

H1 Results Presentation

CLOUD TRANSFORMATION JOURNEY

Being an european cloud leader for non-stop business companies in the cloud transformation era.

Milan, September 12th 2019

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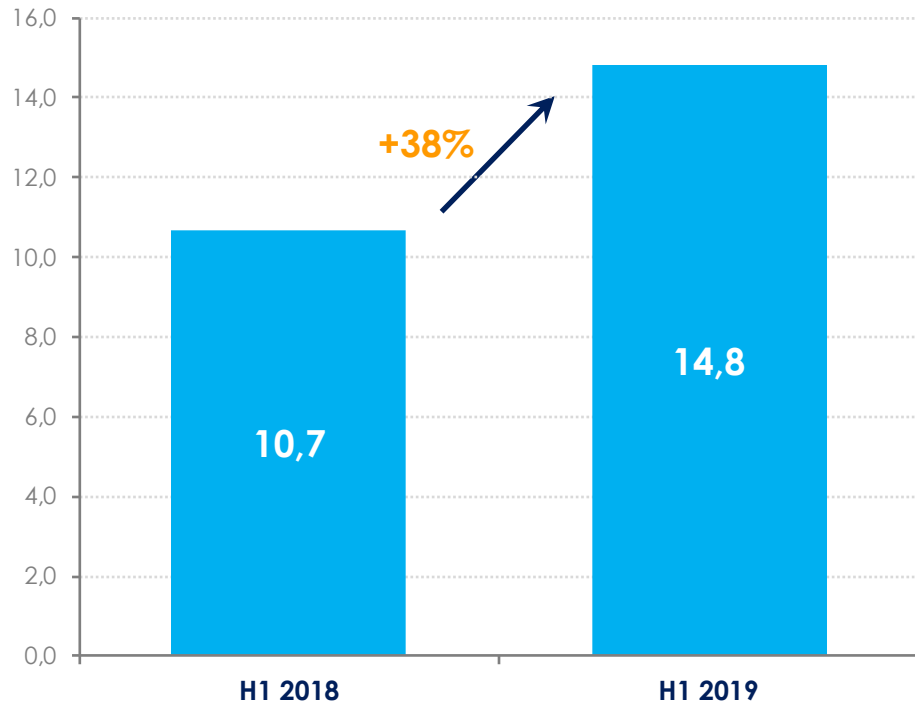
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H1 2019 RESULTS HIGHLIGHTS

- Consolidated revenue of € 14.8mln (€ 10.7 million in H1 2108) +38% compared to the same period of the previous year, organic growth (+10%), related to existing clients upselling, new clients acquisition and a constantly growing market;
- Consolidated Adjusted EBITDA of € 5.9 million (€ 4.6 million in H1 2108) +28% compared to the same period of 2018; the margin on revenues is 40%, improving on Q1 2019, showing the level of optimization achieved in the organization of operational processes and services;
- Adjusted EBITDA, net of M&A effect +16,4% in H1 2019, more than proportional than organic revenue growth, margin on sales at 46%;
- Consolidated adjusted EBIT of Euro 3.0 million (Euro 2.2 million in H1 2108) +33,2% compared to the first half of 2018 with a margin on revenues up to 20,1%;
- Adjusted net profit, of € 4.0 million (€ 1.5 million in H1 2108) + 160% compared to the same period of the previous year;
- Net financial position excluding IFRS effect¹⁶: debt of Euro 3.2 million (compared to a debt of Euro 3.3 million at December 31, 2018);

...H1 2019 continues to achieve an impressive Growth...

