

**ALMAWAVE: 2022 REVENUES GROW 46% TO EURO 48 MILLION,
NET PROFIT UP 38.6% TO EURO 4.8 MILLION**

Sandei: "2022 was another year of exceptional growth. We have made acquisitions and diversified markets and regions. We have in fact doubled our business over the last two years and continue to invest in the Group's development, while maintaining high margins and improving the NFP."

- Revenues of Euro 48.0 million, +46% vs 2021
- Total revenues and other income of Euro 49.6 million, +45.2%
- Adjusted EBITDA¹ of Euro 12.2 million, +36.2% and Reported EBITDA of Euro 10.2 million, +31.7%
- Adjusted EBITDA Margin¹ of 25.4% (vs 27.2%) and Reported EBITDA Margin of 21.3% (vs 23.6%)
- Adjusted EBIT¹ of Euro 8.4 million, +43.2% and Reported EBIT of Euro 6.4 million, +37.6%
- Adjusted EBIT Margin of 17.5% (vs 17.8%)
- Net Profit of Euro 4.8 million, +38.6%
- Backlog at today's date of Euro 79 million, in addition to Euro 9 million of contracts in the final award phase
- Net Cash Position² of Euro 10.5 million (8.1 million in September 2022)
- Investments of Euro 6.7 million (14.0% of revenues vs 15.5% in 2021)

Rome, March 14, 2023 – Almaxwave S.p.A., a company listed on the Euronext Growth Milan market (Ticker: AIW) and part of the Almaxviva Group, an Artificial Intelligence (AI), natural language processing and Big Data services leader, today approved the 2022 separate financial statements and consolidated financial statements, reporting revenues of Euro 48.0 million, up 46.0% on 2021.

Almaxwave's Chief Executive Officer Valeria Sandei commented: *"The Almaxwave Group's 2022 Revenues have reached the challenging goal of Euro 50 million. In the two years since our stock market listing in fact, we have almost doubled the scale of our business, with revenues increasing from Euro 27 million to Euro 48 million. Almaxwave has not only outperformed the general market, which in fact has returned very interesting growth rates, but has also beaten market analyst estimates. The consistent focus on the market and sustainable growth has not slowed R&D spend, the systematic development of innovative solutions, such as the AIWave platform, and new projects for high-potential sectors such as, for example, the "Oncologia" healthcare research project.*

Sandei concluded: *"We today present financial statements which provide a snapshot of a company that has grown on all fronts, with strong business expansion and a gradual diversification of the vertical markets and regions covered. We have also focused on strategic sectors and those serving a range of National Recovery and Resilience Plan areas (NRRP), an effort that will continue over the coming years. Our focus on ESG topics has also steadily grown, with significant results achieved and targets set for the 2030 Agenda, charting a clear path. In addition to organic growth, acquisition-led growth has contributed to the Group's results. The companies The Data Appeal Company and Sistemi Territoriali have already created clear synergies in the initial months of working together, in high potential sectors such as location intelligence and the ecological transition".*

¹ Net of the accrual for the 2021/2023 Stock Grant Plan and net of M&A costs

² Net Financial Position (NFP): takes account of approx. Euro 6 million of cash-out concerns the completion in the year of the acquisitions of The Data Appeal Company and Sistemi Territoriali



Looking to the Almawave Group's overall revenues, the proprietary products and related services components saw exceptional growth of 75% on the previous year, for total revenues of Euro 23 million. This achievement confirms the Group's ability to offer its customers advanced Artificial Intelligence technologies and platforms to support diversified business sectors. The services area also reports growth (Big Data services and digital transformation applied to third party products), up 26.6% YoY to Euro 25 million.

The regional breakdown of revenues indicates the Group's significant strengthening internationally. Compared to the previous year in fact, overseas revenues reached Euro 5.7 million, up +72.0% YoY and accounting for 12% of revenues (10% at December 31, 2021).

The strongest growth was in LATAM (Latin America) and Africa. In particular, in the LATAM area, Almawave strengthened its operations with the start-up of a tourism, fintech and location intelligence operation through the subsidiary The Data Appeal Company. The European market also saw positive signs.

