E-MARKET SDIR CERTIFIED

2020

Interim Financial Report at September 30, 2020

The Private Cloud

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


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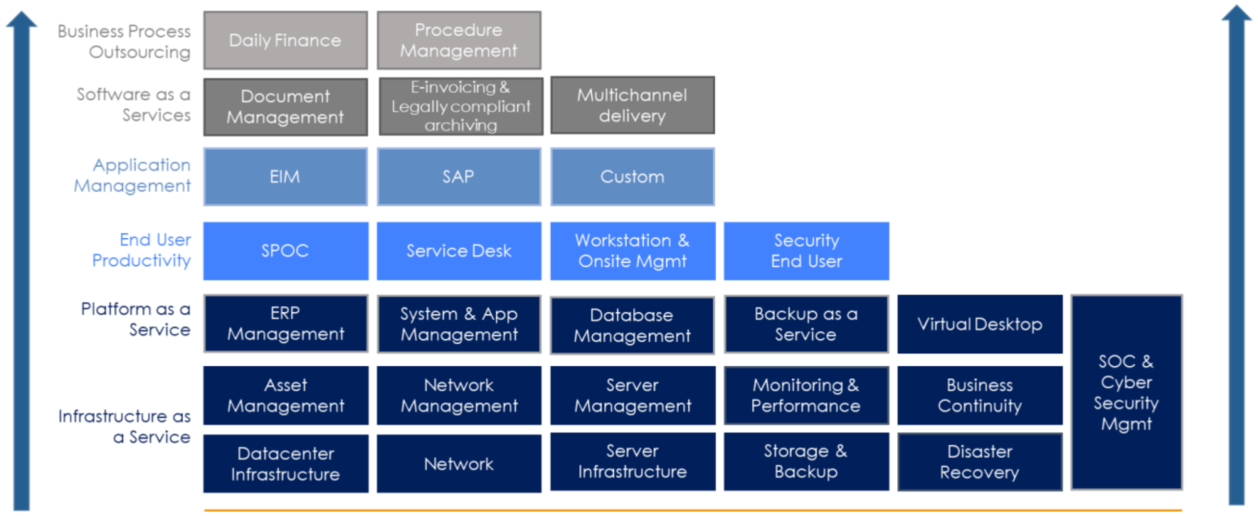
Profile

WIIT S.p.A. (hereinafter also the "Parent Company") 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 Group 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 Group operates through two Data Centers owned by the Parent Company, 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 Group 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 Group 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

As previously mentioned, the Parent 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 Parent 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 Parent 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 Parent 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 approached not based on technology alone, but capable of addressing all processes involved in operational recovery.

Further to these certifications, the Parent Company is a SAP top partner and has obtained many SAP Outsourcing Operation certifications (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

