



TXT E-SOLUTIONS GROUP

INTERIM REPORT

As at 31 March 2022

TXT e-solutions S.p.A.

Registered office, management, and administration:

Via Milano, 150 - 20093 Cologno Monzese (MI)

Share capital:

Euro 6.503.125 fully paid

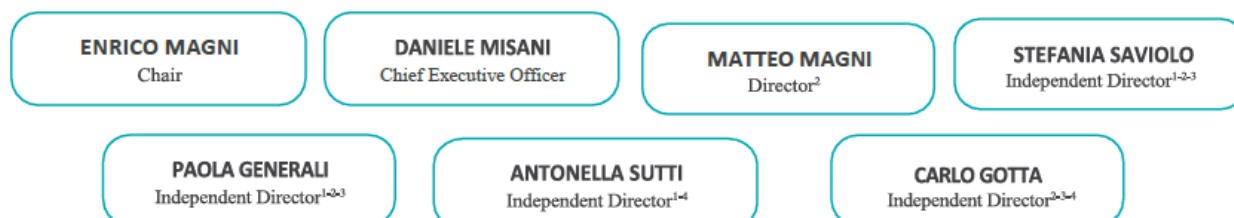
Tax code and Milan Business Register number:

09768170152

Corporate Units

BOARD OF DIRECTORS:

In office until approval of the financial statements as at 31 December 2022:



Member of the Remuneration and Appointments Committee.

(1) Member of the Risks and Internal Controls Committee.

(2) Member of Related Parties Committee.

(3) Appointed by the Shareholders' Meeting on 13 September 2021.

BOARD OF STATUTORY AUDITORS:

In office until approval of the financial statements as at 31 December 2022:



EXTERNAL AUDITORS:

Crowe Bompani S.p.A.

Investors relations:

E-mail: infofinance@txtgroup.com

Tel: +39 02 25771.1

Leadership Team



Enrico Magni

CHAIR

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

GROUP CEO

+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

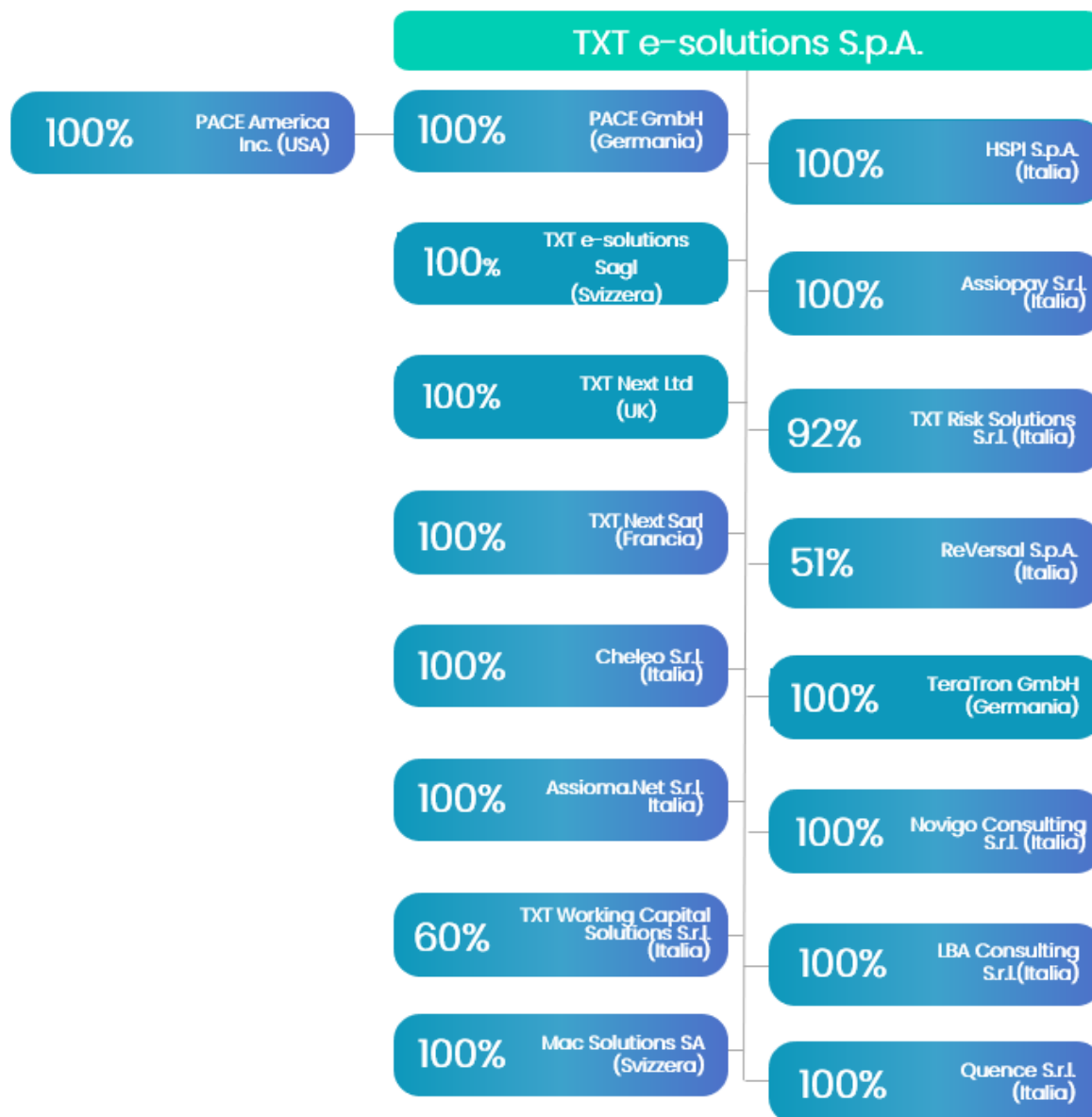
GROUP CFO

+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.

