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Oggetto : WIIT S.p.A. Board of Directors approves  
2020 separate financial statements and  
consolidated financial statements

*Testo del comunicato*

Vedi allegato.



## PRESS RELEASE

**WIIT S.p.A. Board of Directors approves 2020 separate financial statements and consolidated financial statements<sup>1</sup>**

**Sales rise further (+54.9%), driven by contracts extension to existing customer, the acquisition of new customers and the consolidation of myLoc in the fourth quarter of the year**

**Focus on higher added value products and continually expanding Cloud services market**

**Long-Term Backlog expansion of 32.6% to Euro 100 million at January 1<sup>st</sup>, 2021**

The WIIT Group reports for 2020:

- **Adjusted Consolidated Revenues of Euro 52.5 million (Euro 33.9 million in 2019), +54.9% on the previous year; increase driven by organic growth, a focus on higher added-value services, increasing cross-selling on customers of acquirees of the WIIT Group and their consequent consolidation (in particular myLoc in Q4 2020), the acquisition of new customers and a continually-expanding cloud services market.**
- **Consolidated Adjusted EBITDA of Euro 18.3 million (Euro 13.2 million in 2019), +38.8% on 2019, thanks to the concentration on Cloud services, the degree of optimisation of process and operating services organisation, cost synergies, and the ongoing improvement in the margin of acquirees; margin on revenue of 34.8%.**
- **Adjusted Consolidated EBIT of Euro 9.0 million (Euro 6.8 million in 2019), +33.0% on 2019, with a 17.2% margin on revenue, despite the increase in amortisation, depreciation and write-downs from Euro 6.4 million (in 2019) to Euro 9.3 million.**
- **Adjusted Net profit of Euro 6.1 million, up 8.7% on Euro 5.6 million in 2019 (net of the "Patent Box" effect of Euro 1 million in 2019 referring to the 2015-2019 accumulated benefit). The 2020 amount does not include the benefit of the Patent Box, currently being defined**
- **Adjusted Net Financial Position amounting to a net debt of Euro 95.3 million (Euro 25.5 million at December 31, 2019). The Adjusted Net Financial Position includes the IFRS 16 effect for Euro 9.0 million (Euro 5.5 million in 2019). This amount includes, in particular, the debt for the acquisition of myLoc at the end of September 2020 for approx. Euro 55 million (including the IFRS 16 effect and bank fees) and for the acquisition and payment of the earnouts relating to Etaeria S.r.l. (now Etaeria S.p.A.) and Aedera S.r.l. for a total of Euro 13 million, both concluded in January 2020. This value does not include the valuation of treasury shares in portfolio for approximately Euro 24.3 million at market value as at December 31, 2020.**

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<sup>1</sup>) For the definitions of EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Net Financial Position/Net Debt, Adjusted net profit, reference should be made to the "Alternative performance indicators" at the end of this Press Release.



- **2020 pro-forma data<sup>1</sup>:**
  - **Consolidated pro-forma revenues of Euro 65.4 million;**
  - **Consolidated pro-forma Adjusted EBITDA of Euro 24.7 million, with margin on revenue of 37.7%;**
  - **Consolidated pro-forma Adjusted EBIT of Euro 12.4 million, with a margin on revenue of 19.0%;**
  - **Consolidated pro-forma Adjusted net profit of Euro 9.3 million.**
- **Proposed dividend of Euro 1,05 for each WIIT share.**
- **Call notice for the Ordinar Shareholders' Meeting on May 5, 2021.**
- **2020 "Sustainability Report" approved on a voluntary basis.**

**Milan, March 19, 2021** – In its meeting today the Board of Directors of WIIT S.p.A ("WIIT" or the "Company"; ISIN IT0004922826; WIIT.MI), a leading European player in the Cloud Computing market for enterprises demanding uninterrupted Hybrid Cloud and Hosted Private Cloud services for critical applications, approved, *inter alia*, the 2020 Separate Financial Statements and the Consolidated Financial Statements - drawn up as per IFRS - and the Directors' Report.

The **Chief Executive Officer Alessandro Cozzi observed:** *"The results for 2020 confirm the Group's constant growth across all financial indicators. All four acquired companies met, and in some cases exceeded, their budget targets. The backlog - driven by upselling and cross selling on existing customers and the acquisition of ones - is continuously expanding. The ongoing sales growth is confirmed for the first two months of the year, in which we have seen growing demand for Cloud and Cyber Security services, supporting the figures for the first quarter of the year. Finally, we are investing in marketing and communication to support brand awareness and our commercial structures".*

\* \* \*

### **2020 Consolidated results**

The Group headed by WIIT (the "WIIT Group") reports **consolidated adjusted revenues** for 2020 of Euro 52.5 million, up significantly (+54.9%) on Euro 33.9 million in 2019.

