



2020 Q4
Results Presentation

April 2021

- This presentation and the information contained herein (unless otherwise indicated), has been provided by Almaviva S.p.A. (together with its subsidiaries, referred to as “AlmavivA”) solely for informational purposes. By attending this presentation or otherwise viewing this presentation, or having access to the corresponding information, you are agreeing to be bound by the following conditions.
- This presentation and its contents are strictly confidential and may not be distributed or passed on to any other person or published or reproduced, in whole or in part, by any medium or in any form for any purpose.
- This presentation contains forward-looking statements. Forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding AlmavivA’s results of operations, strategy, plans, objectives, goals and targets. The forward-looking statements in this document can be identified, in some instances, by the use of words such as “expects,” “anticipates,” “intends,” “believes,” and similar language or the negative thereof or similar expressions that are predictions of or indicate future events or future trends. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that may cause AlmavivA’s actual results, performance or

achievements to be materially different from those expressed in, or implied by, such forward-looking statements. All forward-looking statements apply only as of the date hereof and AlmavivA undertakes no obligation to update this information.

- The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice. The information contained in this document may be updated, completed, revised and amended and such information may change materially in the future. AlmavivA is under no obligation to update or keep current the information contained in this presentation. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. AlmavivA nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation. Any proposed terms in this presentation are indicative only and remain subject to contract.
- Certain financial data included in this presentation consists of “non-IFRS financial measures.” These non-IFRS financial measures, as defined by

AlmavivA, may not be comparable to similarly-titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of the performance based on IFRS.

- AlmavivA obtained certain industry and market data used in this presentation from publications and studies conducted by third parties and estimates prepared by AlmavivA based on certain assumptions. While AlmavivA believes that the industry and market data from external sources is accurate and correct, neither AlmavivA nor the Initial Purchaser has independently verified such data or sought to verify that the information remains accurate as of the date of this presentation and AlmavivA makes no representation as to the accuracy of such information. Similarly, AlmavivA believes that its internal estimates are reliable, but these estimates have not been verified by any independent sources.
- This presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of AlmavivA in the United States or in any other jurisdiction. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

Overview of Almoviva

Almoviva

| Business Area | IT Services | CRM | New Technology |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | CRM Europe | CRM International |
| Brand | Almoviva | Almoviva CONTACT | ALMAWAVE |
| LTM ⁽¹⁾ Revenue (% of Total) | <p>€ 562 m 63%</p> | <p>€ 94 m 11%</p> <p>€ 204 m 23%</p> | <p>€ 27 m 3%</p> |
| Countries | | | |
| Products & Services Offering | <ul style="list-style-type: none"> Cloud Computing & Consulting Digital Change Knowledge of Everything System Integration Cyber Security Passenger Information Systems solutions & devices Virtual & Augmented Reality Real Time CGI | <ul style="list-style-type: none"> In- and outbound services Multi-channel solutions Back-office document management Consulting and process reengineering Advanced analytics Process automation | <ul style="list-style-type: none"> AI and NLU AI Core Technologies Speech and text (>30 languages) Knowledge Management and Link Analysis Customer Experience Platforms (front end) Conversational Platforms (voice and text) |
| Business Areas | <ul style="list-style-type: none"> Transportation Public administration Finance Utilities Industry Other | <ul style="list-style-type: none"> Telco & Media Transportation Utilities Government Finance Others | <ul style="list-style-type: none"> Telco & Media Automotive & Transportation Government Finance Utilities Energy |

Source: Company Information and financials.

2019 and 2020 figures consider the effects of the adoption of the new accounting principles IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ As of December 31st, 2020, excluding €15.8m of intragroup eliminations.

Key Financial Highlights

FY2020

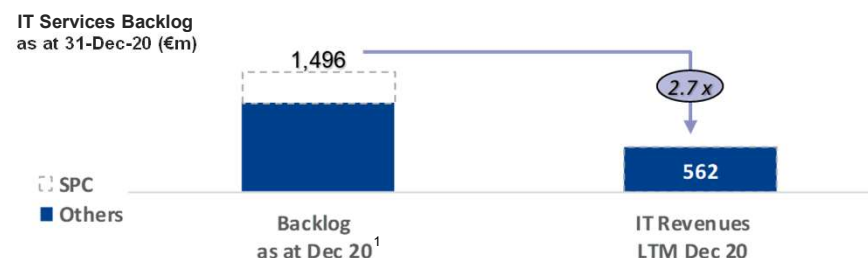
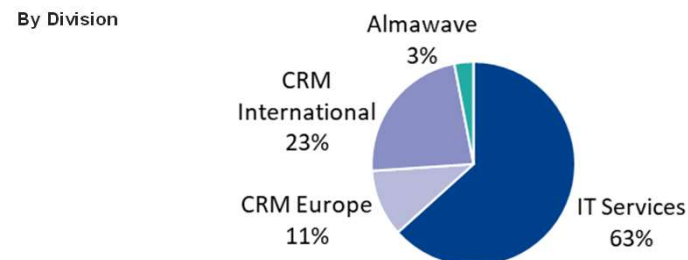
Key Highlights

- Group Revenue at €871.3m, in line with FY2019 at current currency; +€71.1m at constant currency (€937.9m, +8.2%); like-for-like⁽¹⁾ Group Revenues at €830.7m, at constant currency €883.7m (+2.0% vs FY2019)
- Group Reported Ebitda at €116.2m, increased by €14.4m (+14.1%) compared to FY2019, +€25.9m at constant currency (€127.7m, +25.4%); like-for-like⁽¹⁾ Group Ebitda at €107.9m (+6.0% vs FY2019), at constant currency €116.7m (+14.6% vs FY2019)
- FY2020 Ebitda margin at 13.3% (+160 bps vs FY2019)
- FY2020 Ebitda includes €5.9m extraordinary costs; Adjusted Ebitda at €122.0m
- Capex at €31.2m, slightly increasing vs FY2019 (€28.7m), due to the acquisition of Chain; if considering IFRS16 effect, Capex at €55.9m
- Positive Net Result at €36.1m (+€22.4m, +62.1% vs FY2019)

Key Statistics

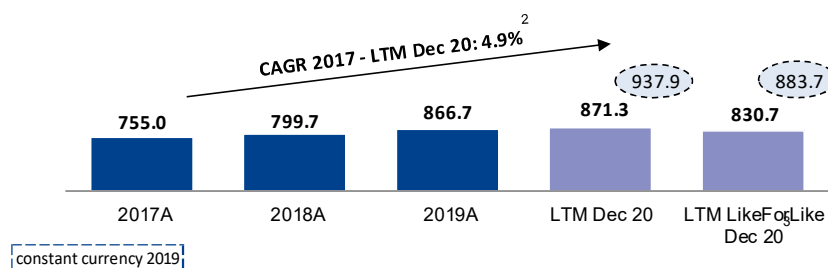
- IT backlog covers ~3 times the LTM Dec-2020 IT Services Revenues (with Revenues grown by €58.0m or 11.5% vs LTM Dec-2019)
- Continuous LTM Revenue growth (CAGR 4.9%)
- Net Debt at current currency at €236.2m, notwithstanding the acquisition of Chain (~€11.0m)
- Leverage at 2.0x, 0.4x better than 2.4x as at December 31st 2019
- Cash position increased vs FY2019 (€98.6m vs €89.4m, +10.2%) notwithstanding the negative FX exchange effect (€108.7m at constant currency)

