WIIT Group

Interim Financial Report

at March 31, 2023

WIIT

THE PREMIUM CLOUD

Data

Company:
WIIT S.p.A.

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

Tax and VAT number:
01615150214

Share capital:
Euro 2,802,066.00 fully paid-in

Milan Companies Registration Office:
No. 01615150214

R.E.A. No.
1654427

Number of shares:
28,020,660

WIIT
THE PREMIUM CLOUD

Contents

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 also marginally Colocation) and the provision of infrastructure configuration, management and control services which guarantee uninterrupted functionality and availability.

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

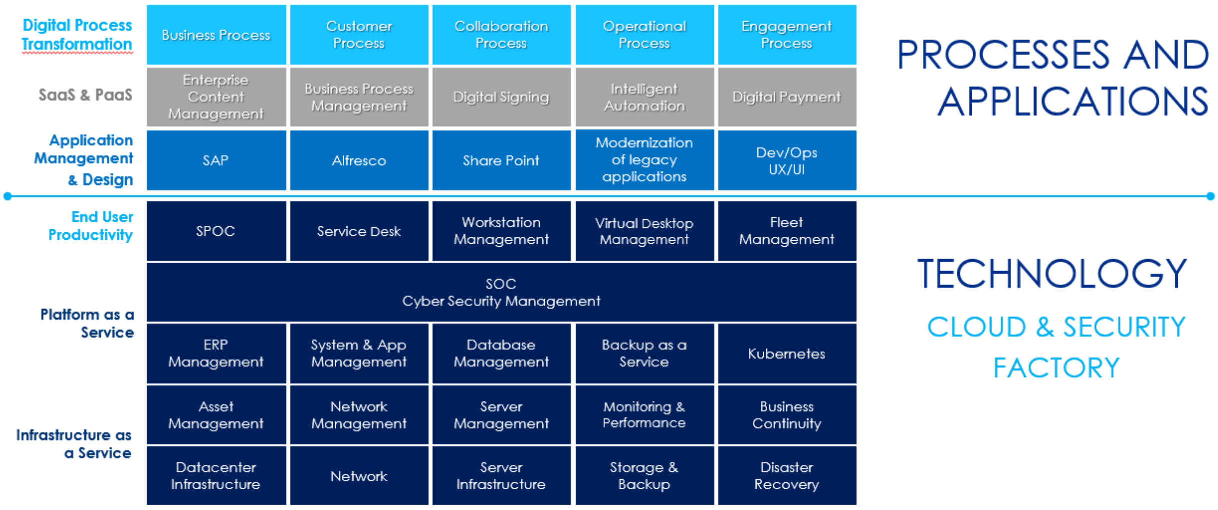
The Group operates through proprietary Data Centers, with two of the main centers (in Milan) TIER IV certified (maximum reliability level) by the Uptime Institute, while the German TIER IV Data Center (Düsseldorf) is currently under construction and certification.

By providing Group 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). The Group also conducts daily backups in order to ensure both data depth over time and the ability to recover data in the event of a disaster.

The Offer

The WIIT Group 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.

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



The principal categories of service that the Group offers its customers are: 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 complex SaaS services Digital Process Outsourcing and Devops.

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;

Software & Platform as a Service: : Software platforms and applications made available to the customer as "services" and which also include the Digital Process Transformation offer, i.e. end-to-end services for the digital management of entire business processes which are part of the customer value chain.

Services are usually provided through a standard contract type for all categories (IaaS, Paas, End User Productivity, Application Management and Software & Platform as a Service) and combined within a single all-inclusive price structure and contract.

Contract duration is generally between three and five years and usually with automatic renewal for periods of equal length (unless terminated in the six months before the expiration date). They generally stipulate an initial provision of services for the "start-up" phase in support of the Group's services, whose consideration is generally included in the periodic fees, and subsequently the provision of specific services on-demand.

Certifications

The parent company owns three Data Centers - two of which located in Milan are 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 Group as a whole also has nineteen Data Centers in Germany, particularly in Düsseldorf, Stralsund, Limburgerhof and Munich.
The Parent Company has achieved international certification for its Data Centers, particularly in terms of service security, such as the ISO20000 (Process Compliance), ISO27001, ISO27017, ISO27018, ISO27035 (Information Security), and eISO22301 (Business Continuity) certifications and with service provision certified to the ITIL (Infrastructure Library) standard.
The Parent Company has also achieved certification for its customer IT system management model according to the international ISO/IEC 20000:2011 standard, while its organisation is ISO 9001:2015 certified for the development and provision of Business Process Outsourcing services, such as: Help Desk IT, Desktop Management, Server Management, Application Management, Asset Management, System Housing and Hosting Document Processing System Management.
The correct management and protection of data and information managed through its IT systems is guaranteed through the 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 22301:2021, shifting from a structured approached not based on technology alone, but capable of addressing all processes involved in operational recovery.
The Company has also certified its model of data security management based on the international standard ISO/IEC 27035 – Information security incident response consulting, organisation and management.
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).
To date it has achieved the following certifications:

- SAP Applications Operations (Italy)
- SAP Business Process Outsourcing Services (Italy)
- SAP Cloud and Infrastructure Operations (Italy and Germany)
- SAP DevOps (Italy)
- SAP HANA Operations (Italy and Germany)
- SAP Hosting Operations (Italy and Germany)

Corporate Boards

BOARD OF DIRECTORS

Chairperson	Riccardo Sciutto
Chief Executive Officer	Alessandro Cozzi
Executive Director	Francesco Baroncelli
Executive Director	Enrico Rampin
Executive Director	Igor Bailo
Director	Chiara Grossi
Independent Director	Annamaria di Ruscio
Independent Director	Nathalie Brazzelli
Independent Director	Emanuela Basso Petrino

BOARD OF STATUTORY AUDITORS

Chairperson 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

Chairperson	Annamaria Di Ruscio
Member	Riccardo Sciutto
Member	Nathalie Brazzelli

APPOINTMENTS AND REMUNERATION COMMITTEE

Chairperson	Emanuela Basso Petrino
Member	Riccardo Sciutto
Member	Annamaria Di Ruscio

