

PRESS RELEASE**ALMAWAVE: DECISIVE GROWTH TREND IN 2020, REVENUE AT €26.9 MILLION (+26.1%)**

- **Revenue €26.9 million (21.3 million in 2019, +26.1%)**
- **Backlog of €72 million**
- **Ebitda €6.2 million (6.2 million in 2019¹)**
- **Ebitda net of contributions for R&D 5.9 million (4.7 million in 2019, +27.3%)**
- **Operational cash flow before investments €9.6 million (6.3 million in 2019, +52.9%)**
- **Investments of €4.6 million (4.5 million in 2019)**

Rome, 12 April 2021 – The Board of Directors of Almawave S.p.A. (Ticker: AIW), an Italian company listed on the AIM Italia multilateral trading system and leader in Artificial Intelligence (AI), natural language analysis and Big Data service, approved the annual budget proposal at 31 December 2020 and the consolidated budget at 31 December 2020 which closes with revenue equal to €26.9 million, up 26.1% at current exchange rates compared to the previous fiscal year (+29.0% at constant exchange rates).

Almawave Chief Executive officer, Valeria Sandei, commented:

“2020 was a decidedly challenging year, but thanks to the work, quality and innovation Almawave has placed in the field, we were able to achieve important results that confirm the value of the strategic and industrial direction undertaken illustrated to the financial community during the recent listing procedure. Revenue has increased significantly, consolidating the company position both with existing customers and in terms of new customers, as well as on all the lines of offering. The growing digitalization and innovation need, made even more stringent by the Covid-19 emergency, reinforced the evolution of business with local governments. I am also pleased with the share of turnover achieved outside the domestic market and the general increase of clientèle, up 18%. Last, but not least, the orders portfolio of €72 million, equal to 2.7 times the annual revenue, makes us optimistic for the current fiscal year and the growth trend over coming years.”

At constant exchange rates, revenue is €27.5 million, including €23.6 million (+33% compared to the previous year) achieved in Italy and €3.9 million (+10%) abroad. The orders received from local government count for €17.3 million (+49% from 2019) whereas those from the Enterprise and Transport world reach €10.2 million

¹ Includes €0.7 million of credits for R&D relating to previous years

(+5%). The revenue connected to the product platforms equal €10.4 million (+25), whereas those generated by big data & digital transformation services equal €17.1 million (+31%). The result of revenue generated by American and European customers is particularly important, showing a growth of 127%, in implementation of the company's strategic guidelines.

The Ebitda comes in at €6.2 million (23.0% of the annual revenue) and the Ebit at €3.7 million (13.7% of the revenue). Both of the profitability indicators, analyzed net of the fiscal benefits obtained in the last two fiscal years with reference to the investments in R&D sustained, show strong growth: the Ebitda is up 27.3% compared to 2019 and the Ebit 34.2%.

(Values in Euro/000)

Description	01 Jan 2020 31 Dec 2020 a	01 Jan 2019 31 Dec 2019 b	Variation Absolute a-b	Variation %
Revenue	26,867	21,310	5,557	26.1%
Revenue (constant exchange rates)	27,486	21,310	6,176	29.0%
EBITDA	6,186 23.0%	6,236 29.3%	(50)	-0.8%
EBITDA Adjusted ⁽¹⁾	6,186 23.0%	5,545 26.0%	641	11.6%
EBITDA NET OF R&D ⁽²⁾ % of Revenue	5,934 22.1%	4,659 21.9%	1,275	27.3%
EBIT	3,684 13.7%	4,133 19.4%	(449)	-10.9%
EBIT Adjusted ⁽¹⁾	3,684 13.7%	3,442 16.2%	242	7.0%
EBIT NET OF R&D ⁽²⁾ % of Revenue	3,432 12.8%	2,556 12.0%	876	34.2%
R&S	252	1,577		
Including deferred R&D		691		

(1) rectified net of deferred Research and Development income (€691k in 2019)

(2) rectified net of Reported Research and Development income (€252k in 2020 and €1,577k in 2019)

The net profit for 2020 is equal to €1.3 million (2.3 million in 2019), a variation entirely explained by a reduction of R&D contributions.