LTM Dec-2020 Revenue Breakdown and Current Backlog

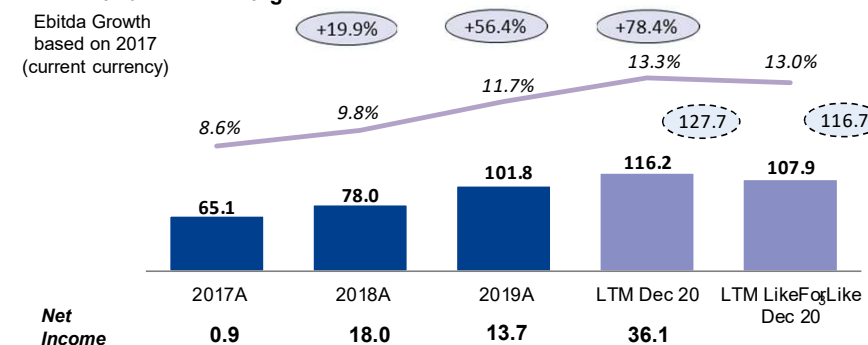


Key Financials (€m)

Revenue



EBITDA and EBITDA Margin



2019 and 2020 figures consider the effects of the adoption of the new accounting principles IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Includes the extension of SPC Lots L3 and L4 Framework Agreements signed in March 2021 (€425m, 71% Almaviva Group share).

⁽²⁾ At current currency.

⁽³⁾ Like-for-like perimeter before the acquisition of Chain.

Key Operating Performance Highlights

Q4 2020

ITC Services

- Extension in May 2020 and March 2021 of SPC L3 and L4 framework agreement (€425m, 75,1% Almaviva Group share)
- Around €1,047m new contracts signed in FY2020 (€257m in Q4 2020) in the IT division (including the renewal of the contract with Gruppo Ferrovie dello Stato in Q1 2020 and the extension of SPC Lots 3 and 4), of which around 37% under the SPC framework agreements, 51% Transportation, 10% Finance and 2% other sectors
- Increased penetration in public central and local administration; as of December 2020, contracts for a total amount of €588m already signed with PA on the back of the SPC L3 and L4 framework agreements (€197m in FY2020). New clients acquired both in central (26) and local PA (117, mainly Regions), 2 in Q4 2020
- With reference to Gruppo Ferrovie dello Stato delayed tender process, as of today:
 - the first tender issued by RFI has been awarded to Almaviva (regarding "Traffic planning and management", €90m, 52.6% share, 5y)
 - all tenders issued so far have been cancelled and shall be re-issued in the next periods

- albeit a comprehensive plan of the tenders is not yet available, we expect that a first set of the new tenders will be issued within 2021
- Although the effects of the covid-19 emergency on transport manufacturing enterprises, Sadel experienced a significant growth of production (+24.9% vs FY2019), which indicates the resilience to the current situation, as well demonstrated by the entire Transportation Division
- Around €2.5b new tenders in Public Administration already issued or awaited during 2020 and the first half of 2021
- Expected increase of investments in PA deriving from the recourse to EU Recovery Fund
- Successful awarding of tenders: INAIL (€22m, Almaviva share 30%) and PA E-procurement (€26m, Almaviva share 51%)
- Further development of the subsidiary Almaviva Saudi Arabia in Riyadh with investments in staff recruitment and commercial structure in order to address the Saudi Arabia and the Middle East market
- Small acquisitions in the radar screen focused on enhancing the offering and presence in some specific verticals, both in private and public customers

Almawave

- In March 2020 Almawave made its debut on the Italian stock exchange (AIM Italia), completing the most important IPO in the AIM market in terms of proceeds and Ebitda multiple valuation
- Continuous growth in Revenue (+26.0% vs FY2019) supported by the SPC framework agreement
- As of today, more than 60 clients served in finance, utilities and large distribution. As of December 2020, within the scope of the SPC framework agreements, 58 clients acquired both in central and local PA (20 new ones in 2020)
- Increased partnership with universities and the academic world: following the acquisition of Spin Data (ex ARTE), a University of Naples spinoff focused on AI, in January 2021 completion of the acquisition of OBDA Systems, a University of Rome La Sapienza spin-off (Almawave share 60%) focused on state-of-the-art ontology-based data access management solutions
- New major release of Iride Voice with a convergent architecture unifying the quality monitoring in the speech analytics scenario and taking advantage of the new Deep Learning and Transfer Learning algorithms introduced in Iride Text Analytics during the year
- The percentage of direct / third party revenues keeps growing vis a vis intercompany revenues (78% vs 71% in Q4 2019)

Key Operating Performance Highlights

Q4 2020

CRM

CRM EUROPE

- Investments to allow the immediate and ahead of the market set up of a remote-control home-office CRM model (>90% of the operators delivering services in smart-working)
- Partner of the Italian Government providing the service connected to the covid-19 emergency number 1500
- Government support guaranteed throughout the year: social buffers connected to covid-19 until October 2021, as well as Fondo integrazione salariale (FIS) and CIGS until year-end 2021
- Focus on cost by reducing dependency on third party suppliers and more efficiently deploying its own personnel (e.g. more complex issues directly dealt by team leaders instead of mere operators)
- Rightsizing actions focused on healthful and positive margin services/products and clients, as well as selectively pursuing only profitable contracts
- Workforce in constant reduction in Italy: 3,690 employees in December 2020 vs 7,906 in December 2015 (-4,216 employees, -53.3%) and vs 4,763 in December 2019 (-1,073 or -22.5%; -78 employees only in Q4 2020). In Q1 2021 further layoffs of 33 employees. Workforce layoff connected to the dismissal of negative marginality contracts

CRM INTERNATIONAL

- Following the Covid-19 outbreak, the Brazilian Federal Government enacted provisional measures (Medidas Provisórias) aimed to assist the country's economy (through the injection of 1.2 trillion reais liquidity and the allocation of resources to health) and to support employment (contract prorogations and welfare programs)
- Investments in infrastructural and technological assets in order to reduce G&A
- Since August 2020 Selic rate at a record low of 2%, 250 bps reduction vs year-end 2019
- Successful negotiation with new non-telco customers: growth of the operations of a new client in the financial sector and closing of the negotiation of 3 major operations (starting in Q2 2021) with international clients
- Successful performance of the new integrated subsidiary Chain, with over-achieving margins
- Strong FY2020 Ebitda margin performance at 16.2% (vs 13.8% in FY2020, +240 bps)
- Q4 2020 margin at 17.2% vs Q4 2019 at 14.7% (+250 bps)

