

## PRESS RELEASE

### Acquisition of Adelante S.r.l. Preliminary purchase agreement signed

Milan, 28 June 2018 – WIIT S.p.A. ("**WIIT**" or the "**Company**"), one of the main Italian players on the cloud computing service market for businesses, focussed on the supply of continuous hybrid cloud and hosted private cloud services for critical applications, an ELITE company listed on the AIM Italia/Alternative Capital Market, organised and managed by Borsa Italiana S.p.A., declares that it has today stipulated a preliminary purchase agreement (the "**Contract**") for 100% of the shares of the capital of Adelante S.r.l. ("**Adelante**"), also an ELITE company.

Alessandro Cozzi, CEO of WIIT, has declared: *"This acquisition comes under the strategy declared during the listing process, which sees an increase in the market share on the Italian market, also through the consolidation of Italian operators operating on the cloud. Adelante will be able to reach its full industrial potential, both by benefiting from scale economies deriving from its membership of the group and by expanding its portfolio of services on mission critical applications, in which WIIT today expresses its real leadership. The acquisition of Adelante, based in Florence, will also allow the group to strengthen its presence on the medium-sized enterprise market of central Italy. We are very satisfied indeed with this transaction, which will allow us to increase exploitation of the production capacity available in WIIT, but which also strengthens us in managerial terms, with a view to potential further acquisitions that underpin the group's globalisation strategy."*

Francesco Baroncelli, Sole Director of Adelante, has declared: *"The entrance by the Adelante Group, which I personally founded in 2011, into the WIIT Group, is an important opportunity by which to achieve additional, yet more ambitious personal and corporate results alike. Confirmation of today's management team and the Business Plan for the next few years, constitute further forms of recognition of the work carried out in what is one of the market's most promising business combinations, thanks to the strategic and technological affinities. My personal satisfaction is then further strengthened by the possibility given me to join the WIIT management team once my current professional commitments have eased off, with a position on the Board of Directors and delegations for globalisation and M&As. I would take this opportunity to thank the WIIT shareholders and managers, as well as all the Adelante people, whose work has made achievement of this important threshold possible, representing a starting point for a new development phase of the Adelante Group"*.

Both companies involved in the deal are part of the ELITE ecosystem.

Luca Peyrano, Chief Executive Officer of ELITE, commented: *"This operation is very important for ELITE, because WIIT, which obtained ELITE certification in 2014 and was listed on AIM Italia last year, has acquired another company that had also recently joined ELITE - Adelante - which used precisely our private placement platform to find potential investors in its pursuit of growth. This is a virtuous example of how ELITE can act as a flywheel for synergies between excellent companies"*.

The acquisition of the entire share capital of Adelante (the "**Transaction**") is a significant transaction in accordance with Article 12 of the AIM Italia Issuers' Regulation.

#### 1. Description of Adelante's business

Adelante, which is already involved in the Borsa Italiana Elite acceleration route, with the aim of consolidating development and strengthening the growth pursued, is specialised in the digital transformation of medium-sized enterprises and operates - including through the Adelante Group companies - providing cloud computing services, managed services, managed security, business process outsourcing and unified communication services.

Adelante holds 100% of the share capital of Inventi In20 S.r.l., 100% of the share capital of ICT Watcher

Sh.p.k. (an Albanian company) and 20% of the share capital of Comm.it S.r.l., which in turn owns 100% of the share capital of Comm.IT Software Sh.p.k. (an Albanian company; jointly the "**Affiliates**" and together with Adelante, the "**Adelante Group**").

In addition to having been rewarded in 2016, 2017 and 2018 in the classification "Great Place to Work", it was amongst the winners of the first edition of "Deloitte Best Managed Companies Italy", a prestigious reward dedicated to businesses that have stood out for their strategy, competences, performance and managerial skill. The prize was awarded by an independent panel of judges, on the basis of the assessment provided by Deloitte.

The share capital of Adelante is held entirely by Francesco Baroncelli, Adelante's current Sole Director.

