WIIT
THE PREMIUM CLOUD

PRESS RELEASE

The Board of Directors of WIIT S.p.A. approves the results at 31 March 2022[1]

Revenues continue to increase to Euro 26.4 million (+48.6%) driven by organic growth of the parent company (+9%), the extension of contracts and the acquisition of new customers, as well as the contribution of MyLoc and the German companies Mivitec and Gecko Boreus, acquired in 2021

The German market represents 53.6% of turnover and 51.9% of Adjusted EBITDA of the WIIT Group

Adjusted EBITDA equal to Euro 10.1 million (+40.9%), with a 38.2% margin. an improvement over the last quarter of 2021 (35%)

Adjusted net profit equal to Euro 3.2 million

At 31 March 2022, the WIIT Group recorded:

- **Consolidated Revenues of Euro 26.4 million (Euro 17.7 million in Q1 2021), +48.6% compared to the same period of the previous year; increase driven by organic growth of the parent company of approximately 9%, characterised by the focus on higher value-added services, increasing cross-selling to customers of acquired companies and the entry of new customers, as well as the contribution of Mivitec for Euro 0.9 million and Gecko and Boreus with the relative subsidiaries for Euro 8.0 million.**
- **Consolidated adjusted EBITDA of Euro 10.1 million (Euro 7.2 million in Q1 2021), +40.9% compared to 1Q 2021 thanks to the concentration in Cloud services, the level of optimisation achieved in the organisation of processes and operational services, cost synergies and the continuous improvement of the margin of the acquired companies; margin on revenues of 38.2%, down compared to the same period of the previous year (40.3% in Q1 2021) due to the initial dilutive effect of the acquisitions and improving compared to the last quarter of 2021 (35%).**
- **Consolidated Adjusted EBIT of Euro 5.7 million (Euro 4.1 million in 1Q 2021), +39% vs 1Q 2021 with a margin on revenues at 21.7%, depreciation and amortisation up significantly by Euro 1.3**

[1] For the definitions of EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Net Financial Position/Net Debt, Adjusted Net Profit, please refer to the section "Alternative Performance Indicators" at the end of this press release.

million to Euro 4.3 million compared to the same period of the previous year (Euro 3 million in Q1 2021).

- **Adjusted net profit at Euro 3.2 million, up from Euro 3.1 million in the previous year. The first quarter of 2022 reflects the increase in financial expenses related to the bond issued in October 2021 in the amount of Euro 1 million.**

- **Net Financial Position of Euro -147 million (Euro -140.6 million at 31 December 2021). The Net Financial Position also includes the IFRS16 effect of Euro 11.5 million (Euro 10.7 million in 2021); this change includes in particular the acquisition of ERPTech for Euro 6.0 million and Capex for Euro 7.3 million. The value does not include the valuation of treasury shares in portfolio quantified in approximately Euro 41.3 million at market value as of 31 March 2022.**

- **In order to cope with the increase in the cost of energy, in February, the Company contracted a fixed price for electricity in Germany, eliminating the risk of price increases and with a view to maintaining margins for the next 4 years. The Group's cost of electricity in the first quarter of 2022 amounted to Euro 2.0 million, more than doubled compared to Euro 0.9 million for the same period of 2021, almost all of which was attributable to the German area.**

Milan, 11 May 2022 – The Board of Directors of WIIT S.p.A. ("**WIIT**" or the "**Company**"; ISIN IT0005440893; WIIT.MI), one of the leading European players in the market of Cloud Computing services for enterprises focused on the provision of continuous Hybrid Cloud and Hosted Private Cloud services for critical applications, met today and, *inter alia*, approved the consolidated results at 31 March 2022, prepared in accordance with IFRS international accounting standards.

The Chief Executive Officer, Alessandro Cozzi, said: "*The results of the first quarter of 2022 further confirm the WIIT Group's continuous growth trend across all economic-financial indicators. Despite an extremely complex market context, customers have continued to invest in digital transformation, demanding increasingly sophisticated services, and have found in our Group in Italy and Germany a valid partner with whom to collaborate. We are very satisfied with the performance and the commercial pipeline in Germany, which is confirmed as our reference market in Europe for the coming years and already represents more than 50% of the Group's turnover and EBITDA. Finally, I can confirm that the performance of the commercial pipeline, thanks to the entry of new customers and upselling activities on existing customers, makes us optimistic about 2022.*"

* * *

<u>Consolidated results at 31 March 2022</u>

At 31 March 2022, the group headed by WIIT (the "**WIIT Group**" or the "**Group**") reported **consolidated revenues** of Euro 26.4 million, up sharply (+48.6%) from Euro 17.7 million in 1Q 2021.

