



2021 Q1 Results Presentation

May 2021

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Overview of Almoviva



Business Area	IT Services	CRM	New Technology
		CRM EuropeCRM International	
Brand	Almoviva	AlmovivaCONTACT	ALMAWAVE
LTM ⁽¹⁾ Revenue (% of Total)	€ 587 m 66%	€ 92 m 10%€ 183 m 21%	€ 28 m 3%
Countries			
Products & Services Offering	<ul style="list-style-type: none"> Cloud Computing & Consulting Digital Change Knowledge of Everything System Integration Cyber Security Passenger Information Systems solutions & devices Virtual & Augmented Reality Real Time CGI 	<ul style="list-style-type: none"> In- and outbound services Multi-channel solutions Back-office document management Consulting and process reengineering Advanced analytics Process automation 	<ul style="list-style-type: none"> AI and NLU AI Core Technologies Speech and text (>30 languages) Knowledge Management and Link Analysis Customer Experience Platforms (front end) Conversational Platforms (voice and text)
Business Areas	<ul style="list-style-type: none"> Transportation Public administration Finance Utilities Industry Other 	<ul style="list-style-type: none"> Telco & Media Transportation Utilities Government Finance Others 	<ul style="list-style-type: none"> Telco & Media Automotive & Transportation Government Finance Utilities Energy

Source: Company Information and financials.

2019 and 2020 figures consider the effects of the adoption of the new accounting principles IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ As of March 31st, 2021, excluding €15.0m of intragroup eliminations.

Key Financial Highlights

Q1 2021

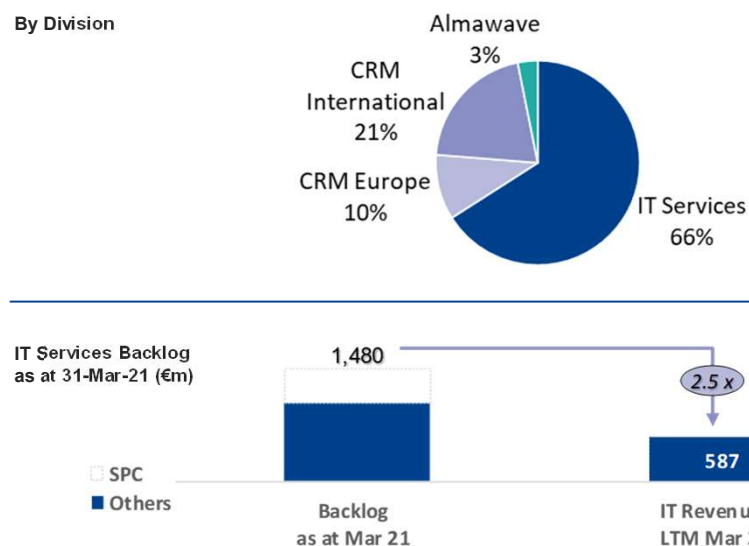
Key Highlights

- Group Revenue at €227.1m, slightly better than Q1 2020 at current currency; +€17.7m at constant currency (€241.7m, +7.9%)
- Group Reported Ebitda at €35.5m, increased by €9.2m (+35.1%) compared to Q1 2020, +€12.0m at constant currency (€38.3m, +45.7%)
- Q1 2021 Ebitda margin at 15.6% (+390 bps vs Q1 2020)
- Capex at €6.9m, slightly increasing vs Q1 2020 (€5.2m); if considering IFRS16 effect, Capex at €15.2m
- Positive Net Result at €13.3m (+€3.1m, +30.5% vs Q1 2020)

Key Statistics

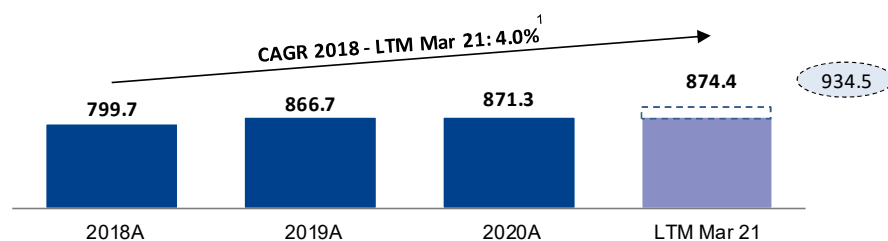
- IT backlog covers 2.5 times the LTM Mar-2021 IT Services Revenues (with Revenues grown by €62.7m or 12.0% vs LTM Mar-2020)
- Continuous LTM Revenue growth (CAGR 4.0%)
- Net Debt at €216.2m (-€62.7m vs Q1 2020, -€20m vs FY2020)
- Leverage at 1.7x, 1.0x better than 2.7x as at March 31st 2020
- Cash position increased vs Q1 2020 (€120.0m vs €67.7m, +77.2%) notwithstanding the negative FX exchange effect (€121.6m at constant currency). Cash position includes ~€26.2m of Almaviva IPO in AIM Market (before Greenshoe option)

LTM Mar-2021 Revenue Breakdown and Current Backlog



Key Financials (€m)

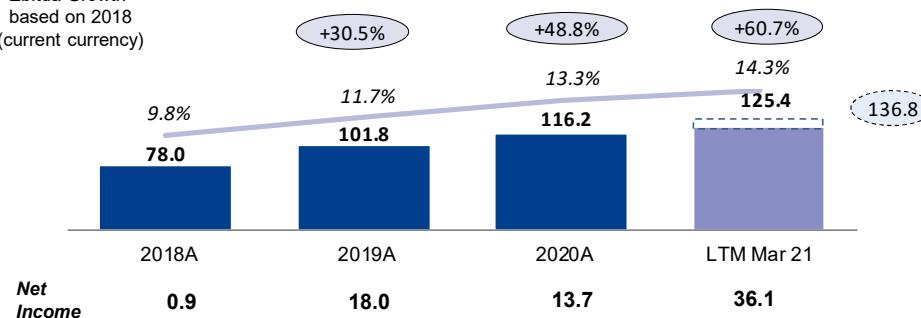
Revenue



constant currency 2020

EBITDA and EBITDA Margin

Ebitda Growth based on 2018 (current currency)



2019 and 2020 figures consider the effects of the adoption of the new accounting principles IFRS 16 that came into effect on 1st January 2019.

