WIIT S.p.A.

Separate Financial Statements

at December 31, 2023

Directors' Report

WIIT
THE PREMIUM CLOUD

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

Letter to the shareholders

Dear shareholders,

It is with great pleasure that I confirm that the Group delivered strong results in 2023, with all the operating-financial indicators showing continuous growth in line with the ambitious objectives the company has set.

These tangible results stem from the Group's coordinated and efficient operations and reflect the strength, reliability and vision of the strategy followed over recent years, with the addition of increasingly key actions and adapting to the changing socio-economic environment.

The Group succeeded in growing further, confirming its international outlook, with its foreign market reaching 55.7% of total revenues, while setting more global strategies within a sector in a constant process of innovation and expansion.

One example of this international strategy was the strategic acquisition in Munich, Germany of 100% of GLOBAL Access Internet Services GmbH, through the subsidiary myLoc Managed IT AG.

The WIIT Group has boldly embraced new challenges, hiring expert personnel and engaging with strategic partners who are leaders in their field, in increasingly important long-term agreements and with full additional services. As a result, the Group is able to pursue organic and acquisition-led growth and support its rightful market positioning as a leader of European enterprise digital transformation.

An increasing number of customers have entrusted the management of their IT systems to the WIIT Group with disaster recovery solutions with a high security profile.

2023 saw the new Milan Data Center ("MIL2") obtain Tier IV Constructed Facility certification from the Uptime Institute, thus becoming the Group's second in Italy. 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.

There was also tangible development in the Cloud Gaming sector, taking Germany as a base for further development in Europe. The fast-growing market confirms users' increasing appreciation for the advantages of constant access to high-quality, high-performance video games.

WIIT signed a partnership agreement with the Luna Rossa Prada Pirelli team for the 37th America's Cup, set to take place in 2024. The company will be supporting the Italian Challenger as Cloud and Cyber Security Partner, restating its highly innovative approach and its search for solutions, which are increasingly cutting-edge.

Thanks to these actions, revenues have reached Euro 130.1 million (Euro 118.8 million in 2022), with growth of 9.5%.

Consolidated adjusted EBITDA was Euro 50.8 million (Euro 42.2 million in 2022), with 20.3% growth, more than double the growth in revenue, thanks to cost synergies and the development of services with greater added value.

Consolidated Adjusted EBIT was Euro 28 million (Euro 23.2 million in 2022), up 20.7% and with a margin of 21.5% (19.5% in 2022).

Despite the new complexity of the business, the ongoing optimisation of operating processes and services and our increasing focus on cloud services have enabled us to reach an Adjusted EBITDA of 39% (35.5% in 2022).

The Net Financial Position was Euro -202.2 million, compared to Euro -180.8 million at December 31, 2022. The Net Financial Position also includes the IFRS16 effect for Euro 10.6 million (Euro 10.3 million in 2022). This amount does not include the valuation of treasury shares in portfolio for approximately Euro 37.5 million at market value as at December 31, 2023.

WIIT's business model, centred on long-term orders and increasing recurring revenues, with growing cross selling also on the customers of the acquired companies ensured the continued improvement of results on the previous year.

The Group's sustainability objectives were on a constant upward trajectory with ongoing implementation. The objectives were confirmed by the recent assessment conducted by Gaïa Research, a French company of the EthiFinance Group that specializes in assessing the ESG profile of European enterprises. 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.

A big thank you to everyone.

The Chairperson
Riccardo Sciutto

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

The Group provides secure 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) applications 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) and all the non-interruptible business applications.

The Group mainly operates through its own Data Centers, three of which are TIER IV certified (maximum reliability level) by the Uptime Institute, two in Milan and the third in Dusseldorf.

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. These are supported by the company's cyber security services, ensuring IT security internally and for its customers. Customers can also access Business Continuity and Disaster Recovery services, (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.

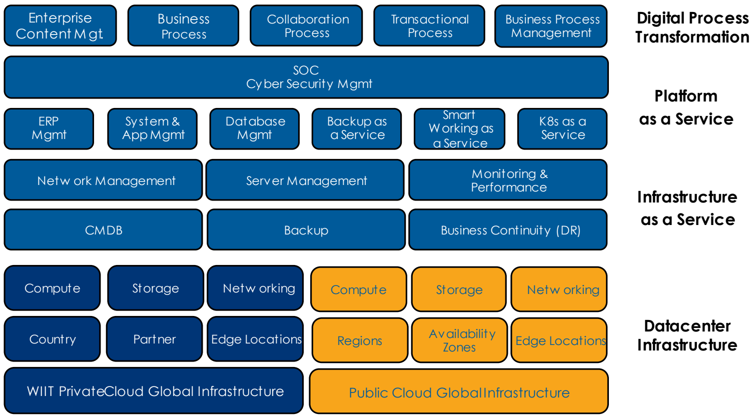
The Offer

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.

IaaS and PaaS
LAYERS

An integrated platform of technologies and managed services



The principal categories of service that the Group offers its customers are: Specifically, a description of services starting from Colocation, the most simple service, and then moving up to the Infrastructure as a Service category - which forms the underlying component for the provision of other more advanced services - up to the more complex SaaS Digital Process Transformation service. The Datacenter Infrastructure layer is the basic layer on which the services provided by the Group are developed, and can be either Private or Public in a Hybrid Cloud logic.

Colocation: involves making the physical space and the energy used by the client infrastructure available within the Data Centers in Germany.

IaaS (Infrastructure as a Service): the provision of servers, storage and networks and relative Performance Monitoring and Backup services;

PaaS (Platform as a Service): is the layer dedicated to managed services, such as the provision of on-demand databases, ERP, smart working, cyber security and Kubernetes, , which include corrective and adaptive maintenance and the development of new functionalities;

Digital Process Transformation: : Software platforms and applications made available to the client 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, Digital Process Transformation) 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 TIER IV Data Centers (maximum reliability level) certified by the Uptime Institute, two of which are located in Milan and one in Düsseldorf. To date in Europe 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 sixteen Data Centers, particularly in Castelfranco Veneto, Düsseldorf, Stralsund, Limburgerhof and Munich.

In relation to its operating structure and Data Centers, the Parent Company has achieved international certifications, particularly in terms of management, security and continuity for its services such as ISO20000 (Service Management), ISO27001, ISO27017, ISO27018, ISO27035 (Information Security Management), and ISO22301 (Business Continuity Management) certifications and with service provision certified to the ITIL (Infrastructure Library) standard.

The parent company has an integrated management system for all the aforementioned certifications, for all the activities relating to:

- Infrastructure provision and management - IaaS on premises, own and third-party DataCenters.
- Enterprise Application Environments Operating Services, SAP and non-SAP.
- Disaster Recovery and Managed Backup on proprietary (PaaS) and non-proprietary (Pure Managed Services) technologies.
- Information Security, Cyber Security and Security Operation Center Services.
- Desktop Management and Application Management Services.

The correct management and protection of data and information managed through its IT systems is guaranteed through the Parent Company's receipt in 2012 of the ISO 27001 certification (international standard setting the requirements for information technology security management systems). It also developed and adopted an operational continuity method based on ISO 22301, promoting a structured approached not based only on technology, but capable of addressing all processes involved in operational recovery.

The parent company also applied international standard ISO 27035 for the organisation and proper management of the information security incident response processes.

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

To date it has achieved the following certifications:

- SAP Business Process Outsourcing BPO Operations (Italy)
- SAP Cloud and Infrastructure Operations (Italy and Germany)
- SAP DevOps (Italy)
- SAP HANA Operations (Italy and Germany)
- SAP Hosting Operations (Italy and Germany)
- SAP Business Suite Solutions Operations (Italy)

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[1]
Director	Stefano Pasotto[2]
Director	Chiara Grossi
Independent Director	Annamaria di Ruscio
Independent Director	Nathalie Brazzelli

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	Luca Valdameri

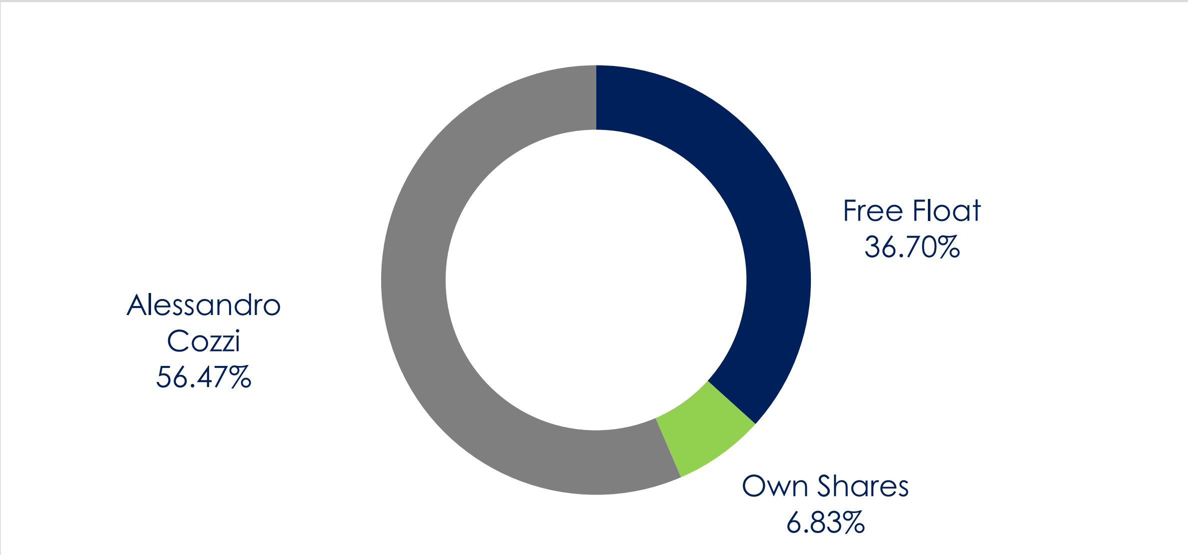
INDEPENDENT AUDIT FIRM

Deloitte & Touche S.p.A.

1 In office until May 8, 2023
2 In office from May 11, 2023

Shareholders

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



Shareholder	Number of shares held 31.12.2023	%
Alessandro Cozzi (*)	15,822,202	56.47%
Treasury shares	1,916,207	6.83%
Market	10,282,251	36.70%
TOTAL	**28,020,660**	**100%**
FREE FLOAT (Treasury shares and Market)	**12,198,458**	**43.53%**

(*) Alessandro Cozzi and companies relating to him

For the latest information, see the Wiit Group Investor Relations section under "Share information".

Governance and significant events

On March 25, 2019, the company WIIT S.p.A. was listed on the Euronext Star Milan ("STAR") segment, organised and managed by Borsa Italiana S.p.A., concluding a process begun in November 2018, with trading from April 2, 2019. With this listing, the Group has had the opportunity to attract a broader and more diversified range of investors with advantages - in addition to those concerning value enhancement and visibility - with regards to the Group's positioning against its competitors and its strategic partners, further to improved market liquidity than that available usually on a multi-lateral trading system. In addition, the Euronext Star Milan ("STAR") segment listing, considering the requirements imposed on the companies listed, has supported the further professional growth of the management team and of the Group more widely, bringing all of the associated knock-on benefits.

Wiit: share price and volumes - 1.01.2023 – 31.12.2023

Source: Bloomberg

Significant agreements

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.

On August 4, 2023, the Parent Company signed an eight-year agreement, with a total value of approx. Euro 3 million, with a major Italian company (the "Customer"), part of an International Group and operating in the pharmaceutical sector. The Customer chose WIIT as its cloud partner for the next eight years, embarking therefore on a shared journey of adopting Secure Cloud services with very high resilience. The customer's critical applications will be fully managed and hosted with high levels of reliability in the Premium Zones within the Italian Regions (among the 6 Regions provided by WIIT). The services provided by the Italy North-West Premium Zone are joined by Disaster Recovery services from the North-East Standard Zone. Premium Cloud services are integrated into the cyber security monitoring and protection systems delivered by the WIIT SOC, within a Premium Hybrid Secure Cloud model. The Customer will therefore make processes and applications available to its users in a manner that will enable not only resilience, but also maximum flexibility, scalability and security. All Customer's systems will then be hosted at WIIT's Data Center network with 24-hour support.

On September 5, 2023, the Parent Company signed a six-year contract with a total value in excess of Euro 6 million with PAM Panorama S.p.A., which belongs to the PAM Group, a north-eastern Italian company and an FMCG sector leader, specialising in the sale of FMCG goods. PAM has chosen WIIT as its cloud partner for the next six years, entrusting the company to fully manage its IT systems and confirming WIIT's ability to support customers in divergent and complex industries by offering sophisticated, cutting-edge solutions that support the integration needs of the systems and application platforms. Through WIIT's structured service model that relies on resilient and secure infrastructure, in addition to its specialised expertise, the client will be able to take advantage of highly resilient and innovative digital services by implementing a dedicated Multi-Cloud model. With WIIT's support, PAM will be able to undertake its digital transformation, enabling the company to optimise data management, processes and security, ensuring operability and maximum availability. The Customer's critical services will be hosted with a high level of reliability through a 24h service model in the Premium Zones from which WIIT's Cloud services are delivered, and which are part of the Italian Regions (among the 6 European Regions provided by the WIIT Group).

On September 19, 2023, the subsidiary myLoc Managed IT AG signed a five-year contract worth approx. Euro 2.3 million with one of the leading international "multichannel" beauty retailers, with revenues of over Euro 3 billion and 1,800 sales points. The client chose WIIT as a strategic partner in Germany for the coming five years, beginning its journey towards the Cloud and outsourcing for the first time its infrastructure, which is the technological pillar of its "omnichannel" strategy. Employing a multi Data Center strategy in Düsseldorf in the Germany North West region, the customer will benefit from WIIT's Campus technology infrastructure and Managed Network and Private Cloud services. Finally, with WIIT's support, the customer will be able to manage its infrastructure in a cost-effective, secure and environmentally-friendly manner; this represents the first step toward a secure and managed Cloud model and a complete refocusing of IT on activities most closely related to its Core Business.

On November 7, 2023, WIIT S.p.A. signed a five-year contract with a major Italian company specialising in legal and tax services to extend its existing contract, for an overall value of approximately Euro 3.7 million. Euro 2.2 million of the total amount was used for new Premium Cloud services, with an extension of the perimeter and adoption of the Secure Cloud model. The customer chose WIIT for the next five years, confirming the existing partnership, consolidated over the years for the cyber security services to protect its data, processes and endpoints with Enterprise SOC services, and physical and logical perimeter security. The customer also reaffirmed its confidence in WIIT and in its ability to provide highly competitive services and solutions with a high security profile, extending the collaboration with a transition to a Secure Cloud model, supported by an extremely high-profile technological partner.

On November 28, 2023, the subsidiary WIIT AG signed a five-year contract in Germany with a new customer in the Cloud Gaming sector, for a total value of Euro 7.5 million. The customer is one of the largest providers of Cloud Gaming platforms in the world and it chose WIIT as its Premium Cloud partner for its entry to the German market. Using WIIT scalable and high-performance services, the customer intends to lay the foundations for further expansion in Europe. Cloud Gaming is a growth market in Germany and around the world, as an increasing number of users appreciate the advantages of constant access to high-quality and high-performance video games without the need to buy costly hardware.

On December 27, 2023, WIIT S.p.A. signed an early renewal and extension of the four-year contact with a major Italian multinational operating in research, design, manufacture and sale of tools for creative expression. The contract includes additional cyber security services and has a total value of approximately Euro 6.4 million. The customer confirmed the trust it places in WIIT's Private Cloud services by renewing the contract before the natural expiry of the contract, thus ensuring continuity of the existing activities and confirming the partnership for the next four years. The customer entrusted the management of its IT systems to the WIIT Group with disaster recovery solutions with a high security profile.

Updates on business combinations and new acquisitions during the year

Purchase 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 the subsidiary myLoc Managed IT AG, a company engaged in private cloud and managed services with almost entirely recurring revenues, in line with the business model of 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 final price agreed for the transaction was Euro 7.4 million, Euro 964 thousand of which was paid following achievement of the targets relating to the net financial position and the net working capital of the company at December 31, 2022.

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.

A breakdown, for comparative purposes only, of the effects of the merger based on the figures at 31.12.2022 is presented below.

STATEMENT OF FINANCIAL POSITION

	WIIT S.P.A. 31.12.2022	ERPTECH S.P.A. 31.12.2022	Merger effect	31.12.2022 (*)	WIIT S.P.A. 31.12.2023
ASSETS					
Intangible assets	23,976,944	279,161	620,119	24,876,224	25,916,662
Goodwill	24,664,060	0	718,104	25,382,164	25,382,164
Right-of-use	4,004,219	112,416	0	4,116,635	4,925,304
Property, plant and equipment	4,697,060	0	0	4,697,060	4,236,926
Other tangible assets	12,429,953	1,397,256	0	13,827,209	15,898,525
Deferred tax assets	1,342,932	229,450	0	1,572,382	1,634,042
Equity investments	134,356,774	0	(2,863,262)	131,493,512	131,748,950
Non-current assets deriving from contracts	65,508	0	0	65,508	24,356
Other non-current assets	12,530,140	0	0	12,530,140	20,285,626
NON-CURRENT ASSETS	**218,067,590**	**2,018,283**	**(1,525,040)**	**218,560,833**	**230,052,555**
Trade receivables	15,564,433	2,342,844	0	17,907,277	15,533,929
Trade receivables from group companies	1,321,721	0	(964,410)	357,311	169,841
Current financial assets	298,775	0	0	298,775	12,355,997
Other receivables and other current assets	5,867,438	610,023	0	6,477,461	6,509,435
Cash and cash equivalents	23,576,352	297,225	0	23,873,577	5,906,036
CURRENT ASSETS	**46,628,719**	**3,250,092**	**(964,410)**	**48,914,401**	**40,475,238**
TOTAL ASSETS	**264,696,309**	**5,268,375**	**(2,489,450)**	**267,475,234**	**270,527,793**

(*) Presentation for comparative purposes only of the effects on the merger with reference to figures at 31.12.2022

STATEMENT OF FINANCIAL POSITION

	WIIT S.P.A. 31.12.2022	ERPTECH S.P.A. 31.12.2022	Merger effect	31.12.2022 (*)	WIIT S.P.A. 31.12.2023
SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital	2,802,066	120,000	(120,000)	2,802,066	2,802,066
Share premium reserve	44,598,704	0	0	44,598,704	44,598,704
Legal reserve	560,413	24,000	(24,000)	560,413	560,413
Other reserves	2,145,156	400,000	(400,000)	2,145,156	4,953,356
Treasury shares in portfolio reserve	(19,410,233)	0	0	(19,410,233)	(30,566,915)
Reserves and retained earnings (accumulated losses)	4,752,099	928,121	(928,121)	4,752,099	2,945,731
Net result	6,011,746	104,943	(225,932)	5,890,757	6,363,140
SHAREHOLDERS' EQUITY	**41,459,951**	**1,577,063**	**-1,698,053**	**41,338,961**	**31,656,495**
Payables to other lenders	6,677,366	633,024	0	7,310,389	6,166,636
Non-current financial indebtedness related to Bond facilities	167,683,547	0	0	167,683,547	157,442,669
Bank loans	9,965,842	0	0	9,965,842	24,199,322
Other non-current financial liabilities	1,048,963	0	0	1,048,963	318,963
Employee benefits	2,576,912	142,367	0	2,719,278	3,042,572
Provision for risks and charges	66,509	0	0	66,509	57,410
Deferred tax liabilities	3,726,810	0	173,013	3,899,823	3,152,364
Non-current contract liabilities	195,415	0	0	195,415	108,357
NON-CURRENT LIABILITIES	**191,941,364**	**775,390**	**173,013**	**192,889,767**	**194,488,293**
Payables to other lenders	4,159,238	217,748	0	4,376,986	4,088,356
Current financial indebtedness related to Bond facilities	903,324	0	0	903,324	7,897,960
Short-term bank loans	4,763,153	0	0	4,763,153	11,264,992
Current income tax liabilities	888,244	93,452	0	981,695	372,158
Other current financial liabilities	2,863,995	0	0	2,863,995	935,676
Trade payables	8,482,574	1,022,565	0	9,505,139	12,200,269
Payables to group companies	0	964,410	(964,410)	0	57,916
Current contract liabilities	5,143,779	0	0	5,143,779	3,492,306
Other payables and current liabilities	4,090,687	617,746	0	4,708,433	4,073,372
CURRENT LIABILITIES	**31,294,994**	**2,915,921**	**(964,410)**	**33,246,505**	**44,383,005**
TOTAL LIABILITIES	**223,236,358**	**3,691,312**	**(791,397)**	**226,136,272**	**238,871,298**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**264,696,309**	**5,268,375**	**(2,489,450)**	**267,475,234**	**270,527,793**

(*) Presentation for comparative purposes only of the effects on the merger with reference to figures at 31.12.2022

INCOME STATEMENT

	WIIT S.P.A. 2022	ERPTECH S.P.A. 2022 (**)	Merger effect	2022 (*)	WIIT S.P.A. 2023
REVENUES AND OPERATING INCOME					
Revenues from sales and services	52,588,316	5,854,689	(790,500)	57,652,505	57,746,012
Other revenues and income	654,576	11,614	0	666,190	527,486
Total revenues and operating income	**53,242,892**	**5,866,303**	**(790,500)**	**58,318,695**	**58,273,498**
OPERATING COSTS					
Purchases and services	(20,739,903)	(2,942,020)	680,519	(23,001,404)	(18,931,865)
Personnel costs	(11,956,417)	(2,104,440)	0	(14,060,857)	(15,398,841)
Amortization, depreciation and write-downs	(11,790,193)	(863,403)	(160,820)	(12,814,416)	(14,524,485)
Provisions	(50,000)	0	0	(50,000)	0
Other costs and operating charges	(599,535)	(50,923)	0	(650,457)	(371,095)
Change in inventories	(53,871)	0	0	(53,871)	0
Total operating costs	**(45,189,919)**	**(5,960,786)**	**519,699**	**(50,631,005)**	**(49,226,286)**
EBIT	**8,052,973**	**(94,483)**	**(270,801)**	**7,687,689**	**9,047,212**
Write-down of equity investments	(28,858)	0	0	(28,858)	0
Financial income	3,365,459	248	0	3,365,707	4,706,580
Financial expenses	(4,208,527)	(29,310)	0	(4,237,837)	(7,238,517)
Exchange gains/(losses)	1,592	(963)	0	630	(1,098)
PROFIT BEFORE TAXES	**7,182,640**	**(124,507)**	**(270,801)**	**6,787,332**	**6,514,177**
Income taxes	(1,170,894)	229,450	44,869	(896,575)	(151,037)
NET PROFIT FROM CONTINUING OPERATIONS	**6,011,746**	**104,943**	**(225,932)**	**5,890,757**	**6,363,140**
NET PROFIT	**6,011,746**	**104,943**	**(225,932)**	**5,890,757**	**6,363,140**

(*) Presentation for comparative purposes only of the effects on the merger with reference to figures at 31.12.2022

(**) 9M income statement figures as the Company was acquired on 01.04.2022

Other information

WIIT Partnership - Luna Rossa - Prada - Pirelli

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.

Institutional advertising campaign on SKY

On June 11, WIIT S.p.A. launched its new institutional advertising campaign on SKY. The 2023 campaign encapsulates in 15 seconds WIIT's key success factors and the company's ability to support and meet the needs of its customers. Following the three on-air commercials that since 2021 have communicated the company's commitment to ESG and its mission, WIIT's new campaign seeks to consolidate brand awareness among the general public, emphasising WIIT's concept of Italian identity and its premium quality as a cloud partner.

New Data Center in Milan

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.

ESG Rating and Gaïa Research Project

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.

Settlement of put option exercise by Boreus sellers

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.

Appointment of Director

On May 4, the Shareholders' Meeting of the company appointed a director to supplement the Board, confirming the co-opted director Ms. Chiara Grossi to the role. Her term of office concludes together with the current Board of Directors and, therefore, at the Shareholders' Meeting called to approve the financial statements at December 31, 2023.

RSU incentive plan

On May 4, 2023, the Shareholders' Meeting of WIIT S.p.A., in ordinary session, approved the adoption of the "2023-2027 RSU Plan" incentive plan. The details of the plans (including the enactment conditions and requirements) are outlined in the Board of Directors' illustrative report and in the related documentation, and confer upon the Board of Directors the widest powers necessary and/or useful for the complete and comprehensive enactment of the "2023-2027 RSU Plan" incentive plan. The Board has the right to identify the beneficiaries of these plans and, where appropriate, the restricted stock units to be assigned to each of them, and is responsible for verifying the achievement of the performance objectives, determining the number of ordinary shares to be assigned to each beneficiary, and executing said assignment.

Launch of the Buy-Back plan

On May 11, WIIT S.p.A.'s Board of Directors approved the launch of the buy-back plan in execution of the authorisation granted by the Shareholders' Meeting of May 4, 2023. The execution of the buy-back plan will enable the Company to acquire a stock of own shares that it can use (i) as consideration for any extraordinary financial transactions and/or for other uses deemed to be of financial-management and/or strategic interest for the Company, including exchange, swapping, contribution or any other act that includes the use of treasury shares, and (ii) to service incentive plans based on financial instruments for employees and/or

Directors of the "WIIT Group" companies. The treasury share buy-back shall take place over a period of 18 months from the authorisation date (May 4, 2023) and may be carried out in a number of tranches.

Co-option of Board member

On May 11, having acquired the assessment of the "Appointments and Remuneration Committee" and with the approval of the Board of Statutory Auditors, the Board of Directors of the Parent Company approved the co-opting of Stefano Pasotto to replace Igor Bailo, who resigned on May 8, 2023. On the basis of the information provided, the Board of Directors of WIIT S.p.A. verified that Mr. Pasotto meets the legal and by-law requirements for the office. Mr. Pasotto will remain in office until the next Shareholders' Meeting of the Company, which will be called to pass the relative motions in accordance with law.

DIRECTORS' REPORT

Dear Shareholders,

The Group reported a net profit in 2023 of Euro 8.286 million (Euro 7,846 thousand in 2022), after amortisation, depreciation and receivable write-downs of Euro 27.427 million and net financial expenses of Euro 7.778 million.

Operating conditions and developments

The Group offers Cloud and IT Outsourcing services for critical applications. The offering comprises long-term, ongoing services of:

- Hosted Private Cloud, for companies wishing to utilise Cloud services provided by Outsourcing Data Centers; and
- Hybrid Cloud, for companies wishing to use a hybrid infrastructure model. This may be a Private Cloud (within the company), a Hosted Private Cloud (a data center outside the company using infrastructure that is largely bespoke and personalised), or a Public Cloud (a data center outside the company using standard, shared infrastructure).

The Group also offers Cyber Security, Digital Process Transformation (SaaS) solutions and in the area of DevOps services.

A generally high level of efficiency and existing long-term contracts allow WIIT to approach 2024 with a competitive offering and expectations for organic growth.

The sector in which the Group operates shows signs of growth which, along with a greater ability to acquire and maintain customers, allows us to continue to capitalise on numerous organic growth opportunities and assess acquisition-led growth, and make us confident in predicting strong results for 2023.

In accordance with Article 2428, it is disclosed that business is conducted at the main offices in Milan, Via dei Mercanti 12 (registered office) and Via Muzio Attendolo detto Sforza 4/7, and in the secondary offices in: i) Rome in Via Ercolano Salvi 12, ii) Castelfranco Veneto (TV) in Piazza della Serenissima 20, iii) Cuneo Via della Magnina 1 and 1e, iv) Carpi (MO) Via delle Mondine 8; v) Bagno a Ripoli in Via S.Pertini 7, vi) Vicenza in Via G. Frescobaldi 27, 36100.

Overseas, the Group is present at the offices of: i) myLoc Managed IT AG in Düsseldorf Gatherhof 44, ii) Gecko mbH in Rostock Deutsche-Med-Platz 2, iii) Boreus GmbH in Stralsund Schwedenschanze 2, and at Gera Hermann-Drechsler-Straße 1 iv) Codefit Sp.z.o.o. in Katowice Porcelanowa 19 Poland, v) WIIT AG in Düsseldorf Joachim-Erwin-Platz 3; vi) Lansol Gmbh in Rheingonheimer Weg 13, Limburgerhof, vii) Global Access Internet Services GMBH in Munich, Leopold Strasse no. 158.

Economic overview

In the United States, there were signs of weakening economic activity and in China growth remained below pre-pandemic values. The most recent OECD estimates for 2024 point to a slowing in global GDP growth at around 2.7% (3.1% in 2023), as a result of tight monetary policy and a deterioration in both consumer and business confidence. High downside risks remain, owing to international political tensions, particularly in the Middle East, and due to the continuing war in Ukraine. The main models predict a weak demand for trade and services over the course of the year, impacted by the weakness of global demand.

Underlying inflation also fell in the United States and United Kingdom in the autumn. Both the Federal Reserve and the Bank of England kept their rates unchanged, noting that monetary policy will remain tight until inflation falls back in line with their respective targets.

Stagnation in the eurozone continued at the end of 2023, reflecting the lack of dynamism in internal and foreign demand. The ongoing weakness of manufacturing and construction spread into the service sector. However, employment continued to grow. In the latter months, inflation was lower than expected, and disinflation extended to all the main components of the basket, including those for which prices had started to rise with a greater delay. According to the projections of Eurosystem experts released in December 2023, the consumer price index is expected to fall yet again: from 5.4% in 2023 to 2.7% in 2024, then to 2.1% in 2025 and 1.9% by 2026.

In their October and December meetings, the ECB's Board of Directors left base interest rates unchanged, considering that leaving the current levels for a sufficient time could contribute substantially to returning inflation to the 2% target. The Board also decided that during the second half of 2024 it will gradually stop reinvesting cash from maturing bonds purchased as part of the pandemic emergency public and private asset purchase programme. In the eurozone, past increases in official rates continue to impact the cost of household and business loans; both of these have significantly decreased the demand for credit. Monetary restrictions have contributed to a considerable slowdown in monetary aggregates, specifically driven by current account deposit dynamics. Yields on ten-year government bonds decreased and the differentials on Italian government bonds with the corresponding German government bonds fell.

According to Bank of Italy estimates, growth in Italy was close to zero at the end of 2023, slowed by the worsening credit conditions, and the continuing high energy prices; consumption stagnated, and investments contracted. The manufacturing sector fell once again, whereas services stabilised; construction grew, continuing to benefit from tax incentives. According to the projections prepared as part of Eurosystem's coordinated exercise, GDP will grow by 0.6% in 2024 (compared to an estimated 0.7% for 2023) and by 1.1% in each of the two subsequent years.

Inflation dropped at a sharper rate and extended to non-energy industrial goods and to services. In December, growth in the consumer price index was 0.5% (3.0% net of the more volatile components). The pressures of inflation on households and businesses are expected to ease in the short to medium term. According to our forecasts, prepared as part of the Eurosystem coordinated exercise, the rise in the consumer price index will fall to 1.9% in 2024 (from 5.9% in 2023), to then gradually decrease to 1.7% in 2026; underlying inflation will fall to 2.2% in the current year (from 4.5% in 2023) and fall below 2% in the subsequent two-year period.

The information is drawn from Economic Bulletin No. 1 – 2024 published by the Bank of Italy

Group demand and macro-market development

As described in detail earlier, the market in which the Group operates is ICT services and, more specifically, the Cloud Computing and Cyber Security segment.

The ongoing delicate geopolitical situation due to the Russia-Ukraine conflict, the opening of a new crisis front in the Middle East, and the continuing high rates of inflation for much of the year, which began to fall only in the second half of the year, impacted energy and raw materials prices. This continued to cause great uncertainty in all national and international markets once again in 2023. The Cloud market, based on infrastructure that requires high energy consumption, has certainly been affected by this scenario of increased costs, mainly electricity, by comparison to the period before the Ukraine conflict. However, it has continued to show a strong demand for services from customers continuing their digital transformation process.

Large enterprises have embarked on structured migration processes that have enabled them to experience the benefits of the Cloud and make it an enabling lever for digital transformation. In many cases, the reason for embarking on these processes does not stem solely from a strong demand for process digitalisation, but also from the persistent absence of technological expertise on the market. This absence is not only an Italian phenomenon, but is increasingly evident in Europe and in the rest of the world. In Germany alone, it is estimated that the Information Technology sector lacks 150,000 personnel. The Cloud therefore enables access to up-to-date technologies and skills, boosting the company's flexibility as a result of changes in context, and also permits it to embark on a transformation to a digital model in line with the new Business Plans that are strongly based on digital services, multichannel operations and significant supply chain and customer integration. The plans and funds for the digital development of the country have been confirmed in both Italy and Europe. Both the National Recovery and Resilience Plan (NRRP) and the National Cloud strategy continued in line with the previous year for the public sector. Many European initiatives are focusing their attention on the need to unify and raise the barriers in the cyber security field. Those initiatives gave rise to a review of the Network and Information Security (NIS) directive, resulting in the more recent NIS 2.

The entire ecosystem has already prepared itself to handle the emerging complexities arising from the future adoption of the Cloud as a strategic driver of business growth, aiming for resilience that can only be achieved through the adoption of infrastructure with high reliability and security of services delivered by highly specialized Providers. Providers themselves will then need to demonstrate that they can guide their investments with a view to the economic, security and environmental sustainability of the Cloud. All stakeholders, from institutions, European and Italian, to companies, supply and demand, and public administrations, have a key role on the one hand in mitigating the impacts of the crisis that our economic system, in all sectors, is preparing to face, and on the other hand in facilitating the digital transformation of companies and society in general. All the most recent Cloud Adoption surveys (see Figure 1) show that an increasing number of companies in all sectors have a growing demand for Cloud services. The Hybrid Cloud market, which includes both Private and Public Clouds, remains the focus of customers owing to the ability to provide the best of both offers: a highly resilient private cloud for the most critical applications and a public environment for collaboration, the least critical applications and development. The Hybrid Cloud area continues to be the core business of the WIIT Group's company services.

Figure 1: Cloud Adoption and Growth Trend 2022-2028. Shown in white in the graph: some of the main markets on which WIIT operates.

As shown above, it is important to note that globally, the level of Cloud adoption by companies will continue to show strong growth in all sectors for many years to come. Hence it is far from being a mature market, as it is still strongly characterised by customers who generally continue to use proprietary datacentres and infrastructures and who will continually shift their strategy and investments towards more secure and scalable Cloud services. Shown in grey are some of the main sectors in which WIIT clients operate in Italy and in Germany, constituting an excellent development platform for new revenues and a privileged observation point from which to understand the new trends and the development of new services. The reason that adoption is not proceeding at a breathtaking pace, but rather at a more moderate but steady rate, is related to the fact that business adoption of the Cloud involves a complete organisational transformation of processes and skills. These are areas in which the reskilling and upskilling times of personnel are the main constraint (source: Istat, Destatis, DE, KPMG/bitKom Cloud Monitor 2021).

According to the estimate in Figure 2, in 2023 the Italian Cloud market was worth Euro 6.184 billion, up 19.7% over the 2022 figure of Euro 5.166 billion.

**excluding consumer market*

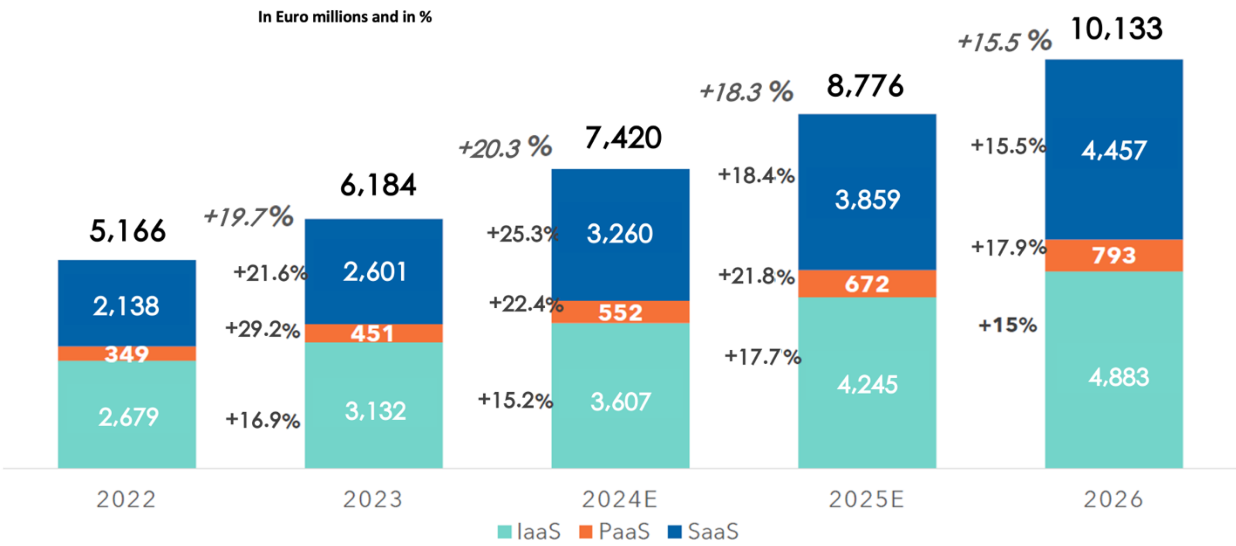


Figure 2 - Evolution of the IaaS, PaaS and SaaS Cloud market in Italy and 2022 - 2026 future forecasts. Source: "The Cloud Market in Italy" ("*Il Mercato del Cloud in Italia*") - February 28, 2024, Net Consulting 3

The IaaS component continued to grow steadily and was up 16% compared to 2022; PaaS and SaaS were up 29.2% and 21.6% respectively, confirming the growing trend for companies to consume increasingly advanced cloud services. According to estimates, this trend will level off in subsequent years, until it comes into line with the growth percentages of IasS services.

Figure 3 shows a different market breakdown based on Public, Hybrid and Virtual Private deployment models, characterised by an increasing level of confidentiality. Once again, in 2023, the entire sector was made up of more than 50% Virtual Private and Hybrid models, which grew respectively by 7.1% and 19.3% compared to 2022. The Public model accelerated, growing by 24.4% between 2022 and 2023, and is forecast to be worth up to Euro 3.682 billion in 2024, matching the sum of the other two, then becoming the main sector from 2025 onwards. This phenomenon indicates the ever-growing confidence in and success of the Cloud model for companies, which are increasingly willing to use it, thus delegating the management of infrastructural and security management to providers on their behalf.

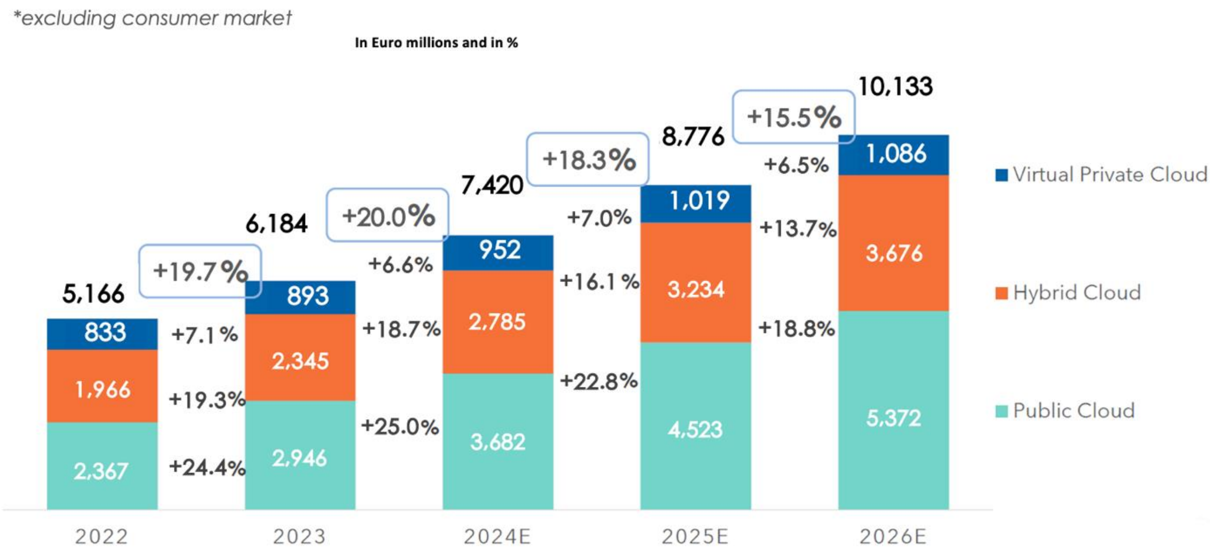


Figure 3 - Evolution of the Public, Hybrid ad Virtual Private Cloud in Italy and 2022 - 2026 future forecasts. Source: "The Cloud Market in Italy" ("*Il Mercato del Cloud in Italia*") - February 28, 2024, Net Consulting 3

The features that distinguish the profile of Cloud adoption by large companies across the country begin to emerge by examining the Cloud adoption strategies they intend to implement: distributed information systems across cloud and on-premises resources, where the cloud is increasingly pervasive and of paramount importance for the implementation of innovative projects at the enterprise.

44.2% of companies responding to the survey in Figure 4 stated that they had more than 50% of their applications now running on Cloud, in all of its possible forms. Heterogeneity is not only infrastructural. Enterprises confirm that they leverage different Cloud providers and service delivery models in their sourcing choices.

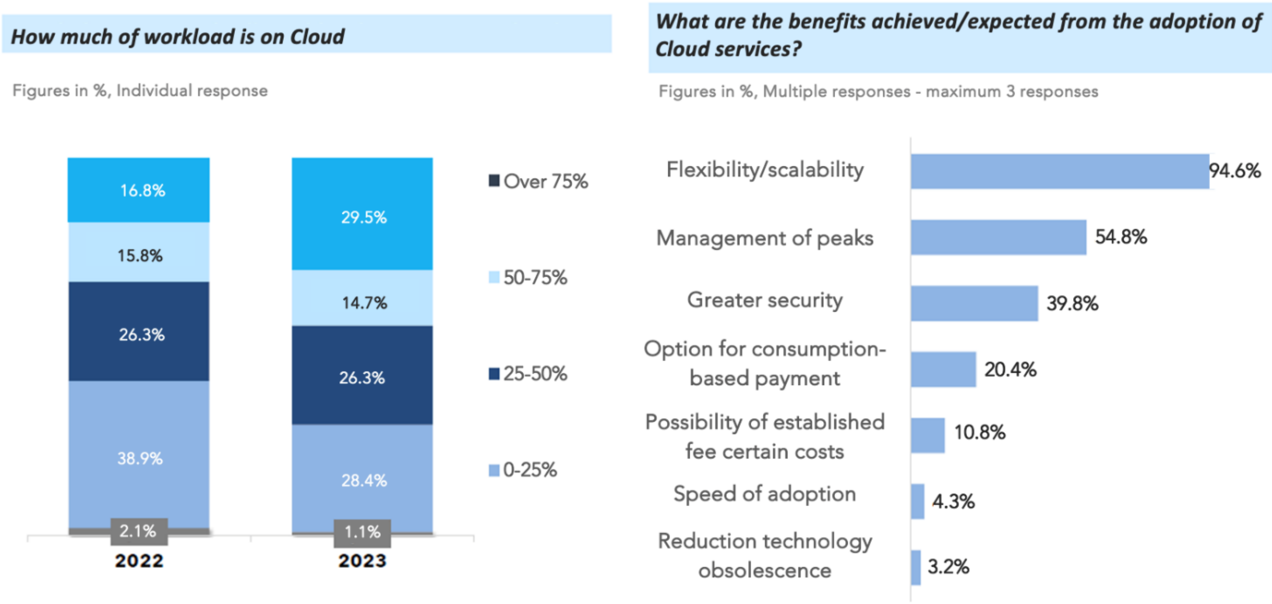


Figure 4 - Level of Cloud usage and expected benefits - source NetConsulting, CIO Survey 2023

This mainly occurs owing to the expected benefits that Cloud Computing allows its clients to attain, such as flexibility and scalability (94.6% of cases) by comparison to traditional sourcing models, management of load spikes (54.8% of cases), thus avoiding allocation of excessive computing capacity, which is often unused, and greater security (39.8% of cases), which customers attribute to cloud providers compared to what they could guarantee themselves on traditional sourcing models.

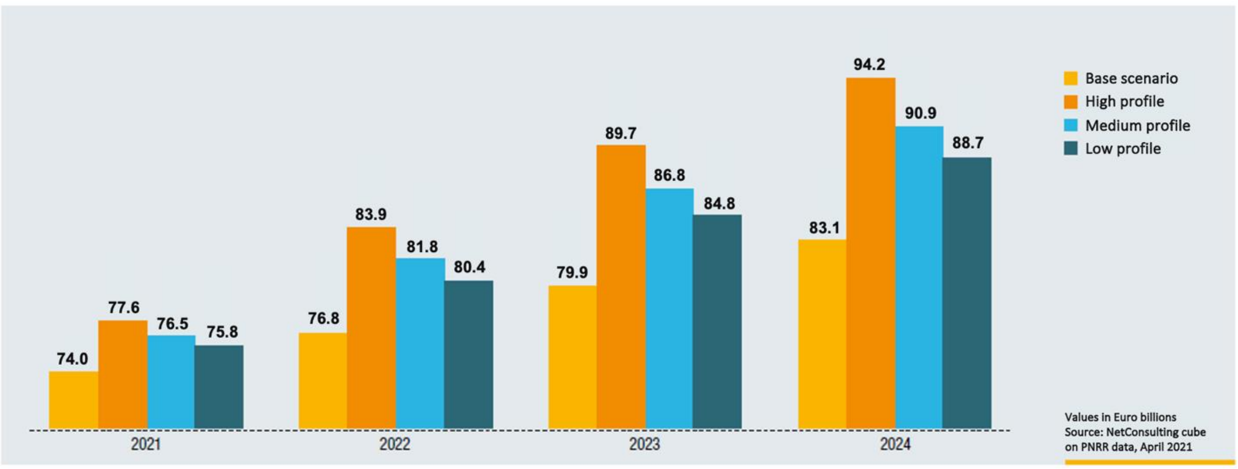


Figure 5 - Projected digital market growth in Italy by scenario (National Recovery and Resilience Plan impact)

All growth forecasts for the digital market over the next few years are heavily affected by implementation of the National Growth Plan, which calls for nearly Euro 50 billion in investment by 2026.

- Scenario 1: estimated growth in the digital market with no impact from the National Growth Plan (organic growth or base scenario).
- Scenario 2: use of 100% of the annual funding from the National Growth Plan (high).
- Scenario 3: use of 70% of the annual funding from the National Growth Plan (medium).
- Scenario 4: use of 50% of the annual funding from the National Growth Plan (low).

On the whole, Euro 222.1 billion in funding will be made available to stimulate economic recovery, restore structural weaknesses in the economy, and guide Italy along a path of environmental transition. The plan is divided into six missions.

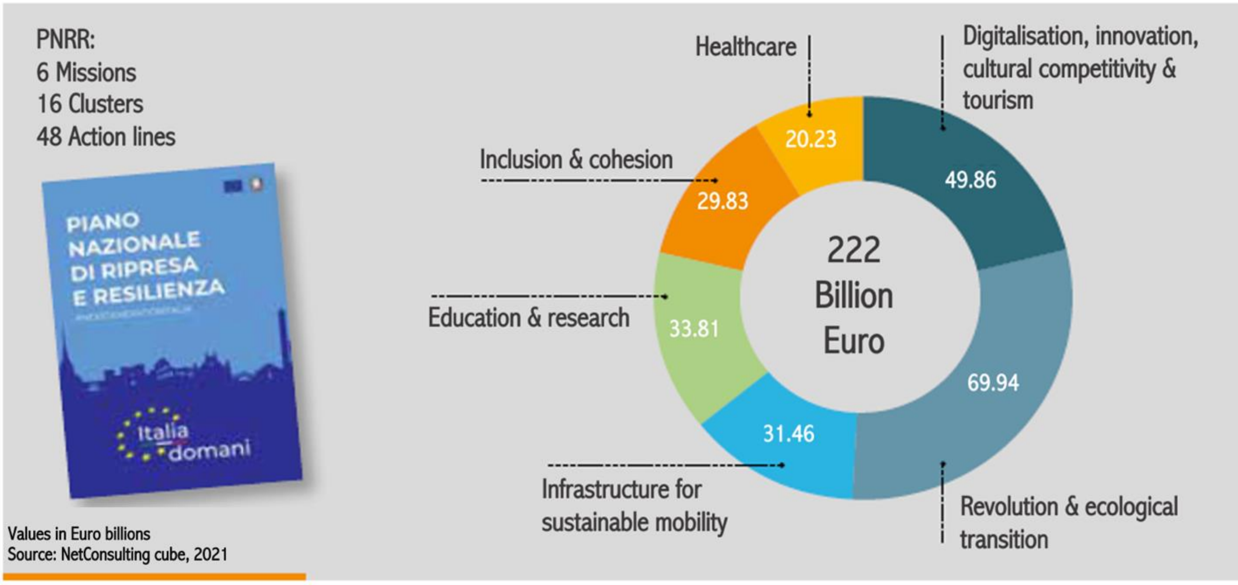


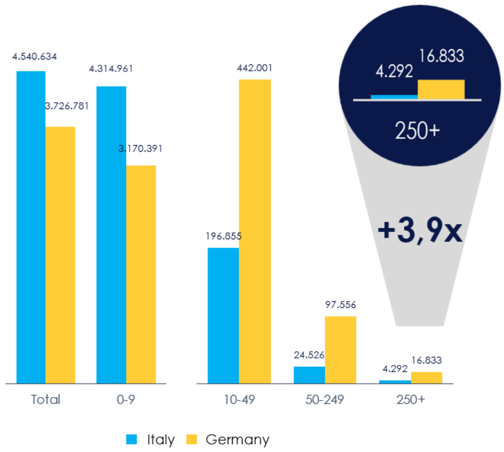
Figure 6 - National Recovery and Resilience Plan Missions

That outlined in the previous paragraph in terms of the mission of "Digitalisation, innovation, competitiveness, culture and tourism" is confirmed, which will receive total funding of Euro 49.86 billion, or 20% of the total funding under the plan. This mission calls for investments in infrastructure in order to modernise telecommunication networks and support the economy as a whole. One of the objectives in this area is the creation of a national cloud platform and the migration of 75% of government services to the cloud by 2026.

However, a thorough analysis of the market landscape must not be limited to Italy alone. Indeed, Group strategies are increasingly centred around growth through acquisitions, including abroad, with a particular emphasis on Germany.

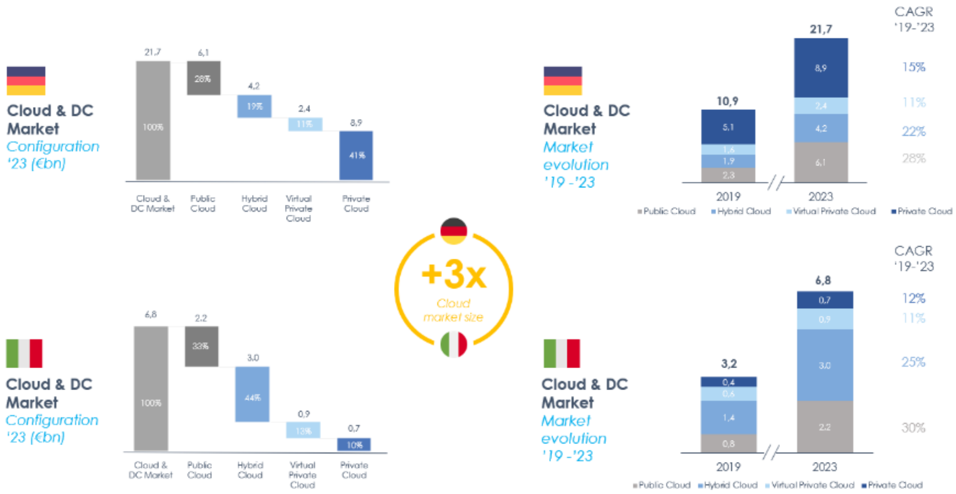
This international expansion began with management's assessment upon the particular nature of the German economy and the consequent size of the German Cloud market.

Number of Companies by #employees
Italy 2021 & Germany 2022



Source: Istat, Destatis.de, KPMG / Bitkom Cloud Monitor 2021

This analysis indicates a close correlation between the number of enterprises and the relative size of the Cloud market in the respective region. The data taken into consideration are, at the time of reporting, the latest available data on ISTAT (2021) and Destatis (2022). In particular, while Italy has a total number of enterprises (over 4.5 million) which exceeds that of Germany (over 3.7 million), the enterprises in the German market in terms of size (number of employees) differs from Italy. Italy in fact strongly features mainly small enterprises of up to 10 employees, while German enterprises on average feature a higher number of employees. In the category of over 250 employees, Germany has almost four times the number of businesses by comparison to Italy (almost 17 thousand companies, compared to just over 4 thousand). This company size is precisely WIIT's target market for its services. It is clear that the size of the Cloud market in the two countries is closely related to these figures. The total German Cloud market is over three times the size of the Italian market and the Private Cloud component is in fact over 10 times larger.



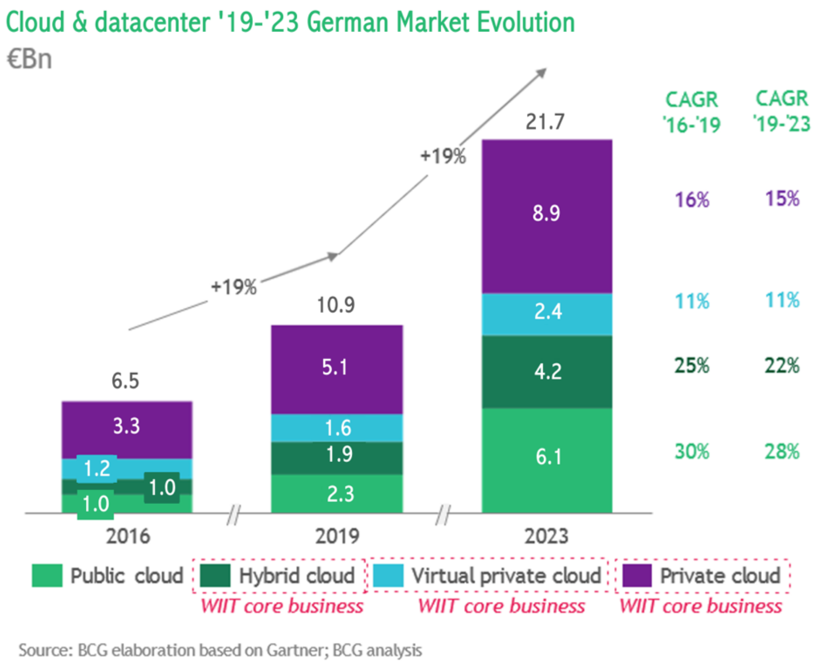
Source: Company elaboration based on Gartner; Company Analysis

We should also note that Germany is also the domestic market for the SAP platform, a world leader in mission-critical applications and which, for the Group, is one of the primary cloud platforms hosted at our European data centres.
In summary, due to market dynamics on the one hand and rapid technological development on the other, it can be assumed that there will also be a healthy and sustainable demand for high-quality cloud services in 2023 and the years to follow, excluding outside factors related to global economic developments which may however only slightly limit and slow its now well-established development and connected to a now unstoppable transformation. Finally, the sharp rise in the number of mobile workstations is having a positive impact on this general demand for digitalisation.
These factors are also amply confirmed by other sources that have been used to monitor the outlook for German business and the German market in general, as well as to provide a benchmark for analysis.

