

**TXT E-SOLUTIONS GROUP**

**INTERIM**

**MANAGEMENT REPORT**

**As at 31 March 2024**



## TXT e-solutions S.p.A.

Registered office, management, and administration:  
Via Milano, No. 150 - 20093 Cologno Monzese (MI)

Share capital:

€ 6,503,125 fully paid-in

Tax code and Milan Business Register No.:  
09768170152

## Corporate bodies

### BOARD OF DIRECTORS

In office until approval of the financial statements as at 31 December 2025:

**ENRICO MAGNI**  
Chair

**DANIELE STEFANO MISANI**  
Chief Executive Officer

**MATTEO MAGNI**  
Director<sup>2-4</sup>

**PAOLO LORENZO MANDELLI**  
Independent Director<sup>1-4</sup>

**ANTONELLA SUTTI**  
Independent Director<sup>1-2-3-4</sup>

**ANTONIETTA ARIENTI**  
Independent Director<sup>2-3-4</sup>

**MICHELA COSTA**  
Independent Director<sup>1-3-4</sup>

- (1) Member of the Remuneration and Appointments Committee.
- (2) Member of the Risks and Internal Controls Committee.
- (3) Member of the Related Parties Committee.
- (4) Appointed by the Shareholders' Meeting on 20 April 2023.

### BOARD OF STATUTORY AUDITORS

In office until approval of the financial statements as at 31 December 2025:

**FRANCESCO MARIA SCORNAJENCHI**  
Chair

**GIADA D'ONOFRIO**  
Standing auditor

**FRANCO VERGANI**  
Standing auditor

**NADIA RASCHETTI**  
Alternate auditor

**FABIO MARIA PALMIERI**  
Alternate auditor

**EDDA DELON**  
Alternate auditor

Independent Auditors:

**Crowe Bompani S.p.A.**

Investors relations:

E-mail: [infofinance@txtgroup.com](mailto:infofinance@txtgroup.com)

Tel: +39 02 25771.1

## Leadership Team



**Enrico Magni**

An experienced entrepreneur with a solid track record in guiding the growth processes of companies operating in different sectors, Enrico joined TXT as a key shareholder and now holds the position of Chair, aiming at driving the Group's growth.



**Daniele Misani**

+20 years in TXT, with a strong experience in the international development of the business, from mid-2020 holds the position of Group CEO, with strategic responsibilities in defining and executing the TXT Group's international growth strategies.



**Eugenio Forcinito**

+20 years of experience in finance and administration and an in-depth understanding of management dynamics, over the last fifteen years Eugenio has always been focused and committed to the sustainable growth of the TXT Group.



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# TXT Group Organisational Structure





**KEY DATA AND  
DIRECTORS' REPORT  
ON OPERATIONS**

**AS AT 31 MARCH 2024**



## TXT e-solutions Group – Key data

INCOME DATA						
(€ thousand)	31.03.2024	%	31.03.2023	%	% CHANGE	
REVENUES	67,127	100.0	52,312	100.0	28.3	
EBITDA	8,753	13.0	6,834	13.1	28.1	
OPERATING PROFIT (EBIT)	6,085	9.1	4,472	8.5	36.1	
NET PROFIT ATTRIBUTABLE TO TXT SHAREHOLDERS	4,106	6.1	2,908	5.6	41.2	
FINANCIAL DATA						
(€ thousand)	31.03.2024	31.12.2023		Change		
Fixed assets	130,135	130,792		(657)		
Net working capital	40,326	40,402		(76)		
Post-employment benefits and other non-current liabilities	(5,798)	(5,603)		(195)		
Capital employed	164,663	165,590		(928)		
Net financial debt	45,847	51,721		(5,874)		
Group shareholders' equity	118,749	113,852		4,897		
Shareholders' equity attributable to minority interests	66	17		49		
DATA PER SHARE						
	31.03.2024	31.12.2023		Change		
Average number of shares outstanding	11,787,876	11,705,611		82,265		
Net earnings per share (amount in Euro)	0.35	0.35		(0.00)		
Shareholders' equity per share (amount in Euro)	10.07	9.73		0.35		
ADDITIONAL INFORMATION						
	31.03.2024	31.12.2023		Change		
Number of employees	2,734	2,639		95		
TXT share price	22.45	19.82		2.63		

### Notes on Alternative Performance Measures

In compliance with the indications of the ESMA Guidelines on alternative performance measures (APM) (ESMA/2015/1415), implemented by CONSOB (see CONSOB Communication no. 0092543, 3 December 2015), it should be noted that the reclassified statements presented in this Director's Report on Operations show some differences in the terms used and in the degree of detail with respect to the official statements shown in the financial statements on the following pages and in the explanatory notes.



Specifically, the reclassified consolidated Income Statement makes use of the following terms:

- **EBITDA**, which is equivalent to "Total revenues" net of total operating costs in the official consolidated Income Statement;
- **EBIT**, which is equivalent to "Total revenues" net of total operating costs, depreciation, amortisation and impairment in the official consolidated Income Statement.

The reclassified consolidated Balance Sheet was prepared based on the items recognised as assets or liabilities in the official consolidated Balance Sheet and makes use of the following terms:

- **FIXED ASSETS**, given by the sum of tangible and intangible assets, goodwill, deferred tax assets/liabilities and other non-current assets;
- **NET WORKING CAPITAL**, the sum of inventories, trade receivables/payables, current provisions, tax receivables/payables, and other current assets/liabilities and sundry receivables/payables;
- **CAPITAL EMPLOYED**, given by the algebraic sum of fixed assets, net working capital and post-employment benefits and other non-current liabilities.

These APMs, in line with the data presented in the consolidated Income Statement and Balance Sheet in accordance with the recommendations outlined above, were deemed to be significant as they represent parameters that succinctly and clearly depict the Company's financial position and economic performance, also by providing comparative data. The APMs adopted are consistent with those used in the previous year.



## Directors' Report on Operations for the first 3 months of 2024

Dear Shareholders,

the main consolidated operating and financial results in the first three months of 2024 were as follows:

- **Revenues** amounted to € 67.1 million, up 28.3% compared to € 52.3 million in the first three months of 2023, of which € 3.7 million for the consolidation of the acquisitions that took place in 2023. Within the same consolidation scope compared to 2023, revenues increased by 21.2%. Software revenues in the first three months of 2024 amounted to € 4.7 million, compared to € 2.5 million in the first three months of 2023. Revenues from services amounted to € 62.5 million, up 25.4% compared to the first three months of 2023.

The **Smart Solutions** division recorded revenues of € 12.5 million, up +34.1% compared to the first quarter of 2023, of which € 1.2 million relating to M&A.

The **Digital Advisory** division recorded revenues of € 9.9 million, up +48.8% compared to the first quarter of 2023.

The **Software Engineering** division recorded revenues of € 44.7 million, up compared to the first quarter of 2023, of which € 6.0 million from organic growth and € 2.4 million from M&A.