(1) At current currency.

Key Operating Performance Highlights

Q1 2021



ITC Services

- Extension in March 2021 of SPC L3 and L4 framework agreement (€425m, 75.1% Almaviva Group share)
- Around €155m new contracts signed in Q1 2021 in the IT division, of which around 35% under the SPC framework agreements, 55% Transportation, 8% Finance and 2% other sectors
- Increased penetration in public central and local administration; as of March 2021, contracts for a total amount of €657m already signed with PA on the back of the SPC L3 and L4 framework agreements (€69m in Q1 2021). New clients acquired both in central (26) and local PA (119, mainly Regions), 2 in Q1 2020
- With reference to Gruppo Ferrovie dello Stato delayed tender process, as of today:
 - the first tender issued by RFI has been awarded to Almaviva (regarding "Traffic planning and management", €90m, 52.6% share, 5y)
 - all tenders issued so far have been cancelled and shall be re-issued in the next periods

- albeit a comprehensive plan of the tenders is not yet available, we expect that a first set of the new tenders will be issued within 2021
- Although the effects of the covid-19 emergency on transport manufacturing enterprises, Sadel experienced a significant growth of production (+58.7% vs Q1 2020), which indicates the resilience to the current situation, as well demonstrated by the entire Transportation Division
- Around €2.5b new tenders in Public Administration already issued or awaited in 2021
- Expected increase of investments in PA deriving from the recourse to EU Recovery Fund
- Successful awarding of two tenders in cloud services for public administration (€140m Almaviva share, 2-3y)
- In Transportation division, adjudication of a tender in smart road and infrastructure monitoring (€8.8m) and international expansion through the acquisition of contracts in Switzerland and Morocco
- Small acquisitions in the radar screen focused on enhancing the offering and presence in some specific verticals, both in private and public customers

Almawave

- In March 2021 Almawave made its debut on the Italian stock exchange (AIM Italia), completing the most important IPO in the AIM market in terms of proceeds and Ebitda multiple valuation
- Growth in Revenue (+21.2% vs Q1 2020) and Ebitda (+52.6% vs Q1 2021)
- As of today, more than 100 clients, 60 served in finance, utilities and large distribution; within the scope of the SPC framework agreements, 58 clients acquired both in central and local PA (4 new ones in Q1 2021)
- Increased partnership with universities and the academic world: following the acquisition of Spin Data, a University of Naples spinoff focused on AI, in January 2021 completion of the acquisition of OBDA Systems, a University of Rome La Sapienza spin-off (Almawave share 60%) focused on state-of-the-art ontology-based data access management solutions
- New major release of Iride Voice with a convergent architecture unifying the quality monitoring in the speech analytics scenario and taking advantage of the new Deep Learning and Transfer Learning algorithms introduced in Iride Text Analytics during the year
- The percentage of direct / third party revenues keeps growing vis a vis intercompany revenues (84% vs 80% in Q1 2020)

Key Operating Performance Highlights

Q1 2021

CRM

CRM EUROPE

- The actions launched in previous quarters in order to improve efficiency, optimize client portfolio, as well as the investments to allow the immediate and ahead of the market set up of a remote-control home-office CRM model (>90% of the operators delivering services in smart-working) and the use of social buffers connected to the Covid-19 emergency have led to a positive EBITDA in Q1 2020 (€0.5m; +3.7 mln€ vs Q1 2020)
- Partner of the Italian Government providing the service connected to the covid-19 emergency number 1500
- Government support guaranteed throughout the year: social buffers connected to covid-19 until October 2021, as well as Fondo integrazione salariale (FIS) and CIGS until year-end 2021
- Logistics and indirect costs rationalization
- Rightsizing actions focused on healthful and positive margin services/products and clients, as well as selectively pursuing only profitable contracts
- Workforce in constant reduction in Italy: 3,657 employees in March 2021 vs 7,906 in December 2015 (-4,249 employees, -53.7%) and vs 3,690 in December 2020 (-33 employees in Q1 2020). Since March 2020 - 921 employees (-20.1%)

CRM INTERNATIONAL

- The Brazilian government enacted a new provisional measure with the objective of helping the country's economy and promoting the maintenance of jobs and the stability of companies
- Continuity of investments in infrastructure and operational and administrative technology to support growth in the coming months
- In order to contain the inflation, the Brazilian Central Bank (BACEN) decided to increase the SELIC rate by 75 bps in the first quarter 2021 from 2.00% to 2.75%
- Successful negotiation with 6 non-telco customers, 3 from the financial sector, 1 from e-commerce, 1 from transport and technology and 1 from energy. All of them are expected to be implemented in Q2 and Q3 2021
- EBITDA margin at 19.1% (+490 bps vs 14.2% in Q1 2020)