The net cash flow from operational profits prior to the investments² and equal to €9.6 million, up 53% compared to 2019 numbers.

The investments made during the fiscal year are equal to €4.6 million, 17.2% of the revenue, down by about 400 base points compared to the previous fiscal year.

The net financial position at 31 December 2020, which does not include income stemming from the recent IPO operation that took place on 11 March 2021 is equal to €13.8 million, a decidedly improving compared to the previous year (€15.7 million in 2019).

² Ebitda ± trade payables and receivables variation



The Almaxwave Group closes the fourth quarter with revenue equal to €8.8 million, up 14.3% compared to the same period in 2019. The Ebitda amounts to 2.2 million (equal to 24.8% of the revenue), the Ebit is 1.6 million (18.5%) and net profit is 1.0 million (11.2%), showing a positive trend in the profitability indicators.

With reference to the COVID-19 pandemic emergency, its spread on a global level and the consequent restrictive measures adopted by the authorities in most countries aimed at containing further propagation, the Group was able to continue its operations, ensuring continuity and efficiency and not incurring substantial impact, thanks to technological prerequisites, consolidated know-how and through intense use of the remote working method. In fact, technology has become an even more strategic element in the current market context, actually making the Group's operational segment particularly resilient in this regard.

Calling of the Ordinary Shareholders' General Meeting

The budget proposal at 31 December 2020 will be submitted to the Company's Shareholders' General Meeting which will take place, as previously announced, on 28 April 2021 as first call or, if necessary, the following day as second call.

Proposal of allocation of the fiscal year earnings

The Board of Directors deliberated to propose to the Almaxwave S.p.A. Shareholders' General Meeting the allocation of fiscal year earnings of €859,607.86 to the reserve called "Retained Profits (Losses)".

Significant events of the 2020 fiscal year

In 2020, the strong innovation process continued that Almaxwave and the Group had begun in the previous years through the constant evolution of the Iride® and Audioma® product platforms in the various technological and application components. In fact, new features were released that allowed for better integration between the various modules and the architectures at the base of the software suite were optimized.

In particular, the new release of the Iride Voice product was launched in October 2020 which introduced a series of *out-of-the-box* features to allow quicker activation of the solutions based on this software module.

Customers' in-depth knowledge of the processes and services applied to the Big Data world allowed Almaxwave to focus on market solutions capable of fully meeting the needs of the customers through the use of their products to solve cases of characteristic use in the various industries (e.g. Local Government, Transport, Health Care).

In recent years, Almaxwave technology has undergone numerous reviews by different market analysts and specialized agencies. In 2020, Almaxwave was once again mentioned in the Gartner and MarketsAndMarkets reports, in different areas, highlighting the expansion of the approach adopted which aims to provide a new operational vision in the



Customer Experience world and in advanced information and analytics management.

Where the public sector is concerned, 2020 continued to be characterized by the activation of the Consip SPC contracts, thanks to which the number of customers and other important tenders increased.

Almawave S.p.A. operates in the South American territory through its subsidiary Almawave do Brasil. Almawave do Brasil worked on consolidating their operational and organizational capacity, focusing on orders and volumes and, in synergy with Almaviva do Brasil, achieving customer experience optimization projects in the customer care area.

Significant events after the closing of the 2020 fiscal year

On 14 January 2021, the General Shareholders' Meeting made the necessary deliberations aimed at carrying out the operation of listing the company's shares on AIM Italia, including the transformation of Almawave from a limited liability company into a corporation. The ordinary shares issued by Almawave S.p.A. were admitted for trading on AIM Italia on 9 March 2021.