This increase is driven by organic development, a focus on higher value-added services, the acquisition of new customers, cross-selling to customers of acquired companies and the consolidation of these companies.

Consolidated **Adjusted EBITDA** in 2020 was Euro 18.3 million (+38.8%), up on Euro 13.2 million in 2019, with a margin of 34.8%.

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<sup>1</sup>) The figures included on a pro-forma basis include the contribution of myLoc Management IT AG ("myLoc ") - a company acquired on September 30, 2020 - as of January 1, 2020. The data used for to prepare the pro-forma information was provided by the management of myLoc and has not been approved by the Board of Directors of WIIT, nor has it been subjected to a statutory audit or other review by WIIT's independent audit firm or Board of Statutory Auditors.



WIIT's margin in 2020 was 42.9%, compared to 44.4% in 2019<sup>2</sup>, Adelante's margin improved from 17.3% in 2019 to 21.1% in 2020. The margin of Matika was 27.2%, the Etaeria S.p.A. ("**Etaeria**") one was 19.5%, while the margin of myLoc managed IT AG ("**myLoc**") stood at 43.9%.

The normalisation performed on **EBITDA** in 2020 refers to non-recurring costs incurred for M&A activity (acquisition of myLoc) for Euro 2.4 million and to a tax credit of Euro 0.4 million, for a total value of approximately Euro 2.0 million.

**Adjusted EBIT** was Euro 9.0 million in 2020 (Euro 6.8 million in 2019), with a 17.2% margin, despite an increase in amortisation, depreciation and write-downs of Euro 2.9 million compared to 2019 to Euro 9.3 million.

**Adjusted net profit** was Euro 6.1 million in 2020, compared to Euro 5.6 million in 2019, net of the "Patent Box" tax benefit recognised in 2019 and amounting to Euro 1 million. The 2020 amount does not include the benefit of the Patent Box, currently being defined.

The **Net Financial Position (debt)**, considering the IFRS 16 impact of approx. Euro -9.0 million in 2020, increased from Euro -25.5 million at December 31, 2019 to Euro -95.3 million at December 31, 2020. This amount includes, in particular, the debt for the acquisition of myLoc at the end of September 2020 of approx. Euro 55 million (including the IFRS 16 effect and bank fees) and the acquisition and payment of the earnouts relating to the acquisitions of Etaeria S.p.A. and Aedera S.r.l. (the "**Aedera Business Unit**") for a total of Euro 13 million, both concluded in January 2020. This amount does not include the valuation of treasury shares in portfolio for approximately Euro 24.3 million at market value as at December 31, 2020.

Strong cash flows were generated from operating activities in 2020. Cash and cash equivalents were approx. Euro 18.2 million, despite CAPEX of approx. Euro 10.0 million in IT infrastructure related to new orders signed in the year, including the effect of myLoc's 2020 Capex, the non-recurring costs incurred for M&A's for approx. Euro 2.4 million and the purchase of treasury shares for Euro 3.9 million.

### **Significant events during 2020**

On **January 7, 2020** the Company signed a loan contract for a maximum of 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 aimed 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;

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3) The 46% margin recognised during 2019 and previously disclosed was calculated on revenues net of intercompany transactions, while the restated margin reported in this press release instead refers to revenues gross from intercompany transactions to ensure consistency with the 2020 margin.



- 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, which at the date of this press release have been complied with;
- 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 to which the disbursements are subjects to, declarations and guarantees, limitations on debt and corporate transactions, in addition to dividend distribution limits.

**On January 15, 2020**, WIIT 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 (Kelyan Group) business, provider of IT services and solutions for the digitalisation of companies in SAAS mode.

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 ("earnouts"), 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 (earnouts) for approx. Euro 0.9 million, subject to the achievement of the result objectives by the Aedera business unit in the 2019-2022 period.

**On May 4, 2020**, the company obtained from the Ministry for Economic Development the tax credit recognised to SMEs 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 Ministerial Decree of April 23, 2018. This credit has been included in the financial statements.