Summary P&L

€m



€ million	2019A	2020A	YTD Mar 20	YTD Mar 21	LTM Mar 21
	IFRS 16	IFRS 16	IFRS16	IFRS16	IFRS16
Revenues	866.7	871.3	224.0	227.1	874.4
<i>% Growth</i>	<i>8.4%</i>	<i>0.5%</i>		<i>1.4%</i>	<i>0.4%</i>
Total of Revenues and Other Income	886.8	890.7	228.7	231.6	893.6
<i>% Growth</i>	<i>7.8%</i>	<i>0.4%</i>		<i>1.3%</i>	<i>0.3%</i>
Operating Costs	(785.0)	(774.5)	(202.4)	(196.1)	(768.2)
<i>% Revenues</i>	<i>90.6%</i>	<i>88.9%</i>	<i>90.3%</i>	<i>86.3%</i>	<i>87.9%</i>
Adjusted EBITDA	101.8	116.2	26.3	35.5	125.4
<i>% Margin</i>	<i>11.7%</i>	<i>13.3%</i>	<i>11.7%</i>	<i>15.6%</i>	<i>14.3%</i>
Non-Recurring Items	-	-	-	-	-
<i>% Revenues</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
EBITDA	101.8	116.2	26.3	35.5	125.4
<i>% Margin</i>	<i>11.7%</i>	<i>13.3%</i>	<i>11.7%</i>	<i>15.6%</i>	<i>14.3%</i>
D&A	(41.6)	(39.2)	(9.9)	(8.5)	(37.8)
<i>% Revenues</i>	<i>4.8%</i>	<i>4.5%</i>	<i>4.4%</i>	<i>3.7%</i>	<i>4.3%</i>
EBIT	60.3	77.7	16.3	27.2	88.5
<i>% Margin</i>	<i>7.0%</i>	<i>8.9%</i>	<i>7.3%</i>	<i>12.0%</i>	<i>10.1%</i>
Interest Expense ⁽¹⁾	(37.9)	(32.5)	(8.6)	(7.5)	(31.5)
<i>% Revenues</i>	<i>4.4%</i>	<i>3.7%</i>	<i>3.8%</i>	<i>3.3%</i>	<i>3.6%</i>
EBT	22.3	45.1	7.8	19.7	57.0
<i>% Margin</i>	<i>2.6%</i>	<i>5.2%</i>	<i>3.5%</i>	<i>8.7%</i>	<i>6.5%</i>
Taxes	(8.7)	(9.0)	2.4	(6.3)	(17.8)
Group Net Income	13.7	36.1	10.2	13.3	39.3

Key comments

- Q1 2021 Revenues slightly better than Q1 2020 (+€3.1m)
- Q1 2021 Ebitda increased by €9.2m, +35.1% vs Q1 2020
- Q1 2021 Ebitda margin increased (15.6% vs 11.7% in Q1 2020), +390 bps
- Operating costs as a percentage of Revenues better than Q1 2020
- Q1 2021 EBIT better than Q1 2020 (€27.2m vs €16.3m, +66.4%)
- D&A, mainly related to fixed assets in IT Division and Brazil, better than Q1 2020
- Q1 2021 EBT at €19.7m (+153.2% vs Q1 2020)
- Interest expense at €7.5m better than Q1 2020
- Taxes increase due to positive results in every division (in Q1 2020 tax benefit from the recovery of fiscal losses carried forward at consolidated level)
- Q1 2021 Net Income at €13.3 (+€3.1m vs Q1 2020, +30.5%)

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

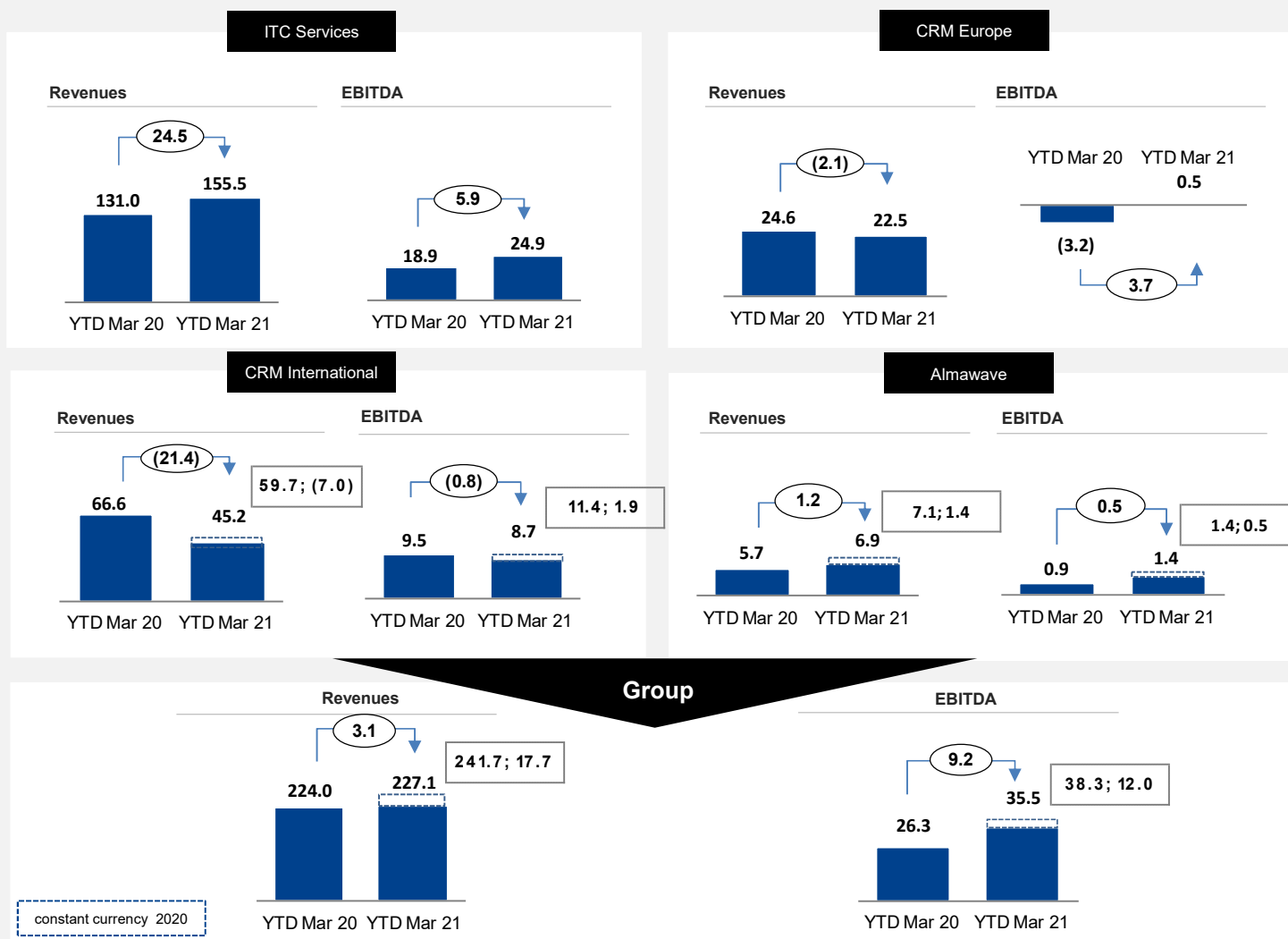
⁽¹⁾ Interest Expense includes FX change effect of €0.2m in Q1 2021.