Based on an analysis of Germany's cloud market, the specific business segments of interest to the WIIT Group show the following compound annual growth rates (CAGR) for 19-23:

- Private Cloud: 15%
- Virtual Private Network: 11%
- Hybrid Cloud: 22%

A graph of the data, mainly based on the Gartner source, is provided to support analysis:



Marketing Communication & Brand Positioning

The Group in 2023 further consolidated its marketing strategy to support developing activities to boost the WIIT brand's visibility and generate new business opportunities both in Italy and Germany, increasing the budget for this activity.

In March 2023, the partnership with Luna Rossa Prada Pirelli was announced for the 37th America's Cup, scheduled for October 2024 in Barcelona, Spain. WIIT, as Cloud and Cyber Security Partner of the team, supports 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. This partnership strengthens the sports marketing approach WIIT initiated with the "*WIIT Lane Racing Experience*" and highlights WIIT's positioning as a world-class brand, highlighting the values of quality, performance, security and innovation that WIIT wishes to convey and which it shares with the Italian Challenger. During the year, as part of the partnership, certain activities were organised, including an internal team building activity with the Italian and German front lines and a premium experience organised exclusively for a limited number of existing and prospective customers.

A new institutional advertising campaign was launched in June 2023. It was broadcast on Sky: an advertisement that encapsulates WIIT's key success factors and the company's ability to support and meet the needs of its customers. The new campaign was created with the aim of improving recognition of the WIIT brand among the general public, highlighting the concept of a uniquely Italian brand and the premium quality of WIIT as a cloud partner, strengthened by images of Luna Rosa in the advert. Through television, the Group reached a typical business audience, generating greater brand recognition, with the support of the "Employer Branding" initiatives. For Germany, we prepared a variation on the advert, setting the footage in one of the most famous racing circuits in the world, the Hockenheimring, which was also the backdrop for WIIT Lane in 2022.

During the year, we also invested in some digital assets:

- with the goal of developing a streamlined, interactive and ecological tool to present WIIT to those who do not yet know us, a new digital brochure was created, WIIT a quick look: a minisite, offering a rapid overview of WIIT, describing our vision, services and strengths.
- We also created a website for the Cloud4Europe project. On the site, its ten guiding principles are described, along with goals and details of the initiative, to promote it with potential new partners.

In relation to brand awareness and to support awareness of the Group's activities, including investor awareness, the issue of press releases continued for corporate and financial updates for the Italian and German press.

In 2023, again there was a significant focus on in-person initiatives:

- The WIIT Lane format, created to involve C-Level figures at leading sector companies, was again proposed in Italy and in Germany. This exclusive on-track experience allows us to connect with stakeholders more directly and quickly than traditional methods. In order to offset the emissions produced on the track, consistent with its ESG commitment, the company has created its own forest on Treedom, populated further during each edition.

- the Rising Strong format, an event provided in specific exceptional locations, in order to educate and promote issues surrounding Business Continuity, cloud services and cyber security which targets prospective and existing customers.
- The WISHES format is an opportunity to involve a substantial number of customers, partners and stakeholders in general, reflect on current issues in the corporate world and exchange Christmas greetings. "Beyond AI, Evolving Intelligence" was the title of this event, which was held at Monterosa91 in Milan. The event looked at the subject of artificial intelligence in relation to business, with an introduction and moderation by Sebastiano Barisoni of Radio24, together with the economist Marco Magnani and physicist Massimo Temporelli, and a conclusion by comedian Leonardo Manera.

2023 saw the return of the Inbound Marketing project to attract customers (existing or potential) involving the creation of digital content matching their interests. Specifically, this project involves the publication of the Magazine, a core section of the company website, whose content appears also on company's social media channels. In 2023, the Magazine was published in German for the first time. In order to gain qualified leads from the Magazine's downloadable articles/content and their circulation, in addition to information requests through the site, the inside sales service was confirmed through a telemarketing agency to generate sales appointments, both in Italy and in Germany.

The visibility of WIIT Magazine and of WIIT's services was also supported by digital marketing activities, such as Google Ads campaigns in Germany, additional direct marketing and sponsorships on Linkedin, in addition to the landing page and online banners, and an initial sponsorship on Instagram, which received promising results. All marketing campaigns are tracked and managed within the company's CRM. In order to support the generation of leads, in 2023 the Linkedin Sales Navigator and Linkedin Insights service were again used, in addition to the acquisition of a specific contacts database for Germany.

Further to the in-house events outlined above, WIIT during the year participated at a number of third party events: in Germany the Service Provider Summit and the MSP Global - opportunities to consolidate the brand - while in Italy at a range of initiatives, including the IDC Future of Digital Infrastructure and CIO Forum and Digital 360 Awards events, at which the WIIT project dedicated to the application of AI in agriculture won the special Sustainability Award.

In addition, WIIT received another major recognition, the Label ESG Identity – IGI Company 2023, reflecting the consistency, commitment and vision in terms of ESG topics.

Competition

The Group has created and adopted service models that establish direct control over the entire service and technical component production chain. These make use of internal expertise and assets, in particular the primary Data Centre in Milan, and the primary Data Centre in Düsseldorf, certified by the Uptime Institute LLC of Seattle (USA) as "Tier 4", certifying the highest level of reliability, namely continual, interruption-free service.

The Group's position is the result of a strategy which, over the years, has created a wide range of infrastructural offerings and delivered organic growth through excellence in service provision.

Management believes that its domestic competitors in the Cloud and IT Outsourcing markets fall into 3 main categories:

- Very large multinationals designed to serve large customers, with extensive and complex organisational structures.
- Medium-large domestic companies (or those covering several European countries) offering a wide range of consulting, system integration, application and hardware sales services, whose core business is usually not Cloud services.
- National companies that offer a customised, niche service for a small number of clients, and which operate on a captive market.

GROUP STRUCTURE

Parent

- WIIT S.p.A.

Direct / indirect subsidiaries and Group holdings

At December 31, 2023, the WIIT Group comprised nine companies consolidated line-by-line:

(i) WIIT S.p.A., the consolidating company, with a share capital of Euro 2,802,066, is a joint-stock company incorporated in Italy and with registered office in Via dei Mercanti No.12, Milan, and its subsidiaries.

(ii) WIIT Swiss S.A., a company with a share capital of Euro 92,022 and incorporated in Switzerland with registered office in Dottikon - Bleicheweg 5 (CH), wholly owned,

(iii) myLoc managed IT AG, a German company with a share capital of Euro 50,000 and with registered office in Düsseldorf, Joachim-Erwin-Platz 3 - 40472, Germany, wholly-owned;

(iv) Boreus GmbH, a German company with a share capital of Euro 25,000 and with registered office in Stralsund Schwedenschanze 2 - 18435 Germany, wholly-owned;

(v) Gecko mbH, a German company with share capital of Euro 51,200 and with registered office in Rostock Deutsche-Med-Platz 2 – 18057 Germany, wholly-owned;

(vi) Codefit Sp.z.o.o., a Polish company with share capital of Euro 12,983 and with registered office in Katowice Porcelanowa 19 – 40246 Poland, held 51% by Gecko mbH;

(vii) WIIT AG, a German company with share capital of Euro 50,000 and with registered office in Düsseldorf, Joachim-Erwin-Platz 3 - 40472, Germany, wholly-owned.

(viii) Lansol Gmbh, a German-registered company with a share capital of Euro 25,000 and with registered office in Rheingonheimer Weg 13, Limburgerhof, 67117 - Germany, wholly-owed by myLoc managed IT AG.

(ix) Global Access Internet Services Gmbh, a German-registered company with a share capital of Euro 25,600 and with registered office in Leopold Strasse No. 158, Munich - Germany, wholly-owned by myLoc managed IT AG.

In 2023, the WIIT Group undertook the following merger by incorporation transactions:

(x) Erptech S.p.A., a joint-stock company incorporated in Italy and with registered office in Milan at Via dei Mercanti No. 12, with a share capital of Euro 120,000, wholly-owned, was merged into Wiit S.p.A.

(xi) Lansol Datacenter GmbH, a German-registered company with a share capital of Euro 50,000 and with registered office in Rheingonheimer Weg 13, Limburgerhof, 67117 - Germany, wholly-owed by myLoc Managed IT AG, was the subject of a reverse merger into Lansol GmbH.

Al the Group companies undertake the same business as the Parent Company, Wiit S.p.A., or complementary businesses, as is the case for Gecko m.b.H., which develops data management applications and analysis for large organisations.

Specifically:
WIIT S.p.A. a leading provider of Premium Cloud and Cyber Security services for enterprises with a global presence. With three Datacenters, and the main ones Tier IV certified, WIIT is focused on managing and delivering services for the most critical business applications that require 24/7 availability. The SAP platform solutions expertise gained over the years mean that the company represents excellence within its industry.
WIIT's main focus is the provision of IT infrastructure tailored to specific customer needs (mainly through the "Managed Hosted Private Cloud" and the "Hybrid Cloud") and the provision of infrastructure configuration, management and control services that ensure uninterrupted functionality and availability.
The company provides Cloud services for its customers' "critical applications" i.e., those whose failure may impact business continuity and therefore require an assurance of optimal, uninterrupted operation. This includes the main ERP (Enterprise Resource Planning) software available on the market, such as SAP, Oracle and Microsoft - in addition to ad hoc developed critical applications for customers' business needs (customised applications).

myLoc is a German cloud provider delivering services through 7 Data Centers on campus within the Düsseldorf metropolitan area and 5 Data Centers in Munich (Baviera). The company's primary businesses are:

- Managed Hosting: this service outsources for customers IT infrastructure management and hosting. The company offers the customer dedicated servers, associated components and manages both the hardware and the operating system. Specifically, the service includes installation, configuration of custom hardware, system maintenance and monitoring and the execution of necessary patches.
- Standardised Hosting: retail market service with a focus on standardisation and automation. An IaaS marketplace is offered with several thousand possible configurations where the end customer independently builds the type of service they need entirely in a self-service paradigm.
- Colocation: myLoc provides cost-effective off-shoring of hardware in a highly secure and certified location that includes power and air conditioning costs. Standard and custom-built solutions are provided, ranging from extremely small requirements (fractions of a rack) to entire dedicated areas. The offer also includes the ability to have secure, high-performance internet bandwidth, all provided 24/7.

Gecko is a provider of ERP software solutions for the midsize enterprise aimed at optimizing internal processes, content management and IT security. Gecko also develops software using DevOps paradigms tailored to the requirements of its customers.
For the content management part, GECKO develops the web presence on the basis of CMS such as TYPO3 or InterRed
The sectors in which Gecko operates range from online trading to real estate, from hospitality to automotive.
While offering general services, Gecko also provides more specialised services, such as:

- Server Virtualisation
- Installation of hyperconverged infrastructure
- Storage systems

- Network infrastructure development for remote working, IP-telephony, WLAN, cloud connectivity and disaster recovery
- IT security and customer management
- Backup development and implementation

Boreus is a German cloud provider that offers managed hosting, hybrid cloud and security solutions through 2 data centers located in the Stralsund area. The sectors in which it operates range from publishing to healthcare, from e-commerce to tourism.
Services include:

- 24/7 operations: operate at the highest level of security with full 24/7 professional support and 15-minute response times.
- Managed Cloud: Managed cloud services are operated either as IaaS or through a private cloud delivery model, which allows customers to use their own WAN, firewall infrastructure and IP networks. Invoicing takes place on a day-by-day basis, including integrated reporting in Big Modo.
- Kubernetes: the Kubernetes container platform is the current standard for container-based operations. It provides resource and lifecycle management of containers, their monitoring and deployment on servers.
- SAP services delivered through a highly trained team of project leads, certified admins and database specialists. The services offered are consulting, sizing, migration, software maintenance, server rental and SAP modules (e.g. HCM, BW, HR)
- AWS: certified AWS reseller and partner since 2016. Close collaboration with AWS allows customers to benefit from the latest AWS technologies and use of the latest state of the art technology.

Codefit is a software solutions provider that focuses on end-to-end digital transformation of significant business processes, with a focus on the maritime industry.
The experience of the Codefit team enables:

- Solution Discovery, in-depth analysis of complex environments to discover tailored digital solutions.
- Development of comprehensive end-to-end solutions spanning desktop, mobile and web applications including cloud, SQL, machine learning and custom hardware services
- On-site solution delivery worldwide that enables solution monitoring and proactive tuning
- Staff training to become expert users
- Support 47/7 capable of solving 90% of problems within 1 hour

Lansol Gmbh, the sole operating company of the Lansol Group, is a leading provider in Germany for the tax & accounting industry, with more than 600 active customers. The Company has two Datacenters in Limburgerhof meeting the security and resilience standards required by the WIIT Group, providing cloud services (mainly colocation/hosting/managed services to medium and large customers). LANSOL is a unique operator in the region and benefits from a high level of customer and staff loyalty, which is considered a major competitive advantage in the digital world in which staff turnover is always relatively high.
Given the characteristics described above, it becomes clear why the client portfolios of such companies make up the foundation of their value as businesses. The ability to meet clients' needs with ad hoc, flexible services is crucial to developing relationships of trust that generate added economic value and confer sustainability on the business model over time. The valuation exercise for the purchase price allocation following the acquisition of the above

equity investments was thus conducted on the customer portfolios of the targets. See the notes to the consolidated financial statements, where the effects on the balance sheet and income statement are explained.

Global Access Internet Services Gmbh is a leading provider of Cloud and cyber security services in Bavaria, headquartered in Munich. Global has worked with world-renowned IT suppliers since 1996. The company provides customers with excellent Cloud computing and data security solutions.
The company's portfolio consists of the following services:

- Managed hosting: provided through ITIL qualified staff 24/7
- Housing: possibility to use dedicated cages for exclusive use
- Business cloud: for maximum scalability. This solution enables both public and private cloud, high-performance flash storage, including disaster backup of VMs.
- Network and security, connectivity services, IT infrastructure accessibility and network management such as VPN, Switch, Load balancing
- Storage & backup, with NAS and SAN technologies, data backup and recovery

WIIT AG was established in order to create a holding company into which the companies acquired in Germany will be merged.

ALTERNATIVE PERFORMANCE MEASURES

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, personnel internal reorganisation costs, 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 also 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, personnel internal reorganisation costs, 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 assets from the Purchase Price Allocation; customer list, exclusive contracts 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. The Adjusted net profit or loss is calculated as the net profit or loss for the period, gross of M&A costs, personnel internal reorganisation costs, Put&Call options costs, 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 assets arising from the Purchase Price Allocation; customer list, exclusive contracts and platform and Data Center amortisation, related to the acquisitions 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.

Operating results and financial position

Group operating performance

The results for the fiscal year are considered very strong. The 2023 Group consolidated reclassified income statement is compared below with the previous year (in Euro):

	2023	2022	2023 Adjusted	2022 Adjusted
Total revenues and operating income	130,106,508	118,806,138	130,106,508	118,806,138
Purchases and services	(45,886,593)	(47,329,710)	(43,347,886)	(45,231,196)
Personnel costs	(35,269,163)	(30,439,526)	(33,937,863)	(30,113,136)
Other costs and operating charges	(2,044,655)	(1,162,950)	(2,044,655)	(1,162,950)
Change in inventories	(19,722)	(111,370)	(19,722)	(111,371)
EBITDA	**46,886,375**	**39,762,582**	**50,756,382**	**42,187,485**
EBITDA Margin	36.0%	33.5%	39.01%	35.5%
Amortisation, depreciation & write-downs	(27,427,109)	(23,534,910)	(22,747,263)	(18,973,838)
EBIT	**19,459,266**	**16,227,672**	**28,009,119**	**23,213,647**
EBIT Margin	15.0%	13.7%	21.5%	19.5%
Income and charges	(7,778,400)	(4,781,037)	(7,778,400)	(4,781,037)
Income taxes	(3,334,235)	(3,606,593)	(5,167,206)	(5,318,155)
Net Profit	**8,346,631**	**7,840,042**	**15,063,513**	**13,114,455**

Total revenues and operating income amounted to Euro 130.1 million, compared to Euro 118.8 million in 2022 (+9.5%). These results reflect the Group's healthy income statement and the regard in which the WIIT Group is held among its customer base as a high-quality and cost competitive player, which also contributed to generating good organic growth, in addition to acquisition-led growth through the acquisition of Global Access Internet Services Gmbh, which entered the consolidation scope for 12 months with a contribution of Euro 4.545 million to revenues. In addition, in 2023 the companies Lansol Datacenter Gmbh and Lansol Gmbh, acquired in 2022, contributed to revenues for 12 months, for Euro 7,682 thousand, against a partial contribution of Euro 2.461 million in 2022. We highlight also the altered composition of revenues - and particularly on the Italian market - with a reduction of the lower margin revenues from hardware and software resales of approx. Euro 3.99 million, against a more-than-proportional increase in higher-margin revenues and recurring cloud services revenues.

Operating costs amounted to Euro 83.2 million, compared to Euro 79.9 million in 2022 (+5.41%), and specifically: service costs totalled approx. Euro 45.9 million (-3.0%), accounting for 4.6% less of revenues and operating income than in the previous year (from 39.9% in 2022 to 35.3% in 2023). The decrease is mainly due to the cost synergies in Italy as a result of the merger and reorganisation launched in 2022. This improvement on the previous year is in addition mainly due to the reduction in product acquisition costs for Euro 4.4 million, in line with the Group policy to reduce product sales in favour of the provision of higher added value services and the reduction in electricity costs for Euro 1.1 million (decreasing on the previous year), mainly due to the more favourable energy market conditions, which saw a lower MWh cost in 2023. Directors costs are essentially in line with the previous year. The reduction of the above costs was partially offset by the increase in operating costs as a result of higher recurring revenues, in addition to (for Euro 1.6 million) the entry into the consolidation scope of the German company Global Access Internet Services GmbH.

Personnel costs amounted to Euro 35.3 million (+15.9%), increasing approx. 1.5% as a proportion of total revenues and operating income on the previous year, as a result of the new hires (from 25.6% in 2022 to 27.1% in 2023).
Other costs and operating charges amounted to approx. Euro 2.0 million (+75.8%). The increase on the previous year is due to the new consolidation scope. These costs are expected to be recovered in 2024 through synergies.

Internal capitalised costs – primarily associated with personnel involved in development projects for proprietary software platforms – amounted to approx. Euro 1 million.

Adjusted EBITDA of Euro 50.8 million (Euro 42.2 million in 2022), up 20.3% on the previous year, thanks to the concentration on Cloud services, the degree of optimisation of process and operating services organisation, cost synergies, and the ongoing improvement in the margin of acquirees. The revenue margin was 39.0%, significantly improving on 2022 (35.5%).
The WIIT Group margin in 2023 in Italy was 45.5% and in Germany 33.8%, improving on 2022. This stemmed in Italy from the focus on value added services and cost synergies (37.5% in 2022), while in Germany from the contribution of Lansol, which features higher added value revenues (33.6% in 2022).

Adjusted EBIT was Euro 28.0 million, compared to Euro 23.2 million in 2022 (+20.7%), a 21.5% revenue margin, improving on 2022 (19.5%). Adjusted amortisation, depreciation and write-downs amounted to approx. Euro 22.7 million, increasing Euro 3.9 million on the previous year. This increase was mainly due to the investments made in the present and previous year.

The Adjusted net profit was Euro 15.1 million, increasing on Euro 13.1 million in 2022 (+14.9%), despite financial expenses of Euro 7.9 million, increasing on 2022 and mainly concerning interest charges on bonds for Euro 5.5 million and financial expenses on bank loans and lease payables.

The table below presents revenues and operating income, EBITDA, EBIT and the net result (reconciled in the following table).

	2023	2022	2023 Adjusted	2022 Adjusted
Revenues and operating income	130,106,508	118,806,138	130,106,508	118,806,138
EBITDA	46,886,375	39,762,582	50,756,382	42,187,485
EBIT	19,459,266	16,227,672	28,009,119	23,213,647
Profit before taxes	11,680,866	11,446,635	20,230,719	18,432,610
Consolidated net profit	8,346,631	7,840,042	15,063,513	13,114,455

The reconciliation between the Net Result and EBITDA and Adjusted EBITDA for 2023 and 2022 are presented below:

Year ended December 31	2023	% of Total revenues and operating income	2022	% of Total revenues and operating income
Net Profit	**8,346,631**	**6.42%**	**7,840,042**	**6.60%**
Income taxes	3,334,235	2.56%	3,606,593	3.04%
Financial income	(214,441)	-0.16%	(15,960)	-0.01%
Financial expenses	7,958,445	6.12%	4,784,134	4.03%
Exchange gains/(losses)	34,396	0.03%	12,863	0.01%
Amortisation and depreciation and write downs	27,427,109	21.08%	23,534,910	19.81%
EBITDA	**46,886,375**	**36.04%**	**39,762,582**	**33.47%**
M&A transaction costs (i)	1,470,895	1.13%	1,139,752	0.96%
Costs for Stock options and RSU - IFRS2 (ii)	1,232,711	0.95%	1,126,511	0.95%
Other costs(iii)	1,166,401	0.90%	158,640	0.13%
Adjusted EBITDA	**50,756,382**	**39.01%**	**42,187,485**	**35.51%**

(i) Group M&A costs amounted to Euro 1.5 million, of which Euro 400 thousand for the merger by incorporation of Erptech, Euro 359 thousand for the acquisition of Global, Euro 500 thousand concerning the variable price for the Lansol transaction and Euro 241 thousand for other M&A costs.

(ii) The Group reports costs of Euro 1,232 thousand following the valuation of stock options and RSU's as per IFRS 2.

(iii) The Group recognised Euro 1,166 thousand for costs related to the staff reorganisation.

The reconciliation between the Net Result and EBIT and Adjusted EBIT for 2023 and 2023 are presented below:

Year ended December 31	2023	% of Total revenues and operating income	2022	% of Total revenues and operating income
Net Profit	**8,346,631**	**6.42%**	**7,840,042**	**6.60%**
Income taxes	3,334,235	2.56%	3,606,593	3.04%
Financial income	(214,441)	-0.16%	(15,960)	-0.01%
Financial expenses	7,958,445	6.12%	4,784,134	4.03%
Exchange gains/(losses)	34,396	0.03%	12,863	0.01%
EBIT	**19,459,266**	**14.96%**	**16,227,672**	**13.66%**
M&A transaction costs (i)	1,470,895	1.13%	1,139,752	0.96%
Costs for Stock options and RSU - IFRS2 (ii)	1,232,711	0.95%	1,126,511	0.95%
Other costs (iii)	1,166,401	0.90%	158,640	0.13%
Amortisation Customer list from PPA (iv)	3,205,685	2.46%	3,200,689	2.69%
Amortisation Data Center, Building and Platform from PPA (v)	1,474,161	1.13%	1,360,383	1.15%
Adjusted EBIT	**28,009,119**	**21.53%**	**23,213,647**	**19.54%**

(i) Group M&A costs amounted to Euro 1.5 million, of which Euro 400 thousand for the merger by incorporation of Erptech, Euro 359 thousand for the acquisition of Global, Euro 500 thousand concerning the variable price for the Lansol transaction and Euro 241 thousand for other M&A costs.

(ii) The Group reports costs of Euro 1,232 thousand following the valuation of stock options and RSU's as per IFRS 2.

(iii) The Group recognised Euro 919 thousand for costs related to the staff reorganisation.

(iv) The Group recorded amortisation for the customer list recognised following the Purchase Price Allocation: for Euro 210 thousand concerning Adelante, for Euro 301 thousand Matika, for Euro 161 thousand Etaeria, for Euro 489 thousand MyLoc, for Euro 791 thousand Boreus, for Euro 80 thousand Global, for Euro 161 thousand Erptech and for Euro 212 thousand Lansol. These refer to non-recurring investments that do not require additional investments.

(v) The Group recorded depreciation relating to the Data Center acquired as part of the Purchase Price Allocation of MyLoc for Euro 685 thousand, of Boreus for Euro 559 thousand, of Lansol for Euro 75 thousand, and the depreciation on the K-File platform for Euro 156 thousand. This amortisation was recognised to the "Amortisation, depreciation and write-downs" account.

The reconciliation between the Net Result and Adjusted Net Result for 2023 and 2022 are presented below:

Year ended December 31	2023	% of Total revenues and operating income	2022	% of Total revenues and operating income
Net Profit	**8,346,631**	**6.42%**	**7,840,042**	**6.60%**
M&A transaction costs (i)	1,470,895	1.13%	1,139,752	0.96%
Costs for Stock options and RSU - IFRS2 (ii)	1,232,711	0.95%	1,126,511	0.95%
Other costs (iii)	1,166,401	0.90%	158,640	0.13%
Amortisation Customer list from PPA (iv)	3,205,685	2.46%	3,200,689	2.69%
Amortisation Data Center, Building and Platform from PPA (v)	1,474,161	1.13%	1,360,383	1.15%
Tax effects of reconciled items	(1,832,971)	-1.41%	(1,711,562)	-1.44%
Adjusted Net Profit	**15,063,513**	**11.58%**	**13,114,455**	**11.04%**

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	31.12.2023	31.12.2022	31.12.2023 Adjusted	31.12.2022 Adjusted
ROE	**Net result / equity**	25.46%	19.48%	21.51%	20.20%
ROI	**EBIT / Capital employed**	6.30%	5.36%	9.06%	7.66%
ROS	**EBIT / Value of production**	14.96%	13.66%	21.53%	19.54%

Group balance sheet and financial position

The consolidated statement of financial position compared to the previous year is shown below:

(in Euro thousands)	31.12.2023	31.12.2022
Net Fixed Assets (i)	246,160	234,126
Net Working Capital(ii)	4,752	4,575
Other medium/long-term assets(iii)	2,435	2,245
Other medium/long-term liabilities (iv)	(18,560)	(19,872)
Net Capital Employed	**234,787**	**221-074**
Net financial position	(202,238)	(180,827)
Shareholders' Equity	**32,549**	**40,247**

Reference should be made to the Group's consolidated financial statements.

(i) The account is calculated as the sum of "Other intangible assets", "Goodwill", "Property, plant and equipment", "Other tangible assets", "Rights-of-use", "Equity investments and other non-current financial assets".

(ii) The account is calculated as the sum of "Inventories", "Trade receivables", "Trade receivables from associates", "Current financial assets", "Current assets deriving from contracts", "Other receivables and other current assets", "Trade payables", "Payables to associates", "Current liabilities deriving from contracts", "Other current payables and liabilities", "Current tax liabilities".

(iii) This account includes: "Other non-current assets deriving from contracts" and "Deferred tax assets"

(iv) The account includes: Deferred tax liabilities, employee benefits and non-current liabilities deriving from contracts

Net capital employed

Non-current assets primarily comprise (i) goodwill of Euro 121.1 million, recognised on business combinations, (ii) intangible assets of Euro 58.2 million, primarily Business Lists and software, (iii) the right-of-use of Euro 11.9 million, mainly concerning property leases, (iv) plant and machinery of Euro 8.7 million, (v) other tangible assets of Euro 46.3 million, (vi) deferred tax assets of Euro 1.7 million and (vii) receivables and other non-current assets of Euro 0.711 million.

Net working capital remains at very low levels, primarily due to the excellent management of average payment times which, despite the growth in revenues, managed to contain the increase in receivables and offset it with the increase in trade payables.

The increase in medium/long-term liabilities is, on the other hand, related to the increase in deferred taxes arising from the capital gains allocated according to the process under IFRS 3.

Adjusted net financial position

The increase in the adjusted net financial position is mainly due to the acquisitions concluded in the year:

	31.12.2023	31.12.2022
A - Cash and cash equivalents	13,690,212	31,458,080
B - Securities held for trading	0	0
C - Current financial assets	11,602,736	901,133
D - Liquidity (A + B + C)	**25,292,948**	**32,359,213**
E - Bank loans - current portion	(12,120,143)	(5,580,914)
F - Other current financial liabilities	(948,035)	(2,943,671)
G - Payables to other lenders	(7,695,550)	(7,553,375)
H - Current financial indebtedness related to Bond facilities	(7,897,960)	(903,324)
I - Current financial debt (E + F + G + H)	**(28,661,688)**	**(16,981,283)**
J - Current net financial debt (I - D)	**(3,368,740)**	**15,377,930**
K - Bank payables	(27,805,467)	(13,384,703)
L - Payables to other lenders	(13,289,335)	(14,074,473)
M - Non-current bond loan	(157,442,669)	(167,683,547)
N - Other non-current financial liabilities	(331,938)	(1,061,814)
O - Trade payables and other non-current payables	0	0
P - Non-current financial debt (K + L + M + N + O)	**(198,869,409)**	**(196,204,536)**
Q - Group net debt (J + P)	**(202,238,149)**	**(180,826,606)**
- Lease payables IFRS 16 (current)	2,585,627	2,416,446
- Lease payables IFRS 16 (non-current)	7,998,155	7,839,241
R - Net financial debt excluding the impact of IFRS 16	**(191,654,367)**	**(170,570,920)**

This amount does not include the valuation of treasury shares in portfolio for approximately Euro 37.5 million at market value as at December 31, 2023 (Euro 19.5 per share).

Group cash flows

The consolidated cash flow statement compared to the previous year is presented below.

	2023	2022
Net profit from continuing operations	8,346,631	7,840,043
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	27,427,109	23,534,910
Change in employee benefits	323,294	27,996
Increase (decrease) provisions for risks and charges	(56,310)	(50,000)
Financial income and expenses	7,764,034	4,752,179
Income taxes	3,334,235	3,606,593
Other non-cash charges/(income)	460,865	(1,050,074)
Cash flow generated from operating activities before working capital changes	**47,599,858**	**38,661,646**
Changes in current assets and liabilities:		
Decrease (increase) in inventories	19,724	20,104
Decrease (increase) in trade receivables	(814,572)	(9,080,735)
Increase (decrease) in trade payables	3,153,387	2,107,636
Increase (decrease) in tax receivables and payables	(585,452)	912,242
Decrease (increase) in other current assets	314,263	(2,259,870)
Increase (decrease) in other current liabilities	(241,586)	(359,198)
Decrease (increase) in other non-current assets	(109,114)	(98,645)
Increase (decrease) in other non-current liabilities	60,566	0
Decrease (increase) in contract assets	41,152	26,495
Increase (decrease) in contract liabilities	(1,738,532)	1,728,079
Income taxes paid	(5,346,281)	(3,628,996)
Interest paid/received	(6,987,551)	(4,968,354)
Cash flows from operating activities (a)	**35,365,860**	**23,060,405**
Net increase intangible assets	(6,569,182)	(7,103,314)
Net increase tangible assets	(14,427,344)	(13,085,257)
Decrease (increase) investing activities	(10,757,996)	20,000,000
Cash flows from business combinations net of cash and cash equivalents	(7,333,214)	(19,505,806)
Cash flows from investing activities (b)	**(39,087,736)**	**(19,694,377)**
New financing	26,850,000	6,198,075
Repayment of loans	(6,143,349)	(4,532,927)
Bond principal repayment	(4,014,450)	0
Lease payables	(10,995,695)	(9,952,660)
Payment of deferred fees for business combinations	(1,752,073)	(4,772,376)
Drawdown (settlement) other financial investments	(243,437)	0
Bond issue (net of issue costs)	0	19,654,795
Dividends paid	(7,818,114)	(8,367,415)
(Net purchases of treasury shares)*	(9,928,875)	(7,580,483)
Cash flows from financing activities (c)	**(14,045,994)**	**(9,352,991)**
Net increase/(decrease) in cash and cash equivalents a+b+c	**(17,767,868)**	**(5,986,962)**
Cash and cash equivalents at end of the year	13,690,212	31,458,080
Cash and cash equivalents at beginning of the year	31,458,080	37,445,042
Net increase/(decrease) in cash and cash equivalents	**(17,767,868)**	**(5,986,962)**

(*) "Net purchases of treasury shares" consist of the purchase of treasury shares of Euro 16,611 thousand and the sale of treasury shares of Euro 6,683 thousand. This account does not include the non-cash movements of Euro 508 thousand, due to the utilisation of treasury shares for an Earn Out payment.

Cash flows from operating activities of Euro 35.4 million were generated, significantly increasing on Euro 23 million in 2022. The increase in the margin and the improved working capital management only partially offset the higher interest and tax payments.

Investment activities however saw a reduced cash outflow as a result of the lesser impact of the acquisitions, although organic investments overall increased and particularly concerned the expansion of data centers and of the software required for the development of the business. Finally, considering the current situation of market interest rates, the Group partially invested the liquidity of Euro 10.9 million in short-term Italian government bonds.

At financial management level, we indicate, (i) the purchase of treasury shares for Euro 16.6 million, offset by the sale of treasury shares for approx. Euro 6.7 million, (ii) dividends paid for Euro 7.8 million, in addition to (iii) the payment of lease charges for Euro 11 million, slightly increasing on 2022. The disbursement of new loans, considering the cash from the issue of the 2022 bond, remained substantially in line, generating additional proceeds of approx. Euro 21 million.

In view of the activities outlined above, cash and cash equivalents at December 31, 2023 totalled Euro 13.7 million, decreasing Euro 17.8 million on December 31, 2022. The difference includes the investment of liquidity in government bonds, as outlined above.

Parent company operating performance

In order to assess the parent company's 2023 operating performance and for comparison with the previous year, the merger by incorporation of the company ERPTech S.p.A. shall be taken into consideration, which took place on April 1, 2023, although with accounting and tax effects backdated to January 1, 2023.

Total revenues amounted to Euro 58.3 million, compared to Euro 53.2 million in 2022 (+9.4%), and include Euro 47.4 million for recurring services, the company's core business (+15.9% on 2022) and Euro 10.4 million for the sale of products and non-recurring services (-11.6% on 2022). These changes reflect the Group's strategic objectives of focusing on recurring higher added value revenues. The revenues, finally, include "other revenues and income" of Euro 527 thousand (-19.5% on 2022), which includes the income from the sale of a marginal business unit generating non-core revenues of Euro 118 thousand, and other non-core revenues such as insurance repayments, recharges to employees for fringe benefits and other recharges.

Operating costs (net of amortisation and depreciation) totalled Euro 34.7 million, increasing 4.2% on 2022 (Euro 33.3 million) and in particular:

- Service costs amounted to approx. Euro 18.9 million (-8.7%) and reflect the post-merger cost synergies, both concerning Erptech S.p.A. and the Italian subsidiaries, merged in 2022, whose synergies fully materialised in 2023.
- personnel costs amounted to Euro 15.4 million (+28.8%, the capitalisation of personnel costs, involved in development projects for proprietary software platforms, amounted to approx. Euro 1.0 million, in line with 2022).

EBITDA totalled Euro 23.6 million, up 18.5% on 2022 (Euro 19.9 million).
The EBITDA margin of 40.5% increased on 2022 (37.4%), as a result of the cost synergies and the focus on revenues from recurring services.
Amortisation and depreciation amounted to Euro 14.5 million, compared to Euro 11.8 million in the previous year (+23.2%).
EBIT totalled Euro 9 million, up 12.3% on 2022 (Euro 8.1 million). The EBIT margin was 15.5%, compared to 15.1% in 2022.
Income taxes in 2023 amounted to Euro 151 thousand (of which current income taxes of Euro 908 thousand and deferred tax income of Euro 757 thousand), compared to Euro 1.2 million in 2022. The net profit was Euro 6.4 million, compared with Euro 6 million in 2022 (+5.8%).

The 2023 reclassified income statement of the Parent Company is compared below with the previous year (in Euro):

		2023	2022
Net revenues		58,273,498	53,242,892
External costs		(18,931,865)	(20,739,903)
Value added		**39,341,633**	**32,502,989**
Personnel costs		(15,398,841)	(11,956,417)
Other costs and operating charges		(371,096)	(599,535)
Change in inventories		0	(53,871)
EBITDA		**23,571,697**	**19,893,166**
	EBITDA Margin	40.45%	37.36%
Amortisation, depreciation and write-downs		(14,524,485)	(11,840,193)
EBIT		**9,047,212**	**8,052,973**
	EBIT Margin	15.53%	15.12%
Write-downs		0	(28,858)
Income and charges		(2,533,034)	(841,476)
Income taxes		(151,037)	(1,170,894)
NET PROFIT		**6,363,141**	**6,011,746**

The table below illustrates some of the performance indicators compared to previous years. The indicators are calculated on the basis of the parent company financial statements:

Contents	Formula	31.12.2023	31.12.2022
ROE	Net result / equity	20.10%	14.50%
ROI	EBIT / Capital employed	3.34%	3.04%
ROS	EBIT / Value of production	15.53%	15.12%

Parent Company equity and financial performance

The balance sheet of the Parent Company compared to the previous year is presented below:

in Euro thousands	31.12.2023	31.12.2022
Net Fixed Assets (i)	228,394,157	216,659,149
Net working capital (ii)	2,017,185	4,148,308
Other medium/long-term assets (iii)	1,658,398	1,408,440
Other medium/long-term liabilities (iv)	(6,360,702)	(6,565,646)
Net capital employed	**225,709,039**	**215,650,252**
Net financial debt	(194,052,543)	(174,190,301)
Shareholders' Equity	**31,656,495**	**41,459,951**

Reference should be made to the parent company financial statements:

(i) The account is calculated as the sum of "Other intangible assets", "Goodwill", "Property, plant and equipment", "Other tangible assets", "Rights-of-use", "Equity investments and other non-current financial assets".

(ii) The account is calculated as the sum of "Inventories", "Trade receivables", "Trade receivables from associates", "Current financial assets", "Current assets deriving from contracts", "Other receivables and other current assets", "Trade payables", "Payables to associates", "Current liabilities deriving from contracts", "Other current payables and liabilities", "Current tax liabilities".

(iii) This account includes: "Other non-current assets deriving from contracts" and "Deferred tax assets"

(iv) The account includes: Deferred tax liabilities, employee benefits and non-current liabilities deriving from contracts

Non-current assets mainly comprise equity investments in other companies for Euro 131.7 million, which decreased in the year following the merger by incorporation of Erptech Spa, goodwill, which following the merger, amounts to Euro 25.4 million, other intangible assets for Euro 25.9 million, mainly concerning the customer lists (deriving from previous Purchase Price Allocation transactions on the former subsidiaries which in 2022 and 2023 were merged into WIIT Spa) and software, right-of-use assets for Euro 4.9 million, mainly concerning the leases on property and plant and machinery for Euro 4.2 million, other tangible assets for Euro 15.9 million, deferred tax assets for Euro 1.6 million and receivables and other non-current assets for Euro 20.3 million, which includes a loan disbursed to the subsidiary myLoc of Euro 20 million for the purposes of acquisitions.

Net working capital decreased due to the excellent management of average payment times which, despite the growth in revenues, managed to contain the increase in receivables and offset it with the increase in trade payables arising in particular in the final two months of the year.

Net financial indebtedness

The Net financial **indebtedness** of the Parent Company at December 31, 2023, compared with the previous year, as calculated by the company, was as follows:

	31.12.2023	31.12.2022
A - Cash and cash equivalents	5,906,036	23,576,352
B - Securities held for trading	0	0
C - Liquidity (A)+(B)	**5,906,036**	**23,576,352**
D - Current financial assets	12,355,997	298,775
E - Bank loans - current portion	(11,264,992)	(4,763,153)
F - Other current financial liabilities	(935,676)	(2,863,995)
G - Payables to other lenders	(4,088,356)	(4,159,238)
H - Current financial indebtedness related to Bond facilities	(7,897,960)	(903,324)
I - Current financial indebtedness (E)+(F)+(G)+(H)	**(11,830,988)**	**(12,390,935)**
J - Net current financial indebtedness (C) + (I)	**(5,924,953)**	**11,185,417**
K - Bank payables	(24,199,322)	(9,965,842)
L - Other financial payables	(6,166,636)	(6,677,366)
M - Non-current financial indebtedness related to Bond facilities	(157,442,669)	(167,683,547)
N - Trade payables and other non-current payables	0	0
O - Other non-current financial liabilities	(318,963)	(1,048,963)
P - Non-current indebtedness (K)+(L)+(M)+(N)+(O)	**(188,127,590)**	**(185,375,718)**
Q - Net financial indebtedness (J) + (P)	**(194,052,543)**	**(174,190,301)**

Shareholders' equity was Euro 31.7 million, compared to Euro 41.5 million at December 31, 2022. The decrease relates to the acquisition of treasury shares for Euro 16.6 million and the payment of dividends for Euro 7.8 million, partially offset by the use and the sale of treasury shares for Euro, in addition to the net profit of Euro 6.4 million.

Cash flows

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

CASH FLOW STATEMENT	2023	2022
Net profit from continuing operations	6,363,140	6,011,746
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	14,524,485	11,790,193
Change in employee benefits	465,661	39,195
Increase (decrease) provisions for risks and charges	0	50,000
Financial income and expenses	2,533,034	841,476
Income taxes	151,037	1,170,894
Other non-cash charges/(income)	681,548	(2,512,708)
Cash flow generated from operating activities before working capital changes	**24,718,905**	**17,390,795**
Changes in current assets and liabilities:		
(Increase) decrease in inventories	0	53,871
Decrease (increase) in trade receivables	2,410,819	(7,519,769)
Increase (decrease) in trade payables	2,761,045	(2,379,722)
Increase (decrease) in tax receivables and payables	(609,538)	560,602
Decrease (increase) in other current assets	230,082	433,325
Increase (decrease) in other current liabilities	(1,213,876)	2,300,645
Decrease (increase) in other non-current assets	(255,486)	19,017
Increase (decrease) in other non-current liabilities	0	(38,332)
Decrease (increase) in contract assets	41,152	31,483
Increase (decrease) in contract liabilities	(1,738,531)	1,000,945
Income taxes paid	(506,416)	(1,586,394)
Dividends received	4,000,000	3,241,735
Interest paid/received	(5,757,296)	(3,523,136)
Cash flows from operating activities (a)	**24,080,860**	**9,985,066**
Net increase intangible assets	(6,564,782)	(7,004,036)
Net increase tangible assets	(7,256,907)	(6,091,934)
Decrease (increase) investing activities	(10,757,996)	20,000,000
Cash flows from business combinations net of cash and cash equivalents	0	(2,486,410)
Cash flows from investing activities (b)	**(24,579,685)**	**4,417,620**
New financing	26,000,000	4,000,000
Repayment of loans	(9,447,942)	(3,900,204)
Loans to subsidiaries	(7,500,000)	(9,000,000)
Lease payables	(5,445,468)	(5,049,091)
Bond issue (net of issue costs)	0	19,654,795
Drawdown (settlement) other financial investments	(176,245)	785,761
Payment of deferred fees for business combinations	(1,752,073)	(5,467,267)
Financial movements for centralised treasury management	(1,400,000)	0
Dividends paid	(7,818,114)	(7,994,876)
(Net purchases of treasury shares)*	(9,928,875)	(7,580,483)
Cash flows from financing activities (c)	**(17,468,718)**	**(14,551,363)**
Net increase/(decrease) in cash and cash equivalents a+b+c	**(17,967,543)**	**(148,677)**
Cash and cash equivalents at end of the year	5,906,036	23,576,352
Cash and cash equivalents from mergers	297,225	6,118,235
Cash and cash equivalents at beginning of the year	23,576,352	17,606,794
Net increase/(decrease) in cash and cash equivalents	**(17,967,543)**	**(148,677)**

(*) "Net purchases of treasury shares" consist of the purchase of treasury shares of Euro 16,611 thousand and the sale of treasury shares of Euro 6,683 thousand. This account does not include the non-cash movements of Euro 508 thousand, due to the utilisation of treasury shares for an Earn Out payment.

Cash flows from operating activities in the year increased on the previous year, while reducing following the classification to investment activities of the liquidity which was utilised in short-term investments in government bonds in the year.

Financial Instruments

At year-end, the Parent Company did not have any derivative financial instruments in place.

Treasury shares or Parent Company shares

In accordance with Article 2428, points 3) and 4), of the Civil Code, the company holds 1,921,207 treasury shares, accounting for 6.86% of the share capital, 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.

Treasury shares held by subsidiaries

No subsidiary holds treasury shares of the issuer.

Opt-out from the obligation to publish disclosure documents on undertaking significant corporate transactions

In accordance with Article 3 of Consob motion no. 18079 of January 20, 2012, the Company decided to apply the opt-out as per Articles 70, paragraph 8, and 71, paragraph 1-bis of Consob motion no. 11971/99, as amended, applying therefore the exception from publication of the required disclosure documents concerning significant merger, spin-off, share capital increases through conferment of assets in kind, acquisition, and sales operations.

The environment and personnel

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

Personnel

During 2023, there were no workplace deaths of personnel.
During 2023, there were no serious accidents at work that resulted in severe or very severe injuries to personnel.
During 2023, there were no charges regarding occupational illnesses of employees or former employees and causes of bullying for which the company was declared definitively responsible.

Environment

During 2023, no environmental damage was declared against the company.

During 2023, no penalties were incurred for offences or environmental damage.

Other information

Supervision and control

The Company has complied with Legislative Decree 231/2001 on the criminal liability of companies by appointing an internal Supervisory and Control Board, a fully autonomous body supported by company functions and external advisors that is responsible for supervising the full application of the "organisational model" adopted, updating its contents and reporting any violations and breaches to the Company's Board of Directors.

Research and development

Research and development costs are incurred both in-house and externally, mainly for the development of IT infrastructure.
This infrastructure allows WIIT to provide its services effectively and competitively. They are substantially for installing the IT framework through which WIIT interfaces with customers and provides all its contractually agreed Services.

This IT infrastructure is essentially a strategic asset for the company, driving its competitivity and market expansion capacity.

Also for the Digital Services range, research and development on the technological and application assets within the "Wiit Digital Platform" was undertaken. This enables Wiit to support the enterprises and organisations of customers to execute their specific Business, Critical and Collaborative process Digitalisation Strategy.
The Wiit Digital Platform has been designed and rolled out to support and integrate with the Enterprise Application systems of our customers (ERP, SCM, CRM and E-Commerce), in order to digitalise and further streamline the management of primary processes (Customer Engagement Processes) and secondary processes (Operational Support Processes) in complex organisations, favouring collaboration and lead times.
Wiit currently provides "Digital Services" to about 600 direct or indirect customers, intermediated by channel partners, all of whom operate on a daily basis on the Wiit Digital Platform.

Investments of Euro 1,048 thousand were made during the year.

Transactions with subsidiary, associate and holding companies

The table below reports the costs and revenues and receivables and payables from related party transactions:

REVENUES

	WIIT Fin	WIIT S.p.A.	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	WIIT AG	GLOBAL	TOTAL
WIIT Fin	0	499,000	0	0	0	0	0	0	0	0	**499,000**
WIIT S.p.A.	0		0	612,569	2,930,083	1,519,344	0	3,308	10,490	21,335	**5,097,129**
WIIT SWISS	0	0		0	0	0	0	0	0	0	**0**
MYLOC	0	17,548	0		0	13,750	0	8,807	183,757	0	**223,862**
BOREUS	0	0	0	80,500		205,852	0	0	0	0	**286,352**
GECKO	0	0	0	101,292	179,951		5,678	0	0	0	**286,921**
CODEFIT	0	0	0	0	0	0		0	0	0	**0**
LANSOL GMBH	0	0	0	19,303	0	0	0		642	0	**19,944**
WIIT AG	0	354	0	901,403	540,000	360,000	0	0		0	**1,801,757**
GLOBAL	0	0	0	10,944	0	0	0	0	428		**11,371**
TOTAL	**0**	**516,902**	**0**	**1,726,010**	**3,650,034**	**2,098,946**	**5,678**	**12,115**	**195,317**	**21,335**	**8,226,337**

PAYABLES

	WIIT Fin	WIIT S.p.A.	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	WIIT AG	GLOBAL	TOTAL
WIIT Fin	0	1,854,221	0	0	0	0	0	0	0	0	**1,854,221**
WIIT S.p.A.	0	0	0	57,916	0	0	0	0	5,643	0	**63,559**
WIIT SWISS	0	0	0	0	0	0	0	0	0	0	**0**
MYLOC	0	21,391,017	0	0	3,500,000	3,503,373	0	1,269,303	1,497,653	610,944	**31,772,289**
BOREUS	0	119,656	0	0	0	5,117	0	0	0	0	**124,773**
GECKO	0	6,609	0	0	17,995	0	0	0	0	0	**24,604**
CODEFIT	0	0	0	0	0	0	0	0	0	0	**0**
LANSOL GMBH	0	2,251	0	781	0	0	0	0	0	0	**3,032**
WIIT AG	0	0	0	7,538	0	0	0	850,642		200,428	**1,058,608**
GLOBAL	0	19,693	0	0	0	0	0	0	0		**19,693**
TOTAL	**0**	**23,393,447**	**0**	**66,235**	**3,517,995**	**3,508,490**	**0**	**2,119,944**	**1,503,296**	**811,371**	**34,920,779**

There were no atypical or unusual transactions as defined by Consob in communication No. DEM/6064293 of July 28, 2006.

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:

- Immo 2 S.r.l.: costs of Euro 107 thousand, fully settled at 31.12.2023. 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.
- Abissi S.r.l.: payable of Euro 8 thousand. The company is considered a related party of Wiit S.p.A. by way of Francesco Baroncelli, Director of Wiit S.p.A and Director of Abissi S.r.l.;
- ABC Capital Partners S.r.l.: revenues of Euro 4,083. The company is considered a related party of Wiit S.p.A. due to the positions of Alessandro Cozzi and Francesco Baroncelli, both Directors of Wiit S.p.A. and ABC Capital Partners S.r.l..

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.

Disclosure relating to risks and uncertainties pursuant to Article 2428, paragraph 2, point 6-*bis* of the Civil Code

Risk management

As in all businesses, risk factors which may affect the Group results exist and therefore preventative actions have been taken. Specifically, The Group prioritises assessment of all types of Risk when implementing procedures for their control and mitigation. These procedures concern the commitment and responsibilities undertaken and are subject to maximum transparency and correctness.

On 30/07/2013, following approval of the Organisational and Management Model which includes Risk analysis in accordance with article 6, paragraph 1, letter a) of Legislative Decree 231/01, the Board of Directors approved the appointment of a Supervisory Board to oversee the application of and compliance to the Model, as well as updates to it.

The risk analysis carried out for the implementation of the Model considers the scenario whereby the company was already equipped with an integrated management system, the DPS and its evolution, and in possession of the certifications relating to quality (ISO 9001), IT Services Management (ISO 20000), and "security" (ISO 27001).

The risk factors in accordance with article 2428 of the Civil Code are outlined below and further more general considerations can be found in the specific documentation.

EXTERNAL RISKS

Financial Risks

The Group is not particularly exposed to financial risks. As operating mainly in the Eurozone, it in fact only has a marginal exposure to exchange rate risk from transactions in foreign currency. Operating revenues and cash flows are not subject to market interest rate fluctuations and no significant credit risks exist as the financial counterparties are leading customers considered solvent by the market.

The financial risks to which the Group is exposed are mainly related to the sourcing of funds on the market (liquidity risk) and interest rate fluctuations (interest rate risk).

In the choice of financing and investing operations the Group adopted prudent criteria and limited risk and no operations were taken of a speculative nature. The Group funds these financial charges with liquidity from operations. In order to monitor financial risks through an integrated reporting system and ensure analytical planning of future activities, the Group has adopted a management control system.

The main categories of financial risk are however outlined below, indicating the level of exposure to the various categories of risk.

Currency risk

Exchange rate risk is defined as the risk of the value of a financial instrument changes following exchange rate movements.

The WIIT Group has a limited exposure to exchange rate risk since the subsidiaries that prepare their financial statements in currencies other than the Euro are small and the transactions in foreign currency are not significant.

Interest rate risk

The management of the interest rate risk has the objective to ensure a balanced debt structure, minimising interest costs over time.

Interest rate risk concerns that affecting the value of a financial instrument on the basis of market interest rate fluctuations.

The Group over the years has almost exclusively contracted medium-term loans at a predominantly fixed rate, which mitigates risk in periods of rising interest rates (such as we are currently experiencing).

The breakdown of existing loans is reported in the Explanatory Notes.

With regards to variable rate financial assets and liabilities at December 31, 2023, amid a hypothetical increase (decrease) of interest rates by 100 basis points against the interest rate at the same date, with the other variables remaining constant, financial expenses would increase on an annual basis by approx. Euro 370 thousand.

Market risk

Market risk is defined as the risk that the value of a financial instrument changes due to fluctuations in market prices. The Group is exposed to the risks stemming from the global economic environment, and in particular the Italian market performance as the main market for the services provided by the Group. Specifically, political, general economic and global financial instability (and in particular in Italy) may significantly impact the Group's production capacity and growth outlook, with possible impacts on the operations, prospects and financial statements of the parent company and of the Group. In addition, the Russia-Ukraine conflict and more generally the greater awareness of ESG topics are placing a greater focus on energy sourcing. In particular, the Russia-Ukraine conflict has created geo-political tensions that have raised the cost of energy to which the Wiit Group is exposed to run its servers. The Group is closely monitoring rising energy prices and by 2022 had already put in place strategies to ensure price stability over the long-term, so as to enable the Group to better monitor the margins associated with customer contracts, which are almost always of long-term duration. Against this backdrop, also with an ESG focus, the Group is shifting its supplies towards renewable energy.

The WIIT Group has marginal exposure to the Russian or Ukrainian and Israeli markets.

Also at the ESG level, the Group may be exposed to earthquake risk, which could result in damage to its servers with consequent loss of data. The procedures introduced by the Group are, however, designed to prevent this occurrence through backup procedures located in different data centers at a safe distance to avoid or minimise the possibility of contextual damage.

Credit risk

Credit risk is defined as the probable financial loss generated by the non-fulfilment by third parties of a payment obligation to the company.

The WIIT Group is exposed to the risk that its customers may be late or not comply with their payment obligations, according to the agreed terms and conditions and that the internal procedures adopted to assess credit standing and the solvency of clients are not sufficient to ensure collection.

Any missed payments, late payments or other defaults may be due to the insolvency or bankruptcy of the customer, economic events or specific issues affecting the customer. Payment delays may delay cash inflows.

The Group does not have significant concentrations of credit risk, also due to the fact that it does not significantly deal with, as a strategic choice, the public sector.

The Group manages this risk through choosing counterparties considered as solvent by the market and with a high credit rating, or through providing highly critical services which may not be easily interrupted by its customers.

For commercial purposes, policies have been adopted to ensure the solvency of customers and limit the exposure to the credit risk of an individual customer through evaluation and monitoring.

All receivables are periodically subject to an assessment by customer type, with write-downs made where impairments are identified.

Receivables are initially stated at fair value, corresponding to their nominal value, and subsequently measured according to the amortised cost method, net of a write-down provision.

In relation to trade receivables and other receivables, the Company has applied the simplified approach indicated by IFRS 9 to measure the doubtful debt provision as the expected loss over the life of the receivable. The Company measures the amount of expected losses through the use of a past due provisioning matrix, calculated on the basis of the sector and country risk rates.

The breakdown of trade receivables is provided in the Explanatory Notes.

Liquidity risk

Liquidity risk is defined as the risk that the Group encounters difficulties in sourcing the funds necessary to satisfy the obligations related to financial liabilities.

Prudent management of liquidity risk is pursued by monitoring the cash flows, financial needs and the liquidity of the company, so as to ensure the proper management of financial resources through appropriately allocating any excess or on demand liquidity and the undertaking of adequate lines of credit.

Economic environment risks

The Information Technology market is naturally linked to the general economic performance. A poorly performing economy may slow demand with consequent impacts on the financial statements, in particular for the subsidiaries.

Cyber Security Risk

Risks associated with information systems and cyber attacks

Reliability, operational performance, integrity and continuity in the Group's ICT infrastructure and technology networks are essential for the Group's business, prospects and reputation.

Malfunctions may be caused by migration to new technological or application environments, by significant changes in the production environment, or by human error, insufficient and incomplete testing and acceptance, cyber attacks, unavailability of infrastructure services (e.g., power or network connectivity), or natural phenomena (e.g., flooding, fire, or earthquake).