Offering Key Terms

- Listing Market: Borsa Italiana – AIM Italia
- Offering: 100% primary
- Offer size: 30 m€ (including Greenshoe)
- Strong investors interest: 1.5x offer
- IPO in full capital increase
- Selling restriction: Offering to qualified investors in Italy and institutional investors abroad
- Syndicate structure: Banca Akros as Global Coordinator and Joint Bookrunner, Alantra as Bookrunner
- Financial Advisor and Nomad: Banca Mediolanum
- Almaviva share of 73.91% after Greenshoe

Use of Proceeds

- Accelerate R&D developments
- Acquisition of complementary technology and extension of capabilities (e.g. Computer Vision and Biometrics)
- Launch of new vertical solutions with a focus on e-Health sector
- Launch of new spin-off with universities
- Strengthen vertical AI solution strategy (dedicated capabilities and skills) and sales focus
- Accelerate partners strategy by vertical market and for internationalization
- Accelerate marketing investments to increase visibility and boost strategy implementation
- Expand geographic footprint through acquisition of identified M&A targets in complementary markets (e.g. Europe, Brazil)
- Improve the Company interest rate ratio replacing the existing financial structure with new external sources

Summary P&L

€m

| € million | 2017A | 2018A | 2019A | 2020A |
|-------------------------------------------|----------------|----------------|----------------|----------------|
| | No IFRS 16 | No IFRS 16 | IFRS 16 | IFRS16 |
| Revenues | 755.0 | 799.7 | 866.7 | 871.3 |
| <i>% Growth</i> | <i>3.4%</i> | <i>5.9%</i> | <i>8.4%</i> | <i>0.5%</i> |
| Total of Revenues and Other Income | 772.3 | 822.7 | 886.8 | 890.7 |
| <i>% Growth</i> | <i>4.5%</i> | <i>6.5%</i> | <i>7.8%</i> | <i>0.4%</i> |
| Operating Costs | (705.0) | (744.6) | (785.0) | (774.5) |
| <i>% Revenues</i> | <i>93.4%</i> | <i>93.1%</i> | <i>90.6%</i> | <i>88.9%</i> |
| Adjusted EBITDA | 67.3 | 78.0 | 101.8 | 122.0 |
| <i>% Margin</i> | <i>8.9%</i> | <i>9.8%</i> | <i>11.7%</i> | <i>14.0%</i> |
| Non-Recurring Items | (2.2) | - | - | (5.9) |
| <i>% Revenues</i> | <i>0.3%</i> | <i>0.0%</i> | <i>0.0%</i> | <i>0.0%</i> |
| EBITDA | 65.1 | 78.0 | 101.8 | 116.2 |
| <i>% Margin</i> | <i>8.6%</i> | <i>9.8%</i> | <i>11.7%</i> | <i>13.3%</i> |
| D&A | (29.7) | (27.0) | (41.6) | (39.2) |
| <i>% Revenues</i> | <i>3.9%</i> | <i>3.4%</i> | <i>4.8%</i> | <i>4.5%</i> |
| EBIT | 35.3 | 51.1 | 60.3 | 77.7 |
| <i>% Margin</i> | <i>4.7%</i> | <i>6.4%</i> | <i>7.0%</i> | <i>8.9%</i> |
| Interest Expense ⁽¹⁾ | (34.5) | (29.6) | (37.9) | (32.5) |
| <i>% Revenues</i> | <i>4.6%</i> | <i>3.7%</i> | <i>4.4%</i> | <i>3.7%</i> |
| EBT | 0.8 | 21.5 | 22.3 | 45.1 |
| <i>% Margin</i> | <i>0.1%</i> | <i>2.7%</i> | <i>2.6%</i> | <i>5.2%</i> |
| Taxes | 0.0 | (3.5) | (8.7) | (9.0) |
| Group Net Income | 0.9 | 18.0 | 13.7 | 36.1 |

Key comments

- FY2020 Revenues slightly better than FY2019 (+€4.6m)
- FY2020 Ebitda increased by €14.4m, +14.1% vs FY2019
- FY2020 Ebitda includes €5.9m extraordinary costs related to provisions for personnel early retirement (Quota 100) in IT Services (€4.4m) and credit write-off on a Latam client in CRM International (€1.5m); Adjusted Ebitda at €122.0m
- FY2020 Ebitda margin increased (13.3% vs 11.7% in FY2019), +160 bps
- Operating costs as a percentage of Revenues better than FY2019
- FY2020 EBIT better than FY2019 (€77.7m vs €60.3m, +28.8%)
- D&A, mainly related to fixed assets, in IT Division and Brazil, in line with FY2019
- FY2020 EBT at €45.1m (+102.4% vs FY2019)
- Interest expense €5.4m better than FY2019, notwithstanding a negative FX change effect of €0.6m
- Taxes in line with FY2019
- FY2020 Net Income at €36.1 (+€22.4m vs FY2019, +163.9%)

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

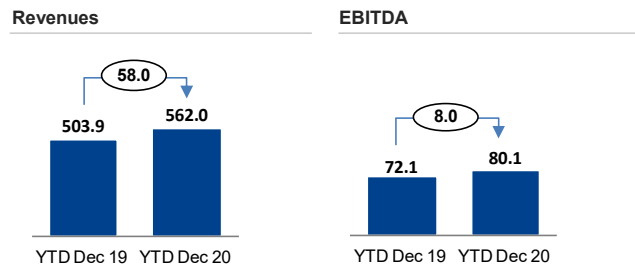
⁽¹⁾ Interest Expense includes FX change effect of €0.6m in FY2020.

