

9M 2021 Results

Ended September 30, 2021



TINEXTA

10 November 2021

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9M'21 Highlights and Updates

Josef Mastragostino, Chief IRO

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Oddone Pozzi, CFO

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9M'21 another leap forward for delivery

• 9M'21 registered relentless progress:

- Revenues at € 261.6M in 9M'21 (+ 38.5% vs PY, + 7.6% on a 2020 base);
- EBITDA Adjusted¹ at € 63.3M in 9M'21 (+ 11.2% vs PY, - 3.3% on a 2020 base), EBITDA² at € 59.6M in 9M'21 (+ 7.3% vs PY, - 5.9% on a 2020 base);
- EBITDA Adjusted¹ margin 24.2% (27.1% on a 2020 base); EBITDA² margin 22.8% (25.7% on a 2020 base);
- EBIT at € 38.4M (+ 3.8% vs PY, - 9.4% on a 2020 base) – EBIT Margin: 14.7% (16.5% on a 2020 base);
- Net Income € 28.1M (+ 7.1% vs PY, - 3.1% on a 2020 base);
- Cash Flow: € 44.3M in 9M'21; growing on a LTM base to € 58.4M;
- NFP improves vs 1H'21 and stands at € 191.6M & Leverage³ of 2.2x;
- Operating Cash Flow⁴ € 70.1M in 9M'21 vs 67.9M in PY.

• All business lines continue to grow in 9M'21:

- Digital Trust, grows 12.3% in Revenues with EBITDA¹ growing 10.1%. EBITDA¹ margin 26.0%
- Cyber Security, revenues reached € 51.5M and EBITDA¹ margin 11.3%
- Credit Information and Management, increases 2% in Revenues with EBITDA¹ decreasing 7.1%. EBITDA¹ margin 28.7%
- Innovation and Marketing Services, posted a + 20.7% in Revenues with EBITDA¹ rising 5.9%. EBITDA¹ margin 40.8%

• Recent Updates:

1. Bregal Milestone selected as a strategic partner to accelerate the international development:

- € 100 million investment for 16% of InfoCert Group. The agreed consideration corresponds to an InfoCert valuation equal to a pre-money Enterprise Value of € 501 million, calculated based on a multiple of 20x Adjusted EBITDA LTM of InfoCert and its subsidiaries (pro-rata) plus Adjusted NFP, as accounted for in June 2021.
- The aim is to establish a leading operator in the Digital Trust space at European level

2. Completed the acquisition of the 60% share capital of CertEurope S.A.S.:

- Signing completed on October 26th and Closing on November 3rd 2021

Memo: In order to allow as complete an analysis as possible, 9M'21 results are compared both at constant 2020 perimeter, as well as on a 2021 perimeter (which includes all of TINEXTA's companies with the addition of the newly acquired ones).

- (1) EBITDA Adjusted (Excludes Stock Options & Other non-recurring items)
- (2) EBITDA Reported
- (3) Calculated as NFP/LTM EBITDA Adjusted
- (4) Operating Cash Flow before Income taxes paid

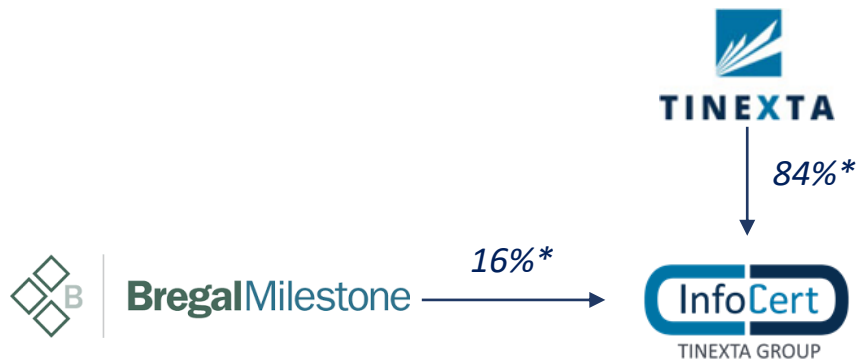
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Bregal Milestone as partner to accelerate international development (October 27th 2021)

Corporate Structure of the deal:



Corporate Structure after closing:



* The agreements also foresee the possibility for Bregal Milestone to further increase this stake up to a maximum percentage of InfoCert's capital of 19,95% with a total investment of € 130 million.

