

WIIT

The Premium Cloud

Interim Financial Report at 30.09.2024

WIIT

Data

Company:

WIIT S.p.A.

Registered office:

20121 - Milan, Via dei Mercanti No.12

Tax and VAT number:

01615150214

Share capital:

Euro 2,802,066.00 fully paid-in

Milan Companies Registration Office:

No. 01615150214

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Profile

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 and Hybrid Cloud and marginally also 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.

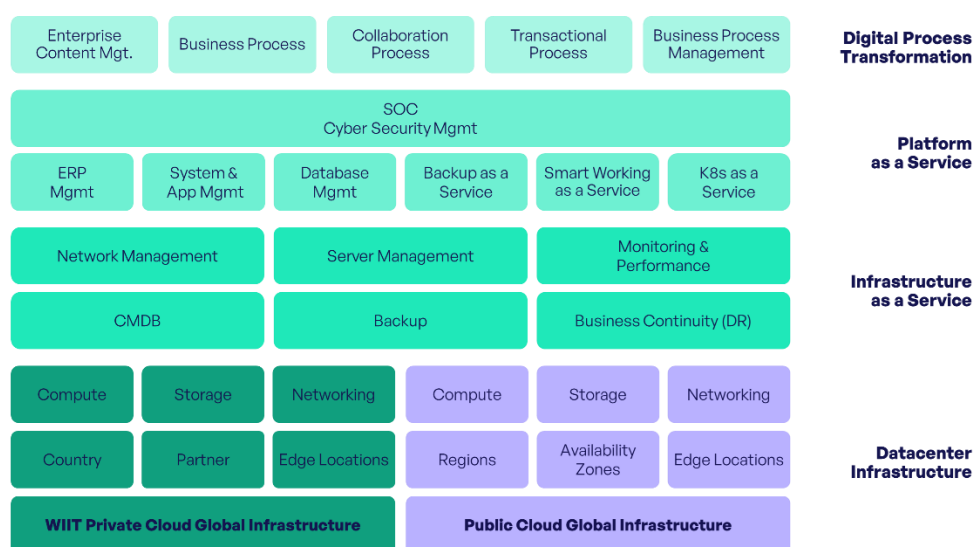
By providing Group services through a number of servers and storage devices, customer “business continuity” can be guaranteed and uninterrupted availability ensured in the case of malfunctions or interruptions to individual systems. These are supported by the company’s cyber security services, ensuring 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 & PaaS Layers



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 Group 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 approach 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	Enrico Giacomelli
Chief Executive Officer	Alessandro Cozzi
Executive Director	Francesco Baroncelli

Executive Director	Enrico Rampin
Director	Chiara Grossi
Independent Director	Annamaria di Ruscio
Independent Director	Nathalie Brazzelli
Independent Director	Emanuela Basso Petrino
Independent Director	Santino Saguto

BOARD OF STATUTORY AUDITORS

Chairperson of the Board of Statutory Auditors	Vieri Chimenti
Statutory Auditor	Chiara Olliveri Siccardi
Statutory Auditor	Paolo Ripamonti
Alternate Auditor	Igor Parisi
Alternate Auditor	Cristina Chiantia

RISKS AND RELATED PARTIES COMMITTEE

Chairperson	Annamaria Di Ruscio
Member	Enrico Giacomelli
Member	Nathalie Brazzelli

APPOINTMENTS AND REMUNERATION COMMITTEE

Chairperson	Emanuela Basso Petrino
Member	Enrico Giacomelli
Member	Annamaria Di Ruscio

SUPERVISORY AND CONTROL BOARD

Chairperson of the Supervisory and Control Board	Luca Valdameri
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INDEPENDENT AUDIT FIRM

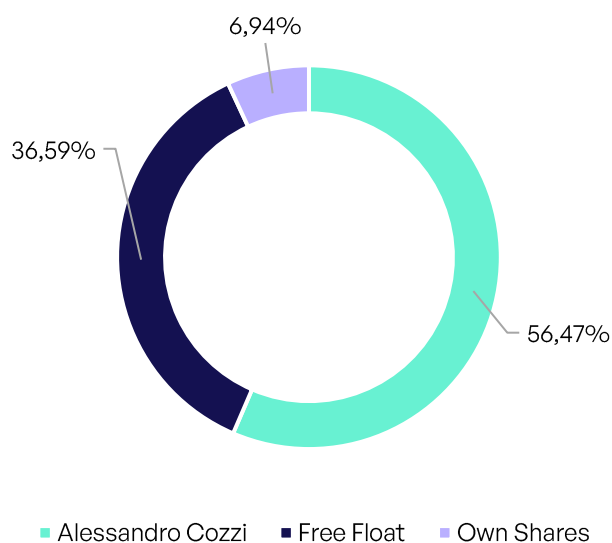
Independent Audit Firm	Deloitte & Touche S.p.A.
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Shareholders

WIIT S.p.A.'s main shareholders at September 30, 2024 are:

Shareholder	Number of shares held at 30.09.2024	%
Alessandro Cozzi (*)	15,822,202	56.47%
Treasury shares	1,944,837	6.94%
Market	10,253,621	36.59%
TOTAL	28,020,660	100%
FREE FLOAT (Treasury shares and Market)	12,198,458	43.53%

For the latest information, see the WIIT Group Investor Relations section under “Share information”.