The WIIT Group is therefore exposed to the risk that a malfunction of its IT systems could jeopardize the performance of its core business and interrupt service delivery to its customers. The Group is also exposed to the risk of hacking attacks on its systems that might entail theft of corporate secrets or unauthorised access to customer data, the intentional or unintentional use of such data, theft, loss or destruction, by current or former employees, consultants, suppliers or other persons who have had access thereto. These kinds of cyber attacks could also disable the computer systems used and result in the need to pay a ransom to remove access restrictions caused by any malware that has infected the systems (“ransomware”).

The occurrence of such circumstances could potentially lead to claims for damages, loss of clients or of a portion of the sales generated by such clients, causing adverse effects on the Group’s reputation and thus on the business, outlook, operating results and financial position of the Parent Company and of the Group.

In response to these threats, the WIIT Group has hired highly specialised professionals and technicians and its IT infrastructure is undergoing constant technological development and updates to ensure IT security and reduce the risks of hacking. In particular, in IT security, in addition to its “Business Continuity and Disaster Recovery Plan”, the WIIT Group has implemented further security tools such as (i) two-factor (strong) authentication management software for external access to WIIT’s network, (ii) a Password Access Management (PAM) system that reinforces the security of access privileges within the infrastructure, allowing access to be monitored on the basis of the user’s role, (iii) a next-generation firewall (NGFW) with advanced anti-malware and intrusion detection features for server traffic and (iv) an anti-virus with EDR (Endpoint Detection & Response) functions and disc encryption for user workstations. In addition, the Group conducts on a recurring basis specific Vulnerability Management and “penetration test” sessions, taking a risk-based approach (e.g., analysis of the level of protection applied to the Active Directory services) to detect and manage any vulnerabilities in the infrastructure.

The Group is therefore required to pay ongoing costs to update and improve its IT security systems and processes, and to integrate them into newly acquired companies. However, there is no guarantee that the security systems or processes in place or which the Group may introduce in the future will be able to prevent or mitigate damage from cyber attacks or other malfunctions.

Cyber security personnel training has also become a key focus: an ongoing internal project has been launched to improve the awareness of WIIT Group personnel around cyber security issues, in collaboration with the HR team and with the goal of developing an organic training plan. After the first training phase, the project will update the training plan with the involvement of WIIT staff in Italy through recurrently planned training sessions.

Appropriate internal phishing campaigns have also been initiated with the aim of raising the level of staff awareness of this family of threats.

In this area, it also appears strategic to adopt appropriate models for the proper management of security within the WIIT organisation. An information security management system (ISMS) has been developed and adopted in line with the ISO 27001 standard, while applying other frameworks of the same family for web services (27017-27018) and security incident management (27035).

Risks connected with regulatory developments

In operating as a hosting provider, the Group is subject to Directive 2000/31/EC and Legislative Decree No. 70/2003. Although the above-stated regulations assign merely a passive role to the hosting provider, limited to "merely technical, automatic and passive operations", the most recent jurisprudence in both Italy and the EU has in certain cases recognised to the provider also an active role.

This means - where this new interpretation is confirmed - that providers may be held responsible also for the content of the information stored on its servers, as considered the manager. The Group therefore may in the future be considered responsible for the content stored on Group infrastructure (such as information uploaded by customers on their websites) and as such may be involved in the relative disputes (with regards, for example, to intellectual property and civil and/or criminal liability).

The Group companies are therefore considered data owners as per Regulation EC 679/2016 on the protection of natural persons with regards to the processing of personal data, and are therefore required to comply with the relative regulations, with consequent compliance costs (see First Section, Chapter 4, Paragraph 4.1.9 of the Prospectus).

Finally, the Parent Company is held to incur costs and expenses, also at a significant nature, to ensure compliance with the legislation and regulations applicable to companies listed on a regulated market, such as the MTA.

INTERNAL RISKS

Risks connected to the employment of key personnel

The parent company and the Group are exposed to the risk of interruptions to professional relationships with top managers undertaking key roles, in addition to the risk of not being in a position to replace such individuals in an adequate and timely manner. In fact, although the Group has not recorded over recent years the turnover of its top management and although considering itself to have an operating structure capable of ensuring operational continuity, it is however exposed to this risk.

The Parent Company considers in fact that the success of the WIIT Group depends significantly on a number of key top managers, who - thanks to consolidated sector experience and in terms of specific roles and expertise - have over time assumed a critical role in managing Group operations, significantly contributing to developments.

Although, as stated, from an operating and management viewpoint the Group considers itself to have a structure in place capable of guaranteeing operating continuity, the loss of the professional contribution of one or more key individuals may impact operational developments and the timeframe for executing the Group's growth strategy. The consolidating company however consistently monitors this risk in order to replace in a timely manner such individuals with equally qualified and appropriate staff, so as to ensure the same operating and professional contribution and to avoid possible impacts on operations and the growth prospects of the parent company and of the Group.

Concentration risks

The parent company and the Group now offer services to enterprises operating on a range of markets (Finance, Service Provider, Defence, Manufacturing and Utility) and with highly divergent characteristics.
Group revenues are equally distributed. Despite this fact, the loss of certain significant customers may impact the company's financial statements, without however putting the company's going concern in danger.

Risks associated with contractual commitments

The Group provides high technological content and high value outsourcing services and the relative underlying contracts may stipulate the application of penalties for non-compliance with the agreed service levels.
Penalties are provided for in contracts in relation to the value of the services provided.
The Group also signed insurance policies deemed adequate to protect against risks resulting from civil liability for an annual ceiling of Euro 5 million.
Further to the above coverage, additional policies are taken out for significant economic/financial projects to avoid negative impacts on the Group's economic/equity and financial position.

Climate change and possible impacts on the WIIT Group

The increasing attention devoted to environmental issues and climate change by the foremost global institutions and the increasing awareness amongst the world's population of the impacts that businesses have on the climate through their activities have led the Directors to assess the possible effects that such changes might have on the management of the Group's business. The main consequences of this situation may relate to increased energy costs, especially with reference to energy from renewable sources, due to an increase in demand from energy-intensive companies increasingly seeking to make green choices. At the same time there could be an increase in the cost of energy from fossil fuels due to tighter regulations that are increasingly oriented toward environmental protection. The Directors consider that while the climate change risk faded over the year as a result of the stabilization of energy prices, they cannot rule out the possibility that future rises may affect the Group's operating and financial situation, with currently 6.33% of revenues spent on electricity (7.86% in 2022). Development drivers both within the Group and on the market are also pushing increasingly in the direction of reducing overall consumption, using all-flash units and adopting compression and data deduplication technologies that allow for a more efficient use of resources, thereby lowering energy consumption. This is done in order to access advanced technological resources in a flexible, scalable manner, thereby reducing the environmental impact of operations by adopting sustainable practices, such as remote work and paperless processes.
The Group is not particularly exposed to weather-related risks as it conducts its business in various geographical areas and has disaster recovery and redundancy systems linked to datacenters located in different and distant locations.

Subsequent events to December 31, 2023

On January 18, 2024, WIIT S.p.A. obtained a loan worth Euro 10 million, backed by SACE's Green Guarantee. The move is part of Intesa Sanpaolo's broader plan to support corporate investment in environmental transition and objectives related to the National Recovery and Resilience Plan. The funding will support the pursuit of the Environmental Goals (WIIT4Climate), and specifically will go towards purchasing new servers, storage and software. The exponential increase in digital traffic volumes is forcing ICT companies to adopt energy-efficient solutions and move toward renewable energy production and procurement. To meet this need, Cloud Providers and companies that own data centers are seeking innovative technology solutions to reduce business energy consumption.
Intesa Sanpaolo considers it crucial to promote the development of a sustainable economy and, thanks in part to its collaboration with SACE, it supports companies (and especially SMEs) in sustainability, innovation and environmental impact reduction projects.

On January 19, 2024, WIIT S.p.A. announced that, pursuant to Article 2-*ter*, Paragraph 2, of Consob Regulation No. 11971/1999 (the "Issuers' Regulation"), it no longer qualifies as a "Small and Medium Enterprise" ("SME") pursuant to Article 1, Paragraph 1, Letter w-*quater*.1), of Legislative Decree No. 58/1998 (the "CFA") from January 1, 2024, having exceeded the market capitalization threshold of Euro 500 million for three consecutive years (2021, 2022 and 2023).

On January 24, 2024, it announced that an agreement had been signed by WIIT AG, a wholly-owned subsidiary of WIIT S.p.A., with the German company German Edge Cloud GmbH & Co. KG ("GEC"), belonging to the Fridhelm Loh Group, for the acquisition of the "Edge & Cloud" business unit, for a fixed price of Euro 2.5 million, plus potential earnout of up to Euro 4 million. This acquisition sees the Group expand its presence in the strategic Frankfurt area, acquiring a portfolio of 40 loyal customers and strengthening the team in Germany with the arrival of new, highly qualified professionals.

Outlook

The Wiit Group at December 31, 2023 has a marginal exposure to the Russian, Ukrainian and Israeli markets. The Group reports revenues from Russia in 2023 of Euro 125 thousand (0.10% of revenues), from Ukraine of Euro 228 thousand (0.18% of revenues) and from Israel of Euro 5 thousand (0.004% 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 and Israeli 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 2024 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 due to the merger of the German subsidiaries into WIIT AG, in spite of a prudent estimate of expected energy costs in line with the previous year. 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.

Protection of personal data

In accordance with attachment B, point 26, of Legislative Decree 196/2003 in relation to the protection of personal data, the directors report that the parent company has introduced adequate measures for the protection of personal data. Following the removal of the obligation to update the Security Policy Document by March 31 each year (article 45, letter (c), Legislative Decree number 5 of February 9, 2012), WIIT has retained the most recent version of the Security Policy Document, dated 30/03/2011. It has also continued to manage other security measures, focusing particularly on authentication credentials, authorisation systems, and periodic updates to appointee profiles, following the designated procedure "Logical access and user management". This can be found at the registered office of the company, is certified in accordance with ISO20000 and ISO27001, and is freely available for consultation at the registered office of the Company. In 2018 Wiit S.p.A. achieved compliance with European Regulation 2016/679 on privacy (GDPR).

Proposal for the allocation of the result

The parent company proposes to allocate its net profit of Euro 6,363,140 as dividend to shareholders for each of WIIT's shares, from which the shares in portfolio at the coupon date, which will not receive dividends, shall be deducted. In addition to the net profit for the year, reserves of a maximum amount of Euro 1,466,695 shall be distributed. The dividend amount per share is Euro 0.30.

Milan, 12/03/2024

For the Board of Directors
The Chairperson
Riccardo Sciutto

WIIT S.p.A.

Consolidated financial statements

at December 31, 2023

WIIT

THE PREMIUM CLOUD

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31.12.2023	31.12.2022
ASSETS			
Intangible assets	1	58,224,012	58,113,828
Goodwill	2	121,077,831	115,155,615
Right-of-use	3	11,870,441	10,267,121
Property, plant and equipment	3	8,737,760	9,216,120
Other tangible assets	3	46,250,182	41,355,990
Deferred tax assets	17	1,724,090	1,637,179
Equity investments	4	5	17,098
Non-current contract assets	5	24,357	65,508
Other non-current assets	5	686,944	542,315
NON-CURRENT ASSETS		**248,595,622**	**236,370,774**
Inventories	6	166,980	186,703
Trade receivables	7	25,842,136	25,177,311
Trade receivables from parent company		0	6,003
Current financial assets	8	11,602,736	901,133
Other receivables and other current assets	8	9,195,557	8,869,224
Cash and cash equivalents	9	13,690,212	31,458,080
CURRENT ASSETS		**60,497,621**	**66,598,454**
TOTAL ASSETS		**309,093,243**	**302,969,228**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31.12.2023	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		5,576,744	2,692,252
Treasury shares		(30,566,915)	(19,410,233)
Reserves and retained earnings (losses)		1,074,273	1,028,475
Translation reserve		22,610	(4,022)
Group net result		8,285,649	7,845,609
GROUP SHAREHOLDERS' EQUITY	10	**32,353,544**	**40,113,264**
Result attributable to non-controlling interests		*60,982*	*(5,567)*
Non-controlling interest shareholders' equity		*195,039*	*134,056*
TOTAL SHAREHOLDERS' EQUITY		*32,548,583*	*40,247,320*
Payables to other lenders	11	13,289,335	14,074,473
Non-current financial indebtedness related to Bond facilities	12	157,442,669	167,683,547
Bank loans	13	27,805,467	13,384,703
Other non-current financial liabilities	14	331,938	1,061,814
Employee benefits	15	3,042,572	2,719,278
Provisions for risks and charges	16	567,886	522,277
Deferred tax liabilities	17	14,779,476	16,434,674
Non-current contract liabilities	18	109,882	195,414
Other payables and non-current liabilities	18	60,569	0
NON-CURRENT LIABILITIES		**217,429,794**	**216,076,180**
Payables to other lenders	11	7,695,550	7,553,375
Current financial indebtedness related to Bond facilities	12	7,897,960	903,324
Current bank loans	13	12,120,143	5,580,914
Current income tax liabilities	19	2,857,006	3,268,246
Other current financial liabilities	14	948,035	2,943,671
Trade payables	20	18,294,275	14,918,435
Current contract liabilities	21	3,492,306	5,143,779
Other payables and current liabilities	21	5,809,591	6,333,984
CURRENT LIABILITIES		**59,114,866**	**46,645,728**
TOTAL LIABILITIES		**276,544,660**	**262,721,908**
TOTAL LIABILITIES & SHARE. EQUITY		**309,093,243**	**302,969,228**

CONSOLIDATED INCOME STATEMENT

		2023	2022
REVENUES AND OPERATING INCOME			
Revenues from sales and services	22	128,922,399	116,602,494
Other revenues and income	22	1,184,109	2,203,644
Total revenues and operating income		**130,106,508**	**118,806,138**
OPERATING COSTS			
Purchases and services	23	(45,886,593)	(47,329,710)
Personnel costs	24	(35,269,163)	(30,439,526)
Amortisation, depreciation and write-downs	25	(27,370,799)	(23,484,910)
Provisions	25	(56,310)	(50,000)
Other costs and operating charges	26	(2,044,655)	(1,162,950)
Change in inventories	6	(19,722)	(111,370)
Total operating costs		**(110,647,242)**	**(102,578,466)**
OPERATING PROFIT		**19,459,266**	**16,227,672**
Profit (Losses) from equity-accounted investee	27	(14,366)	(28,858)
Financial income	28	214,441	18,506
Financial expenses	29	(7,944,079)	(4,757,822)
Exchange gains/(losses)	30	(34,396)	(12,863)
PROFIT BEFORE TAXES		**11,680,866**	**11,446,635**
Income taxes	31	(3,334,235)	(3,606,593)
NET RESULT		**8,346,631**	**7,840,042**
Group Result		*8,285,649*	*7,845,609*
Non-controlling interest result		*60,982*	*(5,567)*
Earnings per share			
Basic earnings per share (Euro per share)		*0.31*	*0.30*
Diluted earnings per share (Euro per share)		*0.31*	*0.29*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Euro	2023	2022
NET RESULT	**8,346,631**	**7,840,042**
Items not reclassified subsequently to the income statement		
Discounting Provisions for employee benefits (IAS19)	(91,158)	366,803
Tax effect on components of comprehensive income that will not be reclassified subsequently to the income statement	25,433	(102,338)
Total	**(65,725)**	**264,465**
Items reclassified subsequently to the income statement		
Profits (losses) from conversion of accounts of overseas companies	26,633	0
Tax effect on components of comprehensive income that will be reclassified subsequently to the income statement	0	(7,854)
Total	**26,633**	**(7,854)**
TOTAL COMPREHENSIVE INCOME	**8,307,539**	**8,096,653**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Euro	Share capital	Share premium reserve	Legal Reserve	Treasury shares acquired reserve	Other reserves	Translation reserve	Retained earnings and losses carried forward	Net result	Group Shareholders' equity	Non-controlling interests shareholders' equity	Total
Group Shareholders' Equity at 31.12.2021	**2,802,066**	**44,598,704**	**530,413**	**(12,337,333)**	**7,382,322**	**3,832**	**2,354,337**	**(981,315)**	**44,353,027**	**965,469**	**45,318,496**
Net Result								*7,845,609*	*7,845,609*	*(5,567)*	*7,840,042*
Other Comprehensive Income Statement components					*264,465*	*(7,854)*			*256,611*		*256,611*
Comprehensive net income					**264,465**	**(7,854)**	**0**	**7,845,609**	**8,102,220**	**(5,567)**	**8,096,653**
Allocation of 2021 result											
Legal reserve			30,000				(3,480)	(26,520)	*0*		*0*
Distribution of dividends					(6,999,305)			(995,570)	*(7,994,875)*	(372,561)	*(8,367,436)*
Carried forward									*0*		*0*
Reclassification of Group loss 2021 effect							(2,003,405)	2,003,405			
Non-controlling interest acquisition					(227,738)		681,023		*453,285*	*(453,285)*	*0*
IFRS 2 reserve					1,126,511				*1,126,511*		*1,126,511*
Use of treasury shares				507,583	1,152,633				*1,660,216*		*1,660,216*
Acquisition of treasury shares				(7,580,483)					*(7,580,483)*		*(7,580,483)*
Other changes					(6,637)				*(6,637)*		*(6,637)*
Group Shareholders' Equity at 31.12.2022	**2,802,066**	**44,598,704**	**560,413**	**(19,410,233)**	**2,692,251**	**(4,022)**	**1,028,475**	**7,845,609**	**40,113,264**	**134,056**	**40,247,320**
Net Result								*8,285,649*	*8,285,649*	*60,982*	*8,346,631*
Other Comprehensive Income Statement components					*(65,725)*	*26,632*			*(39,092)*		*(39,092)*
Comprehensive net income					**(65,725)**	**26,632**	**0**	**8,285,649**	**8,246,557**	**60,982**	**8,307,539**
Allocation of 2022 result											
Legal reserve									*0*		*0*
Distribution of dividends							(1,806,368)	(6,011,746)	*(7,818,114)*		*(7,818,114)*
Carried forward							1,833,863	(1,833,863)	*0*		*0*
IFRS 2 reserve					1,232,711				*1,232,711*		*1,232,711*
Sale of treasury shares				*5,253,732*	*1,428,768*				*6,682,500*		*6,682,500*
Acquisition of treasury shares				*(16,611,373)*					*(16,611,373)*		*(16,611,373)*
Use of treasury shares				*200,961*	*307,039*				*508,000*		*508,000*
Other changes					(18,300)		18,300		0		*0*
Group Shareholders' Equity at 31.12.2023	**2,802,066**	**44,598,704**	**560,413**	**(30,566,915)**	**5,576,744**	**22,610**	**1,074,274**	**8,285,649**	**32,353,545**	**195,038**	**32,548,583**

CONSOLIDATED STATEMENT OF CASH FLOW	2023	2022
Net profit from continuing operations	8,346,631	7,840,042
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	27,427,109	23,534,910
Financial assets adjustments	-	-
Change in employee benefits	323,294	27,996
Increase (decrease) provisions for risks and charges	(56,309)	(50,000)
Financial income and expenses	7,764,033	4,752,179
Income taxes	3,334,235	3,606,593
Other non-cash charges/(income)*	460,865	(1,050,074)
Cash flow generated from operating activities before working capital changes	**47,599,858**	**38,661,646**
Changes in current assets and liabilities:		
Decrease (increase) in inventories	19,724	20,104
Decrease (increase) in trade receivables	(814,572)	(9,080,735)
Increase (decrease) in trade payables	3,153,387	2,107,636
Increase (decrease) in tax receivables and payables	(585,452)	912,242
Decrease (increase) in other current assets	314,263	(2,259,870)
Increase (decrease) in other current liabilities	(241,586)	(359,198)
Decrease (increase) in other non-current assets	(109,114)	(98,645)
Increase (decrease) in other non-current liabilities	60,566	0
Decrease (increase) in contract assets	41,152	26,495
Increase (decrease) in contract liabilities	(1,738,532)	1,728,079
Income taxes paid	(5,346,281)	(3,628,996)
Interest paid/received	(6,987,551)	(4,968,352)
Cash flows generated from operating activities (a)	**35,365,860**	**23,060,405**
Net increases intangible assets	(6,569,182)	(7,103,314)
Net increases tangible assets	(14,427,344)	(13,085,257)
Decrease (increase) investing activities	(10,757,996)	20,000,000
Cash flows from business combinations net of cash and cash equivalents	(7,333,214)	(19,505,806)
Cash flows used in investing activities (b)	**(39,087,736)**	**(19,694,377)**
New financing	26,850,000	6,198,075
Repayment of loans	(6,143,349)	(4,532,927)
Reimbursement of bond loan	(4,014,450)	0
Lease payables	(10,995,695)	(9,952,660)
Payment of deferred fees for business combinations	(1,752,073)	(5,564,767))
Drawdown (settlement) other financial investments	(243,438)	792,391
Bond issue (net of issue costs)	0	19,654,795
Dividends paid	(7,818,114)	(8,367,415)
(Net purchases of treasury shares)*	(9,928,875)	(7,580,483)
Cash flows from financing activities (c)	**(14,045,994)**	**(9,352,991)**
Net increase/(decrease) in cash and cash equivalents a+b+c	**(17,767,868)**	**(5,986,962)**
Cash and cash equivalents at end of the year	13,690,212	31,458,080
Cash and cash equivalents at beginning of the year	31,458,080	37,445,042
Net increase/(decrease) in cash and cash equivalents	**(17,767,868)**	**(5,986,962)**

(*) "Net purchases of treasury shares" consist of the purchase of treasury shares of Euro 16,611 thousand and the sale of treasury shares of Euro 6,683 thousand. This account does not include the non-cash movements of Euro 508 thousand, due to the utilisation of treasury shares for an Earn Out payment.

Explanatory Notes to the financial statements at December 31, 2023

The WIIT Group is a Cloud Computing enterprise with a key focus on the provision of IT infrastructure tailored to the specific needs of customers (mainly through the Managed Hosted Private Cloud, Hybrid Cloud Saas and Colocation) and the provision of infrastructure configuration, management and control services which guarantee uninterrupted functionality and availability. With approximately 627 employees (Italy and overseas annual average), the Group reports total revenues (including other revenues and income) of Euro 130.1 million in 2023. These consolidated financial statements at December 31, 2023 were authorised for publication by the Board of Directors on March 12, 2024.

GROUP STRUCTURE

Parent

- WIIT S.p.A. (hereinafter also “WIIT” or “Parent Company”)

Direct and indirect subsidiaries and Group holdings

As of December 31, 2023, the WIIT Group comprised nine subsidiaries consolidated line-by-line:

(i) WIIT S.p.A., the consolidating company, with a share capital of Euro 2,802,066, is a joint-stock company incorporated in Italy and with registered office in Via dei Mercanti No.12, Milan, and its subsidiaries.

(ii) WIIT Swiss S.A., a company with a share capital of Euro 92,022 and incorporated in Switzerland with registered office in Dottikon - Bleicheweg 5 (CH), wholly owned,

(iii) myLoc managed IT AG, a German company with a share capital of Euro 50,000 and with registered office in Düsseldorf Gatherhof 44 - 40472 Germany, wholly-owned;

(iv) Boreus GmbH, a German company with a share capital of Euro 25,000 and with registered office in Stralsund Schwedenschanze 2 - 18435 Germany, wholly-owned;

(v) Gecko mbH, a German company with share capital of Euro 51,200 and with registered office in Rostock Deutsche-Med-Platz 2 – 18057 Germany, wholly-owned;

(vi) Codefit Sp.z.o.o., a Polish company with share capital of Euro 12,983 and with registered office in Katowice Porcelanowa 19 – 40246 Poland, held 51% by Gecko mbH;

(vii) WIIT AG, a German company with share capital of Euro 50,000 and with registered office in Düsseldorf Gatherhof 44 - 40472 Germany, wholly-owned.

(viii) Lansol Gmbh, a German-registered company with a share capital of Euro 25,000 and with registered office in Rheingonheimer Weg 13, Limburgerhof, 67117 - Germany.

(ix) Global Access Internet Services GmbH, a German-registered company with a share capital of Euro 25,600 and with registered office in Leopoldstraße 158 München 80804 - Germany, wholly-owned by myLoc managed IT AG.

In 2023, the WIIT Group undertook the following merger by incorporation transactions:

(x) Erptech S.p.A., a joint-stock company incorporated in Italy and with registered office in Milan at Via dei Mercanti No. 12, with a share capital of Euro 120,000, wholly-owned, was merged into Wiit S.p.A.

(xi) Lansol Datacenter GmbH, a German-registered company with a share capital of Euro 50,000 and with registered office in Rheingonheimer Weg 13, Limburgerhof, 67117 - Germany, wholly-owed by myLoc Managed IT AG, was the subject of a reverse merger into Lansol GmbH.

All the Group subsidiaries undertake the same business as the Parent Company, Wiit S.p.A., or complementary businesses, as is the case for Gecko m.b.H., which develops data management applications and analysis for large organisations.

Updates on business combinations, new acquisitions and disposals during the year

Purchase 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 the subsidiary myLoc Managed IT AG. The company, which joined the consolidation scope on January 1, 2023, as the impacts on shareholders' equity in the initial sixteen days were not significant, is engaged in private cloud and managed services with almost entirely recurring revenues, in line with the business model of 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 for synergies which saw in July 2021 the acquisition of the cloud operator Mivitec GmbH (now merged by incorporation into myLoc Managed IT AG). With 9 employees, Global offers managed services to mid-sized customers operating in a range of industries (pharmaceuticals, banking, transport, security), and who use Global's services and technologies within their value chain. The price paid for the acquisition was Euro 7.4 million. The enterprise value is Euro 6.4 million, which was subject to adjustments based on the net financial position and the net working capital of the company at December 31, 2022. An additional component of consideration of a maximum 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. Following the achievement of the above objectives, a further amount of Euro 964 thousand was definitively settled, which brought the price, as stated above, from Euro 6.4 million (initially defined EV) to Euro 7.4 million.

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, although with accounting and tax effects backdated to January 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 was 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.

All information on the merger is available on the WIIT S.p.A. website, in the https://investors.wiit.cloud/it/documenti-informativi/ section.

ACCOUNTING STANDARDS

Declaration and basis of preparation

The 2023 consolidated financial statements of Wiit S.p.A. were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. References to "IFRS" also include the International Accounting Standards (IAS) in force, as well as the interpretations of the IFRS Interpretation Committee (IFRSIC), including those that were issued by the International Financial Reporting Interpretations Committee (IFRIC) and, before that, the Standing Interpretations Committee (SIC). For simplicity, these standards and interpretations are hereafter collectively stated as "International Financial Reporting Standards" or, simply, "IFRS". The consolidated financial statements are prepared in Euro, the operational currency of the Group. They consist of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and these explanatory notes.

The financial statements have been prepared on the going-concern basis. The Group considers - also in view of its strong competitive positioning, its business model, its strong profitability and the solidity of its balance sheet and financial position - to operate as a going concern as per paragraphs 25 and 26 of IAS 1. Therefore, no uncertainties have emerged in relation to events or circumstances which, considered individually or as a whole, could give rise to doubts as to the company's ability to continue as a going concern.

This document is compared with the previous consolidated financial statements, drawn up according to uniform criteria; the financial year, which has a duration of 12 months, concludes on December 31.

Financial Statements

The Company has adopted the following presentation of the financial statements:

- a consolidated statement of financial position which separately presents current and non-current assets and current and non-current liabilities;
- a consolidated income statement that expresses costs using a classification based on their nature;
- a comprehensive statement of consolidated income which presents the revenue and cost items not recognised to the profit (loss) for the year, as required or permitted by IFRS;
- a consolidated statement of changes in equity presenting the changes in consolidated shareholders' equity over the last two years
- a consolidated statement of cash flow which presents cash flows from operating activities according to the indirect method.

The adoption of these statements permits the best representation of the Group's equity, economic and financial situation. In particular, the classification of income statement items by nature complies with the management reporting methods adopted within the Group and is therefore considered more representative than the presentation by destination, providing more reliable and relevant information for the sector in question.

Consolidation scope

The Consolidated Financial Statements of the WIIT Group include the annual figures for WIIT and its subsidiaries, both those directly and indirectly held, according to the financial statements approved by the respective Boards of Directors or other accounting statements prepared for such purpose, appropriately adjusted where necessary in order to comply with the IFRS adopted by the company to prepare the Consolidated Financial Statements.

The consolidation scope as of December 31, 2023 includes the parent WIIT, the companies which WIIT directly and indirectly wholly-owns, WIIT Swiss SA, myLoc Managed IT AG Boreus G.m.b.H, Gecko m.b.H. Codefit SP zoo, held 51% by Gecko m.b.h, WIIT AG, Lansol GmbH and Global access Internet Services, wholly-owned by the subsidiary myLoc Managed IT AG.

Consolidation criteria

The data utilised for the consolidation was taken from the financial statements approved or other financial information prepared and made available by the Directors of each subsidiary. These financial statements were reclassified and adjusted, where necessary, in order to apply uniform international accounting standards and uniform classifications within the Group. Subsidiaries are consolidated on a line-by-line basis from the acquisition date.

The criteria adopted for the consolidation were as follows:

a) the assets and liabilities, the income and charges of the financial statements consolidated are included in the financial statements of the Group, without consideration of the holding in the subsidiary. In addition, the carrying amount of equity investments has been eliminated against the corresponding share of shareholders' equity attributable to the investee companies.

b) The positive differences resulting from the elimination of the investments against the book net equity at the date of initial consolidation is allocated to the higher values attributed to the assets and liabilities, and the residual part to goodwill.

c) The payables/receivables, costs/revenues between consolidated companies and the gains/losses resulting from inter-company transactions are eliminated.

d) Where minority shareholders are present, the share of net equity and of the net result is assigned to the relative accounts of the consolidated balance sheet and income statement.

Conversion into Euro of financial statements prepared in foreign currencies

The separate financial statements of each company belonging to the Group are prepared in the primary currency where they operate (operational currency). This is mainly the Euro. For the purposes of the consolidated financial statements, the financial statements of each foreign entity are expressed in Euro, which is the operational currency of the Group and the presentation currency of the consolidated financial statements.

The conversion of the balance sheet items expressed in currencies other than the Euro (currently not considered significant) is made applying current exchange rates at period-end. The income statement accounts are converted at the average exchange rate for the period.

The exchange differences on the translation between the initial net equity translated at current exchange rates and those translated at historic exchange rates, as well as the differences between the result expressed at average exchange rates and those at current exchange rates, are allocated to the net equity account "Translation reserve".

The exchange rates utilised to convert into Euro the financial statements of the overseas subsidiaries, prepared in local currency, are presented in the following table:

Currency	Exchange rate at 31.12.2023	2023 average exchange rate
CHF (Switzerland)	0.926	0.972
PLZ (Poland)	4.34	4.52

However, it should be noted that the companies of the Group that do not operate in Euro are of modest entity, and the effect of translating their financial statements is not significant.

Key information on the accounting policies applied

The main accounting policies adopted in the preparation of the financial statements at December 31, 2023, unchanged compared to the previous year, are as follows:

BUSINESS COMBINATIONS

Business combinations are recognised according to the acquisition method. According to this method, the amount transferred in a business combination is recognised at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the company acquired.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recorded at fair value at the acquisition date; the following items form an exception, which are instead valued according to the applicable standard:

- deferred tax assets and liabilities;
- assets and liabilities for employee benefits;
- liabilities or equity instruments relating to share-based payments of the company acquired or share-based payments relating to the Group issued to replace contracts of the entity acquired;
- assets held-for-sale and discontinued assets and liabilities.

Goodwill is calculated as the excess of the amounts transferred to the business combination, of the value of non-controlling interests' net equity and the fair value of any holding previously held in the acquired company compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and the liabilities assumed at the acquisition date exceeds the sum of amounts transferred, of any non-controlling interest and the fair value of any holding previously held in the acquired company, this excess ("Negative goodwill") is immediately recorded to the income statement as income deriving from the transaction concluded.

The share of equity attributable to non-controlling interests, at the acquisition date may be measured at fair value (taking account of any options or any rights held by third parties) or in proportion to the acquiree's recognised net assets. The valuation method is chosen on the basis of each individual transaction.

The costs related to business combinations are recognised in the income statement.

Any liabilities related to business combinations for payments subject to conditions are recognised at the estimated fair value at the acquisition date of the businesses and business units relating to the business combination.

Where all or part of a previously acquired company (whose acquisition produced goodwill) is sold, the corresponding residual value of goodwill is considered when calculating the capital gains or losses generated by such sale.

With regard to acquisitions prior to adopting IFRS, the Group has exercised the option provided by IFRS 1 not to apply IFRS 3 relating to business combinations to acquisitions prior to the transition date. As a consequence, the goodwill arising from a business combination in the past is not adjusted and recorded at the value determined on the basis of the previous accounting standards, net of the accumulated amortisation up to December 31, 2013, the date of transition to international accounting standards of the parent company and any impairments.

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 the subsidiary myLoc Managed IT AG. The company, which joined the consolidation scope on January 1, 2023, as the impacts on shareholders' equity in the initial sixteen days were not significant, is 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"). The final price agreed for the transaction was Euro 7.4 million, Euro 964 thousand of which was paid following achievement of the targets relating to the net financial position and the net working capital of the company at December 31, 2022.

The values of the transaction are presented below.

In Euro		Fair value of net assets acquired
Intangible assets		1,600,909
	of which Business List	1,597,000
Other tangible assets		310,413
	of which Datacenter	0
Plants & machineries		3,001
Right-of-use		1,144,371
Other non-current assets		35,515
Trade receivables		252,953
Current financial assets		347,831
Other receivables and other current assets		101,969
Cash and cash equivalents		73,457
Non-current payables to other lenders		(487,890)
Non-current bank loans		(37,500)
Deferred tax liabilities		(479,100)
Payables to other lenders		(896,258)
Current bank loans		(46,285)
Current income tax liabilities		(174,212)
Trade payables		(230,454)
Other payables and current liabilities		(34,267)
Total net assets acquired (fair value) (a)		**1,484,455**
Consideration for acquisition of control, including deferred consideration (b)		**7,406,671**
GOODWILL (b-a)		**5,922,216**
Consideration paid		(7,406,671)
Cash acquired		73,457
NET CASH FLOWS for Global business combination		**(7,333,214)**

The transaction was recognised according to the "acquisition method" from the date of acquisition of control.

The surplus value generated by the acquisition has been allocated for Euro 1,597 thousand to intangible assets as the Business list for which a useful life of 20 years was established, based on an analysis of the past development of revenues generated by Global's customer portfolio (referring to the 2017-2022 period), and the remainder of Euro 5,922 thousand to goodwill, related to both the cost and process synergies and the economies of scale that this acquisition will generate in the future for the Wiit Group. Goodwill is not deductible for tax purposes. The allocation also generated deferred taxes amounting to Euro 479 thousand, calculated on the value identified for the Business List.

In addition to that identified and reported in the table, no contingent liabilities have been identified in accordance with paragraph 85 of IAS 37.

The fair value of the assets acquired (under the purchase price allocation process) is considered definitive in accordance with IFRS 3. For the determination of the price allocation, the Group utilised an outside consultant.

The business combination resulted in the recognition of total costs related to the acquisition of Euro 359 thousand. In the period between the date of acquisition of control by the Group and the annual financial report at December 31, 2023, the Company reported total revenues of Euro 4.545 million and a net profit of Euro 523 thousand.

GOODWILL

The goodwill acquired in a business combination represents the excess of the purchase price compared to the quota of the fair value referring to the value of the current and potential identifiable asset and liabilities. After the initial recording, the goodwill is measured at cost decreased by any impairment loss in value. The goodwill is tested for recovery on an annual basis or more frequently when events or changes occur which may result in a loss in value (Impairment test).
The goodwill deriving from acquisitions made before the transition date to IFRS are maintained at the values resulting from the application of Italian GAAP and this amount is subject to an annual impairment test.
For the purposes of these recoverability analyses, goodwill acquired through business combinations is allocated, from the date of acquisition, to the cash generating unit in which the Group operates. For the purpose of impairment testing, six CGUs have been defined:

- Italy CGU (comprising Wiit S.p.A.)
- MYLOC CGU
- BOREUS CGU
- GECKO CGU (Gecko GmbH + Codefit Sp z.o.o)
- LANSOL CGU
- GLOBAL CGU

The CGUs to which the goodwill is allocated:

- represent the lowest level within the Group to which the goodwill is monitored at internal management level;
- are not greater than the operating segment as defined by IFRS 8 “Operating segments”.

In the case of the Wiit Group, the CGUs currently are the same as the operating segments.

When the recoverable value of the cash flow unit is lower than the book value, a loss in value is recorded: In the case in which the goodwill is attributed to a cash flow generating unit which is partly disposed of, the goodwill associated with the asset sold is considered for the purposes of determining any gain or loss deriving from the operation. In these

circumstances, the goodwill sold is measured on the basis of the relative values of the asset sold compared to the assets still held with reference to the same unit.
When all or part of a previously acquired company (whose acquisition produced goodwill) is sold, the corresponding residual value of goodwill is considered when calculating the capital gains or loses generated by such sale.

INTANGIBLE ASSETS

The intangible assets acquired separately are recorded at cost, while those purchased through business combinations are capitalised at fair value defined at the acquisition date. After initial recognition, the intangible assets are recorded at cost less accumulated amortisation and any loss in value. Intangible assets internally generated, with the exception of development costs, are not capitalised and are recorded in the income statement of the financial year in which they were incurred.
The useful life of the intangible assets is measured as definite or indefinite. The definite intangible assets are amortised over the useful life of the asset and verified for any indications of a possible impairment. The period and amortisation method applied is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or of the manner in which the future economic benefits related to the intangible assets are received by the Group are recorded amending the period and method of amortisation, and treated as changes in the accounting estimates.
The amortisation of intangible assets with finite lives is recorded in the income statement under the specific item amortisation of intangible assets.

The useful life attributed to various categories of intangible assets is as follows:
- Business List – 10 to 20 years;
- concessions and trademarks (mainly software/user licenses) - 5 years;
- other intangible assets - 5 years.

Amortisation begins when the asset is available for use or when it is in the position and condition necessary for it to operate in the manner intended by company management. The gains and losses deriving from the disposal of an intangible asset is measured as the difference between the net sales revenue and the carrying value of the asset and are recorded in the income statement at the moment of the disposal.

Development costs

Development costs are recognised to intangible assets only if the costs may be reliably established, if the Company has the intention and the resources available to complete the assets, the technical aspects of the project may be completed in such a manner to make the products available for use and the volumes and the expected prices indicate that the costs incurred in the development phase may generate future economic benefits.
Capitalised development costs include only those costs that are directly attributable to development and the purpose of which is to develop and upgrade software or applications that is then used within the core business.
Development costs are amortised on a straight-line basis, from the commencement of production of the related project over the estimated useful life of the product or process, which has been assessed on average as five years.
Development costs related to ongoing projects are included as assets in progress.
All other development costs are charged to the income statement when incurred.
Research costs are recognised profit or loss in the year in which they are incurred.

PROPERTY, PLANT & EQUIPMENT

These assets include plant and machinery, equipment and other tangible assets.
These are stated at the cost of acquisition or construction. The cost includes directly attributable ancillary charges. Depreciation, as per IAS 16, is calculated on the basis of uniform rates applied to categories of similar assets and deemed appropriate to allocate the book value of tangible assets over their useful life. The estimated useful life, in years, is as follows:

Plant & machinery	5 - 10 years
Other tangible assets	
- Equipment	7 years
- EDP	4 years
- Furniture & fittings	8 years
- Buildings	10 years
- Land	-
- Data Center	15 years
Equipment	7 years
Right-of-use	Duration of contract

Ordinary maintenance costs are charged to the income statement in the year in which they are incurred, costs that increase the value or useful life of the fixed asset are capitalized and depreciated in relation to the residual possibility of use of the fixed assets to which they refer.

LEASED ASSETS AND RIGHT-OF-USE

Leased assets are recognised as property, plant and equipment when the lease agreement calls for the purchase of the asset by the Company at the end of the lease. This mainly concerns EDP. Lease agreements that do not call for the purchase of the asset at the end of the lease (mainly operating leases of property and vehicle leases), on the other hand, are recognised as right-of-use assets. Right-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 financial 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 Company opted for the exemption permitted under paragraph IFRS 16:5(a) in respect of short-term leases for "Motor vehicles" and Other assets. Likewise, the Company opted for the exemption permitted under IFRS 16:5(b) with regard to lease contracts for which the underlying asset qualifies as a "low-value asset" (i.e.,

the asset underlying the lease contract does not exceed the exchanged value in Euro of USD 5,000). 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.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying value of its intangible and tangible assets to determine if there are indications that these assets have incurred a loss in value. Where such indications exist, the recoverable amount of these assets is estimated to determine the amount of the impairment loss. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Company makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to.

In particular, the recoverable value of the cash generating unit is verified through the determination of the value in use. The recoverable value of the CGU - determined using the value in use method - is compared with its carrying amount, which takes into account goodwill and other assets allocated. In calculating the value in use, future net cash flows, estimated based on past experience, are discounted to their real value using a net tax rate that reflects the current market valuation in monetary terms and the specific risks of the asset. The main assumptions used for the calculation of the value in use concern the discount rate and the growth rate during the period assumed for the calculation. The growth rates adopted are based on, among other factors, growth forecasts for the specific industrial sector. Changes in sales prices are based on past experience and future market expectations. The Group prepares forecasts of operating cash flows deriving from the most recent Plans prepared by the Directors and approved by the Board of Directors of the Parent Company, makes forecasts for the following three years considering also the development of synergies deriving from acquisitions already completed and determines the terminal value (present value of the perpetual annuity) on the basis of a medium and long-term growth rate in line with that of the specific sector.

If the recoverable amount of an asset (or of a cash generating unit) is estimated to be lower than its carrying amount, the carrying amount of the asset is reduced to the lower recoverable amount, recording the impairment loss in the income statement.

When the reasons for the impairment no longer exist, the carrying value of the asset (or the cash generating unit) – except for Goodwill – is increased to the revised estimate of its recoverable value. The new value cannot exceed the net carrying value if no write-down for impairment had being recorded. The restated values are recognised in the income statement.

FINANCIAL ASSETS

Depending on the characteristics of the instrument and the business model adopted for its management, financial assets are classified in the following three main categories: at amortised cost, at fair value recognised to profit/(loss) for the year (FVTPL), at fair value recognised to other comprehensive income (FVOCI).

Financial assets held by the Group are classified in the financial statements as follows:

- Other non-current financial assets,
- Current financial assets,
- Cash and cash equivalents.

Initial recognition is made at fair value. After initial recognition, financial assets that generate contractual cash flows that represent exclusively capital and interest payments are valued at amortized cost, if held for the purpose of collecting the contractual cash flows. Using the amortised cost method, the initial carrying amount is subsequently adjusted to take account of capital repayments, any write-downs and the amortisation of the difference between the repayment value and the initial carrying amount. Amortisation is carried out on the basis of the effective internal interest rate which represents the rate that makes the present value of expected cash flows and the expected initial carrying amount at the time of initial recognition.

Other financial assets measured at amortized cost are shown net of the related doubtful debt provision.

Financial assets whose business model provides both the possibility of collecting contractual cash flows and the possibility of realising capital gains on disposal, are measured at fair value with the effects recognised to OCI. In this case, changes in the fair value of the instrument are recognised in equity, among other components of comprehensive income. The cumulative amount of changes in fair value, recognized in the equity reserve that includes the other components of comprehensive income, is reversed to the income statement when the instrument is derecognised. Interest income calculated using the effective interest rate, exchange rate differences and write-downs is recorded in the income statement.

A financial asset that is not measured at amortised cost or at fair value with the effects attributed to OCI is measured at fair value with the effects recognised to the income statement; financial assets held-for-trading fall into this category. Financial assets sold are derecognized when the contractual rights to obtain the cash flows associated with the financial instrument expire or are transferred to third parties.

The recoverability of financial assets not designated at fair value through profit or loss is assessed according to the Expected Credit Loss Model. In particular, expected losses are generally determined on the basis of the product of: (i) the exposure towards the counterparty, net of the related mitigating factors (known as "exposure at default"); (ii) the probability that the counterparty will fail to discharge its payment obligation (known as the "probability of default"); and (iii) the estimate, in percent terms, of the quantity of the credit that will not be able to be recovered in the event of default (known as "loss given default"), formulated on the basis of past experience and possible recovery actions (e.g., out-of-court action, litigation, etc.).

RECEIVABLES

Receivables are initially recorded at fair value, which corresponds to their nominal value, and subsequently measured at amortised cost and reduced in the event of impairment. In addition, they are adjusted to their estimated realisable value through the recording of a special adjustment provision based on the expected loss criterion.

FACTORING OF RECEIVABLES

Receivables transferred following factoring operations are eliminated from the balance sheet only when the related risks and benefits of ownership have been substantially transferred. Non-recourse receivables which do not satisfy these requisites remain on the balance sheet of the Group, even if legally transferred. In this case a financial liability of a similar amount is recorded under liabilities against advances received.

INVENTORIES

Inventories are valued at the lower of purchase or production cost, determined using the FIFO method, and the corresponding market value represented by the amount the company expects to obtain from their sale. The value of inventories is obtained through adjustment of an "obsolescence provision", to take into account goods which have a realisable value lower than cost. It should be noted that inventories are not significant at the balance sheet date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank deposits, units in liquidity funds and other money market securities that are readily convertible into cash and for which the risk of changes in value is insignificant.

TREASURY SHARES

The treasury shares are recorded as a reduction of shareholders' equity. The purchase, sale, issue, or cancellation of capital instruments of the company do not result in the recording of any gain or loss in the income statement.

PROVISIONS FOR RISKS AND CHARGES

The Group recognises a provision for risks and charges when the risk of a monetary payment related to an obligation deriving from a past event is considered probable and a reliable estimate may be made on the amount of the obligation. Provisions are made based on management's best estimate of the cost of fulfilling the obligation at the end of the reporting date and are discounted to their present value when the effect is material. These risks are subject to a high level of complexity and uncertainty, and therefore the amount of the provision for risks and charges is reviewed periodically to reflect the best current estimate of each provision.

FINANCIAL LIABILITIES

Financial liabilities, other than derivatives, are initially recognised at fair value less any transaction costs; they are subsequently recognised at amortised cost using the effective interest rate for discounting purposes, as explained in the previous paragraph "Financial assets". A financial liability is derecognised when, and only when, it is extinguished.

PAYABLES

The trade and other payables are initially recorded at cost, which is the fair value of the amount paid less transaction costs. Subsequently, payables that have a fixed maturity are measured at amortised cost, using the effective interest method, while payables without a fixed maturity are measured at cost. The current payables, on which no interest is applicable, are measured at nominal value. The fair value of long-term payables is determined by discounting future cash flows: the discount is recorded as a financial charge over the duration of the payable to maturity.

EMPLOYEE BENEFITS

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The obligation to fund the defined benefit pension plans and the annual cost recognised to the income statement are determined by independent actuarial valuations using the projected unit credit method, on the basis of one or more factors such as age, years of service and expected future remuneration. Actuarial gains and losses deriving from changes to the actuarial assumptions and adjustments based on past experience are debited/credited to equity, through other comprehensive income, in the period in which they arise. Where the calculation of the amount to be taken to equity gives rise to an asset, the amount recognised is limited to the present value of the economic benefits available in the form of reimbursements or reductions of future plan contributions. Defined benefit plan costs are classified to personnel expenses, except for any costs associated with the increase in the present value of the obligation nearer to the payment date which are recognised under financial charges.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group generates revenues mainly on recurring fees related to system management services provided to customers, to which hardware, software (provided in PaaS or SaaS mode), or other services are generally added. These services are recognised over time.

Revenues from the sale of products (mainly hardware and software excluding SaaS revenues recognised over-time) are recognised at the point in time in which the hardware is delivered and the (software) license is granted.

The Group breaks down revenues between recurring service revenues and revenues from the sale of products and non-recurring services. The former includes all recurring services that are purely related to the cloud business, including also colocation services. The latter residually includes all other services, in addition to spot sales of hardware and software.

FINANCIAL INCOME

Financial income includes interest income on funds invested and income deriving from financial instruments. Interest income is recorded in the income statement at the moment of maturity, considering the effective yield.

FINANCIAL EXPENSES

Financial expenses include interest expense on financial payables calculated using the effective interest method.

INCOME TAXES

Income taxes include all the taxes calculated on the assessable income of the Company. They are recognised to the income statement, except those relating to accounts directly credited or debited to equity, in which case the tax effect is recognised directly to equity. Other taxes not related to income, such as taxes on property, are included under operating expenses. Deferred taxes are calculated in accordance with the liability method. They are calculated on all the temporary differences between the assessable income of an asset or liability and the relative book value, with the exception of the goodwill not fiscally deductible and of those differences deriving from investments in subsidiaries for which a write-down is not expected in the foreseeable future. Deferred tax assets are recognised only for those amounts for which it is probable there will be future assessable income to recover the amounts. The deferred tax assets and liabilities are offset when the income tax is applied by the same fiscal authority and when there is a legal right of compensation. They are measured at the tax rates that are expected to apply to the period when the temporary difference is reversed in the jurisdiction in which the Company operates.

SHARE-BASED PAYMENTS

Options to purchase shares, which the Parent Company grants to employees and directors of the Group, give rise to the recognition of personnel costs or of service costs (in the case of directors) and to a corresponding increase in equity. More specifically, options to purchase shares are measured at their fair value as at the date on which they are granted and are expensed over the vesting period. This fair value is measured at the granting date using Monte Carlo method simulations for restricted stock units (RSU's) and the Black-Scholes model for stock options, taking account of the dividend. Expected volatility is measured based on historical stock prices, corrected for any extraordinary events or other factors. The cost of options granted is recalculated based on the actual number of options vested at the start of the period for exercising the options.

OPERATING SEGMENTS

For the purposes of IFRS 8 – Operating Segments, Group activities are organised into six operating segments based on the business, the recently acquired companies and their location.

In view of the recent acquisitions and the focus on monitoring the business performance of the Group companies, the Group considers that its operating segments coincide with its CGU's. The latter therefore also coincide with the acquired companies. During the current year 2023, as a result of the acquisition of Global, a new operating segment was created.

This segment disclosure has therefore been prepared in accordance with the strategy outlined above.
The reporting used by the Directors highlights results in the following operating segments, which are also equivalent to the cash generating units (CGUs):

- **"Italy" segment**, including the parent company.
- **"myLoc" segment**, including the German subsidiary myLoc Managed IT AG, which joined the Group as of August 1, 2021.
- **"Boreus" segment**, including the German subsidiaries Boreus GmbH and Reventure GmbH (incorporated into myLoc in 2022), which joined the Group as of November 2, 2021.
- **"Gecko" segment**, including the subsidiaries Gecko GmbH and Codefit Sp.zoo., which joined the Group as of November 2, 2021
- **Lansol segment**, including the company acquired in September 2022.
- **Global segment,** which includes only Global Access Internet Services GmbH, newly-acquired in January 2023.

The Group assesses the performance of these operating segments in terms of Adjusted EBITDA, investments and net financial debt. Operating segment level financial disclosure is jointly reviewed by the Parent Company's Chief Executive Officer and the Chief Financial Officer, as well as the Group's Senior Executives. These positions constitute the WIIT Group's Chief Operating Decision Making Group ("CODMG"), which is responsible for making decisions on the allocation of resources among the operating segments based on actual results.

The figures by operating segment, reconciled with the net profit for the year, defined by the Group in 2023 were as follows:

31.12.2023	Italy segment	Myloc segment	Boreus segment	Gecko segment	Lansol segment	Global segment	Other (*)	Total
Revenues and operating income	**57,688,711**	**27,516,601**	**16,252,284**	**16,370,354**	**7,682,301**	**4,544,985**	**51,272**	**130,106,508**
Intercompany by segment	0	0	0	0	0	0	0	0
Net sales revenues from third parties	**57,688,711**	**27,516,601**	**16,252,284**	**16,370,354**	**7,682,301**	**4,544,985**	**51,272**	**130,106,508**
Adjusted EBITDA	**26,254,352**	**11,010,638**	**4,535,078**	**4,286,037**	**2,454,264**	**1,827,916**	**388,099**	**50,756,382**
Non-recurring charges (adjustments)								(3,870,007)
Amortisation and depreciation								(22,690,953)
PPA amortisation								(4,679,845)
Provisions								(56,310)
Financial income and expenses								(7,778,400)
Profit before taxes								**11,680,866**
Income taxes								(3,334,235)
Profit								**8,346,631**
Total investments	18,042,867	10,491,705	432,107	505,885	461,234	100,872	162,190	30,196,860
Net financial debt	**(173,739,984)**	**(40,684,551)**	**6,055,890**	**4,902,198**	**1,580,137**	**490,968**	**(155,864)**	**(201,551,205)**

(*) amounts concerning Wiit AG, which is not an operating segment as a holding company.

USE OF ESTIMATES

The preparation of the financial statements and the relative notes in application of IFRS require that the Management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the balance sheet date. The actual results may differ from such estimates. Estimates are used to determine: i) the recoverability of goodwill, of property, plant and equipment, and of intangible assets; ii) the fair value of assets and liabilities and of certain components of the purchase price in relation to business combinations; iii) impairment losses on receivables and financial assets; iv) employee benefits; v) income taxes; and vi) contingent liabilities.

Specifically:

Recoverability of the value of goodwill and tangible and intangible assets

The impairment testing procedure for goodwill and intangible and tangible assets described under the accounting policies "Impairment of Non-Financial Assets" and "Goodwill" entails, when estimating value in use, the use of assumptions regarding the expected cash flows of the cash-generating units (CGUs) identified, in reference to the 2023-2025 plans, and the determination of an appropriate discounting rate (WACC) and long-term growth rate (g-rate). These assumptions are based on management's expectations of focusing on increasing the sales of services with the greatest margins even in different regions, improving the absorption of fixed costs, of constantly improving the performances of existing products and services and of developing innovative products and services.

In accordance with international accounting standard IAS 36, since these CGUs include goodwill, the Company's management has conducted an impairment test to determine whether the carrying amounts of the CGU's assets in the financial statements as at December 31, 2023 exceed their recoverable amounts.

At present, despite the general landscape of uncertainty brought about by the macroeconomic environment connected with the Russia-Ukraine and Israel-Palestine conflicts and that in the Red Sea, which are having tangible impacts particularly in relation to rising energy prices, and the continued increases in interest rates by the ECB to combat inflation, we do not believe that there is reason to doubt the cash flow forecasts used for the purpose of impairment testing. However, it may not be excluded that the continuation of the current uncertainty may have economic impacts, which at the preparation date of these financial statements can neither be quantified or estimated. It should also be noted that the Directors will constantly monitor the situation as the year progresses, particularly with regard to rising interest rates, which have an impact on impairment testing, although at present it is not believed that there are particular elements of uncertainty with regard to their recoverability, including in light of the factors described in relation to impairment testing below.

Further details of the Directors' considerations regarding these uncertainties are provided in the paragraph "Subsequent events after the year end" of the directors' report.

Business combinations

The recognition of business combinations entails the need to measure the fair value of assets and liabilities acquired as a result of obtaining control over the business. With the help of independent experts, Company management measured the fair value of assets, liabilities and contingent liabilities based on the information on facts and circumstances available at the acquisition date.

Measurement of the fair value of the assets and liabilities is subject to estimates and assumptions by the Directors. Potential changes in the estimates of the factors underlying the measurement of fair value could lead to different measurements.

The analysis of each business combination is unique and requires Directors to make estimates and assumptions that are deemed prudent and reasonable given the specific circumstances.

Recognition of business combinations also entails the need to make estimates in relation to the determination of variable or deferred components of price (including put/call options), which are usually subject to achievement of financial targets that, as at the date on which the controlling interest was acquired, are in turn subject to estimates; therefore, the related actual figures could differ and result in price adjustments that cannot currently be foreseen.

