



PRESS RELEASE

WIIT S.p.A.'s Board of Directors approved the draft separate financial statements and consolidated financial statements for the year ended as at 31 December 2018.

- **Consolidated revenues of Euro 25 million (+29.05% compared to 31 December 2017)**
- **Consolidated Adjusted EBITDA of Euro 10.4 million (+23% over 31 December 2017); Adjusted EBITDA margin at 41.3% (43.3% at 31 December 2017)**
- **Reported EBITDA of Euro 10 million (+31% over 31 December 2017); Reported EBITDA margin at 39.6% (38.9% at 31 December 2017)**
- **Consolidated EBIT of Euro 4.9 million (+16.5% over 31 December 2017); EBIT margin at 19.3% (21.4% at 31 December 2017)**
- **Net profit of Euro 3.5 million (+11.5% compared to 31 December 2017)**
- **Net financial position: debt of Euro 4.4 million (compared to cash of Euro 7.9 million at 31 December 2017)**
- **Proposed dividend of Euro 0.90 per share**
- **Plan approved for the merger by incorporation of the wholly-owned company Foster S.r.l. in WIIT S.p.A.**

Milan, 15 February 2019 – WIIT S.p.A. ("**WIIT**" or the "**Company**"), one of the main Italian players in the Cloud Computing services market for companies focused on providing continuous Hybrid Cloud and Hosted Private Cloud services for critical applications, announces that the Board of Directors has approved the draft separate financial statements and consolidated financial statements for the year ended as at 31 December 2018.

The Chief Executive Officer, Alessandro Cozzi, said:

"We are extremely satisfied with the results: Adjusted EBITDA and EBIT are better than expected. This positive result, in terms of profitability, is due primarily to organic growth. We should add that the company Adelante, acquired in 2018, reached the objectives set in terms of both revenues and EBITDA. We are also extremely confident for 2019, which will also benefit from the important commercial contracts signed in 2018, plus the full consolidation of Adelante. Demand for Cloud services from new customers has increased, in line with the market growth predicted by sector analysts, and our Group benefits from an increasingly more significant position in "Private and Hybrid Cloud" services, where our brand retains an excellent position. Increased and better references help the Group to acquire new customers, which also include medium-large companies and international companies that need high quality services, speed of execution and flexibility with respect to their specific requirements. Our strategy also makes provision for the achievement of external growth and, following the acquisition of Adelante, which proved to be successful both in terms of the integration of personnel into the Group and the economic results obtained, we intend to continue to evaluate any opportunities for market consolidation in Italy and abroad too".



Main consolidated results as at 31 December 2018

As at 31 December 2018, WIIT recorded consolidated revenues of Euro 25 million (+29.05% compared to Euro 19.6 million as at 31 December 2017).

Adjusted EBITDA stood at Euro 10.4 million, with a consistent growth trend (+23%) compared to Euro 8.4 million as at 31 December 2017 and an incidence of 41.3% on revenues, down slightly compared to 43.3% recorded in 2017.

EBITDA stood at Euro 10 million, with a consistent growth trend (+31.1%) compared to Euro 7.6 million as at 31 December 2017 and an incidence of 39.6% on revenues, up slightly compared to 39% recorded in 2017. Reported EBIT (so-called net operating margin) came to Euro 4.9 million (+16.5% compared to 31 December 2017) and represents 19.3% of revenues.

Net profit amounted to Euro 3.5 million, marking an increase of 11.5% (Euro 3.1 million as at 31 December 2017).

Net profit (based on the same conversion rates) was Euro 3.6 million, marking growth of 13.9% compared to 31 December 2017.

The net financial position went from Euro +7.9 million (cash) as at 31 December 2017 to Euro -4.4 million (debt) as at 31 December 2018; this value sees the incidence of the investment made to acquire the Adelante Group amount to Euro 6.9 million, investments of over Euro 5.3 million, the purchase of treasury shares of Euro 3 million and, finally, the application of IFRS 16, which increased payables to other lenders by Euro 1.2 million.