(*)Alessandro Cozzi and his own companies

Directors' Report

SIGNIFICANT EVENTS

Updates on business combinations and other reorganisation transactions in the period

ACQUISITION OF "EDGE & CLOUD" BUSINESS UNIT

On April 2, 2024, the Group, through the subsidiary WIIT AG, a wholly-owned subsidiary of WIIT S.p.A., acquired the "Edge & Cloud" business unit of the German company German Edge Cloud GmbH & Co. KG ("GEC"), belonging to the Fridhelm Loh Group, for a fixed price of Euro 2.5 million, plus a potential earnout of up to Euro 4 million linked to specific revenue targets. On signing the acquisition agreement, the sum of Euro 608 thousand was paid. 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.

ACQUISITION OF 100% OF ECONIS AG

On April 30, 2024, the Group, through its parent company WIIT S.p.A., acquired 100% of Econis AG. The company is based in Zurich and is a Managed Services Provider focused on providing Private Cloud infrastructure design, implementation and management services for the Banking, Health Care and Manufacturing sectors in German-speaking Switzerland. The services offered can be summarised as follows:

- i) Managed Services: recurring services for the management of private cloud infrastructures on its own infrastructure or at customer infrastructure;
- ii) Consulting: IT infrastructure consulting services, including Cyber Security, and particularly delivered to new customers as a key to Managed Services;

The price paid was CHF 770 thousand. Representations and warranties, common in this kind of transaction, covered by an insurance policy (W&I) were made by the sellers.

CORPORATE REORGANISATION OF WIIT AG

On April 12, the merger was completed of the companies Lansol, Global Access, myloc Managed IT and Boreus (jointly, the "Incorporated Companies") into WIIT AG, effective for legal purposes as of April 15, 2024, while the accounting and tax effects run from January 1, 2024. This merger enables WIIT AG to take charge of all the activities previously conducted by the Incorporated companies. In general terms, the goal of the merger was to optimise the coordination, operation and synergies of the functions performed by the companies to be merged, 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. The merger of the wholly-owned incorporated companies did not involve any exchange or exchange ratio and had no effect on the consolidated financial statements.

SALE OF CODEFIT HOLDING

The Wiit Group in July 2024 sold its 51% holding in the Polish company Codefit Sp.z.o.o., held through the subsidiary Gecko m.b.h.. The company exited the consolidation scope from Q3 2024.

Appointment of the new Board of Directors and Board of Statutory Auditors

On May 16, the WIIT S.p.A. Shareholders' Meeting appointed the Board of Directors for the 2024-2026 three-year period, and set the number of members as 9. The following were appointed as members of the Board of Directors:

- Enrico Giacomelli, as Chairperson of the Board of Directors;
- Alessandro Cozzi;
- Francesco Baroncelli;
- Enrico Rampin;
- Chiara Grossi;
- Annamaria Di Ruscio;
- Emanuela Teresa Basso Petrino;
- Nathalie Brazzelli;
- Santino Saguto.

All the Directors, with the exception of Santino Saguto, were drawn from the slate submitted by shareholder WIIT Fin S.r.l, holder of 15,470,292 ordinary shares of the Company, equal to approximately 55.21% of WIIT's share capital ("WIIT Fin"), which received favorable votes representing 70.1% of the total voting rights and 89.3% of the total voting rights present. The Director Santino Saguto was drawn from the slate submitted by shareholder funds, holding a total of 1,131,977 ordinary shares of the Company, representing approximately 4.04% of WIIT's share capital (the "Shareholder Funds"), which received favorable votes representing 8.4% of the total voting rights and 10.7% of the total voting rights present. The Directors Enrico Giacomelli, Annamaria Di Ruscio, Emanuela Teresa Basso Petrino, Nathalie Brazzelli and Santino Saguto declared that they satisfy the independence requirements, as per Article 148, paragraph 3 of the CFA and the Corporate Governance Code.

The WIIT S.p.A. Shareholders' Meeting also appointed the Board of Statutory Auditors for the 2024-2026 three-year period. The following were appointed as members of the Board of Statutory Auditors:

- Vieri Chimenti, as Statutory Auditor and Chairperson of the Board of Statutory Auditors;
- Paolo Ripamonti, as Statutory Auditor;
- Chiara Olliveri Siccardi, as Statutory Auditor;
- Igor Parisi, as Alternate Auditor;
- Cristina Chiantia, as Alternate Auditor;

The Statutory Auditors Paolo Ripamonti, Chiara Olliveri Siccardi and Igor Parisi were drawn from the slate submitted by WIIT Fin, which received favorable votes representing 70.1% of the total voting rights and 89.3% of the total voting rights present. The Statutory Auditors Vieri Chimenti and Cristina Chiantia were drawn from the slate submitted by the Shareholder Funds, which received favorable votes representing 8.4% of the total voting rights and 10.7% of the total voting rights present.

Financial instrument based remuneration plan

On May 16, the WIIT S.p.A. Shareholders' Meeting approved, pursuant to Article 114-bis of the CFA, a long-term monetary incentive plan called the "2024-2026 Monetary Incentive Plan", which is also based on the performance of the WIIT share (the "LTI Plan"). This plan - intended for WIIT's Executive Directors, to be identified by the WIIT Board of Directors on the proposal of the Appointments and Remuneration Committee - pursues the following objectives (i) to link the remuneration of WIIT's key resources to the Group's actual operating performance and the creation of value for the Group; (ii) to focus the Company's key resources towards strategies for the pursuit of medium/ long-term results; (iii) to align the interests of the Company's key resources with those of its shareholders; (iv) to enact retention policies designed to develop the loyalty of key resources and provide incentives for them to remain with the Company.