SUPERVISORY AND CONTROL BOARD

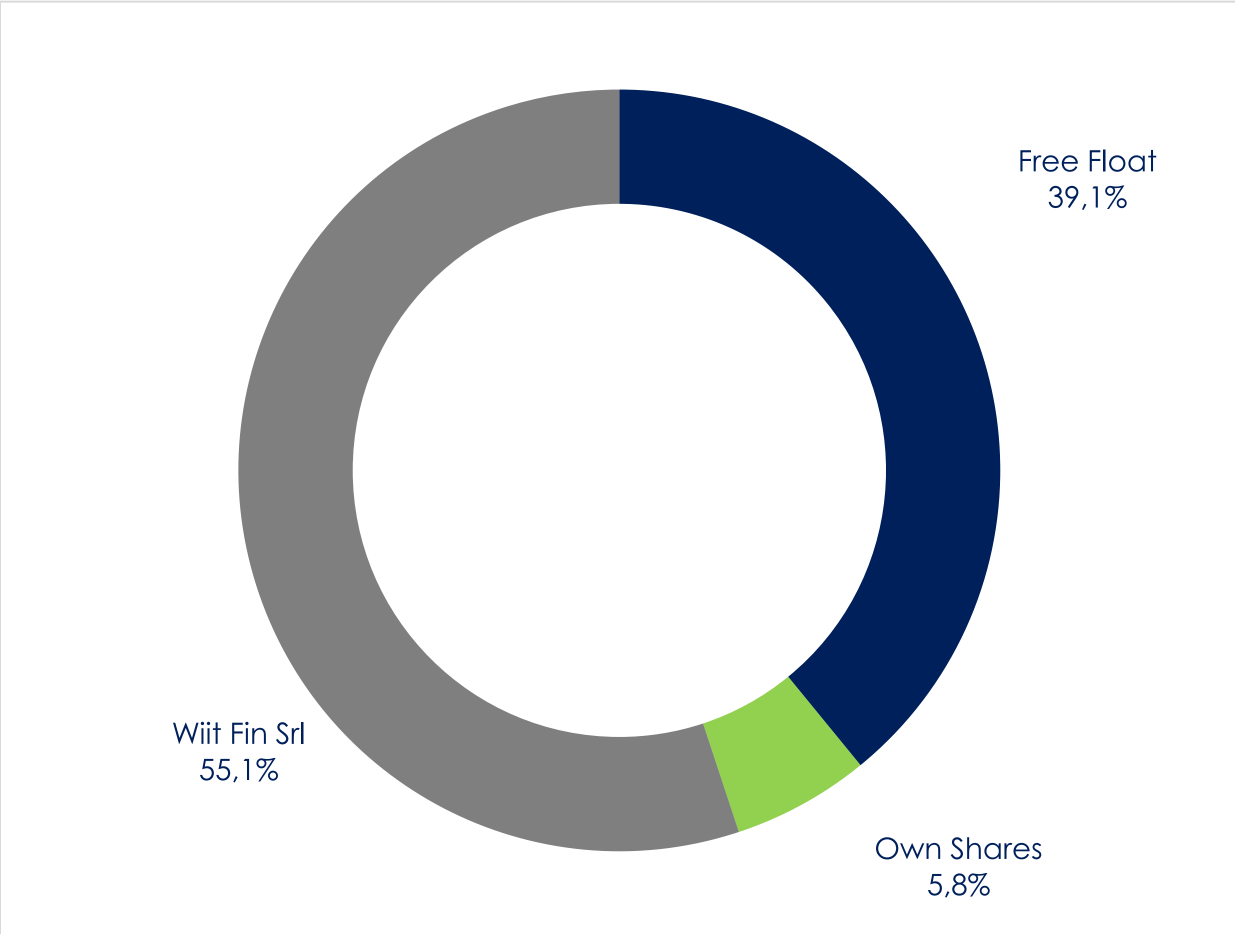
Chairperson of the Supervisory and Control Board	Dario Albarello

INDEPENDENT AUDIT FIRM

Deloitte & Touche S.p.A.

Shareholders

WIIT S.p.A.'s main shareholders at March 31, 2023 are:



Shareholder	Number of shares held 31.03.2022	%
Wiit Fin Srl (*)	15,407,560	55.08%
Alessandro Cozzi	26,910	
Treasury shares	1,632,626	5.83%
Market	10,953,564	39.09%
TOTAL	**28,020,660**	**100%**
FREE FLOAT (Treasury shares and Market)	**12,590,690**	**44.93%**

(*) Company belonging to Cozzi Alessandro

Directors' Report

Significant events

Updates on business combinations and new acquisitions during the year

Acquisition of 100% of GLOBAL ACCESS INTERNET SERVICES GmbH

On January 16, 2023, the transaction was completed to acquire 100% of the shares of GLOBAL Access Internet Services GmbH, through its subsidiary Lansol GmbH, a company engaged in private cloud and managed services with almost entirely recurring revenues, in line with the business model of the "WIIT Group" (the "Group" or the "WIIT Group"). Global is based in Munich (Bavaria) and this acquisition therefore strengthens the Group's presence in the region, which is extremely important economically and which saw in July 2021 the acquisition of the cloud operator Mivitec GmbH. With 9 employees, Global offers managed services to medium-sized clients operating particularly on the digital market (software vendors, technology sector enterprises, digital providers for the local Public Sector, etc.) and who use the services and technology offered by Global within their value chain. The enterprise value is Euro 6.4 million, subject to adjustments based on the net financial position and the net working capital of the company at December 31, 2022. 80% of the amount due was paid on closing, while the remaining 20% was deposited in an escrow account as a guarantee of the adjustments expected subsequent to the end of the 2022 financial year. An additional component of consideration of Euro 1 million is subject to the achievement of 2022 result targets, with a further Euro 800 thousand in the case of the "over-achievement" of these targets. The expected implied multiple ranges, depending on the final scenario, from a minimum of 7.3 to a maximum of 7.6 times Adjusted EBITDA, before synergies.

Merger by incorporation of ERPTech S.p.A.

On March 21, 2023, WIIT S.p.A signed the deed for the merger by incorporation of ERPTech S.p.A. into WIIT S.p.A., effective April 1, 2023. The merger transaction, beginning on December 20, 2022 with the motion of the Board of Directors of WIIT S.p.A., has permitted the concentration within the Parent Company of the activities previously carried out through the Incorporated Company. In general terms, the goal of the merger is to optimise the coordination, operation and synergies of the functions, as well as to lower the structural costs of operating legally distinct entities, which will bring benefits in terms of operational and financial efficiency and efficacy, thereby enabling the WIIT Group to strengthen its position as an industry leader in Europe.

