



TXT

PRESS RELEASE

Fintech: Investment in digital payments innovation

Capital increase in PayDo, an innovative SME offering proprietary solutions for digital payments and money collection, withdrawal, and deposit at bars, kiosks, and other physical shops

- *TXT e-solutions S.p.A. ("TXT"), as part of its plan to grow its Fintech Smart Solutions offering, announces that on 15 December 2023 a contract was signed for the investment in the capital of innovative SME PayDo S.p.A. ("PayDo");*
- *The initial investment consists of a capital increase of EUR 2.0 million in PayDo reserved for TXT that will be aimed at financing PayDo's domestic and international growth project, against which TXT holds a 16.67% stake in the company;*
- *PayDo is an innovative SME that has been on the market since 2018 as a fintech company offering multiple proprietary cloud-based digital solutions created to accelerate, simplify, and streamline payment and collection processes while reducing operating costs. PayDo was founded by the current CEO and majority shareholder with extensive experience in the banking and payments world, and counts among its current shareholders leading national banking institutions and prominent banking executives, with TXT acting as technology partner in the growth and evolution of PayDo's fintech offering;*
- *The investment agreement includes further steps that will give TXT the possibility to increase its stake in PayDo to at least 51% of the company's share capital following the approval of PayDo's financial statements ending 31 December 2025;*
- *For PayDo, 2023 represented a further year of strong investments for future growth, with expected revenues of about EUR 1 million and major technology investments that will lead to an expected negative EBITDA of about EUR 1.4 million;*
- *For the three-year period 2024-2026, the business plan shared with PayDo's management expects sustained business growth, with revenue CAGR 2023-2026 exceeding 100% and EBITDA margin positive in 2025 and above 40% in 2026.*



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Milano, 18 December 2023, 08:00

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 on 15 December 2023 a capital increase in PayDo S.p.A. ("PayDo") was subscribed, under which TXT holds a stake in PayDo equal to 16.67% of the share capital of the innovative SME.

TXT's initial investment in PayDo's capital consists of €2.0 million aimed at PayDo's domestic and international growth, and the investment agreement provides for further steps that will give TXT the possibility to increase its stake in PayDo up to at least 51% of the company's share capital following the approval of PayDo's financial statements as at 31 December 2025, in accordance with the terms set out below in the press release.

PayDo is an innovative SME, on the market since 2018 as a fintech company, which has developed a suite of value-added services to innovate the payments experience. In particular, PayDo's solutions, easily integrated via APIs, are offered to Banks, Payment Institutions, Corporates, and PAs, with the aim of digitising and simplifying their collection and payment processes. PayDo's offer is based on a new idea of fintech that collaborates with a multiplicity of traditional financial institutions to provide the end customer with new opportunities and cutting-edge services. Currently, PayDo has agreements in place with leading banks and with a leading domestic operator in the digital banking sector and techno-financial services, with which PayDo offers customers the possibility of withdrawing and depositing cash at over 45,000 retail outlets including tobacco shops, bars and kiosks throughout the country, even in the smallest municipalities in Italy.

Today, PayDo operates on the market with proprietary cloud-based products, with an innovative offer designed to cover, for example, the current use-case related to cash withdrawals and deposits at tobacconist's and coffee shops in response to market needs resulting from the reduction of bank counters caused by the digitalisation of the traditional financial world.

Among the services offered by PayDo are solutions for making payments throughout Europe (SEPA area) in an innovative way without the need to know the IBAN of the recipient; through these solutions, the individual or company receiving the transfer is identified simply by telephone number or e-mail. PayDo also offers solutions for the management of digital collection transactions that allow the payer/debtor to pay where and when they want, with PayDo customers, both private and corporate, having the option of requesting money by



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simply sending a link via WhatsApp / SMS or e-mail to the payer/debtor, who will in turn have various payment methods at their disposal to complete the transaction.

PayDo was founded by the current CEO and majority shareholder with extensive experience in the world of banking and payments and counts among its current shareholders leading national banking institutions and important managers in the banking sector, with TXT which, in addition to financially supporting PayDo's growth, will act as a technology partner in the growth and evolution project of PayDo's Fintech offering.

Regarding PayDo's economic performance, 2023 represented a further year of strong investments for future growth, with expected revenues of approximately EUR 1 million and significant technology investments that will lead to expected negative EBITDA of approximately EUR 1.4 million.

For the three-year period 2024-2026, the business plan shared with PayDo's management foresees sustained business growth, with revenue CAGR 2023-2026 exceeding 100% and EBITDA margin expected to be slightly positive in 2025 and above 40% in 2026.

When evaluating the investment, in addition to the strategic and synergetic value linked to the integration of the suite of high value-added solutions offered by PayDo within the Group's Fintech portfolio, TXT positively valued the negotiation of contractual clauses that will enable TXT to consolidate PayDo's results against future investment steps defined below.

The first step includes TXT's acquisition of PayDo shares from the majority shareholder until TXT's total stake in PayDo reaches 30%.

The second step consists of TXT's opportunity, by giving notice within 10 working days from the approval of PayDo's financial statements as of 31 December 2025, to increase its stake in PayDo up to a number of shares equal to at least 51% of the company's share capital. The Enterprise Value evaluation for the investment that will allow TXT to hold a majority stake in PayDo will be calculated by applying a multiple equal to 10 times the Adjusted EBITDA that will result from PayDo's financial statements as of 31 December 2025.

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

Furthermore, TXT informs that, on 14 December 2023, the Board of Directors of TXT, with the favorable opinion of the Remuneration Committee, assigned 180,000 purchase rights for an equal number of company shares at a price of EUR 16.5492 per share to executives of the company and its subsidiaries. Details of the incentive plan will be provided in the remuneration report pursuant to Article 84 comma 5 of the Issuers' Regulation.



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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 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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