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

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

Chairman	Dario Albarello
Member	Riccardo Sciutto
Member	Aldo Napoli

APPONITMENTS AND REMUNERATION COMMITTEE

Chairman	Riccardo Sciutto
Member	Dario Albarello
Member	Annamaria Di Ruscio

SUPERVISORY AND CONTROL BOARD

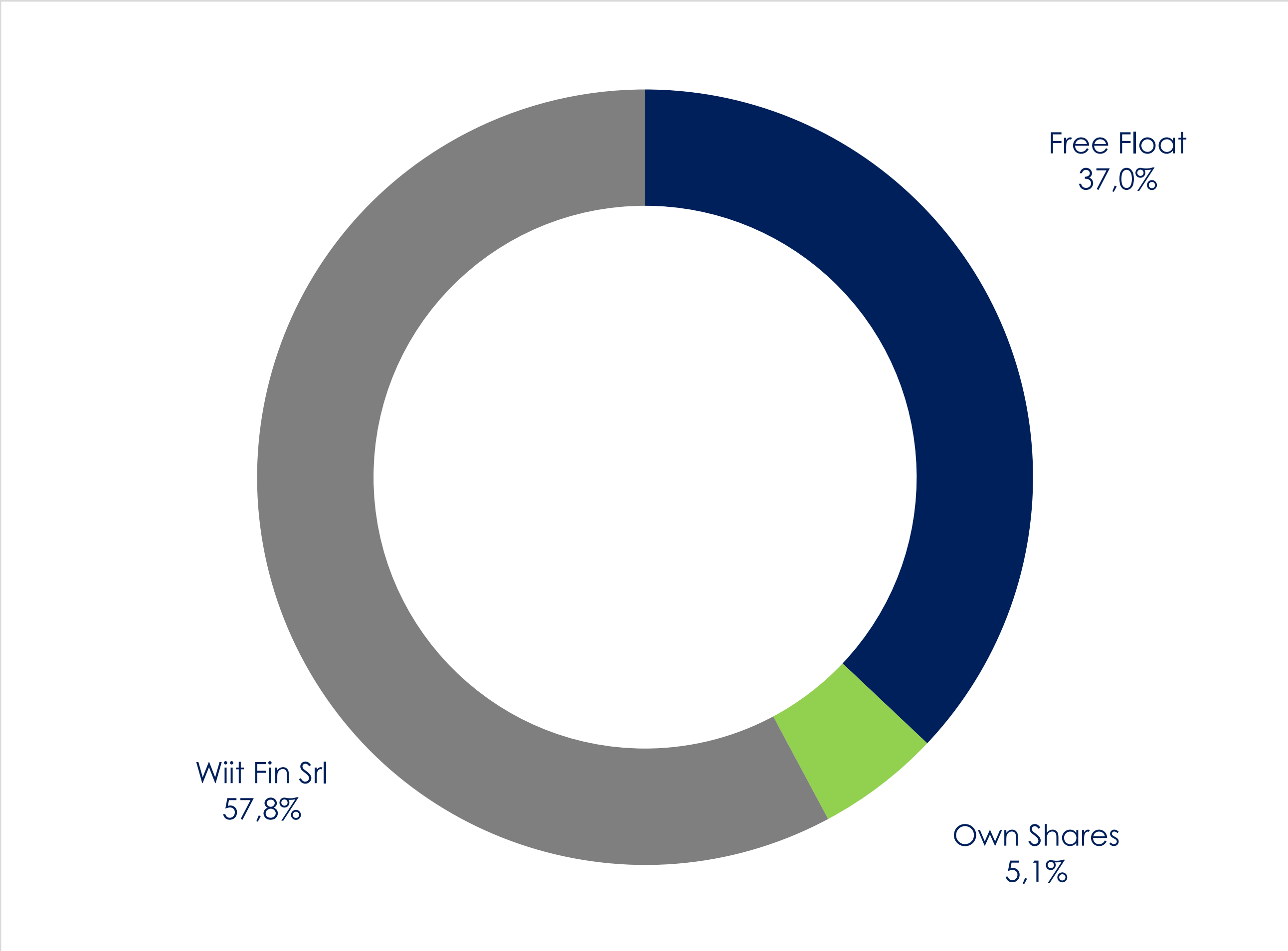
Chairman of the Supervisory and Control Board	Dario Albarello

INDEPENDENT AUDIT FIRM

Deloitte & Touche S.p.A.

Shareholders

WIIT S.p.A.'s main shareholders at September 30, 2020 are:



Shareholder	Number of shares held	%
Wiit Fin Srl (*)	1,531,929	57.82%
Alessandro Cozzi	1,560	
Treasury shares	136,326	5.14%
Market	982,251	37.04%
TOTAL	**2,652,066**	**100.00%**
FREE FLOAT (Treasury shares and Market)	**1,118,577**	**42.18%**

(*) Company owned by Cozzi Alessandro and Bianchi Amelia

Directors' Report

Significant events

On January 15, 2020, WIIT S.p.A. signed agreements for:

i) 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

ii) the acquisition of the Aedera S.r.l. (Kelyan Group) business unit, 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 Euro 2.7 million, inclusive of a variable price component subject to the achieved 2019 full-year earnings objectives. The acquisition of the Etaeria shares also involved the payment of an advance of Euro 0.8 million 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 amount paid was equal to Euro 1.5 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.

<u>Description of Etaeria and the Aedera Business Unit</u>

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 - then reduced to a maximum Euro 32.5 million with the amendment of September 17, 2020 - with a banking syndicate comprising Banca IMI S.p.A. (now Intesa Sanpaolo 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, of which a first drawdown of Euro 5 million was issued on January 9, 2020; (ii) a bullet credit line of a maximum Euro 15 million, with maturity of June 30, 2026, of which a first drawdown of Euro 5 million was issued on January 9, 2020; and (iii) an amortising credit line for a maximum Euro 10 million, with maturity of December 31, 2024, of which a first drawdown of Euro 2.5 million was issued on May 21, 2020 and with regards to which the parties, through the amendment of September 17, 2020, agreed to reduce the amount available to this amount, cancelling the residual
- 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 to be measured on a half-yearly basis;
- 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 (i) 5 million and (ii) 5 million was issued for a total of Euro 10 million.

On May 21, a tranche of loan (iii) was issued for Euro 2.5 million.

Simultaneously to signing the above loan contract, the parent company undertook IRS hedging derivatives on a notional amount of the loan of Euro 40 million, which fixes the overall variable rate for an amount of Euro 15 million at 1.85%, for Euro 15 million at 1.55% and for the residual Euro 10 million at 1.35%.

On May 4, 2020, the Parent 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 "Other revenues and income" account in the financial statements.

