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Oggetto : WIIT CONTINUES GERMAN EXPANSION  
WITH ACQUISITION OF RELEASE 42  
TRANSACTION VALUE OF APPROX.  
EURO 71 MILLION

*Testo del comunicato*

Vedi allegato.



## PRESS RELEASE

### WIIT CONTINUES GERMAN EXPANSION WITH ACQUISITION OF RELEASE 42 TRANSACTION VALUE OF APPROX. EURO 71 MILLION

**Milan, 18 October 2021** – WIIT S.p.A. (“**WIIT**” or the “**Company**”; ISIN: IT0005440893; WIIT.MI), a leading European player in the Cloud Computing market of enterprises demanding uninterrupted Hybrid Cloud and Hosted Private Cloud services for critical applications and listed on the MTA-STAR Milan segment of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A., announces the signing today of agreements for the acquisition of the operations currently carried out by JBM Technology Deutschland GmbH through the “Release 42” commercial brand (the “**Transaction**”).

Release 42 is a group composed of two operating companies: Boreus GmbH (“**Boreus**”), a cloud provider, and Gecko Gesellschaft für Computer und Kommunikationssysteme m.b.H. (“**Gecko**”) that develops DevOps software solutions with a focus on kubernetes technologies.

The group has a strong specialization in e-commerce platforms, mission critical applications that require high resilience, guaranteed through its two proprietary data centers and provides private and hybrid cloud services to the main German e-commerce companies with which it has had strategic relationships for over 15 years.

With forecast 2021 aggregate revenue of approx. Euro 27.6 million, aggregate EBITDA of approx. Euro 8.9 million, 32.2% margin, and aggregate EBIT of approx. Euro 7.8 million and a 28.3% margin, the provisional total price, to be adjusted based on the net financial position and net working capital, for the two acquisitions was set at approx. Euro 77.7 million, determined on the basis of a total enterprise value of approx. Euro 70.8 million and an implied multiple of approx. 7.9 times the aggregate EBITDA pre-synergies.

The Transaction - after those of myLoc at the end of 2020 and Mivitec in July 2021 - is a further significant step forward for the Cloud4Europe project launched by the Group in execution of its acquisition-led growth strategy.

**The Chief Executive Officer, Alessandro Cozzi, and Francesco Baroncelli, WIIT’s Chief M&A Officer, stated:**

*“With the acquisition of Release 42 we have delivered - one year ahead of schedule - two of the WIIT Group’s major strategic objectives: pro-forma revenues exceeding Euro 100 million and business volumes, both in revenue and earnings terms, split 50% between Italy and Germany. The acquisition of Release 42’s operations is not only an excellent result in financial terms - in view of the multiple used for the calculation and estimated cost synergies of Euro 2 million per year - and a further strategic step forward in positioning the WIIT Group on the German market, but also a major opportunity to grow the technological expertise available across the Group. Release 42’s personnel possesses in fact, among others, rare and at the same time necessary DevOps expertise to manage the critical platforms of the more sophisticated customer base interested in the WIIT Group’s services. Release 42 in particular has very particular expertise in terms of critical platforms for large German e-commerce Groups, which may also be deployed on the Italian market.*

*For these reasons and in view of its size, we consider this transaction to be highly strategic and significant to consolidate our German market presence and to develop expertise within the Group”.*

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Finally, and as stated in previous M&A communications, in order to satisfy a range of specialisations in Germany which are not yet considered to be fully serviced, the WIIT Group is working on the integration, in particular investing significantly in the technological infrastructure so as to open its first German Tier 4 data center by the first half of 2022. The **Cloud4Europe** project is reaching maturity and the WIIT Group is ready to become, also in Germany, the go-to player for enterprises requiring Premium services for their applications.

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## 1. Description of Release 42's business

Release 42's business is carried out through the companies Boreus and Gecko, whose majority shareholder is JBM Technology Deutschland GmbH. Boreus and Gecko respectively hold investments in Reventure GmbH and codefit Sp. z o.o.

Boreus, with registered office in Stralsund, owns two data centers, in line with WIIT's security and resilience standards and offers Cloud and managed services to medium and large enterprises. The current year is expected to end with revenues of Euro 14.1 million, EBITDA of Euro 5.6 million, equivalent to 39.7% of the revenues, and EBIT of Euro 4.6 million euros, equivalent to 32.6% of the revenues.