On 11 March 2021, trading of Almawave shares was launched on AIM Italia. There were 7,058,823 shares placed on the market, including the shares relative to the over allotment option granted by partner Almaviva S.p.A. On this subject, it should be specified that on 9 April 2021, Banca Akros S.p.A., which acted as global coordinator in the context of the operation of listing on AIM Italia, announced the full exercise of the "*greenshoe*" option. For further information, please see the press releases already distributed by the company and available online at <https://www.almawave.it/it/comunicati-sdir.html>. The operation of listing on AIM Italia determined a total collection of €30 million and a free float of 26.09%.

On 11 January 2021, Almawave S.p.A. underwrote 60% of the share capital of OBDA SYSTEMS S.r.l., a start-up of the Rome La Sapienza University. This is a company that offers products and services in the context of semantics technologies and the use of ontologies as a tool for evolved access to data.

Business Outlook

In terms of results for the 2021 fiscal year, the Almawave Group foresees an increase in Revenue, Ebitda and Ebit. The net result is expected to be positive.

In the domestic market, the Group intends to reinforce its leadership in the information governance & analytics sector, proposing a distinctive vision based on its technological assets for the evolved interpretation of unstructured data and information. Value proposition also continues, as well as consolidation of its distinctive position in the area of *self-automated solutions (conversational voice and text virtual agents)*, toward all the reference markets, through the proposal of a converging text and voice platform, technologically advanced and functionally complete.



In the big data & digital transformation services area, we expect to continue the growth trend in operations with local governments, connected to the development of contracts with central and local governments, particularly based on the SPC Lot 3 and Lot 4 framework agreements.

On the international market, development of the Brazilian market continues, as well as in the Latin American area, with an offer characterized by solutions that anticipate the integration of Almaxwave products and the commercial synergy with Almaxviva do Brasil. With reference to the company Almaxwave USA, it is still in a start-up stage. Nevertheless, the United States and the European market already represent a high-potential market for the company, the management of which the Group watches with interest in anticipation of its growth trend.

Conference Call

On 13 April 2021 at 12:00 noon CEST (3:00 PM WET), the company has organized a conference call in order to illustrate the 2020 budget proposal and to answer questions from analysts and investors.

To register, you must access the company's website in the Investor relations, Calendar section and follow the instructions.

This press release can be consulted on the Almaxwave website www.almaxwave.it, in the Investor relations section.

Almaxwave Profile

Almaxwave S.p.A. is a leading Italian company in Artificial Intelligence and natural written and spoken language analysis. Almaxwave has cutting-edge proprietary technologies and applied services to substantiate the potential of AI in the digital evolution of companies and local government. It has an international presence with the companies Almaxwave do Brasil, Almaxwave USA and PerVoice, dedicated technological laboratories and more than 220 professionals who are highly competent in enabling technologies and major frameworks - Big Data, Data Science, Machine Learning, AI Architecture and Integration - as well as a profound knowledge of business processes.

Almaxwave's technological assets, conceived and created as models of natural experience in the interaction between man and machine, allow text and voice to be interpreted in over 30 languages, as well as multichannel interaction, analyzing data and information with a view to enhancing knowledge and automation. The company, part of the Almaxviva group, began as Almaxviva Consulting S.r.l., taking on the name Almaxwave in 2010, the year in which it also launched its Brazilian subsidiary (Almaxwave do Brasil). In 2013, it acquired control of the company PerVoice S.p.A., created as a spin-off of the



Bruno Kessler Foundation. In 2017, along with Al maviva and other partners, it was awarded 2 lots of the Consip tender for the public connectivity system. The company can count on more than 100 customers and more than 30 thousand users of its platforms.

The 2020 results fall within a constant growth trend of the last fiscal years: between 2017 and 2019, revenue went from €13.9 million to €21.3 million with a compound annual growth rate (CAGR) of 24%. In the same three-year period, the Ebitda increased in line with the turnover.

The strong generation of cash flow, despite the robust investments in Research & Development, is a further testament of solidity and sustainability in the company's growth path.

