

TXT e-solutions: the PACE GmbH acquisition has closed today as planned

Milan, 1 April 2016

The preliminary transaction between TXT e-solutions and investors in PACE Aerospace Engineering and Information Technology GmbH, announced on February 29, 2016 has been finalized and has closed today, on time and as planned, following completion of agreed conditions precedent.

In the month since the preliminary agreement, TXT Next and PACE have initiated joint operations for on-going contract with a leading US customer, started a joint sales effort in a project for another European flagship customer and launched cooperation in R&D for advanced applications of tablet devices in the cockpit (the so-called "Electronic Flight Bags").

The acquisition transaction includes consideration of 5.6 m€ paid in cash by TXT on April 1st for 79% of PACE shares; additional cash payments in 2016 and 2017, based on results from PACE operations, now estimated at about 2.2m€; put-call options for the remaining 21% of the shares owned by the three managing founders to be exercised in the period 2020-2021, at a price based on future PACE results and multiples in line with the initial transaction; consolidation of PACE results into TXT's as of Q2 2016; permanence of the three founders to drive future growth.

At closing, PACE's Net Financial Position is now expected to be positive by 2.0 m€, slightly improved from 1.7m€ estimated one month ago.

Preliminary consolidated results for PACE in 2015 show revenues of 7.3 m€ (+20.4% YoY) – of which 57% are license, maintenance and subscription fees – and EBITDA of 0.8 m€, with 70 people.

TXT's Chairman Alvise Braga Illa has commented: *"The immediate start-up of commercial and R&D cooperation bodes well for the future of the TXT Pace division. World air transportation is poised for continued growth – albeit with turbulence... - and the European aerospace industry will consolidate gradually around its best centers of excellence. These two trends support a clear path of opportunity for significant, sustainable growth for TXT Pace"*

TXT e-solutions is an international specialist in high-value, strategic software and solutions for large enterprises. The main business areas are: **Integrated & Collaborative Planning Solutions**, with the TXT Perform Division, especially for Luxury, Fashion, Retail and Consumer Goods; **Software for Complex Operations & Manufacturing**, with the TXT Next Division, for Aerospace, Defence, High-Tech and Finance. Listed in the Star Segment of Borsa Italiana (TXT.MI), TXT is based in Milan and has offices in Australia, Canada, France, Germany, Hong Kong, Italy, Singapore, Spain, United Kingdom and United States. In 2015 TXT e-solutions Revenues were € 61.5 million and employed about 700 people.

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