- The **Gross Margin**, net of direct costs, increased from € 17.8 million to € 21.8 million, an increase of +22.4%. Gross margin on revenues was equal to 32.5% in the first three months of 2024.
- **EBITDA** amounted to € 8.8 million, an increase of +28.1% compared to the first three months of 2023 (€ 6.8 million), after significant investments in commercial expenses and research and development expenses. The margin on revenues was 13.0% compared to 13.1% in the first three months of 2023.
- **EBIT** came to € 6.1 million, up +36.0% compared to the first three months of 2023 (€ 4.5 million). Depreciation and amortisation amounted to € 2.7 million, in line with the first three months of the previous year.
- **Financial charges** amounted to € 0.4 million compared to the € 0.4 million in the first three months of 2023.
- **Net profit** was € 4.1 million, up compared to the first three months of 2023 (€ 2.9 million). In the first three months of 2024, taxes accounted for 27.9%.
- **Consolidated net financial debt** as at 31 March 2024 was positive by € 45.8 million, down by € 5.9 million compared to 31 December 2023 (€ 51.7 million). The improvement is mainly due to improved collections in the first quarter of the year.

- **Consolidated shareholders' equity** as at 31 March 2024 was € 118.8 million, compared to € 113.9 million as at December 2023. The changes in the three months mainly concern the recognition of net profit (€ 4.1 million).

TXT's consolidated results for the first three months of 2024, compared with the first three months of the previous year, are presented below:

(€ thousand)	Q1 2024	%	Q1 2023	%	% Change
<b>REVENUES</b>	<b>67,127</b>	<b>100</b>	<b>52,312</b>	<b>100</b>	<b>28.3</b>
Direct costs	45,327	67.5	34,505	66.0	31.4
<b>GROSS MARGIN</b>	<b>21,800</b>	<b>32.5</b>	<b>17,807</b>	<b>34.0</b>	<b>22.4</b>
Research and development costs	3,342	5.0	2,210	4.2	51.2
Commercial costs	4,836	7.2	4,573	8.7	5.7
General and administrative costs	4,870	7.3	4,189	8.0	16.3
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>8,753</b>	<b>13.0</b>	<b>6,835</b>	<b>13.1</b>	<b>28.1</b>
Depreciation, amortisation and impairment	2,669	5.9	2,362	6.8	13.0
<b>OPERATING PROFIT (EBIT)</b>	<b>6,084</b>	<b>9.1</b>	<b>4,473</b>	<b>8.6</b>	<b>36.0</b>
Extraordinary/Financial income (charges)	(389)	(0.6)	(439)	(0.8)	(11.4)
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>5,695</b>	<b>8.5</b>	<b>4,034</b>	<b>7.7</b>	<b>41.2</b>
Taxes	(1,589)	(2.4)	(1,125)	(2.2)	41.2
<b>NET PROFIT</b>	<b>4,106</b>	<b>6.1</b>	<b>2,908</b>	<b>5.6</b>	<b>41.2</b>
Attributable to:					
Parent Company shareholders	4,106		2,908		

## GROUP REVENUES AND GROSS MARGINS

To reflect TXT's new and broader positioning on the digital innovation market, the Group is structured into three divisions representative of the type of offer:

- **Smart Solutions:** software and proprietary solutions and related services to accelerate the digital transformation of customers' offer;
- **Digital Advisory:** specialized consulting services for the digital innovation of large enterprise processes and the public segment;
- **Software Engineering:** software engineering services for the innovation and servitisation of customer products guided by skills on enabling technologies.

Revenues and direct costs in the first three months of 2024, compared with the first three months of the previous year, are presented below for each division.



(€ thousand)	31.03.2024	%	31.03.2023	%	% Change
<b>SOFTWARE ENGINEERING</b>					
REVENUES	44,740	100	36,344	100	23.1
Software	78	0.2	-	0.0	
Services	44,662	99.8	36,344	100.0	22.9
DIRECT COSTS	33,902	75.8	26,183	72.0	29.5
GROSS MARGIN	10,838	24.2	10,161	28.0	6.7
<b>SMART SOLUTIONS</b>					
REVENUES	12,532	100	9,345	100	34.1
Software	4,297	34.3	2,483	26.6	73.1
Services	8,235	65.7	6,862	73.4	20.0
DIRECT COSTS	4,787	38.2	3,894	41.7	22.9
GROSS MARGIN	7,745	61.8	5,451	58.3	42.1
<b>DIGITAL ADVISORY</b>					
REVENUES	9,855	100	6,623	100	48.8
Software	283	2.9	-	0.0	
Services	9,572	97.1	6,623	100.0	44.5
DIRECT COSTS	6,637	67.3	4,429	66.9	49.9
GROSS MARGIN	3,218	32.7	2,194	33.1	46.7
<b>TOTAL TXT</b>					
REVENUES	67,127	100	52,312	100	28.3
Software	4,658	6.9	2,483	4.7	87.6
Services	62,469	93.1	49,829	95.3	25.4
DIRECT COSTS	45,326	67.5	34,506	66.0	31.4
GROSS MARGIN	21,801	32.5	17,806	34.0	22.4

### Smart Solutions Division

The Smart Solutions division represents the TXT Group's offer of software, proprietary solutions and related services to accelerate the digital transformation of customers.

In the first quarter of 2024, revenues of € 12.5 million were up by +34.1% compared to the first three months of 2023 (€ 9.3 million).

The Gross margin was € 7.7 million, up by +42.1% compared to the first three months of 2023 (€ 5.5 million). Gross margin on revenues was equal to 61.8% (58.3% in the first three months of 2023).

The **FARADAY™** product designed for compliance with solutions for the assessment of the risk of financing of terrorism, corruption and money laundering, which aim to meet the needs of all those who are subject to European and national legislation on the subject, allows to manage different types of data and to support the calculation of the risk in the various areas.

**Polaris** is the B2B digital platform (Marketplace) designed to dynamically and centrally manage the Supply Chain Finance programmes, aimed at responding in a flexible and integrated manner to the needs of the buyers, suppliers and financial partners; ideal tool for large companies and multinationals that manage large and diversified supplies. Polaris gives the possibility to financial partners, banks specialised in trade finance and factors, investment funds and family offices, of expanding their reference market with centralised management of the onboarding processes and contractual formalisation. A simple tool to proactively manage commercial debt within their supply chains, supporting the liquidity of suppliers in collaboration with a wide range of possible financial partners. Polaris digitalises the main operating processes in the area of reverse factoring, confirming and dynamic discounting, making it possible to include both smaller suppliers and financial partners other than large commercial banks in the support programs of large companies.

**AssioPay**, focused on the development of software for the world of payments and payment-related systems (meal vouchers and rechargeable), has developed a proprietary platform (gateway) that allows access to various service providers, and has also developed an Android SmartPOS application, able to integrate various issuers and enable payment on international credit circuits in addition to their management software (AssioPay Terminal Management System). AssioPay designs and develops software and Apps for payment, loyalty, ticketing, meal vouchers and many other solutions at Banks, Financial Institutions, System Integrators, service providers, large-scale distribution chains, etc. through customised solutions.