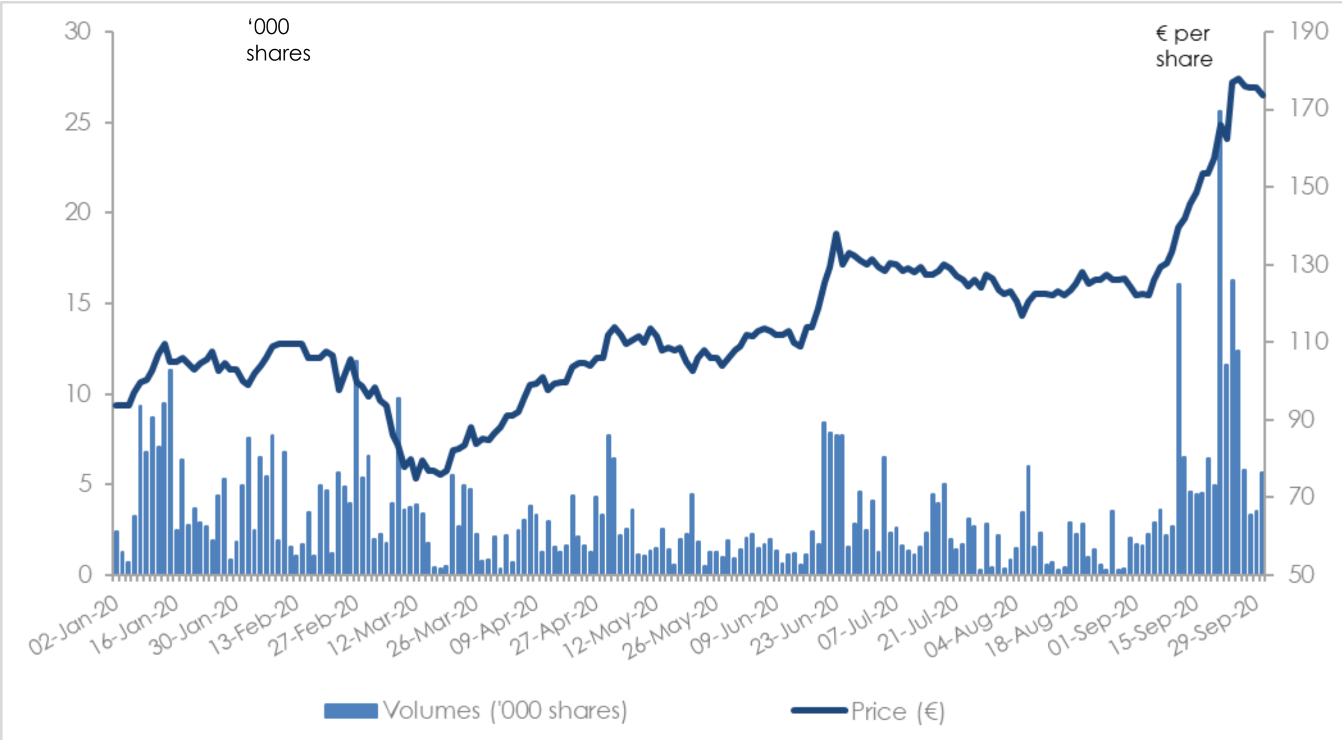
On September 19, WIIT S.p.A. signed an agreement for the purchase of 100% of the share capital of myLoc managed IT AG ("myLoc"), a German provider of cloud and colocation services for businesses and individuals. myLoc has a proprietary data center located in Düsseldorf, operates on the German market, providing colocation, managed hosting, private and public cloud and server hosting services.

myLoc's share capital was fully-held by Virtual Minds AG, a subsidiary of ProSiebenSat.1 Media SE.

The acquisition price was fixed at approx. Euro 50 million, calculated according to the enterprise value of myLoc. The closing of the transaction took place on September 30, 2020. In this interim financial report, only the assets are considered.

WIIT has agreed an amendment to the loan contract with the banking syndicate, Intesa Sanpaolo S.p.A. and Banco BPM S.p.A., to fund the transaction, in accordance with which an additional credit line at substantially similar terms and conditions to those applied to the other existing lines was provided.

Wiit: share price and volumes - 1.01.2020 – 30.09.2020



- Source Bloomberg

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CONSOLIDATED BALANCE SHEET

	30.09.20	31.12.19
ASSETS		
Intangible assets	19,668,207	13,341,905
Goodwill	69,395,665	17,604,960
Property, plant and equipment	2,635,765	3,208,450
Other tangible assets	16,026,061	10,147,369
Right-of-use	9,241,303	5,706,817
Deferred tax assets	1,044,083	727,459
Equity investments and other non-current financial assets	83,363	60,861
Other non-current assets deriving from contracts	273,006	440,499
Other non-current assets	351,533	291,779
NON-CURRENT ASSETS	**118,718,984**	**51,530,099**
Inventories	101,599	82,628
Trade receivables	6,199,717	6,442,595
Trade receivables from associates	70,418	35,567
Current financial assets	95,529	0
Current assets deriving from contracts	234,825	269,325
Other receivables and other current assets	3,534,405	2,325,204
Cash and cash equivalents	17,674,676	11,836,359
CURRENT ASSETS	**27,911,170**	**20,991,678**
TOTAL ASSETS	**146,630,154**	**72,521,777**