The Italian market consolidated further, with revenues of Euro 42.3 million, up 43.0% on 2021, accounting for 88% of revenues (90% at December 31, 2021).

Considering the stand-alone performance of both acquired companies, thus considering all of 2022, the revenues of The Data Appeal Company are up 90% to Euro 4.2 million (vs. Euro 2.3 million in 2021), while those of Sistemi Territoriali are up 31% to Euro 3.1 million (vs. Euro 2.4 million in 2021), for overall growth between the two entities of approx. 60% YoY. Margins were also strong, up over 140% YoY.

The Group's margins in 2022 remained high, even amid increasing spending on marketing and communication and business development in general. Adjusted EBITDA in fact was Euro 12.2 million, up 36.2% on the previous year, with a margin of 25.4% (which compares with 27.2% in 2021). Adjusted EBIT amounted to Euro 8.4 million (+43.2% YoY), with an Adjusted EBIT Margin of 17.5% (17.8% in 2021).

The net profit in 2022 was up 38.6% on the previous year to Euro 4.8 million.

During the year, functional investments in the development of technologies, products, platforms and vertical solutions amounted to Euro 6.7 million, accounting for 14.0% revenues (150 basis points lower than in 2021, with a positive impact on cash EBITDA).

The Net Cash Position at December 31, 2022 (taking account of approx. Euro 6 million cash-out for the completion of the acquisitions in 2022 of The Data Appeal Company and Sistemi Territoriali) was Euro 10.5 million (at September 30, 2022 cash of approx. Euro 8.1 million). This compares to Euro 14.0 million at December 31, 2021.

The backlog at today's date of Euro 79 million, in addition to approx. Euro 9 million of contracts in the final award phase. The Backlog at September 30, 2022 was Euro 83 million, while at December 31, 2021 amounting to approx. Euro 101 million (compared to Euro 72 million at December 31, 2020).

The company today has over 300 customers and 35 partners.

The Almawave workforce at December 31, 2022 increased by 121 (+42%) on the previous year, bringing the Group total to 407. This growth once again testifies to the attractiveness of the company's development model, even in a highly competitive market.



Calling of the Shareholders' Meeting

The 2022 separate financial statements shall be submitted to the Shareholders' Meeting to be held, as previously announced, on April 14, 2023 in first call, or, where required, on April 18, 2023 in second call.

Proposal for the allocation of the result

The Board of Directors has approved the proposal to the Shareholders' Meeting of Almawave S.p.A. to allocate the net profit of Euro 2,203,878.98 to the legal reserve for Euro 4,558.74 and for the residual to "Retained earnings".

Significant events in 2022

In 2022, the Almawave Group continued to strongly innovate through the development of product suites, the market launch of a new platform (AlWave), and the bringing on stream of new platforms/products through the acquisition of two companies. The Data Appeal Company and Sistemi Territoriali are respectively engaged in Location Intelligence & Analytics for decision support systems for a range of market segments and Geographic Information Systems (GIS).

Alongside innovation for market solutions, which boost the company's potential, the roadmap on proprietary enabling technologies has been significantly furthered.

Product positioning work with leading market analysts and specialized entities such as *Gartner*, *Forrester*, *Markets&Markets* and *OpusResearch* was undertaken and brought significant results.

Marketing and communication activities have been greatly intensified at all Group companies. This development was accompanied by the start-up of new international teams for business development and the diversification of the company's positioning, with results indicating a strong start.

2022 again featured, in terms of the public sector, the winning of Consip contracts - SPC and Data Management Framework Agreement - enabling the company to strengthen its presence in terms of new customers and growth on existing customers.

A focus was placed on the development of the Smart Mobility & Transportation market, including through framework contracts with the parent company.

Almawave also worked on new market practices, including Healthcare, with the development of specialized AI solutions and the launch of a major research project called "OncologIA", funded by the Region of Puglia, through the Group's Almaviva Digitaltec company.

Overseas development activities simultaneously continued successfully.

