



# WIIT Group

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Interim Financial Report  
at March 31, 2021



## Details

Company:  
WIIT S.p.A.

Registered office:  
20121 - Milan, Via dei Mercanti No.12

Tax and VAT number:  
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

**WIIT**  
THE PREMIUM CLOUD



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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).

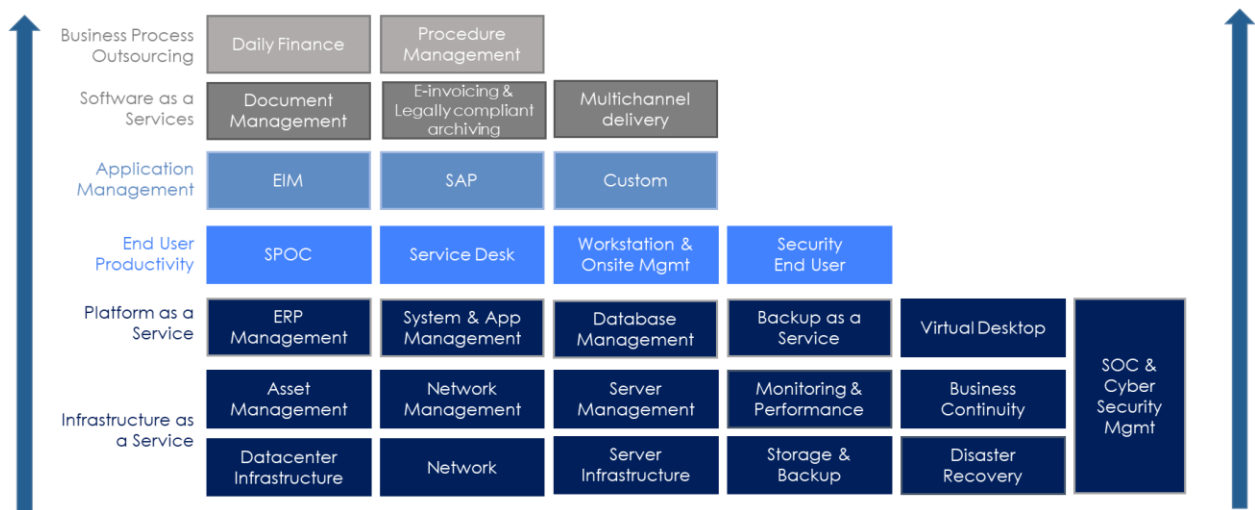
The company operates through two owned Data Centers, with the main Milan center TIER IV certified (maximum reliability level) by the Uptime Institute.

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 (subject to a termination option within the final six months). 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%20Guide/#/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                | Riccardo Sciutto       |
| Chief Executive Officer | Alessandro Cozzi       |
| Executive Director      | Francesco Baroncelli   |
| Executive Director      | Enrico Rampin          |
| Director                | Igor Bailo             |
| Director                | Stefano Dario          |
| Independent Director    | Annamaria Di Ruscio    |
| Independent Director    | Nathalie Brazzelli     |
| Independent Director    | Emanuela Basso Petrino |

### BOARD OF STATUTORY AUDITORS

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|   |                   |
|---|-------------------|
| Chairman of the Board of Statutory Auditors | Paolo Ripamonti   |
| Statutory Auditor                           | Chiara Olliveri   |
| Statutory Auditor                           | Francis De Zanche |
| Alternate Auditor                           | Guido Giovando    |
| Alternate Auditor                           | Fabrizia Pecunia  |

### RISKS AND RELATED PARTIES COMMITTEE

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|             |                     |
|-------------|---------------------|
| Chairperson | Annamaria Di Ruscio |
| Member      | Riccardo Sciutto    |
| Member      | Nathalie Brazzelli  |

### APPOINTMENTS AND REMUNERATION COMMITTEE

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|             |                        |
|-------------|------------------------|
| Chairperson | Emanuela Basso Petrino |
| Member      | Riccardo Sciutto       |
| Member      | Annamaria Di Ruscio    |

### SUPERVISORY AND CONTROL BOARD

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|   |                 |
|---|-----------------|
| Chairman of the Supervisory and Control Board | Dario Albarello |
|---|-----------------|