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CONSOLIDATED BALANCE SHEET

	30.09.20	31.12.19
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	2,652,066	2,652,066
Share premium reserve	19,248,704	19,248,704
Legal reserve	530,414	530,414
Other reserves	(11,175,975)	(9,305,339)
Reserves and retained earnings (accumulated losses)	3,404,236	2,273,486
Translation reserve	8,539	11,579
Group net profit	2,618,147	5,250,033
NON-CONTROLLING INTEREST & GROUP SHARE. EQUITY	**17,286,132**	**20,660,943**
Result attributable to non-controlling interests	*710,740*	*242,238*
Non-controlling interests capital and reserves		
of which non-controlling interest SHAREHOLDERS' EQUITY	*710,740*	*242,238*
Payables to other lenders	11,006,613	6,611,209
Bank payables	67,261,398	7,192,300
Other non-current financial liabilities	11,024,197	12,890,437
Employee benefits	2,677,667	1,983,999
Deferred tax liabilities	4,766,720	2,872,152
Non-current liabilities deriving from contracts	548,751	851,125
Other payables and non-current liabilities	0	8,394
NON-CURRENT LIABILITIES	**97,285,345**	**32,409,616**
Payables to other lenders	6,714,724	4,000,234
Current bank payables	5,582,199	5,443,457
Current income tax liabilities	1,472,464	715,453
Other current financial liabilities	9,295,787	1,479,663
Trade payables	6,813,220	4,478,794
Payables to associated companies	34,642	42,293
Current liabilities deriving from contracts	424,475	488,404
Other payables and current liabilities	1,721,165	2,802,920
CURRENT LIABILITIES	**32,058,676**	**19,451,218**
TOTAL LIABILITIES	**146,630,154**	**75.,521,777**

CONSOLIDATED INCOME STATEMENT

	Reported 9M 20	Reported Restated 9M 19	Adjusted 9M 20	Adjusted Restated 9M 19
REVENUES AND OPERATING INCOME				
Revenues from sales and services	34,730,619	23,591,100	34,730,619	23,591,100
Other revenue and income	510,560	65,872	107,511	65,872
Total revenues and operating income	**35,241,179**	**23,656,972**	**34,838,130**	**23,656,972**
OPERATING COSTS				
Purchases and services	(17,017,291)	(10,559,444)	(14,912,044)	(9,518,288)
Personnel costs	(7,088,880)	(4,354,359)	(7,088,880)	(4,354,359)
Amortisation, depreciation and write-downs	(6,562,833)	(4,803,456)	(5,984,766)	(4,570,634)
Provisions	0	0	0	0
Other costs and operating charges	(415,800)	(243,277)	(415,800)	(243,277)
Change Inventories of raw mat., consumables and goods	5,889	0	5,889	0
Total operating costs	**(31,078,916)**	**(19,960,536)**	**(28,395,601)**	**(18,686,558)**
EBIT	**4,162,263**	**3,696,436**	**6,442,528**	**4,970,414**
Income (Charges) from Equity Method	29,497	0	29,497	0
Financial income	60,566	167,548	60,566	167,548
Financial expenses	(780,509)	(219,313)	(780,509)	(219,313)
Exchange gains/(losses)	(19,781)	(39,725)	(19,781)	(39,725)
PROFIT BEFORE TAXES	**3,452,036**	**3,604,946**	**5,732,301**	**4,878,925**
Income taxes	(833,889)	526,664	(1,470,083)	404,213
NET PROFIT FROM CONTINUING OPERATIONS	**2,618,147**	**4,131,610**	**4,262,219**	**5,283,137**
Net profit from discontinued operations		**0**	**0**	**0**
NET PROFIT	**2,618,147**	**4,131,610**	**4,262,219**	**5,283,137**
EBITDA	**10,725,096**	**8,499,892**	**12,427,294**	**9,541,049**
	30,4%	**35,9%**	**35,7%**	**40,3%**
EBIT	**4,162,263**	**3,696,436**	**6,442,528**	**4,970,414**
	11,8%	**15,6%**	**18,5%**	**21,0%**

(*) The amounts at September 30, 2019 have been restated to take into account the net assets identified following the completion of the purchase price allocation process of the Company Adelante, acquired on July 18, 2018, and the Company Matika acquired on July 4, 2019, whose values had therefore not been included in the financial statements at September 30, 2019, in accordance with IFRS 3. For further information, reference should be made to the "Business combinations" note in the consolidated financial statements at 31.12.2019.

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Alternative performance indicators

***Total adjusted revenues and operating income* -** A non-GAAP measure used by the Group to measure performance. *Total adjusted operating revenues and income* is calculated as Total operating revenues and income as per the income statement, in accordance with IFRS, less the non-recurring item regarding the tax credit classified to "Other revenues and income". Total adjusted revenues and operating income is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Group may not be homogeneus with that adopted by other groups and, therefore, the amount obtained by the Group may not be comparable with the determined by the latter.