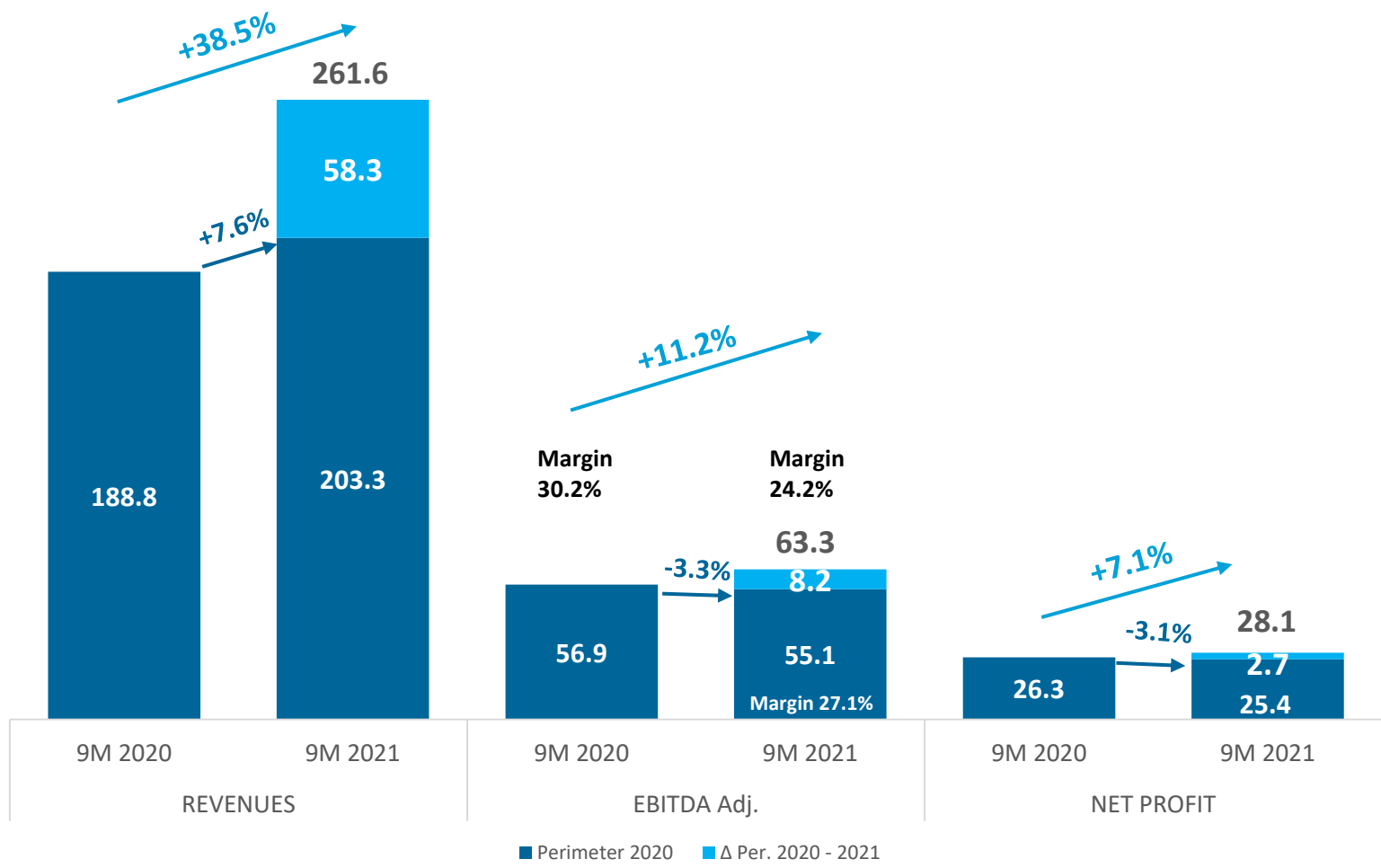
Digital Trust

- The transaction provides for an investment by Bregal Milestone of € 100 million (of which € 70 million at closing and € 30 million within the following 12 months) for the subscription of a dedicated capital increase up to a total share equal to 16.09% of InfoCert's share capital. The agreements also foresee the possibility for Bregal Milestone to further increase this participation – always within the following 12 months from the closing – up to a maximum of 19.95% of InfoCert's capital, with a total investment of € 130 million.
- The agreed consideration corresponds to an **InfoCert valuation** equal to a pre-money **Enterprise Value of € 501 million**, calculated on the basis of a **multiple of 20x Adjusted EBITDA LTM of InfoCert** and its subsidiaries (pro-rata) plus Adjusted NFP, as recorded for in June 2021.
- The transaction is subject to the usual closing conditions, including the obtaining of Bregal Milestone's Golden Power authorization and the adoption of the resolution for the reserved capital increase and the approval of the new Articles of Association. The entry of Bregal Milestone in InfoCert's capital is also subject to the closing of the acquisition of CertEurope, completed on the 3rd of November 2021.
- The agreements do not provide for Put options in favour of Bregal Milestone, but they regulate possible forms of exit for the fund, which in any case may not be commenced before the third year from the closing and which also include capital market transactions, as well as the repurchase of the shareholding by Tinexta.

Bregal Milestone is a leading European technology growth capital firm managing more than € 1.1 billion dedicated to investments in high-growth technology companies. The firm provides growth capital and strategic assistance to support market-leading companies in the technology and technology-enabled services sectors. Bregal Milestone is part of Bregal Investments, a leading global investment firm that has invested over € 15 billion since 2002 and currently has assets under management of over € 12 billion.

