

A close-up photograph of a server rack. The rack is dark blue with a fine mesh pattern. A small, oval-shaped metal label is attached to the front of the rack. The label has the number '7' at the top, a stylized logo in the middle, and the number '2' at the bottom. The background is slightly blurred, showing other parts of the server rack. A large blue rectangular overlay covers the right side of the image, containing the year '2020' in large white text and the subtitle 'Interim Financial Report at March 31, 2020' in smaller white text.

# 2020

*Interim Financial Report  
at March 31, 2020*

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<b>Company:</b>	Wiiit S.p.A.
<b>Registered office:</b>	20121 - Milan, Via dei Mercanti No.12
<b>Tax and VAT No.</b>	01615150214
<b>Share Capital:</b>	Euro 2,652,066.00 fully paid-in
<b>Milan Companies Registration Office</b>	01615150214
<b>R.E.A. No.</b>	1654427
<b>Number of shares</b>	2,652,066

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## Profile

WIIT S.p.A. leads a Cloud Computing Group with a key focus on the provision of IT infrastructure tailored to the specific needs of customers (mainly through the “Managed Hosted Private Cloud” and “Hybrid Cloud”) and the provision of infrastructure configuration, management and control services which guarantee uninterrupted functionality and availability.

The company provides Cloud services for the “critical applications” of its customers, i.e. those whose malfunction may impact business continuity and thus demand guaranteed optimal and non-stop functioning. These include the main ERP's (Enterprise Resource Planning) on the market, such as for example SAP, Oracle and Microsoft - in addition to critical applications developed ad hoc for customer business needs (custom applications).

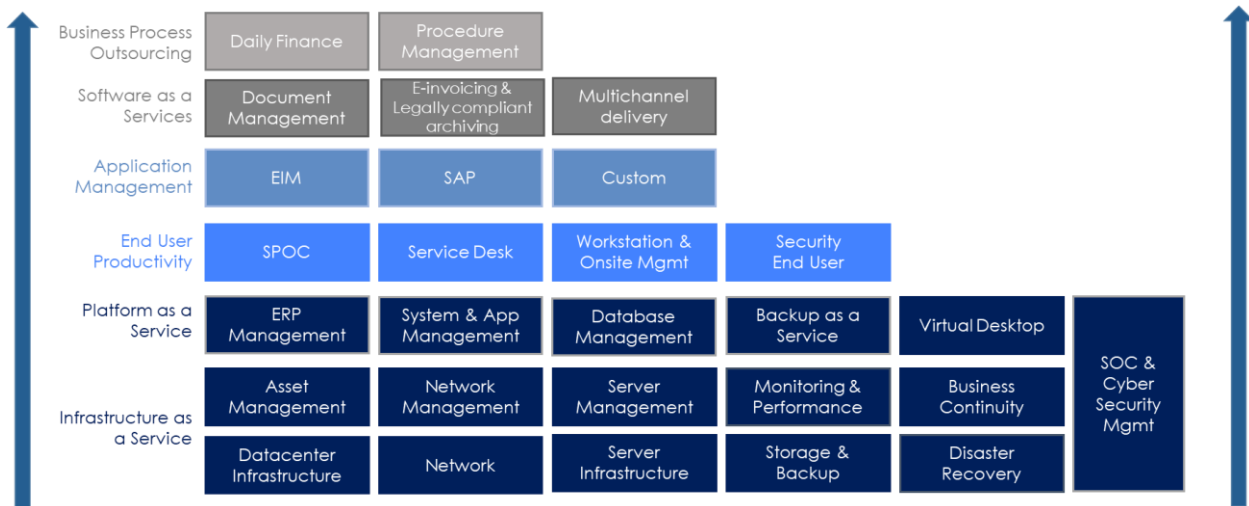
The company operates through two owned Data Centers, with the main Milan center TIER IV certified (maximum reliability level) by the Uptime Institute.

By providing services through a number of servers and storage devices, customer “business continuity” can be guaranteed and uninterrupted availability ensured in the case of malfunctions or interruptions to individual systems. The company makes available to customers its Business Continuity and Disaster Recovery service (replicating processing systems and all client critical data almost in real time), with daily back-ups executed.

## The offer

WIIT focuses on the Hosted Private Cloud and the Hybrid Cloud for the building of tailor-made IT infrastructure for customers. The Group to a lesser extent provides Public Cloud services, integrating and managing more standardised solutions provided by the main players, adapting them to customers' specific needs.

As part of these operations, the company offers its services to customers by combining a range of base components of each service category so as to build a custom-made Hosted Private Cloud and/or Hybrid Cloud proposal, according to the specific service, performance and security needs of the customer.



The Group's core service categories are presented below. Specifically, a description of services starting from the minimum Infrastructure of the Service category is presented, which forms the underlying component for the provision of other services - up to the more complete Business Process Outsourcing service.

**IaaS (Infrastructure as a Service):** the provision of servers, storage and networks;

**PaaS (Platform as a Service):** the Group's main service, including - in addition to IaaS services - also database or ERP provision services on an on-demand basis;

**End User Productivity:** customer contact services containing all technologies and methods which improve both individual productivity and the customer/WIIT interface;

**Application Management:** application life cycle services, including corrective and evolutionary maintenance and the development of new functionalities;

**SaaS (Software as a Service):** Software platforms and applications made available to the customer as "services";

**Business Process Outsourcing:** covering end-to-end services managing entire business processes within the customer value chain.

Services are usually provided through a standard contract type for all categories (IaaS, PaaS, End User Productivity, Application Management, SaaS and Business Process Outsourcing) and combined within a single all-inclusive price structure and contract.

Contracts usually cover a period of between three and five years, with generally automatic renewal for equivalent periods. They generally stipulate an initial provision of services for the "start-up" phase in support of the Group's services and subsequently the provision of specific services on-demand.

## Certifications

The company has two Data Centers, with the main Milan center TIER IV certified (maximum reliability level) by the Uptime Institute. To date, only a select number of data centers are TIER IV certified by the Uptime Institute in the "Constructed Facility" category (<https://uptimeinstitute.com/tier-certification/construction>)

The company has achieved international certification for its Data Centers, particularly in terms of service security, such as the ISO20000 (Process Compliance), ISO27001 (Information Security), and ISO22301 (Business Continuity) certifications and with service provision certified to the ITIL (Infrastructure Library) standard.

The company has also achieved certification for its customer IT system management model according to the international ISO/IEC 20000:2011 standard, while its organisation is ISO 9001:2015 certified for the development and provision of Business Process Outsourcing services, such as: Help Desk IT, Desktop Management, Server Management, Application Management, Asset Management, System Housing and Hosting Document Processing System Management.

