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Oggetto : SIGNED THE BINDING AGREEMENT
FOR THE ACQUISITION OF THE BTO
GROUP

Testo del comunicato

Vedi allegato.

PRESS RELEASE

**SIGNED THE BINDING AGREEMENT FOR THE ACQUISITION OF THE BTO GROUP:
2021 REVENUES approx. Euro 20M AND ADJ EBITDA approx. Euro
3.5M**

**RELATECH LAUNCHES DIGITAL RENAISSANCE STRATEGY APPROCHING
THE WORLD OF MANAGEMENT ADVISORY WITH ITS TECH FOOTPRINT**

- PARADIGM OF DIGITAL HUMANISM AT THE CENTER OF THE VALUE PROPOSITION
- TECHNOLOGY AS A CRITICAL INFRASTRUCTURE AT THE SERVICE OF STRATEGIES
- AWARENESS AND CENTRALITY OF THE HUMAN BEING: CHANGE MANAGEMENT IN SUPPORT OF DIGITAL DISRUPTION IN THE FACE OF DATA GOVERNANCE

**BTO REPRESENTS ONE OF THE MAIN PLAYERS OF THE MANAGEMENT ADVISORY,
ALREADY OPERATING IN ITALY AND ABROAD IN DIFFERENT MARKET SECTORS, SUCH AS
INSURANCE, BANKING, UTILITIES, FASHION AND AUTOMOTIVE**

**THE RELATECH ECOSYSTEM WILL INVOLVE MORE THAN A THOUSAND TALENTS WITH AN
AVERAGE AGE OF ABOUT THIRTY YEARS. STRONG PUSH FOR INTERNATIONALIZATION
WITH NEW EUROPEAN OFFICES AND LARGE CORPORATE IN THE FOREIGN PORTFOLIO**

**TOTAL INVESTMENT FOR Euro 13M OF WHICH Euro 6.2M IN CAPITAL
INCREASE, Euro 5.6M IN SHARES, VALUED AT Euro 5,
AND AN ADDITIONAL 1.2 M IN CASH**

Milan, October 28th, 2022

Relatech S.p.A., *Digital Enabler Solution Know-how (DESK) Company* and innovative SME listed on the Euronext Growth Milan market (Ticker: RLT) ("**Relatech**" or the "**Company**"), announces that today it has signed a binding agreement (the "**Investment Agreement**") aimed at the acquisition of 80% of the share capital of Exeo S.p.A. ("**Exeo**"), holding company of the BTO group (the "**Group**" or "**BTO**").

The acquisition will allow the Company to present itself to the market with a **new and differentiating offer** that we **summarize as Digital Renaissance**, combining the concept of technology as a new critical infrastructure with the **centrality of the human being**, and **therefore with** the adaptation of the *management* appointed to exploit its potential. **We intend to create a bridge between the classic concept of governance to the more general one of data governance. The value proposition** will integrate, among others, **change management** and **management advisory** projects to the already consolidated **digital transformation** proposal, which over the years has also been enriched through the path of growth through external lines. The entry of BTO into the Relatech group **will favor a strong generational shift**, thanks to the contribution of **300 professionals** with an **average age of 29**.

Pasquale Lambardi, Chairman of the Board of Directors of Relatech stated: *"The acquisition of the BTO Group represents a further evolution and acceleration in the growth process of Relatech, **which redefines its strategy in terms of Digital Renaissance.** Technological qualification represents the strategic point of the evolution and integration of companies and the public sector, even more so in light of the PNRR guidelines: **together with it, it is necessary to accompany articulated processes of transformation and change management capable of interpreting and enhance technology as a critical infrastructure of the country system.** We are confident that the BTO management team can contribute to the new strategic structure of **Relatech**, which enters the world of management advisory with a value proposition strongly based on technological **know-how.** Our ecosystem of stakeholders is further enriched, consolidating the link with the world of research and universities, which have always been the driving force behind our drive for change and innovation."*

Florenzo Marra, CEO of BTO declares: *"Joining the Relatech group represents an extraordinary opportunity to give life to a **new big advisory player** in Italy, in the wake of the new **digital humanism.** We were born as a **bridge between the academic** world and that of some of the **most important companies in the country**, benefiting from the thrust and synergy between young talents and subject matter experts. We face the most important challenge: the strategic integration between business and technology, man and data governance. The BTO team will contribute to the growth of the group, putting together its value proposition and its consolidated international positioning on the most important multinational companies with the **technological know-how of Relatech.** The set of our skills will allow us to concretely innovate the advisory market with a new and differentiating approach."*

As of at 31st December 2021, BTO had a consolidated turnover of approx. Euro 20 million with an adjusted EBITDA for non-recurring extraordinary costs of approx. Euro 3.5 million, Net Profit of Euro 1.02 million and Net Financial Position of Euro 1.2 million.