1 9M'21 Revenues, EBITDA and Net Profit Evolution

The 9M 2021 results show revenues of **261.6 million euros**, an EBITDA Adjusted of **63.3 million euros** and a Net Profit of **28.1 million euros**. EBITDA Reported is **59.6 million euros**



- 9M'21 results show a growth both in Revenues (c. +38%) and in EBITDA Adjusted (c. +11%);
- EBITDA Adjusted amounted to 63.3 million euros, up from 56.9 in 9M 2020;
- EBITDA is equal to 59.6 million euros;
- The EBITDA Adjusted Margin is equal to 24.2%, 27.1% on a 2020 base;
- Net Profit margin is at 10.8%.

€ M

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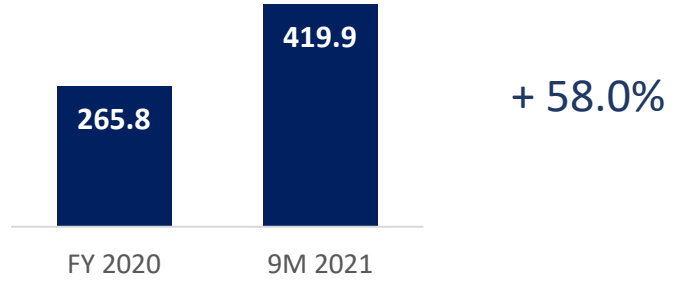
Q&A

9M'21 Financial Results – Income Statement

	9M 2021		9M 2020		9M 2021 on 2020		Perimeter 2021		Perimeter 2020	
	9M 2021	%	9M 2020	%	9M 2021 on 2020	%	Δ	Δ%	Δ	Δ%
Revenues	261.6	100.0%	188.8	100.0%	203.3	100.0%	72.7	38.5%	14.4	7.6%
Total Operating Costs	198.2	75.8%	131.9	69.8%	148.2	72.9%	66.3	50.3%	16.3	12.4%
Service & Other Costs	97.2	37.2%	71.4	37.8%	80.9	39.8%	25.8	36.1%	9.5	13.3%
Personnel Costs	101.0	38.6%	60.5	32.0%	67.3	33.1%	40.6	67.1%	6.8	11.3%
EBITDA Adjusted	63.3	24.2%	56.9	30.2%	55.1	27.1%	6.4	11.2%	-1.9	-3.3%
Stock Option & Other non recurring items	3.7	1.4%	1.4	0.8%	2.8	1.4%	2.3	171.9%	1.4	106.0%
EBITDA	59.6	22.8%	55.6	29.4%	52.3	25.7%	4.0	7.3%	-3.3	-5.9%
Depreciation, amortisation, provisions and impairment	21.2	8.1%	18.6	9.8%	18.8	9.2%	2.6	14.2%	0.2	1.0%
Operating Profit	38.4	14.7%	37.0	19.6%	33.5	16.5%	1.4	3.8%	-3.5	-9.4%
Financial Income	0.1	0.0%	1.3	0.7%	0.5	0.2%	-1.2	-90.7%	-0.9	-65.7%
Financial Charges	3.0	1.1%	2.1	1.1%	2.6	1.3%	0.9	42.8%	0.5	25.1%
Net financial Charges	2.9	1.1%	0.8	0.4%	2.2	1.1%	2.1	278.0%	1.4	184.9%
Profit of equity-accounted investments	-0.2	-0.1%	0.1	0.0%	-0.2	-0.1%	-0.3	-371.6%	-0.3	-306.7%
Profit Before Taxes	35.3	13.5%	36.3	19.2%	31.1	15.3%	-1.0	-2.8%	-5.2	-14.2%
Income Taxes	7.2	2.7%	10.1	5.3%	5.7	2.8%	-2.9	-28.9%	-4.4	-43.3%
Net Profit	28.1	10.8%	26.3	13.9%	25.4	12.5%	1.9	7.1%	-0.8	-3.1%

