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OF ETAERIA AND OF THE AEDERA
BUSINESS, STRENGTHENING ITS
POSITION IN PIEDMONT AND EMILIA
ROMAGNA

Testo del comunicato

Vedi allegato.



PRESS RELEASE

WIIT ANNOUNCES THE ACQUISITION OF ETAERIA AND OF THE AEDERA BUSINESS, STRENGTHENING ITS POSITION IN PIEDMONT AND EMILIA ROMAGNA

Milan, 20 December 2019 – **WIIT S.p.A.** (“**WIIT**” or the “**Company**”; ISIN IT0004922826; WIIT.MI), a leading Italian player in the Cloud Computing market for enterprises demanding uninterrupted Hybrid Cloud and Hosted Private Cloud services for critical applications and listed on the STAR segment of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A., announces the signing of agreements for the gradual acquisition of 100% of the shares of Etaeria S.r.l. (“**Etaeria**”), a company of the Kelyan Group, provider of cloud services and solutions and managed IT security services, and of the business operated by Aedera S.r.l. (Kelyan Group) provider of IT services and solutions for the digitalisation of companies provided in SAAS mode (the “**Aedera Business**”).

Alessandro Cozzi, CEO of WIIT, stated: “*This acquisition is a key part of our Italian market growth and expansion strategy and - following on from Adelante and Matika - brings us into direct contact with 80 top medium-large customers which shall be directly managed by WIIT following the transaction. The fully complementary offer will allow the Group to provide, as per the development strategy, an increasingly broad range of services to Etaeria's customers and at the same time create major cost, commercial and technological synergies among the WIIT document business unit and the Aedera Business. We are greatly satisfied with the result achieved which further confirms WIIT's Italian market leadership and lays an even more solid foundation for development also on the key European markets*”.

Francesco Baroncelli, Chief M&A & Head of New Markets at WIIT stated: “*Etaeria and the Aedera Business are perfect targets for WIIT's growth after the acquisitions of Adelante and Matika and allow the Group to consolidate and further strengthen its presence on the medium and medium-large enterprise segment of the key Italian market. In my role as a manager and a member of the Board of Directors with responsibility for international expansion and M&A's at WIIT, I've come into contact with top targets and have seen for myself - also as an entrepreneur - the growth opportunities for WIIT on the Italian market through targeted acquisitions which allow us to up-sell to existing customers of the acquired companies and achieve major synergies. WIIT's focus remains on organic growth and acquisition-led growth both in Italy and overseas.*”

Michele Pagliuzzi CEO of Etaeria stated: “*We are delighted to join the WIIT Group, a unique and exceptional Italian market entity. This move will drive our development and innovation, permitting us to further extend and improve our range of services to channel partners thanks to the synergies to be created from this point onwards*”. **Guido Trepella, CEO of Aedera stated:** “*Through the professional skills of the Aedera and WIIT staff we have the opportunity to improve the ability to deal with complex projects, manage services and acquire important skills related to the companies digital transformation*”.

1. Key aspects

The agreements provide for the initial acquisition of a 60% majority interest in Etaeria for an estimated consideration at closing of approx. Euro 3.5 million (calculated on the basis of 60% of the enterprise value of approx. Euro 4 million, corresponding to a multiple of 4.5x on the average EBITDA 2018/2019 adjusted to take into account the higher margin from the commercial structure of the group which the company belonged to and from which WIIT will benefit after the acquisition), in addition to a



variable price component subject to the achievement of certain profitability objectives in 2019. The acquisition of the Etaeria shares also provides for an advance payment for the acquisition of the residual 40%, for which put and call options are provided for, to which variable price components are linked ("earn out"), subject to the achievement of specific profitability objectives.

In relation to the Aedera Business, the estimated consideration at closing amounts to approx. Euro 1.4 million, in addition to variable price components (earn out) for a total of approximately Euro 0.9 million subject to the achievement of turnover objectives by the Aedera Business in the 2019-2022 period.

2. Etaeria Aedera business description

Etaeria was founded in 2016 with the objective to provide managed security and infrastructural cloud computing services to Italian SME's. With a workforce of 40 highly-specialised personnel and a portfolio including 80 medium/large-sized top customers which following the transaction shall be directly managed by WIIT, with the others to be managed through the other commercial channels.

Aedera was created in 2016 by a group of professionals with thirty years' experience in document management in order to develop a proprietary technological platform and innovative services to manage unstructured document processes and other electronic document processes in SAAS.

3. Other information

The closing of the transaction, which is subject to customary conditions for these type of transactions, is envisaged to occur in January 2020.

For the acquisition of the remaining portion of Etaeria's share capital by WIIT, the agreements provide for put options (of the seller) and call options (of WIIT) which will permit (i) the acquisition of an additional 20% of Etaeria from the approval of the 2020 Annual Report and (ii) the acquisition of the final 20% of Etaeria from the approval of the 2021 Annual Report.

The exercise price of each option comprises a fixed component of approx. Euro 1.3 million (minus the pro-quota portion of the indebtedness). In addition to this fixed component, subject to the achievement of specific objectives of Etaeria for financial years 2020, 2021 and 2022, the sellers may accrue the right to the payment of a variable maximum overall price component of approx. Euro 2.2 million.

The contract also provides for sellers' representations and warranties both regarding Etaeria and the Aedera Business, with related indemnity obligations, guaranteed by the option of WIIT to offset with the options price and subsequently by a bank guarantee.

In order to ensure the going concern, it is envisaged that certain key managers will enter into management contracts for the operating management of Etaeria and of the Aedera Business.

A shareholder's agreement was also signed between the seller and WIIT providing for Etaeria's corporate governance and transfer restrictions and (without prejudice to the control interest of WIIT) certain veto rights for the seller and limits for the transfer of the interest held by the parties.

4. WIIT Group M&A Plan

The WIIT Group development plan, through the integration of new businesses, focuses on two geographic categories:



- a. **Domestic:** through the consolidation of highly synergetic entities with the Group from a geographic and technological viewpoint with the possibility for up-selling to existing customers and the acquisition of new customers, in addition to cost synergies;
- b. **International:** through expansion into more attractive areas in terms of acquirable market breadth and value.

The acquisition of Etaeria and the Aedera Business is clearly part of "National" development and benefits from the following features:

- the close link with the Group in terms of business model recursive revenues, based on "Hybrid Cloud" infrastructure and infrastructural managed services;
- the highly developed managerial and technical level of the organisation;
- scope, cost and revenue synergies over the medium-term;
- the coverage of a geographical area rich in opportunities in general and specifically for the WIIT Group's offer;
- the loyal and high-profile customer portfolio with further expansion possibilities both in terms of new customers and services offered.

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WIIT was assisted by Pedersoli Studio Legale, Deloitte for the accounting due diligence and Pirola for the tax matters. Etaeria and Aedera were supported by Fieldfisher Italy for the legal aspects and Fante Group for the financial aspects.

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WIIT S.p.A.

WIIT S.p.A., listed on the STAR segment (WIIT.MI) of the Italian Stock Exchange, is an Italian market Cloud Computing leader and is mainly engaged in the Hybrid Cloud and Hosted Private Cloud for enterprises sectors. The company focuses and specialises in Hosted Private and Hybrid Cloud services for enterprises requiring critical application management and business continuity and manages all the main international platforms (SAP, Oracle and Microsoft), providing an end-to-end approach. WIIT manages its own data centers, with the main center "Tier IV" certified by the Uptime Institute LLC of Seattle (United States) - the highest level of reliability possible - and is among the SAP's best certified partners. For further details, reference should be made to the company's website (<http://www.wiit.cloud>).

For further details

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