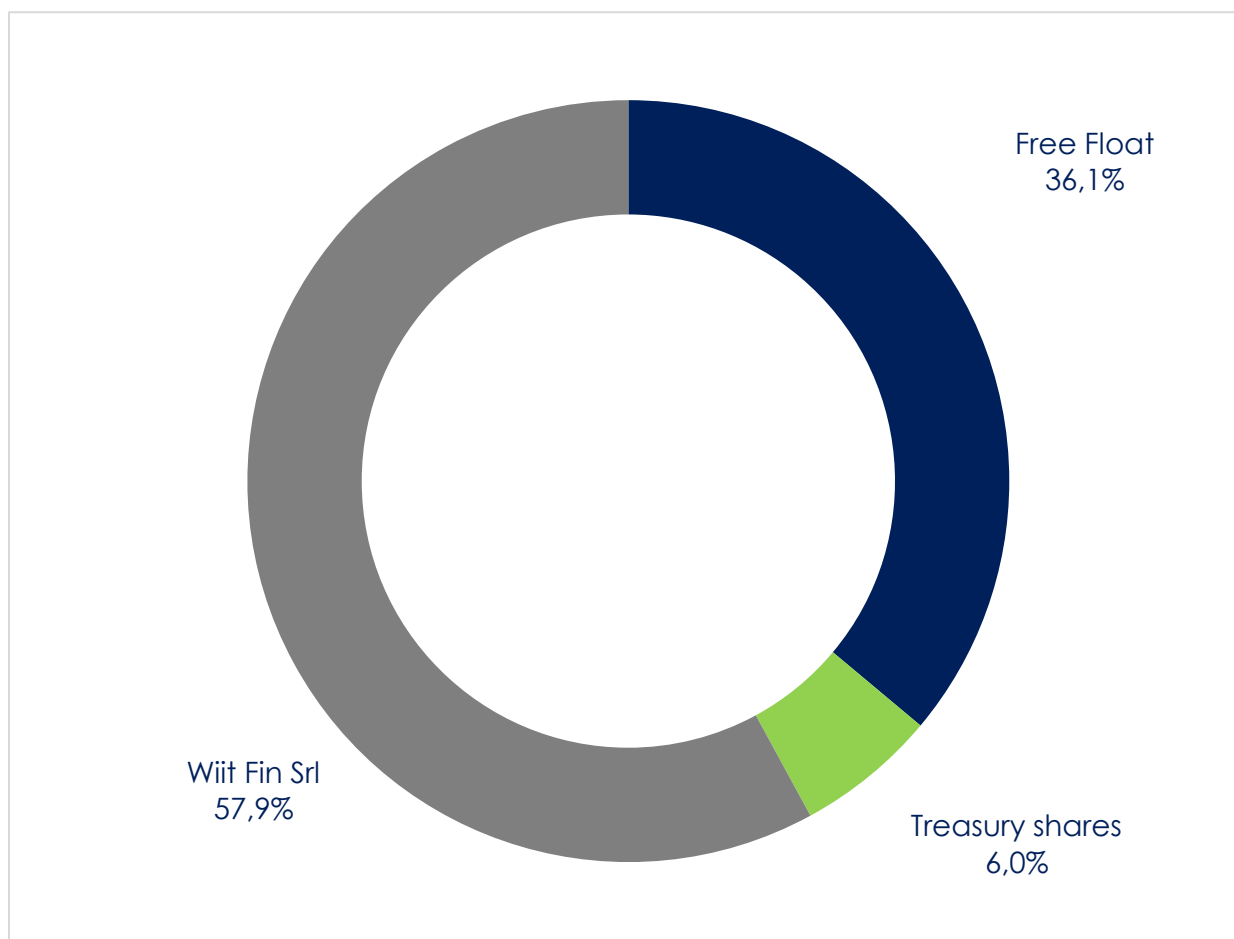
### INDEPENDENT AUDIT FIRM

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Deloitte & Touche S.p.A.

## Shareholders

WIIT S.p.A.'s main shareholders at March 31, 2021 are:



| Shareholder                                    | Number of shares held<br>31.03.2021 | %             |
|--|-------------------------------------|---------------|
| Wiit Fin Srl (*)                               | 1,534,166                           | 57.93%        |
| Alessandro Cozzi                               | 2,241                               |               |
| Treasury shares                                | 158,463                             | 5.98%         |
| Market   | 957,196                             | 36.09%        |
| <b>TOTAL</b>                                   | <b>2,652,066</b>                    | <b>100%</b>   |
| <b>FREE FLOAT (Treasury shares and Market)</b> | <b>1,115,659</b>                    | <b>42.07%</b> |

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





# Directors' Report

## Significant events

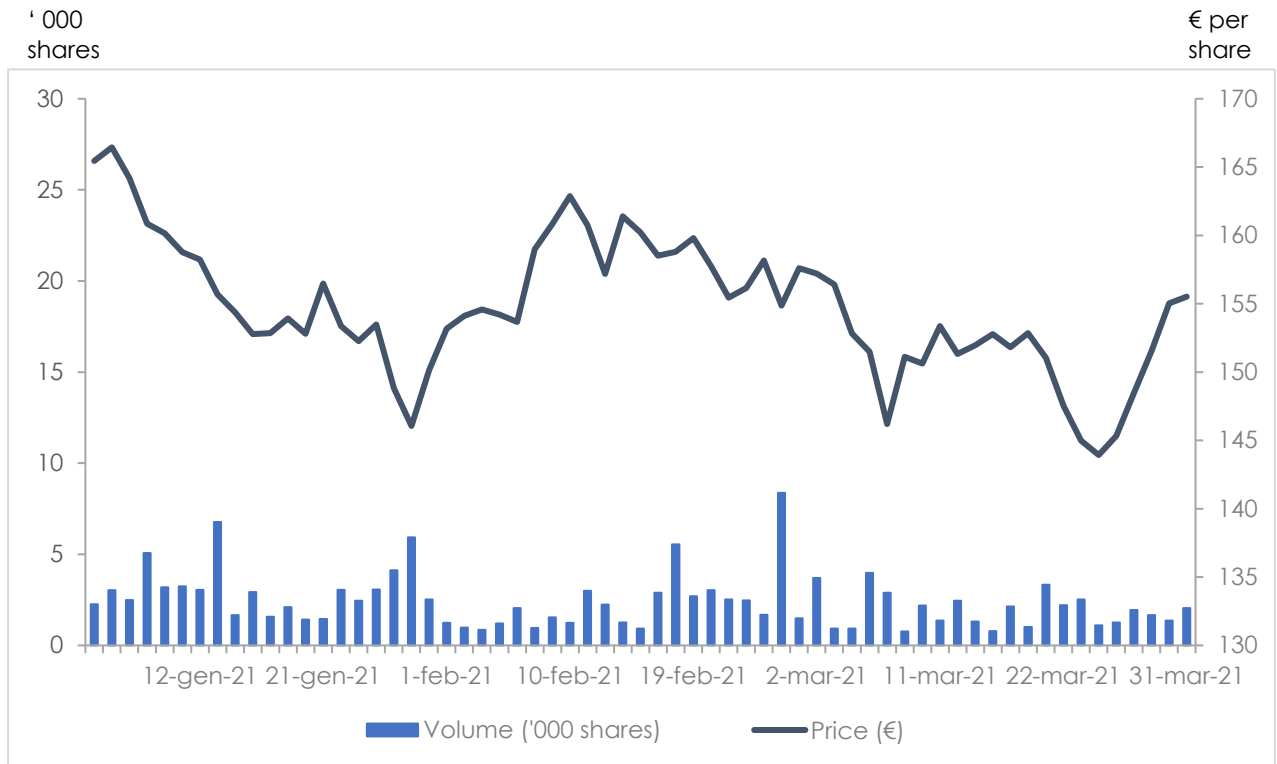
In January 2021, the Parent Company signed a five-year renewal of its existing contract with a leading international Group in the Business Process Outsourcing services sector for a total value of approx. Euro 6.9 million. The new scope of services also includes access to WIIT's "Smart Working as a service" platform for over 1,000 people.

The new contract reflects the growing demand in the Professional Services sector for agile and resilient Cloud platforms to support digital conversion processes.

In March 2021, the Parent Company signed the four-year renewal of its existing contract with one of the main operators providing Credit Management services for a value of approx. Euro 3.3 million. The scope of the contract, in addition to the renewal of the "Smart Working as a Service" service, has also been extended to WIIT's Cyber Security platform. This extension confirms that Cyber Security is now a key element that customers recognize as an integral part of the Hybrid and Private Cloud model. WIIT's ongoing services - based on a consolidated governance model which meets and combines business and operational needs - has allowed users to operate at full capacity even amid the COVID-19 pandemic.