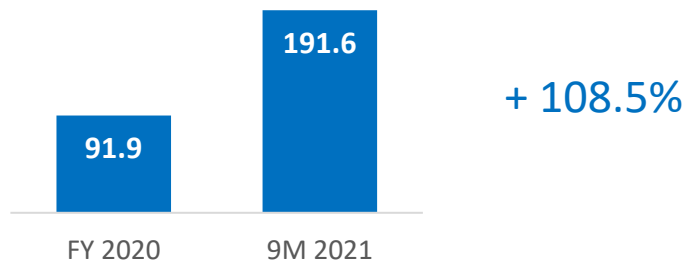
2 9M'21 Financial Results – Balance Sheet

Net Invested Capital



Net invested capital grows by 154.2 million euros compared to 31 December 2020 due to the significant increase of **162.2** million euros in net non-current assets, by virtue of the acquisitions of the period, **net of reduction in NWC** and provisions for 8.0 million euros.

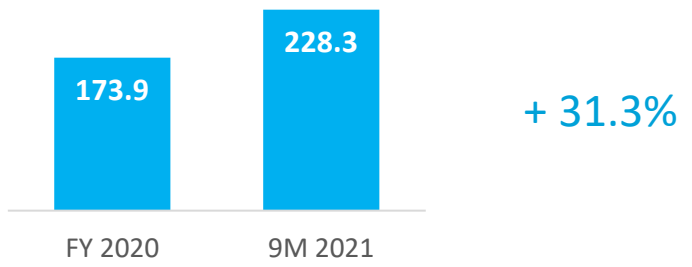
Net Financial Position



Net financial debt amounts to 191.6 million euros with an increase compared to 31 December 2020 of 99.7 million euros. These changes reflect:

- Free Cash Flow €44.3M
- Dividends €12.6M
- Acquisitions of New Companies €110.1M
- PUT Adjustment €11.8M
- Buy-Back Program €6.0M
- Adjustments to leasing contracts on NFP €1.6M

Total Shareholders' Equity



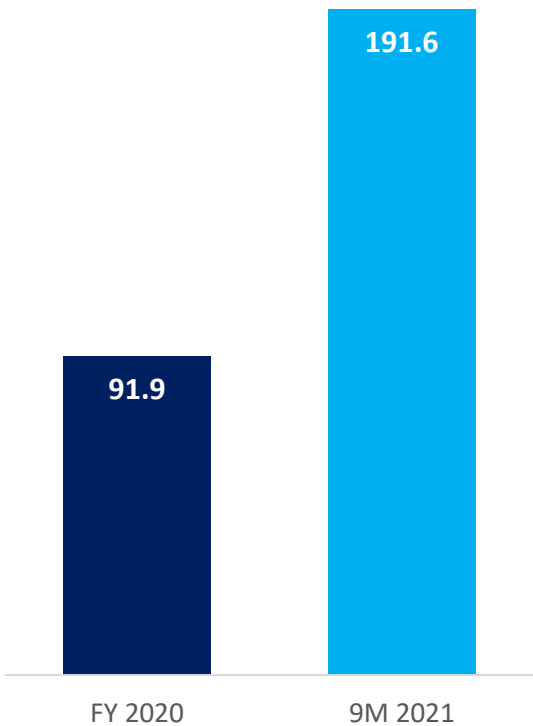
Main changes in Shareholders' Equity are:

- Profit for the period of + €28.1M
- Transfer of Forvalue to Innolva on behalf of Intesa Sanpaolo + €55.0M
- Dividends - €12.6M
- PUT Adjustment of - €11.8M
- Buy-Back program of - €6.0M

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9M'21 Financial Results – NFP & FCF

NFP

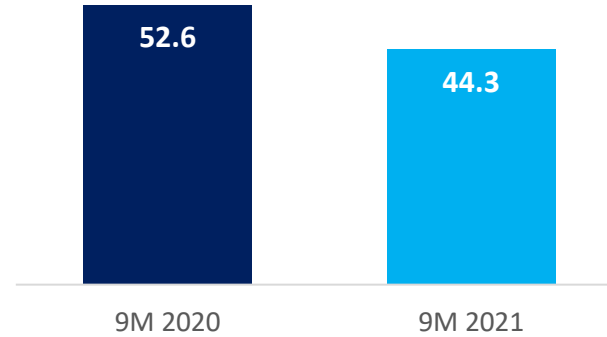


€ M

Main Changes in 9M'21:

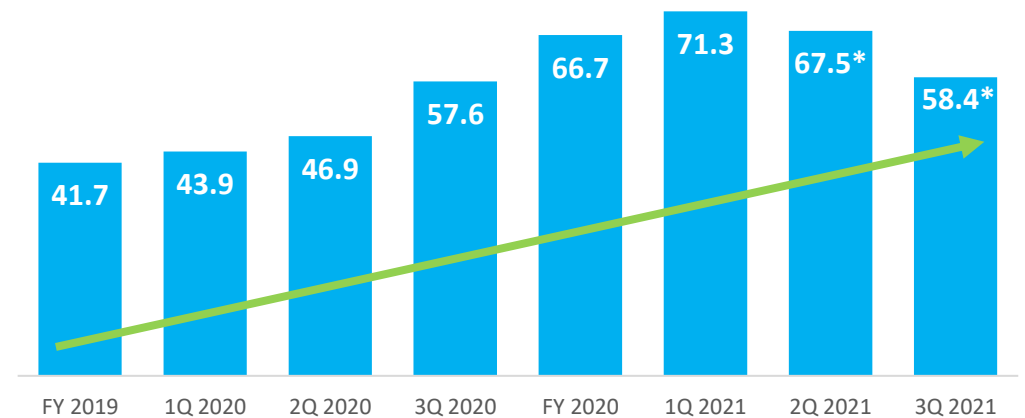
- € 110.1M acquisitions
 - *Corvallis*: - € 56M
 - *Yoroi*: - € 38.6M
 - *Queryo*: - € 15.7M
 - *Forvalue*: + € 1.3M
 - *Other*: - € 1.1M
- € 12.6M Dividends
- € 11.8M Put Adjustment
- € 6.0M Purchase of treasury shares to service the stock option plan