Impairment of receivables and financial assets

The recoverability of financial assets not designated at fair value through profit or loss (mainly trade receivables) is assessed according to the Expected Credit Loss Model. In particular, expected losses are generally determined on the basis of the product of: (i) the exposure towards the counterparty, net of the related mitigating factors (known as "exposure at default"); (ii) the probability that the counterparty will fail to discharge its payment obligation (known as the "probability of default"); and (iii) the estimate, in percent terms, of the quantity of the credit that will not be able to be recovered in the event of default (known as "loss given default"), formulated on the basis of past experience and possible recovery actions (e.g., out-of-court action, litigation, etc.).

Employee benefits

The present value of liabilities for employee benefits depends on a series of factors which are determined using actuarial techniques and based on certain assumptions. The assumptions relate to the discount rate, estimates of future salary increases and death and resignation rates.

Income taxes

Income taxes for the year represent the sum of current and deferred taxation. Deferred income taxation is recorded on temporary timing difference between the financial statements and the taxable profit, recognised using the liability method. The deferred taxes are calculated based on the fiscal rates applicable when the temporary differences reverse. The deferred tax charges are recognised in the income statement with the exception of those relating to accounts recognised in equity in which case the deferred tax charges are also recognised in equity. Deferred tax assets are recognised when the income taxes are considered recoverable in relation to the taxable profit expected for the period in which the deferred tax asset is reversed. The carrying amount of deferred tax assets is reviewed at the end of the year and reduced, where necessary.

Contingent liabilities

With reference to the estimation of the risk of potential liabilities from litigation, the Directors rely on the communications received on the recovery procedures and litigation communicated by the legal advisors, which represents the Group in the disputes. These estimates are made taking into account the development of the disputes.

The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised to the income statement.

NEW ACCOUNTING STANDARDS

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE FROM JANUARY 1, 2023

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2023:

- On May 7, 2021, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: **Deferred Tax related to Assets and Liabilities arising from a Single Transaction".**The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts at the date of initial recognition, such as leases and decommissioning obligations. The amendments were applied from January 1, 2023.

- On February 12, 2021, the IASB published two amendments entitled "**Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates—Amendments to IAS 8".** The amendments regarding IAS 1 require an entity to disclose relevant information on the accounting standards applied by the Group. The changes are intended to improve disclosure on the accounting policies applied by the Group to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments were applied from January 1, 2023.

- On May 23, 2023, the IASB published an amendment called **"Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules".**This introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules (effective in Italy from December 31, 2023, but applicable as of January 1, 2024) and sets out specific disclosure requirements for entities affected by the related International Tax Reform.
  It provides for the immediate application of the temporary exception, while the disclosure requirements apply only to financial statements for years beginning on or after January 1, 2023, but not to interim financial statements with a closing date before December 31, 2023**.** This amendment is not applicable to the WIIT Group as it does not exceed the established revenue threshold of Euro 750 million.

The adoptions of these amendments do not have any effects on the Group consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EU, NOT YET MANDATORY AND NOT ADOPTED IN ADVANCE BY THE GROUP AT DECEMBER 31, 2023

The following IFRS accounting standards, amendments and interpretations were approved by the EU, but are not yet mandatory and have not been not adopted in advance by the Group at December 31, 2023:

- On January 23, 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on October 31, 2022 published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants.". The purpose of the amendments is to clarify how to classify payables and other short or long-term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least 12 months is subject to meeting certain parameters (i.e. covenants). These amendments shall enter into force on January 1, 2024 and early application is permitted.

- On September 22, 2022, the IASB published an amendment entitled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liability arising from a sale & leaseback transaction so as not to recognise income or losses relating to the retained right of use. The amendments will be applicable from January 1, 2024, although advance application is permitted.

The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On May 25, 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". This requires an entity to provide additional information on reverse factoring arrangements to enable users of financial statement to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The amendments will be applicable from January 1, 2024, although advance application is permitted.

- On August 15, 2023, the IASB published an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a consistent methodology in order to ascertain whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be made in the notes to the financial statements. The amendment will be applicable from January 1, 2025, although advance application is permitted.

The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

Explanatory notes to the main items of the statement of financial position

1. INTANGIBLE ASSETS

31.12.2023	31.12.2022	Changes
58,224,012	58,113,828	110,184

Movements of Intangible Assets over the last two years:

Description	31.12.2021	Increases	Business combinations	Decr.	Amort.	Reclass.	31.12.2022
Business List and exclusive contracts	42,397,057	0	5,026,360	0	(3,125,825)	0	44,297,593
Concessions, licences and trademarks	4,054,725	5,112,772	185,504	(19,884)	(2,366,700)	17,919	6,984,335
Development costs	1,895,734	5,000	365,228	(8,550)	(806,193)	901,731	2,352,949
Assets in progress	1,870,357	1,023,703	0	0	0	(901,731)	1,992,328
Other intangible assets	2,168,605	1,021,422	9,993	(40,275)	(655,204)	(17,919)	2,486,622
Total	**52,386,478**	**7,162,897**	**5,587,085**	**(68,709)**	**(6,953,923)**	**0**	**58,113,828**

Description	31.12.2022	Increases	Business combinations	Decr.	Amort.	Reclass.	31.12.2023
Business List and exclusive contracts	44,297,593	0	1,597,000	0	(3,205,685)	0	42,688,908
Concessions, licences and trademarks	6,984,335	4,536,986	0	0	(3,201,793)	0	8,319,528
Development costs	2,352,949	0	0	0	(808,974)	793,575	2,337,550
Assets in progress	1,992,328	1,084,271	0	0	0	(793,575)	2,283,024
Other intangible assets	2,486,622	947,926	3,909	0	(843,456)	0	2,595,002
Total	**58,113,828**	**6,569,183**	**1,600,909**	**0**	**(8,059,908)**	**0**	**58,224,012**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historic cost	Acc. Amort.	Net value 2022
Business List	52,056,237	(7,758,644)	44,297,593
Concessions, licences and trademarks	12,488,178	(5,503,843)	6,984,335
Development costs	4,508,763	(2,155,814)	2,352,949
Assets in progress	1,992,328	0	1,992,328
Other intangible assets	4,818,642	(2,332,020)	2,486,622
Total	**75,864,147**	**(17,750,321)**	**58,113,828**

The net carrying amount at the end of the year is broken down as follows:

Description	Historic cost	Acc. Amort.	Net value 2023
Business List	53,653,237	(10,964,329)	42,688,908
Concessions, licences and trademarks	17,025,165	(8,705,637)	8,319,528
Development costs	5,302,338	(2,964,788)	2,337,550
Assets in progress	2,283,024	0	2,283,024
Other intangible assets	5,770,477	(3,175,475)	2,595,002
Total	**84,034,241**	**25,810,229**	**58,224,012**

Business List and exclusive contracts

The account includes the amounts allocated of the surplus values arising from the acquisitions, net of accumulated amortisation:

Description	31.12.2022	Business combinations	Amort.	31.12.2023
Adelante S.r.l.	3,153,995	0	(210,266)	2,943,728
Matika S.p.A.	4,807,826	0	(300,489)	4,507,337
Etaeria S.p.A.	2,708,168	0	(159,304)	2,548,864
myLoc Managed IT AG	8,310,850	0	(488,874)	7,821,976
Mivitec GmbH	708,886	0	(88,611)	620,275
Boreus Rechenzentrum GmbH	14,243,400	0	(791,300)	13,452,100
Gecko Gesellschaft für Computer und Kommunikationssysteme mbH	5,711,200	0	(713,900)	4,997,300
Erptech S.p.A.	620,119	0	(160,820)	459,299
Lansol GmbH	4,033,150	0	(212,271)	3,820,879
Global Access Internet Services GmbH	0	1,597,000	(79,850)	1,517,150
Total	**44,297,593**	**1,597,000**	**(3,205,685)**	**42,688,908**

Concessions and brands

The account mainly refers to the document software used to offer digital services based on the ALFRESCO platform and the "K-File" platform owned by the parent company. These two assets make up the WIIT Digital Platform, by which the Group provides Enterprise Information management (EIM) services to our customers.

The increase in the year mainly concerns the software licences which are activated prior to the provision of the services, and whose useful life matches the duration of the agreement with the customer (generally 5 years), of approx. Euro 4.5 million. The remainder refers to long-term licences related, primarily, to the network and cyber security technologies that the Group uses within the scope of service provision.

Development costs

The account includes costs incurred both in-house and externally, mainly for the development of ICT infrastructure. This infrastructure enables the WIIT Group to provide its services effectively and competitively. They are substantially for installing the IT platform and framework, mainly by the Parent Company, through which the Group provides and manages the contractually covered services and interfaces with customers. IT Security is one of the projects in which the Group is heavily investing, as demand from customers is expected to significantly rise in view of the continuously and quickly developing cyber risks. The cost of activities is mainly related to the introduction of the "**WIIT Cyber Security Roadmap",** a set of projects focused on raising the security level of the entire architecture, with the goal of analysing the main technologies, planning the evolution of the infrastructure, and enabling an upgrade of the cyber security services offered. A thorough analysis of the infrastructure was therefore carried out over the years, resulting in an assessment of the best solutions available on the market. The following activities were completed during the year:

- Revamping Log Management. Target architecture of customer log management service defined by moving from the Manage Engine solution to Qradar, which began a process of internal cost efficiencies
- Vulnerability Management activities to manage customers' critical infrastructures for sales and upselling purposes. Infrastructure scanning service through the Tenable solution launched progressively during 2023.
- Upgrade Cyber Services Germany. Support to the Group's German companies so as to extend the Cyber Security operating model in use in Italy, in order to ensure the same security safeguards throughout the Group, with a consequent upgrade of the services offered

The "**WIIT Digital Platform**" is another of the main development projects undertaken by the WIIT Group. It comprises integrated application and technology assets subject to evolutionary or upgrade projects and which have:

- expanded the functional scope of the various proprietary components and open-source technologies with the goal of supporting upselling and cross-selling with the customer base in addition to the proposition of new customers
- enabled the activation and software development of new satellite application modules for the digital signature platform
- enabled the activation of new technologies related to intelligent automation and content composition processes
- enabled new developments aimed at upgrading the API framework of the WIIT digital platform
- enabled the activation and/or evolution of standard vertical applications with which to offer the market the management of specific digital processes

The following projects that were recognised under assets in progress in the previous year were in addition completed during the year under review:

- SAP platform evolution - Finance & Controlling (Wave 1 CO project)
- Report Actual & Forecast: development and implementation of a report for financial analysis
- MI2 datacenter: during H1 2023, all implementation activities and related certification with Uptime Institute of the MI2 datacenter were completed.

- SAP Activation Germany, involving the management of the first level in Germany and the second level in Italy. This also required the introduction of new processes on WIIT internal systems, such as WIIT Trouble ticket configuration for Germany services, RDM implementation for access to WIIT Germany customer systems, creation of workflows for interaction of Italy/Germany operations teams
- Cloud Infrastructure:
  - VMWare infrastructure optimisation (phase 1)
  - Commvault implementation on the customer perimeter (phase 1)

All of the above projects stem from an identifiable asset that provides the Group with future economic benefits in terms of future upselling and/or cost savings.

Assets in progress

The evolutionary projects of the WIIT systems (WIIT Platform) to support the integration between the various Group companies; in particular, the currently ongoing projects refer to the following components of the WIIT Platform:

- Trouble Ticketing System Evolution
- Digital Order Booking Process Evolution
- Alfresco Enterprise Content Management (ECM) system evolution
- Digital Provisioning Process Assessment
- SAP Platform Evolution - Finance & Controlling
- Onboarding German Group companies on the Salesforce system

Other projects in progress concern the upgrading of the cloud infrastructure, such as:

- VMWare infrastructure optimisation (phase 2 and 3)
- Implementation of RDM infrastructure on the customer perimeter
- Commvault implementation on the customer perimeter (phase 2)
- Implementation of monitoring system for all Storage in Datacenters and at customer offices using Stor2RRD
- Implementation of integration between Icinga-based centralised monitoring system and Trouble Ticketing management tool for automatic ticket opening and closing.

In the area of Cyber Security, the following projects are considered as ongoing:

- Integrating additional Log Sources to those already concluded into the internal Security Operations Center (SOC) for WIIT, updating QRadar correlation rules with the goal of increasing monitoring of the WIIT perimeter. In fact, the monitoring implemented through QRadar must follow the evolution of WIIT's Cloud infrastructure, which is constantly evolving;
- Onboarding Log Management: implementation of a Log Management service for new customers;
- Vulnerability Management activities for WIIT internal critical infrastructure: infrastructure scanning service using Tenable solution. It is noted that the activity is recurring and involves conducting several scans per year;

- Upgrade Cyber Services in Germany: support for the Group's German companies, with the goal of extending WIIT's Cyber Security operating model and the security safeguards implemented in Italy progressively to the Group. In particular, implementation of the Security Operations Center (SOC) service is also planned to start in Germany in 2024. This service will enable security event monitoring for the Group's infrastructure in Germany. These infrastructure, which are used across the board to provide services to Cusotmers, will be identified according to a risk-based logic and, subsequently, will be connected with the SOC service.

Other intangible assets

This account includes development activities that the Group purchases from third parties in order to provide Cloud services to our customers, through long-term contracts. These investments are primarily made by the Company to implement the information systems of its customers.

2. GOODWILL

Shown below are the changes in goodwill during the year:

Description	31.12.2022	Increases	Business combinations	Write-downs	31.12.2023
Goodwill	115,155,615	0	5,922,216	0	121,077,831
Total	**115,155,615**	**0**	**5,922,216**	**0**	**121,077,831**

Goodwill at the beginning of the year of Euro 115,156 thousand was mainly the result of the following transactions:
- the merger by incorporation of the subsidiary Sevenlab S.r.l., with accounting and tax effects from January 1, 2014 and recognised to assets following the approval of the Board of Statutory Auditors for an amount of Euro 930 thousand;
- the acquisition of the Visiant Technologies (Visiant Group) business unit, which manages the Data center services and infrastructure for an amount of Euro 381 thousand;
- the acquisition of control of Foster S.r.l. through the acquisition of the remaining 65.03% of the share capital in December 2018 and the recognition of the residual consolidation difference to goodwill of Euro 1,206 thousand following the definitive allocation of the acquisition cost to the acquired assets and liabilities;
- the full acquisition of Adelante S.r.l. in 2018 for Euro 8,030 thousand
- the acquisition of control of Matika S.p.A. in 2019 for Euro 7,054 thousand
- the acquisition of control of Etaeria S.p.A. in 2020 for Euro 5,555 thousand.
- the acquisition of the Aedera business unit (Kelyan Group) in 2020 for Euro 1,508 thousand;
- the full acquisition of myLoc managed IT AG in 2020 and the full acquisition of its subsidiary Mivitec GmbH for Euro 33,867 thousand;
- the full acquisition of the German company Boreus Rechenzentrum GmbH and the full acquisition of its subsidiary Reventure GmbH for Euro 34,292 thousand;

- the full acquisition of the German company Gecko Gesellschaft für Computer und Kommunikationssysteme mbH and its subsidiary Codefit spółka z ograniczoną odpowiedzialnością, 100% held, for a total of Euro 9,040 thousand;
- the full acquisition of ERPtech S.p.A. in March 2022 for Euro 718 thousand;
- the full acquisition of the German Group Lansol in September 2022 for Euro 12,575 thousand.

"Goodwill" increased in 2023 due to the full acquisition of the German company Global Access Internet Services GmbH in January 2023 for Euro 5,922 thousand. Reference should be made to the "Business Combinations" note for further details.

Goodwill is not subject to amortisation; rather, in accordance with the accounting standard IAS 36, it is tested for impairment at least annually by comparing the recoverable amount of the CGU - determined according to the value in use method - with its carrying amount, which takes account of the goodwill and other assets allocated to the CGU.
Taking account of the fact that the definition of a CGU involves a subjective assessment as specified by IAS 36.68, and based on the acquisitions completed, the Directors identified 6 CGU's, as follows:

- **"Italy" CGU**, including the Parent Company, into which the subsidiary Erptech was merged during the year. This CGU was allocated a goodwill value of Euro 25,382 thousand.
- **"myLoc" CGU**, including the German subsidiary myLoc Managed IT AG and its subsidiary Mivitec GmbH, which joined the Group as of August 1, 2021, to which goodwill of Euro 33,867 thousand has been allocated.
- **"Boreus" CGU**, including the German subsidiaries Boreus GmbH and Reventure GmbH, which joined the Group as of November 2, 2021, to which goodwill of Euro 34,555 thousand has been allocated.
- **"Gecko" CGU**, including the subsidiaries Gecko GmbH e Codefit Sp z.o.o, which joined the Group as of November 2, 2021, to which goodwill of Euro 9,040 thousand has been allocated.
- **"Lansol" CGU**, including the subsidiaries Lansol Datacenter Gmbh and Lansol GmbH, which joined the Group from November 9, 2022 and which have been allocated a goodwill value of Euro 12,575 thousand.
- **"Global" CGU,** including Global Access Internet Services GmbH, which joined the Group in January 2023, which was allocated a goodwill value of Euro 5,922 thousand.

With reference to the ITALY CGU, the Directors confirm the previous composition of the CGU, as it is considered that the Parent Company (into which Erptech was merged in 2023) consists of a single set of activities which generates cash flows independently, taking account also of the merger undertaken in the year and the fact that it operates in a single strategic business unit relating to the provision of 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.

With reference to the "myLoc" CGU, the Directors confirm that it comprises the company myLoc Managed IT AG. The company operates in a single area of activity (Strategic Business Unit) related to the provision of Cloud solutions, for SMEs located almost entirely in Germany, which mainly involve the management of IT infrastructure and related management services.

With respect to the "BOREUS" CGU, the Directors consider that Boreus should be considered a separate CGU as it generates independent cash inflows.

With respect to the "GECKO" CGU, the Directors consider that Gecko and Codefit should be considered a separate CGU as it generates cash inflows, as it specialises in two business areas (Strategic Business Units) related to Software development services and IT services, mainly in Germany, which it hosts mostly at its end customers. Group management has already put in place strategies to shift Gecko towards the development of Software-as-a-Service products and solutions independently of the rest of the German companies;

With respect to the "Lansol" CGU, the Directors consider that the company Lansol Gmbh, into which the company Lansol Datacenter GmbH was merged by reverse merger in 2023, should be considered a separate CGU since it generates independent cash inflows, taking into account that it currently operates by conducting minimal transactions with the parent company Wiit and the other German companies.

With reference to the “Global” CGU, the Directors consider that the company Global Access Internet Services Gmbh should be considered a separate CGU as it generates independent cash inflows, and taking into account that it currently undertakes minimal transactions with the Parent Company Wiit and the German companies.

The companies operating on the German market have been defined as a separate CGU, taking into account both the recent acquisition and the currently ongoing integration process. In fact, an integration project between these companies is in progress and should lead in the foreseeable future to a reorganisation through aggregation similar to that which took place in 2022 and 2023 in Italy. It is consequently therefore possible that in the near future the finalisation of this reorganisation, together with the integration of the companies, may lead to a redefinition and aggregation of the CGU’s.

IMPAIRMENT TESTS

The recoverability of goodwill - assets with indefinite useful life - was assessed as of December 31, 2023, through an impairment test, approved by the Directors on February 27, 2024 and prepared according to the 2024-2026 business plan approved on the same date.
The Directors conducted the impairment test with support from an independent expert.
The recoverable amount of the goodwill was determined as its value in use, calculated as the sum of the discounted future cash flows generated on an ongoing basis by NCE (DCF method - Discounted Cash Flow – Asset Side).
The impairment test was prepared in continuity with the methodology for previous years. However, in light of the restructuring of the Group in Germany, which in 2024 will see the merger of all German subsidiaries (except Gecko) into a single company (Wiit AG), the Directors deemed it appropriate to determine 3 differing WACCs: one for Italy (Wiit CGU), one for the myLoc, Boreus, Lansol and Global Access CGUs (based on the same sample of comparable companies that perform Cloud services in line with Wiit Group's core business), and one for the Gecko CGU, with its own sample of comparable companies, as the services provided by Gecko, although ancillary to the Group's core business, are in fact different.

The following is an overview of the calculation values of the individual CGU's:

ITALY CGU

The calculation of value in use is based on estimates and assumptions of the Directors concerning the CGU's expected future cash flows based on the business plans of the companies in the CGU over the period 2024-2026 with a discount rate (WACC) of **11.1%** and a long-term growth rate (g-rate) of **2.0%** *(IMF, 2028 forecasts for inflation Italy)*.
The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Debt-to-equity ratio, based on a sample of comparable companies, of **19.7%**;
- Beta unlevered: **1.0** – estimated based on a sample of comparable companies (CIQ);
- Risk-free rate: **4.2%** – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of Italian ten-year government bonds;
- Market risk premium: **5.5%** – as per mature equity markets, in line with the latest professional practice post-pandemic;
- Risk premium: **2.0%** (Micro cap, Kroll);
- Cost of debt: **3.2%** determined based on the debt ratio of a panel of identified comparable companies.

On the basis of the above assumptions, the independent expert has quantified the enterprise value of the company as being higher than the carrying amount.
The impairment test therefore did not indicate any loss in value as the calculated value was in excess of the carrying amount.
It should be noted that the business plan for the Italy CGU includes significant investments over the explicit three-year plan period that are not fully reflected in the relative growth included in the terminal value, which

in accordance with practice has been determined based on inflation of 2%. This factor presents potentially significant upside above the current coverage rates to emerge from impairment testing, which nonetheless confirm the full recoverability of the goodwill allocated in the CGU.

Sensitivity and variations in assumptions

With further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The results of these analyses are reported below:
- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 2.0% and all plan assumptions unchanged) of 21.48%;
- the impairment test reaches a break-even level using a g-rate (keeping WACC at 9.8% and all plan assumptions unchanged) of -13.35%;
- impairment reaches a break-even level using a change in EBITDA for the explicit period of the plan from 2024 to 2026 and on the terminal value (maintaining WACC at 11.1% and g-rate at 2.0% and all plan assumptions unchanged) of -33.74%.

MYLOC CGU

The calculation of value in use is based on estimates and assumptions of the Directors concerning the CGU's expected future cash flows based on the business plans of the companies in the CGU over the period 2024-2026 with an appropriate discount rate (WACC) of **9.6%** and a long-term growth rate (g-rate) of **1.99%** *(IMF, forecasts of 2028 German inflation)*.

The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Debt-to-equity ratio, based on a sample of comparable companies, of **19.7%**;
- Beta unlevered: **1.0** – estimated based on a sample of comparable companies (CIQ);
- Risk-free rate: **2.5%** – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds**;**
- Market risk premium: **5.5%** – as per mature equity markets, in line with the latest professional practice post-pandemic;
- Risk premium: **2.0%** (Micro Cap, Kroll);
- Cost of debt: **2.9%** determined based on the debt ratio of a panel of identified comparable companies.

On the basis of the above assumptions, the independent expert has quantified the average enterprise value of the company as being higher than the carrying amount.

The impairment test therefore did not indicate any loss in value as the calculated value was in excess of the carrying amount.

With reference to the myLoc CGU, it is expected that the investments made in the 2022 and 2023 two-year period will generate benefits well beyond the explicit three-year plan period used for impairment testing purposes. These investments are of strategic importance to the entire German market. However, it should be noted that the plan was defined in relation to the individual CGUs and, therefore, also to myLoc, considering solely the business generated by the CGUs with external customers without taking account of the expected

process of business aggregation/simplification in Germany in the foreseeable future, which, as mentioned, will call for the concentration of investment in data centres mainly at Düsseldorf (mainly at myLoc), but which will also be used to the benefit of other German companies.
Therefore, as concerns the myLoc CGU, impairment testing has been particularly prudent given that, at the end of the explicit period of three years, the expected growth rate used to calculate perpetual terminal value is 1.99% and does not represent the growth potential tied to the significant investment planned over the explicit period. This factor presents potentially significant upside above the current coverage rates to emerge from impairment testing, which nonetheless confirm the full recoverability of the goodwill allocated in the myLoc CGU.

Sensitivity and variations in assumptions

With further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The results of these analyses are reported below:
- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 1.99% and all the plan assumptions unchanged) of 10.58%;
- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 9.6% and all plan assumptions unchanged) of 0.8%;
- impairment reaches a break-even level using a change in EBITDA for the explicit period of the plan from 2024 to 2026 and on the terminal value (maintaining WACC at 9.6%, g-rate at 2.0%, and all plan assumptions unchanged) of -7.41%.

BOREUS CGU

The calculation of value in use is based on estimates and assumptions of the Directors concerning the CGU's expected future cash flows based on the business plans of the companies in the CGU over the period 2024-2026 with an appropriate discount rate (WACC) of **9.6%** and a long-term growth rate (g-rate) of **1.99%** *(IMF, 2028v forecasts for Germany)*.
The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Debt-to-equity ratio, based on a sample of comparable companies, of **19.7%**;
- Beta unlevered: **1.0** – estimated based on a sample of comparable companies (CIQ);
- Risk-free rate: **2.5%** – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds**;**
- Market risk premium: **5.5%** – as per mature equity markets, in line with the latest professional practice post-pandemic
- Risk premium: **2.0%** (Micro Cap, Kroll);
- Cost of debt: **2.9%** determined based on the debt ratio of a panel of identified comparable companies.

On the basis of the above assumptions, the independent expert has quantified the average enterprise value of the company as being higher than the carrying amount.
The impairment test therefore did not indicate any loss in value as the calculated value was in excess of the carrying amount.

Sensitivity and variations in assumptions

With further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The results of these analyses are reported below:
- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 1.99% and all the plan assumptions unchanged) of 10.71%;
- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 9.6% and all plan assumptions unchanged) of 0.64%;
- impairment reaches a break-even level using a change in EBITDA for the explicit period of the plan from 2024 to 2026 and on the terminal value (maintaining WACC at 9.6%, g-rate at 2.0%, and all plan assumptions unchanged) of -18.07%.

GECKO CGU

The calculation of value in use is based on estimates and assumptions of the Directors concerning the CGU's expected future cash flows based on the business plans of the companies in the CGU over the period 2024-2026 with an appropriate discount rate (WACC) of **10.1%** and a long-term growth rate (g-rate) of **1.99%** *(IMF, 2028 forecasts for Germany)*.
The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:
- Debt-to-equity ratio, based on a sample of comparable companies, of **6.0%**;
- Beta unlevered: **0.9** – estimated based on a sample of comparable companies (CIQ);
- Risk-free rate: **2.5%** – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds**;**
- Market risk premium: **5.5%** – as per mature equity markets, in line with the latest professional practice post-pandemic
- Risk premium: **2.9%** (Micro cap,Kroll);
- Cost of debt: **2.0%** determined based on the debt ratio of a panel of identified comparable companies.

On the basis of the above assumptions, the independent expert has quantified the average enterprise value of the company as being higher than the carrying amount.
The impairment test therefore did not indicate any loss in value as the calculated value was in excess of the carrying amount.

Sensitivity and variations in assumptions

With further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The results of these analyses are reported below:
- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 1.99% and all the plan assumptions unchanged) of 19.78%;
- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 10.1% and all plan assumptions unchanged) of -12.48%;

- impairment reaches a break-even level using a change in EBITDA for the explicit period of the plan from 2024 to 2026 and on the terminal value (maintaining WACC at 9.6%, g-rate at 2.0%, and all plan assumptions unchanged) of -46.94%.

LANSOL CGU

The calculation of value in use is based on estimates and assumptions of the Directors concerning the CGU's expected future cash flows based on the business plans of the companies in the CGU over the period 2024-2026 with an appropriate discount rate (WACC) of **9.6%** and a long-term growth rate (g-rate) of **1.99%** *(IMF, 2028 forecasts for Germany)*.

The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Debt-to-equity ratio, based on a sample of comparable companies, of **19.7%**;
- Beta unlevered: **1.0** – estimated based on a sample of comparable companies (CIQ);
- Risk-free rate: **2.5%** – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds;
- Market risk premium: **5.5%** – as per mature equity markets, in line with the latest professional practice post-pandemic
- Risk premium: **2.0%** (Micro cap,Kroll);
- Cost of debt: **2.9%** determined based on the debt ratio of a panel of identified comparable companies.

On the basis of the above assumptions, the independent expert has quantified the average enterprise value of the company as being higher than the carrying amount.

The impairment test therefore did not indicate any loss in value as the calculated value was in excess of the carrying amount.

Sensitivity and variations in assumptions

With further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The results of these analyses are reported below:

- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 1.99% and all the plan assumptions unchanged) of 17.73%;

- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 9.6% and all plan assumptions unchanged) of -11.85%;

- impairment reaches a break-even level using a change in EBITDA for the explicit period of the plan from 2023 to 2025 and on the terminal value (maintaining WACC at 9.6%, g-rate at 2.0%, and all plan assumptions unchanged) of -50.79%.

GLOBAL CGU

The calculation of value in use is based on estimates and assumptions of the Directors concerning the CGU's expected future cash flows based on the business plans of the companies in the CGU over the period 2024-2026 with an appropriate discount rate (WACC) of **9.6%** and a long-term growth rate (g-rate) of **1.99%** *(IMF, 2028 forecasts for Germany)*.

The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Debt-to-equity ratio, based on a sample of comparable companies, of **19.7%**;
- Beta unlevered: **1.0** – estimated based on a sample of comparable companies (CIQ);
- Risk-free rate: **2.5%** – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds**;**
- Market risk premium: **5.5%** – as per mature equity markets, in line with the latest professional practice post-pandemic
- Risk premium: **2.0%** (Micro cap,Kroll);
- Cost of debt: **2.9%** determined based on the debt ratio of a panel of identified comparable companies.

On the basis of the above assumptions, the independent expert has quantified the average enterprise value of the company as being higher than the carrying amount.

The impairment test therefore did not indicate any loss in value as the calculated value was in excess of the carrying amount.

Sensitivity and variations in assumptions

With further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The results of these analyses are reported below:

- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 1.99% and all the plan assumptions unchanged) of 24.31%;

- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 9.6% and all plan assumptions unchanged) of -22.87%;

- impairment reaches a break-even level using a change in EBITDA for the explicit period of the plan from 2024 to 2026 and on the terminal value (maintaining WACC at 9.6%, g-rate at 2.0%, and all plan assumptions unchanged) of -61.45%.

Despite the great uncertainty and the fears surrounding the social and economic repercussions of the Russia-Ukraine and Middle Eastern conflicts, thanks to a business model based on long-term contracts and recurring revenues, the Directors believe that the Group will be able to mitigate these risk factors, which have, in any event, been taking into account, as described above, when conducting the impairment testing for the various CGUs.

With regard to the risks related to "climate change", the Directors considered the potential instability of energy prices to be moderate in terms of its impact on the impairment test, also in view of the fact that contracts to fix the price of electricity were signed in Germany in 2022. In addition, the Company is working increasingly in the direction of reducing consumption overall, including the use of all-flash units and adopting compression and data deduplication that allow for a more efficient use of resources, thereby lowering energy consumption. This is done in order to access advanced technological resources in a flexible, scalable manner, thereby reducing the environmental impact of operations by adopting sustainable practices, such as remote work and paperless processes.

Finally, the sales, profitability and order performance for the initial months of 2024 confirmed the growth levels underpinning the plan.

3. RIGHT-OF-USE, PLANT AND MACHINERY and OTHER TANGIBLE ASSETS

31.12.2023	31.12.2022	Changes
66,858,383	60,839,231	6,019,152

Total movement of property, plant and equipment over the last two years:

Description	31.12.2021	Increases	Business combinations	Decr.	Deprec.	Reclass.	31.12.2022
Right-of-use	10,736,063	1,239,859	864,126	(29,647)	(2,799,184)	255,904	10,267,121
Plant & machinery	6,683,012	3,611,358	368,291	0	(1,190,638)	(255,904)	9,216,120
Other tangible assets	32,931,502	16,320,041	4,408,821	(91,153)	(12,213,219)	0	41,355,990
Total	**50,350,577**	**21,171,258**	**5,641,238**	**(120,800)**	**(16,203,041)**	**0**	**60,839,231**

Description	31.12.2022	Increases	Business combinations	Decr.	Deprec.	Reclass.	31.12.2023
Right-of-use	10,267,121	5,460,630	1,144,371	(169,713)	(4,831,967)	0	11,870,441
Plant & machinery	9,216,120	1,141,356	2,993	0	(1,142,693)	(480,016)	8,737,760
Other tangible assets	41,355,990	17,025,698	310,413	(38,379)	(12,883,556)	480,016	46,250,182
Total	**60,839,231**	**23,627,684**	**1,457,776**	**(208,093)**	**(18,858,216)**	**0**	**66,858,383**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historic cost	Acc. Deprec.	Net value 2022
Right-of-use	21,471,461	(11,204,340)	10,267,121
Plant & machinery	19,037,355	(9,821,235)	9,216,120
Other tangible assets	89,438,492	(48,082,502)	41,355,990
Total	**129,947,308**	**(69,108,077)**	**60,839,231**

The net carrying amount at the end of the year is broken down as follows:

Description	Historic cost	Acc. Deprec.	Net value 2023
Right-of-use	27,906,751	(16,036,310)	11,870,441
Plant & machinery	19,701,687	(10,963,927)	8,737,760
Other tangible assets	107,216,239	(60,966,057)	46,250,182
Total	**154,824,677**	**(87,966,294)**	**66,858,383**

Right-of-use (recognised separately)

The "Right-of-Use" account stems from the adoption of IFRS 16 which had an impact on the recognition of assets acquired by the Group through property lease contracts ("operative"), which do not stipulate the redemption of the assets. The other right-of-use related to what were formerly known as finance leases, which include a purchase option, are included in the related category of non-current assets and are detailed in the specific table below.

This account includes the rental of properties, the long-term hire of the company vehicle fleet, rentals of space within racks in third-party data centers and of other company devices. The increases for the year are mainly related, in terms of property leases, to renewals of existing contracts, in addition to the lease of the new offices in Vicenza by WIIT and the signing of the contract for myLoc's new offices in Düsseldorf, for Euro 502 thousand and Euro 1.2 million respectively. Rental Cars also concern renewals and new contracts, mainly entered into by WIIT (Euro 719 thousand), Lansol (Euro 90 thousand), myLoc (Euro 31 thousand), WIIT AG (Euro 96 thousand) and Gecko (Euro 158 thousand). Finally, increases related to Colocation contracts of Euro 2,289 thousand were recognised in the year.

The right-of-use recognised separately comprise:

Description	31.12.2021	Increases	Business combinations	Decr.	Deprec.	Reclass.	31.12.2022
Right-of-use							
Rental cars	626,226	835,763	222,690	(29,370)	(556,405)	0	1,098,904
Property leases	10,109,837	348,955	641,435	(273)	(2,242,779)	255,901	9,113,076
Other company devices	0	55,141	0	0	0	0	55,141
Total	**10,736,063**	**1,239,859**	**864,125**	**(29,643)**	**(2,799,184)**	**255,901**	**10,267,121**

Description	31.12.2022	Increases	Business combinations	Decr.	Deprec.	Reclass.	31.12.2023
Right-of-use							
Rental cars	1,098,904	1,222,981	1,118,013	0	(735,473)	0	2,704,426
Colocation	0	2,289,055	0	0	(806,133)	0	1,482,921
Property leases	9,113,076	1,948,595	26,358	(169,715)	(3,268,305)	0	7,650,009
Other company devices	55,141	0	0	0	(22,056)	0	33,085
Total	**10,267,121**	**5,460,631**	**1,144,371**	**(169,715)**	**(4,831,967)**	**0**	**11,870,441**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historic cost	Acc. Deprec.	Net value 2022
Right-of-use			
Rental cars	2,004,798	(905,894)	1,098,904
Property leases	13,198,943	(4,085,867)	9,113,076
Other company devices	55,141	0	55,141
Total	**15,258,882**	**(4,991,761)**	**10,267,121**

The net carrying amount at the end of the year is broken down as follows:

Description	Historic cost	Acc. Deprec.	Net value 2023
Right-of-use			
Rental cars	4,345,792	(1,641,367)	2,704,426
Colocation	2,289,055	(806,133)	1,482,921

Property leases	15,004,181	(7,354,172)	7,650,009
Other company devices	55,141	(22,056)	33,085
Total	**21,694,169**	**(9,823,728)**	**11,870,441**

As mentioned above, right-of-use related to finance lease agreements, which include a purchase option at the end of the lease period and which are recognised in the asset category to which the leased asset refers, specifically within "Other tangible assets", are detailed below: these assets concern EDP, mainly servers, both for the offices and the Data Center, as outlined below.

Description	31.12.2021	Increases	Business combinations	Decr.	Deprec.	Reclass.	31.12.2022
Right-of-use							
EDP	7,322,277	7,174,265	258,527	(210,939)	(4,688,309)	0	9,855,821
Total	**7,322,277**	**7,174,265**	**258,527**	**(210,939)**	**(4,688,309)**	**0**	**9,855,821**

Description	31.12.2022	Increases	Business combinations	Decr.	Deprec.	Reclass.	31.12.2023
Right-of-use							
EDP	11,880,949	3,735,791	239,777	(34,467)	(5,928,987)	0	9,893,063
Total	**11,880,949**	**3,735,791**	**239,777**	**(34,467)**	**(5,928,987)**	**0**	**9,893,063**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historic cost	Acc. Deprec.	Net value 2022
EDP	22,171,641	(10,290,692)	11,880,949
Total	**22,171,641**	**(10,290,692)**	**11,880,949**

The net carrying amount at the end of the year is broken down as follows:

Description	Historic cost	Acc. Deprec.	Net value 2023
EDP	26,112,741	(16,219,678)	9,893,063
Total	**26,112,741**	**(16,219,678)**	**9,893,063**

"Plant and machinery" include the costs for all tangible assets comprising the "core" of the Group and in particular the Milan and Castelfranco Veneto (in addition to Düsseldorf, Stralsund and Munich in Germany) Data Centers and all of the relative plant.

"Other tangible assets" concern equipment (mainly EDP), partly for the replacement of existing infrastructure, although mainly for new long-term orders in line with previous years. In addition to upgrading existing infrastructure and new long-term orders, the increases for the year concern Data Center construction and expansion in Milan and Düsseldorf, of which Euro 200 thousand ongoing at the Milan Data Center, Euro 4.8 million ongoing at the Düsseldorf Data Center and Euro 433 thousand ongoing at the new office in Düsseldorf.

4. EQUITY INVESTMENTS

The value of Euro 17 thousand at the beginning of the year referred mainly to the investment in the subsidiary Lansol LLC, which was not consolidated as it was inactive at December 31, 2023 and therefore fully written-down.

5. NON-CURRENT CONTRACT ASSETS AND OTHER NON-CURRENT FINANCIAL ASSETS

Contract assets are the part of the costs incurred in advance associated with the right to receive payment in exchange for the goods and services which the Group has transferred to the customer, where the right is conditional on the provision of future goods or services by the entity. They refer to costs incurred for up-front fees for the set-up of the service that with effect from 2019 are managed within periodic fees.
At December 31, 2023, this account concerning non-current contract assets amounts to Euro 24 thousand and stems from the application of IFRS 15.
Other non-current financial assets mainly refer to a guarantee deposit of Euro 250,000 paid to the parent company, Wiit Fin S.r.l., for the rental of buildings and other guarantee deposits for utilities of the German company myLoc managed IT AG.

6. INVENTORIES

The account, amounting to Euro 167 thousand (Euro 189 thousand at December 31, 2022) refers exclusively to products for sale by the subsidiary Gecko.

7. TRADE RECEIVABLES

The account consists of:

Description	31.12.2023	31.12.2022	Change
Trade receivables	27,369,971	26,576,372	793,600
Doubtful debt provision	(1,527,835)	(1,399,060)	(128,775)
Total	**25,842,136**	**25,177,311**	**664,825**

No transactions with the obligation to return goods exist (Article 2427, paragraph 1, No. 6-*ter* of the Civil Code).

Receivables by region are broken down as follows:

Country	31.12.2023	31.12.2022	Change
Italy	16,711,755	18,695,908	(1,984,153)
EU countries	10,523,407	7,410,170	3,113,237
Non-EU countries	134,810	470,293	(335,483)
Doubtful debt provision	(1,527,836)	(1,399,060)	(128,776)
Total	**25,842,136**	**25,177,311**	**664,825**

Receivables in EU countries are mainly attributable to the foreign subsidiaries.

The changes in the doubtful debt provision in the year ended December 31, 2023 were as follows:

Balance at 31.12.2022	1,399,060
Utilisation in the year	(25,674)
Expected credit loss (IFRS 9)	0
Provisions	154,450
Business combinations	0
Balance at 31.12.2023	**1,527,836**

During the year, the trend in interest rates (tied to country and industry risk), based on Moody's "Default Rate Forecast by Industry" published in February 2024, did not point to a need for provisions in accordance with IFRS 9 as the provisions is previous years are sufficient.

Nonetheless, the Group recognised specific provisions totalling Euro 154 thousand related to a number of non-performing positions; the doubtful debt provision was utilised for minor amounts.

The breakdown of receivables by due date at December 31, 2022 is outlined below.

	31.12.2022	Overdue 1-30	Overdue 31-60	Overdue 61-90	Beyond 90	Not overdue
Trade receivables	26,576,371	1,869,875	2,538,243	1,168,494	5,741,667	15,258,092
Doubtful debt provision	(1,399,060)	0	0	(115)	(1,398,945)	0
TOTAL	**25,177,311**	**1,869,875**	**2,538,243**	**1,168,379**	**4,342,722**	**15,258,092**

The breakdown of receivables by due date at December 31, 2022 is outlined below.

	31.12.2023	Overdue 1-30	Overdue 31-60	Overdue 61-90	Beyond 90	Not overdue
Trade receivables	27,369,973	2,811,865	870,921	818,418	3,191,535	19,677,234
Doubtful debt provision	(1,527,836)	0	0	0	(1,527,836)	0
Total	**25,842,136**	**2,811,865**	**870,921**	**818,418**	**1,663,698**	**19,677,234**

8. CURRENT FINANCIAL ASSETS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	31.12.2023	31.12.2022	Change
Accrued expenses	2,460,007	2,357,923	102,084
Current financial assets	11,602,736	901,134	10,701,602
Tax receivables	4,445,388	4,270,414	174,974
Other receivables	2,290,162	2,240,886	49,276
Total	**20,798,293**	**9,770,357**	**11,027,936**

Accrued expenses concern for Euro 2,450 thousand the invoicing of costs not accruing in the year by suppliers and for the residual the costs incurred for up-front fees for the set-up of the service that with effect from 2019 are managed within periodic fees.
Current financial assets at December 31, 2023 consist mainly of investments in government bonds of Euro 10.9 million (maturing between January and June 2024) and Euro 650 thousand at the German subsidiary myLoc managed IT AG regarding a payment platform.

Tax Receivables mainly include the receivable of the parent company from the holding company WIIT FIN S.r.l. for the tax consolidation for Euro 1.6 million, income tax payments on account of the overseas companies for Euro 771 thousand, withholdings on dividends paid overseas for Euro 1.9 million, pending reimbursement and with the remainder principally concerning VAT receivables and other tax receivables.

Other receivables mainly refer to advances to suppliers and the employee advance expense fund.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of Euro 13,690,212 at December 31, 2023 comprise current account balances. Please refer to the cash flow statement for liquidity movements in the year.

10. SHAREHOLDERS' EQUITY

The share capital of Euro 2,802,066 comprises 28,020,660 shares without nominal value. The share capital did not change on the previous year.

At December 31, 2023, Wiit S.p.A. holds 1,921,207 treasury shares (6.86% of the share capital), recorded to the financial statements for a total amount of Euro 30,566,915. In compliance with International Financial Reporting Standards (IFRS), this amount was recognised as a reduction of shareholders' equity.
The share capital of the company is comprised as follows (Article 2427, first paragraph, Nos.17 and 18 of the Civil Code).

Shares	Number
Ordinary	28,020,660

The Shareholders' Equity accounts are divided by origin, the possibility of utilisation, distribution and any utilisation in the previous three years (Article 2427, first paragraph, No. 7 bis of the Civil Code)

Treasury shares

The Shareholders' Meeting of May 4, 2023 revoked, for the part not executed, the authorisation for the purchase and utilisation of ordinary treasury shares approved by the Shareholders' Meeting of April 21, 2022.
Pursuant to Article 2357 and subsequent of the Civil Code and for a period of 18 months from the effective date of the authorisation, the Meeting also authorised the acquisition of a maximum of 2,802,066 ordinary WIIT S.p.A. shares without par value, in one or more tranches and at any time and in compliance with applicable laws and regulations, including at EU level. This decision was made to allow the Company to hold a stock of treasury shares to be used as consideration for any corporate transactions and/or other uses of financial-operating and/or strategic interest for the company, also for exchanges of investments with others to support operations in the company's interest, and to service any financial instrument-based remuneration plans that the Company might adopt.
At December 31, 2023, Wiit S.p.A. holds 1,921,207 treasury shares (6.86% of the share capital), recorded to the financial statements for a total amount of Euro 30,566,915.
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 December 31, 2023, was Euro 37,463,537.

Non-Controlling Interests

Company	City	% holding non-cont. int.	Currency	Total Assets [Eur]	Shareholders' Equity (including net result) [Eur]	Net revenues [Eur]	Net Profit for the year [Eur]	Total dividends distributed [Eur]
Codefit spółka z ograniczoną odpowiedzialnością	Katowice (PL)	49%	Zloty	503,936	420,147	907,048	124,453	0

Earnings/(loss) per share

The basic earnings per share is calculated by dividing the profit/loss attributable to the shareholders of the Parent Company by the average weighted number of ordinary shares outstanding during the period. Share results and information are shown below for the calculation of basic losses per share.

EARNINGS PER SHARE	2023	2022
Group Net Profit for the year	8,285,649	7,845,609
Average number of ordinary shares in circulation, excluding treasury shares	26,263,194	26,577,454
Basic earnings per share (Euro per share)	0.31	0.30
Average number of ordinary shares in circulation, excluding treasury shares for only the portion not allocated to RSU programmes and stock options	26,584,869	27,072,760
Diluted earnings per share (Euro per share)	0.31	0.29

The average diluted number of shares differs from the average number of shares in view of shares transferred to employees and Directors through RSU plans and stock options.

The non-distributable reserves derive from the adoption of IFRS 16, together with IFRS 15 and IFRS 9, applying the mixed retrospective method, which had a negative impact on shareholders' equity at January 1, 2018 respectively of Euro 1,269,295 (IFRS 15) and Euro 11,955 (IFRS 9) and positive for Euro 43,979 (IFRS 16).

The table below shows the distributability of Wiit Spa's reserves:

Description	Amount	Poss. of utilisation (*)	Quota distributable (**)	Util. in 3 prev. years to cover losses	Util. in 3 prev. years for other reasons
Share capital	2,802,066				
Capital reserve					
Share premium reserve	44,598,704	A,B,C	44,598,704		
Profit reserves:					
Legal reserve	560,413	B	560,413		
Other reserves:					
Listing cost reserve	(1,790,595)				
Treasury share reserve (net of utilisation reserve)	(25,686,535)				
Performance Shares Reserve	939,278	A,B,C	939,278		
First-time adoption reserve IFRS 16, 9, 15	(1,237,271)				
Extraordinary reserve	55,128	A,B,C	55,128		
Incentive Plans Reserve	3,161,784				
First-time adoption	(101,168)				
Actuarial gains/losses	(44,773)				
Merger reserve	(854,279)				
Retained earnings	2,890,602	A,B,C	2,890,602		
Total	**25,293,355**		**49,044,126**		
Non-distributable amount			560,413		
Residual amount distributable			48,483,712		

(*) Key:

A: for share capital increases

B: for the coverage of losses

C: for distribution to shareholders

D: for other statutory constraints

(**) Net of any negative reserve for treasury shares in portfolio

In 2023, dividends were distributed and paid, as per Shareholders' Meeting resolution of May 4, 2023, for a total of Euro 7,818,114 during the year.

Share-based payments: Restricted stock units (RSU's) and stock options incentive plans

The Shareholders' Meeting of May 5, 2021 of WIIT S.p.A., meeting in ordinary session, approved the adoption of the "*2021-2025 RSU Plan*" and the "*2021-2026 Stock Option Plan*". The pillars of the 2 plans are to incentivise beneficiaries to achieve the WIIT Group's operating performance objectives, to align their interests with the interests of shareholders in the creation of value in the medium/long term, and to retain key staff of the WIIT Group, providing incentives for them to remain with the Company.

2021-2024 "RSU" PLAN

The 2021-2024 RSU Plan is addressed to employees of the WIIT Group and based on the achievement of corporate objectives in order to incentivise them to add value to the WIIT Group in the medium/long-term and to function as a tool to generate loyalty. The Plan provides for the grant of a maximum of 80,000 RSUs, valid for the allocation of a maximum of 80,000 shares. The award of RSU's to Beneficiaries may take place over four award cycles during the financial years 2021, 2022, 2023 and 2024. RSU's may also be assigned on different dates to each of the Beneficiaries, provided that they are assigned respectively by December 31, 2021 for the first cycle, by December 31, 2022 for the second cycle, by December 31, 2023 for the third cycle and by December 31, 2024 for the fourth cycle.

RSU's are freely assigned. Beneficiaries will therefore not be required to pay any consideration to the Company for the assignment. If matured according to the terms and conditions set out in the Plan and in the Regulation, each RSU assigned shall entitle the holder to the free assignment of one share. The assignment of shares is also conditional on and commensurate with the achievement of performance objectives based on the Consolidated Adjusted EBITDA set out in the WIIT Group's 2021-2024 Strategic Plan. Once granted, they will not be subject to lock-up periods.

In January 2022, the Board of Directors identified a number of beneficiaries from among the employees of the Parent and the subsidiaries of the RSU plan, assigning an additional 6,050 RSUs, corresponding to 6,050 shares.

Grant date	Assignment date	No. of Options Granted at 31.12.2022	No. of Options Granted 2023	Shares cancelled 2023	No. of Options Granted at 31.12.2023	Vesting period	Exercise Period	Shares exercised	Shares not exercised	Fair value
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2021	01.01.2025	-	-	21.56
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2022	01.01.2025	-	-	21.56
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2023	01.01.2025	-	-	21.56
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2024	01.01.2025	-	-	21.56
14.06.2021	28.01.2022	2,983	-	-	2,983	31.12.2022	01.01.2025	-	-	21.56
14.06.2021	28.01.2022	2,984	-	-	2,984	31.12.2023	01.01.2025	-	-	21.56
14.06.2021	28.01.2022	2,984	-	-	2,984	31.12.2024	01.01.2025	-	-	21.56
Total		**61,250**	**-**	**2,300**	**58,950**			**-**	**-**	

The delivery of the shares will take place within 10 days following approval of the consolidated financial statements for the year ended December 31, 2024 by the Board of Directors.

The grant date has been set as June 14, 2021, which is the date on which most of the participation letters were submitted, as this is the moment in which both parties are informed of the plan regulation.

In order to determine their fair value, the RSU's are considered call options with a strike price of zero and with a weighted average share value at the end of the plan of Euro 21.56 (as compared to a value of Euro 17.62 at the grant date), calculated by way of a Monte Carlo simulation with 5,000 iterations and repeated at the end of each year.

The fair value was calculated considering:

1. Working days in the period between the grant date (identified as 14.06.2021) and 31.12.2024;
2. Average risk free rate for Italy, as estimated by Fernandez (2021), of 1%;
3. Annualised standard deviation of LTM daily returns (June 14, 2021) of 39.30%.
4. Equity risk premium of 4.69% obtained as $beta\ equity * MRP$ the equity beta (0.781) is calculated using the unlevered beta of the EU Internet software industry (source: Damodaran). The Market Risk Premium of 6% is based on the estimates of Fernandez (2021)
5. Continuous dividend yield, calculated each year, i.e. 0.0187 at December 31, 2021, 0.0107 at December 31, 2022, 0.0077 at December 31, 2023, and 0.0035 at December 31, 2024.

The fair value calculated as described above applied to a number of granted shares that was adjusted to take account of expected turnover (of 10%) and assuming a probability of reaching the EBITDA target each year of 100%.

The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.

At December 31, 2023, personnel costs and recognition of the related equity reserve (hereinafter the "stock grant reserve") was Euro 694,702 and concerned the period from the grant date of June 14, 2021 to December 31, 2023.

The Shareholders' Meeting of May 4, 2023 of WIIT S.p.A., meeting in ordinary session, approved the adoption of the "*2023-2027 RSU Plan*". The objective of the Plan is to incentivise Beneficiaries to achieve the WIIT Group's operating performance objectives, to align their interests with the interests of shareholders in the creation of value in the medium/long term, and to retain key staff of the WIIT Group, providing incentives for them to remain with the Company.

2023-2027 "RSU" PLAN

The 2023-2027 RSU Plan is addressed to employees of the WIIT Group and based on the achievement of corporate objectives in order to incentivise them to add value to the WIIT Group in the medium/long-term and to function as a tool to generate loyalty. The Plan provides for the grant of a maximum of 100,000 RSUs, valid for the allocation of a maximum of 100,000 shares. The grant of RSUs to Beneficiaries may take place over four award cycles during the financial years 2023, 2024, 2025 and 2026. RSU's may also be assigned on different dates to each of the Beneficiaries, provided that they are assigned respectively by December 31, 2023 for the first cycle, by December 31, 2024 for the second cycle, by December 31, 2025 for the third cycle and by December 31, 2026 for the fourth cycle.

RSU's are freely assigned. Beneficiaries will therefore not be required to pay any consideration to the Company for the assignment. If matured according to the terms and conditions set out in the Plan and in the Regulation, each RSU assigned shall entitle the holder to the free assignment of one share. The assignment of shares is also conditional on and commensurate with the achievement of performance objectives based on the Consolidated Adjusted EBITDA set out in the WIIT Group's 2023-2025 Strategic Plan. Once granted, they will not be subject to lock-up periods.

In May 2023, the Board of Directors identified a number of beneficiaries from among the employees of the Parent Company and the subsidiaries of the RSU plan, assigning 15,550 RSUs, corresponding to 15,550 shares; in August, an additional employee was identified who was assigned 1,000 RSU's, corresponding to 1,000 Shares.

Grant date	Assignment date	No. of Options Granted 2023	Shares cancelled 2023	No. of Options Granted at 31.12.2023	Vesting period	Exercise Period	Shares exercised	Shares not exercised	Fair value
11.05.2023	19.05.2023	15,550	(500)	16,050	31.12.2023	01.01.2027	-	-	18.09
11.05.2023	02.08.2023	1,000	-	1,000	31.12.2023	01.01.2027			18.09
Total		**16,550**	**(500)**	**17,050**			**-**	**-**	

The delivery of the shares will take place within 10 days following approval of the consolidated financial statements for the year ended December 31, 2026 by the Board of Directors.

The grant date has been set as May 19, 2023, which is the date on which most of the participation letters were submitted, as this is the moment in which both parties are informed of the plan regulation.

In order to determine their fair value, the RSU's are considered call options with a strike price of zero and with a weighted average share value at the end of the plan of Euro 18.09 (as compared to a value of Euro 19.24 at the grant date), calculated by way of a Monte Carlo simulation with 5,000 iterations and repeated at the end of each year.

The fair value was calculated taking into account the binominal method; the valuation of derivative financial instruments and, in particular, the valuation of options often requires the use of numerical approximation techniques; among the numerical approximation algorithms, the simplest approach is binomial tree or binomial model techniques. The key feature of the binomial model is to restrict the prices for the asset underlying the option to a discrete set of values based on a binomial distribution. The advantage therefore of this methodology is the use of mathematical tools that are elementary but in many applications provide results that are sufficiently accurate. In more detail, the binomial distribution sufficiently defines the possible path of the financial asset underlying an option and allows the price of an option to be determined at a point in time. It can then be assumed to divide the interval between the valuation date and the expiration of the option into an appropriately large number "*n*" of subperiods of equal magnitude. In each subperiod, the end-period price is obtained by multiplying the corresponding beginning-period price by either the *growth factor "u"* or the *decrease* factor "*d*". This procedure results in a binomial tree that describes the price trend of the asset underlying the option on an individual basis.

