primarily recorded in tangible assets for the launch of the new data center and the purchase of vehicles for executives and employees.

Financial Ratios and Net Financial Position

For a clearer depiction of the Group's financial situation, the table below presents certain profitability ratios as of December 31, 2024:

Amounts in Euros	31/12/2023	31/12/2024
ROE (a/b)	**(20.7%)**	**(28.1%)**
a. Net Income	(21,006,875)	(28,401,981)
b. Equity	101,634,621	101,108,023
MOL (c/d)	**19.5%**	**18.2%**
c. MOL	22,796,087	32,110,022
d. Net Revenues	117,180,615	176,568,461
ROS (e/d)	**(8.4%)**	**(5.6%)**
e. Operating Income	(9,830,161)	(9,931,982)
d. Net Revenues	117,180,615	176,568,461
ROI (e/f)	**(4.1%)**	**(3.7%)**
e. Operating Income	(9,830,161)	(9,931,982)
f. Net Invested Capital	242,599,104	270,415,981

The Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) has been calculated as the sum of the following items from the financial statements: item A1, "Sales Revenue and Service Income," item A2, which pertains to changes in inventories of work in progress, semi-finished goods, and finished products, and the algebraic sum (with a negative sign) of items B6, "Cost of Raw Materials, Supplies, and Merchandise," and B11, "Miscellaneous Operating Expenses."

Net Revenues correspond to line A1 of the Income Statement, which pertains to "Sales Revenue and Service Revenue."

The Operating Income (or Operating Result) is defined as the difference between Item A (Value of Production) and Item B (Cost of Production) in the statutory financial statement, excluding Item A5b "Operating Grants."

The consolidated net income for the fiscal year, along with the operating income (defined as the difference between the value and production costs), is reported as negative. This outcome is primarily driven by amortization related to goodwill and the revaluation of software, which amounts to approximately €40 million.

The net financial position as of December 31, 2024, is detailed in the following table:

NFP	Amounts in Euros	31/12/2023	31/12/2024
A	Cash and cash equivalents	14,955	14,929
B	Cash Equivalent Assets	17,044,153	15,641,122
C	Other current financial assets	0	0
D	**Liquidity (A+B+C)**	**17,059,108**	**15,656,051**
And	Current financial debt (including debt instruments, but excluding the current portion of non-current financial liabilities)	12,453,691	13,265,914
F	Current portion of long-term financial liabilities	10,824	14,942
G	**Current financial liabilities (E + F)**	**12,464,515**	**13,280,856**
H	**Net Current Financial liabilities (G - D)**	**(4,594,593)**	**(2,375,195)**
I	Non-current financial liabilities (excluding the current portion and debt instruments)	2,111,680	1,666,841
J	Debt Instruments	133,612,916	154,336,832
K	Commercial debts and other non-current liabilities	0	0
L	**Long-term financial liabilities (I + J + K)**	**135,724,596**	**156,003,673**
M	**Total Financial liabilities (H + L)**	**131,130,003**	**153,628,478**

It should be noted that the definitions of EBITDA and net financial position stated in the existing financing agreement with the lender may differ from those used for calculating the same metrics within this document.

KEY HIGHLIGHTS OF THE GROUP

During the 2024 fiscal year, the Group successfully executed significant M&A activities aimed at strengthening its presence across various market segments and consolidating its positioning within strategic Competence Centers. Below is a brief overview; for more information, please refer to the section titled “Group Shareholding Structure” in the Notes to the Financial Statements.

On January 24, 2024, the **Competence Center Business Solutions** acquired **Syscons S.r.l**, headquartered in Turin, along with its subsidiaries **Fondaco S.r.l**, **Syscons Industries S.r.l.**, **FGA Informatica S.r.l.**, **Syscons North America Inc.**, and **Syscons SAGL**. These entities are engaged in providing SAP solutions tailored for the Large Enterprise market, specializing in ERP, SCM, and MES domains. On January 25, 2024, **Brainsystem S.r.l.**, located in Dalmine (BG), was acquired. The company specializes in SAP Business One solutions for small and medium-sized enterprises (SMEs). On March 26, 2024, **Ribes Solutions S.r.l.**, based in Aosta, became part of the Group. They are a SAP partner actively engaged in both the SME segment (SAP Business One) and the Large Enterprise sector (SAP ECC and S/4HANA). As part of our management offering, on August 2, 2024, we acquired **X-Techarts SAS**, located in Seyssins, France, a company specializing in delivering advanced solutions for Sage X3 environments. Finally, on December 18, 2024, a 30% stake was acquired in **Perigeo S.r.l.**, based in Modena, which is also engaged in the implementation of SAP Business One solutions for SMEs.

On January 31, 2024, within the **Smart Manufacturing & Quality Competence Center**, we acquired **Tecno-Soft S.r.l.**, headquartered in Faenza (RA). This company specializes in WMS solutions for logistics and production, featuring its own proprietary software. On December 18, 2024, **Blulink S.r.l.**, headquartered in Reggio Emilia (RE), was acquired. Established in 1990, the company specializes in enhancing business processes through proprietary solutions in the field of Quality Management Systems, including the Quarta EVO software.

On January 24, 2024, within the **Customer First Competence Center**, we acquired **Syscons Interactive S.r.l.**, a company specializing in e-commerce technologies for large enterprise market clients, integrated into the Group through the acquisition of Syscons S.r.l. On December 16, 2024, the acquisition of 4.86% of **Kipcast S.r.l.**, based in Sant’Ambrogio di Valpolicella (VR), was completed, resulting in a total ownership stake of 100% of the company’s shares.

Finally, on November 27, 2024, the **Competence Center for Enabling Technologies & Security** has acquired **New S.O.C.I.**. **S.r.l.**, located in Cremona, a company established in 1995, specializing in the selection and coordination of highly qualified IT specialists. Thanks to our long-standing partnership with Microsoft, the Group enhances its presence in the four pillars of digital innovation: Artificial Intelligence, Cloud Computing, Cybersecurity, and Modern Work Environments.

In the 2024 fiscal year, several corporate mergers were also finalized, which did not impact the consolidated figures outlined below:

Perimeter	Incorporating company	Legal name of the merged entity	Date effective	
			legal	fiscal
Opensymbol S.r.l.	Opensymbol S.r.l.	Impresoft Engage S.r.l.	01/01/2024	01/01/2024
Nexttech S.r.l.	Opensymbol S.r.l.	Impresoft Engage S.r.l.	01/01/2024	01/01/2024
Cloudnova S.r.l.	Opensymbol S.r.l.	Impresoft Engage S.r.l.	01/01/2024	01/01/2024
Develon Digital S.r.l.	Opensymbol S.r.l.	Impresoft Engage S.r.l.	01/01/2024	01/01/2024
Hiteco S.p.A.	Hiteco S.p.A.	HBS S.p.A.	01/07/2024	01/01/2024
Brainsystem S.r.l.	Hiteco S.p.A.	HBS S.p.A.	01/07/2024	01/01/2024
Qualitas Informatica S.p.A.	Qualitas Informatica S.p.A.	Qualitas Informatica S.p.A.	01/07/2024	01/01/2024
Tecnosoft S.r.l.	Qualitas Informatica S.p.A.	Qualitas Informatica S.p.A.	01/07/2024	01/01/2024
Syscons S.r.l.	Syscons S.r.l.	Syscons S.r.l.	01/07/2024	01/01/2024
Fondaco S.r.l.	Syscons S.r.l.	Syscons S.r.l.	01/07/2024	01/01/2024
Syscons Industries S.r.l.	Syscons S.r.l.	Syscons S.r.l.	01/07/2024	01/01/2024
Syscons S.r.l.	Syscons S.r.l.	Syscons S.r.l.	01/11/2024	01/01/2024
FGA Informatica S.r.l.	Syscons S.r.l.	Syscons S.r.l.	01/11/2024	01/01/2024

FORECASTED EVOLUTION OF MANAGEMENT AND PREDICTIONS ON THE FINANCIAL AND ECONOMIC PERFORMANCE OF THE GROUP

To further the establishment of commercial and structural synergies, several corporate mergers were completed in the early months of fiscal year 2025 as part of the Group's reorganization efforts.

Perimeter	Incorporating company	Legal name of the merged entity	Date effective	
			legal	fiscal
4Ward S.r.l.	4Ward S.r.l.	4Ward S.r.l.	01/01/2025	01/01/2025
Tech1 S.r.l.	4Ward S.r.l.	4Ward S.r.l.	01/01/2025	01/01/2025
Qinet S.p.A.	4Ward S.r.l.	4Ward S.r.l.	01/01/2025	01/01/2025
Upgrade S.r.l.	4Ward S.r.l.	4Ward S.r.l.	01/01/2025	01/01/2025
Nuovi S.O.C.I. S.r.l.	4Ward S.r.l.	4Ward S.r.l.	01/01/2025	01/01/2025
Cooder S.r.l.	Cooder S.r.l.	Univerce S.r.l.	01/01/2025	01/01/2025
Webformat S.r.l.	Cooder S.r.l.	Univerce S.r.l.	01/01/2025	01/01/2025
Syscons Interactive S.r.l.	Cooder S.r.l.	Univerce S.r.l.	01/01/2025	01/01/2025
Impresoft Engage S.r.l.	Impresoft Engage S.r.l.	Impresoft Engage S.r.l.	01/03/2025	01/01/2025
NextCRM S.r.l.	Impresoft Engage S.r.l.	Impresoft Engage S.r.l.	01/03/2025	01/01/2025

In the early months of 2025, the Group successfully finalized the acquisition of a 70% stake in Perigeo S.r.l., thereby obtaining complete ownership of the company. The operation holds strategic significance for the Group as it enhances the SAP B1 sector overseen by the companies within the Business Solutions Competence Center, while also strengthening the Group's geographical presence in the Eastern-Central region of Italy.

Throughout 2024 and into the early months of 2025, the Group has reinforced its growth trajectory by implementing a series of strategic initiatives focused on enhancing its offerings, streamlining organizational integration, and maximizing synergies, all within a framework of structured and sustainable development.

- **Business Solutions** has established a center of excellence for SAP technologies, capable of providing integrated services for both large enterprises (SAP S/4HANA) and small to medium-sized businesses (SAP Business One). The offering has also expanded in the Sage X3 domain, due to the integration of new expertise and proprietary vertical solutions, which further strengthen the Group's positioning on an international scale.
- **Smart Manufacturing & Quality**: Our proprietary offerings have significantly expanded with the introduction of solutions in Warehouse Management System (WMS) and Quality Management System (QMS). In particular, the introduction of new technologies has enhanced the Group's ability to support industrial enterprises in their journey toward operational excellence and process traceability.
- **Customer First**: The Group has enhanced its offerings in CRM and

Digital Strategy with the launch of Impresoft Engage, a specialized hub focused on customer experience management and marketing automation. Moreover, Impresoft Univerce has been established as a center of excellence dedicated to eCommerce, consolidating a comprehensive offering across all major technologies, tailored for clients of all sizes.
- **Enabling Technologies & Security**: Impresoft 4ward has been established as the new technological hub of the Group, focusing on expertise in Cybersecurity, Artificial Intelligence, Cloud, and Modern Workplace solutions. The initiative represents a strategic investment aimed at securing high-value segments with strong growth potential, leveraging combined expertise, resources, and advanced know-how.

From an organizational perspective, the Group has pursued an integration model aimed at enhancing operational cohesion while promoting excellence and internal scalability.

- **Governance**: the Holding has continued to strengthen its role in strategic and operational coordination, evolving both in governance and in shared services, with the aim of creating an efficient, synergistic, and recognizable ecosystem in the market.
- **Administration, Finance and Control (AFC) and Information Technology (IT)**: the new companies have been integrated into a uniform operating model that aligns with the Group's central policies. Particular emphasis has been placed on establishing a management control system. On the procurement front, a dedicated task force has been established that has already yielded significant benefits in terms of cost optimization, and is expected to generate further efficiencies in the near future.
- **Marketing e Branding**: The Group has enhanced its visibility and market positioning through a comprehensive strategy that integrates digital marketing activities, editorial content, public relations, and participation in significant events. Among the most notable initiatives is the organization of the Customer Engagement Summit in May, which serves as a pivotal moment for dialogue with clients and partners. Simultaneously, collaborations have been initiated with leading technology partners to develop joint solutions in the areas of Hybrid Automation and Artificial Intelligence. Impresoft further affirms its role as a promoter of the AI Community, actively contributing to the spread of a culture of responsible and sustainable innovation.
- **Strategic Partnerships:** The development of the UniQa offering has continued, serving as a key lever for enhancing cross-functional skills and fostering intercompany collaborations. Furthermore, we have established collaborative offerings in Cybersecurity and Artificial Intelligence, reaffirming the Group's commitment to strategically engage in critical technological domains through an integrated approach.
- **Corporate Structure:** In 2025, further organizational simplification initiatives are anticipated, aimed at further rationalizing the corporate structure and reinforcing operational coherence among the various components of the Group.
- **Human Resources:** The commitment to enhancing our human capital has continued, with targeted investments in training, organizational wellbeing, and skill development. The commitment to employer branding has also been reaffirmed, particularly through the Great Place to Work certification, achieved by one of the leading companies in our sector.

MAIN RISKS AND UNCERTAINTIES

The Group has utilized derivative financial instruments to mitigate interest rate risk on long-term financing. For more information, please refer to the specific section provided in the Notes to the Financial Statements.

Risk associated with interest rate fluctuations

The Group is exposed to fluctuations in interest rates, particularly concerning the magnitude of financial costs associated with its indebtedness.

As of December 31, 2024, the Group has active hedging derivative instruments in the form of Interest Rate Swaps. These instruments have been established to mitigate the risks associated with fluctuations in interest rates on financial obligations. For more information, please refer to the details provided in the accompanying notes.

Credit Risk

The Group's policy is to offer payment terms to clients averaging 60 days.

The Group exclusively works with reputable and reliable clients, and typically does not require any collateral guarantees. It is the Group's policy to subject clients requesting deferred payment terms to validation procedures concerning their credit class. Furthermore, the balance of receivables is continuously monitored throughout the fiscal year to ensure that payment terms are adhered to by clients, mitigating the risk of potential losses on receivables.

Liquidity Risk

The Group's cash flows, funding requirements, and liquidity are closely monitored and managed to ensure effective and efficient management of financial resources. The short-term and medium-to-long-term liquidity needs, primarily associated with the timelines of financial obligations, are continuously monitored to ensure prompt access to financial resources or appropriate investment of liquid assets.

The Group's policy is to prudently manage its treasury by implementing tools for forecasting both inflows and outflows.

A group cash-pooling mechanism has been established to optimize the liquidity management of the Group and its subsidiaries. We are currently in the final stages of implementing a treasury system, utilizing a specialized software called Sage XRT, which we distribute in the Italian market. Ultimately, the Group aims to maintain adequate liquidity reserves to avoid any failure in meeting its upcoming obligations.

Market risk

As of today, the Group does not identify any significant exposure to this type of risk, particularly given the current uncertain environment created by the overall recessionary situation.

Risks Associated with General Economic Conditions

The macroeconomic landscape is facing predominant downward risks. The primary sources of uncertainty arise from:

- Potential escalation of the trade war among the United States, China, and the European Union;
- The ongoing conflicts in the Middle East and Ukraine.
- The evolution of energy prices and raw materials.
- The trajectory of monetary policies, shaped by persistent inflationary pressures.