Contents

TXT e-solutions S.p.A.....	2
Leadership Team.....	3
Organisational structure and scope of consolidation.....	5
TXT e-solutions Group – Key Data.....	7
Director’s Report on Operations for the first three months of 2022.....	9
Consolidated Balance Sheet.....	23
Consolidated Income Statement.....	24
Consolidated Statement of Comprehensive Income.....	25
Segment Disclosures.....	26
Consolidated Statement of Cash Flows.....	27
Consolidated Statement of Changes in Equity as at 31 March 2022.....	28
1. Group’s Structure and scope of consolidation.....	29
2. Basis of preparation of the consolidated financial statements.....	30
3. Accounting standard and interpretations applied from 1 January 2022.....	31
4. Financial Risk Management.....	31
5. Transactions with related parties.....	31
6. Certification on the Interim Report pursuant to Article 154-bis of Legislative Decreee 58/98.....	33

Organisational structure and scope of consolidation





TXT E-SOLUTIONS GROUP

KEY DATA AND DIRECTORS'

REPORT ON OPERATIONS

FOR THE FIRST 3 MONTHS OF

2022

TXT e-solutions Group – Key Data

Income data (€ thousand)	Q1 2022	%	Q1 2021	%	VAR %
REVENUES	30,520	100.0	21,481	100.0	42.1
EBITDA	4,493	14.7	2,703	12.6	66.2
Net Profit	2,074	6.8	1,238	5.8	67.5
Net Profit attributable to minority interests	(15)		0		
Net Profit	2,059	6.7	1,238	5.8	66.3

Financial data (€ thousand)	31.03.2022	31.03.2021	Var
Fixed assets	83,132	61,057	22,075
Net working capital	16,867	16,811	56
Severance & other non-current liabilities	(3,249)	(2,770)	(479)
Capital employed	96,750	75,098	21,652
Net Financial Position - Cash	1,547	(10,838)	12,385
Shareholder's equity	94,776	85,936	8,840
Shareholders' Equity attributable to minority interests	427	0	427

Data per share (in €)	31.03.2022	31.03.2021	Var
Number of shares outstanding *	11,707,895	11,680,203	27,692
Operating profit per share *	0.18	0.11	0.07
Shareholder's equity per share *	8.10	7.36	0.74

Additional information	31.03.2022	31.03.2021	Var
Number of employees	1,385	1,031	354
TXT share price	9.78	7.42	2.36

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 write-downs in the official consolidated Income Statement.

The reclassified consolidated Balance Sheet was prepared based on the items recognized 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, intangible fixed 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.

Director's Report on Operations for the first three months of 2022

Dear Shareholders,

in the first quarter of 2022 the Fintech Division recorded higher revenues (Revenues + 39.5%) also due to the consolidation of the recent 2021 acquisitions and the Aerospace, Aviation & Automotive Division as well recorded growth (Revenues +44.5%) also due to the recent acquisition of TeraTron GmbH.

On 30 March 2022, 90,329 treasury shares were transferred at the agreed price of €9.84 to fulfil the payment agreements undertaken by TXT pursuant to the agreement signed on 28 December 2021 for the acquisition of 100% of Quence S.r.l.

The main consolidated operating and financial results for the first quarter of 2022 were as follows:

- **Revenues** amounted to €30.5 million, up +42.1% compared to € 21.5 million in first quarter of 2021. Within the same perimeter scope, excluding TeraTron GmbH acquired in July 2021, LBA Consulting S.r.l and Novigo Consulting S.r.l acquired in November 2021 and Quence S.r.l acquired in December 2021, revenues increased by 17.8%. Software revenues in first quarter 2022 were € 2.3 million, compared to €2.0 million in first quarter 2021. Revenues from services amounted to €28.3 million, up 44.7% compared to first quarter 2021.
The Aerospace, Aviation and Automotive Division had revenues for € 15.9 million, up +44.5% compared to first quarter 2021, the increase is attributable to € 2.0 million for organic development and for € 2.9 million for the purchase of TeraTron GmbH.
The Fintech Division had revenues for € 14,6 million, up +39.5% compared to first quarter 2021, the increase is attributable to € 1.9 million for organic development and for € 2.3 million for the consolidation of the new acquired companies in 2021.
- The **Gross Margin**, net of direct costs, increased from € 8.3 million to € 11.6 million, an increase of +40.6%. In the first quarter 2022, the gross margin amounted to 38.1% of revenues.
- **EBITDA** was € 4.5 million, up by +66.2% compared to the first quarter of 2021 (€ 2.7 million), after investments mainly in commercial expenses and R&D expenses. The margin on revenues, increasing compared to first quarter 2021, amounted to 14.7% compared to 12.6% in the first quarter 2021.
- **EBIT** (Operating Profit) was € 3.2 million, up +86.1% compared to the first quarter 2021 (€ 1.7 million). The amortisation of intangibles and depreciation of tangible assets amounted to € 1.2 million, up € 0.2 million compared to the first quarter 2021 due to the 2021 acquisitions.
- **Financial Income and charges** amounted to negative € 0.3 million compared to € 0.3 million of the first quarter of 2021. Financial income attributable to financial investment was negative for € 0.1 million.
- **Net Profit** was € 2.1 million, up compared to € 1.2 million in the first quarter 2021. In the first quarter

2022 taxes had an impact of 29.2%.

- The consolidated **Net Financial Debt** as at 31 March 2022 was positive for € 1.5 million, decreasing compared to positive € 9.1 million as at 31 December 2021. The improvement is mainly due to better collections in first quarter 2022.
- **Consolidated shareholders' equity** as at 31 March 2022 is € 94.8 million compared to € 92.7 million in December 2021. Changes during the quarter mainly concern the recognition of net profit 2021 (€ 7.9 million), the net effect of the purchase and sale of treasury shares (€ 0.5 million).

