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three acquisitions

Testo del comunicato

Vedi allegato.



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PRESS RELEASE

Tinexta enters the Cybersecurity market, creating a new national hub of digital identity services and digital security

Tinexta announces today three important acquisitions in Italy:

- **The Projects & Solutions/R&D Division of Corvallis, one of the most important solution providers in Italy**
 - **Yoroi, a leading group specialized in cybersecurity**
 - **Swascan, an innovative company with a security testing platform for small and medium-sized enterprises**
 - **An initial investment of €47.8 million**
 - **The estimated revenues of the new Business Unit Cybersecurity amount to more than €60 million**
 - **Marco Comastri will guide the new BU**
- **Chairman Enrico Salza: "Strong dimensional growth of the Group that reaches about 2000 employees in Italy and abroad."**
- **CEO Pier Andrea Chevallard: " It is an acceleration in the execution of the strategy, which improves the Group's growth profile. As a result of the transaction, it is expected that approximately 55% of Tinexta's revenues will be generated by activities in the digital sector, with the acquisition of new expertise and technologies in a highly attractive and rapidly expanding market."**

Rome, 2020, 12 October. The Tinexta Group today communicates the creation of a new national cybersecurity player that will assist private and public customers in digital transformation processes with the best technologies and most advanced protocols for digital security and digital identity.

To reinforce the Digital Trust business, where it is a leader in Europe, Tinexta announces that it has signed binding agreements for acquisition of the majority of three important Italian businesses: the "Projects & Solutions" Division of **Corvallis**; **Yoroi**, one of the most advanced players in the industry with its Cybaze, Emaze and @Mediaservice.net brands; and **Swascan**, an innovative company that operates through cloud "security testing" platforms.



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The three businesses will form the operational core of Tinexta's new Cybersecurity business unit (BU), with expertise, highly specialized resources and advanced technologies to capture the growing opportunities in the rapidly expanding digital market.

The new BU will be endowed with the significant critical mass necessary to manage complex projects for large financial operators and companies, along with solutions for small and medium-sized enterprises. Tinexta thus significantly expands its offer of digital services and technologies creating a protagonist of national and international stature capable of, together with those of the Digital Trust Business Unit, offering unique solutions on the European landscape.

The responsibility for the new BU is entrusted to **Marco Comastri**, already head of Tinexta's Sales & Marketing and Strategic Development Function, who has a long experience in the IT sector and will benefit from the close cooperation of the management of the acquired companies.

Tinexta's consideration for the purchase of the majority shares of the three assets amounts to €47.8 million. The *closing* of the acquisitions is expected in early 2021, with the exception of the acquisition of the majority of Swascan, which should be finalised in 2020. The minority shares in the capital of the three companies can be acquired by Tinexta in 2024, based on specific put/call option rights.

The new Cybersecurity BU recorded in 2019, on a pro forma basis, revenues of approximately €61 million and an EBITDA of about €7 million. Its consolidation should therefore increase the Group's revenues by more than 20% and EBITDA by almost 10%.

Chairman Enrico Salza commented: "*What we are announcing today is the most important operation carried out by our Group since its founding. Thanks to these acquisitions, Tinexta's grows considerably in dimensions, reaching 2000 employees, and enters a new area of business, cybersecurity, with expertise and technologies that will allow it to play a leading role in the market.*"

CEO Pier Andrea Chevallard declared: "*At a time of great general uncertainty, Tinexta decides, with a clear strategy, to double its exposure in the digital sector, creating alongside its BU Digital Trust the new Cybersecurity BU, thus bringing the Group's turnover related to digital activities to weigh about 55% of the total. I am confident that the growth strategy pursued, which will also leverage our leadership position in digital trust, will generate further value for our Shareholders through the rapid integration of the acquired businesses and the overall increased exposure to a strong growth market.*"

BU Cybersecurity Companies

The businesses of the hub reported *pro forma* revenues of € 60.8 million and *pro forma* EBITDA of 6.7 million euros in 2019. In detail:

2019 Pro forma (€ m)	Revenues	EBITDA
<i>Corvallis</i> ¹	51.3	5.8
<i>Yoroi</i> ²	8.2	0.7
<i>Swascan</i>	1.3	0.2
Total	60.8	6.7

¹The Projects and Solutions Division, including the Research and Development Division.

²Yoroi will include companies Yoroi, Cybaze e Mediaservice.Net.



In 2020 it is forecast that revenues will grow to around €67 million and EBITDA will also grow strongly to circa €8 million.³

The “*newco*” that will include the Projects and Solutions division e the R&D Division of **Corvallis S.p.A.**, which will be based in Padua, will continue to operate in the market under the Corvallis brand and will manage a sizeable customer base. The newco is one of the leading suppliers of high-value-added digital solutions in Italy, endowed with an adequate dimension to offer cybersecurity design solutions to large customers. The management of the business is aligned with the best international *practices* and boasts a training model based on an “Academy”, thanks to collaboration with the University of Padua and the University of Studies of Milan-Bicocca.

Yoroi S.r.l., which will incorporate Cybaze S.p.A. and Mediaservice.net S.r.l., is a reality capable of providing state-of-the-art solutions to companies and organizations that need to contain and manage all levels of cyber risk, in order to prevent or reduce the damage potentially resulting from a cyber-attack. The group also carries out an intense research and development activity, collaborating with the University of Bologna, the University of Rome La Sapienza and the University of Sannio. Yoroi has a diversified commercial offering that covers the entire chain of cybersecurity value for large companies, with highly specialized technologies and with well-known brands such as Cybaze, Emaze, Yoroi and @Mediaservice.net.