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

Consolidated **Adjusted EBITDA** stood at Euro 10.1 million (+40.9%) at 31 March 2022 compared to Euro 7.2 million in 1Q 2021 and recorded a 38.2% margin on revenues.

At 31 March 2022, the WIIT margin was 39.4%, down slightly from FY2021 due to a different revenue mix in the quarter; the margin of Adelante S.r.l. ("**Adelante**") has decreased from 22.9% in FY2021 to 15.3% in 1Q 2022. The margin of Matika S.p.A. ("**Matika**") stood at 43.8%, compared with 30.1% in the previous year, that of Etaeria S.p.A. ("**Etaeria**") is steadily progressing to 27.8% from 25.4% in FY2021, while the margin of myLoc managed IT AG ("**myLoc**") is 38.7% compared to 47.2% in FY2021, down due to the impact of higher electricity costs. The margin of Mivitec GmbH ("**Mivitec**") is 29.7% up from 21.8% in FY2021 while Boreus GmbH ("**Boreus**") stands at 36.9% essentially in line with FY2021 and Gecko Gesellschaft für Computer und Kommunikationssysteme m.b.H. ("**Gecko**") recorded a progression to 33.7% from 30% in FY2021.

The adjustment carried out at EBITDA level at 31 March 2022 refers to the effects deriving from the extraordinary M&A transactions for Euro 36 thousand and the costs relating to the share-based incentive plans for Euro 0.3 million.

The value of amortisation, depreciation and impairment stood at approximately Euro 4.4 million, up by Euro 1.3 million compared to the same period of the previous year, and reflects the investments made.

Adjusted EBIT stood at Euro 5.7 million at 31 March 2022 compared to Euro 4.1 million recorded in 1Q 2021, and represented 21.7% of revenues, despite the increase in depreciation and amortisation, compared to 2021, from Euro 3.0 million to Euro 4.3 million.

The adjustment carried out at the **EBIT** level at 31 March 2022 refers to the aforementioned adjustments at EBITDA level and to the value of the amortisation relating to the PPA ("Purchase Price Allocation") for acquisitions of Euro 1.0 million.

Adjusted financial income amounted to Euro 4 thousand, in line with the previous year. The normalisation of Euro 430 thousand relates to the income arising from the difference between the estimated price for the purchase of investments and the price actually paid for the purchase of Mivitec.

Adjusted net profit at Euro 3.2 million at 31 March 2022 from Euro 3.1 million in 1Q 2021.

Consolidated adjusted net profit excludes the effects deriving from extraordinary M&A transactions in the amount of Euro 36 thousand, costs relating to share-based incentive plans in the amount of Euro 0.3 million, amortisation of intangible assets and depreciation of tangible assets deriving from the Purchase Price Allocation relating to acquisitions in the amount of Euro 1.0 million, income deriving from the difference between the estimated price for the purchase of investments and the price actually paid for the purchase of Mivitec in the amount of Euro 0.4 million and net of the tax effects of the above items. At 31 March 2022, the item **financial expenses** mainly includes the effect of interest related to the bond issued in October 2021 for Euro 1.0 million.

The Net Financial Position (indebtedness), considering the IFRS16 impact of approximately Euro 11.5 million recorded at 31 March 2022 (Euro 10.7 million at 31 December 2021), went from Euro -140.6 million at 31 December 2021 to Euro -147.0 million at 31 March 2022: this change includes, in particular, the costs for the acquisition of the company ERPTech S.p.A. ("**ERPTech**") in February 2022 for Euro 6.0 million. The value does not include the valuation of treasury shares in portfolio quantified in approximately Euro 41.3 million at market value at 31 March 2022.

Significant cash flows generated by operating activities were recorded in the first quarter. Cash and cash equivalents amounted to Euro 28.6 million and reflect cash outflows of Euro 8.9 million for the purchase of treasury shares for Euro 3.6 million, the purchase of the remaining investment in Etaeria, net of the down payment, for Euro 1.2 million, the purchase of the remaining investment in Matika for Euro 2.3 million (for the portion paid in cash), as well as the purchase of the investment in ERPTech for Euro 4 million (net of cash and cash equivalents). Capital investment (CAPEX) during the period amounted to approximately Euro 7.3 million for the purchase of IT infrastructure linked to new contracts signed during the year both in Italy and abroad.