Key Financials By Division

€m



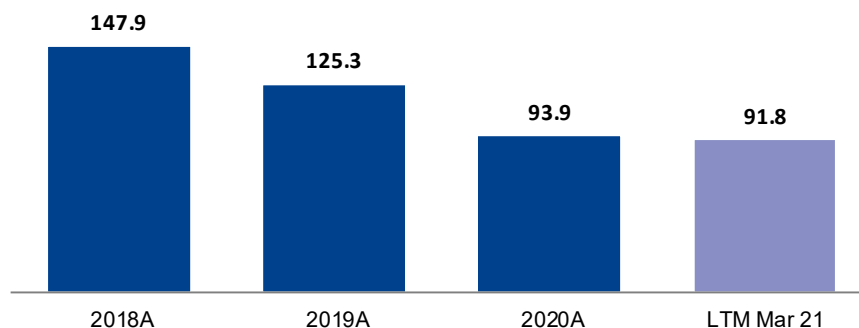
Mar-2021 Year To Date Performance



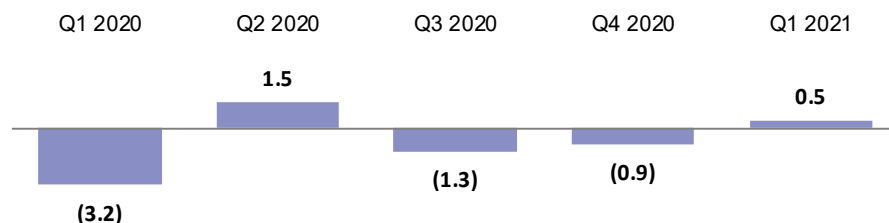
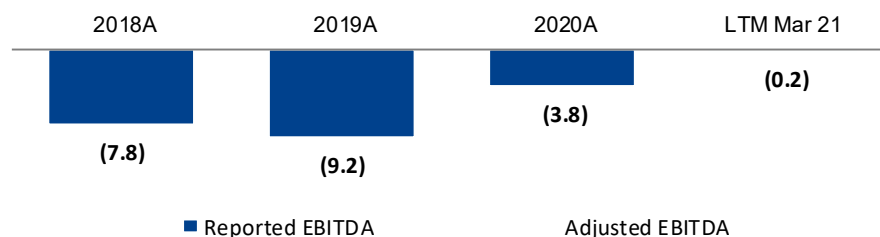
Key comments

- In Q1 2021 growth in Revenues (+€3.1m) and in Ebitda (+€9.2m, +35.1%) compared to Q1 2020, with higher marginality
- Group performance impacted by FX effect. At constant currency Q1 2020, +€17.7m in Revenues (€241.7m vs €224.0m in Q1 2020, +7.9%), +12.0m in Ebitda (€38.3m vs €26.3m in Q1 2020, +45.7%)
- Group Ebitda margin increased (15.6% vs 11.7% in Q1 2020, +390 bps)
- IT Services keeps growing in Q1 2021 both in Revenues (+€24.5m, +18.7%) and Ebitda (+€5.9m, +31.4%) compared to Q1 2020
- CRM Europe Revenues impacted by right-sizing, while Ebitda highly improved vs Q1 2020 (+€3.7m, from -€3.2m in Q1 2020 to €0.5m in Q1 2021)
- CRM International increase in marginality (19.1% vs 14.2% vs Q1 2020); at constant currency CRM International growth in Ebitda (+€1.9m, +20.1% vs Q1 2020)
- Almawave significant growth in Revenues (+21.2% vs Q1 2020) and Ebitda (+52.6%); at constant currency, +23.8% in Revenues and +57.4% in Ebitda

Revenue (€m)



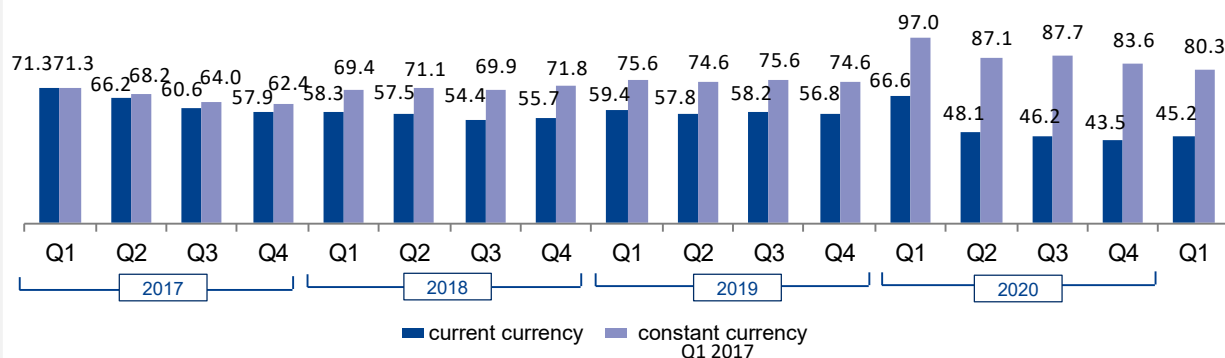
EBITDA (€m)