Amendment to the By-Laws to strengthen multi-voting rights

On May 16, the Shareholders' Meeting approved an amendment to the company's By-Laws (Article 7) to allow for strengthened multi-voting rights pursuant to Article 127-quinquies of the CFA, as replaced by Article 14, paragraph 2, of Law No. 21 of March 5, 2024. Specifically, the amendment to the By-Laws allows "loyalty shareholders" who have accrued the right to the two-vote increase for each share held continuously for a period of 24 months, one additional vote after each 12-month period of uninterrupted holding, up to a total maximum of 10 votes per share, on the assumption that the shareholder has maintained the relevant requirements during the period of accrual of the additional voting rights.

Significant contracts

On May 15, 2024, WIIT S.p.A. announced that it had signed a new 5-year contract worth a total of more than Euro 7 million with a major Italian company operating in the medical sector. The Customer will partner with WIIT for the next five years, having chosen the latter as a partner for its well-established, reliable services, developed through many years of experience in the Cloud and critical applications sector. WIIT's solutions, which feature specific and customisable features, are instrumental in ensuring security levels that meet the most stringent standards required in the medical industry. The health sector requires effective information management system in terms of both privacy and confidentiality and the large amount of sensitive data processed. It is a complex system that requires a proactive approach to managing industry-specific applications, which WIIT is able to offer thanks to its proven expertise in creating highly effective strategies to mitigate the risk of cyber attacks. The agreement provides for the migration of the Customer's information systems to WIIT's Cloud. The Customer's critical applications, including its SAP platform, which are crucial for ensuring the management and confidentiality of sensitive data, will be managed and hosted with a high degree of reliability in the Italy North-West Premium Zone. The contract will ensure that the Customer receives proactive support 7 days a week, 24 hours a day. In addition, activating Disaster Recovery capabilities in the North-East Standard Zone guarantees usability, resilience and continuity, all essential factors in critical business processes.

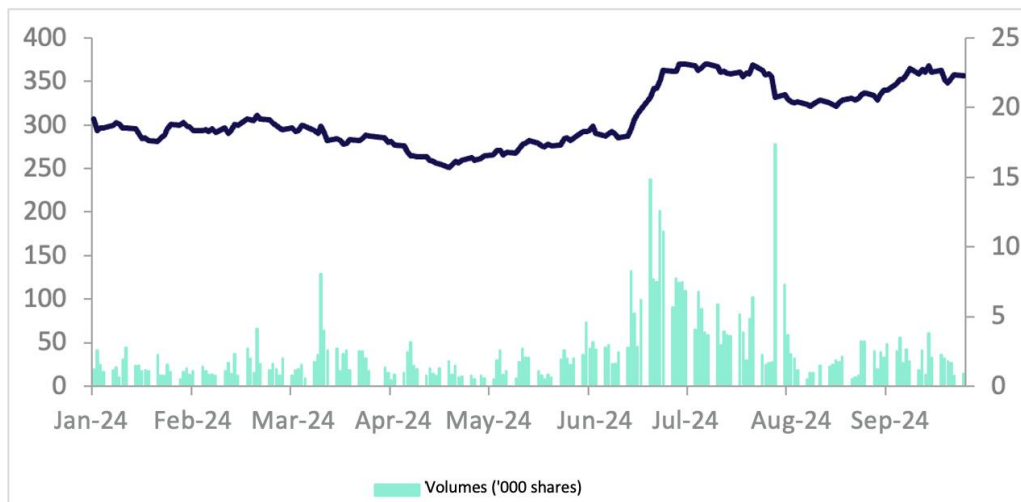
Other information

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).

Share price and volumes at September 30, 2024

'000
shares

€ per
share



01.01.2024 – 30.09.2024 period

Source: Bloomberg

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	30.09.2024	31.12.2023
ASSETS		
Intangible assets	57,816,901	58,224,012
Goodwill	121,235,353	121,077,831
Right-of-use	11,751,313	11,870,441
Plant & machinery	8,851,645	8,737,760
Other tangible assets	59,622,917	46,250,182
Deferred tax assets	1,709,860	1,724,090
Equity investments	5	5
Other non-current contract assets	24,356	24,356
Other non-current financial assets	506,860	686,944
NON-CURRENT ASSETS	261,519,209	248,595,622
Inventories	284,042	166,980
Trade receivables	32,443,768	25,842,136
Trade receivables from holding company	0	0
Current financial assets	3,788,729	11,602,736
Current contract assets	0	0
Other receivables and other current assets	13,625,130	9,195,557
Cash and cash equivalents	18,680,222	13,690,212
CURRENT ASSETS	68,821,893	60,497,621
TOTAL ASSETS	330,341,101	309,093,243

