



TXT E-SOLUTIONSGROUP

INTERIM REPORT

As at 30 September 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

Organi sociali

CONSIGLIO DI AMMINISTRAZIONE

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

ENRICO MAGNI
Chair

DANIELE MISANI
Chief Executive Officer

MATTEO MAGNI
Director²⁻⁴

PAOLO LORENZO MANDELLI
Independent Director¹⁻³⁻⁴

ANTONELLA SUTTI
Independent Director¹⁻²⁻³⁻⁴

ANTONIETTA ARIENTI
Independent Director²⁻³⁻⁴

MICHELA COSTA
Independent Director¹⁻³⁻⁴

- (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.

COLLEGIO SINDACALE

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
Tel: +39 02 257711

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.



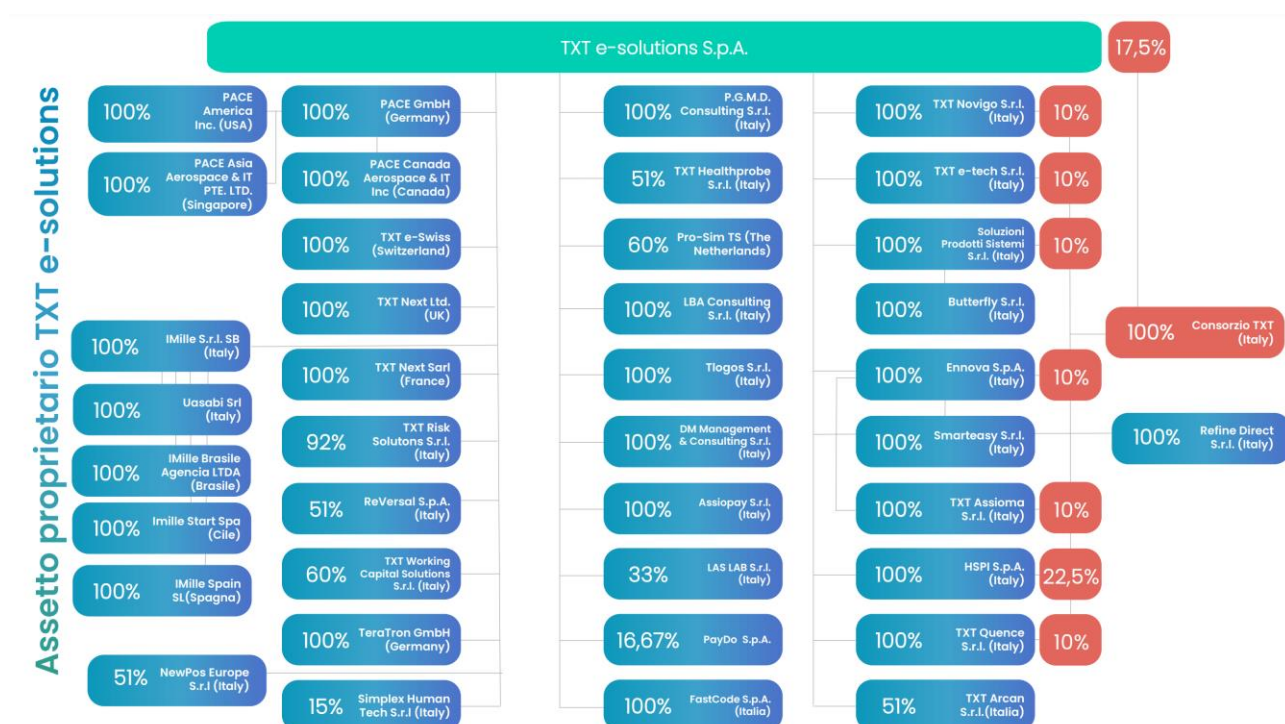
Eugenio Forcinito

+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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Group Organisational Structure as at 30 September 2024





TXT E-SOLUTIONSGROUP

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

AS AT 30 SEPTEMBER 2024

TXT e-solutions Group – Key data

INCOME DATA (€ thousand)					
	30.09.2024	%	30.09.2023	%	% CHANGE
REVENUES	219,564	100.0	159,356	100.0	37.8
EBITDA	28,030	12.8	21,403	13.4	31.0
OPERATING PROFIT (EBIT)	19,311	8.8	14,031	8.8	37.6
NET PROFIT ATTRIBUTABLE TO TXT SHAREHOLDERS	11,986	5.5	9,796	6.1	22.4
FINANCIAL DATA (€ thousand)				Change	
Fixed assets	162,077		130,792		31,285
Net working capital	54,456		39,754		14,702
Post-employment benefits and other non-current liabilities	(6,960)		(5,603)		(1,357)
Capital employed	209,573		164,943		44,630
Net financial debt	79,265		51,074		28,191
Group shareholders' equity	130,260		113,852		16,408
Shareholders' equity attributable to minority interests	49		17		32
DATA PER SHARE				Change	
Average number of shares outstanding	12,085,453		11,834,835		250,618
Net earnings per share	0.99		1.33		(0.34)
Shareholders' equity per share	10.78		9.73		1.05
ADDITIONAL INFORMATION				Change	
Number of employees	2,993		2,639		354
TXT share price	27.30		19.82		7.48

Notes on Alternative Performance Measures

Pursuant to the ESMA guidelines on alternative performance measures ("APMs") (ESMA/2015/1415), endorsed by CONSOB (see CONSOB Communication No. 0092543 dated 3 December 2015), it should be noted that the reclassified statements included in this Directors' Report on Operations show a number of differences from the official statements shown in the accounting tables set out in the following pages and in the notes with regard to the terminology and the level of detail.

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**, given by the sum of inventories, trade receivables/payables, current provisions, tax receivables/payables and other assets/liabilities and current 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 9 months of 2024

Dear Shareholders,

On **26 June 2024**, a contract was signed for the acquisition of 100% of the share capital of Imille S.r.l., its foreign subsidiaries Imille Spain SL, Imille Start S.p.A. (Chile), and Imille Brasil Agencia LTDA, and the company Uasabi S.r.l. (hereinafter referred to as "I MILLE Group"). TXT has consolidated the results within its Digital Advisory division starting from 26 June 2024.

I MILLE S.r.l. was founded in Milan in 2004 as a marketing agency and over the years it has witnessed continuous business development and constant evolution of the offer that has led to the consolidation of an important consumer portfolio, consisting primarily of large international companies with which the I MILLE Group has established long-term relationships that have promoted the internationalisation of the I MILLE offer with the opening, starting from 2018, of three foreign offices, in Spain, Brazil and Chile, and has helped the I MILLE Group to be recognised as a Global Creative Consultancy and one of the leading independent companies in the Italian communication and design landscape, with over 60 national and international awards recognised over the last ten years.