TXT's consolidated results for the first quarter of 2022, compared with those of the first quarter of last year, are presented below:

€ thousand	1Q 2022	%	1Q 2021	%	Var %
REVENUES	30,520	100	21,481	100	42.1
Direct costs	18,893	61.9	13,210	61.5	43.0
GROSS MARGIN	11,627	38.1	8,271	38.5	40.6
Research and Development costs	1,908	6.3	1,650	7.7	15.6
Commercial costs	3,167	10.4	2,513	11.7	26.0
General and Administrative costs	2,059	6.7	1,405	6.5	46.5
EBITDA	4,493	14.7	2,703	12.6	66.2
Depreciation	721	2.4	567	2.6	27.2
Amortization	482	1.6	408	1.9	18.1
Reorganization and Non-Recurrent Costs	(75)	(0.2)	0	0.0	0.0
OPERATING PROFIT (EBIT)	3,215	10.5	1,728	8.0	86.1
Financial income (charges)	(287)	(0.9)	256	1.2	(212.1)
Non-recurrent financial income (charges)	0	0.0	0	0.0	0.0
EARNINGS BEFORE TAXES (EBT)	2,928	9.6	1,984	9.2	47.6
Taxes	(854)	(2.8)	(746)	(3.5)	14.5
NET PROFIT	2,074	6.8	1,238	5.8	67.5
Attributable to:					
Parent Company shareholders	2,059				
Minority interests	15				

GROUP REVENUES AND GROSS MARGINS

Revenues and direct costs for the first quarter of 2022, compared with those of the previous year for each Division are presented below.

€ thousand	Q1 2022	%	Q1 2021	%	Var %
TXT AEROSPACE, AVIATION & AUTOMOTIVE					
Revenues	15,894	100	10,998	100	44.5
Software	1,828	11.5	1,618	14.7	13.0
Services	14,066	88.5	9,380	85.3	50.0
Direct costs	8,759	55.1	6,611	60.1	32.5
Gross margin	7,135	44.9	4,387	39.9	62.6
TXT FINTECH					
Revenues	14,626	100	10,483	100	39.5
Software	438	3.0	334	3.2	31.1
Services	14,188	97.0	10,149	96.8	39.8
Direct costs	10,134	69.3	6,599	62.9	53.6
Gross margin	4,492	30.7	3,884	37.1	15.7
TOTAL TXT					
Revenues	30,520	100	21,481	100	42.1
Software	2,266	7.4	1,952	9.1	16.1
Services	28,254	92.6	19,529	90.9	44.7
Direct costs	18,893	61.9	13,210	61.5	43.0
Gross margin	11,627	38.1	8,271	38.5	40.6

TXT Aerospace, Aviation & Automotive Division

Revenues of the Aerospace, Aviation & Automotive Division were € 15.9 million, up +44.5% compared to first quarter 2021, the increase is attributable for € 2.0 million for organic development and for € 2.9 million for the purchase of TeraTron GmbH.

Revenues from software were € 1.8 million in the first quarter 2022, up by 13.0% compared to first quarter 2021. International revenues represent 40.9% of the Division's revenues, amounted € 6.5 million as at 31/03/2022 increasing compared to € 3.8 million as at 31 March 2021.

The Gross Margin increasing by 62.6%, was € 7.1 million compared to € 4.4 million in the first quarter of 2021. The incidence of these costs was 44.9% compared to 39.9% in the first quarter 2021 mainly due to the increase of services revenues in the revenues mix.

TXT has decades-long experience in the aerospace sector, particularly in on-board software, flight simulators, training systems, flight support systems and advanced manufacturing solutions. The Division also serves a growing number of aerospace companies and airline operators throughout

the world, providing them with software and innovative services to design, configure, produce, acquire, and operate their airlines and fleets in an economically optimal manner. The main application areas are the preliminary design of airplanes and technical systems, the configuration of airplanes and cabins, economic management of fleets, and the analysis of flying routes and innovative instruments - such as "Electronic Flight Bags" - to improve operating efficiency during flight.

Current customers comprise over 50 major companies, including leading manufacturers of aircraft and engines, airlines, civil and defense operators, and MRO - Maintenance, Repair & Overhaul companies, such as Leonardo (IT), Airbus (DE and FR), Boeing (USA), Pilatus (CH), Saab (SW), Reiser (DE), Safran Group (FR), GE Aviation (USA), COMAC (China), Sukhoi (Russia), Embraer (Brazil), Rolls-Royce (UK), Lufthansa (DE), American Airlines (USA) and Delta Airlines (USA).

With the consolidation of TeraTron, TXT strengthens its presence in Germany with more than 150 specialised resources, integrating the aerospace offer of PACE GmbH with the offer of TeraTron within the German manufacturing & automotive sector. It significantly increases the know-how on key technological expertise related to the IoT area, expanding the offer with the proposal of proprietary software and hardware solutions. In the last three years, TeraTron reported revenues of € 9.2 million in 2019, with EBITDA of € 1.8 million, revenues of € 7.6 million in 2020 with EBITDA of € 1.4 million; revenues of € 9.8 million in 2021 with EBITDA of € 2.5 million. In the first quarter 2022 TeraTron has consolidated revenues for € 2.9 million and an EBITDA of € 0.7 million.

TXT stands out for its ability to design highly reliable advanced solutions with technology as a key business factor and it specialises in mission critical software and systems, embedded software as well as software for training purposes based on simulations and virtual & augmented reality.

TXT FINTECH Division

The Fintech Division had revenues for € 14.6 million, up by +39.5% compared to the first quarter 2021, of which € 2,3 million deriving from the consolidation of the new companies that joined the TXT Group during the 2021 (LBA Consulting, Novigo Consulting e Quence). International revenues account for 19.9% of revenues for the Division, amounted to € 2.9 million as at 31 March 2022, increasing compared to € 1.6 million, 15% of total revenues, as at 31 March 2021.

The Gross Margin was € 4.5 million, up by + 15.7% compared to the first quarter of 2021 (€ 3.9 million). The impact of the gross margin on revenues was decreasing compared to previous year and was 30.7% in 2022 and 37.1% in 2021.

TXT historically operates in the financial and banking sector with an increasing portfolio of proprietary products and innovative solutions. Moreover, TXT specialises in Independent Verification & Validation of supporting IT systems. At the base of the offer is the great experience of market processes accrued over more than twenty years of activity alongside leading banking companies, combined with in-depth knowledge of methods and tools for managing specialist vertical processes such as NPL, digital payments, factoring and compliance.