Significant events in 1Q 2022

On 4 January 2022, WIIT signed a four-year contract for a total value of Euro 2 million, with an Italian group that is a leader in the international retail sector. The agreement signed with WIIT is at the basis of the implementation of a Zero Datacenter policy by the customer, which will make available to its European business lines a fully managed multi-cloud model on which to activate services in support of digital transformation. WIIT will assist the customer by activating its own Multi-Cloud model that integrates proprietary DataCenters and those of the Hyperscalers chosen with it. The most critical applications will take advantage of WIIT Premium Cloud delivered, from WIIT Tier IV DataCenter in Milan, in Business Continuity with a secondary DataCenter, while other business applications will use some of the main Hyperscalers including Google Cloud and Microsoft Azure. All services are managed by WIIT 24 hours a day, 7 days a week to ensure the operation of the customer's critical systems. The model therefore offers great scalability and flexibility, supporting the customer's digital transformation towards increasingly innovative services.

On 14 February 2022, the Company signed an agreement to purchase 100% of the share capital of ERPTech from BT Italia S.p.A. ERPTech is a leading company in IT outsourcing services of SAP systems, of which it holds 4 certifications, which recorded in 2021, revenues of about Euro 9 million and EBITDA of about Euro 500 thousand. With a price of Euro 4 million and a potential increase in the consideration of a maximum of Euro 2 million, conditional on the achievement of certain commercial objectives, this acquisition represents a decisive step forward in the growth path of the WIIT Group in Italy, increasingly consolidating a leadership position in management and hosting services based on SAP technology. The acquisition was completed on 31 March 2022. On the closing date, the amount of Euro 4 million was paid in cash.

On 22 February 2022, Matika minority shareholders exercised the second of two PUT options to sell their remaining 20% investment. The exercise of the options (respectively for Euro 4.3 million for the first and Euro 4.8 million euros for the second option) led to a total amount of Euro 9.1 million compared with an original forecast of Euro 7.1 million, resulting in an additional cost (net of discounting interest) of Euro 1.9 million. It should be noted that the quantification of the aforesaid options and the earn-out was agreed through contractual amendments stipulated on 24 June 2021 and 22 February 2022, respectively. The payment of the option was settled 50% by cash and the remaining 50% through the use of treasury shares with a lock-up period of 12 months. Following the exercise of the option, WIIT came to hold 100% of the Matika share capital.

On 28 February 2022, the Group sold the investment of 20% of the share capital of Comm.it S.r.l. through its subsidiary Adelante for Euro 53 thousand. As a result of this transaction, the Group recorded an amount of Euro 28,858 in the Income Statement under "Losses of companies valued at equity".

On 03 March 2022, the second of the two put options was exercised by A&C Holding S.r.l., Etaeria minority shareholder, regarding an investment equal to the residual 20% of the Etaeria share capital. The exercise of the options (respectively for Euro 1.3 million for the first option and Euro 0.85 million for the second option) as well as the determination of the earn out, referring to the results of the years 2020 and 2021, led to a total amount equal to Euro 3.3 million against an original forecast of Euro 2.9 million, resulting in an additional cost (net of discounting interest) of Euro 0.4 million (thousand). It should be noted that the quantification of the aforesaid options and the earn-out was agreed through a contractual amendment stipulated on 03 March 2022.

On 09 March 2022, officially announced, with an event, was the presence of the Group in Germany, through the creation of the holding company WIIT AG and the Cloud For Europe project, with which WIIT has set itself the goal of establishing itself as the European leader in the Cloud of Critical Applications. Under the integration plan, the companies acquired in the region, myLOC Managed IT AG, Mivitec, Boreus and GECKO, will be merged into the German holding company. The structure provides for the centralisation of sales, administration, marketing and human resource functions. Today, the Group presents itself to its stakeholders with a strong structure that comprises, in Germany alone, over 300 employees in five locations (Düsseldorf, Munich, Stralsund, Rostock and Berlin) with expertise in DevOps and in the management of critical platforms, primarily e-commerce and SAP, the WIIT flagship. The assets include 11 proprietary Data Centres connected in layer 2 with the 3 in Italy. The highest level of certification from the Uptime Institute, the most authoritative certification body in the United States, which has already been obtained for 2 of its Data Centers in Milan, is a goal that WIIT has also set itself in Germany with the construction of the first German Tier IV by the end of the year.