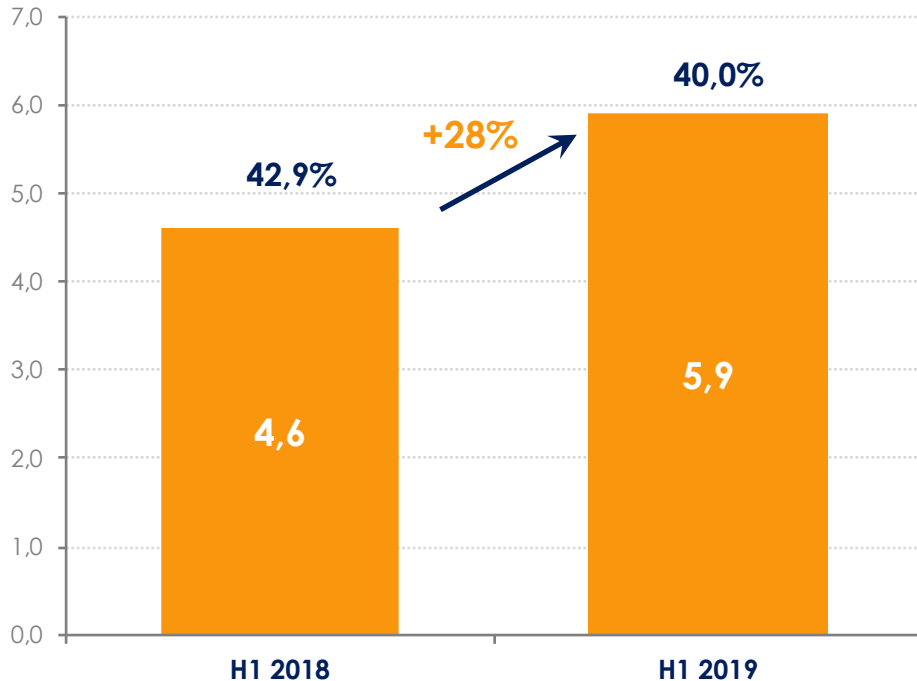
SALES (€mln)



- Strong Revenue Growth in H1 2019 of +38% at € 14.8mln with existing and new clients, Adelante performance in line with expectation;
- Organic Growth net of M&A +10% characterized by upselling on existing customers and the acquisition of new customers in a constantly growing market

...H1 2019 continuous Adjusted EBITDA growth and organic margin Improvement

EBITDA Adj.* (€mln) and MARGIN %

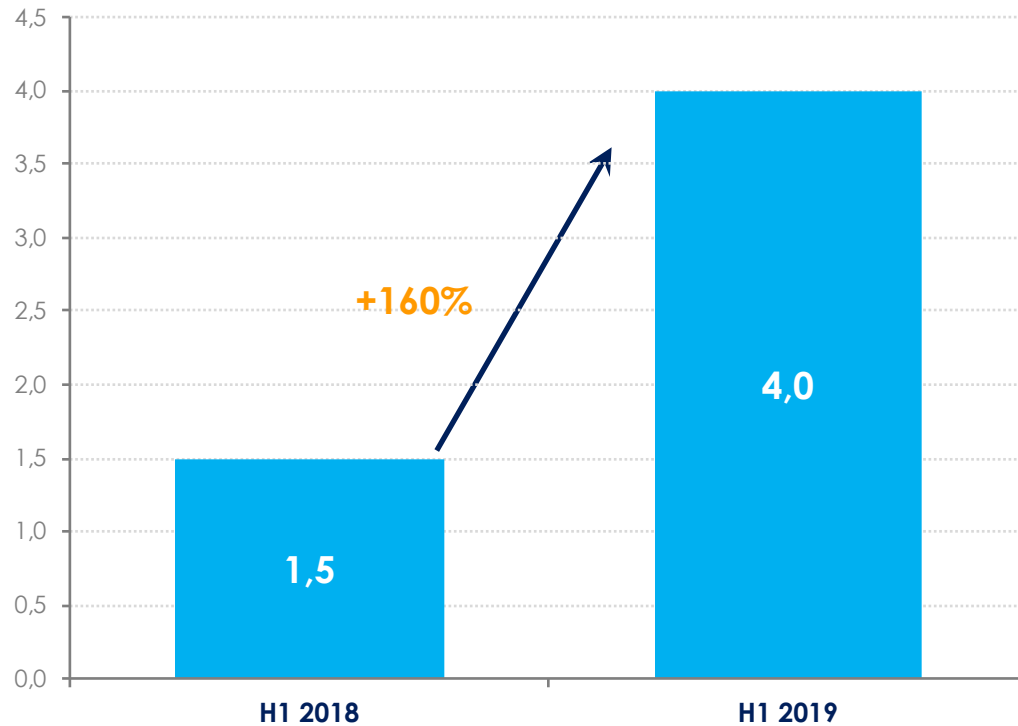


- EBITDA adjusted: concerns the non-recurring costs incurred for the STAR segment listing and M&a of approx. Euro 1.0 mln

