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Oggetto : WIIT ACQUIRES GLOBAL ACCESS AND
CONTINUES ITS EXPANSION IN
GERMANY

Testo del comunicato

Vedi allegato.



PRESS RELEASE

WIIT ACQUIRES GLOBAL ACCESS AND CONTINUES ITS EXPANSION IN GERMANY THE TRANSACTION IS WORTH APPROXIMATELY EURO 8 MILLION

Milan, 16 January 2023 – WIIT S.p.A. ("WIIT" or the "**Company**"; ISIN: IT0005440893; WIIT.MI), one of the leading European players in the market of Cloud Computing services for enterprises focused on the provision of continuous Hybrid Cloud and Hosted Private Cloud services for critical applications, a company listed on the Euronext STAR Milan segment of the Euronext Milan market, organised and managed by Borsa Italiana S.p.A., announces that, today, an agreement has been signed by its German subsidiary myLoc managed IT AG ("**myLoc**") for the purchase of 100% of the share capital of **Global Access Internet Services GmbH** ("**GLOBAL**"). The agreement has been executed today.

The Chief Executive Officer, Alessandro Cozzi and Francesco Baroncelli, Chief M&A Officer of WIIT commented:

"This acquisition helps to further strengthen our position in Germany, a market that now accounts for more than 55% of our business, both from an economic/financial point of view and in terms of competitive positioning. With a 2022 turnover of around Euro 4 million and adjusted EBITDA of around Euro 1 million, the deal fits perfectly into the path of small acquisitions, but with large cost synergies, estimated, in this case, at around Euro 1 million per year when fully operational. The German market continues to represent a significant expansion opportunity for the Group in Europe."

1. Description of the acquired company

GLOBAL is a German company that has been active in private cloud and managed services since 1996 with turnover consisting almost entirely of recurring revenues, in line with the business model of "WIIT Group" (the "**Group**" or "**WIIT Group**"). Global is based in Munich and this acquisition will strengthen therefore the Group's presence in Bavaria, an extremely important geographical area from an economic point of view, where the acquisition of cloud operator Mivitec GmbH in July 2021 had already been made. With 9 employees, Global offers managed services to medium-sized customers operating mainly in the digital market (software vendors, technology-related companies, digital providers for local public administration, etc.) and who use Global's services and technology within their value chain. In 2022, turnover of approximately Euro 4 million and adjusted EBITDA of approximately Euro 1 million are expected, in addition to the already mentioned estimated cost synergies of an additional Euro 1 million per annum when fully implemented as a result of joining the WIIT Group.

2. Transaction details

The agreement for the purchase of 100% of the share capital of GLOBAL was signed through the German subsidiary myLoc, which will thus acquire the shareholding under itself. The shares will be sold by the founding partners Manfred Kessler and Klaus Foitzick, no longer operational in the company for a while.

The enterprise value is approximately Euro 6.2 million, subject to adjustments related to the company's net financial position and working capital as at 31 December 2022. 80% of the due amount has been paid at closing, while the remaining part 20% has been deposited in an escrow account to secure the expected adjustments after the closing of the 2022 financial statements. An additional consideration component of Euro 1 million is envisaged, subject to the achievement of certain results in the year 2022, and of further Euro 800 thousand in the event of overachievement of the aforementioned results.

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The expected implied multiple ranges, depending on the final scenario, is between a minimum of 7.3 and a maximum of 7.6 times adjusted EBITDA, pre-synergies.

During the first 18 months after closing, synergies may be implemented and, when fully operational, are estimated at around Euro 1 million per year. These synergies are mainly identified in the better exploitation of facilities: in fact, Global uses 2 data centers that will be rapidly consolidated into the 14 Data Centers already owned by WIIT in Germany.

The contract provides for sellers' customary representations and warranties concerning GLOBAL.

3. Effect of the transaction on WIIT

This acquisition will strengthen the Group's presence in Bavaria, a geographic area that is extremely important from an economic point of view and where WIIT is already present since 2021, through the acquisition of cloud operator Mivitec GmbH.

Following the transaction of myLoc at the end of 2020, Mivitec GmbH in July 2021, Release 42 (Boreus GmbH and Gecko Gesellschaft für Computer und Kommunikationssysteme m.b.H.) in October 2021, and Lansol GmbH in September 2022, the acquisition of Global further strengthens WIIT's position in Germany, a market that now accounts for more than 55% of the Group's turnover. The transaction also constitutes a further significant advancement of the Cloud4Europe project, initiated by WIIT in line with its external growth strategies, which aims to create a European leader in the Cloud of Critical Applications.

Today the WIIT Group presents itself to its stakeholders with a strong structure, coordinated, as far as the German companies are concerned, by the holding WIIT AG, which has over 300 employees in over 6 offices (Düsseldorf, Munich, Stralsund, Rostock, Berlin and Frankfurt), with significant expertise in the DevOps field and in the management of critical platforms, first of all e-commerce and SAP, the flagship of the Group's offer. The assets in Germany include 14 proprietary Data Centers, connected in layer 2 with the 3 in Italy. The highest level of certification from the Uptime Institute, the most authoritative certification body in the United States, which has already been obtained for two of its Data Centers in Milan, is a goal that WIIT has also set for the Germany with the construction of the first German Data Center Tier IV by the end of the year.

The operation will enable therefore the Group to:

- further strengthen its presence in the local market of Bavaria and Germany, with an important contribution in terms of recurring revenues;
- leverage significant cost synergies, estimated at around Euro 1 million per year when fully operational over the next 18 months approximately.

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Pedersoli Studio Legale and BMZ assisted WIIT and myLoc as legal advisors in the transaction; PwC acted as tax and accounting advisor.

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This press release contains forecasts and estimates that reflect the current views of the Group's management regarding future events. Forecasts and estimates are typically identified by expressions such as "it is possible," "it should be," "it is forecast," "it is expected," "it is estimated," "it is believed," "it is intended," "it is planned," "objective" or by the negative use of these expressions or other variations of these expressions or by the use of comparable terminology. These forecasts and estimates include, but are not limited to, all information other than factual information, including, without limitation, that relating to the Group's future financial position and operating results, strategy, plans, objectives and future developments in the markets in which the Group operates or intends to operate. As a result of such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking information as a prediction of actual results. The Group's ability to achieve its expected results depends on many factors beyond management's control. Actual results may differ significantly from (and be more negative than) those predicted or implied by the forecast data. These forecasts and estimates involve risks and uncertainties that could have a material impact on expected results and are based on basic assumptions. The forecasts and estimates made therein are based on information available to the Group as of today. The

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Group does not undertake any obligation to publicly update and 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., a company listed on the Euronext Star Milan ("STAR") segment, is a leader in the Cloud Computing market. The company has a pan-European footprint and is present in key markets, such as Italy and Germany, positioning itself among the leading players in the provision of innovative Hosted Private and Hybrid Cloud technology solutions. WIIT operates 17 of its own Data Centres – 3 in Italy, 2 of which are Tier IV-certified by the Uptime Institute, and 14 in Germany – and has 6 SAP certifications at the highest specialisation levels. Its end-to-end approach enables the company to provide its partner companies with customised, high value-added services with the highest security and quality standards for the management of critical applications and business continuity, while guaranteeing maximum reliability in the management of the main international application platforms (SAP, Oracle and Microsoft). (www.wiit.cloud)

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