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WIIT

THE PREMIUM CLOUD

PRESS RELEASE

WIIT S.p.A. BoD approves H1 2021 results[1]

Adjusted Revenues continue to grow at Euro 35.1 million (+52.2%), driven by organic growth (+11%), the contribution of myLoc, the extension of contracts and the winning of new customers

Adjusted EBITDA of Euro 14.2 million (+72.8%)

Margin up to 40.5%, thanks to operating efficiencies, the focus on higher added value services and the contribution of myLoc

Adjusted net profit of Euro 4.3 million, up 35.5%

The BoD approves the issue of a non-convertible bond for a maximum amount of Euro 150 million

The WIIT Group in H1 2021 reports:

- **Adjusted consolidated revenues of Euro 35.1 million (+52.2% on Euro 23.1 million in H1 2020), driven by organic growth of approx. 11%, with a focus on higher added value services, increased cross selling on the customers of the acquired companies and the winning of new customers, in addition to the contribution of myLoc for Euro 9.6 million.**
- **Consolidated Adjusted EBITDA of Euro 14.2 million (up 72.8% on Euro 8.2 million in H1 2020), thanks to operating efficiencies, the concentration on Cloud services and the contribution of the myLoc profitability. The margin on revenue increased to 40.5%, from 40.3% recorded in Q1 2021.**
- **Consolidated Adjusted EBIT of Euro 7.8 million (+79.6% on Euro 4.3 million in H1 2020), with a margin on revenue of 22.1%.**
- **Adjusted net profit of Euro 4.3 million, up 35.5% on Euro 3.2 million in H1 2020.**
- **Adjusted Net Financial Position presents a net debt of Euro 72.6 million, down from a debt of Euro 95.6 million at December 31, 2020, which also includes the IFRS16 effect for Euro 8.6 million (Euro 9.0 million in 2020). This decrease particularly reflects the capital increase carried out in June 2021 for Euro 25.0 million and good cash generation, despite capex expenditure of Euro 4.9 million, treasury share purchases for Euro 4.6 million, dividends for Euro 3.2 million and earnout and minority payments for Euro 2.4 million. This amount does not include the valuation of treasury shares in portfolio for approx. Euro 28.7 million at market value at June 30, 2021.**

[1]For the definitions of EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Net Financial Position/Net Debt, Adjusted net profit, reference should be made to the "Alternative performance indicators" at the end of this Press Release.

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- **H1 2021 myLoc figures[2]:**
  - **Adjusted Revenues of Euro 9.6 million;**
  - **Adjusted EBITDA of Euro 4.8 million, with a margin on revenue of 49.5%;**
  - **Adjusted EBIT of Euro 2.9 million, with a margin on revenue of 29.8%;**

Milan, September 7, 2021 – The Board of Directors of WIIT S.p.A ("**WIIT**" or the "**Company**"; ISIN IT0004922826; WIIT.MI), a leading European player in the Cloud Computing market for enterprises demanding uninterrupted Hybrid Cloud and Hosted Private Cloud services for critical applications, meeting today approved the consolidated results at June 30, 2021, drawn up as per IFRS.

The **Chief Executive Officer Alessandro Cozzi observed**: *"The excellent results for H1 2021 confirm the ongoing development of the Group companies - particularly in terms of margins. In addition to organic growth, I wish to highlight the increasing contribution of myLoc - both to revenues and margins. Consolidation of the German market continued with the acquisition of Mivitec in July 2021, confirming the high potential of this geographical area for value-added services, a key pillar of WIIT's offer. The commercial Pipeline continues to progress. In the January-August period, the best booking value for the last three years was reported, demonstrating that the WIIT offer continues to be well received by the market. In addition, today WIIT's Board of Directors approved the issue a Bond for a maximum amount of Euro 150 million, with the goal of optimising the sources of funding. These funds will also be used to support the Group's international expansion as part of the Cloud for Europe project".*

* * *

<u>H1 2021 Consolidated Results</u>

The Group headed by WIIT (the "**Group**" or the "**WIIT Group**") reports **consolidated adjusted revenues** for H1 2021 of Euro 35.1 million, up significantly (+52.2%) on Euro 23.1 million in the first half of 2020.

This increase is driven by organic development, the contribution of myLoc, a focus on higher added value services, the winning of new customers, cross-selling to customers of acquired companies and the consolidation of these companies.

Consolidated **Adjusted EBITDA** in H1 2021 was Euro 14.2 million, up 72.8% on Euro 8.2 million in H1 2020, with a margin of 40.5%.