On 16 March 2022, the WIIT Board of Directors approved the proposed merger of Adelante, Matika and Etaeria (the "**Merging Companies**"). The merger aims to concentrate, in WIIT, the activities previously carried out via the Merging Companies. More generally, the merger has the objective of optimising the coordination, operation and synergies of the structures headed by the companies participating in the merger, as well as reducing the fixed structural costs arising from the existence of separate legal entities, with consequent advantages in terms of functionality and operational and economic efficiency, thus enabling the WIIT Group to strengthen its position as a leading European player in the sectors in which it operates.

On 30 March 2022, a 15% investment in the share capital of Reventure GmbH was acquired - for an amount of Euro 150,000 - through the German subsidiary Boreus, which already held an investment of the remaining 85% of the share capital of Reventure GmbH.

Significant events after 1Q 2022

On 20 April 2022, WIIT announced to the market that the Group was ranked among the top 50 sustainable companies in the field of software and services according to the ESG Rating developed by Sustainalytics. The ESG Rating (or Sustainability Rating) is a synthetic rating that certifies the soundness of an organisation from an environmental, social and governance performance perspective (and is to be considered complementary to traditional ratings defined exclusively on the basis on economic-financial indicators). In order to consolidate its ESG commitment and make the most of the opportunities arising from the ecological transition, in 2020, the Group launched an annual performance assessment process assisted by Sustainalytics, one of the most authoritative ESG rating agencies in the world. Based on what Sustainalytics has compiled, WIIT, thanks to effective management of material sustainability issues, demonstrates a low risk profile with respect to the possibility of experiencing significant impacts from non-financial factors. In addition to not being subject to ESG controversies, WIIT stood out for its strong performance in the corporate governance area, receiving a rating of 14.8, equal to an ESG Risk of "Low", the second tier on a 5-level scale ranging from "Negligible" to "High". The rating result confirms the WIIT Sustainability Report to be in line with the best market practices, sign of a great sense of responsibility to stakeholders. For this reason, WIIT has been recognised as an ESG Industry Top Rated company by Sustainalytics, which is one of the top 50 companies in the world in the Software & Services sector.

On 21 April 2022, the WIIT Shareholders' Meeting approved, *inter alia*, the 2021 financial statements, the allocation of the result for the year and the distribution of a dividend of Euro 0.30 per share, as well as an increase in the remuneration of the Board of Directors and a share-based incentive plan called the "2022-2027 Stock Option Plan".

On 10 May 2022, the Extraordinary Meetings of Adelante, Matika and Etaeria approved the plan for the merger of the Merging Companies into WIIT, which was also approved by the WIIT Board of Directors on 11 May 2022.

Business outlook

With reference to the situation regarding the conflict between Russia and Ukraine, it should be noted that the Group is not exposed to Russian or Ukrainian counterparties, either directly or indirectly. This situation, however, is generally accentuating the cost of raw materials for the Group, particularly with regard to the cost of electricity required by servers. In order to preserve margins for the future, the Group has stipulated a contract with the energy company to stabilise the cost of energy for the next four years.

During the first three months of 2022, despite the continuation of the Covid-19 pandemic, the Company continued to grow its business; expectations for the management of the Covid-19 pandemic confirm the gradual easing of restrictive measures associated with the acceleration of the vaccination campaign against the virus. The attention of the WIIT Group continues to be focused on measures aimed at guaranteeing safety in the territorial offices with the objective of ensuring normal operations. To date, based on available information, the Group does not expect this to have an impact on its financial results for the current year. Any additional further impacts on the Group's economic-financial performance and on its equity situation, as well as on business development plans, will be evaluated in light of the evolution and duration of the pandemic, both in Italy and abroad. No particular situations of insolvency on the part of the Company's customers are reported. There were no effects on the balance sheet items of an evaluative nature (i.e. provision for bad debts, provision for inventory obsolescence, provision for risks and charges) to be attributed to the Covid-19 pandemic.

The Group has continued to encourage remote working arrangements, balancing them with in-person work.

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The consolidated financial statements of the WIIT Group at 31 March 2022 are annexed. With reference to the figures shown in this press release, it should be noted that they are unaudited.

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Declaration pursuant to article 154-*bis*, paragraph 2 of Legislative Decree no. 58/1998.

