



FOR IMMEDIATE RELEASE

Vertex Acquires ecosio To Accelerate Global E-Invoicing Compliance

Delivering a Seamlessly Connected Global Platform to Manage Continuous Compliance

King of Prussia, PA — (August 7, 2024) — [Vertex, Inc.](#) (NASDAQ: VERX) (“Vertex” or the “Company”), a global provider of tax technology solutions, today announced the acquisition of ecosio, a leading B2B integration provider specializing in electronic data interchange (EDI) and e-invoicing. The closing is pending customary Austrian regulatory approval.

The acquisition advances a shared vision to accelerate global commerce and deliver a single, scalable platform for automating business transactions and managing indirect tax reporting and e-invoicing compliance. With the increasing prevalence of real-time and near real-time digital tax reporting mandates, e-invoicing is rapidly evolving into a crucial requirement for businesses operating globally, across multiple jurisdictions.

Integrating ecosio’s cloud-based, scalable global network with Vertex’s best-in-class indirect tax solutions will enable customers to facilitate the creation, exchange, and clearance of jurisdictionally compliant e-invoices and seamlessly reconcile these invoices with their periodic filing requirements. The combined solution will aid companies in overcoming obstacles to geographic expansion and improve the efficiency of their compliance and reporting operations.

“Over the past 40 years, Vertex has been a trailblazer in the field of indirect tax, continuously evolving and pursuing new growth opportunities for our world-class customers. By acquiring ecosio’s advanced technology and their team’s extensive e-invoicing and EDI experience, we are committed to delivering a differentiated global compliance solution that simplifies both e-invoicing and VAT complexities,” said Vertex CEO David DeStefano. “E-invoicing has emerged as one of the most rapidly growing challenges confronting global businesses, and with several large economies soon to adopt new requirements it makes this transaction a logical next step for Vertex to unlock additional value for our customers.”

Continuous compliance has become a difficult task for businesses due to the proliferation of VAT reporting requirements and e-invoicing mandates across Europe and the world. The combination of Vertex and ecosio will result in a comprehensive global solution with reliable, end-to-end indirect tax reporting and Continuous Transaction Controls (CTC) capabilities to mitigate the risk of noncompliance. This streamlines the entire compliance lifecycle from tax determination and periodic reporting with complex CTC requirements and automated B2B communication.

“This new endeavor with Vertex is a strategic move that will significantly enhance our ability to deliver exceptional value to our customers,” said ecosio Managing Director Christoph Ebm. “Our shared vision for the future and commitment to growth makes this alignment an ideal fit. By combining our complementary products and mutual values, we’ll create new opportunities and expand our global reach.”

Strategic and Financial Benefits of the Proposed Acquisition

Under the terms of the agreement, the acquisition includes an upfront cash payment of \$69 million as well as a targeted earn-out of \$76 million in cash and \$35 million of Vertex shares, based on ecosio achieving certain financial performance targets over the next three years, subject to adjustments pursuant to the terms of the purchase agreement. Vertex will utilize cash on hand to fund the upfront cash payment.

Closing is subject to local regulatory approvals and expected to take place by the end of the third quarter of 2024.

Vertex believes acquiring ecosio will provide significant benefits to stakeholders of the combined company, including:

- **Significantly Expands Market Opportunity:** The e-invoicing market is large and growing, fueled by legislation and an increasingly complex compliance environment for companies to navigate. By extending its leadership into e-invoicing through the acquisition of ecosio, Vertex expects to expand its market opportunity with considerable upside opportunities as the Company helps customers navigate evolving compliance mandates globally.
- **Advances International Growth Strategy:** Today, ecosio directly supports Continuous Transaction Controls (“CTC”) and B2G mandates globally. The business’ opportunity is rapidly expanding as new countries have currently adopted or are expected to adopt CTC mandates. To address these requirements, customers are seeking solutions that simplify their returns and reporting processes. Vertex expects to capitalize on this demand by leveraging ecosio’s e-invoicing solutions for existing customers and as an entry point for new customer acquisition.
- **In-Demand, Strategically Aligned Solutions to Manage Tax Compliance in the Digital Era:** CTC and e-invoicing are key components in streamlining compliance processes and ensuring timely and accurate reporting. Through this transaction, Vertex will deliver a seamless, end-to-end compliance platform with a scalable, highly available open business network that will enable continuous compliance.
- **Growth and Financial Impact:** The transaction is expected to unlock additional value as the combined company supports customers at more points through their compliance and electronic data interchange processes globally. Vertex expects that deepening and expanding customer relationships will drive increased revenue growth. ecosio is anticipated to contribute approximately \$15 million in revenue in the first 12 months post-closing. Due to incremental R&D investments in product integrations, enhancements, and additional e-invoicing country support, ecosio will be modestly dilutive to profitability in the first two years after closing. The transaction is expected to be accretive to profitability in the third full year after closing.

Visit [here](#) to learn more about Vertex’s e-invoicing solution.

Advisor

Centerview Partners LLC acted as a financial advisor to Vertex in connection with the transaction.

About Vertex

Vertex, Inc. is a leading global provider of indirect tax solutions. The Company's mission is to deliver the most trusted tax technology enabling global businesses to transact, comply and grow with confidence. Vertex provides solutions that can be tailored to specific industries for major lines of indirect tax, including sales and consumer use, value added and payroll. Headquartered in North America, and with offices in South America and Europe, Vertex employs over 1,400 professionals and serves companies across the globe.

For more information, visit www.vertexinc.com or follow us on [Twitter](#) and [LinkedIn](#).

Forward Looking Statements

Any statements made in this press release that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include, among other things, statements about the anticipated benefits of the ecosio acquisition, the timing of completion of the ecosio acquisition, as well as the information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. Forward-looking statements are based on Vertex management's beliefs, as well as assumptions made by, and information currently available to, them. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. Factors which may cause actual results to differ materially from current expectations include, but are not limited to: our ability to complete the ecosio on the currently contemplated terms or at all; the outcome of any legal proceedings, regulatory proceedings or enforcement matters that may be instituted relating to the anticipated acquisition; the costs incurred to consummate the ecosio acquisition; the possibility that the expected benefits from the acquisition will not be realized, or will not be realized within the expected time period; difficulties related to the integration of the two companies; disruption from the ecosio acquisition making it more difficult to maintain relationships with customers, employees, regulators or suppliers; the diversion of management time and attention on the anticipated acquisition; adverse changes in the markets in which Vertex and ecosio operate; our ability to sustain and expand revenues, maintain profitability, and to effectively manage our anticipated growth; our ability to maintain and expand our strategic relationships with third parties; and the other factors described under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the Securities Exchange Commission ("SEC"), as may be subsequently updated by our other SEC filings. Copies of such filings may be obtained from the Company or the SEC.

All forward-looking statements reflect our beliefs and assumptions only as of the date of this press release. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

Contacts:

Vertex

Investor Relations contact:

Joe Crivelli

Vertex, Inc.

ir@vertexinc.com

Media contact:

Rachel Litcofsky

Vertex, Inc.

mediainquiries@Vertexinc.com