The correct management and protection of data and information managed through its IT systems is guaranteed through the company's receipt in 2012 of the international ISO/IEC 27001:2013 certification (international standard setting the requirements for information technology security management systems), while developing an operational continuity method based on ISO 22301, shifting from a structured approach not based on technology alone, but capable of addressing all processes involved in operational recovery.

Further to these certifications, the company is a SAP top partner and has obtained many SAP Outsourcing Operation certifications ([https://www.sap.com/dmc/exp/2018\\_Partner\\_Guide/#/partners](https://www.sap.com/dmc/exp/2018_Partner_Guide/#/partners)).

To date it has achieved the following certifications:

- SAP Applications Operations
- SAP Business Process Outsourcing Services
- SAP Cloud and Infrastructure Operations
- SAP DevOps
- SAP HANA Operations
- SAP Hosting Operations

## Corporate Boards

### BOARD OF DIRECTORS

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Chairman & CEO	Riccardo Mazzanti
Chief Executive Officer	Alessandro Cozzi
Executive Director	Enrico Rampin
Executive Director	Francesco Baroncelli
Director	Amelia Bianchi
Independent Director	Aldo Napoli
Independent Director	Dario Albarello
Independent Director	Riccardo Sciutto
Independent Director	Annamaria di Ruscio

### BOARD OF STATUTORY AUDITORS

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Chairman of the Board of Statutory Auditors	Luca Valdameri
Statutory Auditor	Paolo Ripamonti
Statutory Auditor	Nathalie Brazzelli
Alternate Auditor	Guido Giovando
Alternate Auditor	Fabrizia Pecunia

### RISKS AND RELATED PARTIES COMMITTEE

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Chairman	Dario Albarello
Member	Riccardo Sciutto
Member	Aldo Napoli

### APPOINTMENTS AND REMUNERATION COMMITTEE

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Chairman	Riccardo Sciutto
Member	Dario Albarello
Member	Annamaria Di Ruscio

### SUPERVISORY AND CONTROL BOARD

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Chairman of the Supervisory and Control Board	Dario Albarello
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### INDEPENDENT AUDIT FIRM

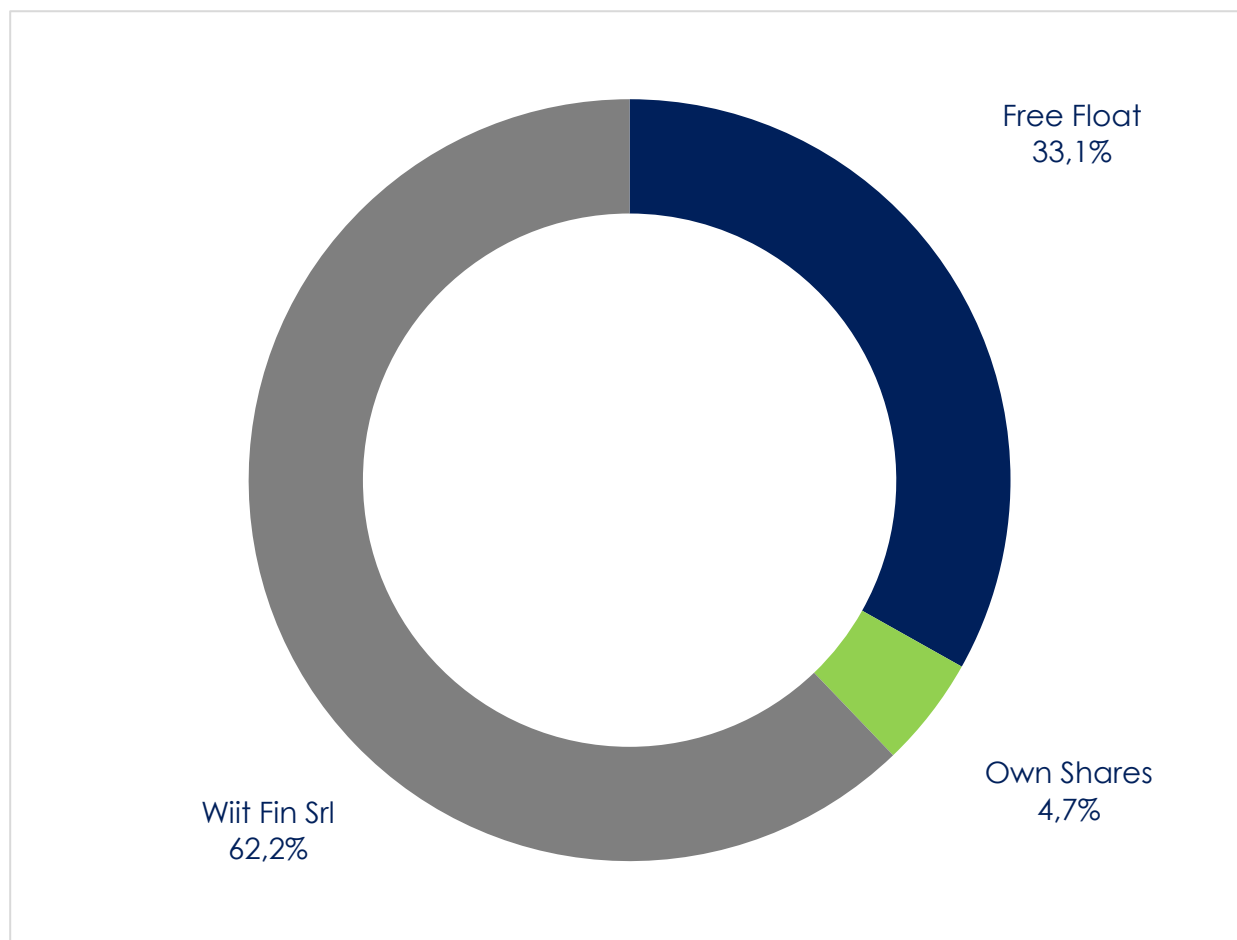
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Deloitte & Touche S.p.A.



