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Oggetto : RELATECH: THE BOARD OF
DIRECTORS APPROVES THE
CONSOLIDATED ECONOMIC AND
FINANCIAL DATA AS OF 30 JUNE 2021

Testo del comunicato

Vedi allegato.



PRESS RELEASE

RELATECH: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED ECONOMIC AND FINANCIAL DATA AS OF 30 JUNE 2021

SIGNIFICANT GROWTH IN THE MAIN GROUP RESULTS COMPARED WITH THE FIRST HALF OF 2020

Main consolidated results as of 30 June 2021

- Value of Production: Euro 14.3 million + 34%
- *Adjusted*¹ EBITDA: Euro 3.1 million, + 20% (H1 2020, Euro 2.6 million)
- EBITDA margin adj: 27% on revenues
- *Adjusted* NET PROFIT: Euro 3.2 million, + 120% (H1 2020, Euro 1.4 million)
- NFP (cash): equal to Euro 1.8 million² with cash liquidity equal to Euro 11.2 million

Main consolidated results as of 30 June 2021 proforming³ the acquisitions of Dialog Sistemi and Gruppo SIGLA over the 6 months:

- Value of Production Euro 17.8 million + 41% (H1 2020 Euro 12.6 million)
- Adjusted EBITDA: Euro 3.8 million, + 29% (H1 2020, Euro 2.9 million)
- Customers base up + 26%

Milan, 23rd September 2021

Relatech S.p.A., *Digital Enabler Solution Knowledge (DESK) Company* and innovative SME listed on the AIM Italia market (Ticker: RLT) ("**Relatech**" or the "**Company**"), announces that, today, the Board of Directors of the Company has examined and approved the Group's consolidated economic and financial data as of 30 June 2021, subject to limited audit.

Pasquale Lambardi, Chairman of the Board of Directors of Relatech, said: "*Since the beginning of the year, despite the market difficulties imposed by the pandemic, the Group has pursued its objectives with a focus on new M&A transactions: closing of the acquisition of Gruppo SIGLA and Dialog Sistemi, and anticipating the closing of the remaining 40% of the capital of Mediatech. In these months, we have been dedicating a lot of energy to identifying new target companies that will allow us to consolidate our presence in the IoT and cybersecurity sector, which we believe are the sectors with the highest growth margins in the*

¹ Adjustment equal to Euro 0.7 million relating to extraordinary non-monetary costs referred to Stock grant plans and other extraordinary costs

² Including the hypothetical debt for the exercise of the put & call option

³ All pro-forma data shown are unaudited



current market scenario that on the one hand presents an exponential growth of networked devices and on the other hand registers a low level of security standards. In this context, we are sure that the next technological challenges that security must face will be based on the interconnection of industrial systems not designed to be networked and on the development against obsolescence. We believe that security and reliability linked to the possibility of remote access to industrial systems will be the drivers for growth in the coming months that Relatech Group is ready to seize with continuous investments to support the evolution of proprietary solutions”.

Main consolidated economic and financial results as of 30 June 2021

The **Value of Production** at 30 June 2021 amounts at approximately Euro 14.3 million, with an increase of 34% compared to Euro 10.7 million at 30 June 2020. The Value of Production on a pro forma basis amounts at Euro 17.8 million approximately in the event of consolidation of Dialog Sistemi and Gruppo SIGLA from 1 January 2021.

Sales revenues amounts to Euro 11.6 million, + 42% compared to Euro 8.2 million in the same period of the previous year.

The quote of **recurring revenues** is equal to **Euro 3.2 million**, an increase of 42% compared to Euro 2.3 million at 30 June 2020 and is equal to **28% of Sales Revenues**. The share of revenues from foreign customers stands at 55% of total revenues.

The Other Revenues on 30 June 2021 (Euro 1.1 million vs. Euro 1.3 million) consist of public grants relating to research projects conducted with universities and research centers, the tax credit for research activities and development conducted by the companies of the Group.

Pro-forma sales revenues amounts to Euro 15.1 million, with an increase of 51% compared to approximately Euro 10 million on 30 June 2020.

Adjusted EBITDA is equal to Euro 3.1 million and is **up by 20%** compared to Euro 2.6 million on 30 June 2020. The adjusted result excludes costs of Euro 0.7 million relating to the assignment of Stock Grant and other extraordinary costs. Proforma *adjusted* EBITDA is equal to approximately Euro 3.8 million, up 29% compared to the first half of 2020.