In H1 2021 WIIT's margin was 44.5%, compared to 42.9% for the year ended December 31, 2020,; with the margin of the subsidiary Matika S.p.A. also improving from 27.2% in 2020 to 33.2% in H1 2021, and that of Etaeria S.p.A. from 19.5% in 2020 to 22.2% in H1 2021. Adelante S.r.l.'s margin was 21.3%, substantially in line with the 21.1% reported for 2020 and up on 19.7% in Q1 2021. myLoc's margin was 49.5%, compared to 43.9% in 2020.

[2] myLoc Management IT AG ("**myLoc**") – a company acquired on September 30, 2020.

The adjustment to **EBITDA** for H1 2021 refers: for Euro 0.7 million to costs relating to the integration of the purchase price of 20% of the share capital of Matika S.p.A., for Euro 0.2 million to costs relating to stock option and stock grant plans and, to a lesser extent, to costs relating to M&A transactions.

Adjusted EBIT was Euro 7.8 million in H1 2021, +79.6% on Euro 4.3 million in H1 2020, with a 22.1% margin on revenue.

The adjustment to **EBIT** in H1 2021 concerns the aforementioned EBITDA adjustments and the value of amortisation and depreciation concerning the PPA (Purchase Price Allocation) for acquisitions for Euro 1 million.

Financial expenses were Euro 1.3 million, compared to Euro 0.5 million in the first half of 2020. The item mainly includes interests payable on loans for Euro 1 million, including the effect of the amortised cost of banking fees for Euro 0.5 million and leasing charges relating to the right of use of the electronic machines, property rental and vehicle hire for Euro 0.2 million. Other charges refer to the recognition of the economic effect of derivatives.

Adjusted net profit in H1 2021 was Euro 4.3 million, up 35.5% on Euro 3.2 million in H1 2020.

The **Net Financial Position (debt),** considering the IFRS 16 impact of approx. Euro -8.6 million in H1 2021, decreased from a debt of Euro 95.6 million at December 31, 2020 to a debt of Euro 72.6 million at June 30, 2021; this amount particularly reflects the capital increase carried out in June 2021 for Euro 25.0 million and the strong cash generation. This amount does not include the valuation of treasury shares in portfolio for approx. Euro 28.7 million at market value at June 30, 2021.

Strong cash flows were generated from operating activities in the first half of the year of Euro 11.9 million. Cash and cash equivalents were Euro 36.5 million and reflect the capital increase of Euro 25.0 million, Capex of approx. Euro 4.9 million[3] in IT infrastructure related to new orders, the purchase of treasury shares for Euro 4.6 million, the payment of dividends for Euro 3.2 million and the payment of earnouts and of minorities for Euro 2.4 million.

H1 2021 significant events

On January 21, 2021, WIIT announced the five-year renewal of its existing contract with a leading international group in the business process outsourcing services sector for a total value of **approx. Euro 6.9 million.** The new scope of services also includes access to WIIT's "Smart Working as a service" platform for over 1,000 people.

On March 11, 2021, WIIT announced the four-years renewal of its existing contract with one of the main operators providing credit management services for a total value of approx. Euro 3.3 million.

On March 19, 2021, the Board of Directors of WIIT S.p.A. approved the statutory financial statements and the consolidated financial statements at December 31, 2020, drawn up as per IFRS - and the Directors' Report.

On May 5, 2021, the Shareholders' Meeting met in ordinary and extraordinary session and, among other matters, appointed the new Board of Directors and the new Board of Statutory Auditors for the 2021-2023 period. The Shareholders' Meeting also approved the 1:10 stock split of 2,652,066 ordinary shares (no par value) into 26,520,660 newly issued ordinary shares, having the same characteristics as the issued ordinary shares; this split operation was carried out on May 24, 2021.

3 Capex totals Euro 10.2 million, including Euro 4.3 million with an impact on the Net Financial Position and Euro 5.9 million relating to leasing contracts.

