

PRESS RELEASE**ALMAWAVE: STRONG GROWTH IN 2020,
REVENUES OF EURO 26.9 MILLION (+26.1%)**

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

Rome, April 12, 2021 – The Board of Directors of Almawave S.p.A. (Ticker: AIW), an Italian Artificial Intelligence (AI), natural language processing and Big Data services leader listed on the AIM Italia multi-lateral trading system, today approved the 2020 separate financial statements and consolidated financial statements, reporting revenues of Euro 26.9 million - up 26.1% at current exchange rates on the previous year (+29.0% at like-for-like exchange rates).

Almawave's Chief Executive Officer Valeria Sandei commented:

"2020 was a truly challenging year, although thanks to the work, quality and innovation delivered by Almawave we have achieved strong results which reflect the shrewdness of our strategic and industrial focus, as outlined to the financial community during the recent listing. Revenues are up considerably and consolidate our position both with the existing customer base and among new customers and on all product lines. Growing digitalisation and innovation demand, driven particularly by the COVID-19 emergency, has accelerated Public Sector business levels .

We are also satisfied with the overseas revenue share and the general expansion of the customer base (+18%). Finally, the backlog of Euro 72 million (2.7x annual revenues) generates optimism for the current year and in terms of our growth trajectory for the coming years".

Revenues at like-for-like exchange rates totalled Euro 27.5 million, of which Euro 23.6 million (+33% on the previous year) in Italy and Euro 3.9 million (+10%) overseas. Public Sector orders totalled Euro 17.3 million (+49% on 2019), while Enterprise and Transport revenues were Euro 10.2 million (+5%). Product platform revenues amounted to Euro

¹ Euro 0.7 million of R&D tax credits accruing in previous years

10.4 million (+25%), while big data & digital transformation services totalled Euro 17.1 million (+31%). US and Europe customer revenues were particularly strong (+127%), growing on the back of the strategic guidelines implemented by the company.

EBITDA was Euro 6.2 million (23.0% margin), with EBIT of Euro 3.7 million (13.7% margin). Both earnings indicators, analysed net of the tax benefits over the last two years deriving from R&D investments, were up significantly: EBITDA up 27.3% on 2019 and EBIT gaining 34.2%.

<i>Euro/000</i>				
	01.01.2020 31.12.2020	01.01.2019 31.12.2019	Delta abs a-b	Delta %
	a	b		
Revenues	26.867	21.310	5.557	26,1%
Revenues at avg exchange rate 2019	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%
Industrial EBITDA ⁽²⁾ <i>% on revenues</i>	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%
Industrial EBIT ⁽²⁾ <i>% on revenues</i>	3.432 12,8%	2.556 12,0%	876	34,2%
R&D	252	1.577		
<i>of which not pertaining to current year</i>		691		

(1) adjusted of non-pertaining Research and Development income (691 k€ FY 2019)

(2) adjusted of non-pertaining Research and Development income Reported (252 k€ FY 2020 e 1.577 k€ FY 2019)

The 2020 net profit was Euro 1.3 million (Euro 2.3 million in 2019), decreasing entirely due to the reduction in R&D contributions.

Operating cash flows before investments² amounted to Euro 9.6 million, increasing 53% on 2019.

Investments totalled Euro 4.6 million, 17.2% of revenues, decreasing approx. 400 basis points on the previous year.

The net financial position at December 31, 2020, including income from the recent IPO of March 11, 2021, was Euro 13.8 million, improving significantly on the previous year (Euro 15.7 million in 2019).

² EBITDA ± movement in trade payables and receivables



The Almaxwave Group reports for the fourth quarter revenues of Euro 8.8 million, growth of 14.3% on the same period of 2019. EBITDA totalled Euro 2.2 million (24.8% margin), with EBIT of Euro 1.6 million (18.5%) and a net profit of Euro 1.0 million (11.2%), reflecting the growth across the earnings indicators.

With reference to the COVID-19 emergency, its global spread and the consequent restrictive containment measures adopted by the authorities of most countries, the Group was able to continue its operations, ensuring continuity and efficiency and not detecting substantial impacts, thanks to technological prerequisites, consolidated skills and through a significant reliance on remote working methods. In fact, technology has become an even more strategic element in the current market, making the Group's operating segment particularly resilient in this respect.