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Profit and Loss Statement and Balance Sheet of the Almawave Group and subsidiary Almawave S.p.A.

It should be specified that the auditing company EY is completing the audit of the budget.



ALMAWAVE GROUP CONSOLIDATED PROFIT AND LOSS STATEMENT

	01 Jan 2020	01 Jan 2019
	31 Dec 2020	31 Dec 2019
<i>(Values in Euro/000)</i>		
Revenue	26,867	21,310
Other earnings	778	2,035
Total Operational Revenue and Income	27,645	23,345
Purchases of materials and services	(12,024)	(8,566)
Personnel costs	(9,269)	(8,454)
Amortization, depreciation and impairment	(2,619)	(2,104)
Capital gains/(losses) from disposal of deferred assets	116	-
Other operating costs	(166)	(89)
Operating Profit	3,684	4,133
Financial Income	4	1
Financial Expenses	(1,481)	(1,510)
Foreign currency conversion gains (accumulated losses)	(274)	44
Quota of the share results in connected and jointly controlled companies evaluated with the net equity method	"	7
Income (losses) before taxes	1,932	2,674
Income taxes	(599)	(331)
Income (losses) stemming from continuing operations	1,333	2,343
PROFIT (LOSS) OF THE FISCAL YEAR	1,333	2,343
<i>of which:</i>		
Group profit (loss)	1,333	2,047
Income (losses) of minority interests	(0)	296



PROSPECTUS OF THE ALMAWAVE GROUP EQUITY - FINANCIAL SITUATION

(Values in Euro/000)

	at 31 Dec 2020	at 31 Dec 2019
NON CURRENT ASSETS		
<i>Intangible Assets</i>	18,408	17,006
Electric	462	462
Other Intangible Assets	17,946	16,544
<i>Tangible Assets</i>	201	115
Equity investments	35	19
Deferred financial assets	1	13
Deferred tax assets	256	464
Other deferred assets	10	12
TOTAL DEFERRED ASSETS	18,911	17,629
CURRENT ASSETS		
<i>Inventories</i>	5	5
<i>Contractual assets</i>	35	38
<i>Trade receivables</i>	20,990	17,577
<i>Current financial assets</i>	1,138	589
<i>Other current assets</i>	6,313	7,181
<i>Cash and cash equivalents</i>	1,944	1,267
TOTAL CURRENT ASSETS	30,425	26,657
TOTAL ASSETS	49,336	44,286

(Values in Euro/000)

	at 31 Dec 2020	at 31 Dec 2019
NET EQUITY		
<i>Net equity of the Group</i>	8,792	8,339
Share Capital	200	200
Legal reserve	40	40
Other Reserves and Retained Profit (Losses)	7,219	6,052
Income (losses) of the fiscal year	1,333	2,047
<i>Net Equity of third parties</i>	(1)	1,354
Share capital and reserves	(1)	1,058
Annual profit	0	296
TOTAL NET EQUITY	8,791	9,693

NON CURRENT LIABILITIES

<i>Provisions for employee benefits</i>	1,718	1,539
<i>Deferred financial liabilities</i>	15,000	15,000
<i>Other deferred liabilities</i>	808	1,018
TOTAL DEFERRED LIABILITIES	17,526	17,557

CURRENT LIABILITIES

<i>Risks and expenses funds</i>	10	10
<i>Trade payables</i>	18,730	11,911
<i>Current financial liabilities</i>	1,853	2,609
<i>Current tax liabilities</i>	568	796
<i>Other current liabilities</i>	1,857	1,710
TOTAL CURRENT LIABILITIES	23,018	17,036

TOTAL LIABILITIES	49,336	44,286
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NFP	(13,770)	(15,740)
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(Values in Euro / 000)

