



PRESS RELEASE

THE ANTARES VISION GROUP FINALISES THE ACQUISITION OF RFXCEL CORPORATION

Travagliato (BS), 31 March 2021 – Antares Vision (“**Antares Vision**” or the “**Company**”), a company listed on AIM Italia, announces that today, through its wholly owned subsidiary Antares Vision, Inc. (“**AV Inc**”), it has completed the acquisition of 100% of **rfXcel Corporation** (“**rfXcel**”), by way of a merger between rfXcel and Antares Vision Acquisition Corporation (a wholly owned subsidiary of AV Inc.). The signing of the relevant merger agreement (the “**Merger Agreement**”) was officially communicated on 16 February.

rfXcel is specialised in the development of software for the life science and food and beverage sectors to ensure the safety of medicines along the distribution chain, compliance with applicable regulations and real-time data acquisition and processing. rfXcel operates globally both at the government/authority (so-called Level 5) and corporate level (so-called Level 4) and at the supply chain management level. rfXcel provides solutions for supply chain digitisation and transparency through a comprehensive offering, which is based on data collection through traceability (and serialisation) and enables integrated supply chain monitoring. rfXcel business model is entirely SaaS, with a significant portion of revenues coming from long-term, largely recurring subscription contracts that provide a high level of visibility (average contract duration >4 years, >80% recurring). For the 12-month period ended 31 December 2020, rfXcel reported consolidated revenues of USD 17 million (approximately 80% of which were generated in the U.S. and derived entirely from software contracts), with a gross margin in excess of 85%. In 2018-2020¹, rfXcel recorded an annual revenue growth rate of more than 25% and the company is expected to continue to grow at the same pace for the foreseeable future.

The transaction was carried out on the basis of an equivalent value (Enterprise Value) of USD 120 million, representing a purchase multiple of 6.9x of LTM revenues as of December 2020, well below recent multiples paid in the Industrial Software sector.

The initial payment of approximately 121.5 million USD, was determined on the basis of estimated net debt and net working capital of rfXcel as at today’s date, and will be subject to possible future adjustment on the basis of subsequently definitive assessed values.

Additional deferred cash consideration (“earn-out”) in an amount of up to USD 30 million will be payable in the first quarter of 2023 by the Antares Vision Group to rfXcel’s selling shareholders, should certain cash-in targets be reached. The earn-out payment is linked to the collection of up to USD 19 million from certain specific existing contracts, underpinning recurring subscription revenues and currently sitting outside of rfXcel’s standalone business plan.

Some key members of the rfXcel management team, including the CEO and founder Glenn Abood (the **Managers**), have reinvested 40% of the net proceeds from the sale of their stake in rfXcel (approximately USD 8 million) in Antares Vision.

The equivalent in euros of this amount was paid to Antares Vision S.p.A. as the subscription price of a capital increase reserved to Managers and approved by the Company’s Board of Directors on 29 March in partial exercise of the authority to increase the capital granted by the Shareholders’ Meeting on 22 February 2021. In particular, the Managers have subscribed a total of 668,198 ordinary shares,

¹ Based on rfXcel fiscal period March 2018-2020



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for a stake equal to 1.136% of the ordinary share capital of Antares Vision, at the unit price of Euro 10.19, equal to the average market price of the shares of the company in the 30 days prior the signing of the Merger Agreement. The Managers have also signed a 3-year lock-up commitment on the Company shares acquired and will maintain their respective roles in rfXcel so as to guarantee to the latter continuity in its growth strategy and to the Antares Vision Group the maximisation of the strategic, operational and financial benefits of the transaction.