The Manager in charge of drawing up the corporate accounting documents, Mr. Stefano Pasotto, hereby declares, pursuant to article 154-bis, paragraph 2 of Legislative Decree no. 58/1998, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

* * *

This press release contains forecasts and estimates that reflect the current views of the Group's management regarding future events. Forecasts and estimates are typically identified by expressions such as "it is possible," "it should be," "it is forecast," "it is expected," "it is estimated," "it is believed," "it is intended," "it is planned," "objective" or by the negative use of these expressions or other variations of these expressions or by the use of comparable terminology. These forecasts and estimates include, but are not limited to, all information other than factual information, including, without limitation, that relating to the Group's future financial position and operating results, strategy, plans, objectives and future developments in the markets in which the Group operates or intends to operate. As a result of such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking information as a prediction of actual results. The Group's ability to achieve its expected results depends on many factors beyond management's control. Actual results may differ significantly from (and be more negative than) those predicted or implied by the forecast data. These forecasts and estimates involve risks and uncertainties that could have a material impact on expected results and are based on basic assumptions. The forecasts and estimates made therein are based on information available to the Group as of today. The Group does not undertake any obligation to publicly update and 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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WIIT S.p.A.

WIIT S.p.A., a company listed on the Euronext Star Milan ("STAR") segment, is a leader in the Cloud Computing market. The company has a pan-European footprint and is present in key markets, such as Italy and Germany, positioning itself among the leading players in the provision of innovative Hosted Private and Hybrid Cloud technology solutions. WIIT operates 15 of its own Data Centres – 3 in Italy, 2 of which are Tier IV-certified by the Uptime Institute, and 12 in Germany – and has 6 SAP certifications at the highest specialisation levels. Its end-to-end approach enables the company to provide its partner companies with customised, high value-added services with the highest security and quality standards for the management of critical applications and business continuity, while guaranteeing maximum reliability in the management of the main international application platforms (SAP, Oracle and Microsoft). (www.wiit.cloud)

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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).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31-03.2022	31.12.2021
ASSETS		
Intangible assets	54,882,293	52,386,478
Goodwill	105,656,265	101,862,753
Rights of use	11,524,909	10,736,063
Plants and machinery	6,699,206	6,683,012
Other tangible assets	34,865,169	32,931,501
Deferred tax assets	1,760,971	1,305,959
Partecipazioni	4,412	86,305
Non-current assets under contract	81,250	96,991
Other non-current financial assets	480,253	443,669
NON-CURRENT ASSETS	**215,954,726**	**206,532,732**
Inventories	332,324	200,656
Trade receivables	18,587,069	14,283,794
Trade receivables due from Group companies	6,058	58,140
Current financial assets	20,414,660	20,136,059
Current assets under contract	1,960,263	1,278,959
Sundry receivables and other current assets	6,948,388	5,627,652
Cash and cash equivalents	28,564,956	37,445,042
CURRENT ASSETS	**76,813,718**	**79,030,303**
TOTAL ASSETS	**292,768,444**	**285,563,035**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31-03.2022	31.12.2021
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share Capital	2,802,066	2,802,066
Share premium reserve	44,598,704	44,598,704
Legal reserve	530,413	530,413
Other reserves	(6,756,068)	(4,955,010)
Reserves and retained earnings (accumulated losses)	2,143,490	2,354,337
Translation reserve	(1,521)	3,832
Group result of the period	2,648,892	(981,315)
GROUP SHAREHOLDERS' EQUITY	**45,965,977**	**44,353,027**
Minorities' result for the period	*5,391*	*571,594*
Minorities' equity	*138,903*	*965,469*
TOTAL SHAREHOLDERS' EQUITY	*46,104,880*	*45,318,496*
Payables due to other lenders	14,826,131	13,989,425
Non-current bond payables	148,023,638	147,922,733
Payables due to banks	12,445,410	13,369,968
Other non-current financial liabilities	1,647,806	1,647,806
Employee benefits	3,268,563	2,802,181
Provision for risk and charges	383,438	368,438
Provision for deferred tax liabilities	15,706,533	16,008,873
Non-current liabilities under contract	838,871	244,899
Other non-current payables and liabilities	0	0
NON-CURRENT LIABILITIES	**197,140,389**	**196,354,323**
Payables due to other lenders	8,326,533	8,042,466
Current bond payables	1,708,048	829,623
Current payables due to banks	3,521,538	3,710,186
Current tax liabilities	2,742,696	2,036,671
Other current financial liabilities	5,504,551	8,561,318
Trade payables	17,049,350	11,540,432
Payables to Group companies	(0)	114,641
Current liabilities under contract	3,957,903	3,366,215
Other current payables and liabilities	6,712,553	5,688,664
CURRENT LIABILITIES	**49,523,173**	**43,890,216**
TOTAL LIABILITIES	**246,663,562**	**240,244,539**
TOTAL LIABILITIES	**292,768,444**	**285,563,035**