The value of the underlying was calculated for each of the 250 periods into which the remaining duration of the plan was divided, and on the basis of which the branches of the binomial tree were identified, according to the model's probability developments. After identifying the possible values of the underlying asset in the various periods, we proceeded by backward deduction to calculate the value of the RSU, starting from its max value (S_n-K;0) on the exercise date. The value of the option thus identified is Euro 18.09.

The fair value calculated as described above applied to a number of granted shares that was adjusted to take account of expected turnover (of 8%) and assuming a probability of reaching the EBITDA target each year of 100%. The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.
At December 31, 2023, personnel costs and the recognition of the related equity reserve (hereinafter the "stock grant reserve") was Euro 43,244 and concerned the period from the grant date of May 19, 2023 to December 31, 2023.

STOCK OPTION PLANS
The "*2021-2026 Stock Option Plan*" is addressed to Executive Directors and Senior Executives of the group and the parent company, and may be extended to those assuming the role of Executive Director or Senior Executive during the duration of the Plan. It provides for the free allocation of Options giving the Beneficiary the right to receive the Shares in the Parent Company's portfolio to which he/she is entitled following the exercise of the Options, at a ratio of 1 Share for every 1 Option exercised. The Plan purpose is the assignment of a maximum of 1,000,000 Options, valid for the assignment of a maximum of 1,000,000 Treasury Shares of the Parent Company. The strike price of each Option (which entitles the holder to purchase 1 share for each Option exercised) is equal to Euro 18.
The duration of the Plan is until July 1, 2027, and the Options may be exercised by the beneficiaries, as indicated by the Parent Company in the participation letter, in whole or in part for a maximum number equal to 50% of the total Options granted to each beneficiary as of January 1, 2024 or July 1, 2024; and for 100% of the total Options granted to each beneficiary as of, alternately, January 1, 2026 or July 1, 2026. The allocation of shares is also conditional on and commensurate with the achievement of the performance objectives.
In May 2021, the Board of Directors of WIIT identified the beneficiaries of the plan and granted 775,000 options.

Grant date	No. of options granted	Vesting period	Exercise Period	Options exercised	Options cancelled	Options not exercised	Strike price	Fair value
14.06.2021	100,000	From 14.06.2021 to 31.12.2023	From 01.01.2024 to 01.01.2027	-	-	-	18.00	3.77
14.06.2021	287,500	From 14.06.2021 to 30.06.2024	From 01.07.2024 to 01.01.2027	-	-	-	18.00	4.13
14.06.2021	100,000	From 14.06.2021 to 31.12.2025	From 01.01.2026 to 01.01.2027	-	-	-	18.00	5.01
14.06.2021	287,500	From 14.06.2021 to 30.06.2026	From 01.07.2026 to 01.01.2027	-	-	-	18.00	5.24
Total	**775,000**			**-**	**-**	**-**		

The grant date is the date of the participation letters, as this is the moment in which both parties are informed of the plan regulation.
For the purposes of measuring fair value, an incremental value was assumed for the strike price for the exercise of the options of Euro 3.77 - 4.13 - 5.01 - 5.24 at the respective vesting dates of 01.01.24 - 01.07.24 - 01.01.26 - 01.07.26, which was calculated using the Black-Scholes model and corresponds to share values of 21.77 – 22.13 – 23.01 – 23.24, as compared to a value of Euro 17.62 at the grant date. Average risk free rate for Italy, as estimated by Fernandez (2021), of 1%;
To account for volatility over a time period consistent with that of the plan, the annualised standard deviation of returns were calculated over the period July 10, 2018 to June 14, 2021. The earliest useful date considered is July 10, 2018 since the stock price was constant prior to that date. The dividend yield is calculated as the 2020 dividend per share (0.105) on the stock price at the assignment date of June 14, 2021.
The fair value calculated as described above applied to a total number of options granted prudently estimating that at the conclusion date of the plan nine of the nine beneficiaries (100%) will still be in service.
The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.

On April 21, 2022, the Shareholders' Meeting of WIIT S.p.A., meeting in ordinary session, approved the adoption of the incentive plan known as the "*2022-2027 Stock Option Plan*". The pillars of the Plan are to incentivise Beneficiaries to achieve the WIIT Group's operating performance objectives, to align their interests with the interests of shareholders in the creation of value in the medium/long term, and to retain key staff of the WIIT Group, providing incentives for them to remain with the Company.
The "*2022-2027 Stock Option Plan*" is addressed to Executive Directors and Senior Executives of the group and the parent company, and may be extended to those assuming the role of Executive Director or Senior Executive during the duration of the Plan. It provides for the free allocation of Options giving the Beneficiary the right to receive the Shares in the Parent Company's portfolio to which he/she is entitled following the exercise of the Options, at a ratio of 1 Share for every 1 Option exercised. The Plan purpose is the assignment of a maximum of 250,000 Options, valid for the assignment of a maximum of 250,000 Treasury Shares of the Parent Company. The strike price of each Option (which entitles the holder to purchase 1 share for each Option exercised) is equal to Euro 40.
The duration of the Plan is until July 1, 2028, and the Options may be exercised by the beneficiaries, as indicated by the Parent Company in the participation letter, in whole or in part for a maximum number equal to 100% of the total Options granted to each beneficiary as of, alternately, from July 1, 2028.

In September 2022, the Board of Directors of WIIT identified the beneficiaries of the plan and granted 152,000 options.

Grant date	No. of options granted	Vesting period	Exercise Period	Options exercised	Options cancelled	Options not exercised	Strike price	Fair value
23.09.2022	152,000	From 23.09.2022 to 31.12.2027	At 01.07.2028	-	-	-	40	1.29
Total	**152,000**			**-**	**-**	**-**		

The grant date is the date of the participation letters, as this is the moment in which both parties are informed of the plan regulation.

For the purposes of measuring fair value, an incremental value was assumed for the strike price (Euro 40) for the exercise of the options of Euro 1.29 on maturity at 01.07.28 which corresponds to a share value of 41.29 at the maturity date as compared to a value of Euro 14.31 at the grant date. Average risk free rate for Italy equal to 2.18%;

The fair value calculated as described above applied to a total number of options granted prudently estimating that at the conclusion date of the plan 4 of the 4 beneficiaries (100%) will still be in service.

The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.

At December 31, 2023, the portion of the reserve for incentive plans related to stock options was Euro 2,423.838.

The plans were evaluated with support from an independent expert.

Both plans make use of the treasury shares of Wiit S.p.A..

11. PAYABLES TO OTHER LENDERS

The current and non-current portions of liabilities from other lenders at December 31, 2023, are shown below:

Description	31.12.2023	31.12.2022	Change
Current lease payables	7,695,551	7,553,375	142,175
Non-current lease payables	13,289,335	14,074,473	(785,138)
Total	**20,984,885**	**21,627,848**	**(642,963)**

Lease payables include the principal amounts of future leasing charges measured according to the finance method, in addition to property and motor vehicle lease contract payables, colocation contracts and the leases of EDP used by the company for operational purposes.

12. FINANCIAL INDEBTEDNESS RELATED TO BOND FACILITIES

The current and non-current portions of liabilities from other lenders at December 31, 2023, are shown below:

Description	31.12.2023	31.12.2022	Change
Current financial indebtedness related to Bond facilities	7,897,960	903,324	6,994,636
Non-current financial indebtedness related to Bond facilities	157,442,669	167,683,547	(10,240,878)
Total	**165,340,629**	**168,586,871**	**(3,246,242)**

On December 29, 2022, bonds were issued related to a non-convertible, unsubordinated and unsecured issuance with a total nominal value of Euro 20,000,000, which accrue interest at a variable annual rate equal to the 3-month Euribor rate plus 2.78%, maturing on December 29, 2026. The loan is within the "Basket Bond" category. Repayment is scheduled in quarterly instalments until the maturity date.

The Company also issued another senior, non-convertible, unsubordinated and unsecured bond with a total nominal value of Euro 150,000,000, approved by the Company's Board of Directors on September 7, 2021 and named "Up to €150,000,000 Senior Unsecured Fixed Rate Notes due October 7, 2026". The Bond has a term of five years from the issue date (October 7, 2021), at a fixed interest rate of 2.375% per annum. The Early Redemption Prices will be 101.188% for the period from October 7, 2023 to October 6, 2024 (inclusive) and 100.594% for the period from October 7, 2024 to October 6, 2025 (inclusive) (and 100% for the period from October 7, 2025 to October 6, 2026 (inclusive)). The Bonds are traded on the Regulated Market of the Official List of the Irish Stock Exchange - Euronext Dublin and on the Electronic Bond Market (MOT) organised and managed by Euronext Milan. A bullet repayment is stipulated for the maturity date.

The non-current value of the bond at December 31, 2023, is equal to the nominal value less placement costs.

13. BANK LOANS

The bank loans at 31/12/2023 of Euro 39,925,610 include the payable for loans and indicates the effective payable for capital, interest and accessory charges matured and due. The current portion is Euro 12,120,143, while the long-term portion is Euro 27,805,467.

ISSUING ENTITY	Current	Non-Current	Total	Maturity	Interest Rate
Intesa Sanpaolo S.p.A.	763,586	0	763,586	30.08.2024	Fixed 1.05%
Credem	252,345	63,378	315,723	02.01.2025	Fixed 0.75%
Credem	789,445	957,576	1,747,021	28.02.2026	EUR3M+1.1%
Banco BPM	735,310	1,830,056	2,565,366	30.06.2026	EUR3M+1.2%
Mediocredito Italiano	1,272,686	2,773,789	4,046,475	31.10.2026	EUR6M+1.23%
Monte dei Paschi di Siena	509,240	984,536	1,493,776	30.11.2026	EUR6M+0.594%
Crédit Agricole	1,018,190	2,065,049	3,083,239	05.12.2026	Fixed 1.15%
Intesa Sanpaolo S.p.A.	3,243,468	6,875,000	10,118,468	30.09.2027	EUR3M+1.1%
Sparkasse	2,231,943	7,223,082	9,455,025	31.12.2027	EUR3M+1.6%
Crédit Agricole	448,780	1,426,856	1,875,636	05.01.2028	Fixed 1.5%
Sparkasse	23,942	141,041	164,983	30.11.2025	Fixed 1.99%
Deutsche Bank (SPARKASSE)	661,106	2,645,178	3,306,284	31.12.2028	Fixed 1.11%
Volksbank	16,667	233,333	250,000	31.12.2038	Fixed 4.97%
NÄV (Volksbank)	40,000	560,000	600,000	31.12.2038	Fixed 5.55%
Deutsche Bank	60,000	0	60,000	30.06.2024	Fixed 1.00%
Hypovereinsb ank	28,435	14,093	42,528	30.06.2025	Fixed 1.85%
Commerzbank	25,000	12,500	37,500	30.06.2025	Fixed 1.00%
Total	**12,120,143**	**27,805,467**	**39,925,610**		

14. OTHER FINANCIAL LIABILITIES

Description	31.12.2023	31.12.2022	Change
Other current payables to third parties	948,035	2,943,671	(1,995,634)
Other non-current payables to third parties	331,938	1,061,814	(729,875)
Total	**1,279,973**	**4,005,484**	**(2,725,509)**

A breakdown of other current and non-current financial liabilities is provided below:

Description	Current	Non-Current	Total
Payables for Aedera acquisition	0	318,963	318,963
Payables for acquisitions 20% Matika	500,000	0	500,000
Factoring payables	435,675	0	435,675
Other financial liabilities	12,360	12,975	25,335
Total	**948,035**	**331,938**	**1,279,973**

15. EMPLOYEE BENEFITS

The table below shows the figures related to post-employment benefits and the Stay Bonus:

Description	31.12.2023	31.12.2022	Change
Liabilities at January 1	2,218,425	2,538,368	(319,943)
Business combinations	0	153,566	(153,566)
Employees transferred	0	0	0
Financial expenses	70,367	(10,605)	80,971
Service cost	313,305	302,652	10,653
Payments made	(188,224)	(460,404)	272,181
Actuarial losses	120,142	(305,150)	425,292
Total post-employment benefits	**2,534,014**	**2,218,427**	**315,588**

Description	31.12.2023	31.12.2022	Change
Liabilities at January 1	500,853	263,813	237,040
Provision in the year	341,944	528,249	(186,305)
Financial expenses	14,078	(2,105)	16,184
Service cost	0	0	(1)
Payments made	(319,333)	(227,452)	(91,882)
Actuarial losses	(28,984)	(61,653)	32,669
Total stay bonus	**508,558**	**500,852**	**7,705**
Total Employee Benefits	**3,042,572**	**2,719,279**	**323,293**

The valuation of Post-employment benefits is based on the following assumptions:

Financial assumptions

	31.12.2023	31.12.2022	31.12.2021
Discount rate	3.00%	3.65%	Euro Curve Composite AA at 31/12/21
Inflation	2024: 3.0% 2025: 2.5% 2026 and beyond: 2.5%	2023: 3.0% 2024: 2.5% 2025 and beyond: 2.0%	1.50%

Demographic assumptions

	31.12.2023	31.12.2022	31.12.2021
Mortality rate	ISTAT 2022	ISTAT 2021	ISTAT 2020
Personnel turnover	11% per year all age groups	11% per year all age groups	11% per year all age groups
Advances	1.2% per year	1.2% per year	1.2% per year
Pensionable age	Minimum access requirements established by the Monti-Fornero reforms	Minimum access requirements established by the Monti-Fornero reforms	Minimum access requirements established by the Monti-Fornero reforms

As required by IAS 19 Revised, the results in terms of DBO and service cost of various analyses of the sensitivity to changes in the main parameters of the Parent Company's assessment are presented below:

IAS 19 Revised sensitivity analysis

Discount rate curve sensitivity

Base scenario		+50 basis points		-50 basis points	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,451,467	302,400	2,622,014	325,005

Inflation rate sensitivity

Base scenario		+50 basis points		-50 basis points	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,574,091	317,631	2,495,005	309,094

Salary increase sensitivity

Base scenario		+50 basis points		-50 basis points	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,553,981	317,465	2,514,847	309,320

Probability of termination of employment sensitivity

Base scenario		+50% Prob. Departure		-50% Prob. Departure	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,519,782	310,491	2,539,225	314,906

Post-employment benefit percent advance sensitivity

Base scenario		+50% Advances		-50% Advances	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,543,618	314,739	2,524,213	311,842

With regards to specific management personnel, the company Wiit has stipulated a Stay Bonus to incentivise continuance at the company.

The bonus is fixed by individual agreement between the parties and consists of an amount paid in monthly instalments, provided that the beneficiary does not terminate employment with the company before December 31, 2023. Otherwise, or in the event of termination before that date (due to resignation or any other reason beyond the control of the Company), the beneficiary will be required to repay the fees paid to him/her up to that point.

On the basis of the provisions of IAS 19R, stay bonuses are included among "Other long-term employee benefits". These are therefore indemnities paid during the course of employment, which must be recognised using actuarial methods.

In terms of the international accounting standards, the valuation was carried out using the actuarial "Projected Unit Credit Method" (articles 67-69 of IAS 19R). As per IAS 19R, no Additional Disclosure is required for "Other long term employee benefits".

16. PROVISIONS FOR RISKS AND CHARGES

The provision for risks and charges of Euro 567,886 is mainly attributable to the subsidiary myLoc and concerns a provision for the building and systems refurbishment work at the end of the lease on the building.

17. DEFERRED TAX ASSETS AND LIABILITIES

Description	31.12.2023	31.12.2022	Change
Deferred tax assets	1,724,090	1,637,179	86,911
Deferred tax liabilities	(14,779,476)	(16,434,674)	1,655,198
Net position	**(13,055,386)**	**(14,797,495)**	**1,742,109**

The nature of the temporary differences which determine the recognition of deferred tax assets and their movements during the year and the previous year are analysed below.

Deferred tax assets in the year		
Total deferred tax assets at 31.12.2022		**1,637,179**
Directors' remuneration	(235,445)	(56,507)
stay bonus	49,583	11,900
MBO Employees	941,392	225,934
Tax losses	(822,401)	(229,450)
Temporary differences IFRS 16	109,379	26,251
Temporary differences IAS 19 - IS	351,777	98,146
Temporary differences IAS 19 - OCI	91,158	25,433
Temporary differences IFRS 15	(57,541)	(16,054)
Temporary differences IFRS 15	4,511	1,258
Total deferred tax assets at 31.12.2023		**1,724,090**
Economic effect in the year		**61,479**
Effect other comprehensive income items		**25,433**

The difference between the impact on the statement of financial position and the income statement of deferred tax assets is due to the effect of taxes on the actuarial gain/loss to shareholders' equity.

At 31/12/2023, there were no deferred tax assets not recognised by the Group.

Deferred tax liabilities concern the differences between the increase in asset value as part of the purchase price allocation (PPA) process for the business combinations and the corresponding fiscal values. The decrease for the year of Euro 1,655 thousand is attributable to the release of deferred liabilities following the amortisation of the PPA's, partially netted by the increase of Euro 479 thousand attributable to the PPA of Global Access Internet Services GmbH.

18. NON-CURRENT CONTRACT LIABILITIES AND OTHER NON-CURRENT PAYABLES AND LIABILITIES

Contract liabilities concern the obligation to transfer to customers services for which the Group has received consideration from the customer, called a "lump sum". This consideration concerns the upfront fees for the set-up of the service. From 2019, these price components are managed in the periodic fees. The non-current portion of non-current contract liabilities is Euro 109,882 at December 31, 2023 (195,414 at December 31, 2022).

19. CURRENT INCOME TAX LIABILITIES

Description	31.12.2023	31.12.2022	Change
Withholdings on third-party remuneration	6,331	9,772	(3,441)
IRAP payable	0	79,003	(79,003)
IRES and foreign taxes payable	2,317,936	2,575,136	(257,200)
IRPEF payable	0	604,336	(604,336)
VAT payables	532,739	0	532,739
Total	**2,857,006**	**3,268,246**	**(411,240)**

20. TRADE PAYABLES

Description	31.12.2023	31.12.2022	Change
Italy	11,911,545	9,182,556	2,728,989
EU countries	6,272,148	5,543,364	728,784
Non-EU countries	110,582	192,515	(81,933)
Total	**18,294,275**	**14,918,435**	**3,375,840**

"Trade payables" are recorded net of trade discounts; however, cash discounts are recorded upon payment.

21. CURRENT CONTRACT AND OTHER LIABILITIES

Description	31.12.2023	31.12.2022	Change
Social sec. institutions	1,567,705	1,645,296	(77,591)
Employee payables	3,476,000	3,853,517	(377,517)
Other current liabilities	765,886	835,171	(69,285)
Contract liabilities	3,492,306	5,143,779	(1,651,473)
Total	**9,301,897**	**11,477,763**	**(2,175,867)**

At 31.12.2023, the account comprises for Euro 3,365 thousand deferred income for which the company has already collected the contractual consideration and for the residual amount contract liabilities (short-term portion), consequent to the application of IFRS 15 for Euro 127 thousand.

Other current liabilities mainly include Euro 3,476 thousand for amounts payable to employees and directors for remuneration and bonuses, Euro 1,568 thousand for social security payables, and Euro 97 thousand for pension fund payables. At the beginning of 2023, the payables to employees and to social security institutions were settled according to the scheduled payment deadlines.

Main notes to the income statement

22. REVENUES AND OPERATING INCOME

In 2023, sales revenues amounted to Euro 130,106,508, increasing Euro 11,300,370 over 2022 revenues of Euro 118,806,138.

Revenues by product line

Description	2023	%	2022	%
Revenues for recurring services	115,857,382	89.05%	90,024,296	75.77%
Non-recurring products and services	13,065,017	10.04%	26,578,198	22.37%
Other revenues and income	1,184,109	0.91%	2,203,644	1.85%
Total	**130,106,508**	**100.00%**	**118,806,138**	**100.00%**

“Revenues of recurring services” of Euro 115,857 thousand includes the services, which is the Group’s core business. “Non-recurring products and services" includes non-recurring service revenues of Euro 8.1 million and Hardware and Software resale revenues of Euro 4.99 million (Euro 8.98 million in 2022). “Other revenues and income” of Euro 1.19 million includes the income from the sale of a small business unit generating non-core revenues of Euro 118 thousand, and other non-core revenues such as insurance repayments, recharges to employees for fringe benefits and other recharges.
In FY2023, revenues from Russia for Euro 125 thousand, Ukraine for Euro 228 thousand, and Israel for Euro 6 thousand were marginal compared to total Group revenues.

Revenue by geographic area

Description	2023	2022	Change
Italy	56,957,057	57,827,766	(870,709)
EU countries	69,803,252	57,737,360	12,065,892
Non-EU countries	3,346,199	3,241,012	105,187
Total	**130,106,508**	**118,806,138**	**11,300,370**

For a more detailed consideration of performance in the year, reference should be made to the Directors’ Report.

23. PURCHASES AND SERVICES

Description	2023	2022	Change
Purchase of other services from third parties	23,947,119	19,292,621	4,654,498
Electricity	8,236,468	9,339,033	(1,102,565)
Product acquisition cost	4,259,522	8,660,411	(4,400,889)
Connectivity	4,203,975	3,661,159	542,816
Directors	3,034,198	3,006,990	27,208
Other	940,458	1,884,503	(944,045)
Property management expenses	662,342	787,575	(125,233)
Company car hire	602,511	697,418	(94,907)
Total	**45,886,593**	**47,329,710**	**(1,443,117)**

"Purchases of other services from third parties" mainly refers to the purchase cost of software maintenance and support, external consulting costs, and marketing costs.
"Product acquisition cost" refers to the purchase of hardware and software (licenses) resold by the Wiit Group to third parties.
"Connectivity" refers to data utilities subscribed by the WIIT Group for the provision of its mainly cloud services to customers.

24. PERSONNEL COSTS

Description	2023	2022	Change
Salaries and wages	28,404,726	24,601,519	3,803,207
Social security charges	6,275,040	5,331,224	943,816
Post-employment benefits	589,397	506,783	82,614
Total	**35,269,163**	**30,439,526**	**4,829,637**

The average number of employees of the Group in 2023 was 627. Following the recent acquisitions, the number of employees at year end was 641. Research and Development in the year was in line with the previous year in terms of new services offered.

25. AMORTIZATION, DEPRECIATION, WRITE-DOWNS AND PROVISIONS

Amortisation and depreciation have been calculated based on the duration of the useful life of the asset or its use in production.

Amortisation and depreciation for Euro 26,918,123, of which Euro 18,858,216 concerning property, plant and equipment, of which Euro 4,831,967 right-of-use assets, and Euro 8,059,908 for amortisation; the doubtful debt provisions amount to Euro 452,675. Provisions comprise for Euro 56,310 a risks provision.

26. OTHER OPERATING COSTS AND CHARGES

"Other operating costs" of Euro 2,044,655 include residual costs, including banking expenses, charitable donations and other taxes and duties.

27. PROFIT (LOSSES) FROM EQUITY-ACCOUNTED INVESTEES

The loss of Euro 14,366 in 2023 reflects the write-down of the investment in Lansol LLC (an inactive company).

28. FINANCIAL INCOME

The total of Euro 214,441 in 2023 mainly refers to Euro 161,282 in interest on government bonds.

29. FINANCIAL EXPENSES

Description	2023	2022	Change
Bond interest expense	5,508,280	3,742,219	1,766,061
Bank interest	1,133,920	209,217	924,703
Interest expenses on leasing	1,113,180	661,795	451,385
Other financial expenses	188,698	144,591	44,107
Total	**7,944,078**	**4,757,822**	**3,186,256**

Bank interest expense includes the interests in the year on bank loans and bonds.

Interest expense on leasing refers to the interest on leased equipment, property leases, vehicle leases and smartphone leases, as required by IFRS 16.

30. EXCHANGE GAINS/(LOSSES)

In 2023, the Group recognised net exchange losses of Euro 34,396, compared to Euro 12,863 for the previous year, mainly in response to fluctuations in euro exchange rates.

31. INCOME TAXES

Description	2023	2022	Change
Current taxes	(5,250,377)	(5,034,487)	(215,890)
Deferred tax income & charges	1,916,143	1,427,894	488,249
Total	**(3,334,235)**	**(3,606,593)**	**272,358**

Current income taxes include IRAP for Euro 425 thousand, IRES for Euro 484 thousand and overseas taxes for Euro 4,342 thousand.
The reconciliation between the tax charge recognised to the financial statements and the theoretical tax charge, based on the theoretical tax rates in force, is as follows:

Reconciliation of theoretical and actual tax charge	Assessable	Tax
Pre-tax result	**11,680,866**	
Average weighted theoretical tax rate Income taxes (Italy, Switzerland, Germany, Poland)		**28%**
Theoretical tax charge		**3,270,643**
Taxable permanent differences	2,317,045	628,002
Deductible permanent differences (Italy)	(1,169,302)	(280,632)
IRAP deductions from IRES (Italy)	(202,237)	(48,537)
ACE (Italy)	(400,486)	(96,117)
Utilisation of fiscal losses (Italy)	(1,185,494)	(284,518)
Assessable IRES	11,040,393	
Current income taxes for the year		3,188,840
Other tax adjustments from consolidation		(279,376)
Actual current income taxes for the year		**2,909,464**
Effective IRES rate		**25%**
Actual current IRAP for the year		**424,771**
Total income taxes		**3,334,235**
Effective IRES+IRAP rate		**29%**

Theoretical taxes are calculated by applying the theoretical tax rate of 28%, resulting from the average theoretical tax rate applicable in the various countries in which the companies of the Group have a presence, to pre-tax profits. IRAP is not taken into account for reconciliation purposes as, considering it has a tax base which does not refer to the pre-tax profit, it would generate distortive effects.

32. FINANCIAL RISK MANAGEMENT

Net Financial Indebtedness

The Group's net financial indebtedness as of December 31, 2023, is as follows:

	31.12.2023	31.12.2022
A - Cash and cash equivalents	13,690,212	31,458,080
B - Securities held for trading	0	0
C - Current financial assets	11,602,736	901,133
D - Liquidity (A + B + C)	**25,292,948**	**32,359,213**
E - Current bank loans	(12,120,143)	(5,580,914)
F - Other current financial liabilities	(948,035)	(2,943,671)
G - Payables to other lenders	(7,695,550)	(7,553,375)
H - Current financial indebtedness related to Bond facilities	(7,897,960)	(903,324)
I - Current financial indebtedness (E + F + G + H)	**(28,661,688)**	**(16,981,283)**
J - Current net financial indebtedness (I - D)	**(3,368,740)**	**15,377,930**
K - Bank loans	(27,805,467)	(13,384,703)
L - Payables to other lenders	(13,289,335)	(14,074,473)
M - Non-current financial indebtedness related to Bond facilities	(157,442,669)	(167,683,547)
N - Other non-current financial liabilities	(331,938)	(1,061,814)
O - Trade payables and other non-current payables	0	0
P - Non-current financial indebtedness (K + L + M + N + O)	**(198,869,409)**	**(196,204,536)**
Q - Group net indebtedness (J + P)	**(202,238,149)**	**(180,826,606)**

The net financial indebtedness 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" and in agreement with paragraph 175 of the ESMA Guidelines 32-382-1138.

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.

Description	31.12.2022	Increases/Divestments in financial investments	New Funding	Repayment of financial liabilities	Payment of deferred fees for business combinations	Business combinations	(Increase) / Decrease in other financial assets	Long-term - short-term reclassifications	Non-monetary flows			31.12.2023
									Right-of-use assets	Accessory financing costs	Other changes	
Non-current payables to other lenders	(14,074,473)	0	0	0	0	(487,890)	0	6,958,943	(5,685,916)	0	0	(13,289,335)
Non-current financial indebtedness related to Bond facilities	(167,683,547)	0	0	0	0	0	0	10,240,878	0	0		(157,442,669)
Non-current bank payables	(13,384,703)	0	(12,078,379)	0	0	(37,500)	0	(2,304,885)	0	0	0	(27,805,467)
Other non-current financial liabilities	(1,061,814)	0	0	0	0	0	0	729,875	0	0	0	(331,938)
Current payables to other lenders	(7,553,375)	0	0	10,995,695	0	(896,258)	0	(6,958,943)	(3,282,670)	0	0	(7,695,550)
Current financial indebtedness related to Bond facilities	(903,324)	0	0	4,014,450	0	0	0	(10,240,878)	0	(768,208)	0	(7,897,960)
Current bank loans	(5,580,914)	0	(14,771,621)	6,143,349	0	(46,285)	0	2,304,885	0	0	(169,557)	(12,120,142)
Other current financial liabilities	(2,943,671)	0	0	243,436	1,752,074	0	0	(729,875)	0	0	730,001	(948,035)
Current financial assets	901,133	10,757,996	0	0	0	0	(56,392)	0	0	0	0	11,602,736
Net liabilities from financing activities	**(212,284,686)**	**10,757,996**	**(26,850,000)**	**21,396,930**	**1,752,074**	**(1,467,932)**	**(56,392)**	**0**	**(8,968,586)**	**(768,208)**	**560,444**	**(215,928,361)**
Liquidity	31,458,080	(10,757,996)	26,850,000	(24,774,585)	(1,752,074)	(7,333,214)	0	0	0	0	0	13,690,212
Net financial indebtedness	**(180,826,606)**	**0**	**0**	**(3,377,655)**	**0**	**(8,801,146)**	**(56,392)**	**0**	**(8,968,586)**	**(768,208)**	**560,444**	**(202,238,149)**

Categories of financial instruments

The following tables contain information regarding:
- Fair value level hierarchy for financial assets and liabilities the fair value of which is stated;
- Classes of financial instruments by their nature and characteristics;
- Book value of financial instruments;
- Fair value of the financial instruments (except for financial instruments the carrying amount of which is close to their fair value).

Levels 1 to 3 of the fair value hierarchy are based on the degree of observability of the information:

- Level 1 fair value measurements are based on (unmodified) quoted prices on active markets for identical assets or liabilities;
- Level 2 fair value measurements are those based on inputs other than the quoted prices used in Level 1, which are observable for assets and liabilities, either directly (for example, prices) or indirectly (for example, derived from prices);
- Level 3 fair value measurements are those derived from the application of measurement techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Liabilities valued at fair value

31.12.2023	Level 1	Level 2	Level 3
Other financial liabilities			
Payables for Aedera acquisition			318,963
Payables for Matika acquisition			500,000
Total	-	-	**818,963**

Some of the Group's financial assets and liabilities are measured at fair value at each reporting date. In particular, the fair value of the payable related to the earn-outs are measured by comparing the formulas specified in the contracts (level 3 fair value).

The following table breaks down financial assets and liabilities as per IFRS 7, on the basis of the categories under IAS 9

FINANCIAL ASSETS AS OF DECEMBER 31, 2023	Financial assets at amortised cost	Financial assets at FVOCI	Financial assets at FVPL	Total
Other non-current assets	686,944	0	0	686,944
Non-current financial assets	**686,944**	**0**	**0**	**686,944**
Trade receivables	25,842,136	0	0	25,842,136
Current financial assets	11,602,736	0	0	11,602,736
Other receivables and other current assets	9,195,556	0	0	9,195,556
Cash and cash equivalents	13,690,212	0	0	13,690,212
Current financial assets	**60,330,640**	**0**	**0**	**60,330,640**
Total financial assets	**61,017,585**	**0**	**0**	**61,017,585**

FINANCIAL LIABILITIES AS OF DECEMBER 31, 2023	Financial liabilities at amortised cost	Financial liabilities at FVOCI	Financial liabilities at FVPL	Total
Payables to other lenders	13,289,335	0	0	13,289,335
Non-current financial indebtedness related to Bond facilities	157,442,669	0		157,442,669
Bank loans	27,805,467	0	0	27,805,467
Other non-current financial liabilities	12,975	0	318,963	331,938
Other payables and non-current liabilities	60,569	0	0	60,569
Non-current financial liabilities	**198,611,015**	**0**	**318,963**	**198,929,977**
				-
Payables to other lenders	7,695,550	0	0	7,695,550
Current financial indebtedness related to Bond facilities	7,897,960	0	0	7,897,960
Current bank loans	12,120,143	0	0	12,120,143
Trade payables	18,294,275	0	0	18,294,275
Other current financial liabilities	448,036	0	500,000	948,036
Other payables and current liabilities	5,809,591	0	0	5,809,591
Current financial liabilities	**52,265,555**	**0**	**500,000**	**53,765,555**
Total financial liabilities	**250,876,570**	**0**	**818,963**	**251,695,532**

The Group is exposed to financial risks relating to its operating activities, and principally:

- to credit risk, with particular regards to ordinary commercial transactions with customers;

- to market risk, concerning the volatility of interest rates;
- to liquidity risk, which may arise due to the incapacity to source the funding necessary to guarantee company operations.

Credit risk management

Credit risk is defined as the probable financial loss generated by the non-fulfilment by third parties of a payment obligation to the Group.

The WIIT Group is exposed to the risk that its customers may be late or not comply with their payment obligations, according to the agreed terms and conditions and that the internal procedures adopted to assess credit standing and the solvency of clients are not sufficient to ensure collection.

Any missing payments, late payments or other defaults may be due to the insolvency or bankruptcy of the customer, economic events or specific issues affecting the customer. Payment delays may delay cash inflows. The Group does not have significant concentrations of credit risk, also due to the fact that it does not significantly deal with, as a strategic choice, the public sector.
The Group manages this risk through choosing counterparties considered as solvent by the market and with a high credit rating, or through providing highly critical services which may not be easily interrupted by its customers.
For commercial purposes, policies have been adopted to ensure the solvency of customers and limit the exposure to the credit risk of an individual customer through evaluation and monitoring.
All receivables are periodically subject to an assessment by customer type, with write-downs made where impairments are identified.
Receivables are initially stated at fair value, corresponding to their nominal value, and subsequently measured according to the amortised cost method, net of a write-down provision.
In relation to trade receivables and other receivables, the Group has applied the simplified approach indicated by IFRS 9 to measure the doubtful debt provision as the expected loss over the life of the receivable. The Group measures the amount of expected losses through the use of a past due provisioning matrix, calculated on the basis of the sector and country risk rates.
The breakdown of trade receivables is provided in the Explanatory Notes (paragraph 7 "Trade receivables").

Exchange rate risk management

Exchange rate risk is defined as the risk of the value of a financial instrument changes following exchange rate movements. As operations are mainly in the "Eurozone", exposure to exchange rates risks deriving from operations in currencies other than the functional currency (Euro) is limited.

Interest rate risk management

The management of the interest rate risk has the objective to ensure a balanced debt structure, minimising interest costs over time.

Interest rate risk concerns that affecting the value of a financial instrument on the basis of market interest rate fluctuations.

The Group over the years has almost exclusively contracted medium-term loans at a predominantly fixed rate, which mitigates risk in periods of rising interest rates (such as we are currently experiencing).

The breakdown of existing loans is reported in the Explanatory Notes.

With regards to variable rate financial assets and liabilities at December 31, 2023, amid a hypothetical increase (decrease) of interest rates by 100 basis points against the interest rate at the same date, with the other variables remaining constant, financial expenses would increase on an annual basis by approx. Euro 370 thousand.

Economic environment risks

The Information Technology market is naturally linked to the general economic performance. A poorly performing economy may slow demand with consequent impacts on the financial statements, in particular for the subsidiaries.

Liquidity risk management

Liquidity risk is defined as the risk that the Group encounters difficulties in sourcing the funds necessary to satisfy the obligations related to financial liabilities.

Prudent management of liquidity risk is pursued by monitoring the cash flows, financial needs and the liquidity of the company, so as to ensure the proper management of financial resources through appropriately allocating any excess or on demand liquidity and the undertaking of adequate lines of credit. There are no covenants or cross-default clauses as of the reporting date.

An aging of payables is provided below:

December 31, 2023	Book value	Contractual cash flows	Within 1 year	From 1 to 5 years	Beyond 5 years
Bank loans	39,925,610	39,925,610	12,120,143	27,295,467	510,000
Payables to other lenders	20,984,885	22,452,029	8,145,882	13,539,647	766,500
Bond loans	165,340,629	178,484,378	9,840,942	168,643,436	0
Trade payables	18,294,275	18,294,275	18,294,275	0	0
Other financial liabilities	1,279,973	1,279,974	948,036	331,938	0
Total	**245,825,372**	**260,436,266**	**49,349,278**	**209,810,488**	**1,276,500**

Fees due to the independent auditors Deloitte & Touche S.p.A. and their network pursuant to Art. 149-*duodecies* of the Issuers' Regulation

Type of service	Service provider	Company	Fees (in Euro thousands)
Audit	Deloitte & Touche	Parent Company	102
Attestation services	Deloitte & Touche	Parent Company	21
Other services	Deloitte & Touche	Parent Company	0
Total			**123**

Attestation services concern the limited review of the Non-Financial Report based on GRI Sustainability Reporting Standards.

Fees paid to directors and statutory auditors of the Parent Company

Name	WIIT S.p.A. office	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Alessandro Cozzi	Chief Executive Officer	01.01.2023-31.12.2023	Approval 2023 FS	375,000	0	320,000	695,000
Riccardo Sciutto	Chairperson of the Board of Directors	01.01.2023-31.12.2023	Approval 2023 FS	40,000	18,000	0	58,000
Francesco Baroncelli	Executive Director	01.01.2023-31.12.2023	Approval 2023 FS	260,000	0	320,000	580,000
Enrico Rampin	Executive Director	01.01.2023-31.12.2023	Approval 2023 FS	200,000	0	320,000	520,000
Igor Bailo	Executive Director	01.01.2023-08.05.2023	Resignation	5,000	0	6,700	11,700
Chiara Grossi	Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	0	0	15,000
Stefano Pasotto	Director	11.05.2023-31.12.2023	Approval 2023 FS	10,000	0	0	10,000
Annamaria Di Ruscio	Independent Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	21,000	0	36,000
Emanuela Basso Petrino	Independent Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	12,000	0	27,000
Nathalie Brazzelli	Independent Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	9,000	0	24,000
Paolo Ripamonti	Chairperson of the Board of Statutory Auditors	01.01.2023-31.12.2023	Approval 2023 FS	18,000	0	0	18,000
Francis De Zanche	Statutory Auditor	01.01.2023-31.12.2023	Approval 2023 FS	12,000	0	0	12,000
Chiara Olliveri	Statutory Auditor	01.01.2023-31.12.2023	Approval 2023 FS	12,000	0	0	12,000

The Board of Directors, in 2021, approved the granting as per the 2021-2026 Stock Option Plan of 200,000 options to Igor Bailo, Chief Operating Officer, 280,000 Options to Francesco Baroncelli Chief Mergers & Acquisition Officer and 30,000

Options to Chiara Grossi Chief Marketing Officer, for a total fair value of Euro 2,314,098. For the purposes of fair value measurement, an incremental value was assumed for the strike price for the exercise of the options of Euro 3.77 - 4.13 - 5.01 - 5.24 at the respective maturation dates of 01.01.24 - 01.07.24 - 01.01.26 - 01.07.26.

In 2022, in accordance with the 2022-2027 Stock-Option Plan, the Board of Directors authorised the assignment of 25,000 options to Riccardo Sciutto, Chairperson of the Board, for a fair value of Euro 32,234. For the purposes of fair value measurement, an incremental value was assumed for the strike price for the exercise of the options of Euro 1.29 at the maturation date of 01.07.28.

Remuneration of senior executives

Senior Executives	Reference period	Fixed Remun.	Bonuses and other incentives	Non-monetary benefits	Total
n.3	01.01.2023 - 31.12.2023	308,440	230,000	137,358	675,798

In accordance with the 2021-2026 Stock-Option Plan, the Board of Directors authorised the assignment of 50,000 options to 2 senior executives. For the purposes of fair value measurement, an incremental value was assumed for the strike price for the exercise of the options of Euro 3.77 - 4.13 - 5.01 - 5.24 at the respective maturation dates of 01.01.24 - 01.07.24 - 01.01.26 - 01.07.26 for a total of Euro 226,875.

Fees paid to directors and statutory auditors of the subsidiary Erptech S.p.A. merged by incorporation into Wiit S.p.A.

Name	Adelante S.r.l. office	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Alessandro Cozzi	*Sole Director*	01.01.2023 – 31.03.2023	Merged by incorporation	0	0	0	0
Paolo Ripamonti	*Chairperson Board of Statutory Auditors*	01.01.2023 – 31.03.2023	Merged by incorporation	910	0	0	910
Francis De Zanche	*Statutory Auditor*	01.01.2023 – 31.03.2023	Merged by incorporation	650	0	0	650
Chiara Olliveri	*Statutory Auditor*	01.01.2023 – 31.03.2023	Merged by incorporation	650	0	0	650

Fees paid to the directors of the subsidiary Wiit Swiss SA

Name	WIIT SWISS SA office	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Simone Bassi	*Chairperson of the Board of Directors*	01.01.2023– 31.12.2023	Approval 2023 FS	CHF 5,000	0	0	0
Alessandro Cozzi	*Director*	01.01.2023– 31.12.2023	Approval 2023 FS	0	0	0	0

Fees paid to the directors and statutory auditors of the subsidiary myLoc Managed IT AG

Name	myLoc Office	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Christoph Herrnkind	*Chief Executive Officer*	01.01.2023 – 31.12.2023	Approval 2023 FS	190.000	0	107.000	297.000
PERCH	*Chief Technical Officer*	01.01.2023 – 31.12.2023	Approval 2023 FS	110.000	0	23.000	133.000
Sascha Prütz	*Chief Technical Officer*	01.01.2023 – 31.12.2023	Approval 2023 FS	110.000	0	23.000	133.000

Fees paid to the directors of the subsidiary Gecko m.b.H

Name	Position at Gecko	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Christian Lanz	Managing Director	01.01.2023– 31.12.2023	Approval 2023 FS	170,000	0	55,000	225,000

Fees paid to the directors of the subsidiary Boreus G.m.b.H.

Name	Position at Boreus	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Andreas Engel	Managing Director	01.01.2023– 31.12.2023	Approval 2023 FS	130.000	0	60.000	190.000

Fees paid to directors of the subsidiary Global G.m.b.h

Name	Position at Gecko	Period of office	Concl. of office	Fixed remuneration	Remuneration for committee participation	Non-equity variable remuneration	Total
Christoph Herrnkind	Managing Director	01.01.2023– 31.12.2023	Approval 2023 FS	0	0	0	0

Fees paid to the directors of the subsidiary Lansol G.m.b.H.

Name	Position at Gecko	Period of office	Concl. of office	Fixed remuneration	Remuneration for committee participation	Non-equity variable remuneration	Total
Thomas Krug	Managing Director	01.01.2023– 31.12.2023	Approval 2023 FS	150.000	0	0	150,000

33. INTERCOMPANY AND RELATED PARTY TRANSACTIONS

The table below reports the costs and revenues and receivables and payables from related party transactions:

COSTS

		WIIT Fin	WIIT S.p.A.	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	WIIT AG	GLOBAL	TOTAL
REVENUES	WIIT Fin	0	499,000	0	0	0	0	0	0	0	0	**499,000**
	WIIT S.p.A.	0		0	612,569	2,930,083	1,519,344	0	3,308	10,490	21,335	**5,097,129**
	WIIT SWISS	0	0	0	0	0	0	0	0	0	0	**0**
	MYLOC	0	17,548	0	0	0	13,750	0	8,807	183,757	0	**223,862**
	BOREUS	0	0	0	80,500	0	205,852	0	0	0	0	**286,352**
	GECKO	0	0	0	101,292	179,951	0	5,678	0	0	0	**286,921**
	CODEFIT	0	0	0	0	0	0	0	0	0	0	**0**
	LANSOL GMBH	0	0	0	19,303	0	0	0		642	0	**19,944**
	WIIT AG	0	354	0	901,403	540,000	360,000	0	0		0	**1,801,757**
	GLOBAL	0	0	0	10,944	0	0	0	0	428		**11,371**
	TOTAL	**0**	**516,902**	**0**	**1,726,010**	**3,650,034**	**2,098,946**	**5,678**	**12,115**	**195,317**	**21,335**	**8,226,337**

RECEIVABLES

		WIIT Fin	WIIT S.p.A.	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	WIIT AG	GLOBAL	TOTAL
PAYABLES	WIIT Fin	0	1,854,221	0	0	0	0	0	0	0	0	**1,854,221**
	WIIT S.p.A.	0	0	0	57,916	0	0	0	0	5,643	0	**63,559**
	WIIT SWISS	0	0	0	0	0	0	0	0	0	0	**0**
	MYLOC	0	21,391,017	0	0	3,500,000	3,503,373	0	1,269,303	1,497,653	610,944	**31,772,289**
	BOREUS	0	119,656	0	0	0	5,117	0	0	0	0	**124,773**
	GECKO	0	6,609	0	0	17,995	0	0	0	0	0	**24,604**
	CODEFIT	0	0	0	0	0	0	0	0	0	0	**0**
	LANSOL GMBH	0	2,251	0	781	0	0	0	0	0	0	**3,032**
	WIIT AG	0	0	0	7,538	0	0	0	850,642		200,428	**1,058,608**
	GLOBAL	0	19,693	0	0	0	0	0	0	0		**19,693**
	TOTAL	**0**	**23,393,447**	**0**	**66,235**	**3,517,995**	**3,508,490**	**0**	**2,119,944**	**1,503,296**	**811,371**	**34,920,779**

There were no atypical or unusual transactions as defined by Consob in communication No. DEM/6064293 of July 28, 2006

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:

- Immo 2 S.r.l.: costs of Euro 107 thousand, fully settled at 31.12.2023. 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.

- Abissi S.r.l.: payable of Euro 8 thousand. The company is considered a related party of Wiit S.p.A. by way of Francesco Baroncelli, Director of Wiit S.p.A and Director of Abissi S.r.l.;
- ABC Capital Partners S.r.l.: revenues of Euro 4,083. The company is considered a related party of Wiit S.p.A. due to the positions of Alessandro Cozzi and Francesco Baroncelli, both Directors of Wiit S.p.A. and ABC Capital Partners S.r.l..

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.2023	Of which related parties	31.12.2022	Of which related parties
ASSETS				
Intangible assets	58,424,012		58,113,828	
Goodwill	121,077,831		115,155,614	
Right-of-use	11,870,441		10,267,121	
Plant & machinery	8,537,760		9,216,120	
Other tangible assets	46,250,182		41,355,990	
Deferred tax assets	1,724,090		1,637,180	
Equity investments	5		17,098	
Non-current contract assets	24,356		65,508	
Other non-current financial assets	686,944	250,000	542,315	250,000
NON-CURRENT ASSETS	**248,595,622**	**250,000**	**236,370,774**	**250,000**
Inventories	166,980		186,703	
Trade receivables	25,842,136		25,177,311	339,413
Trade receivables from group companies	0		6,003	6,003
Current financial assets	11,602,736		901,133	
Current contract assets	0		0	
Other receivables and other current assets	9,195,557	1,613,159	8,869,224	2,341,825
Cash and cash equivalents	13,690,212		31,458,080	
CURRENT ASSETS	**60,497,621**	**1,613,159**	**66,598,454**	**2,687,241**
TOTAL ASSETS	**309,093,243**	**1,863,159**	**302,969,228**	**2,937,241**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.2023	Of which related parties	31.12.2022	Of which related parties
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	5,576,744		2,692,252	
Treasury shares	(30,566,915)		(19,410,233)	
Reserves and retained earnings (losses)	1,074,273		1,028,475	
Translation reserve	22,610		(4,022)	
Group net profit/(loss)	8,285,649		7,845,609	
GROUP SHAREHOLDERS' EQUITY	**32,353,544**	**0**	**40,113,264**	**0**
Result attributable to non-controlling interests	60,982		(5,567)	
Non-controlling interest shareholders' equity	195,039		134,056	
TOTAL SHAREHOLDERS' EQUITY	**32,548,583**	**0**	**40,247,320**	**0**
Payables to other lenders	13,289,335		14,074,473	
Non-current financial indebtedness related to Bond facilities	157,442,669		167,683,547	
Bank loans	27,805,467		13,384,703	
Other non-current financial liabilities	331,938		1,061,814	
Employee benefits	3,042,572		2,719,278	
Provisions for risks and charges	567,886		522,277	
Deferred tax liabilities	14,779,476		16,434,674	
Non-current contract liabilities	109,882		195,414	
Other payables and non-current liabilities	60,569		0	
NON-CURRENT LIABILITIES	**217,429,794**	**0**	**216,076,180**	**0**
Payables to other lenders	7,695,550		7,553,375	
Current financial indebtedness related to Bond facilities	7,897,960		903,324	
Current bank loans	12,120,143		5,580,914	
Current income tax liabilities	2,857,006		3,268,246	
Other current financial liabilities	948,035		2,943,671	
Trade payables	18,294,275	8,418	14,918,435	20,862
Payables to group companies	0		0	
Current contract liabilities	3,492,306		5,143,779	16,758
Other payables and current liabilities	5,809,591		6,333,984	
CURRENT LIABILITIES	**59,114,866**	**8,418**	**46,645,728**	**37,620**
TOTAL LIABILITIES & SHARE. EQUITY	**309,093,243**	**8,418**	**302,969,228**	**37,620**

CONSOLIDATED INCOME STATEMENT

	2023	Of which related parties	2022	Of which related parties
REVENUES AND OPERATING INCOME				
Revenues from sales and services	128,922,399		116,602,494	525,507
Other revenues and income	1,184,109	4,093	2,203,644	
Total revenues and operating income	**130,106,508**	**4,093**	**118,806,138**	**525,507**
OPERATING COSTS				
Purchases and services	(45,886,593)	(106,865)	(47,329,710)	(102,600)
Personnel costs	(35,269,163)		(30,439,526)	
Amortisation, depreciation and write-downs	(27,370,799)	(499,000)	(23,484,910)	(499,000)
Provisions	(56,310)		(50,000)	
Other costs and operating charges	(2,044,655)		(1,162,950)	
Change Inventories	(19,722)		(111,371)	
Total operating costs	**(110,647,242)**	**(605,865)**	**(102,578,466)**	**(601,600)**
OPERATING PROFIT	**19,459,266**	**(605,865)**	**16,227,672**	**(76,093)**
Profit (Losses) from equity-accounted investees	(14,366)		(28,858)	
Financial income	214,441		15,960	
Financial expenses	(7,944,079)		(4,755,276)	
Exchange gains/(losses)	(34,396)		(12,863)	
PROFIT BEFORE TAXES	**11,680,866**	**(605,865)**	**11,446,635**	**(76,093)**
Income taxes	(3,334,235)		(3,606,593)	
NET PROFIT	**8,346,631**	**(605,865)**	**7,840,042**	**(76,093)**
NET PROFIT	**8,346,631**	**(605,865)**	**7,840,042**	**(76,093)**

The amount of Euro 250,000 under other non-current assets refers to a security deposit paid by Wiit S.p.A. on behalf of Wiit Fin S.r.l..

The amount of Euro 1,613,159 under other receivables and other current assets concerns Wiit S.p.A.'s tax consolidation receivable from Wiit Fin S.r.l..

The amount of Euro 8,418 refers to the payable to Abissi S.r.l. for the purchase of assets.

The amount of Euro 4,093 concerns other revenues from ABC Capital S.r.l., as previously described in the "Related party transactions" note.

The amount of Euro 106,865 concerns the lease of the Cuneo office with Immo 2 S.r.l., while the amount of Euro 499,000 concerns the depreciation of the right-of-use on the property leased from the parent company Wiit Fin.

The Group has not recognised in the consolidated financial statements any expenses or income from significant non-recurring events or transactions (whose occurrence is non-recurring, i.e., those transactions or events that do not occur frequently in the normal course of business) pursuant to Consob Notice No. DEM/6064293 of 28-7-2006.

34. COMMITMENTS

Guarantees received and granted

Guarantees given by banks at December 31, 2023 totalled Euro 514 thousand (in line with the previous year) and were issued to commercial counterparties. At December 31, 2023, there were no guarantees granted in favour of third parties by the WIIT Group.

35. SUBSEQUENT EVENTS

On January 25, 2024, through WIIT AG, WIIT acquired the "Edge & Cloud" business unit from German Edge Cloud GmbH & Co. KG, belonging to the Fridhelm Loh Group, for approx. Euro 6.5 million, including the earnout. Through this transaction, WIIT acquired the business unit offering Cloud and Edge Computing services, expanding its presence in the strategic Frankfurt area, acquiring a portfolio of 40 loyal customers and strengthening the team in Germany with the arrival of new, highly qualified professionals.

There have been no other significant events subsequent to the close of the financial year.

Disclosure as per Article 1, paragraph 125 of Law No. 124 of August 4, 2017

In relation to the provisions of Article 1, paragraph 125-bis of Law No. 124/2017, regarding the obligation to report in the notes to the financial statements any sums of money received during the financial year by way of grants, contributions, paid assignments and in any case economic benefits of any kind from the public sector bodies and the parties referred to in paragraph 125-bis of the same article, it is noted that the Company has not received contributions from the Public Sector, with the exception of tax credits for electricity for Euro 178 thousand and for investments in capital assets for Euro 180 thousand.

Statement on the 2023 Consolidated Financial Statements in accordance with Article 81-ter of Consob Motion No. 11971 of May 14, 1999 and subsequent amendments and supplements

1. The undersigned Alessandro Cozzi, as "Chief Executive Officer", and Stefano Pasotto, as "Executive Officer for Financial Reporting", of the company "Wiit S.p.A." declare, in consideration of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the adequacy considering the company's characteristics and
- the effective application of the administrative and accounting procedures for the compilation of the consolidated financial statements for 2023.

2. It is also declared that:

2.1 the Consolidated Financial Statements:

a) were prepared in accordance with international accounting standards, endorsed by the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;

b) correspond to the underlying accounting documents and records;

c) provide a true and fair view of the financial position, balance sheet and operating results of the issuer and of the companies included in the consolidation;

2.2. the Directors' Report includes a reliable analysis of the significant events that occurred during the year and their impact on the operating results, as well as the situation of the issuer and all the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Milan, March 12, 2024

ALESSANDRO COZZI
Chief Executive Officer

STEFANO PASOTTO
Executive Officer for Financial Reporting

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Wiit S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Wiit S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Wiit S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Deloitte.

Impairment test on goodwill	
Description of the key audit matter	The consolidated financial statements as of December 31, 2023 include goodwill amounting to Euro 121.1 million allocated to the cash generating units ("CGU") Italia, MYLOC, BOREUS and GECKO, LANSOL and GLOBAL through which the Group operates. Goodwill, as required by IAS 36, is not systematically amortized but is subject to impairment test at least annually, by comparing the recoverable amount of the CGUs, determined on the basis of the "value in use" method, and its carrying amount, which includes both goodwill and other assets allocated to it. The Directors determined the recoverable amount of the CGUs based on assumptions that include, among others, the cash flows expected from the CGUs included in the 2024 - 2026 business plan approved by the Board of Directors, the determination of an appropriate discount rate (WACC) and an estimate of the long-term growth rate (g-rate) for the cash flows beyond the explicit period. The impairment test performed, approved by the Board of Directors on February 27, 2024, did not identify any impairment loss. Given the significance of the value of goodwill recognized in the consolidated financial statements, the judgement required in the estimates of expected cash flows from the CGUs and of the key assumptions of the impairment test model used, we considered the impairment test of goodwill a key audit matter of the consolidated financial statements of Wiit Group. Note 2 of the consolidated financial statements includes the disclosures on goodwill and on the impairment testing process, including the sensitivity analysis performed by the Directors.
Audit procedures performed	As part of our audit we have, amongst others, carried out the following procedures, also with the support of Deloitte experts: • inspecting the methods and the assumptions used by the Directors in determining the "value in use" of the CGUs; • understanding of the relevant controls implemented by the Group on the impairment process; • analyzing the reasonableness of the main assumptions used for developing the expected cash flows also through the collection of other relevant information provided by the Directors; • analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations and the reliability of the budgeting process;

- evaluating the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate);
- assessing the appropriate determination of the carrying amount of the CGUs;
- assessing the mathematical accuracy of the model used to determine the value in use of the CGUs;
- assessing the sensitivity analysis performed by Management;

We have also assessed the appropriateness of the disclosures reported in the notes and its compliance with IAS36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Deloitte.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Wiit S.p.A. has appointed us on November 30, 2018, as auditors of the Company for the years from December 31, 2019 to December 31, 2027.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Wiit S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the “Delegated Regulation”) to the consolidated financial statements as at December 31, 2023, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as of December 31, 2023, have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the explanatory notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Wiit S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Wiit Group as of December 31, 2023, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Wiit Group as at December 31, 2023 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Wiit Group as of December 31, 2023 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 254

The Directors of Wiit S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by
Davide Bertoia
Partner

Milan, Italy
March 27, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

WIIT S.p.A.