Key Financials By Division

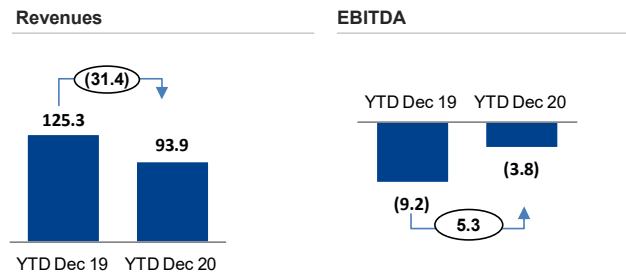
€m

Dec-2020 Year To Date Performance

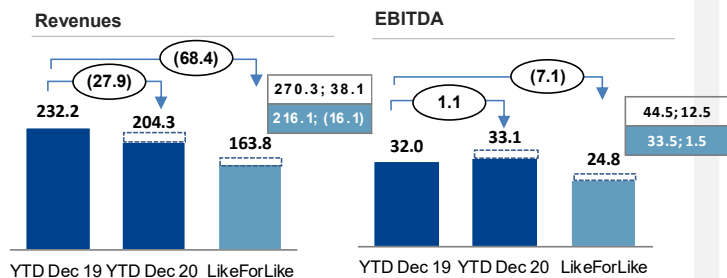
ITC Services



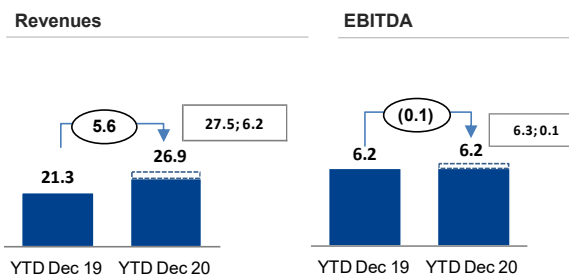
CRM Europe



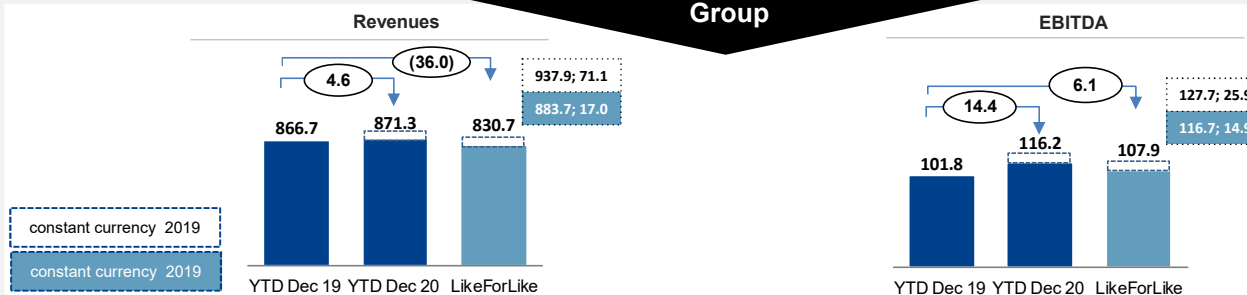
CRM International



Almawave



Group

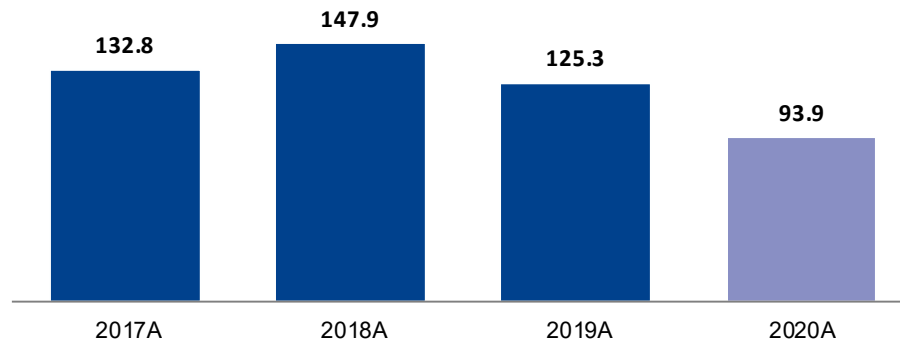


Key comments

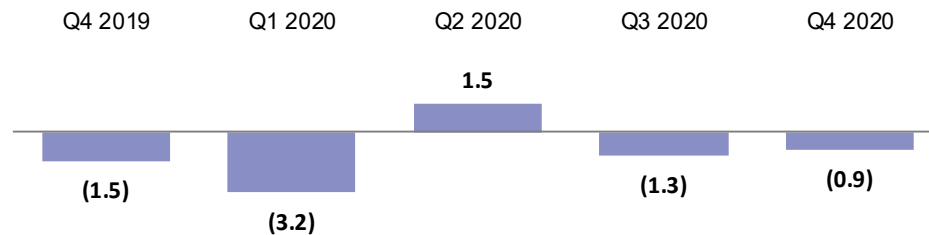
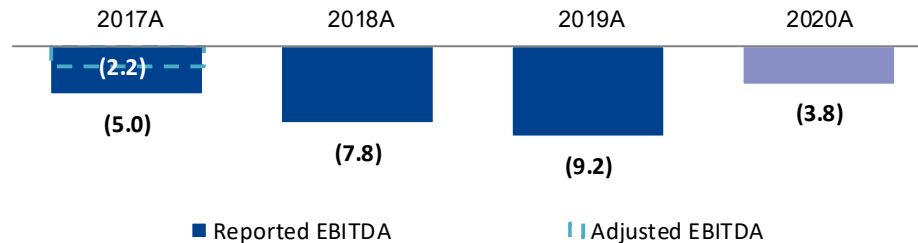
- In FY2020 growth in Revenues (+€4.6m) and in Ebitda (+€14.4m, +14.1%) compared to FY2019, with higher marginality
- Group performance impacted by FX effect. At constant currency FY2019, +€71.1m in Revenues (€937.9m vs €866.7m in FY2019, +8.2%), +25.9m in Ebitda (€127.7m vs €101.8m in FY2019, +25.4%)
- Group Ebitda margin increased (13.3% vs 11.7% in FY2019, +160 bps)
- IT Services keeps growing in FY2020 both in Revenues (+€58.0m, +11.5%) and Ebitda (+€8.0m, +11.0%) compared to FY2019
- CRM Europe Revenues impacted by right-sizing, while Ebitda improved vs FY2019 (+€5.3m)
- At current currency CRM International increase in Ebitda (€1.1m, +3.5%) and marginality (16.2% vs 13.8%) vs FY2019; at constant currency CRM International growth in Revenues (+€38.1m, +16.4% vs FY2019) and Ebitda (+12.5m, +39.2% vs FY2019)
- CRM International like-for-like Revenues at €216.1m and Ebitda at €33.5m (+€1.5m vs FY2019) at constant currency
- Almawave significant growth in Revenues (+26.1% vs FY2019) and Ebitda (+27.3%) if not considering the effect of €1.6m R&D tax credits in FY2019 and €0.3m in FY2020
- FY2020 Ebitda includes €5.9m extraordinary costs related to provisions for personnel early retirement (Quota 100) in IT Services (€4.4m) and credit write-off on a Latam client in CRM International (€1.5m); Adjusted Ebitda at €122.0m

Key Financials

Revenue (€m)