## Share price and volumes



Period 1.01.2021 – 31.03.2021



## CONSOLIDATED BALANCE SHEET

|   | 31.03.2021         | 31.12.2020         |
|---|--------------------|--------------------|
| <b>ASSETS</b>   |                    |                    |
| Intangible assets   | 29,216,251         | 29,157,680         |
| Goodwill  | 56,660,267         | 56,660,268         |
| Plant and machinery                                       | 2,225,050          | 9,050,928          |
| Other tangible assets                                     | 24,487,903         | 2,417,428          |
| Rights-of-use   | 8,060,420          | 23,033,145         |
| Deferred tax assets                                       | 1,152,950          | 1,209,368          |
| Equity investments and other non-current financial assets | 81,863             | 81,863             |
| Other non-current assets deriving from contracts          | 187,129            | 217,174            |
| Other non-current assets                                  | 331,168            | 306,533            |
| <b>NON-CURRENT ASSETS</b>                                 | <b>122,403,000</b> | <b>122,134,387</b> |
| Inventories   | 134,814            | 85,487             |
| Trade receivables   | 7,772,856          | 7,965,156          |
| Trade receivables from associates                         | 33,734             | 35,713             |
| Current financial assets                                  | 13,980             | 13,482             |
| Current assets deriving from contracts                    | 197,539            | 223,325            |
| Other receivables and other current assets                | 4,031,439          | 3,601,378          |
| Cash and cash equivalents                                 | 18,777,845         | 18,242,212         |
| <b>CURRENT ASSETS</b>                                     | <b>30,962,207</b>  | <b>30,166,753</b>  |
| <b>TOTAL ASSETS</b>                                       | <b>153,365,208</b> | <b>152,301,140</b> |



## CONSOLIDATED BALANCE SHEET

|   | 31.03.2021         | 31.12.2020         |
|---|--------------------|--------------------|
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>             |                    |                    |
| <b>LIABILITIES</b>                                      |                    |                    |
| Share capital   | 2,652,066          | 2,652,066          |
| Share premium reserve                                   | 19,248,704         | 19,248,704         |
| Legal reserve   | 529,302            | 530,422            |
| Other reserves  | (14,559,005)       | (13,166,035)       |
| Reserves and retained earnings (accumulated losses)     | 5,862,298          | 3,389,210          |
| Translation reserve                                     | (4,879)            | (8,638)            |
| Group net profit  | 2,373,672          | 1,594,498          |
| <b>GROUP SHAREHOLDERS' EQUITY</b>                       | <b>16,102,158</b>  | <b>14,240,227</b>  |
| <i>Profit attributable to non-controlling interests</i> | 314,912            | 878,591            |
| <i>Non-controlling interests capital and reserves</i>   | 878,591            | 0                  |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                       | <b>17,295,661</b>  | <b>15,118,818</b>  |
| Payables to other lenders                               | 10,319,349         | 11,409,366         |
| Bank payables   | 72,226,968         | 72,984,366         |
| Other non-current financial liabilities                 | 8,827,369          | 10,945,144         |
| Employee benefits                                       | 2,812,037          | 2,842,413          |
| Deferred tax liabilities                                | 8,265,086          | 8,624,975          |
| Non-current liabilities deriving from contracts         | 397,195            | 447,960            |
| Other payables and non-current liabilities              | 366,574            | 0                  |
| <b>NON-CURRENT LIABILITIES</b>                          | <b>103,214,578</b> | <b>107,254,224</b> |
| Payables to other lenders                               | 8,253,825          | 6,517,799          |
| Short-term loans and borrowings                         | 4,597,395          | 3,885,074          |
| Current income tax liabilities                          | 1,988,187          | 1,138,913          |
| Other current financial liabilities                     | 8,502,772          | 8,124,085          |
| Trade payables  | 5,376,221          | 6,166,928          |
| Payables to associates                                  | 36,168             | 43,135             |
| Current liabilities deriving from contracts             | 353,139            | 403,165            |
| Other payables and current liabilities                  | 4,625,851          | 3,648,998          |
| <b>CURRENT LIABILITIES</b>                              | <b>33,733,558</b>  | <b>29,928,097</b>  |
| <b>TOTAL LIABILITIES</b>                                | <b>136,948,136</b> | <b>137,182,321</b> |
| <b>TOTAL LIABILITIES</b>                                | <b>153,365,208</b> | <b>152,301,140</b> |



## CONSOLIDATED INCOME STATEMENT

|  | Q1 2021             | Q1 2020            | Adjusted<br>Q1 2021 | Adjusted<br>Q1 2020 |
|--|---------------------|--------------------|---------------------|---------------------|
| <b>REVENUES AND OPERATING INCOME</b>                     |                     |                    |                     |                     |
| Revenues from sales and services                         | 17,682,455          | 11,138,146         | 17,682,455          | 11,138,146          |
| Other revenues and income                                | 62,569              | 460,182            | 62,569              | 57,133              |
| <b>Total revenues and operating income</b>               | <b>17,745,024</b>   | <b>11,598,328</b>  | <b>17,745,024</b>   | <b>11,195,279</b>   |
| <b>OPERATING COSTS</b>                                   |                     |                    |                     |                     |
| Purchases and services                                   | (6,943,423)         | (4,856,399)        | (6,928,423)         | (4,721,614)         |
| Personnel costs  | (3,340,126)         | (2,457,926)        | (3,340,126)         | (2,457,926)         |
| Amortisation, depreciation & write-downs                 | (3,533,162)         | (2,021,884)        | (3,033,662)         | (1,894,195)         |
| Provisions   | 0                   | 0                  | 0                   | 0                   |
| Other costs and operating charges                        | (372,314)           | (138,742)          | (372,314)           | (138,742)           |
| Change Inventories of raw mat.,<br>consumables and goods | 49,327              | 175,463            | 49,327              | 175,463             |
| <b>Total operating costs</b>                             | <b>(14,139,699)</b> | <b>(9,299,488)</b> | <b>(13,625,199)</b> | <b>(9,037,015)</b>  |
| <b>EBIT</b>  | <b>3,605,325</b>    | <b>2,298,840</b>   | <b>4,119,825</b>    | <b>2,158,265</b>    |
| Income (Charges) from Equity Method                      | 0                   | 0                  | 0                   | 0                   |
| Financial income   | 385                 | 319                | 385                 | 319                 |
| Financial expenses                                       | (314,412)           | (147,980)          | (314,412)           | (147,980)           |
| Exchange gains/(losses)                                  | (11,472)            | (4,978)            | (11,472)            | (4,978)             |
| <b>PROFIT BEFORE TAXES</b>                               | <b>3,279,826</b>    | <b>2,146,202</b>   | <b>3,794,327</b>    | <b>2,005,626</b>    |
| Income taxes   | (591,242)           | (430,867)          | (639,692)           | (391,646)           |
| <b>NET PROFIT</b>  | <b>2,688,584</b>    | <b>1,715,335</b>   | <b>3,154,635</b>    | <b>1,613,980</b>    |
| <b>EBITDA</b>  | <b>7,138,488</b>    | <b>4,320,724</b>   | <b>7,153,488</b>    | <b>4,052,460</b>    |
|  | <b>40.2%</b>        | <b>37.3%</b>       | <b>40.3%</b>        | <b>36.2%</b>        |
| <b>EBIT</b>  | <b>3,605,325</b>    | <b>2,298,840</b>   | <b>4,119,825</b>    | <b>2,158,265</b>    |
|  | <b>20.3%</b>        | <b>19.8%</b>       | <b>23.2%</b>        | <b>19.3%</b>        |