**On September 19, 2020**, WIIT signed an agreement for the purchase of 100% of the share capital of 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 order to fund with transaction, WIIT signed with Intesa Sanpaolo S.p.A. and Banco BPM S.p.A. an amendment to the loan agreed on January 7, 2020, in accordance with which, among others, an additional credit line for a maximum Euro 50 million was issued at substantially similar terms and conditions to those applied to the other existing lines.

**On November 23, 2020**, Igor Bailo was appointed as the new Chief Operating Officer of the WIIT Group. The appointment follows the agreed assessment made with the previous COO, Riccardo Mazzanti, that a new COO should take on the role.



### **Subsequent events**

**On January 21, 2021** WIIT S.p.A. announced the five-year renewal of its existing contract with a leading international group in the business process outsourcing services sector for a total value of **approximately Euro 6.9 million**. The new scope of services also includes access to WIIT's "Smart Working as a service" platform for over 1,000 people.

**On March 11, 2021** WIIT S.p.A. announced the four-year renewal of its existing contract with one of the main operators providing credit management services for a value of approximately Euro 3.3 million.

### **Dividend proposal**

The Board of Directors approved a proposal to the Shareholders' Meeting to distribute a gross dividend of Euro 1.05 for each outstanding WIIT share (excluding treasury shares), according to the following schedule: dividend coupon date of May 10, 2021 (ex date), record date of May 11, 2021 and payment date of May 12, 2021.

### **COVID-19 update, outlook and subsequent events 2020**

Despite the major uncertainties and fears regarding the social and economic repercussions of the ongoing COVID-19 pandemic, 2020 for WIIT was a year of significant revenue and margin growth compared to 2019.

The Group's operations continue in terms of marketing activities to build the brand, the analysis of the specific needs of the Group's targets and the preparation of the relative promotional campaigns.

WIIT - thanks to a business model based on long-term orders and recurring revenues - has not suffered significant revenue impacts. In fact, both revenues and the operating margin are in line with budget forecasts. As of Q1 2020, strong interest has been shown by existing and new customers in the smart working and cyber-security services provided through WIIT's Cloud platform. Acting conservatively, however, in light of the uncertainty surrounding the effects on working capital of 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, in April 2020 the Parent Company WIIT subscribed to a moratorium that suspended the repayment of bank loans for six months. This allowed the company to agree payment deadline extensions with some of its customers. The variety of sectors in which the Company operates and its good financial condition, in addition to its access to liquidity 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 Ministers 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



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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, 2020, 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 2020 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 (Data Centers) through which the Company provides its continuous services to customers, adopting the precautions set out in the published Prime Ministerial Decrees.

The WIIT Group will continue to monitor the evolution of the situation in order to minimize the social, health and safety at work, economic and financial impacts, by defining and implementing flexible action plans aimed at prompt action.

### **Other motions**

#### **Corporate Governance and Ownership Structure Report. Compliance with new Corporate Governance Code for listed companies**

The Board of Directors approved the "Corporate Governance and Ownership Structure Report" and the "Remuneration policy and report". This latter, in accordance with Article 123-ter of Legislative Decree No. 58/1998 (the "CFA"), shall be submitted for the approval of the Shareholders' Meeting; in this regard, both sections of the report shall be submitted for the consideration of the Shareholders' Meeting, which shall be binding only for the first section of the report regarding, in particular, the Company's remuneration policy.

In the context of the approval of the "Corporate Governance and Ownership Structure Report", the Board of Directors also approved compliance with the new Corporate Governance Code for Listed Companies, approved by the Corporate Governance Committee in January 2020. The Company will disclose to the market how it will apply the new Code in the Corporate Governance and Ownership Structure Report for the year 2021, which will be published in 2022.

#### **Payment of earnouts relating to WIIT Group acquisitions**

The Board of Directors, noting the achievement of the 2020 pre-set objectives as per the share capital sales/purchase contracts with Adelante S.r.l., Matika S.p.A. and Etaeria S.r.l., has resolved: (i) to settle in favour of Mr. Francesco Baroncelli, regarding Adelante S.r.l., an earnout for a maximum of Euro 1.4 million, to be entirely conferred in the form of WIIT shares; (ii) where the option to sell the additional 20% of the share capital of Matika S.p.A. is exercised by Stefano Dario, Giuseppe Malacarne and Luciano De Rugna, to settle in favour of Stefano Dario, Giuseppe Malacarne and Luciano De Rugna a maximum total amount of Euro 1.577 million, which will be paid 50% in cash and the remaining 50% in WIIT shares, as the "Earn out 2020" component of the consideration for the purchase of the additional 20% holding in the share capital of Matika S.p.A.; and (iii) where the option to sell the additional 20% holding in the share capital of Etaeria is exercised by AC Holding S.p.A., to pay AC Holding S.p.A. a maximum total amount of Euro 523,000, which will be paid entirely in cash, as the "Earn-out 2020" component of the consideration for the purchase of the additional 20% holding in the share capital of Etaeria

The earn-outs to be paid in WIIT shares will be settled by the Company based on the average price for the last three months.