On May 8, 2021, WIIT announced the positive conclusion of the placement of 2,100,000 WIIT ordinary shares, representing approx. 7.92% of the company's share capital (at that date and after the increase), carried out through an accelerated bookbuild offering to institutional investors. The majority shareholder WIIT Fin S.r.l. also participated in the transaction. Specifically: (i) WIIT placed 1,500,000 new shares resulting from the share capital increase (equal to approx. 5.66% of the shares issued); (ii) WIIT Fin S.r.l. sold 600,000 WIIT shares (equal to approx. 2.26% of the shares issued). The placement of the shares was made at a price of Euro 17.00 per share. Following the share capital increase, WIIT issued 1,500,000 ordinary shares for a total value of Euro 25,500,000.00. Following this transaction, WIIT's share capital amounts to Euro 2,802,066.00, comprising 28,020,660 ordinary shares, without nominal value. WIIT Fin S.r.l. retained 14,776,600 Company shares, maintaining legal control of the Company.

On June 24, 2021, the minority shareholders of Matika S.p.A. exercised the put option for the sale of their 20% shareholding in the company, as provided for in the option agreement signed as part of the transaction for WIIT's acquisition of 60% of the share capital of Matika S.p.A. The exercise value of the option was originally set at Euro 4.2 million. During the price determination phase, the Net Financial Position at December 31, 2020 was established as a reference. As this result was better than that forecasted at the acquisition date, an extra cost of Euro 0.722 million was added and recognised to the income statement. Payment of the option was settled 50% in cash and 50% through the use of treasury shares with a lock-up period of 12 months**.**

Subsequent events to H1 2021

On July 23, 2021, WIIT acquired a further 20% of the share capital of Etaeria S.p.A. following the exercise of the PUT option for the sale of the 20% first shareholding by A&C Holding S.r.l., as provided for in the option contract. The sale price for the 20% was set at Euro 1.273 million. The consideration was paid in cash.

On July 27, 2021, the acquisition was concluded of 100% of the share capital of Mivitech GmbH ("Mivitech"), a German cloud operator specialising in managed services for businesses, with registered office in Munich, through its German subsidiary myLoc managed IT AG. The transaction is designed to consolidate WIIT's presence in Germany and to enable increasing economies of scale with its subsidiary myLoc. Mivitech is an operator of modest size, but boasts proprietary data center, a significant client portfolio, value added services and a strategic geographic location. Munich is one of the country's most important business regions, and as such strengthens WIIT's strategic position in Germany. Based on an enterprise value of approx. Euro 4 million, equivalent to 8 times 2020 EBITDA, the initial price was set at approx. Euro 4.5 million, and will be adjusted on the basis of the December 31, 2021 figures. The transaction was concluded with the signing of a binding agreement for the purchase of 100% of the share capital of Mivitec. 70% of the initial price was paid in cash on July 27, 2021, while the remaining 30% is held as a guarantee against the price adjustment to be carried out following the approval of Mivitech's 2021 annual financial statements. Should performance be lower than expected, the final price may be reduced by up to 50% of the initial price.

COVID-19 update and Outlook

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

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

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

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

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

Non-convertible bond

The Board of Directors also approved the issue of a senior, non-convertible, unsubordinated and unsecured bond (the "**Bond**") for a maximum nominal amount of Euro 150 million.

The issue of the Bond is subject to, *inter alia*, the necessary approvals by the Central Bank of Ireland (CBI) for the publication of the prospectus and the listing of the relative Bonds (the "**Bonds**"), and by Euronext Dublin and Borsa Italiana S.p.A., and to the success of the Bond offer, also taking into account market conditions.

The resolution provides that the Bond shall have a term of five years from the date of issue, a fixed interest rate of not less than 2% on an annual basis, and repayment at par at maturity, save for certain limited early repayment options, that shall also be subject to, *inter alia,* compliance with covenants relating to the assumption of new indebtedness in line with market practice and that the Bonds are issued at a price equal to 100% of their nominal value, with a denomination of Euro 1,000. The proceeds of the Bond are expected to be used to refinance part of the existing indebtedness and for general corporate needs, including the financing of potential acquisition transactions. It is also envisaged that, subject to the issue of the necessary authorisations, the Bonds will be admitted to listing on the Regulated Market of the Official List of the Irish Stock Exchange - Euronext Dublin, with a dual listing also on the MOT Bond market organised and managed by Borsa Italiana S.p.A.

For the purposes of the aforementioned public offering and listing of the Bonds, it is envisaged the publication of a prospectus, which shall be approved by the Central Bank of Ireland (CBI). The prospectus will then be "passported" to Italy according to the applicable regulations. Once approved, the prospectus will be available, *inter alia*, in the appropriate section of the Company's website.

Equita S.I.M S.p.A. will act as the placement agent and specialist in buying the Bonds.