## ALTERNATIVE PERFORMANCE INDICATORS

In accordance with the ESMA recommendation on alternative performance measures (ESMA/2015/1415), as implemented by Consob Communication No. 0092543 at December 3, 2015, the Alternative Performance Measures used to monitor the Group's operating and financial performance are outlined below.

**EBITDA** - A non-GAAP measure used by the Group to measure performance. EBITDA is the sum of the net profit for the year, gross of taxes, financial income and expenses (including exchange gains and losses) and amortisation, depreciation and write-downs. EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Company may not be homogeneous with that adopted by other groups and, therefore, the amount obtained by the Parent Company may not be comparable with that determined by the latter.

**EBITDA Margin** - measures the Group operating profitability as a percentage of consolidated revenues reported in the year and is defined as the ratio between EBITDA and Total revenues and operating income.

**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 year gross of taxes, financial income and expenses (including exchange gains and losses), amortisation, depreciation and write-downs and the effects of non-recurring transactions and of certain events and transactions which management considers as unrelated to the Group's operating performances.

With regards to Adjusted EBITDA, the Group states that the adjustment (which defines Adjusted EBITDA) was made for the purposes of reflecting the Group's operating performance, net of the effects of certain events and transactions. This adjustment on certain expenses was necessary for the improved comparability of the historic figures of the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business, mainly related to costs incurred to complete business combinations, such as M&A professional services costs.

The Group excludes from the Adjusted EBITDA calculation also non-recurring transactions, principally related to M&A costs, in order to improve the comparability of the Group's operating performance. 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 homogeneous 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 EBITDA Margin** - measures the Group operating profitability as a percentage of consolidated revenues reported in the year and is defined as the ratio between Adjusted EBITDA and Total revenues and operating income.

**EBIT** - A non-GAAP measure used by the Group to measure performance. EBIT is the sum of the net profit for the year, gross of taxes and financial income and expenses (including exchange gains and losses). 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 homogeneous 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 Margin** - measures the earning capacity of Group sales. It is calculated as the ratio between EBIT and Total revenues and operating income.



**Adjusted EBIT** - A non-GAAP measure used by the Group to measure performance. Adjusted EBIT is calculated as the sum of the net profit for the year gross of taxes and financial income and expenses (including exchange gains and losses) and the effects of non-recurring transactions and of certain events and transactions which management considers as unrelated to the Group's operating performances.

With regards to Adjusted EBIT, the Group states that the adjustment (which defines Adjusted EBIT) was made for the purposes of reflecting the Group's operating performance, net of the effects of certain events and transactions. This adjustment on certain expenses was necessary for the improved comparability of the historic figures of the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business, mainly related to costs incurred to complete business combinations, such as M&A professional services costs and the amortisation of the intangible assets deriving from the Purchase Price Allocation of the acquisitions.

The Group excludes from the Adjusted EBIT calculation also non-recurring transactions, principally related to M&A costs, in order to improve the comparability of the Group's operating performance.

**Adjusted EBIT Margin** - measures the earning capacity of Group sales. It is calculated as the ratio between Adjusted EBIT and Total revenues and operating income.

**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 and depreciation of intangible and tangible assets arising from the purchase price allocation conducted in reference to the acquisitions and the related tax effects.

**Net financial debt** – this is a valid measure of the Group's financial structure. It is calculated in accordance with the provisions of Consob Communication DEM/6064293 of July 28, 2006 and in compliance with the ESMA/2013/319 recommendations.

The Adjusted consolidated value of production was up 58.5% on Q1 2020. 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. It owes to organic growth, following the extension of contracts and the acquisition of new customers (approx. +13%), in addition to the contribution of the newly acquired company myLoc Managed IT AG for Euro 4.7 million.

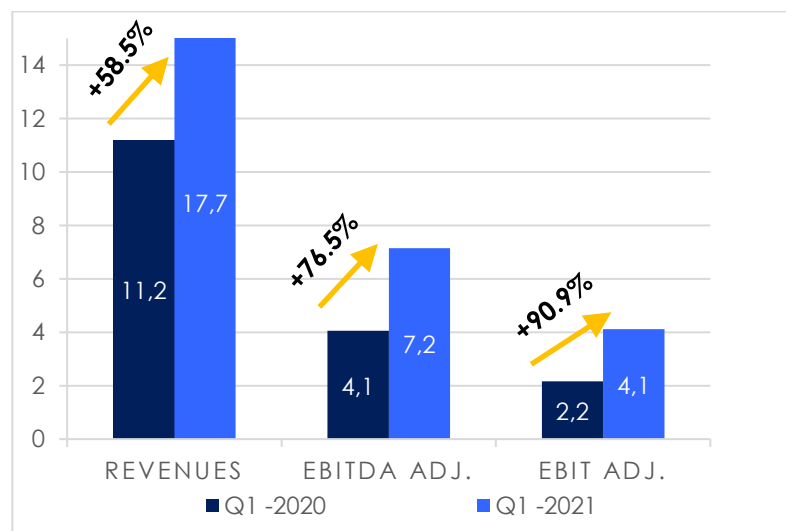
The value of production, EBITDA, profit before taxes and net profit for the first three months of 2021, compared with the same period of 2020, are shown in the following table.

|  | Q1 2021    | Q1 2020    | Q1 2021 Adjusted | Q1 2020 Adjusted | % Adj.Cge.   |
|--|------------|------------|------------------|------------------|--------------|
| <b>Total revenues and operating income</b> | 17,745,024 | 11,598,328 | 17,745,024       | 11,195,279       | <b>58.5%</b> |
| <b>EBITDA</b>                              | 7,138,488  | 4,320,724  | 7,153,488        | 4,052,460        | <b>76.5%</b> |
| <b>Profit before taxes</b>                 | 3,279,826  | 2,146,202  | 3,794,327        | 2,005,627        | <b>89.2%</b> |
| <b>Consolidated net profit</b>             | 2,688,584  | 1,715,335  | 3,154,635        | 1,613,981        | <b>95.5%</b> |

Adjusted EBITDA was up 76.5% on Q1 2020, with a 40.3% revenue margin - indicating the highly optimised level of Group operating processes and services and thanks to the contribution of the margins of the acquired company.

