

30 September 2016, 8pm

## **Keyware acquires participation in French fintech company Magellan SAS**

*EUR 4 million participation occurs without capital increase*

**Brussels, Belgium – 30 September 2016 – Today, Keyware (EURONEXT Brussels: KEYW) is announcing the signing of a 40-percent participation in technology company Magellan SAS ([www.magellanset.com](http://www.magellanset.com)). Keyware is paying for the participation with its own resources combined with bank financing so that shareholders won't suffer dilution.**

The planned transaction in a nutshell:

- ✓ Acquisition of company according to French law Magellan SAS
- ✓ Indicative price: kEUR 4,000 for 40% of the shares
- ✓ Financing without a capital increase: the price will be paid in cash (kEUR 3,000) and in Keyware Technologies shares (kEUR 1,000)
- ✓ In 2015, Magellan achieved a turnover of more than EUR 3.3 million, EBITDA of EUR 1 million, and a net result of EUR 0.2 million
- ✓ Investment in new complementary technological possibilities such as revolving credits (SPLIT) and protection of critical data
- ✓ Magellan employs 16 people

### **Immediate return**

Keyware's investment in French company Magellan SAS is part of the Zaventem-based electronic payments expert's wider growth strategy. Earlier this year, Keyware announced that it would open offices in Germany during Q4, and now there's also this 40-percent participation in Magellan, good for kEUR 4,000.

Magellan is a profitable company. In 2015, it achieved a turnover of more than EUR 3.3 million, EBITDA of EUR 1 million, and a net result of EUR 0.2 million. With this participation, Keyware is counting on immediate financial profits in Q4.

In addition, the participation will enable Keyware to acquire access to new and complementary technologies the company would like to integrate into its own payment solutions for the Belgian and German markets.

## Financing

Thanks to the payment in Keyware's own resources combined with bank financing, no dilution will occur for existing shareholders. Keyware's objective was to invest the past years' profits in growth, and the means to achieve this are available, even after the dividend distribution announced in August.

- the indicative price for 40% of the activities amounts to kEUR 4,000
- 75% of the price will be paid in cash (kEUR 3,000) and 25% in Keyware Technologies nv stock (equivalent to kEUR 1,000)
- the closing took place on 30 September 2016

The planned transaction's impact for Keyware Technologies is as follows:

- Magellan and Keyware have a mutual understanding to accelerate the synergy between the two companies.
- Magellan and Midian's combined 2015 figures can be considered indicative of the result in financial year 2016, in which Keyware will maintain 40 % as from 30 September 2016

## Magellan SAS

Magellan SAS, a profitable company according to French law, has been active in the French market and in French overseas territories for over 16 years, offering innovative solutions for secure electronic transaction management. The company has processed over 10 billion transactions and retains an extensive client portfolio. Through Keyware's participation, Magellan will gain direct access to the Belgian and German markets.

Magellan's direct and indirect customers include such organizations as Crédit Agricole Cards & Payments, Société Générale, BRED Banque Populaire, Orange Business Services, Carrefour, Decathlon, BMW, Midas, Point S, Promod, Connexion, Conforama, Prudence Créole, Banque de Tahiti, Air France, Air Calin, Volkswagen Bank, etc. Magellan also holds a large market share in the French overseas territories.

## Investment in technological possibilities

The participation in Magellan provides Keyware with access to electronic payment solutions for physical environments, e-commerce, and m-commerce. It will also be able to introduce these in Belgium. This involves three types of payment software:

- SPLIT is the new standard for allowing consumers to make split payments. This enables retailers to grant customers microcredits quickly and easily, without too much red tape. Everywhere in Europe, demand for this type of microcredit is increasing. With the SPLIT technology, that can just be done with a bank card, upon simple request at the cash register.
- SET2U is a worldwide payment platform which reduces the complexity of the payment process by centralizing all types of transactions: payments, cash withdrawals, banking services, prepaid systems, fidelity cards, and authentication. The system can be used for both payment cards and various payment apps. Since september 2016 SET2U has the international PA-DSS certificate.
- S-Token enables anonymous payment data, in compliance with PCI DSS and EMVCo recommendations. In addition, Magellan offers a wide range of analysis possibilities, e.g. to use in marketing.

## REGULATED INFORMATION

In the first place, Keyware aims to integrate Magellan's solutions into its own electronic payment solutions for the Belgian and German markets. Keyware will use the available extra development capacity to create new integrated and payment solutions and to grow in the existing markets in both volume and margin.

### **Some figures on Magellan**

On the basis of the latest financial statements (2015), presented in accordance with French calculation methods, these are Magellan SAS's key figures:

- Equity capital: kEUR 8,349
- Turnover: kEUR 3,314
- EBITDA: kEUR 1,029
- Net result: kEUR 209 (profit)
- Staff: 16 FTE

Magellan SAS's subsidiary, Midian SASU, is also a company according to French law. Its latest 2015 accounts present the following figures:

- Equity capital: kEUR - 366
- Turnover: kEUR 295
- EBITDA: kEUR - 71
- Net result: kEUR 512 (profit)

In 2016, subsidiary Midian SASU will be absorbed by Magellan by way of a silent merger (TUP according to French law or "transmission universelle de patrimoine").

### **About Keyware**

Keyware is a leading supplier of electronic payment solutions, loyalty systems, identity applications and related transaction management. Keyware is based in Zaventem, Belgium.

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