Subject to the required approvals and compatibly with market conditions, the launch of the Bond offer is expected to occur by the end of September 2021. The opening and closing dates of the offer period will be indicated in the prospectus upon approval and communicated through a press release. Additional details will be provided once the operation begins.

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With reference to the figures in this press release, it should be noted that are data for which a limited audit activity has been completed. The consolidated half-year financial report at June 30, 2021 will be published in accordance with legal and regulatory requirements.

* * *

Statement pursuant to Article 154-*bis*, paragraph 2 of Legislative Decree No. 58/1998.

The Corporate Financial Reporting Manager, Mr. Stefano Pasotto, declares, pursuant to Article 154-*bis*, second paragraph of Legislative Decree No. 58/1998, that this press release corresponds to the underlying accounting documents, records and accounting entries.

* * *

Important information

This announcement may contain certain forward-looking statements, estimates and forecasts reflecting management's current views with respect to certain future events. Forward-looking statements, estimates and forecasts are generally identifiable by the use of the words "should," "expect," "estimate," "believe," "intend," "plan," "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the group participates. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Company's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. It is based on information available to the Group as of today. The Group assumes no obligation to publicly update or revise forecasts and estimates as a result of the availability of new information, future events or otherwise, subject to compliance with applicable laws.

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This press release has been prepared on the basis that any offer of securities as per the Prospectus Regulation in the United Kingdom and in any Member State of the European Economic Area and except in the case of a public offer in Italy on the basis of an English-language prospectus approved by the Central Bank of Ireland (CBI) and passported in Italy in accordance with applicable regulatory requirements, together with an Italian translation of the summary note, will be made pursuant to an exemption from the requirement to publish a prospectus for offers of securities provided for in the Prospectus Regulation. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (this Regulation and amendments together with any delegated act and implementing measures) and Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (The "**EUWA**"). This document is not a prospectus for the purposes of the Prospectus Regulation.

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WIIT S.p.A.

WIIT S.p.A., listed on the STAR segment of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A (WIIT.MI), is a leading European Cloud Computing market player, focused particularly on the Hybrid Cloud and Hosted Private Cloud for enterprises market. This company specialises in Hosted Private and Hybrid Cloud services for enterprises requiring critical application and business continuity management, with all the main international application platforms managed (SAP, Oracle and Microsoft) using an end-to-end approach. WIIT manages proprietary data centers, with the main center Tier IV level certified by the Uptime Institute LLC of Seattle (USA). This is the highest possible level of reliability, while the company is also among the world's most certified SAP partners. For further details, reference should be made to the company website (wiit.cloud).

For further information:

Investor Relations WIIT S.p.A.:

Stefano Pasotto – CFO & Investor Relations Director

Francesca Cocco – Lerxi Consulting – Investor Relations

T +39.02.3660.7500

Fax +39.02.3660.7505

ir@wiit.cloud

www.wiit.cloud

Media Relations:

Image Building

T +39 02 89011300

wiit@imagebuilding.it

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The following tables have been prepared in accordance with IAS/IFRS.

CONSOLIDATED BALANCE SHEET

	30.06.2021	31.12.2020
ASSETS		
Intangible assets	29,967,713	29,157,680
Goodwill	56,660,268	56,660,268
Property, plant and equipment	1,984,951	2,417,428
Other tangible assets	25,993,109	23,033,145
Rights-of-use	8,767,810	9,050,928
Deferred tax assets	1,118,269	1,209,368
Equity investments and other non-current financial assets	174,561	81,863
Other non-current assets deriving from contracts	157,083	217,174
Other non-current assets	313,168	306,533
NON-CURRENT ASSETS	**125,136,932**	**122,134,387**
Inventories	30,064	85,487
Trade receivables	5,973,588	7,965,156
Trade receivables from associates	54,651	35,713
Current financial assets	200,305	13,482
Current assets deriving from contracts	171,754	223,325
Other receivables and other current assets	4,798,377	3,601,378
Cash and cash equivalents	36,306,571	18,242,212
CURRENT ASSETS	**47,535,311**	**30,166,753**
TOTAL ASSETS	**172,672,243**	**152,301,140**