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	30.09.2024	31.12.2023
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	6,520,605	5,576,744
Treasury shares in portfolio reserve	(31,026,553)	(30,566,915)
Reserves and retained earnings (accumulated losses)	1,532,255	1,074,273
Translation reserve	91,771	22,610
Group net result	10,188,533	8,285,649
GROUP SHAREHOLDERS' EQUITY	35,267,793	32,353,545
<i>Result attributable to non-controlling interests (*)</i>	0	60,982
<i>Non-controlling interests shareholders' equity(*)</i>	0	195,037
TOTAL SHAREHOLDERS' EQUITY	35,267,794	32,548,583
Payables to other lenders	18,418,270	13,289,335
Non-current financial indebtedness related to Bond facilities	154,880,229	157,442,669
Bank payables	29,304,889	27,805,467
Other non-current financial liabilities	0	331,938
Employee benefits	3,263,765	3,042,572
Provisions for risks and charges	570,287	567,886
Deferred tax liabilities	13,550,274	14,779,476
Non-current contract liabilities	108,356	109,882
Other payables and non-current liabilities	91,551	60,566
NON-CURRENT LIABILITIES	220,187,623	217,429,793
Payables to other lenders	9,789,778	7,695,550
Current financial indebtedness related to Bond facilities	9,547,231	7,897,960
Short-term bank payables	13,338,151	12,120,143
Current income tax liabilities	5,851,746	2,857,006
Other current financial liabilities	2,512,088	948,035
Trade payables	21,853,348	18,294,275
Trade payables to holding company	0	0
Current contract liabilities	3,434,940	3,492,306
Other payables and current liabilities	8,558,404	5,809,591
CURRENT LIABILITIES	74,885,685	59,114,866
TOTAL LIABILITIES	295,073,307	276,544,659
TOTAL LIABILITIES	330,341,101	309,093,243

(*) In July 2024, the Wiit Group sold its 51% stake in the Polish-registered company Codefit Sp.z.o.o., held through its subsidiary Gecko m.b.h. The company exited the consolidation scope from Q3 2024.

CONSOLIDATED INCOME STATEMENT				
	9M 2024	9M 2023	Adjusted 9M 2024	Adjusted 9M 2023
REVENUES AND OPERATING INCOME				
Revenues from sales and services	112,187,090	95,597,052	112,187,090	95,597,052
Other revenues and income	4,808,575	588,312	2,982,035	588,312
Total revenues and operating income	116,995,665	96,185,365	115,169,125	96,185,365
Purchases and services	(38,377,727)	(33,454,293)	(37,330,202)	(31,826,851)
Personnel costs	(35,130,384)	(26,243,036)	(34,817,612)	(25,081,914)
Amortisation, depreciation and write-downs	(23,676,141)	(20,216,629)	(20,072,607)	(16,706,745)
Provisions	0	0	0	0
Other costs and operating charges	(526,909)	(1,650,095)	(526,909)	(1,650,095)
Change Inventories of raw mat., consumables and goods	117,063	113,486	117,063	113,486
Total operating costs	(97,594,099)	(81,450,567)	(92,630,267)	(75,152,119)
EBIT	19,401,566	14,734,798	22,538,858	21,033,245
Financial income	258,474	117,231	258,474	117,231
Financial expenses	(6,526,566)	(5,589,385)	(6,526,566)	(5,589,385)
Exchange gains/(losses)	(4,346)	(18,172)	(4,346)	(18,172)
PROFIT BEFORE TAXES	13,129,129	9,244,471	16,266,420	15,542,919
Income taxes	(2,940,596)	(2,460,813)	(4,095,758)	(3,911,244)
NET PROFIT	10,188,533	6,783,658	12,170,662	11,631,675

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.

Total adjusted revenues and operating income - A non-GAAP measure used by the Group to measure performance. Total adjusted operating revenues and income is calculated as Total operating revenues and income as per the income statement, in accordance with IFRS, less the non-recurring item regarding the negative goodwill (bargain purchase) classified to "Other operating income" in 2024. Total adjusted revenues and operating income is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Group may not be homogeneous with that adopted by other groups and, therefore, the amount obtained by the Group may not be comparable with the determined by the latter.

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 amortization, depreciation and write-downs. EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the 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), amortization, depreciation, write-downs and provisions, professional merger & acquisition (M&A) services, personnel internal reorganization costs, Put&Call option costs, Stock Option/Stock Grant incentive plan costs, and the non-recurring item related to negative goodwill (badwill) classified under "Other revenues and operating income". 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. EBIT is the sum of the net profit for the year, gross of taxes and financial income and expenses (including exchange gains and losses). EBIT is not

recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Group may not be homogeneous with that adopted by other groups and, therefore, the amount obtained by the Group may not be comparable with the determined by the latter.

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

Adjusted EBIT - A non-GAAP measure used by the Group to measure performance. Adjusted EBIT is 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 reorganization costs, Put&Call option costs and Stock Option/Stock Grant incentive plan costs, the amortization/depreciation of the fixed assets from the Purchase Price Allocation from the acquisitions and the non-recurring item related to negative goodwill (bargain purchase) classified under "Other revenues and operating income". 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 amortization and depreciation of assets from the Purchase Price Allocation; customer list, exclusive contracts and platform and Data Center amortization, 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 explanatory notes.

Adjusted Net financial debt - 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.

Main notes to the income statement

Revenues and operating income were up 21.6% on the same period of 2023. Compared to the previous year and excluding the income generated from the negative goodwill (bargain purchase) from the acquisition of Econis AG, the growth (Adjusted Revenues) would have been 19.7%. This strong result reflects the Group's healthy income statement and the regard in which the Group is held among its customer base as a high-quality and cost competitive player. The increase is due both to organic growth and the contribution of the new companies acquired in the first nine months of 2024. In particular, Econis AG and the Edge&Cloud business unit respectively generated in the first nine months revenues of Euro 9.0 million and Euro 4.4 million. Therefore, net of the revenues generated by the newly-acquired companies from the acquisition date and the income generated from the bargain purchase of Econis AG, revenues would have amounted to Euro 102 million, growth on the previous year of 6.1%.

The following table shows the results achieved in the first nine months of 2024, compared with the same period of 2023 in terms of total revenues and operating income, EBITDA, EBIT, profit before taxes and consolidated net profit.