## Shareholders

WIIT S.p.A.'s main shareholders at March 31, 2020 are:



Shareholder	Number of shares held	%
Wilit Fin Srl (*)	1,646,834	62.16%
Alessandro Cozzi	1,560	
Own shares	124,627	4.70%
Market	879,045	33.14%
<b>TOTAL</b>	<b>2,652,066</b>	<b>100.00%</b>
<b>FREE FLOAT (Treasury shares and Market)</b>	<b>1,003,672</b>	<b>37.84%</b>

(\*) Company owned by Cozzi Alessandro and Bianchi Amelia

## Directors' Report

### Significant events

Following the agreement signed on December 20, 2019, on January 15, 2020, WIIT S.p.A. signed agreements for the gradual acquisition of 100% of the share capital of Etaeria S.r.l. ("Etaeria"), a Kelyan Group company providing cloud and cyber security services, in addition to the acquisition of the Aedera S.r.l. (Kelyan Group) business, provider of IT services and solutions for the digitalisation of companies in SAAS mode (the "Aedera business").

The agreements stipulate the initial acquisition of a 60% majority holding in Etaeria for consideration of approx. Euro 3.5 million, in addition to the variable price component subject to the achievement of the 2019 full-year earnings objectives. The acquisition of the Etaeria shares also involves the payment of an advance for the acquisition of the residual 40%, for which put and call options are stipulated, to which variable price components are linked ("earn out"), subject to the achievement of set Etaeria earnings objectives.

In relation to the Aedera business unit, the estimated consideration on closing amounted to approx. Euro 1.4 million, in addition to the variable price component (earn out) for approx. Euro 0.9 million, subject to the achievement of the result objectives by the Aedera business unit in the 2019-2022 period.

#### Description of Etaeria and the Aedera Business

Etaeria was founded in 2016 to provide managed security and infrastructural cloud computing services to Italian SMEs and channel partners. With a workforce of over 40 highly-specialised personnel, it has a portfolio that includes over 80 medium-large top customers that following the transaction will be directly managed by WIIT, with the others to be managed through the other commercial channels.

Aedera was created in 2016 by a group of professionals with thirty years experience in document management in order to develop a proprietary technological platform and innovative services to manage unstructured document processes and other electronic document processes provided as SAAS.

On January 7, 2020 the Company signed a loan contract for a maximum Euro 40 million, with a banking syndicate comprising Banca IMI S.p.A., as arranger and agent bank, and Intesa Sanpaolo S.p.A. and Banco BPM S.p.A. as lending banks.

The loan, principally to support the WIIT Group's acquisition-led growth strategy on the Italian and international market and investment plan, stipulates the following key terms and conditions:

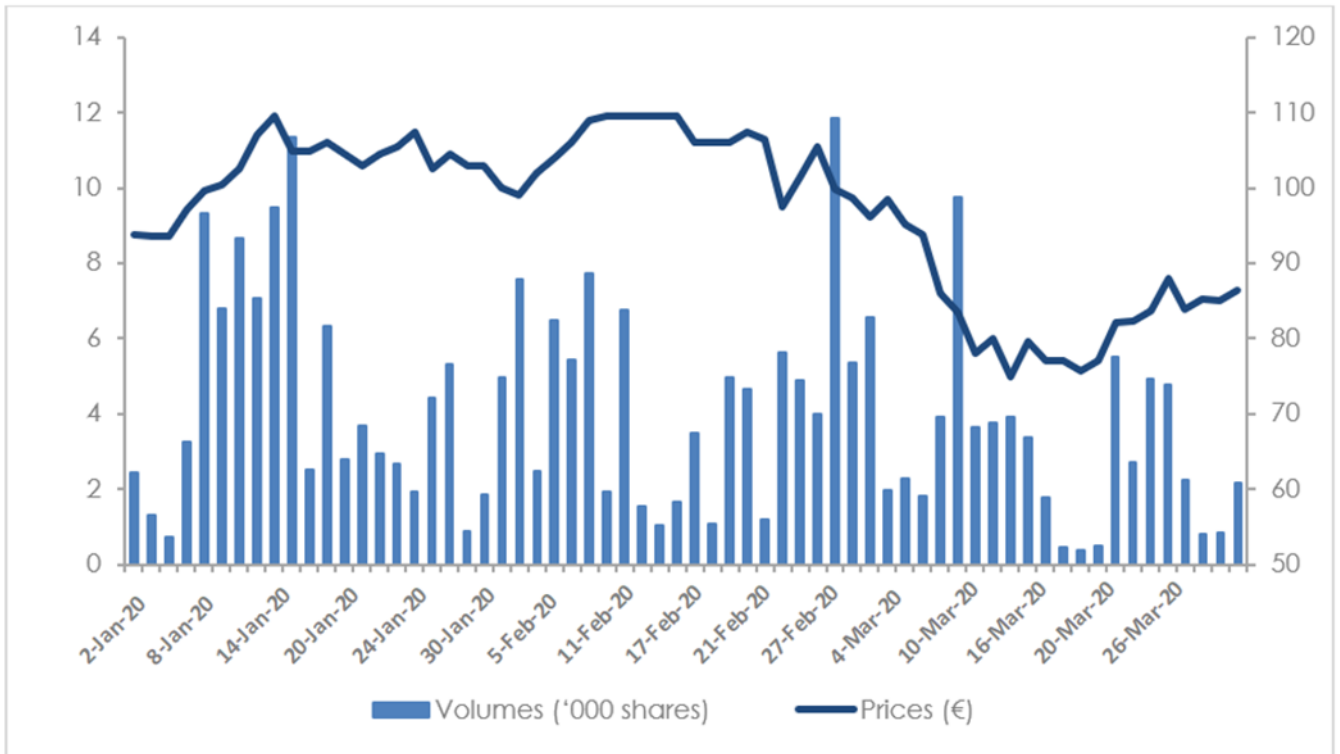
- the composition of the loan as (i) an amortising credit line for a maximum Euro 15 million, with maturity of December 31, 2025; (ii) a bullet credit line of a maximum Euro 15 million, with maturity of June 30, 2026; and (iii) an amortising credit line for a maximum Euro 10 million, with maturity of December 31, 2024;
- an annual interest rate based on the reference Euribor and an increasing or decreasing variable margin according to the change in the NFP/EBITDA ratio;
- EBITDA/net financial charges and NFP/EBITDA covenants;
- the pledging, in favour of the lending banks, of the holdings representing the share capital of certain target companies acquired by WIIT in execution of its growth strategy.

In accordance with best market practice, the loan contract in addition contains provisions concerning, among others, mandatory early settlement events, conditions on disbursements, declarations and guarantees, limitations on debt and corporate transactions, in addition to dividend distribution limits.

On January 9, 2020, the first tranche of the above loan was issued for Euro 10 million.