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 manage the Supply Chain Finance programs dynamically and centrally, 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 formalization. A simple tool to proactively manage commercial debt within its supply chains, supporting the liquidity of suppliers in collaboration with a wide range of possible financial partners. Polaris digitalises the main operating processes in reverse factoring and 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.

GROUP REVENUES

Research and Development Costs for the first quarter of 2022 amounted to € 1.9 million, increasing compared to € 1.7 million in first quarter 2021. TXT continues to invest in its Fintech division with new initiatives and with the development of proprietary products “Faraday”, “Polaris” and the Assiopay platform and in the Aerospace division with the development of proprietary products “Pacelab Preliminary design”, “Pacelab Flight Profile Optimizer”, “Pacelab Aircraft Configuration Environment” and “Pacelab Weavr”. The impact on revenues decreased from 7.7% in the first quarter 2021 to 6.3% in the first quarter 2022.

Commercial costs amounted to € 3.2 million, up by 26.0% compared to the first quarter of 2021 (€ 2.5 million). The impact on revenues decreased from 11.7% in the first quarter of 2021 to 10.4% in the first quarter 2022.

General and administrative costs amounted to € 2.1 million, up by 46.5% compared to the first quarter of 2021 (€ 1.4 million), mainly due the consolidation of new companies acquired during 2021 and non-recurring expenses related to the ongoing process of acquisitions. The impact on revenues is consistent with the first quarter of 2021 (6.7% in first quarter 2022 compared to 6.5% of 2021).

Financial Income amounted to negative € 0.3 million compared to € 0.3 million in the first quarter of 2021. Financial income attributable to financial investment was negative € 0.1 million.

Net Profit was € 2.1 million, up compared to € 1.2 million in the first quarter of 2021. In the first quarter 2022 the taxes impact amount to 29.2%

CONSOLIDATED CAPITAL EMPLOYED

The Capital Employed as at 31 March 2022 was € 96.8 million, decreasing by € 5.4 million compared to 31 December 2021 (€ 102.2 million)

The table below shows the details:

€ thousand	31.03.2022	31.12.2021	Change
Intangible assets	54,311	52,626	1,685
Tangible assets	12,383	12,126	257
Other fixed assets	16,438	16,529	(91)
Fixed Assets	83,132	81,281	1,851
Inventories	12,611	7,810	4,801
Trade receivables	30,793	43,156	(12,363)
Other short-term assets	9,807	8,864	943
Trade payables	(6,684)	(6,303)	(381)
Tax payables	(5,884)	(5,700)	(184)
Other payables and short-term liabilities	(23,776)	(23,650)	(126)
Net working capital	16,867	24,177	(7,310)
Severance and other non-current liabilities	(3,249)	(3,297)	48
Capital employed - Continuing Operations	96,750	102,161	(5,411)
Shareholders' equity	94,776	92,655	2,121
Shareholders' equity - minority interest	427	412	15
Net financial debt	1,547	9,094	(7,547)
Financing of capital employed	96,750	102,161	(5,411)

Intangible assets increased from € 52.6 to € 54.3 million mainly due to the effect of the revised price estimate and consequent allocation to goodwill of the Novigo Consulting acquisition (€ 6.8 million in the first three months of 2022 compared to € 4.7 million at 31 December 2021), net of amortisation of the period (€ 0.5 million).

Tangible fixed assets of € 12.4 million, increased by € 0.3 million compared to 31 December 2021. The increase of the period is mainly due to investment after the depreciation of the period (€ 0.7 million).

Other Fixed assets of € 16.4 million are substantially in line with figures as at 31 December 2021.

Net Working Capital amounted to € 16.9 million compared to € 24.2 million as at 31 December 2021. The change is € 7.3 million. The decrease in trade receivables of € 12.4 million is the results of effective credit collection action in first quarter of 2022. There was an increase in inventories for work in progress activities not yet invoiced to customers (€ 12.6 million).

Liabilities arising from post-employment benefits and other non-current liabilities of Italian employees and other non-current liabilities of € 3.3 million were essentially in line with the figures of December 2021.

Consolidated shareholders' equity as at 31 March 2022 was € 94.8 million compared to € 92.7 million at December 2021. Changes during the quarter mainly concern the recognition of net profit 2021 (€ 7.9 million), the net effect of the purchase and sale of treasury shares (€ 0.5 million).

Shareholders' equity attributable to minority interests as at 31 March 2022 of € 0.4 million related to the 49% minority interest in ReVersal S.p.A., not held by the Group.

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 n. 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 forecasts, 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.

The application of the ESMA Guidelines and the adoption of the new definition of "Total financial debt" resulted in a decrease in financial debt of € 7.5 million as at 31 March 2022.

Net financial debt (availability) and cost of debt

Below is a summary of the main phenomena that had an impact on the net financial availability which as at 31 March 2022 was equal to € 1,5 million, € 9,1 million as at 31 December 2021.

(€ thousand)	31.03.2022	31.12.2021	Var
Cash and cash equivalents	(42,185)	(36,076)	(6,109)
Financial instruments at fair value	(47,981)	(48,869)	888
Liquid assets	(90,165)	(84,945)	(5,220)
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	30,035	28,800	1,236
Current portion of non-current financial debt	17,481	15,770	1,710
Current financial indebtedness	47,516	44,570	2,946
Current net financial indebtedness	(42,649)	(40,375)	(2,274)
Non-current financial debt (excluding current portion and debt instruments)	44,196	49,469	(5,272)
Debt instruments	-	-	-
Trade payables and other non-current payables	-	-	-
Non-current financial indebtedness	44,196	49,469	(5,272)
Net financial debt	1,547	9,094	(7,547)

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

(Importi in migliaia di Euro)	31.03.2022	31.12.2021	Var
Debt referred to IFRS 16	(5,693)	(5,748)	55