All information on the merger is available on the WIIT S.p.A. website, in the https://investors.wiit.cloud/it/documenti-informativi/ section. The merger was completed on April 1, 2023 with accounting and tax effects back-dated to January 1, 2023.

Significant contracts

Significant agreements signed

On March 20, 2023, the parent company WIIT S.p.A. signed a five-year agreement worth a total amount of approx. Euro 2.1 million, with a major Italian healthcare company, specialised in prevention, diagnosis and treatment services. The Customer has chosen WIIT as its partner for the next five years. WIIT, through its facilities and expertise, will provide the Customer with access to its very high resilience cloud services, thanks to the highly reliable configuration on its two Tier 4 proprietary Data Centers in Milan, the second of which has just been certified by the Uptime Institute, together with a Disaster Recovery service at its own secondary Data Center. Services will then be made available to its users through a Zero Data Center approach that will enable not only resilience but also maximum flexibility, scalability, and the use of the latest technologies available on the market. All systems will then be hosted at WIIT's Data Center network with 24-hour support.

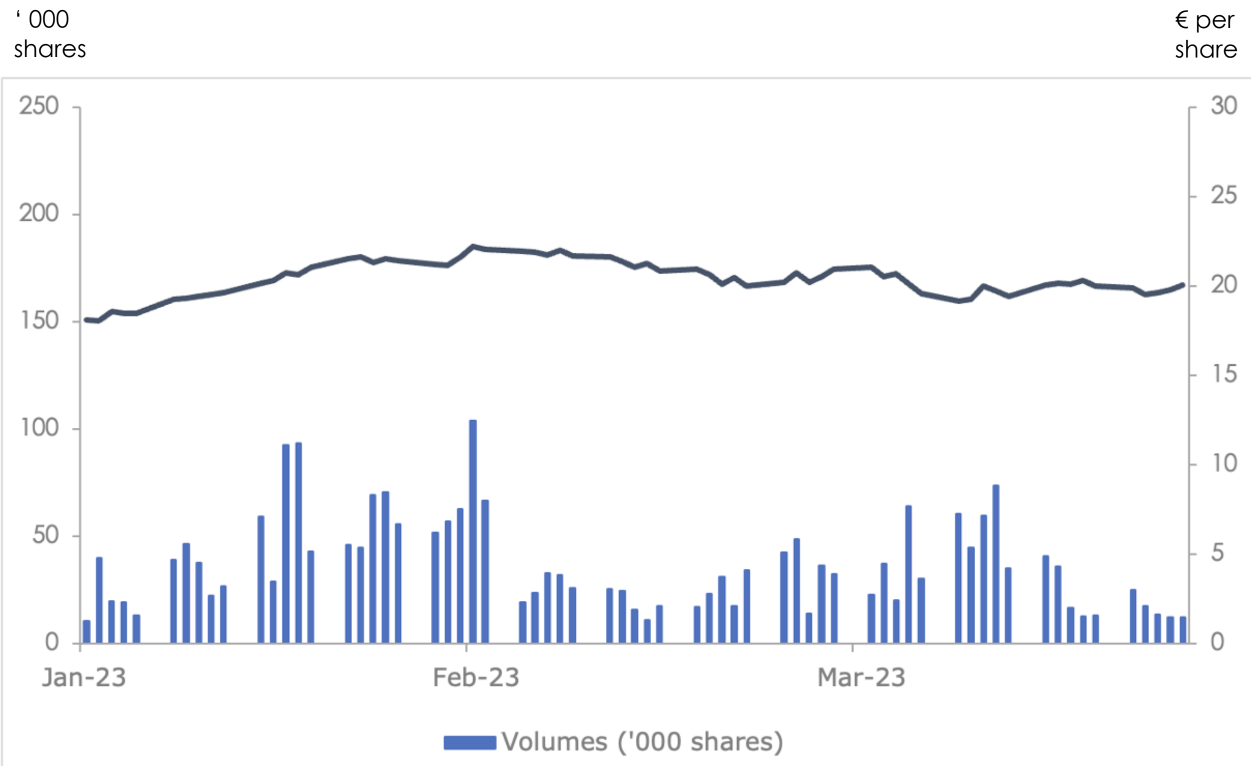
On March 28, 2023, the parent company WIIT S.p.A. signed a five-year contract, worth a total of approx. Euro 2.7 million, with a major Italian company engaged in the distribution of FMCG and general consumer goods, specializing in the sale of personal and home care products. The Customer chose WIIT as its cloud partner for the next five years, during which, through its facilities and established expertise, it will provide highly resilient and innovative digital services by implementing a dedicated Multi-Cloud model. With WIIT's support, the Customer will be able to offer services to its users according to a Zero Data Center approach, which will allow the company to choose the best ways to deliver them, thus following a business-driven approach. All of the most critical systems will be housed at WIIT's European Data Center network, which will also extend its 24-hour management services to Azure's Cloud platform, dedicated to hosting others. The "journey to Cloud" project undertaken by the Customer will also allow the IT services of all Group companies to be consolidated within a single provider that, thanks to a highly structured model, will guarantee their operations.

Other information

WIIT Partnership - Luna Rossa - Prada - Pirelli by ERPTech S.p.A.

On March 16, 2023, the WIIT Group became Cloud and Cyber Security Partner of the Luna Rossa Prada Pirelli team at the 37th America's Cup, scheduled for October 2024 in Barcelona, Spain. Originating in Great Britain in 1851, the America's Cup is now the oldest trophy in the world of sports and the most prestigious sailing competition globally, with the most technologically advanced boats participating and a global following of millions of spectators. WIIT will support the Italian Challenger through the provision of cloud and cyber security services, while benefiting from the visibility and resonance of such a prominent and prestigious international stage as the America's Cup. The partnership is proof that WIIT and Luna Rossa Prada Pirelli share a highly innovative approach, focused on the search for ever more cutting-edge solutions. WIIT provides its technological know-how and services that boast a high standard of safety and quality.