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CONSOLIDATED INCOME STATEMENT

	31.03.2022	31.03.2021	Adjusted 31.03.2022	Adjusted 31.03.2021
OPERATING REVENUE AND INCOME				
Revenues from sales and services	26,066,210	17,682,455	26,066,210	17,682,455
Other revenues and income	298,778	62,569	298,778	62,569
Total operating revenue and income	**26,364,988**	**17,745,024**	**26,364,988**	**17,745,024**
OPERATING COSTS				
Purchases and provision of services	(10,027,502)	(6,943,423)	(9,793,699)	(6,928,423)
Cost of labour	(6,432,884)	(3,340,126)	(6,315,456)	(3,340,126)
Amortisation, depreciation and write-downs	(5,297,932)	(3,533,162)	(4,259,920)	(3,033,662)
Provisions	(93,300)	0	(93,300)	0
Other operating costs and charges	(221,919)	(372,314)	(221,919)	(372,314)
Change in inventories of raw materials, consumables and goods for resale	45,941	49,327	45,941	49,327
Total operating costs	**(22,027,596)**	**(14,139,699)**	**(20,638,353)**	**(13,625,199)**
EBIT	**4,337,392**	**3,605,325**	**5,726,635**	**4,119,825**
Profits (losses) of companies accounted for using the equity method	(28,858)	0	(28,858)	0
Financial income	434,604	385	4,604	385
Financial expenses	(1,205,371)	(314,412)	(1,205,371)	(314,412)
Exchange gains (losses)	(553)	(11,472)	(553)	(11,472)
PRE-TAX RESULT	**3,537,214**	**3,279,826**	**4,496,457**	**3,794,327**
Income taxes	(882,931)	(591,242)	(1,267,182)	(639,692)
PROFIT (LOSS) FOR THE PERIOD	**2,654,283**	**2,688,584**	**3,229,275**	**3,154,635**
EBITDA	**9,728,624**	**7,138,488**	**10,079,855**	**7,153,488**
	36.9%	**40.2%**	**38.2%**	**40.3%**
EBIT	**4,337,392**	**3,605,325**	**5,726,635**	**4,119,825**
	16.5%	**20.3%**	**21.7%**	**23.2%**

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CONSOLIDATED NET FINANCIAL POSITION

	31.03.2022	31.12.2021
A - Cash and other cash and cash equivalents	28,564,956	37,445,042
B - Securities held for trading	0	0
C - Current financial assets	20,414,660	20,136,059
D - Liquidity (A + B + C)	**48,979,616**	**57,581,101**
E - Current payables due to banks	(3,521,538)	(3,710,186)
F - Other current financial liabilities	(5,504,551)	(8,561,318)
G - Payables due to other lenders	(8,326,533)	(8,042,466)
H - Current bond	(1,708,048)	(829,623)
I - Current financial debt (E + F + G + H)	**(19,060,670)**	**(21,143,593)**
J - Current net financial debt (I - D)	**29,918,946**	**36,437,508**
K - Payables due to banks	(12,445,410)	(13,369,968)
L - Payables due to other lenders	(14,826,131)	(13,989,425)
M - Non-current bond	(148,023,638)	(147,922,733)
N - Other non-current financial liabilities	(1,647,806)	(1,647,806)
O - Trade payables and other non-current payables	0	(114,885)
P. Non-current financial debt (K + L + M + N + O)	**(176,942,985)**	**(177,044,816)**
Q - Group net financial debt (J + P)	**(147,024,039)**	**(140,607,308)**
- Payables for leases IFRS 16 (current)	2,575,042	2,139,412
- Payables for leases IFRS 16 (non-current)	8,944,554	8,569,796
R - Net financial debt excluding Group IFRS16 impact	**(135,504,442)**	**(129,898,100)**

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CONSOLIDATED CASH FLOW STATEMENT