However, there are also supporting elements for growth:

- The recovery of real wages, which drives consumer spending;
- Public investment policies and the National Recovery and Resilience Plan (NRRP)
- The stability of the financial system and the enhancement of credit accessibility.

In this context, a reinvigoration of structural reforms, diversification of trade, and effective coordination of fiscal and monetary policies are crucial levers to support sustained and resilient economic growth.

The Group, due to its sector diversification and limited exposure to markets directly affected by major geopolitical crises (Ukraine, Russia, United States), is less vulnerable compared to other operators, benefiting from a balanced and flexible operational structure.

Cybersecurity Risks

Relevant episodes in the public domain, along with operating in the ICT market while closely engaging with clients, have highlighted a significant trend of increasing number and sophistication of cybersecurity attacks. This trend is expected to persist, with forecasts indicating a continual rise in attacks that will accompany the ongoing process of digitalization. The Group is investing in the enhancement and strengthening of its IT infrastructure to align with leading standards. The Group remains exposed to the risk of cyberattacks, which can impact its infrastructure and operational capabilities, as well as expose it to litigation, loss of clients, and liabilities due to attacks affecting its customer base.

ENVIRONMENTAL RELATED INFORMATION

The environmental aspect is not critical given the service sector in which the Group operates. However, it is important to highlight that the Group operates in a responsible and environmentally conscious manner, aiming to minimize the external impact of its activities.

CORPORATE GOVERNANCE INFORMATION

The structure and functioning of the governing bodies, starting with the Board of Directors, ensure representation, expertise, and the absence of conflicts of interest, while striving for maximum efficiency and operational integrity.

Impresoft has implemented an Organization, Management, and Control Model in accordance with Legislative Decree 231/01. While not mandatory, this model has already been extended to the majority of the Group companies. The focus is on mitigating the risk of committing specific relevant offenses. The oversight function is the responsibility of the Supervisory Body, appointed based on principles of autonomy and independence. In addition to specific periodic training, the adopted approach includes a whistleblower procedure for reporting illicit behaviors. This is designed to provide employees and third parties with confidential channels to raise concerns or report violations of procedures, without fear of retaliation, discrimination, or disciplinary action.

The Code of Ethics and Sustainability Policies adopted by the Group explicitly reference the Ten Principles of the United Nations Global Compact and are inspired by the highest global standards.

The Group has consistently demonstrated a strong commitment to compliance and has maintained a deep awareness of its importance. For this reason, roles and responsibilities have been assigned in an organized and coordinated manner among the various departments of the Group (Legal, Data Privacy, Compliance, Supervisory Board) and external parties (Data Protection Officer). The Group places particular emphasis on quality certifications, both generic and industry-specific. In fact, the majority of our companies are certified under the ISO 9001 quality management system and the ISO 27001 information security management system. Additionally, where necessary, we also adhere to ISO 20000-1 (IT Service Management) and ISO 13485 (Quality Management System specifically designed for the medical device industry).

HUMAN RESOURCES

The Group boasts a skilled and motivated workforce, nearly all employed under permanent contracts. **An inclusive work environment, diversity, plurality, and professionalism are essential components of our corporate culture and values**, as well as key drivers for the Group's growth. In line with its commitment to gender equality, the overall gender pay gap is significantly constrained.

The centrality of people is regarded as a fundamental element for the entire Group. We maintain a constant and unwavering focus on nurturing existing talent and attracting new entrants into our organization. We have implemented vertical training programs tailored to various professional roles, as well as cross-functional initiatives that include team-building activities among different departments.

In our group, individuals are actively engaged in dynamic and challenging strategic projects, allowing them to play an integral role and make a tangible contribution to the company's growth. The opportunity to engage with different roles and levels of seniority, combined with close interactions with the founders, enables a more effective cross-pollination crucial for the success of projects. This not only fosters professional growth for talents but also ensures higher satisfaction both as individuals and professionals.

The average group headcount for the fiscal year totals 1,571 employees. Out of these, there are 41 executives, representing (2.6%).

It is further noted that:

- The Group conducts its operations in full compliance with environmental regulations and workplace hygiene standards.
- Regarding personnel policies, there have been no severe workplace injuries resulting in serious or critical injuries to the employees listed on the payroll. Additionally, during the fiscal year, there were no recorded claims related to occupational diseases for employees or former employees, nor any bullying allegations for which the Group has been definitively held liable.
- Throughout the fiscal year, there were no significant events related to ongoing matters with former employees concerning alleged occupational illnesses.

In line with our internal policy of continuous improvement in employee safety, the Group consistently invests in personnel security measures.

SUSTAINABILITY

Digital transformation is a process that extends beyond just the production sphere; it also has a significant impact from environmental, economic, and social perspectives.

As a Group, we firmly believe that embracing digital solutions should drive a sustainable future.

We aim to uphold high standards of transparency with all our stakeholders. We pursue a diligent transparency policy with all our partners, ensuring timely information and updates regarding the ESG impacts of our activities. For us, transparency is not just an obligation; it represents respect for our stakeholders and fosters greater engagement with the community in which Impresoft operates, aiming to share in a responsible growth journey.

As a result, we have established a sustainability policy, an ethical code, and a supplier charter.

The aforementioned documents and ESG performance metrics are available on the website www.impresoftgroup.com in the "Sustainability" section.

RESEARCH AND DEVELOPMENT

The Group, during the 2024 fiscal year, continued its research and development activities and focused its efforts particularly on projects deemed especially innovative. These initiatives have necessitated significant financial commitments, both for the internal personnel involved and for the collaborations, consulting services, and materials used for testing and experimentation.

It is anticipated that the successful implementation of these innovations will yield positive results in revenue generation, leading to favorable impacts on the company's overall economic health.

MANAGEMENT AND COORDINATION

In accordance with the provisions of Articles 2497 and following of the Civil Code, we would like to inform you that the Group is under the direction and coordination of Pitagora, while Impresoft continues to exercise direction and coordination over its controlled subsidiaries.

In accordance with art. 2497-bis, paragraph 4 of the Civil Code, the Notes to the financial statements include a summary table of the key data from the Company's most recent financial statements, which operates in the capacity of management and coordination.

We would like to clarify that the Company has fulfilled its advertising obligations as stipulated by the article. Section 2497-bis, paragraph 1 of the Civil Code, requiring the indication in documents and correspondence of its subjection to the direction and coordination activities of Pitagora Company.

Regarding the established relationships, we emphasize that the transactions are conducted on market terms.

TREASURY SHARES

Impresoft does not acquire its own shares, not even on behalf of controlled companies.

Milan, May 28, 2025

On behalf of the Board of Directors

Chair

Sergio Gasparin

Consolidated Financial Statements as of December 31, 2024

CONSOLIDATED FINANCIAL STATEMENTS – STATEMENT OF FINANCIAL POSITION

Balance Sheet	31/12/2024	31/12/2023
Assets		
B) Fixed Assets		
I - Intangible assets		
1) installation and expansion costs	115,949	60,340
2) development costs	69,529	79,259
3) industrial patent rights and rights to utilize intellectual property works	9,379,624	18,469,702
4) concessions, licenses, trademarks, and similar rights	275,464	321,739
5) goodwill	236,564,692	211,611,238
6) Current intangible assets and advances	533,163	26,277
7) Other	626,015	376,316
Total Intangible Assets	247,564,436	230,944,871
II - Tangible assets		
1) land and buildings	1,261,176	767,882
2) plant and equipment	73,239	65,983
3) Industrial and Commercial Equipment	102,068	14,890
4) Other assets	3,102,918	2,342,563
5) Current intangible assets and advances	61,453	0
Total Tangible Assets	4,600,854	3,191,318
III - Financial Investments		
equity interests in		
a) Subsidiaries	0	0
b) affiliated companies	563,179	263,179
c) Parent Companies	0	0
d) Companies under the supervision of their parent entities	0	0
d-bis) other businesses	76,039	50,044
Total Investments	639,218	313,223
2) Receivables		
a) from Subsidiaries		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total receivables from subsidiary companies	0	0
b)from affiliated companies		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total receivables from affiliated companies	0	0
c) from parent companies		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total receivables from parent companies	0	0
d) from companies under the oversight of their parent companies		
due within the next financial year	0	0
due beyond the next fiscal year	0	0

Total receivables from subsidiaries under the oversight of parent companies	0	0
d-bis) from other companies		
due within the next financial year	84,053	538,047
due beyond the next fiscal year	255,647	139,720
Total receivables from Other companies	339,700	677,767
Total receivables	339,700	677,767
3) Other securities	15	0
4) active derivative financial instruments	420,564	1,442,990
Total financial Assets	1,399,497	2,433,980
Total fixed assets (B)	253,564,787	236,570,169
C) Current assets		
I - Inventories		
1) raw materials, ancillary supplies, and consumables	22,445	42,141
2) Work-in-progress products and semi-finished goods	0	0
3) Work in progress on long-term contracts	0	3,662,336
4) Finished goods and merchandise	195,417	68,991
5) advances	0	0
Total Inventory	217,862	3,773,468
Tangible assets Held for Sale	0	0
II - Receivables		
1) from clients		
due within the next financial year	68,369,940	46,952,921
due beyond the next fiscal year	684,062	3,389,603
Total receivables from clients	69,054,002	50,342,524
2) from Subsidiaries		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total receivables from subsidiary companies	0	0
3)from affiliated companies		
due within the next financial year	0	11,361
due beyond the next fiscal year	0	0
Total receivables from affiliated companies	0	11,361
4) from parent companies		
due within the next financial year	4,312,744	1,930,276
due beyond the next fiscal year	0	0
Total receivables from parent companies	4,312,744	1,930,276
5) from companies under the oversight of their parent companies		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total receivables from subsidiaries under the oversight of parent companies	0	0
5-bis) Tax credits		
due within the next financial year	2,653,938	4,390,355
due beyond the next fiscal year	114,756	142,649
Total Tax Credits	2,768,694	4,533,004
5-ter) Deferred taxes	612,460	539,288
5-quater) from others		
due within the next financial year	1,047,689	1,452,334
due beyond the next fiscal year	10,661	27,087
Total receivables from Other companies	1,058,350	1,479,421

Total receivables	77,806,250	58,835,874
III- Financial assets except for tangible assets		
1) Equity interests in subsidiaries	0	0
2) Equity interests in affiliated companies	0	0
3) Equity interests in parent companies	0	0
3-bis) Equity interests in companies subject to oversight of their parent companies	0	0
4) Other investments	0	0
5) active derivative financial instruments	0	0
6) Other securities	155,605	3,621
Financial assets due to centralized tax management	0	0
Total Financial assets except for tangible assets	155,605	3,621
IV - Cash and cash equivalents		
1) bank and postal deposits	15,641,122	17,044,153
2) Checks	0	0
3) cash and cash equivalents	14,929	14,955
Total Cash and cash equivalents	15,656,051	17,059,108
Total current assets (C)	93,835,768	79,672,071
D) Accruals and deferrals	8,701,050	5,085,460
Total assets	356,101,605	321,327,700
Liabilities		
A) Group Equity		
I - Share capital	5,000,000	5,000,000
II - Share premium reserve	107,323,604	107,323,604
III - Revaluation Reserves	0	0
IV- Legal reserve	0	0
VI - Other reserves, clearly identified		
Reserve for consolidation	8,895,169	8,895,169
Translation reserve	(49,241)	(7,460)
Other Reserves	28,940,680	0
Total Other Reserves	37,786,608	8,887,709
VII - Reserve for Hedging Anticipated Financial Flows	420,862	1,443,288
VIII- Profits (losses) carried forward	(21,019,980)	0
IX- Profit (loss) for the year	(28,403,071)	(21,019,980)
Total Group Equity	101,108,023	101,634,621
Third-party equity		
Third-Party Capital and Reserves	4,198	72,986
Third party profit (loss)	1,090	13,105
Total Third Party Equity	5,288	86,091
Total Consolidated Net Equity	101,113,311	101,720,712
B) Accruals for provisions and expenses		
for retirement and similar obligations	14,633	0
2) for taxes, including deferred taxes	6,921	0
reserve fund for future risks and liabilities	0	0
3) derivative financial Liabilities	0	0
4) Other	1,254,137	549,428
Total Funds for Risks and Expenses	1,275,691	549,428
c) Employee severance indemnity	**14,398,501**	**9,198,961**
D) Payables		
1) bonds		

due within the next financial year	0	0
due beyond the next fiscal year	154,336,832	133,612,916
Total Bonds	154,336,832	133,612,916
2) Convertible bonds		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total Convertible Bonds	0	0
3) Payables to shareholders – loans		
Total Payables to shareholders – loans	0	0
4) Payables to Banks		
due within the next financial year	13,265,914	12,453,691
due beyond the next fiscal year	1,666,841	2,111,680
Total Payables Owed to Banks	14,932,755	14,565,371
5) Payables to other lenders		
due within the next financial year	14,942	10,824
due beyond the next fiscal year	0	0
Total payables owed to other lenders	14,942	10,824
6) advances		
due within the next financial year	521,687	5,590,570
due beyond the next fiscal year	0	0
Total Accounts	521,687	5,590,570
7) Payables to suppliers		
due within the next financial year	18,066,634	23,734,923
due beyond the next fiscal year	0	0
Total Payables Owed to Suppliers	18,066,634	23,734,923
8) debts represented by financial securities		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total debts represented by financial securities	0	0
9) Payables to Subsidiaries		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total Payables to subsidiary companies	0	0
10) Payables to affiliated companies		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total Payables to affiliated companies	0	0
11) payables to parent companies		
due within the next financial year	791,860	1,171,234
due beyond the next fiscal year	0	0
Total Payables Owed to Parent companies	791,860	1,171,234
11-bis) Payables to companies subject to oversight of their parent companies		
due within the next financial year	0	0
due beyond the next fiscal year	0	0
Total Payables to subsidiaries under the oversight of parent companies	0	0
12) Tax Liabilities		
due within the next financial year	4,698,383	3,344,530
due beyond the next fiscal year	0	0
Total Tax Liabilities	4,698,383	3,344,530

13) Payables to pension and social security institutions		
due within the next financial year	5,418,829	2,996,775
due beyond the next fiscal year	0	0
Total payables to pension and social security institutions	5,418,829	2,996,775
14) Other payables		
due within the next financial year	18,506,753	12,744,869
due beyond the next fiscal year	0	1,500,000
Total Other Payables	18,506,753	14,244,869
Total Payables	217,288,675	199,272,012
E) Accruals and deferrals	**22,025,427**	**10,586,587**
Total liabilities	356,101,605	321,327,700

