

Acquisition of ABF Group

Reinforcing the Group's presence in France
to become a major European player

Milan – December 14, 2023

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J. Mastragostino | Chief Investor Relations Officer

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J. Mastragostino | Chief Investor Relations Officer



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Executive Summary

J. Mastragostino | Chief Investor Relations Officer



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About ABF



Revenues in 2023E

€ 30.6 M (+ 54% vs PY)

EBITDA in 2023E

€ 14.6 M (+55% vs PY,
48% margin)



Key Info

Founded in 2004 and based in Tours in France, ABF carries out consultancy activities for public funding to support innovation and growth

ABF

Rationale

- Business innovation to become one of the major players in Europe on Digital Transformation
- A key international partner in advising companies in the fields of innovation, digitization & growth
- Strong client portfolio, widely distributed in France
- Robust expertise in subsidized finance with highly skilled resources, strong potential for diversification



Enterprise Value

€ 155 M

Purchase of ~74%
at closing + Put&Call

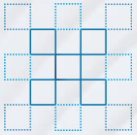


Who is buying what?



- Initial 73.9% stake at closing
- 2028 Put&Call option on 50% of the remaining stake
- 2029 Put&Call on residual
- Enterprise Value: €155M

Digital Trust



Refers to IT solutions for digital identity and the dematerialization of processes according to the applicable legislation

Products and services such as certified electronic mail, electronic archiving, digital signature, electronic invoicing, and solutions for the secure and simplified transmission of legal and financial documents.

Revenues	Margin	EBITDA Adj.
€157M	30%	€47M
+20%	+200bps	+30%

(2022 vs PY)

Cybersecurity



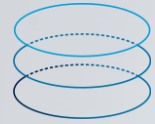
Strategic infrastructure and a key asset for the protection of citizens and their "social economy"

National cybersecurity hub, with custom and proprietary solutions for the mitigation and governance of risks related to the digital sector, pursuing the evolution of platforms and offer controls, as well as innovation profiles.

Revenues	Margin	EBITDA Adj.
€78M	13%	€10M
+6%	=	+2%

(2022 vs PY)

Business Innovation



Through Co.Mark and Warrant Group, offers a consultancy platform to SMEs to support them in phases of manufacturing growth, digital marketing and expansion of commercial activities, including abroad.

Revenues	Margin	EBITDA Adj.
€126M	41%	€52M
+28%	~	+23%

(2022 vs PY)

BU Revenues and EBITDA Adjusted data do not include intra-sectoral intercompany.

M&A: Acquisition of 73.9% of ABF Group

- **Tinexta S.p.A. has finalized today, through its subsidiary Warrant Hub S.p.A., a binding and irrevocable offer for the acquisition of 73.9% of the capital of ABF Group S.A.S. (“ABF Group”), in the form of a put option in favor of the selling shareholders, according to French practice. Enterprise Value of the company of 155 million**

