



WIIT Group

Interim Financial Report
at March 31, 2022



Company:
WIIT S.p.A.

Registered office:
20121 - Milan, Via dei Mercanti No.12

Tax and VAT number:
01615150214

Share capital:
Euro 2,802,066.00 fully paid-in

Milan Companies Registration
Office:
No. 01615150214

R.E.A. No.
1654427

Number of shares:
28,020,660

WIIT
THE PREMIUM CLOUD



Contents

<u>Profile</u>	<u>7</u>
<u>The Offer</u>	<u>7</u>
<u>Corporate Boards</u>	<u>9</u>
<u>Shareholders</u>	<u>10</u>
<u>Directors' Report</u>	<u>57</u>
<u>Transactions with subsidiary, associate and holding companies</u>	<u>58</u>





Profile

WIIT S.p.A. leads a Cloud Computing Group with a key focus on the provision of IT infrastructure tailored to the specific needs of customers (mainly through the “Managed Hosted Private Cloud” and “Hybrid Cloud”) and the provision of infrastructure configuration, management and control services which guarantee uninterrupted functionality and availability.

The company provides Cloud services for the “critical applications” of its customers, i.e. those whose malfunction may impact business continuity and thus demand guaranteed optimal and non-stop functioning. These include the main ERP’s (Enterprise Resource Planning) on the market, such as for example SAP, Oracle and Microsoft - in addition to critical applications developed ad hoc for customer business needs (custom applications).

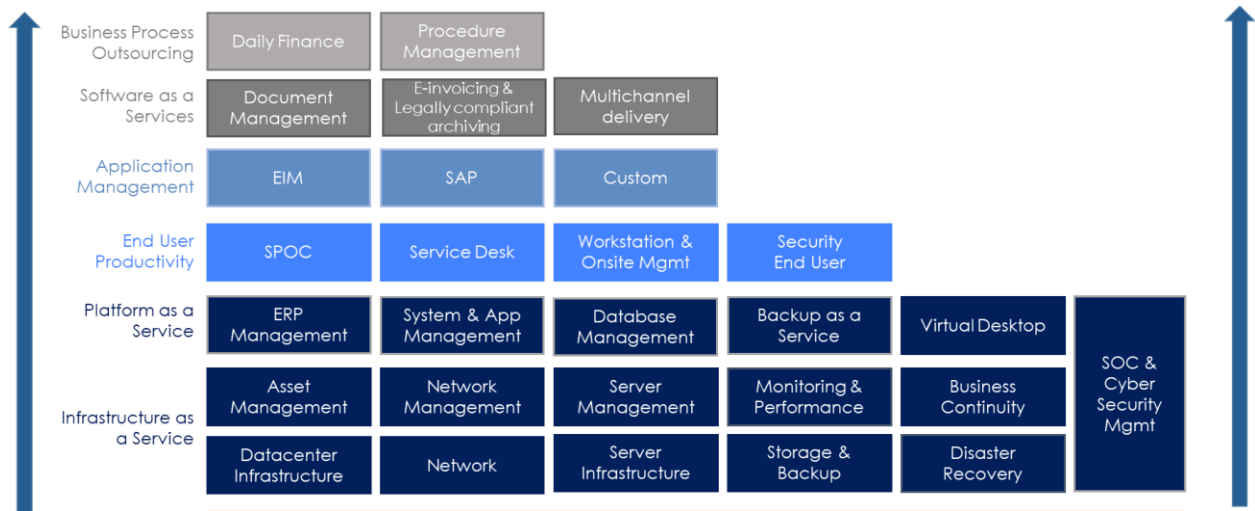
The Group operates through two Data Centers, with the main Milan center TIER IV certified (maximum reliability level) by the Uptime Institute.

By providing services through a number of servers and storage devices, customer “business continuity” can be guaranteed and uninterrupted availability ensured in the case of malfunctions or interruptions to individual systems. The company makes available to customers its Business Continuity and Disaster Recovery service (replicating processing systems and all client critical data almost in real time). The Group also conducts daily backups in order to ensure both data depth over time and the ability to recover data in the event of a disaster.

The offer

The WIIT Group focuses on the Hosted Private Cloud and the Hybrid Cloud for the building of tailor-made IT infrastructure for customers. The Group to a lesser extent provides Public Cloud services, integrating and managing more standardised solutions provided by the main players, adapting them to customers' specific needs.

As part of these operations, the Group offers its services to customers by combining a range of base components of each service category so as to build a custom-made Hosted Private Cloud and/or Hybrid Cloud proposal, according to the specific service, performance and security needs of the customer.



The Group's core service categories are presented below. Specifically, a description of services starting from the minimum Infrastructure of the Service category is presented, which forms the underlying component for the provision of other services - up to the more complete Digital Process Outsourcing service.

IaaS (Infrastructure as a Service): the provision of servers, storage and networks;

PaaS (Platform as a Service): the Group's main service, including - in addition to IaaS services - also database or ERP provision services on an on-demand basis;

End User Productivity: customer contact services containing all technologies and methods which improve both individual productivity and the customer/WIIT interface;

Application Management: application life cycle services, including corrective and evolutionary maintenance and the development of new functionalities;

Software & Platform as a Service: : Software platforms and applications made available to the customer as "services";

Digital Process Outsourcing: covering end-to-end services managing entire digital business processes within the customer value chain.