Internationally, Almawave S.p.A. operates in South America through its subsidiary Almawave do Brasil. The company consolidated its business development operational capabilities, launching key projects in the customer experience area, also in synergy with Almaviva do Brasil.

A new The Data Appeal Company business unit was also launched in Brazil, focused on providing location intelligence solutions in the country.

In addition, intense international activity continued for all Group companies in Europe, the United States, and most recently in Africa, with the award of a major contract in Tanzania for the automatic transcription and translation service of court sessions in the country, in Swahili and English.



During the year, the company strengthened its sustainability profile by approving its second Sustainability Report and including a summary of the Sustainability Report in the 2022 financial statements, with publication in the coming months.

Almawave was also honored in the year with the AssoNEXT Best ESG Identity award for its focus on sustainability and the conscious integration of ESG factors in both its market product and service offerings and in the company's internal management, thus promoting a responsible, inclusive and sustainable digital transition.

The main ESG news and results included: the drawing up of an integrated ESG Strategic Plan with targets to 2023, 2025 and 2030; the setting up of the internal ESG Committee within the Board of Directors; the expanded training plan (+30%); Euro 4.2 million of fresh R&D investment, all with direct and positive impacts on ESG issues; the maintenance of the "0 data breach" target; new hires under 30 reaching 36%; and the continued support of initiatives to involve women in STEM training paths.

Almawave also achieved new major certifications in 2022 in the areas of privacy (ISO 27001 - Information Security Management System, SGSI), corporate social responsibility (Standard Social Accountability 8000, SA8000) and cybersecurity (CSA STAR of the Cloud Security Alliance), while continuing to strengthen its operational and management profile in order to ensure ever-better quality standards for customers and all stakeholders.

Second Sustainability Report

In 2022, the company presented its second Sustainability Report, which annually presents the non-financial performances, covering 2020 and 2021. The document identifies, measures and monitors the main sustainability impacts both for the company and for its main stakeholders.

Almawave's Sustainability Report comprises four main topic areas: *Governance, Responsible Digital Transition, People and Environment*. These are analysed broadly, with the most relevant sustainability impacts in these areas both for the company and its stakeholders identified, measured and monitored. The document also highlights how - through the company objective of delivering and accelerating the tangible benefits of the digital transition for people's daily lives - Almawave is able to contribute to a growing number of the Sustainable Development Goals (SDGs) identified by the United Nations. In just a few months, the company has increased the number of goals it contributes to from 8 to 12 (out of a total of 17).

The document was drawn up according to the highest accredited standards, the GRI (Global Reporting Initiative), to facilitate understanding according to a metric adopted by the majority of enterprises and for comparability with other Information Technology players.

The company in addition offers platforms and services with the key objective of generating sustainable development. All the company's operations, further strengthened by the entry of The Data Appeal Company and Sistemi Territoriali into the company's scope in the first half of 2022, match this vision. Two enterprises specialising in advanced technology services, whose platforms are already applied to projects seeking to improve community welfare, optimise gas and water consumption, support digital inclusion and make the digital transition tangible and responsible.



Summary of Third Sustainability Report

As indicated, Almawave's updated 2022 version of its Sustainability Report will be presented in the year, outlining the commitment to ESG issues and the steps taken and those to be taken on the company's future journey toward the goals of the United Nations 2030 Agenda for Sustainable Development. The summary of the Report has been included as an integrated section of the Annual Financial Statements, as a substantial part of the company strategy. The main findings have been outlined above.

Subsequent events

Signing up to the United Nations Global Compact

Almawave in February 2023 announced that it had joined the United Nations Global Compact. The company thus confirmed itself as an Italian enterprise focused on ESG (Environmental, Social, Governance) practices and objectives, continuing on the path followed by the parent company Almagora since 2015.

In signing up, Almawave has committed to undertake responsible business activities and embrace the universal principles of sustainability.

Outlook

The Almawave Group for 2023 expects a strong business performance and a consequent increase in Revenues, EBITDA and EBIT. A net profit is forecast.