To date, the MarTech offer of the I MILLE Group covers a wide range of services, from the Creative Agency to the Product Marketing and Design Studio to the Media Agency, with vertical offers on Enterprise segments provided by I MILLE and offers dedicated to the new generations provided by Uasabi.

In terms of market positioning, the I MILLE Group boasts a broad consumer portfolio consisting mainly of large enterprises diversified across multiple sectors, with which the Group has long-established relationships. The main customers include Angelini Pharma, Barilla, Boehringer, Bolton Group, Casio, Enel, ITAS Mutua, Luxottica, Maire Tecnimont, MSC Crociere, Gruppo Montenegro, Pernod Ricard, and Yakult.

On **1 July 2024**, the contract was signed for the acquisition of 100% of the capital of Refine S.r.l. ("Refine"). TXT consolidated its results within its Smart Solutions division from 1 July 2024.

Refine was founded in Milan in 2016 thanks to a project initiated by the current selling partners and today it boasts proprietary technologies and specialised skills in the field of performance marketing, in the generation of qualified leads and in the collection and study of data in favour of a unique offering in support of the marketing strategies of its customers.

Refine offers proprietary technological solutions based on enabling technologies such as Artificial Intelligence and Data Analytics designed to create the marketing strategy suited to the needs of large international enterprises. Refine covers a multiplicity of services, from Direct Marketing (direct email and sms marketing), Display & Video Advertising, to Vertical Lead Generation services focused on the creation of Vertical Content Portals, Automated Landing Pages aimed at increasing the effectiveness of marketing campaigns and guiding the customer in choosing the most suitable channel to contact users; Refine's main customers include the major domestic and international marketing agencies, with diversified end customers in a large number of sectors, united by the

nature of large enterprises with a domestic and international presence. The main sectors range from automotive, telco, energy/utility, travel and retail.

In 2023, Refine's sales revenues amounted to € 16.7 million (+11.5% YoY), with EBITDA of approximately € 3.4 million (EBITDA margin of 20.1%). The growth forecast for the three-year period 2024-2026 is in double figures.

The main consolidated operating and financial results in the first nine months of 2023 were as follows:

- **Revenues** amounted to € 219.6 million, up 37.8% from € 159.4 million in the first nine months of 2023. Software revenues in the first nine months of 2024 stood at € 14.8 million, compared to € 8.4 million in the first nine months of 2023. Revenues from services amounted to € 204.8 million, up 35.6% compared to the first nine months of 2023.

The Software Engineering Division recorded revenues of € 145.0 million, an increase compared to the first 9 months of 2023.

The Smart Solutions Division recorded revenues of € 43.9 million, up 47.6% compared to the first nine months of 2023, of which € 3.9 million for the consolidation of the newly acquired Refine Direct.

The Digital Advisory Division recorded revenues of € 30.7 million, an increase of 38.2% compared to the first nine months of 2023, of which € 2.3 million for the consolidation of the IMILLE Group.

- The **Gross Margin**, net of direct costs, increased from € 56.7 million to € 71.5 million, an increase of 26.2%. The gross margin on revenues was equal to 32.6% in the first nine months of 2024.
- **EBITDA** amounted to € 28.0 million, an increase of +31% compared to the first nine months of 2023 (€ 21.4 million), after significant investments in commercial expenses and research and development expenses. The margin on revenues was 12.8% against 13.4% in the first nine months of 2023.
- **Operating profit (EBIT)** amounted to € 19.3 million, up +37.6% from the first nine months of 2023 (€ 14.0 million). Depreciation of tangible assets and amortisation of intangible assets amounted to € 8.7 million.
- **Financial charges** amounted to a negative € 2.5 million compared to negative € 0.1 million in the first nine months of 2023.
- **Net profit** was € 12 million, up from € 9.8 million in the first nine months of 2023. In the first nine months of 2024, taxes accounted for 28.4%.
- The **Consolidated net financial debt** as at 30 September 2024 was € 79.3 million.
- **Consolidated shareholders' equity** as at 30 September 2024 was € 130.3 million, compared to € 113.9 million as at December 2023. Changes in the nine months mainly concern the recognition of net profit for the period (€ 12.0 million), the net effect of the purchase and sale of treasury shares (€ 7.7 million), the distribution of dividends (€ 2.9 million).

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

(€ thousand)	30.09.2024	%	30.09.2023	%	% Change
REVENUES	219,564	100	159,356	100	37.8
Direct costs	148,048	67.4	102,670	64.4	44.2
GROSS MARGIN	71,516	32.6	56,686	35.6	26.2
Research and development costs	10,464	4.8	6,724	4.2	55.6
Commercial costs	18,683	8.5	15,466	9.7	20.8
General and administrative costs	14,339	6.5	13,093	8.2	9.5
GROSS OPERATING PROFIT (EBITDA)	28,030	12.8	21,403	13.4	31.0
Depreciation, amortisation and impairment	8,719	12.2	7,372	4.6	18.3
OPERATING PROFIT (EBIT)	19,311	8.8	14,031	8.8	37.6
Extraordinary/Financial income (charges)	(2,585)	(1.2)	(101)	(0.1)	2459.4
EARNINGS BEFORE TAXES (EBT)	16,726	7.6	13,930	8.7	20.1
Taxes	(4,758)	(2.2)	(4,134)	(2.6)	15.1
NET PROFIT	11,968	5.5	9,796	6.1	22.2
Attributable to:					
Parent Company shareholders	11,986		9,796		
Minority interests	(18)				

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:** proprietary software and solutions and related services to accelerate the digital transformation of customers' offer;
- **Digital Advisory:** specialised 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 nine months of 2024, compared with the first nine months of the previous year, are presented below for each Division.