CONSOLIDATED FINANCIAL STATEMENTS – INCOME STATEMENT

Profit and Loss Account	31/12/2024	31/12/2023
A) Production Value		
1) revenue from sales and services	176,568,461	117,180,615
2) changes work-in-progress, semi-finished goods, and finished product inventories	(37,432)	(36,725)
3) Change in Work in progress on long-term contracts	0	148,362
4) Increases in fixed assets for internal projects	0	0
5) Other income and revenues		
operating grants	372,827	175,105
Other	1,274,826	1,943,920
Total Other income and revenues	1,647,653	2,119,025
Total Production Value	178,178,682	119,411,277
B) Production costs		
6) raw materials, ancillary supplies, consumables, and goods	6,089,256	7,400,541
7) services	43,038,572	34,272,727
8) third-party assets use	6,865,002	4,449,377
9) Personnel		
a) compensation and salaries	64,636,698	36,031,888
b) social contributions	18,325,037	10,377,663
c) Severance pay	4,370,907	2,320,834
d) retirement and similar	948,497	899,046
e) Other costs	0	0
Total Personnel costs	88,281,139	49,629,431
10) Depreciation and Impairments		
a) amortization of intangible assets	40,076,820	30,016,966
b) Amortization of tangible assets	1,047,931	747,074
c) other asset impairments	750	0
d) write-down of current receivables and of cash and cash equivalents	916,503	1,862,208
Total Depreciation and Impairments	42,042,004	32,626,248
11) Changes in inventory of raw materials, auxiliary materials, consumables, and merchandise	23,299	(30,161)
12) Provisions for Risks	37,500	185,000
13) Other Provisions	0	0
14) charges other than management	1,361,065	533,170
Total Production Costs	187,737,837	129,066,333
Difference between value and costs of production(A-B)	(9,559,155)	(9,655,056)
C) Financial income and expenses		
15) Income from investments		
from Subsidiaries	0	0
from affiliated companies	0	0
from parent companies	0	0
from companies under the supervision of their parent entities	0	0
Other	0	0

Total Income from investments	0	0
16) Other financial income		
from receivables under fixed assets		
from Subsidiaries	0	0
from affiliated companies	0	0
from parent companies	0	0
from companies under the supervision of their parent entities	0	0
Other	103,451	49,880
Total financial income from loans included in fixed assets	103,451	49,880
b) from securities recorded in fixed assets that do not constitute investments	0	0
c) from securities listed in current assets that do not constitute equity investments	93	53
d) Other revenues		
from Subsidiaries	0	0
from affiliated companies	0	0
from parent companies	0	0
from companies under the supervision of their parent entities	0	0
Other	252,832	141,305
Total Revenues excluding the above	252,832	141,305
Total Other financial income	356,376	191,238
17) Interests and other financial charges		
Subsidiaries	0	0
affiliated companies	0	0
parent companies	0	240,751
companies under the oversight of their parent companies	0	0
Other	15,946,386	8,943,202
Total Interest and other financial charges	15,946,386	9,183,953
17-bis) profit and losses on foreign exchange	16,329	1,152
Total financial income and charges (15 + 16 - 17 + - 17-bis)	(15,573,681)	(8,991,563)
Adjustments to the valuation of financial assets and liabilities		
18) Revaluation		
d) of Derivative financial instruments	0	0
Total revaluation	0	0
19) devaluations		
a) equity interests	0	0
d) of Derivative financial instruments	0	0
Total devaluation	0	0
Total adjustments to the valuation of financial assets and liabilities	0	0
Before taxes (A-B + - C +- D)	**(25,132,836)**	**(18,646,619)**
20) Current, deferred and advance income taxes		
Current taxes	7,459,121	1,643,616
previous years' taxes	(376,294)	(5,743)
Deferred and Advance Taxes	79,543	(205,456)
Revenue (expenses) from the consolidated tax regime / tax transparency	3,893,225	(927,839)
Total Current, deferred and advance income taxes	3,269,145	2,360,256
21) Consolidated Profit(loss) for the year	(28,401,981)	(21,006,875)
Group pertaining result	(28,403,071)	(21,019,980)
Third-party pertaining result	1,090	13,105

CONSOLIDATED FINANCIAL STATEMENTS – CASH FLOW STATEMENT

Cash Flow Statement, Indirect Method	31/12/2024	31/12/2023
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	(28,401,981)	(21,006,875)
Income taxes	3,269,145	2,360,256
Interest payable/ (receivable)	15,693,554	8,801,897
1) Profit (loss) for the year before income taxes, interest, dividends and profit / losses from disposal	(9,439,282)	(9,844,722)
Adjustments for Non-Monetary Items Not Affecting Net Working Capital		
Allocations to Funds	4,408,407	2,505,834
Depreciation of Fixed Assets	41,124,751	30,764,040
Adjustments to the value of financial assets and liabilities of derivative financial instruments that do not involve cash movements.	0	0
Other adjustments upward/(downward) for non-monetary items	(86,940)	(2,952,888)
Total Adjustments for Non-Monetary Items Not Affecting Net Working Capital	45,446,218	30,316,986
2) Cash flow before changes in net working capital	36,006,936	20,472,264
Changes in net working capital		
Decrease/(Increase) of Inventory	4,153,107	(156,368)
Decrease/(Increase) in Accounts Receivable from Clients	63,873	(20,206,226)
Increase / (decrease) in payables to suppliers	(12,591,143)	16,676,964
Decrease/(Increase) of Accrued Income and Prepaid Expenses	(3,168,039)	(2,023,855)
Increase/(Decrease) in Accrued Expenses and Deferred Income	8,522,592	2,230,788
Other decreases/(Other increases) in net working capital	4,823,097	1,615,851
Total changes in net working capital	1,803,487	(1,862,846)
3) Cash flow after changes in net working capital	37,810,423	18,609,418
other adjustments		
Interest received / (paid)	(15,388,648)	(8,419,487)
(Income taxes paid)	(2,787,893)	(1,879,004)
Dividends Received	0	0
(Use of funds)	(3,049,576)	**0**
Total Other Adjustments	(21,226,117)	(10,298,491)
Cash Flow from Operating Activities (A)	16,584,306	8,310,927
B) Cash flows from investment activities	0	
Tangible assets		
(Investments)	(1,513,512)	(1,178,453)
(Divestitures)	162,028	0
Intangible assets		
(Investments)	(939,831)	0
(Divestitures)	167,411	809,171
Financial fixed assets		
(Investments)	(300,000)	(132,957)
(Divestitures)	426,306	0
Current Financial Assets		
(Investments)	0	0
(Divestitures)	959,212	0

(Acquisition of Subsidiaries Net of Cash and Cash Equivalents)	(65,619,714)	(94,943,503)
Transfer of subsidiary companies net of cash and cash equivalents	0	0
Cash Flow from Investing Activities (B)	(66,658,100)	(95,445,742)
C) Financing activity cash flows	0	
Third party financing	0	
Increase / (decrease) in short-term payables to banks	(1,810,396)	11,739,253
Activation of Financing	21,540,453	54,039,252
(Financial Reimbursements)	0	0
Equity	0	
Paid-in Capital increase	28,940,680	25,540,000
Transfer/(Purchase) of Treasury Shares	0	0
Financing activity cash flows(C)	48,670,737	91,318,505
Increase (decrease) in cash reserves (A ± B ± C)	(1,403,057)	4,183,690
Cash Availability at the Start of the Fiscal Year		
Bank and postal deposits	17,044,153	12,865,146
Checks	0	0
Cash and cash equivalents	14,955	10,272
Total Cash Availability at the Start of the Fiscal Year	17,059,108	12,875,418
Cash Availability at the End of the Fiscal Year		
Bank and postal deposits	15,641,122	17,044,153
Checks	0	0
Cash and cash equivalents	14,929	14,955
Total cash available at the end of the fiscal year	15,656,051	17,059,108

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. Introduction

Impresoft Group (the "Group") is a leading player in the Italian IT market, specializing in driving the digital transformation of businesses. The Group operates in the design, production, and sale of systems for automation and data processing, encompassing both physical components and software (programs), as well as providing a full suite of services, consulting, and support related to data processing and organizational management. With an agile and scalable approach, the group identifies the most suitable technological ecosystem to optimize business processes while ensuring compliance with current regulations. Thanks to its extensive value proposition, it is capable of designing, developing, and managing customized solutions for businesses of all sizes, from small and medium enterprises to multinational corporations, operating across various sectors.

2. Group Equity Structure

The Group was established in late 2019 through a series of acquisition operations and a subsequent reorganization of its corporate structure. This restructuring included, among other things, the merger of Impresoft S.r.l. into Gruppo Formula S.r.l., which is now known as Pitagora S.p.A. ("Pythagoras", formerly known as Impresoft S.p.A.)

During the year 2022, Pitagora and the Impresoft Group (the "Group"), of which Pitagora is the parent company, underwent several extraordinary operations. This was notably influenced by the acquisition, through the vehicle Pitagora 2 S.p.A., which was subsequently merged into Pitagora, by the Clessidra Capital Partner 4 fund, managed by Clessidra Private Equity SGR S.p.A. ("Clessidra").

In the course of 2023, the corporate structure underwent another change. On December 20, 2022, a new company, Impresoft S.p.A., was established. "Impresoft" was subsequently approved and endorsed by Pitagora, involving a capital increase in Impresoft to be executed in kind through the transfer of a business unit (the "Business Unit"), effective as of February 1, 2023 (the "Transfer"). In light of the above, all equity interests held by the Company have been transferred to Impresoft, which serves as the sub-holding entity for the Group.

In 2024, the corporate structure remained unchanged at the holding and sub-holding levels. The acquisition activities continued, and several mergers were executed to streamline the Group, as highlighted below.

Impresoft's corporate purpose is to directly acquire and manage interests and stakes in other companies or entities with similar, related, or connected objectives.

In light of the above, Impresoft's first financial year concluded on December 31, 2023.

Below are the key operations undertaken in the previous year and in 2024.

Impresoft Constitution and Holding Activity Assignment

As previously mentioned, on December 20, 2022, the company Impresoft was established. Subsequently, on January 30, 2023, Pitagora subscribed to the capital increase approved by the Impresoft shareholders' meeting ("Impresoft Capital Increase"), by contributing the business segment consisting of the majority of the assets and liabilities, as well as the equity interests (the "Impresoft Business Segment").

The Impresoft Business Unit has undergone an assessment pursuant to the combined provisions of Articles 2440 and 2343-ter, second paragraph, letter b) of the Civil Code. This evaluation was conducted in accordance with the principles and criteria outlined in the same Article 2343-ter, second paragraph, letter b) of the Civil Code, based on the economic value of the Impresoft Business Unit's assets as of September 30, 2022, by an independent expert qualified under the requirements set forth in the cited Article 2343-ter of the Civil Code. Impresoft Evaluation

In relation to the full subscription and release of 4,950,000 new ordinary shares without a stated nominal value issued by Impresoft, Pitagora has transferred to Impresoft, effective February 1, 2023, the Impresoft Business Unit as indicated and described above.

The aforementioned transfer operation is characterized as a joint control activity; therefore, the assets and liabilities have been transferred in accordance with the principle of value continuity.

In light of the above, all equity interests held by the Company have been transferred to Impresoft.

Acquisitions completed in the fiscal year 2024

In 2024, Impresoft undertook additional strategic initiatives aimed at expanding the Group's size, specifically acquiring the following companies:

- On January 24, 2024, we acquired a 100% stake in **Syscons SRL**, headquartered in Turin (TO) at Corso Vittorio Emanuele II, 12, along with its subsidiaries: Fondaco S.r.l., Syscons Industries S.r.l., Syscons Interactive S.r.l., FGA Informatica S.r.l., Syscons North America Inc., and Syscons SAGL. These companies provide integrated solutions for optimizing and enhancing supply chain efficiency through the implementation of SAP solutions in ERP, SCM, MES, and e-commerce for large enterprise market clients.
- On January 25, 2024, a 100% stake in **Brainsystem S.r.l.**, headquartered in Dalmine (BG) at Via Provinciale 43, was acquired. The company has been operating in the market since 1997 and specializes in the implementation of SAP solutions within the ERP sector, primarily focusing on small to medium-sized businesses. Brainsystem supports their growth journey through integrated management of information and business processes while offering a robust portfolio of skills, services, technology, and software solutions.
- On January 31, 2024, a 100% stake in **Tecno-Soft S.r.l.**, headquartered

in Faenza (RA) at Via Tolosano No. 60, was acquired. The company specializes in WMS projects and is recognized for designing and implementing advanced solutions in the field of information systems for production. The proprietary WMS software optimizes logistics management, traceability, and production, thereby enhancing the overall efficiency of supply chains.
- On March 26, 2024, a 100% stake in **Ribes Solutions S.r.l.**, headquartered in Aosta (AO) at via Losanna 28, was acquired. This company has been operating in the ICT market since 2004 by providing services, innovative solutions, and consulting to businesses. The company is a SAP partner for the SAP Business One solution tailored for small and medium-sized enterprises (SMEs). In addition, it specializes in implementing SAP solutions, SAP ECC, and S/4 HANA for large enterprises.
- On August 2, 2024, a 100% stake in **X-Techarts SAS**, a French company headquartered in Seyssins at 18 rue des écureuils, was acquired. X-Techarts SAS is engaged in providing cutting-edge technological solutions to enhance the management of Sage X3 environments.
- On November 27, 2024, we acquired a 100% stake in **Nuovi S.O.C.I. S.r.l.**, a company headquartered in Cremona (CR) at via XX settembre 53. Founded in 1995, the firm specializes in the selection, organization, and coordination of high-profile IT consultants and companies, aiming to deliver exceptional solutions in the field of Information Technology. This achievement is further supported by over 20 years of certified partnership with Microsoft.
- On December 16, 2024, the acquisition of 4.86% of **Kipcast S.r.l.**, based in Sant'Ambrogio di Valpolicella (VR), was completed, resulting in a total ownership stake of 100% of the company's shares.
- On December 18, 2024, a 100% stake in **Blulink S.r.l.**, located in Reggio Emilia (RE) at Via Manicardi 2, was acquired. Founded in 1990, the company is recognized for its suite of proprietary products, notably the Quarta EVO software. Additionally, it is well-regarded for developing and implementing quality solutions that assist businesses in enhancing and managing their corporate processes.
- On December 18, 2024, a 30% stake in **Perigeo S.r.l.**, based in Modena (MO) at 472 Via Giardini, was acquired. The company specializes in implementing ERP solutions based on the SAP Business One platform, which supports small and medium-sized enterprises (SMEs) in their growth by enabling integrated management of information and business processes.

During 2024, several corporate restructuring operations were successfully completed, which did not have any impact on the Group's consolidated financial statements.

- Nexttech S.r.l., Cloudnova S.r.l., and Develon Digital S.r.l. have merged through incorporation into Opensymbol S.r.l., which concurrently changed its corporate name to **Impresoft Engage S.r.l.**.
- Brainsystem S.r.l. has merged by incorporation into Hiteco, which simultaneously changed its corporate name to **HBS Inc.**.
- Tecno-soft S.r.l. has merged through incorporation into **Qualitas S.p.A.**.
- Fondaco S.r.l., Syscons Industries S.r.l., and FGA Informatica S.r.l. have merged through the incorporation into **Syscons S.r.l.**.

3. Structuring Criteria

The consolidated financial statements of the Group for the period ending December 31, 2024, which include the Balance Sheet, Income Statement, Cash Flow Statement, and Notes to the Financial Statements, along with the Management Report, reflect the results of the duly maintained accounting records. These financial statements have been prepared in compliance with the provisions of the Civil Code, as interpreted and supplemented by the accounting principles issued by the Italian Accounting Organization ("OIC").

In accordance with Article 2423-ter, the amounts for the previous fiscal year are presented for each item. In cases where offsetting is permitted by law, this note specifies the gross amounts subject to offsetting.

In addition to the attachments required by law, reconciliation schedules between the net income and the equity of the parent company, along with their respective values as reflected in the consolidated financial statements, are presented.