Gecko, headquartered in Rostock, is involved in the development of applications for the management and analysis of large enterprise data, The current year is expected to end with revenues of Euro 13.5 million, EBITDA of Euro 3.3 million, equal to 24.4% of the revenues, and EBIT of Euro 3.2 million, equal to 23.7% of the revenues.

Although Boreus and Gecko are both headquartered in North-East Germany, their customer base is distributed across Germany. The geographic positioning is strategic, not only as differing from previous acquisitions (myLoc, Düsseldorf, and Mivitec, Munich), but also and particularly as these enterprises are unique in their region and can benefit from a high level of staff loyalty, which is considered a major plus in the digital world in which staff turnover is always relatively high.

## 2. Transaction details

WIIT has signed two agreements to fully acquire respectively the share capital of Boreus and Gecko. The price for the two acquisitions has been set at approx. Euro 77.7 million.

The price for the acquisition of Boreus was in part settled through WIIT shares for a value of Euro 10 million and - further to the adjustments based on the net financial position and the working capital at closing - shall be subject to a possible downward adjustment where Boreus in the year to 31 December 2022 does not achieve set core revenue levels. Any adjustment will be guaranteed by the price component in WIIT shares to be deposited, as collateral guarantee, at a securities account and shall not exceed the value of such shares. In addition, reciprocal put options in favour of the sellers of Boreus and call options in favour of WIIT are entered into as part of the transaction to permit WIIT to reacquire the WIIT shares which shall represent, in application of the adjustment, the component in kind of the consideration.

The price established for the acquisition of Gecko shall be fully paid in cash on closing, subject to adjustments based on the net financial position and the working capital level at closing.

Both contracts provide for usual representations and warranties by the sellers. In order to cover the related indemnity, WIIT has taken out a W&I (Warranty & Indemnity) policy, the costs of which have been taken into account in setting the consideration for the Transaction.

It has been agreed that the management of Boreus and Gecko will continue their operations in continuity with the past and - with regards to Boreus - at least until the approval of the financial statements at 31 December 2022, with the objective to manage the integration of the business of

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Boreus and Gecko into the WIIT Group and to continue to develop the German market, in addition to, with regards to Boreus - the achievement of the revenue objectives established between the parties.

The Transaction's closing, which is not subject to conditions precedent, is expected to take place by the end of October.

### 3. Effect of the transaction on WIIT

The execution of the Transaction shall allow WIIT to: (i) strengthen its presence in Germany, with a major contribution in terms of earnings, strategic assets and expertise (in particular of increasingly up-to-date, unique and critical DevOps expertise also in Italy); (ii) allow the WIIT Group to achieve major objectives, i.e. 2021 *pro-forma* revenues of Euro 100 million, split evenly between Italy and Germany; (iii) leverage significant cost synergies, estimated at approx. Euro 2 million per year over the coming 24 months; and (iv) continue its investment, growth and development strategy for the WIIT Group through acquisitions.

\* \* \*

ING Corporate Finance acted as the sole financial advisor, Pedersoli Studio Legale and GSK Stockmann as legal advisor of WIIT and KPMG as tax and accounting advisor.

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*This announcement may contain certain forward-looking statements, estimates and forecasts reflecting management's current views with respect to certain future events. Forward-looking statements, estimates and forecasts are generally identifiable by the use of the words "should," "expect," "estimate," "believe," "intend," "plan," "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the group participates. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Company's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. It is based on information available to the Group as of today. The Group assumes no obligation to publicly update or revise forecasts and estimates as a result of the availability of new information, future events or otherwise, subject to compliance with applicable laws.*

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### WIIT S.p.A.

WIIT S.p.A., listed on the STAR segment of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A (WIIT.MI), is a leading European Cloud Computing market player, focused particularly on the Hybrid Cloud and Hosted Private Cloud for enterprises market. This company specialises in Hosted Private and Hybrid Cloud services for enterprises requiring critical application and business continuity management, with all the main international application platforms managed (SAP, Oracle and Microsoft) using an end-to-end approach. WIIT manages proprietary data centers, with the main center Tier IV level certified by the Uptime Institute LLC of Seattle (USA). This is the highest possible level of reliability, while the company is also among the world's most certified SAP partners. For further details, reference should be made to the Company website ([wiit.cloud](http://wiit.cloud)).

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