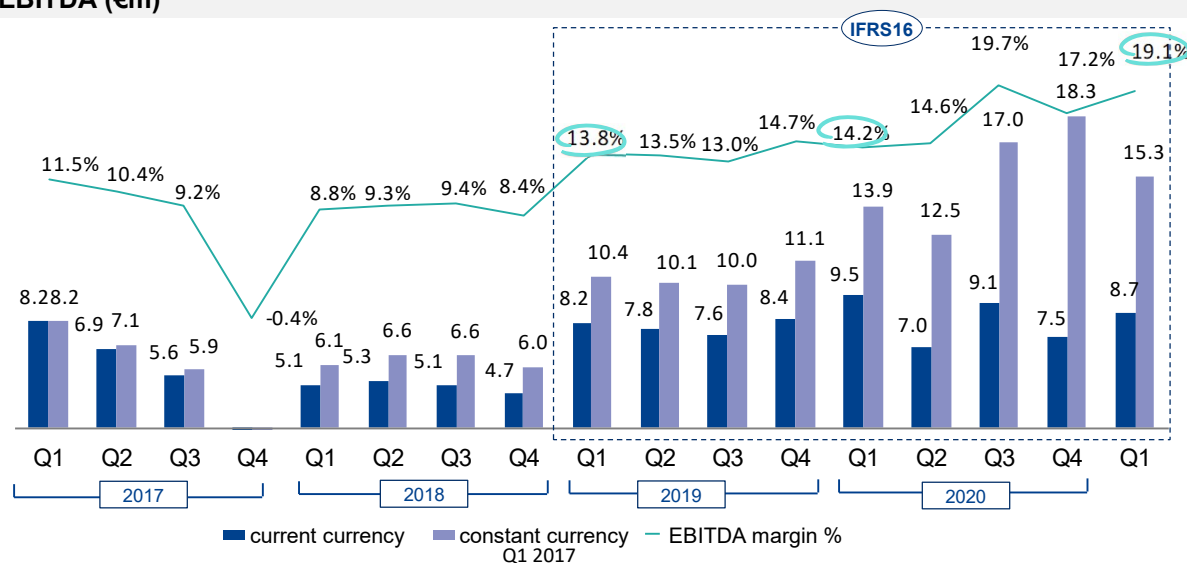
Key comments

- LTM Mar-21 Ebitda at break-even
- Q1 2021 positive Ebitda at €0.5m, thanks to efficiency, rightsizing operations and client portfolio optimization
- Actions launched in previous quarters meant to improve the sites overall operational structure efficiency and to promote costs containment
- >90% of the workforce delivering services in smart-working (including the dedicated information service number 1500)
- Since 2015, CRM Europe's workforce has been consistently reduced in line with "rightsizing" of business operations and selectively focus only on profitable relations and products. As of March 2021, workforce reduction of 921 (-20.1%) vs March 2020 and of 4,249 vs December 2015 (-53.7%)

Revenue (€m)

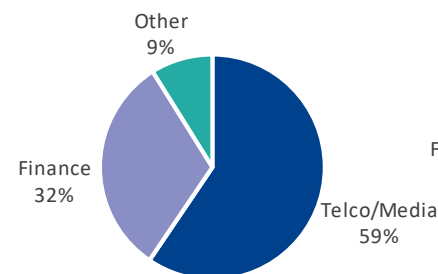


EBITDA (€m)