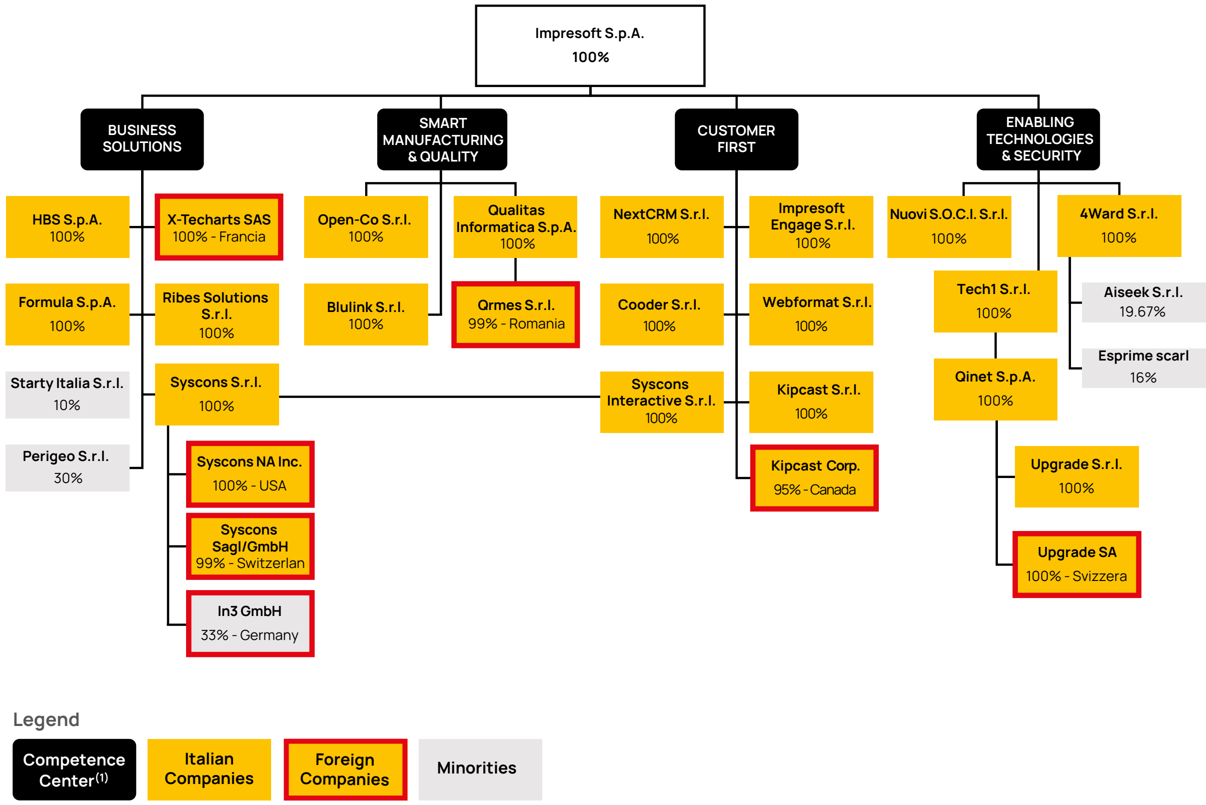
The consolidated financial statement as of December 31, 2024, in Euro, has been established using the financial statements of the individual companies included in the consolidation perimeter. These statements have been appropriately reclassified to align with the accounting principles and presentation criteria adopted by Impresoft, as approved by their respective governing bodies.

On February 27, 2025, the Board of Directors of Impresoft resolved to utilize the extended period of 180 days from the end of the fiscal year for the approval of the current financial statements. This decision is driven by the need to gather necessary information from controlled entities to prepare the consolidated financial statements for the Group.

4. Consolidation Perimeter

The consolidated financial statements originate from the statutory financial statements of the parent company Impresoft and those of its subsidiaries, over which Impresoft holds direct or indirect control pursuant to Article 2353 of the Italian Civil Code.

Group Structure Chart[1]



(1) The Competence Centers are organizational entities, but they are not incorporated; the equity interests of individual companies are held directly or indirectly by Impresoft.

Below is the list of companies included within the consolidation perimeter:

Company	Registered office:	Share capital (in thousands of Euros)	Percentage of ownership (direct and indirect)	Consolidation Method	Consolidation Periods Income Statement
Impresoft S.p.A.	MILAN (MI)	5,000	-	*Comprehensive*	*12*
4Ward S.r.l.	Peschiera Borromeo (MI)	80	100.00%	*Comprehensive*	*12*
Aiseek S.r.l.	Genoa (GE)	40	19.67%	*Net assets*	*0*
Blulink S.r.l.	Reggio Emilia(RE)	10	100.00%	*Comprehensive*	*0*
Cooder S.r.l.	Porto Sant'Elpidio (FM)	41	100.00%	*Comprehensive*	*12*
Esprime Scarl	MILAN (MI)	50	16.00%	*Net assets*	*0*
Formula S.p.A.	MILAN (MI)	4,000	100.00%	*Comprehensive*	*12*
GN Techonomy S.r.l.	MILAN (MI)	26	100.00%	*Comprehensive*	*12*
HBS S.p.A. (former Hiteco S.p.A.)	MILAN (MI)	100	100.00%	*Comprehensive*	*12*
In3 GmbH (Germany)	Walldorf, Germany	0	33.00%	*Net assets*	*0*
Kipcast Corp. (Canada)	Toronto, Ontario, Canada	0	95.00%	*Comprehensive*	*12*
Kipcast S.r.l.	Sant'Ambrogio Di Valpolicella (VR)	25	100.00%	Comprehensive	12
Nextcrm S.r.l.	Vicenza (VI)	59	100.00%	Comprehensive	12
Nuovi S.O.C.I. S.r.l.	Cremona (CR)	50	100.00%	Comprehensive	0
Open-Co S.r.l.	Sant'Ambrogio Di Valpolicella (VR)	10	100.00%	Comprehensive	12
Impresoft Engage S.r.l.	Vicenza (VI)	10	100.00%	Comprehensive	12
Perigeo S.r.l.	Modena (MO)	188	30.00%	Net assets	0
Qinet S.p.A.	Collegno (TO)	50	100.00%	Comprehensive	12
Qrmes S.r.l. (Romania)	Sibiu , Romania		99.00%	Comprehensive	12
Qualitas Informatica S.p.A.	Vicenza (VI)	640	100.00%	Comprehensive	12
Ribes Solutions S.r.l.	Aosta (AO)	89	100.00%	Comprehensive	9
Starty Italia S.r.l.	Prato (PO)		10.00%	Net assets	0
Syscons Interactive S.r.l.	MILAN (MI)	100	100.00%	Comprehensive	12
Syscons NA Inc. (USA)	Chicago, Illinois	48	100.00%	Comprehensive	12
Syscons S.r.l.	Turin (TO)	500	100.00%	Comprehensive	12
Syscons SAGL (Switzerland)	Arzo, Switzerland	21	99.00%	Comprehensive	12
Tech1 S.r.l.	MILAN (MI)	10	100.00%	Comprehensive	12
Upgrade S.r.l.	Lecco (LC)	100	100.00%	Comprehensive	12
Upgrade SA (Switzerland)	Lugano, Switzerland	108	100.00%	Comprehensive	12
Webformat S.r.l.	Spilimbergo (PN)	11	100.00%	Comprehensive	12
X-Techarts SAS (France)	Seyssins, France	16	100.00%	Comprehensive	5

All financial statements of the controlled companies align with the closing date of Impresoft, except for the subsidiary Kipcast Corporation, which has a reporting date of April 30.

The financial statements of the companies included in the consolidation scope are prepared using the full consolidation method. There are no established cases of companies utilizing the proportional method.

With regard to the details provided in the notes to the financial statements, it should be noted that certain companies, as indicated, have been consolidated using the equity method, while the following information pertains to companies consolidated using the full consolidation method.

5. Consolidation Criteria

The main consolidation criteria adopted are as follows:

- The book value of investments in consolidated companies is eliminated against the corresponding portion of equity, in line with the assumption of assets and liabilities of the consolidated entities;
- The positive difference, if any, between the purchase cost of the investment and the carrying value of the *"Shareholders' Equity"* of the investee at the acquisition date is allocated to the assets and liabilities of the investee to which it pertains; any remaining unallocated amount is attributed to the *"Goodwill"* line item and amortized in equal installments over a period deemed appropriate based on the expected future benefits, or over a maximum of 10 years if it is not possible to reliably determine the useful life; any residual amount will be recorded as a deduction from the *"Consolidation Reserve"*; any negative difference is credited to the *"Consolidation Reserve".* In cases of purchasing additional shares (commonly known as step-up acquisitions), the difference is treated in the same manner as the original stake described above, taking into account the equity fraction as of the step-up date and amortized based on the remaining life relative to the initial entry.
- The financial and economic relationships among the companies within the consolidation scope are completely eliminated. Profits and losses arising from transactions between consolidated companies, which are not achieved through dealings with third parties, will be eliminated.

6. Changes in Accounting Principles

The evaluation criteria for balance sheet items in the current period remain unchanged from the previous period, except for the introduction of accounting principle OIC 34, effective January 1, 2024.

The Group has implemented OIC 34 by utilizing the practical expedient allowed by the principle of applying its provisions exclusively to sales contracts executed (or modified) from January 1, 2024, onwards.

The adoption of the new accounting principle has resulted in the following effects on the financial statements:

- For services that involve a fixed fee (commonly known as flat-rate services), revenue is now recognized in accordance with the new revenue recognition principle, rather than under OIC 23. As a result, the balance sheet experienced a reclassification of the Statement of Financial Position, moving from 3) Work in Progress on long-term contracts to D) Accrued Income, and a reclassification in the Income Statement, moving from 3) change in work in progress on long-term contracts to 1) Revenue from Sales and Services, in cases of services rendered but not yet invoiced. In the opposite scenario, where services have been invoiced but either not yet performed or only partially completed, the Group uti-

lizes deferred revenue, transitioning from 6) Advances to E) Accrued Expenses and Deferred Income;
- If the Group does not act on its own behalf, but rather serves as an "agent," it must account for the service provided to the client as if it were acting on behalf of third parties. In this case, you would record the revenue from the sale net of the costs incurred for the acquisition of the asset, thereby determining the value of the commission due.

Please refer to the Production Value section for further details.

7. Evaluation criteria

The assessment of the financial statement items has been conducted with adherence to general principles of prudence and competence, considering the continuity of operations and the economic function of the assets or liabilities in question.

The application of the prudence principle necessitated an individual evaluation of each component within specific asset or liability items, in order to prevent offsetting recognized losses against unrealized profits that should not be acknowledged. In compliance with the accrual principle, the impact of transactions and other events has been recorded in the financial statements and attributed to the period to which these transactions and events pertain, rather than the period in which the associated cash flows (receipts and payments) occur.

In particular, the assessment criteria adopted are detailed below.

Intangible assets

They are recorded at historical acquisition cost, including directly attributable ancillary charges, and presented net of amortization incurred during the reporting periods that are directly allocated to specific items, calculated based on the anticipated future utility of intangible assets.

In the initial year involving intangible assets, the depreciation starts from the moment the asset begins to generate economic benefits for the company.

If there is a permanent impairment in value, regardless of any depreciation that has already been recorded, the asset is accordingly adjusted downward in value. If the conditions for devaluation are no longer met in subsequent years, the adjusted original value of only the depreciations is restored.

The costs associated with developing software projects intended for licensing to third parties are recorded as assets when the following conditions are met: The Group can demonstrate the technical feasibility of completing the intangible asset in a manner that makes it available for sale; there is a clear intention to complete the asset for use or sale; the methods by which it will generate probable future economic benefits are identified; there is availability of technical, financial, or other resources to complete the development; and the ability to reliably measure the costs attributable to the asset during its development is established.

The goodwill arising from mergers that occur at the level of individual companies included within the consolidation perimeter (commonly referred to as business combinations under common control) is presented in the consolidated financial statements with continuity of values. Consequently, any higher values recorded in the individual financial statements are accounted for in the consolidated financial statements and are reflected as adjustments to the consolidated equity. As a result of applying the national accounting principles "OIC," the goodwill recorded as an asset is subject to systematic amortization. The depreciation rate for goodwill recorded on the balance sheet is set at 10%, indicating that it will be amortized over a period of 10 years.

The differences in consolidation, arising from the elimination of equity investments, represent positive goodwill. Given that they meet the requirements set forth by OIC 24, they have been recorded under section B) I 5-bis) of the assets and are being amortized over a ten-year period. The adopted amortization schedule is deemed appropriate and consistent with the provision set forth in Article 2426, par. 6, of the Civil Code, with this period representing the actual "useful life." Lastly, it is noted that, according to the asset framework proposed by OIC 17, this item B) I 5) is referred to as "Goodwill."

Revaluation disclaimer under Law 126/2020

In accordance with Article 110, paragraphs 1-7 of Decree Law No. 104 of August 14, 2020, amended by Law No. 126 of October 13, 2020, we would like to inform you that a revaluation has been conducted on certain intangible assets of the companies Formula S.p.A., Qualitas Informatica S.p.A., GN Techonomy S.r.l., and Nexttech S.r.l.

The revaluation pertained to the intangible assets of the companies, particularly the software developed by the entities included in the consolidation perimeter, whose development costs have been classified under "patent rights and utilization of intellectual works." The companies have also chosen to recognize the new higher value for tax purposes by paying a substitute tax at a rate of 3%. The aforementioned tax, as advised by the prevailing majority of authoritative accounting practices, has been recorded as a direct reduction of the equity reserve generated by the revaluation in question.

In accordance with Article 5 of Legislative Decree 162/2001, the revaluation may be executed using one of three distinct methods: revaluing both historical costs and depreciation funds to maintain the depreciation process's duration and the scale of the coefficients; or revaluing only the gross asset values; or fully or partially reducing the depreciation funds.

For the purpose of revaluation, the Companies engaged an independent expert to determine the increased value assigned to the proprietary software of each company. This assessment was conducted using an income-based approach, which involved the identification of a "virtual income statement" related to the intangible asset being evaluated, taking into account the revenues and costs directly attributable to it.

In determining the income derived from the indirect use of the companies' software, the evaluator meticulously identified the positive income components arising from the exploitation of the software, separating them from the sales revenues and service income recorded in the financial statements.

In light of the identified revenues, both directly and indirectly attributable costs associated with the development, maintenance, and enhancement of the software subject to revaluation have been taken into account. The assessor subsequently proceeded to segment the income statement, beginning with the detailed accounting data related to the software subject to revaluation, and, on a residual basis, to other business functions performed by the company. Costs were allocated to each software based on management data. Both direct costs (related to research and development) and indirect costs, as well as structural costs (i.e., common costs) attributable to the hypothetical software branch, have been allocated.

The total of indirect costs has been allocated among the functions based on specific allocation drivers.

Regarding direct costs, all expenses have been identified (including those for personnel dedicated to development, as well as maintenance and licenses paid to third parties for software and the rights embedded within that software). These costs stem from activities that, although varying in form and method, collectively contribute to the development, maintenance, and assurance of the functionality, quality, utility, and reputation of the software. Specifically, the identified direct costs consist of all expense items that can be definitively and uniquely attributed to the maintenance, development, and enhancement of software.

To update the financial flows related to the software being re-evaluated, the appraiser employed a rate reflecting the cost of capital invested in the Group's companies, which stood at 7.21% at the time of the re-evaluation.