Share price and volumes



01.01.2023 – 31.03.2023 Period

Source: Bloomberg.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.03.2023	31.12.2022
ASSETS		
Intangible assets	59,329,673	58,113,828
Goodwill	121,231,488	115,155,614
Right-of-use	12,659,633	10,267,121
Property, plant and equipment	9,251,859	9,216,120
Other tangible assets	41,584,051	41,355,990
Deferred tax assets	1,794,844	1,637,180
Equity investments	17,105	17,098
Non-current contract assets	29,191	65,508
Other non-current financial assets	563,525	542,315
NON-CURRENT ASSETS	**246,461,368**	**236,370,774**
Inventories	248,665	186,703
Trade receivables	29,448,295	25,177,311
Trade receivables from group companies	6,003	6,003
Current financial assets	725,263	901,133
Current contract assets	407,757	0
Other receivables and other current assets	8,228,207	8,869,224
Cash and cash equivalents	33,617,342	31,458,080
CURRENT ASSETS	**72,681,532**	**66,598,454**
TOTAL ASSETS	**319,142,900**	**302,969,228**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.03.2023	31.12.2022
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	2,802,066	2,802,066
Share premium reserve	44,598,704	44,598,704
Legal reserve	560,413	560,413
Other reserves	2,980,989	2,692,252
Treasury shares in portfolio reserve	(21,208,443)	(19,410,233)
Reserves and retained earnings (accumulated losses)	9,192,251	1,028,475
Translation reserve	(3,302)	(4,022)
Group net result	2,179,703	7,845,609
GROUP SHAREHOLDERS' EQUITY	**41,102,380**	**40,113,264**
Result attributable to non-controlling interests	*8,154*	*(5,567)*
Non-controlling interest equity	*147,777*	*134,056*
TOTAL SHAREHOLDERS' EQUITY	*41,250,158*	*40,247,320*
Payables to other lenders	15,116,715	14,074,473
Non-current financial indebtedness related to Bond facilities	168,459,439	167,683,547
Bank loans	22,860,079	13,384,703
Other non-current financial liabilities	606,713	1,061,814
Employee benefits	2,683,319	2,719,278
Provisions for risks and charges	85,000	522,277
Deferred tax liabilities	15,682,291	16,434,674
Non-current contract liabilities	128,668	195,414
Other payables and non-current liabilities	499,513	0
NON-CURRENT LIABILITIES	**226,121,740**	**216,076,180**
Payables to other lenders	8,820,960	7,553,375
Current financial indebtedness related to Bond facilities	1,120,463	903,324
Short-term bank loans	6,827,052	5,580,914
Current income tax liabilities	2,535,686	3,268,246
Other current financial liabilities	2,392,239	2,943,671
Trade payables	17,898,445	14,918,435
Payables to group companies	0	(0)
Current contract liabilities	5,049,337	5,143,779
Other payables and current liabilities	7,126,820	6,333,984
CURRENT LIABILITIES	**51,771,002**	**46,645,728**
TOTAL LIABILITIES	**277,892,742**	**262,721,908**
TOTAL LIABILITIES	**319,142,900**	**302,969,228**

CONSOLIDATED INCOME STATEMENT

	Q1 2023	Q1 2022	Adjusted Q1 2023	Adjusted Q1 2022
REVENUES AND OPERATING INCOME				
Revenues from sales and services	31,551,817	26,066,210	31,551,817	26,066,210
Other revenues and income	241,474	298,778	241,474	298,778
Total revenues and operating income	**31,793,291**	**26,364,988**	**31,793,291**	**26,364,988**
OPERATING COSTS				
Purchases and services	(11,914,529)	(10,027,502)	(11,226,548)	(9,793,699)
Personnel costs	(8,600,323)	(6,432,884)	(8,252,632)	(6,315,456)
Amortisation, depreciation, and write-downs	(6,279,394)	(5,297,932)	(5,148,857)	(4,259,920)
Provisions	(168,905)	(93,300)	(168,905)	(93,300)
Other costs and operating charges	(293,243)	(221,919)	(293,243)	(221,919)
Change Inventories of raw mat., consumables and goods	8,000	45,941	8,000	45,941
Total operating costs	**(27,248,395)**	**(22,027,596)**	**(25,082,185)**	**(20,638,353)**
EBIT	**4,544,896**	**4,337,392**	**6,711,106**	**5,726,635**
Profit (Losses) from equity-accounted investee	0	(28,858)	0	(28,858)
Financial income	6,793	434,604	6,793	4,604
Financial expenses	(1,752,136)	(1,205,371)	(1,752,136)	(1,205,371)
Exchange gains/(losses)	(4,577)	(553)	(4,577)	(553)
PROFIT BEFORE TAXES	**2,794,977**	**3,537,214**	**4,961,187**	**4,496,457**
Income taxes	(607,120)	(882,931)	(1,077,467)	(1,267,182)
NET PROFIT	**2,187,857**	**2,654,283**	**3,883,720**	**3,229,275**

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 deriving from the measurement at equity of investments) and amortisation, depreciation, write-downs and provisions. 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 Parent Company may not be comparable with the 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 the sum of the net profit for the period, gross of taxes, financial income and expenses (including exchange gains and losses and deriving from the measurement at equity of investments), amortisation, depreciation, write-downs and provisions, professional merger & acquisition (M&A) services, Put&Call option costs and Stock Option/Stock Grant incentive plan costs.

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 improved comparability with the historic figures for the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business and related to professional services costs for M&A's. In order to improve the comparability of operating performance, the Group excludes from the calculation of Adjusted EBITDA the costs of accounting for stock options and stock grants (IFRS2). 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 Adjusted total revenues and operating income.*

***EBIT* -** A non-GAAP measure used by the Group to measure performance. EBITDA is the sum of the net profit for the period, gross of taxes, financial income and expenses (including exchange gains and losses and deriving from the measurement of investments at equity). 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 the sum of the net profit for the period, gross of taxes, financial income and expenses (including exchange gains and losses and deriving from the measurement at equity of investments), amortisation, depreciation and write-downs, professional merger & acquisition (M&A) services, Put&Call option costs and Stock Option/Stock Grant incentive plan costs and the amortisation/depreciation of the fixed assets from the Purchase Price Allocation from the acquisitions.

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 improved comparability with the historic figures for the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business and related to professional services costs for M&A's. In order to improve operating performance comparability, the Group also excludes from the Adjusted EBIT the costs for the accounting of Stock options and Stock Grants (IFRS2) and the amortisation and depreciation of the fixed assets from the Purchase Price Allocation; customer list and platform and Data Center amortisation, related to the acquisitions.