***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, financial income (including exchange gains and losses), financial expenses and amortisation, depreciation and write-downs. Adjusted EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the Parent Company may not be uniform with the criteria adopted by other groups and, therefore, its value for the Parent Company may not be comparable with that calculated by such groups.

***Adjusted EBITDA* -** A non-GAAP measure used by the Group to measure performance. Adjusted EBITDA is calculated as the algebraic sum of net profit for the period, gross of taxes, financial income (including exchange gains and losses), financial expenses, and amortisation, depreciation and write-downs, gross of the following accounts: "other non-recurring revenues and income", referring to the tax credit received to cover consultancy costs incurred as part of the regulated market listing process and merger & acquisition costs. Adjusted EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Group may not be homogeneus with that adopted by other groups and, therefore, the amount obtained by the Group may not be comparable with the determined by the latter.

***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 determination criterion applied by the Group may not be homogeneus with that adopted by other groups and, therefore, the amount obtained by the Group may not be comparable with the determined by the latter.

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", referring to the tax credit received to cover consultancy costs incurred as part of the regulated market listing process, merger & acquisition costs, 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 and 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.

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Operating highlights

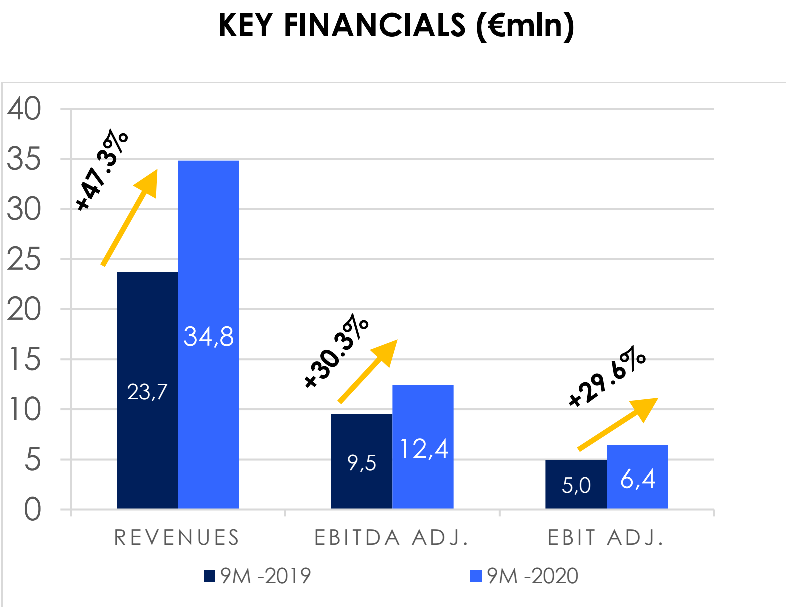
Total adjusted operating revenues and income was up 47.3% on the same period of 2019. This strong result reflects the Group's healthy income statement and the regard in which the WIIT Group is held among its customer base as a high-quality and cost competitive player. The Adjusted value excludes the tax credit received by the parent company for Euro 403,049.
The value of total revenues and operating income, EBITDA, profit before taxes and consolidated net profit for the first three months of the past two years is shown in the following table.

	9M 2020 Consolidated	9M 2019 Consolidated	9M 2020 Adjusted Consolidated	9M 2019 Adjusted Consolidated	% Adj.Cge.
Total revenues and operating income	35,241,179	23,656,972	34,838,130	23,656,972	**47.3%**
EBITDA	10,725,096	8,499,892	12,427,294	9,541,049	**30.3%**
Profit before taxes	3,452,036	3,604,946	5,732,301	4,878,925	**17.5%**
Consolidated net profit	2,618,147	4,131,610	4,262,219	5,283,137	**-19.3%**

Adjusted EBITDA was up 30.3% on 9M 2019, with a 35.7% revenue margin - indicating the highly optimised level of Group operating processes and services.

The adjusted consolidated net profit reflects the impact on non-recurring costs from the acquisition of Etaeria Spa and of myLoc Managed AG (approx. Euro 2.1 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.

The income statement do not include myLoc managed IT AG data. The acquisition occurred on 30th September 2020.



