

Klecha & Co. advised the Shareholders of The Data Appeal Company on its sale to Almage

ALMAWAVE SIGNS A BINDING AGREEMENT TO ACQUIRE 100% OF THE DATA APPEAL COMPANY S.P.A.

The Company is a high-growth developer of vertical AI analytics solutions, leader in the tourism, fintech and location intelligence sector.

The transaction overall is worth Euro 16.5 million.

Milan, December 31, 2021 - Almage S.p.A., an Italian company listed on the Euronext Growth Milan (Ticker: AIW) and part of the Almage Group, an Artificial Intelligence (AI), natural language processing and Big Data services leader, has signed a binding agreement for the full acquisition of The Data Appeal Company S.p.A., with registered office in Florence and a developer of vertical AI analytics solutions and the tourism, fintech and location intelligence sector leader. The transaction overall is worth Euro 16.5 million.

The Data Appeal Company

The Data Appeal Company - which also sees Indaco Venture Partners SGR S.p.A., Airbridge Investments B.V and H-Farm S.p.A among the selling shareholders - is a high growth potential scale-up which supplies over 140 customers globally - including Best Western, JLL, Intesa San Paolo, Carto, Coca-Cola and Campari, in addition to many Public Sector bodies - with Artificial Intelligence, Big Data and alternative data-based tools and products to support their decision-making processes and the application of key information from data. Through its proprietary technology, it collates and analyses large-scale digital content, combining it with geographic and contextual data and converting it immediately into actionable insights which support the taking of more accurate strategic and operative decisions.

The Data Appeal Company reports revenues of approx. Euro 1.5 million for 2020 and estimates growth in excess of 40% for 2021. Recurring revenues account for over 80% and even stronger growth is forecast for the subsequent years. All of this will allow the company to meet the "Rule of 40" (the sum of the annual revenue growth rate and the profitability margin greater than 40%), on a continuous basis and to remain on its current strategic and growth trajectory.

This strong growth is based on - in addition to the company's positioning - the high scalability of its solutions, greater awareness of the benefits of using alternative data among players across multiple industries, in addition to the rapidly-growing general marketplace. Furthermore, the National Growth Plan (PNRR), which will allocate significant resources to Tourism - one of the company's core markets - in addition to the digitalisation and advanced use of data, may further accelerate growth.

The company has a team of 30 professional staff, with solid AI expertise and vertical industry knowledge for the development of use cases. The Data Appeal Company has received numerous recognitions, including the most recent Travelport Elite and Amazon Web Services 2021.

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Transaction overview

The transaction stipulates the cash purchase of 24.24% of The Data Appeal Company's share capital for Euro 4 million and the conferment to Almaxwave of a 75.76% holding in The Data Appeal Company (for a valuation of Euro 12.5 million) against a Almaxwave share capital increase to be reserved to The Data Appeal Company shareholders. The issue price of the Almaxwave shares subject to the share capital increase shall be the higher of the average listing value of the share for the 30 days before the exercise of the power granted by the Board of Directors in service of the share capital increase and Euro 6¹.

The transaction therefore recognises a premium to Almaxwave over current trading in a logic of consistency of valuations.

The binding agreement stipulates that the share capital increase is approved by the Board of Directors, subject to the granting of this power by Almaxwave's Extraordinary Shareholders' Meeting.

The execution of the transaction is subject to normal conditions for such transactions, including: the approval by the Extraordinary Shareholders' Meeting of Almaxwave of the power for the Board of Directors to approve the Share Capital Increase; the obtaining of authorisation from the President of Council of Ministers, as per Legislative Decree No. 21/2012 ("golden powers rules"); the provision by an independent expert of the appraisal report on the holding to be conferred in view of the valuation of this holding; as well as the other conditions laid down by law in respect of the declarations pursuant to Article 2343 *quater* concerning the conferral.

Almaxwave's own funds shall be used to finance the Transaction, except for the share capital increase.

The Data Appeal Company shareholders who shall receive the newly issued shares through the share capital increase shall enter into a lock-up commitment for 18 months from the transaction's closing.

The Data Appeal Company's current key managers shall be confirmed to their positions and will more keenly focus on achieving the plan objectives in Italy and overseas, being able to leverage all the inter-company synergies available to further accelerate growth, thanks to the operational integration to support all activities.

About Klecha & Co.

Klecha & Co. is a European private investment bank focused on technology, software, IT services, hardware and IoT. Founded in 2009, Klecha & Co. is active in Milan, London, Paris and New York. During its 12 years of activity, it carried out more than 60 merger and acquisition and capital raising transactions. Klecha & Co. offers a highly specialized assistance in each phase of the transactions, leveraging a unique industry knowledge.

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¹ Or Euro 5.80 in the residual cases stipulated in the binding agreement

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