Follow TXT Group's net financial position Adjusted as at 31 March 2022 which includes the adjustment for the non-monetary debt related to 2021 acquisition:

.000 Euro	31.03.2022	31.12.2021	Var
Cash	42,185	36,076	6,109
Trading securities at fair value	47,981	48,869	(888)
Short term Financial Debts	(47,516)	(44,570)	(2,946)
Short term Financial Resources	42,650	40,375	2,275
Non-current Financial Debts - Lessors IFRS 16	(4,055)	(4,209)	154
Other Non-current Financial Debts	(40,141)	(45,260)	5,119
Non-current Financial Debts	(44,196)	(49,469)	5,273
Net Available Financial Resources	(1,546)	(9,094)	7,548
Non-monetary debts for adjustment of the price of the 2021 acquisitions to be paid in TXT shares	4,826	5,253	(427)
Net Cash/(Debt) Adjusted	3,280	(3,841)	7,121

The Net Financial Position as at 31 March 2022 is detailed as follows:

- Cash and cash equivalents of € 42.2 million are mainly in Euro, held with major Italian banks.

The increase of € 6.1 million compared to 31 December 2021 is mainly due to better collections in the first quarter of 2022.

- Financial instruments at fair value of € 48.0 million are composed of investments in partial return multi-segment insurance funds (€ 40.2 million) and in bond funds, balanced and absolute return funds with a medium-low risk profile (€ 7.2 million) and treasury management for € 0.6 million.
- Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) as at 31 March 2022 amounted to € 30.0 million and refer (a) for € 19,9 million to short-term loans (hot money); (b) for € 0.8 million to the estimated disbursement for the first Earn Out of the Assioma shareholders; (c) for € 1.6 million to the short-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 related contracts following the adoption of the new accounting standard (IFRS 16); (d) for € 0.3 million to payables to Partners; and (e) for € 7.4 million to estimated disbursements to complete acquisitions in the last months of the year.
- Current portion of non-current financial debt amount to € 17.5 million and refer to Current portion of non-current financial debt.
- Non-current financial debt (excluding current portion and debt instruments) as at 31 March 2022 of € 44.2 million refer (a) for € 35.0 million to the portion of new medium- to long-term loans for the portion with a maturity of more than 12 months; (b) for € 2.9 million to the valuation of the debt for the PUT/CALL option for the acquisition of TXT Working Capital Solutions S.r.l., 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) for € 1.6 million to estimated disbursement for the second Earn Out of the Assioma shareholders; (d) for € 0.1 million to the payable related to the Restricted Share Price Adjustment for the acquisition of HSPI S.p.A.; (e) for € 0.1 million to the long-term portion of the Put/Call related to TXT Risk Solutions S.r.l. after renegotiation; (f) for € 4.1 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 following the adoption of the accounting standard IFRS 16; and (g) for € 0.5 million estimated disbursement for the first Earn Out of Novigo shareholders.

Medium/long-term euro loans were taken out by the parent company TXT e-solutions S.p.A. in 2018, by the subsidiary Assioma Net S.r.l. between 2018 and 2019, by the subsidiary HSPI S.p.A. in Euro, at fixed rates between 0.60% and 0.70% per annum, by the subsidiary

TeraTron GmbH and by the subsidiary Novigo in Euro without guarantees for a residual amount of € 52.5 million as at 31 March 2022:

- € 8.0 million 5-year loan with UniCredit, with a quarterly amortisation plan, a floating interest rate and an Interest Rate Swap for covering the interest rate risk.
- € 4.0 million 5-year loan with BNL, with a quarterly amortisation plan, a floating interest rate and an Interest Rate Swap for covering the interest rate risk.
- € 2.7 million 4-year loan with BPER, with a quarterly amortisation plan and fixed interest rates.
- € 10.0 million 5-year loan with UniCredit, with a quarterly amortisation plan, a floating interest rate and an Interest Rate Swap for covering the interest rate risk.
- € 4.5 million 5-year loan with BNL, with a quarterly amortisation plan, a floating interest rate and an Interest Rate Swap for covering the interest rate risk.
- € 10.0 million 5-year loan with UniCredit, with a quarterly amortisation plan, a floating interest rate and an Interest Rate Swap for covering the interest rate risk.
- € 10.0 million 4-year loan with Banco BPM, with a quarterly amortisation plan and fixed interest rates.
- € 1.5 million 4-year loan with BNL subscribed by the subsidiary Assioma Net S.r.l. with a quarterly amortisation plan and fixed interest rates.
- € 0.1 million 2-year loan with Intesa San Paolo subscribed by the subsidiary HSPI S.p.A. with a quarterly amortisation plan and fixed interest rates.
- € 1.4 million loan with Sparkasse subscribed by the subsidiary TeraTron GmbH with a quarterly amortization plan and fixed interest rates.
- € 0.4 million loan with BPM subscribed by the subsidiary Novigo Consulting with a monthly amortization plan and fixed interest rates.

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 indebtedness 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 guaran-tee 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.

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 2022, there were 1,385 employees, an increase of 175 employees compared to personnel units as at 31 December 2021 (1,210 employees).

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

In first quarter 2022 the share price of TXT e Solutions reached a high of € 10.26 on 28 and 29 March 2022 and a low of 8.26 on 24 February 2022. As at 31 March 2022, the share price was € 9.78

Average daily trade volumes in the first quarter of 2022 amounted to 29,195 shares, showing a decrease compared to the average of 31,763 shares in 2021.

As at 31 March 2022, 1,306,253 treasury shares were held (1,243,372 as at 31 December 2021), accounting for 10.04% of shares outstanding, at an average carrying amount of € 3.52 per share. In the first half of 2022, 157,210 shares were purchased at an average price of € 8.95.

On 30 March 2022, 90,329 treasury shares were transferred at the agreed price of €9.84 to fulfil the payment agreements undertaken by TXT pursuant to the agreement signed on 28 December 2021 for the acquisition of 100% of Quence S.r.l.