STRATEGIC RATIONALS

1. From digital enabler to end-to-end advisory firm

In recent years, the advisory sector has expressed a **strong push towards consolidation**, which on the one hand has made it possible **to streamline and simplify the process of selecting talents** and on the other hand it has made it possible to vertically **integrate the value chain, interpreting the wave of digital disruption** as a strategic driver for the industrial, financial and public sector.

In Italy, **60% of the turnover** of advisory firms in **2021** was expressed by **big players**, which attract just under **40% of the total workforce employed**, developing a turnover of about **3 billion euros per year**.

The integration of BTO within the Relatech group will allow not only to propose itself as a **management advisory** firm with a **technological vocation**, but also to immediately cover some of the **critical specialization areas of the market**, such as **IT, Operations** and **HR & Change Management**, which alone weigh over **40% of the total turnover of the consulting world in Italy**. Lastly, **BTO's strong link** with the **academic world** will be able to open new channels for both **R&D** activities and the *recruitment* of new talents.

The synergies highlighted strengthen the strategic coverage of areas in which the Relatech Group has already been present for years, favoring *up-selling* and *cross-selling* activities, helping to build loyalty in the vast customer portfolio.

2. *Know-how and scientific ecosystem at the service of large European corporations*

The strength and essential element in both companies is represented by the key role that **open innovation** and **research** assume, **the engine for the evolution of the business of companies and for the development of the country system**. Relatech cultivates a consolidated *partnership* with its scientific ecosystem with universities and research centers. It is necessary to continuously nurture this virtuous exchange, to keep the link between research and *business* alive and to make a real contribution of innovation to companies and the country system. Through an important research and analysis activity carried out by the **BTO Research** hub, BTO is able to guide *companies* and **future leaders** in the path of *digital reinvention*.

Relatech's technological *know-how* will therefore make it **possible to propose end-to-end** projects able to include the *feasibility* phase, that of **design and implementation**, that of project management and finally - where required by implementations - that of **HR and project management**. The goal is to support companies in discovering **digital trends** in their **strategic applications**

3. *The implementation of the 3M approach: the strategic reorganization of the group*

With the acquisition of BTO, the evolution process shared with the stakeholders and the market is realized, which in recent years has been substantiated in the **3M approach: Merge, Margin, Management**.

Considering the new and more extensive **value proposition**, the Relatech group will undertake a project aimed at **reformulating** and **simplifying** the proposal, as well as

improving the management of the vast customer portfolio and the creation of centers of excellence **for industry** as well as **for technology**.

The BTO *management* will support Relatech in accelerating the internationalization process, already started with the acquisition of the Venticento offices in New York and Hong Kong, to which - thanks to the entry of BTO - new offices in Germany, Austria and Luxembourg will be added.

TERMS OF THE OPERATION

The Investment Agreement provides that Relatech acquires an equity investment equal to 80% of the share capital of Exeo through:

- (i) the subscription of a capital increase for a total of Euro 6.17 million, attributing a 43.10% stake in Exeo's capital (the "**Capital Increase**");
- (ii) the purchase of the equity investments held by certain non-operating shareholders (coming in part from a previous portion of capital increase in Exeo for Euro 4,33 million through the conversion of a pre-existing financial debt into capital share) for an additional 36.90%, with a total consideration amount up to maximum Euro 5.28 million and in addition to an *earn-out* component (linked to the achievement of a minimum turnover for the year 2022 of Euro 20 million) for a total of Euro 1.55 million (the "**Sale**").