The Consolidated adjusted net profit is gross of merger and acquisition costs for Euro 15 thousand and amortisation and depreciation from the Purchase Price Allocation regarding the acquisitions for Euro 500 thousand, and tax effects of Euro 48 thousand.

### KEY FINANCIALS (€mn)







The Q1 2021 reclassified income statement of the company is compared below with the same period of the previous year (in Euro):

|  | Q1 2021           | Q1 2020          | Q1 2021<br>Adjusted | Q1 2020<br>Adjusted |
|--|-------------------|------------------|---------------------|---------------------|
| Net revenues                               | 17,745,024        | 11,598,328       | 17,745,024          | 11,195,279          |
| External costs                             | (6,943,423)       | (4,856,399)      | (6,928,423)         | (4,721,614)         |
| <b>Value added</b>                         | <b>10,801,601</b> | <b>6,741,929</b> | <b>10,816,601</b>   | <b>6,473,665</b>    |
| Personnel costs                            | (3,340,126)       | (2,457,926)      | (3,340,126)         | (2,457,926)         |
| Other costs and operating charges          | (372,314)         | (138,742)        | (372,314)           | (138,742)           |
| Change in inventories                      | 49,327            | 175,463          | 49,327              | 175,463             |
| <b>EBITDA</b>                              | <b>7,138,488</b>  | <b>4,320,724</b> | <b>7,153,488</b>    | <b>4,052,460</b>    |
| <i>EBITDA Margin</i>                       | 40.2%             | 37.3%            | 40.3%               | 36.2%               |
| Amortisation, depreciation and write-downs | (3,533,162)       | (2,021,884)      | (3,033,662)         | (1,894,195)         |
| <b>EBIT</b>                                | <b>3,605,326</b>  | <b>2,298,841</b> | <b>4,119,826</b>    | <b>2,158,266</b>    |
| <i>EBIT Margin</i>                         | 20.3%             | 19.8%            | 23.2%               | 19.3%               |
| <i>Income and charges</i>                  | (325,499)         | (152,638)        | (325,499)           | (152,638)           |
| <i>Income taxes</i>                        | (591,242)         | (430,867)        | (639,692)           | (391,646)           |
| <b>PROFIT</b>                              | <b>2,688,585</b>  | <b>1,715,336</b> | <b>3,154,635</b>    | <b>1,613,981</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.

| Formula                           | Q1 2021 | Q1 2020 | Q1 2021<br>Adjusted | Q1 2020<br>Adjusted |
|-----------------------------------|---------|---------|---------------------|---------------------|
| <b>Net profit / equity</b>        | 16.38%  | 12.05%  | 18.69%              | 11.32%              |
| <b>EBIT / Capital invested</b>    | 2.35%   | 1.51%   | 2.69%               | 1.42%               |
| <b>EBIT / Value of production</b> | 20.32%  | 19.82%  | 23.22%              | 19.28%              |



## Balance Sheet highlights

The reclassified balance sheet of the company for the first three months of 2021 is compared with the previous year below (in Euro):

|  | 31/03/21<br>Consolidated | 31/12/20<br>Consolidated |
|--|--------------------------|--------------------------|
| Net intangible assets                                  | 85,876,518               | 85,817,947               |
| Net tangible assets                                    | 34,773,373               | 34,501,501               |
| Equity investments and other financial assets          | 81,863                   | 81,863                   |
| Other long-term receivables                            | 518,296                  | 523,707                  |
| Deferred tax assets                                    | 1,152,950                | 1,209,368                |
| <b>Fixed assets</b>                                    | <b>122,403,000</b>       | <b>122,134,387</b>       |
| Inventories  | 134,814                  | 85,487                   |
| Current trade receivables                              | 7,772,856                | 7,965,156                |
| Receivables from group companies                       | 33,734                   | 35,713                   |
| Current financial assets                               | 13,980                   | 13,482                   |
| Other receivables                                      | 4,228,978                | 3,824,703                |
| Cash and cash equivalents                              | 18,777,845               | 18,242,212               |
| <b>Current assets</b>                                  | <b>30,962,206</b>        | <b>30,166,752</b>        |
| <b>Capital employed</b>                                | <b>153,365,208</b>       | <b>152,301,140</b>       |
| Bank payables (within one year)                        | 4,597,395                | 3,885,074                |
| Payables to other lenders (within one year)            | 8,253,825                | 6,517,799                |
| Payables to suppliers (within one year)                | 5,376,221                | 6,166,928                |
| Payables to group companies                            | 36,168                   | 43,135                   |
| Tax payables and social security institutions          | 1,988,187                | 1,138,913                |
| Other current financial liabilities                    | 8,502,772                | 8,124,085                |
| Other payables   | 4,978,990                | 4,052,163                |
| <b>Current liabilities</b>                             | <b>33,733,558</b>        | <b>29,928,097</b>        |
| Post-employment benefits                               | 2,812,037                | 2,842,413                |
| Bank payables (beyond one year)                        | 72,226,968               | 72,984,366               |
| Payables to other lenders (beyond one year)            | 10,319,349               | 11,409,366               |
| Payables to suppliers (beyond one year)                | -                        | -                        |
| Other non-current financial liabilities                | 8,827,369                | 10,945,144               |
| Other medium/long-term payables                        | 397,195                  | 447,960                  |
| Other payables and non-current liabilities             | 366,574                  | -                        |
| Deferred tax payables                                  | 8,265,086                | 8,624,975                |
| <b>Medium/long-term liabilities</b>                    | <b>103,214,578</b>       | <b>107,254,224</b>       |
| <b>Minority interest share capital</b>                 | <b>136,948,136</b>       | <b>137,182,321</b>       |
| Shareholders' Equity                                   | 16,417,070               | 15,118,818               |
| <b>Own funds</b>                                       | <b>16,417,070</b>        | <b>15,118,818</b>        |
| <b>Own Funds &amp; Minority interest share capital</b> | <b>153,365,207</b>       | <b>152,301,140</b>       |



## Main notes to the balance sheet

The value of fixed assets remains substantially unchanged as the effect of investments for approx. Euro 3.7 million in the period was offset by amortisation and depreciation of approx. Euro 3.5 million.