- Adjusted EBITDA growth, excluding non recurrent cost related to MTA STAR listing and M&A of around € 1.0mln, up 28% to 5.9mln Euro, EBITDA margin at 40%;
- Net of the M&A effect, adjusted EBITDA growth is 16.4% more than proportional to that of organic turnover with a margin of 46%, improving on the previous year and confirming the important Wiit positioning on the Italian market;
- Big potential for a margin expansion thanks to a scalable platform with fixed costs mainly:
 - Personnel
 - Connectivity costs
 - Rent

...H1 2019: Strong Growth in Net Profit also thanks to Patent Box impact

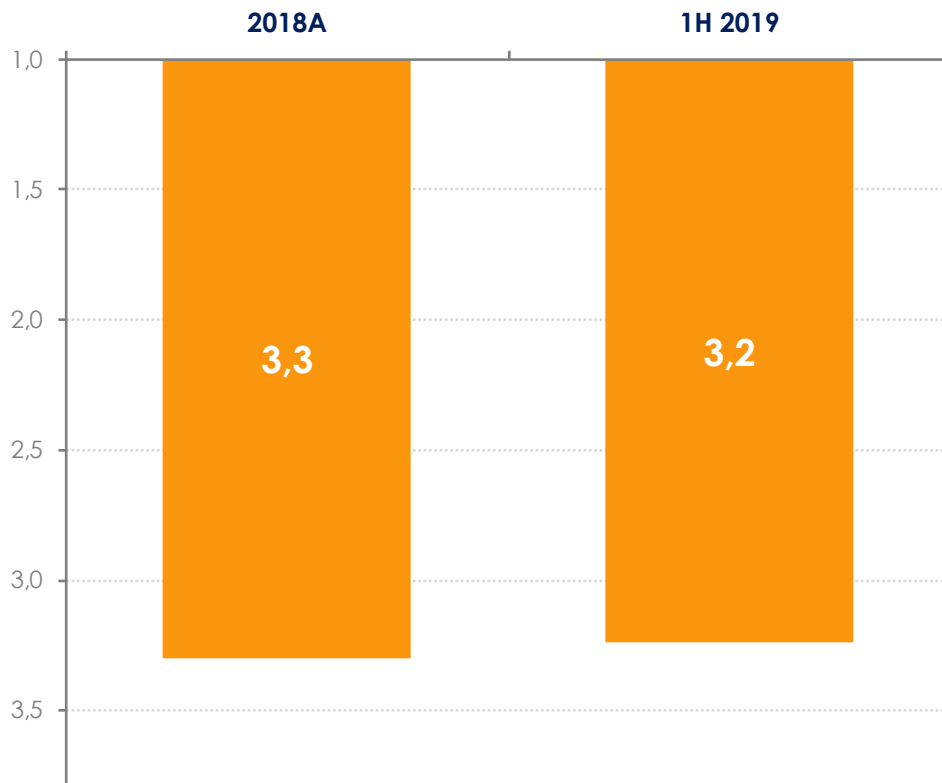
NET RESULT Adjusted (€mln)



- Strong Adjusted Net Profit growth in H1 2019 of more than 160% at € 4.0mln, due to the positive operating performance, lower financial charges and to the "Patent Box" impact of € 0.95mln;
- Agreement signed on the "Patent Box" with reference to the 2015-2019 tax years that can be extended for a further 5 years;
- The tax benefit for WIIT for the five-year period will be entirely reflected in the results of 2019.

...H1-2019: Net Financial Position in line with FY2018, strong operating cash flow generation and CAPEX under control

NFP (€mln) excluding IFRS 16 impact



- Net Financial Position has significantly improved to €-3,2mln excluding €-5,8mln IFRS 16 effect compared to € -3,3mln in FY 2018
- CAPEX expenditure under control at € 2.8mln to support business development and higher operating cash flow generation;
- Wiit business model creates major economies of scale and does not demand CAPEX proportional to business growth. The usage level of the data center (currently at around 40%) enables the company to support development without additional investment
- Lower working capital characterized by better receivables;
- Dividend of € 2.3mln paid to shareholder in April 2019.
- Buy Back of € 0,2mln, 0,16% of the share capital