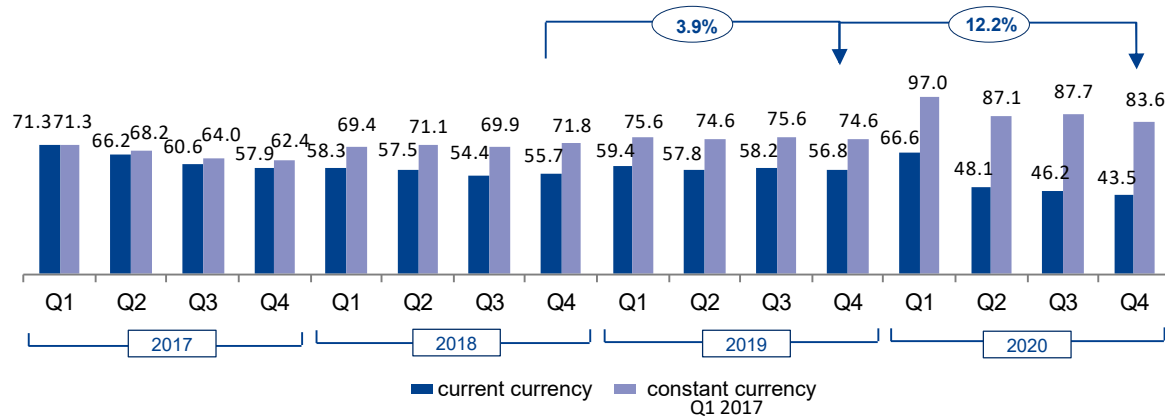
EBITDA (€m)



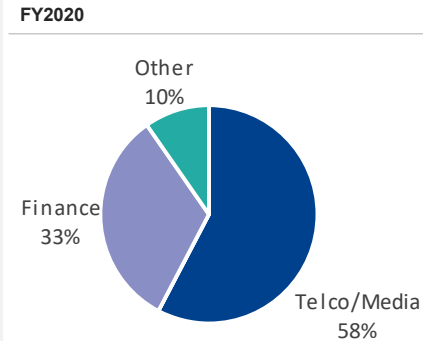
Key comments

- FY2020 Ebitda better than FY2019 (loss more than halved even if impacted by extraordinary costs related to the management of Covid-19 emergency for €1.2m)
- Q4 2020 Ebitda better than Q4 2019 in terms of a significant reduction of loss
- Actions launched in previous quarters meant to improve the sites overall operational structure efficiency and to promote costs containment
- >90% of the workforce delivering services in smart-working (including the dedicated information service number 1500)
- Since 2015, CRM Europe's workforce has been consistently reduced in line with "rightsizing" of business operations and selectively focus only on profitable relations and products. As of December 2020, workforce reduction of 1,073 (-22.5%) vs December 2019 and of 4,216 vs December 2015 (-53.3%)

Revenue (€m)



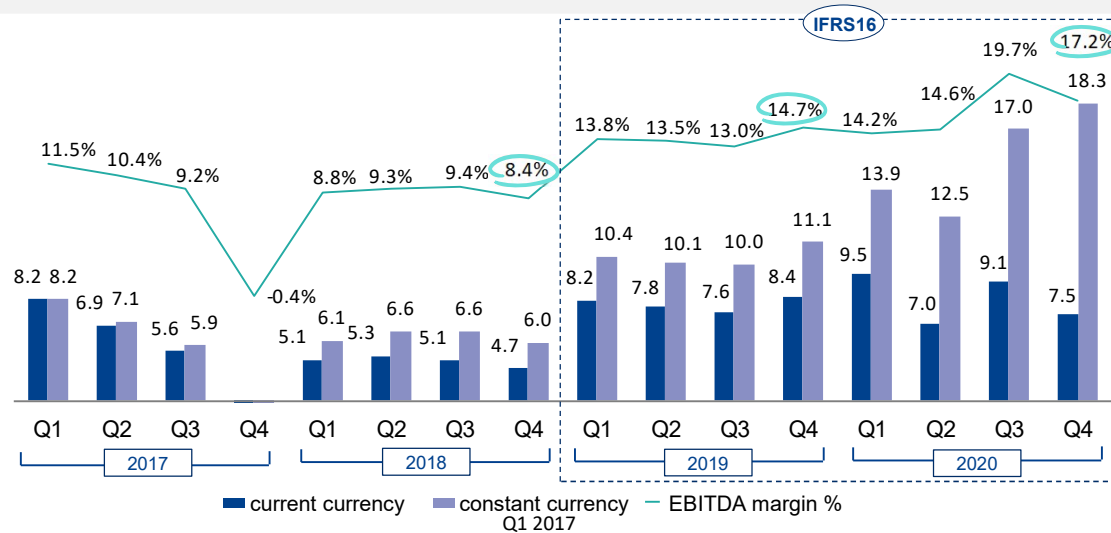
Revenue Breakdown



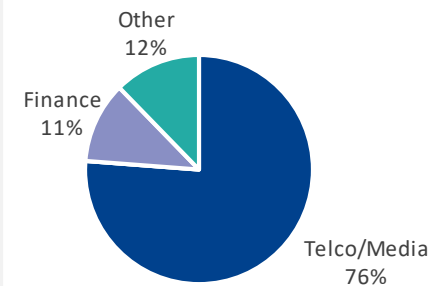
Key comments

- Q4 2020 Revenues better than Q4 2019 (+€9.1m, +12.2%) at constant currency
- Q4 2020 Ebitda better than Q4 2019 at constant currency (+€7.1m, +64.1%)
- FY2020 Ebitda impacted by €1.5m extraordinary costs related to a credit write-off on a Latam client (€1.5m); Adjusted Ebitda at €31.6m
- Extraordinary performance with an Ebitda margin higher than 14% in the last 5 quarters and an extraordinary performance in H2 2020
- Customers and industries diversification thanks to the completion of the acquisition of Chain with a strong reduction of telco/media weight on the overall portfolio

EBITDA (€m)



