# Titan N.V.

ANNUAL REPORT

2023

## Disclaimer

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# 4 Company Profile



Titan N.V is a company without business activities and without staff as of September 13, 2023.

As per September 13, 2023 Titan N.V. , previously called TIE Kinetix N.V., has transferred all of its activities and operations to SPS International Inc., a wholly owned subsidiary of SPS Commerce, Inc. in exchange for a consideration of € 68.35 million.

Titan N.V. has subsequently distributed an amount of € 62.5 million as dividend to its shareholders on September 20, 2023.

As per September 30, 2023, Titan N.V. is without business activities and staff. Its primary asset is a receivable of € 3 million. The receivable is put in an escrow account with escow agent Intertrust Escrow and Settlements B.V., and serves as collateral against which certain representations and warranties can be claimed under the Share purchase Agreement with SPS International Inc.

# Letter from the Executive Board





Dear reader,

In 2023 everything seemed to come together. We were able to prove our strategy with accelerated organic growth in the first half year and returning the Company back to profitability in the second half year. In fairness, such a strong confirmation of our strategic direction was an important milestone and personal objective for the Executive Board.

During this journey we received an offer from SPS Commerce to acquire all of the company's activities and operations. After careful evaluation of this offer, our Boards concluded that no other potential partner would be as attractive to TIE Kinetix and its stakeholders as SPS Commerce and we decided to accept the offer and put it forward for approval to our shareholders. An Extraordinary Meeting of Shareholders was convened for September 6, 2023, during which the offer was accepted by 100% of the votes cast in the meeting.

The financial close of this transaction took place on September 13, 2023.

This transaction marks the end of an era. An era in which we have built TIE Kinetix as a stand alone company with a truly state-of-the-art next generation EDI and E-invoicing platform called 'FLOW'. But this transaction also marks a new beginning. A new beginning allowing both the Company and the FLOW platform to thrive and be built out further under the wings of a strong strategic partner. We wish the Company, its dedicated staff and the new owners all the best in achieving their objectives.

Looking back at the years behind us, we are proud: proud of this company that is strongly positioned for its next phase of development, proud of our colleagues who have proven to be outstanding industry professionals, and proud to have served our shareholders, whose trust has been instrumental in our build process.

Sincerely,

Jan Sundelin, CEO, Titan N.V.

Michiel Wolfswinkel, CFO, Titan N.V.

# 6 The success of the High Growth Plan



In our fiscal year 2023 (starting October 1, 2022) we executed the second year of our high growth plan. This second year followed an initial year (fiscal year 2022) in which investments and expenditures were stepped up to lay the foundation for accelerated organic SaaS growth. As from our second year we planned for a return on these investments by way of higher growth in our SaaS order intake and SaaS revenues.

We are happy to report that in the first half of 2023 we achieved significantly higher Order Intake on the back of our high growth strategy, primarily driven by a very successful channel strategy. The second phase of our high growth strategy required further centralization of our delivery processes to allow faster, more efficient customer implementations using standardized processes. The objective was to deliver more and faster against lower costs. Such centralization was implemented in 2023 with the Central Dev Ops team taking ownership of customer set-up and configuration activities. This has proved to be a major step in the standardization of our delivery processes.

Our plans called for increased SaaS revenue with lower costs to bring the company back to profitability in the second half year. We are happy to report that we have been able to achieve our goal in this respect. We hit EBITDA break even early in the second half year and have turned the operations from (planned) EBITDA negative to EBITDA positive for 2023.

In the second half year we have also reached an agreement with SPS Commerce, Inc. to acquire all of the operations and activities of TIE Kinetix for a consideration of € 68.35 million. SPS Commerce (www.spscommerce.com) is the world's leading retail network, connecting trading partners around the globe to optimize supply chain operations for all retail partners. SPS supports data-driven partnerships with innovative cloud technology, customer-obsessed service and accessible experts so its customers can focus on what they do best. To date, more than 115,000 companies in retail, distribution, grocery and e-commerce have chosen SPS as their retail network. SPS has achieved 89 consecutive quarters of revenue growth and is headquartered in Minneapolis.

TIE Kinetix has the majority of its business and operations in Continental Europe (Netherlands, Germany and France) and therewith provides an excellent basis for SPS Commerce Inc.'s European expansion plans serving their customers with a seamless access to the European markets. TIE Kinetix has made significant investments in e-invoicing and has a pole position in the European e-invoicing market. This market is expected to grow strongly with the mandatory application of e-invoicing in the BTG and BTB markets in Europe over the next 2-4 years. Our offering will complement the SPS next generation EDI offering and provide SPS Commerce with a strong position on the BTG and BTB market in Europe. At the same time, the worldwide EDI market is consolidating, leaving a smaller number of companies dominating the market. In assessing the strategic options available to TIE Kinetix, the Boards considered the merits of the transaction. The Boards have carefully considered the long-term strategic options for TIE Kinetix. The combination of TIE Kinetix' strong European presence and SPS' leading position in the Americas and Asia will create a strong worldwide player, active in all major markets.

After considering the proposed transaction, the interests of all TIE Kinetix' stakeholders and other relevant facts and circumstances, the Executive Board and the Supervisory Board have unanimously resolved in favor of this transaction. We believe that it represents an attractive opportunity for all shareholders to realize significant value.

# Financial Review





This section sets out the Executive Board's review of the financial performance for the year 2023, the financial position as at September 30, 2023 and the cash flows for the year ending September 30, 2023 (numbers are in '000 unless specified otherwise, except for metrics per share).

Comparative figures relating to financial performance in this section have been restated to distinguish between continuing and discontinued operations. The group's activities that have been sold during the year have been classified as discontinued operations, consistent with the presentation in the Company's consolidated financial statements.

## Financial highlights 2023

» Net income of € 55,624k in 2023, up from a loss of € 1,674k in 2022, due to the divestiture of TIE Kinetix Holding B.V.;
» Net Income from discontinued operations € 60,960k in 2023, up from a loss of € 2,203k in 2022;
» Total operating expenses of continuing operations up to € 5,343k in 2023, up from € 466k in 2022;
» Net loss from continuing operations of € 5,336k in 2023, down from an income of € 529k in 2022;
» Operating cash flows from continuing operations of € (5,940k) in 2023, down from € (515k) in 2022;
» Basic earnings per share (continuing and discontinued operations) of € 28.11 in 2023, up from € (0.92) in 2022; and
» Dividend per share of € 30.99 in 2023, compared to € 0.50 in 2022.

A detailed review of the income statement, balance sheet and cash flows is set out on the following pages.

## Acquisition of the of TIE Kinetix group by SPS Commerce

On July 26, 2023 Titan N.V. announced that it has signed an agreement to sell all of its business and operations to SPS Commerce, Inc. ("SPS") for a total purchase price of € 68.35 million. The transaction is structured as a sale and transfer by Titan N.V. of all issued and outstanding shares in TIE Kinetix Holding B.V., being the group company directly and indirectly owning of all subsidiaries and operations of the TIE Kinetix group. The transaction was completed on September 6, 2023 after the approval of the shareholders on the Convocation Extraordinary General Meeting of Shareholders. The shares have been transferred on September 13, 2023.

The purchase price under the Share Purchase Agreement is € 68.35 million. Of that amount, € 3 million will be held in escrow for a period of twelve months following completion, to secure the obligations of Titan N.V. as seller as agreed in the Share Purchase Agreement with SPS. In the event of a claim by SPS against the escrow, the amount of the claim will be kept in escrow until final resolution of the claim. The amount that is undisputed after lapse of the twelve months period, will be released to Titan N.V.

### Income and expenses

As a result of the sale, the Company no longer has active business operations. Consequently, all of the Group's operations, other than Titan N.V.'s own holding operations, have been classified as discontinued operations in the consolidated financial statements.

The result for the year from continuing operations is mainly composed of expenses relating to the special remuneration of the Executive Board in respect of the sale of the business operations, as well as some other expenses. Continuing operations have not generated any revenue or other income during both years presented. As such, net results from continuing operations have amounted to a loss of € 5,336k (2022: gain of € 529k). The positive net result from continuing operations in 2022 was mainly driven by a corporate income tax benefit of € 798k.

Details of the revenues and costs of the discontinued operations are provided in the Divestment of the Company's operations, starting on page 66 in the consolidated financial statements. Net result from discontinued operations amounted to € 60,960k (2022: € (2,203k)), and is mainly driven by the gain on the sale in the amount of € 61,700k.

### Net Income

The net profit in 2023 amounts to € 55,624k, compared with a net loss of € 1,674k in 2022. The increase is largely attributable to the gain on the sale as outlined above, offset by increased expenses of continuing operations in 2023 compared to 2022.

## Balance sheet analysis

The following table sets out the main items in the Company's consolidated statement of financial position for the financial years presented for purposes of the analysis by the Executive Board. Further details of the financial position of the Company are presented in the Consolidated Statement of Financial Position, starting on page 46 and the Notes to the Consolidated Financial Statements, starting on page 51.

**Balance sheet analysis**

(€ x 1,000)

| | 30 September 2023 | 30 September 2022 | Variance (%) |
|---|---|---|---|
| Cash and cash equivalents | 520 | 9,593 | -95% |
| Working capital | 4,050 | 4,381 | -8% |
| Equity attributable to shareholders | 4,050 | 10,869 | -63% |
| Balance sheet total | 4,611 | 19,992 | -77% |
| | | | |
| Current ratio | 8.22 | 1.56 | 6.66 |
| Equity ratio | 0.88 | 0.54 | 0.33 |

### Cash Position

The Company's cash position has decreased mainly as a consequence of the positive cash flows from investing activities (related to the sale of the business operations), offset by negative cash flows from financing activities (related to dividend payouts) and negative cash flows from operating activities.

### Working capital

The Company's working capital as at September 30, 2023 is not comparable anymore to the situation as at September 30, 2022 as the Company no longer has active business operations. As such, the working capital (calculated as current assets including cash and cash equivalents, less current liabilities) as at September 30, 2023 is mainly comprised of the € 3 million receivable related to the divestment of TIE Kinetix Holding B.V., a VAT receivable and cash in bank accounts, offset by some payables, which the Company has ample liquidity to satisfy. As such, the Company has a healthy current ratio as at September 30, 2023 - calculated as current assets (including cash and cash equivalents) divided by current liabilities. The current ratio is a ratio that measures the Company's ability to meet its short-term obligations and is a measure of the Company's liquidity.

### Equity

The Company's equity decreased. While the result for the year was a profit of € 55.6 million, dividends amounting to € 62.96 million have been distributed. Warrant holders in the Company exercised their rights resulting in a consideration received for new shares issued of € 0.5 million. Further details on the movements in Group equity are detailed in the Consolidated Statement of Changes in Equity, starting on page 49 and the Notes to the Consolidated Financial Statements, starting on page 51

The equity ratio - calculated as total equity divided by total assets - has increased as the Company is almost fully financed with equity as a result of the sale of the business operations. The equity ratio indicates the relative proportion of equity used to finance the Company's assets and is a measure of the Company's solvency.

## Cash flow analysis

The following table sets out the main items in the Company's consolidated statement of cash flows for the financial years presented for purposes of the analysis by the Executive Board. Further details of the results are presented in the Consolidated Statement of Cash Flows, starting on page 50 and the Notes to the Consolidated Financial Statements, starting on page 51. The analysis includes both cash flows from continuing and discontinued operations.

**Cash flow analysis**

(€ x 1,000)

| | 2023 | 2022 | Variance (%) |
|---|---|---|---|
| Continuing operations | (5,940) | (515) | -1,055% |
| Discontinued operations | (291) | 246 | -218% |
| Cash flow from operating activities | (6,231) | (269) | -2,220% |
| Cash flow from investing activities | 59,550 | (1,223) | 4,969% |
| Cash flow from financing activities | (62,396) | 882 | -7,174% |
| **Net decrease in cash** | **(9,077)** | **(610)** | **-1,389%** |
| Impact of exchange differences on cash | 4 | 282 | -98% |
| **Total decrease in cash** | **(9,073)** | **(328)** | **-2,670%** |

The main driver behind the decrease in operating cash flows is the expenses of continuing operations as described above.

Cash flows from investing activities obviously benefitted from the sale of the Company's business to SPS. The cash flows from investing activities are fully attributable to discontinued operations for both years presented.

Cash flows from financing activities of continuing operations include the cash dividends paid to the shareholders and the consideration received for new shares upon the exercise of warrants, totaling to an outflow of € 62,132k (2022: net inflow of € 1,265k). The cash flows from financing activities of discontinued operations consist of payments for leases in the amount of € 264k (2022: € 383k).

In 2022, the strengthening of the US dollar during the course of the year had positively impacted the impact of exchange differences on cash when expressed in euros. In 2023, this effect was almost nil.

# 10 Outlook for Financial Year 2024



On July 26, 2023 a transaction was conditionally agreed between TIE Kinetix N.V. and SPS Commerce, Inc. by means of a share purchase agreement ("SPA"). Pursuant to the SPA and subject to the terms and conditions thereof, SPS acquired all issued and outstanding shares in the share capital of TIE Kinetix Holding B.V. for a consideration of € 68.35 million and payable in cash to the Company.

On September 6, 2023, TIE Kinetix N.V. obtained approval for this transaction of its general meeting of shareholders in accordance with article 2:107a Dutch Civil Code ("Burgerlijk Wetboek") and subsequently changed its name into Titan N.V. as part of the SPA agreed with SPS Commerce, Inc. On September 13, 2023 financial close of this transaction was achieved in which Titan N.V. received the cash proceeds of € 68.35 million. From these proceeds, an amount of € 62.5 million was subsequently distributed as interim dividend to the shareholders. As a result of the transaction, Titan N.V. remains as a single company without subsidiaries, staff and operations.

As at September 30, 2023 an amount of € 3 million is held in escrow during a period of twelve months following completion date of September 13, 2023, to secure the obligations of Titan N.V. following from the SPA. In the event of a claim by SPS Commerce, Inc. under the SPA, the amount of the claim will be kept in escrow until final resolution of the claim. The amount that is undisputed after lapse of the twelve months period, will be released to Titan N.V.

As at September 30, 2023, the Executive Board of Titan N.V. has no plans in place for any activities or operations for 2024 and beyond. The Company has secured sufficient liquidity to meet its near-term requirements, so that the ability to continue under the going concern assumption remains.

Until further notice, the current governance structure consisting of the Supervisory Board and the Executive Board, including its members, will remain in place.

# Governance

# 12 The Executive Board



J.B. Sundelin (Jan)
Chief Executive Officer
Date of birth: October 21, 1960
Nationality: Swedish/Dutch
Date of initial appointment member of the Executive Board: February 14, 2007
Date reappointed member of the Executive Board: March 26, 2021
Current term of office ends: March 28, 2025

Number of shares in the Company: 79,948 (2022: 58,326)
Number of shares in lockup: 0 (2022: 0)
Number of share options in the Company: 0 (2022: 0)
Number of warrants in the Company: 0 (2022: 0)

Dr. M. Wolfswinkel (Michiel)
Chief Financial Officer
Date of birth: June 11, 1963
Nationality: Dutch
Date of initial appointment member of the Executive Board: November 28, 2013
Date reappointed member of the Executive Board: March 26, 2021
Current term of office ends: March 28, 2025

Number of shares in the Company: 17,274 (2022: 12,661)
Number of shares in lockup: 0 (2022: 0)
Number of share options in the Company: 0 (2022: 0)
Number of warrants in the Company: 0 (2022: 0)

# The Supervisory Board





## Mr. G. (Georg) Werger – Chairman

Gender: Male
Date of birth: August 15, 1960
Nationality: Dutch
Principal position: Attorney at law
Date of initial appointment: July 2018
Current term of office ends: March 31, 2027
Supervisory Board memberships of other public interest companies: None

## Mrs. G. (Gerdy) Harteveld-Smeets

Gender: Female
Date of birth:  January 15, 1952
Nationality: Dutch
Principal position: Independent board member
Date of initial appointment: July 2018
Current term of office ends: March 31, 2027
Supervisory Board memberships of other public interest companies: None

## Mr. P. (Per) Nordling

Gender: Male
Date of birth:  October 25, 1962
Nationality: Swedish
Principal position: Informal investor
Date of initial appointment: July 2018
Current term of office ends: March 29, 2028
Supervisory Board memberships of other public interest companies: None

# Supervisory Board Profile

## Responsibilities

It is the duty of the Supervisory Board of Titan N.V. to exercise supervision over the policies adopted by the Executive Board of Titan N.V. (the “Executive Board”) and over the general conduct of the business of Titan N.V. (the “Company”). Furthermore, the Supervisory Board shall provide the Executive Board with advice. In the performance of their duty, the Supervisory Board members are guided by the interests of the Company, and take into account the relevant interests of all of the Company’s stakeholders. The Supervisory Board has due regard for the corporate social responsibility issues that are relevant to the Company. The Supervisory Board is responsible for the quality of its own performance.

## Desired expertise and background

The composition of the Supervisory Board shall be such that the Supervisory Board members are able to act critically and independently of one another and of the Executive Board and any sectional interest. Each Supervisory Board member must be capable of assessing the broad outline of the overall strategy of the Company and its business. As a whole, the composition shall be such that it enables the Supervisory Board to best carry out the variety of its responsibilities and duties to the Company and other stakeholders.

The Supervisory Board shall be constituted in a balanced manner as to reflect the nature and variety of the Company’s businesses and the desirability to have available expertise in such fields as finance, economic, and legal/corporate governance. All members should have proven expertise at university level and substantial (over 20 years) working experience. At least one of the members shall meet the requirements of a financial expert. At least one of the members shall have available expertise in legal, management, and/or corporate governance.

## Desired diverse composition

Our diversity policy and diversity aspects that are considered are included in the section Corporate Governance, starting on page 23. The objective of our diversity policy with respect to the composition of the Supervisory Board is to ensure that the Board consists of members with the right expertise, experience and competencies to fulfill their roles and complement each other. In addition, we believe that a balanced distribution among men and women contributes and leads to better decision-making. As a corresponding target, at least one third of our Supervisory Board should consist of women (corresponding to at least 1 woman given the current size of our Supervisory Board).

## Size

In principle, the number of members of the Supervisory Board shall amount to at least three (3). The current composition is in line with this.

## Independence

Independence is reported on in the Report from the Supervisory Board. A Supervisory Board member is deemed independent if the following criteria of dependence do not apply to him. The criteria are that the Supervisory Board member concerned, his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:

» Has been an employee or member of the Executive Board of the Company or an affiliated company in the five years prior to their appointment as Supervisory Board member;
» Receives personal financial compensation from the Company, or an affiliated company, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not keeping with the ordinary business operations;
» Has had an important business relationship with the Company or an affiliated company in the year prior to the appointment;
» Is a member of management board of a company in which a member of the Executive Board is a supervisory board member;
» Holds at least ten per cent of the shares in the Company's capital (including shares held by natural or

legal persons that cooperate with the individual concerned under an express, tacit, oral or written agreement);
- Is a member of the management board or supervisory board, or a representative in some other way, of a legal entity which holds at least ten per cent of the shares in the Company's capital, unless such entity is a member of the same group as the Company; or
- Has temporarily managed the Company during the previous twelve months due to vacant seats on the Executive Board, or because Executive Board members were unable to perform their duties.

In addition, the chairman of the Supervisory Board shall not be a former member of the Executive Board of the Company and shall not meet any of the above criteria.

The Supervisory Board as a whole shall be considered independent if no more than one member meets any of the criteria listed above. Given the required size of the Supervisory Board this would also mean that any of these criteria apply to less than half of the total number of its members. In addition, for each shareholder, or group of affiliated shareholders, who directly or indirectly holds more than ten percent of the shares in the Company, there shall be at most one Supervisory Board member who can be considered to be affiliated with or representing them.

# Report from the Supervisory Board



To the shareholders,

This report reflects an overview of what was discussed with the Executive Board. In the financial year 2023, the Supervisory Board met 10 times and no board members were absent. During the financial year 2023, several informal meetings were held.

The Supervisory Board advised the Executive Board on the future development and sale of the FLOW proposition and the development of the strategy for growth of the Company by focusing on 100% digitalization and EDI/Integration. This has been taking shape in the past years and continued in 2023. The organization was aligned for this focus and to successfully implement the strategy of 100% digitalization. The development of the FLOW platform continued and actions have been taken in 2023 to accelerate sales growth, with the introduction of the customer success teams, new business teams and a successful indirect channel strategy.

In the midst of the successful execution of the high growth strategy, the company entered into negotiations resulting in the sale of its business to SPS Commerce Inc.

The Supervisory Board was closely involved in the sale of the business to SPS Commerce Inc., advising the Executive Board on the strategic direction to be taken, on the terms of the sales agreement and liaising with the shareholders to obtain their perspective on this development. Ultimately, the Supervisory Board advised the shareholders to agree to the terms of this transaction at the Extra Ordinary Meeting of Shareholders, convened for September 6, 2023.

### Organizational aspects

The Supervisory Board consists of three members. For detailed information of each individual member, reference is made to the section The Supervisory Board, starting on page 13. Except for Mr. Nordling, none of the members of the Supervisory Board hold shares in Titan N.V. Mr. Nordling owns (indirectly) more than 10% of the shares in the Company.

The Supervisory Board is construed in line with best practices provisions as stated in chapter II of the Dutch Corporate Governance Code (dated December 8, 2016). With reference to the Code, members are considered independent, with the exception of Mr. Nordling due to his shareholding. The Supervisory Board as a whole is considered to be independent.

The Supervisory Board notes that the composition of the Supervisory Board is in line with the terms of reference and required profile of the Supervisory Board. Each board member has his specific field of complementary expertise.

### Term of appointment

A member of the Supervisory Board will be appointed for a maximum period of four years. On expiry of the four-year term, a member of the Supervisory Board may be reappointed for successive terms of four years each.

On July 13, 2018, all members of the new Supervisory Board were appointed for an initial period of four years, which was later extended at the most recent General Meeting. The current terms for each member are as follows:

» Mr. Georg Werger: Terms ends March 31, 2027;
» Mrs. Gerdy Harteveld: Term ends March 31, 2027;
» Mr. Per Nordling: Term ends March 29, 2028.

## General business

The Supervisory Board supervised and monitored the following during the year:

### The achievement of the objectives of the Company and its management

The Supervisory Board discussed the objectives of the Company and monitored the development of the results and the actual results versus Company strategy and targets set. The Supervisory Board monitored the cost structure of the Company and advised the Executive Board on all relevant aspects. Unlike prior years, Titan did not start the year with positive cash flows from operating activities, on account of the continuing investments made and expenses incurred to prepare for further growth.

### The corporate risk profile and the internal risk management and control system

The Supervisory Board discussed the Company's risk profile with the Executive Board and with the external independent auditor. The Supervisory Board recognizes that the risk profile of Titan is adequately understood, monitored and acted upon by the Executive Board in a sufficient way. All systems used for the delivery of services to the Company's customers were carefully screened on their security levels to ensure that all services comply with the highest security levels.

The Supervisory Board is satisfied with the structure and operation of the internal risk management and control system and is convinced that its (financial) consequences have been adequately reflected in the Company's processes and accounting principles.

### Audit Committee duties

The Supervisory Board as a whole monitored the accounting and reporting processes (for further explanation on this refer to the section Corporate Governance, starting on page 23). In order to ensure the quality of the financial reporting process and to discuss the findings on the financial statements, the Supervisory Board meets with the Company's external independent auditor, PricewaterhouseCoopers Accountants N.V., both with and without the Executive Board being present. The Supervisory Board closely followed whether the advice of the external independent auditors received a proper follow up by the Executive Board. Reported prior year recommendations have been carefully considered and the Company is working on follow-up where necessary.

### Meetings of the Supervisory Board

In FY 2023, the Supervisory Board as a whole met 10 times, excluding several informal meetings. The Supervisory Board has also met with other members of management to provide advice and to closely follow the scale up of the FLOW proposition, as well as the operation of the Company and the acquisition process. Apart from the meetings where quarterly performance was discussed, the following subjects were discussed in depth:

» Strategy to grow: Meetings with the Executive Board and other members of management were dedicated to specific aspects of the Company such as the implementation of the growth strategy to focus on 100% digitalization and EDI/Integration and to align the product strategy related to the FLOW proposition and development of additional FLOW modules within the EDI/Integration business;
» Remuneration: Evaluation of personal targets and targets for the performance share plan of the Executive Board and senior management;
» Evaluation of performance at country/segment level;
» Sale of the business to SPS Commerce Inc.

### Evaluation of the Supervisory Board and the Executive Board

In FY 2023, the Supervisory Board has evaluated its own performance several times in an informal setting, in most cases immediately after the regular meeting and in some cases separately by telephone. Each year a formal evaluation of the performance of the Supervisory Board and the Executive Board is scheduled after the regular meeting in November. This is a Supervisory Board-only meeting and will be followed up with a feedback meeting with the Executive Board if this is deemed necessary. Based on the most recent evaluations performed, no follow-up actions were deemed necessary.

## Remuneration

The Remuneration Policy outlines the terms and conditions for the members of the Executive Board of the Company. The objective of the Remuneration Policy is to provide a structure that retains and motivates the current members of the Executive Board by providing a well-balanced and incentive-based compensation.

According to article 135 of book 2 of the Dutch Civil Code, the Remuneration Policy requires the approval of the General Meeting of Shareholders. On March 27, 2020, the General Meeting of Shareholders has adopted the revised Remuneration Policy for a period of 4 years (ending on March 27, 2024). Within the scope of the Remuneration Policy, the Supervisory Board, will determine the Remuneration Plan, which will be the basis of the remuneration of the members of the Executive Board.

### Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board remained unchanged in FY 2023.

### Remuneration of the Executive Board

The remuneration for the members of the Executive Board may comprise of the following components:

» Base Management Fee / Salary, including pension contribution;
» Variable compensation in cash, based on the realization of short-term targets, and share-based variable compensation as adopted and confirmed in the General Meeting of Shareholders on March 27, 2020. The share-based variable compensation was implemented in 2016, in accordance with the Performance Share Plan as adopted by the General Meeting of Shareholders on March 31, 2016.

The salary includes base salary, holiday allowance, a pension arrangement and a lease vehicle. The remuneration levels are set to reflect the requirements, performance and responsibilities regarding a position in the Executive Board and the targets of the Company. The Supervisory Board will review the salary level of the Executive Board regularly, considering circumstances that would justify adjustments, such as changes in the individual's responsibilities, the individual as well as collective performance, developments in the business environment and developments in the salary level of personnel in the Company. The Supervisory Board shall evaluate the remuneration structure regularly in order to ensure that it meets the objective of the Remuneration Policy. The contract with the members of the Executive Board includes an arrangement for the reimbursement of all reasonable expenses incurred in the performance of their duties. The variable compensation is designed to strengthen the Executive Board member's commitment to the Company and its objectives. The variable compensation is linked to previously determined and objectively measurable performance targets. The Supervisory Board determined the performance targets for each individual member of the Executive Board, based on a long-term operating plan. These performance targets reflect the individual responsibilities of the member of the Executive Board, such as, but not limited to, financial results and/or operational results per focus area. The performance targets are based on the Company's strategic agenda, which includes financial targets.

Since these targets contain commercially sensitive information, the exact targets shall not be disclosed. However, the information is available for the external independent auditor of Titan.

The Executive Board updates the Supervisory Board on the achievement against the individual performance criteria on a quarterly basis. After the end of a financial year, the Executive Board prepared an evaluation of the past financial year. The evaluation includes the extent to which the individual performance targets have been met. On the basis of this evaluation and its own investigation, the Supervisory Board reviews the performance of the members of the Executive Board and decides whether the performance targets are met and therefore a member of the Executive Board should receive his variable compensation. The Supervisory Board may take special circumstances into consideration.

The management agreements of the members of the Executive Board were concluded with a subsidiary of Titan N.V. and as such have been transferred to SPS Commerce Inc. with the transfer of the business on September 13, 2023. Consequently, Titan N.V. group has remunerated the members of the Executive Board with the Base Management Fee until September 13, 2023.

Due to sale of the business per September 13, 2023, no expenses for short-term incentives have been incurred in 2023. No expenses have been incurred for 2023 long-term incentives.

In FY 2023, in total 9,001 Performance Shares were awarded to the Executive Board for their performance in FY 2022. As the grant occurred after the financial year 2022 balance sheet date, it has been accounted for in financial year 2023.

### Termination of employment

The contracts with the members of the Executive Board include an arrangement on the notice period required to terminate the contract. The contracts with the members of the Executive Board will not be renewed or will be terminated if the member of the Executive Board reaches the age of retirement, on the date as provided in the relevant pension scheme. Upon termination of the contract by the Company (or by a competent court on request of the Company) and provided that the special circumstances as described in the contracts with the members of the Executive Board do not apply, the member of the Executive Board will be entitled to a severance payment.

### Severance Package

Titan N.V. does not have any written contracts with the members of the Executive Board as per year end (September 30, 2023).

### Shares

Titan N.V. does not have any written contracts with the members of the Executive Board as per year end (September 30, 2023).

### Loans

Titan N.V. does not have any written contracts with the members of the Executive Board as per year end (September 30, 2023).

### Remuneration report

The remuneration of the Executive Board and Supervisory Board is disclosed in detail in the Remuneration Report, starting on page 19. Reference is also made to the Related party disclosures, starting on page 88 of the consolidated financial statements.

On behalf of the Supervisory Board,

G. Werger

Chairman of the Supervisory Board, Titan N.V.

# Remuneration Report



This remuneration report provides accountability for the implementation of the remuneration policy of Titan N.V., its most important aspects and how it has been applied to the remuneration of the Executive Board in the financial year ended September 30, 2023.

The remuneration and the individual contracts of the members of the Board of Management are determined by the Supervisory Board, within the framework of the Remuneration Policy of Titan N.V. (the Remuneration Policy). The Remuneration Policy was adopted by the Annual General Meeting of shareholders on March 27, 2020.

The Remuneration Policy has been prepared in line with the Dutch Corporate Governance Code dated December 8, 2016 (the Code), the Shareholders Rights Directive (SDR2) and article 135a of Book 2 of the Dutch Civil Code. The Remuneration Policy forms the basis for the Remuneration Plan to be determined by the Supervisory Board, prior to each financial year of the Company (which runs from October 1 to September 30).

## General principles

The Supervisory Board ensures that the Remuneration Policy and the implementation of each Remuneration Plan, are aligned with the Company's objectives in order to ensure that target setting for senior executives and Executive Board will support the successful realization of the strategy of the Company. At the same time, both the Remuneration Policy itself, and the checks and balances applied in its execution, are designed to comply with the applicable legislation, the Code and SDR2 and to determine that any risks taken, will be in line with the strategy and risk appetite of the Company.

To ensure that the remuneration is linked to performance, a significant proportion of the remuneration package was variable and dependent on the short and long-term performance of the individual Executive Board member. Performance targets were realistic and sufficiently stretching and – particularly with regard to the variable remuneration components – the Supervisory Board ensured that the relationship between the chosen performance criteria and the strategic objectives applied, as well as the relationship between remuneration and performance, were properly reviewed and accounted for, both ex-ante and ex-post. As such, the Remuneration Policy and its execution are aimed at supporting the Company's long term value creation.

In accordance with the requirements of the Code, the Supervisory Board has carried out scenario analyses of the possible financial outcome of meeting target levels, as well as maximum performance levels, and how they may affect the level and structure of the remuneration of the members of the Executive Board. These scenario analyses have been carried out before the targets were set by the Supervisory Board.

## Executive Board remuneration 2023

The Remuneration Policy provides a structure that retains and motivates the current members of the Executive Board by providing a well-balanced and incentive-based compensation. The management agreements of the members of the Executive Board were concluded with a subsidiary of Titan N.V. and as such have been transferred to SPS Commerce Inc. with the transfer of the business on September 13, 2023. Consequently, Titan N.V group has remunerated the members of the Executive Board with the Base Management Fee until September 13, 2023. Since September 13, 2023, the members of the Executive Board do not receive a Base Management Fee from the Company. The Company has not incurred any expenses for a Short Term Incentive. Upon the sale of the business as per September 13, 2023 the Executive Board has been awarded a special compensation following sounding and concurrence of Titan's major shareholders. This special compensation, comparable to a broker fee, is a recognition for the efforts of the Executive Board covering many years to find a suitable strategic partner for the company. Titan N.V. has not incurred any (other) broker fees or intermediary fees for the sale to SPS Commerce Inc. As such, this is a derogation from the remuneration policy, granting an additional short-term benefit, given the exceptional circumstances surrounding the transaction.

In addition, the Company incurred a share-based payment expense in 2023 relating to performance in 2022.

For both the CEO and CFO, the fixed remuneration accounted for 10% of the total remuneration and the variable remuneration accounted for 90% of the total remuneration during 2023.

The Supervisory Board is of the opinion that the Remuneration Plan 2023 has contributed to the achievement of the long-term objectives of the Company and its subsidiaries.

**Executive Board remuneration**

(€ x 1,000)

| | Jan Sundelin, CEO | Michiel Wolfswinkel, CFO |
|---|---|---|
| Base Management Fee / Salary | 278 | 250 |
| Short Term Incentive | - | - |
| Special Compensation | 2,577 | 2,319 |
| Other benefits (company car) | 14 | 14 |
| **Subtotal short term benefits** | **2,869** | **2,583** |
| Post-employment benefits (pension contributions) | - | - |
| Long Term Incentive | 68 | 61 |
| **Subtotal long term benefits** | **68** | **61** |
| **Total remuneration** | **2,937** | **2,644** |

## Pay ratio

The following tables provide an overview of the remuneration of the Executive Board members (calculated separately for the CEO and CFO) compared to the average remuneration of an employee and company performance.

The tables have been prepared in accordance with article 2:135b section 3e of the Dutch Civil Code. For purposes of the calculation, the remuneration taken into account for the members of the Executive Board consists of the Base Management Fee, STI and LTI for each financial year, and therefore excludes post-employment and company car benefits. In 2023, it includes the special compensation related to the sale of the Company's business operations in 2023 as disclosed above. Similarly, the average annual salary of employees of the Company includes the fixed and variable wage for the full financial year, as well as vacation pay and social security, and excludes company car benefits as well as post-employment benefits in the form of pension contributions. This number takes into account all of the employees of the Company and its direct and indirect subsidiaries (including temporary employees), assuming a full-time employment.

**Pay ratio CEO**

(€ x 1,000)

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Base Management Fee | 278 | 303 | 276 | 250 | 250 |
| Short Term Incentive | - | 152 | 150 | 288 | 125 |
| Special Compensation | 2,577 | - | - | - | - |
| Long Term Incentive | 68 | - | 285 | - | - |
| **Total** | **2,923** | **455** | **711** | **538** | **375** |
| Average annual employee salary | 93 | 90 | 86 | 88 | 88 |

**Pay ratio CFO**

(€ x 1,000)

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Base Management Fee | 250 | 273 | 248 | 200 | 200 |
| Short Term Incentive | - | 136 | 135 | 230 | 90 |
| Special Compensation | 2,319 | - | - | - | - |
| Long Term Incentive | 61 | - | 257 | - | 16 |
| **Total** | **2,630** | **409** | **640** | **430** | **306** |
| Average annual employee salary | 93 | 90 | 86 | 88 | 88 |

**Company performance**

(€ x 1,000,000)

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| SaaS revenues[1)] | - | 11.1 | 9.7 | 8.5 | 7.1 |
| SaaS revenue growth (YOY %) | -100% | 15% | 14% | 20% | 3% |
| Order intake[1)] | - | 13.0 | 11.2 | 10.1 | 12.7 |
| Order intake growth (YOY %) | -100% | 16% | 11% | -20% | 25% |

[1)] Comparatives have not been restated to include only continuing business lines (i.e., they include discontinued operations disposed during 2023)

SaaS revenues and order intake for 2023 are reported as nil as they are fully attributable to the business operations that have been sold during 2023. In this context we also note that no STI or LTI has been awarded for 2023. Please note that the special remuneration has been awarded for reasons other than (operational) company performance, and the LTI expenses in 2023 regard to an award related to 2022 performance - reference is made to disclosures made earlier in this Remuneration Report.

## Shares, options and warrants

In financial year 2023, the members of the Executive Board were granted in total 9,001 shares for their performance in 2022. Of this 4,737 shares were granted to the CEO and 4,264 to the CFO.

As at September 30, 2023, the CEO owns in total 79,948 shares in the Company. No shares are subject to lockup conditions under the Performance Share Plan.

As at September 30, 2023, the CFO owns 17,274 shares in the Company. No shares are subject to lockup conditions under the Performance Share Plan.

## Other disclosures

### Performance criteria

In 2023 no Short Term Incentive was awarded.

### Claw back

As part of the Remuneration Policy the company is authorized to reclaim – in part or in full – the STI and LTI if the distribution was made on the basis of incorrect information about the achievement of the performance criteria or regarding the circumstances upon which the remuneration depended. In 2023, no claw back of any remuneration or variable was applicable for the Executive Board.

### Loans, advances & guarantees

Neither the Company nor any of its direct or indirect subsidiaries has provided any loans, advances or guarantees to any member of the Executive Board or Supervisory Board.

### Early retirement arrangements

The Executive Board has no arrangements for early retirement.

### No deviations in the decision-making process

During 2023, no deviations from the decision-making process in relation to the execution of said Remuneration Policy were noted.

### General Meeting's advisory vote

During the last General Meeting, 100% of the shareholders voted in favour of the 2022 Remuneration Report and no questions or comments were raised by the shareholders.

## Supervisory Board remuneration 2023

The General Meeting of Shareholders sets the remuneration of the members of the Supervisory Board. Members of the Supervisory Board are entitled to a fixed remuneration as well as a reimbursement for travel expenses incurred. They do not receive a variable remuneration. The remuneration of the members of the Supervisory Board remained unchanged in 2023 and is disclosed in the following table.

**Supervisory Board remuneration**
(€ x 1,000)

| | **Position** | **Remuneration** |
|---|---|---|
| Georg Werger | Chairman | 20 |
| Gerdy Harteveld-Smeets | Member | 10 |
| Per Nordling | Member | 10 |
| **Total remuneration** | | **40** |
| Travel expenses reimbursed | | 9 |
| **Total expensed** | | **49** |

On behalf of the Supervisory Board,

G. Werger

Chairman of the Supervisory Board, Titan N.V.

# Corporate Governance

Titan N.V. is committed to conducting business in an open and honest way. The corporate governance structure of the Company, including its practices, rules and policies, is designed to support such transparency and accountability.

## Legal Framework

Titan N.V. (the “Company”), is a public limited liability company, established under the laws of the Netherlands. Its shares are listed on NYSE Euronext, Amsterdam. As such, several laws and regulations apply to the Company: the Dutch Civil Code, the Dutch securities laws such as the Dutch Financial Supervision Act, the NYSE Euronext listing rules and the Dutch Corporate Governance Code of December 8, 2016 (the “Code”).

Additionally, the Company, the Executive Board, the Supervisory Board and the staff members are bound by the Company’s Articles of Association, the Terms of Reference of the Supervisory Board, the Terms of Reference of the Executive Board, the Code of Conduct, the Remuneration Policy, the Insider Knowledge Regulations, the Whistleblower Policy, the Privacy Policy, the Information Secrecy Policy and several internal procedures.

## Shareholders

### Shares

The Company's share capital consists of Ordinary Shares that carry equal voting rights. The General Meeting of Shareholders decides on resolutions with regard to the issuance of shares and may grant this authority to another company body for a period up to five years. At the issuance of shares, each shareholder has a pre-emptive right proportional to his existing shareholding, subject to statutory provisions. The pre-emptive right may be restricted or excluded by a resolution of the General Meeting of Shareholders or by another company body if it has been authorized to do so by a resolution of the General Meeting of Shareholders, for a period up to five years.

On March 25, 2022, the General Meeting of Shareholders decided to grant authorization to the Executive Board to issue shares and rights to acquire shares (options, warrants, convertibles) up to a maximum of 20% of the outstanding shares.

The Company does not have any anti-takeover measures in place.

### Shareholders Meeting and Voting Rights

Responsible corporate governance requires the full-fledged participation of shareholders in the decision-making in the General Meeting of Shareholders. The Company attaches great value to shareholder relations. In line with relevant laws and regulations, the Company provides all shareholders and other parties in the financial markets with equal and simultaneous information about matters that could have a significant influence on the price of the Company’s listed securities, thereby taking into account possible exemptions permitted by those laws and regulations.

The Company shall actively communicate relevant developments of its business to the financial markets through press releases. The dates of publication of (interim) financial reports are announced well in advance and these publications are accessible online via the financial reporting registry of the AFM. Meetings with analysts, investors and shareholders are announced through press releases.

At least once a year a General Meeting of Shareholders is convened, announcing the meeting date and place, the registration date, the agenda of the meeting with explanatory notes and the procedure for attendance. In accordance with Dutch law, the shareholding at the registration date is decisive for the right to attend and address the meeting and to exercise voting rights, notwithstanding a subsequent sale of the shares. Each share entitles its holder to cast one vote. Resolutions are passed by a simple majority of the votes cast, unless Dutch law or the Articles of Association require a larger majority.

Amongst other things the General Meeting of Shareholders decides on the adoption of the financial statements, the appropriation of the net results, the (re)appointment, discharge and remuneration of the members of the Supervisory Board, material changes of the Remuneration Policy, the (re)appointment and the discharge of the members of the Executive Board, the appointment of the external independent auditor, the authorization of another company body to issue new shares, the amendment of the Articles of Association, and other important matters such as major acquisitions or the sale of a substantial part of the Company. The Company prepares a list of decisions made during a shareholders meeting. The Company also prepares the minutes, which will be set by the shareholders at the next General Meeting of Shareholders.

The General Meeting of Shareholder of March 24, 2023, was held in physically in Breukelen, the Netherlands. In addition, the Extraordinary General Meeting of shareholders, was held on September 6, 2023, for the approval of sale and transfer the shares in TIE Kinetix Holding B.V. to SPS Commerce, Inc. We were pleased to be able to welcome our shareholders again in person.

### Amendments to the Articles of Association

An amendment to the Articles of Association requires approval of the Annual General Meeting of Shareholders. Amendments have not been made since June 3, 2015, other than the statutory name change of the Company to Titan N.V. that was effectuated on September 13, 2023.

## Executive Board

### Appointment & dismissal

A member of the Executive Board will be appointed or dismissed by the Supervisory Board and in accordance with the Articles of Association and the Executive Board Terms of Reference. A member of the Executive Board is to be appointed for a maximum period of four years. Upon expiry of the four-year term, a member of the Executive Board may be reappointed for successive terms of four years each.

### Duties

The Executive Board is entrusted with the management of the Company. This means that it is responsible for the achievement of the Company's targets, its strategy with the associated risk profile, the development of the results and the social aspects of doing business relevant to the Company. For its management the Executive Board is accountable to the Supervisory Board and the General Meeting of Shareholders.

In the performance of its duties, the Executive Board and the Supervisory Board are guided by the interests of the Company, taking the relevant interests of all stakeholders into account and to create long term value in accordance with article 1.1.1 of the Code, as well as control of related risks and opportunities subject to article 1.2.1 and 1.2.2 of the Code and communication with its stakeholders.

The Executive Board performs its activities under the supervision of the Supervisory Board. The Executive Board attends the meetings of the Supervisory Board with exception of the meetings focusing on the evaluation of the Supervisory Board and the Executive Board and the annual meeting with the external independent auditor. The Executive Board provides the Supervisory Board timely with all information essential for the Supervisory Board to exercise its duties.

### Composition

The Executive Board consists of Mr. J.B Sundelin and Dr. M. Wolfswinkel. Mr. J. Sundelin, CEO, has been a member of the Executive Board since February 14, 2007. His term was renewed at the General Meeting of Shareholders of March 26, 2021, and will end on March 28, 2025.

Dr. Wolfswinkel joined the company as CFO on August 19, 2013, and has been appointed to the Executive Board on November 28, 2013. His term was renewed at the General Meeting of Shareholders of March 26, 2021, and will end on March 28, 2025.

For future appointments, selection criteria are taken into account that reflect a balance between the requirements of the role to be filled in and diversity requirements. Further information is provided on this below.

### Remuneration

The remuneration of the members of the Executive Board has been set in line with the Remuneration Policy of the Company and is in line with the provisions of the Code. In the Remuneration policy a claw back clause on variable pay has been incorporated. The severance package of the Executive Board is in line with best practice provision 3.2.3. of the Code. More information about the remuneration of the Executive Board can be found in the Report from the Supervisory Board, starting on page 16 and the Remuneration Report, starting on page 19.

### Conflicts of interest

The Executive Board avoids (the appearance of) conflicts of interests between the Company and a member of the Executive Board. All transactions in which a conflict of interest exists or is deemed to exist must be concluded on terms at least customary in the sector concerned. Resolutions for entering into such transaction must be approved by the Supervisory Board. In the financial year 2023, there were no reports on conflicts of interest.

## Supervisory Board

### Appointment & dismissal

The members of the Supervisory Board are appointed or dismissed by the General Meeting of Shareholders and in accordance with the Articles of Association and the Supervisory Board Terms of Reference. Members of the Supervisory Board do not participate in the voting process regarding their own appointment. Members of the Supervisory Board shall be appointed for a period of four years and resign at the first General Meeting of Shareholders after such period has elapsed.

Members of the Supervisory Board may be re-elected two times for a period of four years. Re-election may only take place after careful consideration.

### Duties

The role of the Supervisory Board is to exercise supervision over the policies adopted by the Executive Board and over the general conduct of business of the Company as well as to provide the Executive Board with advice. The general duties of the Supervisory Board include supervising, monitoring and advising the Executive Board on the realization of the Company's operational and financial objectives, the corporate strategy, the risks inherent to the business activities, the design and effectiveness of the internal risk management and control systems, the main financial parameters, the financial reporting process, compliance with applicable laws and regulations, the relationship of the Company with its shareholders and the corporate social responsibility issues that are relevant to the Company.

In the performance of its duties, the Supervisory Board is guided by the interests of the Company and takes the relevant interests of all the Company's stakeholders into account. The Supervisory Board is responsible for the quality of its own performance.

### Composition

The Supervisory Board has three members, all appointed at the Extra-Ordinary Meeting of Shareholders of July 13, 2018: Mr. Georg Werger (president), Mrs. Gerdy Harteveld-Smeets and Mr. Per Nordling. Further information about the members of the Supervisory Board can be found in the section The Supervisory Board, starting on page 13. With the exception of Mr. Nordling, members of the Supervisory Board are independent, as is the Supervisory Board as a whole, subject to the relevant requirements of provision 2.1.7, 2.1.8 and 2.1.9 of the Code. The composition of the Supervisory Board is such that its members are able to act critically and independently of one another and of the Executive Board and any particular vested interests. Each member of the Supervisory Board is capable of assessing a broad outline of the overall strategy of the Company and its business.

As a whole, the composition is such that it enables the Supervisory Board to best carry out the variety of its responsibilities and duties to the Company and other stakeholders. The Supervisory Board is constituted in a balanced manner as to reflect the nature and variety of the Company's businesses and the desirability to have available expertise in such fields as finance, economics, management, legal/corporate governance, information technology and the Company's business in general and more specifically the national and international E-Commerce market.

More details on the profile of the Supervisory Board are included in the most recent Terms of Reference. For future appointments, selection criteria are taken into account that reflect a balance between the requirements of the role to be filled in and diversity requirements.

The Supervisory Board members are appointed by the General Meeting of Shareholders. A Supervisory Board member is appointed or reappointed for a term commencing on the date of his appointment and ending at the day of the first General Meeting of Shareholders held after the fourth anniversary of this appointment.

### Remuneration

The General Meeting of Shareholders approves the remuneration of the members of the Supervisory Board. The current annual fixed remuneration of Mrs. Harteveld-Smeets and Mr. Nordling is € 10k and the remuneration of Mr. Werger is € 20k.

### Committees

Since the Supervisory Board comprises only three members, no separate remuneration committee and selection and appointment committee have been formed. Also, due to the size of the Supervisory Board, no separate audit committee has been appointed. Rather, the matters for an audit committee, remuneration committee and a selection and appointment committee are addressed by the entirety of the Supervisory Board during its regular meetings.

### Internal audit function

At present, there is no internal audit function in the Company. Due to the company's limited size, the internal controls including the accounting and governance processes, are of limited complexity. As such, this allows for the Executive Board to closely monitor the internal control system and report to the Supervisory Board. The Company stimulates its employees to identify areas for improvement in risk management and control systems. The employees are in direct contact with the Executive Board so that suggestions are assessed at the appropriate level and an improvement plan rolled out as appropriate. Furthermore, the absence of an internal audit function has not been identified as a principal risk that would require mitigation. In this respect, reference is made to the section Risk Management and Control, starting on page 28.

### Conflicts of interest

The Supervisory Board avoids (the appearance of) conflicts of interests between the Company and a member of the Supervisory Board and/or a member of the Executive Board. In the financial year 2023, there were no conflicts of interest.

## Diversity policy and criteria for the Executive Board and Supervisory Board

The Terms of Reference of the Executive Board and Supervisory Board describe the diversity requirements for both Boards. The objective of our diversity policy with respect to the composition of the Executive Board and Supervisory Board is to ensure that both Boards consist of members with the right expertise, experience and competencies to fulfill their roles and complement each other. In addition, we believe that a balanced distribution among men and women contributes and leads to better decision-making. As a corresponding target, at least one third of our Supervisory Board should consist of women (corresponding to at least 1 woman given the current size of our Supervisory Board).

In preparation of appointment of a new member of the Supervisory Board or Executive Board, selection criteria are considered that reflect a balance between the requirements of the role to be filled in and diversity requirements. In determining the optimal composition of the Executive Board and Supervisory Board, the Company considers various criteria of diversity.

The following criteria are considered for an appointment:

1. Expertise
2. Experience
3. Competencies
4. Gender
5. Development opportunities/potential
6. Age
7. Nationality
8. Ethnic background
9. Education

### Composition

The current compositions of the Executive Board and the Supervisory Board as disclosed above satisfy the policy objectives for the diversity of the Boards. Nonetheless, the Company continues to re-evaluate its policies and criteria as necessary and has taken notice of the recent developments in the field of diversity and expectations of stakeholders around this subject. This includes the new law on growth quota for a better male-female ratio in the Netherlands, which entered into effect on January 1, 2022.

This law requires that at least one third of the supervisory boards of listed companies consists of men, and at least one third of women. This quota applies to new appointments. The current composition of the Supervisory Board of Titan is therefore in compliance with the requirements of this law.

## Further notes on the Company's Corporate Governance

All members of the Executive Board and the Supervisory Board comply with the rules of Dutch corporate governance regarding the limitations of the number of board positions in Dutch large companies as all members of the Executive Board and the Supervisory Board have no other positions than their position within the Company.

PricewaterhouseCoopers Accountants N.V. has been the external independent auditor during the financial year 2023, being appointed at the General Meeting of Shareholders of March 24, 2023.