On the technology and supply side, the Group intends to continue its growth by further investing in increasing and strengthening its solutions for application in various markets, such as *Government, Fintech, Tourism, Ecological Transition, Smart Mobility & Transportation* and *Healthcare*. In order to consolidate its leadership in the field of Artificial Intelligence, new resources will also be invested in the development of the core product technology platforms Iride, Audioma, Mastro and the products of the companies acquired during 2022, in addition to supporting the new talent recruiting programs.

In the area of Big Data services & digital transformation, confirming the strategic quality and speed of integration of the Almawave model, the synergies with The Data Appeal Company and Sistemi Territoriali - the two companies acquired during last year - will be further strengthened.

In order to further diversify the customer base, a close focus will be placed on domestic and international business development, which will be supported by investments in marketing that are appropriate and functional for market positioning.

The company will additionally focus on the Government market, partly because of the significant challenges related to the introduction of the National Recovery and Resilience Plan (NRRP), in addition to the tenders won and framework agreements already obtained. The Smart Mobility & Transportation, Tourism and Ecological Transition markets will also be targeted, in order to consolidate and expand - including through qualified partners - the existing customer base.

A portion of investment in business development will be allocated to improve Almawave's positioning on the international market. The LATAM market specifically will receive additional focus, similar to the European and U.S. markets. The achievements on these latter two high-potential



areas, where the company has already returned strong results (including through cooperation with partner companies), will be built upon.

Other Board motions

The Board of Directors also approved the proposal to the next Shareholders' Meeting for the adoption of a Shareholders' Meeting Regulation to better govern, as per best practice, the orderly conduct of the Company's Shareholders' Meetings.

Conference Call

The company has scheduled for March 15, 2023 at 4PM CET a conference call to outline the 2022 separate financial statements and to respond to analyst and investor questions. Please access the Investor relations, Calendar section of the website and follow the indications to register. This press release is available on Almaxwave's website at www.almaxwave.it, in the Investor relations section

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Almawave profile

Almawave S.p.A., an Al maviva Group company, is a leading Italian Artificial Intelligence and written and spoken natural language processing leader. Almawave leverages cutting-edge proprietary technologies and applied services to deliver upon the potential of AI as enterprises and the public sector evolve digitally. An international focus is provided by Almawave do Brasil, Almawave USA and PerVoice. The Group has dedicated technology laboratories and over 400 professionals with significant expertise of enabling technologies and the main frameworks - Big Data, Data Science, Machine Learning, AI Architecture and Integration - in addition to broad business process knowledge. Almawave's technological asset base, conceived and built as a model of natural experience in the interaction between man and machine, can interpret text and voice in over 30 languages, interacting in multi-channel mode, analysing data and information with a view to knowledge development and automation. The company has a customer base of over 300, with thousands of final users of its platforms. Two new companies were added to the Group scope: The Data Appeal Company, operating with an AI-based product in the world of location intelligence for the Tourism, Fintech and Retail and Sistemi Territoriali, offering decision support system solutions, Geo spacial analytics and Big Data expertise in the Utilities and Government sectors www.almawave.it

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Almawave Group Reported Consolidated Balance Sheet

(in thousands of Euro) **31.12.2022** **31.12.2021**

Non-current assets

<i>Intangible assets</i>	42.590	20.283
Goodwill	19.176	462
Other Intangible assets	23.414	19.821
<i>Property, plant and equipment</i>	333	218
<i>Investments accounted for using the equity method</i>	43	37
<i>Non-current financial assets</i>	1	1
<i>Deferred tax assets</i>	450	191
<i>Other non-current assets</i>	31	16
Total non-current assets	43.447	20.747

Current assets

<i>Inventories</i>	-	5
<i>Contract assets</i>	35	35
<i>Trade receivables</i>	39.340	26.339
<i>Current financial assets</i>	1.209	128
<i>Other current assets</i>	6.430	8.327
<i>Cash and cash equivalents</i>	10.210	14.692
Total current assets	57.224	49.525