Income (losses) of the fiscal year	1,333	2,343
Rectified by:		
Income taxes	599	331
Financial Income	(4)	(i)
Financial Expenses	1,481	1,510
Foreign currency conversion gains (accumulated losses)	274	(44)
Depreciations	2,619	2,104
Depreciation (Revaluation) of deferred financial assets and equity investments	-	7
(Capital gain) losses from disposal of deferred assets, net of disposal costs and the tax impact	(116)	-
Financial interest income	4	1
Financial interest paid	(1,084)	(1,455)
Income taxes paid	(365)	(181)
<u>NET CASH FLOW FROM OPERATIONAL ASSETS PRIOR TO WORKING CAPITAL</u>	4,741	4,615
-Variation of trade receivables and other receivables net of the foreign currency exchange impact and the consolidation area variation	(3,390)	(3,387)
-Variation of inventories net of the foreign currency exchange impact and the consolidation area variation	-	-
-Variation of trade payables net of the foreign currency exchange impact and the consolidation area variation	6,918	4,161
-Variation of other assets net of the foreign currency exchange impact and the consolidation area variation	282	(1,595)
- Variation of other liabilities net of the foreign currency exchange impact and the consolidation area variation	(424)	(87)
- Variation of provisions net of the foreign currency exchange impact and the consolidation area variation	172	207
- Net variation of the (assets) liabilities for (advance) deferred taxes net of the foreign currency exchange impact and the consolidation area variation	-	-
<u>NET CASH FLOW FROM WORKING CAPITAL OPERATIONAL ASSETS</u>	3,561	(701)
NET CASH FLOW FROM OPERATIONAL ASSETS (A)	8,302	3,914
Investments in tangible assets	(10)	(71)
Investments in intangible assets	(4,457)	(4,492)
Investments in financial assets	(16)	-
Proceeds from disinvestments of tangible assets, intangible assets and equity investments	128	-
Acquisition of residue equity interests in previous subsidiaries	(1,627)	-
Net variation of deferred financial assets	-	-
NET CASH FLOW FROM INVESTMENT ASSETS (B)	(5,982)	(4,563)
Dividends paid	-	-
Creation of mid-long term financing deferred financial liabilities	-	15,000
Reimbursement of mid-long term financing deferred financial liabilities	-	-
Liability payments for leasing	(21)	(30)
Variation of current financial liabilities	(879)	(13,954)
Variation of current financial assets	(734)	243
NET CASH FLOW FROM FINANCING ASSETS (C)	(1,634)	1,259
NET CASH FLOW PRIOR TO CURRENCY EXCHANGE DIFFERENCES (A+B+C)	686	610
Foreign currency exchange differences on cash and cash	(9)	(115)
NET CASH FLOW OF THE FISCAL YEAR (A+B+C+D)	677	495
Cash and cash equivalents at the start of the fiscal year	1,267	772
Cash and cash equivalents at the end of the fiscal year	1,944	1,267



ALMAWAVE S.P.A. PROFIT AND LOSS STATEMENT*(Values in Euro/000)*

	01 Jan 2020	01 Jan 2019
	31 Dec 2020	31 Dec 2019
Revenue	22,268	16,896
<i>Other earnings</i>	317	1,593
Total Operational Revenue and Income	22,585	18,488
<i>Purchases of materials and services</i>	(10,562)	(7,459)
<i>Personnel costs</i>	(7,311)	(6,087)
<i>Amortization, depreciation and impairment</i>	(2,258)	(1,845)
<i>Capital gains/(losses) from disposal of deferred assets</i>	116	-
<i>Other operating costs</i>	(143)	(124)
Operating Profit (EBIT)	2,428	2,974
<i>Financial Income</i>	194	363
<i>Financial Expenses</i>	(1,478)	(1,506)
<i>Foreign currency conversion gains (accumulated losses)</i>	(1)	(1)
<i>Income/(expenses) from equity investments</i>	26	-
Income (losses) before taxes	1,169	1,830
<i>Income taxes</i>	(310)	(230)
Income (losses) stemming from continuing operations	860	1,600
INCOME (LOSSES) OF THE FISCAL YEAR	860	1,600