The **EIDOS Retail** platform is the solution designed to meet the management and tax needs of sales activities. Complete, flexible, intuitive, easy to use even by non-expert operators, it allows to manage sales in physical stores, in B2B, B2C and mobility. It is a solution that makes the multi-channel relationship with Customers its strong point (loyalties, gift cards, customised price lists, promotions, which can be consulted both at the point of sale and on line and mobile) but also covers all the business operations associated with the sales activity (procurement, warehouses, inventories, shelf life, returns to Supplier).

The **EIDOS Reservation** platform handles all types of bookings, with dynamic and automatic inclusions, groups and allotments for tour operators. The system manages all the necessary transactional aspects: reservations, changes, payments, sales invoices and the calculation of commissions due to the Agency. The data can be exchanged with external systems for accounting management.

The **DMP** platform that, through the MES/MOM module, is able to manage a company's production process that connects the factory to the company management system to give total



visibility into the processes relating to production, quality, maintenance and inventory and through the CMMS module is able to control and manage maintenance.

### **Digital Advisory Division**

The Digital Advisory division represents the specialised consulting offer for the digital innovation of large enterprise processes and the public segment of the TXT Group in the field of digitalisation of ICT processes, with proprietary technologies, certifications and software.

Revenues in the division amounted to € 9.9 million, up +48.8% compared to the first quarter of 2023.

The Gross margin was € 3.2 million, up 22.4% compared to the first three months of 2023.

### **Software Engineering Division**

The Software Engineering division represents the TXT Group's offer of software engineering services for the innovation and servitisation of customer products guided by enabling technologies skills.

The division reported revenues in the amount of € 44.7 million, up 23.1% compared to the first three months of the previous year, of which € 2.4 million due to the consolidation of new acquisitions in 2023.

The Gross margin was € 10.8 million, up 6.7% compared to the first three months of 2023. Gross margin on revenues was equal to 24.2%, compared to 28.0% in the first three months of 2023.

In the Software Engineering division, new opportunities for accelerated growth are linked to up-selling and cross-selling in new markets, as a result of the acquisitions made, in particular the Telco and Gaming market, which will benefit from the innovative skills of the TXT Group on enabling technologies such as AI, Data Analytics, VR/AR/XR and Quality Assurance, which show a growing demand in an increasingly large number of sectors. With reference to the division's organic growth, which in the first quarter of the year stood at 11.2%, management expects to maintain double-digit growth rates thanks to its leadership position in strategic and historical segments such as defence, industry and banks.

## **GROUP REVENUES**

Research and development costs in the first three months of 2024 were € 3.3 million, up from € 2.2 million in the first three months of 2023. The percentage of revenues was 5.0%.

Commercial costs amounted to € 4.8 million, an increase of 5.7% compared to the first three months of 2023 (€ 4.6 million). As a percentage of revenues, commercial costs decreased from 8.7% in the first three months of 2023 to 7.2% in the first three months of 2024.

General and administrative costs amounted to € 4.9 million, an increase compared to the first



three months of 2023 (€ 4.2 million). As a percentage of revenues, these costs amounted to 7.3% in the first three months of 2024 compared to 8.0% in the first quarter of 2023.

Financial charges amounted to € 0.4 million compared to € 0.4 million in the first three months of 2023.

Net profit amounted to € 4.1 million, up from € 2.9 million in the first three months of 2023. In the first three months of 2024, taxes accounted for 27.9%.

## CONSOLIDATED CAPITAL EMPLOYED

As at 31 March 2023, the Capital Employed was € 135.3 million, down € 12.4 million from 31 December 2022 (€ 147.7 million).

The table below shows the details:

(€ thousand)	31.03.2024	31.12.2023	Change
Intangible assets	84,905	85,900	(995)
Net tangible assets	20,994	20,430	564
Other fixed assets	24,236	24,462	(226)
<b>Fixed assets</b>	<b>130,135</b>	<b>130,792</b>	<b>(657)</b>
Inventories	19,747	18,733	1,014
Trade receivables	72,841	74,346	(1,505)
Sundry receivables and other short-term assets	15,728	14,876	852
Trade payables	(23,903)	(21,585)	(2,318)
Tax payables	(12,375)	(11,208)	(1,167)
Sundry payables and other short-term liabilities	(31,712)	(34,761)	3,048
<b>Net working capital</b>	<b>40,326</b>	<b>40,402</b>	<b>(76)</b>
<b>Post-employment benefits and other non-current liabilities</b>	<b>(5,798)</b>	<b>(5,603)</b>	<b>(195)</b>
<b>Capital employed</b>	<b>164,662</b>	<b>165,590</b>	<b>(928)</b>
Group shareholders' equity	118,749	113,852	4,897
Shareholders' equity attributable to minority interests	66	17	49
Net financial debt	45,847	51,721	(5,874)
<b>Financing of capital employed</b>	<b>164,662</b>	<b>165,590</b>	<b>(928)</b>

Intangible assets decreased from € 85.9 million to € 84.9 million, mainly due to amortisation for the period on the intellectual property rights on software and on the customer portfolio of the acquisitions.

Tangible assets of € 21.0 million increased by € 0.6 million compared to 31 December 2023. The increases for the period were offset by depreciation in the year.

Other fixed assets of € 24.2 million are in line with € 24.4 million in December 2023. The financial

investment in the share capital of Banca del Fucino (€ 17.8 million) is classified in this category.

Net working capital amounted to € 40.3 million compared to € 40.4 million as at 31 December 2023.

Liabilities arising from post-employment benefits of Italian employees of € 5.8 million as at 31 March 2024 were essentially in line with the values of December 2023.

Consolidated shareholders' equity was € 118.8 million as at 31 March 2024, compared to € 113.9 million

in December 2023. Changes mainly concern the recognition of net profit (€ 4.1 million) and the net effect of the purchase and sale of treasury shares (€ 1.0 million).

Shareholders' equity attributable to minority interests totalled € 66 thousand as at 31 March 2024.

The European Securities and Markets Authority (ESMA) published on 4 March 2021 the Guidelines on disclosure requirements pursuant to EU Regulation 2017/1129 ("Prospectus Regulation").

With the "Recall of attention no. 5/21" of 29 April 2021, CONSOB declared its intention to bring its supervisory practices in relation to the net financial position into line with the aforementioned ESMA guidelines. In particular, CONSOB has declared that the prospectuses approved by it, starting from 5 May 2021, must comply with the aforementioned ESMA Guidelines.

Therefore, based on the new provisions, listed issuers will have to submit, in the explanatory notes to the annual and half-yearly financial statements, published starting from 5 May 2021, a new prospectus on the subject of debt to be drawn up according to the indications contained in paragraphs 175 and following of the aforementioned ESMA Guidelines.