Shareholders' Meeting call

The 2020 separate financial statements shall be submitted to the Shareholders' Meeting to be held, as previously announced, on April 28, 2021 in first call, or, where required, the following day in second call.

Proposal for the allocation of the result for the year

The Board of Directors has approved the proposal to the Shareholders' Meeting of Almaxwave S.p.A. to allocate the net profit of Euro 859,607.86 to the "Retained Earnings" reserve.

Significant events in 2020

The major innovation pathway launched by Almaxwave and the Group in preceding years continued apace in 2020, with the ongoing development of the range of technology and application components of the Iride® and Audioma® platforms. New features have in fact been released which better integrate the various modules, while the architectures underlying the software suite have been optimised.

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

Its extensive knowledge of customer processes and the Big Data sector services applied have allowed Almaxwave to focus on market solutions, fully responding to customer demands through its proprietary products which resolve cases typical of a range of industries (Public Sector, Transport, Healthcare).

Almaxwave's technology has been reviewed by numerous market analysts and specialised entities over recent years. The company was again mentioned in 2020 in the Gartner and MarketsAndMarkets reports in differing areas, underscoring the broadening of its approach which seeks to bring a fresh operating vision to the Customer Experience and the evolved management of information and analytics.



2020 again saw in terms of the public sector the launch of Consip SPC contracts, expanding the customer base, alongside other major new orders.

Almawave S.p.A. operates in South America through its subsidiary Almawave do Brasil. Almawave do Brasil has worked to consolidate its operating and organisational capacity, focusing on orders and volumes and executing in synergy with AlmavivA do Brasil customer experience optimisation projects in the customer care area.

Subsequent events

On January 14, 2021, the Shareholders' Meeting passed the necessary motions to complete the listing transaction of company shares on the AIM Italia, including the conversion of Almawave from a limited liability company to a joint-stock company. Almawave S.p.A.'s ordinary shares were admitted to trading on the AIM Italia on March 9, 2021.

On March 11, 2021, Almawave shares began trading on the AIM Italia. 7,058,823 shares have been placed on the market, including those for the exercise of the over-allotment option granted to the shareholder Almaviva S.p.A.. In this regard, it should be noted that on April 9, 2021, Banca Akros S.p.A., which acted as global coordinator for the listing on the AIM Italia, announced the full exercise of the greenshoe option. For further information, reference should be made to the previous press releases issued by the Company and available on the website <https://www.almawave.it/it/comunicati-sdir.html>.

The listing on AIM Italy brought in a total of Euro 30 million and created a free float of 26.09%.

On January 11, 2021, Almawave S.p.A. acquired a 60% stake in OBDA SYSTEMS S.r.l., a La Sapienza University of Rome start-up. The company provides semantic technologies products and services and ontologies as a tool for advanced data access.

Outlook

The Almawave Group expects revenues, EBITDA and EBIT to grow in 2021. A net profit is forecast.

On the domestic market, the Group seeks to strengthen its information governance & analytics leadership through an original range of solutions based on its proprietary technology for an advanced interpretation of unstructured data and information. It in addition continues to build the value proposition and consolidate its niche foothold for self-automated solutions (*voice and text virtual chat agents*) for all markets, through a technologically-advanced text and voice conversion platform with wide-ranging features.

For the big data & digital transformation services market, growth in the public sector segment is forecast with the development of Central and Local Public Sector contracts, particularly on the basis of the SPC Lot 3 and Lot 4 agreements.

Internationally, the Brazilian and Latin American market continue to develop, with a focus on solutions which integrate Almawave products and the development of commercial synergies with AlmavivA do Brasil.



The company Almaxwave USA is still in the start-up phase. Group management looks with interest to the United States, together with Europe, as high-potential markets for the company.

Conference Call

The company has scheduled for April 13, 2021 at 12:00 CEST (15:00 WET) a conference call to outline the 2020 separate financial statements and to respond to analyst and investor questions.

Please access the Investor relations, Calendar section of the website and follow the indications to register.