Adjusted EBIT Margin - measures the earning capacity of Group sales. It is calculated as the ratio between Adjusted EBIT and Adjusted 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 is calculated as the net profit for the period, excluding M&A costs, the costs to adjust the Put&Call options, the costs for the accounting of Stock options and Stock Grants (IFRS2), the financial expense for the closure of the loan contracts, and the amortisation and depreciation of the fixed assets from the Purchase Price Allocation; customer list and platform and Data Center amortisation, related to the acquisitions, the income deriving from the difference between the estimated price for the acquisition of the holdings and the price actually paid and the related tax effects on the excluded items.

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 No. 5/21 of April 29, 2021 and the ESMA 32-382-1138 recommendations. It is presented in the notes to the financial statements.

Adjusted Net Financial Position – this is a valid measure of the Group's financial structure. It is determined in accordance with Consob Communication No. 5/21 of April 29, 2021 and in accordance with ESMA Recommendations 32-382-1138, including, where applicable, other non-current assets related to security deposits and excluding trade and other non-current payables. It is also presented net of the effects of IFRS 16. This measure is presented in the Directors' Report.

Total adjusted revenues and operating income - A non-GAAP measure used by the Group to measure performance. Total adjusted operating revenues and income is calculated as Total operating revenues and income as per the income statement, in accordance with IFRS, less in 2020 the non-recurring item regarding the tax credit on listing classified to "Other revenues and income". Total adjusted revenues and operating income is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Group may not be 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 operating revenues and income was up 20.6% on the same period of 2022. This strong result reflects the Company's healthy income statement and the regard in which the WIIT Group is held among its customer base as a high-quality and cost competitive player. The increase is due both to organic growth and the contribution of the new companies acquired in 2022.

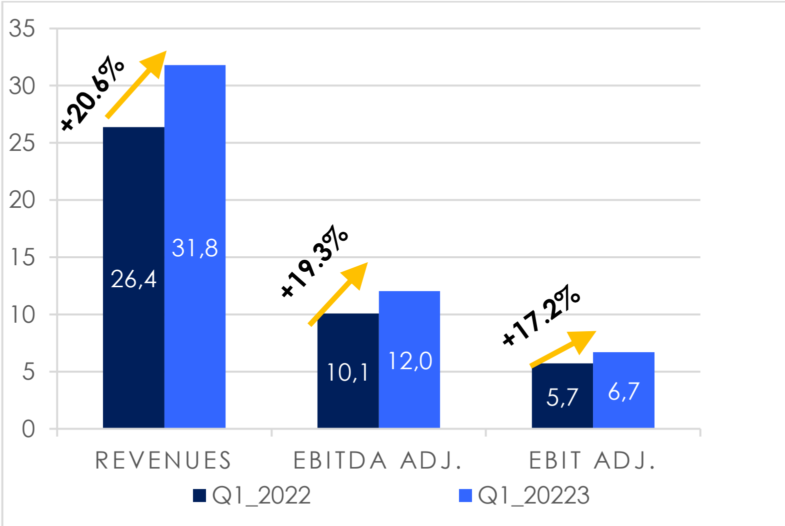
The value of production, EBITDA, profit before taxes and net profit for the first three months of 2023, compared with the same period of 2022, are shown in the following table.

	Q1 2023	Q1 2022	Q1 2023 Adjusted	Q1 2022 Adjusted	% Adj.Cge.
Total revenues and operating income	31,793,291	26,364,988	31,793,291	26,364,988	**20.6%**
EBITDA	10,993,195	9,728,624	12,028,868	10,079,855	**19.3%**
EBIT	4,544,896	4,337,392	6,711,106	5,726,635	**17.2%**
Profit before taxes	2,794,977	3,537,214	4,961,187	4,496,457	**10.3%**
Consolidated net profit	2,187,857	2,654,283	3,883,720	3,229,275	**20.3%**

Adjusted EBITDA was up 19.3% on the same period of 2022, with a 37.8% margin on revenues and operating income; this margin decreased on the same period of the previous year due to the acquisitions, while improving on the final quarter of 2022.

The Adjusted consolidated net profit excludes the effects from M&A's for Euro 399 thousand, costs for the stock options and stock grant plans of Euro 305 thousand, the costs for Euro 332 thousand related to the reorganisation of internal personnel and the amortisation and depreciation deriving from the Purchase Price Allocations regarding the acquisitions for Euro 1.131 million, net of the tax effects of the above items. Financial charges in Q1 2023 principally concerned the effects of interest on the bond loans for Euro 1,244 thousand.

KEY FINANCIALS (€mn)



The Q1 2023 reclassified income statement of the company is compared below with the same period of the previous year (in Euro):

	Q1 2023	Q1 2022	Q1 2023 Adjusted	Q1 2022 Adjusted
Revenues and operating income	31,793,291	26,364,988	31,793,291	26,364,988
Purchases and services	(11,914,529)	(10,027,502)	(11,226,548)	(9,793,699)
Personnel costs	(8,600,323)	(6,432,884)	(8,252,632)	(6,315,456)
Other costs and operating charges	(293,243)	(221,919)	(293,243)	(221,919)
Change in inventories	8,000	45,941	8,000	45,941
EBITDA	**10,993,195**	**9,728,624**	**12,028,868**	**10,079,855**
EBITDA Margin	**34.6%**	**36.9%**	**37.8%**	**38.2%**
Amortisation, depreciation & write-downs	(6,448,299)	(5,391,232)	(5,317,762)	(4,353,220)
EBIT	**4,544,896**	**4,337,392**	**6,711,106**	**5,726,635**
EBIT Margin	**14.3%**	**16.5%**	**21.1%**	**21.7%**
Income and charges	(1,749,920)	(800,178)	(1,749,920)	(1,230,178)
Income taxes	(607,120)	(882,931)	(1,077,467)	(1,267,182)
Net Profit	**2,187,857**	**2,654,283**	**3,883,720**	**3,229,275**

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.