### **Remuneration plans**

The Board of Directors approved the submission for the approval of the Shareholders' Meeting of:

- the "2021-2025 RSU Plan", intended for employees of WIIT Group companies. This plan is designed to pursue the goal of increasing the value of WIIT shares while aligning the financial interests of the beneficiaries with those of the shareholders. Specifically, the "2021-2025 RSU Plan" pursues the following objectives: (i) to incentivise beneficiaries to achieve the WIIT Group's management performance results; (ii) to align the interests of beneficiaries with the interests of shareholders in the creation of value in the medium-long term; (iii) to retain key staff of the WIIT Group, providing incentives for them to remain with the Company; (iv) to protect the WIIT Group's competitiveness in the labour market.
- the "2021-2023 Monetary Incentive Plan" regarding the portion on which the WIIT share performance is also based. This plan - intended for WIIT's Executive Directors, to be identified by the WIIT Board of Directors - is intended to pursue the following objectives (i) to link the remuneration of WIIT's key resources to the Group's actual financial performance and the creation of value for the Group; (ii) to focus the Company's key resources towards strategies for the pursuit of medium/ long-term results; (iii) to align the interests of the Company's key staff with those of its shareholders; (iv) to introduce retention policies designed to develop the loyalty of key staff and provide incentives for them to remain with the Company.
- the "2021-2026 Stock Option Plan", intended for Executive Directors and Senior Executives of WIIT Group companies, to be identified by the WIIT Board of Directors. This plan is intended to pursue the following objectives (i) to link the remuneration of WIIT Group's key resources to the actual performance of WIIT's stock; (ii) to align the interests of the Company's key staff with those of its shareholders.

For further details, reference should be made to the disclosure documents prepared by the Board of Directors in accordance with Article 84-bis of the Regulation adopted by Consob with Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), and Annex 3A of the Issuers' Regulation, which shall be made available to the public in accordance with statutory law and regulations, at the registered office and on the Company website (<http://www.wiit.cloud>) in the "Investors" section, in addition to the "eMarket STORAGE" authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)).

### **Authorisation of the purchase and utilisation of treasury shares**

The Board of Directors approved the submittal to the Shareholders' Meeting of the following proposals for the authorisation to purchase treasury shares so as to permit the Company to continue to hold a stock of treasury shares to be used (i) as consideration for any corporate transactions and/or other uses of financial-operating and/or strategic interest for the company, also for exchanges of investments with others to support operations of interest to the company, in addition to (ii) to service financial instrument based remuneration plans.

The authorisations to purchase treasury shares are requested according to the above limits: (i) up to a maximum 265,207 ordinary shares (corresponding to approx. 10% of the share capital of the Company); (ii) for 18 months from the date of the approving Shareholders' Meeting motion and (iii) a purchase price for each share not less than the official WIIT share price of the day before that on which the purchase transaction shall take place, reduced by 15%, and not greater than the official price on the day on which the purchase transaction shall take place, increased by 15%, all in compliance with Article 3 of Regulation (EU) 2016/1052. The purchases of treasury shares should in any case be made while ensuring the equal treatment of Shareholders, according to the methods established by Article 144-bis of the Issuers' Regulation. In executing the purchase transactions, the methods established by the applicable regulation shall be observed, in addition to permitted market practices, i.e. the conditions indicated by Regulation (EU) No. 596/2014.



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With regards to the disposal of treasury shares, this may take place: (i) without time limits and (ii) at a price which should not be lower than the average of the official share price over the five days preceding each disposal, reduced up to a maximum of 15%.

The Company currently holds 158,007 treasury shares, equal to 5.96% of WIIT's ordinary shares.