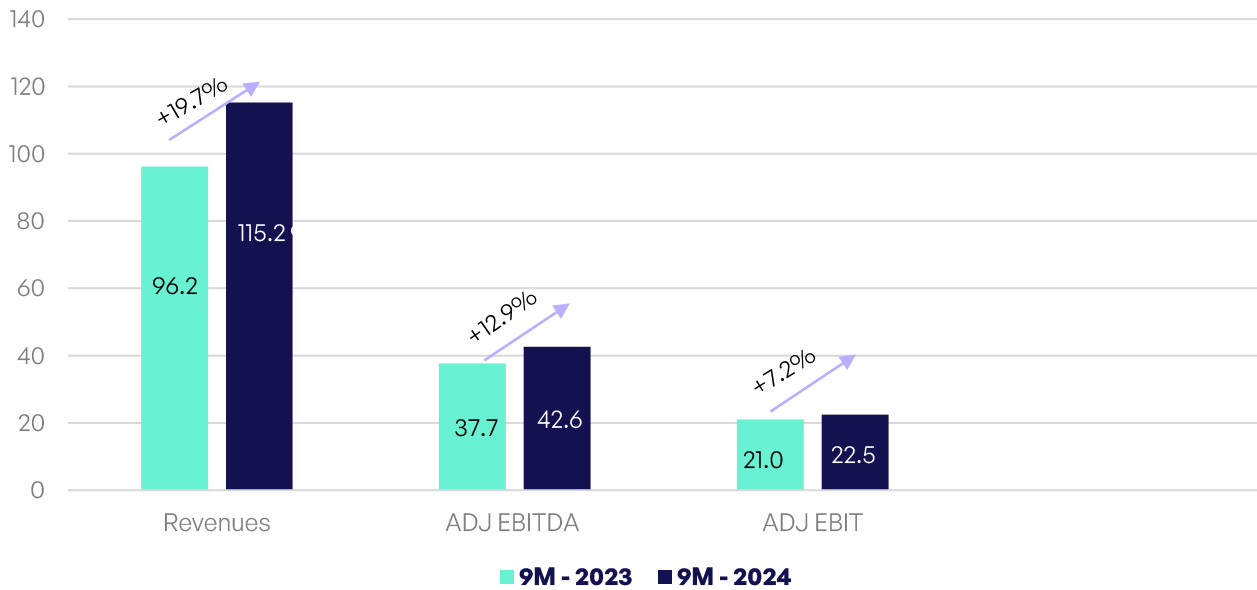
	9M 2024	9M 2023	9M 2024 Adjusted	9M 2023 Adjusted	% Adj.Cge.
Total revenues and operating income	116,995,665	96,185,365	115,169,125	96,185,365	19.74%
EBITDA	43,077,708	34,951,426	42,611,465	37,739,990	12.91%
EBIT	19,401,566	14,734,798	22,538,858	21,033,245	7.16%
Profit before taxes	13,129,129	9,244,471	16,266,420	15,542,919	4.65%
Consolidated net profit	10,188,533	6,783,658	12,170,662	11,631,675	4.63%

Consolidated Adjusted EBITDA was Euro 42.6 million (Euro 37.7 million in 9M 2023), with the margin decreasing from 39.2% in 9M 2023 to 37.0% in 2024. This slight decrease is due to the acquisitions in the period, Econis AG and the Edge & Cloud business unit, which present lower margins than the Group average. On a like-for-like basis with 9M 2023, the adjusted EBITDA margin would be 41.9%, improving on 9M 2023 due to the focus on Cloud services, the degree of optimisation of process and operating services organisation, the reduction in costs for products for resale, cost synergies, and the ongoing improvement of the margins of the acquirees, which offset the impact of increasing energy costs, particularly in Germany. Adjusted EBITDA rose also in absolute terms by 12.9% on 9M 2023, thanks to the factors outlined above.

Consolidated **Adjusted EBIT** was Euro 22.5 million (Euro 21.0 million in 9M 2023), +7.2% on 9M 2023, with a margin of 19.6%, with amortisation, depreciation and write-downs of Euro 20.1 million, increasing on the same period of the previous year (Euro 16.7 million in 9M 2023). For the same reasons outlined for Adjusted EBITDA, the margin would be 23%.

The Adjusted consolidated net profit amounted to Euro 12.2 million (Euro 11.6 million in 9M 2023), up 4.6% on 9M 2023 thanks to the factors outlined above for EBITDA and EBIT.

KEY FINANCIALS (€mn)



The 9M 2024 reclassified income statement is compared below with the same period of the previous year (in Euro):

	9M 2024	9M 2023	9M 2024 Adjusted	9M 2023 Adjusted
Revenues and operating income	116,995,665	96,185,365	115,169,125	96,185,365
Purchases and services	(38,377,727)	(33,454,293)	(37,330,202)	(31,826,851)
Personnel costs	(35,130,384)	(26,243,036)	(34,817,612)	(25,081,914)
Other costs and operating charges	(526,909)	(1,650,095)	(526,909)	(1,650,095)
Change in inventories	117,063	113,486	117,063	113,486
EBITDA	43,077,708	34,951,426	42,611,465	37,739,990
<i>EBITDA Margin</i>	36.8%	36.3%	37.0%	39.2%
Amortisation, depreciation & write-downs	(23,676,141)	(20,216,629)	(20,072,607)	(16,706,745)
EBIT	19,401,566	14,734,798	22,538,858	21,033,245
<i>EBIT Margin</i>	16.6%	15.3%	19.6%	21.9%
Income and charges	(6,272,438)	(5,490,327)	(6,272,438)	(5,490,327)
Income taxes	(2,940,596)	(2,460,813)	(4,095,758)	(3,911,244)
Net Profit	10,188,533	6,783,658	12,170,662	11,631,675

For a better understanding of the company's profitability, the table below illustrates some of the performance indicators compared to previous years. The indicators are calculated on the basis of the consolidated financial statements.