Income Statement: H1-2019 Results

IFRS Form (€ 000)	2016	2017	2018	2018-H1	2019-H1
NET SALES	15.341	19.556	25.237	10.683	14.774
Cost of products and service sold (excl. IPO costs)	7.586	7.255	10.121	3.936	6.107
Cost of employees (excl. Figurative cost Perf. Shares)	2.616	3.606	4.395	1.975	2.613
Other cost and charges	400	217	309	176	172
Variation of inventory	38	12	0	0	0
Total costs	10.640	11.089	14.826	6.087	8.893
EBITDA Adjusted	4.701	8.467	10.412	4.595	5.881
	30,6%	43,3%	41,3%	43,0%	39,8%
Amortisation, depreciation	2.300	3.433	5.108	2.398	2.901
Figurative cost of Performance Share 2016-2018	585	394	283	141	0
IPO and M&A Costs		455	142	0	998
OPERATING PROFIT	1.817	4.186	4.878	2.056	1.983
OPERATING PROFIT Adjusted	2.401	5.034	5.303	2.197	2.981
	15,7%	25,7%	21,0%	20,6%	20,2%
Depreciation of investments in associates	0	(6)	0	0	0
Financial income	19	42	7	2	207
Financial costs	(466)	(452)	(508)	(315)	(128)
Exchange rate differences	(18)	92	(90)	11	(11)
RESULT BEFORE TAXES	1.352	3.862	4.287	1.754	2.051
Income taxes	441	725	791	370	(772)
NET RESULT	911	3.137	3.496	1.383	2.823

* EBITDA adjusted excluding the Figurative cost of Performance Shares, IPO costs, cost relating M&A

- **Big potential for a margin expansion** thanks to a scalable platform with fixed costs mainly
- **Performance shares plan** generates a figurative cost ex IAS principles (tax deductible)
- **IPO cost:** cost related to listing to MTA process (Star Segment)
- **M&A cost:** cost related to due diligence for Merger and Acquisition
- **Tax benefits** active from year 2016 on:
- “Super-ammortamento”: 140% overvaluation of the 2017 investments in new assets purchased or leased. Opportunity to benefit of subsidy for investments in intangible capital goods (software and IT systems)
- “Patent-Box”: Benefit in H1-2019, starting benefit calculation from Y2015.

Balance Sheet: H1-2019 Results

Low NWC and indebtedness

IFRS Form (€ 000)	2016	2017	2018	2018-H1	2019-H1
Intangible Assets	917	1.402	4.050	3.151	3.618
Intangible Assets - Goodwill	1.315	1.315	9.736	1.315	9.736
Property plant and equipment	8.920	12.912	13.823	14.192	19.195
Other Tangible Assets	0	0	0	0	0
Investments in associates	464	458	68	458	68
Total non-current assets	11.616	16.087	27.677	19.116	32.617
Inventories	12	0	0	0	0
Trade and other receivables	4.023	3.292	4.699	3.420	4.109
Intercompany receivables	875	1.122	461	644	400
Advance Tax	300	377	685	832	667
Other liquid assets	475	395	1.734	1.376	2.767
Total current assets	5.685	5.186	7.580	6.272	7.943
Tax current liabilities	292	366	669	672	501
Trade and other payables	1.729	2.058	3.802	1.865	3.663
Payables vs related companies	0	0	0	0	281
Other payables and current liabilities	708	807	2.056	3.917	2.399
Total current liabilities	2.729	3.231	6.528	6.453	6.843
Net Working Capital	2.956	1.955	1.053	(181)	1.100
Other payables and non-current liabilities	320	220	1.340	120	1.095
Employee benefits liabilities	817	918	1.259	1.007	1.407
Provisions for deferred tax liabilities	29	29	214	41	215
Total non-current liabilities	1.166	1.167	2.813	1.168	2.717
NET INVESTED CAPITAL	13.406	16.875	25.917	17.767	31.001
Equity	4.512	24.755	22.243	20.497	22.511
Net Financial Debt (Cash)	8.895	(7.880)	4.383	(2.731)	9.065
Net Financial Debt (Cash) Excluding impact of IFRS16				(3.883)	3.243
Cash and cash equivalents at year-end	3.610	21.514	17.930	20.767	19.555

- **Fixed assets** mainly include the two Wiit's datacenters (today used at approx. 40% of their capacity) – amortization in 5 years
- **Goodwill** refers to the merger of Sevenlab S.r.l. into Wiit in 2014 and acquisition of a division of Visiant Technologies in 2015, Adelante Group and Foster in 2018
- **Intangible Assets H1-2019:** 4,5 millions IFRS16

Shareholding Structure at June 2019

No. Shares 2.652.066