Services are usually provided through a standard contract type for all categories (IaaS, PaaS, End User Productivity, Application Management, Software & Platform as a Service and Digital Process Outsourcing) and combined within a single all-inclusive price structure and contract.

Contracts usually cover a period of between three and five years, with generally automatic renewal for equivalent periods (subject to a termination option within the final six months). They generally stipulate an initial provision of services for the "start-up" phase in support of the Group's services, whose consideration is generally included in the periodic fees, and subsequently the provision of specific services on-demand.



Certifications

The Parent Company owns two Data Centers, with the main Milan center TIER IV certified (maximum reliability level) by the Uptime Institute. To date, only a select number of data centers are TIER IV certified by the Uptime Institute in the "Constructed Facility" category (<https://uptimeinstitute.com/tier-certification/construction>) The Group as a whole also has seven data centres in Germany, particularly in Düsseldorf, Stralsund, and Munich. The Parent Company has achieved international certification for its Data Centers, particularly in terms of service security, such as the ISO20000 (Process Compliance), ISO27001 (Information Security), and ISO22301 (Business Continuity) certifications and with service provision certified to the ITIL (Infrastructure Library) standard. The Parent Company has also achieved certification for its customer IT system management model according to the international ISO/IEC 20000:2011 standard, while its organisation is ISO 9001:2015 certified for the development and provision of Business Process Outsourcing services, such as: Help Desk IT, Desktop Management, Server Management, Application Management, Asset Management, System Housing e Hosting Document Processing System Management.

The correct management and protection of data and information managed through its IT systems is guaranteed through the company's receipt in 2012 of the international ISO/IEC 27001:2013 certification (international standard setting the requirements for information technology security management systems), while developing an operational continuity method based on ISO 22301:2012, shifting from a structured approach not based on technology alone, but capable of addressing all processes involved in operational recovery.

The Company has also certified its model of data security management based on the international standard ISO/IEC 27035 – Information security incident response consulting, organisation and management.

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

To date it has achieved the following certifications:

- SAP Applications Operations
- SAP Business Process Outsourcing Services
- SAP Cloud and Infrastructure Operations
- SAP DevOps
- SAP HANA Operations
- SAP Hosting Operations



Corporate Boards

BOARD OF DIRECTORS

Chairperson	Riccardo Sciutto
Chief Executive Officer	Alessandro Cozzi
Executive Director	Francesco Baroncelli
Executive Director	Enrico Rampin
Executive Director	Igor Bailo
Director	Stefano Dario
Independent Director	Annamaria Di Ruscio
Independent Director	Nathalie Brazzelli
Independent Director	Emanuela Basso Petrino

BOARD OF STATUTORY AUDITORS

Chairperson of the Board of Statutory Auditors	Paolo Ripamonti
Statutory Auditor	Chiara Olliveri
Statutory Auditor	Francis De Zanche
Alternate Auditor	Guido Giovando
Alternate Auditor	Fabrizia Pecunia

RISKS AND RELATED PARTIES COMMITTEE

Chairperson	Annamaria Di Ruscio
Member	Riccardo Sciutto
Member	Nathalie Brazzelli

APPOINTMENTS AND REMUNERATION COMMITTEE

Chairperson	Emanuela Basso Petrino
Member	Riccardo Sciutto
Member	Annamaria Di Ruscio

SUPERVISORY AND CONTROL BOARD

Chairperson of the Supervisory and Control Board	Dario Albarello
--	-----------------