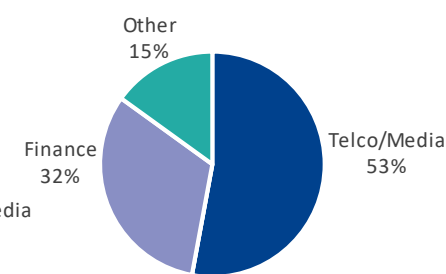
Revenue Breakdown

Q1 2020



Key comments

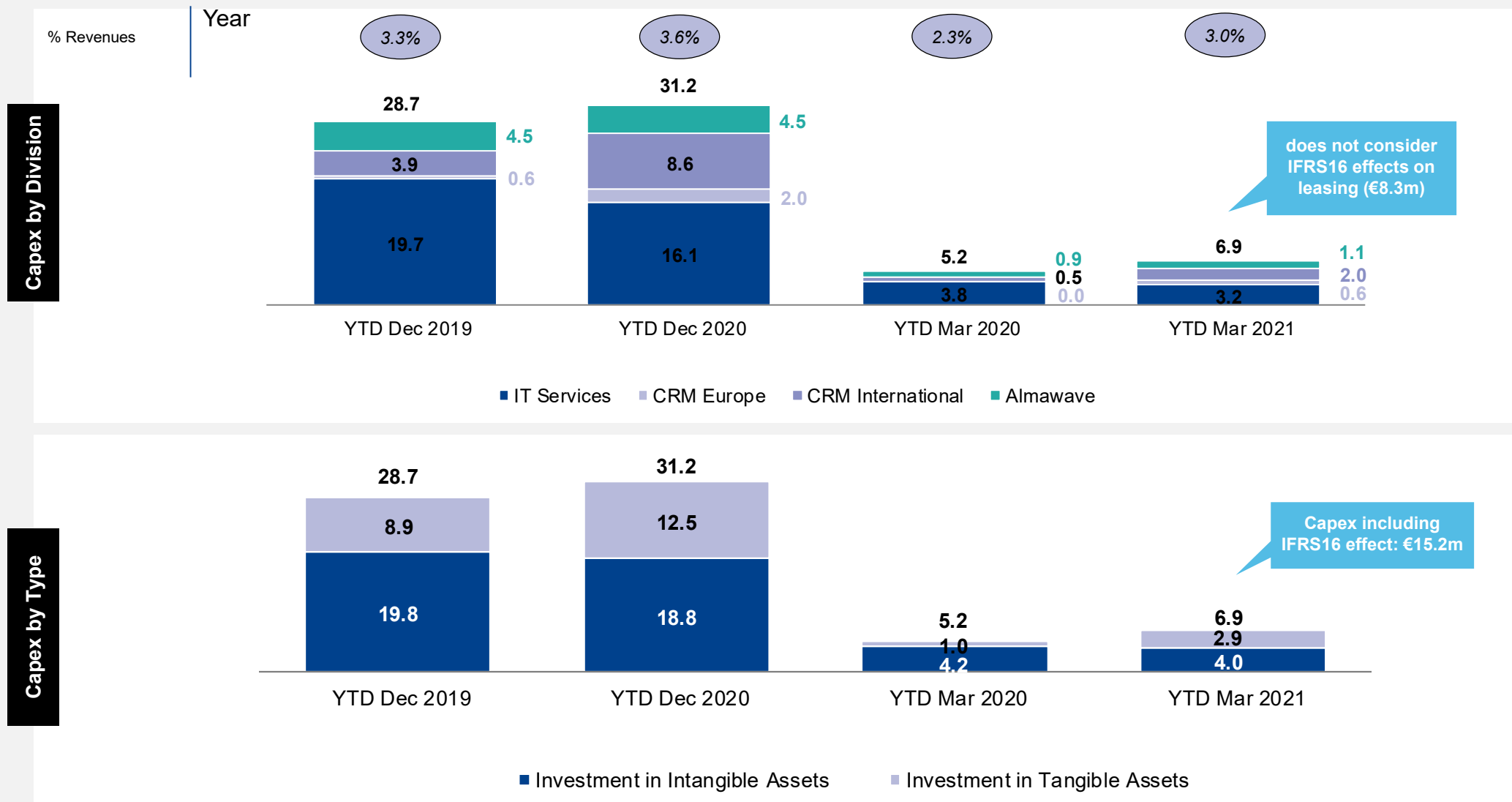
Q1 2021



- Q1 2021 Ebitda better than Q1 2020 at constant currency (+€1.9m, +20.1%)
- Revenue reduction vs marginality optimization; set-up and launch of operations on 6 new non telco clients that will lead to an increase in volumes in Q2 2021 and especially in Q3 2021
- Ebitda margin higher than 14% in the last 6 quarters and extraordinary performance in LTM Mar-2021
- Customers and industries diversification thanks to the completion of the acquisition of Chain with a strong reduction of telco/media weight on the overall portfolio; telco-media 53% vs 59% in Q1 2020

Capex Overview

€m



Summary Cash Flows

€m

€ million	YTD Mar 20	YTD Mar 21
Adjusted EBITDA	26.3	35.5
Capex	(5.2)	(6.9)
(Increase) / Decrease in Normalised Working Capital	(31.5)	(20.3)
Adjusted Operating Cash Flow	(10.4)	8.4
% Adjusted EBITDA	(39.7)%	23.5%
Non-Recurring Items	-	-
Taxes	(1.7)	(1.2)
Adjusted Free Cash Flow for Debt Service ante Dividend Payments and Other Items	(12.1)	7.2
Dividend Payments ⁽²⁾	-	-
Other Items⁽¹⁾	0	26.2
Adjusted Free Cash Flow for Debt Service	(12.1)	33.3

Key comments

- Strong Free Cash Flow for Debt Service in Q1 2021 with a total generation of €33.3m
- Q1 2021 Capex at €6.9m increasing vs Q1 2020 Capex at €5.2m. Q1 2021 Capex are mainly related to specific projects in IT, space rationalization connected to smart-working in CRM Europe and sites reorganization in CRM International
- Change in working capital is mainly driven by receivables, WIP and inventory, VAT credit, social security and taxes
- Other Items include the net amount deriving from the listing of Almax for €26.2m

