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Oggetto : MailUp Group announces binding agreement for the purchase of 100% of Dutch-based Datatrics

Testo del comunicato

Milan, September 19, 2018 - MailUp S.p.A. (the “Company” or the “Issuer” or “MailUp”), a company admitted to trading on the multilateral trading facility AIM Italia / Alternative Investment Market and operating in the marketing technology field, has announced today the signing of a binding agreement for the acquisition of 100% of the share capital of Datatrics B.V. (“Datatrics” or the “Target”), a Dutch company founded in 2012 that developed a state-of-the-art predictive marketing platform, able to grow globally and focused on making data-science accessible to marketers (the “Acquisition” or the “Transaction”).



PRICE SENSITIVE

MailUp Group announces binding agreement for the purchase of 100% of Dutch-based Datatrics, thus entering the Artificial Intelligence space

Milan, September 19, 2018 - MailUp S.p.A. (the “**Company**” or the “**Issuer**” or “**MailUp**”), a company admitted to trading on the multilateral trading facility AIM Italia / Alternative Investment Market and operating in the marketing technology field, has announced today the signing of a binding agreement for the acquisition of 100% of the share capital of Datatrics B.V. (“**Datatrics**” or the “**Target**”), a Dutch company founded in 2012 that developed a state-of-the-art predictive marketing platform, able to grow globally and focused on making data-science accessible to marketers (the “**Acquisition**” or the “**Transaction**”).

Datatrics’ proprietary technology enables marketing teams to build customer experiences based on artificial intelligence-managed data, resulting in better quality customer engagement, higher conversion rates and upgraded loyalty, via a data management platform with a self-learning algorithm.

The above-mentioned technology allows marketing teams to directly exploit data with no necessity to involve IT departments or data analysts for complex integrations. The use of Artificial Intelligence (“**AI**”) allows the combination of data from multiple sources, both Clients’ internal sources (CRM, email, social network, ecommerce, web analytics and more) and external features (demographics, weather, traffic and more) using an open Customer Data Platform approach. Marketers thus gain detailed, comprehensive and unified customer profiles in view of an efficient and effective use of tools and channels.

Datatrics was founded in 2012 by Mr. Bas Nieland, current Chief Executive Officer, and subsequently financed by Go Holding B.V., a Dutch incorporated investment company, via a direct equity investment. The Target started posting revenues in 2017 (amounting to Eur 0.3 mn in FY2017), and currently serves ca. 100 corporate clients (showing a 43% growth in 1H2018), including Siemens, LeasePlan, KLM, PostNL, British Petroleum, CarGlass and Rabobank. The company is based in Enschede (NL) and has offices in Amsterdam, Utrecht and London. More information on the Target can be found at the company’s website www.datatrics.com.

The Transaction is consistent with the growth and development plan for the group headed by MailUp (“**MailUp Group**” or the “**Group**”), as one of the main targets within a strategy based on M&A, diversification and offer enlargement. The Acquisition will thus enable MailUp Group to increase their dimension and capitalization, with the inception of an integrated player in the field of artificial intelligence, fostering industrial synergies via both the shared business support services already in place within the Group and the integration of a complementary business line.

MailUp Group’s management believes the Transaction represents an important milestone in the Group growth strategy in an increasingly data-centered competitive landscape. The Issuer aims at increasing the average return per customer, leveraging on the enhancement of the product and solutions portfolio with a technology already integrated with the MailUp platform and the BEEfree.io email template editor.

Matteo Monfredini, Chairman and founder of MailUp Group, stated “*We have been scouting for M&A opportunities across Europe for some time until we found Datatrics, which is a very fitting option for MailUp Group not only from a technology standpoint, but also in terms of company culture and focused market approach. MailUp Group and Datatrics share the same ethical and transparent attitude towards consumers, who are allowed full ownership and governance over their personal data, consistent with the most recent European GDPR regulation. Moreover, Datatrics’ competitive advantage lies in its unparalleled value proposition to marketers, who show an increasing demand for a unified view of disconnected customer data across different systems, as well as the ability to manage the customer experience in real-time across all the relevant communication*”

channels, including advertising and website. MailUp's and Datatrics' integration will position us in the segment of Digital Marketing Hubs and Customer Data Platform."

Nazzareno Gorni, CEO and founder of MailUp Group, stated "We are very satisfied of Datatrics' acquisition. It will represent a new business unit and a new business line within the MailUp Group, with a potential for synergies at multiple levels. Datatrics' solution will benefit from MailUp Group's support in sales & marketing, communication and access to mid-large corporate clientèle, as well as from centralised general services such as administration, accounting, HR, IT and Legal. MailUp will benefit from introducing Datatrics' technology on existing clients and resellers, as well as leveraging on data core to facilitate further growth at both organic and M&A level. As per the clients' standpoint, AI-based technology allows marketers to experience an immediate and measurable uplift in results, as Datatrics' solution is able to not only predict the best content to be delivered on the best channel at the right moment, but also which is the best way to positively influence customers in order to maximize the conversion of a message."