Proposed dividend distribution

The Board of Directors resolved to propose to the Ordinary Shareholders' Meeting the distribution of a gross dividend of Euro 0.90 (ninety cents) for each of the outstanding WIIT shares (excluding treasury shares), according to the following timetable: dividend detachment date of **15 April 2019** (ex date), date of legitimate entitlement to receive the dividend **16 April 2018** (record date) and dividend payment date **17 April 2019** (payment date).

Approval of the plan for the merger by incorporation of the subsidiary Foster S.r.l. in WIIT S.p.A.

The company's Board of Directors and the Board of Directors of Foster S.r.l. ("**Foster**" or the "**Merging Company**") also approved, pursuant to articles 2501-ter and 2505 of the Italian Civil Code, the plan for the merger by incorporation of Foster in the company (the "**Merger Plan**").

The merger will make it possible to concentrate, in the Company, the activities previously carried out via the Merging Company. More generally speaking, the goal of the merger is to rationalise resource management and reduce structure costs. It is believed the merger will allow a saving in costs deriving from the elimination of duplication and overlapping of corporate, accounting, tax and administrative tasks.

The Merging Company is - and will be on the date of completion of the merger act - directly and wholly-owned by the Company and, therefore, the simplified merger procedure pursuant to art. 2505 of the Italian Civil Code applies. The merger operation will be subject to approval by WIIT's Board of Directors, pursuant to art. 2505, second paragraph of the Italian Civil Code, and the Shareholders' Meeting of Foster.

As we are talking about a merger by incorporation of a wholly-owned company, no shares are due to the shareholders of the Merging Company and, therefore, a share exchange ratio does not need to be determined. The date of effectiveness of the merger will be established in the merger deed.

Pursuant to the "Related party procedure of WIIT S.p.A." (the "**Related Party Procedure**") adopted by the Company, WIIT and Foster are related parties as the latter is wholly-owned by the Company. The Merger Plan was unanimously approved by WIIT's Board of Directors on today's date. It should be



noted that, in accordance with art. 3 (Exclusions) of the Related Party Procedure, the provisions regarding the preliminary assessment, the evaluation and approval of the transaction do not apply, given that they are not applied to transactions that are carried out with or between subsidiaries: pursuant to these provisions, the Company will not be required to publish the information document on the transaction.

The Merger Plan, together with additional documents, will be made available to the public at the Company's head office and on the Company's website (<http://www.wiit.cloud/>), in the Investor Relations section, in accordance with the legal and regulatory terms.

Calling of the Ordinary Shareholders' Meeting

The Board of Directors resolved to call the WIIT Ordinary Shareholders' Meeting at the Fondazione Stelline, in Milan, Corso Magenta no. 61, on 18 March 2019, at 14:30, on first call, and if necessary, on 20 March 2019, at the same time and place, on second call, to discuss and resolve on the following item on the agenda:

- Approval of the separate financial statements for the year ended as at 31 December 2018; inherent and subsequent resolutions.

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The draft separate financial statements, with the relevant reports and the consolidated financial statements for the year ended as at 31 December 2018, subject to an audit by Deloitte & Touche S.p.A., will be made available at the Company's head office and on the Company's website (<http://www.wiit.cloud/>), in the Investor Relations section, in accordance with the legal and regulatory terms.

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The reclassified consolidated financial statements of the Group as at 31 December 2018, compared with those as at 31 December 2017, are attached.

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The accounting data reported in this press release have still not been subject to an audit or to verification by the Board of Statutory Auditors.