Ratio	Formula	31.03.2023	31.03.2022	31.03.2023 Adjusted	31.03.2022 Adjusted
ROE	**Net result / equity**	5.30%	6.62%	6.05%	5.88%
ROI	**EBIT / Capital employed**	1.42%	1.43%	2.10%	1.89%
ROS	**EBIT / Value of production**	14.30%	16.45%	21.11%	21.72%

Balance Sheet highlights

The reclassified balance sheet of the Group for Q1 2023 is compared with the previous year below (in Euro):

	31.03.2023 Consolidated	31.12.2022 Consolidated
Net intangible assets	180,561,161	173,269,442
Net tangible assets	63,495,543	60,839,231
Equity investments and other financial assets	17,105	17,098
Other long-term receivables	592,716	607,823
Deferred tax assets	1,794,844	1,637,180
Fixed assets	**246,461,368**	**236,370,774**
Inventories	248,665	186,703
Current trade receivables	29,448,295	25,177,311
Receivables from Group companies	6,003	6,003
Current financial assets	725,263	901,133
Other receivables	8,635,963	8,869,224
Cash and cash equivalents	33,617,342	31,458,080
Current assets	**72,681,531**	**66,598,454**
Capital employed	**319,142,899**	**302,969,228**
Bank payables (within one year)	6,827,052	5,580,914
Financial indebtedness related to Bond facilities (within one year)	1,120,463	903,324
Payables to other lenders (within one year)	8,820,960	7,553,375
Payables to suppliers (within one year)	17,898,445	14,918,435
Tax payables and social security institutions	2,535,686	3,268,246
Other current financial liabilities	2,392,239	2,943,671
Other payables	12,176,157	11,477,764
Current liabilities	**51,771,002**	**46,645,728**
Post-employment benefits	2,683,319	2,719,278
Bank payables (beyond one year)	22,860,079	13,384,703
Financial indebtedness related to Bond facilities (beyond one year)	168,459,439	167,683,547
Payables to other lenders (beyond one year)	15,116,715	14,074,473
Provisions for risks and charges	85,000	522,277
Other non-current financial liabilities	606,713	1,061,814
Other medium/long-term payables	128,669	195,416
Other payables and non-current liabilities	499,513	-
Deferred tax payables	15,682,291	16,434,674
Medium/long-term liabilities	**226,121,739**	**216,076,180**
Minority interest share capital	**277,892,741**	**262,721,908**
Shareholders' Equity	41,250,158	40,247,320
Own funds	**41,250,158**	**40,247,320**
Own funds & Minority interest share capital	**319,142,899**	**302,969,228**

Main notes to the statement of financial position

The value of fixed assets remains substantially unchanged as the effect of investments for approx. Euro 8.7 million in the period was partly offset by amortisation and depreciation of approx. Euro 6.3 million. The increase in goodwill is due to the recent acquisition of Global Access Internet Services GmbH; with regard to the transaction, as of today's date, it was not possible to estimate the price adjustment related to the company's net financial position and working capital at December 31, 2022, as well as the additional consideration component contingent on achieving certain results in FY 2022.

New right-of-use (IFRS 16) contracts were signed in the first three months of the year for Euro 3.5 million. Good cash flows are reported for the first quarter of 2023. A portion of the liquidity was used to purchase treasury shares for an amount of Euro 2 million, in addition to the acquisition of the holding in Global Access for Euro 6.4 million (net of cash and cash equivalents). Payables to other lenders includes approx. Euro 3.5 million for investments in Q1 2023, of which Euro 1.2 million relate to leasing charges measured according to the finance method (IFRS 16, partly already recognised under IAS 17), and for the remaining amount 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)

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.

	Q1 2023	Q1 2022
Net profit from continuing operations	2,187,857	2,654,283
Adjustments for non-cash items	9,021,231	8,068,633
Cash flow generated from operating activities before working capital changes	**11,209,088**	**10,722,916**
Changes in current assets and liabilities	(2,156,379)	746,626
Changes in non-recurring current assets and liabilities	(20,336)	390,214
Cash flow generated from operating activities	(871,991)	(418,154)
Net cash flow generated from operating activities (a)	**8,160,382**	**11,441,603**
Net cash flow used in investment activities (b)	(11,580,585)	(9,430,030)
Cash flows from financing activities (c)	5,579,464	(10,891,660)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**2,159,263**	**(8,880,087)**
Cash and cash equivalents at end of the period	33,617,342	28,564,955
Cash and cash equivalents at beginning of the period	31,458,079	37,445,042
Net increase/(decrease) in cash and cash equivalents	**2,159,263**	**(8,880,087)**

Key Financial Indicators

The net financial position at March 31, 2023 was as follows:

	31.03.2023	31.12.2022
A - Cash and cash equivalents	33,617,342	31,458,080
B - Securities held for trading	0	0
C - Current financial assets	725,263	901,133
D - Liquidity (A + B + C)	**34,342,605**	**32,359,213**
E - Current bank loans	(6,827,052)	(5,580,914)
F - Other current financial liabilities	(2,392,239)	(2,943,671)
G - Payables to other lenders	(8,820,960)	(7,553,375)
H - Current financial indebtedness related to Bond facilities	(1,120,463)	(903,324)
I - Current financial debt (E + F + G + H)	**(19,160,714)**	**(16,981,283)**
J - Current net financial debt (I - D)	**15,181,891**	**15,377,930**
K - Bank loans	(22,860,079)	(13,384,703)
L - Payables to other lenders	(15,116,715)	(14,074,473)
M - Non-current financial indebtedness related to Bond facilities	(168,459,439)	(167,683,547)
N - Other non-current financial liabilities	(606,713)	(1,061,814)
O - Trade payables and other non-current payables	0	0
P - Non-current financial debt (K + L + M + N + O)	**(207,042,947)**	**(196,204,536)**
Q - Group net financial debt (J + P)	**(191,861,056)**	**(180,826,606)**

The net financial position is based on the definition contained in Consob Clarification No. 5/21 of April 29, 2021: “Recommendations for the uniform implementation of the European Commission regulation on financial statements".
It is the opinion of the Directors that there are no components of implied indebtedness pursuant to the Disclosure Requirements Guidelines under the Prospectus Regulation issued by ESMA on March 3, 2021. Similarly, the Group has no reverse factoring or supply agreement transactions in place.