FREE CASH FLOW



Decrease is mainly due to higher taxes paid offset by continued improvement in working capital (+ €8.5M)

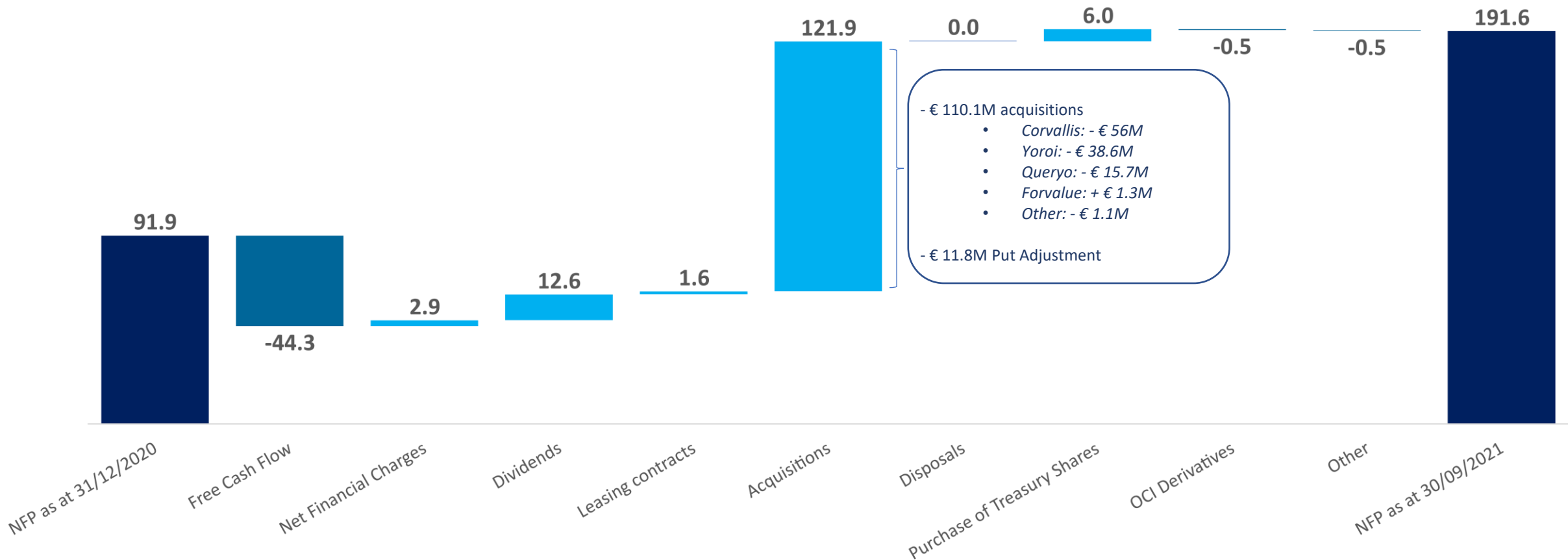
LTM FREE CASH FLOW



*Mainly due to higher taxes paid in the period relating to PY 9

2 9M'21 Financial Results – NFP Bridge

€ M

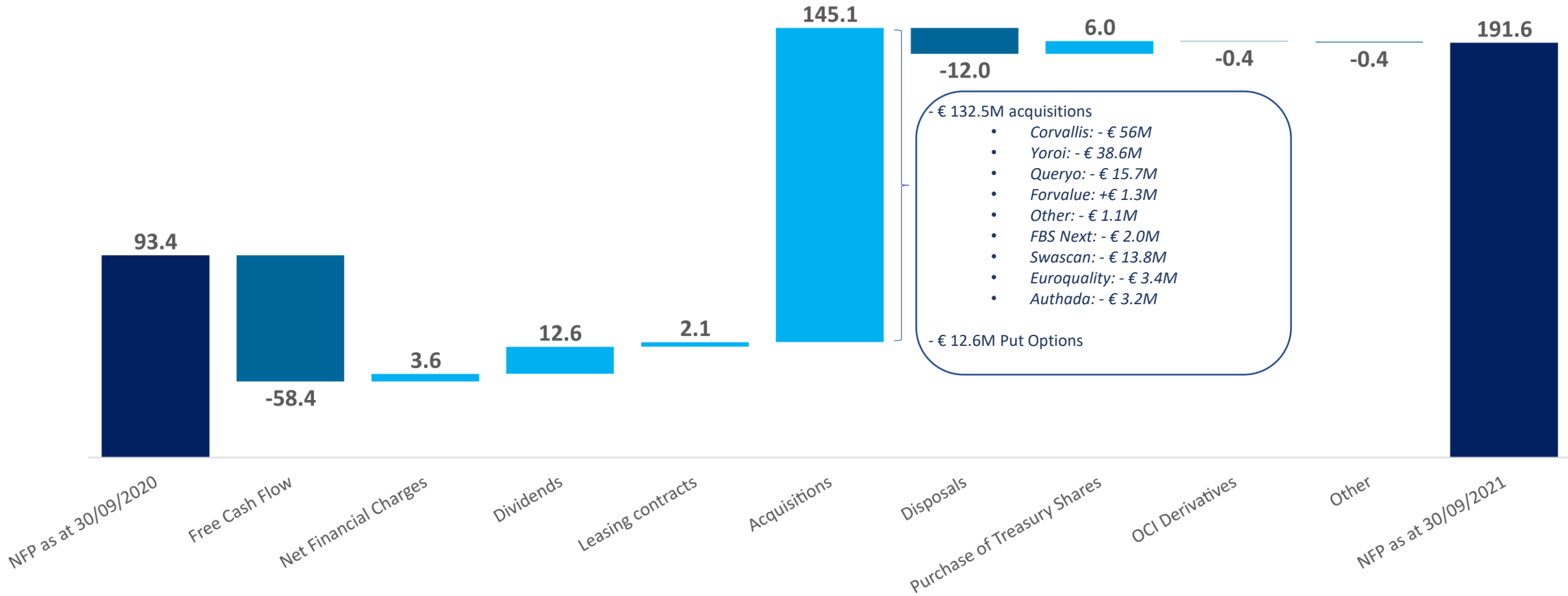


1.1x NFP/EBITDA¹ **2.2x**

(1) Calculated as NFP/EBITDA Adjusted LTM

2 9M'21 Financial Results – NFP Bridge on a LTM base

€ M



NFP/EBITDA¹ 2.2x

(1) Calculated as NFP/EBITDA Adjusted LTM

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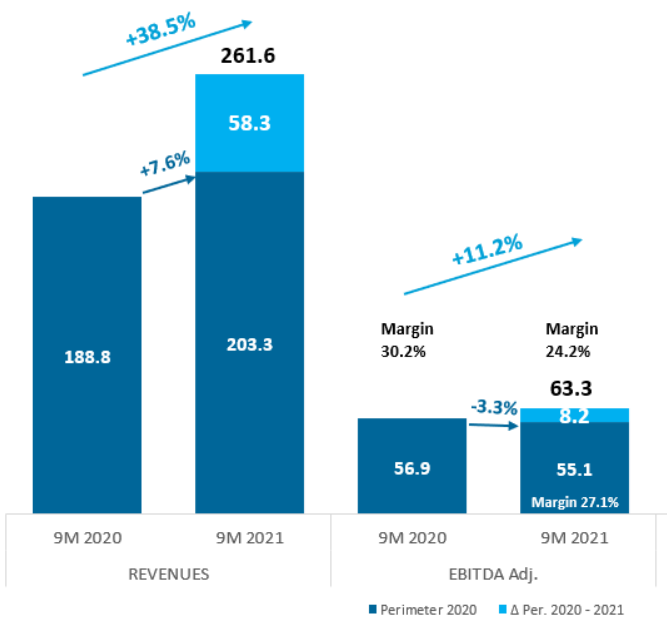
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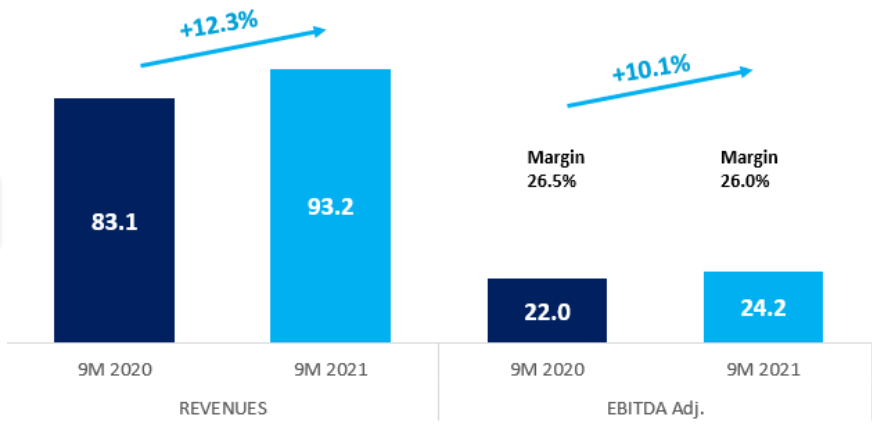
Business Units Deep Dive – Overview 9M'21