### Legal structure

Titan N.V. is an standalone company without any direct and indirect subsidiaries. On September, 13 2023 Titan N.V. has sold the shares of TIE Kinetix Holding B.V., and investments in the Group's operating entities. The operating entities where located in the Netherlands, Germany, France and the United States.

The Company does not meet the size criteria for classification under the structure regime ("structuurvennootschap") due to its size in the Netherlands.

## Compliance with corporate policies

### *Corporate policies*

The Company has various policies in place that contribute to responsible governance:

» The Code of Conduct has been drawn up to provide all our employees with a clear set of guiding principles on integrity and ethics in business conduct. No issues were reported or noticed in FY 2023.
» The Whistle-blower Policy provides employees of Titan with the possibility to report alleged irregularities of a general, operational or financial nature within the Company, without jeopardizing their legal position.
» The Investor Relations Policy provides headline guidance for investors pertaining to Titan management rules of engagement with investors.

In addition, the Company has regulations on insider knowledge in place, preventing trading with insider knowledge. Every employee, executive, specified person, Executive Board member and Supervisory Board member is to inform the Compliance Officer of its intention to trade in Titan N.V. shares prior to any transaction. The Compliance Officer is the Chief Financial Officer of the Company and is responsible for ensuring that every employee, executive, specified person, Executive Board member and Supervisory Board member abides by the applicable laws and restrictions.

The closed period, in which every employee, executive, specified person, Executive Board member and Supervisory Board member is prohibited from trying to execute and/or executing a transaction with Titan shares, irrespective of whether or not he or she possesses insider knowledge, is included in our Annual Report and communicated at the start of every closed period.

The Company actively enforces an IT & Security Policy, a data breach policy and a privacy policy to ensure data security and act in compliance with the GDPR (known in the Netherlands as the AVG Act).

Risk management forms an integral part of how Titan N.V. is governed. The objective of our risk management system is to identify and mitigate risks with a potential major impact on achievement of our strategic and financial goals, and therefore on the overall value of the Company.

## Our risk management and control system

As any business, the Company is exposed to a variety of risks. To be able to detect, assess, determine the risk appetite and take mitigating measures if needed, the Company relies on its risk management and control system. The main features of this system are described in the following paragraphs. Both the Executive Board and Supervisory board are satisfied that the structure and operation of the risk management and control system is organized adequately given the size and complexity of the Company and its business. To this extent, our system is designed to manage, rather than eliminate, the risk that we fail to realize our strategy and create long-term value for our stakeholders. Our internal control system is based on the principles of the COSO 2017 Enterprise Risk Management framework.

### Control environment

The Executive Board has the ultimate responsibility for risk management and control within the Company. This responsibility includes identifying and evaluating opportunities and risks, and to take appropriate measures if deemed necessary, so that the Company may utilize opportunities and avoid losses where possible.

The Executive Board aims to maintain a culture of ethical behavior and integrity by setting the tone at the top. This contributes to avoiding unnecessary risks and the overall effectiveness of the Company's risk management and control system. This is done by, for example:

» Leading by example and acting in accordance with our Company values;
» Maintaining relevant policies such as our Code of Conduct and Whistleblower Policy and ensuring awareness of these policies among staff;
» Having clear practices and procedures with respect to corporate governance.

The Executive Board is monitored by the Supervisory Board and the performance of the Company's risk management and control system is reported on and evaluated annually.

### Risk appetite

The risk appetite represents our willingness to assume calculated risks and uncertainties. The risk appetite is determined by the Executive Board and is regularly re-evaluated in the face of changing circumstances and as part of the process of evaluating and responding to risks. Our risk appetite differs per category of risks. At a high level, the level of the company's risk appetite is outlined in the following table, organized by the main categories of risks that we identify. This gives guidance on the level and extent of measures that are taken to control or mitigate the risks belonging to the respective categories, though it is at the discretion of the Executive Board to increase or decrease the extent to which the Company responds to an individual risk or uncertainty.

**Risk appetite per risk category**

| Category of risks and uncertainties | Level of risk appetite |
|---|---|
| Strategic | Moderate |
| Operational | Low |
| Cyber security | Low |
| Financial position | Low |
| Financial reporting | Low |
| Climate change | Low |
| Compliance with laws and regulations | Low |

## Identifying, assessing and responding to risks and uncertainties

### Risk detection

Events and circumstances that may give rise to opportunities or risks are monitored for on a recurring basis at an Executive Board level. The diversity in competencies and experience among the members of the Executive Board helps to identify and assess a variety of risks, including strategic risks, operational risks, cyber risks, risks relating to the financial position and performance, financial reporting risks as well as risks relating to compliance with laws and regulations.

### Risk assessment

In the second stage, detected risks are analyzed and assessed. The risk analysis focuses predominantly on the principal risks to the business, for which the Company is able to take managerial decisions to influence the exposure to such risks.

From a risk identification and assessment perspective, the Supervisory Board moreover discusses the Company's risk profile with the Executive Board at least annually.

### Control measures

After risks and uncertainties have been assessed, the Executive Board decides whether or not to take measures to control the risk, taking into account the possible impact of the risk and the Company's risk appetite.

Decisions relating to measures responding to financial risks are always made by the Chief Financial Officer in the Executive Board, guaranteeing that management is aware of any changes and developments.

### Evaluation

The Executive Board monitors whether the exposure to identified risks is still in line with the risk appetite and whether the control measures taken have been adequate in responding to those risks and uncertainties. The evaluation also covers whether the exposure to or the possible impact of risks and uncertainties has increased as a consequence of changed external or internal circumstances. It may be that, based on this evaluation, a re-assessment of the risk takes place followed by increasing, or decreasing, the number and rigor of control measures in response to that risk.

### Communication

Throughout our risk management and control process, communication is key. As mentioned before, the Company's segment management and employees are an important source of information for the Executive Board on both external and internal developments that may affect the Company and the risks and uncertainties it is exposed to. Communication goes both ways and effective communication by the Executive Board throughout the organization on control measures that are introduced, amended or removed is considered imperative for the effectiveness of such control measures in responding to the risks they were designed for.

The Company's limited size and short communication lines between the Executive Board, management, staff and the Supervisory Board, as well as the Company values, work to the advantage of the effectiveness of the risk management process in this respect.

## Principal risks and uncertainties

The following summary lists the following:

- The principal risks and uncertainties allocated to each of the categories of risks that we discern;
- The impact on result or financial position that we anticipate when such risks and uncertainties manifest themselves, classified as high, moderate or low;
- The trend that the development in the risk exposure is showing, classified as increasing, decreasing or remaining stable; and
- The Company's appetite for the respective risk or uncertainty.

The Executive Board's assessment of the development in the risk exposure represents how the risk is expected to develop in the near future compared to the past year. This regards to the inherent risk, excluding the mitigating effect of any measures that the Company has taken.

In this respect, this assessment takes into account the disposal of all of the Company's business operations that occurred in September 2023. Of course, this development has drastically altered the risk profile of the Company and means the Company is exposed to much less risk now that it is without active business operations. This is reflected in the downward trends in the graphic below.

Please note that this overview may not be exhaustive. It is possible that principal risks that have not yet been identified, or that other types of risks that are currently regarded as not material, will have a significant adverse effect on the company's ability to achieve its objectives at a later date. The Company's internal risk management and control system is, as described before, geared to the timely identification of such risks as much as possible.

| Category | Risk | Impact | Trend | Appetite |
|---|---|---|---|---|
| Strategic | Sensitivity to economic cycles | Moderate | Decreasing | Low to moderate |
| | Speed of technological developments | Moderate | Decreasing | Moderate appetite |
| | Dependance on large clients | Low | Decreasing | Low appetite |
| | Non-organic growth | Moderate | Stable | Low appetite |
| Operational | Inability to attract and retain talented staff | Low | Decreasing | Low appetite |
| | Inadequate project control | Low | Decreasing | Moderate appetite |
| | Incremental costs to attract and retain talented staff | Low | Decreasing | Low appetite |
| | Operational and cost strain due to high organic growth | Low | Decreasing | Low appetite |
| Cyber security | Unauthorized access to systems | Moderate | Decreasing | Risk averse |
| | Data breach | Moderate | Decreasing | Risk averse |
| Financial | Unfavorable movements in US dollar | Low | Decreasing | Low to moderate |
| Reporting | Reporting risk | Moderate | Stable | Risk averse |
| Compliance | Failure to comply with changing laws and regulations | Moderate | Decreasing | Risk averse |

**Legend**

- Moderate
- Low
- Stable
- Decreasing
- High appetite
- Moderate appetite
- Low appetite
- Risk averse

The following tables describe the identified principal risks and uncertainties, their impact and their trend in more detail, as well as describe the measures the Company has taken in response to the respective risks and uncertainties.

The main risks that have materialized over the past year are marked with an asterisk (*). These risks have had impact on the Company's financial result; the impact is stated in the tables.

**Strategic risks**

| Risk | Description | Impact | Mitigation (prior to September 13, 2023) | Trend |
|---|---|---|---|---|
| Sensitivity to economic cycles | » Prior to September 13, 2023, economic trends had an impact on our business as (potential) customers may have be more inclined to save on IT investments in their business and operations, or postpone new IT projects.<br>» Since then, economic trends may impact the ability of the Company to attract new business operations. | Moderate: There are no plans in place for any activities or operations for 2024 and beyond. The Company has secured sufficient liquidity to meet its near-term requirements. | » We maintain a leading position in the marketplace of e-invoicing and EDI solutions through ensuring that our products are state-of-the-art, so as to be a preferred supplier for customers and potential customers.<br>» We grow our SaaS revenues and engage in long-term contracts with customers, resulting in a stable revenue stream over a longer term.<br>» Our operations are spread across different geographical markets, so we are not solely dependent on any single economy.<br>» We continuously monitor our cost basis to ensure cost-effective operations and realize cost savings where possible.<br>» Our contracts contain price indexation clauses to adjust for inflation. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been reduced. |
| Speed of technological developments | » Prior to September 13, 2023, we aimed to remain the leader in the field of SaaS managed solutions for supply chain digitalization with EDI.<br>» Since then, the speed of technological developments may impact the ability of the Company to attract new business operations. | Moderate: There are no plans in place for any activities or operations for 2024 and beyond, yet this risk may remain relevant for future plans as they are developed. | » We invest in new technologies through research and development, in order to improve the functionalities of our solutions in the field of supply chain digitalization.<br>» We engage in dialogue with customers to obtain feedback on our solutions and service levels for the purpose of continuous improvement.<br>» We continuously train our professional staff on new technologies and solutions, through our FLOW Academy.<br>» We engage in new partnership and maintain existing partnerships to optimize our view of market developments and ensure that our solutions are and remain compatible with ERP systems of our customers. | Increasing: As a consequence of the sale of the Company's business operations, this risk has been reduced. |
| Dependence on large clients | » Prior to September 13, 2023, dependence on large clients increased volatility of revenues when such a customer would not renew its contract.<br>» Since then, this risk has been removed. | Low: As a consequence of the sale of the Company's business operations, this risk has been removed. | » We continuously invest in the quality and functionality of our solutions, as well as improve our service levels to improve customer satisfaction and reduce our customer churn rate.<br>» We are increasing our customer base and have signed several new large contracts in 2022 and 2023, decreasing our dependency on any individual large client across all segments. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been removed. |
| Non-organic growth | Where another company is acquired, this poses additional risk and may put a strain on existing control structures in which the acquired company has to be integrated. | Moderate: There are no plans in place for any activities or operations for 2024 and beyond, yet this risk may remain relevant for future plans as they are developed. | » We perform in-depth due diligence on targets.<br>» Working plans and procedures are prepared to be able to quickly and effectively integrate any acquired company into the Company's existing structures. | Stable: There are no plans in place for any activities or operations for 2024 and beyond. |

### Operational risks

| Risk | Description | Impact | Mitigation (prior to September 13, 2023) | Trend |
|---|---|---|---|---|
| Inability to attract and retain talented staff | » Prior to September 13, 2023, due to digitalization demand for IT professionals was increasing, leading to an increasingly competitive labor market.<br>» Since then, this risk has been reduced as there is no current need to attract staff. | Low: There are no plans in place for any activities or operations for 2024 and beyond, yet this risk may remain relevant for future plans as they are developed. | » We act and communicate in accordance with our Company values.<br>» We use third party recruiters to scout for talent in the market, and have a rigorous employment process in place geared towards hiring the best talent.<br>» We stimulate employee engagement through daily online team meetings.<br>» We seek to remain an employer of choice by offering a challenging working environment and the ability to balance personal lives and business responsibility and continuing to work from home after the pandemic.<br>» We offer attractive remuneration to our employees. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been reduced. |
| Inadequate project control | » Prior to September 13, 2023, a significant part of our business consisted of consultancy work, requiring adequate project control.<br>» Since then, this risk has been removed as there are no active projects. | Low: As a consequence of the sale of the Company's business operations, this risk has been removed. | » We have qualified project managers with thorough knowledge of our business, products and services. Project managers are responsible for managing ongoing projects and monitoring hours spent comparing to budget on a weekly basis.<br>» We have tools and procedures in place to identify and mitigate any shortfall in adequate project control as it occurs. Our central finance department monitors the performance of projects and instructs the project managers to take action as necessary.<br>» Consultancy staff is monitored for timely submission of hours spent on projects. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been removed. |
| Incremental costs to attract and retain talented staff | » Prior to September 13, 2023, inability to compensate increasing costs of retaining and attracting talent with higher sales prices would have lead to lower margins.<br>» Since then, this risk has been removed as the Company no longer has employees. | Low: As a consequence of the sale of the Company's business operations, this risk has been removed. | » Maintaining a state-of-the-art quality product is priority to remain preferred supplier among customers and potentials.<br>» With increasing awareness of and attention for digitalization in the marketplace, IT budgets of (potential) customers typically increase rather than decrease.<br>» We continuously innovate to improve the efficiency and effectiveness of our staff.<br>» We seek to enter into open and honest dialogues with our customers on pricing matters. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been removed. |
| Operational and cost strain due to high organic growth | » Prior to September 13, 2023, the Company was striving for high organic growth of its SaaS revenues, which may have put a strain on existing control structures.<br>» Since then, this risk has been removed. | Low: As a consequence of the sale of the Company's business operations, this risk has been removed. | » Fast and effective training and integration of new personnel through our FLOW-Academy and on-the-job coaching.<br>» Effectively managing new projects through increased management oversight on the hours incurred on projects.<br>» Ensuring go-live of new customers within an acceptable timeframe through increased management oversight on timely execution and completion of projects. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been removed. |

**Cyber security risks**

| Risk | Description | Impact | Mitigation (prior to September 13, 2023) | Trend |
|---|---|---|---|---|
| Unauthorized access to systems | » Prior to September 13, 2023, our business operations were dependent on the integrity of our systems and their security. Not only in respect of our internal operations but especially in respect of the high volumes of business-critical information that are processed on the FLOW platform.<br>» Since then, this risk has been reduced to only pertain to our internal operations given the lack of active business operations. | Moderate: Integrity and security of information systems is important to the continuity of the Company and ensuring that compliance requirements are met. | » Our FLOW platform undergoes continuous development with the highest level of attention for security.<br>» The FLOW platform is ISO 27001, 27017 and 27018 certified and undergoes an annual audit, assuring an effective information security management system (ISMS).<br>» Hosting of the FLOW platform on Microsoft Azure and Google cloud servers ensures best-in-class security against cyber threats.<br>» We have appointed an Information Security Officer who heads the Information Security (InfoSec) team, who monitor security real-time and serves as a point of contact for reporting any security incidents.<br>» We mandate periodical security awareness training for all staff and monitor through security questionnaires.<br>» We mandate periodical penetration testing of our entire systems environment though an external specialist company.<br>» We perform regular penetration testing in-house. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been reduced. |
| Data breach | » Prior to September 13, 2023, we processed large volumes of business-critical data and personal data for our customers through the FLOW platform. In addition, we controlled internal data including personal data of our employees.<br>» Since then, the risk has been reduced to only pertain to data in respect of our internal operations given the lack of active business operations. | Moderate: Integrity and security of data is important to the continuity of the Company and ensuring that compliance requirements are met. | » Ensuring the safety of that data is an integral part of FLOW. FLOW secures compliance with the latest best practices, controls and industry standards, has information security controls in place to address security risks to keep data protected & secured.<br>» Our ISMS is designed to minimize the risk of data breaches through various preventive and detective measures.<br>» In addition to our InfoSec team, we have appointed a Privacy Officer who serves as a point of contact for reporting any data leaks or incidents.<br>» We continuously monitor compliance with the EU General Data Protection Regulation (GDPR).<br>» Our policies are GDPR-compliant in all our territories, not just the EU-territories we operate in.<br>» We mandate periodical training on data security and privacy for all staff. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been reduced. |

### Risk associated with financial position

| Risk | Description | Impact | Mitigation (prior to September 13, 2023) | Trend |
|---|---|---|---|---|
| Unfavorable movements in US dollar | » Prior to September 13, 2023, a significant part of our operations took place in the United States, with local business being transacted in US dollars. As such, the Group had a currency risk exposure to this foreign currency.<br>» Since then, this risk has been removed. | Low: As a consequence of the sale of the Company's business operations, this risk has been removed. | » We seek to maintain natural hedges where possible by balancing assets and liabilities in US dollars and ensuring that the local balance sheet of group companies contains as much as possible only positions denominated in their own functional currency.<br>» We seek to maintain minimal cash balances denominated in currencies other than the euro. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been removed. |

### Risk associated with financial reporting

| Risk | Description | Impact | Mitigation (prior to September 13, 2023) | Trend |
|---|---|---|---|---|
| Reporting risk | The risk that the reliability of the external and internal reporting of the Company may be impaired. For example, when the Company's financial statements would contain material misstatements or would otherwise fail to provide the required true and fair view, or that internal reporting to the Executive Board, which forms the basis for decision-making, contains errors. | Moderate: Defects in external reporting may lead to loss of confidence with shareholders and other stakeholders. Defects in internal reporting may lead to losses due to incorrect or untimely decision-making. | » The Company has internal procedures and guidelines for internal and external reporting. Our external financial reporting process control system is described in more detail further on in this section.<br>» The Company has an annual budgeting process in place. Internally reported financials are always compared to budget and variations explained.<br>» Internal financial reporting is prepared by our business control function.<br>» External financial reporting is prepared by our external reporting function.<br>» All internal and external reporting is performed under direct supervision of the Chief Financial Officer.<br>» The Supervisory Board performs its audit committee responsibilities.<br>» The financial statements undergo an annual audit by our external independent auditor. | Stable: Stakeholder attention to ESG-reporting is increasing and requirements are evolving rapidly. As best practices are still evolving, application of requirements and materiality of information may be difficult to assess. |

**Risk associated with compliance with laws and regulations**

| Risk | Description | Impact | Mitigation (prior to September 13, 2023) | Trend |
|---|---|---|---|---|
| Failure to comply with changing laws and regulations | Risks and uncertainties arising from non-compliance with laws and regulations may have a direct impact on the Company and its business processes. Such laws and regulations may pertain to labor laws, data and privacy regulations, tax legislation as well as governance and filing requirements applicable in jurisdictions in which the Company operates. | Moderate: Consequences of non-compliance might include fines or claims with impact on the Company's bottom-line results, as well as reputational damage. | » The Company has an in-house legal counsel in the Netherlands responsible for continuous monitoring of changes to laws and regulations applicable to the Company and assessment of compliance.<br>» The Company engages with outside legal counsel or other advisors as needed in the territories in which it operates.<br>» Tax assessments and tax filings are done with support of external tax advisors in each territory in which the Company operates. | Decreasing: As a consequence of the sale of the Company's business operations, this risk has been reduced. |

## Financial risk management

The Company is exposed to various types of risk arising from the use of financial instruments. These risks overlap to some extent with the principal risks and uncertainties as defined earlier, but also include risks which are not considered principal risks for the Company. The objectives and policies regarding the managing and hedging of risks related to financial instruments are disclosed in the consolidated financial statements in the section Financial risk management, starting on page 63. This analysis covers the following types of risks:

- Market risks (including currency risk, interest rate risk and other price risk);
- Credit risks; and
- Liquidity and cash flow risks.

## Performance of the internal risk management and control system

During 2023, the Executive Board and the Supervisory Board have evaluated the design and operation of the internal risk management systems and control system. Design and operation were deemed satisfactory in responding to the principal risks summarized above.

The Executive Board and Supervisory Board have not observed any major failings in the internal risk management and control systems during the past year.

## Our response to the risk of fraud or bribery

The Company has a zero risk appetite and zero tolerance policy towards fraud and/or bribery. There have been no known cases of fraud and/or bribery within the Company. Management has not identified areas of elevated risk of fraud and/or bribery. The Company operates in the Netherlands which has a low inherent risk in this respect. Nonetheless, management wants to avoid the risk of fraud and/or bribery given potential impact and has implemented several measures to address this risk. Among these measures are the following:

- Having corporate policies in place such as our code of conduct;
- Policies procedures and controls in respect of approval and processing of contracts;
- Policies, procedures and controls in respect of accounting systems;
- Policies, procedures and controls in respect of payments; and
- Finance organization with direct board-level supervision.

## Climate change risk

Climate (change) risks can be divided into physical risks and transition risks. Physical climate risks are risks arising from climatic events, which in turn have a financial impact due to, for example, damage to physical assets, lower productive capacity and lower output. Climate transition risks are risks of stemming from a disorderly transition to a low-carbon economy, when climate policies (e.g. carbon tax) and regulations are implemented late with regard to the climate targets and cannot be fully anticipated by investors.

### Climate risk assessment

Given the lack of any current active business operations, the Company does not hold physical assets that are subject to physical climate risk. Acute physical climate risks could impact the Company’s operations if these were to occur in any of the territories in which the Company operates and its employees, contractors, board members or suppliers would be impacted. Management concludes that the Company does not have an inherently high exposure to physical climate risk.

With respect to climate transition risk, management notes that the (upcoming) climate and environmental policies and regulations that are currently known do not significantly impact the Company or its financial position.

## Financial reporting process control system

This section sets out the main features of the control system of the entity related to the financial reporting process of the Company.

The Company's CFO is responsible for the Company's finances and accounting, including its information systems. As of financial year 2024, the company makes use of an external service provider for accounting and reporting compliance services. Books are closed on a monthly basis. External financial reporting is prepared on a bi-annual basis, based on the information captured in the Company's accounting systems.

# Statements from the Executive Board



## In control statement

The Executive Board is responsible for the internal risk management and control systems and the assessment of the effectiveness thereof. The Executive Board believes that there are adequate systems of monitoring and reporting, and that it has taken adequate steps to implement an appropriate risk management and internal control system. The system provides, with reasonable certainty, reliable internal and external information. These reports supply adequate information to determine in how far the Company is achieving the strategic goals it has set and assurance that the Company is operating within the boundaries of the law.

Our systems significantly reduce, but cannot fully eliminate, the possibility of poor judgment in decision-making, human errors, abuse and control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of other unforeseeable circumstances. Another limiting factor is the need to consider the relative costs and benefits of risk responses. A properly designed and implemented risk management and internal control system will therefore provide reasonable, but not absolute, assurance that a company will not be hindered in achieving its business objectives, in orderly and legitimate conduct of its business. It can also not provide absolute insurance that a misstatement in the financial reporting would be prevented or detected. In this context, reasonable assurance refers to a degree of assurance that would be satisfactory for a prudent manager in the management of his affairs in the given circumstances. Notwithstanding the forgoing and in view of the above, the Executive Board makes the following statement:

- The Executive Board is of the opinion that it has implemented an internal risk management and control system that is adequate and effective, suitable for the Company’s business;
- The annual management report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems, to the extent applicable. Reference is made to the section Risk Management and Control, starting on page 28;
- The internal risk management and control system provides a reasonable assurance that the financial reporting does not contain any material inaccuracies. Reference is made to the section Risk Management and Control, starting on page 28;
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis. Reference is made to the section in the consolidated financial statements; and
- The annual management report states those material risks and uncertainties that are relevant to the expectation of the Company’s continuity for the period of twelve months after the preparation of the report.

## Corporate governance statement

The Executive Board declares that the information required by Articles 3, 3a and 3b of the Decree on the Management Board's Report ('Besluit Inhoud Bestuursverslag') is included in the sections:

- Risk Management and Control, starting on page 28 and;
- Corporate Governance, starting on page 23.

All to the extent that the disclosure requirements apply to the Company.

### Compliance with the Corporate Governance Code

The Company complies with all the relevant best practice provisions of the Corporate Governance Code 2016 ("the Code"). The Code is accessible through the website of the Corporate Governance Code Monitoring Committee: www.mccg.nl.

## Information pursuant to the Decree Article 10 Takeover Directive

The Executive Board declares that the information required by the Decree Article 10 Takeover Directive ('Besluit Artikel 10 Overnamerichtlijn') is included in the section Corporate Governance, starting on page 11 and the section Investor Relations, starting on page 40, to the extent that the disclosure requirements apply to the Company.

## Statutory financial statements and management report

The following sections of this Annual Report form the annual management report ("bestuursverslag") within the meaning of article 2:391 of the Dutch Civil Code (and related Decrees):


» Letter from the Executive Board, starting on page 5;
» The success of the High Growth Plan, starting on page 6;
» Financial Review, starting on page 7;
» Outlook for Financial Year 2024, starting on page 10;
» Governance, starting on page 11, with the exception of the Report from the Supervisory Board, starting on page 16 as well as the Remuneration Report, starting on page 19; and
» Investor Relations, starting on page 39.


The annual financial statements within the meaning of article 2:361 of the Dutch Civil Code are included in the sections Consolidated Financial Statements, starting on page 45 and Company Financial Statements, starting on page 90.