Strong cash flows were generated by operations in the first quarter of the year. This reflects investments of approx. Euro 8.7 million, mainly due to the acquisition of IT infrastructure and software for the new orders and technological upgrading, the use of liquidity to purchase treasury shares for Euro 2 million, and the purchase of the equity investment in Global Access for Euro 6.4 million paid on closing. Payables to other lenders includes approx. Euro 3.5 million for investments in Q1 2023, of which Euro 1.2 million specifically concerns 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)

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

		31.03.2023	31.12.2022
Primary liquidity	Current Assets / Current Liabilities	1.40	1.43
Debt	Third-party capital / Own capital	1.37	1.11

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

CONSOLIDATED CASH FLOW STATEMENT	**31.03.2023**	**31.03.2022**
Net profit from continuing operations	2,187,857	2,654,283
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	6,448,299	5,391,232
Change in employee benefits	(35,960)	311,796
Increase (decrease) provisions for risks and charges	(168,905)	0
Financial income and charges	1,749,920	771,320
Income taxes	607,120	882,931
Other non-cash charges/(income)*	420,757	711,354
Cash flow generated from operating activities before working capital changes	**11,209,088**	**10,722,916**
Changes in current assets and liabilities:		
Decrease (increase) in inventories	(61,962)	(131,669)
Decrease (increase) in trade receivables	(4,018,032)	(2,103,337)
Increase (decrease) in trade payables	2,757,556	4,608,716
Increase (decrease) in tax receivables and payables	(906,772)	623,484
Decrease (increase) in other current assets	1,266,683	(2,201,271)
Increase (decrease) in other current liabilities	(1,193,852)	(49,297)
Decrease (increase) in other non-current assets	14,305	(36,583)
Increase (decrease) in other non-current liabilities	499,513	(93,300)
Decrease (increase) in contract assets	(371,440)	(665,562)
Increase (decrease) in contract liabilities	(162,714)	1,185,660
Income taxes paid	(496)	(209,976)
Interest paid/received	(871,495)	(208,178)
Cash flows generated from operating activities (a)	**8,160,382**	**11,441,603**
Net increase intangible assets	(3,082,773)	(3,375,340)
Net increase tangible assets	(2,128,841)	(1,937,518)
Decrease (increase) investing activities	0	(167,850)
Cash flows from business combinations net of cash and cash equivalents	(6,368,971)	(3,949,322)
Cash flows used in investing activities (b)	**(11,580,585)**	**(9,430,030)**
New financing	12,000,000	0
Repayment of loans	(1,362,270)	(1,113,203)
Lease payables	(2,552,562)	(2,605,067)
Payment of deferred fees for business combinations	(500,000)	(3,617,174)
Drawdown (settlement) other financial investments	(6,532)	0
Acquisition of treasury shares	(1,999,171)	(3,556,217)
Cash flows from financing activities (c)	**5,579,464**	**(10,891,659)**
Net increase/(decrease) in cash and cash equivalents a+b+c	**2,159,263**	**(8,880,087)**
Cash and cash equivalents at end of the period	33,617,342	28,564,955
Cash and cash equivalents at beginning of the period	31,458,079	37,445,042
Net increase/(decrease) in cash and cash equivalents	**2,159,263**	**(8,880,087)**

Financial Instruments

The Group does not have any derivative financial instruments at March 31, 2023.

Treasury shares or Parent Company shares

In accordance with Article 2428 points 3) and 4) of the Civil Code, the Parent Company holds 1,632,626 treasury shares, but does not hold shares in parent companies, including through trust companies or nominees, nor have shares of the Parent Company been acquired and/or sold during the period, including through trust companies or nominees.

At March 31, 2023, the 1,632,626 treasury shares (5.83% of the share capital) held by Wiit S.p.A. are recorded in the financial statements at a total value of Euro 21,208,443.

In compliance with International Financial Reporting Standards (IFRS), this amount was recognised as a reduction of shareholders' equity.

The market value of treasury shares at March 31, 2023 was Euro 32,750.478

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 2023, 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 2023.

Environment

During the initial month of 2023, no environmental damage was declared against the company. No penalties were incurred by the Group for offences or environmental damage in Q1 2023.

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Transactions with subsidiaries, associates, holding companies

REVENUES

COSTS	WIIT FIN	ERPTECH	WIIT	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	LANSOL DATACENTER	WIIT AG	GLOBAL	TOTAL
WIIT FIN	0	0	124.750	0	0	0	0	0	0	0	0	0	**124.750**
ERPTECH	0	0	0	0	0	0	0	0	0	0	0	0	**0**
WIIT	0	263.500	0	0	89.389	94.637	2.289	0	0	0	0	0	**449.816**
WIIT SWISS	0	0	0	0	0	0	0	0	0	0	0	0	**0**
MYLOC	0	0	1.500	0	0	0	0	0	2.365	0	126.900	0	**130.765**
BOREUS	0	0	0	0	19.849	0	45.968	0	0	0	0	0	**65.817**
GECKO	0	0	0	0	19.849	23.321	0	0	0	0	0	0	**43.170**
CODEFIT	0	0	0	0	0	0	0	0	0	0	0	0	**0**
LANSOL GMBH	0	0	0	0	1.153	0	0	0	0	0	0	0	**1.153**
LANSOL DATACENTER	0	0	0	0	0	0	0	0	0	0	0	0	**0**
WIIT AG	0	0	0	0	225.000	135.000	90.000	0	0	0	0	0	**450.000**
GLOBAL	0	0	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL	**0**	**263.500**	**126.250**	**0**	**355.241**	**252.958**	**138.257**	**0**	**2.365**	**0**	**126.900**	**0**	**1.265.472**

PAYABLES

RECEIVABLES	WIIT FIN	ERPTECH	WIIT	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	LANSOL DATACENTER	WIIT AG	GLOBAL	TOTAL
WIIT FIN	0	0	2.080.166	0	0	0	0	0	0	0	0	0	**2.080.166**
ERPTECH	0	0	1.159.585	0	0	0	0	0	0	0	0	0	**1.159.585**
WIIT	0	0	0	0	0	0	0	0	0	0	0	0	**0**
WIIT SWISS	0	0	97.325	0	0	0	0	0	0	0	0	0	**97.325**
MYLOC	0	0	19.726.702	0	0	3.500.000	3.506.837	0	0	0	267.750	0	**27.001.289**
BOREUS	0	0	94.637	0	0	0	6.924	0	0	0	160.650	0	**262.212**
GECKO	0	0	2.289	0	0	16865,41	0	0	0	0	107.100	0	**126.254**
CODEFIT	0	0	0	0	0	0	0	0	0	0	0	0	**0**
LANSOL GMBH	0	0	0	0	695	0	0	0	0	0	0	0	**695**
LANSOL DATACENTER	0	0	0	0	0	0	0	0	2.232.888	0	0	0	**2.232.888**
WIIT AG	0	0	0	0	56,88	0	0	0	0	0	0	0	**57**
GLOBAL	0	0	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL	**0**	**0**	**23.160.705**	**0**	**751**	**3.516.865**	**3.513.761**	**0**	**2.232.888**	**0**	**535.500**	**0**	**32.960.472**

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. Amounts payable to and receivable from WIIT Fin S.r.l. include the portion related to the tax consolidation.