The impacts of the revaluation are summarized in the table below:

Revaluation under Law 126/2020

Company	Revaluation
Formula S.p.A.	26,143,368
Qualitas Informatica S.p.A.	7,872,564
Nexttech S.r.l..	8,800,000
GN Techonomy S.r.l	1,260,000
Total revaluation	**44,075,932**

Tangible assets

They are recorded at the acquisition cost, inclusive of directly attributable ancillary charges, and adjusted by the corresponding depreciation reserves.

In the recorded value of the asset, we have accounted for ancillary charges and costs incurred from its use, reducing the total cost by significant trade discounts and cash discounts.

The depreciation charges, reflected in the income statement, have been calculated based on the intended use, destination, and economic-technical lifespan of the assets, in accordance with the principle of remaining usability. We believe this principle is well represented by the following rates, which have been halved for the year in which the asset becomes operational.

The maintenance costs of a routine nature are allocated to the assets they pertain to and are depreciated based on their remaining useful life.

The incremental maintenance costs are allocated to the respective assets and depreciated based on their remaining useful life.

If there is a permanent impairment in value, regardless of any depreciation that has already been recorded, the asset is accordingly adjusted downward in value. If the conditions for devaluation are no longer met in subsequent years, the adjusted original value of only the depreciations is restored.

Financial fixed assets

Investments in affiliated companies are recognized under the equity method of consolidation.

The application of the equity method in the consolidated financial statements requires that the aforementioned investments be recorded at an amount equal to the corresponding fraction of the equity from the latest financial statements (prepared in accordance with Articles 2423 and 2423 bis of the Italian Civil Code), less any dividends received and after making adjustments required by proper consolidation accounting principles. In the first year of application, any premium paid over the fraction of equity of the investees at the time of acquisition is retained in the investments line item to the extent that it can be attributed to the depreciable assets or goodwill of the investees. The difference attributable to depreciable assets or goodwill is amortized according to the applicable rates for these assets. In subsequent years following the first, the higher (or lower) values arising from the application of this method are recorded in the income statement of the investor company. Furthermore, during the allocation of net income, they are recognized in a special non-distributable reserve within equity.

Investments in other companies are recorded at their purchase or subscription cost. The cost is reduced for permanent declines in value when subsidiaries have experienced losses and it is not foreseeable, in the immediate future, that profits of a magnitude capable of absorbing those losses will materialize. The original value is restored in subsequent periods if the reasons for the impairment have ceased to exist.

Inventories

The inventory items that do not qualify as fixed assets have been recorded at the lower of their acquisition cost, including directly attributable ancillary charges, or the estimated realizable value, based on market trends.

The work in progress on long-term contracts includes multi-year engagements and is assessed based on the revenues recognized with reasonable certainty, following the percentage-of-completion method, estimated through the incurred cost approach.

Any anticipated losses on projects that can be reasonably estimated have been fully charged to the income statement in the fiscal year in which they become known.

Receivables

The receivables have been recorded at their estimated realizable value, supported by the establishment of a dedicated allowance for doubtful accounts. Each year, an amount corresponding to the risk of uncollectibility of the receivables reported on the balance sheet is allocated to this reserve, taking into account general economic conditions, the specific industry context, and the debtor's background.

Receivables with a collection due date exceeding 12 months are recorded using the amortized cost method.

Cash and cash equivalents

The cash holdings are recorded at their face value, while receivables from banks are listed at their estimated realizable value, which in this case aligns with their face value. Liquid assets in foreign currency are recorded at the spot exchange rate as of the balance sheet date. The related foreign exchange gains and losses are recognized in the income statement, and any net profit is allocated to a designated reserve.

Payables

Liabilities arising from the acquisition of assets are recognized on the balance sheet when the significant risks, obligations, and benefits associated with ownership have been substantively transferred. Liabilities related to services are recognized when the services have been rendered, meaning the performance has been completed.

Financial liabilities arising from financing transactions and liabilities related to reasons other than the acquisition of goods and services are recognized when a binding obligation exists between the enterprise and the counterparty, as determined by legal and contractual standards.

Liabilities maturing in over 12 months are recorded using the amortized cost method, taking into account the time value of money. The debts with a maturity within 12 months are recorded at their nominal value, net of premiums, discounts, and allowances. They also include, where applicable, interest accrued and payable as of the balance sheet date. Impresoft considers the effects stemming from the application of amortized cost and discounting to be insignificant when the debt's maturity is within 12 months, taking into account all contractual and substantive considerations in place at the time the debt is recognized. Additionally, transaction costs and any differences between the initial value and the nominal value at maturity are deemed to be of immaterial amounts. In such cases, the current adjustment is omitted, and the interest is calculated at the nominal rate. Transaction costs are recorded as deferrals and amortized in constant amounts over the term of the debt to adjust for nominal interest expenses.

Accruals and deferrals

The financial results were determined based on the actual temporal competency of the fiscal period.

For multi-year Accruals and deferrals, the conditions that justified their initial recognition have been reviewed, and appropriate adjustments have been made where necessary.

Accruals for provisions and expenses

These are allocated to cover losses or liabilities that are certain or likely to exist; however, at the close of the financial period, their amount or the timing of their occurrence could not be determined.

In evaluating these funds, we adhered to established principles of prudence and competence, avoiding the creation of generic risk reserves lacking economic justification.

Potential liabilities have been identified in the financial statements and recorded in the reserves as they are deemed probable, and the amount of the related obligation can be reasonably estimated.

Derivative financial instruments

Derivative financial instruments are utilized solely for the purpose of hedging underlying risks related to interest rates, foreign exchange, pricing, or credit. The instruments meet the criteria to be classified as basic coverage and are therefore assessed using the simplified method.

A financial derivative instrument that hedges financial flows or the *fair value* of an asset is classified based on the classification of the hedged asset, whether it is current or non-current. Similarly, a financial derivative instrument that hedges financial flows and the *fair value* of a liability, an irrevocable commitment, or a highly probable planned transaction is classified as current, just like a non-hedging financial derivative instrument. In the event of a negative *fair value*, such instruments are recorded as liabilities among funds and risks.

The changes in *fair value* of derivative financial instruments are reflected in the income statement under section D) *"Adjustments to the value of financial assets and liabilities".* Conversely, the changes in *fair value* of the effective portion of financial hedging instruments concerning cash flows are recorded in the *"Shareholders' Equity",* specifically in the line item *"Reserve for anticipated cash flow hedging operations"*.

The derivative financial instruments that exhibit characteristics of equity instruments are recorded in an equity reserve, without any future adjustments to their value. The reserve is not subject to subsequent valuations.

Severance pay fund

Represents the actual liabilities accrued towards employees in accordance with legal requirements and current labor contracts, taking into account any form of ongoing compensation.

Costs and Revenues

The revenues and proceeds are recorded net of returns, discounts, and allowances, as well as taxes directly related to the sale of products and the provision of services.

Specifically:

- The revenue from the sale of usage licenses is recognized in the income statement of the fiscal period during which the sale occurs, as all risks and rewards associated with the transfer are transferred to the buyer, and no further activities related to the sale of the usage license will be conducted in the foreseeable future.

- Any other activities (specifically maintenance and consulting) that are offered to clients and accepted by them will be billed separately and explicitly to the clients based on their respective responsibility;
- The maintenance fees are represented by the charges that are recorded in the income statement as they are incurred, while the portion not applicable to the current period is subject to deferral.
- The fees for consulting services are recognized in the income statement for the period in which they are rendered, thereby ensuring the matching of revenues with the associated costs. In particular, for ongoing consulting services that have a defined contractual scope, they are assessed using the percentage of completion method.
- The costs are recorded using the accrual basis of accounting.
- Provisions for risks and charges are recorded, where identifiable, under the appropriate line item in the income statement based on their nature;
- Financial income and expenses are recognized based on the accrual principle.

The revenues, other income, production costs, and other expenses related to foreign currency transactions are determined based on the current exchange rate at the date the respective transaction is executed.

Income taxes

The current income taxes for the fiscal year are determined based on a realistic forecast of taxable income, in accordance with the applicable regulations.

The taxes in question are recorded under the item *"Tax Liabilities"* net of any advance payments made and withholdings incurred.

Deferred and accrued taxes are calculated based on temporary differences between the carrying amounts of assets and liabilities determined under accounting standards and their corresponding tax values, in accordance with the tax rates in effect during the periods in which the differences that originated them will be settled.

The recognition of deferred tax assets is contingent upon the reasonable certainty of their recoverability in future periods.

Based on this option, the corporate income tax (IRES) is calculated on a tax base that corresponds to the algebraic sum of the positive and negative taxable incomes of the individual companies.

The economic relationships, as well as the mutual rights and obligations, between the parent company and its aforementioned subsidiaries are outlined in the tax consolidation agreement.

In accordance with National Accounting Principles, the tax liability is recorded under "Tax Liabilities" by the Consolidating entity (Pitagora), net of advance payments made, withholdings incurred, and, generally, tax credits.

The entry for "Tax Liabilities" includes the current IRES calculated based on the estimated positive and negative taxable incomes of the subsidiaries participating in the national tax consolidation, net of any advance payments made, withholdings incurred, and tax credits applicable to the companies themselves. In counterpart to the tax liabilities, the corresponding receivables of the parent company from the Group companies for the current tax related to the positive taxable income transferred within the national tax consolidation framework are recorded.

The liabilities for settlements owed to the parent company and subsidiary companies are recorded under "Payables to Parent Company."

Currency conversion criteria

The receivables and payables originally expressed in a currency different from the local currency for each specific financial statement have been converted into the local currency at the spot rate applicable as of the fiscal year-end date. The foreign exchange differences are credited and charged to the Income Statement under item 17*bis "Gains and losses on foreign exchange"*.

8. Fixed Assets

8.1. Intangible assets

The following table highlights the changes in intangible assets as of December 31, 2024:

Description	Installation and expansion costs	Development costs	Industrial Patent Rights	Licenses and Trademark Grants	Goodwill	Current fixed assets and advances	Other Intangible Assets	Total
Opening balance	1,553,035	2,424,593	47,863,169	3,926,026	249,537,766	26,277	1,800,863	307,131,729
Increase for acquired companies during the fiscal year	207,365	118,143	316,210	18,040	51,801,071	0	248,184	52,709,013
Increases	29,725	1,732	74,256	10,130	6,144,553	506,886	317,101	7,084,384
Devaluations	0	0	0	-750	0	0	0	-750
Reclassifications	0	0	0	72,894	-4,411	0	0	68,483
Decreases	-5,379	0	-130,076	-31,980	0	0	-3,490	-170,925
Final Historical Cost	**1,784,746**	**2,544,468**	**48,123,560**	**3,994,360**	**307,478,979**	**533,163**	**2,362,658**	**366,821,934**
Initial Amortization Fund	1,492,696	2,345,334	29,393,468	3,604,287	37,926,529	0	1,424,546	76,186,859
Increase in Amortization Fund – Acquisitions in the Year	106,827	93,027	126,962	11,003	2,565,232	0	94,293	2,997,344
Decrease in amortizations	0	0	-2,661	0	0	0	-853	-3,514
Amortization/Depreciation	69,277	36,578	9,226,169	103,607	30,422,530	0	218,659	40,076,820
Closing balance Amortization Fund	**1,668,799**	**2,474,940**	**38,743,937**	**3,718,897**	**70,914,291**	**0**	**1,736,645**	**119,257,509**
Balance as of December 31, 2023	**60,340**	**79,259**	**18,469,702**	**321,739**	**211,611,238**	**26,277**	**376,316**	**230,944,871**
Balance as of December 31, 2024	**115,949**	**69,529**	**9,379,624**	**275,464**	**236,564,692**	**533,163**	**626,015**	**247,564,436**

Intangible assets, net of accumulated depreciation, amount to €247,564,436 (compared to €230,944,871 in the previous fiscal year).

Installation and expansion costs

The net value as of December 31, 2024, for the installation and expansion costs amounts to €115,949 (compared to €60,340 in the previous fiscal year) and primarily pertains to the capitalization of costs arising from corporate transactions.

Development costs

The net value of development costs as of December 31, 2024, amounts to €69,529 (compared to €79,259 in the previous fiscal year). The decrease compared to the previous period is attributable to the depreciation for the current period.

Industrial patent rights and rights to utilize intellectual property works

The net value as of December 31, 2024, amounts to €9,379,624 (compared to €18,469,702 in the previous fiscal year) and primarily pertains to proprietary software assets.

As previously reported, the companies Formula S.p.A., Qualitas Informatica S.p.A., GN Techonomy S.r.l., and Nexttech S.r.l. have undertaken a revaluation in accordance with the regulatory provision of Article 110 of the DL 104/2020 for a total amount of €44,075,932 during the 2020 fiscal year.

Specifically, in accordance with the regulatory provision outlined in Article 110 of DL 104/2020 and following expert evaluations conducted by an independent assessor, based on one of the criteria related to income-based methods, the *profit split method*, certain companies included in the consolidation perimeter have decided to fully align their carrying values with those emerging from individual appraisals. At the same time, they opted to recognize the higher values assigned to the asset for tax purposes by paying a substitute tax at a rate of 3%, with the first installment settled on June 30, 2021. In particular:

- Formula S.p.A. conducted a revaluation of its proprietary software, including Sage X3, Diapason, Sharelock, and Star4, recognizing an appreciation of €26,143,368, which is tax-relevant with a substitute tax rate of 3%, amounting to €784,301.
- The company Qualitas Informatica S.p.A. has conducted a revaluation of its proprietary software, Net@Pro, amounting to €7,872,564. This includes recognizing a capital gain of €6,629,759 while simultaneously writing off an amortization reserve of €1,242,805, in exchange for a substitute tax of 3%, totaling €236,177.
- Nexttech S.r.l. has revalued its proprietary software, known as forSales Suite, at a value of $8,800,000. This revaluation is significant for tax purposes, resulting in a substitute tax of 3%, amounting to $264,000.
- GN Techonomy S.r.l. has conducted a revaluation of its proprietary software, named “GN Mobile One” and “GN Isfa Order Management System,” totaling €1,260,000. This amount is significant for tax purposes, resulting in a substitute tax of 3%, amounting to €37,800.

The net values, not exceeding those allocable in relation to individual holdings, production capacity, and economic utilization possibilities in accordance with Article 11, paragraph 2, of Law 342/2000.

As of December 31, 2024, these assets are recorded under “patents and intellectual property rights” within the intangible assets section of the financial statements.

The net decrease in *“industrial patent rights and rights to use intellectual works,”* amounting to Euro 9,226,169 compared to the value of the previous fiscal year, is attributable to period amortization.

Concessions, licenses, trademarks, and similar rights

The net value as of December 31, 2024, amounts to €275,464 (compared to €321,739 in the previous fiscal year) and primarily reflects the licenses for third-party software acquired by the Group companies.