## Responsibility statement

In accordance with the EU Transparency Directive as incorporated in chapter 5.25c paragraph 2 sub c of the Dutch Financial Supervision Act ('Wet Financieel Toezicht'), the Executive Board confirms to the best of its knowledge that:

A. The annual financial statements for the year ended September 30, 2023, give a true and fair view of the assets, liabilities and financial position and comprehensive income of Titan N.V. and its consolidated companies;
B. The annual management report presented in the Annual Report gives a true and fair view of Titan N.V. and its consolidated companies as of September 30, 2023, and the state of affairs during the financial year to which the report relates; and
C. The annual management report describes the principal risks the Company is facing.

Breukelen, December 22, 2023

J.B. Sundelin, CEO

M. Wolfswinkel, CFO

# Investor Relations

## Objectives

Titan N.V. Investor Relations objectives are aimed at maintaining and improving relationships with existing shareholders and developing relationships with new investors. The overall goal is to increase transparency, minimize information asymmetry, to support stock price liquidity in the open market and to reduce stock price volatility. As the case may be, we maintain and develop relations with analysts with the aim to clarify our strategy and achievements. We communicate in a transparent manner with detailed, clear and timely information to existing and potential shareholders, financial analysts and the media. We also operate an open-door policy with regard to enquiries from (potential) capital market participants.

Titan N.V. provides its shareholders and financial market stakeholders with similar and simultaneous information about potentially price sensitive matters and is very careful with contacts between Company executives and shareholders and analysts.

Titan N.V. will not engage in actions that might compromise analyst independence and does not assess, comment on or correct – other than factually – any analysts' reports or analyst valuations.

Titan N.V. communicates with shareholders and analysts through regular meetings such as the Annual General Meeting of Shareholders or bilateral meetings as the case may be. Bilateral meetings are organized to ensure that (potential) shareholders receive a balanced and comprehensive view of our performance and strategy and the issues Titan N.V. faces in the execution of its goals. In all our contacts we are always careful to observe the rules on fair disclosure, equal treatment of shareholders, insider trading and transparency in all our communications.

## Communication to capital markets

Titan N.V. publishes an annual report an a half year report. In addition, Titan N.V. keeps its stakeholders informed through press releases. Titan N.V. also issues press releases of a commercial or strategic nature, if and when the Company deems that to be of interest to its stakeholders.

Commercial sensitivity may prevent us from disclosing contract details (such as names, transaction value etc.). Titan N.V.' policy is to issue a press release when it engages in a transaction of a strategic nature or when Titan N.V. engages in a strategic partnership.

Contacts with the capital markets are always dealt with by the Compliance Officer in the Executive Board or staff mandated by him.

## The Titan N.V. share

### Euronext listing

The Company is listed on the Euronext Amsterdam exchange, trading under the ticker symbol TITAN with ISIN code NL0010389508. All of the Company's outstanding shares are ordinary shares with a nominal value of € 0.10. As at September 30, 2023, a total of 2,050,154 ordinary shares were in issue.

### Share price information

The Company has an authorized share capital to € 500,000, consisting of 5 million ordinary shares, with a nominal value of € 0.10.

**Titan N.V. ordinary shares**

| Share price (€) | 2023 | 2022 |
|---|---|---|
| - 30 September | 1.60 | 16.20 |
| - Highest close | 31.80 | 23.00 |
| - Lowest close | 1.22 | 14.00 |
| Price/earnings ratio[1)] | 0.1 | (17.7) |
| Number of shares outstanding as at 30 September | 2,050,154 | 1,941,538 |
| Volume traded (no. of shares) | 616,867 | 180,316 |
| Market capitalization as at 30 September (€ x 1) | 3,280,246 | 31,452,916 |

1) Price/earnings ratio is calculated on the basis of the basic earnings or loss per share from both continuing and discontinued operations

## Substantial shareholdings

In the context of the requirement for investors to report substantial holdings and gross short positions, stakes of 3% or more in the Company's issued share capital must be reported by investors to the Dutch Authority for the Financial Markets ('AFM'). The table below lists shareholdings (excluding potential interests) based on notifications to the AFM up to the date of this report, insofar that the reported shareholdings are at least 3% based on the total number of outstanding share capital of the Company as at year-end.

In 2023, no shareholders agreements have been concluded between the Company and these major shareholders.

**Substantial shareholdings (art. 5:43 Financial Supervision Act ["Wft"])**

| Shareholder | % Of ordinary shares |
|---|---|
| Mr. P. van Schaick (Alto Imaging Group N.V. & Jalak Investments B.V.) | 31.15% |
| Mr. C. Komen (DW Vastgoed Holding B.V.) | 22.36% |
| Mr. P. Nordling (Partinc Capital AB) | 10.46% |
| Mr. M.H.B. Kok (Crazy Duck B.V.) | 4.88% |
| Mr. J. Sundelin | 3.90% |

## Dividends

After shareholder approval at the AGM of March 24, 2023, the Company has paid its second consecutive dividend of € 0.50 per share on May 2, 2023. Shareholders had a choice of receiving this FY 2023 interim dividend either in shares or in cash.

At the Extraordinary General Meeting of shareholders, held on September 6, 2023, the Company's shareholders approved the distribution of an interim dividend for the financial year 2023 from the Company’s equity reserves, in the amount of € 30.49 per share. Given the total number of 2,050,154 outstanding ordinary shares at that time, the total dividend amounted to € 62.5 million, which was paid in cash on September 20, 2023.

# Press releases issued

The following table details the press releases issued by Titan N.V. since October 1, 2022 up until the date of this report, that have or are reasonably expected to may have financial relevance.

**FY 2023 press releases**

| Date | Topic |
|---|---|
| 30 November 2022 | Annual report 2022 |
| 1 December 2022 | Publication of first-ever ESG report |
| 7 December 2022 | TIE Kinetix Signs Contract with Camco Manufacturing for a 100% Cloud-Based Supply Chain |
| 23 December 2022 | TIE Kinetix Contracts with Plus Retail for 100% Digitalization of the Supply Chain |
| 27 December 2022 | TIE Kinetix Expands Contract with German Government Organizati on Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH |
| 1 February 2023 | TIE Kinetix Reports Q1 2023 Trading Update |
| 2 February 2023 | TIE Kinetix Expands Contract with Koninklijke Vezet BV |
| 10 February 2023 | Convocation Annual General Meeting of Shareholders |
| 23 March 2023 | TIE Kinetix boosts 2023 order intake with 2022 high growth strategy |
| 28 March 2023 | FY 2023 Interim Dividend Distribution |
| 31 March 2023 | TIE Kinetix entered into a related party transaction |
| 12 April 2023 | TIE Kinetix Signs Contract with Weldon Parts for a 100% Cloud-Based Supply Chain |
| 26 April 2023 | FY 2023 interim dividend stock fraction |
| 2 May 2023 | TIE Kinetix issued share capital |
| 10 May 2023 | Half year report 2023 |
| 11 May 2023 | TIE Kinetix presents its ESG report 2022 in French and German |
| 23 May 2023 | TIE Kinetix Signs Contract with L&M Companies, Inc. for a 100% Cloud-Based Supply Chain Solution |
| 25 May 2023 | TIE Kinetix Signs Contract with Tranzonic for a 100% Cloud-Based Supply Chain Solution |
| 26 July 2023 | TIE Kinetix and SPS Commerce reach agreement on SPS' acquisition of all TIE Kinetix business and operations |
| 26 July 2023 | Convocation Extraordinary General Meeting of Shareholders |
| 2 August 2023 | Trading Update Q3 2023 |
| 9 August 2023 | TIE Kinetix issued share capital |
| 23 August 2023 | Dividend Payment Update |
| 6 September 2023 | Voting Results Extra-Ordinary General Meeting of Shareholders |
| 13 September 2023 | TIE Kinetix N.V.: Completion of sale to SPS Commerce Inc. |

## Financial Calendar

The financial calendar for financial year 2024 is as follows:

**FY 2024**

| Date | Event |
|---|---|
| 29 March 2024 | Annual General Meeting |
| 15 May 2024 | Publication of half year 2024 report |

### Disclosure of price-sensitive information and closed periods

In accordance with the Dutch Act of Financial Supervision, the Company will ensure that any price-sensitive information – information that is concrete and has not publicly been disclosed and whose disclosure might significantly affect Titan N.V.'s share price - will be disclosed without delay to the general public in the form of a press release. The press release will be disseminated over one or more major wire services.

In accordance with the applicable regulation on market abuse, the Company has closed periods in place before the announcement of an interim financial report or a year-end report. During such closed periods, persons having managerial responsibilities shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares of the Company or to derivatives or other financial instruments linked to them.

The closed periods for the financial year 2024 are as follows:

**FY 2024**

| Report | Closed period |
|---|---|
| Interim Q2 | 8 April - 15 May 2024 |

# Important Information



Investors in the Company's ordinary shares are reminded that their investment carries financial risks. Investors should therefore take careful notice of the entire contents of, and disclosures contained within, this Report and the financial statements 2023 (October 1, 2022 - September 30, 2023).

## Cautionary Statement on Forward-Looking Information

Certain statements contained in this report are “forward-looking statements”.
Such statements may be identified, among others by:

- the use of forward-looking wording such as “believes”, “expects”, “may”, “anticipates” or similar expressions;
- discussions of strategy that involve risks and uncertainties;
- discussions of future developments with respect to the business of Titan N.V.

In addition, from time to time, Titan N.V., or its representatives, have made or may make forward- looking statements either orally or in writing.

Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with approval of an authorized executive officer of Titan N.V.

Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied in such statements.

Important factors, which could cause actual results to differ materially from the information set forth in any forward-looking statements include, but are not limited to:

- General economic conditions;
- Performance of financial markets;
- Levels of interest rates;
- Currency exchange rates;
- Changes in laws and regulations;
- Changes in policies of Dutch and foreign governments;
- Competitive factors, on a national and/or global scale;
- Titan’s ability to attract and retain qualified management and personnel;
- Titan’s ability to develop future business plans;
- Titan’s ability to anticipate and react to rapid changes in the market.

Many of these factors are beyond Titan N.V.’s control or ability to predict. Given these uncertainties, investors are cautioned not to place undue reliance on any forward-looking statement. Accordingly, Titan N.V. also refuses to accept any obligation to update statements made in this document.

# Consolidated Financial Statements

# Consolidated Statement of Financial Position



## Assets

(€ x 1,000)

| | Notes | 30 September 2023 | 30 September 2022 |
|---|---|---|---|
| **Non-Current Assets** | | | |
| Goodwill | 2 | - | 2,333 |
| Other Intangible Fixed Assets | 2 | - | 2,607 |
| Tangible Fixed Assets | 3 | - | 604 |
| Deferred Tax Asset | 4 | - | 1,864 |
| Contract Cost Asset | | - | 326 |
| **Total Non-Current Assets** | | **-** | **7,735** |
| | | | |
| **Current Assets** | | | |
| Trade Debtors | 5 | - | 1,495 |
| Income Tax Receivable | | - | 155 |
| Taxation and Social Security | 6 | 1,066 | - |
| Contract Cost Asset (Current) | | - | 579 |
| Other Receivables and Prepayments | 7 | 25 | 290 |
| Contract Asset | | - | 145 |
| Other Current Assets | 1 | 3,000 | - |
| Cash and Cash Equivalents | 8 | 520 | 9,593 |
| **Total Current Assets** | | **4,611** | **12,257** |
| | | | |
| **Total Assets** | | **4,611** | **19,992** |

## Equity and Liabilities

(€ x 1,000)

| | Notes | 30 September 2023 | 30 September 2022 |
|---|---|---|---|
| **Equity** | 9 | | |
| Share capital | | 205 | 194 |
| Share premium | | 3,877 | 60,033 |
| Foreign Currency Translation Reserve | | - | 83 |
| Other Reserves and Retained Earnings | | (31) | (49,440) |
| **Total Equity attributable to Shareholders** | | **4,050** | **10,869** |
| | | | |
| **Non-Current Liabilities** | | | |
| Deferred Tax Liability | 4 | - | 2 |
| Deferred Revenue | | - | 933 |
| Provisions | 11 | - | 120 |
| Lease Liability | 12 | - | 191 |
| **Total Non-Current Liabilities** | | **-** | **1,247** |
| | | | |
| **Current Liabilities** | | | |
| Trade Creditors | | 131 | 1,304 |
| Deferred Revenue (Current) | | - | 3,896 |
| Taxation and Social Security Payable | 13 | 363 | 310 |
| Income Tax Payable | | - | 4 |
| Other Payables and Accruals | 14 | 68 | 1,865 |
| Provisions (Current) | 11 | - | 236 |
| Lease Liability (Current) | 12 | - | 261 |
| **Total Current Liabilities** | | **561** | **7,876** |
| | | | |
| **Total Equity and Liabilities** | | **4,611** | **19,992** |

# Consolidated Statement of Comprehensive Income



(€ x 1,000)

| | Notes | 2023 | 2022[1)] |
|---|---|---|---|
| **Revenues** | | **-** | **-** |
| Cost of Sales | | - | - |
| **Gross Margin** | | **-** | **-** |
| Other income | | - | - |
| | | | |
| **Operating Expenses** | | | |
| Research & Development | | - | - |
| Selling & Marketing | | - | - |
| General & Administrative | | (5,343) | (466) |
| **Total Operating Expenses** | **16** | **(5,343)** | **(466)** |
| | | | |
| **Operating Income/(Loss)** | | **(5,343)** | **(466)** |
| Interest and Other Financial Income | 17 | 9 | 212 |
| Interest and Other Financial Expense | 17 | (2) | (14) |
| **Income/(Loss) before Tax** | | **(5,336)** | **(269)** |
| Corporate Income Tax | 18 | - | 798 |
| **Net Income/(Loss) from Continuing Operations** | | **(5,336)** | **529** |
| | | | |
| **Net Income/(Loss) from Discontinued Operations** | **1** | **60,960** | **(2,203)** |
| | | | |
| **Net Income/(Loss)** | | **55,624** | **(1,674)** |
| | | | |
| **Other Comprehensive Income/(Loss)** | | | |
| *Items which may be recycled to profit or loss (net of tax)* | | | |
| Exchange differences on translation of foreign operations | | (83) | 56 |
| **Total Comprehensive Income/(Loss) attributable to shareholders** | | **55,541** | **(1,618)** |

[1)] Comparatives have been re-presented to show the effect of discontinued operations. Reference is made to the note Divestment of the Company's operations, starting on page 66.

| **Earnings per share from continuing operations** | **Notes** | **2023** | **2022[1)]** |
|---|---|---|---|
| Net income/(loss) from continuing operations (€ * 1,000) | | (5,336) | 529 |
| Weighted avg. shares outstanding (thousands) - basic | | 1,979 | 1,829 |
| **Basic earnings/(loss) per share (€ x 1)** | **19** | **(2.70)** | **0.29** |
| Weighted avg. shares outstanding (thousands) - fully diluted | | 1,979 | 1,871 |
| **Diluted earnings/(loss) per share (€ x 1)** | **19** | **(2.70)** | **0.28** |

[1)] Comparatives have been re-presented to show the effect of discontinued operations. Reference is made to the note Divestment of the Company's operations, starting on page 66.

# Consolidated Statement of Changes in Equity

(€ x 1,000)

| | Notes | Share Capital | Share Premium | Foreign Currency Translation Reserve | Other Reserves and Retained Earnings | Group equity |
|---|---|---|---|---|---|---|
| **Opening balance as at October 1, 2021** | | **168** | **58,462** | **27** | **(47,431)** | **11,225** |
| Net Income/(Loss) | | - | - | - | (1,674) | (1,674) |
| Other Comprehensive Income/(Loss) | | - | - | 56 | - | 56 |
| **Total Comprehensive Income** | | **-** | **-** | **56** | **(1,674)** | **(1,618)** |
| Shares Issued | 9 | 23 | 1,577 | - | - | 1,600 |
| Dividends paid | 9 | 3 | (6) | - | (335) | (338) |
| **Balance as at September 30, 2022** | | **194** | **60,033** | **83** | **(49,440)** | **10,869** |
| | | | | | | |
| **Opening balance as at October 1, 2022** | | **194** | **60,033** | **83** | **(49,440)** | **10,869** |
| Net Income/(Loss) | | - | - | - | 55,624 | 55,624 |
| Other Comprehensive Income/(Loss) | | - | - | (83) | - | (83) |
| **Total Comprehensive Income** | | **-** | **-** | **(83)** | **55,624** | **55,541** |
| Shares Issued | 9 | 7 | 460 | - | - | 467 |
| Share-based payments | 10 | 1 | 128 | - | - | 129 |
| Dividends paid | 9 | 3 | (56,744) | - | (6,215) | (62,956) |
| **Balance as at September 30, 2023** | | **205** | **3,877** | **-** | **(31)** | **4,050** |

# Consolidated Statement of Cash Flows



(€ x 1,000)

| | Notes | | 2023 | | 2022[1] |
|---|---|---|---|---|---|
| **Income/(loss) before tax** | | | **(5,336)** | | **(269)** |
| *Adjustments for:* | | | | | |
| Share-based payment expense | 10 | 129 | | - | |
| Interest and exchange gains and losses | 17 | (7) | | (198) | |
| **Total Adjustments** | | | **122** | | **(198)** |
| *Working Capital Movements:* | | | | | |
| (Increase)/decrease in debtors and other receivables | | 19 | | (42) | |
| Increase/(decrease) in current liabilities | | (743) | | 9 | |
| **Total Working Capital Movements** | | | **(724)** | | **(33)** |
| | | | | | |
| **Cash generated used in operations** | | | **(5,938)** | | **(500)** |
| Interest paid | | | (2) | | (15) |
| Interest received | | | - | | - |
| Income tax paid | | | - | | - |
| **Net cash flow used in operating activities attributable to continuing operations** | | | **(5,940)** | | **(515)** |
| Net cash flow generated from operating activities attributable to discontinued operations | 1 | | (291) | | 246 |
| **Net cash flow used in operating activities** | | | **(6,231)** | | **(269)** |
| | | | | | |
| **Net cash flow generated from investing activities attributable to continuing operations** | | | **-** | | **-** |
| Net cash flow generated from/(used in) investing activities attributable to discontinued operations | 1 | | 59,550 | | (1,223) |
| **Net cash flow generated from/(used in) investing activities** | | | **59,550** | | **(1,223)** |
| | | | | | |
| Issue of new shares | 9 | 467 | | 1,600 | |
| Dividend paid | 9 | (62,599) | | (335) | |
| **Net cash flow generated from/(used in) financing activities attributable to continuing operations** | | | **(62,132)** | | **1,265** |
| Net cash flow used in financing activities attributable to discontinued operations | 1 | | (264) | | (383) |
| **Net cash flow generated from/(used in) financing activities** | | | **(62,396)** | | **882** |
| | | | | | |
| **Net decrease in Cash and Cash Equivalents** | | | **(9,077)** | | **(610)** |
| | | | | | |
| **Opening balance of Cash and Cash Equivalents** | | | **9,593** | | **9,921** |
| Net decrease in Cash and Cash Equivalents | | | (9,077) | | (610) |
| Exchange differences | | | 4 | | 282 |
| **Closing balance Cash and Cash Equivalents** | | | **520** | | **9,593** |

[1] Comparatives have been re-presented to show the effect of discontinued operations. Reference is made to the note Divestment of the Company's operations, starting on page 66.

# Notes to the Consolidated Financial Statements



## General

Titan N.V. is a public company incorporated and domiciled in the Netherlands with its registered address at De Corridor 5d, Breukelen (Dutch Chamber of Commerce number: 34072305 0000, LEI code: 724500IS1M4H9S4SDD39). Titan is listed on the NYSE EuroNext in Amsterdam (EAM: TITAN).

Titan N.V is a company without active business activities and without staff since September 13, 2023. On this date Titan N.V., previously called TIE Kinetix N.V., sold and transferred all of its activities and operations to SPS International Inc., a wholly owned subsidiary of SPS Commerce, Inc. On the same date, the Company was renamed to Titan N.V. Prior to this transaction, the Company was active in the development, sale and distribution of software and services for 100% supply chain digitalization around the world through a network of subsidiaries and resellers.

For further details on the transaction, reference is made to the note .

In these consolidated financial statements, the names “Titan”, “the Company” or “the Group” will be used to refer to Titan N.V. and its various former subsidiaries.

The consolidated financial statements for the year ended September 30, 2023, were authorized for issuing through a resolution of the Executive Board dated December 22, 2023. The Annual General Meeting of Shareholders, to be held on March 29, 2024, in the Netherlands will be requested to adopt the consolidated financial statements.

The consolidated financial statements are presented in Euros, and all values are rounded to the nearest thousand (€ x 1,000), unless stated otherwise.

As at September 30, 2023, the Executive Board of Titan N.V. has no plans in place for any activities or operations for 2024 and beyond. The Company has secured sufficient liquidity to meet its near-term requirements, so that the ability to continue under the going concern assumption remains.

## Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and Title 9 of Book 2 of the Dutch Civil Code (DCC).

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise indicated.

## Implications of new, amended and improved standards

### New standards, amendments and interpretations applicable to the Company as of 1 October 2022

The Company has adopted the following amendments with a date of initial application of 1 October 2022:

» Amendments to IFRS 3 Business combinations: Reference to the Conceptual Framework for Financial Reporting;
» Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use;
» Amendments to IAS 37 Onerous Contracts: Cost of Fulfilling a Contract.

The Company has determined that these amendments had no current impact on the consolidated financial statements of the Company, but nonetheless may impact future periods.

### Standards and amendments not mandatorily applicable to the Company as of 1 October 2022

The standards, amendments and interpretations that are issued, but not yet effective up to the date of issuance of the consolidated financial statements are disclosed below, insofar that they are reasonably expected to be relevant to the Company. The Company intends to adopt these, if applicable, when they become effective and have been endorsed by the European Union.

» IFRS 17 Insurance contracts (endorsed and effective as of FY 2024);
» Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (expected to be effective as of FY 2024 when endorsed);
» Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (endorsed and effective as of FY 2024);
» Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (endorsed and effective as of FY 2024);

» Amendments to IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (endorsed and effective as of FY 2024).

These amendments are not expected to have a material impact on the financial statements of the Company, though the amendments to IAS 1 related to disclosure of accounting policies – which require an entity to disclose its material accounting policies rather than its significant accounting policies – may lead to a different number of accounting policies disclosed in the Company's financial statements when adopted.

## Significant accounting estimates and judgments

The preparation of the consolidated financial statements involves making judgments, estimates and assumptions with respect to the recognition and measurement of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assumptions, due to changes in facts and circumstances.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable, and are continuously evaluated.

### Significant estimates

As at 30 September 2023, no significant estimates remain since the Company has divested all of its business operations.

As at 30 September 2022, the major sources of estimation uncertainty, where a change in the underlying assumptions may have had material impact on the income statement of a subsequent period, were the following:

**Impairment of goodwill and other non-financial assets**

When testing for impairment, a value-in-use model is applied to determine net present values of future cash flows for CGU's in order to compare with the fixed assets' carrying values of the CGU. This encompasses management exercising judgment and making certain assumptions. The assumptions applied to which the value-in-use of fixed assets including goodwill is most sensitive are disclosed in the note Intangible fixed assets, starting on page 68.

**Recognition of deferred tax assets**

The Company recognizes deferred tax assets arising from tax losses carried forward and deductible temporary differences, to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and tax losses carried forward can be utilized. Assessing the probability of future taxable profits involves significant estimation uncertainty as it requires forecasting taxable income and deductible expenses, while taking into account the horizon to utilize tax losses carried forward. Per 30 September 2022, management has re-assessed the probability of future taxable income and as a consequence, additional deferred tax assets for tax losses carried forward have been recognized, refer to the note Deferred taxes, starting on page 71.

### Significant judgments

As at 30 September 2023, since the divestment of all of the Company's business operations, no significant judgments remain in the application of the accounting policies.

For the period 1 October 2022 until 13 September 2023, when the Company sold all of its business operations, as well as the comparative year presented, the significant judgments exercised in the application of accounting policies are listed below. These impacted the result from discontinued operations.

**Capitalization of development costs**

Product development costs are eligible for capitalization only when a projected outcome is determined technically feasible and deemed probable that future economic benefits will flow from the released product. Also, these economic benefits must be expected to exceed capitalized development cost. In determining both technical and economic feasibility of a project, management exercises judgment with respect to the current economic and technical environment, as well as expected developments therein. This not only involves assessing the potential market for the product under development, but also estimating potential sales volumes. The amount of capitalized development costs is disclosed in the note Intangible fixed assets, starting on page 68.

**Commencement of recognition of SaaS subscription revenue**

SaaS revenue is to be recognized over time (as a right to access the FLOW portal exists during the contract period) commencing on the go-live date, being the date at which a customer is granted access. This revenue recognition pattern coincides with the consumption of the subscription to the FLOW portal. In practice, however, the Company starts recognizing revenues as from the initial invoice date for the SaaS subscription. Management has judged that this date generally approximates the go-live date. As such, any difference in revenue recognition that is be attributable to the time between the initial invoice date and the go-live date is considered immaterial.

#### Amortization of set-up costs in SaaS contracts

When a new customer signs a contract for the FLOW platform, the Company incurs expenses related to the set-up of the customer. In accordance with the accounting policy, such costs to fulfill the contract are capitalized under the contract cost assets and amortized over the expected customer life. Due to a lack of historical information or other means of reliably determining the expected customer life, the Company currently assumes that contract life equals customer life. It may be that the customer life exceeds the contract term, which, if this were known at the time of entering into the contract, would have led to a different amortization pattern, namely over a longer term.