In this regard, the ESMA Guidelines provide for the following main changes to the debt prospectus:

- we no longer speak of "Net financial position", but of "Total financial debt";
- in the context of non-current financial debt, trade payables and other non-current payables must also be included, i.e. payables that are not remunerated, but which have a significant implicit or explicit financing component (for example, payables to suppliers due after 12 months);
- in the context of current financial debt, the current portion of non-current financial debt must be indicated separately;
- "financial debt" includes remunerated debt (i.e., interest-bearing debt), which includes, among other things, financial liabilities relating to short- and/or long-term lease contracts. Information on lease payables must be provided separately.

### **Net financial debt (availability) and cost of debt**



Below is a summary of the main phenomena that had an impact on net financial debt, which as at 31 March 2024 was € 45.6 million (€ 51.7 million as at 31 December 2023):

(€ thousand)	31.03.2024	31.12.2023	Change
Cash and cash equivalents	(40,671)	(37,927)	(2,744)
Financial instruments at fair value	(25,758)	(24,058)	(1,700)
Short-term financial receivables	(400)	(810)	410
<b>Liquid assets</b>	<b>(66,829)</b>	<b>(62,795)</b>	<b>(4,034)</b>
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	28,160	30,697	(2,537)
Current portion of non-current financial debt	27,463	26,957	506
<b>Current financial debt</b>	<b>55,623</b>	<b>57,654</b>	<b>(2,031)</b>
<b>Current net financial debt</b>	<b>(11,206)</b>	<b>(5,141)</b>	<b>(6,065)</b>
Non-current financial debt (excluding current portion and debt instruments)	57,690	57,563	127
Debt instruments	-	-	-
Non-current financial receivables	(637)	(700)	63
Trade payables and other non-current payables	-	-	-
<b>Non-current financial debt</b>	<b>57,053</b>	<b>56,863</b>	<b>190</b>
<b>Total financial debt</b>	<b>45,847</b>	<b>51,722</b>	<b>(5,875)</b>
Non-monetary debts for adjustment of the price of the 2023 acquisitions to be paid in TXT shares	-	(2,500)	2,500
Financial investment - Banca Del Fucino	(17,778)	(17,778)	-
<b>Adj. Net Available Financial Resources</b>	<b>28,069</b>	<b>31,444</b>	<b>(3,375)</b>

(€ thousand)	31.03.2024	31.12.2023	Change
Debt referred to IFRS 16	(10,600)	(10,095)	(505)

The breakdown of the Total Financial Debt as at 31 March 2024 is broken down as follows:

- Cash and cash equivalents of € 40.7 million are mainly in Euro, held with major Italian banks.
- Financial instruments at fair value for € 25.8 million are comprised by investments in multi-segment insurance funds with partial capital guarantee, a bond loan and government securities and bonds with a medium-low risk profile.
- Current financial debt (including debt instruments, and excluding the current portion of non-current financial debt) as at 31 March 2024 was € 28.2 million and refers (a) for € 19.9 million to short-term loans (hot money), (b) for € 3.0 million to the estimated disbursement for payables for the acquisition of FastCode, (c) for € 3.7 million to the short-term portion of the debt for the payment of rental and lease payments for offices, cars and printers for all instalments until the end of the relevant contracts following the adoption of the accounting standard (IFRS 16) and (d) for € 1.6 million to payables due to the EU.
- The current portion of non-current financial debt of € 27.5 million refers to the short-term portion of medium/long-term bank loans.





- Non-current financial debt (excluding current portion and debt instruments) as at 31 March 2024 of € 57.7 million refers to (a) € 46.0 million for the portion of new medium/long-term loans for the portion with a maturity of more than 12 months; (b) € 0.7 million for the valuation of the debt for the PUT/CALL option for the acquisition of TXT Working Capital Solutions, as an estimate of the additional disbursements for exercising the Put/Call option in the 2021-2025 period for the purchase of the remaining 40% of the company's shares; (c) € 0.2 million for the long-term portion of the Put/Call related to TXT Risk Solutions after renegotiation; (d) € 6.9 million for the medium/long-term portion of the debt for the payment of rent and lease of offices, cars and printers for all instalments until the end of the relevant contracts following the adoption of IFRS 16; (e) € 0.8 million for the estimated disbursement for the first Earn-Out of Novigo's shareholders; (f) €1.5 million for the valuation of the debt for the PUT/CALL option for the acquisition of TXT Arcan, as an estimate of the additional disbursements for the exercise of the Put/Call option in the 2023-2026 period for the purchase of the remaining 49% of the shares in the company; and (g) € 1.5 million for the estimated disbursement for the Earn-Out relating to the acquisition of PACE Canada.

In line with market practice, the loan agreements require compliance with:

1. financial covenants based on which the company undertakes to comply with certain levels of financial indexes, contractually defined, the most significant of which relate the gross or net financial det with the gross operating margin (EBITDA) or the Shareholders' equity, measured on the basis of the consolidated scope of the Group according to the definitions agreed upon with the financing counterparties;
2. negative pledge commitments under which the company cannot create real rights of guarantee or other restrictions on company assets;
3. "*pari passu*" clauses, on the basis of which the loans will have the same degree of priority in the repayment with respect to other financial liabilities and change of control clauses, which are activated in the event of disinvestments by the majority shareholder;
4. limitations to the extraordinary transactions that the company can carry out, if exceeding certain thresholds;
5. certain obligations for the issuer that limit, *inter alia*, the ability to pay particular dividends or distribute capital; to merge with or consolidate certain businesses; to dispose of or transfer its assets.

The measurement of financial covenants and other contractual obligations is constantly monitored by the Group. In particular, the financial covenants are measured on an annual basis as provided for contractually.

The non-compliance with the covenants and the other contractual commitments, if not adequately corrected within the agreed upon time frame, may involve the obligation of an early repayment of the residual amount.



## EMPLOYEES

As at 31 March 2024, there were 2,734 employees, a net increase of 95 employees compared to the staff level as at 31 December 2023 (2,639 employees).

## PERFORMANCE OF TXT STOCK, TREASURY SHARES AND EVOLUTION OF SHAREHOLDERS AND DIRECTORS

On 22 March 2024, the share price of TXT e-solutions reached an official high of € 23.25 and on 5 January 2024 a low of € 18.94. As at 31 March 2024, the share price was € 22.45. The average daily trading volume on the stock market in the first quarter of 2024 was 21,358 shares, up from the previous year's average of 25,448 shares. As at 31 March 2024, 1,218,374 treasury shares were held (1,300,639 as at 31 December 2023), accounting for 9.37% of shares outstanding, at an average carrying amount of € 2.95 per share. In the first quarter of 2024, 72,031 shares were purchased at an average price of € 20.45. On 28 March 2024, the following treasury shares were transferred:

- no. 154,296 at the agreed price of € 16.2 per share, in order to fulfil the payment commitments undertaken by TXT under the purchase agreement for the acquisition of 100% of company Fast-Code S.p.A.

## DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

No transactions outside the normal course of business were carried out with related parties.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

After a first quarter of the year in which the TXT Group recorded extraordinary organic growth rates well above the sector average, for the remaining nine months of the year the management of TXT expects the growth rates of the topline to stabilise at low-single digit levels, with positive effects on the Group's margins, which are expected to grow as early as the second quarter of the year.

In the Smart Solutions division, further growth is expected in the Aerospace & Aviation segment thanks to the ramp-up of new recurring subscription contracts acquired over the last two quarters, new software licence agreements, and the positive effects of the consolidation of the new HMI Embedded Graphics and AI-Based Training businesses acquired in the fourth quarter of 2024. In the other market segments, after a quarter of 2024 in which the Farday risk management platform more than doubled recurring business compared to the first quarter of 2023, for the remaining nine months of the current year we expect to see continued growth in recurring business, with healthy development prospects driven by new contracts with major domestic banks currently being negotiated.

In the Digital Advisory division in the current year and for 2025, organic growth rates are expected to stabilise at high but more sustainable values of around 15%, thanks to both the continuity of business on the contracts already acquired and to the ramp-up of activities on recently acquired multi-year contracts and that management expects to take over during the



second half year of 2024.

In the Software Engineering division, which represents the main division in terms of volumes, for 2024 the management of TXT expects continuity in the growth rates of the division recorded in previous years. Already during the current quarter, TXT is developing new growth opportunities both in the segments in which the Group is historically present and in segments reached in recent years through M&A that are benefiting from up-selling and cross-selling strategies and technological synergies.

In relation to the 2024 M&A plan, in line with previous announcements, the TXT Group plans to continue with its acquisition plan aimed at integrating new technologies, digital specialised skills and excellence in markets that are already proprietary or adjacent to the current ones.

In the current global geopolitical context, which has worsened since 2022, mainly due to the Russian military aggression in Ukraine, the escalation of the trade war between China and the US and the more recent military conflict between Israel and Hamas, which have led to significant macroeconomic uncertainty and inflationary pressure followed by an immediate rise in interest rates, the TXT Board of Directors has currently identified risks that can be mitigated in the short term due to the minimal and non-strategic exposure of the TXT business in the areas involved in the conflicts and thanks to a sustainable financial exposure. The TXT Board of Directors constantly monitors the risks linked to the evolution of conflicts and macroeconomic instability.

Manager responsible for preparing corporate  
Accounting documents

Eugenio Forcinito

Chair of the Board of Directors

Enrico Magni

Milan, 15 May 2024



**TXT E-SOLUTIONS GROUP**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**AS AT 31 MARCH 2024**



## Consolidated Balance Sheet

ASSETS	31.03.2024	Of which with related	31.12.2023	Of which with related
<b>NON-CURRENT ASSETS</b>				
Goodwill	65,011,316		64,999,093	
Intangible assets with a finite useful life	19,894,349		20,900,762	
<b>Intangible assets</b>	<b>84,905,664</b>		<b>85,899,855</b>	
Property, plant and equipment	20,993,594		20,430,191	
<b>Tangible assets</b>	<b>20,993,594</b>		<b>20,430,191</b>	
Investments in associates and other equity investments	5,389,199		5,587,338	
Sundry receivables and other non-current assets	18,900,638		18,970,447	
Deferred tax assets	582,480		604,286	
<b>Other non-current assets</b>	<b>24,872,317</b>		<b>25,162,071</b>	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>130,771,576</b>		<b>131,492,117</b>	
<b>CURRENT ASSETS</b>				
Contractual assets	19,747,033		18,732,910	
Trade receivables	72,841,080	456,290	74,346,424	386,522
Sundry receivables and other current assets	15,727,888	1,097,652	14,875,549	847,652
Other short-term financial receivables	400,000	400,000	810,108	400,000
HFT securities at fair value	25,758,282		24,058,487	
Cash and cash equivalents	40,670,892		37,926,613	
<b>TOTAL CURRENT ASSETS</b>	<b>175,145,175</b>	<b>1,953,942</b>	<b>170,750,090</b>	<b>1,634,174</b>
<b>TOTAL ASSETS</b>	<b>305,916,750</b>	<b>1,953,941</b>	<b>302,242,206</b>	<b>1,634,174</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>31.03.2024</b>	<b>Of which with related</b>	<b>31.12.2023</b>	<b>Of which with related</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	6,503,125		6,503,125	
Reserves	11,861,322		11,182,733	
Retained earnings (accumulated losses)	96,277,713		80,653,955	
Profit (loss) for the period	4,106,474		15,512,160	
<b>TOTAL SHAREHOLDERS' EQUITY (Group)</b>	<b>118,748,634</b>		<b>113,851,973</b>	
Shareholders' equity attributable to minority interests	66,135		17,135	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>118,814,769</b>		<b>113,869,108</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current financial liabilities	57,690,201	1,193,445	57,563,008	1,315,169
Provision for post-employment benefits and other employee	5,797,739		5,603,142	
Deferred tax provision	4,966,469		5,234,650	
Provisions for future risks and charges	-		-	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>68,454,409</b>	<b>1,193,445</b>	<b>68,400,800</b>	<b>1,315,169</b>
<b>CURRENT LIABILITIES</b>				
Current financial liabilities	55,623,272	484,980	57,653,709	483,707
Trade payables	23,903,650		21,584,829	
Tax payables	7,408,658		5,973,028	
Sundry payables and other current liabilities	31,711,992	148,068	34,760,733	138,491
<b>TOTAL CURRENT LIABILITIES</b>	<b>118,647,571</b>	<b>633,049</b>	<b>119,972,299</b>	<b>622,198</b>
<b>TOTAL LIABILITIES</b>	<b>187,101,981</b>	<b>1,826,493</b>	<b>188,373,099</b>	<b>1,937,367</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>305,916,750</b>	<b>1,826,493</b>	<b>302,242,206</b>	<b>1,937,367</b>



## Consolidated Income Statement

(€ thousand)	31.03.2024	Of which with related parties	31.03.2023	Of which with related parties
Revenues and other income	67,126,823		52,311,805	
<b>TOTAL REVENUES AND OTHER INCOME</b>	<b>67,126,823</b>	<b>-</b>	<b>52,311,805</b>	
Purchases of materials and external services	(25,049,592)	(154,317)	(17,193,838)	(15,789)
Personnel costs	(32,605,341)		(27,744,308)	(647,995)
Other operating costs	(718,138)	-	(539,253)	-
Depreciation and amortisation/Impairment	(2,669,038)	-	(2,362,361)	-
<b>OPERATING RESULT</b>	<b>6,084,714</b>	<b>(154,317)</b>	<b>4,472,045</b>	<b>(663,784)</b>
Financial income (charges)	(72,110)		(353,085)	-
Share of profit (loss) of associates	(317,080)		(85,708)	
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>5,695,525</b>	<b>(154,317)</b>	<b>4,033,252</b>	
Income taxes	(1,589,051)	-	(1,125,000)	-
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>4,106,474</b>	<b>(154,317)</b>	<b>2,908,252</b>	
		Attributable to:		
		Parent Company	4,106,474	2,908,252
		Minority interests	-	
<b>EARNINGS PER SHARE</b>	<b>0.35</b>		<b>0.25</b>	