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

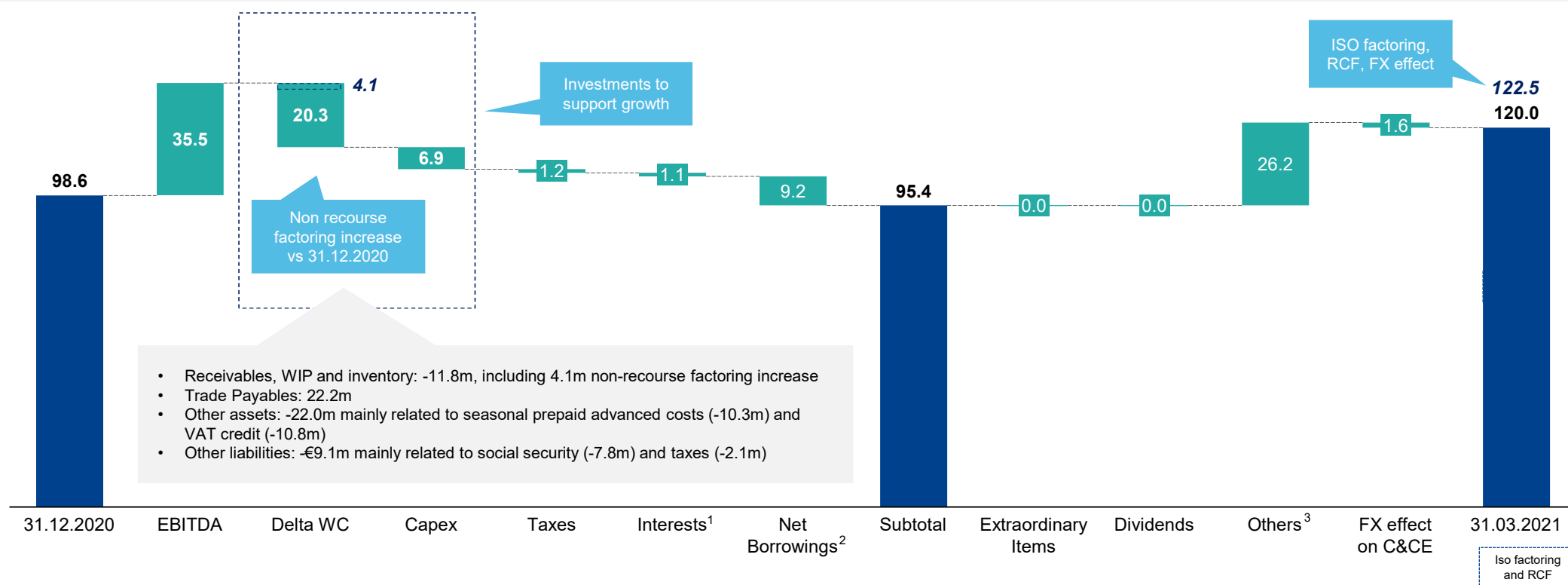
⁽¹⁾ Includes equity investments, proceeds from non-controlling interests, change in assets held for sale and disinvestments.

⁽²⁾ The distribution of reserves approved in March 2021 (€10.4m) will be paid during the next quarters.

Cash Flow

Strong operative performance with outstanding cash flow generation

Cash Balance (€m)



Key comments

- Strong operative performance with EBITDA increase (+€9.2m, +35.1% at Group level vs Q1 2020)
- Seasonal impact on working capital due to VAT, social security payments and receivables
- RCF decrease vs December 2020 (€15.0m vs €20.0m)
- Cash & Cash Equivalents adjusted by factoring, RCF use and FX effect at €122.5m

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

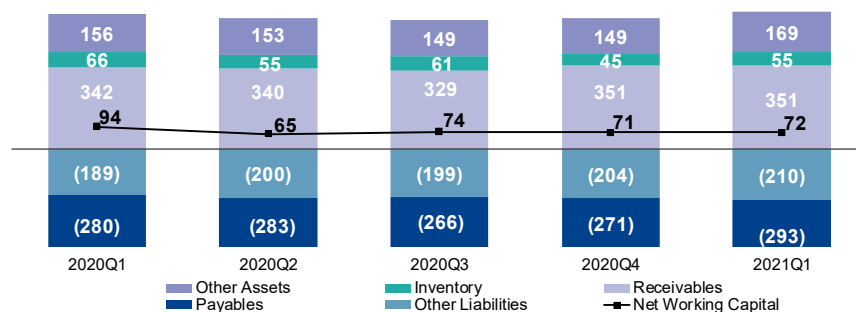
(1)(2) Include leases repayments.

(3) Includes the proceeds from Almawave IPO (~€26.2m before Greenshoe option).

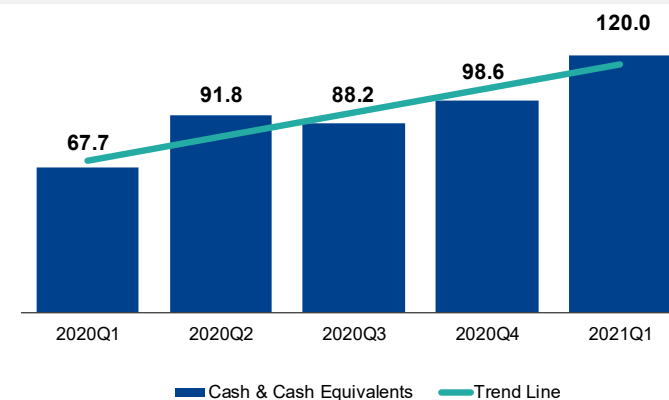
Financial Highlights

Solid liquidity position with several undrawn resources available

Working Capital (€m)

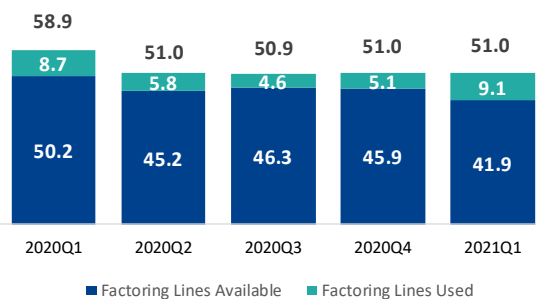


Cash & Cash Equivalents (€m, current currency)

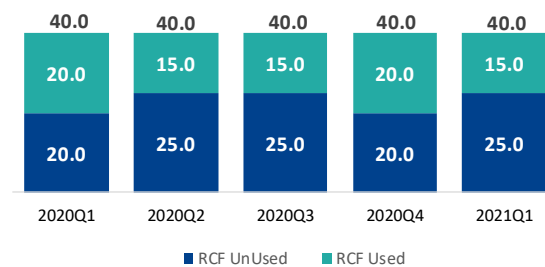


Factoring without Recourse & RCF (€m)

Factoring WO Recourse



RCF



Net Debt (€m)