	31.03.2022	31.03.2021
Net income from operating activities	2,654,283	2,688,584
Adjustments relating to items that do not have an effect on liquidity:		
Amortisation, depreciation, revaluations and write-downs	5,391,232	3,533,162
Adjustments to financial assets	0	0
Changes in employee benefits	311,796	(29,435)
Increase (reduction) in provisions for risks and charges	0	0
Financial income and expenses	771,320	314,412
Income taxes	882,931	591,242
Other non-monetary expenses/(income)*	711,354	(341,200)
Cash flows from operating activities before changes in working capital	**10,722,916**	**6,756,767**
Changes in current assets and liabilities:		
Decrease (increase) in inventories	(131,669)	(49,327)
Decrease (increase) in trade receivables	(2,103,337)	129,846
Increase (decrease) in trade payables	4,608,716	(787,675)
Increase (decrease) in tax receivables and payables	623,484	125,768
Decrease (increase) in other current assets	(2,201,271)	(379,006)
Increase (decrease) in other current liabilities	(49,297)	471,463
Decrease (increase) in other non-current assets	(36,583)	(24,635)
Increase (decrease) in other non-current liabilities	(93,300)	366,574
Decrease (increase) in Assets under contract	(665,562)	55,831
Increase (decrease) in Liabilities under contract	1,185,660	(100,791)
Income taxes paid	(209,976)	0
Interest paid / collected	(208,178)	(299,207)
Net cash and cash equivalents generated by operating activities (a)	**11,441,603**	**6,265,608**
Net increases in intangible assets	(3,375,340)	(1,280,687)
Net increases in tangible assets	(1,937,518)	(352,119)
Decrease (increase) in investment activities	(167,850)	0
Cash flow from business combinations, net of cash and cash equivalents	(3,949,322)	0
Net cash and cash equivalents used in investment activities (b)	**(9,430,030)**	**(1,632,806)**
Repayment of loans	(1,113,203)	(45,076)
Payments for lease payables	(2,605,067)	(1,543,038)
Payment of deferred fees for business combinations	(3,617,174)	(1,010,284)
(Purchase) Use of treasury shares	(3,556,217)	(1,498,773)
Net cash and cash equivalents generated by financing activities (c)	**(10,891,659)**	**(4,097,171)**
Net increase (decrease) in cash and cash equivalents a+b+c	**(8,880,087)**	**535,633**
Cash and cash equivalents at year-end	28,564,955	18,777,844
Cash and cash equivalents at the start of the year	37,445,042	18,242,212
Net increase (decrease) in cash and cash equivalents	**(8,880,087)**	**535,633**

ALTERNATIVE PERFORMANCE INDICATORS

In accordance with the provisions of the ESMA recommendation on alternative performance indicators (ESMA/2015/1415) as implemented by Consob Communication no. 0092543 of 03 December 2015, the Alternative Performance Indicators used to monitor the Group's economic and financial performance are described below.

EBITDA – is a non-GAAP measure used by the Group to measure its performance. EBITDA is calculated as the algebraic sum of profit for the period before tax, financial income and expense (including foreign exchange gains and losses and those arising from the equity method valuation of investments), amortisation, depreciation, write-downs and provisions. It should be noted that EBITDA is not identified as an accounting measure as part of the IAS/IFRS adopted by the European Union. Consequently, the calculation method applied by the Group may not be consistent with that adopted by other Groups and, therefore, the balance obtained by the Parent Company may not be comparable with the balances determined by the latter.

EBITDA Margin – is an indicator that measures the Group's operating profitability as a percentage of consolidated revenues achieved during the year, and is defined as the ratio of EBITDA to Total operating revenues and income.

Adjusted EBITDA – is a non-GAAP measure used by the Group to measure its performance. Adjusted EBITDA is calculated as the algebraic sum of profit for the period before tax, financial income and expense (including foreign exchange gains and losses and those arising from the equity method valuation of investments), amortisation, depreciation, write-downs and provisions, costs for professional merger & acquisition (M&A) services, Put&Call option adjustment costs, and Stock Option/Stock Grant incentive plan costs.

With regard to Adjusted EBITDA, the Group believes that the adjustment (which defines Adjusted EBITDA) has been made in order to represent the Group's operating performance, net of the effects of certain events and transactions. This adjustment relating to certain charges was necessary in order to ensure better comparability of the historical data relating to the financial years in question, as these include cost items related to corporate phenomena that are not attributable to the normal operating management of the Group's business, as well as costs for professional services relating to the extraordinary merger & acquisition operations. In order to improve the comparability of operating performance, the Group also excludes from the calculation of Adjusted EBITDA the tax credit for MTA listing costs and the costs of accounting for stock options and stock grants (IFRS2). It should be noted that Adjusted EBITDA is not identified as an accounting measure as part of the IAS/IFRS adopted by the European Union. Consequently, the calculation method applied by the Group may not be consistent with that adopted by other Groups and, therefore, the balance obtained by the Group may not be comparable with the balances determined by the latter.