€ M

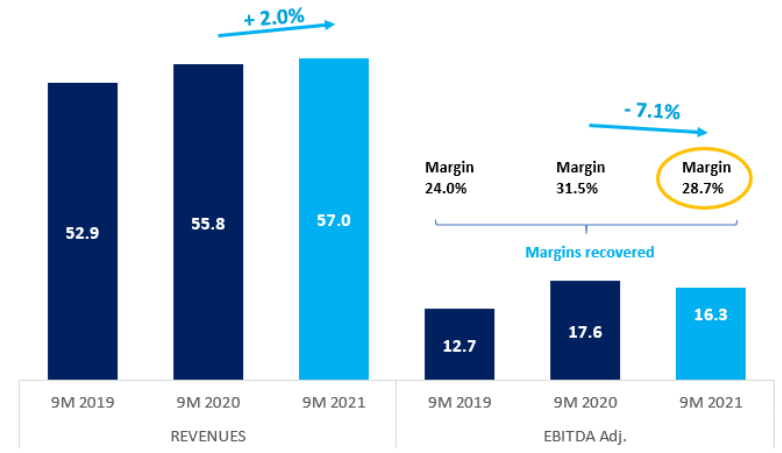
GROUP



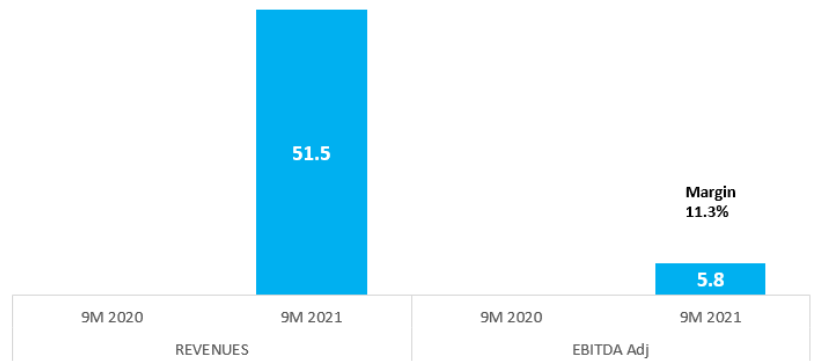
DIGITAL TRUST



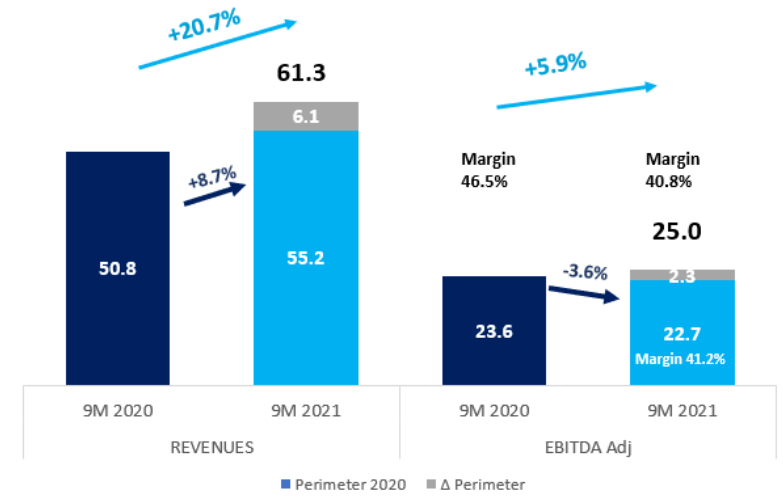
CREDIT INFORMATION & MGMT



CYBER SECURITY



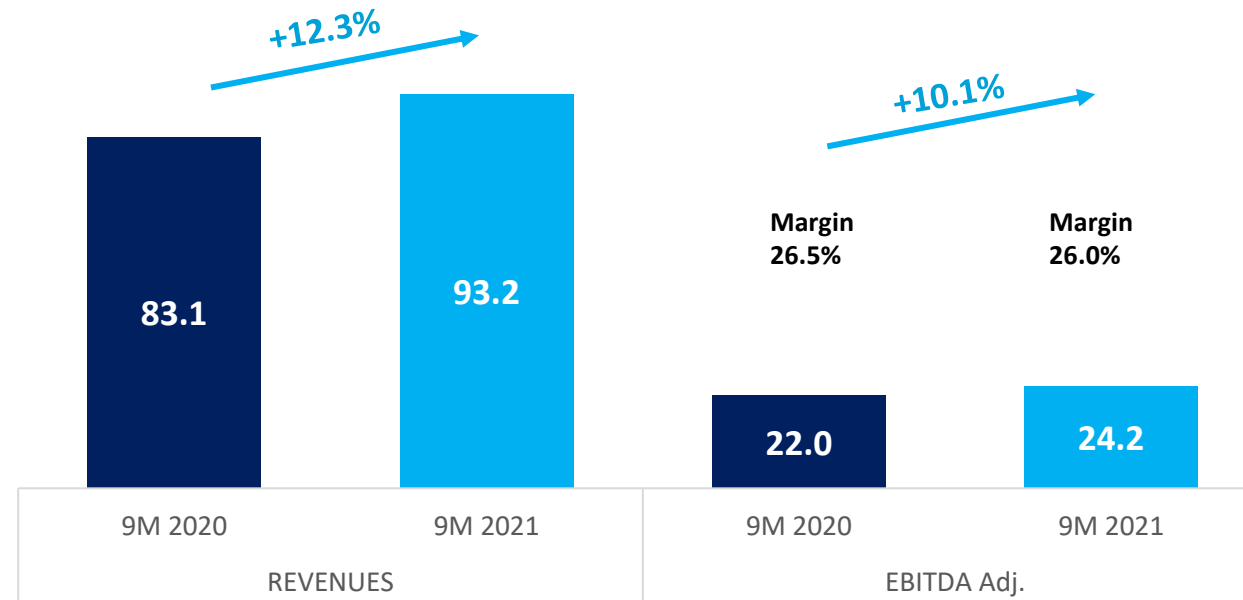
INNOVATION & MKT SERVICES



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Business Units Deep Dive – Digital Trust

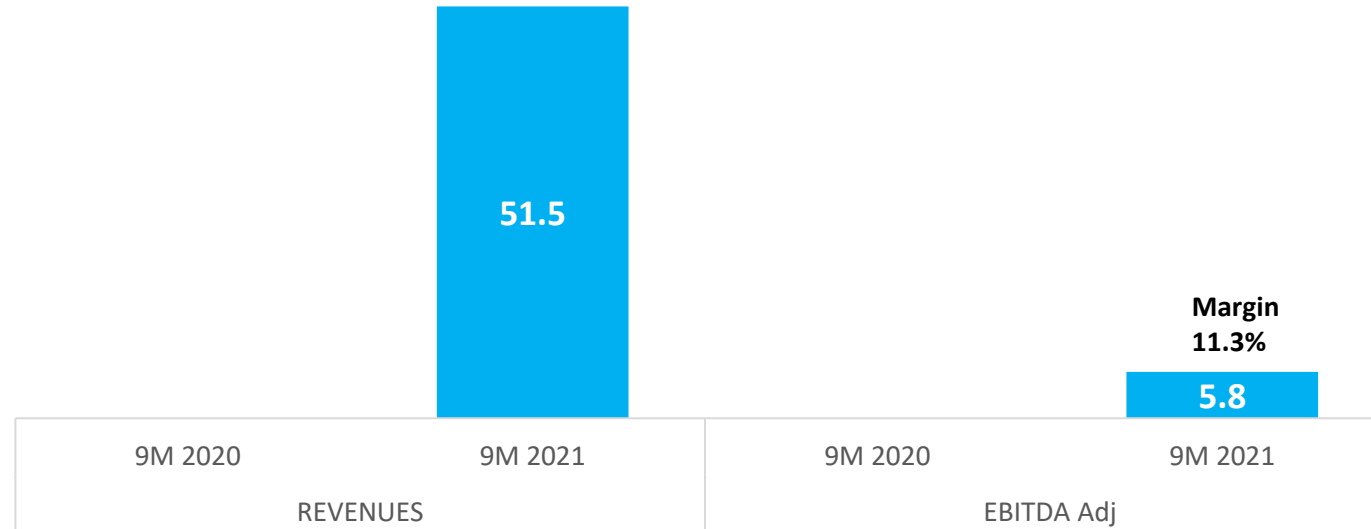
€ M



- Revenues amounted to 93.2 million euros, increasing 12.3% vs PY.
- 9M'21 registered continued demand both for digital and dematerialization services. *LegalMail*, *LegalCert*, *SPID* and *Top* among the most requested.
- Off the Shelf (OTS) revenues show signs of strength given the continuous demand; Revenues related to Enterprise Solutions grew on new commercial initiatives and increased interest in *Digital onboarding* services.
- EBITDA is equal to 24.2 million euros. The increase is equal to 10.1%, EBITDA margin at 26.0%.