On May 4, 2020, the company obtained from the Ministry for Economic Development the tax credit recognised to SME's for consultancy costs incurred from January 1, 2018 until December 31, 2020 for their listing on a regulated market. The tax credit for Euro 403,049.00 shall be used according to the means set out in Article 7 of the above Ministerial Decree of April 23, 2018. This credit has been included in the financial statements.

## Wiit: share price and volumes - 1.01.2020 – 31.03.2020



- Source Bloomberg



## CONSOLIDATED BALANCE SHEET

	31.03.20	31.12.19	Adjusted 31.03.20	Adjusted 31.12.19
<b>ASSETS</b>				
Other intangible assets	14,928,630	13,341,905	14,928,630	13,341,905
Goodwill	28,156,374	17,604,960	28,156,374	17,604,960
Property, plant and equipment	3,001,533	3,208,450	3,001,533	3,208,450
Other tangible assets	9,873,035	10,147,369	9,873,035	10,147,369
Right-of-use	6,213,754	5,706,817	6,213,754	5,706,817
Deferred tax assets	666,487	727,459	666,487	727,459
Equity investments and other non-current financial assets	60,866	60,861	60,866	60,861
Other non-current assets deriving from contracts	384,668	440,499	384,668	440,499
Other non-current assets	397,517	291,779	397,517	291,779
<b>NON-CURRENT ASSETS</b>	<b>63,682,865</b>	<b>51,530,099</b>	<b>63,682,865</b>	<b>51,530,099</b>
Inventories	271,172	82,628	271,172	82,628
Trade receivables	6,355,177	6,442,595	6,355,177	6,442,595
Trade receivables from associates	115,672	35,567	115,672	35,567
Current financial assets	0	0	0	0
Current assets deriving from contracts	257,825	269,325	257,825	269,325
Other receivables and other current assets	3,483,325	2,325,204	3,483,325	2,325,204
Cash and cash equivalents	15,795,279	11,836,359	15,795,279	11,836,359
<b>CURRENT ASSETS</b>	<b>26,278,451</b>	<b>20,991,678</b>	<b>26,278,451</b>	<b>20,991,678</b>
<b>TOTAL ASSETS</b>	<b>89,961,316</b>	<b>72,521,777</b>	<b>89,961,316</b>	<b>72,521,777</b>

## CONSOLIDATED BALANCE SHEET

	31.03.20	31.12.19	Adjusted 31.03.20	Adjusted 31.12.19
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital	2,652,066	2,652,066	2,652,066	2,652,066
Share premium reserve	19,521,990	19,248,704	19,521,990	19,248,704
Legal reserve	530,413	530,414	530,413	530,414
Other reserves	(9,123,578)	(9,305,339)	(9,123,578)	(9,305,339)
Reserves and retained earnings (accumulated losses)	7,525,364	2,273,486	7,525,364	2,273,486
Translation reserve	16,014	11,579	16,014	11,579
Net profit for the period	1,715,335	5,250,033	1,613,980	5,250,033
<i>Non-controlling interest net profit</i>	192,595	242,238	0	242,238
<b>NON-CONTROLLING INTEREST &amp; GROUP SHARE. EQUITY</b>	<b>22,837,604</b>	<b>20,660,943</b>	<b>22,736,250</b>	<b>20,660,943</b>
<i>of which non-controlling interest SHAREHOLDERS' EQUITY</i>	434,833	242,238	434,833	242,238
Payables to other lenders	6,492,824	6,611,209	6,492,824	6,611,209
Bank payables	16,415,867	7,192,300	16,415,867	7,192,300
Other non-current financial liabilities	18,044,430	12,890,437	18,044,430	12,890,437
Employee benefits	2,309,766	1,983,999	2,309,766	1,983,999
Deferred tax liabilities	2,843,504	2,872,152	2,843,504	2,872,152
Non-current liabilities deriving from contracts	750,334	851,125	750,334	851,125
Other payables and non-current liabilities	246,000	8,394	246,000	8,394
<b>NON-CURRENT LIABILITIES</b>	<b>47,102,725</b>	<b>32,409,616</b>	<b>47,102,725</b>	<b>32,409,616</b>
Payables to other lenders	4,028,377	4,000,234	4,028,377	4,000,234
Current bank payables	5,088,401	5,443,457	5,088,401	5,443,457
Current income tax liabilities	733,732	715,453	733,732	715,453
Other current financial liabilities	1,618,288	1,479,663	1,618,288	1,479,663
Trade payables	5,322,671	4,478,794	5,322,671	4,478,794
Payables to associated companies	34,573	42,293	34,573	42,293
Current liabilities deriving from contracts	467,094	488,404	467,094	488,404
Other payables and current liabilities	2,727,851	2,802,920	2,727,851	2,802,920
<b>CURRENT LIABILITIES</b>	<b>20,020,987</b>	<b>19,451,218</b>	<b>20,020,987</b>	<b>19,451,218</b>
<b>LIABILITIES HELD-FOR-SALE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>TOTAL LIABILITIES</b>	<b>89,961,316</b>	<b>72,521,777</b>	<b>89,859,961</b>	<b>72,521,777</b>
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## CONSOLIDATED INCOME STATEMENT

	Reported Q1 20	Reported Q1 19	Adjusted Q1 20	Adjusted Q1 19
<b>REVENUES AND OPERATING INCOME</b>				
Revenues from sales and services	11,138,146	7,465,707	11,138,146	7,465,707
Other revenues and income	460,182	7,828	57,133	7,828
<b>Total revenues and operating income</b>	<b>11,598,328</b>	<b>7,473,535</b>	<b>11,195,279</b>	<b>7,473,535</b>
<b>OPERATING COSTS</b>				
Purchases and services	(4,856,399)	(4,070,737)	(4,721,614)	(3,277,612)
Personnel costs	(2,457,926)	(1,244,601)	(2,457,926)	(1,244,601)
Amortisation, depreciation & write-downs	(2,021,884)	(1,375,719)	(1,894,195)	(1,375,719)
Provisions	0	0	0	0
Other costs and operating charges	(138,742)	(93,829)	(138,742)	(93,829)
Change Inventories of raw mat., consumables and goods	175,463	0	175,463	0
<b>Total operating costs</b>	<b>(9,299,488)</b>	<b>(6,784,886)</b>	<b>(9,037,015)</b>	<b>(5,991,761)</b>
<b>EBIT</b>	<b>2,298,840</b>	<b>688,649</b>	<b>2,158,265</b>	<b>1,481,774</b>
Write-down of equity investments	0	0	0	0
Financial income	319	129,043	319	129,043
Financial expenses	(147,980)	(56,219)	(147,980)	(56,219)
Exchange gains/(losses)	(4,978)	0	(4,978)	0
<b>PROFIT BEFORE TAXES</b>	<b>2,146,201</b>	<b>761,473</b>	<b>2,005,626</b>	<b>1,554,598</b>
Income taxes	(430,867)	848,132	(391,646)	725,329
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>1,715,335</b>	<b>1,609,605</b>	<b>1,613,980</b>	<b>2,279,927</b>
Net profit from discontinued operations	0	0	0	0
<b>NET PROFIT</b>	<b>1,715,335</b>	<b>1,609,605</b>	<b>1,613,980</b>	<b>2,279,927</b>
<b>EBITDA</b>	<b>4,320,724</b>	<b>2,064,368</b>	<b>4,052,460</b>	<b>2,857,493</b>
	37.3%	27.6%	36.2%	38.2%
<b>EBIT</b>	<b>2,298,840</b>	<b>688,649</b>	<b>2,158,265</b>	<b>1,481,774</b>
	19.8%	9.2%	19.3%	19.8%