#### Recognition of revenues for services supportive of SaaS

When a new customer signs a contract for the FLOW platform, a setup is performed for which the customer is generally charged a setup fee. As part of the setup or subsequently, our consultants may also perform other work for the respective customer, such as making new mappings or onboarding suppliers to the platform. Where these services are not provided as part of the setup, they will constitute separate performance obligations. Insofar they add to the functionality of the customer's FLOW portal, the control over the service is transferred over time as the customer obtains benefit from the service throughout the course of his FLOW subscription. For the purpose of recognizing revenues from these services, the contract life is assumed to be three years. It may be that the actual (remaining) contract life of a FLOW customer is shorter or longer, which would have led to revenue recognition for the service over a different term. Management has judged that on average, however, this leads to an appropriate recognition pattern.

## Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are detailed below and have been prepared on a historical cost basis, unless stated otherwise. These policies have been consistently applied to all the presented years, unless stated otherwise.

### Basis of consolidation

The consolidated financial statements include the financial information of Titan N.V. and its former subsidiaries. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure or rights to variable returns from the investee, and the ability of the Company to use its power to affect those variable returns. The assessment of control is based on the substance of the relationship between the Company and the entity and, among other things, considers existing and potential voting rights that are presently exercisable and convertible.

Subsidiaries are consolidated from the date on which the Company obtains control. They will continue to be consolidated until the date that such control ceases. All intercompany balances, transactions, and income and expenses resulting from intercompany transactions are eliminated in full. As at 30 September 2023, the Company no longer has any subsidiaries.

### Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the income and expenses related to the discontinued operation are presented in the statement of comprehensive income on a single line separately from the results of continuing operations. Comparative figures are re-presented as if the operation had been discontinued from the start of the comparative year.

## Foreign currencies

Certain foreign operations have a functional currency other than the Euro depending on the primary environment in which they operate. For consolidation purposes, foreign operations with a foreign functional currency are translated into Euro, the functional currency of Titan N.V. and the designated presentation currency of these consolidated financial statements.

Assets and liabilities of such foreign operations are translated using the closing rate at the balance sheet date. Income and expenses are translated using average exchange rates or the actual rate at the date of the transaction, if more appropriate. All resulting exchange rate differences are recognized in other comprehensive income and consequently in the foreign currency translation reserve in equity. In the event of a disposal of a foreign operation, the relevant part of the foreign currency translation reserve pertaining to the respective foreign operation that is sold will be released from equity and included in the realized gain or loss on the sale.

Per the balance sheet date, monetary assets and liabilities are translated against the closing exchange rate. Resulting exchange rate differences on monetary items are recognized in profit or loss. Non-monetary items are translated by using the exchange rate at the date of the transaction.

In consolidation, exchange differences resulting from the translation of an intercompany monetary item, which forms part of the net investment in a consolidated foreign operation, is recognized in other comprehensive income and consequently in the foreign currency translation reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

## Intangible fixed assets

### Goodwill

Goodwill arising from a business combination is recognized as an intangible asset and is measured initially as the difference between the fair value of the net identifiable assets and the sum of the consideration transferred plus any non-controlling interest recognized, if applicable. Subsequently, goodwill is carried at cost less accumulated impairment charges.

From the acquisition date, goodwill is allocated to (groups of) cash generating units that are expected to benefit from the synergies of the combination. Goodwill is monitored at the operating segment level, being country level.

Upon disposal of a cash generating unit to which goodwill has been allocated, the remaining goodwill balance associated with that operation will be included in the carrying amount of the operation when determining the gain or loss on disposal.

### Customer base

The customer base of acquired businesses is identified as a separate intangible asset upon acquisition, and is initially carried at cost, being its fair value at the acquisition date. Subsequently it is carried at cost less accumulated amortization and impairment. It is amortized over its useful life in a straight-line manner. This is re-assessed annually and adjusted when circumstances give rise to such action.

### Development costs

Projects for the development of software are broken down into a research phase and a development phase. The costs pertaining to research are expensed immediately. The development costs are recognized as an intangible asset after establishing the technical feasibility of the project, future economic benefits from the project are deemed probable, sufficient resources are available and devoted to the project to facilitate successful completion and the Company can reliably measure the expenditure attributable to the intangible asset during its development. Development costs are carried at a cost less amortization and accumulated impairments.

The useful life assessment is based on the current experience and the present economic and technological environment. The useful life of this asset is reassessed annually and adjusted when circumstances give rise to such action.

All FLOW development costs were monitored per commercial module. All FLOW modules are developed under the direction of the CTO and Management Team. FLOW product modules compete with products developed by other vendors in the marketplace and may be expected to be replaced by our next generation products after their useful life, over which they are amortized on a straight-line basis.

Development costs of products other than FLOW were amortized straight-line based on their expected useful life.

### Software

Software purchased from third parties, as well as any related development and implementation costs, are recognized at cost and are amortized based upon a straight-line method over their estimated useful life. The useful life of these assets is reassessed annually and adjusted when circumstances give rise to such action.

Where the Company is party to a SaaS-arrangement as a customer, the costs incurred under such an arrangement (including fees for the use of software and any implementation fees) are not capitalized where the Company does not have control over the software and the arrangement does not contain a lease. These costs are expensed as incurred.

## Tangible fixed assets

Tangible fixed assets (which include hardware and leasehold improvements) are initially recognized at cost less accumulated depreciation and impairments. Costs include expenses directly attributable to the acquisition of the asset and the expense of replacing a part of the tangible fixed asset when that cost is incurred, and the recognition criteria are met. Each component of an item of tangible fixed assets with an initial carrying value (cost) that is significant in relation to the total cost of the item is separately identified and depreciated over its useful life. Subsequently, tangible fixed assets are depreciated on a straight-line basis over their estimated useful life to their estimated residual value (generally nil).

Useful life estimates are based on management's best estimate of the amount of time over which economic benefits from these assets will flow to the Company. For leasehold improvements, this period has been limited to the lease term of the respective office buildings, taking into account anticipated extensions of leases. Residual values are reviewed annually and are adjusted when appropriate.

The carrying amount of an asset is derecognized in the event that no future economic benefit is expected to arise from its use or when it is disposed of. Gains and/ or losses on derecognition are the differences between the net disposal proceeds and the carrying value of the asset. Gains and/or losses on derecognition are accounted for in profit or loss.

## Impairment of non-current assets

Goodwill is not subject to amortization and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-current non-financial assets with a finite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. To this extent, an assessment is performed at the balance sheet date to establish whether such indicators exist.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Impairment losses for cash generating units are first charged against the goodwill balances allocated to that cash generating unit. Any remaining impairments are allocated to the other fixed assets of the cash generating unit.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the balance sheet date.

## Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses carried forward.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill unless that goodwill is deductible in determining taxable result. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

## Financial assets

**Recognition and initial measurement**

Regular way purchases and sales of financial assets are initially recognized when they are originated, being the trade date i.e., the date when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not measured subsequently at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**Classification and subsequent measurement**

Subsequent to initial recognition, a financial asset that is a debt instrument is classified in one of the following three measurement categories:

- At amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included under Interest and Other Financial Income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in Interest and Other Financial Income or Expense together with foreign exchange gains and losses. Impairment losses are classified as part of General & Administrative expenses in profit or loss.
- At fair value through OCI (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Company currently does not hold instruments classified as FVOCI.
- At fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. The Company currently does not hold instruments classified as FVPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or a financial asset is transferred, and the transfer qualifies for derecognition.

**Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

**Impairment**

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost. To this extent, a three-stage impairment model is applied, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. These three stages then determine the amount of impairment to be recognized as expected credit losses (as well as the amount of interest income to be recorded) at each reporting date:

- Stage 1: Credit risk has not increased significantly since initial recognition – 12 months ECL is applied (i.e., the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date), and interest is recognized on a gross basis.
- Stage 2: Credit risk has increased significantly since initial recognition –lifetime ECL is recognized (i.e., ECLs that result from all possible default events over the expected life of a financial instrument), and interest is recognized on a gross basis.
- Stage 3: Financial asset is credit impaired – lifetime ECL is recognized, and interest is recognized on a net basis (i.e., on the gross carrying amount less credit allowance).

The Company considers the probability of default upon initial recognition of financial assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk, the Company compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. For trade receivables and contract assets (with a maturity of 12 months or less), lifetime expected credit losses are recognized (in accordance with the simplified approach permitted by IFRS 9 'Financial Instruments').

## Cash & cash equivalents

Cash and cash equivalents are valued at face value and include cash in hand, deposits, and other short-term highly liquid investments with original maturities of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding bank overdrafts.

## Equity

### Shareholders' equity

Financial instruments issued by the Company to the extent that they indicate a residual interest in the assets of the Company, including ordinary shares, are classified as equity. All proceeds from the issue of equity instruments, or considerations paid for the purchase of equity instruments, are recognized in equity. Incremental external costs that are directly attributable to the issuing of Titan equity instruments are also recognized in equity, net of tax.

Dividends and other distributions to holders of equity instruments are recognized in equity, net of withholding tax. A liability for dividends payable is not recognized until the dividends have been declared and approved by the General Meeting of Shareholders.

### Warrants

The Company has issued warrants other than as consideration for goods or services received. Under the terms of the respective contracts, such warrants are derivative financial instruments that will be settled by the Company in own equity instruments. Upon exercise, a fixed amount of ordinary shares is exchanged for a fixed amount of cash. Therefore, such warrants are classified as equity instruments. Consideration received for such warrants upon issue is accounted for in equity. Cash received upon exercise is accounted for in equity as well.

## Borrowings

Loans and borrowings are recognized initially at fair value, net of transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the amortization process. The amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included under Interest and Other Financial Expense in the statement of comprehensive income.

## Trade payables and other financial liabilities

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they are extinguished - i.e., when the obligation specified in the contract is discharged or cancelled or expires.

## Provisions

The Company recognizes a provision in cases where the Company has a present legal or constructive obligation resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management’s best estimate of the future outflow required to settle the obligation. Where the time value of money is material, it is measured at the present value of such future outflow, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The change in the time value of future outflows is recognized under Interest and Other Financial Expense in the statement of comprehensive income.

To the extent that future events are likely to occur and are expected to have an effect on the amount required to settle a recognized liability, these future events are taken into consideration in determining the appropriate provision level. Provisions are reviewed at each balance sheet date and will be adjusted to reflect the current best estimate.

## Revenue recognition

The Company recognizes revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer. The Company recognizes revenue upon the satisfaction of performance obligations, which occurs when control of the good or service transfers to the customer. Control can transfer at a point in time or over time.

Up until the divestment of the Company's business on 13 September 2023, the Company had four revenue streams, namely:

» Software as a Service (SaaS);
» Maintenance and Support;
» Consultancy; and
» Licenses.

Such revenues are included in the result from discontinued operations in the statement of comprehensive income.

We have described the revenue recognition for each of the revenue streams below using the 5-step model of IFRS 15 'Revenue from Contracts with Customers'.

### Step 1 – Identify the contract

For each service and thus for each revenue stream the Company enters into a contract with a customer which outlines the parties’ rights and obligations, the consideration and our general terms and conditions. Our general conditions include a net 30-day payment term from invoice date and do not contain warranties or return obligations. SaaS and maintenance fees are typically invoiced upfront. As the period over which the invoicing up front takes place generally does not exceed a year, the Company applies the practical expedient of IFRS 15 with respect to the existence of a significant financing component, which is then not deemed to exist.

### Step 2 – Identify the performance obligations

***Software as a Service revenue***

The service under a SaaS contract is the ongoing effort of the Company to provide connectivity of the FLOW portal to the customer and its trading partners in order to allow the exchange of data between the customer and each trading partner. When setting up the service, the FLOW portal is typically connected to other data networks. The FLOW portal is owned and controlled by the Company and not transferred to the customer.

Through the SaaS, the customer connects with the FLOW portal, either using his own VAN (Value Added Network) or through a closed network or through a VAN network controlled by the Company. Once the customer is connected/set up, the customer benefits directly from the service and will continue to benefit from the service until contract end.

Set-up activities

Our contracts may include non-refundable upfront fees for setting the customer up. During the set-up the FLOW platform is prepared for use by the customer. Usually, the setup phase for a customer project involves a consultant or a group of consultants in order to define, configure, implement test and deploy the customer’s contracted features before putting them in production in the (SaaS) environment. Usual work performed includes connecting FLOW to the customer's ERP-system, mappings, business processes setup, workflow configuration, notifications setup, portal setup, business rules configuration, communication setup, building landing pages, etc.

These services are not transferred to the customer separate from the SaaS performance. Since no good or service is transferred to the customer separately, the set-up is not considered to be a performance obligation. Rather, the setup fee is included in the revenue that is allocated to the SaaS performance obligation.

Consultancy services supportive of SaaS

As part of the setup or subsequently, our consultants may also perform other work for a FLOW customer, such as making new mappings or onboarding suppliers to the platform. Where these services are not provided as part of the setup, they will constitute separate performance obligations since they are distinct from the FLOW portal. This is because the customer is able to benefit from the service together with their FLOW portal (that is readily available to the customer), and the service is separately identifiable.

Volume and overage

SaaS contracts include a component for a bundle of messages which the client can process via the FLOW portal, plus an option for additional messages sent beyond the contracted volumes ("overage"). As any unused capacity under the contracted bundle cannot be carried forward to a subsequent period, this is not distinct and as such not identified as a separate performance obligation.

***Maintenance and Support revenue***

The Company provides, predominantly connected to license revenue, post-contract maintenance and support services. Maintenance services are tasks performed periodically in order to maintain, improve and secure the level of services and/or security. These services are considered to be distinct from the license.

***Consultancy revenue***

The Company provides consultancy services which comprise of various kinds of consulting, including software customization work, or on how to increase revenue by using cloud automation, through A/B testing and personalization, with enterprise search and by using big data / machine learning. These consultancy services are sold in hours or bundles of hours. The performance obligation of the Company is to provide the customer with these consultancy hours.

***License revenue***

The Company licenses certain products to its customers and are typically installed on the customer's server which is the Company's performance obligation. Licensed products represent a right to use the software to which the Company has the intellectual property rights. The life of the license is in principle indefinite and no updates are necessary for the proper operation of the licensed software. As such, the installed licensed software is the Company's performance obligation.

**Step 3 – Determining the transaction price and Step 4 Allocating the transaction price to performance obligations**

***Software as a Service revenue***

Transaction price is stipulated in the contract and typically has a fixed component (SaaS fees, if applicable a non-refundable set-up fee, plus a contractual bundle of messages component), and a variable component for additional messages sent beyond the contracted volumes. There are no volume discounts given when message levels exceed contracted volumes.

The fixed component of the transaction price is allocated to the SaaS performance obligation. The variable component of the transaction price represents a usage-based royalty that is also allocated to the SaaS performance obligation.

Contract durations are between 1 to 5 years (on average 3 years) with payment for use of the FLOW portal (including data networks) occurring always upfront for the entire contract period or part of the contract period.

***Licenses, Maintenance and Support and Consultancy revenue***

The transaction prices of the revenue streams are based on internal price lists and agreed with the customer in a contract. The prices are separately included in the contract and are the standalone selling prices. The transaction price is allocated to the single performance obligations which are described above.

**Step 5 – Revenue recognition method**

***Software as a Service revenue***

Software as a Service revenue (that is, the fixed component of the total consideration) is recognized over time as control over the services is transferred over the course of the contract period. Progress is measured based on the output method (passage of time), as a linear revenue recognition pattern most faithfully represents the Company's performance under its promise to provide access to the software.

Revenue from consultancy services supportive of SaaS are classified as SaaS revenues and recognized over the course of the SaaS contract period. Reference is also made to the Significant accounting estimates and judgments, starting on page 52. Progress is measured based on the output method (passage of time), as a linear revenue recognition pattern most faithfully represents the Company's performance under its promise to provide access to the software.

Overage revenues are recognized in the period in which the usage occurs, and the SaaS performance obligation has been partially satisfied for the respective period.

***Maintenance and Support revenue***

Maintenance and Support revenue is recognized over time as control over the services is transferred over the course of the contract period. Progress is measured based on the output method (passage of time), as a linear revenue recognition pattern most faithfully represents the Company's performance under its promise to provide maintenance and support on an as-needed basis.

***Consultancy revenue***

Consultancy revenue is recognized over time as control over the services is transferred as the customer utilizes the contracted consultancy hours. Progress is measured on the input method (hours utilization), as the ratio of hours utilized to total hours most faithfully represents the Company's performance under its promise to provide consultancy services.

***License revenue***

License revenue is recognized at a point in time because the customer has the indefinite right to use the (software) license when control is transferred.

**Contract balances**

***Contract assets***

A contract asset represents the right to consideration in exchange for goods or services transferred to the customer. If the Company transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

A contract asset becomes a receivable when the Company's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

***Contract liabilities***

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company satisfies the performance obligation. The contract liability recognized by the Company relates to the Company's obligation to fulfil the contract.

***Contract cost assets***

Capitalized costs incurred to fulfill customer contracts consist of direct costs for set-up of the FLOW platform (as well as other consultancy projects supportive of SaaS) for customers under SaaS-contracts, as far as these costs are not in scope of other standards than IFRS 15 and as far as they are expected to be recovered. These costs are amortized after completion of the set-up on a straight-line basis over the average expected customer life (refer to Significant accounting estimates and judgments, starting on page 52). Amortization of capitalized costs to fulfill contracts is included in the Cost of Sales in the statement of comprehensive income.

## Government grants

Grants from a government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Where governments grants become receivable as compensation for expenses or losses already incurred, they are recognized in profit or loss in the period in which they become receivable.

## Employee benefits

**Short term employee benefits**

Short term employee benefits entail salaries payable over past service, short-term compensated absences that are expected to occur within twelve months after the end of the period in which the employee renders the related service, profit sharing, or bonus arrangements. A liability is set up to the extent that amounts are due based on rendered services. Short term employee benefits expenses are presented in the statement of comprehensive income net of government grants received in relation to the Company's employee benefit costs.

**Termination benefits**

Termination benefits are the result of the Company's decision to terminate an employee's employment before normal retirement date. Termination benefits are expensed immediately when the Company is demonstrably committed to terminate employment prior to normal retirement date. The termination benefits include all termination of employment related expenses.

### Post-employment benefits

The Company operates with insured defined contribution pension plans in the Netherlands and France. Under the terms and conditions of this plan, the Company has no obligation towards the employees covered under the plan, other than to pay a fixed contribution. The contributions payable are recognized as an expense in income. To the extent that the paid amount exceeds the amount due for services rendered, an asset is recognized. Plan contributions payable to a third-party insurer are recognized as a liability.

The Company has a defined benefit arrangement in place for a single employee in Germany. This plan is unfunded and only a defined benefit obligation is recognized for it. In addition, the Company also has a defined benefit arrangement in place for employees in France. This plan is also unfunded and only a defined benefit obligation is recognized for it. As this plan is immaterial, no further details are provided in these consolidated financial statements.

In the US, the Company staff participated in a corporate 401(k) savings plan with discretionary contributions. These discretionary payments are recognized in profit or loss if and when they are paid into the plan.

### Share-based payments

In 2016 the Company has implemented a Performance Share Plan. Under this Plan, certain members of the Company's Management Team may be awarded shares, based on achievement of performance conditions tied to the Company's operational performance and achievement of strategic goals. Shares issued under the Performance Share Plan are subject to transfer restrictions (a non-vesting condition). In the past, stock options were also granted under a Stock Option Plan to Company staff that entitles staff members to receive equity instruments it has issued. These grants of shares and of stock options are classified as equity settled share-based payment plans.

Granted shares vest immediately at the grant date in absence of a service condition. Stock options granted had a vesting period of three years. The expense resulting from these grants is based on the fair value of the instruments at grant date. The corresponding expense is recognized in profit or loss, with the offsetting entry in equity over the term in which the services are rendered, i.e., the vesting period where this applies. The expense reflects management's best estimate of the number of instruments expected to vest, where applicable. Any consideration received, net of any directly attributable transaction costs, is accounted for in equity upon issue of shares or exercise of the options. When the non-vesting condition under the Performance Share Plan is not satisfied, or when a stock option is cancelled, the grant is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the grant is recognized immediately. However, if a new stock option is awarded in substitution of the cancelled stock option, the substitution is treated as if it is a modification of the original. An additional expense is recognized to the extent the modification results in an increased fair value of the modified stock options, compared to the original ones.

## Leasing

The Company leased various offices and vehicles to support its operations. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The Company recognizes a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligation to make lease payments.

Lease liabilities are initially measured at the present value of lease payments not yet paid at commencement date, less any lease incentives receivable. Such lease payments include fixed payments but may also include lease payments to be made under extension options to the extent that it is reasonably certain that the Company will exercise such an option. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the incremental borrowing rate is used. This is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. After initial recognition, the lease liability is increased by the finance cost, which is recognized in profit or loss as part of Interest and Other Financial Expense, and decreased by principal payments made. The lease liability is remeasured when there is a change in future lease payments or based on changes in the assessment of execution of certain extension or termination options in the contracts. The Company applies judgement to determine the lease term for lease contracts that contain renewal options.

Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs. The right-of-use asset is subsequently carried at cost less accumulated depreciation and impairment losses. It is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use asset is adjusted for certain re-measurements of the lease liabilities.

The Company recognizes lease payments associated with short term leases (lease term <1 year) as well as low value leases (value of the leased asset < € 5k) as an expense on a straight-line basis over the lease term.

## Earnings per share

Basic earnings per share are calculated by dividing net income attributable to equity holders of the Company by the weighted average number of outstanding shares. Diluted earnings per share take into effect the dilutive effect of outstanding warrants upon exercise. The dilutive effect of these instruments equals the number of shares issuable under the terms and conditions of these arrangements for no consideration. Warrants are considered non-dilutive when the exercise price is in excess of the average market price of the shares of the Company during the period.

## Analysis of expenses

Expenses are presented in the consolidated statement of comprehensive income according to their function. Management has defined the functions of expenses as follows:

- » Cost of Sales: Expenses that are directly or indirectly attributable to the Company's performance under ongoing contracts with customers;
- » Research & Development: Expenses that are attributable to activities of the Company in the field of research of new products or applications or development activities with respect to the FLOW platform or otherwise;
- » Selling & Marketing: Expenses that are attributable to the activities of the Company in the field of marketing and sales; and
- » General & Administrative expenses: Includes all other operating expenses of the Company in relation to its ordinary activities.

## Statement of cash flows

The cash flows from operating activities in the statement of cash flows are presented in accordance with the indirect method. Under this method, the income before tax is adjusted for items in the profit and loss account that do not influence receipts and expenditures during the year, movements in balance sheet items, and profit and loss account items not relating to operating activities. Transactions not involving a cash inflow or outflow are not included in the statement of cash flows. The cash position in the statement of cash flows consists solely of cash and cash equivalents. Exchange differences on cash and cash equivalents are presented separately in the statement of cash flows. Interest received and paid as well as income taxes paid are included in the cash flows from operating activities. Dividends paid are included in the cash flows from financing activities. The selling price of divested group companies (divestments) is presented in the cash flows from investing activities insofar as payment has been received in cash, net of any cash balances present in divested group companies. Cash flows relating to discontinued operations have been presented separately from cash flows relating to continuing operations.

## Subsequent events

These consolidated financial statements include the effects of events occurring between balance sheet date and the date these financial statements are authorized for issue, to the extent that these events provide evidence of conditions that existed at the balance sheet date. Where effects of events that arise post-balance sheet date are disclosed, they have not resulted in an adjustment of the financial statements.

## Financial risk management

The Company’s activities expose it to a variety of risks, including market risk (including currency risk and interest rate risk), credit risk, and liquidity risk. The Company has policies in place towards managing these risks, insofar as relevant and depending on the risk appetite of the Company with respect to a certain risk. The Executive Board has overall responsibility for the establishment and oversight of the Company’s risk management system, including identifying and analyzing risks faced by the Company, implementing risk limits and controls as appropriate as well as monitoring the exposure to risks against these limits and maintaining the risk management system in the light of changes in the Company and market conditions. The Supervisory Board oversees how the Company monitors adherence to risk management policies and procedures and assesses the effectiveness of its risk management system in relation to the relevant risks.

The Company does not have an exposure to financial risks associated with derivatives. The Company's exposure to financial instruments is mainly concentrated in its working capital. The Company neither holds nor issues financial instruments for trading purposes, and currently does not contract any derivative financial instruments to hedge risks.

### Classification of financial assets and liabilities

Financial assets and liabilities recognized on the consolidated Statement of Financial Position are classified in the following table.

**Classification of financial instruments**
(€ x 1,000)

| | Financial assets at amortized cost | | Financial liabilities at amortized cost | |
|---|---|---|---|---|
| **Class of financial instruments** | **30 September 2023** | **30 September 2022** | **30 September 2023** | **30 September 2022** |
| Cash and cash equivalents | 520 | 9,593 | | |
| Trade receivables | - | 1,495 | | |
| Other receivables | - | 79 | | |
| Other current assets | 3,000 | - | | |
| Lease liabilities | | | - | 452 |
| Trade creditors | | | 131 | 1,304 |
| Other payables | | | 68 | 1,865 |
| **Total** | **3,520** | **11,167** | **198** | **3,622** |

### Use of fair values

The fair values of financial instruments carried at amortized cost, which include trade debtors, other receivables, loans receivable, trade creditors and other payables have been assessed to be in line with their carrying values due to the short-term nature of such items and applicable market interest rates. Such fair value measurements are classified as level 2 of the fair value hierarchy of IFRS 13 'Fair Value Measurement'. There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments. Such transfers may occur where directly observable prices may become available or where market data from independent sources may no longer be available.