The consideration amount for the Sale will be paid in part in cash at closing, for a portion equal to Euro 1.23 million (the "**Consideration in Cash**"), and the remaining amount by Relatech's own shares (the "**Consideration in Kind**") valued at the higher of (i) Euro 5.00 and (ii) the weighted average closing price of Relatech's shares in the 90 days prior to the date of fulfillment of the relevant payment conditions. Relatech shares will be subject to a 24-month lock-up obligation following the actual transfer to the sellers.

The payment of the Consideration in Kind (including any portion of the *earn-out*) is conditional - and linearly subject to adjustment - to the definition of certain fiscal liabilities positions came up by the *due diligence* procedure carried out on the BTO Group

The resources from the Capital Increase will also be deposited for a portion in an *escrow* account to guarantee the payment of the sums related to the possible aforementioned liabilities.

It is envisaged that Relatech, for the Consideration in Cash, will follow up the transaction through its own means in addition to a bank loan, on which its completion is also conditioned.

The Investment Agreement also provides that the BTO Group managers and minority shareholders of Exeo Florenzo Marra, Fabrizio Manzo and Martino Scanziani (the

"Managers") will maintain a shareholding equal to 20% of the share capital of Exeo constituted for a portion equal to 10% from ordinary shares and the remainder from so-called "*price adjustment shares*" ("**PAS**") convertible into an equal number of ordinary shares (or entirely cancellable) in the event of (a) non-emergence of the aforementioned positions within a certain amount as well as (b) upon the achievement of certain Ebitda objectives consolidated financial statements of the BTO Group from 31st December 2022 to 31st December 2024.

In order to contribute as much as possible to the growth of the BTO Group, the Managers are expected to continue to carry out, within the same, a strategic-management function even after the closing of the transaction and, in this regard, have assumed:

(i) in addition to their existing employment contracts, customary management/directorship commitments including good/bad/neutral leaver provisions (also affecting the conversion of PAS as well as the early transfer of their residual stakes), five-year stability commitments starting from the date of the closing of the transaction, as well as specific non-competition obligations and provision for variable remuneration linked to the achievement of certain performance targets of the BTO Group;

(ii) a shareholders' agreement (the "Shareholders' Agreement") with a duration of five years aimed at regulating the terms and conditions of the relationships between them as shareholders of Exeo (and following the merger of Exeo, with BTO S.p.A.), as well as the provisions on corporate governance and the transfer of corporate shareholdings therein including the granting of reciprocal put and call options aimed at the transfer of the residual capital of the company resulting from the merger between Exeo and BTO S.p.A. over a medium-term time horizon, for a consideration to be determined as a function of a multiple of the BTO Group's Ebitda net of the relevant Net Financial Position at the time of the completion of the transfer of the corporate shareholdings, with the option for Relatech to pay a maximum portion equal to 80% of the price in kind by means of treasury shares valued at the greater of the "consensus" discounted by 20% and the weighted average closing price of Relatech shares in the 90 days prior to the date of exercise of the options, subject in each case to a lock-up commitment by the sellers for a period of 24 months with predetermined decalages.

The Investment Agreement, Shareholders' Agreement and management/directorship commitments - in addition to the foregoing – are based on usual conditions for this kind of transactions.

Finally, it should be noted that the transaction is among those that are "significant" under Article 12 of the Euronext Growth Milan Issuers' Regulations.

The *closing* of the transaction is expected within the end of the fiscal year.

Relatech is being assisted in the transaction by the law firm Simmons & Simmons.

This press release is online at www.relatech.com (Investor Relations/Press Release section) www.emarketstorage.com.

Relatech (ticker RLT ISINIT0005433740), Digital Enabler Solution Know-how (DESK) Company, listed on Euronext Growth Milan since June 2019, is present on the market with innovative solutions dedicated to the digital transformation of companies. Relatech is an innovative SME focused on customers looking for the most innovative solutions, becoming a strategic partner for digitization and ICT services. Relatech constantly invests in Open innovation with an extensive R&D activity carried out internally and numerous partnerships with the main Italian Universities and research centers. Thanks to its digital platform and cloud based RePlatform, it provides services and develops innovative digital solutions in frontier technologies of Digital Enabler, such as Cloud, Cybersecurity, Blockchain, Big Data, Machine Learning, Artificial Intelligence, Internet of Things.

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