Swascan S.r.l., based in Milan, is an innovative Italian Cybersecurity company that owns the Security Testing Cloud platform of the same name and a recognized *Cyber Competence Center*. The combination of the “SaaS ready to use” platform and vertical and highly specialized skills make it a reference point for SMEs for cybersecurity and legislative *compliance* needs.

The organization of BU Cybersecurity

The head of the new **Cybersecurity Business Unit** is Marco Comastri, former President and General Manager of CA Technologies EMEA, who has also held top roles in Poste Italiane, Microsoft and IBM. Comastri will work alongside the Management of the acquired businesses, with the task of integrating their operations, implementing the strategic plans, as well as realize external partnerships and involve other companies of the Tinexta Group, in which he is also the head of the Sales & Marketing and Strategic Development Function.

Structure of the operation

The acquisition agreements foresee the purchase of: 70% of the capital of the company that will contain the business of IT Projects and Solutions and R&D⁴ of Corvallis, 60% of Yoroi's share capital (which will include the companies Cybaze Italia and @Mediaservice.net) and 51% of Swascan S.r.l. against a **total consideration of €47.8 million** (which includes an Earn-out of €0.6 million related to

³ Forward-looking statements are based on various assumptions, expectations, projections and forecast data regarding future events and are subject to multiple uncertainties and other factors beyond management’s control of the businesses being acquired and of Tinexta Group. There are a number of factors that can generate significantly different results and trends than the implicit or explicit content of forward-looking information. Therefore, such information is not a reliable guarantee of future performance.

⁴ Which will include Payotik S.r.l.



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2020 performance) and the consolidation of a relative share of indebtedness amounting to €7.0 million⁵.

The acquisitions are subject to the usual conditions precedent for this type of transaction and for the completion of the activities necessary for the closings. The selling parties have granted the usual representations and warranties in favour of Tinexta. The closing of the Swascan acquisition is expected in 2020, while the closing of the other two transactions is scheduled for early 2021. Therefore, it is foreseen that the 2020 financial results will include in such case only the effects of the acquisition of Swascan relative to the price of €4.2 million and the discounted value of the put options of €9.3 million.

The option rights for the minority shares in the capital of the three businesses (Corvallis: 30%; Yoroi: 40%; Swascan: 49%) can be exercised in 2024, based on specific put/call schemes. **The value of the Put/Call options** of all the minority shares of the three companies **is estimated to be €46.5 million** (discounted value)⁶. These options, even if classified as debt under IFRS/IAS, do not carry any financial costs before their being exercised, which, as previously stated, may only occur in 2024.

The total investment of acquisitions is thus equal to €104.3 million, detailed as follows:

	€m
Initial Cash-Out	47.2
Debt from Earn-out	0.6
Financial indebtedness to be consolidated	10.0
Debt of Put Options*	46.5
Total Investment	104.3

*Present value, non-interest bearing.

The operations will be financed partially from cash on hand and partly with credit lines.

The Enterprise Value based on 100% of the three acquired businesses equals €85.2 million. The acquisition of the majority of the three businesses was agreed at an Enterprise Value equal to a multiple of the expected 2020 EBITDA of between 10 and 11 times. The exercise of PUT&CALL option rights for the purchase of minority shares will take place in 2024 at a multiple equal to 8 times expected 2023 EBITDA.

Press Conference/Financial Market Conference

The Company invites journalists to participate in the **Press Conference** (in Italian) organized tomorrow, 13 October 2020, at 12:00 noon (CET). You may participate by registering via the following link:

https://zoom.us/webinar/register/WN_tCmujPm8RqOQLpXHEFIImwg

For more information please contact the Press Office or Barabino & Partners, the Media Advisor.

⁵ The total debt to be consolidated is approximately €10 million.

⁶ Which includes € 9.1 million relating to Swascan.



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The Company invites Shareholders, investors and analysts to participate in a **video web conference** (in English) scheduled to start **at 14:30 CET/13:30 UK/8:30 US EDST**. Please register utilizing the following link:

https://zoom.us/webinar/register/WN_D6Db8wI9Q8eLhWqHrXFFg

For more information, please contact the Investor Relations Office at: +39 06/42012631.

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Tinexta, listed on the STAR segment of the Milan Stock Exchange, reported the following Consolidated results as of 31 December 2019: Revenues of € 258.7 million, EBITDA equal to € 71.3 million and Net Profit of € 28.8 million. Tinexta Group is one of the leading operators in Italy in the three business areas: Digital Trust, Credit Information & Management and Innovation & Marketing Services. The Digital Trust Business Unit provides, through the companies InfoCert, Visura, Sixtema and the Spanish company Camerfirma, products and solutions for digitization: digital signature, digital identity, customer onboarding, e-mail invoicing and certified e-mail (PEC) for large companies, banks, insurance and finance companies, SMEs, associations and professionals. InfoCert is the largest Certification Authority in Europe and purchased in 2018 a 50% stake in LuxTrust, a strategic joint venture for the development of digital trust activities in Europe. In the Credit Information & Management Business Unit, Innolva and its subsidiaries offer services to support decision-making (Chamber of Commerce and real estate information. aggregated reports. synthetic ratings. decision models. credit assessment and credit recovery), while ReValuta offers real estate services (appraisals and valuations). In the Innovation & Marketing Services Business Unit, Warrant Hub is a leader in consulting in subsidized finance and industrial innovation 3 and Co.Mark provides Temporary Export Management advice to SMEs to support them in commercial expansion. As of 31 December 2019, the Group's staff amounted to 1,293 employees. On 13 October 2020, Tinexta announced the establishment of a new cybersecurity player as well as a Cybersecurity Business Unit. The new business is equipped with highly specialized skills and resources and cutting-edge technologies, enabling it to seize the growing opportunities of the rapidly growing digital market.

Website: www.tinexta.com, Stock ticker: TNXT, ISIN Code IT0005037210

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