New right-of-use (IFRS 16) contracts were signed in the quarter for Euro 64 thousand. Cash and cash equivalents increased Euro 0.5 million despite the utilisation of liquidity for the acquisition of treasury shares for Euro 1.5 million. Payables to other lenders includes approx. Euro 2 million for investments in Q1 2021 and specifically the future leasing charges measured according to the finance method (IFRS 16, partly already recognised under IAS 17), in addition to property and motor vehicle lease contract payables relating to the above Standard and excluded from the cash flow statement.

Financial payables mainly concern lease payables (Right-of-use)

### Leased assets right-of-use

Leased assets are recognised as tangible assets when the underlying lease agreement calls for the redemption of the asset by the Company, which mainly includes electronic machines. For lease agreements that do not call for redemption of the asset (mainly operating leases related to property and vehicle leases), the assets are recognised under "rights-of-use". Rights-of-use are recognised as a separate asset account for an amount equal to the value of the financial liability determined on the basis of the present value of future payments discounted using the incremental borrowing rate for each contract, whereas assets under finance leases are recognised directly under the asset class to which they belong at the fair value of the asset specified under the related agreement in line with past policy.

The payable is gradually reduced on the basis of the repayment schedule of the principal included in the contractually agreed instalments, while the interest portion is recorded in the income statement and classified under financial charges. The value of the right-of-use recorded is depreciated on a straight-line basis according to the expiry dates of the lease contracts, also taking into account the probability of renewal of the contract if there is an enforceable renewal option. Leases relating to contracts with a duration of 12 months or less and contracts where the underlying asset is of low value are recorded on a straight-line basis in the income statement over the term of the contract.

The non-lease components relating to these assets have been separated and accounted for separately from the lease components.

In adopting IFRS 16, the Group opted for the exemption permitted under paragraph IFRS 16:5 (a) in respect of short-term leases for "Motor vehicles" and Other assets. The Group opted for the exemption permitted by IFRS paragraph 16:5(b)) concerning lease contracts where the underlying asset qualifies as a low-value asset. For such contracts, the introduction of IFRS 16 entailed the recognition of the financial liability associated with the lease and relevant right of use. Rather, the lease payments are taken to the income statement on a straight-line basis over the term of the relevant contracts under "other costs" in the income statement.



Rights-of-use concerning EDP relate to the assets recognised to "Other tangible assets" acquired through finance leases. The equipment acquired to date will be redeemed at the end of the contract.

## 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.

|   | 31.03.2021       | 31.03.2020       |
|---|------------------|------------------|
| Net profit from continuing operations                               | 2,688,584        | 1,715,335        |
| Adjustments for non-cash items                                      | 4,068,183        | 2,912,206        |
| <b>Cash flow generated from operating activities before changes</b> | <b>6,756,767</b> | <b>4,627,541</b> |
| Changes in current assets and liabilities                           | (488,931)        | (1,432,365)      |
| Changes in non-recurring current assets and liabilities             | 296,979          | 77,097           |
| Cash flow generated from operating activities                       | (299,207)        | (131,519)        |
| <b>Cash flow generated from operating activities (a)</b>            | <b>6,265,608</b> | <b>3,140,754</b> |
| Net cash flow used in investment activities (b)                     | (1,632,806)      | (7,246,676)      |
| Net cash flow from financing activities (c)                         | (4,097,171)      | 8,064,841        |
| <b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b> | <b>535,631</b>   | <b>3,958,919</b> |
| Cash and cash equivalents at end of the period                      | 18,777,844       | 15,795,279       |
| Cash and cash equivalents at beginning of the period                | 18,242,212       | 11,836,360       |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         | <b>535,633</b>   | <b>3,958,919</b> |



## Key Financial Indicators

The net cash position at March 31, 2021 was as follows:

|   | 31/03/2021          | 31/12/2020          |
|---|---------------------|---------------------|
| A - Cash and cash equivalents   | 18,777,845          | 18,242,212          |
| B - Securities held for trading   | 0                   | 0                   |
| <b>C - Liquidity (A)+(B)</b>  | <b>18,777,845</b>   | <b>18,242,212</b>   |
| D - Current financial assets  | 13,980              | 13,482              |
| E - Current bank payables   | (4,597,395)         | (3,885,074)         |
| F - Other current financial liabilities                                     | (8,502,772)         | (8,124,085)         |
| G - Payables to other lenders   | (8,253,825)         | (6,517,799)         |
| <b>H - Current financial debt (D)+(E)+(F)+(G)</b>                           | <b>(21,340,012)</b> | <b>(18,513,476)</b> |
| <b>I - Current net financial debt (H) - (C)</b>                             | <b>(2,562,167)</b>  | <b>(271,264)</b>    |
| J - Bank payables   | (72,226,968)        | (72,984,366)        |
| K - Payables to other lenders   | (10,319,349)        | (11,409,366)        |
| L - Other non-current financial liabilities                                 | (8,827,369)         | (10,945,144)        |
| <b>M. Non-current financial debt (J)+(K)+(L)</b>                            | <b>(91,373,686)</b> | <b>(95,338,876)</b> |
| <b>N - Net financial debt (I) + (M) of the Group</b>                        | <b>(93,935,853)</b> | <b>(95,610,140)</b> |
| - Lease payables IFRS 16 (current)  | 1,630,827           | 1,833,287           |
| - Lease payables IFRS 16 (non-current)                                      | 6,262,556           | 7,174,990           |
| <b>O - Net financial debt excluding the impact of IFRS 16 for the Group</b> | <b>(86,042,470)</b> | <b>(86,601,863)</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".

In the first three months, strong operating cash flows were generated, reflecting investments for approx. Euro 3.7 million, due to the acquisition of IT infrastructure and software for new orders. Payables to other lenders includes approx. Euro 2 million for investments in Q1 2021 and specifically the future leasing charges measured according to the finance method (IFRS 16, partly already recognised under IAS 17), in addition to property and motor vehicle lease contract payables relating to the above Standard and excluded from the cash flow statement.