The 9M 2020 reclassified income statement of the company is compared below with the same period of the previous year (in Euro):

	9M 2020 Consolidated	9M 2019 Consolidated Restated	9M 2020 Adjusted Consolidated	9M 2019 Adjusted Restated Consolidated
Net revenues	35,241,179	23,656,972	34,838,130	23,656,972
External costs	(17,017,291)	(10,559,444)	(14,912,044)	(9,518,288)
Value added	**18,223,887**	**13,097,528**	**19,926,086**	**14,138,684**
Personnel costs	(7,088,880)	(4,354,359)	(7,088,880)	(4,354,359)
Other costs and operating charges	(415,800)	(243,277)	(415,800)	(243,277)
Change in inventories	5,889	0	5,889	0
EBITDA	**10,725,096**	**8,499,892**	**12,427,294**	**9,541,049**
Amortisation, depreciation and write-downs	(6,562,833)	(4,803,456)	(5,984,766)	(4,570,634)
EBIT	**4,162,263**	**3,696,436**	**6,442,528**	**4,970,414**
EBITDA Margin	30.4%	35.9%	35.7%	40.3%
EBIT Margin	11.8%	15.6%	18.5%	21.0%
PROFIT/(LOSS)	**2,618,147**	**4,131,610**	**4,262,219**	**5,283,137**

For a better understanding of the Group'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.

Ratio	Formula	9M 2020 Consolidated	9M 2019 Consolidated Restated	9M 2020 Adjusted Consolidated	9M 2019 Adjusted Restated Consolidated
ROE	Net profit / equity	15.15%	20.00%	22.52%	25.57%
ROI	EBIT / Capital employed	2.84%	5.10%	4.39%	6.85%
ROS	EBIT / Value of production	11.81%	15.63%	18.49%	21.01%

Balance Sheet highlights

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

	30.09.20 Consolidated	31.12.19 Consolidated
Net intangible assets	89,063,871	30,946,865
Net tangible assets	27,903,129	19,062,636
Equity investments and other financial assets	83,363	60,861
Other long-term receivables	624,538	732,278
Deferred tax assets	1,044,083	727,459
Fixed assets	**118,718,984**	**51,530,099**
Inventories	101,598.78	82627.75
Current trade receivables	6,199,717	6,442,595
Receivables from group companies	70,418	35,567
Receivables from subsidiaries	0	0
Current financial assets	95,529	0
Other receivables	3,769,230	2,594,529
Cash and Cash Equivalents	17,674,676	11,836,359
Current assets	**27,911,170**	**20,991,678**
Capital employed	**146,630,154**	**72,521,777**
Bank payables (within one year)	5,582,199	5,443,457
Payables to other lenders (within one year)	6,714,724	4,000,234
Payables to suppliers (within one year)	6,813,220	4,478,794
Payables to group companies	34,642	42,293.16
Tax payables and social security institutions	1,472,464	715,453
Other current financial liabilities	9,295,787	1,479,663
Other payables	2,145,639	3,291,324
Current liabilities	**32,058,676**	**19,451,218**
Post-employment benefits	2,677,667	1,983,999
Bank payables (beyond one year)	67,261,398	7,192,300
Payables to other lenders (beyond one year)	11,006,613	6,611,209
Payables to suppliers (beyond one year)	0	0
Other non-current financial liabilities	11,024,197	12,890,437
Other medium/long-term payables	548,751	851,125
Other payables and non-current liabilities	0	8,394
Deferred tax payables	4,766,720	2,872,152
Medium/long-term liabilities	**97,285,345**	**32,409,616**
Minority interest share capital	**129,344,021**	**51,860,834**
Shareholders' Equity	17,286,132	20,660,943
Own funds	**17,286,132**	**20,660,943**
Own Funds & Minority interest share capital	**146,630,154**	**72,521,777**

Main notes to the balance sheet

The increase in intangible assets is due to the goodwill of the two companies acquired in Q1 2020, although mainly relates to the final acquisition in Q3 2020 of the company myLoc Managed IT AG. With reference to myLoc managed IT AG goodwill, we underline that it will be allocated (Purchase price Allocation IFRS3).
At September 30, 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 2.5 million, of which Euro 1.6 million in software licenses for new orders.

New right-of-use (IFRS 16) contracts were signed in the first nine months of the year for Euro 1.07 million. In addition, the increase in payables to other lenders for rights-of-use is noted for approx. Euro 3.7 million of the newly acquired company myLoc Managed IT AG.

Property, plant and equipment includes investments in the period of Euro 3.9 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. 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.

	9M 2020 Consolidated Financial Statements	9M 2019 Restated Consolidated Financial Statements
Net profit from continuing operations	2,618,147	4,131,610
Adjustments for non-cash items	8,156,042	4,625,193
Cash flow generated from operating activities before changes	**10,774,189**	**8,756,803**
Changes in current assets and liabilities	1,590,202	(3,235,143)
Changes in non-recurring current assets and liabilities	(232,457)	(436,961)
Cash flow generated from operating activities	(407,800)	(333,059)
Net cash flow generated from operating activities (a)	**11,724,135**	**4,751,641**
Net cash flow used in investment activities (b)	(58,702,852)	(8,171,532)
Net cash flow from financing activities (c)	58,889,865	1,133,888
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**11,911,149**	**(2,286,003)**
Cash and cash equivalents at end of period	17,674,676	12,976,202
Cash and cash equivalents at beginning of period	11,836,360	17,930,107
Net increase/(decrease) in cash and cash equivalents	**5,838,316**	**(4,953,905)**