Goodwill

Goodwill is detailed in the following table:

Consolidation losses	31/12/2023	Increases	Depreciation	31/12/2024
Consolidation difference for 4ward LLC	36,158,993	0	-5,025,722	31,133,271
Difference from Qualitas S.p.A. consolidation	7,833,176	2,701,124	-1,367,835	9,166,466
Consolidation Difference Impresoft Engage LLC	24,776,308	150,000	-3,127,231	21,799,077
Difference in consolidation for NextCRM LLC	2,049,650	0	-276,983	1,772,667
Consolidation Difference GN Techonomy LLC	18,270,296	0	-2,217,903	16,052,393
Kipcast S.r.l. Consolidation Variance	4,599,507	242,566	-598,733	4,243,340
Difference from HBS S.p.A. consolidation	8,268,289	9,392,028	-1,833,072	15,827,245
Difference from the consolidation of Openco LLC	26,600,025	1,003,870	-2,875,352	24,728,543
Consolidation Difference Tech 1 S.r.l.	38,792,937	1,599,644	-4,039,258	36,353,323
Consolidation difference Cooder S.r.l.	6,642,826	0	-664,283	5,978,543
Difference from the consolidation of Webformat S.r.l.	6,092,765	900,000	-699,277	6,293,489
Difference from the consolidation of Syscons S.r.l.	0	13,412,136	-1,341,214	12,070,922
Consolidation difference Ribes S.r.l.	0	1,704,126	-127,809	1,576,317
Consolidation difference for X-Techarts SAS	0	6,753,544	-281,398	6,472,146
Consolidation Difference Nuovi Soci S.r.l.	0	294,574	0	294,574
Consolidation difference Blulink S.r.l.	0	14,645,720	0	14,645,720
Total Goodwill	**180,084,773**	**52,799,333**	**(24,476,069)**	**208,408,038**

Goodwill from Separate Financial Statements	31/12/2023	Increases	Depreciation	31/12/2024
Goodwill of Business Unit Concept (Formula S.p.A.)	48,000	0	-12,000	36,000
Goodwill of Business Unit DMUTY (Formula S.p.A.)	35,556	0	-8,889	26,667
Goodwill merger of P Integra (Formula S.p.A.)	6,613,795	0	-1,653,449	4,960,347
Goodwill Business Unit WIKI (Formula Inc.)	180,765	0	-36,153	144,612
Goodwill Merger Impresoft (Formula S.p.A.)	10,784,477	0	-1,797,413	8,987,065
Goodwill Merger Harward Group (Formula Spa)	1,005,265	0	-251,317	753,949
Goodwill Merger Harward Service (Formula Spa)	13,424	0	-3,356	10,068
Goodwill Merger Braiware (Formula S.p.A.)	1,179,571	0	-196,595	982,976
Goodwill – Qinet S.p.A.	792,250	0	-113,178	679,072
Goodwill – Impresoft Engage S.r.l.	486,148	0	-112,572	373,576
Goodwill – 4Ward S.r.l.	11	0	-11	0
Goodwill – New Partners LLC	0	66,076	0	66,076
Goodwill – Syscons S.r.l.	0	2,480,572	-253,871	2,226,700
Goodwill – Qualitas S.p.A. Initiation	180,000	0	-40,000	140,000
Goodwill – GN Techonomy S.r.l.	10,207,205	30,000	-1,467,658	8,769,547
Total Goodwill	**31,526,467**	**2,576,648**	**(5,946,461)**	**28,156,654**
Total Amount	**211.611.238**	**55.375.981**	**(30.422.530)**	**236.564.692**

The increases in 2024 for existing goodwills from the previous fiscal year relate to acquisitions of non wholly-owned company stakes, M&A transactions, and deferred payment arrangements.

During the preparation of the financial statements, and in light of indicators of a prolonged decline in value, the Company assessed the recoverability of its intangible assets.

The recoverable value of intangible assets, determined using the Value-in-Use Method (Calculated by Discounting Future Cash Flows), amounts to €590.9 million.

This value has been compared to the Net Invested Capital (Group Equity + Net Financial Debt, see the reclassified balance sheet table in the Management Report) amounting to €254.7 million; therefore, the company has not made any related write-down.

In determining the recoverable amount of intangible assets totaling €590.9 million, the following benchmark parameters have been considered:

- A 3-year time horizon will serve as the reference point for the analytical estimation of future cash flows (derived from the business plan for 2024-2026 approved by the Board of Directors on October 27, 2023, along with subsequent updates to account for the 2025 budget and business evolution);
- growth rate of 1.7%.
- discount rate for cash flows set at 10.7%.

For completeness, it is noted that the discount rate that would equate the value in use to the recoverable amount, below which an impairment situation would occur, stands at 25.9%.

Current fixed assets and advances

The net balance as of December 31, 2024, amounts to €533,163 (up from €26,277 in the previous fiscal year) and primarily consists of improvements made to third-party assets in anticipation of the Group's office relocation to Milan starting in April 2025, as well as advance payments for the registration of a patent for Kipcast S.r.l.

Other Intangible Assets

The net balance as of December 31, 2024, amounts to €626,015 (compared to €376,316 in the previous fiscal year) and is primarily attributed to internal development costs of the management system, along with "improvements to third-party assets" for extraordinary maintenance interventions on properties, leased movable assets, and office furniture and equipment held by the Group in Milan.

8.2. Tangible assets

The composition of tangible assets and the changes that occurred during the fiscal year are highlighted in the following statement.

Description	Land and buildings	Equipment and Machinery	Industrial and Commercial Equipment	Other assets	Current fixed assets and advances	Total
Initial Historical Cost	1,078,314	279,519	140,309	9,746,398	0	11,244,540
Increase for acquired companies during the fiscal year	552,145	28,737	199,480	1,331,574	1,778	2,113,715
Increases	0	24,198	99,710	1,329,928	59,675	1,513,512
Revaluations	28	0	0	0	0	28
Decreases	0	-16,025	-7,908	-344,259	0	-368,192
Final Historical Cost	**1,630,487**	**316,429**	**431,591**	**12,063,642**	**61,453**	**14,503,602**
Initial Amortization Fund	310,432	213,537	125,419	7,403,835	0	8,053,224
Increase in Amortization Fund – Acquisitions in the Year	34,466	13,955	164,386	794,956	0	1,007,763
Reclassification of Depreciation	-1	0	0	-1	0	-2
Decrease in amortizations	0	0	-496	-205,668	0	-206,164
Amortization/Depreciation	24,415	15,699	40,213	967,604	0	1,047,931
Closing balance Amortization Fund	**369,312**	**243,191**	**329,522**	**8,960,726**	**0**	**9,902,752**
Balance as of December 31, 2023	**767,882**	**65,983**	**14,890**	**2,342,563**	**0**	**3,191,318**
Balance as of December 31, 2024	**1,261,176**	**73,239**	**102,068**	**3,102,918**	**61,453**	**4,600,854**

Land and buildings

The balance as of December 31, 2024, stands at €1,261,176 (compared to €767,882 in the previous fiscal year). This figure primarily pertains to the land and buildings owned by the subsidiary companies Qualitas Informatica S.p.A. and Blulink S.r.l.

Equipment and Machinery

The balance as of December 31, 2024, amounts to €73,239 (compared to €65,983 in the previous fiscal year). This figure includes the machinery and equipment of subsidiary companies, primarily Cooder S.r.l., GN Techonomy S.r.l., Qinet S.p.A., Impresoft Engage S.r.l., and Blulink S.r.l..

Industrial and Commercial Equipment

The balance as of December 31, 2024, is €102,068 (compared to €14,890 in the previous fiscal year) and this item includes the industrial and commercial equipment of the subsidiaries. The increase in the fiscal period is primarily attributed to hardware purchases for the Siziano Group Data Center.

Other assets

The balance as of December 31, 2024, stands at €3,102,918 (compared to €2,342,563 in the previous fiscal year). This figure includes acquisitions of furniture and electronic equipment, primarily associated with the companies 4Ward S.r.l., Formula S.p.A., Impresoft S.p.A., and GN Techonomy S.r.l.. The increase in the fiscal activity is primarily attributed to the renewal of the vehicle fleet for 4ward S.r.l. and GN Techonomy S.r.l.

8.3. Financial fixed assets

The financial assets category includes equity investments and financial receivables, as detailed in the following statement.

Description	December 31, 2023	Increases - Acquisitions in the Year	Increases	Decreases	31/12/2024
Investments in parent companies	0	0	0	0	0
Holdings in related companies	263,179	0	300,000	0	563,179
Investments in other companies	50,044	25,995	0	0	76,039
Total	**313,223**	**25,995**	**300,000**	**0**	**639,218**

Description	31/12/2023	Increases - Acquisitions in the Year	Period Adjustment	31/12/2024
Receivables from others	677,767	88,239	-426,306	339,700
Other securities	0	15	0	15
Derivative assets	1,442,990	0	-1,022,426	420,564
Total	**2,120,757**	**88,254**	**-1,448,732**	**760,279**
Total financial Assets	**2,433,980**	**114,249**	**-1,148,732**	**1,399,497**

As of 12/31/2024

- The value of equity stakes in affiliated companies amounts to €563,179, of which €263,179 corresponds to a 19.67% ownership interest in Aiseek Srl. (formerly Iuscapto). The increase in the fiscal year by €300,000 pertains to the 30% ownership stake in Perigeo S.r.l.
- The value of the investments in other companies amounts to €76,039, primarily reflecting a 10% ownership stake in Starty Italia S.r.l. and a 16% stake in Esprime S.C.a.r.l. The increase for the period amounts to €25,500, attributed to a 33% equity stake in IN3 Industries GMBH, along with additional minor interests.
- The value of the capitalized receivables amounts to €339,700 and is primarily attributed to the security deposits made by the Group's companies. The change during the period primarily relates to the release of the deposit for the acquisition of the Syscons group for €500,000, which has been added to the value of the investment held.
- The value of the financial assets, amounting to €420,564 as mentioned above, represents the total and changes of the interest rate hedging derivative entered into, as detailed in the section "Information on Derivative Financial Instruments."

9. Current assets

9.1. Inventories

The value of inventory as of December 31, 2024, stands at €217,862 (compared to €3,773,468 in the prior fiscal year). Below is a detailed breakdown of the item in question.

Description	31/12/2023	Increases – Acquisitions in the Year	Period Adjustment	31/12/2024
Raw materials, ancillary supplies, and consumables	42,141	0	-19,696	22,445
Work-in-progress products	0	0	0	0
Work in progress on long-term contracts	3,662,336	422,770	-4,085,106	0
Finished goods and merchandise	68,991	174,731	-48,305	195,417
Total	**3.773.468**	**597.501**	**-4.153.107**	**217.862**

It is noted that the criteria applied in the evaluation of individual items have resulted in values that are not significantly different from the current costs of identifiable assets as of the closing date.

The removal of the “Work in Progress on long-term contracts” line item is due to the implementation of the new OIC 34 Accounting Principles. Please refer to the Production Value section for further details.

The raw materials refer to the consumables and hardware spare parts of the subsidiary HBS S.p.A. The finished goods and merchandise primarily relate to 4Ward S.r.l. for €155,000, Formula S.p.A. for €27,000, and Ribes Solutions for €13,000.

9.2. Receivables

Below is a summary highlighting the composition, fluctuation, and maturity of the receivables within current assets:

Description	31/12/2023	Increases – Acquisitions in the Year	Period Adjustment	31/12/2024
Receivables from Clients				
a) due within the next financial year	46,952,921	18,442,421	2,974,598	68,369,940
b) due beyond the next fiscal year	3,389,603	332,930	-3,038,471	684,062
	50,342,524	18,775,351	-63,873	69,054,002
Receivables from affiliated companies				
a) due within the next financial year	11,361	0	-11,361	0
b) due beyond the next fiscal year	0	0	0	0
	11,361	0	-11,361	0
Receivables from parent companies				
a) due within the next financial year	1,930,276	281,065	2,101,403	4,312,744
b) due beyond the next fiscal year	0	0	0	0
	1,930,276	281,065	2,101,403	4,312,744
Tax Credits				
a) due within the next financial year	4,390,355	1,195,499	-2,931,916	2,653,938
b) due beyond the next fiscal year	142,649	274,097	-301,990	114,756
	4,533,004	1,469,596	-3,233,906	2,768,694
Deferred Tax Receivables				
a) due within the next financial year	539,288	156,198	-83,027	612,460
b) due beyond the next fiscal year	0	0	0	0
	539,288	156,198	-83,027	612,460
Receivable from others				
a) due within the next financial year	1,452,334	142,672	-547,317	1,047,689
b) due beyond the next fiscal year	27,087	28,355	-44,781	10,661
	1,479,421	171,027	-592,098	1,058,351
Total receivables	**58,835,875**	**20,853,236**	**-1,882,861**	**77,806,250**

Receivables from Clients

The balance of receivables from clients as of December 31, 2024, net of bad debt allowance, amounts to €69,054,002 (compared to €50,342,524 in the previous fiscal year), of which €684,062 is due beyond the subsequent fiscal year, attributable to the subsidiary Upgrade S.r.l.. The increase in the fiscal year can be attributed to both the higher business volumes of the Group and the contributions from the newly acquired companies.

Bad Debt Allowance

As of December 31, 2024, bad debt allowance stands at €3,318,489 (compared to €3,171,924 in the prior fiscal year). The adjustment of the nominal value of receivables to their estimated realizable value was achieved through a dedicated bad debt allowance, which experienced the following movements during the fiscal year:

Description	31/12/2023	Increases – Acquisitions in the Year	Increases	Decreases	31/12/2024
Bad Debt Allowance	3,171,924	450,404	829,179	-1,133,018	3,318,489
Total	**3,171,924**	**450,404**	**829,179**	**-1,133,018**	**3,318,489**

Provisions and routine utilizations represent the standard statistical write-downs made and the collections received in the subsequent fiscal year. With regard to the decreases, the largest portion is attributable to releases to the income statement. Regarding the increases, it is important to note that they are heavily influenced by the 2024 acquisitions, which previously lacked a statistical depreciation policy.

At the Group level, the bad debt allowance is derived from all issued invoices and includes a "statistical" reserve based on the number of days past due, as well as a "specific" reserve, typically at 100% for particular cases where the status of the receivable is deemed to be especially risky.

The statistical revaluations of normal states are conducted using a methodology that devalues the original receivable value based on the number of days elapsed since the original due date of the credit itself.

Receivables from parent companies

The balance as of December 31, 2024, is €4,312,744 (compared to €1,930,276 in the previous fiscal year) and primarily relates to the tax receivable for the tax consolidation from Pitagora.

Tax Credits

The balance as of December 31, 2024, amounts to €2,768,694 (compared to €4,533,004 in the previous fiscal year) and primarily consists of advance payments for corporate income tax (IRES-IRAP) made by companies not included in the consolidated tax group, totaling €1.3 million. Additionally, it includes an VAT credit of €0.5 million, receivables from research and development activities of €0.3 million, and other receivables of €0.1 million.

Other receivables

The receivables from others as of December 31, 2024, amount to €1,058,351 (compared to €1,479,421 in the previous fiscal year) and primarily relate to advance payments received.

9.3. Financial assets except for fixed assets

The balance of financial assets that do not qualify as fixed assets as of December 31, 2024, amounts to €155,605 (compared to €3,621 in the previous fiscal year) and primarily pertains to investments in equity and bond funds held by the subsidiary, Nuovi S.O.C.I. S.r.l. for Euro 152 thousand.

Description	31/12/2023	Increases - Acquisitions in the Year	Adjustment	31/12/2024
Other securities	3,621	1,111,196	-959,212	155,605
Total	**3,621**	**1,111,196**	**-959,212**	**155,605**

9.4. Cash and cash equivalents

The cash balance as of December 31, 2024, stands at €15,656,051, down from €17,059,108 in the previous fiscal year. As detailed below, this figure represents the total amount and changes in the cash reserves as of the end of the fiscal period.