(€ thousand)	30.09.2024	%	30.09.2023	%	% Change
SOFTWARE ENGINEERING					
REVENUES	144,979	100	107,404	100	35.0
Software	201	0.1	–	0.0	–
Services	144,778	99.9	107,404	100.0	34.8
DIRECT COSTS	109,577	75.6	75,739	70.5	44.7
GROSS MARGIN	35,402	24.4	31,665	29.5	11.8

SMART SOLUTIONS					
REVENUES	43,883	100	29,736	100	47.6
Software	13,748	31.3	8,408	28.3	63.5
Services	30,135	68.7	21,328	71.7	41.3
DIRECT COSTS	17,657	40.2	11,900	40.0	48.4
GROSS MARGIN	26,226	59.8	17,836	60.0	47.0
DIGITAL ADVISORY					
REVENUES	30,702	100	22,217	100	38.2
Software	856	2.8	-	0.0	-
Services	29,846	97.2	22,217	100.0	34.3
DIRECT COSTS	20,814	67.8	15,032	67.7	38.5
GROSS MARGIN	9,888	32.2	7,185	32.3	37.6
TOTAL TXT					
REVENUES	219,564	100	159,357	100	37.8
Software	14,805	6.7	8,408	5.3	76.1
Services	204,759	93.3	150,949	94.7	35.6
DIRECT COSTS	148,048	67.4	102,671	64.4	44.2
GROSS MARGIN	71,516	32.6	56,686	35.6	26.2

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 recorded revenues of € 145.0 million, up sharply compared to the first 9 months of the previous period.

The Gross margin was € 35.4 million, an increase of 11.8% compared to the first nine months of 2023.

The gross margin on revenues was equal to 24.4% compared to 29.5% in the first nine 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 six months 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.

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 9 months of 2024, revenues were € 43.9 million. Software revenues amounted to € 13.7 million.

The gross margin was € 26.2 million. The gross margin on revenues was equal to 59.8%, in line with the first nine months of 2023.

The **FARADAY™** product designed for compliance with solutions for the assessment of the risk of terrorism financing, 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 programmes 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.

The division recorded revenues of € 30.7 million up +38.2% over the first nine months of 2023, of which € 4.6 million from organic growth and € 3.9 million related to M&A.

GROUP REVENUES

Research and development costs in the first nine months of 2024 amounted to € 10.5 million, up 55.6% from € 6.7 million in the first nine months of 2023. TXT continues to invest in its Fintech division with new initiatives and with the development of "Faraday", "Polaris" proprietary products and the AssioPay platform and in the Aerospace division with the development of "Pacelab Preliminary design", "Pacelab Flight Profile Optimizer", "Pacelab Aircraft Configuration Environment" and "Pacelab Weavr" proprietary products. The percentage of revenues rose from 4.2% to 4.8% in 2024.

Commercial costs amounted to € 18.7 million, up 20.8% compared to the first nine months of 2023 (€ 15.5 million). As a percentage of revenues, commercial costs decreased from 9.7% in the first nine months of 2023 to 8.5% in the first nine months of 2024.

General and administrative costs amounted to € 14.3 million, an increase of +9.5% compared to the first nine months of 2023 (€ 13.1 million), mainly due to the consolidation of the previous year's acquisitions and non-recurring expenses related to the still ongoing process of acquisitions. As a percentage of revenues, costs came to 6.5% in the first nine months of 2024 compared to 8.2% in the first nine months of 2023.

Financial charges amounted to a negative € 2.6 million compared to a negative € 0.1 million in the first nine months of 2023. The amount consists of interest expense of € 2.3 million, a positive € 1.3 million relating to financial income and a negative € 0.5 million relating to the share of profit (loss) of associates.

Net profit came to € 12.0 million, up from € 9.8 million in the first nine months of 2023. In the first nine months of 2024, taxes accounted for 28.4%.

CONSOLIDATED CAPITAL EMPLOYED

As at 30 September 2024, Capital Employed was € 209.6 million, up € 44.6 million compared to 31 December 2023 (€ 164.9 million).

The table below shows the details:

(€ thousand)	30.09.2024	31.12.2023	Change
Intangible assets	116,105	85,900	30,205
Net tangible assets	22,457	20,430	2,026
Other fixed assets	23,515	24,462	(947)
Fixed assets	162,077	130,792	31,285
Inventories	25,718	18,733	6,985
Trade receivables	85,424	74,346	11,078
Sundry receivables and other short-term assets	16,778	14,876	1,902
Trade payables	(27,514)	(21,585)	(5,929)
Tax payables	(9,368)	(11,208)	1,840
Sundry payables and other short-term liabilities	(36,582)	(34,761)	(1,821)
Net working capital	54,456	40,402	14,055
Post-employment benefits and other non-current liabilities	(6,960)	(5,603)	(1,357)
Capital employed	209,573	165,590	43,983
Group shareholders' equity	130,260	113,852	16,408
Shareholders' equity attributable to minority interests	49	17	32
Net financial debt	79,265	51,721	27,544
Financing of capital employed	209,573	165,590	43,983

Intangible assets were up sharply compared to the value as at 31 December 2023, mainly due to the provisional price allocation of the acquisitions of the IMILLE Group (€ 7.4 million) and Refine Direct (€ 23.2 million). The increases in the period, net of the provisional price allocation of the newly acquired companies, amounting to € 2.9 million, were partially offset by amortisation for the period (€ 3.6 million).

Tangible assets, amounting to € 22.5 million, increased by € 2 million compared to 31 December 2023. The increases for the period (€ 5.3 million) were partially offset by depreciation for the period (€ 4.8 million).

Other fixed assets of € 23.5 million recorded a slight decrease compared to € 24.1 million in December 2023, mainly due to the recognition of investments held in associates. This item is mainly composed of the financial investment made in the previous year in the share capital of Banca del Fucino for € 17.8 million.

Net working capital amounted to € 54.5 million compared to € 39.8 million as at 31 December 2023. The change was € 14.7 million. There was an increase in inventories for work in progress for activities not yet invoiced to customers (€ 7.0 million), and in trade receivables (€ 11.1 million).

Liabilities arising from post-employment benefits and other non-current liabilities of Italian employees and other non-current liabilities stood at € 7.0 million, up compared to the value as at 31 December 2023 (€ 5.6 million) mainly due to the consolidation of new acquisitions.

Consolidated shareholders' equity as at 30 September 2024 was € 130.3 million, compared to € 113.9 million as at December 2023. Changes in the nine months mainly concern the recognition of net profit for the period (€ 12.0 million), the net effect of the purchase and sale of treasury shares (€ 7.6 million) and the distribution of dividends (€ 2.9 million).

Shareholders' equity attributable to minority interests as at 30 September 2024 amounted to € 49 thousand.

On 4 March 2021, the European Securities and Markets Authority (ESMA) published 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 30 September 2024 was € 79.3 million, € 51.7 million as at 31 December 2023.