On 30 March 2022, 4,000 treasury shares were transferred at the agreed price of €9.15 to fulfil TXT's commitments to the shareholder of HSPI SPA for the buy-back of n-13,200 non-voting shares.

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.

EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

In continuity with what was announced on March 11, 2022 on the occasion of the publication of the 2021 results, and as confirmed by the results of the first quarter of the current year, for 2022 TXT's objectives include sustained expansion in Europe and North America and the development of the large and diversified client base already acquired in the two current divisions as well as the new domestic and international clients acquired and to be acquired through the M&A plan executed in the previous three years and also planned for 2022.

In the industrial division (Aerospace, Automotive, etc.), after a first quarter 2022 that recorded a double-digit organic growth rate in all segments and a strong growth in the international business, the Group expects further business growth favored by i) the recovery in air traffic and the increasing attention and spending aimed at the sustainability issue in the civil aviation segment, ii) the acceleration of European defense programs and iii) the consolidation and integration of the IoT offer of German TeraTron within the Group's digital solutions portfolio. During the second quarter of 2022, the customer portfolio was expanded both in the civil aviation segment with the acquisition of new contracts with Deutsche Aircraft (supply of proprietary preliminary design and performance analysis tools) and with the leading European manufacturer of interiors for the aerospace industry (supply of cabin configuration tools), and in new segments such as the railway segment with the acquisition of a new contract from a leading OEM for the development and supply of training software systems.

For the Fintech Division - which includes the offer for the public administration - the plan to integrate the companies acquired in the last three years within the TXT offer is being successfully completed, with positive effects on the entire perimeter of the division, which already recorded organic growth of 17.8% in the first quarter of the year. In Q2 2022, new activities were launched on previously awarded public tenders; the division dedicated to software certification, testing and QA, strengthened with the acquisitions of Assioma and Quence in 2019 and 2021 respectively, won a tender worth around € 2.5 million over three years (TXT Group share) for the provision of specialized services to a leading Italian public body, while HSPI won new tenders in the field of digital transformation of public administration for over € 20 million over the next three years. In the segments related to proprietary fintech products, new customer projects were successfully launched for the initialization and full integration of the proprietary AML platform, with new recurring revenues from licenses expected in 2022 on completion of current projects. With regard to synergies from M&A, the know-how of the newly acquired Novigo Consulting is proving to be a strategic element in the planned technological upgrade of the Cheleo Suite proprietary solutions portfolio dedicated to the consumer credit, financial products and NPL management markets.

In the current global geopolitical environment marked by the military conflict in Ukraine, TXT's management and independent directors have not currently identified any near-term risks due to the TXT business' minimal and non-strategic exposure in the Russian and Ukrainian territories. TXT's management continually monitors the evolution of the conflict and related macroeconomic instability.

Manager responsible for preparing
corporate accounting documents

Eugenio Forcinito

Chairman of the Board of Directors

Enrico Magni

Milan, Italy, 11 May 2022



TXT e-solutions Group

**CONSOLIDATED FINAN-
CIAL STATEMENT**

AS AT 31 MARCH 2022

Consolidated Balance Sheet

ASSETS	31.03.2022	Of which with related parties	31.12.2021	Of which with related parties
NON-CURRENT ASSETS				
Goodwill	46,702,766		44,592,766	
Intangible assets with a finite useful life	7,607,979		8,033,715	
Intangible assets	54,310,746		52,626,482	
Property, plant, and equipment	12,382,747		12,125,958	
Tangible assets	12,382,747		12,125,958	
Investments in associates	-		-	
Other non-recurring financial receivables	14,587,499		14,600,368	
Deferred tax assets	1,850,110		1,928,665	
Other non-current assets	16,437,609		16,529,033	
TOTAL NON-CURRENT ASSETS	83,131,101		81,281,473	
CURRENT ASSETS				
Contractual assets	12,611,911		7,809,891	
Trade receivables	30,793,525		43,156,099	
Sundry receivables and other current assets	9,806,517		8,864,378	
Financial instruments at fair value	47,980,581		48,868,752	
Cash and cash equivalents	42,184,710		36,076,104	
TOTAL CURRENT ASSETS	143,377,244		144,775,224	-
TOTAL ASSETS	226,508,345		226,056,697	-
LIABILITIES AND SHAREHOLDERS' EQUITY	31.03.2022	Of which with related parties	31.12.2021	Of which with related parties
SHAREHOLDERS' EQUITY				
Share capital	6,503,125		6,503,125	
Reserves	15,328,496		15,266,375	
Retained earnings (accumulated losses)	70,885,267		63,011,589	
Profit (loss) for the year	2,059,378		7,873,676	
TOTAL SHAREHOLDERS' EQUITY (Group)	94,776,265		92,654,765	
Shareholders' Equity attributable to minority interests	426,802		411,778	
TOTAL SHAREHOLDERS' EQUITY	95,203,067		93,066,542	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	44,196,493	1,655,704	49,468,725	1,748,057
Provision for post-employment benefits and other employee provisions	3,249,340		3,296,650	
Deferred tax provision	1,835,682		1,961,327	
Provisions for future risks and charges	118,905		118,905	
TOTAL NON-CURRENT LIABILITIES	49,400,420	1,655,704	54,845,607	1,748,057
CURRENT LIABILITIES				
Current financial liabilities	47,516,066	368,543	44,570,042	367,965
Trade payables	6,684,005		6,302,987	
Tax payables	4,048,448		3,739,356	
Sundry payables and other current liabilities	23,656,338	183,678	23,532,162	228,546
TOTAL CURRENT LIABILITIES	81,904,857	552,221	78,144,547	596,511
TOTAL LIABILITIES	131,305,277	2,207,925	132,990,154	2,344,567
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	226,508,345	2,207,925	226,056,696	2,344,567