There are no items in the statement of financial position at the end of either period presented in these consolidated financial statements that are carried at fair value on a recurring or non-recurring basis, for both years presented.

### Currency risk

Currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the divestment of its business, the Company solely operates in the Netherlands and as at 30 September 2023, is no longer exposed to any material currency risk (per 30 September 2022, the Company's main exposure was to the EUR/USD exchange rate). Therefore, no further disclosures are provided in this respect.

### Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The exposure of the Company to this risk is limited as the Company currently does not have any variable-rate borrowings per 30 September 2023 (30 September 2022: nil). Prior to the divestment of the Company's business operations, the Company's debt was concentrated in its lease liabilities which have fixed cash flows based on fixed rates of interest.

### Other price risk

Other price risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than arising from currency risk or interest rate risk. As the Company's financial instruments are limited to short term debt instruments (carried at amortized cost) and long-term debt in the form of lease liabilities, the Company does not have an exposure to other forms of price risk such as commodity price risk or equity price risk.

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk mainly from its operating activities: this risk is primarily associated with the trade receivables and contract assets, but also arises from deposits with banks.

The Company manages the exposure on its cash deposits with banks by only working with reputable banks that have proven in the past to be financially stable, have appropriate licenses to operate and are under the supervision of regulatory authorities. Cash is managed centrally within the Group.

As at 30 September 2023, credit risk arising from receivables is concentrated with the financial asset regarding the funds that are kept in escrow related to the divestment of the Company's business operations (refer to the note Divestment of the Company's operations, starting on page 66). The Executive Board has assessed that the credit risk related to this financial asset is deemed limited as at the balance sheet date.

In the event of (expected) collectability issues or defaults, this is reflected in the lifetime expected credit losses that are recognized on the receivables to cover the potential loss. Loss rates are determined based on historical credit losses realized and any expectations on economic downturn.

Management monitors any (extended) default (instances where a debtor does not or continue to not meet its payment obligations) by a counterparty and determines on an individual basis whether such receivables are considered credit-impaired. A receivable is written off and the corresponding expected credit loss derecognized if it is determined to be uncollectible, which is assessed on a case-by-case basis.

The Company's maximum exposure to credit risk equals the outstanding balance of its financial assets.

## Liquidity risk

The Company's liquidity management is geared towards having sufficient liquidity available to fund its operations. Management monitors the liquidity position of the Company.

As at the balance sheet date, the Company had ample resources. As such, the liquidity risk of the Company originating from financial instruments is deemed limited.

The following maturity analyses detail the remaining undiscounted cash flows under its non-derivative financial liabilities (the Company does not have derivative financial liabilities), classified by their maturity, being the earliest date on which the Company can be required to settle the liability. These analyses include both interest and principal cash flows.

**2023 Maturity analysis of financial liabilities**

(€ x 1,000)

| | Short term | | Long term | Total |
|---|---|---|---|---|
| | < 1 year | > 1 year <5 years | > 5 years | 30 September 2023 |
| Trade Creditors | 131 | - | - | 131 |
| Other Payables | 68 | - | - | 68 |
| **Total** | **198** | **-** | **-** | **198** |

**2022 Maturity analysis of financial liabilities**

(€ x 1,000)

| | Short term | | Long term | Total |
|---|---|---|---|---|
| | < 1 year | > 1 year <5 years | > 5 years | 30 September 2022 |
| Lease Liabilities - Principal payments | 261 | 191 | - | 452 |
| Lease Liabilities - Interest payable | 11 | 5 | - | 16 |
| Trade Creditors | 1,304 | - | - | 1,304 |
| Other Payables | 1,865 | - | - | 1,865 |
| **Total** | **3,442** | **196** | **-** | **3,638** |

## Capital risk management

The management of capital is centralized and is currently aimed at both ensuring the Company has a healthy capital structure so that the continuity of its operations is safeguarded. To this extent, management regularly assesses outstanding share capital, options, warrants, convertible instruments, the need for issuing any such instruments (in line with limits set by the shareholders), outstanding debt positions and evaluates funding opportunities in line with strategic targets. These objectives for managing capital have been met in the past year as there have been no issues with respect to the continuity of operations. The Company considers its equity as capital, in line with prior period. Management's policy with respect to managing capital is to maintain a positive equity, while limiting funding through debt as much as possible due to the liquidity risks attached to debt. This implies that business combinations, investments and operations are funded primarily by cash or by issuing equity instruments, also in the event of a cash component payable arising from a business combination.

## 1 Divestment of the Company's operations

On 26 July 2023 Titan N.V. announced that it had signed an agreement to sell all of its business and operations to SPS Commerce, Inc. ("SPS") for a total purchase price of € 68.35 million. The transaction was structured as a sale and transfer by Titan N.V. of all issued and outstanding shares in TIE Kinetix Holding B.V., being the group company directly and indirectly owning of all subsidiaries and operations of the TIE Kinetix group. Shareholder approval for this transaction was obtained at the Convocation Extraordinary General Meeting of Shareholders on September 6, 2023. Following shareholder approval the transaction was completed with transfer of the shares on 13 September 2023.

Of the purchase price of € 68.35 million amount, € 3 million is held in escrow for a period of twelve months following completion, to secure the obligations of Titan N.V. as seller as agreed in the Share Purchase Agreement with SPS. As such, this amount has been recognized as a receivable in the statement of financial position. In the event of a claim by SPS against the escrow, the amount of the claim will be kept in escrow until final resolution of the claim. The amount that is undisputed after lapse of the twelve months period, will be released to Titan N.V.

As a result of the transaction, Titan N.V. remains a single company without subsidiaries and assets other than the proceeds of the transaction. Titan N.V. distributed an interim dividend amounting to € 62.5 million to its shareholders immediately following completion of the transaction. Reference is made to note Equity, starting on page 75. Titan N.V. has reserved and withheld a reasonable amount estimated by Titan N.V. to cover for ongoing expenses and necessary provisions. In addition, as indicated above, an amount of € 3 million will be held in escrow for the term of at least twelve months. Consequently, in addition to the dividend distribution of € 62.5 million on September 20, 2023, another dividend distribution will follow after lapse of at least twelve months following completion of the transaction. As a result of the sale, all of the Group's operations, other than Titan N.V.'s own holding operations, have been classified as discontinued operations. The table below details the results and cash flows attributable to the discontinued operations.

**Results and cash flows from discontinued operations**
(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| **Results from discontinued operations** | | |
| Revenues | 14,597 | 14,357 |
| Costs | (15,334) | (17,083) |
| **Loss before tax from discontinued operations** | **(737)** | **(2,726)** |
| Income tax (expense)/benefit | (3) | 523 |
| **Results from discontinued operations, net of tax** | **(740)** | **(2,203)** |
| Gain on sale of disposal group | 61,700 | - |
| **Total income/(loss) from discontinued operations** | **60,960** | **(2,203)** |
| | | |
| **Cash flow from discontinued operation** | | |
| **Cash flow from operating activities** | **(291)** | **246** |
| | | |
| Investing cash flows during the year | (1,307) | (1,223) |
| Consideration received in cash | 65,350 | - |
| Cash disposed of | (4,493) | - |
| **Cash flow from investing activities** | **59,550** | **(1,223)** |
| | | |
| **Cash flow from financing activities** | **(264)** | **(383)** |
| **Total cash flow from discontinued operations** | **58,995** | **(1,360)** |

The table below shows the net assets of the disposal group at the date of loss of control. This disposal group consisted of the Company's subsidiary TIE Kinetix Holding B.V. and all of its subsidiaries. In addition, the Dutch fiscal union for corporate income tax purposes, of which the Company was previously the head, was unbundled. The existing tax losses carried forward of the fiscal unity were included in the sale of the disposal group. As such, the net assets shown below also include the Company's deferred tax asset related to those tax losses carried forward.

**Net assets divested**
(€ x 1,000)

| Assets | 2023 |
|---|---|
| Goodwill | 2,279 |
| Other Intangible Fixed Assets | 2,858 |
| Property, Plant and Equipment | 628 |
| Deferred Tax Asset | 1,808 |
| Cash and Cash Equivalents | 4,493 |
| Current Assets | 3,234 |
| **Total Assets sold** | **15,300** |
| | |
| Non Current Liabilities | (604) |
| Current Liabilities | (8,046) |
| **Total liabilities related to assets sold** | **(8,650)** |
| | |
| **Total net assets sold** | **6,650** |

The table below shows a reconciliation between the consideration agreed in the transaction and the gain on the sale that was recognized in the Statement of Comprehensive Income as part of the results from discontinued operations.

**Reconciliation of consideration to gain on sale of disposal group**
(€ x 1,000)

| | 2023 |
|---|---|
| Cash consideration received | 65,350 |
| Consideration receivable | 3,000 |
| **Total consideration** | **68,350** |
| Less: Net assets of disposal group | (6,650) |
| **Gain on sale** | **61,700** |

## 2 Intangible fixed assets

The movements in Intangible fixed assets are summarized below:

**Movement schedule of intangible fixed assets**
(€ x 1,000)

| | Goodwill | Customer Base | Software development costs | Purchased Software | Total |
|---|---|---|---|---|---|
| **Balance as at October 1, 2021** | **2,250** | **-** | **2,603** | **45** | **4,898** |
| **Movements 2022** | | | | | |
| Additions | - | - | 1,024 | 83 | 1,107 |
| Disposals | - | - | - | (50) | (50) |
| Amortization | - | - | (1,113) | (35) | (1,148) |
| Reversal of amortization on disposal | - | - | - | 50 | 50 |
| Translation adjustments on acc. investments | 83 | 1 | 152 | 13 | 250 |
| Translation adjustments on acc. amortization | - | - | (152) | (7) | (160) |
| Translation adjustments on acc. impairments | - | (1) | - | (6) | (7) |
| **Balance as at September 30, 2022** | **2,333** | **-** | **2,514** | **92** | **4,940** |
| Accumulated investments | 3,754 | 850 | 12,030 | 1,002 | 17,637 |
| Accumulated amortization | (107) | (836) | (9,478) | (893) | (11,314) |
| Accumulated impairments | (1,314) | (14) | (38) | (17) | (1,383) |
| **Balance as at September 30, 2022** | **2,333** | **-** | **2,514** | **92** | **4,940** |
| **Movements 2023** | | | | | |
| Additions | - | - | 1,268 | 6 | 1,274 |
| Disposals | - | - | - | (183) | (183) |
| Amortization | - | - | (996) | (26) | (1,022) |
| Reversal of amortization on disposal | - | - | - | 183 | 183 |
| Translation adjustments on acc. investments | (54) | - | (98) | - | (151) |
| Translation adjustments on acc. amortization | - | - | 98 | - | 98 |
| Translation adjustments on acc. impairments | - | - | - | - | - |
| Divestment | (2,279) | - | (2,786) | (72) | (5,137) |
| **Balance as at September 30, 2023** | **-** | **-** | **-** | **-** | **-** |
| Accumulated investments | - | - | - | - | - |
| Accumulated amortization | - | - | - | - | - |
| Accumulated impairments | - | - | - | - | - |
| **Balance as at September 30, 2023** | **-** | **-** | **-** | **-** | **-** |
| Useful life | Indefinite | 10 years | 5 years | 3-5 years | |

## Cash generating units and impairment testing

Titan N.V. had active country operations in the Netherlands, in the US, in Germany, and in France through its various subsidiaries, which were sold to SPS Commerce. Up until the transaction, the Company had identified the following cash generating units.

- TIE Netherlands
- TIE France
- TIE US
- TIE Germany
- TIE Product Development

As at 30 September 2023, the Company has not performed an impairment test as the Company no longer has non-financial fixed assets which may be subject to impairment losses.

The allocation of the carrying value of the intangible fixed assets tested to the CGU's and segments for impairment per 30 September 2022 was as follows (please note that there were no intangibles allocated to Germany):

**2022 Allocation of intangible assets to CGUs**
(€ x 1,000)

| | NL | France | US | Product Development | Total 30 September 2022 |
|---|---|---|---|---|---|
| Goodwill | 1,640 | 153 | 540 | - | 2,333 |
| Software development costs | - | - | - | 2,514 | 2,514 |
| Purchased software | 85 | - | - | 7 | 93 |
| **Total** | **1,726** | **153** | **540** | **2,521** | **4,940** |

## 3 Tangible fixed assets

Movements in tangible fixed assets are shown below:

**Movement schedule of tangible fixed assets**
(€ x 1,000)

| | Leasehold Improvements | Right-Of-Use Asset | Hardware | Total |
|---|---|---|---|---|
| **Carrying value as at October 1, 2021** | **3** | **724** | **90** | **817** |
| | | | | |
| **Movements 2022** | | | | |
| Additions | 5 | 78 | 111 | 194 |
| Disposals | (253) | (367) | (258) | (877) |
| Depreciation | (4) | (366) | (41) | (411) |
| Depreciation on disposals | 253 | 367 | 258 | 877 |
| Translation adjustments on acc. investments | 22 | - | 23 | 45 |
| Translation adjustments on acc. depreciation | (22) | 3 | (23) | (42) |
| **Carrying value as at September 30, 2022** | **5** | **439** | **160** | **604** |
| | | | | |
| Accumulated investments | 613 | 1,206 | 1,084 | 2,903 |
| Accumulated depreciation | (608) | (767) | (924) | (2,299) |
| **Carrying value as at September 30, 2022** | **5** | **439** | **160** | **604** |
| | | | | |
| **Movements 2023** | | | | |
| Additions | 4 | 339 | 23 | 366 |
| Disposals | (71) | (128) | (194) | (393) |
| Depreciation | (1) | (265) | (37) | (303) |
| Depreciation on disposals | 68 | 99 | 187 | 354 |
| Divestment | (5) | (484) | (139) | (628) |
| **Carrying value as at September 30, 2023** | **-** | **-** | **-** | **-** |
| | | | | |
| Accumulated investments | - | - | - | - |
| Accumulated depreciation | - | - | - | - |
| **Carrying value as at September 30, 2023** | **-** | **-** | **-** | **-** |
| Useful lives | Max. 10 years | Lease term | 5 years | |

At the balance sheet date there are no restrictions on title. No items of tangible fixed assets have been pledged as security against liabilities.

The following table details the carrying amounts at the balance sheet date of right-of-use assets by class of underlying asset. As the right-of-use assets were part of the divestment of the Company's business operations, depreciation on right-of-use assets is subsumed in the result from discontinued operations in the statement of comprehensive income.

**Right of Use assets by class**
(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Offices and parking space | - | 215 |
| Vehicles | - | 224 |
| **Total** | **-** | **439** |

## 4 Deferred taxes

The following table details the amounts of deferred tax assets and liabilities arising from both temporary differences and unused tax losses carried forward, including the effects of offsetting some of those deferred tax assets and liabilities. As at 30 September 2023, no temporary differences remain following the sale of the Company's business operations. In addition, no unused tax losses carried forward remain as Titan N.V. is no longer part of the Dutch fiscal unity for income tax purposes (of which it previously was the head) and such tax losses carried forward have remained with the fiscal unity.

**Deferred tax assets & liabilities**
(€ x 1,000)

| **Category of temporary difference** | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Intangible Fixed Assets | - | 47 |
| Trade Receivables | - | 14 |
| Deferred Revenue | - | 304 |
| Lease Liabilities | - | 114 |
| Other Payables and Accruals | - | 42 |
| Tax Credits | - | 72 |
| Tax Losses Carried Forward | - | 1,522 |
| **Total Gross Deferred Tax Assets** | **-** | **2,115** |
| Offset against deferred tax liabilities | - | (251) |
| **Total Net Deferred Tax Assets** | **-** | **1,864** |
| | | |
| Goodwill | - | (139) |
| Right-of-use assets | - | (112) |
| Other | - | (2) |
| **Total Gross Deferred Tax Liabilities** | **-** | **(253)** |
| Offset against deferred tax assets | - | 251 |
| **Total Net Deferred Tax Liabilities** | **-** | **(2)** |
| | | |
| **Total Deferred Tax Positions (Net)** | **-** | **1,862** |

Of the total net deferred tax position, an amount of nil (2022: € 1,284k) is expected to be settled after more than twelve months. The deferred tax liability on goodwill as at 30 September 2022 related to goodwill that was tax deductible in the United States and for which the temporary difference arose after initial recognition of the goodwill.

The aggregate amount of temporary differences related to investments in subsidiaries for which no deferred tax liability is recognized as at 30 September 2023 is nil (30 September 2022: € 106k).

As at 30 September 2022, the Group had an aggregate amount of € 15,475k of gross unused tax losses, tax credits and deductible temporary differences available. None of these had an expiration horizon. Of these gross amounts, € 5,511 was recognized as deferred tax asset while a total gross amount of € 9,963 remained unrecognized.

Movements in the net deferred tax position during the year are detailed in the following table.

**Movement schedule of net deferred tax position**
(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| **Balance as at October 1** | **1,862** | **623** |
| Recognized in profit or loss | - | 1,196 |
| Currency translation differences recognized in OCI | (54) | 43 |
| Divestment | (1,808) | - |
| **Balance as at September 30** | **-** | **1,862** |

## 5 Trade debtors

**Details of trade receivables**
(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Trade receivables | - | 1,644 |
| Less: Valuation allowance | - | (149) |
| **Trade receivables net of valuation allowance** | **-** | **1,495** |

### Impairment of trade receivables

As at 30 September 2023, no trade receivables remain.

The following table reflects the gross outstanding trade receivable balance as of September 30th, 2022 broken down into balances that had not passed their due dates and balances that have passed their due dates. The latter category is further broken down into categories detailing the extent to which they had passed their due dates. The “less than 30 days” outstanding category represents receivables that had not yet passed their respective due dates.

**2022 Aging of trade receivables by region**
(€ x 1,000)

| | Not past due | Past due not individually credit impaired | | | Total |
|---|---|---|---|---|---|
| | Less than 30 days | 31 to 60 days | 61 to 90 days | In excess of 90 days | 30 September 2022 |
| The Netherlands | 456 | 38 | 9 | 82 | 585 |
| United States | 358 | 109 | 52 | 26 | 545 |
| France | 113 | 28 | 1 | 2 | 144 |
| Germany | - | 186 | 33 | - | 220 |
| **Total** | **927** | **363** | **95** | **111** | **1,495** |

The Company had applied the following loss rates to these categories of trade receivables to determine the allowance for expected credit losses as at 30 September 2022:

**2022 Loss rates applied**
(€ x 1,000)

| Days outstanding | Weighted average loss rate applied | Gross carrying amount | ECL recognized |
|---|---|---|---|
| 1 to 30 days (not due) | 0% | 927 | - |
| 31 to 60 days (past due) | 0% | 363 | - |
| 61 to 90 days (past due) | 0% | 95 | - |
| 91 to 360 days (past due) | 0.1% | 111 | - |
| More than 360 days (past due) | 0.1% | - | - |
| Individually credit-impaired (stage 3 ECL) | n/a | 149 | (149) |
| **Total** | | **1,644** | **(149)** |

Details on the movements in the valuation allowance (excluding recoverable VAT) are included in the following table.

**Movements in the valuation allowance**
(€ x 1,000)

| | ECL on individually credit-impaired receivables | ECL on receivables past due not individually credit-impaired | Total |
|---|---|---|---|
| **Balance as at October 1, 2021** | **73** | **-** | **73** |
| Charge for the year | 78 | - | 78 |
| Utilized | (2) | - | (2) |
| Unused amounts reversed | (1) | - | (1) |
| Currency exchange rate differences | 1 | - | 1 |
| **Balance as at September 30, 2022** | **149** | **-** | **149** |
| Charge for the year | 30 | - | 30 |
| Utilized | (11) | - | (11) |
| Unused amounts reversed | (89) | - | (89) |
| Currency exchange rate differences | - | - | - |
| Divestment | (79) | - | (79) |
| **Balance as at September 30, 2023** | **-** | **-** | **-** |

## 6 Taxation and social security

The taxation and social security receivable as at 30 September 2023 regards to a VAT receivable.

## 7 Other receivables and prepayments

**Details of other receivables and prepayments**
(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Security Deposits | - | 80 |
| Prepayments | 25 | 211 |
| **Total** | **25** | **290** |

Security deposits mainly regard to rental agreements. Prepayments include short term prepaid amounts to suppliers (resulting from SaaS sales to customers < 1 year), prepaid rent and insurance premiums.

## 8 Cash and cash equivalents

Under this heading, the Company only includes cash at banks, potentially short-term deposits, and payments in transfer. As at 30 September 2023, there were no restrictions with respect to availability (30 September 2022: restrictions in the amount of € 34k).

# 9 Equity

## Share Capital

The Company's authorized share capital amounts to € 500k (2022: € 500k), consisting of 5 million ordinary shares with a nominal value of € 0.10 each. Shareholders' equity (which equals Group equity) amounts to € 4,050k (or € 1.98 per share) as at September 30, 2023 (30 September 2022: € 10,869k, or € 5.60 per share). The movements in the number of common shares outstanding are summarized in the following table. All issued shares have been fully paid.

**Shares outstanding**

| | 2023 | 2022 |
|---|---|---|
| **Balance as at October 1** | **1,941,538** | **1,678,718** |
| Issued | 108,616 | 262,820 |
| **Balance as at September 30** | **2,050,154** | **1,941,538** |
| | | |
| **In € (x 1,000)** | **205** | **194** |

Shares issued include those issued for no consideration under share-based payment arrangements. For details refer to the note Share-based payments, starting on page 76.

## Warrants

For the acquisition of TFT in 2013, 388,846 warrants were issued on December 2, 2013. Each warrant entitled the holder to purchase a newly issued share at a share price of € 7.00 until December 2, 2023. In FY 2023, warrants were exercised for a consideration of € 470k in cash (2022: € 1.6 million).

**Warrants outstanding**

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Exercise Price (€) | Number of warrants | Exercise Price (€) | Number of warrants |
| **Warrants outstanding at October 1** | **7.00** | **67,160** | **7.00** | **295,728** |
| Warrants exercised | 7.00 | (67,140) | 7.00 | (228,568) |
| **Warrants outstanding at September 30** | **7.00** | **20** | **7.00** | **67,160** |

## Other reserves

The 'other reserves and retained earnings' component of equity contains other reserves, consisting of the legal reserves under Dutch law, which restrict the distribution of dividends or capital in the amount of nil (30 September 2022: € 2,514k).

Such restrictions also apply to the foreign currency translation reserve, carried at nil (30 September 2022: € 83k), which is also regarded as a legal reserve under Dutch law.

## FY23 Interim dividend distributions

### First interim dividend

At the Annual General Meeting of shareholders, held on 24 March 2023, the Company's shareholders approved the distribution of an interim dividend for the financial year 2023 from the Company's equity reserves, in the amount of € 0.50 per share. Given the total number of 1,959,109 outstanding ordinary shares at that time, the total dividend declared amounted to € 980k. Shareholders had a choice between receiving the dividend in shares or in cash.

Subsequently, on 2 May 2023, the interim dividend was distributed. A gross cash dividend of € 372k was paid in cash to the shareholders after deduction of dividend withholding taxes. The cash dividend was distributed from the Company's retained earnings and the stock dividend from the Company's share premium. To settle the stock dividend, 32,475 new ordinary shares were issued at a fair value of €18.70 per share (representing a total fair value of € 607k). An amount of € 3k was recognized in share capital for the nominal value of the newly issued shares (€ 0.10 per share) with a corresponding charge to share premium. In addition, transaction costs related to the issuance of the shares were charged to share premium.

**Second interim dividend**

At the Extraordinary General Meeting, held on September 6, 2023, the Company's shareholders approved the distribution of an interim dividend for the financial year 2023 from the Company's equity reserves, in the amount of € 30.49 per share. Given the total number of 2,050,154 outstanding shares, the total dividend amounted to € 62.5 million. Shareholders have received the dividend in cash on 20 September 2023. Transaction costs of € 78k have been deducted from share premium.

The second interim dividend brought the total dividend per share in 2023 to € 30.99.

### FY23 Recycling of reserve for currency translation differences

As a result of the sale of the Company's operations, as well as the liquidation of TIE Ascention GmbH, a gain of € 17k was recognized as part of the exchange gains and losses. Refer to the note Financial income and expenses, starting on page 85. As part of the other comprehensive income in the statement of comprehensive income, the exchange differences are presented net of this reclassification adjustment.

### FY22 Interim dividend distribution

At the Annual General Meeting of shareholders, held on 25 March 2022, the Company's shareholders approved the distribution of an interim dividend for the financial year 2022 from the Company's equity reserves, in the amount of € 0.50 per share. Given the total number of 1,907,286 outstanding ordinary shares at that time, the total dividend declared amounted to € 954k. Shareholders had a choice between receiving the dividend in shares or in cash.

Subsequently, on 29 April 2022, the interim dividend was distributed. A gross cash dividend of € 335k was paid in cash to the shareholders after deduction of dividend withholding taxes. The cash dividend was distributed from the Company's retained earnings and the stock dividend from the Company's share premium. To settle the stock dividend, 34,252 new ordinary shares were issued at a fair value of €18.05 per share (representing a total fair value of € 618k). An amount of € 3k was recognized in share capital for the nominal value of the newly issued shares (€ 0.10 per share) with a corresponding charge to share premium. In addition, transaction costs related to the issuance of the shares were charged to share premium.

## 10 Share-based payments

### Performance Share Plan

Under this Plan, members of the Executive Board may be awarded shares, based on achievement of performance conditions tied to the Company’s operational performance and achievement of strategic goals. Shares issued under the Performance Share Plan are subject to transfer restrictions (a non-vesting condition). The fair value of the shares issued is determined based on the share price at the grant date, taking into account the effect of non-vesting conditions, not taking into account expected dividends. The following table details the number and weighted average fair value of the shares granted during the year.