Ratio	Formula	30.09.2024	30.09.2023	30.09.2024 Adjusted	30.09.2023 Adjusted
ROE	Net profit / equity	28.89%	21.08%	17.83%	17.58%
ROI	EBIT / Capital employed	5.87%	4.65%	6.82%	6.63%
ROS	EBIT / Revenues and operating income	16.58%	15.32%	19.57%	21.87%

BALANCE SHEET HIGHLIGHTS

The reclassified balance sheet of the Group for 9M 2023 is compared with the previous year below (in Euro):

	30.09.2024 Consolidated	31.12.2023 Consolidated
Net intangible assets	179,052,254	179,301,843
Net tangible assets	80,225,874	66,858,383
Equity investments and other financial assets	5	5
Other long-term receivables	531,216	711,300
Deferred tax assets	1,709,860	1,724,090
Fixed assets	261,519,209	248,595,622
Inventories	284,042	166,980
Current trade receivables	32,443,768	25,842,136
Current financial assets	3,788,729	11,602,736
Other receivables	13,625,129	9,195,557
Cash and cash equivalents	18,680,222	13,690,212
Current assets	68,821,892	60,497,621
Capital employed	330,341,101	309,093,243
Bank loans (within one year)	13,338,151	12,120,143
Financial indebtedness related to Bond facilities (within one year)	9,547,231	7,897,960
Payables to other lenders (within one year)	9,789,778	7,695,550
Payables to suppliers (within one year)	21,853,348	18,294,275
Tax payables	5,851,746	2,857,006
Other current financial liabilities	2,512,088	948,035
Other payables	11,993,343	9,301,897
Current liabilities	74,885,685	59,114,866
Employee benefits	3,263,765	3,042,572
Bank loans (beyond one year)	29,304,889	27,805,467
Financial indebtedness related to Bond facilities (beyond one year)	154,880,229	157,442,669
Payables to other lenders (beyond one year)	18,418,270	13,289,335
Provisions for risks and charges	570,287	567,886
Other non-current financial liabilities	0	331,938
Other medium/long-term payables	108,357	109,884
Other payables and non-current liabilities	91,551	60,566
Deferred tax payables	13,550,274	14,779,476
Medium/long-term liabilities	220,187,622	217,429,793
Non-controlling interests share capital	295,073,306	276,544,659
Shareholders' Equity	35,267,793	32,548,583
Own funds	35,267,793	32,548,583
Own funds & Minority interest share capital	330,341,101	309,093,243

Main notes to the statement of financial position

The increase in fixed assets reflects investments of approx. Euro 22.8 million, including the right-of-use of Euro 12.7 million, of which: Euro 9.9 million relating to leasing charges measured according to the finance method (IFRS 16, already partly recognised under IAS 17), and for the remaining amount to property and motor vehicle lease contract payables. The increase is partially offset by amortisation and depreciation of approx. Euro 23.6 million. The acquisition of the Edge&Cloud BU resulted in increased fixed assets of Euro 4.646 million, in addition to an increase in goodwill of Euro 26 thousand, and the “Customer List”, recognised to intangible assets, of Euro 1.873 million. The acquisition of the company Econis AG resulted in an increase in property, plant and equipment of Euro 7.3 million.

CONDENSED STATEMENT OF CASH FLOW

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

	30.09.2024	30.09.2023
Net profit from continuing operations	10,188,533	6,783,658
Adjustments for non-cash items	29,774,815	28,913,207
Cash flow generated from operating activities before working capital changes	39,963,347	35,696,865
Changes in current assets and liabilities	(7,884,161)	2,340,283
Changes in non-recurring current assets and liabilities	1,476,478	(662,881)
Cash flow generated from operating activities	(6,462,961)	(5,900,785)
Net cash flow generated from operating activities (a)	27,092,703	31,473,482
Net cash flow used in investment activities (b)	(2,637,719)	(36,332,421)
Cash flows from financing activities (c)	(19,464,975)	(10,690,628)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	4,990,010	(15,549,568)
Cash and cash equivalents at end of the period	18,680,222	15,908,512
Cash and cash equivalents at beginning of the period	13,690,212	31,458,080
Net increase/(decrease) in cash and cash equivalents	4,990,010	(15,549,568)

KEY FINANCIAL INDICATORS

The net financial position at September 30, 2024 was as follows:

	30.09.2024	31.12.2023
A - Cash and cash equivalents	18,680,222	13,690,212
B - Securities held for trading	0	0
C - Current financial assets	3,788,729	11,602,736
D - Liquidity (A + B + C)	22,468,952	25,292,948
E - Current bank payables	(13,338,151)	(12,120,143)
F - Other current financial liabilities	(2,512,088)	(948,035)
G - Payables to other lenders	(9,789,778)	(7,695,550)
H - Current financial indebtedness related to Bond facilities	(9,547,231)	(7,897,960)
I - Current financial debt (E + F + G + H)	(35,187,247)	(28,661,688)
J - Current net financial debt (I - D)	(12,718,295)	(3,368,740)
K - Bank loans	(29,304,889)	(27,805,467)
L - Payables to other lenders	(18,418,270)	(13,289,335)
M - Non-current financial indebtedness related to Bond facilities	(154,880,229)	(157,442,669)
N - Other non-current financial liabilities	(0)	(331,938)
O - Trade payables and other non-current payables	0	0
P - Non-current financial debt (K + L + M + N + O)	(202,603,388)	(198,869,409)
Q - Group net financial debt (J + P)	(215,321,684)	(202,238,149)
- Lease payables IFRS 16 (current)	2,845,388	2,585,627
- Lease payables IFRS 16 (non-current)	7,767,310	7,998,155
R - Net financial debt excluding the impact of IFRS 16 for the Group	(204,708,986)	(191,654,367)

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

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

		30.09.2024	31.12.2023
Primary liquidity	Current Assets / Current Liabilities	0.92	1.02
Debt	Third-party capital / Own capital	2.08	1.91

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

CONSOLIDATED STATEMENT OF CASH FLOW	30.09.2024	30.09.2023
Net profit from continuing operations	10,188,533	6,783,658
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	23,676,141	20,216,629
Change in employee benefits	221,192	241,994
Financial income and expenses	6,272,438	5,490,327
Income taxes	2,940,596	2,460,813
Other non-cash charges/(income)*	(3,335,553)	503,445
Cash flow generated from operating activities before working capital changes	39,963,347	35,696,865
Changes in current assets and liabilities:		
Decrease (increase) in inventories	(117,063)	(113,486)
Decrease (increase) in trade receivables	(3,289,711)	(520,398)
Increase (decrease) in trade payables	(1,986,733)	5,652,100
Increase (decrease) in tax receivables and payables	2,777,247	(926,815)
Decrease (increase) in other current assets	(4,373,645)	(1,720,645)
Increase (decrease) in other current liabilities	(894,257)	(30,472)
Decrease (increase) in other non-current assets	231,848	(210,651)
Increase (decrease) in other non-current liabilities	5,441	110,916
Decrease (increase) in contract assets	1,298,081	41,152
Increase (decrease) in contract liabilities	(58,893)	(604,298)
Income taxes paid	(3,108,394)	(3,586,541)
Interest paid/received	(3,354,567)	(2,314,244)
Net cash flow generated from operating activities (a)	27,092,703	31,473,481
Net increase intangible assets	(4,620,065)	(5,516,253)
Net increase tangible assets	(5,351,108)	(10,482,954)
Decrease (increase) investing activities	7,919,278	(13,000,000)
Cash flows from business combinations net of cash and cash equivalents	(585,824)	(7,333,214)
Net cash flow used in investment activities (b)	(2,637,719)	(36,332,421)
New financing	13,000,000	22,000,000
Repayment of loans	(10,113,758)	(6,696,425)
Bond principal repayment	(3,999,852)	0
Lease payables	(9,370,606)	(7,905,445)
Payment of deferred fees for business combinations	0	(1,752,073)
Drawdown (settlement) other financial investments	(440,957)	0
Dividends paid	(7,827,667)	(7,818,114)
(Purchase) Sale treasury shares	(712,134)	(8,518,570)
Net cash flow from financing activities (c)	(19,464,975)	(10,690,629)
Net increase/(decrease) in cash and cash equivalents a+b+c	4,990,010	(15,549,568)
Cash and cash equivalents at end of the period	18,680,222	15,908,512
Cash and cash equivalents at beginning of the period	13,690,212	31,458,080
Net increase/(decrease) in cash and cash equivalents	4,990,010	(15,549,568)

(*) in 2024 mainly concerning the recognition of the bargain purchase of Econis, the recognition of the effects of the stock options as per IFRS 2 and the recognition of employee benefits as per IAS 19.

Financial Instruments

The Group does not have any derivative financial instruments at September 30, 2024.

Treasury shares or Parent Company shares

In accordance with Article 2428 points 3) and 4) of the Civil Code, the Parent Company holds 1,842,158 treasury shares, but does not hold shares in parent companies, including through trust companies or nominees, nor have shares of the Parent Company been acquired and/or sold during the period, including through trust companies or nominees.

At September 30, 2024, the 1,944,837 treasury shares (6.94% of the share capital) held by WIIT S.p.A. are recorded in the financial statements at a total value of Euro 31,026,553.

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 September 30, 2024 was Euro 43,467,107.

The environment and personnel

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

Personnel

In 9M 2024, no deaths of registered employees occurred at the workplace.

No serious workplace accidents took place during the period which involved serious injury to registered employees.

No issues in relation to workplace health matters concerning employees or ex-employees or misconduct against the company arose in the first nine months of 2024.

Environment

During the first nine months of 2024 no environmental damage was declared against the company. No penalties were incurred by the Group for offences or environmental damage in Q1 2024.

Transactions with subsidiaries, associates, holding companies

	COSTS	WIIT FIN	WIIT	GECKO	WIIT AG	ECONIS	TOTAL
REVENUES	WIIT FIN	-	374,250	-	-	-	374,250
	WIIT	-	-	12,296	1,090,141	135,765	1,238,201
	GECKO	-	-	-	204,238	-	204,238
	WIIT AG	-	5,398	482,897	-	-	488,294
	ECONIS	-	-	-	-	-	-
	TOTAL	-	379,648	495,192	1,294,379	135,765	2,304,984
PAYABLES	RECEIVABLES	WIIT FIN	WIIT	GECKO	WIIT AG	ECONIS	TOTAL
	WIIT FIN	-	1,465,271	-	-	-	1,465,271
	WIIT	-	-	-	18,476	-	18,476
	GECKO	-	2,785	-	22,059	-	24,844
	WIIT AG	-	20,089,554	3,541,070	-	-	23,630,623
	ECONIS	-	135,765	-	-	-	135,765
TOTAL	-	21,693,374	3,541,070	40,535	-	25,274,979	

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. WIIT and Gecko payables and receivables with the subsidiaries WIIT AG include, in addition to trade payables, also the portion of the inter-company loans and to a residual extent the centralised treasury management.