(€ thousand)	30.09.2024	31.12.2023	Change
Cash and cash equivalents	(25,072)	(37,927)	12,854
Financial instruments at fair value	(25,871)	(24,058)	(1,812)
Liquid assets	(50,943)	(62,795)	11,852
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	26,268	30,697	(4,429)
Current portion of non-current financial debt	31,778	26,957	4,821
Current financial debt	58,046	57,654	392
Current net financial debt	7,103	(5,141)	12,244
Non-current financial debt (excluding current portion and debt instruments)	72,500	57,563	14,937
Debt instruments	-	-	-
Non-current financial receivables	(339)	(700)	361
Trade payables and other non-current payables	-	-	-
Non-current financial debt	72,162	56,863	15,299
Total financial debt	79,265	51,722	27,543
Non-monetary debts for adjustment of the price of the acquisitions to be paid in TXT shares	(1,228)	(2,500)	1,272
Financial investment - Banca Del Fucino	(17,778)	(17,778)	-
Adj. Net Available Financial Resources	60,259	31,444	28,815

Below is the breakdown of the debt referred to the application of IFRS 16:

(€ thousand)	30.09.2024	31.12.2023	Change
Debt referred to IFRS 16	(10,318)	(10,095)	(223)

The composition of Net Financial Debt as at 30 September 2024 is as follows:

- Cash and cash equivalents of € 25.1 million are mainly in euro, held with major Italian banks.
- Financial instruments at fair value for € 25.9 million are comprised of 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 30 September 2024 was € 26.3 million and refers (a) for € 19.9 million to short-term loans (hot money), (b) for € 3.7 million to the short-term portion

of the debt for the payment of rental and lease for offices, cars and printers for all instalments until the end of the relevant contracts following the adoption of the IFRS 16, (c) for € 0.3 million to payables to EU Partners, (d) € 0.8 million to the estimated outlay for earn-outs of FastCode S.p.A. shareholders, (e) for € 1.2 million to the remaining outlay for the acquisition of the IMILLE Group and (f) € 0.3 million for the shares to be transferred in relation to the acquisition of Refine Direct S.r.l..

- The Current portion of non-current financial debt of € 31.8 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 30 September 2024 of € 72.2 million refers (a) for € 54.2 million to the amount of new medium/long-term loans for the amount with maturity beyond 12 months, (b) for € 0.7 million to the valuation of the payable for the PUT/CALL option for the acquisition of TXT Working Capital Solutions S.r.l., as an estimate of the additional disbursements for the exercise of the Put/Call option in the period 2021-2025 for the purchase of the remaining 40% of the company's shares, (c) for € 0.2 million to the long-term portion of the Put/Call related to TXT Risk Solutions S.r.l. after renegotiation, (d) for € 6.6 million to 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 based on the adoption of IFRS 16, (e) for € 0.8 million to the Earn-out of Novigo shareholders, (f) for € 1.5 million to the estimated further disbursements for the exercise of the Put/Call option in the 2023-2026 period for the purchase of the remaining 49% of the shares of the company TXT Arcan S.r.l., (g) for € 2.0 million to the estimated outlay for the Earn-out relating to the acquisition of PACE Canada, (h) for € 1.5 million to the estimated outlay for the Earn-out relating to the acquisition of the IMILLE Group, (i) for € 5.0 million to the estimated outlay for the Earn-out relating to the acquisition of Refine Direct S.r.l..
- Non-current financial receivables as at 30 September 2024 of € 0.3 million refer to the fair value of the MTM Interest Rate Swap of the loans.

Medium/long-term loans were taken out by the Parent Company TXT e-solutions S.p.A. in 2018, 2021, 2022, 2023 and 2024, by the subsidiary TXT Assioma between 2018 and 2019, by the subsidiary Ter-aTron GmbH in 2019, by the subsidiary TXT Novigo in 2019, by the subsidiary DM Management & Consulting, by the subsidiary Soluzioni Prodotti Sistema, by the subsidiary Ennova S.p.A., by the subsidiary TXT e-tech S.r.l. and by the subsidiary IMille S.r.l., all in Euro, without guarantees, for a residual amount as at 30 September 2024 of € 86.0 million consisting of:

- a € 4.5 million 5-year loan of the Parent Company with Unicredit, with a quarterly amortisation plan, a floating interest rate and with an Interest Rate Swap to hedge interest rate risk;

- a € 5.0 million 5-year loan of the Parent Company with Unicredit, with a quarterly amortisation plan, a floating interest rate with an Interest Rate Swap to hedge interest rate risk;
- a € 3.6 million 4-year loan of the Parent Company with Banco BPM, with a quarterly amortisation plan and fixed interest rate;
- a € 1.5 million 3-year loan of the Parent Company with Banco BPM, with a monthly amortisation plan and fixed interest rate;
- a € 4.5 million loan of the Parent Company with BPER Banca Spa at a fixed rate, with quarterly amortisation plan;
- a € 0.5 million loan of the Parent Company with Credito Emiliano Spa at a floating rate, with a monthly amortisation plan;
- a € 8.5 million loan of the Parent Company with Credit Agricole Italia S.p.A. at a floating rate, with quarterly amortisation plan;
- a € 7.2 million 5-year loan of the Parent Company with Unicredit, with a quarterly amortisation plan and floating interest rate;
- a € 1.7 million loan of the Parent Company with Credito Emiliano Spa at a floating rate, with a monthly amortisation plan;
- a € 5.3 million loan of the Parent Company with BPER Banca Spa at a floating rate, with quarterly amortisation plan;
- a € 4.7 million loan of the Parent Company with Credit Agricole Italia S.p.A.;
- a € 4.2 million loan of the Parent Company with Bper Banca Spa;
- a € 3.0 million loan of the Parent Company with Credito Emiliano Spa at a floating rate, with a quarterly amortisation plan;
- a € 15.0 million loan of the Parent Company with Unicredit Spa at a floating rate, with quarterly amortisation plan;
- a € 2.0 million loan of the Parent Company with Banca Nazionale del Lavoro at a floating rate, with quarterly amortisation plan;
- a € 3.0 million 3-year loan of the Parent Company with Banco BPM, with a quarterly amortisation plan and floating interest rate;
- a € 0.4 million 4-year loan of the subsidiary TXT Assioma S.r.l. with BNL, with a quarterly amortisation plan and fixed interest rate;
- a € 1.2 million loan with Sparkasse taken out by the German subsidiary TeraTron GmbH;
- a € 0.2 million loan granted to the subsidiary TXT Novigo Srl, fixed interest rate;
- a € 6.0 million BNL loan disbursed to the company TXT e-tech Srl, floating interest rate and quarterly amortisation plan;
- € 0.1 million in loans granted to the subsidiary DM Management & Consulting;
- € 1.0 million in loans granted to the subsidiary Soluzioni Prodotti Sistemi;
- € 0.1 million in loans granted to the subsidiary PGMD Consulting S.r.l.;
- € 2.5 million in loans granted to the subsidiary Ennova S.p.A.;
- a € 0.3 million loan granted to the subsidiary IMille S.r.l..