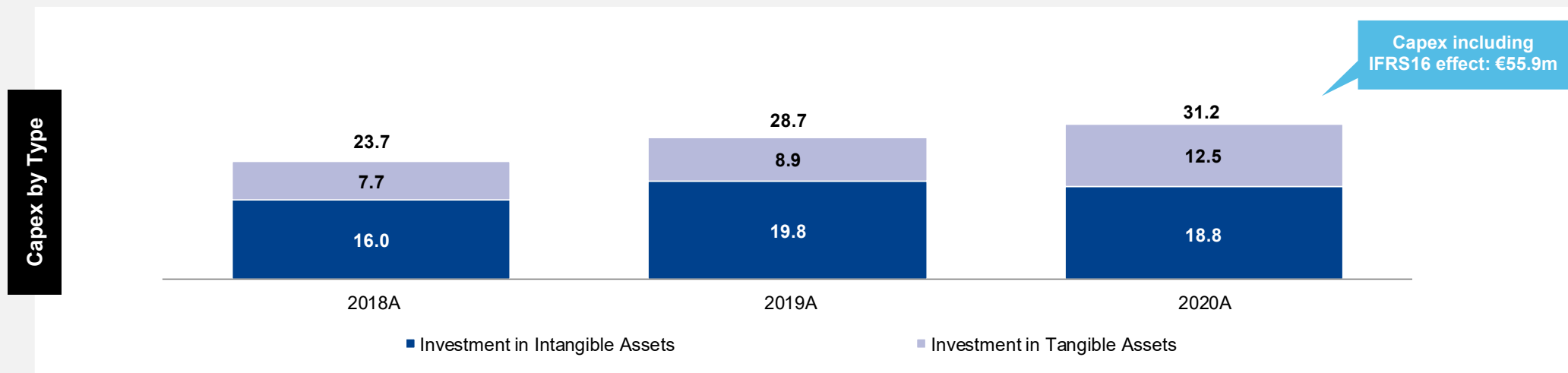
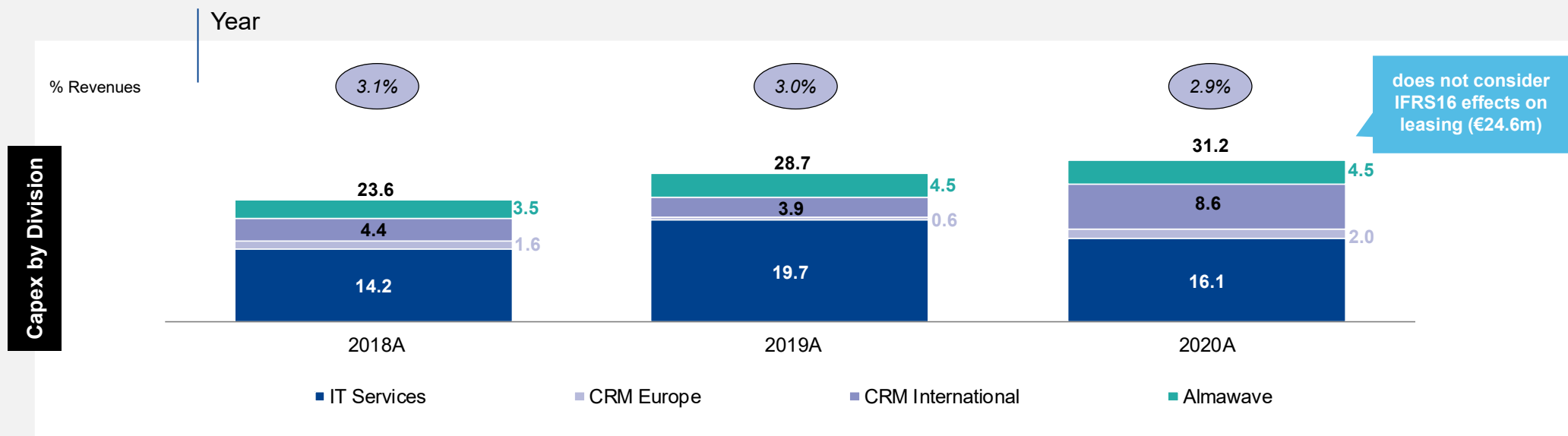
FY2019



2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

Capex Overview

€m



Capex do not consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.
 FY2018 Investment in Intangible Assets does not include the financial acquisition of Sadel.
 FY2019 Capex do not include the goodwill of Wedoo (~€0.6m).

Summary Cash Flows

€m

| € million | YTD Dec 19 | YTD Dec 20 |
|-------------------------------------------------------------------------------|---------------|---------------|
| Adjusted EBITDA | 101.8 | 122.0 |
| Capex | (28.7) | (31.2) |
| (Increase) / Decrease in Normalised Working Capital | (13.3) | (1.8) |
| Adjusted Operating Cash Flow | 59.8 | 89.0 |
| % Adjusted EBITDA | 58.7% | 71.6% |
| Non-Recurring Items | - | (5.9) |
| Taxes | (6.1) | (8.5) |
| Free Cash Flow for Debt Service ante Dividend Payments and Other Items | 53.7 | 74.6 |
| Dividend Payments | (0.6) | (0.7) |
| Other Items⁽¹⁾ | (0.7) | (11.8) |
| Free Cash Flow for Debt Service | 52.4 | 62.1 |

Key comments

- Strong Free Cash Flow for Debt Service in FY2020 with a total generation of €62.1m (+18.5%)
- Excluding the acquisition of Chain ("Other Items") generation of around €74.6m (+39.0%)
- FY2020 Capex at €31.2m if not considering the IFRS16 effect, slightly decreasing vs FY2019 Capex at €28.7m, notwithstanding the acquisition of Chain
- Change in working capital is mainly driven by a decrease in receivables/WIP, a reduction in provisions, an increase in other current assets
- FY2020 Ebitda impacted by €5.9m extraordinary costs related to provisions for personnel early retirement (€4.4m) in IT Services and a credit write-off on a Latam client (€1.5m) in CRM International; Adjusted Ebitda at €122.0m
- Tax benefit from the recovery of fiscal losses carried forward at consolidated level and reduced tax payment in Brasil following the impact of FX effect
- Other Items include the acquisition of Chain

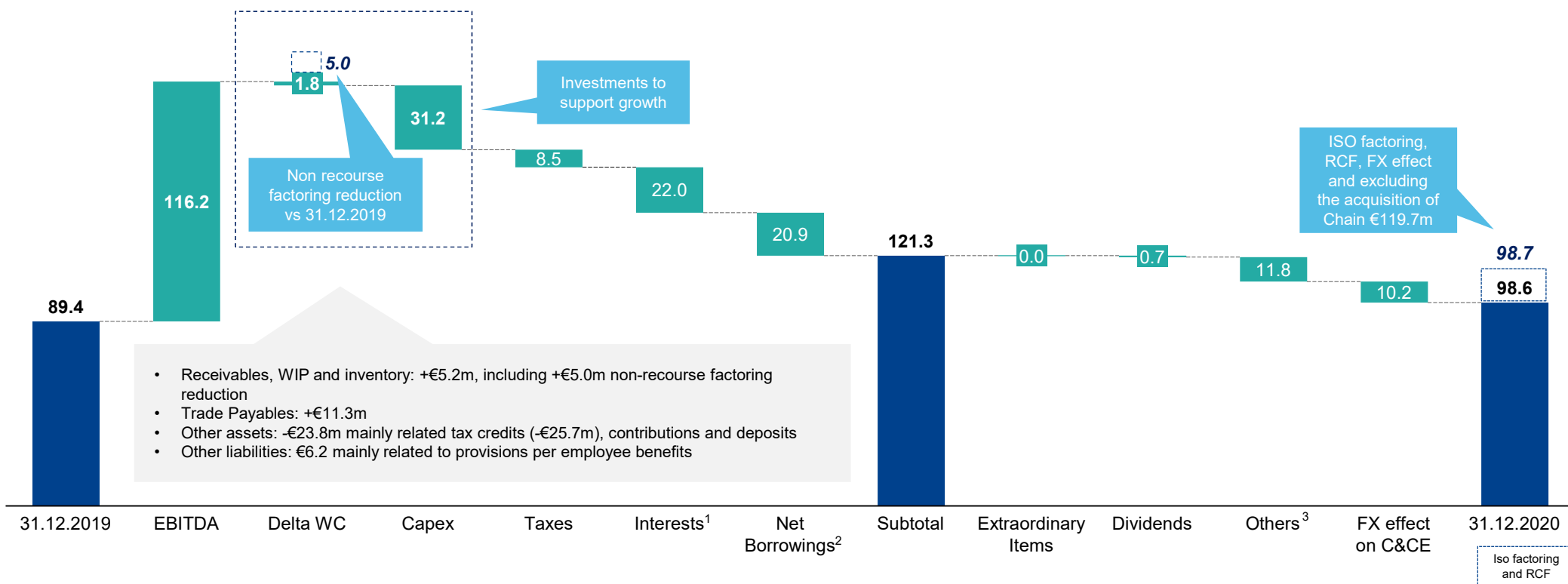
2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Includes equity investments, proceeds from non-controlling interests, change in assets held for sale and disinvestments.