It should also be noted that two other related parties have been identified with which the Company has conducted business relations at arm's length:

- Sergio Rossi S.p.A.: revenues of Euro 115 thousand, receivables at March 31, 2023 of Euro 289 thousand and accrued expenses of Euro 18 thousand. The company is considered a related party of Wiit S.p.A by way of Riccardo Sciutto, Chairperson of the Board of Directors of Wiit S.p.A. and Chief Executive Officer of Sergio Rossi S.p.A.
- Immo 2 S.r.l.: costs of Euro 15 thousand, payable at March 31, 2023 of Euro 31 thousand. The company is considered a related party of Wiit S.p.A by way of Michele Pagliuzzi, company representative of Wiit S.p.A. and Chief Executive Officer of Immo 2 S.r.l.

Subsequent events to March 31, 2023

Second TIER IV certification in Milan completed

On April 6, 2023, WIIT S.p.A. announced that the new Milan Data Center ("MIL2") obtained Tier IV Constructed Facility certification from the Uptime Institute. After successfully completing all testing phases, WIIT's new Data Center located in Milan has achieved Tier IV Certification of Constructed Facility (TCCF), making it the company's second Tier IV Certified Data Center in Italy. Tier IV Certification considers the data center as fault tolerant: this prevents individual equipment failures or instances of distribution outages from impacting IT Operations. This architecture makes it possible to cope with extraordinary maintenance and major technical incidents on any equipment without ever interrupting its operation. The Certification strengthens WIIT's multi-country network of Data Centers located in the EU: 19 proprietary data centers, 3 located in Italy and 16 in Germany, serving the Business Continuity of enterprises. To ensure ever better performance, WIIT continues to strategically invest in its assets, particularly in strengthening its Data Center network: in fact, it is in the process of certifying what will become Germany's first Tier IV Center in Düsseldorf, which will help ensure near-zero latency, simplified compliance, GDPR compliance and data sovereignty against all criticalities and adversity. To date, only 9 Data Centers in Italy can boast Tier IV Certification: 2 of these in fact belong to WIIT. Through its network of Multi Tier IV Data Centers, WIIT provides customers with the highest guarantee of performance and reliability for mission critical applications without having to rely on outside vendors.

ESG Rating

On April 13, 2023, WIIT S.p.A. announced the excellent result obtained in the sustainability assessment conducted by Gaïa Research, a French company of the EthiFinance Group that specializes in assessing the ESG profile of small and medium-sized European enterprises. The ESG Rating is a summary assessment that certifies an organization's environmental, social and governance performance, complementing traditional ratings defined solely on the basis of operating-financial indicators. In order to consolidate its ESG commitment and best tap into sustainable finance opportunities, WIIT took part in the sustainability assessment process offered by Gaïa Research in 2022. This rating helps validate WIIT's ESG Plan to 2030, which was developed for the purpose of measuring its performance and identifying tangible short and medium-term goals. The assessment process conducted by the French company, for the third year in a row, indicated that WIIT's ESG performance has improved, particularly on indicators such as governance, the social aspect, and in terms of relationships with external stakeholders, with an overall score of 71/100 in 2022, an increase of 14 points compared to 2019. As a result of this achievement, WIIT ranks above the IT industry average by as much as 23 points out of a sample of 157 rated companies.

PUT option exercise - Boreus

On May 3, 2023, the put option granted to the seller JBM Technology Deutschland was settled on 327,654 WIIT shares at a price per share equal to the price at which the shares had been allocated to JBM and, therefore, totalling Euro 10 million. The contractual agreements stipulated that the agreed price for the acquisition of Boreus would be paid in part through WIIT shares and would be subject to a possible downward adjustment based on the 2022 results. Therefore, these shares subject to the put option were initially allocated to the seller as a component of consideration in kind and represented a guarantee for the payment of any price adjustment. As Boreus has met the targets set in terms of relevant revenues, no adjustment has occurred, subject to the seller's right under the contractual agreements to request the substitution of payment in kind for a cash payment through the put option granted to them.

RSU Incentive Plans

The Ordinary Shareholders' Meeting of WIIT S.p.A. of May 4, 2023, among other matters, approved the 2022 statutory financial statements, the allocation of the net profit and the distribution of a dividend of Euro 0.30 per share, in addition to the “2023-2027 RSU Plan” financial instrument based incentive plan.

Outlook

The Wiit Group at March 31, 2023 has a marginal exposure to the Russian and Ukrainian market. Group revenues from Russia in Q1 2023 amounted to Euro 39 thousand (0.1% of revenues), with those from the Ukraine totalling Euro 73 thousand (0.2% of revenues). The Directors do not consider that either direct or indirect risks may arise from such trade relations, despite the fact that the Russian-Ukrainian conflict is generally driving the cost of raw materials higher.

The WIIT Group, thanks to the strong commercial pipeline following the winning of new customers and the renewal of long-term contracts, expects to see continued growth in 2023 and in line with market expectations. The focus remains on improving the EBITDA margin based on the growth of core revenues and of value added services, greater optimisation in process and operating services organisation, cost synergies and the continual improvement of the margin of the acquired companies, and in spite of a prudent estimate of expected energy costs in line with the previous year. It is recalled that the Group, considering the rising cost of energy, contracted a fixed electricity price in Germany in February 2022, mitigating the risk of rising prices and with a view to protecting margins over the next 3 years. In terms of the Italian energy market, the Group does not consider any critical situations to currently exist. Significant levels of operating cash are expected to be generated in 2023, thanks to increased EBITDA and a normalisation of investments, following the peak of 2022 for the construction of two new data centers (Tier IV) in Milan and Düsseldorf. Finally, M&A scouting in the "D-A-CH zone" continues in line with the growth strategy, and the German market continues to represent a significant opportunity for the Group's expansion in Europe.

Milan, May 11, 2023

For the Board of Directors
The Chairperson
(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, 2023 corresponds to the underlying accounting documents, records and entries.

Milan, May 11, 2023

The Executive Officer for Financial Reporting
(Stefano Pasotto)