Consolidated Income Statement

€ thousand	31.03.2022	Of which with related parties	31.03.2021	Of which with related parties
Revenues and other income	30,519,571	-	21,480,772	
TOTAL REVENUES AND INCOME	30,519,571		21,480,772	
Purchases of materials and services	(8,906,809)	-	(4,594,345)	-
Personnel costs	(16,894,232)	(152,879)	(14,103,774)	(155,030)
Other operating costs	(300,091)	-	(80,002)	-
Amortizations, depreciation and write downs	(1,203,638)	-	(975,260)	-
OPERATING RESULT	3,214,801	(152,879)	1,727,391	(155,030)
Financial income/(charges)	(286,717)	-	256,309	-
PRE-TAX RESULT	2,928,083		1,983,700	
Income Taxes	(853,680)	-	(746,129)	-
NET INCOME	2,074,403		1,237,571	
	Attributable to:			
Parent Company shareholders	2,059,378		1,237,571	
Minority interests	15,025		-	
EARNINGS PER SHARE	0.18		0.11	

Consolidated Statement of Comprehensive Income

	31.03.2022	31.03.2021
NET PROFIT (LOSS) FOR THE PERIOD	2,074,403	1,237,571
	Attributable to:	
	Minority interests	-
	Parent Company shareholders	1,237,571
Profit/(Loss) from foreign currency translation differences	35,642	(80,211)
Profit/(loss) on the effective portion of hedging instruments (cash flow hedge)	471,139	25,290
Total items of other comprehensive income that will be subsequently reclassified to profit/(loss) for the year net of taxes	506,781	(54,921)
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 Comprehensive Income net of taxes	506,781	(54,921)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,581,184	1,182,650
	Attributable to:	
	Minority interests	-
	Parent Company shareholders	1,182,650

Segment Disclosures

For operating purposes, the Group is organised into two 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)	Aerospace	Fintech	TOTAL TXT
REVENUES	15,894	14,626	30,520
Software	1,828	438	2,266
Services	14,066	14,188	28,254
OPERATING COSTS:			
Direct costs	8,759	10,134	18,893
Research and development costs	1,449	459	1,908
Commercial costs	1,474	1,693	3,167
General and administrative costs	1,159	900	2,059
TOTAL OPERATING COSTS	12,841	13,186	26,027
EBITDA	3,053	1,440	4,493
Amortisation of intangible fixed assets	97	382	479
Depreciation of tangible fixed assets	514	208	722
Write-downs and Restructuring Costs	77	0	77
OPERATING PROFIT (EBIT)	2,365	850	3,215
Financial income (charges)	(149)	(138)	(287)
EARNINGS BEFORE TAXES (EBT)	2,216	712	2,928
Taxes	(646)	(208)	(854)
NET PROFIT FROM CURRENT ASSETS	1,569	505	2,074
Profit (loss) from current operations			
NET PROFIT	1,569	505	2,074

Consolidated Statement of Cash Flows

	31 March 2022	31 March 2021	
Net profit (loss) for the period	2,074,402	1,237,572	
Non-monetary interest for Stock Options	-	2,718	
Non-monetary interest	33,024	34,394	
Change in fair value of monetary instruments	101,000	(258,422)	
Current income taxes	853,680	465,244	
Change in deferred taxes	(47,090)	(206,238)	
Depreciation/amortisation, impairment, and provisions	1,201,829	968,254	
Other non-monetary expenses	471,282	25,328	
Cash flows from (used in) operating activities (before change in working capital)	4,688,127	2,268,852	
(Increase) / Decrease in trade receivables	12,362,574	1,340,944	
(Increase) / Decrease in inventories	(4,802,020)	(1,077,085)	
Increase / (Decrease) in trade payables	381,018	29,738	
(Increase) / Decrease in other assets/liabilities	(1,349,682)	(12,608,645)	
Increase / (Decrease) in post-employment benefits	(47,310)	12,498	
Changes in operating assets and liabilities	6,544,580	(12,302,550)	
Paid income taxes	-	-	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	11,232,707	(10,033,698)	
	<i>Of which with related parties</i>	<i>(197,747)</i>	<i>25,078</i>
Increase in tangible assets	(321,787)	(90,350)	
Increase in intangible assets	(32,526)	(1,700)	
Capitalization of development expenses	(28,430)	(59,936)	
Decrease in tangible and intangible assets	128,033	3,099	
Net cash-flow from acquisition of subsidiaries	-	(982,716)	
(Increase) / Decrease in financial investment	-	14,950,194	
(Increase) / Decrease in trading securities	-	13,818,591	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(254,710)	-	
	<i>Of which with related parties</i>	<i>-</i>	<i>-</i>
Loans issued	-	1,000,000	
Loans repaid	(2,940,860)	(2,575,307)	
Payment of lease liabilities	(622,963)	(409,008)	
Increase/(Decrease) in other financial receivables	-	-	
Increase/(Decrease) in financial payables	-	-	
Distribution of dividends	-	-	
Interest expense	(89,000)	(30,092)	
Net change in financial liabilities	(807,410)	(31,470)	
(Purchase)/Sale of treasury shares	(444,800)	(129,985)	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(4,905,033)	(2,175,862)	
	<i>Of which with related parties</i>	<i>-</i>	<i>-</i>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,072,964	1,609,031	
Effect of changes in exchange rates on cash flows	35,642	(80,211)	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	36,076,104	11,932,508	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	42,184,710	13,461,328	
Assets acquired that did not generate cash flows (initial recognition IFRS 16)	(778,172)	-	
Liabilities acquired that did not generate cash flows (initial recognition IFRS 16)	778,172	-	
	<i>Of which with related parties</i>	<i>-</i>	<i>-</i>

Consolidated Statement of Changes in Equity as at 31 March 2022

	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	Totale patrimonio netto (Terzi)	Totale patrimonio netto
Saldi al 31 dicembre 2021	6.503.125	1.300.625	13.027.524	1.911.444	0	67.293	(1.131.539)	(136.404)	227.433	63.011.589	7.873.676	92.654.766	411.777	93.066.544
Utile al 31 dicembre 2021										7.873.676	(7.873.676)	-		-
Acquisizioni minoranze														-
Incremento/acquisto								471.279				471.279		471.279
Distribuzione dividendi														-
Aumento di capitale gratuito														-
Vendita azioni proprie			928.077									928.077		928.077
Acquisto azioni proprie			(1.372.877)									(1.372.877)		(1.372.877)
Differenze attuariali TFR														-
Delta cambi									35.642			35.642		35.642
Utile al 31 marzo 2022											2.059.379	2.059.379	15.024	2.074.403
Saldi al 31 marzo 2022	6.503.125	1.300.625	12.582.724	1.911.444	0	67.293	(1.131.539)	334.875	263.076	70.885.265	2.059.379	94.776.266	426.802	95.203.068