Financial payables mainly concern lease payables (Right-of-use)



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

| <b>CONSOLIDATED CASH FLOW STATEMENT</b>   | <b>31.03.2021</b>  | <b>31.03.2020</b>  |
|---|--------------------|--------------------|
| <b>Net profit from continuing operations</b>  | 2,688,584          | 1,715,335          |
| <i>Adjustments for non-cash items:</i>  |                    |                    |
| Amortisation, depreciation, revaluations and write-downs                            | 3,533,162          | 2,021,884          |
| Financial assets adjustments  | 0                  | 0                  |
| Change in employee benefits   | (29,435)           | 29,508             |
| Increase (decrease) provisions for risks and charges                                | 0                  | 0                  |
| Financial expenses  | 314,412            | 147,980            |
| Income taxes  | 591,242            | 430,867            |
| Other non-cash changes (deferred tax assets/liabilities)                            | (341,200)          | 281,967            |
| <b>Cash flow generated from operating activities before working capital changes</b> | <b>6,756,767</b>   | <b>4,627,541</b>   |
| <i>Changes in current assets and liabilities:</i>                                   |                    |                    |
| Decrease (increase) in inventories  | (49,327)           | (176,194)          |
| Decrease (increase) in trade receivables  | 129,846            | 2,549,700          |
| Decrease (increase) in tax receivables  | 0                  | 13,066             |
| Increase (decrease) in trade payables   | (787,675)          | (1,478,633)        |
| Increase (decrease) in tax payables   | 125,768            | (734,982)          |
| Decrease (increase) other current assets  | (379,006)          | 1,242,313          |
| Increase (decrease) in current liabilities  | 471,463            | (2,847,635)        |
| Decrease (increase) in other non-current assets                                     | (24,635)           | (105,739)          |
| Increase (decrease) in other non-current liabilities                                | 366,574            | 237,606            |
| Decrease (increase) in assets deriving from contracts                               | 55,831             | 67,331             |
| Increase (decrease) in liabilities deriving from contracts                          | (100,791)          | (122,101)          |
| <i>Cash flow generated from operating activities</i>                                |                    |                    |
| Income taxes paid   | 0                  | 0                  |
| Interest paid/received  | (299,207)          | (131,519)          |
| <b>Cash flow generated from operating activities (a)</b>                            | <b>6,265,608</b>   | <b>3,140,754</b>   |
| Net increase intangible assets  | (1,280,687)        | (2,715,904)        |
| Net increase tangible assets  | (352,119)          | (119,020)          |
| Cash flows from business combinations net of cash and cash equivalents              | 0                  | (4,411,753)        |
| <b>Net cash flow used in investing activities (b)</b>                               | <b>(1,632,806)</b> | <b>(7,246,676)</b> |
| New financing   | 0                  | 10,000,000         |
| Repayment of loans  | (45,076)           | (1,131,144)        |
| Finance lease payables  | (1,543,038)        | (759,308)          |
| Payment of deferred fees for business combinations                                  | (1,010,284)        | (44,708)           |
| Distribution dividends  | 0                  | 0                  |
| Acquisition of treasury shares  | (1,498,773)        | 0                  |
| <b>Net cash flow from financing activities (c)</b>                                  | <b>(4,097,171)</b> | <b>8,064,841</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents a+b+c</b>                   | <b>535,633</b>     | <b>3,958,919</b>   |
| Cash and cash equivalents at end of the period                                      | 18,777,844         | 15,795,279         |
| Cash and cash equivalents at beginning of the period                                | 18,242,212         | 11,836,360         |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                         | <b>535,633</b>     | <b>3,958,919</b>   |



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

|                   |   | 31/03/2021 | 31/03/2020 |
|-------------------|---|------------|------------|
| Primary liquidity | (Current assets + Inventory) /<br>Current liabilities | 0.92       | 1.01       |
| Debt              | Third party capital (loans) / Own<br>capital          | 6.87       | 8.00       |

## Financial instruments

The Parent Company at March 31, 2021 had in place derivative interest rate hedges (IRS) related to the overall credit line of Euro 40 million subscribed in January 2020 and re-contracted in September 2020, increasing it to Euro 32.5 million. During the current 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 company holds 158,463 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 2021, 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 quarter of 2021.

### Environment

During the initial month of 2021, no environmental damage was declared against the company.

No penalties were incurred for offences or environmental damage in Q1 2021.



Contract

INVOICE

Date: xxxxxx  
Invoice No: 010001  
Customer ID: 223

| Quantity | Amount |
|----------|--------|
| 246.53   | 855.75 |
| 594.67   | 492.74 |
| 386.40   | 400.00 |
| 456.00   | 456.00 |

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

| May    | June   |
|--------|--------|
| 24,796 | 45,596 |
| 354    | 1,076  |
| 133    | 190    |
|        | 134    |
|        | 47,796 |





## Transactions with subsidiaries, associates, holding companies

|          | COSTS        | WIIT FIN | WIIT             | WIIT SWISS | ADELANTE       | ICTW         | MATIKA        | COMM.IT       | ETAERIA        | MYLOC | TOTAL            |
|----------|--------------|----------|------------------|------------|----------------|--------------|---------------|---------------|----------------|-------|------------------|
| REVENUES | WIIT FIN     | -        | 124,750          | -          | -              | -            | -             | -             | -              | -     | 124,750          |
|          | WIIT         | -        | -                | -          | 72,512         | -            | 8,714         | 3,720         | 295,368        | -     | 380,313          |
|          | WIIT SWISS   | -        | -                | -          | -              | -            | -             | -             | -              | -     | -                |
|          | ADELANTE     | -        | 22,978           | -          | -              | 2,426        | 14,250        | 32,048        | -              | -     | 71,702           |
|          | ICTW         | -        | 11,200           | -          | 5,400          | -            | -             | -             | -              | -     | 16,600           |
|          | MATIKA       | -        | 24,049           | -          | 720            | -            | -             | -             | -              | -     | 24,769           |
|          | COMM.IT      | -        | -                | -          | 28,547         | -            | -             | -             | -              | -     | 28,547           |
|          | ETAERIA      | -        | 910,567          | -          | 30,690         | -            | -             | -             | -              | -     | 941,257          |
|          | MYLOC        | -        | -                | -          | -              | -            | -             | -             | -              | -     | -                |
|          | <b>TOTAL</b> | -        | <b>1,093,543</b> | -          | <b>137,868</b> | <b>2,426</b> | <b>22,964</b> | <b>35,768</b> | <b>295,368</b> | -     | <b>1,587,938</b> |