Bas Nieland, CEO and founder of Datatrics, stated "Datatrics' project has arisen from the vision that artificial intelligence should be available to all marketing teams. The Acquisition represents not only a great complement to our work in the past years, but also a great opportunity to expand our vision and grow internationally. MailUp Group is a very innovative player, with which we share cultural values and strategic goals. We are looking forward to boosting Datatrics' international growth as part of MailUp Group and to enable a growing number of marketing teams to exploit the power of our predictive marketing platform."

TRANSACTION STRUCTURE AND DETAILS

The Transaction contemplates the purchase of n. 999 Datatrics shares (representing 100% of its share capital) from its current shareholders (the "**Sellers**") Go Holding B.V. and Inbeta Holding B.V. (the beneficial owner of the latter being founder Bas Nieland) – or any other company of which the Sellers will be the ultimate beneficial owners and to which Datatrics shares will be transferred prior to the closing – for a total consideration of ca. Euro 3.8 mn to be paid as follows:

- (i) As per ca. Euro 2.24 mn, in cash (from the Company equity) versus the purchase of n. 590 Datatrics shares (representing 59.05% of its share capital), to be paid for ca. 1/3 at closing and for the remaining part in four equal tranches within 24 months from the date of closing;
- (ii) As per ca. Euro 1.56 mn, via the contribution in kind of the remaining n. 409 Datatrics shares (representing 40.95% of its share capital), versus a dedicated capital increase of the Issuer for the corresponding amount (the "**Capital Increase**"), namely a divisible capital increase for cash or other consideration with the exclusion of pre-emptive rights according to art. 2441, par. 4, first part, of Italian Codice Civile, in that it is reserved to the Sellers, with the issue of a variable number of MailUp newly issued shares, no explicit nominal value, at a subscription price deriving from the weighted average price of MailUp shares on AIM Italia for the 90-trading-day period ending two days prior to the closing date (the "**Newly Issued Shares**" and the "**Issue Price**").

In addition to the above, an earn-out provision will be granted to the Sellers for a total consideration up to Euro 3 mn, to be paid in a variable number of MailUp shares, deriving from the ratio of the earn-out amount effectively due and the Issue Price (the "**Earn-Out Shares**"), contingent on Datatrics (and its proprietary platform) achieving certain average monthly sales targets on a maximum time span of 4 years.

In the context of the entire Transaction, Datatrics' founder Mr. Bas Nieland will be paid exclusively in MailUp's shares.

As anticipated, in order to close the Transaction, today the Issuer signed a binding agreement with the Sellers, according to which, *inter alia*, the Sellers undertook the obligation to sell the relevant amount of Datatrics' shares to be paid in cash and to underwrite the Capital Increase to be paid via the contribution in kind of the remaining Datatrics' shares (the "**Binding Agreement**").

The Binding Agreement includes usual provisions for similar deals, among which: (i) provisions for the interim management of the Target (from the closing to the effective date of the Transaction), (ii) appropriate representations and warranties from the Sellers concerning the Target, and related indemnity obligations in favor of the Company and/or Datatrics, (iii) a price adjustment mechanism in case of "leakage", i.e. payments to the Sellers, (iv) certain *lock-up* undertakings on both the Newly Issued Shares and the Earn-Out Shares for a total duration between 36 and 62 months from the closing of the Transaction.

The conditions precedent to the closing of the Acquisition are as follows: (i) obtaining the necessary expert's evaluation assessment as per art. 2343-ter, par. 2, lett. b) of Italian Codice Civile for passing and executing the Capital Increase according to the above mentioned terms; (ii) verifying the absence of relevant events concerning Datatrics and its *business* (c.d. "Material Adverse Change"); and (iii) receiving a positive fairness opinion from the Issuer's Board of Statutory Auditors (Collegio Sindacale) concerning the Issue Price for both the Newly Issued Shares and Earn-Out Shares as per art. 2441, par. 6, of Italian Codice Civile.

With reference to the earn-out, the Binding Agreement also includes provisions for accelerated payments in case of extraordinary events ("*liquidity events*") and specifically the Issuer's commitment to the anticipated payment of effectively accrued earn-out (in shares or in cash at their own discretion) in case of (i) a totalitarian takeover bid is launched on MailUp shares at a price at least equal to the weighted average share price on AIM Italian over the last 12 months; (ii) the merger of MailUp into another company; (iii) Datatrics is sold to a third party for a price in excess of the purchase price of the Target plus the earn-out (if applicable).