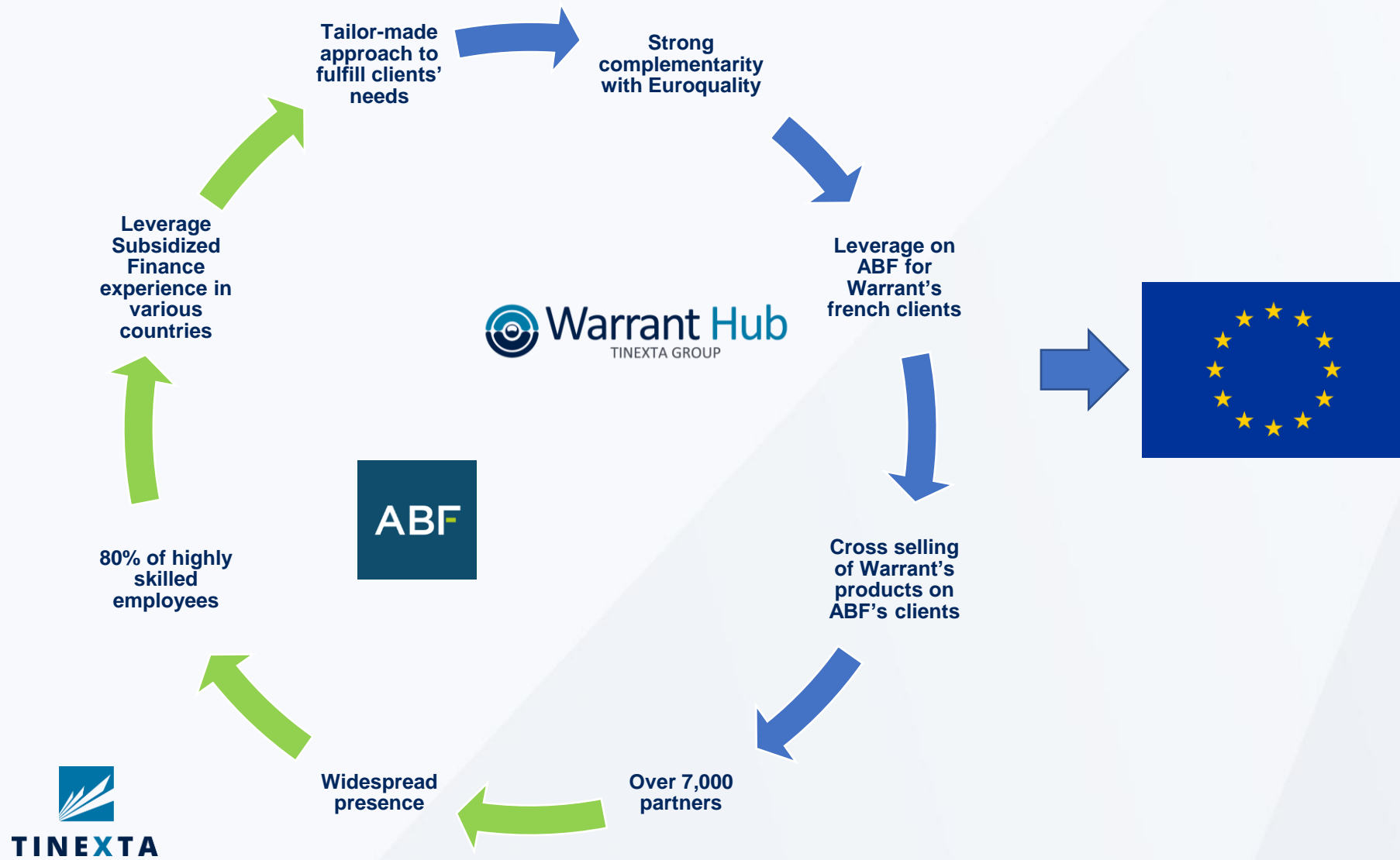
- **Strategic Rationale & Value Creation:**

- Founded in 2004, ABF carries out consultancy activities to support customers obtaining public funding to support innovation and growth
- Business Innovation to become a major European player in Advisory and Digital transformation
- Holds a portfolio of over 500 clients with over 130 highly skilled and specialized people and a network of about 7,000 partners
- Covers the entire French territory with 8 offices strategically located to grasp all market opportunities
- Further strengthening and development of a competence center on European funding
- Creation of an industrialized process for managing Tax Credit projects
- Commercialization of Warrant’s products and services via ABF

- **Approvals & Timing:**

- Following the possible exercise of the put option by the selling shareholders, the signing and subsequently the closing will take place, the latter being scheduled for the first quarter of 2024. In accordance with the French legal system, any exercise of the put option by the sellers is subject to the completion of the information-consultation procedure in favor of the employees in the event of sale of the company.

The strategic rationale – Adding Value



✓ The Business Unit Business Innovation to become a key European player active in supporting companies in the important and relevant area of Digital Transformation

✓ An advisory partner with a full suite of services and products to support companies at an international level in seeking financing for key and strategic projects