Total assets **100.672** **70.272**

(in thousands of Euro) **31.12.2022** **31.12.2021**

Shareholders' equity

<i>Total group shareholders' equity</i>	60.308	40.929
Share capital	293	271
Share premium reserve	39.745	27.550
Statutory reserve	54	40
Stock Grant reserve	2.707	1.199
Other reserves	12.690	8.408
Profit/(loss) for the period	4.819	3.461
<i>Non-controlling interests</i>	84	62
Share capital and reserves	63	31
Profit/(loss) for the period	21	31

Total shareholders' equity **60.392** **40.991**

Non-current liabilities

<i>Non-current liabilities for employee benefits</i>	2.367	1.877
<i>Non-current financial liabilities</i>	738	115
<i>Other non-current liabilities</i>	635	552
Total non-current liabilities	3.740	2.544

Current liabilities

<i>Current provisions</i>	7	46
<i>Trade payables</i>	29.615	22.857
<i>Current financial liabilities</i>	228	704
<i>Current tax liabilities</i>	1.527	585
<i>Other current liabilities</i>	5.163	2.544
Total current liabilities	36.540	26.737

Total equity and liabilities **100.672** **70.272**

PFN **10.454** **14.001**

Reported Consolidated Income Statement

	01.01.2022	01.01.2021
	31.12.2022	31.12.2021
<i>(in thousands of Euro)</i>		
<i>Revenues</i>	47.983	32.890
<i>Other Income</i>	1.611	1.264
Total revenues and other income	49.594	34.154
<i>Cost of raw materials and services</i>	(21.093)	(14.320)
<i>Personnel expenses</i>	(18.113)	(12.008)
<i>Other expenses</i>	(171)	(68)
Operating profit before depreciations (EBITDA)	10.217	7.757
<i>Depreciation and amortization</i>	(3.813)	(3.108)
<i>Depreciation of tangible assets</i>	(119)	(63)
<i>Amortization of intangible assets</i>	(3.693)	(3.045)
<i>Losses from sale of non-current assets</i>	-	6
Operating profit (EBIT)	6.404	4.655
<i>Profit/(loss) from investments accounted for using equity method</i>	6	2
<i>Financial income</i>	132	26
<i>Financial expenses</i>	(226)	(416)
<i>Exchange gains/(losses)</i>	(25)	(2)
Profit/(Loss) before taxes	6.291	4.265
<i>Income taxes</i>	(1.452)	(772)
Profit/(Loss) from continuing operations	4.840	3.493
Profit/(Loss) for the period	4.840	3.493
<i>of which:</i>		
Profit/(loss) pertaining to the group	4.819	3.461
Profit/(loss) pertaining to non-controlling interests	21	31

Adjusted EBITDA and Adjusted EBIT

<i>(in thousands Euro/000)</i>				
Description	01.01.2022	01.01.2021	YoY	YoY
	31.12.2022	31.12.2021		%
	a	b	a-b	
Revenues	47.983	32.890	15.093	45,9%
Total revenues and other income	49.594	34.154	15.440	45,2%
EBITDA	10.217	7.757	2.460	31,7%
<i>% on Rev.</i>	<i>21,3%</i>	<i>23,6%</i>		
EBITDA Adjusted	12.196	8.956	3.240	36,2%
<i>% on Rev.</i>	<i>25,4%</i>	<i>27,2%</i>		
EBIT	6.404	4.655	1.749	37,6%
<i>% on Rev.</i>	<i>13,3%</i>	<i>14,2%</i>		
EBIT Adjusted	8.383	5.854	2.529	43,2%
<i>% on Rev.</i>	<i>17,5%</i>	<i>17,8%</i>		

EBITDA ADJUSTED ALMAWAVE GROUP

<i>(Valori in Euro/000)</i>	01.01.2022	01.01.2021
	31.12.2022	31.12.2021
EBITDA	10.217	7.757
ADJ Personnel expenses - for the Stock Grant program	1.507	1.199
ADJ Cost of raw materials and services -for M&A costs	472	
Total adjustments	1.979	1.199
EBITDA ADJUSTED	12.196	8.956