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CONSOLIDATED BALANCE SHEET

	30.06.2021	31.12.2020
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share Capital	2,802,066	2,652,066
Share premium reserve	44,598,704	19,248,704
Legal reserve	530,413	530,422
Other reserves	(14,226,616)	(13,166,035)
Reserves and retained earnings (accumulated losses)	2,417,483	3,389,210
Translation reserve	(2,414)	(8,638)
Group net profit	2,503,629	1,594,498
GROUP SHAREHOLDERS' EQUITY	**38,623,265**	**14,240,227**
Result attributable to non-controlling interests	*408,669*	*878,591*
Non-controlling interests capital and reserves	*736,911*	
TOTAL SHAREHOLDERS' EQUITY	*39,360,176*	*15,118,818*
Payables to other lenders	13,219,459	11,409,366
Bank payables	22,597,053	72,984,366
Other non-current financial liabilities	1,561,576	10,945,144
Employee benefits	2,982,895	2,842,413
Deferred tax liabilities	8,147,300	8,624,975
Non-current liabilities deriving from contracts	346,430	447,960
Other payables and non-current liabilities	324,074	0
NON-CURRENT LIABILITIES	**49,178,787**	**107,254,224**
Payables to other lenders	6,829,339	6,517,799
Short-term loans and borrowings	54,144,739	3,885,074
Current income tax liabilities	2,483,029	1,138,913
Other current financial liabilities	10,482,688	8,124,085
Trade payables	6,012,892	6,166,928
Payables to associates	64,635	43,135
Current liabilities deriving from contracts	303,113	403,165
Other payables and current liabilities	3,812,846	3,648,998
CURRENT LIABILITIES	**84,133,279**	**29,928,097**
TOTAL LIABILITIES	**133,312,067**	**137,182,321**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**172,672,243**	**152,301,140**

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CONSOLIDATED INCOME STATEMENT

	H1 2021	H1 2020
REVENUES AND OPERATING INCOME		
Revenues from sales and services	34,938,720	23,018,630
Other revenue and income	163,586	449,404
Total revenues and operating income	**35,102,306**	**23,468,034**
OPERATING COSTS		
Purchases and services	(14,604,680)	(9,770,452)
Personnel costs	(6,892,207)	(4,843,969)
Amortisation, depreciation & write-downs	(7,464,278)	(4,296,853)
Provisions	0	0
Other costs and operating charges	(264,170)	(294,138)
Change in Inventories of raw mat., consumables and goods	(81,637)	(59,110)
Total operating costs	**(29,306,971)**	**(19,264,522)**
EBIT	**5,795,335**	**4,203,512**
Income (Charges) from Equity Method	0	29,497
Financial income	1,598	60,304
Financial expenses	(1,326,060)	(541,667)
Exchange gains/(losses)	(8,417)	(27,322)
PROFIT/(LOSS) BEFORE TAXES	**4,462,457**	**3,724,324**
Income taxes	(1,550,159)	(600,884)
NET PROFIT	**2,912,298**	**3,123,440**
Group Result	*2,503,629*	*3,123,440*
Non-controlling interest result	*408,669*	*452,132*

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COMPREHENSIVE INCOME STATEMENT

	H1 2021	H1 2020
NET PROFIT	**2,912,298**	**3,123,440**
Items not reclassified subsequently to the income statement		
Actuarial gains (losses) on employee benefits	3,823	(36,691)
Items reclassified subsequently to the income statement on meeting certain conditions:		
Derivative financial instruments (IRS)	267,304	(741,399)
Profits (losses) from conversion of accounts of overseas companies	6,224	6,210
Tax effect	*(79,962)*	*217,087*
TOTAL COMPREHENSIVE INCOME	**3,109,686**	**2,568,647**

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The net financial position at June 30, 2021 is as follows:

	30/06/2021	31/12/2020
A - Cash and cash equivalents	36,306,571	18,242,212
B - Securities held for trading	0	0
C - Current financial assets	200,305	13,482
D - Liquidity (A + B + C)	**36,506,877**	**18,255,694**
E - Current bank payables	(54,144,739)	(3,885,074)
F - Other current financial liabilities	(10,482,688)	(8,124,085)
G - Payables to other lenders	(6,829,339)	(6,517,799)
H - Current financial debt (E + F + G)	**(71,456,766)**	**(18,526,958)**
I - Current net financial debt (H - D)	**(34,949,889)**	**(271,264)**
J - Bank payables	(22,597,053)	(72,984,366)
K - Payables to other lenders	(13,219,459)	(11,409,366)
L - Other non-current financial liabilities	(1,561,576)	(10,945,144)
M - Trade payables and other non-current payables	(269,770)	(269,770)
N - Non-current financial liabilities (J + K + L + M)	**(37,647,859)**	**(95,608,647)**
O - Group Net Debt (I + N)	**(72,597,748)**	**(95,879,910)**
- Lease payables IFRS 16 (current)	1,700,955	1,833,287
- Lease payables IFRS 16 (non-current)	6,923,993	7,174,990
O - Net financial debt excluding the impact of IFRS 16 for the Group	**(63,972,800)**	**(86,871,633)**

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".