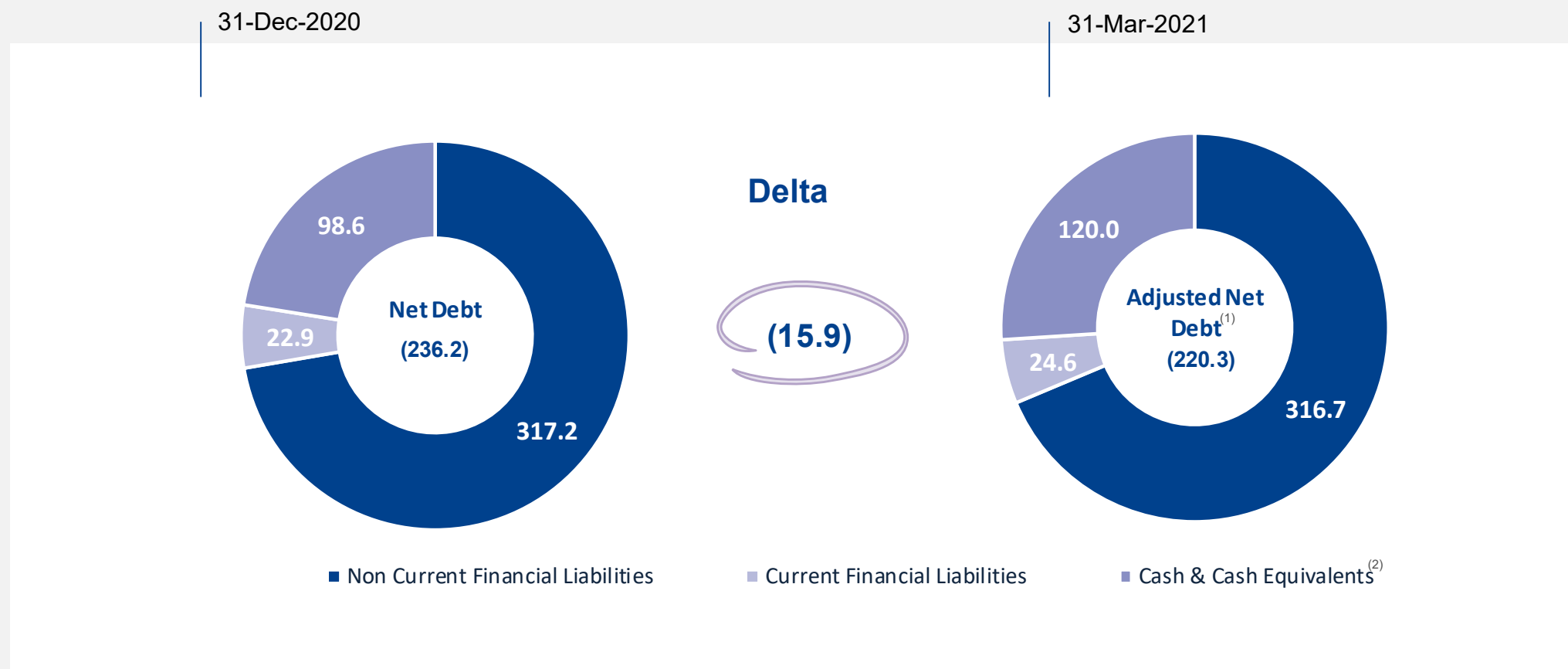
	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1
Net Debt	(278.9)	(239.0)	(242.9)	(236.2)	(216.2)
Delta vs Previous Q		39.9	(3.9)	6.7	20.0
Delta vs 2020Q1		39.9	36.0	42.7	62.7

Net Debt C&CE Credit lines available Credit lines used

2021Q1 vs 2020Q1 strong cash generation, extraordinary liquidity position, high credit lines availability with utilization slow down

Financial Debt

Adjusted Net Debt⁽¹⁾ Reduction, Considering Non-recourse Factoring Reduction and Acquisition of Chain (€m)



- Outstanding Cash Balance position
- Extraordinary Leverage reduction (1.7x vs 2.0x in December 2020 and vs 2.7x in March 2020)

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Net Debt adjusted considering the increase of non-recourse factoring vs 31.12.2020 (€4.1m)

⁽²⁾ C&CE as at 31-Mar-2021 at constant currency 2020 at €122.5m if considering non-recourse factoring increase vs 31.12.2020 (€4.1m) and decrease in RCF utilization (€5.0m).

Capitalisation Structure as at 31-Mar-21

€m	Amount	LTM Mar 21 EBITDA	Pricing	Maturity
Cash and cash equivalents	(120.0)			
Total current and non-current financial assets ⁽¹⁾	(5.1)			
Senior Secured Notes	250.0		7.25%	Oct-2022
Super Senior RCF (Drawn)	15.0			
Other financial liabilities ⁽²⁾	76.3			
Total Gross Debt	341.3	2.7x		
Total Net Debt	216.2	1.7x		
LTM Mar 21 EBITDA		125.4		
Super Senior RCF (Undrawn)	25.0		E+450bps	feb-22

Key Credit Stats (YTD Mar-21)

- Net Total Leverage: 1.7x vs 2.7x in Q1 2020
- Interest Coverage Ratio: 4.0x vs 3.0x in Q1 2020
- €15.0m RCF drawdown driven by working capital cycle

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Include financial credits.

⁽²⁾ Other financial liabilities include SIMEST participation, Government subsidized financings, accrued interests on coupon to be paid in April 2021 (€8.3m) and leasing.

Q1 2021 Performance

Final remarks

Almaviva business model continues to be more than resilient notwithstanding Covid-19

Almawave is performing above the IPO price

Backlog continues to be excellent

Solid operative performance in all sectors

CRM Europe reaches break-even

Continuous outstanding margin in every division both at current and constant currency

Outstanding Leverage reduction trend (1.0x in only 12 months)

Continuous robust cash balance position