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 debt 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.

Q3 2024 ANALYSIS

The analysis of the operating results for the third quarter of 2024, compared with those of the third quarter of the previous year, is presented below:

(€ thousand)	Q3 2024	%	Q3 2023	% Change
REVENUES	81,370	100	52,057	56.3
Direct costs	55,151	67.8	32,722	68.5
GROSS MARGIN	26,219	32.2	19,335	35.6
Research and development costs	3,726	4.6	2,224	67.5
Commercial costs	7,184	8.8	4,980	44.3
General and administrative costs	4,775	5.9	4,650	2.7
GROSS OPERATING PROFIT (EBITDA)	10,534	12.9	7,481	40.8
Depreciation, amortisation and impairment	3,351	4.1	2,395	39.9
OPERATING PROFIT (EBIT)	7,183	8.8	5,087	41.2
Financial income (charges)	(1,239)	(1.5)	(1,078)	14.9
EARNINGS BEFORE TAXES (EBT)	5,944	7.3	4,009	48.3
Taxes	(1,928)	(2.4)	(999)	93.0
NET PROFIT	4,016	4.9	3,010	33.4
Attributable to:				
Parent Company shareholders	4,016		3,010	
Minority interests	(15)			

Performance compared to the third quarter of the previous year was as follows:

- Net revenues amounted to € 81.4 million, up 56.3% from the third quarter of 2023 (€ 52.1 million).
- The Gross margin in the third quarter of 2024 was € 26.2 million, an increase of 35.6% compared to the third quarter of 2023 (€ 19.3 million). The margin on revenues was 32.2% compared to 37.1% in the third quarter of 2023 due to the higher percentage of revenues generated by services.
- EBITDA in the third quarter of 2024 was € 10.5 million, up 40.8% from the third quarter of 2023 (€ 7.5 million). The margin on revenues was 12.9%.
- Operating profit (EBIT) was € 7.2 million, up by 41.2% from the third quarter of 2023 (€ 5.1 million)
- Pre-tax profit was € 5.9 million, compared to € 4.0 million in the third quarter of 2023.
- Net profit was € 4.0 million compared to € 3.0 million in the third quarter of 2023.

EMPLOYEES

As at 30 September 2024, there were 2,993 employees, a net increase of 354 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

In the first nine months of 2024, the TXT e-solutions share price recorded an official high of € 28.25 on 19 September 2024 and a low of € 18.94 on 4 January 2024. On 30 September 2024, the share price was € 27.30.

The average daily trading volume on the stock exchange in the first nine months of 2024 was 19,129 shares, down from the 2023 daily average of 25,448.

As at 30 September 2024, there were 920,797 treasury shares (1,300,639 as at 31 December 2023), equal to 7.08% of the shares issued. During the first nine months of 2024, 197,432 shares were purchased at an average price of € 23.19.

On 29 March 2024, the following treasury shares were transferred:

- 154,296 at the agreed price of € 16.20 per share, in order to fulfil the payment commitments undertaken by TXT under the purchase agreement signed on 4 December 2023 for the acquisition of 100% of the company FastCode S.p.A.

On 7 August 2024, the following treasury shares were transferred:

- 6,994 at the agreed price of € 24.13 per share, in order to fulfil the payment commitments undertaken by TXT under the purchase agreement signed on 26 June 2024 for the acquisition of 100% of the company IMille S.r.l.

On 3 September 2024, the following treasury shares were transferred:

- 6,743 at the agreed price of € 24.13 per share, in order to fulfil the payment commitments undertaken by TXT under the purchase agreement signed on 26 June 2024 for the acquisition of 100% of the company IMille S.r.l.

On 30 September 2024, the following treasury shares were transferred:

- 408,991 at the agreed price of € 23 per share, in order to fulfil the payment commitments undertaken by TXT under the purchase agreement signed on 1 July 2024 for the acquisition of 100% of the company Refine Direct S.r.l.

In order to provide regular updates on the Company, an email-based communication channel is operational (txtinvestor@txtgroup.com). Everyone can sign up for this service in order to receive, in addition to press releases, specific communications to Investors and Shareholders.

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

On 2 October 2024, TXT announced the acquisition of 100% of the capital of Focus PLM S.r.l., an Italian boutique specialised in the provision of engineering services and products in the field of factory digitalisation. Focus PLM was founded in Ferrara (Italy) in 2011 by the current directors and currently has about 15 highly specialised staff, with 2023 turnover of € 2.5 million, an Adjusted EBITDA margin of 13.5%, and expectations of double-digit growth for the three-year period 2024-2027. The selling shareholders, currently directors and managers of Focus PLM, will remain with the company and the share acquisition agreement provides for retention, claw-back and earn-out clauses in their favour aimed at maximising the commitment of the selling shareholders and managers of Focus PLM to achieve the growth objectives shared with TXT management. The acquisition of Focus PLM represents a strategic investment that will strengthen the Software Engineering skills of the TXT Group for the Industrial and Manufacturing market, with the synergistic integration of the Focus PLM offer in the TXT ecosystem, that will expand the TXT consumer portfolio and lead to a broader range of solutions offered.

On 8 November 2024, TXT announced that it had signed the investment contract for the purchase from Genesy Group of 84.1% of the share capital of Webgenesys S.p.A., an ICT company founded in 2009 that today operates as a digital enabler, presenting itself as a driver of digital innovation primarily for Public Administrations. In recent years, Webgenesys S.p.A. has embarked on a path of accelerated growth favoured by the allocation of important public tenders that have brought the company's revenues from € 15 million in 2021 to € 37 million expected in 2024, with an EBITDA margin higher than 22% and strong growth prospects for the top line for the period 2025-2028, thanks to the over € 200 million of public tenders already awarded by Webgenesys and the backlog of orders, and technological and commercial synergies with the other first-rate entities of the TXT Group. The transaction also provides for co-investment by the "HAT Technology Fund 5", and the consideration for the acquisition of 100% of Webgenesys paid at closing to the shareholder Genesy Group, of which 84.1% by TXT and the remaining 15.9% by the "HAT Technology Fund 5", was agreed between the parties at € 63.0 million, net of the Earn-out and claw-back clauses provided for in

the investment agreement and linked to the EBITDA performance of Webgenesys in the period 2024-2028. The consideration that will be paid by TXT at closing amounts to € 53.0 million, of which € 37.3 million in cash (70.0%) and € 15.7 million in TXT shares (30.0%). The closing of the transaction, which is subject to the regulatory authorisation process, is expected by the end of 2024 and the results of Webgenesys will be consolidated in the Software Engineering division of TXT. With the consolidation of Webgenesys, the total value of the public tenders awarded by the TXT Group for the period 2025-2028 exceeds € 350 million, making the TXT Group one of the future key players of the reference market.