The receivables from WIIT Fin S.r.l. include the portion related to the tax consolidation.

Subsequent events

On October 17, 2024, an agreement was signed by the German subsidiary WIIT AG for the acquisition of 100% of the share capital of Michgehl & Partner Gesellschaft für Datenverarbeitung und Dienstleistungen mbH. The closing of the transaction was signed on October 31, 2024. Michgehl & Partner has operated for more than 25 years on the German market as a specialised IT player for law firms. Started as a consulting and software provider, it is now the cloud provider of choice for the legal industry, thanks to a dedicated web platform that offers a data center and a range of cloud services designed exclusively for law firms. The service portfolio is focused on cloud solutions enhanced by specialised consulting and training, thus ensuring an extremely low customer "churn rate". With annual revenues of approximately Euro 4.5 million, mainly recurring and long-term, 31 employees and a 2024 forecast adjusted EBITDA of approximately Euro 0.8 million, Michgehl & Partner is recognised as a market leader. The transaction shall be undertaken through WIIT AG, fully-owned by WIIT S.p.A.. The agreed price is provisionally established at Euro 5.4 million, which shall subsequently be adjusted on the basis of the net financial position at the time of the closing. The payment of an earn-out of Euro 0.3 million subject to the achievement of the pre-set objectives for 2024 is stipulated. This agreement implies a multiple on estimated EBITDA for 2024 of less than 7 times, before assumed synergies. The agreement also provides for the seller to make representations and warranties, which are usual in this kind of transaction. The transaction is scheduled to close by the end of the current month. WIIT will be able to strengthen its indirect services division through this acquisition, a process which began with the previous acquisition of Lansol GmbH, expanding its portfolio with the more than 300 law firms with workforces of between 5 and 50 employees and generating Euro 1.0 million in cost synergies, stemming from the consolidation of the data centers and supplier and staffing optimisations.

On October 21, 2024, WIIT signed a new five-year contract worth Euro 2.8 million for Cloud ERP services with a leading Milan-based manufacturing company. The Customer chose WIIT precisely because of the high resilience and reliability provided by the company's Secure Cloud model, the only Cloud Provider in Europe to boast 3 data centers certified Tier IV by the Uptime Institute. In fact, thanks to its established presence in multiple regions, including Italy, Germany and Switzerland, and its network of data centers with the highest security standards, WIIT is able to guarantee its customers uninterrupted service delivery, even in the event of critical events such as cyber attacks, today's leading cause of system downtime. The agreement provides for the migration of the Customer's ERP platform to WIIT's Cloud. This critical application will be managed and hosted with very high resilience and reliability within the Premium Zone in the Italy North-West Region. The Customer has also opted for the activation of the Disaster Recovery functionality, delivered by the Premium Zone of the Germany West Region, which will ensure business continuity, resilience and usability, essential factors to support critical business processes.

On October 31, 2024, WIIT signed a five-year contract for Cloud and Cyber Security services worth a total of approximately Euro 2.6 million, including Euro 2.0 million from new services, with a major Italian multinational company, a leading plastic processing player. The Customer renewed its confidence in the company's Cyber Security services for a further 5 years, while also extending it to all of the Group's global subsidiaries, while simultaneously initiating a new Cloud migration project for all the critical applications of the Group companies in Europe and the United States. The customer has decided to benefit from the highest level of security guaranteed by WIIT's Secure Private Cloud model and will use the premium Italy North West (Milan) and Germany West (Düsseldorf) regions, both based on Tier IV data centers. The new Secure Private Cloud project amounts to more than Euro 2.0 million over the 5-year contract period.

OUTLOOK

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 growth for FY 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. The integration process, adopting the Group policies, of the new Swiss subsidiary Econis began immediately. The benefits in terms of synergies will emerge over the coming quarters. 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. Finally, following the closing of the acquisition of "Michgehl & Partner", WIIT further consolidates its presence in Germany with cost synergies visible by 2025.

In terms of potential impacts from the Russia-Ukraine conflict, the WIIT Group at September 30, 2024 has a marginal exposure to the Russian and Ukrainian market. Group revenues from Russia in 9M 2024 amounted to Euro 33 thousand (0.03% of revenues), with those from Ukraine totalling Euro 124 thousand (0.10% of revenues) and from Israel for Euro 2 thousand (0.002%). The Directors do not consider that either direct or indirect risks may arise from such trade relations, despite the fact that the Russian-Ukrainian conflict is generally driving the cost of raw materials higher.

Milan, November 7, 2024

**For the Board of Directors
The Chairperson
(Enrico Giacomelli)**

Statement of the Executive Officer for Financial Reporting in accordance with Article 154-bis, paragraph 2 of Legislative Decree No. 58/1998 (CFA)



The Executive Officer for Financial Reporting declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present Interim Report at September 30, 2024 corresponds to the underlying accounting documents, records and entries.

Milan, November 7, 2024

**The Executive Officer
(Stefano Pasotto)**