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WIIT

THE PREMIUM CLOUD

CONSOLIDATED CASH FLOW STATEMENT	H1 2021	H1 2020
Net profit from continuing operations	2,912,298	3,123,440
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	7,464,278	4,296,853
Financial assets adjustments	0	0
Change in employee benefits	145,145	388,699
Increase (decrease) provisions for risks and charges	0	0
Financial expenses	1,326,060	512,170
Income taxes	1,550,159	600,884
Other non-cash changes	(504,681)	(339,255)
Cash flow generated from operating activities before working capital changes	**12,893,258**	**8,582,791**
Changes in current assets and liabilities:		
Decrease (increase) in inventories	55,423	58,379
Decrease (increase) in trade receivables	942,982	969,456
Decrease (increase) in tax receivables	0	13,066
Increase (decrease) in trade payables	(132,537)	(1,281,630)
Increase (decrease) in tax payables	205,038	(290,107)
Decrease (increase) other current assets	(1,262,635)	(199,486)
Increase (decrease) in current liabilities	493,121	469,414
Decrease (increase) in other non-current assets	(6,635)	(38,354)
Increase (decrease) in other non-current liabilities	324,074	(8,394)
Decrease (increase) in assets deriving from contracts	111,662	134,663
Increase (decrease) in liabilities deriving from contracts	(201,583)	(244,202)
Cash flow generated from operating activities		
Income taxes paid	(687,722)	0
Interest paid/received	(857,052)	(407,800)
Net cash flow generated from operating activities (a)	**11,877,394**	**7,757,795**
Net increase intangible assets	(2,350,664)	(2,293,009)
Net increase tangible assets	(1,988,084)	(1,611,654)
Cash flows from business combinations net of cash and cash equivalents	0	(4,411,753)
Net cash flow used in investing activities (b)	**(4,338,748)**	**(8,316,416)**
New financing	0	11,700,000
Repayment of loans	(1,483,803)	(1,110,631)
Lease payables	(2,872,743)	(759,308)
Payment of deferred fees for business combinations	(2,368,385)	(558,666)
Share capital increase	24,990,000	0
Distribution of dividends	(3,179,719)	(4,111,159)
(Purchase) Use of treasury shares	(4,559,636)	0
Net cash flow from financing activities (c)	**10,525,714**	**5,160,237**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**18,064,359**	**4,601,616**
Cash and cash equivalents at end of the period	36,306,571	16,437,976
Cash and cash equivalents at beginning of the period	18,242,212	11,836,360
Net increase/(decrease) in cash and cash equivalents	**18,064,359**	**4,601,616**

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ALTERNATIVE PERFORMANCE INDICATORS

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

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

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

Adjusted EBITDA - A non-GAAP measure used by the Group to measure performance. Adjusted EBITDA is 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 and write-downs. costs for professional merger & acquisition (M&A) services, MTA listing costs, the tax credit for MTA listing 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 the improved comparability of the historic figures of the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business, mainly related to 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 MTA listing costs, the tax credit for MTA listing costs and 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 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 and write-downs; costs for professional merger & acquisition (M&A) services, MTA listing costs, the tax credit for MTA listing costs

and Stock Option/Stock Grant incentive plan costs and the amortisation of intangible 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 the improved comparability of the historic figures of the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business, mainly related to professional services costs for M&A's. The Group excludes from the Adjusted EBIT calculation also the MTA listing costs, the tax credit for MTA listing costs, the costs for the accounting of Stock options and Stock Grants (IFRS2) and the amortisation of intangible assets from the Purchase Price Allocation from the acquisitions, in order to improve the comparability of the operating performance.

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, MTA listing costs, the tax credit for MTA listing costs, the costs for the accounting of Stock options and Stock Grants (IFRS2) and the amortisation of intangible assets arising from the Purchase Price Allocation for 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.

Adjusted 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, less, where applicable, other non-current assets relating to security deposits and the effects of IFRS 16.

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 tax credit classified to "Other revenues and income". Total adjusted revenues and operating income is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Group may not be homogeneous with that adopted by other groups and, therefore, the amount obtained by the Group may not be comparable with the determined by the latter.