Adjusted EBIT, because of the above, is equal to approximately Euro 2 million, up by 3% compared to 30 June 2020. *Adjusted* proforma EBIT is equal to approximately Euro 2.4 million, up by 7% on the 2020 (equal to approximately Euro 2.3 million).



The **adjusted Net Result**, a consequence of the above, is equal to Euro 3.2 million, an increase of approximately 120% compared to the same period of the previous year. The reported Net Result stands at Euro 2.5 million. The Group's *adjusted* proforma Net Result is approximately Euro 3.3 million compared to Euro 1.6 million in the first half of 2020.

The operating **Net Financial Position** on 30 June 2021 (calculated as financial debt net of current financial debt and liabilities for rights of use) is equal to **Euro 3.1 million (cash)**, with cash liquidity equal to Euro 11.2 million compared to a net financial position at 31 December 2020 equal to Euro 2.4 million (cash).

The Net Financial Position, calculated pursuant to the application of IFRS 9, due to the inclusion of the adjustments induced by the valuation of the option rights for the purchase of the remaining shares of the subsidiaries estimated at Euro 1.2 million, is equal to Euro 1.8 million (cash), compared to Euro 50 thousand (cash) as of 31 December 2020.

Impacted on the cash absorption and, consequently, on the Net Financial Position at the end of the half year: the purchases of own shares made, equal to approximately Euro 0.6 million and M&A transactions for approximately Euro 3 million. On 22 September 2021, the number of treasury shares held by the company is equal to no. 1,029,186, equal to 2.73% of the share capital.

Main events of the first half of 2021

- launch of the treasury share purchase program up to a maximum of Euro 1,500,000 to be carried out through the buyback plan as per the resolution of the shareholders' meeting of 30 December 2020
- splitting operations of the 10,922,507 total ordinary shares of Relatech S.p.A. (January 25, 2021), which took place through the assignment of 3 new ordinary shares (new ISIN code IT0005433740) for each old ordinary share held (old ISIN code IT0005371874). Following the splitting operation and in relation to the "Relatech 2019-200 Warrants": (i) the conversion shares may be subscribed at the rate of no. 3 conversion shares for every no. 2 Warrants exercised; (ii) the exercise price of the warrants relating to the Second Exercise Period (the period between 10 May 2021 and 21 May 2021 inclusive) will be equal to Euro 0.86 and the exercise price relating to the Third Exercise Period (the period between 9 May 2022 and 20 May 2022 inclusive) will be equal to Euro 0.95
- entry of a new investor in the share capital of Relatech Mennone S.p.A., the reference sub holding of Dr. Carlotta Gatteschi, an entrepreneur from Parma, has acquired no. 109,200 equal to 1% of the share capital.



- New minimum lot of Relatech shares (ISIN IT0005433740) equal to 525 shares
- Signing of a binding agreement aimed at the acquisition, in a first phase of 60% of the share capital of Gruppo SIGLA S.r.l. specialized in the design and development of digital solutions in the field of industrial automation, data analysis and cybersecurity
- Signing of a binding agreement aimed at the acquisition, in a first phase of 60% of the share capital of DIALOG SISTEMI S.r.l. specialised in business performance management solutions
- Signed a multi-year agreement (12 years), for an estimated total amount of about 1.8 million relating to a digital innovation project with ITSRIGHT, an important independent Italian collecting company, which operates in Italy and in the world, in the rights market performers and record producers
- Closure of the second exercise period of the "Relatech Warrants 2019-2022" for no. 3,321,306 Warrants Exercised and signed no. 4,981,959 newly issued Ordinary Shares for a total of Euro 4,284,484.74
- Publication of the first ESG Report. The 2020 ESG Report, prepared on a voluntary basis and in compliance with the GRI Standards: Core option
- Anticipation of the closing of the acquisition of 100% of the subsidiary Mediatech S.r.l., taking over the remaining 40% of the capital. The operation follows the purchase of 60% of the share capital already made in June 2020

During the half year, the Company had an intense Investor Relation activity: the Management participated in numerous institutional events with the financial community both in one-to-many and one-to-one meetings. Overall, over 50 potential Italian and foreign institutional investors interested in learning about the Group's business model were met.

