



PRESS RELEASE

RELATECH: THE GROWTH PATH CONTINUES

BINDING AGREEMENT FOR THE ACQUISITION OF 60% OF MEDIATECH, LEADING COMPANY IN CLOUD SOLUTIONS AND CYBERSECURITY

- **Payment of 33% Consideration in Relatech Shares**
- **Operation completely formalized using Own Shares in the portfolio**
- **Enhancement of Relatech Shares equal to Euro 7.13 each**
- **Acquired technological partnership with Nutanix, a leading company in the construction of hyperconverged Cloud infrastructures**

Milan, June 3rd 2020

Relatech S.p.A., *Digital Enabler Solution Company (D.E.S.C.)* and innovative SME listed on AIM Italia market (Ticker: RLT), since June 2019, announces that, today, it has signed the **binding agreement aimed at acquiring 60% of the share capital of Mediatech S.r.l.**, a company specialized in *cloud* solutions and services.

STRATEGIC RATIONALS

The acquisition operation takes on a particularly strategic value for Relatech which, thanks to the skills and technologies present in Mediatech, will consolidate its competitive position, also through further diversification of customers and an expansion of the offer of its solutions. This continues the path of growth and development by external lines, for Relatech it is the sixth M&A operation in the last 5 years confirming the vocation and the now consolidated *track record* of the Company's *management*.

In 2019 Mediatech, with headquarters in Milan and Brescia, achieved a turnover of approximately Euro 3,600 million with an *adjusted* Ebitda of approximately Euro 0.60 million and a Net Financial Position of approximately Euro 0.10 million.



This M&A activity acquires decisive importance also in terms of *industrial partnership* with a company specialized in *Cloud* and *Cyber Security* technologies that allow Relatech to further enrich and enhance its digital platform and *Cloud-based RePlatform*, which represents the essential cornerstone on which it develops the entire business model of the Company.

The goal is to act synergistically to develop new digital solutions that know how to unite, in an innovative way, the proven skills of Relatech, as a single point of reference for *Digital Enabler Technologies* and the long-standing experience of Mediatech in the construction of **infrastructures and data centers, as well as the high specialization in the world of Cloud (private, hybrid, public, hyperconvergence)**. In particular, Mediatech, specialized in the creation of *cloud* solutions and infrastructures with a high attention also to *cybersecurity* issues and as a qualified partner of international Big vendors, such as **Nutanix**, not only integrates perfectly in the Relatech *business model* but also contributes to strategically expand the Company's technology *partnership* ecosystem.

Relatech, in fact, in addition to the consolidated *partnerships* with *big vendors*, such as **IBM**, **Oracle** and **Microsoft**, will start new synergies with *leading* international operators including, in fact, **Nutanix**, a leading company in the construction of **hyper-converged Cloud** infrastructures to develop services that help customers modernize datacenters and run applications on any scale (on prem and in the cloud) and implement new automation features that will simplify *IT operations* during the global crisis period.

"*This acquisition - comments Pasquale Lambardi, CEO of the Relatech group - represents a strategic strengthening for our core business, enriching our ability to design, implement and manage **IT Architectures** and **digital Cloud Infrastructures** that are innovative and efficient but capable of guaranteeing solidity and security at the same time. We believe that this market segment will be characterized by interesting growth rates in the coming years and in this regard we are in total agreement with the analysts of **MarketsAndMarkets** who estimate a year-on-year growth in **HCI (Hyper Converged Infrastructures)** solutions starting from around 4 billion of dollars in 2018 will reach around 17 billion in 2023 with a CAGR of 32.9%. We will work in synergy, making the most of the business and the solutions acquired by continuing to invest in the evolution of Mediatech solutions which represent some of the verticalizations of our RePlatform platform, which is why we consider Mediatech, its members and its employees as strategic partners of our Group and in this regard on behalf of all Relatech we welcome new colleagues. For Relatech this acquisition represents the modus operandi that we will also use for the next M&A operations. In*



fact, one of the reasons why we decided to be listed, is to be able to accelerate our growth through acquisitions, both using our operating cash flow and through the use and enhancement of our shares. In this regard, we used the treasury shares purchased at the beginning of the year in exchange without therefore diluting our shareholders, even though they could already benefit from the value created with the acquisition itself."