**Shares granted**

| | 2023 | 2022 |
|---|---|---|
| Number of shares granted | 9,001 | - |
| Weighted average fair value at grant date | EUR 14.3 | - |

No performance shares were granted during FY 2022. The performance shares granted and issued in FY 2023, however, pertain to performance during FY 2022 but the grant took place after the balance sheet date and was thus accounted for in FY 2023. The fair value of the shares granted was determined at the approval date. An expense of € 129k was recognized under the employee benefits expenses in 2023. Reference is made to the note Operating expenses, starting on page 83.

## 11 Provisions

The provisions consisted of a pension provision (classified as non-current in the statement of financial position) and a legal provision (classified as current in the statement of financial position).

### Pension provision

The provisions relate to a pension provision for an unfunded defined benefit plans in Germany. Movements in the provision are disclosed below. As management has determined that the amounts of the defined benefit obligations are immaterial - both individually per plan and in aggregate - no further disclosures are provided in respect of these plans.

**Movement schedule of pension provision**
(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| **Balance as at October 1** | **120** | **190** |
| Charged/(released) to income statement | - | (70) |
| Divestment | (120) | - |
| **Balance as at September 30** | **-** | **120** |

### Legal provision

The provision had been formed for (potential) claims and disputes. The amount of the related outflow of resources is uncertain but the carrying amount represented management's best estimate to settle the liabilities as at the balance sheet date. Additions and releases have been accounted for as part of the results from discontinued operations.

**Movement schedule of legal provision**
(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| **Balance as at October 1** | **236** | **-** |
| Additions | - | 236 |
| Used | (36) | - |
| Releases | (200) | - |
| **Balance as at September 30** | **-** | **236** |

## 12 Leasing

The Company mainly leased offices and vehicles to support its operations. The total lease liability can be broken down into a current and non-current component as shown in the following table.

**Details of lease liability**
(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Non-current portion | - | 191 |
| Current portion | - | 261 |
| **Total lease liability** | **-** | **452** |

Details on the Right of Use-assets and movements thereof are provided in the note Tangible fixed assets, starting on page 70. The movements of the lease liability are detailed in the following table.

**Movement schedule of lease liability**
(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| **Balance as at October 1** | **452** | **765** |
| New lease contracts | 339 | 78 |
| Repayment of lease liabilities | (264) | (383) |
| Translation differences | (43) | (8) |
| Divestment | (484) | - |
| **Balance as at September 30** | **-** | **452** |

Possible cash outflows under extension and termination options of existing lease agreements that have not been included in the measurement of the lease liability amount to nil (2022: € 931k). Cashflows from leasing activities are included in the cash flows from discontinued operations for both years presented.

## 13 Taxation and social security payable

**Details of taxation and social security payables**
(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Payroll tax | - | 224 |
| Dividend withholding tax payable | 363 | - |
| VAT | - | 86 |
| **Total** | **363** | **310** |

Payroll tax liabilities include also liabilities for social security.

## 14 Other payables and accruals

**Details of other payables and accruals**
(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Accrued Expenses | 70 | 1,344 |
| Other Payables and Accruals | (3) | 506 |
| Pension Premiums | - | 16 |
| **Total** | **68** | **1,865** |

The accrued expenses included, among others, accrued holiday allowance and variable compensation for employees as at 30 September 2022. The line other payables and accruals included, among others, accruals for holiday rights outstanding with employees and salary payables as at 30 September 2022.

## 15 Segment reporting

The segment reporting in these consolidated financial statements is aligned with the internal reporting to the Executive Board as Chief Operating Decision Maker of the Company.

Up until the divestment of the Company's business, such reporting was based on country segments and product development. All revenue, direct costs and fee earning staff were allocated to country operations and product development (or holding functions). As such, the operating segments (and reportable segments as no aggregation of operating segments takes place) were identified as the countries in which the Group operated, as well as TIE Product Development. The Company applied intercompany transfer pricing to account for the various roles country operations have in developing, marketing, selling and delivering our products to the customers. As the case may be, the Company identified sales roles, product ownership roles and development roles, with each role rewarded commensurate with its place in the value chain.

Since this format of reporting to the Executive Board remained in place until the moment the Company divested its business operations, the segment information presented below represents this. As such, it includes the results of the segments for the period 1 October 2022 until 13 September 2023, and for Titan N.V. as a holding company its results for the full year to facilitate reconciliations.

For segment reporting purposes, the Company applied the accounting policies as applied to these consolidated financial statements. The Executive Board evaluated segment performance on the basis of EBITDA. Inter-segment sales were only monitored by the Executive Board on a CGU level and not for the purpose of segment reporting. Information on segment assets and liabilities was not regularly provided to the Executive Board.

The tables on the following pages detail the segment information as well as the reconciliations of such segment information to net income as per the statement of comprehensive income.

**2023 Segment information**

(€ x 1,000)

| Revenues | TIE NL | TIE US | TIE France | TIE Germany | TIE Product Development | Holding and Eliminations | Total |
|---|---|---|---|---|---|---|---|
| Software as a Service | 4,699 | 4,024 | 1,462 | 1,700 | - | - | 11,885 |
| Maintenance and Support | 243 | 670 | 78 | 15 | - | - | 1,006 |
| Consultancy | 822 | 438 | 37 | 273 | - | 7 | 1,578 |
| Licenses | 47 | 80 | - | 1 | - | - | 128 |
| **Revenues** | **5,811** | **5,212** | **1,577** | **1,990** | **-** | **7** | **14,597** |
| Other Income | - | - | - | - | - | 50 | 50 |
| Intercompany Sales | 11 | 1 | 15 | 183 | 1,418 | (1,627) | - |
| **Total Income** | **5,821** | **5,213** | **1,592** | **2,173** | **1,418** | **(1,571)** | **14,647** |
| Cost of Sales | (1,528) | (2,238) | (378) | (1,414) | (1,484) | 1,803 | (5,239) |
| **Gross Margin** | **4,293** | **2,975** | **1,214** | **759** | **(67)** | **233** | **9,407** |
| | | | | | | | |
| **Operating Expenses** | | | | | | | |
| Employee Benefits | (1,254) | (1,732) | (812) | (553) | - | (7,946) | (12,297) |
| Other Operating Expenses | (1,556) | (1,702) | (560) | (553) | - | 2,491 | (1,881) |
| **Total Operating Expenses** | **(2,810)** | **(3,434)** | **(1,372)** | **(1,106)** | **-** | **(5,456)** | **(14,179)** |
| **EBITDA** | **1,483** | **(459)** | **(158)** | **(347)** | **(67)** | **(5,223)** | **(4,771)** |

**2023 Reconciliation of total segments EBITDA to profit or loss**

(€ x 1,000)

| | **2023** |
|---|---|
| **EBITDA** | **(4,771)** |
| Depreciation and amortization | (1,337) |
| **EBIT** | **(6,108)** |
| Interest and Other Financial Income | 25 |
| Interest and Other Financial Expense | 10 |
| **Loss before Tax** | **(6,073)** |
| Corporate Income Tax | (3) |
| **Net Loss (Continuing Operations and Discontinued Operations excl. result on the sale)** | **(6,076)** |
| Result on the sale | 61,700 |
| **Net Income (Continuing and Discontinued Operations)** | **55,624** |

**2022 Segment information**

(€ x 1,000)

| Revenues | TIE NL | TIE US | TIE France | TIE Germany | TIE Product Development | Holding and Eliminations | Total |
|---|---|---|---|---|---|---|---|
| Software as a Service | 4,621 | 3,900 | 1,222 | 1,385 | - | - | 11,127 |
| Maintenance and Support | 245 | 803 | 128 | 29 | - | - | 1,206 |
| Consultancy | 782 | 698 | 69 | 380 | - | 6 | 1,934 |
| Licenses | 28 | 60 | 1 | 2 | - | - | 91 |
| **Revenues** | **5,675** | **5,460** | **1,419** | **1,796** | **-** | **6** | **14,357** |
| Other Income | - | - | - | - | - | 27 | 27 |
| Intercompany Sales | 18 | - | - | - | 1,031 | (1,049) | - |
| **Total Income** | **5,693** | **5,460** | **1,419** | **1,796** | **1,031** | **(1,016)** | **14,384** |
| Cost of Sales | (1,658) | (2,809) | (332) | (1,265) | (1,015) | 1,025 | (6,054) |
| **Gross Margin** | **4,035** | **2,651** | **1,087** | **532** | **16** | **10** | **8,330** |
| | | | | | | | |
| **Operating Expenses** | | | | | | | |
| Employee Benefits | (1,442) | (1,223) | (773) | (357) | - | (2,979) | (6,773) |
| Other Operating Expenses | (2,099) | (2,376) | (609) | (635) | - | 2,548 | (3,171) |
| **Total Operating Expenses** | **(3,541)** | **(3,599)** | **(1,382)** | **(991)** | **-** | **(432)** | **(9,945)** |
| **EBITDA** | **494** | **(948)** | **(295)** | **(460)** | **16** | **(422)** | **(1,615)** |

**2022 Reconciliation of total segments EBITDA to profit or loss**

(€ x 1,000)

| | 2022 |
|---|---|
| **EBITDA** | **(1,615)** |
| Depreciation and amortization | (1,560) |
| **EBIT** | **(3,174)** |
| Interest and Other Financial Income | 216 |
| Interest and Other Financial Expense | (37) |
| **Loss before Tax** | **(2,995)** |
| Corporate Income Tax | 1,321 |
| **Net Loss (Continuing and Discontinued Operations)** | **(1,674)** |

The following tables includes information on assets and liabilities of segments as at 30 September 2022 as well as other selected segment information, other than the measures of profit or loss for each segment. For the purposes of segment reporting, intercompany receivables and payables are included under the liabilities and not reclassified to assets if they are in a (net) receivable position for the respective segment.

For 2023, this information is not presented as the operating segments have been divested prior to the balance sheet date, on 13 September 2023.

**2022 Other information on segments**
(€ x 1,000)

| **Assets** | **TIE NL** | **TIE US** | **TIE France** | **TIE Germany** | **TIE Product Development** | **Holding and Eliminations** | **Total** |
|---|---|---|---|---|---|---|---|
| Intangible Fixed Assets | 595 | 540 | - | - | 2,521 | 1,283 | 4,940 |
| Tangible Fixed Assets | 73 | - | 4 | - | - | 527 | 604 |
| Deferred Tax Asset | - | 562 | 48 | - | - | 1,254 | 1,864 |
| Contract Cost Asset | 157 | 15 | 49 | 106 | - | - | 326 |
| Current Assets | 1,264 | 1,085 | 437 | 842 | 36 | 8,593 | 12,257 |
| **Total Assets** | **2,090** | **2,201** | **538** | **948** | **2,558** | **11,657** | **19,992** |
| | | | | | | | |
| **Liabilities** | | | | | | | |
| Non-Current Liabilities | 365 | 57 | 201 | 478 | - | 145 | 1,247 |
| Current Liabilities | 2,767 | 1,654 | 771 | 945 | 54 | 1,685 | 7,876 |
| Intercompany Positions | (5,308) | (1,620) | (578) | (495) | 15,380 | (7,379) | - |
| **Total Liabilities** | **(2,177)** | **91** | **394** | **929** | **15,434** | **(5,549)** | **9,123** |
| | | | | | | | |
| **Other Selected Items** | | | | | | | |
| Capital expenditure | - | - | - | - | 1,024 | 199 | 1,223 |
| | | | | | | | |
| Amortization and depreciation | 54 | 81 | 17 | - | 1,115 | 292 | 1,560 |
| | | | | | | | |
| FTE at year end | 34 | 32 | 15 | 11 | 8 | 24 | 123 |

## 16 Operating expenses

The expenses of continuing operations have been presented in the consolidated statement of comprehensive income based on their function.

### Expenses by nature

The following tables detail the expenses of continuing operations by their nature, in a way that facilitates reconciliation to the expenses presented by their function. Please note that in both years presented, cost of sales, research and development as well as selling and marketing expenses for continuing operations were nil.

**2023 Expenses by nature**
(€ x 1,000)

| | General & Administrative | Total Expenses 2023 |
|---|---|---|
| Employee Benefits | 5,068 | 5,068 |
| Other Operating Expenses | 275 | 275 |
| **Total** | **5,343** | **5,343** |

**2022 Expenses by nature**
(€ x 1,000)

| | General & Administrative | Total Expenses 2022 |
|---|---|---|
| Employee Benefits | 6 | 6 |
| Other Operating Expenses | 461 | 461 |
| **Total** | **466** | **466** |

### Employee benefits

**Details of employee benefit expenses**
(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| Invoiced management fees | 4,901 | 9 |
| Supervisory Board remuneration | 39 | 43 |
| Share-based payment expense | 129 | - |
| Other employee benefit expenses | - | 1 |
| Government grants | - | (47) |
| **Total** | **5,068** | **6** |

The invoiced management fees include remuneration due to the members of the Executive Board that is invoiced through a management company. Please note that these expenses were largely charged to group companies and therefore form part of the results from discontinued operations. The expenses of continuing operations for 2023 regard mainly to the special compensation for the Executive Board. Further details on this and on the Supervisory Board remuneration are provided in the note Related party disclosures, starting on page 88.

For details on the share-based payments, reference is made to note Share-based payments, starting on page 76.

## Number of employees

**FTE per department as at year-end**

| | 2023 | 2022 |
|---|---|---|
| Research and Development | - | 14 |
| Sales and Marketing | - | 31 |
| Consulting and Support | - | 56 |
| General and Administrative | - | 23 |
| **Total[1]** | **-** | **123** |

[1] Of which nil are employed abroad (2022: 58)

## Other operating expenses

**Details of other operating expenses**

(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| Professional Service | 280 | 357 |
| Communications Expenses | (10) | 1 |
| Marketing Expenses | 2 | 65 |
| Travel | 9 | 3 |
| General & Administration | (6) | 34 |
| **Total** | **275** | **461** |

## Auditor's remuneration

Included in the expenses for professional services are the fees charged by the Company's external independent auditor - PricewaterhouseCoopers Accountants N.V. These are detailed in the table below and represent the amounts expensed by the Company for the periods presented.

**Details of auditor's remuneration**

(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| Audit of the financial statements | 220 | 218 |
| Other audit services | - | - |
| Tax advisory services | - | - |
| Other non-audit services | - | - |
| **Total** | **220** | **218** |

## 17 Financial income and expenses

**Details of financial income and expenses**

(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| Interest income | - | 7 |
| Interest expense | (2) | (14) |
| Exchange rate gain/loss | 9 | 212 |
| **Total** | **7** | **198** |

Exchange rate gains and losses include realized and unrealized gains and losses. They are classified as financial income in the statement of comprehensive income for both years presented.

In 2023, the exchange rate gains and losses include a gain of € 13k related to the sale of group companies and a gain of € 3k related to the liquidation of TIE Ascention GmbH. These gains represent reclassification adjustments from the currency translation reserve to the income statement. In this respect, reference is also made to the note Equity, starting on page 75.

## 18 Corporate income tax

**Corporate income tax charge**

(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| Current tax expense/(benefit) | - | - |
| Deferred tax expense/(benefit) | - | (798) |
| **Total corporate income tax expense/(benefit) attributable to continuing operations** | **-** | **(798)** |
| | | |
| Corporate income tax relating to ordinary activities of discontinued operations | 3 | (523) |
| Corporate income tax relating to gain on discontinuance | - | - |
| **Total corporate income tax expense/(benefit) attributable to discontinued operations** | **3** | **(523)** |
| | | |
| **Total corporate income tax expense/(benefit)** | **3** | **(1,321)** |

The amount of income tax relating to the exchange differences on translation of foreign operations recognized in other comprehensive income amounts to nil (2022: nil).

### Effective tax reconciliation

The Company is domiciled in the Netherlands and its subsidiaries operate predominantly in the Netherlands, Germany, France and North America. As a basis for the effective tax reconciliation, management has applied the applicable tax rates in the Netherlands to the Company's result before tax. Such rates are 25,8%, or 15% for profits up to € 395k (2022: 25% and 15% for profits up to € 245k).

**Reconciliation between applicable and effective income tax**

(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| Result from continuing operations before income tax expense | (5,336) | (269) |
| Result from discontinued operations before income tax expense | 60,963 | (2,726) |
| **Result before income tax expense** | **55,627** | **(2,995)** |
| | | |
| **Tax expense/(benefit) at the Company's statutory tax rate** | **14,309** | **(773)** |
| Effect of foreign tax rates | 32 | 82 |
| Non-taxable income | (15,919) | - |
| Non-deductible expenses | - | 5 |
| Recognition of previously unrecognized tax losses and deductible temporary differences as deferred tax asset | - | (845) |
| Tax losses and deductible temporary differences not recognized | 1,577 | 389 |
| Impact of other taxes classified as income taxes | - | (40) |
| Prior period tax adjustments | - | (134) |
| Other | 3 | (5) |
| **Corporate income tax expense/(benefit)** | **3** | **(1,321)** |

The non-taxable income in 2023 relates to the gain on the sale of the Company's business operations. Reference is made to the note Divestment of the Company's operations, starting on page 66.

## 19 Earnings per share

### Basic earnings per share

The following table details the calculation of basic earnings per share.

**Basic earnings per share**

| | 2023 | 2022 |
|---|---|---|
| Net income/(loss) from continuing operations (€ * 1,000) | (5,336) | 529 |
| Net income/(loss) from discontinued operations (€ * 1,000) | 60,960 | (2,203) |
| Net income/(loss) (€ * 1,000) | 55,624 | (1,674) |
| | | |
| Weighted average number of shares outstanding (thousands) | 1,979 | 1,829 |
| | | |
| Basic earnings/(loss) per share from continuing operations (€) | (2.70) | 0.29 |
| Basic earnings/(loss) per share from discontinued operations (€) | 30.80 | (1.20) |
| **Basic earnings/(loss) per share - total (€ x 1)** | **28.11** | **(0.92)** |

### Diluted earnings per share

Diluted earnings per share take into effect the dilutive effect of warrants upon exercise. There are no other instruments with dilutive effects. The following table details the calculation of diluted earnings per share.

**Diluted earnings per share**

| | 2023 | 2022 |
|---|---|---|
| Net income/(loss) from continuing operations (€ * 1,000) | (5,336) | 529 |
| Net income/(loss) from discontinued operations (€ * 1,000) | 60,960 | (2,203) |
| Net income/(loss) (€ * 1,000) | 55,624 | (1,674) |
| | | |
| Weighted average number of shares outstanding (thousands) | 1,979 | 1,829 |
| Dilutive effect of warrants (thousands) | - | 42 |
| Weighted average number of shares outstanding (thousands) - fully diluted | 1,979 | 1,871 |
| | | |
| Diluted earnings/(loss) per share from continuing operations (€) | (2.70) | 0.28 |
| Diluted earnings/(loss) per share from discontinued operations (€) | 30.80 | (1.18) |
| **Diluted earnings/(loss) per share - total (€ x 1)** | **28.11** | **(0.89)** |

## 20 Related party disclosures

### Key Management remuneration

Key management consists of the members of the Executive Board.

Remuneration and expenses of the CEO are paid to his personal management B.V., CAPTA Management B.V. and his pension B.V., Bred Import B.V.. Remuneration and expenses of the CFO are paid to his personal management B.V., CouCou Compagnie B.V.

Titan N.V. group has remunerated the members of the Executive Board with the Base Management Fee until September 13, 2023, amounting to € 278k (CEO) and € 250k (CFO), respectively (2022: € 303k and € 273k, respectively), totaling € 528k (2022: € 576k). The Company has not incurred any expenses for a Short Term Incentive (2022: € 152k [CEO] and € 136k [CFO], totaling € 288k). Upon the sale of the business as per September 13, 2023 the Executive Board has been awarded a special compensation of € 2.577k (CEO) and € 2.319k (CFO) following sounding and concurrence of Titan's major shareholders. This special compensation, comparable to a broker fee, is a recognition for the efforts of the Executive Board covering many years to find a suitable strategic partner for the company. Titan N.V. has not incurred any (other) broker fees or intermediary fees for the sale to SPS Commerce Inc. The Company has incurred company car expenses amounting to € 14k (CEO) and € 14k (CFO), respectively (2022: € 14k and € 14k, respectively), totaling € 28k (2022: € 28k). Total short term benefits therefore amount to € 2,869k (CEO) and € 2,583 (CFO), respectively (2022: € 469k and € 423k, respectively), totaling € 5.452k (2022: € 892k). In addition, the Company incurred a share-based payment expense in 2023 relating to performance in 2022 of € 68k (CEO) and € 61k (CFO), respectively (2022: nil), totaling € 129k (2022: nil). Total remuneration in 2023 therefore amounts to € 2,937k (CEO) and € 2,644k (CFO), respectively (2022: € 469k and € 423k, respectively), totaling € 5,581k (2022: € 892k).

### Supervisory Board remuneration

The General Meeting of Shareholders sets the remuneration of the members of the Supervisory Board. Members of the Supervisory Board are entitled to a fixed remuneration as well as a reimbursement for travel expenses incurred.

**Supervisory Board remuneration**
(€ x 1,000)

| | Position | Remuneration 2023 | Remuneration 2022 |
|---|---|---|---|
| Georg Werger | Chairman | 20 | 20 |
| Gerdy Harteveld-Smeets | Member | 10 | 10 |
| Per Nordling | Member | 10 | 10 |
| **Total fixed remuneration** | | **40** | **40** |
| Travel expenses reimbursed | | 9 | 3 |
| **Total remuneration** | | **49** | **43** |

### Composition of the Group

The consolidated financial statements include the financial information of Titan N.V., located in Breukelen, the Netherlands, and its direct and indirect former subsidiaries as included in the following table. All subsidiaries were sold in 2023, as disclosed in the note Divestment of the Company's operations, starting on page 66.

**Group companies**

| Name | Statutory Seat | 30 September 2023 | 30 September 2022 |
|---|---|---|---|
| TIE Nederland B.V. | Amsterdam (Schiphol-Rijk), The Netherlands | 0% | 100% |
| TIE Product Development B.V. | Hoofddorp, The Netherlands | 0% | 100% |
| TIE MamboFive B.V. | Utrecht, The Netherlands | 0% | 100% |
| TIE Kinetix Europe B.V. | Amsterdam, The Netherlands | 0% | 100% |
| TIE Kinetix Holding B.V. | Hoofddorp, The Netherlands | 0% | 100% |
| Pingli B.V. | Hoofddorp, The Netherlands | 0% | 100% |
| TIE Commerce Inc. | Burlington, MA, USA | 0% | 100% |
| TIE Kinetix S.A.S. | Montpellier, France | 0% | 100% |
| TIE Kinetix DACH GmbH | München, Germany | 0% | 100% |
| Performance Analytics GmbH | München, Germany | 0% | 100% |
| TIE Ascention GmbH | St. Gallen, Switzerland | 0% | 100% |
| TIE Kinetix Ltd | Marlow, United Kingdom | 0% | 100% |

## 21 Commitments and contingent liabilities

As at 30 September 2023, there are no commitments and contingent liabilities requiring disclosure (30 September 2022: For the lease of the office in Breukelen, the Netherlands the Group issued a bank guarantee of € 72k, and for the lease of storage space in Germany a bank guarantee of € 40k).

## 22 Subsequent events

There have been no subsequent events requiring disclosure.

# Company Financial Statements

# Company Balance Sheet

***Before appropriation of result***

(€ x 1,000)

| | Notes | 30 September 2023 | | 30 September 2022 | |
|---|---|---|---|---|---|
| **Non-Current Assets** | | | | | |
| Financial Fixed Assets | A | - | | 3,974 | |
| **Total Non-Current Assets** | | | **-** | | **3,974** |
| | | | | | |
| **Current Assets** | | | | | |
| Receivables and Prepayments | B | 4,091 | | 59 | |
| Cash and Cash Equivalents | | 520 | | 8,018 | |
| **Total Current Assets** | | | **4,611** | | **8,078** |
| | | | | | |
| **Total Assets** | | | **4,611** | | **12,052** |
| | | | | | |
| **Shareholders' Equity** | C | | | | |
| Share Capital | | 205 | | 194 | |
| Share Premium | | 3,877 | | 60,033 | |
| Foreign Currency Translation Reserve | | - | | 83 | |
| Other Legal Reserves | | - | | 2,514 | |
| Retained Earnings | | (55,655) | | (50,280) | |
| Result for the Year | | 55,624 | | (1,674) | |
| **Total Equity** | | | **4,050** | | **10,869** |
| | | | | | |
| **Current Liabilities** | D | | **561** | | **1,183** |
| | | | | | |
| **Total Equity and Liabilities** | | | **4,611** | | **12,052** |

# Company Income Statement



(€ x 1,000)

| | Notes | | 2023 | | 2022 |
|---|---|---|---|---|---|
| **Operating expenses** | | | | | |
| Employee Benefits | E | (5,068) | | (6) | |
| Other Operating Expenses | F | (275) | | (461) | |
| **Total Operating Expenses** | | | **(5,343)** | | **(466)** |
| | | | | | |
| **Operating Income/(loss)** | | | **(5,343)** | | **(466)** |
| | | | | | |
| Interest and Other Financial Income | | | 9 | | 212 |
| Interest and Other Financial Expense | | | (2) | | (14) |
| **Income/(loss) before Tax** | | | **(5,336)** | | **(269)** |
| | | | | | |
| Corporate Income Tax | G | | - | | 798 |
| Share in Result of Subsidiaries | A | | (740) | | (2,203) |
| Gain on Sale of Subsidiaries | A | | 61,700 | | - |
| | | | | | |
| **Net Income/(loss)** | | | **55,624** | | **(1,674)** |

# Notes to the Company Financial Statements



## Corporate Information

The Company financial statements for the year ended 30 September 2023, are authorized for issue through a resolution of the Executive Board dated December 22, 2023. The General Meeting of Shareholders, to be held on March 29, 2024, will be requested to adopt the Company financial statements.