This press release is available on Almaxwave's website at www.almaxwave.it, in the Investor relations section

Almaxwave profile

Almaxwave S.p.A. is a leading Italian Artificial Intelligence and written and spoken natural language processing leader. Almaxwave leverages cutting-edge proprietary technologies and applied services to deliver upon the potential of AI as enterprises and the public sector evolve digitally. An international focus is provided by Almaxwave do Brasil, Almaxwave USA and PerVoice. The Group has dedicated technology laboratories and over 220 professionals with significant expertise of enabling technologies and the main frameworks - Big Data, Data Science, Machine Learning, Architecture AI and Integration - in addition to broad business process knowledge.

Almaxwave's technological asset base, conceived and built as a model of natural experience in the interaction between man and machine, can interpret text and voice in over 30 languages, interacting in multi-channel mode, analysing data and information with a view to knowledge development and automation. The company, part of the Almaxviva Group, was established as Almaxviva Consulting S.r.l. and thereafter became Almaxwave in 2010, the year in which its Brazilian subsidiary (Almaxwave do Brasil) began operations. It acquired control of PerVoice S.p.A., a spin-off of the Bruno Kessler Foundation, in 2013. In 2017, together with Almaxviva and other partners, it was awarded 2 Consip public connectivity system tenders. The company has a customer base of over 100, with more than 30 thousand users of its platform.

The 2020 results have built further on the growth of recent years: between 2017 and 2019 revenues grew from Euro 13.9 million to Euro 21.3 million, with combined annual growth rate (CAGR) of 24%. EBITDA over the same three-year period grew in line with revenues.

Strong cash generation, despite significant R&D investment, further highlights the solidity and sustainability of the company's growth.



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Income Statement, Balance Sheet and Cash Flow Statement of the Almawave Group and parent company Almawave S.p.A.

The independent audit firm EY is completing its audit of the financial statements.



CONSOLIDATED INCOME STATEMENT - ALMAWAVE GROUP

	01.01.2020	01.01.2019
	31.12.2020	31.12.2019
<i>(in thousands of Euro)</i>		
Revenues from contracts with customers	26.867	21.310
Other Income	778	2.035
Total revenues and other income	27.645	23.345
Cost of raw materials and services	(12.024)	(8.566)
Personnel expenses	(9.269)	(8.454)
Depreciation and amortization	(2.619)	(2.104)
Losses from sale of non-current assets	116	-
Other expenses	(166)	(89)
Operating profit/(loss)	3.684	4.133
Financial income	4	1
Financial expenses	(1.481)	(1.510)
Exchange gains/(losses)	(274)	44
Profit/(loss) from investments accounted for using equity method	-	7
Profit/(Loss) before taxes	1.932	2.674
Income taxes	(599)	(331)
Profit/(Loss) from continuing operations	1.333	2.343
Profit/(Loss) for the period	1.333	2.343
<i>of which:</i>		
Profit/(loss) pertaining to the group	1.333	2.047
Profit/(loss) pertaining to non-controlling interests	(0)	296



CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ALMAWAVE GROUP

<i>(in thousands of Euro)</i>	31.12.2020	31.12.2019
Non-current assets		
<i>Intangible assets</i>	18.408	17.006
Goodwill	462	462
Other Intangible assets	17.946	16.544
<i>Property, plant and equipment</i>	201	115
<i>Investments accounted for using the equity method</i>	35	19
<i>Non-current financial assets</i>	1	13
<i>Deferred tax assets</i>	256	464
<i>Other non-current assets</i>	10	12
Total non-current assets	18.911	17.629
Current assets		
<i>Inventories</i>	5	5
<i>Contract 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
<i>(in thousands of Euro)</i>	31.12.2020	31.12.2019
Shareholders' equity		
<i>Total group shareholders' equity</i>	8.792	8.339
Share capital	200	200
Share premium reserve	-	-
Statutory reserve	40	40
Other reserves	7.219	6.052
Profit/(loss) for the period	1.333	2.047
<i>Non-controlling interests</i>	(1)	1.354
Share capital and reserves	(1)	1.058
Profit/(loss) for the period	0	296
Total shareholders' equity	8.791	9.693
Non-current liabilities		
<i>Non-current liabilities for employee benefits</i>	1.718	1.539
<i>Non-current financial liabilities</i>	15.000	15.000
<i>Other non-current liabilities</i>	808	1.018
Total non-current liabilities	17.526	17.557
Current liabilities		
<i>Current provisions</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 equity and liabilities	49.336	44.286
NFP	(13.770)	(15.740)