Significant events that took place after 30 June 2021 to date

- On July 6, 2021, Relatech announces that the subsidiary Mediatech has been awarded the tender in the cybersecurity field announced by Milano Serravalle - Milano Tangenziale S.p.A.
- On 9 July 2021, Relatech announces that it has taken part in the Richmond Future Factory Forum, an exclusive networking event for specialists in the 4.0 sector
- On July 13, 2021, Relatech announces its collaboration with BASCO, for the implementation of Cloud services for the efficiency of business processes



- On 29 July 2021 Relatech announces that it has launched the partnership with MeglioQuesto S.p.A. (company listed on AIM Italia) for the digitalization of the multi-channel customer experience & engagement platform
- On August 3, 2021, the Relatech Group announces that the subsidiary OKT starts the strategic collaboration with Macingo Technologies for the SON project of "Secure Open Nets industrial research and experimental development"

Foreseeable evolution of management

Pursuant to and for the purposes of what is indicated in point 6) of the third paragraph of art. 2428 of the Civil Code, it should be noted that although in a socio-economic context still influenced by the spread of the Covid-19 pandemic, the results achieved in the period show signs of positive prospects. In the first months of the year, the international scenario was characterized by a process of economic recovery, albeit with heterogeneous times and rhythms between countries, showing growth for the Italian GDP, with a more pronounced dynamism than that of the other main European countries.

The future scenario incorporates the effects of the progressive introduction of the interventions envisaged by the National Recovery and Resilience Plan (PNRR). One of the six major areas of intervention on which the PNRR will have to focus concerns the digital transformation, which, among other things, provides for the adoption of digital technologies by companies, for SMEs.

In this context, the Relatech Group is well positioned to seize the opportunities offered by the evolution of the market, in terms of services and solutions related to digital transformation.

Documentation

All the documentation covered by this press release will be made available to the public within the terms and in the manner prescribed by the AIM Italia Issuers' Regulation, as well as on the Company's website, www.relatech.com, in the "Investor Relations/Financial Reports" section.

Financial Events

The Group's management will comment on the results of the first half of 2021 during a video call with investors to be held on 4 October 2021 at 11.00 CET, which can be registered via this [link](#).



The Company also announces that it has defined a calendar of events for meetings with the financial community for the remaining months of 2021, which is shown below:

23 - 24 September 2021	Intermonte – Le eccellenze del Made in Italy
4 October 2021 11.00 a.m.	Relatech - Presentation of HY2021 economic and financial data Sign in at LINK
5 October 2021	IRTOP - Milano AIM Investor Day
15 October 2021	IRTOP - Lugano Mid&Small Cap Investor Day
21-22 October 2021	Intermonte - European MidCap Event 2021, Parigi
29-30 November (to be confirmed)	Virgilio - NEXT GEMs
1-2 December 2021 (to be confirmed)	Virgilio - Mid&Small in Milan

This press release is online at www.relatech.com (Investor Relations/Press Release section) www.emarketstorage.com.

Relatech (ticker RLT ISINIT0005433740), Digital Enabler Solution Knowledge (D.E.S.K.) Company, listed on AIM Italia since June 2019, is present on the market with innovative solutions dedicated to the digital transformation of companies. Relatech is an innovative SME focused on customers looking for the most innovative solutions, becoming a strategic partner for digitization and ICT services. Relatech constantly invests in Open innovation with an extensive R&D activity carried out internally and numerous partnerships with the main Italian Universities and research centers. Thanks to its digital platform and cloud based RePlatform, it provides services and develops innovative digital solutions in frontier technologies of Digital Enabler, such as Cloud, Cybersecurity, Blockchain, Big Data, Machine Learning, Artificial Intelligence, Internet of Things.

Contacts

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Attached:

It should be noted that the consolidated data will be subjected to limited auditing while the pro forma data will not be subject to auditing.

- *Consolidated Income Statement prepared in accordance with International Accounting Standards (IAS/IFRS) 30/06/2021*
- *Consolidated Balance Sheet prepared in accordance with International Accounting Standards (IAS/IFRS) as at 30/06/2021*
- *Consolidated Net Financial Position (IAS/IFRS) at 30 June 2021*
- *Consolidated Cash Flow Statement prepared in accordance with International Accounting Standards (IAS/IFRS) as at 30/06/2021*
- *Proforma Consolidated Income Statement at 30/06/2021*

Consolidated Income Statement

The table below shows the consolidated income statement data of the Group for the period ended June 30, 2021, and 2020