As at 31 December 2017, the Adelante Group has recorded consolidated revenues of approximately Euro 7 million, consolidated EBITDA of approximately Euro 0.9 million and consolidated EBIT of approximately Euro 0.8 million and net profits of Euro 0.4 million. Moreover, EBITDA forecast for 2018 exceeds Euro 1.1 million.

The Adelante Group has a business model and funds that integrate perfectly with the WIIT strategy and, therefore, it is expected that the Transaction will make it possible to immediately create considerable synergies both in terms of competitive positioning and the service level offered to medium-sized enterprises in central and northern Italy, by means of the centralisation of various operations, such as operation services and the use of WIIT data centre services.

## **2. Transaction details, price and determination**

The Contract establishes that WIIT shall purchase shares representing 100% of Adelante's share capital from Francesco Baroncelli.

The purchase price for the acquisition has been set according to the Adelante enterprise value of Euro 6.4 million, plus the net cash as recorded at the closing date (the "**Base Price**").

The Base Price will be paid partly at the closing date and partly in 4 deferred instalments of the price by June 2022, plus a payment by way of deposit at the date on which the Contract is signed.

It is specified that the Base Price was determined using the market multiples method, considering the capacity to generate income and the forecast prospective cash flow of the Adelante Group.

In addition to the Base Price, subject to the achievement of certain targets defined in the Adelante Group business plan, which envisages strong growth in profits for each of the financial years 2018, 2019, 2020 and 2021, Francesco Baroncelli may accrue the right to have payment of an earn out (the "**Earn Out**") of up to approximately Euro 4.4 million. The Earn Out will be paid in four tranches: the first three annual tranches may be paid, at the choice of WIIT, either in cash or by means of the assignment of treasury shares in WIIT, with a lock-up restriction of 12 months applicable to Francesco Baroncelli. The fourth tranche, which falls due in 2022, will instead be paid in cash.

In order to pay the purchase price, WIIT will use available financial resources.

The Contract also envisages that by the end of this year, Francesco Baroncelli will be appointed Chief Executive Officer of Adelante and director of WIIT, with the position of Chief Mergers and Acquisitions - Head of New Markets and the task of promoting development of the WIIT Group through the acquisition and management of companies already operating in the IT sector, on the national and/or international market, as well as through the promotion of new business and commercial initiatives. For the purpose of the appointment in WIIT, the shareholders' meeting will be convened to supplement the board of directors, which will therefore go from 7 to 8 members.

These appointments will be made by Francesco Baroncelli once his current professional commitments come to an end.

The Contract states that Francesco Baroncelli shall issue suitable declarations and warranties and related guaranteed indemnity commitments.

In accordance with the Contract, closing is expected for this coming July.

### 3. Effect of the Transaction on WIIT

The Transaction will allow WIIT to (i) consolidate its leadership position on the national market; (ii) expand upon and intensify the range for the supply of IT services and, in particular, continuous data centre hosted private and hybrid cloud services for businesses and critical application and business continuity management services in central Italy; and (iii) implement the WIIT Group investment, growth and development strategy involving the expansion of its business, both through organic growth by internal lines and growth by external lines.

\* \* \*

WIIT was assisted in the Transaction by Pedersoli Studio Legale and Deloitte. Mr Baroncelli was assisted by Pirola Pennuto Zei & Associati.

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#### **WIIT S.p.A.**

WIIT S.p.A., a company listed on the AIM Italia / Mercato Alternativo del Capitale (WIIT.MI) market organized and operated by Borsa Italiana S.p.A, is one of Italy's leading players in the Cloud Computing market and, in particular, in the sectors of the Hybrid Cloud and of the Hosted Private Cloud for businesses. It is focused and specialized in Hosted Private and Hybrid Cloud services for businesses requiring the management of critical applications and business continuity, and runs all the leading international application platforms (SAP, Oracle, and Microsoft) with an end-to-end approach. WIIT operates proprietary data centres; its main one is "Tier IV" certified by UptimeInstitute LLC in Seattle (United States) – the highest level of reliability – and, with particular reference to SAP, is among the world's most-certified SAP partners. For more information, visit the Company's website (<http://www.wiit.it/>).

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