



TXT

PRESS RELEASE

New investment in an AI-based Smart Solutions for Software Quality

Capital increase in innovative start-up Arcan S.r.l.

- *TXT e-solutions S.p.A. ("TXT"), as part of its plan to grow its Smart Solutions offering, announces that on 20 December 2023 a contract was signed for an equity investment in Arcan S.r.l. ("Arcan");*
- *Arcan is an Italian innovative start-up founded by two young entrepreneurs - both with Ph.D. in Computer Science - that develops B2B SaaS platforms to support developers and IT managers during the development of software products;*
- *Arcan's strength is the detection through artificial intelligence of 'Technical Debt', a problem that costs USD 500 billion worldwide every year and whose management is strategic for software development companies;*
- *The initial investment consists of a capital increase in Arcan reserved for TXT that will be aimed at the industrialisation and commercialisation of the proprietary platform, against which TXT holds 51.0% of the company.*
- *The investment agreement in Arcan foresees a further investment step that will allow TXT, through the execution of the Put/Call option negotiated between TXT and Arcan, to acquire the remaining 49.0% of Arcan within 60 days from the date of approval of Arcan's financial statements ending 31 December 2026;*
- *In 2023, the company is still in its development phase and will be on the market with its Smart Solution starting from 2024, with revenues from SaaS licences expected to exceed Euro 100,000 and, starting from 2025, Arcan expects to enter its growth phase with revenues 2026 expected to be around Euro 1 million and EBITDA above 20%.*

Milano, 20 December 2023, 17:35

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 on 20 December 2023, the capital increase in Arcan S.r.l. ("Arcan") was subscribed, under which



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TXT holds a stake in Arcan representing 51.00% of the share capital of the innovative start-up. TXT will consolidate Arcan's results as of today, 20 December 2023.

TXT's initial investment in Arcan's capital, the amount of which is not relevant in terms of cash flow, is aimed at the industrialisation and commercialisation of the proprietary platform, and the investment agreement provides for a Put/Call option through which TXT, within 60 days from the date of approval of Arcan's financial statements closing on 31 December 2025, will increase its stake in Arcan up to 100% of the company's share capital.

Arcan is an innovative Italian start-up founded by two young entrepreneurs – both with Ph.D. in Computer Science – that develops B2B SaaS platforms to support developers and IT managers during the development of software products.

Arcan's strength is the detection through artificial intelligence of 'Technical Debt', a problem that costs USD 500 billion worldwide every year and whose management is strategic for software development companies;

Arcan, a platform provided by the company, is an automation tool that leverages multiple code quality tools powered by AI algorithms to produce analyses on the evaluation of the technical debt of the software being analysed, its performance and security vulnerabilities, and to monitor the evolution of the technical debt.

More information on Arcan's offer is available on the company's website (www.arcan.tech).

"We are pleased to contribute to the development of an innovative project based on Artificial Intelligence by two young entrepreneurs with strong specialisations in Computer Science," comments Daniele Misani, CEO of TXT, *"With Arcan, TXT Group expands its Smart Solutions portfolio with a strengthened positioning in the software quality area."*

"We are honored to become part of a fast-growing group that firmly believes in the value of innovation," comments Ilaria Pigazzini, co-founder and CEO of Arcan, *"In TXT Group we have found the best ground to grow our technology, a platform for code quality analysis based on artificial intelligence. For Arcan, TXT's investment represents an opportunity to accelerate the research and development of the platform and to create commercial synergies with software quality excellences already present within the Group"*.

The investment in Arcan was unanimously approved by TXT's Board of Directors.



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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, the United States of America, Canada and Singapore. 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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