In relation to the organic growth of the business expected for the fourth quarter of the year, TXT management expects further double-digit growth, albeit with rates slightly down compared to the first nine months of the year, mainly driven by the digital offer in the Aerospace & Defence and Public Sector markets. For the fourth quarter of 2024, TXT management expects an improvement in margins (EBITDA margin) compared to the first nine months of the year, with the EBITDA margin on an annual basis down slightly compared to the guidance provided at the beginning of the year. The effect of the organic growth of the top line, which outperformed the guidance at the beginning of the year, will bring EBITDA levels to above the target values. With reference to cash generation, after a third quarter that recorded a slowdown in cash conversion, the fourth quarter is expected to improve.

The offer for the MarTech market launched during the current year following the acquisitions of the I MILLE and Refine Group is generating value thanks to the synergies and strategic positioning of the TXT Group on large customers, while in the context of the offer of Smart Solutions for Aerospace, the consolidation of ProSim is enhancing the Group's offer for the Training & Simulation segment, with positive forecasts for the fourth quarter and for the following three-year period thanks to the potential of the new innovative solutions developed during 2024. In the Industrial & Automotive segment, which over the last twenty-four months has grown at reduced rates compared to the TXT Group average, with the integration of Focus PLM announced at the beginning of the fourth quarter, the Group expects a slight acceleration of the synergistic growth of the business incorporating innovative services and solutions for factory digitalisation.

In relation to the 2024 M&A plan, after the investments already made for the opening of the MarTech offer and planned for the investment in Webgenesys, the TXT Group will continue its acquisition plan focusing on strategic investments in technologies and skills which complement current ones with attention to their financial sustainability.

Manager responsible for preparing corporate

accounting documents

Eugenio Forcinito

Chair of the Board of Directors

Enrico Magni

Cologno Monzese, 14 November 2024



TXT E-SOLUTIONS GROUP

CONSOLIDATED

FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2024

Consolidated Balance Sheet

ASSETS	30.09.2024	Of which with related parties	31.12.2023	Of which with related parties
NON-CURRENT ASSETS				
Goodwill	97,078,059		64,999,093	
Intangible assets with a finite useful life	19,027,091		20,900,762	
Intangible assets	116,105,150		85,899,855	
Property, plant and equipment	22,456,598		20,430,191	
Tangible assets	22,456,598		20,430,191	
Investments in associates	4,677,022		5,587,338	
Other non-recurring financial receivables	18,628,251		18,970,447	
Deferred tax assets	548,443		604,286	
Other non-current assets	23,853,716		25,162,071	
TOTAL NON-CURRENT ASSETS	162,415,464		131,492,117	
CURRENT ASSETS				
Contractual assets	25,717,786		18,732,910	
Trade receivables	85,424,194	52,704	74,346,424	386,522
Sundry receivables and other current assets	16,777,971	1,547,718	14,875,549	847,652
Other short-term financial receivables	0		810,108	400,000
HFT securities at fair value	25,870,553		24,058,487	
Cash and cash equivalents	25,072,242		37,926,613	
TOTAL CURRENT ASSETS	178,862,745	1,600,422	170,750,091	1,634,174
TOTAL ASSETS	341,278,209	1,600,422	302,242,207	1,634,174
LIABILITIES AND SHAREHOLDERS' EQUITY				Of which with re- lated parties
SHAREHOLDERS' EQUITY				
Share capital	6,503,125		6,503,125	
Reserves	18,546,651		11,182,733	
Retained earnings (accumulated losses)	93,224,944		80,653,955	
Profit (loss) for the period	11,984,944		15,512,160	
TOTAL SHAREHOLDERS' EQUITY (Group)	130,259,664		113,851,973	
Shareholders' equity attributable to minority interests	48,640		17,135	
TOTAL SHAREHOLDERS' EQUITY	130,308,304		113,869,108	-
NON-CURRENT LIABILITIES				
Non-current financial liabilities	72,500,298	949,030	57,563,008	1,315,169
Provision for post-employment benefits and other employee provisions	6,959,895		5,603,142	
Deferred tax provision	4,540,851		5,234,650	
Provisions for future risks and charges	0		0	
TOTAL NON-CURRENT LIABILITIES	84,001,044	949,030	68,400,800	1,315,169
CURRENT LIABILITIES				
Current financial liabilities	58,046,185	487,543	57,653,709	370,283
Trade payables	27,513,602	4,642	21,584,829	
Tax payables	4,827,289		5,973,028	
Sundry payables and other current liabilities	36,581,786	254,430	34,760,733	100,000
TOTAL CURRENT LIABILITIES	126,968,861	746,615	119,972,299	470,283
TOTAL LIABILITIES	210,969,904	1,695,645	188,373,099	1,785,452
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	341,278,209	1,695,645	302,242,207	1,785,452

Consolidated Income Statement

(€ thousand)	30.09.2024	Of which with related parties	30.09.2023	Of which with related parties
Revenues and other income	219,563,833	83,230	159,356,175	46,000
TOTAL REVENUES AND OTHER INCOME	219,563,833	83,230	159,356,175	46,000
Purchases of materials and external services	(87,144,035)	(525,139)	(51,713,295)	(500,268)
Personnel costs	(102,133,423)		(84,192,917)	
Other operating costs	(2,255,862)	-	(2,047,294)	-
Depreciation and amortisation/Impairment	(8,720,416)	-	(7,371,506)	-
OPERATING RESULT	19,310,096	(441,909)	14,031,163	(454,268)
Financial income (charges)	(2,080,749)		309,450	-
Share of profit (loss) of associates	(504,126)		(410,993)	
EARNINGS BEFORE TAXES (EBT)	16,725,221	(441,909)	13,929,620	
Income taxes	(4,757,771)	-	(4,133,726)	-
NET PROFIT (LOSS) FOR THE PERIOD	11,967,450	(441,909)	9,795,893	
Attributable to:				
Parent Company shareholders	11,984,944		9,795,893	
Minority interests	(17,494)			
EARNINGS PER SHARE	0.99		0.82	
DILUTED EARNINGS PER SHARE	0.99		0.82	
Average number of shares	12,085,203		11,876,475	