## Alternative performance indicators

**Adjusted EBITDA** - A non-GAAP measure used by the Group to measure performance. Adjusted EBITDA is calculated as the sum of the net profit for the period gross of taxes, income (including exchange gains and losses), financial expenses and amortisation, depreciation and write-downs, and gross of the following items: "other non-recurring revenues and income" related to tax credit received for consultancy costs incurred for the listing in a regulator market, merger & acquisition costs and labour costs as per IFRS 2 regarding performance shares. Adjusted EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the company may not be uniform with the criteria adopted by other groups and, therefore, its value for the company may not be comparable with that calculated by such groups.

**EBIT** - A non-GAAP measure used by the Group to measure performance. EBIT is the sum of the net profit for the period, gross of taxes, financial income (including exchange gains) and losses and financial expenses. EBIT is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the company may not be uniform with the criteria adopted by other groups and, therefore, its value for the company may not be comparable with that calculated by such groups.

**Adjusted EBIT** - A non-GAAP measure used by the Group to measure performance. Adjusted EBIT is calculated as the algebraic sum of net profit for the period, gross of taxes, financial income (including exchange gains and losses), financial expenses, "other non-recurring revenues and income" related to tax credit received for consultancy costs incurred for the listing in a regulator market, merger & acquisition costs, labour costs as per IFRS 2 regarding performance shares and amortisation of intangible assets arising from the purchase price allocation conducted in reference to the Matika and Adelante acquisitions.

Net financial debt: this is a valid measure of the Group's financial structure. This is calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets.



**Adjusted net profit or loss** – A non-GAAP measure used by the Group to measure its performance. Adjusted net profit or loss is calculated as the net profit or loss for the period, gross of merger & acquisition costs, labour costs as per IFRS 2 regarding performance shares, amortisation of intangible assets arising from the purchase price allocation conducted in reference to the Matika and Adelante acquisitions and the related tax effects.

**Net financial debt** – this is a valid measure of the Group's financial structure. This is calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets.



## Operating highlights

The Adjusted consolidated value of production was up 49.8% on Q1 2019. This strong result reflects the company's healthy income statement and the regard in which the WIIT Group is held among its customer base as a high-quality and cost competitive player. The Adjusted value excludes the tax credit received by the parent company for Euro 403,049.

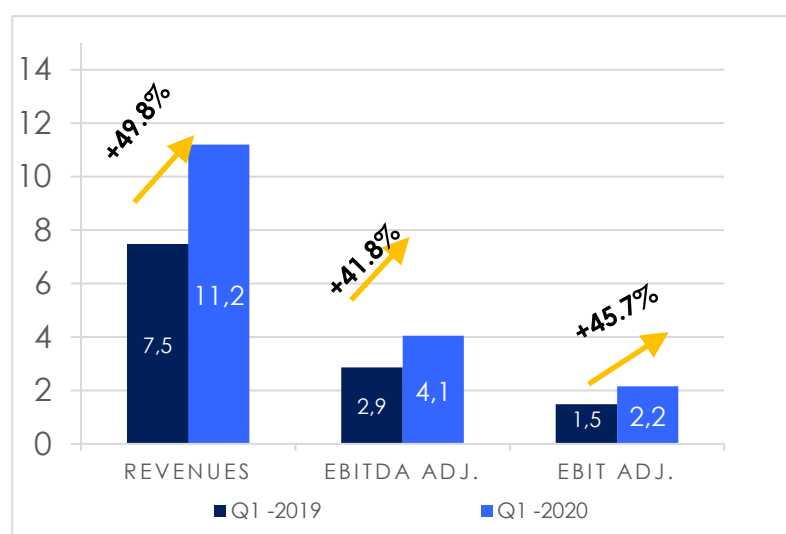
The value of production, EBITDA, profit before taxes and net profit for the first three months of the past two years are shown in the following table.

	Q1 2020 Consolidated	Q1 2019 Consolidated	Q1 2020 Adjusted Consolidated	Q1 2019 Adjusted Consolidated	% Adj.Cge.
Value of production	11,598,328	7,473,535	11,195,279	7,473,535	<b>49.8%</b>
EBITDA	4,320,724	2,064,368	4,052,460	2,857,493	<b>41.8%</b>
Profit before taxes	2,146,201	761,473	2,005,626	1,554,598	<b>29.0%</b>
Net Profit	1,715,335	1,609,605	1,613,980	2,279,927	<b>-29.2%</b>

Adjusted EBITDA was up 41.8% on Q1 2019, with a 36.2% revenue margin - indicating the highly optimised level of company operating processes and services.

The reported consolidated net profit reflects the impact on non-recurring costs from the acquisition of Matika Spa (approx. Euro 0.1 million) and from the tax credit benefit (approx. Euro 0.4 million). In the previous year, the "Patent Box" tax credit for previous years was recognised.