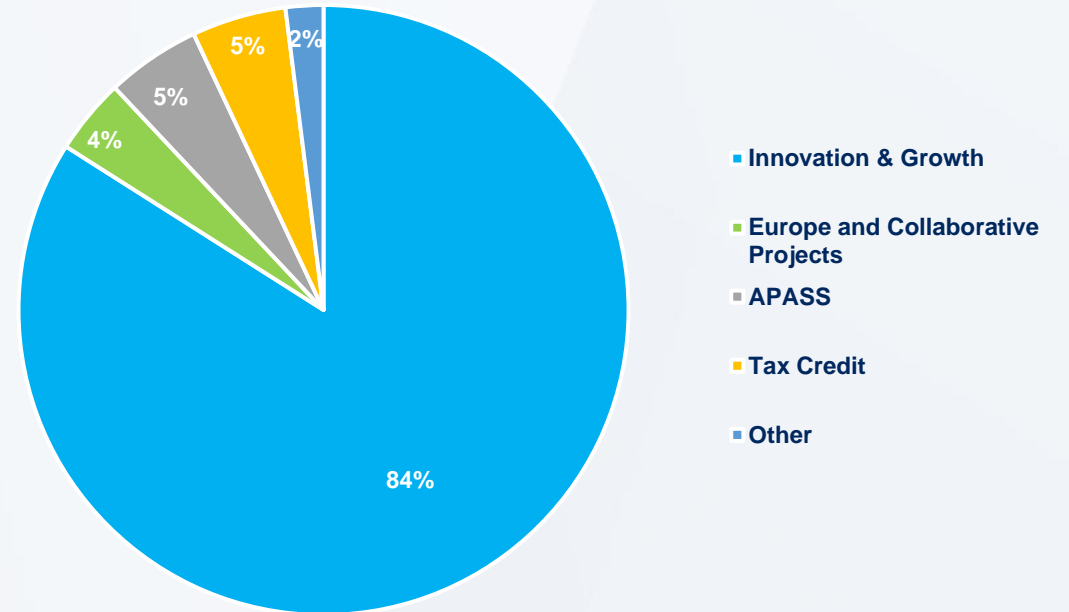
✓ Focus on European projects and markets to increase the outreach of the Group as a whole

ABF Group – Business Line Details

ABF

4 major business lines:

1. **Innovation & Growth** funds granted by public financiers to support innovative projects (State, regions, public bodies)
2. **Europe and Collaborative** participation in European projects
3. **APASS (Public Actors and Associations)** financing for public bodies and non-profit associations
4. **Tax Credit**



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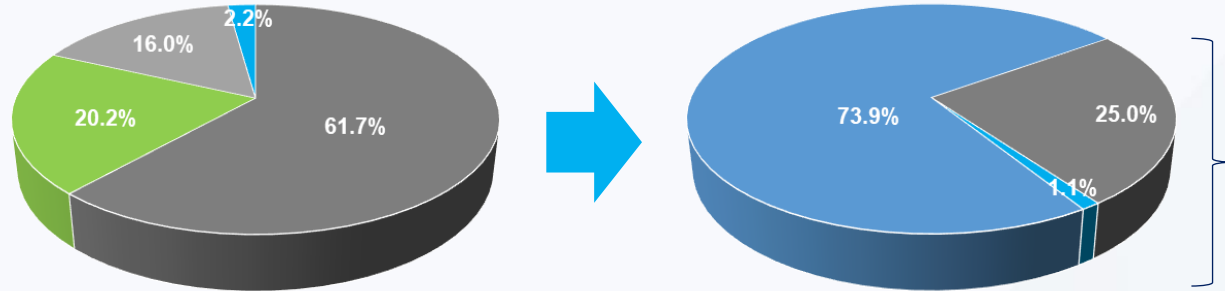
Transaction details + Financials

O. Pozzi | Group Chief Financial Officer



ABF Group – Corporate Structure

Current to Target Corporate Structure:



■ Founders ■ Credit Mutuel ■ Credit Agricole ■ Management ■ Tinexta

SHAREHOLDERS	% as is	% post acquisition
Founders	61.7%	25.0%
Credit Mutuel	20.2%	0.0%
Credit Agricole	16.0%	0.0%
Management	2.2%	1.1%
Tinexta	0.0%	73.9%
TOTAL	100%	100%

Tinexta finalized a binding and irrevocable offer for 73.9% of ABF Group. Enterprise Value of € 155M +/- Adjusted NFP

The price will be paid in two tranches:

- 85% of the pro-quota EV and Adjusted NFP to be paid at Closing
- 15% of the pro-quota EV will be paid via Earn-Out based on the 2023 and 2024 EBITDA Adjusted targets

Put&Call options:

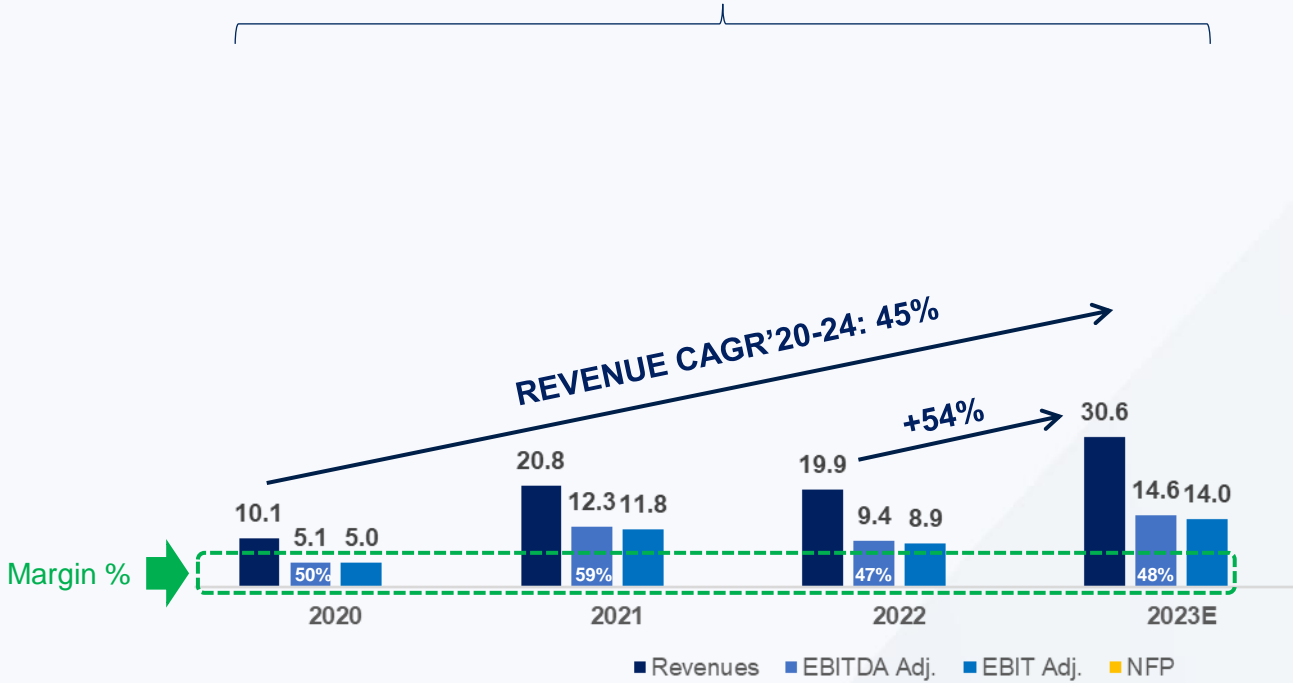
- 2028 for 50% of the remaining stake, following the approval of the FY'27 Annual Report
- 2029 for the residual, following the approval of the FY'28 Annual Report

The Enterprise Value will be determined on the average 2026-2027 and 2027-2028 Adjusted EBITDAs times a multiple of 9, should the cumulated 2024-2028 Adjusted EBITDA fall in a set interval of the business plan; caps and floor apply

KPIs – Business financials

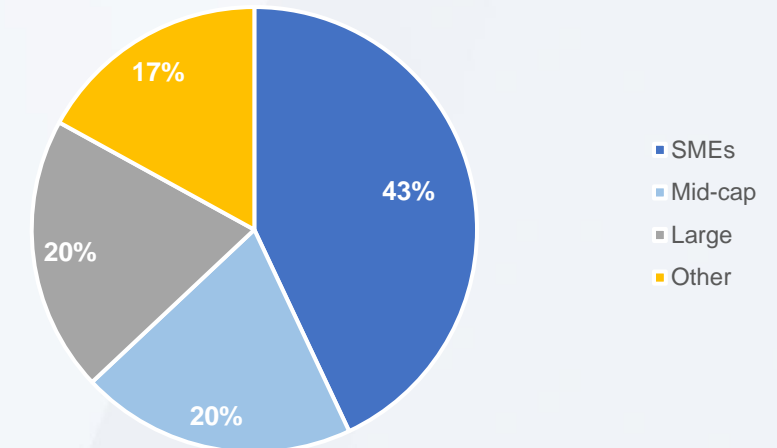
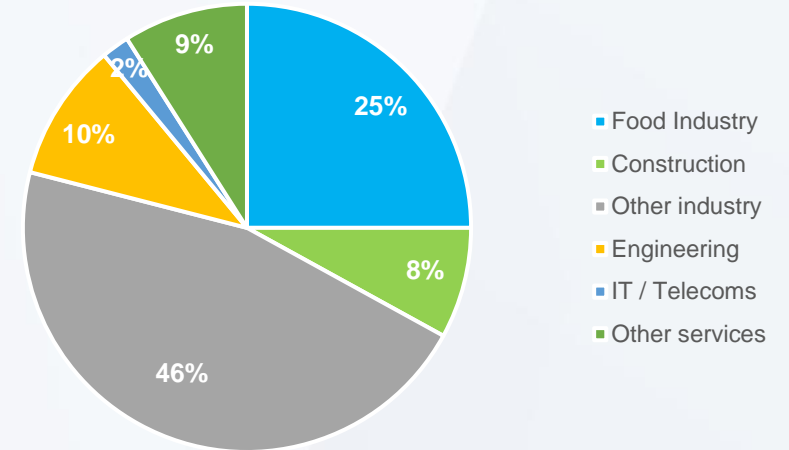
€ M