Consolidated Statement of Comprehensive Income

	30.09.2024	30.09.2023
NET PROFIT (LOSS) FOR THE PERIOD	11,967,450	9,795,893
Attributable to:		
Minority interests	(17,494)	-
Parent Company shareholders	11,984,944	9,795,893
Profit/(Loss) from foreign currency translation differences	(106,801)	116,812
Gain/(Loss) on the effective part of hedging instruments (cash flow hedge)	(438,313)	(303,816)
Total items of other comprehensive income that will be subsequently reclassified to profit/(loss) for the year net of taxes	(545,114)	(187,004)
Defined-benefit plans actuarial gains (losses)	(23,517)	(388,312)
Total items of other comprehensive income that will not be subsequently reclassified to profit/(loss) for the year net of taxes	(23,517)	(388,312)
Total profit/(loss) of Other comprehensive income net of taxes	(568,631)	(575,316)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,398,819	9,220,577
Attributable to:		
Minority interests	(17,494)	-
Parent Company shareholders	11,416,313	9,220,577

Company segment information

For operating purposes, the Group is organised into three Business Units based on the end-use of the products and services provided.

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

(€ thousand)	Software Engineering	Smart Solutions	Digital Advisory	Not allocated	Total 2024
REVENUES	144,979	43,883	30,703		219,564
Direct costs	109,577	17,657	20,814		148,048
GROSS MARGIN	35,402	26,226	9,889		71,516
Research and development costs	2,786	7,652	26		10,464
Commercial costs	9,964	5,972	2,747		18,683
General and administrative costs	7,251	4,199	2,889		14,339
GROSS OPERATING PROFIT (EBITDA)	15,401	8,403	4,227		28,030
Depreciation	3,341	1,039	406		4,785
Amortisation	1,587	1,494	491		3,572
Reorganisation and non-recurring charges	75	279	8		362
OPERATING PROFIT (EBIT)	10,398	5,591	3,322		19,311
Extraordinary/Financial income (charges)				(2,585)	(2,585)
Extraordinary/financial income (charges) related to acquisitions				0	0
EARNINGS BEFORE TAXES (EBT)	10,398	5,591	3,322	(2,585)	16,726
Taxes				(4,758)	(4,758)
NET PROFIT	10,398	5,591	3,322	(7,343)	11,968

Consolidated Statement of Cash Flows

	30 September 2024	31 December 2023
Net profit (loss) for the period	11,967,449	15,512,160
Non-monetary costs for Stock Options	277,206	
Non-monetary interest	-	110,443
Change in fair value of monetary instruments	(1,011,365)	245,238
Current income taxes	4,757,771	5,511,145
Change in deferred taxes	(637,956)	2,314,309
Depreciation, amortisation and impairment	8,421,249	11,444,557
Other non-monetary expenses	(1,447,275)	(606,879)
Cash flows from (used in) operating activities (before change in working capital)	22,327,079	34,530,973
(Increase) / Decrease in trade receivables	(3,210,357)	(1,332,838)
(Increase) / Decrease in contractual assets / inventories	(6,984,876)	(4,968,382)
Increase / (Decrease) in trade payables	884,841	942,083
(Increase) / Decrease in other assets/liabilities	(2,523,878)	(5,665,121)
Increase / (Decrease) in post-employment benefits	561,473	831,049
Changes in operating assets and liabilities	(11,272,797)	(10,193,209)
Paid income taxes	(2,185,838)	(2,144,995)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	8,868,444	22,192,769
<i>of which with related parties</i>	-	93,396
(Increase) / Decrease in tangible assets	(6,500,761)	(2,427,292)
(Increase) / Decrease in intangible assets	(1,054,763)	(11,735,313)
Capitalisation of development expenses	-	-
Decrease in tangible and intangible assets	244,102	680,430
Cash flow from acquisitions of associates	(25,016,670)	1,082,966
(Increase) / Decrease in trading securities	410,108	29,036,112
(Increase) / Decrease in securities at fair value	(797,652)	(5,550,946)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(32,715,636)	11,085,957
<i>of which with related parties</i>	-	-
Loans issued	36,000,000	17,450,262
Loans repaid	(26,821,152)	(29,687,135)
Payment of lease liabilities	(1,942,725)	(4,128,792)
Distribution of dividends	(2,941,172)	(2,147,300)
Interest expense	(2,227,539)	-
Other changes in shareholders' equity	(453,507)	-
Net change in financial liabilities	1,372,927	(1,886,012)
(Purchase)/Sale of treasury shares	8,112,791	(8,372,026)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	11,099,622	(28,771,003)
<i>of which with related parties</i>	-	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,747,570)	4,507,723
Effect of changes in exchange rates on cash flows	(106,801)	404,295
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	37,926,613	33,014,594
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25,072,242	37,926,613
Assets acquired that did not generate cash flows (initial recognition IFRS 16)	(3,585,389)	(6,256,318)
Liabilities acquired that did not generate cash flows (initial recognition IFRS 16)	3,585,389	6,256,318

Statement of changes in Consolidated Shareholders' Equity as at 30 September 2024

	Capitale sociale	Riserva legale	Riserva da sovrapprezzo azioni	Avanzo di fusione	First time application	Stock options	Differenze attuariali TFR	Fair Value Swap	Riserva di traduzione	Utili a nuovo	Utile (perdita) del periodo	Totale patrimonio netto (gruppo)	Totale patrimonio netto (Ivaf)	Totale patrimonio netto
Saldo al 31 dicembre 2023	6.503.125	1.300.625	7.743.733	1.911.444	0	90.743	(1.165.471)	419.830	883.027	80.853.956	15.512.160	113.851.973	17.135	113.869.108
Utile al 31 Dicembre 2023										15.512.160	(15.512.160)	0		0
Acquisizioni												0	48.000	48.000
Incremento/acquisto						277.208		(438.313)				(161.107)		(161.107)
Distribuzione dividendi												(2.941.172)		(2.941.172)
Aumento di capitale gratuito										(2.941.172)		0		0
Vendita azioni proprie			12.238.267									12.238.267		12.238.267
Acquisto azioni proprie			(4.582.924)									(4.582.924)		(4.582.924)
Attualizzazione TFR							(23.517)					(23.517)		(23.517)
Altri Movimenti												0		0
Delta cambi									(106.801)			(106.801)		(106.801)
Acquisizione PN di terzi												0		0
Utile al 30 Settembre 2024											11.984.944	11.984.944	(17.494)	11.967.450
Saldo al 30 Settembre 2024	6.503.125	1.300.625	15.399.076	1.911.444	0	367.949	(1.189.988)	(16.683)	776.229	93.224.944	11.984.944	130.259.683	48.841	130.308.304