## Consolidated Statement of Comprehensive Income

	31.03.2024	31.03.2023
NET PROFIT (LOSS) FOR THE PERIOD	4,106,474	2,908,252
Attributable to:		
Minority interests	-	-
Parent Company shareholders	4,106,474	2,908,252
Profit/(Loss) from foreign currency translation differences	(375,462)	(76,355)
Gain/(Loss) on the effective part of hedging instruments (cash flow hedge)	(43,416)	(105,518)
Total items of other comprehensive income statement that will be subsequently reclassified to profit/(loss) for the year net of taxes	(418,878)	(181,873)
Defined-benefit plans actuarial gains (losses)	-	-
Total items of other comprehensive income that will not be subsequently reclassified to profit/(loss) for the year net of taxes	-	-
Total profit/(loss) of Other comprehensive income net of taxes	(418,878)	(181,873)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,687,596	2,726,379
Attributable to:		
Minority interests	-	-
Parent Company shareholders	3,687,596	2,726,379



## Company segment information

For operating purposes, in accordance with the provisions of IFRS 8, the Group is organised into three Business Units based on the end-use of the products and services provided.

To reflect TXT's new and broader positioning on the digital innovation market, the Group is structured into three divisions representative of the type of offer:

- Smart Solutions: software and proprietary solutions and related services to accelerate the digital transformation of customers' offer;
- Digital Advisory: specialized consulting services for the digital innovation of large enterprise processes and the public segment;
- Software Engineering: software engineering services for the innovation and servitisation of customer products guided by skills on enabling technologies.

The main financial data broken down by business segment were as follows:

(€ thousand)	Software Engineering	Smart Solutions	Digital Advisory	Not allocated	Total 2023
<b>REVENUES</b>	<b>44,740</b>	<b>12,532</b>	<b>9,855</b>		<b>67,127</b>
Direct costs	33,902	4,787	6,637		45,326
<b>GROSS MARGIN</b>	<b>10,838</b>	<b>7,745</b>	<b>3,218</b>		<b>21,801</b>
Research and development costs	796	2,523	23		3,342
Commercial costs	2,323	1,886	627		4,836
General and administrative costs	2,561	1,476	833		4,870
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>5,158</b>	<b>1,860</b>	<b>1,735</b>		<b>8,753</b>
Depreciation	1,078	337	115		1,530
Amortisation	617	300	162		1,079
Reorganisation and non-recurring charges				59	59
<b>OPERATING PROFIT (EBIT)</b>	<b>3,463</b>	<b>1,223</b>	<b>1,458</b>	<b>(59)</b>	<b>6,085</b>
Extraordinary/Financial income (charges)				(389)	(389)
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>3,463</b>	<b>1,223</b>	<b>1,458</b>	<b>(448)</b>	<b>5,696</b>
Taxes				(1,589)	(1,589)
<b>NET PROFIT</b>	<b>3,463</b>	<b>1,223</b>	<b>1,458</b>	<b>(2,037)</b>	<b>4,107</b>





## Consolidated Statement of Cash Flows

	31 March 2024	31 March 2023
Net profit (loss) for the period	4,106,474	2,908,252
Non-monetary costs for Stock Options	70,351	-
Non-monetary interest	-	393,884
Change in fair value of monetary instruments	(525,017)	672,295
Current income taxes	1,589,051	1,125,000
Change in deferred taxes	(246,375)	(174,610)
Depreciation, amortisation and impairment	2,667,086	2,209,811
Other non-monetary expenses	(363,223)	(97,901)
<b>Cash flows from (used in) operating activities (before change in working capital)</b>	<b>7,298,347</b>	<b>7,036,731</b>
(Increase) / Decrease in trade receivables	1,447,835	15,751,567
(Increase) / Decrease in contractual assets / inventories	(1,014,124)	(2,043,152)
Increase / (Decrease) in trade payables	2,318,821	707,204
(Increase) / Decrease in other assets/liabilities	(4,459,578)	(2,675,568)
Increase / (Decrease) in post-employment benefits	194,597	214,934
<b>Changes in operating assets and liabilities</b>	<b>(1,512,449)</b>	<b>11,954,985</b>
Paid income taxes	-	-
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	<b>5,785,898</b>	<b>18,991,716</b>
	<i>of which with related parties</i>	
(Increase) / Decrease in tangible assets	(1,817,633)	(601,771)
(Increase) / Decrease in intangible assets	-	-
Capitalisation of development expenses	-	-
Decrease in tangible and intangible assets	2,065	-
Cash flow from acquisitions of associates	49,000	(103,003)
(Increase) / Decrease in trading securities	1,594,406	(491,533)
(Increase) / Decrease in securities at fair value	(1,250,000)	-
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(1,422,162)</b>	<b>(1,196,307)</b>
	<i>of which with related parties</i>	
Loans issued	10,000,000	7,300,000
Loans repaid	(12,912,245)	(8,996,111)
Payment of lease liabilities	617,539	(1,119,131)
Increase / (Decrease) in financial payables	-	-
Increase / (Decrease) in other financial receivables	-	-
Distribution of dividends	-	-
Interest expense	(790,000)	-
Other changes in shareholders' equity	68,181	-
Net change in financial liabilities	745,413	(545,264)
(Purchase)/Sale of treasury shares	1,027,117	(1,453,799)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>	<b>(1,243,994)</b>	<b>(4,814,305)</b>
	<i>of which with related parties</i>	
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,119,741</b>	<b>12,981,104</b>
Effect of changes in exchange rates on cash flows	(375,462)	(76,355)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>37,926,613</b>	<b>33,014,594</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>40,670,892</b>	<b>45,919,341</b>



# Consolidated Statement of Changes in Equity as at 31 March 2024

	Share capital	Legal reserve	Share premium reserve	Merger surplus	Stock options	Actuarial differences on post-employment benefits	Fair Value Swaps	Transition reserve	Retained earnings	Profit (loss) for the period	Total shareholders equity (Group)	Total shareholders equity (Minority interests)	Total shareholders equity
<b>Balances as at 31 December</b>	<b>6,503,125</b>	<b>1,300,625</b>	<b>7,743,733</b>	<b>1,911,444</b>	<b>90,743</b>	<b>(1,166,471)</b>	<b>419,630</b>	<b>883,027</b>	<b>80,653,957</b>	<b>15,512,160</b>	<b>113,851,973</b>	<b>17,135</b>	<b>113,869,108</b>
Profit as at 31 December 2023									15,512,160	(15,512,160)	0		0
Acquisitions					0		0		0	0	0		0
Increase/purchase					70,351		(43,416)		111,597		138,532	49,000	187,532
Distribution of dividends											0		0
Free capital increase											0		0
Sale of treasury shares			2,499,997								2,499,997		2,499,997
Purchase of treasury shares			(1,472,880)								(1,472,880)		(1,472,880)
Discounting of post-Exchange differences								(375,462)			(375,462)		(375,462)
Acquisition of shareholders'								0		0	0	0	0
Profit as at 31 March 2024										4,106,474	4,106,474		4,106,474
<b>Balances as at 31 March 2024</b>	<b>6,503,125</b>	<b>1,300,625</b>	<b>8,770,951</b>	<b>1,911,444</b>	<b>161,094</b>	<b>(1,166,471)</b>	<b>376,214</b>	<b>507,565</b>	<b>96,277,713</b>	<b>4,106,474</b>	<b>118,748,634</b>	<b>66,135</b>	<b>118,814,769</b>

