



PRESS RELEASE

TXT expands its Smart Solutions IoT portfolio

**Signed agreement to acquire DM Management & Consulting Srl,
software vendor of innovative MES/MOM solutions for Industry 5.0**

- *TXT e-solutions S.p.A. ("TXT") continues the process of expanding its Smart Solutions IoT portfolio with the announcement of the acquisition of 100% of the capital of DM Management & Consulting Srl ("DM"), an Italian small enterprise specialising in the consultancy and sale of proprietary MES/MOM software for factory management, which will complement the TXT Group's IoT offering;*
- *DM was founded in Parma (Italy) in 2011 by the company's current directors and in 2013 it launched the first version of its proprietary MES/MOM DMP platform on the market, then sustained a constant process of investment in R&D that led to new software releases and continuous business growth fostered by the acquisition of many important customers, both domestic and international;*
- *In 2021, DM reported ARR of about Euro 0.5 million (on Adj Sales Revenues of Euro 1.2 million) and EBITDA margin of 25% with an expected annual revenue growth rate (CAGR) of 30% in the three-year period 2022-2024, also due to group synergies.*

Milan, 19 July 2022 – 15:00

TXT e-Solutions S.p.A. ("TXT"), a company listed on the STAR Segment of the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A., informs that today a deal was signed for the acquisition of 100% of the share capital of the company DM Management & Consulting Srl ("DM"). TXT will consolidate its results from 20 July 2022.

DM was founded in Parma (Italy) in 2011 by Davide Massari, Stefano Massari and Luca Romani, the company's current directors, and in 2013 it launched the first version of its proprietary MES/MOM DMP platform on the market. Over the years, DM has sustained a constant process of investment in R&D that has led to new software releases and continuous business growth, facilitated by the consolidation of many important customers, 70% of which are medium and



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large manufacturing companies, both domestic and international, operating in various industrial sectors.

In 2021, DM reported ARR (Annual Recurrent Revenues) of approximately Euro 0.5 million (on Adj Sales Revenues of Euro 1.2 million) and EBITDA margin of 25% with an expected annual revenue growth rate (CAGR) of 30% in the three-year period 2022-2024, also due to group synergies.

Daniele Misani, CEO of TXT, commented *"The acquisition of DM represents a strategic transaction with great growth potential. Its proprietary MES/IoT software solutions, expertise in Industry 5.0, and important customers represent strategic assets that will expand our current offering of smart solutions and digital innovation services. We will leverage on these synergies that promise ambitious growth potential for TXT's offering to digitize the industrial segment"*.

"Joining the TXT Group represents a milestone in DM's growth path and opens up new opportunities for us and our customers. It will allow us to continue the strategic development of the DMP Platform, with the addition of important modules, as well as strengthen our market positioning. Thanks to the Group's synergies in the Manufacturing sector, we will then be able to increase our offer by proposing innovative solutions that are increasingly oriented towards the digitalisation of companies and aimed at increasing efficiency and optimising production costs, to the benefit of our customers", commented Davide Massari, DM's Chairman, and Stefano Massari, DM's CEO.

The acquisition of DM was unanimously approved by the Board of Directors of TXT.

The amount for the purchase of 100% of DM ("Enterprise Value") was agreed between the parties at Euro 1.7 million paid at the closing, of which Euro 1.4 million (82%) was paid in cash and Euro 0.3 million (18%) was paid in TXT's treasury shares transferred at a price corresponding to the average price of TXT's shares for the 30 business days prior to the date of the closing. The Net Financial Position resulting at the closing will be settled in cash.

Davide Massari, Stefano Massari and Luca Romani, shareholders and key managers of DM, will continue to manage the company; the agreement for the acquisition of DM shares provides for retention and earn-out clauses for the vendor shareholders and managers of DM, which will expire upon the approval of their respective financial statements for the year ending 31 December 2024; the earn-out under the agreement, if payable by TXT to the vendor shareholders of DM, will be settled through cash and through the guaranteed revaluation of the TXT treasury shares transferred to the vendor shareholders as part of the Enterprise Value payment.



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DM deal consists of a milestone that strengthens and expands TXT Group's offering of proprietary digital solutions for the industry; for the second half of 2022, in line with what has been previously communicated, the TXT Group plans to continue its M&A plan with the consolidation of established businesses and smaller but high-potential realities, with the aggregation of new technologies, specialised skills and excellence in markets that are already proprietary or adjacent to the current ones, with ambitious growth targets.

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), since July 2000.

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