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Oggetto : TXT: new investments in Fintech

<i>Testo del comunicato</i>

Vedi allegato.



PRESS RELEASE

TXT announces two new fintech acquisitions: consolidates its position in the field of digital payment and consumer credit management

- *TXT e-solutions S.p.A. ("TXT"), as part of the accelerated growth project of its fintech division, announces the acquisition of the 100% of the capital of Novigo Consulting Srl and LBA Consulting Srl;*
- *LBA Consulting Srl ("LBA"), based in Borgomanero (Novara, Italy), is strongly specialised in the digital payments and e-commerce segment where it offers proprietary software products and advanced services;*
- *Novigo Consulting Srl ("Novigo"), based in Brescia (Italy), has strong technological, process and application development skills for the financial market and, in particular, in the digitalization of credit brokerage and sales networks management for agents in financial activities;*
- *For 2021 (pro-forma), a total EBITDA of the two acquisitions is expected of approximately Euro 1.7 million with total annual revenues of Euro 5.5 million. TXT will consolidate the results as of 1 December 2021.*

Milan, 29 November 2021 – 17:35

TXT e-Solutions S.p.A. ("TXT"), a company listed on the STAR Segment of the Electronic Stock Market (MTA) organised and managed by Borsa Italiana S.p.A., informs that the final agreements for the acquisition of 100% of the capital of the company Novigo Consulting Srl ("Novigo") and for the acquisition of 100% of the capital of the company LBA Consulting Srl ("LBA") were signed today. TXT will consolidate the results from 1 December 2021.

The new acquisitions Novigo and LBA strengthen TXT's offering in sectors already covered such as the digital consumer credit management segment where the subsidiary Cheleo operates, and the digital payments and e-commerce segment where the subsidiary Asiopay operates, adding new proprietary products (an e-commerce platform and a dig-

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ital cash register) and important technological and process skills, broadening the customer base and the portfolio of fintech solutions that will benefit from important synergies identified during the *due diligence* phase and already launched.

"Two strategic acquisitions that strengthen TXT's positioning and fintech offering in segments already covered with high growth potential and added value", comments TXT CEO Daniele Misani. "With the acquisitions signed today, we consolidate approximately Euro 5.5 million in pro-forma annual revenues with an average EBITDA margin in excess of 25%. Novigo and LBA bring value to the Group thanks to the proprietary products, the customer base, the team of certified professionals and the specialised skills of the sales associate managers who have joined our accelerated growth project, becoming shareholders in the TXT Group".

The acquisitions of Novigo and LBA were unanimously approved by TXT's Board of Directors.

LBA was founded in 2007 by the two sales partners and current managers and today has 20 internal specialised resources, more than 30 active international clients and 2021 revenues (pro-forma) of approximately Euro 2.5 million with an EBITDA margin of 30%; LBA historically boasts advanced ERP and CRM skills which have evolved into the offering of consultancy services and development of high added value custom applications and since 2018 the development and marketing of proprietary solutions in the area of digital payments and e-commerce.

The consideration for the purchase of 100% of LBA ("LBA Enterprise Value") has been agreed between the parties at Euro 2.73 million paid in cash at closing plus a price adjustment to be paid in TXT ordinary treasury shares within 30 days of the approval of LBA's 2021 financial statements based on the actual EBITDA achieved by LBA in the current year. LBA's Net Financial Position resulting as of 31 December 2021 will be settled in shares as part of the expected price adjustment within 30 days of the closing date. The agreement for the acquisition of LBA shares provides for a retention and claw-back clause for the two selling shareholders and managers expiring between the date of approval of LBA's financial statements at December 31, 2024 and the date of approval of LBA's financial statements at December 31, 2026; the maximum value of the claw-back provided for in

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the agreement, if due by the LBA selling shareholders to TXT, is equal to the value of the price adjustment paid by TXT to the LBA selling shareholders at the closing date.

Novigo was set up in 2013 as a spin-off of the IT department of a leading European banking institution, and now has 25 specialised internal resources, more than 40 active customers and 2021 revenues (pro-forma) of around € 3 million with an EBITDA margin of 23%. Novigo has strong technological and process skills in two main business lines, the first being the software and application development for the digitalization of credit brokerage and sales networks management for agents in financial activities, and the second being the implementation and management of Cloud IT infrastructures for the financial market, with high standards of security and automation.

The consideration for the purchase of 100% of Novigo ("Enterprise Value Novigo") has been agreed between the parties as Euro 3.5 million paid on closing, of which Euro 2.45 million (70%) paid in cash and Euro 1.05 million (30%) paid by TXT's own ordinary shares; the Enterprise Value Novigo will be adjusted within thirty days of the date of approval of the 2021 financial statements on the basis of the actual EBITDA achieved by the company in the current year. Novigo's Net Financial Position as of 31 December 2021 will be settled in cash. The agreement for the acquisition of Novigo's shares includes retention and earn-out clauses for the three selling shareholders and managers of Novigo expiring on the approval of their respective financial statements for the year ending 31 December 2024; the maximum earn-out provided for in the agreement, if payable by TXT to the selling shareholders of Novigo, will be Euro 0.8 million, to be settled through the payment of TXT's own ordinary shares

TXT is an international IT Group, end-to-end provider of consultancy, software services and solutions, supporting the digital transformation of customers' products and core processes. With a proprietary software portfolio and deep expertise in vertical domains, TXT operates across different markets, with a growing footprint in Aerospace, Aviation, Defense, Industrial, Government and Fintech. TXT is headquartered in Milan and has subsidiaries in Italy, Germany, the United Kingdom, France, Switzerland and the United States of America. The holding company TXT e-solutions S.p.A, has been listed on the Italian Stock Exchange, STAR segment (TXT.MI),

For further information:

Eugenio Forcinito - CFO

Tel. +39 02 257711

eugenio.forcinito@txtgroup.com



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Andrea Favini – IR

Tel. +39 02 257711

infofinance@txtgroup.com

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