Cash Flow

Strong operative performance with outstanding cash flow generation

Cash Balance (€m)



Key comments

- Strong operative performance with EBITDA increase (+€14.4m, +14.1% at Group level vs FY2019)
- Minor impact on working capital needs notwithstanding the support to revenues increase (+€4.6m at Group level vs FY2019) mainly in IT sector
- Impact on working capital needs of non-recourse factoring utilization for €5.0m vs December 2019
- Increase of RCF vs December 2019 (€20.0m vs €15.0m)
- Cash & Cash Equivalents adjusted by factoring, RCF use and FX effect at €108.7m

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

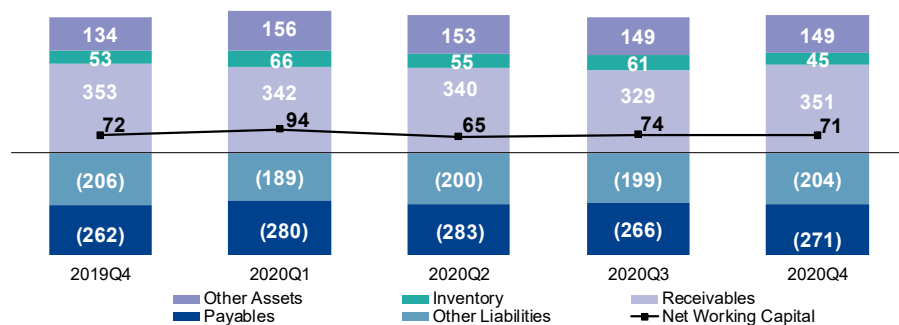
(1)(2) Include leases repayments.

(3) Includes the acquisition of Chain.

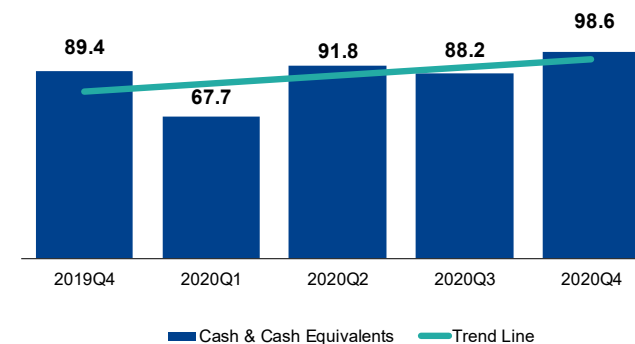
Financial Highlights

Solid liquidity position with several undrawn resources available

Working Capital (€m)

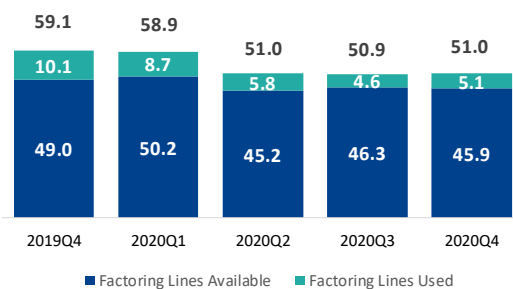


Cash & Cash Equivalents (€m, current currency)

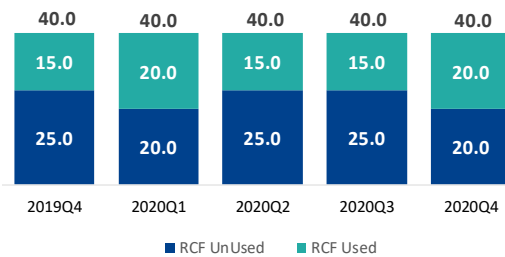


Factoring without Recourse & RCF (€m)

Factoring WO Recourse

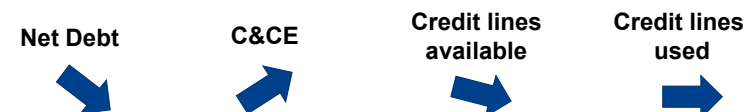


RCF



Net Debt (€m)

| | 2019Q4 | 2020Q1 | 2020Q2 | 2020Q3 | 2020Q4 |
|---------------------|---------|---------|---------|---------|---------|
| Net Debt | (259.0) | (278.9) | (239.0) | (242.9) | (236.2) |
| Delta vs Previous Q | | (19.9) | 39.9 | (3.9) | 6.7 |
| Delta vs 2019Q4 | | (19.9) | 20.0 | 16.2 | 22.8 |