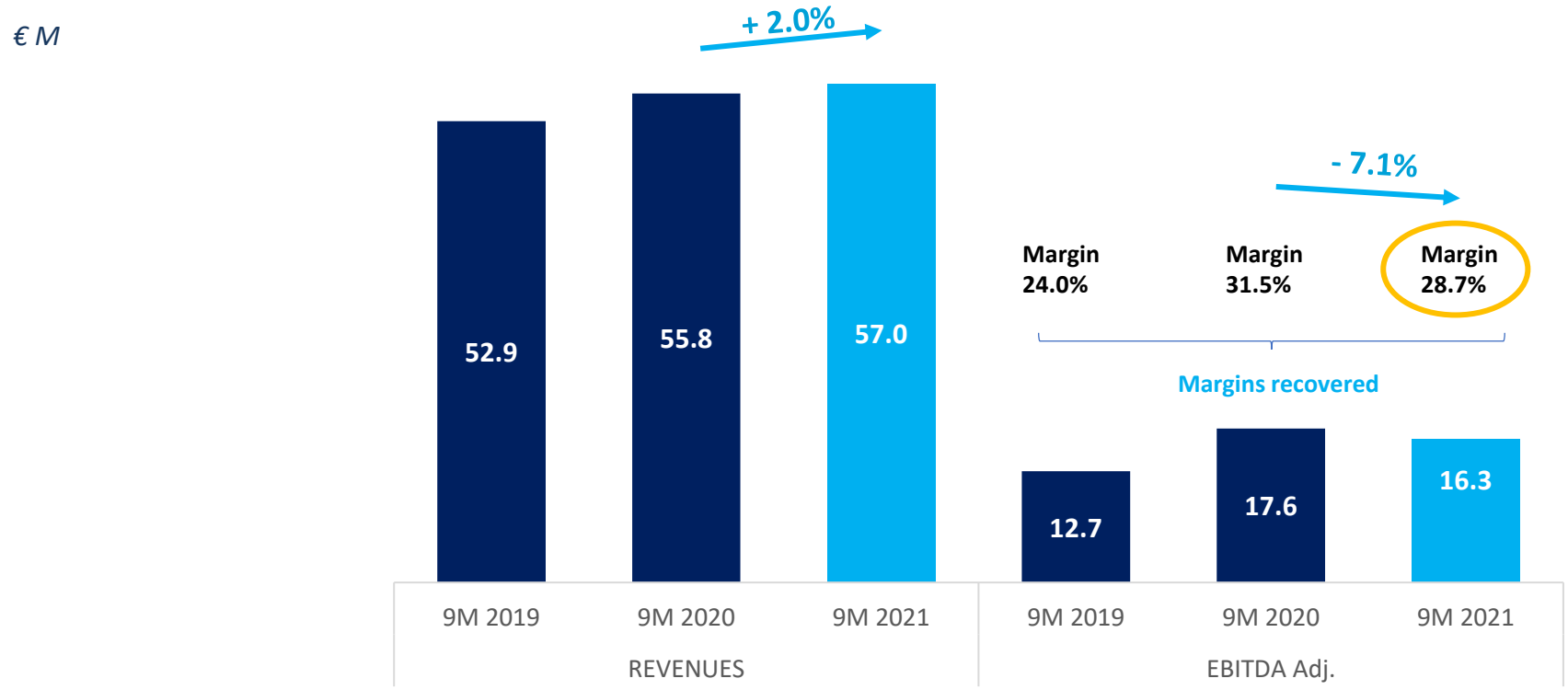
3 Business Units Deep Dive – Cyber Security

€ M



- Revenues amounted to 51.5 million euros, while EBITDA was 5.8 million euros.
- The EBITDA margin is equal to 11.3%.
- The results of the Cybersecurity BU are on track with expectations both in terms of business volume and margins.
- The Business Unit is developing and building on both initiatives linked to project activities and the supply of dedicated services.

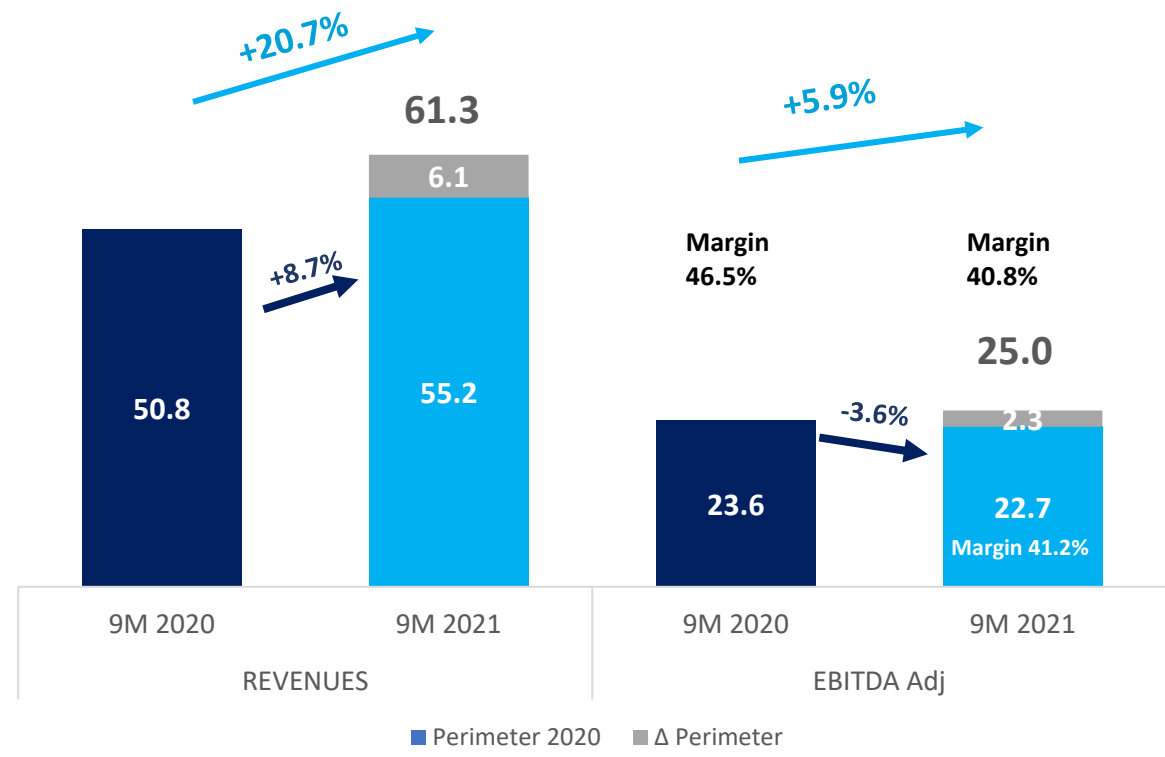
3 Business Units Deep Dive – Credit Information & Management



- Revenues amounted to 57.0 million euros, with an increase of 2.0% vs PY.
- The performance in 9M'21 grew on continuous increased demand of real estate services as well as Business Information. Notwithstanding a hard comp vs prior year – where the requests relating to the access to the Central Guarantee Fund were particularly strong – margins remained solid, rebounding vs 2019. Overall, the number of managed requests relating to access to the Central Guarantee Fund remained high during the 9M'21.
- EBITDA is equal to 16.3 million euros, EBITDA margin at 28.7%.

3 Business Units Deep Dive – Innovation & Marketing Services

€ M



- Revenues amounted to 61.3 million euros, increasing 20.7% vs prior year (on a 2020 base revenues grew 8.7% at 55.2 million euros).
- The BU’s companies have developed innovative services and products by increasing the turnover generated through the increase in managed requests and the acquisition of new customers. Temporary Export and consultancy services geared towards innovation rebounded while we also witnessed continued activities related to Digital Marketing consulting services.
- EBITDA is equal to 25.0 million euros, EBITDA margin at 40.8% (41.2% on a 2020 base). The increase compared to PY is equal to 5.9%.