	Capitale sociale	Riserva legale	Riserva da sovrapprezzo azioni	Avanzo di fusione	Stock options	Differenze attuariali IFR	Fair Value Swap	Riserva di traduzione	Utili a nuovo	Utile (perdita) del periodo	Totale patrimonio netto (Gruppo)	Totale patrimonio netto (Ivan)	Totale patrimonio netto
<b>Saldi al 31 Dicembre 2022</b>	<b>6.503.125</b>	<b>1.300.625</b>	<b>18.115.769</b>	<b>1.911.444</b>	<b>87.293</b>	<b>(814.876)</b>	<b>954.415</b>	<b>478.732</b>	<b>70.881.088</b>	<b>11.988.305</b>	<b>109.365.911</b>	<b>17.135</b>	<b>109.383.046</b>
Utile al 31 Dicembre 2022									11.988.305	(11.988.305)	0		0
Incremento/acquisto					23.450		(534.785)		(48.137)		(559.472)		(559.472)
Distribuzione dividendi									(2.147.300)		(2.147.300)		(2.147.300)
Aumento di capitale gratuito											0		0
Vendita azioni proprie			4.904.818								4.904.818		4.904.818
Acquisto azioni proprie			(13.278.644)								(13.278.644)		(13.278.644)
Attualizzazione IFR						(361.596)					(361.596)		(361.596)
Delta cambi								404.295			404.295		404.295
Utile al 31 Dicembre 2023										15.512.160	15.512.160		15.512.160
<b>Saldi al 31 Dicembre 2023</b>	<b>6.503.125</b>	<b>1.300.625</b>	<b>7.743.733</b>	<b>1.911.444</b>	<b>90.743</b>	<b>(1.166.471)</b>	<b>419.630</b>	<b>883.027</b>	<b>80.653.957</b>	<b>15.512.160</b>	<b>113.851.973</b>	<b>17.135</b>	<b>113.869.108</b>



## 1. Group's structure and scope of consolidation

The Parent Company TXT e-solutions S.p.A. (hereinafter also "TXT") and its subsidiaries operate both in Italy and abroad in the IT sector and provide software and service solutions in extremely dynamic markets that require advanced technological solutions.

The table below shows the companies included in the scope of consolidation under the line-by-line method as at 31 March 2024 (see also the organisational diagram in the section "Organisational structure and scope of consolidation") and the relative share of legal interest in the share capital:

Company name of the subsidiary	Currency	% holding	Share capital
PACE GmbH	EUR	100%	295,000
PACE America Inc.	USD	100%	10
PACE Canada Aerospace&IT Inc.(****)	CAD	100%	100
PACE Asia Aerospace&IT PTE Ltd.(****)	SGD	100%	100
TXT NEXT Sarl	EUR	100%	100,000
TXT NEXT Ltd.	GBP	100%	100,000
TXT Risk Solutions Srl	EUR	92%	250,000
TXT Assioma S.r.l. (*)	EUR	100%	100,000
AssioPay S.r.l.	EUR	100%	10,000
TXT e-swiss SA (**)	CHF	100%	100,000
HSPI S.p.A.	EUR	100%	1,000,000
TXT Working Capital Solutions S.r.l.	EUR	60%	500,000
TeraTron GmbH	EUR	100%	75,000
LBA Consulting S.r.l.	EUR	100%	10,000
TXT Novigo S.r.l.	EUR	100%	1,000,000
DM Mgmt & Consulting S.r.l.	EUR	100%	101,000
Soluzioni Prodotti Sistemi S.r.l.	EUR	100%	10,000
Butterfly S.r.l.	EUR	100%	10,000
PGMD Consulting S.r.l.(***)	EUR	100%	20,000



TLOGOS S.r.l.	EUR	100%	110,000
ENNOVA S.p.A.	EUR	100%	1,098,900
TXT e-Tech S.r.l.	EUR	100%	200,000
Fastcode S.p.A.	EUR	100%	100,000
TXT Quence S.r.l.	EUR	100%	10,000
TXT Arcan S.r.l.	EUR	51%	20,407
NewPos Europe Srl	EUR	51%	100,000

In addition to the interests listed above, please note the Group's equity investment in the TXT Consortium (consolidated line-by-line) as follows: 22.5% HSPI S.p.A, 17.5% TXT e-solutions S.p.A., 10% TXT Assioma S.r.l., 10% TXT Novigo S.r.l., 10% TXT Quence S.r.l., 10% Ennova S.p.A., 10% Soluzioni Prodotti Sistemi S.r.l. and 10% TXT e-tech S.r.l.

The Consortium is the commercial vehicle through which the Group has the opportunity to participate in tenders with the central and local Public Administration. The consortium form allows to add up the administrative and technical references of the individual consortium companies, thus making it possible for the Consortium to access tenders and qualifications for larger supply classes and volumes.

(\*) In November 2023, the equity investment in the company TXT Assioma S.r.l. was sold to the subsidiary Ennova S.p.A.

(\*\*) On 1 July 2023, the merger by incorporation between the two investee companies Mac Solutions SA and TXT e-Solutions Sagl, both wholly owned by the Parent Company TXT e-Solutions S.p.A., became effective. Therefore, through this transaction, the company TXT e-solutions Sagl was merged into Mac Solutions SA, which also changed its company name to TXT e-Swiss SA.

(\*\*\*) In July 2023, the inverse merger between the two investee companies Qbridge S.r.l. and PGMD Consulting S.r.l. became effective. Therefore, through this transaction, the company Qbridge S.r.l., parent company (100% ownership) of PGMD Consulting S.r.l., was merged into PGMD Consulting S.r.l.

(\*\*\*\*) In June 2023, a new Canadian company PACE Canada Aerospace & IT Inc. was established, wholly-owned by PACE GmbH.

(\*\*\*\*\*) In November 2023, a new Singaporean company was established, PACE Asia Aerospace & IT PTE Ltd., 100% owned by PACE GmbH.