Description	31/12/2023	Increases - Acquisitions in the Year	Period Adjustment	31/12/2024
Bank and postal deposits	17,044,153	8,122,692	-9,525,724	15,641,122
Checks	0	0	0	0
Cash and cash equivalents	14,955	4,014	-4,040	14,929
Total	**17,059,108**	**8,126,706**	**-9,529,763**	**15,656,051**

There are no restrictions on the use of available cash reserves.

10. Accrued Income and Prepaid Expenses

The balance of Accrued Income and Prepaid Expenses amounts to €8,701,050 (compared to €5,085,460 in the previous fiscal year) as of December 31, 2024. The composition and variations of the item under review are detailed as follows:

Description	31/12/2023	Increases - Acquisitions in the Year	Period Adjustment	31/12/2024
Accrued income	1,394,595	125,679	1,202,328	2,722,602
Prepaid expenses	3,690,865	321,872	1,965,711	5,978,448
Total	**5,085,460**	**447,551**	**3,168,039**	**8,701,050**

The increase in accrued income compared to the previous fiscal year is attributable to the implementation of the new accounting principle OIC34. This has led to the allocation of the valuation of work in progress on client consulting projects as of December 31, 2024, which is referenced in the Revenue section of the explanatory notes. They primarily refer to Formula S.p.A., Impresoft Engage S.r.l., and Nextcrm S.r.l..

Prepaid expenses primarily pertain to purchase agreements for maintenance services and software subscriptions, as well as rental fees recognized in accordance with the accrual basis of accounting. These entities primarily refer to Formula S.p.A., 4ward S.r.l., Impresoft Engage S.r.l., GN Techonomy, and Upgrade S.r.l..

11. Equity

11.1. Changes in Equity Accounts

The net equity at the end of the fiscal year is €101,113,311 as of December 31, 2024 (compared to €101,720,712 in the previous fiscal year) and has recorded the following movements:

Description	Balance as of 31/12/2023	Destination	Other	Increases	Decreases	Dividend Distribution	Loss for the year	Balance as of 31/12/2024
Capital	5,000,000	0	0	0	0	0	0	5,000,000
Share premium reserve	107,323,604	0	0	0	0	0	0	107,323,604
Revaluation Reserve	0	0	0	0	0	0	0	0
Legal reserve	0	0	0	0	0	0	0	0
Other reserves	0	0	0	28,940,680	0	0	0	28,940,680
Profits (losses) carried forward	0	-21,019,980	0	0	0	0	0	-21,019,980
Reserve for consolidation	8,895,169	0	0	0	0	0	0	8,895,169
Translation reserve	-7,460	0	0	0	-41,781	0	0	-49,241
Reserve for Hedging Anticipated Financial Flows	1,443,288	0	0		-1,022,426	0	0	420,862
Profit (loss) for the year	-21,019,980	21,019,980	0	0	0	0	-28,403,071	-28,403,071
Subtotal Equity (A)	101,634,621	0	0	28,940,680	-1,064,207	0	-28,403,071	101,108,023
Third-party equity	72,986	0	13,105	-81,893		0	0	4,198
Profit (loss) for the year Third parties	13,105	-13,105	0			0	1,090	1,090
Net Assets Subtotal (B)	86,091	-13,105	13,105	-81,893	0	0	1,090	5,288
Total Equity	**101,720,712**	**-13,105**	**13,105**	**28,858,787**	**-1,064,207**	**0**	**-28,401,981**	**101,113,311**

The increases for the fiscal year amounting to €28,940,680 pertain to capital contributions made by the parent company, Pitagora S.p.A.

Cash disbursements have been requested as the Parent Company has carried out several capital increases during the fiscal year, primarily for mergers and acquisitions activities, with a smaller portion allocated for other increases reserved for management.

The decrease in reserves due to anticipated financial flows can be attributed to the effectiveness of the derivative, specifically the simultaneous execution of the reduction in benchmark interest rates, along with the collection of financial flows that occurred in 2024 as a result of the derivative instrument's efficacy.

11.2. Statement of Changes in Equity

Below is the reconciliation statement of the equity and net income of the parent company, along with the equity and net income of the consolidated entities:

Description	Capital	Reserves	Profit	Equity
Net assets	**5,000,000**	**153,159,918**	**(14,829,907)**	**143,330,011**
Rectification				
Elimination of Shareholdings	-	(153,806,189)	-	(153,806,189)
Contribution from Subsidiaries	-	125,157,365	9,390,397	134,547,764
Amortization of consolidation differences	-	-	(22,991,077)	(22,991,077)
Intercompany Transaction Reversal Effects	-	-	27,516	27,516
Consolidated Group Equity	**5,000,000**	**124,511,094**	**(28,403,071)**	**101,108,024**
Third-party share		4,198	1,090	5,288
Total Consolidated Equity	**5,000,000**	**124,515,292**	**(28,401,981)**	**101,113,311**

12. Accruals for provisions and expenses

The line item "Provisions for Risks and Charges" totals €1,275,691 as of December 31, 2024 (compared to €549,428 in the previous fiscal year), with the detailed composition and movement outlined in the table below:

Description	31/12/2023	Increases - Acquisitions in the Year	Increases	Decreases	31/12/2024
Retirement and similar obligations fund	0	578,733	0	-564,100	14,633
Deferred tax liabilities	0	7,410	0	-489	6,921
Other funds	549,428	519,666	371,600	-186,557	1,254,137
Total	**549,428**	**1,105,809**	**371,600**	**-751,146**	**1,275,691**

The term "Other Funds" primarily comprises provisions set aside (i) for customer disputes that may arise due to potential delays in project delivery (this fund represents the best estimate of risk based on a prudent and measured assessment of the likelihood of occurrence, which may incur additional costs to complete the project) and (ii) for litigation as well as other risks.

13. Employee severance indemnity

The value of the severance provision fund is €14,398,501 as of December 31, 2024 (compared to €9,198,961 in the previous fiscal year) and represents the actual liability of the Group to its employees on that date, net of any advances paid out.

Description	31/12/2023	Increases - Acquisitions in the Year	Increases	Utilization	31/12/2024
Severance pay	9,198,961	4,514,421	4,370,907	-3,685,789	14,398,501
Total	**9,198,961**	**4,514,421**	**4,370,907**	**-3,685,789**	**14,398,501**

The increase reflects the revaluation after deducting the substitute tax, while the utilization comprises (i) contributions made to contractual pension funds (Previndai, Cometa, Fonte, etc.) as well as to open funds, and (ii) amounts contributed for severance payments and advances requested by employees.

The increase in the commentary item is also related to the balances derived from the companies acquired during the year (€4,514,421).

14. Payables

The value of the debts as of December 31, 2024, amounts to €217,288,675 (compared to €199,272,012 in the previous fiscal year), with a detailed composition provided below.

14.1. Variations and Maturity of Liabilities

The composition of liabilities, changes in specific items, and the breakdown by maturity are presented in the following statement:

Description	31/12/2023	Increases - Acquisitions in the Year	Period Adjustment	31/12/2024
Bonds				
a) due within the next financial year	0	0	0	0
b) due beyond the next fiscal year	133,612,916	0	20,723,916	154,336,832
	133,612,916	0	20,723,916	154,336,832
Payables to Banks				
a) due within the next financial year	12,453,691	589,967	222,256	13,265,914
b) due beyond the next fiscal year	2,111,680	466,370	-911,209	1,666,841
	14,565,371	1,056,337	-688,952	14,932,755
Payables to Other Lenders				
a) due within the next financial year	10,824	35,193	-31,075	14,942
b) due beyond the next fiscal year	0	0	0	0
	10,824	35,193	-31,075	14,942
Advance payments				
a) due within the next financial year	5,590,570	1,984,625	-7,053,508	521,687
b) due beyond the next fiscal year	0	0	0	0
	5,590,570	1,984,625	-7,053,508	521,687
Payables to suppliers				
a) due within the next financial year	23,734,923	6,922,282	-12,590,571	18,066,634
b) due beyond the next fiscal year	0	572	-572	0
	23,734,923	6,922,854	-12,591,143	18,066,634

Description	31/12/2023	Increases - Acquisitions in the Year	Period Adjustment	31/12/2024
Payables to Parent companies				
a) due within the next financial year	1,171,234	1,655,314	-2,034,688	791,860
b) due beyond the next fiscal year	0	0	0	0
	1,171,234	1,655,314	-2,034,688	791,860
Tax Liabilities				
a) due within the next financial year	3,344,530	1,631,395	-277,542	4,698,383
b) due beyond the next fiscal year	0	0	0	0
	3,344,530	1,631,395	-277,542	4,698,383
Payables to pension and social security institutions				
a) due within the next financial year	2,996,775	1,399,561	1,022,493	5,418,829
b) due beyond the next fiscal year	0	206,225	-206,225	0
	2,996,775	1,605,786	816,268	5,418,829
Other liabilities				
a) due within the next financial year	12,744,869	1,534,506	4,227,378	18,506,753
b) due beyond the next fiscal year	1,500,000	783,687	-2,283,687	0
	14,244,869	2,318,193	1,943,691	18,506,753
Total Payables	**199,272,012**	**17,209,697**	**806,968**	**217,288,675**

Bonds

The “Bonds” amount to €154,336,832 as of December 31, 2024, compared to €133,612,916 in the previous fiscal year.

On April 5, 2022, Pitagora 2 S.p.A. (which was succeeded by the Company regarding the relevant debt and contractual position related to the First Bond Loan as defined in the Introduction) issued the first tranche amounting to €83,800,000 at an interest rate of 5.25% + Euribor, reduced by 0.05% for ESG covenants, as part of a senior bond loan, secured and non-convertible, titled “up to €108,800,000 Senior Secured Floating Rate Notes due 2029” (the “**First Bond Loan**”). The inaugural bond issuance was subscribed by Banco BPM S.p.A. along with several funds managed by Pemberton Sarl.

The operation is recorded in Impresoft’s financial statements as it is part of the values contributed by Pitagora.

On May 23, 2023, the Board of Directors of the Company made the following resolutions:

- to issue, in relation to the First Bond Loan, one or more series of additional bonds with a maximum nominal value of Euro 25,000,000, having the same terms and conditions as the First Bond Loan, in two tranches;
- The first tranche for a total amount of €20,000,000 (the “First Tranche”);
- The second tranche totaling €5,000,000 (the “Second Tranche”);
- to issue an additional bond loan in one or more tranches, with a total amount of up to €30,000,000, guaranteed and non-convertible, titled “€30,000,000 Senior Secured Floating Rate Notes due 2029” at an interest rate of 6.25% + Euribor, reduced by 0.05% for ESG covenants (the “Second Bond Loan”).

On May 31, 2023, the Company issued the First Tranche for a maximum amount of €20,000,000.

On September 20, 2023, the Company issued: The Second Tranche related to the First Bond Loan as well as the Second Bond Loan that was subscribed by Pemberton Sarl. This debt was assigned by Pitagora S.p.A. through an agreement dated January 31, 2023.

On November 16, 2023, the Company's Board of Directors resolved to issue additional bonds – with a total maximum amount of up to €40,000,000 under the Second Bond Loan. As a result of this decision, the amount of the Second Bond Loan has been increased to €70,000,000.

On January 21, 2024, the Company issued: a tranche related to the Second Bond Issuance for €21,000,000, which was subscribed by Pemberton Sarl.

As of December 31, 2024, there remains a balance of €19,000,000 related to the Second Bond Issue.

The First Bond Issuance and the Second Bond Issuance are scheduled to mature in 2029 and have been recognized using the amortized cost method. The expenses associated with them and amortized under the aforementioned method amount to €5.19 million.

We would like to highlight that the covenants established during the issuance of the First Bond Loan (pertaining to the Adjusted EBITDA/Adjusted Net Financial Position ratio and CAPEX levels) have been largely adhered to throughout 2024.

Payables to Banks

The balance of "Payables to Banks" as of December 31, 2024, amounts to a total of €14,932,755 (compared to €14,565,371 in the previous fiscal year), of which €1,666,841 is due beyond the next fiscal year. This primarily pertains to a short-term financing contract under a Revolving Credit Facility (RCF) with Banco BPM S.p.A., utilized as a short-term funding source for operational expenses.

Payables to Other Lenders

The line item "Payables to Other Lenders" as of December 31, 2024 amounts to a total of €14,942 (compared to €10,824 in the previous fiscal year) and pertains to the obligations owed to Volkswagen Financial Services for the purchase of three vehicles.

Advance payments

The "Advance payments" balance as of December 31, 2024, stands at €521,687 (compared to €5,590,570 in the previous fiscal year) and primarily represented the revenue from incomplete fixed-price contracts as well as unearned revenue from completed projects.

The statement primarily refers to the advances received from clients amounting to €208,000 for the company 4ward S.r.l. and €297,000 for the company Nextcrm S.r.l.

Payables to suppliers

The “Payables to suppliers” as of December 31, 2024, amounts to €18,066,634 (compared to €23,734,923 in the previous fiscal year) and encompasses the commercial payables to the Group’s suppliers. There are no debts within this category due beyond the next fiscal year. The reduction for the period is largely attributable to corporate synergies arising from the Group’s reorganization, as detailed in the management’s report on operational performance.

Payables to Parent companies

The line item “Payables to Parent companies” as of December 31, 2024, amounts to €791,860 (compared to €1,171,234 in the previous fiscal year) and primarily reflects liabilities associated with the tax consolidation.

Tax Liabilities

The “Tax Liabilities” as of December 31, 2024, amounts to €4,698,383 (compared to €3,344,530 in the previous fiscal year) and primarily includes liabilities related to corporate income tax (IRES-IRAP), VAT payable, withheld taxes to be remitted, and IRPEF withholdings on salaries paid to employees.

Payables to pension and social security institutions

The line item “Payables to pension and social security institutions” as of December 31, 2024, amounts to €5,418,829 (compared to €2,996,775 in the previous fiscal year) and primarily includes the accrued pension liabilities for our employees.

Other liabilities

The entry “Other liabilities due in the subsequent financial year” as of December 31, 2024, amounts to €18,506,753 (compared to €12,774,869 for the previous year) and primarily includes liabilities for employee salaries along with accrued liabilities for staff, compensation for directors and auditors, bonuses for employees, and amounts owed to sellers of shares to be paid (mainly related to deferred payments).

There are no “Other liabilities due in the subsequent financial year” as of December 31, 2024 (Euro 1,500,000 in the previous fiscal year, which pertained to payables to sellers of investments still outstanding, related to deferred payments).

15. Accrued Expenses and Deferred Income

The balance of Accrued Expenses and Deferred Income amounts to €22,025,427 as of December 31, 2024 (compared to €10,586,587 in the previous fiscal year). The details of the composition and movements of the account in question are provided.

Description	31/12/2023	Increases – Acquisitions in the Year	Period Adjustment	31/12/2024
Accrued Expenses	1,217,562	127,758	-864,288	481,032
Deferred Income	9,369,025	2,788,490	9,386,880	21,544,395
Total	**10,586,587**	**2,916,248**	**8,522,592**	**22,025,427**

The Accrued Expenses primarily pertain to expenses that are recognized in the current fiscal period. They primarily refer to the companies Formula S.p.A. and 4ward S.r.l. GN Techonomy S.r.l., HBS S.p.A.

The Deferred Income primarily pertain to incomes that are recognized in the current fiscal period. They primarily refer to the companies Formula S.p.A., 4ward S.r.l., Impresoft Engage S.r.l., GN Techonomy S.r.l., Ribes Solutions S.r.l., Syscons S.r.l., and Upgrade S.r.l.