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Some "alternative performance indicators" are used in this press release which are not provided for in the reference accounting standards (IAS/IFRS) adopted by the European Union (Adjusted EBITDA, Reported EBITDA, Adjusted EBIT, Net Financial Position). In relation to the start of the process of listing on the MTA (screen-based equity market) and the launch of the external growth process, for the purposes of a correct comparison of the values, the Adjusted EBITDA is also reported, calculated gross of non-recurring costs relating to the MTA listing and M&A. It should be noted that the criteria for determining these indicators applied by WIIT may not be consistent with those adopted by other companies or groups and, therefore, the non-GAAP measures indicated above may not be comparable with those determined by the latter. It should be noted that Adjusted EBIT is calculated as a result of Adjusted EBITDA net of amortisation, depreciation and write-downs.

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This press release may contain provisional information, including references that do not relate exclusively to historical data or current events and, therefore, as such, uncertain. The provisional information is based on various assumptions, expectations, projections and forecast data relating to future events and are subject to a number of uncertainties and other factors beyond the control of the Company and/or the Group. There are a number of factors that can generate results and performances that differ greatly from the implicit or explicit contents of the provisional information and, therefore, this information is not a reliable indication of future performance. WIIT S.p.A. does not assume any obligation of publicly updating or reviewing the provisional information both as a result of new



information, and future events or due to other reasons, except where required by the applicable legislation. The information and opinions contained in this press release are those available at the date of this document and are subject to changes without prior notice. In addition, the reference to the past performances of the Company and of the Group must not be viewed as an indication of the future performance.

WIIT S.p.A.

WIIT S.p.A., a company listed on the AIM Italia / Alternative Capital Market (WIIT.MI), organised and managed by Borsa Italiana S.p.A., is one of the main Italian players in the Cloud Computing market and, in particular, in the Hybrid Cloud and Hosted Private Cloud sectors for businesses. It focuses on and specialises in Hosted Private and Hybrid Cloud services for businesses with the need for the management of critical applications and business continuity solutions and manages all the main international application platforms (SAP, Oracle and Microsoft) based on an end-to-end approach. WIIT manages proprietary data centres, the main one of which is "Tier IV" certified by the Uptime Institute LLC of Seattle (United States), which represents the highest level of reliability and, with particular reference to SAP, is among the most certified SAP partners in the world. For more information, please refer to the Company's website (<http://www.wiit.cloud/>).

WIIT S.p.A.

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It should be noted that the data in the tables shown hereunder were prepared in compliance with the international accounting standards (IAS/IFRS).

RECLASSIFIED CONSOLIDATED FINANCIAL POSITION SITUATION		
<i>In thousands of Eur</i>	31.12.2018	31.12.16
ASSETS		
Intangible Assets	2.723	1.402
Intangible Assets - Goodwill	9.736	1.315
Rights of Use	1.327	0
Property plant and equipment	3.955	4.622
Other Tangible Assets	9.868	8.291
Investments in associates	68	458
Other non-current assets deriving from the contract	710	0
Deferred Tax Assets	334	279
Total non-current assets	28.720	16.367
Inventories	0	0
Trade and other receivables	4.699	3.292
Intercompany receivables	461	1.122
Other current assets	0	0
Advance Tax	685	377
Other current assets deriving from the contract	330	0
Other liquid assets	1.404	395
Cash and cash equivalents	17.930	21.514
Total current assets	25.510	26.700
TOTAL ASSETS	54.231	43.067

<i>In thousands of Eur</i>	31.12.2018	31.12.16
EQUITY		
Share capital	2.652	2.566
Share premium Reserve	19.249	19.249
Legal Reserve	513	414
Other Reserve	(4.922)	(890)
Retained earnings (losses) carried forward	1.241	329
Translation Reserve	14	(51)
Net Income	3.496	3.137
TOTAL EQUITY	22.243	24.755
Liabilitiers to other lenders	4.802	4.030
Financial liabilities	6.144	4.659
Other non-current financial liabilities	2.550	0
Employee benefits liabilities	1.259	918
Provision for deferred tax liabilities	214	29
Non-current liabilities deriving from the contract	1.340	0
Other payables and non-current liabilities	0	220
NON-CURRENT LIABILITIES	16.309	9.856
Liabilitiers to other lenders	3.923	2.060
Financial liabilities	3.818	3.165
Tax current liabilities	669	366
Current tax liabilities	1.410	0
Trade and other payables	3.802	2.058
Intercompany payables	0	0
Current liabilities deriving from the contract	766	0
Other payables and current liabilities	1.290	807
CURRENT LIABILITIES	15.678	8.456
TOTAL LIABILITIES, MONITORY INTEREST AND EQUITY	54.231	43.067