Consolidated Income Statement (Euro)	30 June 2021	% on revenues	30 June 2020	% on revenues	ΔYoY
Revenues	11,626,274	100%	8,161,330	100%	3,464,944
Change sin inventories of work in progress	1,508,829		1,198,297		310,531
Other revenues and other income	1,147,356		1,328,068		-180,712
Value of Production	14,282,459		10,687,695		3,594,764
Cost of goods Sold	9,841,764		6,765,024		3,076,740
Gross Profit	4,440,695		3,922,671		518,024
R&D Cost	2,010,111		1,658,931		351,180
EBITDA	2,430,584	21%	2,263,740	28%	166,844
Adjustments for extraordinary costs	698,395		351,281		347,114
EBITDA ADJUSTED	3,128,979	27%	2,615,021	32%	513,958
Amortisation & Provisions	1,090,644		635,160		455,484
EBIT	1,339,940	12%	1,628,581	20%	-288,641
EBIT ADJUSTED	2,038,335	18%	1,979,862	24%	58,473
Financial management	290,829		(28,605)		319,434
EBT	1,630,769	14%	1,599,976	20%	30,793
EBT ADJUSTED	2,329,164	20%	1,951,257	24%	377,907
Current taxes	249,302		229,905		19,397
Deferred Taxes	(1,185,065)		123,372		-1,308,438
Profit (Loss) for the period	2,566,532	22%	1,246,699	15%	1,319,834
Profi (Loss) of third parties for the period	83,122		150,088		-66,965
Profit (Loss) of the Group	2,483,410	21%	1,096,611	13%	1,386,799
Profit (Loss) of the Group ADJUSTED	3,181,805	27%	1,447,892	18%	1,733,913

Consolidated Balance Sheet

The following table shows the summary reclassified balance sheet referring to 30 June 2021 and 31 December 2020

Consolidated Balance Sheet (Euro)	30 June 2021	31 December 2020	Δ
Intangible Assets	6,819,353	5,909,270	910,083
Goodwill	6,442,231	5,689,266	752,965
Assets for rights of use	1,636,008	1,445,484	190,524
Tangible assets	466,394	442,400	23,994
Financial assets	3,227,364	27,725	3,199,639
Fixed assets	18,591,350	13,514,145	5,077,205
Inventories	189,038	528,902	(339,864)
Receivables form customers	6,061,030	6,555,784	(494,754)
Payables to suppliers	(2,394,912)	(2,808,201)	413,289
Commercial working capital	3,855,156	4,276,485	(421,329)
Tax credits and debts	850,861	1,332,108	(481,247)
Accruals and deferrals	364,148	(464,044)	828,192
Other credits and debts	(2,452,032)	(2,347,941)	(104,091)
Other current assets and liabilities	(1,237,023)	(1,479,877)	242,854
Net working capitak	2,618,132	2,796,608	(178,476)
Other non-current assets and liabilities	1,851,492	306,385	1,545,107
Provisions for risks and charges	(1,266,232)	(1,397,159)	130,927
Provisions for employee and director benefits	(2,199,888)	(1,824,406)	(375,482)
Other non-current assets and liabilities	(1,614,627)	(2,915,180)	1,300,553
Net invested capital	19,594,855	13,395,573	6,199,282
Share Capital	159,045	109,225	49,820
Reserves	18,115,920	10,653,631	7,462,288
Negative reserve for treasury shares in portfolio	(1,933,659)	(2,056,646)	122,987
Profit (loss) carried forward	1,833,379	1,457,868	375,511
Group profit (loss) for the year	2,483,410	2,550,868	(67,458)
Group equity	20,658,094	12,714,946	7,943,148
Third party equity	785,945	730,589	55,356
Net assets	21,444,039	13,445,535	7,998,504
Short-term payables / (cash)	(7,870,708)	(3,910,711)	(3,959,997)
Payables Vs Other Lenders	1,158,626	1,031,636	126,990
Payables to m / I Vs Banks	4,862,897	2,829,113	2,033,784
Payables to MLT	6,021,523	3,860,749	2,160,774
NFP	(1,849,184)	(49,962)	(1,799,222)
Total Sources	19,594,855	13,395,573	6,199,282



Net Financial Position

The following table shows the Group's Net Financial Position at 30 June 2021 and 31 December 2020

NET FINANCIAL DEBT (Euro)	30 June 2021	31 December 2020	Δ
A Cash and cash equivalents	(11,012,958)	(8,265,630)	(2,747,328)
B Cash equivalent	(150,589)	-	(150,589)
C Other current financial assets	-	-	-
D Liquid assets` (A + B + C)	(11,163,547)	(8,265,630)	(2,897,917)
E Current financial debt	494,863	-	494,863
F Current portion of non-current financial debt	1,350,140	1,655,209	(305,068)
G Current financial debt (E + F)	1,845,004	1,655,209	189,795
H Net current financial debt (G + D)	(9,318,544)	(6,610,422)	(2,708,122)
I Non-current financial debt	6,021,523	3,860,749	2,160,774
J Debt instruments	-	-	-
K Trade payables and other non-current payables	245,307	288,000	(42,693)
L Non-current financial debt (I + J + K)	6,266,830	4,148,749	2,118,081
M Total financial debt (H + L)	(3,051,713)	(2,461,673)	(590,041)
IFRS 9 options effects	1,202,529	2,411,710	(1,209,181)
IFN inclusive of IFRS 9 effects	(1,849,184)	(49,962)	(1,799,222)