The consolidated financial statements of the TXT e-solutions Group are presented in Euro, which is also the functional currency. Here below are the foreign exchange rates used for translating the amounts expressed in foreign currency of the subsidiaries into Euro:

- Income Statement (average exchange rate for the first 3 months)

Currency	31.03.2024	31.03.2023
British Pound (GBP)	0.85627	0.8831
US Dollar (USD)	1.08580	1.0730
Swiss Franc (CHF)	0.94910	0.9925
Canadian Dollar		

- Balance sheet (exchange rates as at 31 March 2024 and 31 December 2023)

Currency	31.03.2024	31.12.2023
British Pound (GBP)	0.8551	0.8690
US Dollar (USD)	1.0811	1.1050
Swiss Franc (CHF)	0.9766	0.9260
Canadian Dollar (CAD)	1.4672	1.4642

## 2. Basis of preparation of the consolidated financial statements

The Group's annual consolidated financial statements are prepared in accordance with the IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union as at the date of drafting of these financial statements, as well as with the measures issued in implementation of Article 9 of Italian Legislative Decree no. 38/2005 and with any other applicable provisions and CONSOB regulations on financial statements.

This quarterly report was prepared, regarding both form and content, in accordance with the provisions contained in IAS 34 "Interim Financial Reporting" and in accordance with International Accounting Standards ("IAS - IFRS") issued by the International Accounting Standards Board and adopted by the EU, including all the interpretations of the IFRS Interpretations Committee, previously called Standing Interpretations Committee ("SIC").

The report as at 31 March 2024 consists of the consolidated financial statements and the reclassified consolidated financial statements whose form and content are consistent with the financial statements for the year 2023. The interim financial statements do not therefore include all the information required for the annual financial statements and should be read together with the consolidated financial statements for the year ended 31 December 2023. They have been prepared based on accounting records as at 31 March 2024 and on a going concern basis. As for further information relating to the nature of the company's activities, business areas, operations and outlook, reference should be made to the Directors' Report on Operations.

The accounting policies applied in preparing the financial statements, as well as the composition of, and changes in, individual items, are illustrated below.

All amounts are expressed in Euro, unless otherwise indicated. The Euro is also the functional currency.

The publication and release of this report were approved by the Board of Directors' Meeting held on 15 May 2024.



### 3. Accounting standards and interpretations applied from 1 January 2024

The accounting standards adopted in preparing the condensed consolidated interim financial statements are consistent with those used in drawing up the consolidated financial statements as at 31 December 2023 and illustrated in the Annual Report under note 4 "Accounting standards and basis of consolidation".

As at 31 March 2024, there are no significant effects with respect to changes in the international accounting standards (IFRS) that were expected to be applied from 1 January 2024.

### 4. Financial risk management

With regard to business risks, the main financial risks identified and monitored by the Group are as follows:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity and investment risk
- Other Risks (Military Conflict in Ukraine)

The financial risk management objectives and policies of the TXT e-solutions Group reflect those illustrated in the consolidated financial statements as at 31 December 2023, to which reference should be made.

### 5. Transactions with related parties

For the Group, related parties are:

- a) The entities that, directly or indirectly, even through subsidiaries, trustees or third parties:
  - control TXT e-solutions S.p.A.;
  - are subject to joint control with TXT e-solutions S.p.A.;
  - have an interest in TXT e-solutions S.p.A. such as to exercise a significant influence;
- b) The associates of TXT e-solutions S.p.A.;
- c) The joint ventures in which TXT e-solutions S.p.A. participates;
- d) The managers with strategic responsibilities of TXT e-solutions S.p.A. or one of its parent companies;
- e) The close members of the family of parties referred to in the above points a) and d);
- f) The entities controlled or jointly controlled or subject to significant influence by one of the parties as per points d) and e), or in which said parties hold, directly or indirectly, a significant interest, in any case at least 20% of the voting rights;



- g) An occupational, collective or individual pension fund, either Italian or foreign, set up for TXT e-solutions S.p.A.'s employees or any other related entity.

The following tables show the overall amounts of the transactions carried out with related parties.

## Trade transactions

Trade transactions with related parties of the Group exclusively refer to amounts paid to the directors and to key management personnel.

As at 31 March 2024	Receiv	Payables	Costs	Reven
TXT Healthprobe S.r.l.	597,652			
LAS LAB S.r.l.	69,964			
Pro Sim	386,326			
PayDo				
Reversal	500,000			
Directors and key management		148,068	154,317	
<b>Total as at 31 March 2024</b>	<b>1,553,942</b>	<b>148,068</b>	<b>154,317</b>	<b>-</b>

As at 31 December 2023	Receiv	Payables	Costs	Reven
TXT Healthprobe S.r.l.	597,652			
LAS LAB S.r.l.	35,560			
Pro Sim	350,962			
PayDo				
Reversal	250,000			
Directors and key management		138,491	723,606	
<b>Total as at 31 December 2023</b>	<b>1,234,174</b>	<b>138,491</b>	<b>723,606</b>	<b>-</b>

## Financial transactions

The amounts with Related Parties as at 31 March 2024 are shown for financial transactions:

As at 31 March 2024	Receiv	Payables	Costs	Income
Laserfin S.r.l.		1,678,425		
Pro Sim	400,000			
<b>Total as at 31 March 2024</b>	<b>400,000</b>	<b>1,678,425</b>	<b>-</b>	<b>-</b>

As at 31 December 2023	Receiv	Payables	Costs	Income
Laserfin S.r.l.		1,798,876		
Pro Sim	400,000			
<b>Total as at 31 December 2023</b>	<b>400,000</b>	<b>1,798,876</b>	<b>-</b>	<b>-</b>



## 6. Certification of the Interim report pursuant to Article 154-bis of Legislative Decree 58/98

**pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended and supplemented**

The undersigned Enrico Magni, as Chair of the Board of Directors, and Eugenio Forcinito, as Manager responsible for preparing corporate accounting documents for TXT e-solutions S.p.A. certify, also pursuant to Art. 154-bis, paragraphs 3 and 4 of Italian Legislative Decree no. 58 dated 24 February 1998:

- the adequacy, in relation to the company's characteristics; and
- the effective application of the administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements as at 31 March 2024.

The assessment of the adequacy of the administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements as at 31 March 2024 is based on a process defined by TXT in line with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission that represents a reference framework that is generally accepted at an international level.

We also certify that the condensed consolidated interim financial statements as at 31 March 2024:

- correspond to the accounting books and records;
- were prepared in compliance with the International Financial Reporting Standards adopted by the European Union as well as the provisions issued in implementation of Art. 9 of Legislative Decree no. 38/2005;
- are suitable to provide a true and fair view of the financial position, performance and cash flows of the issuer.

The interim Report on Operations includes a reliable analysis of the important events that occurred in the first three months of the year and how they affected the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months. The interim Report on Operations also includes a reliable analysis of the information on significant transactions with related parties.

Manager responsible for preparing corporate accounting documents

Eugenio Forcinito

Chair of the Board of Directors

Enrico Magni





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Milan, 15 May 2024