Finally, in order to ensure Datatrics' current management collaboration and continuity, the Transaction will also include certain *management / consulting* agreements to be put in place with current managing shareholders as well as certain financing facilities to support the Target's business plan. Following the Acquisition, Mr Bas Nieland (founder and current CEO of Datatrics) will retain his position as the Target's *Chief Executive Officer*.

In practice, the Capital Increase for the Acquisition will deploy according to artt. 2343-ter, 2343-*quater* and 2440 of Italian Codice Civile, concerning capital increases versus contributions in kind. Hence the contributed shareholdings will be subject to an evaluation assessment by an independent expert according to art. 2343-ter, par. 2, lett. b), of Italian Codice Civile.

Among the reasons for the decision to complete the Transaction by means of a partial payment in shares is the opportunity to align the Sellers's (particularly Datatrics CEO's) and MailUp Group's and their shareholders' interest, while limiting the cash out for the Issuer.

The closing of the Transaction will indicatively take place by the end of October 2018, provided that the Capital Increase resolution is appropriately passed by the Issuer's notarized Board of Directors' meeting, according to the powers delegated by the extraordinary shareholders meeting of 23rd December, 2015. The contribution in kind of Datatrics's shares versus the Capital Increase (provided that (i) the provisions of artt. 2343-*quater* and 2440 of Italian Codice Civile are met and (ii) the contributed shares will be non-transferrable – either via the attribution of a different ISIN code from the ordinary shares currently outstanding or the issue being temporarily put on hold, in any case until legal procedures are duly carried out) may be effective on the closing date with the release of the Newly Issued Shares and first tranche of cash payment to the Sellers, once all the relevant verifications and provisions are fulfilled as per the above-mentioned rules (therefore indicatively in the 30 days following the closing) with the subsequent automatic admission to trading of the Newly Issued Shares on AIM Italia. According to the Binding Agreement, in case a new evaluation assessment is available according to art. 2343 of Italian Codice Civile – upon request either from shareholders representing (severally or jointly) a stake in excess of 5% of MailUp's share capital or from the Issuer's Board of Directors – reporting a fair value of the Newly Issued Shares lower by 20+% than the former evaluation *ex art. 2343-ter, par. 2, lett. b)*, of Italian Codice Civile, MailUp has the unconditional right to declare the Binding Agreement terminated with the restoration of the *status quo ante*.

For any further information concerning the Capital Increase please see the Directors' explanatory memorandum which will be issued and made available to the public as per legal and statutory terms.

The Transaction does not constitute a "*related party transaction*" according to the relevant Issuer procedure and applicable law.

The Issuer's legal advisor is the associated law firm Simmons & Simmons LLP.

The Sellers' financial advisor is Brink Partners and legal advisors are AKD and NCTM.

This press release is online on [www.1info.it] and on the Issuer website www.mailupgroup.com (Press Releases section).

MailUp Group will participate to the 9th edition of “Lugano Small & Mid Cap Investor Day”, the road-show organized by IR Top Consulting with the patronage of Borsa Italiana - LSE Group, which will take place on September 21 2018 in Lugano at the Hotel Splendide Royal (Riva Antonio Caccia, 7).



Datatrics is a Dutch company headquartered in Enschede, founded in 2012 by current CEO Bas Nieland, with the mission of aggregating marketing and technology to allow marketers to exploit the power of data and artificial intelligence. Its proprietary predictive marketing platform can be used on a plug-and-play basis to create ever more relevant and multichannel customer experiences, allowing marketers to increase customer returns, by offering a customized and highly creative experience. The company currently employs a team of 20 and serves 100+ corporate clients.

MailUp Group (MAIL.MI) (ISIN IT0005040354) is the result of the technological research and business success of MailUp SpA, the parent company that developed a digital cloud computing platform used by SMEs and large corporations to communicate with customers via Email and SMS. After becoming the leader in the industry and being listed on the AIM market of the Italian Stock Exchange, MailUp has embarked on a path of growth through acquiring both established companies and start-ups: Acumbamail (Spanish and Latam markets), Globase (Nordics market), and Agile Telecom (wholesale SMS market). This portfolio of brands includes BEEfree.io, an email editor launched in late 2016 as a complementary business line, which already has thousands of customers worldwide. Today, the MailUp Group is a leading European player in the field of marketing technologies thanks to more than 20,700 customers in over 100 countries.

The company is admitted to trading on the AIM Italia market managed by the Italian Stock Exchange, with a free float of ca. 34%.

ISIN IT0005040354 - Reuters: MAIL.MI - Bloomberg: MAIL IM

Pictures:

Nazzareno Gorni (CEO MailUp Group), Bas Nieland (CEO Datatrics), Luca Azzali (General Manager MailUp), Matteo Monfredini (Chairman & CFO MailUp Group)

<https://drive.google.com/open?id=1nf1sJ9HlrpXuh0H7e6e59V4aMc-xWjJU>

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