### **Calling of the Ordinary Shareholders' Meeting**

Subject to any updates (which will be promptly communicated) following any new regulatory provisions that may be issued in relation to the COVID-19 pandemic, the Board of Directors has resolved to call the Ordinary Shareholders' Meeting of WIIT at the offices of ZNR Notai in Milan, Via Metastasio, 5, on May 5, 2021, at 11AM, in single call. Attendance shall be allowed exclusively through the Designated Agent pursuant to Article 135-*undecies* of Legislative Decree No. 58/1998, without physical participation by the shareholders. The Meeting will resolve, *inter alia*, on: (i) approval of the 2020 Financial Statements; (ii) the renewal of the corporate boards of WIIT; (iii) the Remuneration Policy and Report; (iv) the authorisation to purchase and dispose of treasury shares; (v) the approval of the compensation plans based on financial instruments.

The call notice shall be published in extract form in the newspaper "Milano Finanza" and made available to the public in accordance with applicable law and regulations at the registered office and the authorised storage mechanism "eMarket STORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), and on the Company website (<http://www.wiit.cloud/>), in the "Investors" section.

### **Sustainability Report**

The Board of Directors of WIIT also approved, on a voluntary basis, the "Sustainability Report" (i.e. the Consolidated Non-Financial Statement) drawn up as per Legislative Decree 254/2016.

\* \* \*

The separate financial statements (with the relative reports) and the consolidated financial statements for 2020, submitted for the legally-required audit of Deloitte & Touche S.p.A., in addition to the documentation on the matters on the Shareholders' Meeting Agenda, including the full text of the proposals together with the illustrative reports required by the applicable regulation, shall be made available to the public in accordance with applicable law and regulations at the registered office and the authorised storage mechanism "eMarket STORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), on Borsa Italiana S.p.A.'s website ([www.borsaitaliana.it](http://www.borsaitaliana.it)) and on the Company website (<http://www.wiit.cloud/>), in the "Investors" section.

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The reclassified consolidated financial statements of the WIIT Group at December 31, 2020 compared with December 31, 2019 are attached. The figures in this press release have not yet been fully audited, nor have they been verified by the Board of Statutory Auditors.

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### **Statement pursuant to Article 154-bis, paragraph 2 of Legislative Decree No. 58/1998.**

The Corporate Financial Reporting Manager, Mr. Stefano Pasotto, declares, pursuant to Article 154-*bis*, second paragraph of Legislative Decree No. 58/1998, that this press release corresponds to the underlying accounting documents, records and accounting entries.

\* \* \*

This press release contains certain forward-looking statements and forecasts reflecting the Group management's current views with respect to certain future events. Forward-looking statements are generally identifiable by the



use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Group's future financial position and operating results, strategy, plans, objectives, goals and targets and future developments on the markets in which the Group participates or is seeking to participate. As a result of these uncertainties and risks, readers are advised that they should not excessively rely on such forward-looking information as an indicator of actual results. The Group's ability to achieve its projected results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. The forecasts and estimates contained therein are based on information available to the Group as of today. The Group assumes no obligation to publicly update or revise forecasts and estimates as a result of the availability of new information, future events or otherwise, subject to compliance with applicable laws.

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#### **WIIT S.p.A.**

WIIT S.p.A., listed on the STAR segment of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A (WIIT.MI), is a leading European Cloud Computing market player, focused particularly on the Hybrid Cloud and Hosted Private Cloud for enterprises market. *This company specialises in Hosted Private and Hybrid Cloud services for enterprises requiring critical application and business continuity management, with all the main international application platforms managed (SAP, Oracle and Microsoft) using an end-to-end approach. WIIT manages proprietary data centers, with the main center Tier IV level certified by the Uptime Institute LLC of Seattle (USA). This is the highest possible level of reliability, while the company is also among the world's most certified SAP partners. For further details, reference should be made to the Company website ([wiit.cloud](http://wiit.cloud)).*

#### **For further information:**

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The following tables have been prepared in accordance with IAS/IFRS.

## CONSOLIDATED BALANCE SHEET

	31.12.20	31.12.19
<b>ASSETS</b>		
Other intangible assets	29,157,680	13,341,905
Goodwill	56,660,268	17,604,960
Property, plant and equipment	5,520,266	3,208,450
Other tangible assets	23,033,145	10,147,369
Rights of use	5,948,090	5,706,817
Deferred tax assets	1,209,368	727,459
Equity investments and other non-current financial assets	81,863	60,861
Other non-current assets deriving from contracts	217,174	440,499
Other non-current assets	306,533	291,779
<b>NON-CURRENT ASSETS</b>	<b>122,134,387</b>	<b>51,530,099</b>
Inventories	85,487	82,628
Trade receivables	7,965,156	6,442,595
Trade receivables from associates	35,713	35,567
Current financial assets	13,482	0
Current assets deriving from contracts	223,325	269,325
Other receivables and other current assets	3,601,378	2,325,204
Cash and cash equivalents	18,242,212	11,836,359
<b>CURRENT ASSETS</b>	<b>30,166,752</b>	<b>20,991,678</b>
<b>TOTAL ASSETS</b>	<b>152,301,140</b>	<b>72,521,777</b>