CONSOLIDATED STATEMENT OF CASH FLOWS - ALMAWAVE GROUP

31.12.2020 31.12.2019

(in thousands of Euro)

	31.12.2020	31.12.2019
Profit/(loss) for the period	1.333	2.343
Adjustments to reconcile profit before tax to net cash flows:		
Income Taxes	599	331
Financial income	(4)	(1)
Financial expenses	1.481	1.510
Exchange (gains)/losses	274	(44)
Depreciation, amortization and write-downs	2.619	2.104
Write-downs/(revaluations) of non-current financial assets and equity investments	-	7
Losses from sale of non-current assets	(116)	-
<i>Interest received</i>	4	1
<i>Interest paid</i>	(1.084)	(1.455)
<i>Income taxes paid</i>	(365)	(181)
<u><i>Cash flows generated from operating activities before changes in working capital</i></u>	<u>4.741</u>	<u>4.615</u>
Change in trade receivables gross of the exchange rate effect	(3.390)	(3.387)
Change in inventories gross of the exchange rate effect	-	-
Change in contract assets gross of the exchange rate effect	3	-
Change in trade payables gross of the exchange rate effect	6.918	4.161
Change in other assets gross of the exchange rate effect	282	(1.595)
Change in other liabilities gross of the exchange rate effect	(424)	(87)
Change in liabilities for employee benefits and provisions gross of exchange rate effect	172	207
Change in deferred tax assets (liabilities) gross of exchange rate effect	-	-
<u><i>Cash flows generated from operating activities changes in working capital</i></u>	<u>3.561</u>	<u>(701)</u>
Cash-flow generated from/(absorbed by) operating activities (A)	8.302	3.914
Investments in property, plant and equipment	(10)	(71)
Investments in intangible assets	(4.457)	(4.492)
Acquisition of investments accounted for using the equity method	(16)	-
Proceeds from divestments of PP&E, intangible assets and investments accounted for using the equity method	128	-
Acquisition of minorities in subsidiaries	(1.627)	-
Change in non-current financial assets	-	-
Cash-flow generated from/(absorbed by) investing activities (B)	(5.982)	(4.563)
Dividends	-	-
Proceeds from borrowings	-	15.000
Repayment of borrowings	-	-
Repayment of leaseings	(21)	(30)
Change in current financial liabilities	(879)	(13.954)
Change in current financial assets	(734)	243
Cash-flow generated from/(absorbed by) financing activities (C)	(1.634)	1.259
Cash flow of the year (A+B+C)	686	610
Effect of foreign exchange rates on cash and cash equivalents (D)	(9)	(115)
Cash flow of the year after exchange rates (A+B+C+D)	677	495
Cash and cash equivalents at beginning of the year	1.267	772
Cash and cash equivalents at end of the year	1.944	1.267



INCOME STATEMENT - ALMAWAVE S.P.A.*(in thousands of Euro)*

	01.01.2020	01.01.2019
	31.12.2020	31.12.2019
<i>Revenues</i>	22.268	16.896
<i>Other Income</i>	317	1.593
Total revenues and other income	22.585	18.488
<i>Cost of raw materials and services</i>	(10.562)	(7.459)
<i>Personnel expenses</i>	(7.311)	(6.087)
<i>Depreciation and amortization</i>	(2.258)	(1.845)
<i>Gains/Losses from sale of non-current assets</i>	116	-
<i>Other operating expenses</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>Exchange gains/(losses)</i>	(1)	(1)
<i>Gains / (losses) on sale of assets</i>	26	-
Profit/(Loss) before taxes	1.169	1.830
Income taxes	(310)	(230)
Profit/(Loss) from continuing operations	860	1.600
Profit/(Loss) for the period	860	1.600