As noted in Accrued Income and Prepaid Expenses paragraph, starting in 2024, following the issuance of accounting principle OIC 34, revenue recognition—particularly in relation to customer advances made prior to the actual execution of services—will be determined through the recording of Deferred Income. This approach replaces the previous method, which utilized the line item “Advance Payments” under Liabilities and the item “work in progress “ under Assets.

16. Production Value

The composition of the production value is outlined here.

Production Value

Description	31/12/2023	31/12/2024	Variation
Revenue from Sales and Services	117,180,615	176,568,461	59,387,846
Variation of the inventory of semi-finished and finished products	(36,725)	(37,432)	(707)
Change in Work in progress on long-term contracts	148,362	-	(148,362)
Internal Work Increments	-	-	-
Other income and revenues:			-
a) Other income and revenues	1,943,920	1,274,826	(669,094)
b) operating grants	175,105	372,827	197,722
Total Production Value	**119,411,277**	**178,178,682**	**58,767,405**

The positive change in sales and service revenues for the period is primarily attributable to the increased business volume of the Group, which has also been enhanced by contributions from recent acquisitions. In comparison to the previous fiscal year, the item in question is also affected by the recognition of revenues in accordance with the new accounting standard OIC 34, as previously mentioned in this document. Revenues and income are recorded net of discounts and allowances, as well as any taxes directly associated with the sale of products and the provision of services, along with any adjustments based on estimates. Specifically:

- Revenue from product sales is recognized at the point when the risks and rewards of ownership are transferred, which typically coincides with the shipment or delivery to the designated location.

- Revenue from service performance is recognized upon the completion of services or on a continuous basis to the extent that the associated services have been performed during the fiscal period.
- Regarding the Group's business, it is structured into:
- Development, customization, sale, and resale (distribution) of software programs, both on-premise and subscription-based.
- provision of digital services (consulting, user interface design, website development, online sales solutions, etc.);
- Consulting, development, and implementation of information systems and software applications.

Based on the aforementioned considerations, it is noted that the adoption of the new principle has had an impact, including in terms of classification, on the accounting representation of revenues related to the sale of hardware and core software provided by the Group. In this case, you would record the revenue from the sale net of the costs incurred for the acquisition of the asset, thereby determining the value of the commission due.

The impact on the Group resulting from the implementation of the new accounting principle OIC 34 amounts to a negative €15.4 million.

The revenue from sales and services primarily pertains to transactions with clients in Italy.

With regard to "Other revenues," it is noteworthy that they primarily consist of €500 thousand related to the release of funds during the fiscal year, and €700 thousand attributed to the reimbursement of travel expenses.

17. Production Costs

The following statement highlights the composition and movement of the "Production Costs" line item.

Costi della produzione

Description	31/12/2023	31/12/2024	Variation
For raw materials, ancillary supplies, consumables, and goods	7,400,541	6,089,256	(1,311,285)
For services	34,272,727	43,038,572	8,765,845
For third-party assets use	4,449,377	6,865,002	2,415,625
For personnel	49,629,431	88,281,139	38,651,708
Depreciation and Impairments	32,626,248	42,042,004	9,415,756
Variation in inventory balances: raw materials, subsidies, consumables, and goods	(30,161)	23,299	53,460
Provisions for Risks	185,000	37,500	(147,500)
Other Provisions	-	-	-
Charges other than management	533,170	1,361,065	827,895
Total Production Costs	**129,066,333**	**187,737,837**	**58,671,504**

The change in comparison to the previous fiscal period in costs for raw materials, auxiliary materials, consumables, and goods is attributed to the reclassification of hardware purchase costs. In accordance with the new OIC 34, these costs have been reclassified net of the revenues from the sale of the same. For further details, please refer to the section on Production Value.

The costs for services primarily consist of expenses related to the purchase of software licenses, maintenance costs for software, and utility expenses (such as energy, gas, telecommunications, internet, etc.). Included in this entry are also the compensation for administrators, costs for tax, legal, and accounting consulting, as well as expenses related to participation in trade shows and events. The rise in service costs is primarily attributed to an increase in technical consulting, which reflects our reliance on external resources to meet the growing demand from clients.

The term "Personnel Costs" encompasses the total expenditure for employees, including merit-based increases, promotional advancements, contingency adjustments, the cost of unused leave, and legal reserves and collective bargaining agreements. The revenue has increased over the past year, primarily due to the acquisition of new companies and the simultaneous hiring of additional personnel.

The item "Depreciation and Impairments" primarily encompasses the amortization of intangible assets that have been revalued in accordance with Law 126/2020, amounting to approximately €9 million. It also includes the amortization of goodwill calculated as detailed in the explanatory notes, totaling around €30.4 million, as well as the impairment of receivables in current assets, which stands at approximately €0.9 million.

18. Financial income and expenses

18.1. Allocation of Interest and Other Financial Charges by Liability Type

Details are provided regarding the amount of interest and other financial charges related to bond loans, bank debts, and others.

Description	31/12/2023	31/12/2024	Variation
Income from investments			
- in affiliated companies	-	-	-
- in other companies	-	-	-
Other financial income			
a) from receivables under fixed assets:			
from third parties	49,880	103,451	53,571
c) from marketable securities that do not constitute equity interests	53	93	40
d) Other revenues			
- from affiliated companies	-	-	-
- from parent companies	-	-	
- from companies under the oversight of their parent companies	-	-	-
- from others	141,305	252,832	111,527
Interests and other financial charges			
- from parent companies	(240,751)	0	240,751
- from others	(8,943,202)	(15,946,386)	(7,003,184)
Profit and losses on foreign exchange	1,152	16,329	15,177
Total Financial income and charges	**(8,991,563)**	**(15,573,681)**	**(6,582,118)**

Interest expenses primarily pertain to debts incurred with financial institutions and bonds issued by Impresoft, net of the amounts received for the subscribed coverage, as detailed in the section "Information on Derivative Financial Instruments." For further details, please refer to the section "Payables to Banks" and "Bonds."

Other revenues amounting to €252,832 are primarily related to interest income.

19. Current, deferred and advance income taxes

19.1. FY Income Tax

The total taxes for the fiscal year amount to €3,269,145, which includes €3,893,225 as income from tax consolidation and €7,459,121 in direct taxes (IRES and IRAP). This figure also reflects a reduction in taxes from prior periods amounting to (€376,294), along with a net effect of €79,543 from deferred and prepaid taxes recorded in the income statement by the companies included in the consolidation perimeter.

Regarding the corporate income tax (IRES), we highlight the companies within the Group that have opted for the tax consolidation with the parent company, Pitagora, along with the consolidated income/expenses/liabilities/receivables:

Company	Charges and Income from Consolidated Taxation	(Payables) and Receivables from tax consolidation
4Ward S.r.l.		-173,373
Cooder S.r.l.		-62,111
Formula S.p.A.		-443,049
GN Techonomy S.r.l.		-29,249
HBS S.p.A.		-4,088
Impresoft Engage S.r.l.	-99,432	164,264
Impresoft S.p.A.	-3,250,268	3,250,272
Kipcast S.r.l.		-53,112
NextCRM S.r.l.		21,225
Openco S.r.l.		-26,878
Qinet S.p.A.	-66,909	66,928
Qualitas S.p.A.	-466,419	466,469
Tech1 S.r.l.	-10,197	10,197
Upgrade S.r.l.		181,505
Webformat S.r.l.		148,156
Total	**-3,893,225**	**3,517,156**

19.2. Deferred and Advance Taxes

Description	Balance Sheet December 31, 2024	Income Statement December 31, 2024
Advance taxes		
Goodwill Step-Up	11,156	-931
Bad Debt Allowance	334,142	14,936
Unpaid bonuses for directors	35,238	-27,650
Other	45,389	45,075
Bad Debt Allowance	14,149	14,149
Customer Risk Fund	140,400	96,000
Legal Expenses	1,996	-602
Employee Bonus Reserve	2,400	-1,726
Subscription rights downpayment	10,739	2,921
Non-deductible Depreciation	16,849	0
Fiscal loss for the 2022/2023 fiscal year	0	-69,001
Total tax advances	**612,460**	**73,171**
Deferred Taxes		
Total tax deferred	**6,921**	**-489**

20. Employment Data

Please find below the average number of employees categorized by department:

Description	31/12/2024	31/12/2023
Workers	18	8
Employees	1,274	847
Office workers	238	160
Managers	41	17
Total	**1,571**	**1,032**

21. Compensation for directors, auditors, and auditing firms

The following table outlines the compensation for the Directors, members of the Board of Statutory Auditors, and the auditing firm for the fiscal year ending December 31, 2024:

Description	31/12/2024
Compensation of Auditors	114,426
Compensation for Directors	4,443,945
Auditing firm compensation	330,833
Other services beyond auditing	22,000
Total	**4,911,204**

22. Details on other issued financial instruments

As required by Article 2427, paragraph 19 of the Italian Civil Code, Impresoft did not issue any financial instruments during the fiscal year.

23. Commitments, guarantees, and potential liabilities not reflected in the balance sheet

The commitments, guarantees, and potential liabilities not reflected in the balance sheet total €1,061,089 and pertain to bank and insurance sureties issued by the subsidiaries in the ordinary course of their core operations.

Description	31/12/2024
Commitments	1,061,089
Guarantees	0
Total	**1.061.089**

24. Information regarding significant events that occurred after the close of the fiscal year

In accordance with Article 2427, paragraph 22 quater) of the Italian Civil Code, following the close of the fiscal year, we confirm the new organizational structure as a holding company, which will include the introduction of additional employees who will serve as the backbone for new functions to be performed.

Our ambitious development and expansion plans are expected to undergo further acceleration aimed at strengthening our competence centers, including through M&A activities, as well as further integrating the Group via mergers for corporate streamlining.

In the early months of 2025, the acquisition was completed:

- The 70% stake in Perigeo S.r.l. required to achieve 100% ownership of the company's equity.

Furthermore, as previously stated, in the context of the Group's reorganization, the following transactions have been finalized in the early months of 2025:

- The companies Tech1 S.r.l., Qinet S.p.A., Upgrade S.r.l., and Nuovi S.O.C.I. S.r.l. have merged through incorporation into 4ward S.r.l.;
- The companies Webformat S.r.l. and Syscons Interactive S.r.l. have merged through incorporation into Cooder S.r.l., which subsequently changed its corporate name to Univerce S.r.l. as a result of the transaction.
- NextCrm S.r.l. has merged by incorporation into Impresoft Engage S.r.l.

25. Information regarding derivative financial instruments under art. 2427 of the Civil Code

The Group has decided to enter into derivative contracts to hedge against foreign exchange risk, interest rate risk, and the risk of fluctuations in cash flows associated with changes in commodity prices.

The Group, during the previous fiscal year, entered into a hedging derivative for €60,000,000 related to the interest rate on the bonds issued, specifically regarding the First and Second Bond Issues.

During this exercise, the Group entered into two additional hedging derivatives with a total value of €60,000,000, related to the interest rate of the bond loan known as the First and Second Loan issued. Concurrently, it recognized a market-to-market reserve in equity as of December 31. The two derivatives in question pertain to the value of the covered notional.

Below are the detailed information requirements as stipulated in Article 2427-bis, paragraph 1, number 1 of the Civil Code.

For each category of derivative financial instrument listed in the table, relevant information regarding the significant terms and conditions that may influence the amounts, maturity, and certainty of future cash flows is provided below the table. This includes the fundamental assumptions underpinning the models and valuation techniques, particularly in cases where the fair value has not been determined based on market evidence. Additionally, the movements in fair value reserves occurring during the fiscal year are detailed in the table presented in the Equity section.

Description	Current year fair value	Prior fiscal year fair value	Change in Income Statement	Change in Equity	Nature	Notional
Derivatives Instrument MKTM	468,879	1,442,990		1,070,741	Coverage	60,000,000
Derivative Financial Instrument MKTM BPM2	-27,932			-27,932	Coverage	30,000,000
Derivative Financial Instrument MKTM UNICREDIT	-20,383			-20,383	Coverage	30,000,000

26. Summary report of the company's financial statement that undertakes management and coordination activities

The following tables present the essential data from the most recent financial statement approved by the Company that exercises management and coordination, Pitagora, as required by paragraph 4 of Article 2497-bis of the Civil Code.

Summary statement of the financial position of the company engaged in management and coordination activities

	Last FY	Previous FY
Date of the most recent approved financial statement	December 31, 2023	December 31, 2022
B) Fixed Assets	137,959,066	171,513,119
C) Current assets	3,767,638	47,900,065
D) Accrued Income and Prepaid Expenses	0	344,751
Total assets	**141,726,704**	**219,757,935**
A) Equity		
Share capital	5,477,421	4,806,711
Reserves	133,884,285	108,804,335
Profit (loss) for the year	353,586	4,304,449
Total Equity	139,715,292	117,915,495
B) Accruals for provisions and expenses	0	0
c) Employee severance indemnity	0	0
D) Payables	2,011,412	101,716,293
E) Accrued Expenses and Deferred Income	0	126,147
Total liabilities	**141,726,704**	**219,757,935**

Summary of the income statement for the company engaged in management and coordination activities

	Last FY	Previous FY
Date of the most recent approved financial statement	December 31, 2023	December 31, 2022
A) Production Value	128,496	36,153,520
B) Production costs	217,571	27,145,401
C) Financial income and expenses	(468,340)	(5,537,007)
FY Income Tax	911,001	(833,337)
Profit (loss) for the year	**353,586**	**4,304,449**

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

As required by the transparency regulations for public funding established by Article 1, Paragraphs 125-129 of Law No. 124/2017 as amended by the "Security" Decree (No. 113/2018) and the "Simplification" Decree (No. 135/2018), regarding the obligation to disclose in the notes to the financial statements any funds received during the fiscal year as grants, contributions, paid assignments, or any other economic benefits from public administrations and entities specified in Paragraph 125 of the same article, the Group certifies that the contributions received are available for consultation on the State Aid Register website https://www.rna.gov.it/RegistroNazionaleTrasparenza/faces/pages/TrasparenzaAiuto.jspx.

28. Comments to the Financial Statements

As highlighted in the cash flow statement prepared using the indirect method, cash and cash equivalents at the end of the fiscal year amounted to €15,656,051 (compared to €17,059,108 in the previous fiscal year).

During the fiscal year, controlling interests were acquired in Syscons S.r.l, Syscons Industries S.r.l., FGA S.r.l., Fondaco S.r.l., Syscons Interactive S.r.l., Syscons SAGL, Syscons North America Inc., Tecnosoft S.r.l., Brainsystem S.r.l., Ribes Solutions S.r.l., Nuovi S.O.C.I. S.r.l., Blulink S.r.l., and X-Techarts SAS, resulting in a cash outlay of €65,619,714, net of the cash balances acquired. Furthermore, during the fiscal year, there was a monetary increase related to capital subscription amounting to €28,940,680, alongside the incurrence of financial liabilities totaling €21,540,453.

29. Consolidated Financial Statement Compliance Declaration

The consolidated financial statements herein, comprising the balance sheet, income statement, notes to the financial statements, and cash flow statement, faithfully and accurately reflect the financial position and results of operations. They align with the records maintained by the parent company and the information provided by the entities included in the consolidation.

Milan, May 28, 2025

On behalf of the Board of Directors

Chair

Sergio Gasparin

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