	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 (Terzi)	Totale patrimonio netto
Saldi al 31 dicembre 2020	6.503.125	1.300.625	11.818.224	1.911.444	0	56.421	(1.105.085)	(127.654)	4.884	60.617.969	4.474.067	85.454.019	409.158	85.863.178
Utile al 31 dicembre 2020										4.474.067	(4.474.067)	0		0
Acquisizioni minoranze										(1.560.194)	0	(1.560.194)	36.873	(1.523.321)
Incremento/acquisto						10.872		(8.750)		1.128		3.250		3.250
Distribuzione dividendi										(521.381)		(521.381)		(521.381)
Aumento di capitale gratuito												0		0
Vendita azioni proprie			1.482.715									1.482.715		1.482.715
Acquisto azioni proprie			(273.414)									(273.414)		(273.414)
Differenze attuariali TFR							(26.455)					(26.455)		(26.455)
Delta cambi									222.549			222.549		222.549
Utile al 31 dicembre 2021											7.873.676	7.873.676	(34.254)	7.839.422
Saldi al 31 dicembre 2021	6.503.125	1.300.625	13.027.525	1.911.444	0	67.293	(1.131.540)	(136.404)	227.433	63.011.589	7.873.676	92.654.766	411.777	93.066.544

1. Group's Structure and scope of consolidation

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 31 March 2022 (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
TXT e-solutions SagL	CHF	100%	40,000
TXT NEXT Sarl	EUR	100%	100,000
TXT NEXT Ltd	GBP	100%	100,000
Cheleo S.r.l	EUR	100%	99,000
TXT Risk Solutions S.r.l(*)	EUR	92%	250,000
Assioma.Net S.r.l	EUR	100%	100,000
Assiopay S.r.l	EUR	100%	10,000
MAC SOLUTIONS SA	CHF	100%	100,000
HSPI SpA	EUR	100%	220,000
TXT Working Capital Solutions S.r.l	EUR	60%	500,000
Reversal S.p.A.	EUR	51%	400,000
TeraTron GmbH	EUR	100%	75,000
LBA Consulting S.r.l.	EUR	100%	10,000
Novigo Consulting S.r.l.	EUR	100%	50,000
Quence S.r.l.	EUR	100%	10,000

(*) In July, the share capital increase provided for in the Agreement of € 1,000,000 was carried out. TXT e-solutions S.p.A. owns 92%, while the respective shareholders hold 4% each.

Having assessed the terms and conditions under which the risks and rewards accrue to TXT, they were deemed able to attribute a present ownership interest. Consequently, for the purposes of presenting the consolidated financial statements, no third-party rights have been restated in the shareholders' equity with reference to said interests. However, these rights are recorded as liabilities with regard to potential payments, including contingent considerations, still to be made on the basis of the aforementioned option contracts.

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 3 months)

Currency	31.03.2022	31.03.2021
British Pound (GBP)	0.8364	0.8739
British Pound (GBP)	1.1217	1.2048
Swiss Franc (CHF)	1.0364	1.0913

- Balance sheet (exchange rates as at 31 March 2022 and 31 December 2021)

Currency	31.03.2022	31.12.2021
British Pound (GBP)	0.8459	0.8990
British Pound (GBP)	1.1101	1.2271
Swiss Franc (CHF)	1.0267	1.0802

2. Basis of preparation of the consolidated financial statements

The Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union at the date of drafting this report, as well as with the implementing measures for Article 9 of Italian Legislative Decree No. 38/2005 and with any other applicable provisions and Consob regulations on financial statements. These 3 months 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 2022 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 2021. The three months 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 2021. They have been prepared based on accounting records as at 31 March 2022 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 11 May 2022.

3. Accounting standard and interpretations applied from 1 January 2022

The accounting standards adopted in preparing the condensed consolidated half-yearly financial statements are consistent with those used in drawing up the consolidated financial statements as at 31 December 2021 and illustrated in the Annual Report under note 4 "Accounting standards and basis of consolidation".

As at 31 March 2022, there are no significant effects with respect to changes in the international accounting standards (IFRS) that were expected to be applied from 1 January 2022.

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 (COVID-19, 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 2021, 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 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) Associates of TXT e-solutions S.p.A.

c) Joint ventures in which TXT e-solutions S.p.A. participates.

d) Managers with strategic responsibilities of TXT e-solutions S.p.A. or one of its parent companies.

e) Close members of the family of parties referred to in the above points a) and d).

f) 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.

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 31.03.2022	Receivables	Payables	Costs	Revenues
Laserfin S.r.l				
Directors and key management personnel		183,678	152,879	
Total as at 31.03.2022	-	183,678	152,879	-

As at 31.12.2021	Receivables	Payables	Costs	Revenues
Laserfin S.r.l				
Directors and key management personnel		228,546	581,563	
Total as at 31.12.2021	-	228,546	581,563	-

Financial transactions

The amounts with Related Parties as at 31 March 2022 are shown for financial transactions:

As at 31.03.2022	Receivables	Payables	Costs	Revenues
Laserfin S.r.l		2,024,247		
Total as at 31.03.2022	-	2,024,247	-	-

As at 31.12.2021	Receivables	Payables	Costs	Revenues
Laserfin S.r.l		2,116,021		
Total as at 31.12.2021	-	2,116,021	-	-

6. Certification on 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 Chairman 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 Article 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 2022.

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 2022 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 2022:

- 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 Article 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 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

Milan, Italy, 11 May 2022

Chairman of the Board of Directors

Enrico Magni