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>In thousands of Eur</i>	31.12.2018	31.12.2017
REVENUE		
Revenue - core-business	24.391	18.809
Other	846	747
Net sales	25.237	19.556
COST OF SALES		
Cost of products and service sold	(10.264)	(7.709)
Cost of employees	(4.677)	(3.999)
Amortisation, depreciation	(5.108)	(3.433)
Provisions	0	0
Other costs and charges	(309)	(217)
Variation of inventory	0	(12)
Total cost of sales	(20.359)	(15.370)
OPERATING PROFIT	4.878	4.186
Depreciation of investments in associates	0	(6)
Financial income	7	42
Financial costs	(508)	(452)
Exchange rate differences	(90)	92
RESULT BEFORE TAXES	4.287	3.862
Income taxes	(791)	(725)
NET RESULT	3.496	3.137
EBITDA	9.987	7.618
	40%	39%
EBIT	4.878	4.186
	19%	21%

STATEMENT OF CASH FLOWS Values in '000Euro	31.12.18 Consolidated	31.12.17 Consolidated
Net income from operating activities	3.496	3.137
<i>Adjustments relating to items that do not have effect on liquidity:</i>	0	0
Depreciation and amortisation	5.108	3.433
Adjustments to financial asset values	0	6
Changes in provision	341	101
Increase (decrease) provisions for risks and charges	0	0
Financial expenses	508	452
Income taxes	791	725
Cash flows from operating activities before changes in working capital	10.245	7.854
<i>Changes in current assets and liabilities:</i>	0	0
Decrease (Increase) Inventory	0	12
Decrease (Increase) Receivables	(835)	115
Decrease (Increase) Credit for tax	(308)	(77)
Decrease (Increase) other current assets	(1.339)	155
Increase (Decrease) payables	1.744	329
Increase (Decrease) payable to tax	894	(456)
Increase (Decrease) Other current liabilities	1.249	100
<i>Cash and cash equivalents generated by operating activities</i>	0	0
Income taxes paid	(1.197)	(195)
interest paid / collected	(241)	(423)
Net cash and cash equivalents generated by operating activities (a)	10.212	7.413
Net increase tangible assets	(4.659)	(6.660)
Net increase intangible assets	(1.755)	(880)
Net increase intangible assets IFRS16	(2.165)	0
Decrease (Increase) financial assets	(374)	0
Acquisition or sale of subsidiaries or business units net of cash and cash equivalents	(8.421)	0
Net cash and cash equivalents used in investment activities (b)	(17.374)	(7.541)
Payables for finance lease payables	(3.804)	(2.409)
Obtainment of new borrowings for finance leases	5.571	5.885
Obtainment of new loans	6.600	6.600
Repayment of loans	(4.106)	(3.459)
Hedge -Minibond	0	(1.785)
POC - mandatory convertible bond (conversion)	0	(4.253)
Opening (disposal) of other financial investments	5.080	(100)
Increase (Decrease) bank overdrafts	245	446
Distribution of dividends	0	0
Other changes in shareholders' Equity	(2.126)	(900)
Purchase of own shares	(2.962)	0
Other movements Equity	(920)	18.006
Net cash and cash equivalents generated by financial activities (c)	3.577	18.031
NET Increase (Decrease) Cash and cash equivalents a+b+c	(3.584)	17.904
Cash and cash equivalents - end period	17.930	21.514
Cash and cash equivalents - start period	21.514	3.610
NET Increase (Decrease) Cash and cash equivalents	(3.584)	17.904