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Key Financial Indicators

The net financial position at September 30, 2020 was as follows:

	30.09.20 Consolidated	31.12.19 Consolidated
A - Cash and cash equivalents	17,674,676	11,836,359
B - Securities held for trading	0	0
C - Liquidity (A)+(B)	**17,674,676**	**11,836,359**
D - Current financial assets	95,529	0
E - Current bank payables	(5,582,199)	(5,443,457)
F - Other current financial liabilities	(9,295,787)	(1,479,663)
G - Payables to other lenders	(6,714,724)	(4,000,234)
H - Current financial debt (D)+(E)+(F)+(G)	**(21,497,181)**	**(10,923,354)**
I - Current net financial debt (H) - (C)	**(3,822,504)**	**913,005**
J - Bank payables	(67,261,398)	(7,192,300)
K - Payables to other lenders	(11,006,613)	(6,611,209)
L - Other non-current financial liabilities	(11,024,197)	(12,890,437)
M. Non-current financial payables (J)+(K)+(L)	**(89,292,207)**	**(26,693,946)**
N - Net financial debt (I) + (M) of the Group	**(93,114,712)**	**(25,780,942)**
- Lease payables IFRS 16 (current)	1,706,028	1,239,369
- Lease payables IFRS 16 (non-current)	7,537,773	4,231,069
O - Net financial debt excluding the impact of IFRS 16 for the Group	**(83,870,911)**	**(20,310,503)**

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 in the first nine 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 6.4 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 12.5 million (portion of the approved Euro 40 million loan).

In order to fund the acquisition of myLoc Managed IT AG, in addition to own funds of approx. Euro 1 million, the parent company agreed an amendment to the loan contract with the banking syndicate, Intesa Sanpaolo S.p.A. and Banco BPM S.p.A., in accordance with which an additional credit line for Euro 50 million at substantially similar terms and conditions to the other existing lines was issued.

In execution of the Shareholders' Meeting motion of April 29, 2020, on September 4, the buy-back plan began for the purchase of WIIT S.p.A shares on the STAR segment, Alternative Capital Market, of the Italian Stock Exchange. During the period, 12,620 shares for an amount of approx. Euro 2 million were purchased.

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

		30.09.20 Consolidated	**30.09.19 Consolidated Restated**
Primary liquidity	(Current assets + Inventory) / Current liabilities	0.87	1.08
Debt	Third party capital (loans) / Own capital	6.41	1.82

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

CASH FLOW STATEMENT	30.09.20	30.09.19 Restated
Net profit from continuing operations	2,618,147	4,131,610
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	6,562,833	4,803,456
Financial assets adjustments	(29,497)	0
Change in employee benefits	431,155	129,088
Increase (decrease) provisions for risks and charges	0	0
Financial expenses	780,509	219,313
Income taxes	833,889	(526,664)
Other non-cash changes (deferred tax assets/liabilities)	(422,846)	(135,417)
Cash flow generated from operating activities before working capital changes	**10,774,189**	**8,621,386**
Changes in current assets and liabilities:		
Decrease (increase) in inventories	(6,620)	(2,396)
Decrease (increase) in trade receivables	1,380,874	(549,906)
Decrease (increase) in tax receivables	13,066	0
Increase (decrease) in trade payables	888,699	(1,132,928)
Increase (decrease) in tax payables	(733,015)	(1,250,109)
Decrease (increase) in other current assets	48,275	(250,008)
Increase (decrease) in current liabilities	(1,077)	(49,796)
Decrease (increase) in other non-current assets	(59,754)	(3,900)
Increase (decrease) in other non-current liabilities	(8,394)	(6,285)
Decrease (increase) in assets deriving from contracts	201,994	147,427
Increase (decrease) in liabilities deriving from contracts	(366,303)	(574,203)
Cash flow generated from operating activities		
Income taxes paid	0	(204,636)
Interest paid/received	(407,800)	(128,423)
Net cash flow generated from operating activities (a)	**11,724,135**	**4,616,224**
Net increase intangible assets	(2,487,297)	(2,477,839)
Net increase tangible assets	(3,934,331)	(2,212,971)
Net decrease (increase) in financial assets	0	0
Cash flows from business combinations net of cash and cash equivalents	(52,281,225)	(3,480,722)
Net cash flow used in investing activities (b)	**(58,702,852)**	**(8,171,532)**
New financing	61,340,926	5,000,000
Repayment of loans	(1,133,087)	(2,066,021)
Drawdown of payables to other lenders	0	1,061,467
Finance lease payables	(759,308)	(1,451,558)
Payment of deferred fees for business combinations	(558,666)	(1,410,000)
Increases (decreases) in bank overdrafts	0	
(Purchase) Use of treasury shares	(1,961,674)	(203,910)
Distribution dividends	(4,111,159)	(2,328,575)
Net cash flow from financing activities (c)	**52,817,033**	**(1,398,596)**
Net increase/(decrease) in cash and cash equivalents a+b+c	**5,838,316**	**(4,953,905)**
Cash and cash equivalents at end of period	17,674,676	12,976,202
Cash and cash equivalents at beginning of period	11,836,360	17,930,107
Net increase/(decrease) in cash and cash equivalents	**5,838,316**	**(4,953,905)**