Separate Financial Statements

at December 31, 2023

WIIT

THE PREMIUM CLOUD

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

STATEMENT OF FINANCIAL POSITION

		31.12.2023	31.12.2022
ASSETS			
Intangible assets	1	25,916,662	23,976,944
Goodwill	1	25,382,164	24,664,060
Right-of-use	2	4,925,304	4,004,219
Property, plant and equipment	2	4,236,926	4,697,060
Other tangible assets	2	15,898,525	12,429,953
Deferred tax assets	16	1,634,042	1,342,932
Equity investments	3	131,748,950	134,356,774
Non-current contract assets	4	24,356	65,508
Other non-current financial assets	4	20,285,626	12,530,140
NON-CURRENT ASSETS		**230,052,555**	**218,067,590**
Trade receivables	5	15,533,929	15,564,433
Trade receivables from group companies	6	169,841	1,321,721
Current financial assets	7	12,355,997	298,775
Other receivables and other current assets	7	6,509,435	5,867,438
Cash and cash equivalents	8	5,906,036	23,576,352
CURRENT ASSETS		**40,475,238**	**46,628,719**
TOTAL ASSETS		**270,527,793**	**264,696,309**

STATEMENT OF FINANCIAL POSITION

		31.12.2023	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		4,953,356	2,145,156
Treasury shares		(30,566,915)	(19,410,233)
Reserves and retained earnings (losses)		2,945,731	4,752,099
Net result		6,363,140	6,011,746
SHAREHOLDERS' EQUITY	9	**31,656,495**	**41,459,951**
Payables to other lenders	10	6,166,636	6,677,366
Non-current financial indebtedness related to Bond facilities	11	157,442,669	167,683,547
Bank loans	12	24,199,322	9,965,842
Other non-current financial liabilities	13	318,963	1,048,963
Employee benefits	14	3,042,572	2,576,912
Provisions for risks and charges	15	57,410	66,509
Deferred tax liabilities	16	3,152,364	3,726,810
Non-current contract liabilities	17	108,357	195,415
NON-CURRENT LIABILITIES		**194,488,293**	**191,941,364**
Payables to other lenders	10	4,088,356	4,159,238
Current financial indebtedness related to Bond facilities	11	7,897,960	903,324
Current bank loans	12	11,264,992	4,763,153
Current income tax liabilities	18	372,158	888,244
Other current financial liabilities	13	935,676	2,863,995
Trade payables	19	12,200,269	8,482,575
Payables to group companies	20	57,916	0
Current contract liabilities	21	3,492,306	5,143,779
Other payables and current liabilities	21	4,073,372	4,090,687
CURRENT LIABILITIES		**44,383,005**	**31,294,994**
TOTAL LIABILITIES		**238,871,298**	**223,236,358**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**270,527,793**	**264,696,309**

INCOME STATEMENT

		2023	2022
REVENUES AND OPERATING INCOME			
Revenues from sales and services	22	57,746,012	52,588,316
Other revenues and income	22	527,486	654,576
Total revenues and operating income		**58,273,498**	**53,242,892**
OPERATING COSTS			
Purchases and services	23	(18,931,865)	(20,764,903)
Personnel costs	24	(15,398,841)	(11,931,417)
Amortisation, depreciation and write-downs	25	(14,524,485)	(11,790,193)
Provisions	25	0	(50,000)
Other costs and operating charges	26	(371,095)	(599,535)
Change in Inventories of raw mat., consumables and goods	27	0	(53,871)
Total operating costs		**(49,226,286)**	**(45,189,919)**
OPERATING PROFIT		**9,047,212**	**8,052,973**
Write-down of equity investments	28	0	(28,858)
Financial income	29	4,706,580	3,365,459
Financial expenses	30	(7,238,517)	(4,208,527)
Exchange gains/(losses)	31	(1,098)	1,592
PROFIT BEFORE TAXES		**6,514,177**	**7,182,640**
Income taxes	32	(151,037)	(1,170,894)
NET PROFIT FROM CONTINUING OPERATIONS		**6,363,140**	**6,011,746**
NET RESULT		**6,363,140**	**6,011,746**

Basic earnings per share (Euro per share)	9	0.24	0.23
Diluted earnings per share	9	0.24	0.22

STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
NET RESULT	**6,363,140**	**6,011,746**
Items not reclassified subsequently to the income statement		
Discounting Provisions for employee benefits (IAS19)	(91,158)	366,803
Tax effect on components of comprehensive income that will not be reclassified subsequently to the income statement	25,433	(102,338)
Total	**(65,725)**	**264,465**
Items reclassified subsequently to the income statement		
Derivative financial instruments (IRS)	0	0
Tax effect on components of comprehensive income that will be reclassified subsequently to the income statement	0	0
Total	0	0
NET COMPREHENSIVE INCOME	**6,297,415**	**6,276,211**

STATEMENT OF CHANGES IN SEPARATE EQUITY

	Share capital	Share premium reserve	Legal reserve	Treasury shares acquired reserve	Other reserves	Retained earnings and losses carried forward	Net result	Total shareholders' equity
Shareholders' Equity as at 31.12.2021	**2,802,066**	**44,598,704**	**530,413**	**(12,337,314)**	**7,360,541**	**4,755,579**	**1,022,090**	**48,732,078**
Net result							6,011,746	6,011,746
Other Comprehensive Income Statement components					264,465			264,465
Comprehensive net income					**264,465**		**6,011,746**	**6,276,211**
Allocation of 2021 result								
Legal reserve			30,000			(3,480)	(26,520)	0
Dividends paid					(6,999,306)		(995,570)	(7,994,876)
Carried forward						0		0
IFRS 2 Reserve					1,126,511			1,126,511
Use of treasury shares				507,562	1,152,633			1,660,195
Acquisition of treasury shares				(7,580,483)				(7,580,483)
Merger deficit					(759,686)			(759,686)
Shareholders' Equity as at 31.12.2022	**2,802,066**	**44,598,704**	**560,413**	**(19,410,235)**	**2,145,158**	**4,752,099**	**6,011,746**	**41,459,951**
Net result							6,363,140	6,363,140
Other Comprehensive Income Statement components					(65,725)			(65,725)
Comprehensive net income					**(65,725)**		**6,363,140**	**6,297,415**
Allocation of 2022 result								
Legal reserve								0
Dividends paid						(1,806,368)	(6,011,746)	(7,818,114)
Carried forward						0		0
IFRS 2 Reserve					1,232,711			1,232,711
Use of treasury shares				200,961	307,039			508,000
Acquisition of treasury shares				(16,611,375)				(16,611,373)
Sale of treasury shares				5,253,732	1,428,768			6,682,500
Merger deficit					(94,595)			(94,595)
Shareholders' Equity as at 31.12.2023	**2,802,066**	**44,598,704**	**560,413**	**(30,566,915)**	**4,953,356**	**2,945,731**	**6,363,140**	**31,656,495**

Statement of cash flows

STATEMENT OF CASH FLOWS	2023	2022
Net profit from continuing operations	6,689,741	6,011,746
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	14,524,485	11,790,193
Change in employee benefits	465,661	39,195
Increase (decrease) provisions for risks and charges	0	50,000
Financial income and expenses	2,533,033	841,476
Income taxes	(175,562)	1,170,894
Other non-cash charges/(income)*	681,548	(2,512,708)
Cash flow generated from operating activities before working capital changes	**24,718,905**	**17,390,795**
Changes in current assets and liabilities:		
(Increase) decrease in inventories	0	53,871
Decrease (increase) in trade receivables	2,410,819	(7,519,769)
Increase (decrease) in trade payables	2,761,045	(2,379,722)
Increase (decrease) in tax receivables and payables	(609,538)	560,602
Decrease (increase) in other current assets	230,082	433,325
Increase (decrease) in other current liabilities	(1,213,876)	2,300,645
Decrease (increase) in other non-current assets	(255,486)	19,017
Increase (decrease) in other non-current liabilities	0	(38,332)
Decrease (increase) in contract assets	41,152	31,483
Increase (decrease) in contract liabilities	(1,738,531)	1,000,945
Income taxes paid	(506,416)	(1,586,394)
Dividends received	4,000,000	3,241,735
Interest paid/received	(5,757,296)	(3,523,136)
Cash flows generated from operating activities (a)	**24,080,861**	**9,985,066**
Net increase intangible assets	(6,564,782)	(7,004,036)
Net increase tangible assets	(7,256,907)	(6,091,934)
Increases in financial investments	(10,757,996)	20,000,000
Cash flows from business combinations net of cash and cash equivalents	0	(2,486,410)
Cash flows used in investing activities (b)	**(24,579,685)**	**4,417,620**
New financing	26,000,000	4,000,000
Repayment of loans	(5,433,492)	(3,900,204)
Reimbursement of bond loan	(4,014,450)	0
Loans to subsidiaries	(7,500,000)	(9,000,000)
Lease payables	(5,445,468)	(5,049,091)
Bond issue (net of issue costs)	0	19,654,795
Drawdown (settlement) other financial investments	(176,245)	785,761
Payment of deferred fees for business combinations	(1,752,073)	(5,467,267)
Financial movements for centralised treasury management	(1,400,000)	0
Distribution of dividends	(7,818,114)	(7,994,876)
(Net purchases of treasury shares)*	(9,928,875)	(7,580,483)
Cash flows from financing activities (c)	**(17,468,718)**	**(14,551,363)**
Net increase/(decrease) in cash and cash equivalents a+b+c	**(17,967,542)**	**(148,677)**
Cash and cash equivalents at end of the year	5,906,036	23,576,352
Cash and cash equivalents from mergers	297,225	6,118,235
Cash and cash equivalents at beginning of the year	23,576,352	17,606,794
Net increase/(decrease) in cash and cash equivalents	**(17,967,542)**	**(148,677)**

* "Net purchases of treasury shares" consist of the purchase of treasury shares of Euro 16,611 thousand and the sale of treasury shares of Euro 6,683 thousand. This account does not include the non-cash movements of Euro 508 thousand, due to the utilisation of treasury shares for an Earn Out payment.

Explanatory Notes to the financial statements at December 31, 2023

The company Wiit S.p.A. is a Cloud Computing enterprise 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. With approx. 222 employees, revenues from sales and services in 2023 amounted to Euro 57.7 million (Euro 52.6 million in 2022).

The 2023 separate financial statements were authorised for publication by the Board of Directors on March 12, 2024.

ACCOUNTING STANDARDS

Declaration and basis of preparation

The separate financial statements at December 31, 2023 of Wiit S.p.A. were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. References to "IFRS" also include the International Accounting Standards (IAS) in force, as well as the interpretations of the IFRS Interpretation Committee (IFRSIC), including those that were issued by the International Financial Reporting Interpretations Committee (IFRIC) and, before that, the Standing Interpretations Committee (SIC). For simplicity, these standards and interpretations are hereafter collectively stated as "International Financial Reporting Standards" or, simply, "IFRS". They have been drawn up in Euro, which is the currency of the country in which the Company mainly operates, and compared with the previous year's financial statements drawn up in a uniform manner. They consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and these explanatory notes.

The financial statements were prepared on a going concern basis. In this regard, although operating within a difficult economic and financial environment, the company considers - also in view of its strong competitive positioning, business model, its high profitability and the solidity of its balance sheet and financial position - to operate as a going concern as per paragraphs 25 and 26 of IAS 1. Therefore, no uncertainties have emerged in relation to events or circumstances which, considered individually or as a whole, could give rise to doubts as to the company's ability to continue as a going concern.

This document is compared with the previous financial statements, drawn up according to uniform criteria; the financial year, which has a duration of 12 months, concludes on December 31.

It should be noted that, as a result of the merger described herein, the figures on the statement of financial position, income statement, statement of comprehensive income and statement of cash flows are not fully comparable with those of the previous year, which are presented for the purpose of comparison.

The Company has adopted the following presentation of the financial statements:

- a balance sheet which separately presents current and non-current assets and current and non-current liabilities;
- an income statement which classifies costs by type;
- a comprehensive income statement which presents the revenue and cost items not recognised to the profit (loss) for the year, as required or permitted by IFRS;
- a statement of changes in Shareholders' Equity presenting the changes in shareholders' equity over the last two years;
- a cash flow statement which presents cash flows from operating activities according to the indirect method.

The adoption of these statements permits the best representation of the Group's equity, economic and financial situation. In particular, Wiit's classification of income statement items by nature complies with the management reporting methods adopted within the Company and is therefore considered more representative than the presentation by destination, providing more reliable and relevant information for the sector in question. In addition, as per CONSOB motion No. 15519 of July 28, 2006, income and charges from non-recurring transactions, where present, are separately identified in the income statement.

Key information on the accounting policies applied

The main accounting policies adopted in the preparation of the financial statements at December 31, 2023, unchanged compared to the previous year, are as follows:

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are recognised according to the acquisition method. According to this method, the amount transferred in a business combination is recognised at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Company at the acquisition date and of the equity instruments issued in exchange for control of the company acquired.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recorded at fair value at the acquisition date; the following items form an exception, which are instead valued according to the applicable standard:

- deferred tax assets and liabilities;
- assets and liabilities for employee benefits;
- liabilities or equity instruments relating to share-based payments of the company acquired or share-based payments relating to the company issued to replace contracts of the entity acquired;
- assets held-for-sale and discontinued assets and liabilities.

Goodwill is calculated as the excess of the amounts transferred to the business combination, of the value of non-controlling interests' net equity and the fair value of any holding previously held in the acquired company compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and the liabilities assumed at the acquisition date exceeds the sum of amounts transferred, of any non-controlling interest and the fair value of any holding previously held in the acquired company, this excess ("Negative goodwill") is immediately recorded to the income statement as income deriving from the transaction concluded.
Costs associated with business combinations were included in the value of equity investments.
Goodwill is initially recorded at cost and subsequently reduced only for loss in value.

Annually, or more frequently if specific events or circumstances indicate the possibility of having incurred a loss in value, the goodwill is subject to an impairment test to identify any loss in value, in accordance with IAS 36 (Impairments); the original value is however not restored if the reasons for the write-down no longer exist.
The goodwill is not revalued, even in application of specific legislation.
Any liabilities related to business combinations for payments subject to conditions are recognised at the estimated fair value at the acquisition date of the businesses and business units relating to the business combination.
Where all or part of a previously acquired company (whose acquisition produced goodwill) is sold, the corresponding residual value of goodwill is considered when calculating the capital gains or losses generated by such sale.
With regard to acquisitions prior to adopting IFRS, the Company has exercised the option provided by IFRS 1 not to apply IFRS 3 relating to business combinations to acquisitions prior to the transition date. As a consequence, the goodwill arising from a business combination in the past is not adjusted and recorded at the value determined on the basis of the previous accounting standards, net of the accumulated amortisation up to December 31, 2013, the date of transition to international accounting standards and any impairments.

INTANGIBLE ASSETS

The intangible assets acquired separately are recorded at cost, while those purchased through business combinations are capitalised at fair value defined at the acquisition date. After initial recognition, the intangible assets are recorded at cost less accumulated amortisation and any loss in value. Intangible assets internally generated, with the exception of development costs, are not capitalised and are recorded in the income statement of the financial year in which they were incurred.
The useful life of the intangible assets is measured as definite or indefinite. The definite intangible assets are amortised over the useful life of the asset and verified for any indications of a possible impairment. The period and amortisation method applied is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or in the manner in which the future economic benefits related to the intangible assets are received by the company are recorded, amending the period and method of amortisation, and treated as changes in accounting estimates.
The amortisation of intangible assets with finite useful lives is recorded in the income statement under the specific item amortisation of intangible assets.
The useful life attributed to various categories of intangible assets is as follows:
- concessions and trademarks (mainly software/user licenses) - 5 years;
- other intangible assets - 5 years.

Amortisation begins when the asset is available for use or when it is in the position and condition necessary for it to operate in the manner intended by company management. The gains and losses deriving from the disposal of an intangible asset is measured as the difference between the net sales revenue and the carrying value of the asset and are recorded in the income statement at the moment of the disposal.

DEVELOPMENT COSTS

Development costs are recognised to intangible assets only if the costs may be reliably established, if the Company has the intention and the resources available to complete the assets, the technical aspects of the project may be completed in such a manner to make the products available for use and the volumes and the expected prices indicate that the costs incurred in the development phase may generate future economic benefits.
Capitalised development costs include only those costs that are directly attributable to development.
Development costs are amortised on a straight-line basis, from the commencement of production over the estimated useful life of the product or process (assessed as five years). All other development costs are charged to the income statement when incurred.
Research costs are recognised profit or loss in the year in which they are incurred.

PROPERTY, PLANT & EQUIPMENT

These assets include plant and machinery, equipment and other tangible assets.
These are stated at the cost of acquisition or construction. The cost includes directly attributable ancillary charges. Depreciation, as per IAS 16, is calculated on the basis of uniform rates applied to categories of similar assets and deemed appropriate to allocate the book value of tangible assets over their useful life. The estimated useful life, in years, is as follows:

Plant & machinery	5 - 10 years
Other tangible assets:	
Data Centers	15 years
Equipment	5 years
EDP	5 years
Furniture and fittings	8 years
Right-of-use	Duration of contract

Ordinary maintenance costs are charged to the income statement in the year in which they are incurred, costs that increase the value or useful life of the fixed asset are capitalized and depreciated in relation to the residual possibility of use of the fixed assets to which they refer.

LEASED ASSETS AND 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 long-term leases), the assets are recognised under "Right-of-use".
Right-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 Company opted for the exemption permitted under paragraph IFRS 16:5(a) in respect of short-term leases for "Motor vehicles" and Other assets with duration less than 12 months. Likewise, the Company opted for the exemption permitted under IFRS 16:5(b) with regard to lease contracts for which the underlying asset qualifies as a "low-value asset" (i.e., the asset underlying the lease contract does not exceed the exchanged value in Euro of USD 5,000). 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.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying value of its intangible and tangible assets to determine if there are indications that these assets have incurred a loss in value. Where such indications exist, the recoverable amount of these assets is estimated to determine the amount of the impairment loss. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Company makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to.

In particular, the recoverable value of the cash generating unit is verified through the determination of the value in use. The recoverable value of the CGU - determined using the value in use method - is compared with its carrying amount, which takes into account goodwill and other assets allocated. In calculating the value in use, future net cash flows, estimated based on past experience, are discounted to their real value using a net tax rate that reflects the current market valuation in monetary terms and the specific risks of the asset. The main assumptions used for the calculation of the value in use concern the discount rate and the growth rate during the period assumed for the calculation. The growth rates adopted are based on, among other factors, growth forecasts for the specific industrial sector. Changes in sales prices are based on past experience and future market expectations. The Company prepares forecasts of operating cash flows deriving from the most recent Plans prepared by the Directors and approved by the Board of Directors of the Company, makes forecasts for the following three years considering also the development of synergies deriving from acquisitions already completed and determines the terminal value (present value of the perpetual annuity) on the basis of a medium and long-term growth rate in line with that of the specific sector.

If the recoverable amount of an asset (or of a cash generating unit) is estimated to be lower than its carrying amount, the carrying amount of the asset is reduced to the lower recoverable amount, recording the impairment loss in the income statement.

When the reasons for the impairment no longer exist, the carrying value of the asset (or the cash generating unit) – except for Goodwill – is increased to the revised estimate of its recoverable value. The new value cannot exceed the net carrying value if no write-down for impairment had being recorded. The restated values are recognised in the income statement.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are valued at cost, net of any impairment losses.
In the presence of specific indicators of impairment (for example, a book value greater than the value of the subsidiary's shareholders' equity), the value of investments in subsidiaries, determined on the basis of the cost criterion, is subject to an impairment test. For the purposes of the impairment test, the book value of investments is compared with their recoverable value, defined as their value in use.
The value in use is determined by applying the "Discounted Cash Flow - equity side" criterion, which consists of calculating the present value of the future cash flows that it is estimated will be generated by the subsidiary, including the flows deriving from operating activities and the hypothetical consideration deriving from the final disposal of the investment (as described below), net of the subsidiary's net financial position at the balance sheet date.
If the conditions for a previous write-down are no longer met, the book value of the investment is reinstated and charged to the income statement.
Dividends received from subsidiaries and associated companies are recorded as positive income components, under "Financial income - Dividends from group companies", in the Company's financial statements, regardless of when the investee company's retained earnings are recognised.
If the purchase of a shareholding includes a variable consideration, the change in the consideration is directly increased/decreased in the cost of the shareholding.

FINANCIAL ASSETS

Depending on the characteristics of the instrument and the business model adopted for its management, financial assets are classified in the following three main categories: at amortised cost, at fair value recognised to profit/(loss) for the year (FVTPL), at fair value recognised to other comprehensive income (FVOCI).

Financial assets held by the Company are classified in the financial statements as follows:

- Other non-current financial assets,
- Current financial assets,
- Cash and cash equivalents.

Financial assets are initially recognised at fair value. After initial recognition, financial assets that generate contractual cash flows that represent exclusively capital and interest payments are valued at amortized cost, if held for the purpose of collecting the contractual cash flows. Using the amortised cost method, the initial carrying amount is subsequently adjusted to take account of capital repayments, any write-downs and the amortisation of the difference between the repayment value and the initial carrying amount. Amortisation is carried out on the basis of the effective internal interest rate which represents the rate that makes the present value of expected cash flows and the expected initial carrying amount at the time of initial recognition.
Other financial assets measured at amortized cost are shown net of the related doubtful debt provision.

Financial assets whose business model provides both the possibility of collecting contractual cash flows and the possibility of realising capital gains on disposal, are measured at fair value with the effects recognised to OCI. In this case, changes in the fair value of the instrument are recognised in equity, among other components of comprehensive income. The cumulative amount of changes in fair value, recognized in the equity reserve that includes the other components of comprehensive income, is reversed to the income statement when the instrument is derecognised. Interest income calculated using the effective interest rate, exchange rate differences and write-downs is recorded in the income statement.

A financial asset that is not measured at amortised cost or at fair value with the effects attributed to OCI is measured at fair value with the effects recognised to the income statement; financial assets held-for-trading fall into this category, in addition to the cash equivalents included in liquidity. Financial assets sold are derecognized when the contractual rights to obtain the cash flows associated with the financial instrument expire or are transferred to third parties.

The recoverability of financial assets not designated at fair value through profit or loss is assessed according to the Expected Credit Loss Model. In particular, expected losses are generally determined on the basis of: (i) the exposure towards the counterparty, net of the related mitigating factors (known as "Exposure at Default"); (ii) the probability that the counterparty will fail to discharge its payment obligation (known as the "Probability of Default"); and (iii) the estimate, in percent terms, of the quantity of the credit that will not be able to be recovered in the event of default (known as "Loss Given Default"), formulated on the basis of past experience and possible recovery actions (e.g., out-of-court action, litigation, etc.).

TRADE RECEIVABLES

Receivables are initially recorded at fair value, which corresponds to their nominal value, and subsequently measured at amortised cost and reduced in the event of impairment. In addition, they are adjusted to their estimated realisable value through the recording of a special adjustment provision based on the expected loss criterion.

FACTORING OF RECEIVABLES

Receivables transferred following factoring operations are eliminated from the balance sheet only when the related risks and benefits of ownership have been substantially transferred. Non-recourse receivables which do not satisfy these requisites remain on the balance sheet of the company, even if legally transferred. In this case a financial liability of a similar amount is recorded under liabilities against advances received.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes bank deposits, units in liquidity funds and other money market securities that are readily convertible into cash and for which the risk of changes in value is insignificant.

TREASURY SHARES

The treasury shares are recorded as a reduction of shareholders' equity. The purchase, sale, issue, or cancellation of capital instruments of the company do not result in the recording of any gain or loss in the income statement.

PROVISIONS FOR RISKS AND CHARGES

The company recognises a provision for risks and charges when the risk of a monetary payment related to an obligation deriving from a past event is considered probable and a reliable estimate may be made on the amount of the obligation. Provisions are made based on management's best estimate of the cost of fulfilling the obligation at the end of the reporting date and are discounted to their present value when the effect is material. These risks are subject to a high level of complexity and uncertainty, and therefore the amount of the provision for risks and charges is reviewed periodically to reflect the best current estimate of each provision.

FINANCIAL LIABILITIES

Financial liabilities, other than derivatives, are initially recognised at fair value less any transaction costs; they are subsequently recognised at amortised cost using the effective interest rate for discounting purposes, as explained in the previous paragraph "Financial assets". A financial liability is derecognised when, and only when, it is extinguished.

PAYABLES

The trade and other payables are initially recorded at cost, which is the fair value of the amount paid less transaction costs. Subsequently, payables that have a fixed maturity are measured at amortised cost, using the effective interest method, while payables without a fixed maturity are measured at cost. The current payables, on which no interest is applicable, are measured at nominal value. The fair value of long-term payables is determined by discounting future cash flows: the discount is recorded as a financial charge over the duration of the payable to maturity.

EMPLOYEE BENEFITS

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The obligation to fund the defined benefit pension plans and the annual cost recognised to the income statement are determined by independent actuarial valuations using the projected unit credit method, on the basis of one or more factors such as age, years of service and expected future remuneration. Actuarial gains and losses deriving from changes to the actuarial assumptions and adjustments based on past experience are debited/credited to equity, through other comprehensive income, in the period in which they arise. Where the calculation of the amount to be taken to equity gives rise to an asset, the amount recognised is limited to the present value of the economic benefits available in the form of reimbursements or reductions of future plan contributions. Defined benefit plan costs are classified to personnel expenses, except for any costs associated with the increase in the present value of the obligation nearer to the payment date which are recognised under financial charges.

TRANSLATION OF FOREIGN CURRENCY ACCOUNTS

The receivables and payables originally expressed in foreign currencies are converted into Euro at the exchange rate of the relative transactions. The differences arising on the collection of receivables and settlement of payables in foreign currencies are recorded in the income statement. Income and charges relating to foreign currency transactions are recorded at the exchange rate at the transaction date.
At the end of the period, the assets and liabilities valued in foreign currencies, with the exception of non-current assets, are recorded at the exchange rates at the balance sheet date and the relative gains or losses on exchange are recorded in the income statement. Where the conversion gives rise to a net gain, it is allocated to a non-distributable reserve until its effective realisation.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company generates revenues mainly on recurring fees related to system management services provided to customers, to which hardware, software (provided in PaaS or SaaS mode), or other services are generally added. These services are recognised over time.
Revenues from the sale of products (mainly hardware and software excluding Saas revenues recognised over-time) are recognised at the point in time in which the hardware is delivered and the (software) license is granted.

FINANCIAL INCOME

Financial income includes interest income on funds invested and income deriving from financial instruments and dividends from subsidiaries. Interest income is recorded in the income statement at the moment of maturity, considering the effective yield. Dividends are recognised once approved by the Shareholders' Meetings of the investee companies.

FINANCIAL EXPENSES

Financial expenses include interest expense on financial payables calculated using the effective interest method.

INCOME TAXES

Income taxes include all the taxes calculated on the assessable income of the Company. They are recognised to the income statement, except those relating to accounts directly credited or debited to equity, in which case the tax effect is recognised directly to equity. Other taxes not related to income, such as taxes on property, are included under operating expenses. Deferred taxes are calculated in accordance with the liability method. They are calculated on all the temporary differences between the assessable income of an asset or liability and the relative book value, with the exception of the goodwill not fiscally deductible and of those differences deriving from investments in subsidiaries for which a write-down is not expected in the foreseeable future. Deferred tax assets are recognised only for those amounts for which it is probable there will be future assessable income to recover the amounts. The deferred tax assets and liabilities are offset when the income tax is applied by the same fiscal authority and when there is a legal right of compensation. They are measured at the tax rates that are expected to apply to the period when the temporary difference is reversed in the jurisdiction in which the Company operates.

SHARE-BASED PAYMENTS

Options to purchase shares, which the Parent Company grants to employees and directors of the Group, give rise to the recognition of personnel costs or of service costs (in the case of directors) and to a corresponding increase in equity. More specifically, options to purchase shares are measured at their fair value as at the date on which they are granted and are expensed over the vesting period. This fair value is measured at the granting date using Monte Carlo method simulations for restricted stock units (RSU's) and the Black-Scholes model for stock options, taking account of the dividend. Expected volatility is measured based on historical stock prices, corrected for any extraordinary events or other factors. The cost of options granted is recalculated based on the actual number of options vested at the start of the period for exercising the options.

USE OF ESTIMATES

The preparation of the financial statements and the relative notes in application of IFRS require that the Management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the balance sheet date. The actual results may differ from such estimates. Estimates are used to determine: *i) the recoverability of goodwill, of property, plant and equipment, and of intangible assets; ii) the fair value of assets and liabilities and of certain components of the purchase price in relation to business combinations; iii) impairment losses on receivables and financial assets; iv) employee benefits; v) income taxes; and vi) contingent liabilities.*

Specifically:

Recoverability of the value of the investments, goodwill and tangible and intangible assets

The impairment testing procedure of equity investments, of goodwill, of the intangible and tangible assets described in the "Accounting policies" concerning "Equity investments", "Impairment of non-financial assets" and "Goodwill" implies - in the estimate of the value in use - assumptions concerning the expected cash flows, taken from the 2023-2025 business plans, by the company with regards to goodwill and the intangible and tangible assets and by the subsidiaries with regards to equity investments. The above expected cash flows were calculated on the basis of an appropriate discount rate (WACC) and the long-term growth rate (g-rate). These assumptions are based on the management's expectations of focusing on increasing the sales of certain product families with the greatest margins, improving the absorption of fixed costs, of constantly improving the performances of existing products and of developing innovative products.

In accordance with international accounting standard IAS 36, in the presence of goodwill and the fact that the equity investments present a carrying amount in excess of the share of equity pertaining to the company, the Company's management has conducted an impairment test to determine whether the carrying amounts of the goodwill and of the equity investments in the financial statements as at December 31, 2023 exceed their recoverable amounts.

In this regard, although in the context of the general economic uncertainty related to the Russian-Ukrainian and Middle Eastern conflicts which have caused instability in energy prices (however less than last year), and in light of the ECB's recent decision to keep reference rates at 4.5% to counter inflation, there is no basis at present for considering the forecasts on prospective flows, used for the purpose of the impairment test, as not current. However, it may not be excluded that the continuation of the current uncertainty may have economic impacts, which at the preparation date of these financial statements can neither be quantified or estimated. It should also be noted that the Directors will constantly monitor the situation as the year progresses, particularly with regard to interest rate movements, which have an impact on impairment testing, although at present it is not believed that there are particular elements of uncertainty with regard to their recoverability, including in light of the factors described in relation to impairment testing below.

Further details of the Directors' considerations regarding these uncertainties are provided in the paragraph "Subsequent events after the year end" of the directors' report.

Write-downs of financial assets

The recoverability of financial assets not designated at fair value through profit or loss (mainly trade receivables) is assessed according to the Expected Credit Loss Model. In particular, expected losses are generally determined on the basis of the product of: (i) the exposure towards the counterparty, net of the related mitigating factors (known as "exposure at default"); (ii) the probability that the counterparty will fail to discharge its payment obligation (known as the "probability of default"); and (iii) the estimate, in percent terms, of the quantity of the credit that will not be able to be recovered in the event of default (known as "loss given default"), formulated on the basis of past experience and possible recovery actions (e.g., out-of-court action, litigation, etc.).

Employee benefits

The present value of liabilities for employee benefits depends on a series of factors which are determined using actuarial techniques and based on certain assumptions. The assumptions relate to the discount rate, estimates of future salary increases and death and resignation rates. Any change to these assumptions may have significant impacts on the pension benefit liability.

Income taxes

Income taxes for the year represent the sum of current and deferred taxation. Deferred income taxation is recorded on temporary timing difference between the financial statements and the taxable profit, recognised using the liability method. The deferred taxes are calculated based on the fiscal rates applicable when the temporary differences reverse. The deferred tax charges are recognised in the income statement with the exception of those relating to accounts recognised in equity in which case the deferred tax charges are also recognised in equity. Deferred tax assets are recognised when the income taxes are considered recoverable in relation to the taxable profit expected for the period in which the deferred tax asset is reversed. The carrying amount of deferred tax assets is reviewed at the end of the year and reduced, where necessary.

Contingent liabilities

With reference to the estimation of the risk of potential liabilities from litigation, the Directors rely on the communications received on the recovery procedures and litigation communicated by the legal advisors, which represents the Company in the disputes. These estimates are made taking into account the development of the disputes.

The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised to the income statement.

Adoption of new accounting standards

In the separate financial statements at December 31, 2023, Wiit S.p.A. has applied the international accounting standards entering into force from January 1, 2023, as outlined in the previous section in the consolidated financial statements, to which reference should be made. No particular impacts are reported from the new standards entering into force on January 1, 2023 and from those not yet entering into force or not endorsed for the company's separate financial statements.

1. INTANGIBLE ASSETS AND GOODWILL

31.12.2023	31.12.2022	Changes
51,298,826	48,641,004	2,657,823

Movements of Intangible Assets over the last two years:

Description	31.12.2021	Increases	Decreases	Merger effects	Transfers	Amort.	31.12.2022
Goodwill	4,028,781	0	0	20,635,279	0	0	24,664,060
Total	**4,028,781**	**0**	**0**	**20,635,279**	**0**	**0**	**24,664,060**

Description	31.12.2021	Increases	Decreases	Merger effects	Transfers	Amort.	31.12.2022
Business List	0	0	0	11,340,048	0	(670,059)	10,669,989
Concessions, licences and trademarks	3,659,706	5,110,772	(19,884)	1,000,112	0	(2,281,793)	7,468,913
Development costs	1,895,734	5,000	0	0	901,731	(612,599)	2,189,866
Assets in progress	1,870,356	1,023,703	0	0	(901,731)	0	1,992,328
Other intangible assets	1,263,222	884,445	0	139,733	0	(631,551)	1,655,848
Total	**8,689,018**	**7,023,920**	**(19,884)**	**12,479,893**	**0**	**(4,196,003)**	**23,976,944**

Description	31.12.2022	Increases	Decreases	Merger effects	Transfers	Amort.	31.12.2023
Goodwill	24,664,060	0	0	718,104	0	0	25,382,164
Total	**24,664,060**	**0**	**0**	**718,104**	**0**	**0**	**25,382,164**

Description	31.12.2022	Increases	Decreases	Merger effects	Transfers	Amort.	31.12.2023
Customer List	10,669,989	0	0	620,119	0	(830,879)	10,459,228
Concessions, licences and trademarks	7,468,913	4,533,987	0	116,077	0	(3,196,633)	8,922,345
Development costs	2,189,866	0	0	163,084	793,575	(808,974)	2,337,551
Assets in progress	1,992,328	1,084,271	0	0	(793,575)	0	2,283,024
Other intangible assets	1,655,848	946,524	0	0	0	(687,858)	1,914,515
Total	**23,976,944**	**6,564,782**	**0**	**899,280**	**0**	**(5,524,344)**	**25,916,662**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historical Cost 31.12.2022	Accumulated amortisation 31.12.2022	Net value 31.12.2022
Goodwill	24,664,060	0	24,664,060
Total	**24,664,060**	**0**	**24,664,060**

Description	Historical Cost 31.12.2022	Accumulated amortisation 31.12.2022	Net value 31.12.2022
Customer List	11,340,048	(670,059)	10,669,989
Concessions and brands	12,200,633	(4,731,721)	7,468,913
Development costs	4,152,085	(1,962,220)	2,189,866
Assets in progress	1,992,328	0	1,992,328
Other intangible assets	3,645,987	(1,990,139)	1,655,848
Total	**33,331,083**	**(9,354,139)**	**23,976,944**

The net carrying amount at the end of the year is broken down as follows:

Description	Historical Cost 31.12.2023	Accumulated amortisation 31.12.2023	Net value 31.12.2023
Goodwill	25,382,164	0	25,382,164

Total	**25,382,164**	**0**	**25,382,164**

Description	Historical Cost 31.12.2023	Accumulated amortisation 31.12.2023	Net value 31.12.2023
Customer List	11,960,167	(1,500,939)	10,459,228
Concessions and brands	18,587,723	(9,665,378)	8,922,345
Development costs	5,720,812	(3,383,261)	2,337,551
Assets in progress	2,283,024	0	2,283,024
Other intangible assets	4,713,358	(2,798,843)	1,914,515
Total	**43,265,083**	**(17,348,421)**	**25,916,662**

Goodwill

At December 31, 2023 the company recorded goodwill for a total of Euro 25,382,164.

The goodwill recognised to the financial statements mainly derives from the following transactions:

- the merger by incorporation of the subsidiary Sevenlab S.r.l., with accounting and tax effects from January 1, 2014 and recognised to assets following the approval of the Board of Statutory Auditors for an amount of Euro 930 thousand;
- the acquisition of the Visiant Technologies (Visiant Group) business unit, which manages the Data center services and infrastructure for an amount of Euro 381 thousand;
- the merger by incorporation of Foster S.r.l., with accounting and tax effects from January 1, 2019 and recognised to assets following the approval of the Board of Statutory Auditors for an amount of Euro 1,206 thousand; the accounting was carried out in continuity with the consolidation;
- the acquisition of the Aedera S.r.l. business unit (Kelyan Group), a provider of IT services and solutions for the digitalisation of companies in SAAS mode for Euro 1,508 thousand, in 2020;
- the merger by incorporation of Adelante S.r.l., with accounting and tax effects from January 1, 2022 and recognised to assets for an amount of Euro 8,030 thousand, of which Euro 7,912 thousand deriving from the business combination in 2018 and Euro 118 thousand relating to the goodwill in Adelante S.r.l. on acquisition; the accounting was carried out in continuity with the consolidation;
- the merger by incorporation of Matika S.p.A., with accounting and tax effects from January 1, 2022 and recognised to assets for an amount of Euro 7,054 thousand, generated from the business combination recorded in 2019; the accounting was carried out in continuity with the consolidation;
- the merger by incorporation of Etaeria S.p.A., with accounting and tax effects from January 1, 2022 and recognised to assets for an amount of Euro 5,551 thousand, of which Euro 3,492 thousand deriving from the business combination in 2020 and Euro 2,059 thousand deriving from the acquisition of the Kelyan business unit in Etaeria S.p.A.; the accounting was carried out in continuity with the consolidation;
- the merger by incorporation of Erptech S.p.A., with accounting and tax effects from January 1, 2023 and recognised to assets for an amount of Euro 718 thousand; the accounting was carried out in continuity with the consolidation.

Goodwill is not subject to amortisation; rather, in accordance with the accounting standard IAS 36, it is tested for impairment at least annually by comparing the recoverable amount determined according to the value in use method with its carrying amount. Goodwill has been allocated to a single CGU given that, despite having origin in multiple business combinations, the Company integrated all businesses some years ago; therefore, they are considered inseparable within a single cash generating unit, a fact that is only reinforced by the merger during the year.

Impairment test

The recoverability of the goodwill was valued at December 31, 2023 through an impairment test, drawn up on the basis of the 2024-2026 business plan approved on February 27, 2024, extrapolated for the Parent Company.
The Directors conducted the impairment test with support from an independent expert.
The recoverable amount of the goodwill was determined as its value in use, calculated as the sum of the discounted future cash flows generated on an ongoing basis by NCE (DCF method - Discounted Cash Flow – Asset Side). The value in use is based on estimates and assumptions by the Directors regarding the company's expected cash flows according to the 2024-2026 business plan and approved by the Board of Directors, the estimated terminal value, the determination of an appropriate discount rate (WACC) of 11.08% and long-term growth rate (g-rate) of 2% (*IMF, Italian inflation forecast 2028)*.
The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- debt-to-equity ratio, based on a sample of comparable companies, of 19.7%;
- sector beta unlevered: estimate based on a sample of comparable companies 1.0% (CIQ);
- risk-free rate: 4.20% – estimated based on the average gross yield (for the 12 months prior to December 31, 2023) of Italian ten-year government bonds of 4.18%;
- market risk premium 5.5% – as per mature equity markets, in line with the latest professional practice;
- risk premium (small size premium): 1.99% (Micro cap, Kroll);
- cost of debt: 3.2% (average cost of debt of comparable companies 2022-2023 on a post-tax basis).

The impairment test did not indicate any loss in value as the calculated value was in excess of the carrying amount.

Sensitivity and variations in assumptions

Due to the uncertainty related to the occurrence of any future event, in relation to both whether such events in fact occur and the extent and timing of their occurrence, the value in use of the goodwill is particularly sensitive to any changes in the assumptions underlying the impairment test.

In this regard, with further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The sensitivity analysis indicated that:

- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 2.0% and all the plan assumptions unchanged) of 21.48%;
- the impairment test reaches a break-even level using a growth rate (keeping WACC at 11.1% and all other assumptions unchanged) of -13.35%;
- impairment reaches a break-even level using a change in EBITDA, considering the explicit period and terminal value of the plan from 2024 to 2026 (keeping WACC at 11.1%, g-rate at 2.0%, and all other assumptions unchanged) of -33.74%.

The sensitivity analysis therefore confirm a high level of coverage also in light of the insignificance of the book values recorded compared to the results achieved by the Company.

In addition, the sales, profitability and order performance for 2024 confirmed the growth levels underpinning the plan.

Business List

Shown below are the amounts allocated following the gain on the merger into the Company of Adelante S.r.l., Matika S.p.A., Etaeria S.p.A. and Erptech S.p.A., net of amortisation.

Description	31.12.2022	Merger effects	Amort.	31.12.2023
Adelante S.r.l.	3,153,995	0	(210,266)	2,943,729
Matika S.p.A.	4,807,826	0	(300,489)	4,507,337
Etaeria S.p.A.	2,708,168	0	(159,304)	2,548,864
Erptech S.p.A.	0	620,119	(160,820)	459,299
Total	**10,669,989**	**620,119**	**(830,879)**	**10,459,229**

Concessions and brands

The account mainly refers to the document software used to offer digital services based on the ALFRESCO platform and the "K-File" platform owned by the Company. These two assets make up the WIIT Digital Platform, by which the Group provides Enterprise Information management (EIM) services to our customers.

The increase in the year mainly concerns the software licences which are activated prior to the provision of the services, and whose useful life matches the duration of the agreement with the customer (generally 5 years), of approx. Euro 2.5 million. The remainder refers to long-term licences related, primarily, to the network and cyber security technologies that the Company uses within the scope of service provision.

Development costs

The account includes costs incurred both in-house and externally, mainly for the development of ICT infrastructure. This infrastructure allows WIIT to provide its services effectively and competitively. They are substantially for installing the IT platform and the framework through which the company issues and manages contractually covered services and interfaces with customers. IT Security is one of the projects in which the company is heavily investing, as demand from customers is expected to significantly rise. The cost of activities is mainly related to the introduction of the "**WIIT Cyber Security Roadmap",** a set of projects focused on raising the security level of the entire architecture, with the goal of analysing the main technologies, planning the evolution of the infrastructure, and enabling an upgrade of the cyber security services offered. A thorough analysis of the infrastructure was therefore carried out over the years, resulting in an assessment of the best solutions available on the market. The following activities were completed during the year:

- Revamping Log Management. Target architecture of customer log management service defined by moving from the Manage Engine solution to Qradar, which began a process of internal cost efficiencies

- Vulnerability Management activities to manage customers' critical infrastructures for sales and upselling purposes. Infrastructure scanning service through the Tenable solution launched progressively during 2023.
- Upgrade Cyber Services Germany. Support to the Group's German companies so as to extend the Cyber Security operating model in use in Italy, in order to ensure the same security safeguards throughout the Group, with a consequent upgrade of the services offered

The "**WIIT Digital Platform**" is another of the main development projects undertaken by the Company. It comprises integrated application and technology assets subject to evolutionary or upgrade projects and which have:

- expanded the functional scope of the various proprietary components and open-source technologies with the goal of supporting upselling and cross-selling with the customer base in addition to the proposition of new customers
- enabled the activation and software development of new satellite application modules for the digital signature platform
- enabled the activation of new technologies related to intelligent automation and content composition processes
- enabled new developments aimed at upgrading the API framework of the WIIT digital platform
- enabled the activation and/or evolution of standard vertical applications with which to offer the market the management of specific digital processes

The following projects that were recognised under assets in progress in the previous year were in addition completed during the year under review:

- SAP platform evolution - Finance & Controlling (Wave 1 CO project)
- Report Actual & Forecast: development and implementation of a report for financial analysis
- MI2 datacenter: during H1 2023, all implementation activities and related certification with Uptime Institute of the MI2 datacenter were completed.
- SAP Activation Germany, involving the management of the first level in Germany and the second level in Italy. This also required the introduction of new processes on WIIT internal systems, such as WIIT Trouble ticket configuration for Germany services, RDM implementation for access to WIIT Germany customer systems, creation of workflows for interaction of Italy/Germany operations teams
- Cloud Infrastructure:
  - VMWare infrastructure optimisation (phase 1)
  - Commvault implementation on the customer perimeter (phase 1)

All of the above projects stem from an identifiable asset that provides the Company with future economic benefits in terms of future upselling and/or cost savings.

Assets in progress

The evolutionary projects of the WIIT systems (WIIT Platform); in particular, the currently ongoing projects refer to the following components of the WIIT Platform:

- Trouble Ticketing System Evolution
- Digital Order Booking Process Evolution
- Alfresco Enterprise Content Management (ECM) system evolution
- Digital Provisioning Process Assessment
- SAP Platform Evolution - Finance & Controlling
- Onboarding German Group companies on the Salesforce system

Other projects in progress concern the upgrading of the cloud infrastructure, such as:

- VMWare infrastructure optimisation (phase 2 and 3)
- Implementation of RDM infrastructure on the customer perimeter
- Commvault implementation on the customer perimeter (phase 2)
- Implementation of monitoring system for all Storage in Datacenters and at customer offices using Stor2RRD
- Implementation of integration between Icinga-based centralised monitoring system and Trouble Ticketing management tool for automatic ticket opening and closing.

In the area of Cyber Security, the following projects are considered as ongoing:

- Integrating additional Log Sources to those already concluded into the internal Security Operations Center (SOC) for WIIT, updating QRadar correlation rules with the goal of increasing monitoring of the WIIT perimeter. In fact, the monitoring implemented through QRadar must follow the evolution of WIIT's Cloud infrastructure, which is constantly evolving;
- Onboarding Log Management: implementation of a Log Management service for new customers;
- Vulnerability Management activities for WIIT internal critical infrastructure: infrastructure scanning service using Tenable solution. It is noted that the activity is recurring and involves conducting several scans per year;
- Upgrade Cyber Services in Germany: support for the Group's German companies, with the goal of extending WIIT's Cyber Security operating model and the security safeguards implemented in Italy progressively to the Group. In particular, implementation of the Security Operations Center (SOC) service is also planned to start in Germany in 2024. This service will enable security event monitoring for the Company's and Group's infrastructure in Germany. These infrastructure, which are used across the board to provide services to Customers, will be identified according to a risk-based logic and, subsequently, will be connected with the SOC service.

Other intangible assets

This account includes development activities that the Company purchases from third parties in order to provide Cloud services to our customers, through long-term contracts. These investments are primarily made by the Company to implement the information systems of its customers.

2. RIGHT-OF-USE, PROPERTY, PLANT AND EQUIPMENT and OTHER TANGIBLE ASSETS

31.12.2023	31.12.2022	Changes
25,060,755	21,131,232	3,929,523

Total movement of property, plant and equipment over the last two years:

Description	31.12.2021	Increases	Decreases	Merger effects	Deprec.	31.12.2022
Right-of-use	4,435,714	527,366	(17,216)	564,625	(1,506,271)	4,004,219
Total	**4,435,714**	**527,366**	**(17,216)**	**564,625**	**(1,506,271)**	**4,004,219**

Description	31.12.2021	Increases	Decreases	Merger effects	Deprec.	31.12.2022
Plant & machinery	1,835,946	3,587,827	0	35,149	(761,863)	4,697,060
Other tangible assets	9,076,854	7,050,598	(5,250)	1,305,863	(4,998,112)	12,429,953
Total	**10,912,799**	**10,638,425**	**(5,250)**	**1,341,012**	**(5,759,975)**	**17,127,013**

Description	31.12.2022	Increases	Decreases	Merger effects	Deprec.	31.12.2023
Right-of-use	4,004,219	3,623,302	(169,713)	0	(2,532,504)	4,925,304
Total	**4,004,219**	**3,623,302**	**(169,713)**	**0**	**(2,532,504)**	**4,925,304**

Description	31.12.2022	Increases	Decreases	Reclassifications	Merger effects	Deprec.	31.12.2023
Plant & machinery	4,697,060	512,799	0	(480,016)	0	(692,916)	4,036,926
Assets in progress	0	200,000	0	0	0	0	200,000
Other tangible assets	12,429,954	7,254,401	(38,381)	480,016	1,397,256	(5,624,721)	15,898,525
Total	**17,127,013**	**7,967,200**	**(38,381)**	**0**	**1,397,256**	**(6,317,637)**	**20,135,451**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historical Cost 31.12.2022	Accumulated depreciation at 31.12.2022	Net value 31.12.2022
Right-of-use	10,186,289	(6,182,070)	4,004,219
Total	**10,186,289**	**(6,182,070)**	**4,004,219**

Description	Historical Cost 31.12.2022	Accumulated depreciation at 31.12.2022	Net value 31.12.2022
Plant & machinery	13,253,454	(8,556,394)	4,697,060
Other tangible assets	34,619,547	(22,189,594)	12,429,953
Total	**47,873,001**	**(30,745,988)**	**17,127,013**

The net carrying amount at the end of the year is broken down as follows:

Description	Historical Cost 31.12.2023	Accumulated depreciation at 31.12.2023	Net value 31.12.2023
Right-of-use	14,022,337	(9,097,033)	4,925,304
Total	**14,022,337**	**(9,097,033)**	**4,925,304**

Description	Historical Cost 31.12.2023	Accumulated depreciation at 31.12.2023	Net value 31.12.2023
Plant & machinery	13,518,517	(9,481,591)	4,036,926
Assets in progress	200,000	0	200,000
Other tangible assets	48,234,774	(32,336,249)	15,898,525
Total	**61,953,291**	**(41,817,840)**	**20,135,451**

Right-of-use (recognised separately)

The "Right-of-Use" account stems from the adoption of IFRS 16 which had an impact on the recognition of assets acquired by the company through property lease contracts ("operative"), which do not stipulate the redemption of the assets. The other right-of-use related to what were formerly known as finance leases, which include a purchase option, are included in the related category of non-current assets and are detailed in the specific table below. The Right-of-use account includes the rental of properties, the long-term hire of the company vehicle fleet, rentals of space within racks in third-party data centers and of other company IT devices, which are recognised separately.

Changes in the right-of-use over the last two years are presented below:

Description	31.12.2021	Increases	Decreases	Merger effects	Deprec.	Disposal Acc. Depre.	31.12.2022
Rental cars	309,086	416,077	(37,648)	185,485	(320,387)	20,430	573,043
Property leases	4,126,628	106,179	0	329,110	(1,185,883)	0	3,376,034
Other IT devices	0	55,142	0	0	0	0	55,142
Total	**4,435,714**	**577,397**	**(37,648)**	**514,595**	**(1,506,270)**	**20,430**	**4,004,219**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historical Cost 31.12.2022	Accumulated depreciation 31.12.2022	Net value 31.12.2022
Rental cars	1,738,044	(1,165,001)	573,043
Property leases	8,393,104	(5,017,070)	3,376,034
Other IT devices	55,142	0	55,142
Total	**10,186,290**	**(6,182,071)**	**4,004,219**

The net carrying amount at the end of the year is broken down as follows:

Description	Historical Cost 31.12.2023	Accumulated depreciation at 31.12.2023	Net value 31.12.2023
Rental cars	2,483,777	(1,476,601)	1,007,176
Colocation	2,289,055	(806,133)	1,482,921
Property leases	9,194,364	(6,792,242)	2,402,122
Other IT devices	55,141	(22,056)	33,084
Total	**14,022,337**	**(9,097,033)**	**4,925,304**

As mentioned above, right-of-use related to finance lease agreements, which include a purchase option at the end of the lease period and which are recognised in the asset category to which the leased asset refers, specifically within “Other tangible assets”, are detailed below:

Description	31.12.2022	Increases	Decreases	Merger effects	Deprec.	31.12.2023
EDP	6,809,100	706,380	(34,467)	729,925	(2,608,286)	5,602,653
Total	**6,809,100**	**706,380**	**(34,467)**	**729,925**	**(2,608,286)**	**5,602,653**

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historical Cost 31.12.2022	Accumulated depreciation at 31.12.2022	Net value 31.12.2022
EDP	20,304,219	(13,495,119)	6,809,100
Total	**20,304,219**	**(13,495,119)**	**6,809,100**

The net carrying amount at the end of the year is broken down as follows:

Description	Historical Cost 31.12.2023	Accumulated depreciation at 31.12.2023	Net value 31.12.2023
EDP	21,706,057	(16,103,405)	5,602,653
Total	**21,706,057**	**(16,103,405)**	**5,602,653**

Plant & machinery

"Plant and machinery" include the costs for all tangible assets comprising the "core" of the company and in particular the Milan and Castelfranco Veneto Data Centers and all of the relative plant.

Other tangible assets

"Other tangible assets", amounting to Euro 15,899 thousand, principally concern the acquisition of equipment (mainly EDP), partly for the replacement of existing infrastructure, although mainly for new contracts in line with previous years and broken down as follows:

Description	31.12.2022	Increases	Decreases	Reclassifications	Merger effects	Deprec.	31.12.2023
Leasehold improvements	102,827	60,900	0	0	0	(84,851)	78,876
Brand	4,884	10,529	0	0	0	(2,524)	12,890
Industrial equipment	0	16,000	0	0	0	(960)	15,040
Furniture & fittings	356,591	91,956	(1,364)	0	0	(76,233)	370,950
EDP	5,139,687	6,366,666	(2,548)	480,016	667,330	(2,833,436)	9,817,716
Leased EDP	6,809,100	706,380	(34,467)	0	729,925	(2,608,286)	5,602,653
Laboratory equipment	16,864	0	0	0	0	(16,464)	400
Other assets less than 1 million	0	1,969	0	0	0	(1,969)	0
Total	**12,429,953**	**7,254,401**	**(38,380)**	**480,016**	**1,397,256**	**(5,624,721)**	**15,898,525**

The increase of Euro 7,254 thousand principally relates to the leased and owned EDP needed in order to provide services to customers.

Leased EDP, in the amount of Euro 5,603 thousand at December 31, 2023, is attributable to equipment recognised in the manner described in the paragraph on right-of-use assets.