Adjusted EBITDA Margin - is an indicator that measures the Group's operating profitability as a percentage of consolidated revenues achieved during the year, and is defined as the ratio of Adjusted EBITDA to Total Adjusted operating revenues and Income.

EBIT – is a non-GAAP measure used by the Group to measure its performance. EBIT is calculated as the algebraic sum of profit for the period before tax, financial income and expense (including foreign exchange gains and losses and those arising from the equity method valuation of investments). It should be noted that EBIT is not identified as an accounting measure as part of the IAS/IFRS adopted by the European Union. Consequently, the calculation method applied by the Group may not be consistent with that adopted by other Groups and, therefore, the balance obtained by the Group may not be comparable with the balances determined by the latter.

EBIT Margin - is an index measuring the profitability of the Group's sales. It is calculated as the ratio of EBIT to Total operating revenues and income.

Adjusted EBIT – is a non-GAAP measure used by the Group to measure its performance. Adjusted EBIT is calculated as the algebraic sum of profit for the period before tax, financial income and expenses (including foreign exchange gains and losses and those arising from the equity method valuation of investments), amortisation, depreciation and impairments, merger & acquisition (M&A) professional services costs, MTA listing costs, tax credit for MTA listing costs, Put&Call option adjustment costs, Stock Option/Stock Grant incentive plan costs, and the amortisation of fixed assets deriving from the Purchase Price Allocation relating to acquisitions.

With regard to Adjusted EBIT, the Group believes that the adjustment (which defines Adjusted EBIT) has been made in order to represent the Group's operating performance, net of the effects of certain events and transactions. This adjustment relating to certain charges was necessary in order to ensure better comparability of the historical data relating to the financial years in question, as these include cost items related to corporate phenomena that are not attributable to the normal operating management of the Group's business, as well as costs for professional services relating to the extraordinary merger & acquisition operations. In order to improve the comparability of operating performance, the Group also excludes from the calculation of Adjusted EBIT the tax credit for MTA listing costs, the costs of accounting for Stock Options and Stock Grants (IFRS2) and the amortisation and depreciation of fixed assets deriving from the Purchase Price Allocation; customer list amortisation, platform amortisation and Data Center amortisation, relating to acquisitions.

Adjusted EBIT Margin - is an index measuring the profitability of the Group's sales. It is calculated as the ratio of Adjusted EBIT to Total Adjusted operating revenues and income.

Adjusted net result – is a non-GAAP measure used by the Group to measure its performance. Adjusted net result is calculated as the profit for the period, excluding the costs relating to extraordinary merger and acquisition transactions, the tax credit for MTA listing costs, the Put&Call option adjustment costs, the costs of accounting for stock options and stock grants (IFRS 2), financial expenses relating to the closure of loan agreements and the amortisation of fixed assets deriving from the Purchase Price Allocation; Customer list amortisation, platform and Data Center amortisation, referring to acquisitions, the income deriving from the difference between the estimated purchase price of investments and the price actually paid and the related tax effects on the excluded items.

Net Financial Debt - represents a valid indicator of the Group's financial structure. It is determined in accordance with the provisions of Consob Communication no. 5/21 of 29 April 2021 and in compliance with ESMA Recommendations 32-382-1138. It is presented in the notes.

Adjusted net financial position - represents a valid indicator of the Group's financial structure. It is determined in accordance with Consob Communication no. 5/21 of 29 April 2021 and in compliance with ESMA

Recommendations 32-382-1138, including, where applicable, other non-current assets relating to security deposits and excluding trade payables and other non-current payables. It is also presented in the net variant for the effects of IFRS 16. This measure is presented in the report on operations.

Adjusted Total operating revenues and income - is a non-GAAP measure used by the Group to measure its performance. The measure Adjusted Total operating revenues and income is calculated as Total operating revenues and income as per the income statement in accordance with IFRS from which the non-recurring element linked to the listing costs tax credit classified under the item "Other revenues and income" was subtracted in 2020. It should be noted that Adjusted Total operating revenues and income is not identified as an accounting measure as part of the IAS/IFRS adopted by the European Union. Consequently, the calculation method applied by the Group may not be consistent with that adopted by other Groups and, therefore, the balance obtained by the Group may not be comparable with the balances determined by the latter.