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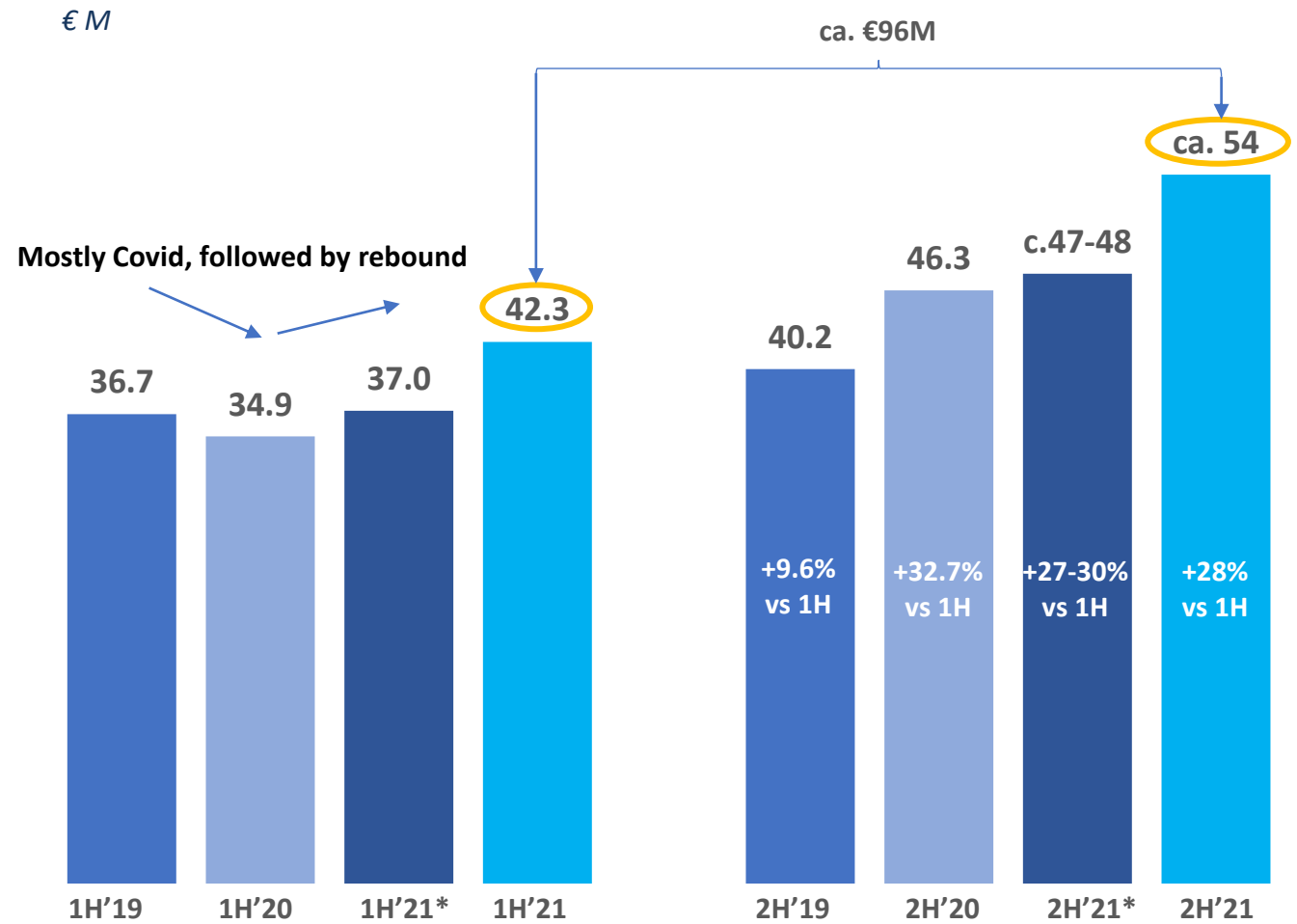
Q&A

4 Closing remarks

FY'2021 Guidance confirmed:

- ✓ Revenues: €370M
- ✓ EBITDA Adjusted: €96M
- ✓ NFP/EBITDA Adjusted: c.2x

EBITDA Adjusted WALKTHROUGH



* At constant perimeter

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3Q'21 Financial Results – Income Statement

	3Q 2021		3Q 2020		3Q 2021 on 2020		Perimeter 2021		Perimeter 2020	
		%		%		%	Δ	Δ%	Δ	Δ%
Revenues	83.7	100.0%	65.1	100.0%	63.9	100.0%	18.7	28.7%	-1.2	-1.9%
Total Operating Costs	62.7	74.9%	43.0	66.1%	45.8	71.7%	19.7	45.7%	2.8	6.4%
Service & Other Costs	31.2	37.3%	22.8	35.0%	24.6	38.6%	8.4	37.0%	1.9	8.2%
Personnel Costs	31.5	37.6%	20.3	31.1%	21.2	33.1%	11.2	55.3%	0.9	4.4%
EBITDA Adjusted	21.0	25.1%	22.0	33.9%	18.0	28.3%	-1.0	-4.5%	-4.0	-18.1%
Stock Option Costs & other non-recurring costs	1.7	2.0%	0.9	1.3%	1.0	1.6%	0.8	93.9%	0.1	15.5%
EBITDA	19.3	23.1%	21.2	32.5%	17.0	26.7%	-1.8	-8.6%	-4.1	-19.5%
Depreciation, amortisation, provisions and impairment	7.4	8.8%	5.8	8.8%	6.4	10.0%	1.6	27.8%	0.6	10.6%
Operating Profit	12.0	14.3%	15.4	23.7%	10.7	16.7%	-3.4	-22.2%	-4.7	-30.8%
Financial Income	0.0	0.0%	0.4	0.6%	0.1	0.1%	-0.3	-89.4%	-0.3	-85.1%
Financial Charges	1.1	1.3%	0.7	1.1%	0.9	1.4%	0.4	53.8%	0.1	20.5%
Net financial Charges	1.1	1.3%	0.3	0.5%	0.8	1.3%	0.7	217.0%	0.5	140.8%
Profit of equity-accounted investments	-0.1	-0.1%	0.0	0.0%	0.0	0.0%	-0.1	2031.2%	0.0	-7.0%
Profit Before Taxes	10.8	13.0%	15.1	23.1%	9.8	15.4%	-4.2	-28.0%	-5.2	-34.7%
Income Taxes	3.4	4.0%	4.7	7.3%	2.9	4.6%	-1.4	-29.1%	-1.8	-38.3%
Net Profit	7.5	8.9%	10.3	15.8%	6.9	10.8%	-2.8	-27.5%	-3.4	-33.0%

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Investor relations:
investor@tinexta.com