Through this transaction, the Antares Vision Group further strengthens its software capabilities, consolidating its position among the world leaders in Track & Trace. The Group will leverage rfXcel's capabilities and software suite to help its customers accelerate end-to-end supply chain digitisation, enabling greater transparency and sustainability. The acquisition, in addition to generating cost savings opportunities, will also create significant opportunities to cross-sell the (i) rfXcel's solutions to the growing installed base of Track & Trace and Inspection solutions of the Antares Vision Group and to the broad base of over 2,500 blue-chip customers, as well as the (ii) Antares Vision Group products to rfXcel existing customers. The Antares Vision Group together with rfXcel will take a major step forward in providing increasingly comprehensive digitisation solutions for tracking, serialisation, compliance with applicable regulations, and real-time data collection and monitoring to optimise and make more effective its customers' supply chain granting visibility from start to finish (from ingredients and raw materials, to the end customer experience).

The acquisition was mainly financed by a new bank credit line of Euro 100 million provided by Mediobanca S.p.A.. For execution purposes, the funds that were required to effect the closing payment and to pay the other amounts due at closing pursuant to the Merger Agreement were transferred from the Antares Vision Group to AV Inc. as consideration for an increase of capital in AV Inc..

It should be noted that the acquisition is not significant pursuant to article 12 of the AIM Issuers' Regulations, as none of the relevant reference indices exceeds 25%.

Morgan Stanley (financial advisor), Skadden Arps (legal and legal due diligence advisor) and Orsingerh Ortu (legal advisor for the financing and for the reinvestment in the Company by the Managers), New Deal Advisors (financial due diligence), Funaro & Co (tax advisor and fiscal due diligence) and Mediobanca (acquisition financing) have supported the Antares Vision Group in the transaction. DC Advisory (financial advisor), O'Melveny & Myers (legal advisor), Armanino (auditor) and Chiomenti (legal advisor for the reinvestment in the Company by the Managers) have supported rfXcel in the transaction.

For more information

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About Antares Vision Group

Listed since April 2019 on the AIM Italia market of the Italian Stock Exchange, **Antares Vision Group** guarantees the protection of **products, people and brands** through **inspection systems** for quality control, **Track & Trace solutions** for anti-counterfeiting and supply chain transparency, **smart data management** tools for maximized efficiency and digitalization of the supply chain, from the point of production to the end consumer. The Antares Vision Group is active in the life science sector, including the pharmaceutical, medical device and hospital segments, as well as in other industries, including, primarily, food & beverage, cosmetics and in consumer-packaged goods. The Group reaches over 60 countries worldwide with complete and flexible solutions, hardware and software, with related services: it has five offices in Italy (Brescia, Parma, Piacenza, Latina and Vicenza), 15 foreign branches (Germany [2], France [2], USA [3], Latin America [2], India, Russia, Hong Kong, China, Croatia and Serbia), three Innovation and Research Centers (Italy) and a worldwide network of more than 40 partners. With the twenty years of experience in vision technologies of the two founding partners, the Antares Vision Group is the supplier of ten of the 20 leading pharmaceutical companies in the world (by turnover), with more than 25,000 inspection systems, which ensure everyday product safety and quality, 6,500 quality controls and more than 3,500 serialization modules on lines installed all over the world. With the aim of continuing and supporting the growth and development strategy, during 2019, Antares Vision finalized participation agreements with **T2 Software**, a Brazilian company specialized in smart data management solutions, and **Orobix**, an Italian company leader in artificial intelligence services, and acquired 100% of **FT System**, leader in control and inspection in the beverage sector. In 2020, Antares Vision acquired 82.83% of **Tradeticity**, a Croatian company specialized in software management of traceability and serialization processes, 100% of **Convel**, an Italian company specialized in automated inspection machines for the pharmaceutical industry, the assets of **Adents High Tech International**, a French company specialized in software for serialization and traceability, and 100% of **Applied Vision**, a global leader in inspection systems for glass and metal containers in food & beverage. In 2021 it reached an agreement for the acquisition of 100% of **rfXcel Corporation**, a leading US-based "SaaS" company serving the Life Science and Food & Beverage sectors and, through FT System, the complete acquisition of Pen-Tec and Tecnel, increasing its specialisation in inspection for the food and beverage sector. In 2019, **Emidio Zorzella** and **Massimo Bonardi** won the Ernst & Young "Entrepreneur of the Year" award for innovation. For more info: www.antaressvision.com.