Almawave Group Reported Cash Flow Statement

	31.12.2022	31.12.2021
(in thousands of Euro)		
Profit/(loss) for the period	4.840	3.493
Adjustments to reconcile profit before tax to net cash flows:		
Income Taxes	1.452	772
Financial income	(132)	(26)
Financial expenses	226	416
Exchange (gains)/losses	25	2
Depreciation, amortization and write-downs	3.813	3.108
Write-downs/(revaluations) of non-current financial assets and equity investments	(6)	(2)
(Gains)/Losses from sale of non-current assets	-	(6)
<i>Interest received</i>	132	26
<i>Interest paid</i>	(23)	(720)
<i>Income taxes paid</i>	(340)	(466)
<u>Cash flows generated from operating activities before changes in working capital</u>	<u>9.986</u>	<u>6.598</u>
Change in trade receivables and other receivables, net of fx effect and perimeter of consolidation	(11.366)	(5.067)
Change in WIP, net of fx effect and perimeter of consolidation	5	-
Change in contract assets, net of fx effect and perimeter of consolidation	-	-
Change in trade payables, net of fx effect and perimeter of consolidation	6.060	4.112
Change in other assets, net of fx effect and perimeter of consolidation	3.090	(1.711)
Change in other liabilities, net of fx effect and perimeter of consolidation	1.762	973
Change in provisions, net of fx effect and perimeter of consolidation	206	151
<u>Cash flows generated from operating activities changes in working capital</u>	<u>(244)</u>	<u>(1.541)</u>
CASH-FLOW FROM OPERATING ACTIVITIES (A)	9.742	5.056
Investments in property, plant and equipment	(17)	(57)
Investments in intangible assets	(6.523)	(4.911)
Investments in financial activities	-	-
Proceeds from divestments of PP&E, intangible assets and investments accounted for using the equity method	2	1
Acquisition of minorities in subsidiaries	5.034	6
CASH-FLOW FROM INVESTING ACTIVITIES (B)	(11.572)	(4.961)
Dividends	-	-
Proceeds from borrowings	(2)	(15.000)
Repayment of leasings	(42)	(17)
Change in current financial liabilities	(1.602)	(1.041)
Change in current financial assets	(1.081)	1.010
Proceeds on capital from Almawave IPO	-	30.001
Expenses from Almawave IPO	-	(2.312)
CASH-FLOW FROM FINANCING ACTIVITIES (C)	(2.727)	12.642
CASH-FLOW OF THE PERIOD BEFORE EXCHANGE RATES (A+B+C)	(4.557)	12.737
Effect of foreign exchange rates on cash and cash equivalents (D)	76	11
CASH-FLOW OF THE PERIOD AFTER EXCHANGE RATES (A+B+C+D)	(4.481)	12.748
Cash and cash equivalents at beginning of the year	14.692	1.944
Cash and cash equivalents at end of the year	10.210	14.692

NET FINANCIAL INDEBTEDNESS OF ALMAWAVE GROUP

	31.12.2022	31.12.2021	Change	Change %
A Cash	10.210	14.692	(4.481)	-31%
B Cash equivalents	0	0	0	0%
C Other current financial assets	1.209	128	1.081	845%
D Liquidity (A+B+C)	11.419	14.820	(3.400)	-23%
E Current financial debt (including debt instrument but excluding current portion of not current financial debt)	(144)	(684)	541	79%
F Current portion of not current financial debt	(84)	(20)	(64)	-320%
G Current financial indebtedness (E+F)	(228)	(704)	477	68%
H Net current financial indebtedness (G-D)	11.191	14.115	(2.924)	-21%
I Not current financial debt (excluding current portion and debt instruments)	(738)	(115)	(623)	-542%
J Debt instruments	0	0	0	0%
K Not current trade and othe payables	0	0	0	0%
L Not current financial indebtedness (I+J+K)	(738)	(115)	(623)	-542%
M Total financial indebtteness (H+L)	10.453	14.000	(3.547)	-25%
N Receivables for "Net not current financial assets"	1	1	0	0%
O Total Financial debt (M+N)	10.454	14.001	(3.547)	-25%