The net carrying amount at the beginning of the year is broken down as follows:

Description	Historical Cost 31.12.2022	Accumulated depreciation at 31.12.2022	Net value 31.12.2022
Leasehold improvements	574,059	(471,232)	102,827
Brand	36,653	(31,769)	4,884
Furniture & fittings	759,204	(402,613)	356,591
EDP	17,055,492	(11,915,805)	5,139,687
Leased EDP	20,304,219	(13,495,119)	6,809,100
Company vehicles	45,749	(45,749)	0
Laboratory equipment	178,055	(161,191)	16,864
Other assets less than 1 million	188,051	(188,051)	0
Total	**39,141,481**	**(26,711,529)**	**12,429,953**

The net carrying amount at the end of the year is broken down as follows:

Description	Historical Cost 31.12.2023	Accumulated depreciation at 31.12.2023	Net value 31.12.2023
Leasehold improvements	634,959	(556,083)	78,876
Brand	47,182	(34,292)	12,890
Furniture & fittings	849,795	(478,846)	370,950
EDP	24,566,957	(14,749,240)	9,817,716
Leased EDP	21,706,057	(16,103,405)	5,602,653
Company vehicles	45,749	(45,749)	0
Laboratory equipment	178,055	(177,655)	400
Other assets less than 1 million	190,021	(190,021)	0
Total	**48,234,775**	**(32,336,250)**	**15,898,525**

3. EQUITY INVESTMENTS

The company held the following direct investments at the end of 2023:

- WIIT Swiss SA with headquarters in Dottikon (CH), incorporated in July 2016;
- myLoc Managed IT AG, with headquarters in Düsseldorf (DE), fully acquired in September 2020;
- Gecko Gesellschaft für Computer und Kommunikationssysteme mbH, with headquarters in Munich (DE), fully acquired in November 2021;
- Boreus Rechenzentrum GmbH, with headquarters in Rostock (DE), fully acquired in November 2021;
- WIIT AG, with registered office in Düsseldorf (DE), incorporated in October 2021;
- Conai Consortium, acquired following the merger of Etaeria S.p.A. in August 2022.

In FY2023, Erptech S.p.A., which was fully acquired in April 2022, was merged by incorporation. In addition, it should be noted that the increase in the shareholding of myLoc by Euro 233,102 and the respective increase in the shareholding of both Gecko and Boreus by Euro 11,168 are due to the effect of IFRS2 regarding the valuation of stock options.

Name	31.12.2023	31.12.2022
Wiit Swiss SA	22,698	22,698
Erptech S.p.A.	0	2,863,262
myLoc Managed IT AG	51,673,367	51,440,266
Gecko Gesellschaft für Computer und Kommunikationssysteme mbH	18,367,443	18,356,274
Boreus Rechenzentrum GmbH	61,625,436	61,614,268
WIIT AG	60,000	60,000
CONAI consortium	6	6
Total	**131,748,950**	**134,356,774**

Subsidiary companies:

Name	City	S.C.	Shareholders' equity (including current profit)	Profit/(loss)	% Held	Value	Changes Carrying amount and S.E.
Wiit Swiss SA	Dottikon (CH)	92,022	26,935	5,654	100%	22,698	4,237
myLoc Managed IT AG	Düsseldorf (DE)	3,000,000	11,431,684	1,396,409	100%	51,673,367	(40,241,683)
Gecko mbH	Munich (DE)	51,200	7,292,469	2,355,890	100%	18,367,443	(11,074,974)
Boreus Rechenzentrum GmbH	Rostock (DE)	25,000	10,541,346	2,562,539	100%	61,625,436	(51,084,090)
WIIT AG	Düsseldorf (DE)	50,000	272,494	206,742	100%	60,000	212,494

The shareholders' equity and the net profit are from the last approved financial statements approved or the situations drawn up for consolidation purposes for the year-end of 31.12.2023.

Impairment test

In accordance with IAS 36, the Company carried out the analysis to test the presence of indicators of impairment and/or loss of value. To this end, it has in particular tested the recoverability of the book value of equity investments to ensure that the book value is not higher than the recoverable value.

In view of the fact that the book value of the equity investments is higher than the value of the related share of shareholders' equity in relation to the higher price paid during the acquisition, the Company has tested the book value of the equity investments in the subsidiaries myloc Managed IT AG, Boreus Rechenzentrum GmbH, and Gecko Gesellschaft für Computer und Kommunikationssysteme mbH.

For completeness, it should be noted that impairment tests were also carried out on the equity investments that the Company indirectly controls, i.e. Lansol GmbH and Global Access Internet Gmbh, in order to verify their respective carrying amounts. This verification confirmed recoverable values higher than the relative carrying amounts of the investments recognised to the financial statements of myLoc managed IT AG.

The method of verifying recoverable value, as expressed in IAS 36, is based on the discounting of expected future cash flows from investments together with the calculation of the respective Terminal Value (the so-called DCF - Discounted Cash Flow - Equity side method).

In determining the recoverable value, identified in the value in use as the sum of the discounted cash flows generated in the future and on an ongoing basis net of the subsidiary's net financial position and included in the surplus assets, Management has made reference to the 2024-2026 plans of these subsidiaries drawn up by local management in collaboration with the Company's Management, approved by the Board of Directors on February 27, 2024. The estimated terminal value has been added to these discounted cash flows, which includes the long-term growth rate (g-rate) of 2.0% (*IMF, 2028 forecast Italian and German inflation rate*).

More specifically, in order to determine the recoverable value of the investments tested, cash flows were discounted using a discount rate (WACC) that takes into account the specific risks of the investment and reflects current market assessments of the cost of money.

myLoc managed IT AG

With regards to myLoc managed IT AG, an average cost of capital (WACC) was calculated of 9.6%, in consideration of the equity and financial structure, the degree of risk concerning the subsidiary and the specific German market risk which differs from the Italian subsidiaries. The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Financial structure of the Company with a D/E of 19.7% - estimated based on a sample of comparable companies (CIQ);
- unlevered beta for the sector: 1.0 – estimated based on a sample of comparable companies (CIQ);
- Risk-free rate: 2.5% – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds of 2.47%;
- Market Risk Premium: 5.5% – as per mature equity markets, in line with the latest professional practice;
- Risk premium (small size premium): 2.0% (Micro cap, Kroll);
- cost of debt: 2.9% determined based on the debt ratio of a panel of identified comparable companies.

With regard to the investment in myLoc, it is underscored that the plan includes investment particularly in Data Centers over an explicit three-year period. These are expected to generate benefits well beyond this explicit period of the plan used for the purpose of impairment testing. These investments will be of strategic importance to the entire German market. However, it should be noted that the plan was defined in relation to the individual subsidiaries and, therefore, also to myLoc, considering solely the business generated by the other German companies with external customers without taking account of the expected process of business aggregation/simplification in Germany in the foreseeable future, which, as mentioned, will call for the concentration of investment in data centres mainly at myLoc, but which will also be used to the benefit of other German companies.

Therefore, as concerns the investment in myLoc, impairment testing has been particularly prudent given that, at the end of the explicit period of three years, the expected growth rate used to calculate perpetual terminal value is 2% and does not represent the growth potential tied to the significant investment planned over the explicit period. This factor presents potentially significant upside above the current coverage rates to emerge from impairment testing, which nonetheless confirm the full recoverability of the value of the investment.

Boreus Rechenzentrum GmbH

With regards to Boreus Rechenzentrum GmbH, an average cost of capital (WACC) was calculated of 9.56%, in consideration of the equity and financial structure, the degree of risk concerning the subsidiary and the specific German market risk which differs from the other subsidiaries. The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Financial structure of the Company with a D/E of 3.4% - estimated based on a sample of comparable companies (CIQ);- beta unlevered: 1.0 – estimated based on a sample of comparable companies (CIQ);
- risk-free rate: 2.5% – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds of 2.47%;
- Market Risk Premium: 5.5% – as per mature equity markets, in line with the latest professional practice;
- Risk premium (small size premium): 1.99% (Micro cap, Kroll, in line with myLoc)

- cost of debt: 2.9% determined based on the debt ratio of a panel of identified comparable companies.

Gecko Gesellschaft für Computer und Kommunikationssysteme mbH

With regards to Gecko Gesellschaft für Computer und Kommunikationssysteme mbH, an average cost of capital (WACC) was calculated of 10.1%, in consideration of the equity and financial structure, the degree of risk concerning the subsidiary and the specific German market risk which differs from the other subsidiaries. The values used in calculating the average cost of capital (extrapolated from the main financial sources) are as follows:

- Financial structure of the Company with a D/E of 5.6% - estimated based on a panel of comparable companies (CIQ);
- unlevered beta for the sector: 0.9 – estimated based on a sample of comparable companies (CIQ);
- risk-free rate: 2.5% – determined based on the average gross yield (for the 12 months prior to December 31, 2023) of German ten-year government bonds of 2.47%;
- Market Risk Premium: 5.5% – as per mature equity markets, in line with the latest professional practice post-pandemic;
- Risk premium (small size premium): 2.9% (Micro cap, Kroll);
- cost of debt: 1.4% (estimated on the average of a sample of comparable companies, in the post-tax configuration with German tax rate at 30%).

The impairment test carried out did not reveal any impairment losses with regard to the investments indicated above.

Sensitivity and variations in assumptions

With further support from an independent expert the Directors also carried out a sensitivity test to calculate the potential effects of changes in the relevant hypotheses. The results of these analyses are reported below.

With reference to the investment in IT AG:

- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 2% and all the plan assumptions unchanged) of 20.72%;
- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 9.6% and all plan assumptions unchanged) of -13.41%;
- impairment reaches a break-even level using a change in EBITDA, considering the explicit period and terminal value of the plan from 2024 to 2026 (keeping WACC at 9.6%, g-rate at 2.0%, and all other assumptions unchanged) of -36.64%.

With regard to the investment in Boreus Rechenzentrum GmbH:

- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 2% and all the plan assumptions unchanged) of 10.09%;
- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 9.56% and all plan assumptions unchanged) of 1.37%;
- impairment reaches a break-even level using a change in EBITDA, considering the explicit period and terminal value of the plan from 2024 to 2026 (keeping WACC at 9.56%, g-rate at 2.0%, and all other assumptions unchanged) of -6.17%.

With reference to the investment in Gecko Gesellschaft für Computer und Kommunikationssysteme mbH:
- the impairment test reaches a break-even level using a WACC (maintaining the g-rate at 2% and all the plan assumptions unchanged) of 27.06%;
- the impairment test reaches a break-even level using a g-rate (maintaining WACC at 10.1% and all plan assumptions unchanged) of -38.48%;
- impairment reaches a break-even level using a change in EBITDA, considering the explicit period and terminal value of the plan from 2024 to 2026 (keeping WACC at 10.1%, g-rate at 2.0%, and all other assumptions unchanged) of -58.17%.

Despite the great uncertainty and the fears surrounding the social and economic repercussions of the Russia-Ukraine and Middle Eastern conflicts, thanks to a business model based on long-term contracts and recurring revenues, the Directors believe that the Company will be able to mitigate these risk factors, which have, in any event, been taking into account, as described above, when conducting the impairment testing for the various CGUs.
With regard to the risks related to "climate change", the Directors considered the potential instability of energy prices to be moderate in terms of its impact on the impairment test, also in view of the fact that contracts to fix the price of electricity were signed in Germany in 2022. In addition, the Company is working increasingly in the direction of reducing consumption overall, including the use of all-flash units and adopting compression and data deduplication that allow for a more efficient use of resources, thereby lowering energy consumption. This is done in order to access advanced technological resources in a flexible, scalable manner, thereby reducing the environmental impact of operations by adopting sustainable practices, such as remote work and paperless processes.

There are no restrictions on availability placed by the holding company on investees, nor options rights or other liens if not in favour of the investing company.

4. NON-CURRENT CONTRACT ASSETS AND OTHER NON-CURRENT FINANCIAL ASSETS

Description	31.12.2023	31.12.2022	Change
Non-current contract assets	24,356	65,508	(41,152)
Other non-current financial assets	20,285,626	12,530,140	7,755,486
Total	**20,309,982**	**12,595,649**	**7,714,333**

Non-current contract assets, for Euro 24 thousand, refer to costs incurred for up-front fees for the set-up of the service that with effect from 2019 are managed within periodic fees and arise from the application of IFRS 15.
Other non-current financial assets mainly refer to three interest-bearing loans at market rates, of Euro 3.2 million, Euro 9.0 million and Euro 7.5 million, that the Company granted to the subsidiary myLoc managed IT AG, respectively in June 2021, in September 2022 and in January 2023 and, for the remaining part, guarantee deposits for various utilities.

5. TRADE RECEIVABLES

The account consists of:

Description	31.12.2023	31.12.2022	Change
Trade receivables	18,352,583	16,530,690	1,821,893
Doubtful debt provision	(2,818,654)	(966,257)	(1,852,397)
Total	**15,533,929**	**15,564,433**	**(30,504)**

It should be noted that the merger of ERPTech S.p.A. had no significant impact on trade receivables, although the contribution at the merger date was Euro 4,337 thousand. The increase in the Doubtful debt provision of Euro 1,852 thousand is mainly attributable to the contribution of Erptech for Euro 1,702 thousand.
The breakdown of receivables by due date is outlined below:

	31.12.2023	Overdue 1-30	Overdue 31-60	Overdue 61-90	Beyond 90	Not overdue
Trade receivables	18,352,583	266,079	545,477	321,563	4,018,948	13,200,516
Doubtful debt provision	(2,818,654)	0	0	0	(2,818,654)	0
Total	**15,533,929**	**266,079**	**545,477**	**321,563**	**1,200,294**	**13,200,516**

No transactions with the obligation to return goods exist (Article 2427, paragraph 1, No. 6-*ter* of the Civil Code).

The changes in the doubtful debt provision in the year ended December 31, 2023 were as follows:

Balance at 31.12.2022	**(966,257)**
Utilisation in the year	0
Provisions in the year	(150,000)
Merger effects	(1,702,397)
Balance at 31.12.2023	**(2,818,654)**

The provision includes the accrual in previous years as per IFRS 9 for Euro 59,143. For this provision, the rates taken as reference are those related to country risk and sector risk.

In 2023, as a result of the merger by incorporation of Erptech S.p.A., Euro 1.7 million was aggregated to the doubtful debt provision, which had previously been recognised under the Erptech S.p.A. items. For 2023, although the application of IFRS 9 with rates related to country risk and industry risk did not result in a substantial accrual, the Company however decided to prudently increase the provision by Euro 150,000 on specific positions. Finally, it is noted that there were no utilisations during the year.

Receivables by region are broken down as follows:

Country	31.12.2023	31.12.2022	Change
Italy	18,069,684	16,337,672	1,732,012
EU countries	277,304	145,569	131,735
Non-EU countries	5,594	47,449	(41,855)
Doubtful debt provision	(2,818,654)	(966,257)	(1,852,397)
Total	**15,533,929**	**15,564,433**	**(30,504)**

6. TRADE RECEIVABLES FROM GROUP COMPANIES

"Trade receivables from group companies" due within 12 months amount to Euro 169,841 and mainly concern normal commercial transactions during the year with the subsidiaries. See Note 34 for further details.

7. CURRENT FINANCIAL ASSETS AND OTHER RECEIVABLES AND OTHER CURRENT ASSETS

Description	31.12.2023	31.12.2022	Change
Prepayments	1,912,569	1,888,981	23,588
Current financial assets	12,355,997	298,775	12,057,222
Tax receivables	3,674,082	2,955,974	718,108
Other receivables	922,784	1,022,483	(99,699)
Total	**18,865,431**	**6,166,213**	**12,699,218**

Prepayments in the amount of Euro 1,913 thousand include Euro 1,903 thousand in costs billed by vendors in 2023 for the provision of services related to 2024. The remainder refers to costs incurred for up-front fees for the set-up of services that with effect from 2019 are managed within periodic fees and arise from the application of IFRS 15.

At December 31, 2023, current financial assets consisted mainly of investments in Italian government bonds amounting to Euro 10.9 million, and Euro 1.4 million for the cash pooling receivable from the subsidiary myLoc managed IT AG.
Tax receivables mainly include the receivable from the parent company WIIT FIN Srl for the tax consolidation for Euro 1.6 million and the receivable for withholdings on foreign securities of Euro 1.9 million related to dividends distributed by the German subsidiaries Boreus and Gecko.

Other receivables mainly refer to advances to suppliers and the employee expense fund.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of Euro 5,906,036 at December 31, 2023 exclusively comprise current account balances.

9. SHAREHOLDERS' EQUITY

The share capital of Euro 2,802,066 comprises 28,020,660 shares without nominal value. The share capital did not change on the previous year.

At December 31, 2023, the shares in circulation numbered 28,020,660.

At December 31, 2023, Wiit S.p.A. holds 1,921,207 treasury shares (6.86% of the share capital), recorded to the financial statements for a total amount of Euro 30,566,917. In compliance with International Financial Reporting Standards (IFRS), this amount was recognised as a reduction of shareholders' equity.
The share capital of the company is comprised as follows (Article 2427, first paragraph, Nos. 17 and 18 of the Civil Code).

Shares	Number
Ordinary	28,020,660

The Shareholders' Equity accounts are divided by origin, the possibility of utilisation, distribution and any utilisation in the previous three years (Article 2427, first paragraph, No. 7 bis of the Civil Code)

Earnings per share

The basic earnings per share is calculated by dividing the profit/loss attributable to the shareholders of the Company by the average weighted number of ordinary shares outstanding during the period. Share results and information are shown below for the calculation of basic losses per share.

EARNINGS PER SHARE	2023	2022
Net profit for the period	6,363,140	6,011,746
Average number of ordinary shares in circulation, excluding treasury shares	26,263,194	26,577,454
Basic earnings per share (Euro per share)	0.2423	0.2262
Average number of ordinary shares in circulation, excluding treasury shares for only the portion not allocated to RSU programmes and stock options	26,584,869	27,072,760
Diluted earnings per share (Euro per share)	0.2394	0.2221

The non-distributable reserves are correlated to the adoption of IFRS 16, together with IFRS 15 and IFRS 9, applying the mixed retrospective method, which had a negative impact on shareholders' equity at January 1, 2018 respectively of Euro 1,269,295 (IFRS 15) and Euro 11,955 (IFRS 9) and positive for Euro 43,979 (IFRS 16).

The table below shows the distributability of Wiit S.p.A.'s reserves:

Description	Amount	Poss. of utilisation (*)	Quota distributable (**)	Util. in 3 prev. years to cover losses	Util. in 3 prev. years for other reasons
Share capital	2,802,066				
Capital reserve					
Share premium reserve	44,598,704	A,B,C	44,598,704		
Profit reserves:					
Legal reserve	560,413	B	560,413		
Other reserves:					
Listing reserve	(1,790,595)				
Treasury share reserve (net of utilisation reserve)	(25,686,535)				
Performance shares reserve	939,278	A,B,C	939,278		
First-time adoption reserve IFRS 16, 9, 15	(1,237,271)				
Extraordinary reserve	55,128	A,B,C	55,128		
Incentive Plans Reserve	3,161,784				
First-time adoption	(101,168)				
Merger reserve	(854,279)				
Actuarial gains/losses	(44,773)				
Retained earnings	2,890,602	A,B,C	2,890,602		
Total	**25,293,355**		**49,044,126**		
Non-distributable amount			*560,413*		
Residual amount distributable			*48,483,712*		

(*) Key:

A: for share capital increase

B: for the coverage of losses

C: Distribution to shareholders

D: for other statutory constraints

(**) Net of any negative reserve for treasury shares in portfolio and other negative reserves

In 2023, dividends were distributed and paid, as per Shareholders' Meeting resolution of May 4, 2023, for a total of Euro 7,818,114 during the year.

Treasury shares

The Shareholders' Meeting of May 4, 2023 revoked, for the part not executed, the authorisation for the purchase and utilisation of ordinary treasury shares approved by the Shareholders' Meeting of April 21, 2022.
Pursuant to Article 2357 and subsequent of the Civil Code and for a period of 18 months from the effective date of the authorisation, the Meeting also authorised the acquisition of a maximum of 2,802,066 ordinary WIIT S.p.A. shares without par value, in one or more tranches and at any time and in compliance with applicable laws and regulations, including at EU level. This decision was made to allow the Company to hold a stock of treasury shares to be used as consideration for any corporate transactions and/or other uses of financial-operating and/or strategic interest for the company, also for exchanges of investments with others to support operations in the company's interest, and to service any financial instrument-based remuneration plans that the Company might adopt.
At December 31, 2023, Wiit S.p.A. holds 1,921,207 treasury shares (6.86% of the share capital), recorded to the financial statements for a total amount of Euro 30,566,917.
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 December 31, 2023, was Euro 37,463,537.

Share-based payments: Restricted stock units (RSU's) and stock options incentive plans

The Shareholders' Meeting of May 5, 2021 of WIIT S.p.A., meeting in ordinary session, approved the adoption of the "*2021-2025 RSU Plan*" and the "*2021-2026 Stock Option Plan*". The pillars of the 2 plans are to incentivise beneficiaries to achieve the WIIT Group's operating performance objectives, to align their interests with the interests of shareholders in the creation of value in the medium/long term, and to retain key staff of the WIIT Group, providing incentives for them to remain with the Company.

2021-2024 "RSU" PLAN

The 2021-2024 RSU Plan is addressed to employees of the WIIT Group and based on the achievement of corporate objectives in order to incentivise them to add value to the WIIT Group in the medium/long-term and to function as a tool to generate loyalty. The Plan provides for the grant of a maximum of 80,000 RSUs, valid for the allocation of a maximum of 80,000 shares. The award of RSU's to Beneficiaries may take place over four award cycles during the financial years 2021, 2022, 2023 and 2024. RSU's may also be assigned on different dates to each of the Beneficiaries, provided that they are assigned respectively by December 31, 2021 for the first cycle, by December 31, 2022 for the second cycle, by December 31, 2023 for the third cycle and by December 31, 2024 for the fourth cycle.
RSU's are freely assigned. Beneficiaries will therefore not be required to pay any consideration to the Company for the assignment. If matured according to the terms and conditions set out in the Plan and in the Regulation, each RSU assigned shall entitle the holder to the free assignment of one share. The assignment of shares is also conditional on and commensurate with the achievement of performance objectives based on the Consolidated Adjusted EBITDA set out in the WIIT Group's 2021-2024 Strategic Plan. Once granted, they will not be subject to lock-up periods.

In January 2022, the Board of Directors identified a number of beneficiaries from among the employees of the Parent and the subsidiaries of the RSU plan, assigning an additional 6,050 RSUs, corresponding to 6,050 shares.

Grant date	Assignment date	No. of Options Granted at 31.12.2022	No. of Options Granted 2023	Shares cancelled 2023	No. of Options Granted at 31.12.2023	Vesting period	Exercise Period	Shares exercised	Shares not exercised	Fair value
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2021	01.01.2025	-	-	21.56
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2022	01.01.2025	-	-	21.56
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2023	01.01.2025	-	-	21.56
14.06.2021	14.06.2021	13,075	-	575	12,500	31.12.2024	01.01.2025	-	-	21.56
14.06.2021	28.01.2022	2,983	-	-	2,983	31.12.2022	01.01.2025	-	-	21.56
14.06.2021	28.01.2022	2,984	-	-	2,984	31.12.2023	01.01.2025	-	-	21.56
14.06.2021	28.01.2022	2,984	-	-	2,984	31.12.2024	01.01.2025	-	-	21.56
Total		**61,250**	**-**	**2,300**	**58,950**			**-**	**-**	

The delivery of the shares will take place within 10 days following approval of the consolidated financial statements for the year ended December 31, 2024 by the Board of Directors.

The grant date has been set as June 14, 2021, which is the date on which most of the participation letters were submitted, as this is the moment in which both parties are informed of the plan regulation.

In order to determine their fair value, the RSU's are considered call options with a strike price of zero and with a weighted average share value at the end of the plan of Euro 21.56 (as compared to a value of Euro 17.62 at the grant date), calculated by way of a Monte Carlo simulation with 5,000 iterations and repeated at the end of each year.

The fair value was calculated considering:

1. Working days in the period between the grant date (identified as 14.06.2021) and 31.12.2024;
2. Average risk free rate for Italy, as estimated by Fernandez (2021), of 1%;
3. Annualised standard deviation of LTM daily returns (June 14, 2021) of 39.30%.
4. Equity risk premium of 4.69% obtained as $beta\ equity * MRP$ the equity beta (0.781) is calculated using the unlevered beta of the EU Internet software industry (source: Damodaran). The Market Risk Premium of 6% is based on the estimates of Fernandez (2021)
5. Continuous dividend yield, calculated each year, i.e. 0.0187 at December 31, 2021, 0.0107 at December 31, 2022, 0.0077 at December 31, 2023, and 0.0035 at December 31, 2024.

The fair value calculated as described above applied to a number of granted shares that was adjusted to take account of expected turnover (of 10%) and assuming a probability of reaching the EBITDA target each year of 100%. The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.

At December 31, 2023, personnel costs and recognition of the related equity reserve (hereinafter the "stock grant reserve") was Euro 694,702 and concerned the period from the grant date of June 14, 2021 to December 31, 2023.

The Shareholders' Meeting of May 4, 2023 of WIIT S.p.A., meeting in ordinary session, approved the adoption of the "*2023-2027 RSU Plan*". The objective of the Plan is to incentivise Beneficiaries to achieve the WIIT Group's operating performance objectives, to align their interests with the interests of shareholders in the creation of value in the medium/long term, and to retain key staff of the WIIT Group, providing incentives for them to remain with the Company.

2023-2027 "RSU" PLAN

The 2023-2027 RSU Plan is addressed to employees of the WIIT Group and based on the achievement of corporate objectives in order to incentivise them to add value to the WIIT Group in the medium/long-term and to function as a tool to generate loyalty. The Plan provides for the grant of a maximum of 100,000 RSUs, valid for the allocation of a maximum of 100,000 shares. The grant of RSUs to Beneficiaries may take place over four award cycles during the financial years 2023, 2024, 2025 and 2026. RSU's may also be assigned on different dates to each of the Beneficiaries, provided that they are assigned respectively by December 31, 2023 for the first cycle, by December 31, 2024 for the second cycle, by December 31, 2025 for the third cycle and by December 31, 2026 for the fourth cycle.

RSU's are freely assigned. Beneficiaries will therefore not be required to pay any consideration to the Company for the assignment. If matured according to the terms and conditions set out in the Plan and in the Regulation, each RSU assigned shall entitle the holder to the free assignment of one share. The assignment of shares is also conditional on and commensurate with the achievement of performance objectives based on the Consolidated Adjusted EBITDA set out in the WIIT Group's 2023-2025 Strategic Plan. Once granted, they will not be subject to lock-up periods.

In May 2023, the Board of Directors identified a number of beneficiaries from among the employees of the Parent Company and the subsidiaries of the RSU plan, assigning 15,550 RSUs, corresponding to 15,550 shares.

Grant date	Assignment date	No. of Options Granted 2023	Shares cancelled 2023	No. of Options Granted at 31.12.2023	Vesting period	Exercise Period	Shares exercised	Shares not exercised	Fair value
11.05.2023	19.05.2023	15,550	(500)	16,050	31.12.2023	01.01.2027	-	-	18.09
11.05.2023	02.08.2023	1,000	-	1,000	31.12.2023	01.01.2027			18.09
Total		**16,550**	**(500)**	**17,050**			**-**	**-**	

The delivery of the shares will take place within 10 days following approval of the consolidated financial statements for the year ended December 31, 2026 by the Board of Directors.
The grant date has been set as May 19, 2023, which is the date on which most of the participation letters were submitted, as this is the moment in which both parties are informed of the plan regulation.
In order to determine their fair value, the RSU's are considered call options with a strike price of zero and with a weighted average share value at the end of the plan of Euro 18.09 (as compared to a value of Euro 19.24 at the grant date), calculated by way of a Monte Carlo simulation with 5,000 iterations and repeated at the end of each year.
The fair value was calculated taking into account the binominal method; the valuation of derivative financial instruments and, in particular, the valuation of options often requires the use of numerical approximation techniques; among the numerical approximation algorithms, the simplest approach is binomial tree or binomial model techniques. The key feature of the binomial model is to restrict the prices for the asset underlying the option to a discrete set of values based on a binomial distribution. The advantage therefore of this methodology is the use of mathematical tools that are elementary but in many applications provide results that are sufficiently accurate. In more detail, the binomial distribution sufficiently defines the possible path of the financial asset underlying an option and allows the price of an option to be determined at a point in time. It can then be assumed to divide the interval between the valuation date and the expiration of the option into an appropriately large number "*n*" of subperiods of equal magnitude. In each subperiod, the end-period price is obtained by multiplying the corresponding beginning-period price by either the *growth factor "u"* or the *decrease* factor "*d*". This procedure results in a binomial tree that describes the price trend of the asset underlying the option on an individual basis.

The value of the underlying was calculated for each of the 250 periods into which the remaining duration of the plan was divided, and on the basis of which the branches of the binomial tree were identified, according to the model's probability developments. After identifying the possible values of the underlying asset in the various periods, we proceeded by backward deduction to calculate the value of the RSU, starting from its max value (S_n-K;0) on the exercise date. The value of the option thus identified is Euro 18.09.

The fair value calculated as described above applied to a number of granted shares that was adjusted to take account of expected turnover (of 8%) and assuming a probability of reaching the EBITDA target each year of 100%.
The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.
At December 31, 2023, personnel costs and the recognition of the related equity reserve (hereinafter the "stock grant reserve") was Euro 43,244 and concerned the period from the grant date of May 19, 2023 to December 31, 2023.

STOCK OPTION PLANS

The "*2021-2026 Stock Option Plan*" is addressed to Executive Directors and Senior Executives of the group and the parent company, and may be extended to those assuming the role of Executive Director or Senior Executive during the duration of the Plan. It provides for the free allocation of Options giving the Beneficiary the right to receive the Shares in the Parent Company's portfolio to which he/she is entitled following the exercise of the Options, at a ratio of 1 Share for every 1 Option exercised. The Plan purpose is the assignment of a maximum of 1,000,000 Options, valid for the assignment of a maximum of 1,000,000 Treasury Shares of the Parent Company. The strike price of each Option (which entitles the holder to purchase 1 share for each Option exercised) is equal to Euro 18.

The duration of the Plan is until July 1, 2027, and the Options may be exercised by the beneficiaries, as indicated by the Parent Company in the participation letter, in whole or in part for a maximum number equal to 50% of the total Options granted to each beneficiary as of January 1, 2024 or July 1, 2024; and for 100% of the total Options granted to each beneficiary as of, alternately, January 1, 2026 or July 1, 2026. The allocation of shares is also conditional on and commensurate with the achievement of the performance objectives.

In May 2021, the Board of Directors of WIIT identified the beneficiaries of the plan and granted 775,000 options.

Grant date	No. of options granted	Vesting period	Exercise Period	Options exercised	Options cancelled	Options not exercised	Strike price	Fair value
14.06.2021	100,000	From 14.06.2021 to 31.12.2023	From 01.01.2024 to 01.01.2027	-	-	-	18.00	3.77
14.06.2021	287,500	From 14.06.2021 to 30.06.2024	From 01.07.2024 to 01.01.2027	-	-	-	18.00	4.13
14.06.2021	100,000	From 14.06.2021 to 31.12.2025	From 01.01.2026 to 01.01.2027	-	-	-	18.00	5.01
14.06.2021	287,500	From 14.06.2021 to 30.06.2026	From 01.07.2026 to 01.01.2027	-	-	-	18.00	5.24
Total	**775,000**			**-**	**-**	**-**		

The grant date is the date of the participation letters, as this is the moment in which both parties are informed of the plan regulation.

For the purposes of measuring fair value, an incremental value was assumed for the strike price for the exercise of the options of Euro 3.77 - 4.13 - 5.01 - 5.24 at the respective vesting dates of 01.01.24 - 01.07.24 - 01.01.26 - 01.07.26, which was calculated using the Black-Scholes model and corresponds to share values of 21.77 – 22.13 – 23.01 – 23.24, as compared to a value of Euro 17.62 at the grant date. Average risk free rate for Italy, as estimated by Fernandez (2021), of 1%;

To account for volatility over a time period consistent with that of the plan, the annualised standard deviation of returns were calculated over the period July 10, 2018 to June 14, 2021. The earliest useful date considered is July 10, 2018 since the stock price was constant prior to that date. The dividend yield is calculated as the 2020 dividend per share (0.105) on the stock price at the assignment date of June 14, 2021.

The fair value calculated as described above applied to a total number of options granted prudently estimating that at the conclusion date of the plan nine of the nine beneficiaries (100%) will still be in service.

The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.

On April 21, 2022, the Shareholders' Meeting of WIIT S.p.A., meeting in ordinary session, approved the adoption of the incentive plan known as the "*2022-2027 Stock Option Plan*". The pillars of the Plan are to incentivise Beneficiaries to achieve the WIIT Group's operating performance objectives, to align their interests with the interests of shareholders in the creation of value in the medium/long term, and to retain key staff of the WIIT Group, providing incentives for them to remain with the Company.

The "*2022-2027 Stock Option Plan*" is addressed to Executive Directors and Senior Executives of the group and the parent company, and may be extended to those assuming the role of Executive Director or Senior Executive during the duration of the Plan. It provides for the free allocation of Options giving the Beneficiary the right to receive the Shares in the Parent Company's portfolio to which he/she is entitled following the exercise of the Options, at a ratio of 1 Share for every 1 Option exercised. The Plan purpose is the assignment of a maximum of 250,000 Options, valid for the assignment of a maximum of 250,000 Treasury Shares of the Parent Company. The strike price of each Option (which entitles the holder to purchase 1 share for each Option exercised) is equal to Euro 40.

The duration of the Plan is until July 1, 2028, and the Options may be exercised by the beneficiaries, as indicated by the Parent Company in the participation letter, in whole or in part for a maximum number equal to 100% of the total Options granted to each beneficiary as of, alternately, from July 1, 2028.

In September 2022, the Board of Directors of WIIT identified the beneficiaries of the plan and granted 152,000 options.

Grant date	No. of options granted	Vesting period	Exercise Period	Options exercised	Options cancelled	Options not exercised	Strike price	Fair value
23.09.2022	152,000	From 23.09.2022 to 31.12.2027	At 01.07.2028	-	-	-	40	1.29
Total	**152,000**			**-**	**-**	**-**		

The grant date is the date of the participation letters, as this is the moment in which both parties are informed of the plan regulation.

For the purposes of measuring fair value, an incremental value was assumed for the strike price (Euro 40) for the exercise of the options of Euro 1.29 on maturity at 01.07.28 which corresponds to a share value of 41.29 at the maturity date as compared to a value of Euro 14.31 at the grant date. Average risk free rate for Italy equal to 2.18%;

The fair value calculated as described above applied to a total number of options granted prudently estimating that at the conclusion date of the plan 4 of the 4 beneficiaries (100%) will still be in service.

The cost will be calculated at the end of each quarter, for the purposes of the periodic reports published on the market.

At December 31, 2023, the portion of the reserve for incentive plans related to stock options was Euro 2,423.838.

The plans were evaluated with support from an independent expert.

Both plans make use of the treasury shares of Wiit S.p.A..

10. PAYABLES TO OTHER LENDERS

The current and non-current portions of liabilities from other lenders at December 31, 2023, are shown below:

Description	31.12.2023	31.12.2022	Change
Current lease payables	4,088,356	4,159,239	(70,883)
Non-current lease payables	6,166,636	6,677,365	(477,808)
Total	**10,254,992**	**10,836,604**	**(548,691)**

Lease payables include the principal amounts of future leasing charges measured according to the finance method, in addition to property and motor vehicle and colocation lease contract payables relating to the above Standard. Both current and non-current payables concern the leasing of EDP used by the Company in operations. These lease agreements call for purchasing the equipment at the end of the lease period.

11. FINANCIAL INDEBTEDNESS RELATED TO BOND FACILITIES

The current and non-current portions of financial indebtedness related to bond facilities at December 31, 2023 are shown below:

Description	31.12.2023	31.12.2022	Change
Current financial indebtedness related to Bond facilities	7,897,960	903,324	6,994,636
Non-current financial indebtedness related to Bond facilities	157,442,669	168,513,170	(11,070,501)
Total	**165,340,629**	**169,416,494**	**(4,075,865)**

On December 29, 2022, bonds were issued related to a non-convertible, unsubordinated and unsecured issuance with a total nominal value of Euro 20,000,000, which accrue interest at a variable annual rate equal to the 3-month Euribor rate plus 2.78%, maturing on December 29, 2026. The loan is within the "Basket Bond" category. Repayment is scheduled in quarterly instalments until the maturity date.

The Company also issued another senior, non-convertible, unsubordinated and unsecured bond with a total nominal value of Euro 150,000,000, approved by the Company's Board of Directors on September 7, 2021 and named "Up to €150,000,000 Senior Unsecured Fixed Rate Notes due October 7, 2026". The Bond has a term of five years from the issue date (October 7, 2021), at a fixed interest rate of 2.375% per annum. The Early Redemption Prices will be 101.188% for the period from October 7, 2023 to October 6, 2024 (inclusive) and 100.594% for the period from October 7, 2024 to October 6, 2025 (inclusive) (and 100% for the period from October 7, 2025 to October 6, 2026 (inclusive)). The Bonds are traded on the Regulated Market of the Official List of the Irish Stock Exchange - Euronext Dublin and on the Electronic Bond Market (MOT) organised and managed by Euronext Milan. A bullet repayment is stipulated for the maturity date.

The non-current value of the bond at December 31, 2023, is equal to the nominal value less placement costs.

12. BANK LOANS

The bank loans at 31.12.2023 of Euro 35,464,315 include the payable for loans and indicates the effective payable for capital, interest and accessory charges matured and due. The current portion is Euro 11,264,992, while the long-term portion is Euro 24,199,322.

ISSUING ENTITY	Current	Non-Current	Total	Maturity	Interest Rate
Intesa Sanpaolo S.p.A.	763,586	0	763,586	30.08.2024	Fixed 1.05%
Credem	252,345	63,378	315,723	02.01.2025	Fixed 0.75%
Credem	789,445	957,576	1,747,021	28.02.2026	EUR3M+1.1%
Banco BPM	735,310	1,830,056	2,565,366	30.06.2026	EUR3M+1.2%
Mediocredito Italiano	1,272,686	2,773,789	4,046,475	31.10.2026	EUR6M+1.23%
Monte dei Paschi di Siena	509,240	984,536	1,493,776	30.11.2026	EUR6M+0.594%
Crédit Agricole	1,018,190	2,065,049	3,083,239	05.12.2026	Fixed 1.15%
Intesa Sanpaolo S.p.A.	3,243,468	6,875,000	10,118,468	30.09.2027	EUR3M+1.1%
Sparkasse	2,231,943	7,223,082	9,455,025	31.12.2027	EUR3M+1.6%
Crédit Agricole	448,780	1,426,856	1,875,636	05.01.2028	Fixed 1.5%
Total	**11,264,992**	**24,199,322**	**35,464,314**		

13. OTHER NON-CURRENT FINANCIAL LIABILITIES

Description	31.12.2023	31.12.2022	Change
Other non-current payables to third parties	318,963	1,048,963	(730,000)
Other current payables to third parties	935,676	2,863,995	(1,928,318)
Total	**1,254,639**	**3,912,958**	**(2,658,318)**

A breakdown of other current and non-current financial liabilities is provided below:

Description	Current	Non-Current	Total
Payables for Aedera acquisition	0	318,963	318,963
Payables for acquisitions 20% Matika	500,000	0	500,000
Factoring payables	435,676	0	435,676
Total	**935,676**	**318,963**	**1,254,639**

The payables shown above are all of a determinate nature. The non-current payable for the Aedera earn-out is to be repaid in 2025. The current payable for the acquisition of the 20% interest in Matika is to be repaid in 2024.

14. EMPLOYEE BENEFITS

Description	31.12.2023	31.12.2022	Change
Liabilities at January 1	2,076,058	1,376,506	699,552
Business combinations	142,367	1,161,863	(1,019,496)
Employees transferred	0	0	0
Financial expenses	70,367	(10,605)	80,971
Service cost	313,305	298,513	14,792
Payments made	(188,224)	(445,068)	256,845
Actuarial losses	120,142	(305,150)	425,292
Total	**2,534,014**	**2,076,058**	**457,956**

The valuation of Post-employment benefits is based on the following assumptions:

Financial assumptions

	31.12.2023	31.12.2022
Discount rate	3.00%	3.65%
Inflation	2024: 3.0% 2025: 2.5% 2026 and beyond: 2.5%	2023: 3.0% 2024: 2.5% 2025 and beyond: 2.0%

Demographic assumptions

	31.12.2023	31.12.2022
Mortality rate	ISTAT 2022	ISTAT 2021
Personnel turnover	11% per year all age groups	11% per year all age groups
Advances	1.2% per year	1.2% per year
Pensionable age	Minimum access requirements established by the Monti-Fornero reforms	Minimum access requirements established by the Monti-Fornero reforms

As required by IAS 19 Revised, the results in terms of DBO and service cost of various analyses of the sensitivity to changes in the main parameters of the Company's assessment are presented below:

IAS 19 Revised sensitivity analysis

Discount rate curve sensitivity

Base scenario		+50 basis points		-50 basis points	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,451,467	302,400	2,622,014	325,005

Inflation rate sensitivity

Base scenario		+50 basis points		-50 basis points	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,574,091	317,631	2,495,005	309,094

Salary increase sensitivity

Base scenario		+50 basis points		-50 basis points	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,553,981	317,465	2,514,847	309,320

Probability of termination of employment sensitivity

Base scenario		+50% Prob. Departure		-50% Prob. Departure	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,519,782	310,491	2,539,225	314,906

Post-employment benefit percent advance sensitivity

Base scenario		+50% Advances		-50% Advances	
DBO	Service Cost	DBO	Service Cost	DBO	Service Cost
2,534,014	313,305	2,543,618	314,739	2,524,213	311,842

With regards to specific management personnel, the company Wiit has stipulated a Stay Bonus to incentivise continuance at the company.

The bonus is fixed by individual agreement between the parties and consists of an amount paid in monthly instalments, provided that the beneficiary does not terminate employment with the company before the contractually-identified maturity (2-3 years). Otherwise, or in the event of termination before that date (due to resignation or any other reason beyond the control of the Company), the beneficiary will be required to repay the fees paid to him/her up to that point.

On the basis of the provisions of IAS 19, stay bonuses are included among "Other long-term employee benefits". These are therefore indemnities paid during the course of employment, which must be recognised using actuarial methods.

In terms of the international accounting standards, the valuation was carried out using the actuarial "Projected Unit Credit Method" (articles 67-69 of IAS 19R). As per IAS 19R, no Additional Disclosure is required for "Other long term employee benefits".

Description	31.12.2023	31.12.2022	Change
Liabilities at January 1	500,853	144,022	356,831
Business combinations	0	119,792	(119,792)
Provision in the year	341,944	528,249	(186,305)
Financial expenses	14,078	(2,105)	16,184
Service cost	0	0	0
Payments made	(319,333)	(227,452)	(91,882)
Actuarial losses	(28,984)	(61,653)	32,669

15. PROVISIONS FOR RISKS AND CHARGES

At December 31, 2023, provisions for risks and charges totalled Euro 57,410, Euro 50,000 of which concerned prudent provisions allocated in previous years in relation to labour disputes. The remainder was related to the agents' supplementary indemnity provision.

Balance at 31.12.2022	66,509
Utilisation in the year	(16,509)
Agents' supplementary indemnity provision	7,410
Balance at 31.12.2023	**57,410**

16. DEFERRED TAX LIABILITIES

Description	31.12.2023	31.12.2022	Change
Deferred tax assets	1,634,042	1,342,932	291,110
Deferred tax liabilities	(3,152,364)	(3,726,810)	574,446
Total	**(1,518,322)**	**(2,383,878)**	**865,556**

The nature of the temporary differences which determine the recognition of deferred tax assets and their movements during the year and the previous year are analysed below.

Deferred tax assets in the year	Assessable	Tax
Total deferred tax assets at 31.12.2022		**1,342,932**
Business combinations		229,450
Directors' remuneration	(235,445)	(56,507)
Stay bonus	49,583	11,900
MBO Employees	941,392	225,934
Tax losses	(822,401)	(229,450)
Temporary differences IFRS 16	4,167	1,000
Temporary differences IAS 19 - IS	351,777	98,146
Temporary differences IAS 19 - OCI	91,158	25,433
Temporary differences IFRS 15	(57,541)	(16,054)
Other changes	4,511	1,258
Total deferred tax assets at 31.12.2023		**1,634,042**
Economic effect in the year		**36,228**
Effect other comprehensive income items		**25,433**

The difference between the impact on the statement of financial position and the income statement of deferred tax assets is due to the effect of taxes on the actuarial gain/loss to shareholders' equity.
At December 2023, the company did not recognise deferred tax assets.
Deferred taxes mainly refer to the differences generated between the value identified for the increase in the value of the Asset (Platform) of the Aedera business unit acquired in 2020 and the value recognised for tax purposes.

17. NON-CURRENT CONTRACT LIABILITIES

Contract liabilities concern the obligation to transfer to customers services for which the company has received consideration from the customer, called a "lump sum". This consideration concerns the upfront fees for the set-up of the service. From 2019, these price components are managed in the periodic fees.
At December 31, 2023, non-current contract liabilities totalled Euro 108 thousand, concerning the advance billing to customers for up-front fees for the set-up of the service that with effect from 2019 are managed within periodic fees and arise from the application of IFRS 15.

18. CURRENT INCOME TAX LIABILITIES

Description	31.12.2023	31.12.2022	Change
Treasury withholdings on third-party remuneration	6,331	6,783	(452)
Treasury IRAP payable	0	90,937	(90,937)
Treasury IRPEF payable	365,827	276,651	89,176
VAT payables	0	513,872	(513,872)
Fiscal consolidation payable	0	0	0
Total	**372,158**	**888,244**	**(516,086)**

19. TRADE PAYABLES

The breakdown by region of trade payables is as follows:

Description	31.12.2023	31.12.2022	Change
Italy	11,911,545	8,159,991	3,751,554
EU countries	244,790	258,504	(13,714)
Non-EU countries	43,934	64,079	(20,145)
Total	**12,200,269**	**8,482,574**	**3,717,695**

"Trade payables" are recorded net of trade discounts; however, cash discounts are recorded upon payment.

20. PAYABLES TO GROUP COMPANIES

At December 31, 2023, there were no Payables to Group companies of Euro 57,916, reference should be made to Note 34 for further details on intercompany transactions.

21. CURRENT CONTRACT AND OTHER LIABILITIES

The other current contract liabilities totalled Euro 3,582 thousand, Euro 3,455 thousand of which related to long-term accrued expenses payable beyond 12 months. The remainder concerns the advance billing of up-front fees for the set-up of the service that with effect from 2019 are managed within periodic fees and arise from the application of IFRS 15.

Other current liabilities of Euro 4,073 thousand mainly include amounts payable to employees and directors for remuneration and bonuses for Euro 3,163 thousand, Euro 579 thousand for social security payables and Euro 318 thousand for pension fund payables. At the beginning of 2024, the payables to employees and to social security institutions were settled according to the scheduled payment deadlines.

Main notes to the income statement

22. REVENUES AND OPERATING INCOME

In 2023, sales revenues amounted to Euro 58,273,498, increasing Euro 5,030,605 over 2022 revenues of Euro 53,242,892. The increase in revenues, similarly to costs, is partially due to the merger of Erptech in Q1 2023.

Revenues by type

Description	2023	%	2022	%
Revenues of recurring services	47,394,567	81.33%	40,879,892	76.78%
Non-recurring products and services	10,351,445	17.76%	11,708,112	21.99%
Other revenues and income	527,486	0.91%	654,888	1.23%
Total	**58,273,498**	**100.00%**	**53,242,892**	**100.00%**

"Revenues of recurring services" of Euro 47,395 thousand includes the recurring services, which is the Company's core business. "Non-recurring products and services" includes non-recurring service revenues of Euro 8,072 thousand and Hardware and Software resale revenues of Euro 2,279 thousand (Euro 4,541 thousand in 2022). "Other revenues and income" of Euro 527 thousand includes the income from the sale of a small business unit generating non-core revenues of Euro 118 thousand, and other non-core revenues such as insurance repayments, recharges to employees for fringe benefits and other recharges.

Revenue by geographic area

Description	2023	2022	Change
Italy	56,622,188	52,409,340	4,212,848
EU countries	1,176,563	485,925	690,638
Non-EU countries	474,747	347,627	127,120
Total	**58,273,498**	**53,242,892**	**5,030,606**

For a more detailed consideration of performance in the year, reference should be made to the Directors' Report.

23. PURCHASES AND SERVICES

Description	2023	2022	Change
Purchase of other services from third parties	12,562,715	11,600,354	962,361
Purchase of services associated companies	17,903	79,100	(61,198)
Electricity	903,181	1,258,938	(355,757)
Connectivity	976,500	869,028	107,472
Property management expenses	161,163	188,385	(27,222)
Product acquisition cost	1,559,054	3,373,964	(1,814,910)
Hire (low value and short-term lease)	391,193	387,459	3,735
Directors	2,324,627	2,322,663	1,964
Other	35,530	870,294	(834,764)
Total	**18,931,865**	**20,950,184**	**(2,018,320)**

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"Purchases of other services from third parties" mainly refers to the purchase cost of software maintenance and support, external consulting costs, and marketing costs.

"Product acquisition cost" refers to the purchase of hardware and software (licenses) resold by the Company to third parties.

"Connectivity" refers to data utilities subscribed by the Company for the provision of its mainly cloud services to customers.

24. PERSONNEL COSTS

Description	2023	2022	Change
Salaries and wages	11,274,810	9,356,289	1,918,521
Social security charges	3,564,989	2,391,516	1,173,473
Post-employment benefits	559,042	375,156	183,886
Total	**15,398,841**	**12,122,961**	**3,275,880**

The average number of employees of the Company in 2023 remained unchanged at 222. Research and Development in the year was in line with the previous year in terms of new services offered.

25. AMORTISATION, DEPRECIATION, WRITE-DOWNS AND PROVISIONS

Amortisation and depreciation has been calculated based on the duration of the useful life of the asset or its use in production.

The account includes amortisation and depreciation of Euro 14,374,485 and a doubtful debt provision for Euro 150,000.

26. OTHER OPERATING COSTS AND CHARGES

"Other operating costs" of Euro 371,096 include residual costs, including banking expenses, charitable donations and other taxes and duties.

27. CHANGE IN INVENTORIES

During 2023, there were no changes in inventories. At December 31, 2022, there are no inventories on the balance sheet.

28. WRITE-DOWN OF EQUITY INVESTMENTS

There were no write-downs of equity investments in 2023.

29. FINANCIAL INCOME

Financial income in 2023 totalled Euro 4,706,581, of which Euro 4,000,000 regarding dividends collected from the German subsidiaries Boreus and Gecko in the year.

30. FINANCIAL EXPENSES

Description	2023	2022	Change
Bank interest	1,064,127	189,448	874,679
Interest expenses on bond loans	5,508,280	3,742,219	1,766,060
Interest expenses on leasing	70,390	18,727	51,662
Other financial expenses	595,721	258,133	337,588
Total	**7,238,517**	**4,208,527**	**3,029,990**

The "Bank interest" account mainly included interest on the bank loans disbursed in the year. Interest expenses on bonds includes the interest expense for Euro 4,703 thousand and the amortised cost effect for Euro 805 thousand on the two bonds outstanding at December 31, 2023. Interest expenses on leasing is made up of the finance cost on lease agreements recognised in accordance with IFRS 16.

31. EXCHANGE GAINS AND LOSSES

The Company reports net exchange losses of Euro 1,098 thousand in 2023.

32. INCOME TAXES

Description	2023	2022	Change
Current taxes	908,329	1,362,743	(454,414)
Deferred tax income & charges	(757,292)	(276,849)	(480,443)
Prior year taxes	0	(85,251)	85,251
Total	**151,037**	**1,000,643**	**(849,606)**

Current income taxes in the amount of Euro 908 thousand include a tax consolidation charge of Euro 837 thousand.

There are no unutilised tax losses.

The reconciliation between the tax charge recognised to the financial statements and the theoretical tax charge, based on the theoretical tax rates in force in Italy, is as follows:

Reconciliation of theoretical and actual tax charge	Assessable	Tax
Pre-tax result	**6,514,178**	
Theoretical tax rate Income taxes		**24.00%**
Average theoretical IRAP rate (Italy only, regions: Lombardy; Veneto; Piedmont; Emilia Romangna; Lazio; Tuscany)		
Theoretical tax charge		**1,563,403**
Taxable permanent differences	1,118,529	268,447
Taxable temporary differences	2,268,901	544,536
Deductible permanent differences (dividends, energy credits, hyper-depreciation)	(4,412,010)	(1,058,882)
Deductible temporary differences	(1,686,556)	(404,773)
IRAP deductions from IRES	(202,237)	(48,537)
ACE	(400,486)	(96,117)
Utilisation of fiscal losses	(1,185,494)	(284,518)
Assessable IRES	*2,014,825*	
Current income taxes for the year		483,558
Effective IRES rate		**7.42%**
Assessable IRAP		
Actual current IRAP for the year		424,771
Effective IRES+IRAP rate		**13.9%**

The theoretical taxes were calculated applying the IRES rate (24%) to the pre-tax result. IRAP is not taken into account for reconciliation purposes as, considering it has a tax base which does not refer to the pre-tax profit, it would generate distortive effects.

The difference between the theoretical and actual tax charge is mainly influenced by the dividend component, the taxation of which is limited in accordance with PEX rules.

33. FINANCIAL RISK MANAGEMENT

Net Financial Indebtedness

The company's net financial indebtedness at December 31, 2023 is presented below:

	31.12.2023	31.12.2022
A - Cash and cash equivalents	5,906,036	23,576,352
B - Securities held for trading	0	0
C - Liquidity (A)+(B)	**5,906,036**	**23,576,352**
D - Current financial assets	12,355,997	298,775
E - Current bank loans	(11,264,992)	(4,763,153)
F - Other current financial liabilities	(935,676)	(2,863,995)
G - Payables to other lenders	(4,088,356)	(4,159,238)
H - Current financial indebtedness related to Bond facilities	(7,897,960)	(829,623)
I - Current financial indebtedness (E)+(F)+(G)+(H)	**(11,830,988)**	**(12,317,234)**
J - Net current financial indebtedness (C) + (I)	**(5,924,953)**	**11,259,118**
K - Bank loans	(24,199,322)	(9,965,842)
L - Other financial payables	(6,166,636)	(6,677,366)
M - Non-current financial indebtedness related to Bond facilities	(157,442,669)	(147,922,733)
N - Trade payables and other non-current payables	0	(114,885)
O - Other non-current financial liabilities	(318,963)	(1,048,963)
P - Non-current indebtedness (K)+(L)+(M)+(N)+(O)	**(188,127,590)**	**(165,729,790)**
Q - Net financial indebtedness (J) + (P)	**(194,052,543)**	**(154,470,672)**

The net financial indebtedness 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. The Company has no reverse factoring or supply agreement transactions in place.