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Financial instruments

The Parent Company at 30.09.2020 had in place derivative interest rate hedges (IRS) related to the overall credit line of Euro 40 million subscribed in January 2020 and the Euro 50 million supplement agreed in September 2020. During the period, the Mark to Market value was recognised applying hedge accounting, recognising the fair value of the derivative to current and 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 Parent Company holds 136,326 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

During the first nine months of 2020, there were no cases of death of the staff registered in the employees' register.

During the period, no serious accidents at work leading to serious or very serious injuries for the staff registered in the employees' register were recorded.

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

Environment

During the first nine months of 2020, no environmental damage was declared against the Group companies.

No penalties were incurred for offences or environmental damage in 9M 2020 by the Group companies.

TRANSACTIONS WITH SUBSIDIARY, ASSOCIATE, HOLDING AND RELATED COMPANIES

Transactions with subsidiary, associate, holding and related companies

During the Mn first nine months 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.	WIIT Swiss S.A.	Adelante Srl	ICTW	MATIKA S.p.A.	COMM.IT Srl	Etaeria S.p.A.	Total
Revenues	WIIT Fin S.r.l.	-	374,250	-	-	-	-	-	-	374,250
	WIIT S.p.A.	-	-	-	851,308	-	548,369	6,200	464,249	1,870,126
	WIIT Swiss S.A.	-	687	-	-	-	-	-	-	687
	Adelante S.r.l.	-	88,682	-	-	7,873	-	81,729	1,652	179,935
	ICTW	-	39,082	-	16,200	-	-	-	-	55,282
	MATIKA S.p.A.	-	33,032	-	2,840	-	-	-	-	35,872
	COMM.IT Srl	-	3,025	-	100,665	-	-	-	-	103,690
	Etaeria S.p.A.	-	2,055,886	-	24,499	-	-	-	-	2,080,385
	Total	**-**	**2,594,644**	**-**	**995,512**	**7,873**	**548,369**	**87,929**	**465,901**	**4,700,227**

	Receivables	WIIT Fin S.r.l.	WIIT S.p.A.	WIIT Swiss S.A.	Adelante Srl	ICTW	MATIKA S.p.A.	COMM.IT Srl	Etaeria S.p.A.	Total
Payables	WIIT Fin S.r.l.	-	1,940,986	-	-	-	-	-	-	1,940,986
	WIIT S.p.A.	-	-	303,369	1,072,531	39,082	3,255,445	3,691	1,028,664	5,702,782
	WIIT Swiss S.A.	-	-	-	-	-	-	-	-	-
	Adelante S.r.l.	168,032	331,784	-	-	7,200	- 1,440	30,951	9,120	545,647
	ICTW	-	-	-	39,924	-	-	-	-	39,924
	MATIKA S.p.A.	-	8,090	-	-	-	-	-	-	8,090
	COMM.IT Srl	-	27,755	-	2,663	-	-	-	-	30,418
	Etaeria S.p.A.	-	964,273	-	-	-	-	-	-	964,273
	Total	**168,032**	**3,272,888**	**303,369**	**1,115,119**	**46,282**	**3,254,005**	**34,642**	**1,037,784**	**9,232,121**

Please note that the transactions with related parties, including inter-company transactions, are not quantifiable as either atypical or unusual but fall within the Parent Company and 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.
Parent company revenues include the dividends paid by Adelante Srl and Matika Spa.

Subsequent events

No significant events arose subsequent to the end of Q3 2020.

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, thanks also to the special promotional campaigns which were rolled out in the first half of the year.

Thanks to a business model based on long-term orders and recurring revenues, WIIT does not expect significant revenue impacts. The continuation of the emergency beyond the first six months may impact sales in terms of acquiring new customers, although not to such an extent as to raise concerns for the 2020 results. Strong interest is however confirmed from existing and new customers for the smart working and, particularly, cyber security services provided through WIIT's Cloud platform. 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, although such has not materialised to any significant extent thus far. 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 Prime Ministerial decrees 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 addition to adopting, while adapting them as required, all further indications from any published Prime Ministerial Decrees.

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 precautionary 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, while then reducing it over the summer months and returning to increase it from September in view of the rate of infections in the regions in which the company operates. Any specific needs are guaranteed relating to monitoring activities at its critical infrastructures (datacenters) through which the Company provides its continuous services to Customers, adopting the precautions set out in the published Prime Ministerial Decrees.

Milan, 12/11/2020

On behalf of 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 September 30, 2020 corresponds to the underlying accounting documents, records and entries.

Milan, 12/11/2020

The Executive Officer
(Stefano Pasotto)