|          | RECEIVABLES  | WIIT FIN       | WIIT             | WIIT SWISS | ADELANTE         | ICTW          | MATIKA           | COMM.IT       | ETAERIA        | MYLOC | TOTAL            |
|----------|--------------|----------------|------------------|------------|------------------|---------------|------------------|---------------|----------------|-------|------------------|
| PAYABLES | WIIT FIN     | -              | 1,570,375        | -          | -                | -             | -                | -             | -              | -     | 1,570,375        |
|          | WIIT         | -              | -                | -          | 1,491,172        | 11,200        | 4,207,265        | 10,327        | 393,222        | -     | 6,113,187        |
|          | WIIT SWISS   | -              | 278,761          | -          | -                | -             | -                | -             | -              | -     | 278,761          |
|          | ADELANTE     | 455,081        | 181,985          | -          | -                | 5,400         | -                | 25,853        | 14,445         | -     | 682,763          |
|          | ICTW         | -              | -                | -          | 34,338           | -             | -                | -             | -              | -     | 34,338           |
|          | MATIKA       | -              | 24,282           | -          | -                | -             | -                | -             | -              | -     | 24,282           |
|          | COMM.IT      | -              | 32,293           | -          | 1,448            | -             | -                | -             | -              | -     | 33,741           |
|          | ETAERIA      | -              | 479,011          | -          | -                | -             | -                | -             | -              | -     | 479,011          |
|          | MYLOC        | -              | -                | -          | -                | -             | -                | -             | -              | -     | -                |
|          | <b>TOTAL</b> | <b>455,081</b> | <b>2,566,708</b> | -          | <b>1,526,958</b> | <b>16,600</b> | <b>4,207,265</b> | <b>36,180</b> | <b>407,667</b> | -     | <b>9,216,459</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 after March 31, 2021

In April 2021, the Group joined the GAIA-X project promoted by Germany, France, Italy and other EU countries to create a European federation of cloud services and infrastructure to protect as best as possible the digital and data rights of European citizens. The cloud market has been growing for a number of years and saw a further boost with the outbreak of the COVID-19 pandemic and the introduction of measures such as Next Generation EU, which targets digitalisation as one of its key strategic objectives. Considering this environment and the ever-increasing centrality of Cloud Providers it has become critical that data - also that of public, sensitive or strategic bodies - is managed in Europe according to the standards of current regulations. GAIA-X will not be an alternative Cloud platform, but rather a system of common rules and standards to manage data and circulate it across federated infrastructures that avoid technology lock-ins and are designed to protect privacy and cyber security. Interoperability, portability and transparency are the key words that will guide the definition of policies to reflect European values. The result will be an open digital ecosystem that allows European companies to compete globally while allowing users of Cloud services to maintain digital sovereignty. A number of leading Cloud players have joined up, in addition to companies with a close focus on sovereignty and data management, including Confindustria Digitale, Leonardo and Enel Global Services. WIIT's participation is seen within this context. The company has always placed a great focus on data management, as engaged in the critical applications of its Customers - not only in Italy - but also at European level through the Cloud4Europe project.

### Appointment of the Board of Directors

The Shareholders' Meeting of May 5, 2021 appointed the new Board of Directors for the 2021-2023 three-year period, setting the number of members as 9; on the basis of the only slate, presented by the shareholder WIIT Fin S.r.l., holder of 57.85% of the share capital of WIIT, the following members were appointed:

- Riccardo Sciutto, as Chairman of the Board of Directors;
- Alessandro Cozzi;
- Igor Bailo;
- Francesco Baroncelli;
- Enrico Rampin;
- Annamaria Di Ruscio;
- Emanuela Teresa Basso Petrino;
- Nathalie Brazzelli;
- Stefano Dario.



### **Appointment of the Board of Statutory Auditors**

The Shareholders' Meeting appointed the new Board of Statutory Auditors for the 2021-2023 three-year period. On the basis of the only slate, presented by the shareholder WIIT Fin S.r.l., holder of 57.85% of the share capital of WIIT, the following members were appointed:

- Paolo Ripamonti, as Chairman of the Board of Statutory Auditors;
- Chiara Olliveri Siccardi, as Statutory Auditor;
- Francis De Zanche, as Statutory Auditor;
- Guido Giovando, as Alternate Auditor;
- Fabrizia Pecunia, as Alternate Auditor;

The Shareholders' Meeting considered the granting of powers and proxies, the verification of the requirements of the new members of the Board of Directors and of the Board of Statutory Auditors, in addition to the appointment of the Board sub-committees.

### **1:10 reverse stock split**

The Shareholders' Meeting approved the 1:10 reverse stock split of 2,652,066 ordinary shares (no par value) into 26,520,660 newly issued ordinary shares, having the same characteristics as the issued ordinary shares, through withdrawal and cancellation of the issued and existing ordinary shares, and assignment, for each ordinary share withdrawn and cancelled, of 10 newly issued ordinary shares. The Shareholders' Meeting consequently approved the relative By-Law changes.

This operation is expected to be completed following the payment of the dividend (i.e. May 12, 2021), by the end of May 2021. The shareholders shall be notified on the execution date of the reverse stock split.



## Outlook

### COVID-19 update

Despite the ongoing effects and concerns on the social and economic repercussions of the health emergency, 2021 is expected to mark a year of significant revenue and margin growth for WIIT, thanks to a business model based on multi-year orders and recurring revenues, in addition to the excellent market positioning of the WIIT Group's Cloud services, which are key to the digital transformation of businesses.

Company operations continue in terms of marketing activities to build the brand, supported also by the launch of the new logo and an innovative advertising campaign.

Strong interest is evident once again in 2021 not only for the Hybrid Cloud services, but also the smart working and cyber security provided through the WIIT Cloud platform by existing and new customers.

The variety of sectors in which the Company operates and its good financial standing, in addition to its access to liquidity (also considering the treasury shares in portfolio) and lines of credit approved by credit institutions but not drawn down are elements of further solidity.

The WIIT Group continues to monitor the developing situation in order to minimise its social and workplace health and safety impacts, in addition to the operating, equity and financial situation, by drawing up and rolling out flexible and timely action plans.

Milan, May 13, 2021

On behalf of the Board of Directors  
The Chairman  
(Riccardo Sciutto)



## **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, 2021 corresponds to the underlying accounting documents, records and entries.

Milan, May 13, 2021

The Executive Officer  
(Stefano Pasotto)