ABF



- Outstanding EBITDA margins with sustainable outlook
- ABF, according to its plan, expects revenues to grow between 20% and 23% per year with slightly improving margins

2022 ABF Revenues by Industry and Client



Funding the acquisition – Walkthrough

Purchase

Financial needs	€ M
Enterprise Value	155.0
% to buy	73.9%
EV pro quota	114.5
Payment pro quota 1 st tranche	85%
Financial need upfront for EV	97.4
(-) NFP pro quota	-21.5
(=) Cash out for the purchase of the stake	75.9
(+) Earn out on 2023 Results to be paid in 2024	5.7
(=) Total cash out	81.6

Available Funds

Considering the 73.9% share of ABF to be acquired and the upfront payment of 85%, the short-term financial requirement (< 6 months) is equal to € 81.6 million, including the earn out to be calculated on FY 2023 Results.

The purchase will involve the use of internal financial resources by the parent company, Tinexta S.p.A. As of 31 October, in fact, cash and cash equivalents included short-term financial investments (*time deposits*) amount to approximately € 140 million.

At present, we assume the maintenance of the current credit lines existing in the Target company.

Balance Sheet – Details

Full details on timing, impacts on Cash, Earn outs, Put options and NFP

Balance Sheet	€ M
Initial Cash out	75.9 <i>1st tranche% (85%)</i>
Earn out on 2023 Results to be paid in 2024	5.7 <i>2nd tranche% (5%)</i>
Earn out* on 2024 Results to be paid in 2025	9.7 <i>2nd tranche% (10%)</i>
Put option* on 2026-2027 Results to be paid in 2028	17.8
Put option* on 2027-2028 Results to be paid in 2029	16.3
Total investment	125.4
Financial indebtedness to be consolidated	31.4
Total impact on NFP	156.8

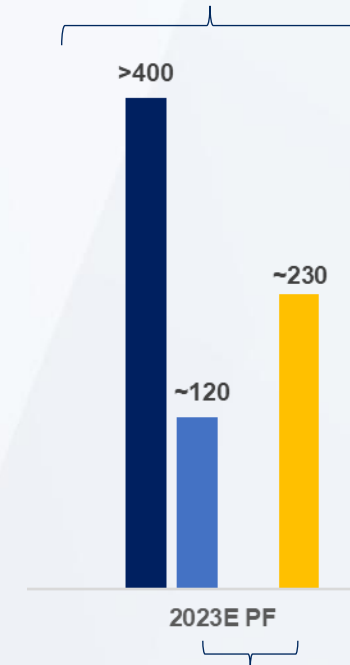
Total balance sheet future impact includes:

- Initial cash out, comprised of a 1st tranche equal to 85% of the 73.9% of the first stake
- The 2nd tranche, in the form of Earn outs, to be paid in 2024 and 2025 on PY's respective results
- Put options to be paid in 2028 and 2029 on PY's respective two years average results
- The financial indebtedness carried over from ABF to be consolidated



* Actualized based on expiration

Group
(ABF + Ascertia)



- On a Pro Forma base NFP/EBITDA is expected under 2x or 1.9x

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Closing Remarks + Q&A

J. Mastragostino | Chief Investor Relations Officer



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Closing Remarks



Pan-European International Expansion further supports and confirms equity story



High quality target, in key selected market, guarantees business upselling, cross proliferation, and strong synergies



M&A deal accretive to Group's growth, strengthening marginality in Business Innovation



Leverage on scale for business model expansion

Disclaimer

This company presentation includes:

- forward-looking data based on internal management assumptions that are subject to material changes, including changes due to external factors beyond the Group's control
- management data, when presented, are identified as such

Business unit data are divisional and do not include the elimination of intra-BU items, which are instead eliminated at a Group level.

For detailed information on Tinexta S.p.A., it is recommended to refer to the company's documentation, including the latest interim reports and the Company's financial statements.





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Think Next

Thanks.

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