Description	31.12.2022	Increases/Divestments in financial investments	New Funding	Repayment of financial liabilities	Payment of deferred fees for business combinations	Increase/(decrease) financial assets	Long-term - short-term reclassifications	Non-monetary flows				31.12.2023
								Right-of-use assets	Accessory financing costs	Share-based payments	Merger effects	
Non-current payables to other lenders	(6,677,366)	-	-	-	-	-	3,822,182	(2,678,428)	-	-	- 633,023.64	(6,166,636)
Non-current financial indebtedness related to Bond facilities	(167,683,547)	-	-	-	-	-	10,240,878	-	-	-	-	(157,442,669)
Non-current bank payables	(9,965,842)	-	(17,790,976)	-	-	-	3,557,496	-	-	-	-	(24,199,322)
Other non-current financial liabilities	(1,048,963)	-	-	-	-	-	730,000	-	-	-	-	(318,963)
Current payables to other lenders	(4,159,238)	-	-	5,445,468	-	-	(3,822,182)	(1,334,657)		-	(217,748)	(4,088,356)
Current financial indebtedness related to Bond facilities	(903,324)	-	-	4,014,450	-	-	(10,240,878)	-	(768,208)	-	-	(7,897,961)
Current bank loans	(4,763,153)	-	(8,209,024)	5,264,681	-	-	(3,557,496)	-	-	-	-	(11,264,992)
Other current financial liabilities	(2,863,995)	-	-	406,245	1,752,073	-	(730,000)	-	-	500,000	-	(935,676)
Current financial assets	298,775	10,757,996	-	-	-	1,299,226	-	-	-	-	-	12,355,997
Net liabilities from financing activities	**(197,766,653)**	**10,757,996**	**(26,000,000)**	**15,130,844**	**1,752,073**	**1,299,226**	-	**(4,013,085)**	**(768,208)**	**500,000**	**(850,772)**	**(199,958,579)**
Liquidity	23,576,352	(10,757,996)	26,000,000	(31,457,472)	(1,752,073)	-	-	-	-	-	297,225.05	5,906,036
Net financial indebtedness	**(174,190,301)**	-	-	**(16,326,628)**	**-**	**1,299,226**	**-**	**(4,013,085)**	**(768,208)**	**500,000**	**(553,547)**	**(194,052,543)**

Categories of financial instruments

The following tables contain information regarding:
- Fair value level hierarchy for financial assets and liabilities the fair value of which is stated;
- Classes of financial instruments by their nature and characteristics;
- Book value of financial instruments;
- Fair value of the financial instruments (except for financial instruments the carrying amount of which is close to their fair value).

Levels 1 to 3 of the fair value hierarchy are based on the degree of observability of the information:
- Level 1 fair value measurements are based on (unmodified) quoted prices on active markets for identical assets or liabilities;
- Level 2 fair value measurements are those based on inputs other than the quoted prices used in Level 1, which are observable for assets and liabilities, either directly (for example, prices) or indirectly (for example, derived from prices); and
- Level 3 fair value measurements are those derived from the application of measurement techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Liabilities valued at fair value

31.12.2023	Level 1	Level 2	Level 3
Other financial liabilities			
Payables for Aedera acquisition			318,963
Payables for Matika acquisition			500,000
Total	**-**	**-**	**818,963**

Some of the financial assets and liabilities of the Company are measured at fair value at each reporting date. In particular, the fair value of the payable related to the earn-outs are measured by comparing the formulas specified in the contracts (level 3 fair value).

The following table breaks down financial assets and liabilities as per IFRS 7, on the basis of the categories under IAS 9

FINANCIAL ASSETS AT DECEMBER 31, 2023	Financial assets at amortised cost	Financial assets at FVOCI	Financial assets at FVPL	Total
Other non-current financial assets	20,285,626	0	0	20,285,626
Other non current financial assets	**20,285,626**	**0**	**0**	**20,285,626**
Trade receivables	15,533,929	0	0	15,533,929
Trade receivables from group companies	169,841	0	0	169,841
Current financial assets	12,355,997	0	0	12,355,997
Other receivables and other current assets	6,509,435	0	0	6,509,435
Cash and cash equivalents	5,906,036	0	0	5,906,036
Current financial assets	**40,475,236**	**0**	**0**	**40,475,236**
Total financial assets	**60,760,863**	**0**	**0**	**60,760,863**

FINANCIAL LIABILITIES AT DECEMBER 31, 2023	Financial liabilities at amortised cost	Financial liabilities at FVOCI	Financial liabilities at FVPL	Total
Payables to other lenders	6,166,636	0	0	6,166,636
Non-current financial indebtedness related to Bond facilities	157,442,669	0	0	157,442,669
Bank loans	24,199,322	0	0	24,199,322
Other non-current financial liabilities	0	0	318,963	318,963
Non-current financial liabilities	**187,808,627**	**0**	**318,963**	**188,127,590**
Payables to other lenders	4,088,356	0	0	4,088,356
Current financial indebtedness related to Bond facilities	7,897,960	0	0	7,897,960
Current bank loans	11,264,992	0	0	11,264,992
Other current financial liabilities	435,676	0	500,000	935,676
Trade payables	12,200,269	0	0	12,200,269
Other payables and current liabilities	4,073,370	0	0	4,073,370
Current financial liabilities	**39,960,625**	**0**	**500,000**	**40,460,625**
Total financial liabilities	**227,769,252**	**0**	**818,963**	**228,588,215**

The company is exposed to financial risks relating to its operating activities and mainly:

- to credit risk, with particular regards to ordinary commercial transactions with customers;
- to market risk, concerning the volatility of interest rates;
- to liquidity risk, which may arise due to the incapacity to source the funding necessary to guarantee company operations.
- Risk related to the increase in the cost of energy

Credit risk management

Credit risk is defined as the probable financial loss generated by the non-fulfilment by third parties of a payment obligation to the company.

The company does not have significant concentrations of credit risk, also due to the fact that it does not significantly deal with, as a strategic choice, the public sector.

The company manages this risk through choosing counterparties considered as solvent by the market and with a high credit rating, or through providing highly critical services which may not be interrupted by its customers.

For commercial purposes, policies have been adopted to ensure the solvency of customers and limit the exposure to the credit risk of an individual customer through evaluation and monitoring.

All receivables are periodically subject to an assessment by customer type, with write-downs made where impairments are identified.

The breakdown of trade receivables is provided in the Explanatory Notes.

No further effects to the accounts of a valuation nature occurred (i.e. doubtful debt provision, inventory obsolescence provision, provision for risks and charges). However, the continuance of the health emergency leads the Directors to consistently monitor the business performance, in addition to the outside events which may have impacts on the company's equity and financial structure.

Exchange rate risk management

Exchange rate risk is defined as the risk of the value of a financial instrument changes following exchange rate movements. As operations are mainly in the "Eurozone", exposure to exchange rates risks deriving from operations in currencies other than the functional currency (Euro) is limited.

Interest rate risk management

The management of the interest rate risk has the objective to ensure a balanced debt structure, minimising interest costs over time.

Interest rate risk concerns that affecting the value of a financial instrument on the basis of market interest rate fluctuations.

The Company over the years has almost exclusively contracted medium-term loans at a predominantly fixed rate, which mitigates risk in periods of rising interest rates (such as we are currently experiencing).

The breakdown of existing loans is reported in the Explanatory Notes.

With regards to variable rate financial assets and liabilities at December 31, 2022, amid a hypothetical increase (decrease) of interest rates by 100 basis points against the interest rate at the same date, with the other variables remaining constant, on an annual basis financial expenses would increase by approx. Euro 220 thousand.

Liquidity risk management

Liquidity risk is defined as the risk that the Group encounters difficulties in sourcing the funds necessary to satisfy the obligations related to financial liabilities.

Prudent management of liquidity risk is pursued by monitoring the cash flows, financial needs and the liquidity of the company, so as to ensure the proper management of financial resources through appropriately allocating any excess or on demand liquidity and the undertaking of adequate lines of credit. In this regard, it should be noted that the Company does not currently have deposits with banks that are publicly known to be experiencing financial difficulties.

An aging of payables is provided below:

December 31, 2023	Book value	Contractual cash flows	Within 1 year	From 1 to 5 years	Beyond 5 years
Bank loans	35,464,314	35,464,314	11,264,992	24,199,322	0
Payables to other lenders	10,254,992	10,254,992	4,088,356	5,266,017	900,619
Non-current financial indebtedness related to Bond facilities	165,340,629	165,340,629	7,897,960	157,442,669	0
Trade payables	12,200,269	12,200,269	12,200,269	0	0
Other financial liabilities	1,254,639	1,254,639	935,676	318,963	0
Total	**224,514,844**	**224,514,843**	**36,387,253**	**187,226,971**	**900,619**

34. REMUNERATION OF THE INDEPENDENT AUDIT FIRM, THE STATUTORY AUDITORS AND DIRECTORS

Fees due to the independent auditors Deloitte & Touche S.p.A. and their network pursuant to Art. 149-duodecies of the Issuers' Regulation

Type of service	Service provider	Fees (in Euro thousands)
Audit	Deloitte & Touche	102,000
Attestation work	Deloitte & Touche	21,000
Total		**123,000**

Attestation work concerns the limited review of the Non-Financial Report based on GRI Sustainability Reporting Standards.

Fees of the WIIT S.p.A Directors and Statutory Auditors

Name	WIIT S.p.A. office	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Alessandro Cozzi	Chief Executive Officer	01.01.2023-31.12.2023	Approval 2023 FS	375,000	0	320,000	695,000
Riccardo Sciutto	Chairperson of the Board of Directors	01.01.2023-31.12.2023	Approval 2023 FS	40,000	18,000	0	58,000
Francesco Baroncelli	Executive Director	01.01.2023-31.12.2023	Approval 2023 FS	260,000	0	320,000	580,000
Enrico Rampin	Executive Director	01.01.2023-31.12.2023	Approval 2023 FS	200,000	0	320,000	520,000
Igor Bailo	Executive Director	01.01.2023-08.05.2023	Resignation	5,000	0	6,700	11,700
Chiara Grossi	Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	0	0	15,000
Stefano Pasotto	Director	11.05.2023-31.12.2023	Approval 2023 FS	10,000	0	0	10,000
Annamaria Di Ruscio	Independent Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	21,000	0	36,000
Emanuela Basso Petrino	Independent Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	12,000	0	27,000
Nathalie Brazzelli	Independent Director	01.01.2023-31.12.2023	Approval 2023 FS	15,000	9,000	0	24,000
Paolo Ripamonti	Chairperson of the Board of Statutory Auditors	01.01.2023-31.12.2023	Approval 2023 FS	18,000	0	0	18,000
Francis De Zanche	Statutory Auditor	01.01.2023-31.12.2023	Approval 2023 FS	12,000	0	0	12,000
Chiara Olliveri	Statutory Auditor	01.01.2023-31.12.2023	Approval 2023 FS	12,000	0	0	12,000

The Board of Directors, in 2021, approved the granting as per the 2021-2026 Stock Option Plan of 200,000 options to Igor Bailo, Chief Operating Officer, 280,000 Options to Francesco Baroncelli Chief Mergers & Acquisition Officer and 30,000 Options to Chiara Grossi Chief Marketing Officer, for a total fair value of Euro 2,314,098. For the purposes of fair value measurement, an incremental value was assumed for the strike price for the exercise of the options of Euro 3.77 - 4.13 - 5.01 - 5.24 at the respective maturation dates of 01.01.24 - 01.07.24 - 01.01.26 - 01.07.26.

In 2022, in accordance with the 2022-2027 Stock-Option Plan, the Board of Directors authorised the assignment of 25,000 options to Riccardo Sciutto, Chairperson of the Board, for a fair value of Euro 32,234. For the purposes of fair value measurement, an incremental value was assumed for the strike price for the exercise of the options of Euro 1.29 at the maturation date of 01.07.28.

Remuneration of senior executives

Senior Executives	Reference period	Fixed Remun.	Bonuses and other incentives	Post-employment benefit provision	Non-monetary benefits	Total
n.3	01.01.2023 - 31.12.2023	308,440	230,000	39,144	137,358	714,942

In accordance with the 2021-2026 Stock-Option Plan, the Board of Directors authorised the assignment of 50,000 options to 2 senior executives. For the purposes of fair value measurement, an incremental value was assumed for the strike price for the exercise of the options of Euro 3.77 - 4.13 - 5.01 - 5.24 at the respective maturation dates of 01.01.24 - 01.07.24 - 01.01.26 - 01.07.26 for a total of Euro 226,875.

Fees paid to directors and statutory auditors of the subsidiary Erptech S.p.A. merged by incorporation into Wiit S.p.A.

Name	Adelante S.r.l. office	Period of office	Concl. of office	Fixed Remun.	Remuneration for committee participation	Non-equity variable remuneration	Total
Alessandro Cozzi	*Sole Director*	01.01.2023 – 31.03.2023	Merged by incorporation	0	0	0	0
Paolo Ripamonti	*Chairperson Board of Statutory Auditors*	01.01.2023 – 31.03.2023	Merged by incorporation	910	0	0	910
Francis De Zanche	*Statutory Auditor*	01.01.2023 – 31.03.2023	Merged by incorporation	650	0	0	650
Chiara Olliveri	*Statutory Auditor*	01.01.2023 – 31.03.2023	Merged by incorporation	650	0	0	650

35. INTERCOMPANY AND RELATED PARTY TRANSACTIONS

The table below reports the costs and revenues and receivables and payables from related party transactions:

	COSTS	WIIT Fin	WIIT S.p.A.	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	LANSOL DATACENTER	WIIT AG	GLOBAL	TOTAL
REVENUES	WIIT Fin	0	499,000	0	0	0	0	0	0	0	0	0	**499,000**
	WIIT S.p.A.	0	0	0	612,569	2,930,083	1,519,344	0	3,308	0	10,490	21,335	**5,097,129**
	WIIT SWISS	0	0	0	0	0	0	0	0	0	0	0	**0**
	MYLOC	0	17,548	0	0	0	0	0	0	0	0	0	**17,548**
	BOREUS	0	0	0	0	0	0	0	0	0	0	0	**0**
	GECKO	0	0	0	0	0	0	0	0	0	0	0	**0**
	CODEFIT	0	0	0	0	0	0	0	0	0	0	0	**0**
	LANSOL GMBH	0	0	0	0	0	0	0	0	0	0	0	**0**
	LANSOL DATACENTER	0	0	0	0	0	0	0	0	0	0	0	**0**
	WIIT AG	0	0	0	0	0	0	0	0	0	0	0	**0**
	GLOBAL	0	0	0	0	0	0	0	0	0	0	0	**0**
	TOTAL	**0**	**516,548**	**0**	**612,569**	**2,930,083**	**1,519,344**	**0**	**3,308**	**0**	**10,490**	**21,335**	**5,613,677**

There were no atypical or unusual transactions as defined by Consob in communication No. DEM/6064293 of July 28, 2006

	RECEIVABLES	WIIT Fin	WIIT S.p.A.	WIIT SWISS	MYLOC	BOREUS	GECKO	CODEFIT	LANSOL GMBH	LANSOL DATACENTER	WIIT AG	GLOBAL	TOTAL
PAYABLES	WIIT Fin	0	1,863,159	0	0	0	0	0	0	0	0	0	**1,863,159**
	WIIT S.p.A.	0	0	0	57,916	0	0	0	0	0	0	0	**57,916**
	WIIT SWISS	0	0	0	0	0	0	0	0	0	0	0	**0**
	MYLOC	0	21,391,017	0	0	0	0	0	0	0	0	0	**21,391,017**
	BOREUS	0	119,656	0	0	0	0	0	0	0	0	0	**119,656**
	GECKO	0	6,609	0	0	0	0	0	0	0	0	0	**6,609**
	CODEFIT	0	0	0	0	0	0	0	0	0	0	0	**0**
	LANSOL GMBH	0	2,251	0	0	0	0	0	0	0	0	0	**2,251**
	LANSOL DATACENTER	0	0	0	0	0	0	0	0	0	0	0	**0**
	WIIT AG	0	0	0	5,643	0	0	0	0	0	0	0	**5,643**
	GLOBAL	0	19,693	0	0	0	0	0	0	0	0	0	**19,693**
	TOTAL	**0**	**23,402,385**	**0**	**63,559**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**23,465,944**

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

- Immo 2 S.r.l.: costs of Euro 107 thousand, fully settled at 31.12.2023. 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.
- Abissi S.r.l.: payable of Euro 8 thousand. The company is considered a related party of Wiit S.p.A. by way of Francesco Baroncelli, Director of Wiit S.p.A and Director of Abissi S.r.l.;
- ABC Capital Partners S.r.l.: revenues of Euro 4,083. The company is considered a related party of Wiit S.p.A. due to the positions of Alessandro Cozzi and Francesco Baroncelli, both Directors of Wiit S.p.A. and ABC Capital Partners S.r.l.. At 31.12.2023, the payable has been fully settled.

The remainder of the Related Parties item shown below is attributable to transactions with Group companies. These include:

- the amount of Euro 19,956,027 concerns the interest-bearing loan granted to the subsidiary myLoc.
- the amount of Euro 499 thousand refers to the lease contract with Wiit Fin Srl, classified under depreciation as established by IFRS16 "right-of-use".
- the amount of Euro 4 million for financial income is attributable to dividends received from Boreus and Gecko;
- Euro 1.407 million, referring to cash pooling to myLoc;
- Euro 1.613 million referring to the existing tax consolidation with Wiit Fin S.r.l..

STATEMENT OF FINANCIAL POSITION

	31.12.2023	Of which related parties	31.12.2022	Of which related parties
ASSETS				
Intangible assets	25,916,662		23,976,944	
Goodwill	25,382,164		24,664,060	
Right-of-use	4,925,304		4,004,219	
Property, plant and equipment	4,236,926		4,697,060	
Other tangible assets	15,898,525		12,429,953	
Deferred tax assets	1,634,042		1,342,932	
Equity investments	131,748,950		134,356,774	
Non-current contract assets	24,356		65,508	
Other non-current financial assets	20,285,626	20,206,027	12,530,140	12,450,000
NON-CURRENT ASSETS	**230,052,555**	**20,206,027**	**218,067,590**	**12,450,000**
Inventories	0		0	
Trade receivables	15,533,929		15,564,433	339,413
Trade receivables from subsidiaries	169,841	169,841	1,321,721	1,321,721
Current financial assets	12,355,997	1,407,715	298,775	97,325
Other receivables and other current assets	6,509,435	1,613,159	5,867,438	3,241,825
Cash and cash equivalents	5,906,036		23,576,352	
CURRENT ASSETS	**40,475,238**	**3,190,715**	**46,628,719**	**5,000,284**
TOTAL ASSETS	**270,527,793**	**23,396,742**	**264,696,309**	**17,450,284**

STATEMENT OF FINANCIAL POSITION

	31.12.2023	Of which rel. parties	31.12.2022	Of which rel. parties
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	4,953,356		2,145,156	
Treasury shares in portfolio reserve	(30,566,915)		(19,410,233)	
Reserves and retained earnings (accumulated losses)	2,945,731		4,752,099	
Net result	6,363,140		6,011,746	
SHAREHOLDERS' EQUITY	**31,656,495**	**0**	**41,459,951**	**0**
Payables to other lenders	6,166,636		6,677,366	
Non-current financial indebtedness related to Bond facilities	157,442,669		167,683,547	
Bank loans	24,199,322		9,965,842	
Other non-current financial liabilities	318,963		1,048,963	
Employee benefits	3,042,572		2,576,912	
Deferred tax liabilities	57,410		66,509	
Non-current contract liabilities	3,152,364		3,726,810	
Other payables and non-current liabilities	108,357		195,415	
NON-CURRENT LIABILITIES	**194,488,293**	**0**	**191,941,364**	**0**
Payables to other lenders	4,088,356		4,159,238	
Current financial indebtedness related to Bond facilities	7,897,960		903,324	
Current bank loans	11,264,992		4,763,153	
Current income tax liabilities	372,158		888,244	
Other current financial liabilities	935,676		2,863,995	
Trade payables	12,200,269	8,418	8,482,574	20,862
Trade payables to subsidiaries	57,916	57,916	0	0
Current contract liabilities	3,492,306		5,143,779	16,758
Other payables and current liabilities	4,073,372		4,090,687	
CURRENT LIABILITIES	**44,383,005**	**66,334**	**31,294,994**	**37,620**
TOTAL LIABILITIES	**238,871,298**	**66,334**	**223,236,358**	**37,620**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**270,527,793**	**66,334**	**264,696,309**	**37,620**

INCOME STATEMENT

	2023	Of which related parties	2022	Of which related parties
REVENUES AND OPERATING INCOME				
Revenues from sales and services	57,746,012	584,787	52,588,316	1,683,245
Other revenues and income	527,486	4,083	654,576	
Total revenues and operating income	**58,273,498**	**588,870**	**53,242,892**	**1,683,245**
OPERATING COSTS				
Purchases and services	(18,931,865)	(106,865)	(20,739,903)	(181,700)
Personnel costs	(15,398,841)		(11,956,417)	
Amortisation, depreciation and write-downs	(14,524,485)	(499,000)	(11,790,193)	(499,000)
Provisions	0		(50,000)	
Other costs and operating charges	(371,095)		(599,535)	
Change Inventories of raw mat., consumables and goods	0		(53,871)	
Total operating costs	**(49,226,286)**	**(605,865)**	**(45,189,919)**	**(680,700)**
EBIT	**9,047,212**	**(16,995)**	**8,052,973**	**1,002,545**
Write-down of equity investments	0		(28,858)	
Financial income	4,706,580	4,000,000	3,365,459	3,355,070
Financial expenses	(7,238,517)		(4,208,527)	
Exchange gains/(losses)	(1,098)		1,592	
PROFIT BEFORE TAXES	**6,514,177**	**3,983,005**	**7,182,640**	**4,357,615**
Income taxes	(151,037)		(1,170,894)	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**6,363,140**	**3,983,005**	**6,011,746**	**4,357,615**
Net profit from discontinued operations	-	-	-	-
NET PROFIT	**6,363,140**	**3,983,005**	**6,011,746**	**4,357,615**

36. COMMITMENTS

Guarantees received and granted

Guarantees given by banks at December 31, 2023 totalled Euro 514 thousand (in line with the previous year) and were issued to commercial counterparties. At December 31, 2023, there were no guarantees granted in favour of third parties by the Company.

37. SUBSEQUENT EVENTS

Through the subsidiary in Germany WIIT AG, WIIT acquired the "Edge & Cloud" business unit from German Edge Cloud GmbH & Co. KG, belonging to the Fridhelm Loh Group. In a transaction of approx. Euro 6.5 million, including earnouts, WIIT acquired the business unit offering Cloud and Edge Computing services, expanding its presence in the strategic Frankfurt area. This acquisition will allow the Group to acquire a portfolio of 40 loyal customers and strengthening the team in Germany with the arrival of new, highly qualified professionals.

Disclosure as per Article 1, paragraph 125 of Law No. 124 of August 4, 2017

In relation to the provisions of Article 1, paragraph 125-bis of Law No. 124/2017, regarding the obligation to report in the notes to the financial statements any sums of money received during the financial year by way of grants, contributions, paid assignments and in any case economic benefits of any kind from the public sector bodies and the parties referred to in paragraph 125-bis of the same article, it is noted that the Company has not received contributions from the Public Sector, with the exception of tax credits for electricity for Euro 178 thousand and for investments in capital assets for Euro 180 thousand.

Statement on the 2023 Financial Statements in accordance with Article 81-ter of Consob Motion No. 11971 of May 14, 1999 and subsequent amendments and supplements

1. The undersigned Alessandro Cozzi and Stefano Pasotto, respectively as Chief Executive Officer and Executive Officer for Financial Reporting, of the company Wiit S.p.A. declare, in consideration also of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the adequacy considering the company's characteristics and
- the effective application of the administrative and accounting procedures for the compilation of the financial statements at December 31, 2023.

2. We also declare that:

2.1 the financial statements:

a) were prepared in accordance with international accounting standards, endorsed by the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;

b) correspond to the underlying accounting documents and records;

c) provide a true and fair view of the financial position, balance sheet and operating results of the issuer;

2.2 The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer together with a description of the principal risks and uncertainties to which they are exposed.

Milan, March 12, 2024

ALESSANDRO COZZI
Chief Executive Officer

STEFANO PASOTTO
Executive Officer for Financial Reporting

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Wiit S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Wiit S.p.A. (the "Company"), which comprise the statement of financial position as of December 31, 2023, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment test of equity investments in subsidiaries	
Description of the key audit matter	The Company holds equity investments in subsidiaries amounting to Euro 131.7 million; considering that their carrying amounts include goodwill identified during the acquisition, these equity investments are subject to impairment tests in order to assess their recoverability by comparing the carrying amount with the recoverable amount determined according to the "value in use" methodology. The Directors determined the recoverable amount of the equity investments based on assumptions that include, among others, the cash flows expected from each equity investment, included in the 2024-2026 business plan approved by the Board of Directors, the determination of an appropriate discount rate (WACC) and an estimate of the long-term growth rate (g-rate) for the cash flows beyond the explicit period. The impairment tests performed, approved by the Board of Directors on February 27, 2024 did not identify any impairment loss. Given the significance of the value of the equity investments recognized in the separate financial statements, the judgement required in the estimates of expected cash flows and of the key assumptions of the impairment test model used, we considered the impairment test a key audit matter of the separate financial statements of the Company. Note 3 of the separate financial statements include the disclosures on equity investments and on the impairment testing process, including the sensitivity analysis performed by the Directors.
Audit procedures performed	As part of our audit we have, amongst others, carried out the following procedures, also with the support of Deloitte experts: • inspecting the methods and the assumptions used by the Directors in determining the "value in use" of the equity investments subject to impairment test; • understanding of the relevant controls implemented by the company Wiit S.p.A. on the impairment process; • analyzing the reasonableness of the main assumptions used for developing the expected cash flows together with the collection of other relevant information provided by the Directors; • analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations and the reliability of the budgeting process; • evaluating the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate);

- assessing the mathematical accuracy of the model used to determine the value in use of the equity investments subject to impairment test;

- assessing the sensitivity analysis performed by Management.

We have also assessed the appropriateness of the disclosures reported in the notes and its compliance with IAS36.

Impairment test on goodwill	
Description of the key audit matter	The financial statements of the Company include as of December 31, 2023, goodwill amounting to Euro 25.4 million allocated to the single cash generating unit ("CGU") and deriving from the various business combinations that the Company has integrated and made inseparable. Goodwill, as required by IAS 36, is not systematically amortized but is subject to impairment test at least annually, by comparing the recoverable amount of the CGUs, determined on the basis of the "value in use" method, and its carrying amount, which includes both goodwill and other assets allocated to it. The Directors determined the recoverable amount of the CGUs based on assumptions that include, among others, the cash flows expected from the CGUs included in the 2024 - 2026 business plan approved by the Board of Directors, the determination of an appropriate discount rate (WACC) and an estimate of the long-term growth rate (g-rate) for the cash flows beyond the explicit period. The impairment tests performed, approved by the Board of Directors on February 27, 2024, did not identify any impairment loss. Given the significance of the value of the equity investments recognized in the separate financial statements, the judgement required in the estimates of expected cash flows and of the key assumptions of the impairment test model used; we considered the impairment test a key audit matter of the separate financial statements of the Company. Note 1 of the separate financial statements include the disclosures on goodwill and on the impairment testing process, including the sensitivity analysis performed by the Directors.
Audit procedures performed	As part of our audit we have, amongst others, carried out the following procedures, also with the support of Deloitte experts: • inspecting the methods and the assumptions used by the Directors in determining the "value in use" of the CGUs; • understanding of the relevant controls implemented by the Group on the impairment process;

- analyzing the reasonableness of the main assumptions used for developing the expected cash flows also through the collection of other relevant information provided by the Directors;

- analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations and the reliability of the budgeting process;

- evaluating the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate);

- assessing the appropriate determination of the carrying amount of the CGUs;

- assessing the mathematical accuracy of the model used to determine the value in use of the CGUs;

- assessing the sensitivity analysis performed by Management;

We have also assessed the appropriateness of the disclosures reported in the notes and its compliance with IAS36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Wiit S.p.A. has appointed us on November 30, 2018, as auditors of the Company for the years from December 31, 2019, to December 31, 2027.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Wiit S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at December 31, 2023, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as of December 31, 2023 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Wiit S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Wiit S.p.A. as of December 31, 2023, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements of Wiit S.p.A. as at December 31, 2023 and on their compliance with the law, as well as to make a statement about any material misstatement.

Deloitte.

In our opinion, the above-mentioned report on operations and information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Wiit S.p.A. as of December 31, 2023 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Davide Bertoia
Partner

Milan, Italy
March 27, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

WIIT S.p.A.

Codice fiscale e P.IVA 01615150214

Sede legale in Milano (MI) - Via dei Mercanti n. 12

Iscritta alla Camera di Commercio di Milano - Numero R.E.A 1654427

Registro Imprese di Milano n. 01615150214 Capitale Sociale € 2.802.066 i.v.

Società soggetta ad attività di direzione e coordinamento di WIIT FIN S.R.L.

Relazione del Collegio Sindacale all'Assemblea degli Azionisti
(art. 153 D.Lgs n. 58/1998 e art. 2429, comma 2 codice civile)

1. Premessa: fonti normative, regolamentari e deontologiche

La presente Relazione riferisce sulle attività di vigilanza svolte dal Collegio Sindacale della Società in base alle previsioni di legge (art. 149 T.U.F. e art. 2429 c.c.), tenuto conto delle Norme di comportamento del collegio sindacale di società quotate emanate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili nel mese di dicembre 2023, delle raccomandazioni della Consob in materia di controlli societari e attività del collegio sindacale (cfr. comunicazione 20 febbraio 1997, n. DAC/RM 97001574 e comunicazione n. DEM 1025564 del 6 aprile 2001, successivamente integrata con comunicazione n. DEM/e comunicazione 3021582 del 4 aprile 2003 n. DEM/6031329 del 7 aprile 2006), oltre che delle indicazioni contenute nel Codice di Corporate Governance promosso da Borsa Italiana.
Inoltre, avendo Wiit Spa adottato il modello di governance tradizionale, il Collegio Sindacale si identifica con il “Comitato per il controllo interno e la revisione contabile” cui competono ulteriori specifiche funzioni di controllo e monitoraggio in tema di informativa finanziaria e revisione legale, previste dall’art. 19 del D.Lgs 27 gennaio 2010 n. 39, così come modificato dal D.Lgs 17 luglio 2016 n. 135.
Nell'assolvimento di tale adempimento il Collegio, quale organo apicale del complessivo sistema dei controlli societari, fornisce altresì un quadro integrato delle risultanze dei controlli stessi avendo acquisito i relativi flussi informativi.
Il Collegio Sindacale, nominato dall’Assemblea degli Azionisti del 05 maggio 2021 in base alle previsioni della legge e dello Statuto e terminerà il proprio mandato con l’Assemblea di approvazione del bilancio al 31 dicembre 2023.
I compiti di revisione legale dei conti, ai sensi del D.Lgs 369/2010, sono stati attribuiti alla società di revisione Deloitte & Touche Spa, nominata dall’assemblea degli azionisti del 30

novembre 2018 per il novennio 2019-2027.

2. Attività di vigilanza svolta sull'osservanza della legge e dello statuto

In relazione alla vigilanza sull'osservanza della legge e dello statuto, il Collegio Sindacale ha provveduto costantemente all'acquisizione della documentazione e delle informazioni utili a pianificare la propria attività che, sulla base della profilatura della società, ha strutturato:

I. Vigilando:

a) sulla conformità delle delibere assunte dagli organi societari alla normativa legislativa e regolamentare, allo statuto, nonché ai codici di comportamento ai quali la società dichiara di attenersi;

b) sull'osservanza degli obblighi in materia di informazioni privilegiate e sull'internal dealing, rilevando che la Società ha adottato la Procedura di Internal Dealing, in recepimento del Regolamento UE n. 596/2014 (Regolamento MAR), e che la gestione e la comunicazione delle informazioni riguardanti la Società è organicamente disciplinata e governata in conformità ad esso;

c) sulla conformità della procedura interna riguardante le operazioni con parti correlate ai principi indicati nel Regolamento approvato dalla CONSOB con delibera n. 17221 del 12 marzo 2010 e successive modifiche, nonché sulla sua osservanza, ai sensi dell'art. 4, comma 6 del medesimo Regolamento;

d) sul funzionamento del processo di informazione societaria, verificando l'osservanza delle norme di legge e regolamentari inerenti alla formazione e l'impostazione degli schemi del bilancio separato e del bilancio consolidato, nonché dei relativi documenti di corredo, a tal fine esaminando le attestazioni rilasciate dal Dirigente Preposto ex art. 154-bis del TUF.

II. accertando:

a) il rispetto della disciplina sullo svolgimento delle riunioni degli Organi sociali e l'adempimento dell'obbligo informativo periodico da parte degli organi delegati in merito all'esercizio delle deleghe conferite;

b) che nessuno dei sindaci ha avuto interessi, per conto proprio o di terzi, in una determinata operazione durante l'esercizio decorso e che persistano in capo ad essi le condizioni di indipendenza previste dalla legge;

c) monitorando le concrete modalità di attuazione delle regole di governo societario previste dal Codice di Corporate Governance delle società quotate promosso da Borsa Italiana S.p.A., come adottate dalla Società, a tal fine esaminando la Relazione annuale sul governo societario e gli assetti proprietari;

d) prendendo atto dell'avvenuta predisposizione della Relazione sulla Remunerazione ex art. 123 ter del T.U.F. ed ex art. 84 quater del regolamento Consob 11971/1999 (Regolamento Emittenti), senza osservazioni particolari da segnalare.

Con riguardo alle indicazioni da fornire con la presente Relazione, secondo quanto previsto dalla Comunicazione CONSOB n. 1025564 del 6 aprile 2001, il Collegio riferisce che:

a) il bilancio e la relazione sulla gestione forniscono un'esaustiva illustrazione sulle operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società e dalle sue controllate; su tali operazioni il Collegio sindacale ha acquisito adeguate informazioni che hanno consentito di accertarne la conformità alla legge, allo Statuto sociale nonché ai principi di corretta amministrazione. Nessuna di tali operazioni è manifestatamente imprudente ovvero in conflitto di interessi o in contrasto con le delibere assunte dall'Assemblea dei Soci o, comunque tali da compromettere l'integrità del patrimonio sociale; in particolare il Collegio segnala le seguenti operazioni straordinarie, rinviando alla relazione finanziaria annuale per maggiori dettagli:

   - <u>acquisto azioni 100% GLOBAL ACCESS INTERNET SERVICES GmbH</u>: in data 16.01.2023 è stato perfezionato l'acquisto del 100% del capitale sociale della società GLOBAL Access Internet Services GmbH, attraverso la controllata myLoc Managed IT AG, società attiva nell'ambito del private cloud e dei managed services con un fatturato composto quasi interamente da ricavi ricorsivi, in linea con il business model del "Gruppo WIIT"; L'entreprise value è di 6,4 milioni di euro, soggetto ad aggiustamenti e, a seguito del raggiungimento degli obiettivi è stato corrisposto in via definitiva un ulteriore importo di Euro 964 migliaia.;
   - <u>fusione per incorporazione di ERPTech Spa</u>: in data 21.03.2023, la Società ha sottoscritto il progetto di fusione per incorporazione di ERPTech Spa in WIIT Spa, con effetti contabili e fiscali dal 1° aprile 2023.

b) le caratteristiche delle operazioni ordinarie infragruppo e quelle con parti correlate poste in essere nel corso dell'esercizio chiuso il 31 dicembre 2023, nonché l'indicazione dei soggetti coinvolti ed i relativi effetti economici, sono adeguatamente indicate nelle Note al Bilancio e nella Relazione sulla Gestione, a cui il Collegio rinvia. Le operazioni infragruppo e con parti correlate sono state di natura ordinaria. Gli effetti delle operazioni con parti correlate sono riportati ai par. 33 delle Note esplicative al bilancio consolidato ed al par. 35 delle Note esplicative al Bilancio d'esercizio;

c) la società di revisione Deloitte & Touche S.p.A. ha emesso in data 27 marzo 2024 le relazioni redatte ai sensi dell'art. 14 del D.Lgs. n. 39/2010 e dell'art. 10 del Regolamento UE 537/2014, nelle quali è stato attestato che il bilancio d'esercizio e il bilancio consolidato al 31 dicembre 2023 sono redatti con chiarezza e rappresentano in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa della Società e del Gruppo. È ivi altresì attestato che la Relazione sulla Gestione e le informazioni di cui all'art. 123-bis del T.U.F. contenute nella Relazione sul Governo Societario e sugli Assetti Proprietari sono coerenti con il bilancio d'esercizio della Società e con il bilancio consolidato del Gruppo. Non sono riportati rilievi e richiami di informativa sui quali formulare osservazioni e proposte;

d) la società di revisione ha dichiarato che il bilancio d'esercizio e le note informative sono state predisposte nel formato XHTML in conformità alle disposizioni del Regolamento Delegato UE 2019/815 e sono stati marcati in tutti gli aspetti significativi in conformità alle disposizioni del regolamento delegato;

e) la società di revisione ha verificato l'avvenuta approvazione da parte degli amministratori della Dichiarazione Non Finanziaria (DNF) ed espresso la seguente conclusione: <<*Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che la DNF del Gruppo Wiit relativa all'esercizio chiuso al 31 dicembre 2023 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli articoli 3 e 4 del Decreto e dai GRI Standards, con riferimento alla selezione di GRI Standards.*>>

f) la stessa società di revisione ha trasmesso, in pari data, al Collegio sindacale, nella qualità di Comitato per il Controllo interno e la revisione contabile, la Relazione aggiuntiva per spiegare i risultati della revisione legale dei conti, ai sensi dell'art. 11 del citato Regolamento UE n. 537/2014, ove non si fa menzione di casi di carenza informativa nell'ambito del bilancio consolidato;

g) il Collegio ha vigilato sull'indipendenza della società di revisione, ai sensi dell'art. 19 del D.Lgs. n. 39/2010, accertando il rispetto delle disposizioni normative in materia, nonché la compatibilità con le limitazioni previste dalla legge per i servizi diversi dalla revisione legale prestabili alla Società ed alle sue controllate, rilevando che nel corso dell'esercizio non sono stati conferiti alla società di revisione Deloitte & Touche S.p.A., previa approvazione del Comitato per il Controllo Interno e la revisione Contabile, incarichi diversi dall'attività di revisione legale dei conti.

h) nel corso dell'esercizio chiuso il 31 dicembre 2023 il Collegio non ha ricevuto denunce ai sensi dell'art. 2408 c.c., né esposti da parte di terzi;

i) il Collegio ha preso atto della Relazione sulla remunerazione approvata dal Consiglio di amministrazione il 12 marzo 2024 e ritiene che non sussistano elementi di criticità da segnalare;

j) nel corso dell'esercizio chiuso al 31 dicembre 2023 il Collegio Sindacale si è riunito 13 volte, con cadenza minima trimestrale, mentre il Consiglio di amministrazione si è riunito 6 volte, con cadenza minima trimestrale. Tramite il Presidente il Collegio ha partecipato a tutte le riunioni del Comitato Controllo Rischi e del Comitato Parti Correlate.

3. Attività di vigilanza sul rispetto dei principi di corretta amministrazione

Sulla base delle informazioni acquisite, il collegio sindacale dà atto che le scelte gestionali sono ispirate al principio di corretta informazione e di ragionevolezza, avendo gli amministratori consapevolezza dei rischi e degli effetti delle operazioni compiute. Per quel che attiene in particolare ai rischi, si rinvia al paragrafo " Informazioni relative ai rischi e alle incertezze ai sensi dell'art. 2428, comma 2, al punto 6-bis, del Codice civile" della Relazione sulla gestione, all'analisi dei rischi contenuta nel par. 32 delle Note esplicative al Bilancio consolidato ed al par. 33 delle Note esplicative al Bilancio d'esercizio.

La vigilanza eseguita ha interessato le operazioni deliberate e poste in essere dagli Amministratori, riscontrando la loro conformità alla legge ed allo Statuto, che sono ispirate a principi di razionalità economica e che non sono state manifestatamente imprudenti o azzardate, in conflitto d'interessi con la Società, in contrasto con le delibere assunte dall'Assemblea o tali da compromettere l'integrità del patrimonio aziendale.

Il Collegio ha esaminato il budget 2024 ed il piano pluriennale 2024-2026, elaborati, come da prassi, a perimetro costante (ovvero senza ipotizzare ulteriori acquisizioni), approvati dal consiglio di amministrazione nella riunione del 27 febbraio 2024, ricevendo un supporto informativo sufficiente; tenuto conto della tipologia del business della società, i cui ricavi sono basati su contratti pluriennali, il piano risulta ragionevole e sostenibile nel medio termine prevedendo risultati economici positivi ed in crescita e, dal punto di vista finanziario, una costante generazione di cassa. Tale piano è stato utilizzato per il test di impairment delle partecipazioni iscritte nel bilancio, al fine di valutarne la recuperabilità mediante il confronto tra il valore contabile e il valore recuperabile determinato secondo la metodologia del valore d'uso. I test di impairment, predisposti da Mazars, non hanno evidenziato perdite di valore.

4. Attività di vigilanza sull'adeguatezza dell'assetto organizzativo e autovalutazione del collegio sindacale

Il Collegio, ai sensi della Norma Q.1.7 delle Norme di comportamento del Collegio sindacale di società quotate (nella nuova versione del dicembre 2023), riferisce di avere eseguito il processo periodico di autovalutazione e le valutazioni in merito alla propria composizione con particolare riguardo all'indipendenza, alla dimensione e al funzionamento, i cui esiti sono stati trasferiti in una relazione indirizzata al Consiglio di amministrazione nella riunione del 12 marzo 2024, la quale non presenta elementi di criticità.

Esso ha inoltre preso atto degli esiti positivi delle valutazioni in merito alla composizione, dimensione e funzionamento del Consiglio di amministrazione e dei comitati, con particolare riguardo ai requisiti previsti per gli amministratori indipendenti, alla determinazione delle remunerazioni, nonché alla completezza, alle competenze e alle responsabilità connesse a ciascuna funzione aziendale.

Il Collegio considera adeguato l'adempimento da parte delle diverse funzioni amministrative degli obblighi di informazione periodica o eventuale e non ha rilevato rischi apprezzabili derivanti dall'assetto organizzativo.

Il Collegio ha vigilato e ottenuto informazioni sulle attività di carattere organizzativo e procedurale poste in essere ai sensi dei D.lgs. n. 231/2001.

Tenuto conto delle informazioni acquisite e delle verifiche eseguite, il Collegio ritiene adeguato l'assetto organizzativo, in termini di struttura, procedure, competenze e responsabilità, rispetto alle dimensioni della società ed alla natura dell'attività svolta.

5. Attività di vigilanza sull'adeguatezza del sistema di controllo interno

Spetta al Consiglio di amministrazione, con l'assistenza del Comitato Controllo, Rischi e Parti Correlate definire le linee guida del sistema di controllo interno, esaminare periodicamente i principali rischi aziendali, dare esecuzione alle linee di indirizzo del sistema di controllo interno e gestione rischi e valutare, almeno con cadenza annuale, l'adeguatezza, l'efficacia e l'effettivo funzionamento del sistema di controllo interno e gestione rischi.

Acquisite le necessarie informazioni, il Collegio Sindacale esprime il parere che le attività e le funzioni maggiormente rilevanti svolte dal complessivo sistema di controllo interno, di revisione interna e di gestione dei rischi siano presidiate ed il Comitato Controllo, Rischi e Parti Correlate, il Comitato Remunerazioni e Nomine, istituiti dalla società assolvono adeguatamente i propri compiti.

Il Collegio Sindacale riferisce di avere periodicamente intrattenuto rapporti e scambi di dati e informazioni rilevanti con Key Advisory S.r.l., società esterna indipendente e specializzata, a cui è stata affidata la funzione di Internal Audit, acquisendo report anche al fine di valutare il piano dei controlli e le sue risultanze, sia nella fase di impostazione che in quella di analisi delle verifiche effettuate, nonché il rispetto dei relativi obblighi informativi. L'attività si esplica principalmente attraverso un piano annuale di audit, sottoposto all'approvazione del Consiglio di amministrazione, nonché di monitoraggio dell'effettiva esecuzione delle raccomandazioni emesse negli interventi di verifica.

Il Collegio Sindacale, oltre agli incontri con il Dirigente preposto alla redazione deli documenti contabili societari, riferisce altresì di avere periodicamente intrattenuto rapporti e scambi di dati con l'Organismo di vigilanza, di aver partecipato alle riunioni del Comitato controllo e Rischi e del Comitato parti correlate e di aver discusso i risultati del lavoro svolto dalla società di revisione

Il Collegio ritiene pertanto adeguato il complessivo sistema di controllo interno e di gestione dei rischi, che viene opportunamente pianificato dal soggetto responsabile, con riguardo al sistema di valutazione dei rischi aziendali, all'attività di controllo interno, alle procedure e monitoraggio delle aree aziendali, per le quali non sono stati segnalati rischi significativi. Si raccomanda comunque l'esecuzione di continui interventi monitoraggio e di affinamento del sistema dei controlli interni.

Il Collegio dà atto che la relazione annuale dell'Internal Audit, approvata dal Consiglio di amministrazione del 12 marzo 2024, si conclude con un giudizio di affidabilità dei controlli interni in essere e che il Comitato Controllo e Rischi ha valutato il sistema di controllo interno e gestione dei rischi adeguato rispetto alle dimensioni ed alle caratteristiche dell'azienda.

6. Attività di vigilanza sull'adeguatezza del sistema amministrativo contabile e sulla sua affidabilità a rappresentare correttamente i fatti di gestione

Considerata la funzionalità ed idoneità della struttura societaria deputata alla tenuta delle scritture contabili e, valutata l'efficienza del sistema amministrativo contabile nel suo complesso, il Collegio, mediante l'ottenimento di informazioni dall'amministratore incaricato del sistema di controllo interno e di gestione dei rischi e attraverso lo scambio di informazioni con la società di revisione Deloitte & Touche S.p.A., ritiene che esso sia affidabile a rappresentare correttamente i fatti di gestione nelle scritture contabili, e, pertanto, ritiene di non avere osservazioni particolari da fare.

7. **Osservazioni sugli eventuali aspetti rilevanti emersi nel corso delle riunioni tenutesi con la società di revisione ai sensi dell'art. 150, comma 2, del D.Lgs. n.58/1998 ed informativa sulle attività di cui all'art. 19, comma 1, del D.Lgs. n. 39/2010**

Il Collegio ha intrattenuto con i responsabili della società incaricata della revisione contabile un periodico scambio di informazioni in merito all'attività svolta ai sensi dell'art. 150 del T.U.F.; ha analizzato i risultati del lavoro svolto dalla società di revisione; ha ricevuto dalla stessa le relazioni previste dall'art. 14 del D.Lgs. n. 39/2010 e dall'art.11 del citato Regolamento UE n. 537/2014, nonché la "Conferma annuale dell'indipendenza" ai sensi dell'art. 17, comma nove, lett. a) del D. Lgs. n. 39/2010. Ha inoltre tenuto con essa incontri personali nel corso dei quali è stato illustrato adeguatamente il piano della revisione annuale che, anche alla luce delle modifiche introdotte dai Regolamenti UE n. 534/2014 e n. 56/2014, appare adeguato rispetto alle dimensioni ed alla complessità organizzativa e imprenditoriale della società.

Il Collegio riferisce che la società di revisione legale ha rilasciato le relazioni redatte ai sensi dell'art. 14 del D.Lgs. n. 39/2010 e dell'art. 10 del Regolamento UE 537/2014, e quella aggiuntiva prevista dall'art. 11 del citato Regolamento UE n. 537/2014, senza rilievi e senza richiami di informativa. Al riguardo va evidenziato che in quest'ultima non sono menzionate differenze, considerate significative, rilevate e non recepite in bilancio.

In quanto Comitato per il Controllo Interno e la Revisione Contabile, il Collegio, nell'ambito dell'attività di vigilanza che gli compete ai sensi dell'art. 19, co. 1, D.Lgs. n. 39/2010 e tenuto conto delle citate Relazioni della società di revisione, riferisce che non vi sono anomalie o carenze da segnalare sulla revisione legale dei conti annuali e dei conti consolidati, avendo la società incaricata contribuito con competenza all'integrità/completezza dell'informativa finanziaria.

8. Informazioni sulle modalità di concreta attuazione delle regole di governo societario

Nell'esercizio delle proprie funzioni il Collegio Sindacale, come prescritto dall'art. 2403 c.c. e dall'art. 149 del TUF, ha vigilato sulle modalità di concreta attuazione delle regole del governo societario.

Sulla base delle informazioni acquisite, il Collegio Sindacale riferisce circa l'adeguamento dell'assetto di corporate governance della società in attuazione dei codici di comportamento ai quali la società ha dichiarato di attenersi.

Il Collegio Sindacale ha verificato che la Relazione annuale sul governo societario e sugli assetti proprietari, approvata dal Consiglio di amministrazione nella seduta del 12 marzo 2024, è stata redatta in conformità alle disposizioni contenute nell'art. 123-bis T.U.F.; in particolare è stato adempiuto l'obbligo di informare il mercato nella relazione sul governo societario l'adesione della Società al Codice di Autodisciplina, ai sensi dell'art. 123-bis, comma 2 del TUF.

9. Informazioni sull'adeguatezza delle disposizioni impartite dalla società alle società controllate ai sensi dell'art. 114, comma 2, D.Lgs. n.58/1998 e sulle operazioni con esse intervenute nell'esercizio

Il Collegio Sindacale reputa sufficienti le disposizioni impartite dalla società alle società controllate italiane ed estere, tenendo conto della tipologia e della dimensione delle stesse, al fine di garantire il tempestivo adempimento da parte di queste ultime degli obblighi di comunicazione previsti dalla legge ed ha acquisito dai Collegi Sindacali di tali società, con i quali ha tenuto anche varie riunioni informative, notizie atte ad illustrarne l'andamento della gestione senza ricevere segnalazione di particolari criticità o di aree di rischio specifiche.

Il Collegio ritiene tuttavia che, dato l'intenso percorso di crescita per linee esterne attuato dalla società, la struttura comunicativa del gruppo dovrà essere costantemente migliorata e affinata in seguito alle recenti e future acquisizioni.

Si dà atto che al 31 dicembre 2023 non vi sono società controllate italiane (ErpTech Spa fusa nel corso dell'esercizio) e che le società controllate tedesche non sono dotate di organo di controllo.

Per quanto riguarda le operazioni straordinarie occorse nell'esercizio chiuso al 31 dicembre 2023, si rimanda a quanto già indicato al paragrafo 2 della presente relazione e a quanto riportato nella Relazione sulla gestione negli appositi paragrafi.

10. Osservazioni sulla disciplina relativa alle operazioni con parti correlate

Il Collegio riferisce circa l'adozione e l'effettiva applicazione, da parte del Consiglio di Amministrazione, ai sensi dell'art. 2391-bis c.c., di una disciplina delle operazioni con parti correlate per quel che attiene alle modalità di approvazione e di esecuzione, con l'obiettivo di garantire sia la conformità delle stesse alle norme di legge e regolamentari, sia il rispetto dei criteri di correttezza, sostanziale, procedurale e di trasparenza del processo decisionale, sia infine il rispetto delle disposizioni in materia di trasparenza e di informazione al pubblico.
Con riguardo ai rapporti con parti correlate il Collegio rinvia al paragrafo precedente della presente Relazione, nonché per più ampie notizie al punto 33 delle Note esplicative del Bilancio Consolidato ed al punto 34 delle Note esplicative al bilancio di esercizio.
Il Collegio ha vigilato sulla conformità della Procedura adottata dalla Società, approvata dal Consiglio di amministrazione nella seduta del 24 giugno 2021, come da Regolamento CONSOB OPC, modificato con delibera n. 21624 del 10 dicembre 2020, con efficacia e applicazione a decorrere dal 1° luglio 2021.
Il Collegio, con il supporto del Comitato Parti Correlate e del Internal Audit, dà atto di aver vigilato sugli adempimenti posti in essere da parte della Società, così come riportato nella relazione semestrale resa dal Comitato Parti Correlate al Consiglio di amministrazione.

11. Attività relative al bilancio

Il Collegio ha svolto le verifiche sull'osservanza delle norme inerenti la formazione del progetto di bilancio separato e del bilancio consolidato di Gruppo al 31 dicembre 2023, ed ha preso atto della dichiarazione degli organi preposti per cui il bilancio separato ed il bilancio consolidato sono stati redatti in conformità ai principi contabili internazionali IAS/IFRS ed ai relativi principi interpretativi (SIC/IFRIC) e che la società ha applicato in materia di schemi di bilancio e di informativa societaria, quanto stabilito dalla CONSOB.
Come già segnalato al par. 7, il Collegio ha preso anche atto dei contenuti della Relazione aggiuntiva rimessagli dalla società di revisione senza rilievi o richiami di informativa.

12. Dichiarazione di carattere non finanziario (DNF)

Il Collegio sindacale, nell'esercizio delle proprie funzioni, ha vigilato sull'osservanza delle disposizioni contenute nel D.Lgs 30 dicembre 2016 n. 254 e del Regolamento CONSOB di attuazione del Decreto adottato con delibera n. 20267 del 18 gennaio 2018, in particolare con riferimento al processo di redazione ed ai contenuti della Dichiarazione di carattere non finanziario ("DNF") redatta da Wiit Spa.

La DNF è stata approvata nella riunione del Consiglio di amministrazione del 12 marzo 2024.

La Società di revisione, cui è stato conferito l'incarico di effettuare l'esame della DNF ai sensi dell'art. 3, comma 10, del D.Lgs 254/2016, nella propria relazione del 27 marzo 2024 evidenzia che non sono pervenuti alla sua attenzione elementi tali da far ritenere che la DNF di Wiit Spa, relativa all'esercizio chiuso al 31 dicembre 2023, non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli artt. 3 e 4 del D.Lgs 254/2016 e dal Global Reporting Initiative Sustainability Reporting Standards.

Il Collegio sindacale ha ottenuto, anche partecipando alle riunioni del Comitato Controllo e Rischi, periodici aggiornamenti in merito allo svolgimento delle attività propedeutiche alla predisposizione della DNF e, nell'ambito delle proprie attività, non è venuto a conoscenza di violazioni delle relative disposizioni normative.

13. Valutazioni conclusive in ordine all'attività di vigilanza svolta nonché in ordine alle eventuali omissioni, fatti censurabili o irregolarità rilevate nel corso di essa

All'esito dell'attività di vigilanza svolta nell'esercizio e innanzi illustrata, dalla quale non sono emersi omissioni, fatti censurabili o irregolarità, il Collegio Sindacale non ha osservazioni da formulare, ai sensi dell'art. 153 del D. Lgs.58/1998, per quanto di propria competenza, in ordine ad omissioni, fatti censurabili o irregolarità di cui non ha avuto cognizione nell'esercizio della propria attività di vigilanza.

14. Risultato dell'esercizio sociale

Il risultato netto accertato dall'organo di amministrazione relativo all'esercizio chiuso al 31 dicembre 2023, come anche evidente dalla lettura del bilancio, risulta essere positivo per euro 6.363.140=; l'Organo Amministrativo propone di destinare il risultato d'esercizio, unitamente a riserve disponibili, a dividendi con un dividendo di euro 0,30 per ciascuna azione, ad esclusione delle azioni proprie, così come riportato nella relazione sulla gestione.

Il Collegio, tenuto conto di quanto esaminato, non ha nulla da osservare, facendo notare che la decisione in merito spetta all'Assemblea degli azionisti.

15. Conclusioni

Sulla base di quanto sopra esposto, e per quanto è stato portato a conoscenza del collegio sindacale ed è stato riscontrato dai controlli periodici svolti, considerato il contenuto delle relazioni redatte dalla Società di Revisione, preso atto delle attestazioni rilasciate congiuntamente dall'Amministratore delegato e dal Dirigente Preposto per la redazione dei documenti contabili societari, si ritiene all'unanimità che non sussistano ragioni ostative all'approvazione da parte Vostra del progetto di bilancio per l'esercizio chiuso al 31 dicembre 2023 così come è stato redatto e Vi è stato proposto dall'Organo di Amministrazione.

Da ultimo, essendo giunto al termine il mandato del presente collegio sindacale, si invita la Società a volere provvedere alla nomina del nuovo organo di controllo.

Milano, 27 marzo 2024

Il Presidente,

Paolo Ripamonti

(Relazione approvata con consenso unanime)