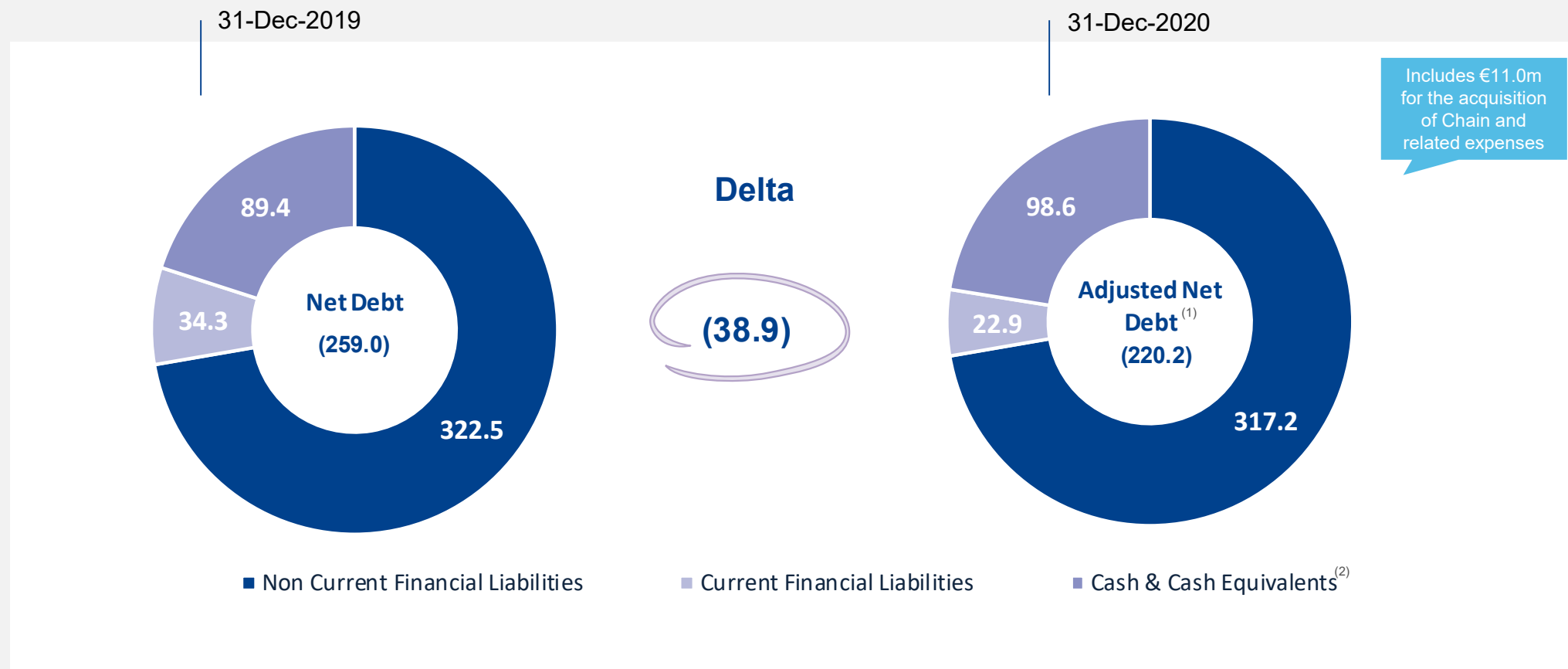


2020Q4 vs 2019Q4 strong cash generation, extraordinary liquidity position, high credit lines availability with utilization slow down

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

Financial Debt

Adjusted Net Debt⁽¹⁾ Reduction, Considering Non-recourse Factoring Reduction and Acquisition of Chain (€m)



- Net Debt strong reduction compared to FY2019 (improvement of €22.8m)
- Outstanding Cash Balance position
- Extraordinary Leverage reduction (2.0x vs 2.4x in December 2019)

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Net Debt adjusted considering the reduction of non-recourse factoring vs 31.12.2019 and the net cash-out for the acquisition of Chain (€11.0m).

⁽²⁾ C&CE as at 31-Dec-2020 at €119.7m if considering non-recourse factoring reduction vs 31.12.2019 (€5.0m), increase in RCF utilization (€5.0) and the net cash-out for the acquisition of Chain (€11.0m).

Capitalisation Structure as at 31-Dec-20

| €m | Amount | LTM Dec 20 EBITDA | Pricing | Maturity |
|---------------------------------------------------------------|--------------|----------------------|--------------|-----------------|
| Cash and cash equivalents | (98.6) | | | |
| Total current and non-current financial assets ⁽¹⁾ | (5.4) | | | |
| Senior Secured Notes | 250.0 | | 7.25% | Oct-2022 |
| Super Senior RCF (Drawn) | 20 | | | |
| Other financial liabilities ⁽²⁾ | 70 | | | |
| Total Gross Debt | 340.2 | 2.9x | | |
| Total Net Debt | 236.2 | 2.0x | | |
| LTM Dec 20 EBITDA | | 116.2 | | |
| Super Senior RCF (Undrawn) | 20.0 | | E+450bps | feb-22 |

Key Credit Stats (YTD Dec-20)

- Net Total Leverage: 2.0x vs 2.4x in FY2019
- Interest Coverage Ratio: 3.6x vs 3.0x in FY2019
- €20.0m RCF drawdown driven by working capital cycle

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Include financial credits.

⁽²⁾ Other financial liabilities include SIMEST participation, Government subsidized financings, accrued interests on coupon to be paid in April 2021 (€3.8m) and leasing.

Final remarks

Almaviva business model more than resilient notwithstanding Covid-19 and set to continue

Almawave IPO as a major milestone to become an AI market leader

Backlog continues to be very strong

Positive market trends in every business sector

Solid operative performance in all sectors

Continuous outstanding margin in every division both at current and constant currency

Strong Leverage reduction trend

Continuous outstanding cash balance position



Appendix

Adoption of the New IFRS 16 Accounting Principle

Focus on the Impact on Consolidated Financial Statements as of December 31, 2020

| | Financial Highlights <u>Ante</u> IFRS 16 Adoption | IFRS 16 Adoption Impact | Financial Highlights <u>Post</u> IFRS 16 Adoption | |
|---------------------------------|------------------------------------------------------|----------------------------|------------------------------------------------------|--------------------------------------------------------------------------|
| Tangible Assets | 43.1 m€ | 31.8 m€ | 74.9 m€ | Accounting of <i>right-to-use assets</i> |
| Net Debt | 191.2 m€ | 45.0 m€ | 236.2 m€ | Accounting of <i>lease liabilities</i> |
| EBITDA | 98.4 m€ | 17.8 m€ | 116.2 m€ | Decreased accounting of <i>operating lease costs</i> |
| EBIT | 73.3 m€ | 4.4 m€ | 77.7 m€ | Increased accounting of <i>amortization</i> on right-to-use assets |
| Interests | (28.3) m€ | (4.2) m€ | (32.5) m€ | Increased accounting of <i>interests</i> on lease liabilities |
| Net Result | 36.0 m€ | 0.1 m€ | 36.1 m€ | |
| Gross Debt on LTM EBITDA | 3.0x | (0.1)x | 2.9x | |
| Net Debt on LTM EBITDA | 1.9x | 0.1x | 2.0x | |
| Interest Coverage Ratio | 3.6x | 0.0x | 3.6x | |

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. The objective is to report information that faithfully represents lease transactions. IFRS 16 requires a lessee to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments, for all leases with a term of more than 12 months, unless the underlying asset is of low value. As a consequence, the lessee does recognize depreciation of the right-of-use asset and interest on the lease liability, instead of the lease cost recognized before the IFRS16 adoption.