	31.12.20	31.12.19
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share Capital	2,652,066	2,652,066
Share premium reserve	19,248,704	19,248,704
Legal reserve	530,422	530,414
Other reserves	(13,166,035)	(9,305,339)
Reserves and retained earnings (accumulated losses)	3,389,210	2,273,486
Translation reserve	(8,638)	11,579
Net profit for the year	2,473,089	5,250,033
<b>SHAREHOLDERS' EQUITY</b>	<b>15,118,817</b>	<b>20,660,943</b>
Payables to other lenders	11,409,366	6,611,209
Bank payables	72,984,366	7,192,300
Other non-current financial liabilities	10,945,144	12,890,437
Employee benefits	2,842,413	1,983,999
Deferred tax liabilities	8,624,975	2,872,152
Non-current liabilities deriving from contracts	447,960	851,125
Other payables and non-current liabilities	0	8,394
<b>NON-CURRENT LIABILITIES</b>	<b>107,254,224</b>	<b>32,409,616</b>
Payables to other lenders	6,517,799	4,000,234
Short-term loans and borrowings	3,885,074	5,443,457
Current income tax liabilities	1,138,913	715,453
Other current financial liabilities	8,124,085	1,479,663
Trade payables	6,166,928	4,478,794
Payables to associates	43,135	42,293
Current liabilities deriving from contracts	403,165	488,404
Other payables and current liabilities	3,648,998	2,802,920
<b>CURRENT LIABILITIES</b>	<b>29,928,097</b>	<b>19,451,218</b>
<b>LIABILITIES HELD-FOR-SALE</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>152,301,140</b>	<b>72,521,777</b>



## CONSOLIDATED INCOME STATEMENT

	Adjusted 31.12.20	Adjusted 31.12.19
<b>REVENUES AND OPERATING INCOME</b>		
Revenues from sales and services	52,094,235	33,726,729
Other revenues and income	449,563	184,728
<b>Total revenues and operating income</b>	<b>52,543,798</b>	<b>33,911,458</b>
<b>OPERATING COSTS</b>		
Purchases and services	(22,544,488)	(14,174,533)
Personnel costs	(10,456,285)	(6,228,704)
Amortisation, depreciation, and write-downs	(9,255,716)	(6,392,512)
Provisions	0	0
Other costs and operating charges	(1,227,659)	(381,993)
Change Inventories of raw mat., consumables and goods	(10,223)	65,913
<b>Total operating costs</b>	<b>(43,494,370)</b>	<b>(27,111,828)</b>
<b>EBIT</b>	<b>9,049,428</b>	<b>6,799,629</b>
Write-down of equity investments	29,497	(7,200)
Financial income	7,821	251,945
Financial expenses	(1,402,698)	(439,221)
Exchange gains/(losses)	(40,280)	(40,021)
<b>PROFIT BEFORE TAXES</b>	<b>7,643,767</b>	<b>6,565,132</b>
Income taxes	(1,554,501)	84,001
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>6,089,266</b>	<b>6,649,133</b>
<b>Net profit from discontinued operations</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT</b>	<b>6,089,266</b>	<b>6,649,133</b>
<b>EBITDA</b>	<b>18,305,143</b>	<b>13,192,141</b>
	<b>34.8%</b>	<b>38.9%</b>
<b>EBIT</b>	<b>9,049,428</b>	<b>6,799,629</b>
	<b>17.2%</b>	<b>20.1%</b>