* For the purposes of a better understanding of the table, the amounts indicated with a negative sign (i.e., amounts in round brackets) refer to the financial assets (i.e., cash, receivables), while the amounts with a positive sign refer to the financial liabilities (i.e., financial debts, other debts, etc.). Therefore, a negative balance of net financial debt indicates that the financial assets are higher than the related liabilities, showing a positive cash surplus and equivalent means; conversely, a positive balance shows that the overall financial debt is greater than the related financial assets/liquid assets.

Consolidated Cash Flow Statement

The following table shows the Consolidated Cash Flow Statement at 30 June 2021 and 30 June 2020

Consolidated Cash Flow Statement (Euro)	30 June 2021	30 June 2020
A) Financial flows deriving from operating activities (indirect method)		
Profit (loss) for the year	2,566,532	1,344,706
Income taxes	(935,763)	255,270
Interest expense/(assets)	(290,829)	28,605
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains / losses on disposal	1,339,940	1,628,581
Adjustments for non-monetary items that had no counterpart in net working capital		
Provisions to funds	271,169	203,757
Depreciation of fixed assets	1,090,644	635,160
Other increases/(decreases) adjustments for non-monetary items	1,026,886	-
Total adjustments for non-monetary items that have not had counterpart in the net working capital	2,388,699	838,917
2) Cash flow before changes in net working capital	3,728,639	2,467,498
Total changes in net working capital	(1,934,451)	1,689,601
3) Cash flow after changes in net working capital	1,794,188	4,157,099
Other adjustments		
Interest received/(paid)	290,829	(28,605)
(Income taxes paid)	1,521,453	(131,898)
Use of funds	(26,615)	-
Total other adjustments	1,785,667	(160,503)
Cash flow from operating activities (A)	3,579,855	3,996,596
B) Financial flows deriving from the investment activity		
Cash flow from investing activities (B)	(7,448,651)	(3,152,646)
C) Financial flows deriving from financing activities		
Increase / (decrease) in short-term payables to banks	(365,715)	66,897
Increase / (decrease) in short-term payables to other lenders	927,807	288,000
Start-up of financing	2,472,947	2,300,000
(Repayment of loans)	(439,162)	(381,285)
Capital increase against payment	4,047,850	3,470,869
Other changes in equity	122,986	(1,180,923)
Cash flow from financing activities (C)	6,766,713	4,563,558
Increase (decrease) in cash and cash equivalents (A ± B ± C)	2,897,917	5,407,508
Cash and cash equivalents at the beginning of the year	8,265,630	3,804,959
Cash and cash equivalents at the end of the year	11,163,547	9,212,467

Proforma Consolidated Income Statement (in thousands of Euro)

For representative purposes, the following is the Proforma Income Statement for the six-month period ended June 30, 2021, prepared for the purpose of simulating the economic effects that would have arisen from the acquisition of the companies Dialog Sistemi and Gruppo SIGLA, if the same had occurred. January 1, 2021, compared with the results at June 30, 2020.

Proforma Consolidated Income Statement (in thousands of Euro)	Consolidated Pro-Forma 30 June 2021	% on Revenues	Consolidated Pro-forma 30 June 2020	% on Revenues	Δ	Δ%
Revenues	15.077	100%	9.994	100%	5.083	51%
Increases in fixed assets for internal work	1.509		1.277		232	18%
Other income	1.194		1.337		-143	-11%
Value of Production	17.780		12.608		5.172	41%
Total Costs	14.721		10.053		4.668	46%
EBITDA	3.059	20%	2.555	26%	504	20%
Adjustments for extraordinary costs	698		351		347	
ADJUSTED EBITDA	3.757	25%	2.906	29%	851	29%
Depreciation and provisions	1.344	9%	642	6%	702	109%
EBIT	1.715	11%	1.913	19%	-198	-10%
ADJUSTED EBIT	2.414	16%	2.264	23%	150	7%
Financial management	286		-36		322	
EBT	2.001	13%	1.877	19%	124	7%
ADJUSTED EBT	2.700	18%	2.228	22%	472	21%

Fine Comunicato n.20162-118

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