Mediatech members comment on the transaction: *"our company is known as a reliable partner for important industrial groups. We are growing at important rates and we believe we can grow even faster, for this reason we decided to join a valued listed partner such as Relatech, able to bring further development, know-how, synergies and resources. We believe in the industrial project to the point of having reinvested an important part of the price in Relatech shares: being part of the large Relatech family is a source of great satisfaction and pride. It was essential for us to find a partner who, like us, believed above all in the value of the people and the skills they represent. In our sector, it is essential to be able to respond quickly to customer needs and this is impossible if there is no knowledge to quickly build the solutions expected by the market. We are looking forward to starting this collaboration which, we are sure, will bring great benefit to both company teams."*

TRANSACTION STRUCTURE

The transaction, concluded for a consideration of approximately Euro 1.5 million (for 60% of the equity investment), provides for the payment at *closing* of a *cash* component of approximately Euro 1 million, except for adjustment in relation to the effective Net Financial Position at transfer date of the investments, and a component in *kind* through the sale of a total of **70,175 Relatech shares conventionally valued at an amount of Euro 7.13 each (i.e. with a premium of 23% compared to the last share price recorded at the end of the last trading day before the announcement date)**, in addition to an *earn-out* component to be determined according to the achievement of certain *performance* parameters (average Ebitda) of Mediatech in the financial years up to 2022.

Sellers (not related parties) undertake a specific *lock-up* commitment in relation to the Relatech shares purchased, for a duration of 12 months from the *closing* of the transaction.

It should be remembered that during the first financial year, which ended on 22 May 2020, no. 2,941,414 Warrants and consequently signed no. 1,470,707 newly issued ordinary Relatech shares; as a result of the above, **10,805,607** ordinary shares will therefore be outstanding. The



Company will publish the press release of the change in the share capital following the filing of the execution of the share capital increase with the Milan Company Register in accordance with the law.

In addition, Relatech and Sellers have signed a five-year shareholders' agreement aimed at regulating terms and conditions of the relationships between them as members of Mediatech, as well as the provisions on *corporate governance* and the transfer of the equity investments to the *target* therein. including the granting of reciprocal purchase and sale options (*put & call*) aimed at transferring the residual share capital of Mediatech over a medium-term time horizon and respectively from 1 July 2023 and 1 January 2024, all to a consideration to be determined on the basis of a multiple of Mediatech's Ebitda net of the related Net Financial Position at the time of exercise of the option.

Management continuity in Mediatech is guaranteed through the appointment of a CEO appointed by the Sellers. The *closing* of the transaction is expected by June 23, 2020. The Company will proceed to inform the Market.

HYPERCONVERGENCE (*agility, efficiency and economic savings*)

*This is an approach that provides a complete, turnkey virtualized environment, all without requiring the user to have technical knowledge or commitment at the configuration level. In fact, the IT infrastructure is centered on a software architecture in which computing, storage, networking and virtualization resources converge. **All made available on a hardware system supported, in case, by a provider. In practice it is a new generation IT as a Service. At the basis of hyperconvergence is a new software intelligence. Thanks to this server development key, storage and virtualization software converge into a single object, called an appliance, governed by a single program that acts as a management controller. Ideally, the model collapses an entire data center into a node that is managed through a user interface that is not only simpler and more intuitive, but which can be subcontracted to a provider and **managed in the cloud**. The flexibility and scalability of the hyperconverged infrastructure are based on one or more nodes which are added, if necessary, to the basic system.***

Thymos Business & Consulting S.R.L. assisted Relatech as adviser in the transaction.



This press release is online at www.relatech.com (Investor Relations/Press Release section) www.emarketstorage.com.

Relatech (ticker RLT ISIN IT0005371874), Digital Solution Company listed on AIM Italia since June 2019, is present on the market with innovative solutions dedicated to the digital transformation of companies. Relatech is an innovative SME focused on customers looking for the most innovative solutions, becoming a strategic partner for digitization and ICT services. Relatech constantly invests in innovation with an extensive R&D activity carried out internally and numerous partnerships with the main Italian universities and research bodies. Thanks to its digital platform cloud-based RePlatform, it develops solutions in the four high-growth technological areas: digital customer experience and marketing automation, artificial intelligence and big data analytics, cybersecurity and blockchain, internet of things and industry 4.0.

Mediatech, born in 2001, has always been characterized by the continuous research and experimentation of new technologies and became Nutanix partner in 2016. From 2017 the proposition to customers began and a specific certification path that today allows Mediatech to be one of the focus partners followed directly by Nutanix. Thanks to twenty years of experience in IT, gained with the creation of infrastructures and datacenters based on VmWare and Hyperv, the adoption of Nutanix with Ahv was a natural step that gave a new impulse towards the integration between the world on premise and the Cloud world in its three forms: Private, hybride, public. Today Mediatech uses Nutanix technology in its Milan datacenter (Data 4) where the main Private and Hybrid Cloud services are provided, allowing its customers to use them in a pay per use.

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