## CONSOLIDATED INCOME STATEMENT

	Reported 31.12.20	Reported 31.12.19
<b>REVENUES AND OPERATING INCOME</b>		
Revenues from sales and services	52,094,235	33,726,729
Other revenues and income	852,612	184,728
<b>Total revenues and operating income</b>	<b>52,946,847</b>	<b>33,911,458</b>
<b>OPERATING COSTS</b>		
Purchases and services	(24,966,310)	(15,237,262)
Personnel costs	(10,456,285)	(6,228,704)
Amortisation, depreciation, and write-downs	(11,254,917)	(6,903,267)
Provisions	0	0
Other costs and operating charges	(1,227,659)	(381,993)
Change Inventories of raw mat., consumables and goods	(10,223)	65,913
<b>Total operating costs</b>	<b>(47,915,394)</b>	<b>(28,685,313)</b>
<b>EBIT</b>	<b>5,031,453</b>	<b>5,226,144</b>
Write-down of equity investments	29,497	(7,200)
Financial income	7,821	251,945
Financial expenses	(1,402,698)	(439,221)
Exchange gains/(losses)	(40,280)	(40,021)
<b>PROFIT BEFORE TAXES</b>	<b>3,625,792</b>	<b>4,991,648</b>
Income taxes	(1,152,704)	258,383
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>2,473,089</b>	<b>5,250,031</b>
<b>Net profit from discontinued operations</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT</b>	<b>2,473,089</b>	<b>5,250,031</b>
<b>EBITDA</b>	<b>16,286,370</b>	<b>12,129,411</b>
	<b>30.8%</b>	<b>35.8%</b>
<b>EBIT</b>	<b>5,031,453</b>	<b>5,226,144</b>
	<b>9.5%</b>	<b>15.4%</b>



	31/12/2020 Consolidated	31/12/2019 Consolidated
A - Cash and cash equivalents	18,242,212	11,836,359
B - Securities held for trading	0	0
<b>C - Liquidity (A)+(B)</b>	<b>18,242,212</b>	<b>11,836,359</b>
D - Current financial assets	13,482	0
E - Current bank payables	(3,885,074)	(5,443,457)
F - Other current financial liabilities	(8,124,085)	(1,479,663)
G - Payables to other lenders	(6,517,799)	(4,000,234)
<b>H - Current financial debt (D)+(E)+(F)+(G)</b>	<b>(18,513,476)</b>	<b>(10,923,354)</b>
<b>I - Current net financial debt (H) - (C)</b>	<b>(271,264)</b>	<b>913,005</b>
J - Bank payables	(72,984,366)	(7,192,300)
K - Other non-current financial assets	306,533	291,779
L - Payables to other lenders	(11,409,366)	(6,611,209)
M - Other non-current financial liabilities	(10,945,144)	(12,890,437)
<b>N. Non-current financial payables (J)+(K)+(L)+(M)</b>	<b>(95,032,344)</b>	<b>(26,402,168)</b>
<b>O - Net financial debt (J) + (N) for the Group</b>	<b>(95,303,608)</b>	<b>(25,489,163)</b>
- Lease payables IFRS 16 (current)	1,833,287	1,239,369
- Lease payables IFRS 16 (non-current)	7,174,990	4,231,069
<b>P - Net financial debt excluding the impact of IFRS 16 for the Group</b>	<b>(86,295,331)</b>	<b>(20,018,725)</b>



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## BALANCE SHEET OF THE PARENT COMPANY WIIT S.P.A.

	31.12.20	31.12.19
<b>ASSETS</b>		
Other intangible assets	7,048,640	3,474,109
Goodwill	4,028,781	2,521,040
Rights-of-use	5,053,285	5,235,724
Property, plant and equipment	2,060,717	2,877,027
Other tangible assets	8,259,900	8,984,386
Deferred tax assets	821,197	625,195
Equity investments and other non-current financial assets	73,707,213	19,973,063
Other non-current assets deriving from contracts	217,174	384,668
Other non-current assets	288,712	279,312
<b>NON-CURRENT ASSETS</b>	<b>101,485,620</b>	<b>44,354,522</b>
Inventories	731	0
Trade receivables	5,684,337	3,882,782
Trade receivables from group companies	613,806	116,791
Current financial assets	1,094,920	647,000
Current assets deriving from contracts	223,325	325,155
Other receivables and other current assets	1,987,889	2,108,330
Cash and cash equivalents	13,324,350	8,990,107
<b>CURRENT ASSETS</b>	<b>22,929,357</b>	<b>16,070,166</b>
<b>TOTAL ASSETS</b>	<b>124,414,976</b>	<b>60,424,688</b>



The Private Cloud

31.12.20

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	530,413	530,413
Other reserves	(13,152,231)	(9,305,343)
Reserves and retained earnings (accumulated losses)	2,536,962	87,605
Translation reserve	0	0
Net profit for the year	4,847,988	6,240,515
<i>Profit attributable to non-controlling interests</i>	0	0