### KEY FINANCIALS (€mn)



The Q1 2019 reclassified income statement of the company is compared below with the same period of the previous year (in Euro):

	Q1 2020 Consolidated	Q1 2019 Consolidated	31/12/2019 Adjusted Consolidated	Q1 2019 Adjusted Consolidated
Net revenues	11,598,328	7,473,535	11,195,279	7,473,535
External costs	(4,856,399)	(4,070,737)	(4,721,614)	(3,277,612)
<b>Value added</b>	<b>6,741,929</b>	<b>3,402,798</b>	<b>6,473,665</b>	<b>4,195,923</b>
Personnel costs	(2,457,926)	(1,244,601)	(2,457,926)	(1,244,601)
Other costs and operating charges	(138,742)	(93,829)	(138,742)	(93,829)
Change in inventories	175,463	0	175,463	0
<b>EBITDA</b>	<b>4,320,724</b>	<b>2,064,368</b>	<b>4,052,460</b>	<b>2,857,493</b>
Amortisation, depreciation and write-downs	(2,021,884)	(1,375,719)	(1,894,195)	(1,375,719)
<b>EBIT</b>	<b>2,298,840</b>	<b>688,649</b>	<b>2,158,265</b>	<b>1,481,774</b>
EBITDA Margin	37.3%	27.6%	36.2%	38.2%
EBIT Margin	19.8%	9.2%	19.3%	19.8%
<b>PROFIT</b>	<b>1,715,335</b>	<b>1,609,605</b>	<b>1,613,980</b>	<b>2,279,927</b>

For a better understanding of the company's profitability, the table below illustrates some of the performance indicators compared to previous years. The indicators are calculated on the basis of the consolidated financial statements.

Index	Formula	Q1 2020 Consolidated	Q1 2019 Consolidated	Q1 2020 Adjusted Consolidated	Q1 2019 Adjusted Consolidated
ROE	Net profit / equity	7.51%	7.79%	7.10%	11.03%
ROI	EBIT / Capital employed	2.56%	0.95%	2.40%	2.04%
ROS	EBIT / Value of production	19.82%	9.21%	19.28%	19.83%

## Balance Sheet highlights

The reclassified balance sheet of the company for the first three months of 2020 is compared with the previous year below (in Euro):

	31/03/20 Consolidated	31/12/19 Consolidated
Net intangible assets	43,085,004	30,946,865
Net tangible assets	19,088,322	19,062,636
Equity investments and other financial assets	60,866	60,861
Other long-term receivables	782,185	732,278
Deferred tax assets	666,487	727,459
<b>Fixed assets</b>	<b>63,682,865</b>	<b>51,530,099</b>
Inventories	271,172.41	82,627.75
Current trade receivables	6,355,177	6,442,595
Receivables from group companies	115,672	35,567
Other receivables	3,741,151	2,594,529
Cash and Cash Equivalents	15,795,279	11,836,359
<b>Current assets</b>	<b>26,278,451</b>	<b>20,991,678</b>
<b>Capital employed</b>	<b>89,961,316</b>	<b>72,521,777</b>
Bank payables (within one year)	5,088,401	5,443,457
Payables to other lenders (within one year)	4,028,377	4,000,234
Payables to suppliers (within one year)	5,322,671	4,478,794
Payables to group companies	34,573	42293.16
Tax payables and social security institutions	733,732	715,453
Other current financial liabilities	1,618,288	1,479,663
Other payables	3,194,945	3,291,324
<b>Current liabilities</b>	<b>20,020,987</b>	<b>19,451,218</b>
Post-employment benefits	2,309,766	1,983,999
Bank payables (beyond one year)	16,415,867	7,192,300
Payables to other lenders (beyond one year)	6,492,824	6,611,209
Payables to suppliers (beyond one year)	0	0
Other non-current financial liabilities	18,044,430	12,890,437
Other medium/long-term payables	750,334	851,125
Other payables and non-current liabilities	246,000	8,394
Deferred tax payables	2,843,504	2,872,152
<b>Medium/long-term liabilities</b>	<b>47,102,725</b>	<b>32,409,616</b>
<b>Minority interest share capital</b>	<b>67,123,712</b>	<b>51,860,834</b>
Shareholders' Equity	22,837,604	20,660,943
<b>Own funds</b>	<b>22,837,604</b>	<b>20,660,943</b>

Own Funds &amp; Minority interest share capital

89,961,316

72,521,777

## Main notes to the balance sheet

The increase in property, plant and equipment mainly relates to the Goodwill of the two companies acquired in the first quarter of 2020.

At March 31, 2020, the earnout amounts stipulated by the acquisition contracts of Etaeria Spa and Azienda Aedera were included, on the basis of the results to calculate the achievement of the minimum EBITDA objectives required for the maturation of earnouts.

The increase in intangible assets in addition includes investments for Euro 1.1 million in software licenses for new orders.

New right-of-use (IFRS 16) contracts were signed in the quarter for Euro 0.8 million.

Property, plant and equipment includes investments in the period of Euro 0.2 million, mainly for the acquisition of IT infrastructure for new orders.

“Other financial liabilities” mainly include the payable to third parties concerning the balance on the 40% Matika S.p.a investment and the residual payment of Adelante Srl, and the increase in the year relates to the balance of the investment for 40% of Etaeria S.p.a. and of the Aedera business.

## Condensed Cash Flow Statement

The condensed cash flow statement for the period, compared to the end of the previous year and the same period for the previous year, is presented below.

In Euro	31.03.2020 Consolidated Financial Statements	31.03.2019 Consolidated Financial Statements
Net profit from continuing operations	1,715,335	1,609,605
Adjustments for non-cash items	2,912,206	624,548
<b>Cash flow generated from operating activities before changes</b>	<b>4,627,541</b>	<b>2,234,153</b>
Changes in current assets and liabilities	(1,432,365)	4,560,235
Changes in non-recurring current assets and liabilities	77,097	(108,925)
Cash flow generated from operating activities	(131,519)	(83,329)
<b>Net cash flow generated from operating activities (a)</b>	<b>3,140,754</b>	<b>6,602,133</b>
Net cash flow used in investment activities (b)	(7,246,676)	(2,243,424)
Net cash flow from financing activities (c)	8,064,841	(3,404,013)

<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>3,958,919</b>	<b>954,697</b>
Cash and cash equivalents at end of period	15,795,279	18,884,803
Cash and cash equivalents at beginning of period	11,836,360	17,930,107
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,958,919</b>	<b>954,697</b>

## Key Financial Indicators

The net financial position at March 31, 2020 was as follows:

	31/03/2020 Consolidated	31/12/2019 Consolidated
A - Cash and cash equivalents	15,795,279	11,836,359
B - Securities held for trading	0	0
<b>C - Liquidity (A)+(B)</b>	<b>15,795,279</b>	<b>11,836,359</b>
D- Current financial assets	0	0
E - Current bank payables	(5,088,401)	(5,443,457)
F - Other current financial liabilities	(1,618,288)	(1,479,663)
G - Payables to other lenders	(4,028,377)	(4,000,234)
<b>H - Current financial debt (D)+(E)+(F)+(G)</b>	<b>(10,735,066)</b>	<b>(10,923,354)</b>
<b>I - Current net financial debt (H) - (C)</b>	<b>5,060,214</b>	<b>913,005</b>
J - Bank payables	(16,415,867)	(7,192,300)
K - Other non-current financial assets	397,517	291,779
L - Payables to other lenders	(6,492,824)	(6,611,209)
M - Other non-current financial liabilities	(18,044,430)	(12,890,437)
<b>N. Non-current financial payables (K)+(L)+(M)+(N)</b>	<b>(40,555,604)</b>	<b>(26,402,168)</b>
<b>O - Net financial debt (J) + (N) for the company</b>	<b>(35,495,390)</b>	<b>(25,489,163)</b>
- Lease payables IFRS 16 (current)	1,484,396	1,239,369
- Lease payables IFRS 16 (non-current)	4,495,868	4,231,069
<b>P - Net financial debt excluding the impact of IFRS 16 for the company</b>	<b>(29,515,125)</b>	<b>(20,018,725)</b>

The net financial position is based on the definition contained in the CESR Recommendation of February 10, 2005: "Recommendations for the uniform implementation of the European Commission regulation on financial statements".

Good cash flows were generated from operating activities for the first three months of the year. The movement in liquidity mainly reflects the acquisition of the company Etaeria S.p.A. for E.V. 6.7 million, which includes the settled portion and the amount to be paid, classified to Other financial liabilities. In addition, it reflects investments for approx. Euro 2.8 million for the acquisition of IT infrastructure related to new orders. The increase in the bank debt reflects the issue of the first tranche of Euro 10 million (portion of the approved Euro 40 million loan).

The cash flow statement for the period compared to the same period of the previous year is presented below.

<b>CASH FLOW STATEMENT</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Net profit from continuing operations</b>	1,715,335	1,609,605
<i>Adjustments for non-cash items:</i>		
Amortisation, depreciation, revaluations and write-downs	2,021,884	1,375,719
Financial assets adjustments	0	0
Change in employee benefits	29,508	40,741
Financial expenses	147,980	56,219
Income taxes	430,867	(848,132)
Other non-cash changes (deferred tax assets/liabilities)	281,967	
<b>Cash flow generated from operating activities before working capital changes</b>	<b>4,627,541</b>	<b>2,234,153</b>
<i>Changes in current assets and liabilities:</i>		
Decrease (increase) in inventories	(176,194)	0
Decrease (increase) in trade receivables	2,549,700	493,517
Decrease (increase) in tax receivables	13,066	23,309
Increase (decrease) in trade payables	(1,478,633)	1,902,671
Increase (decrease) in tax payables	(734,982)	596,336
Decrease (increase) other current assets	1,242,313	(1,133,307)
Increase (decrease) in current liabilities	(2,847,635)	2,677,710
Decrease (increase) in other non-current assets	(105,739)	0
Increase (decrease) in other non-current liabilities	237,606	0
Decrease (increase) in assets deriving from contracts	67,331	82,476
Increase (decrease) in liabilities deriving from contracts	(122,101)	(191,401)
<i>Cash flow generated from operating activities</i>		
Income taxes paid	0	(27,109)
Interest paid/received	(131,519)	(56,219)
<b>Net cash flow generated from operating activities (a)</b>	<b>3,140,754</b>	<b>6,602,133</b>
Net increase intangible assets	(2,715,904)	(993,193)
Net increase tangible assets	(119,020)	(1,317,562)
Net decrease (increase) in financial assets	0	67,331
Cash flows from business combinations net of cash and cash equivalents	(4,411,753)	0
<b>Net cash flow used in investing activities (b)</b>	<b>(7,246,676)</b>	<b>(2,243,424)</b>
New financing	10,000,000	(0)
Repayment of loans	(1,131,144)	(839,391)
Finance lease payables	(759,308)	(236,047)
Payment of deferred fees for business combinations	(44,708)	0
Increases (decreases) in bank overdrafts	0	(2,328,575)
<b>Net cash flow from financing activities (c)</b>	<b>8,064,841</b>	<b>(3,404,013)</b>
<b>Net increase/(decrease) in cash and cash equivalents a+b+c</b>	<b>3,958,919</b>	<b>954,697</b>
Cash and cash equivalents at end of period	15,795,279	18,884,803
Cash and cash equivalents at beginning of period	11,836,360	17,930,107
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,958,919</b>	<b>954,697</b>

For a better understanding of the financial situation, the table below illustrates some financial performance ratios compared to previous years.

		31/03/2020 Consolidated	31/03/2019 Consolidated
Primary liquidity	(Current assets + Inventory) / Current liabilities	1.33	1.08
Financial Debt	Third party capital (loans) / Own capital	2.26	1.82

### Financial instruments

The company at 31/03/2020 had in place derivative interest rate hedges (IRS) with the issues made to date for Euro 10 million as the underlying asset, related to the overall credit line of Euro 40 million subscribed in January 2020. In the current quarter, the Mark to Market value was recognised applying hedge accounting, recognising the fair value of the derivative to non-current financial liabilities, with a counter-entry to other equity items.

### Treasury shares or parent company shares

In accordance with Article 2428 points 3) and 4) of the Civil Code, the company holds 124,627 treasury shares, but does not hold shares in parent companies, even through trust companies or nominees, nor have shares of the parent company been acquired and/or sold during the period, even through trust companies or nominees.

### Information relating to the environment and personnel

In relation to the societal role of the company as set out in the Directors' Report of the Italian Accounting Professionals Body (Consiglio Nazionale dei Dottori commercialisti e degli esperti contabili), the following information relating to the environment and to personnel is provided.

#### Personnel

In Q1 2020, no deaths of registered employees occurred at the workplace.

No serious workplace accidents took place during the period which involved serious injury to registered employees.

No issues in relation to workplace health matters concerning employees or ex-employees or misconduct against the company arose in the first three months of 2020.



## **Environment**

During the first three months of 2020 no environmental damage was declared against the company.

No penalties were incurred for offences or environmental damage in Q1 2020.