## Basis of Preparation

These financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands, as embodied in Title 9 of Book 2 of the Dutch Civil Code and the firm pronouncements of the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board (DASB). The Company uses the option based on article 2:362 subsection 8 of the Dutch Civil Code to apply the principles applied in the consolidated financial statements to the recognition and measurement of assets and liabilities and determination of the result. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In addition, the Company applies the accounting policies below.

### Investments in subsidiaries and results from subsidiaries

The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognised from the date on which control is transferred to the company or its intermediate holding entities. They are derecognised from the date that control ceases.

Investments in subsidiaries are accounted for at net asset value determined in accordance with the accounting principles as applied in the consolidated financial statements. Under the net asset value method, the gain or loss of a subsidiary is recognized in the income statement under the 'Share in result of subsidiaries' and debited or credited to the investment's carrying value in the balance sheet. The carrying value of the investment is reduced by any dividends received from the investment. When a subsidiary is loss making and the recognition of such losses reduces the carrying value of the investment to zero, further losses are attributed to any receivables on the investee that form part of the net investment in the subsidiary.

Foreign currency translation differences on investments in subsidiaries with a different functional currency than the euro, the Company's functional and presentation currency in these financial statements, are recognized directly in equity in the foreign currency translation reserve. This also applies to any currency translation differences on receivables and payables that form part of the net investment in the subsidiary and are denominated in a currency other than the euro.

### Expected credit losses on intercompany receivables

Expected credit losses are recognized on all financial assets in line with the accounting policy on impairment of financial assets as included in the consolidated financial statements. This includes any intercompany receivables. In line with the exemption provided by the DASB, however, such expected credit losses on intercompany receivables are eliminated in these financial statements. The elimination takes place against the carrying value of the intercompany receivables themselves.

### Provision for subsidiaries

Where the carrying value of the net investment in a subsidiary has been reduced to zero, further losses are not recognized, unless the Company is liable for the subsidiary under a legal or constructive obligation arising from a past event, it is probable than an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## A Financial fixed assets

The movements in financial fixed assets are disclosed in the movement schedule below. The currency translation differences represent the share in the other comprehensive income of investments in subsidiaries.

**Movement schedule of financial fixed assets**

(€ x 1,000)

| | Investments in subsidiaries | Receivables from subsidiaries | Deferred tax asset | Total |
|---|---|---|---|---|
| **Opening balance as at October 1, 2021** | **6,051** | **-** | **408** | **6,459** |
| **Movements 2022** | | | | |
| Share in result of subsidiaries | (2,203) | - | - | (2,203) |
| Less: Release from provision for subsidiaries | (2,037) | - | - | (2,037) |
| Currency translation differences | 231 | - | - | 231 |
| Movements in intercompany funding | - | 727 | - | 727 |
| Recognition of deferred tax asset | - | - | 798 | 798 |
| **Balance as at September 30, 2022** | **2,042** | **727** | **1,205** | **3,974** |
| **Movements 2023** | | | | |
| Share in result of subsidiaries | (740) | - | - | (740) |
| Currency translation differences | (104) | - | - | (104) |
| Movements in intercompany funding | - | 3,520 | - | 3,520 |
| Capital contribution | 4,247 | (4,247) | - | - |
| Divestment | (5,445) | - | (1,205) | (6,650) |
| **Balance as at September 30, 2023** | **-** | **-** | **-** | **-** |

### Investments in subsidiaries

The Company held an investment in TIE Kinetix Holding B.V. On 13 September 2023, this subsidiary was divested as part of the sale of the Group's business operations. The Company realized a gain on this divestment of € 61.7 million. For further details on this transaction, reference is made to the note Divestment of the Company's operations, starting on page 66 in the consolidated financial statements. In preparing for the sale, € 4.2 million of outstanding receivables from the subsidiary were converted into equity through a capital contribution.

### Deferred tax asset

As at 30 September 2022, the deferred tax asset related to tax losses carried forward attributable to the Company as former head of the fiscal unity. See also the note Corporate income tax, starting on page 97.

As at 30 September 2023, no unused tax losses carried forward remain as the Company is no longer part of the Dutch fiscal unity for income tax purposes and such tax losses carried forward have remained with the fiscal unity. As such, the derecognition of the corresponding deferred tax asset was included in the calculation of the gain on the sale of the Group's business operations. Reference is made to the note Divestment of the Company's operations, starting on page 66 in the consolidated financial statements.

## B Receivables and prepayments

**Details of receivables and prepayments**

(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Intercompany receivable | - | 25 |
| Taxation and social security | 1,066 | 18 |
| Other current assets | 3,000 | - |
| Other receivables and prepayments | 25 | 16 |
| **Total** | **4,091** | **59** |

Taxation and social security relates to recoverable VAT.

The other current assets as at 30 September 2023 pertain to the consideration receivable from the sale of the Group's business operations. Reference is made to the note Divestment of the Company's operations, starting on page 66 in the consolidated financial statements.

## C Shareholders' equity

The Company's authorized share capital amounts to € 500k, consisting of 5 million ordinary shares with a nominal value of € 0.10 each. Details on shares issued and interim dividend payments made during the year can be found in the note Equity, starting on page 75 in the consolidated financial statements.

**Movement schedule of shareholders' equity**
(€ x 1,000)

| | Share Capital | Share Premium | Foreign Currency Translation Reserve | Other Legal Reserves | Retained Earnings | Result for the year | Total Equity |
|---|---|---|---|---|---|---|---|
| **Balance as at October 1, 2021** | **168** | **58,462** | **27** | **2,603** | **(50,666)** | **632** | **11,225** |
| Appropriation of prior year result | - | - | - | - | 632 | (632) | - |
| Shares issued | 23 | 1,577 | - | - | - | - | 1,600 |
| Currency translation differences | - | - | 56 | - | - | - | 56 |
| Transfers to (from) legal reserve | - | - | - | (89) | 89 | - | - |
| Dividend paid | 3 | (6) | - | - | (335) | - | (338) |
| Result for the year | - | - | - | - | - | (1,674) | (1,674) |
| **Balance as at September 30, 2022** | **194** | **60,033** | **83** | **2,514** | **(50,280)** | **(1,674)** | **10,869** |
| Appropriation of prior year result | - | - | - | - | (1,674) | 1,674 | - |
| Shares issued | 7 | 460 | - | - | - | - | 467 |
| Currency translation differences | - | - | (83) | - | - | - | (83) |
| Transfers to (from) legal reserve | - | - | - | (2,514) | 2,514 | - | - |
| Share-based payment expense | 1 | 128 | - | - | - | - | 129 |
| Dividend paid | 3 | (56,744) | - | - | (6,215) | - | (62,956) |
| Result for the year | - | - | - | - | - | 55,624 | 55,624 |
| **Balance as at September 30, 2023** | **205** | **3,877** | **-** | **-** | **(55,655)** | **55,624** | **4,050** |

### Share capital and share premium

The share capital and share premium are fiscally considered to be fully paid up as at 30 September 2023 and 30 September 2022.

### Legal reserves

The legal reserves consist of:

» Foreign currency translation reserve: This represents the cumulative foreign currency exchange differences from the translation of the financial statements of the foreign subsidiaries as at 30 September 2022.
» Other legal reserves: This pertains to a reserve for subsidiaries as at 30 September 2022. The equity of TIE Kinetix Holding B.V. was not fully distributable due to a legal reserve for capitalized software development costs at the level of TIE Product Development B.V.

In 2023, the movement in the foreign currency translation reserve includes a reclassification adjustment that is recognized in Interest and Other Financial Income in the Company's income statement. For details refer to the note on Financial income and expenses, starting on page 85 of the consolidated financial statements.

### Appropriation of result

According to Article 26 of the Company's articles of association, the annual meeting of shareholders determines the appropriation of the Company's net result for the year. The Executive Board proposes that the net income of € 55,624k will be added to the retained earnings in shareholders' equity.

## D Current liabilities

**Details of current liabilities**
(€ x 1,000)

| | 30 September 2023 | 30 September 2022 |
|---|---|---|
| Trade creditors | 131 | 106 |
| Intercompany payables | - | 951 |
| Taxation and social security contributions | 363 | - |
| Other accruals and payables | 68 | 125 |
| **Total** | **561** | **1,183** |

## E Employee benefits

The Company has no employees per 30 September 2023 (30 September 2022: nil).

The disclosure of directors' remuneration is included in the consolidated financial statements (refer to the note Related party disclosures, starting on page 88), as key management consists of the Company's statutory directors only.

## F Other operating expenses

**Details of other operating expenses**
(€ x 1,000)

| | 2023 | 2022 |
|---|---|---|
| General & administrative | (6) | 34 |
| Marketing expenses | 2 | 65 |
| Professional service | 280 | 357 |
| Communications expenses | (10) | 1 |
| Other | 9 | 3 |
| **Total** | **275** | **461** |

## G Corporate income tax

Given the available tax losses carried forward, and the fact that the gain on the sale of the Company's business operation is non-taxable, there is no current tax charge or current tax payable. In 2022, the corporate income tax benefit for the year regarded fully to the recognition of a deferred tax asset (see the note Financial fixed assets, starting on page 94) for tax losses carried forward. Reference is made also to the note Corporate income tax, starting on page 85 of the consolidated financial statements.

As at 30 September 2022, the total of tax losses carried forward of the Dutch fiscal unity amounted to € 10,326k, of which € 3,941k had been recognized as a deferred tax asset (which amounted to € 1,205k) and € 6,385k had not been recognized as a deferred tax asset.

As at 30 September 2023, no unused tax losses carried forward remain as the Company is no longer part of the Dutch fiscal unity for income tax purposes and the tax losses carried forward have remained with the fiscal unity. As such, the derecognition of the corresponding deferred tax asset was included in the calculation of the gain on the sale of the Group's business operations. Reference is made to the note Divestment of the Company's operations, starting on page 66 in the consolidated financial statements.

## H Commitments and contingent liabilities

### Fiscal unity

As at 30 September 2022, all Dutch subsidiaries of Titan N.V. and the Company previously formed a fiscal unit and are jointly and severally liable for all tax liabilities originating within the tax unit.

Income taxes were settled between members of the fiscal unity based on the taxable result of the members, taking into account the allocation of benefits of the fiscal unity to each of its members. Tax losses carried forward were accounted for at the level of Titan N.V. as head of the fiscal unity. Other deferred tax positions were accounted for at the level of the members of the fiscal unity.

As at 30 September 2023, Titan N.V. was no longer part of the fiscal unity. Refer to the note Corporate income tax, starting on page 97.

### Other

In respect of Dutch subsidiaries, the Company had previously issued written declarations of liability as referred to in Art. 403, Title 9 Book 2 of the Dutch Civil Code. As a consequence, it was a legal requirement to produce but not file the annual report of these companies in conformity with the article of the law mentioned.

These liability declarations pertained to the following group companies:

- TIE Product Development B.V.
- TIE MamboFive B.V.
- TIE Nederland B.V.
- TIE Kinetix Holding B.V. (formerly named Gordian Investments B.V.)
- TIE Kinetix Europe B.V.
- Pingli B.V.

As a result of the sale of the Group's business operations, the liability declarations were revoked prior to 30 September 2023.

## I Signatures

Breukelen, December 22, 2023

| J.B. Sundelin<br>CEO, TIE Kinetix N.V. | M. Wolfswinkel<br>CFO, TIE Kinetix N.V. |
|---|---|

# Other Information

# Appropriation of Net Result



Article 26 of the Articles of Association reads as follows:

1. The General meeting of shareholders determines the appropriation of the Company's net results.
2. The Company can only make payments in as much as its shareholders' equity is greater than the paid-up and called-up part of the issued capital, plus the reserves, which must be maintained by law.
3. Payment of profits shall not take place until after adoption of the annual accounts, showing that this is authorized.
4. Shares or depositary receipts on shares held by the Company and shares or depositary receipts on shares which the Company holds in usufruct shall not be taken into account in the calculation of the profit distribution.
5. The General Meeting can only decide to make interim payments at the proposal of the Supervisory Board. A decision to pay an interim dividend from the profits in the current financial year can be taken by the Executive Board only with the prior approval of the Supervisory Board. Payments as referred to in this paragraph may only be made if the provision of par. 2 of this article has been met.
6. The General Meeting can decide that dividends shall be paid fully or partially in the form of shares in the Company's capital.
7. Unless the General Meeting sets a different term, dividends are paid within fourteen days of being set. Claims for payments in cash shall lapse, in as much as these payments have not been collected within five years and one day of the date on which they became payable.
8. A deficit may only be offset against the reserves prescribed by law, if and to the extent permitted by law.

To: the general meeting and the supervisory board of TIE Kinetix N.V.

## Report on the financial statements 2022/2023

### Our opinion

In our opinion:

» the consolidated financial statements of Titan N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 30 September 2023 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
» the company financial statements of Titan N.V. ('the Company') give a true and fair view of the financial position of the Company as at 30 September 2023 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

**What we have audited**

We have audited the accompanying financial statements 2022/2023 of Titan N.V., Breukelen. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

» the consolidated statement of financial position as at 30 September 2023;
» the following statements for 2022/2023: the consolidated statements of comprehensive income, changes consolidated statement of changes in equity and consolidated statement cash flows; and
» the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

» the company balance sheet as at 30 September 2023;
» the company income statement for the year then ended; and
» the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

### The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

**Independence**

We are independent of Titan N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

## Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

**Overview and context**

On 13 September 2023, Titan N.V. has sold TIE Kinetix B.V. and its subsidiaries, to SPS Commerce Inc. After this transaction, Titan N.V. has no operational activities and no subsidiaries. The financial year 2022/2023 was defined by the disposal. This had an impact on how we determined materiality, the extent of our group audit, and the audit procedures outlined in the sections 'Materiality', 'The scope of our audit', and 'Key audit matters'.

The transfer of all activities and operations to SPS International had a significant impact on the financial year 2022/2023. On 13 September 2023, the results for the year of TIE Kinetix Holding B.V. and its subsidiaries were categorized as 'discontinued operations'. The consolidated financial statements as of 30 September 2023, only include one entity, which is Titan N.V. Due to the judgments involved and the higher risks of potential errors, the accounting of the sale of TIE Kinetix Holding B.V. and its subsidiaries were considered a key audit matter.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the executive board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In paragraph 'Significant accounting estimates and Judgments' in the notes to the consolidated financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. As at 30 September 2023, no significant accounting, judgements and assumptions remain since the Company has disposed all of its business operations.

Due to the classification as discontinued operations, the capitalization of software development costs and revenue recognition are not considered key audit matters in 2022/2023. However, the disclosure note on segment reporting is considered an area of focus.

The Company assessed the possible effects of climate change on its financial position (refer to paragraph 'Climate change risk' on page 36 of the executive board report). We discussed the assessment and governance thereof with the executive board and evaluated the potential impact on the financial position including underlying assumptions and estimates. The expected effects of climate change are not considered a key audit matter and do not impact our other key audit matters.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a Software-as-a-Service company. We included experts and specialists in the areas of amongst others IT and executive remuneration in our team.

The outline of our audit approach was as follows:


***Materiality***

» Overall materiality: €2,780,900

***Audit scope***

» The group audit team performed all audit work centrally, since the accounting for the Group's activities takes place at the headquarters in Breukelen, the Netherlands.
» Our audit scope coverage: 100% of consolidated total assets, 100% of net income from continuing operations and 100% of net income from discontinuing operations.
» We paid particular attention to the disposal of TIE Kinetix B.V. and its subsidiaries.

***Key audit matters***

» Accounting of the sale of TIE Kinetix Holding B.V. and its subsidiaries.

## Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

| | |
|---|---|
| ***Overall group materiality*** | €2,780,900 (2021/2022: €260,000). |
| ***Basis for determining materiality*** | We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 5% of net income. |
| ***Rationale for benchmark applied*** | We used net income as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that net income is the most relevant metric for the financial performance of the Company considering the sale of TIE Kinetix Holding B.V. and its subsidiaries, being classified and presented as discontinued operations. Furthermore, there are no activities left as part of the continued operations that generate revenues, therefore we have changed the revenues benchmark from previous year. |

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €139,000 (2021/2022: €13,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### The scope of our group audit

We tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate.

Titan N.V. was the parent company of a group of entities until 13 September 2023. This group of entities was part of the similar internal control environment and had a centralized management structure. Even though the Group had its own sales organisations in the United States, France and Germany, accounting for the Group's activities takes place at the headquarters in Breukelen, the Netherlands. Therefore, we were able to perform all audit work for the Group at that location. The financial information of this group is included in the consolidated financial statements of Titan N.V.

On 13 September 2023, Titan N.V. has transferred 100% of the shares in the capital of TIE Kinetix Holding B.V. and all of its subsidiaries to SPS International Inc. As of this date, results for the year of TIE Kinetix Holding B.V. and its subsidiaries, were classified as 'discontinued operations'. The consolidated financial statements per 30 September 2023 consist of one entity, being Titan N.V.

Our audit procedures were tailored to reflect the changes to the Group. Our audit scope coverage: 100% of consolidated total assets, 100% of net income from continuing operations and 100% of net income from discontinuing operations.

This scope and coverage enabled us to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

### Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Titan N.V. and its environment and the components of the internal control system. This included executive board's risk assessment process, executive board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section 'Our response to the risk of fraud or bribery' on page 35 of the executive board report for executive board's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistleblower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the executive board, employees in IT and finance and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

| Identified fraud risks | Our audit work and observations |
|---|---|
| ***Risk of management override of controls***<br><br>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in:<br>» The appropriateness of journal entries and other adjustments made in the preparation.<br>» Estimates.<br>» Significant transactions, if any, outside the normal course of business for the entity. | We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries and making estimates.<br><br>We performed our audit procedures fully substantive based.<br><br>We selected non-routine transaction in the financial administration and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. Furthermore, we performed testing of manual journal entries outside the financial administration that have been made by the executive board as part of the preparation of the financial statements.<br><br>We also performed scanning analytics on all payments that have been made during the year to verify if there were any payments that we would not expect.<br><br>We specifically paid attention to the inherent risk of bias of management in estimates.<br><br>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls. |
| ***Risk of unauthorized payments due to lack of segregation of duties within bank applications***<br><br>Within the payment process we identified that some employees could initiate and authorize payments up to a certain amount without a second review by another employee.<br><br>Due to this finding, there is a risk of improper outgoing payments. | We identified this risk during our evaluation of the design and implementation of relevant controls.<br><br>We performed our audit procedures primarily substantively.<br><br>We analysed outgoing payments to identify payments to bank accounts of the employees that have single authorization rights. For all payments identified we tested the business rationale for these transactions. We performed these procedures on the bank accounts that are in possession of Titan N.V. per 30 September 2023.<br><br>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to improper payments. |

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

**Audit approach going concern**

As disclosed in section *'General'* in the notes to the consolidated financial statements, the executive board prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements. Our procedures to evaluate executive board's going concern assessment included, amongst others:

» considering whether executive board identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks);
» considering whether executive board's going concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with executive board regarding executive board's most important assumptions underlying its going concern assessment. In addition to other factors, we considered the Company's liquidity position, the transfer of the main VAT receivable after the balance sheet date, and the credit risk associated with the current receivables regarding the funds held in escrow for the divestment of the Company's business operations;
» evaluating executive board's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we were aware as a result of our audit;

» performing inquiries of executive board as to its knowledge of going concern risks beyond the period of executive board's assessment.

Based on our procedures performed, we concluded that executive board's use of the going concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

**Key audit matters**
Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

For the current year audit, we have revised our key audit matters from the previous year. Instead of focusing on 'Revenue recognition' and 'Capitalization of software development costs', our key audit matters now center around the 'Accounting of the sale of TIE Kinetix Holding B.V. and its subsidiaries'. This change is due to the sale of TIE Kinetix Holding B.V. and its subsidiaries, and the fact that there are no remaining activities generating revenues as part of the continued operations and divestment of the software development costs.

| ***Key audit matter*** | ***Our audit work and observations*** |
| --- | --- |
| ***Accounting of the sale of TIE Kinetix Holding B.V. and its subsidiaries***<br>***Refer to page 53 and note 1 to the consolidated financial statements***<br>On 13 September 2023, Titan N.V. – formerly TIE Kinetix N.V. – has transferred 100% of the shares in the capital of TIE Kinetix Holding B.V. and all of its subsidiaries to SPS International Inc. for a total consideration of €68,350,000. As of this date, TIE Kinetix Holding B.V. and its subsidiaries were classified as "discontinued operations", where results for the year are presented as a single consolidated statement of comprehensive income line item 'Net Income/(Loss) from Discontinued Operations', as required by IFRS 5, Non-current assets held for sale and discontinued operations.<br><br>The gain on the sale and management's application of IFRS 5 is significant to our audit because of the magnitude of the transaction, the assessment of when the sales transaction qualifies for recognition as 'discontinued operations', the non-routine element in the subsequent presentation and the judgment required for including required and voluntary disclosures for a proper understanding of the current and future impact of this transaction on the consolidated statements of financial position and comprehensive income. | Our audit procedures included, amongst others, reviewing the share purchase agreement to assess the transaction details to identify potential provisions that may affect the sales price such as so-called 'claw back' provisions, any guarantees provided by Titan N.V. and any other obligations and risks for Titan N.V. that could have an impact on the financial statements.<br><br>We have evaluated management's conclusions on the date of classifying TIE Kinetix Holding B.V. and its subsidiaries as 'discontinued operations'.<br><br>We assessed whether the results of the subsidiaries sold until the date of transfer of the shares is appropriately determined. We assessed whether the gain on the sale has been appropriately determined as well as the accounting has been accurate and complete and presented appropriately in the consolidated financial statements in accordance with the provisions in the agreement.<br><br>We also reconciled required and voluntary disclosures to underlying audit evidence and verified whether the full-year net profits of TIE Kinetix Holding in 2022/2023 and 2021/2022 were accurately presented as a single financial statements line item 'Net Income/(Loss) from Discontinued Operations' in the consolidated statement of comprehensive income.<br><br>We considered the overall presentation in the consolidated financial statements, as well as the required disclosures of IFRS 5 in note 1 'Divestment of the Company's operations' to be adequate. |

## Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The executive board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements and ESEF

### Our appointment

We were appointed as auditors of Titan N.V. by the passing of a resolution of the shareholders at the annual general meeting held on 25 March 2022. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 2 years.

### European Single Electronic Format (ESEF)

Titan N.V. has prepared the annual report, including the financial statements, in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the consolidated financial statements prepared in XHTML format, including the (partially) marked-up consolidated financial statements, as included in the reporting package by Titan N.V., complies in all material respects with the RTS on ESEF.

The executive board is responsible for preparing the consolidated financial statements, including the financial statements in accordance with the RTS on ESEF, whereby the executive board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the consolidated financial statements in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the consolidated financial statements does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the

technical specifications as included in the RTS on ESEF;
» examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

### No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

### Services rendered

We have not provided services to the Company or its controlled entities in addition to the audit, for the period to which our statutory audit relates.

## Responsibilities for the financial statements and the audit

### Responsibilities of the executive board and the supervisory board for the financial statements

The executive board is responsible for:

» the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
» such internal control as the executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going-concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The executive board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Utrecht, 22 December 2023

PricewaterhouseCoopers Accountants N.V.

W.F.J. Vermeulen RA

## Appendix to our auditor’s report on the financial statements 2022/2023 of TIE Kinetix N.V.

In addition to what is included in our auditor’s report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### The auditor’s responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

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

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Use of Alternative Performance Measures



In this report alternative performance measures (APMs) are presented, which are defined below. Management believes these provide useful information to assess the company's performance and financial position both when comparing reporting periods and when comparing to a peer group. No separate reconciliations are provided for these APMs as the inputs may be directly derived from their definitions, the face of the consolidated financial statements, combined with other information provided, or the reconciliations are presented together with such APMs.

**Alternative performance measures disclosed in this report**

| APM | Definition |
|---|---|
| Adjusted revenues | Revenues adjusted to improve comparability of results. This excludes revenues from the TCMA business line that was sold in FY20 |
| Cash and cash equivalents per share | Cash and cash equivalents per balance sheet divided by number of outstanding shares at the balance sheet date |
| Current ratio | Current assets divided by current liabilities |
| EBIT | Earnings Before Interest and Taxes, calculated as Operating Income/(Loss) per the Statement of Comprehensive Income |
| EBITDA | Earnings Before Interest, Taxes, Depreciation and Amortization, calculated as Operating Income/(Loss) per the Statement of Comprehensive Income, adding back Depreciation, Amortization and Impairment losses |
| EBITDA Margin | EBITDA expressed as a percentage of total revenues |
| Equity ratio | Equity divided by total assets |
| ISP | Intake Signed Proposals: Includes the gross sales value of all signed contracts in a period. Also referred to as "Order intake" |
| Net asset value per share | Group equity per balance sheet divided by number of outstanding shares at the balance sheet date |
| Price/earnings ratio | Closing share price divided by basic earnings per share |
| Subscription-based revenues | Sum of SaaS revenues and Maintenance and Support revenues |
| Working capital | Current assets including cash and cash equivalents, less current liabilities |

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