	Capitale sociale	Riserva legale	Riserva da sovrapprezzo azioni	Avanzo di fusione	First time application	Stock options	Differenze attuariali TFR	Fair Value Swap	Riserva di traduzione	Utili a nuovo	Utile (perdita) del periodo	Totale patrimonio netto (gruppo)	Totale patrimonio netto (Ivaf)	Totale patrimonio netto
Saldo al 31 dicembre 2022	6.503.125	1.300.625	16.116.759	1.911.444	0	67.293	(914.679)	954.415	476.732	70.861.098	11.988.305	109.385.911	17.135	109.383.046
Utile al 31 dicembre 2022										11.988.305	(11.988.305)	0		0
Acquisizioni minoranze										0	0	0	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			4.904.618									4.904.618		4,904,618
Acquisto azioni proprie			(13.276.644)									(13,276,644)		(13,276,644)
Differenze attuariali TFR							(361.595)					(361,595)		(361,595)
Altri movimenti												0		0
Delta cambi									404.295			404,295		404,295
Utile al 31 dicembre 2023											15.512.160	15,512,160		15,512,160
Saldo al 31 dicembre 2023	6.503.125	1.300.625	7.743.733	1.911.444	0	90.743	(1,165,471)	419.830	883.027	80.853.956	15.512.160	113.851.973	17.135	113.869.108

1. Group structure

The Parent Company TXT e-solutions S.p.A. 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 30 September 2024 (see also the organisational diagram in the section “Organisational structure”) 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%	10,000
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 S.r.l.	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. in liquidation	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
TXT Quence S.r.l.	EUR	100%	10,000
TXT Consortium	EUR	100%	20,000
FastCode S.p.A.	EUR	100%	100,000
TXT Arcan S.r.l.	EUR	51%	20,407
NewPos Europe S.r.l.	EUR	51%	100,000
IMille S.r.l. Società Benefit	EUR	100%	300,000
Uasabi S.r.l.	EUR	100%	10,000
IMille Brasil Agencia LTDA	BRL	100%	1,000
IMille Start S.p.A.	CLP	100%	300,000
IMille Spain SL	EUR	100%	3,000
Refine Direct S.r.l.	EUR	100%	50,000

TXT e-solutions S.p.A. Group's (the "Group") consolidated financial statements are presented in Euro. 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 nine months)

Currency	30.09.2024	30.09.2023
British Pound (GBP)	0.8513	0.87072
US Dollar (USD)	1.0871	1.08330
Swiss Franc (CHF)	0.9581	0.97740
Canadian Dollar (CAD)	1.4787	1.4576
Singapore Dollar (SGD)	1.4539	1.4523
Chilean Peso (CLP)	1,018.44	890.08
Brazilian Real (BRL)	5.6978	5.3065

- Balance sheet (exchange rates as at 30 September 2024 and 31 December 2023)

Currency	30.09.2024	31.12.2023
British Pound (GBP)	0.8354	0.8691
US Dollar (USD)	1.1196	1.1050
Swiss Franc (CHF)	0.9439	0.9260
Canadian Dollar (CAD)	1.5133	1.4642
Singapore Dollar (SGD)	1.4342	1.4591
Chilean Peso (CLP)	1,006.93	977.07
Brazilian Real (BRL)	6.0504	5.3618

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 report as at 30 September 2024 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 30 September 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 30 September 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 adopted in the preparation of the financial statements, as well as their content and changes in the individual items, are set out below and have not changed from those adopted in the financial statements for the year ended 31 December 2023, thereby ensuring the comparability of the data.

The publication and release of this report were approved by the Board of Directors' Meeting held on 11 November 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 30 September 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) entities that, directly or indirectly, even through subsidiaries, trustees or third parties:
 - control TXT e-solutions Sp.A.;
 - are subject to joint control with TXT e-solutions Sp.A.;
 - have an interest in TXT e-solutions Sp.A. such as to exercise a significant influence;
- b) associates of TXT e-solutions Sp.A.;
- c) the joint ventures in which TXT e-solutions Sp.A. holds an interest;
- d) the managers with strategic responsibilities of TXT e-solutions Sp.A. or one of its parent companies;

- e) any close family members of the parties as per 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) a supplementary, collective or individual pension fund, either Italian or foreign, set up for TXT e-solutions Sp.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 refer to amounts paid to the directors, key management personnel and associates.

As at 30 September 2024	Receivables	Payables	Costs	Revenues
TXT Healthprobe S.r.l.	597,652			
LAS LAB S.r.l.	52,704			
PayDo	100,000			
Reversal	500,000			
Directors and key management personnel		254,430	525,139	
Total as at 30 September 2024	1,250,356	254,430	525,139	-

As at 31 December 2023	Receivables	Payables	Costs	Revenues
TXT Healthprobe S.r.l.	597,652			
LAS LAB S.r.l.	35,560			
ProSim	350,962			
PayDo				
Reversal	250,000			
Directors and key management personnel		138,491	723,606	
Total as at 31 December 2023	1,234,174	138,491	723,606	-

Financial transactions

The amounts with Related Parties as at 30 September 2024 are shown for financial transactions:

As at 30 September 2024	Receivables	Payables	Costs	Income
Laserfin S.r.l.		1,436,573		
Total as at 30 September 2024	-	1,436,573	-	-

As at 31 December 2023	Receivables	Payables	Costs	Income
Laserfin S.r.l.		1,798,876		
ProSim	400,000			
Total as at 31 December 2023	400,000	1,798,876	-	-

6. Certification of the Interim report pursuant to Article 154-bis of Italian Legislative Decree No. 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 30 September 2024.

The assessment of the adequacy of the administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements as at 30 September 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 international level.

We also certify that the condensed consolidated financial statements as at 30 September 2024:

- correspond to the accounting books and records;
- were prepared in compliance with the International Financial Reporting Standards endorsed by the European Union as well as with the implementing measures for Art. 9 of Italian 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 nine 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 of the year. 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

Cologno Monzese, 14 November 2024