**TRANSACTIONS WITH SUBSIDIARY, ASSOCIATE,  
HOLDING AND RELATED COMPANIES**

**INVOICE**

Date: \_\_\_\_\_  
Invoice No: 0100001  
Customer ID: 228

Qty	Amount
246.53	
855.75	
598.67	
492.74	
358.40	
00.00	
0.00	

%Growth:

-11%
+37%
+42%
+78%
+18%

According to sales from 2013 - 2018

May	June
24,796	45,598
354	1,076
133	190
135	134
	47,758

## Transactions with subsidiary, associate, holding and related companies

During the first quarter of 2020, the following transactions with subsidiaries, associates, holding companies and related companies took place:

	Costs	WIIT Fin S.r.l.	WIIT S.p.A.	Wiiit Swiss	Adelante Srl	ICTW	MATIKA S.p.A.	Etaeria S.p.A.	Commit	Total
Revenues	WIIT Fin S.r.l.	-	124,750	-	-	-	-	-	-	<b>124,750</b>
	WIIT S.p.A.	-	-	-	56,212	-	-	91,881	6,200	<b>154,293</b>
	Wiiit Swiss S.A.	-	251	-	-	-	-	-	-	<b>251</b>
	Adelante S.r.l.	-	36,595	-	-	2,162	-	-	25,958	<b>64,715</b>
	ICTW	-	11,200	-	5,400	-	-	-	-	<b>16,600</b>
	MATIKA S.p.A.	-	5,485	-	-	-	-	-	-	<b>5,485</b>
	Etaeria S.p.A.	-	489,352	-	3,539	-	-	-	-	<b>492,891</b>
	Commit	-	2,325	-	46,560	-	-	-	-	<b>48,885</b>
	<b>Total</b>	-	<b>669,958</b>	-	<b>111,711</b>	<b>2,162</b>	-	<b>91,881</b>	<b>32,158</b>	<b>907,869</b>

	Receivables	WIIT Fin S.r.l.	WIIT S.p.A.	Wiiit Swiss	Adelante Srl	ICTW	MATIKA S.p.A.	Etaeria S.p.A.	Commit	Total
Payables	WIIT Fin S.r.l.	-	1,989,586	-	-	-	-	-	-	<b>1,989,586</b>
	WIIT S.p.A.	-	-	407,893	834,667	11,200	2,216,457	1,100,923	2,837	<b>4,573,976</b>
	Wiiit Swiss S.A.	-	-	-	-	-	-	-	-	<b>-</b>
	Adelante S.r.l.	236,631	183,612	-	-	5,400	-	7,578	31,736	<b>464,957</b>
	ICTW	-	-	-	47,180	-	-	-	-	<b>47,180</b>
	MATIKA S.p.A.	-	-	-	-	-	-	-	-	<b>-</b>
	Etaeria S.p.A.	-	489,601	-	-	-	-	-	-	<b>489,601</b>
	Commit	-	27,755	-	7,917	-	-	-	-	<b>35,672</b>
	<b>Total</b>	<b>236,631</b>	<b>2,690,554</b>	<b>407,893</b>	<b>889,763</b>	<b>16,600</b>	<b>2,216,457</b>	<b>1,108,501</b>	<b>34,573</b>	<b>7,600,972</b>

Please note that the transactions with related parties, including inter-company transactions, are not quantifiable as either atypical or unusual but fall within the Group's normal business operations. These transactions were carried out on an arm's length basis. The Wiit payables to the subsidiaries Wiit Swiss, Adelante and Matika include, in addition to trade payables, also the portion concerning the centralised treasury management.

Payables and receivables with WIIT Fin S.r.l. include the portion concerning the tax consolidation.

## Subsequent events

On May 4, 2020, the company obtained from the Ministry for Economic Development the tax credit recognised to SME's for consultancy costs incurred from January 1, 2018 until December 31, 2020 for their listing on a regulated market. The tax credit for Euro 403,049.00 shall be used according to the means set out in Article 7 of the above Ministerial Decree of April 23, 2018. This credit has been included in the financial statements.

## Outlook

### COVID-19 update

Despite the major uncertainties and fears regarding the social and economic repercussions of the health emergency, 2020 for WIIT may in fact be a year of significant revenue and margin growth compared to 2019.

Company operations continue in terms of marketing activities to build the Brand, the analysis of the specific needs of the Company's Targets and the preparation of the relative promotional campaigns.

In recent months, the visibility for 2020 significantly reduced due to the COVID-19 emergency. Despite this, WIIT - thanks to a business model based on long-term orders and recurring revenues - does not expect significant revenue impacts. The company may expect an impact in terms of sales related to the acquisition of new customers only where this contingent situation extends beyond the first half of the year. Strong interest has been seen to date from existing and new customers in the smart working and cyber security services provided through WIIT's Cloud platform. However, working capital could be affected by a possible slowdown in collections and non-performing positions attributable to certain customers that are in turn more significantly affected by the Covid-19 emergency. The variety of sectors in which the Company operates and its good financial condition, in addition to its access to liquidity (with the upside of treasury shares) and lines of credit approved by credit institutions but not drawn down are circumstances that mitigate potential financial risk.

In response to the Covid-19 risk, the Company promptly updated its Risk Assessment Document, with specific regards to biological risks, to comply with the rules and recommendations issued by the authorities. In particular, the Company adopted the measures indicated in the decrees of the President of the Council of March 8, 2020 and March 11, 2020, in addition to complying with – to the extent relevant to its business –

the instructions set out in the memorandum signed on March 14, 2020, and subsequent amendments to the memorandum of April 24, 2020, by the Italian central government and trade unions to protect the health and safety of workers against possible infection with the novel coronavirus by ensuring a healthy work environment.

In further detail, the Company informed all employees of the instructions issued by the authorities by e-mail, in addition to notices posted at the entrances of the most frequently used areas. In addition to this information, further instructions helpful in combating the spread of the epidemic were also provided. The Company also suspended and cancelled all business travel, both within Italy and internationally, even where already agreed or organised, and physical meetings are only allowed – subject to authorisation by the management – where urgent or necessary for the Company to fulfil its obligations, and in any event with a reduced number of attendees and complying with the precaution measures (use of PPE and social distancing of at least 1 meter).

Among the most important measures taken, the Company began to implement remote work as early as February 24, gradually extending it to 100% of its employees from March 6. Any specific needs are managed relating to monitoring activities at its critical infrastructures (datacenters) through which the Company provides its continuous services to Customers. In this case, interventions are authorised by the Function Heads in agreement with Management.

Working locations deemed non-essential have also been closed.

Milan, 11/05/2020

For the Board of Directors  
The Chairman  
(Riccardo Mazzanti)

**Statement of the Executive Officer for Financial Reporting in accordance with article 154-bis, paragraph 2 of Legislative Decree No. 58/1998 (CFA)**

The Executive Responsible for Financial Reporting declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present Interim Report at March 31, 2020 corresponds to the underlying accounting documents, records and entries.

Milan, 11/05/2020

The Executive Officer  
(Stefano Pasotto)