**SHAREHOLDERS' EQUITY** **16,663,902** **19,453,961**

*Non-controlling interest shareholders' equity*

Payables to other lenders	6,255,078	6,075,723
Bank payables	72,650,818	7,092,425
Other non-current financial liabilities	4,846,893	5,822,758
Employee benefits	1,685,736	1,282,889
Deferred tax liabilities	639,411	212,782
Non-current liabilities deriving from contracts	447,960	750,334
Other payables and non-current liabilities	0	0

**NON-CURRENT LIABILITIES** **86,525,896** **21,236,910**

Payables to other lenders	4,046,520	3,823,447
Short-term loans and borrowings	3,491,188	5,273,589
Current income tax liabilities	213,132	149,743
Other current financial liabilities	8,725,932	6,181,406
Trade payables	2,696,145	1,804,310
Payables to group companies	167,912	10,972
Current liabilities deriving from contracts	403,165	589,195
Other payables and current liabilities	1,481,184	1,901,154

**CURRENT LIABILITIES** **21,225,178** **19,733,817**

**LIABILITIES HELD-FOR-SALE** **0** **0**

**TOTAL LIABILITIES** **124,414,976** **60,424,688**



The Private Cloud

## INCOME STATEMENT OF THE PARENT COMPANY WIIT S.P.A.

	31.12.20	31.12.19
<b>REVENUES AND OPERATING INCOME</b>		
Revenues from sales and services	25,547,439	22,369,288
Other revenues and income	575,672	132,994
<b>Total revenues and operating income</b>	<b>26,123,111</b>	<b>22,502,281</b>
<b>OPERATING COSTS</b>		
Purchases and services	(11,685,617)	(9,012,934)
Personnel costs	(4,954,883)	(4,257,374)
Amortisation, depreciation & write-downs	(7,252,064)	(5,851,714)
Provisions	0	0
Other costs and operating charges	(460,695)	(293,183)
Change Inventories of raw mat., consumables and goods	0	0
<b>Total operating costs</b>	<b>(24,353,259)</b>	<b>(19,415,205)</b>
<b>EBIT</b>	<b>1,769,852</b>	<b>3,087,077</b>
Write-down of equity investments	0	0
Financial income	4,642,155	2,773,805
Financial expenses	(1,306,636)	(428,276)
Exchange gains/(losses)	2,012	0
<b>PROFIT BEFORE TAXES</b>	<b>5,107,383</b>	<b>5,432,605</b>
Income taxes	(259,395)	807,909
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>4,847,988</b>	<b>6,240,515</b>
<b>Net profit from discontinued operations</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT</b>	<b>4,847,988</b>	<b>6,240,515</b>
<b>EBITDA</b>	<b>9,021,916</b>	<b>8,938,791</b>
	<b>34.5%</b>	<b>39.7%</b>
<b>EBIT</b>	<b>1,769,852</b>	<b>3,087,077</b>
	<b>6.8%</b>	<b>13.7%</b>



### **Alternative performance indicators**

**Adjusted EBITDA** - A non-GAAP measure used by the Group to measure performance. It equates to EBITDA gross of the following accounts: "IPO process costs", merger & acquisition costs and labour costs as per IFRS 2 regarding performance shares and the PPA impact. 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.

**EBITDA** - A non-GAAP measure used by the Group to measure performance. 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. 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.

**EBITDA margin** - ratio in percentage terms between EBITDA and total revenues and income.

**EBIT Adjusted margin** - ratio in percentage terms between EBITDA and total revenues and income.

**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, 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** - is Adjusted EBITDA, net of amortisation, depreciation and write-downs.

**EBIT margin** - ratio in percentage terms between EBIT and total revenues and income.

**The adjusted profit attributable to the owners of the Parent** is the result for the period attributable to the owners of the Parent, as published in the Consolidated Income Statement, net of the relative adjustment items. Adjustment items: earnings items are considered for adjustment where they: (i) derive from non-recurring events and operations or from operations or events which do not occur frequently; (ii) derive from events and operations not considered as in the normal course of business operations.

**Net Financial Position (debt)** - this is a valid measure of the Group's financial structure. It is calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets regarding derivative instruments, excluding financial liabilities (current and non-current) relating to operating leases recognised to the financial statements as per IFRS 16.

**Total Net Financial Position (debt)** includes also financial liabilities for leases recognised to the financial statements as per IFRS 16, previously classified as operating leases.

**Adjusted NFP** – Net Financial Position excluding IFRS16 effect

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