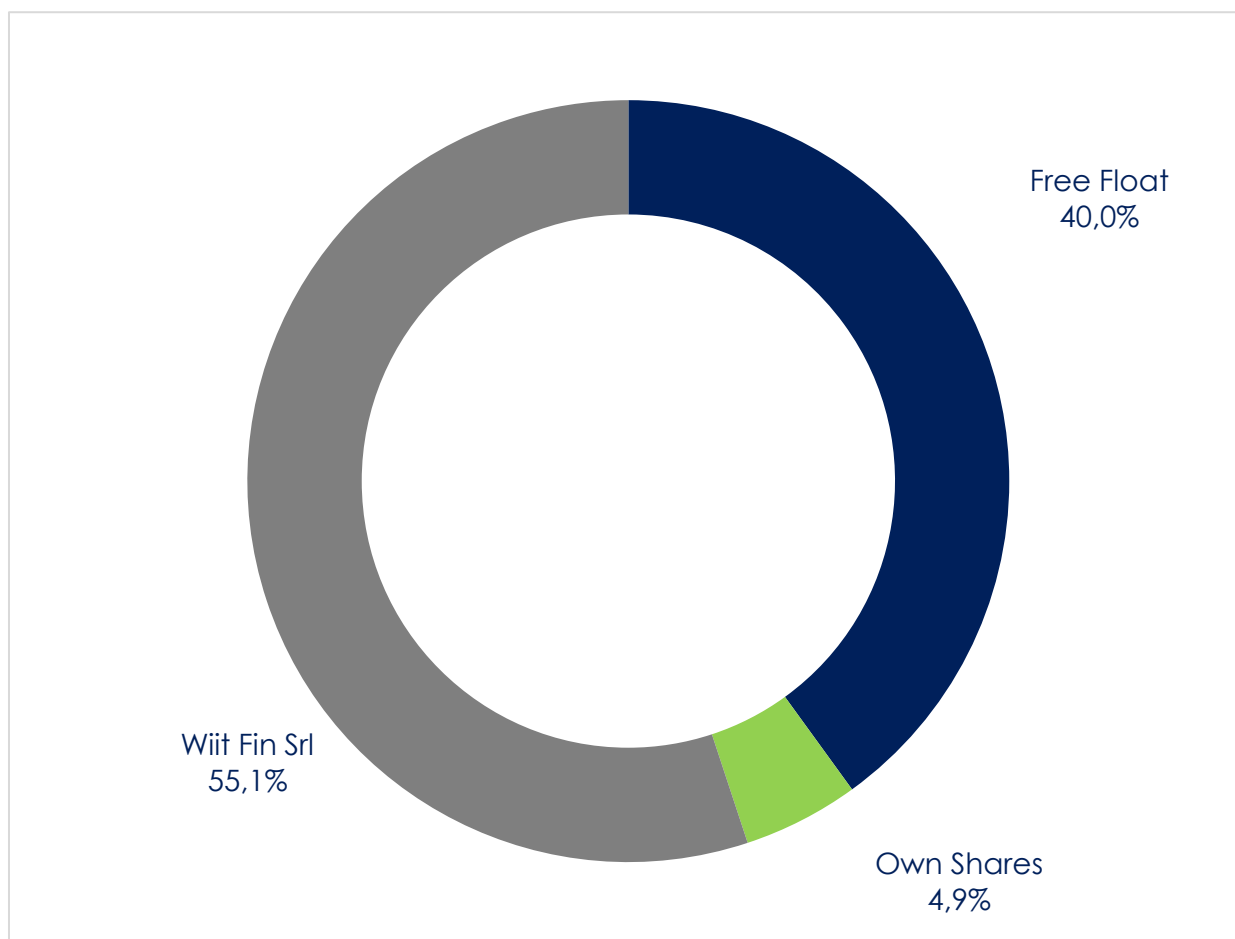
INDEPENDENT AUDIT FIRM

Deloitte & Touche S.p.A.



Shareholders

WIIT S.p.A.'s main shareholders at March 31, 2022 are:



Shareholder	Number of shares held 31.03.2022	%
Wiit Fin Srl (*)	15,407,560	55.07%
Alessandro Cozzi	22,410	
Treasury shares	1,378,523	4.92%
Market	11,212,167	40.01%
TOTAL	28,020,660	100%
FREE FLOAT (Treasury shares and Market)	12,590,690	44.93%

(*) Company owned by Cozzi Alessandro and Bianchi Amelia



Directors' Report

Significant events

Significant contract

On January 4, 2022, the Parent Company WIIT S.p.A. signed a four-year agreement, for a total value of Euro 2 million, with a leading Italian multinational retail group. The agreement signed with WIIT lays the foundations for customers to implement Zero Datacenter policies, which will provide European business lines with a fully managed, multi-cloud model in which to activate services to support digital transformation. WIIT will help customers to activate this multi-cloud model, which integrates proprietary data centres with those of the hyperscalers selected. The most critical applications will benefit from WIIT's Premium Cloud provided by WIIT's tier-IV data centre in Milan with business continuity ensured by a secondary data centre, while other applications will utilise some of the leading hyperscalers, including Google Cloud and Microsoft Azure. All services will be provided by WIIT 24 hours a day, 7 days a week, to ensure the functioning of the customers' critical systems. The model, therefore, offers great scalability and flexibility to support customers in the digital transformation towards increasingly innovative services.

Update on business combinations

Purchase of 100% holding in ERPTech S.p.A.

On February 14, 2022, WIIT signed an agreement for the purchase of 100% of the share capital of ERPTech S.p.A. from BT Italia S.p.A. ERPTech is a leader in IT outsourcing of SAP systems, for which it holds 4 certifications, and posted 2021 revenues of Euro 9 million and EBITDA of about Euro 500 thousand. For a price of Euro 4 million and a potential increase in the consideration by up to Euro 2 million, subject to achieving certain business targets, this acquisition represents a decisive step forward in the growth of the WIIT Group in Italy and further consolidates the position of leadership in SAP technology management and hosting services. The acquisition was completed on March 31, 2022. At the closing date, Euro 4 million was paid in cash.

Purchase of 20% holding in Matika S.p.A.

On February 22, 2022, the minority shareholders of Matika exercised the put option for the sale of the residual 20% shareholding, as provided for in the option agreement.

The options exercised totalled Euro 9,051 thousand (the first for Euro 4,288 thousand and the second for Euro 4,763 thousand), compared to the original estimate of Euro 7,132 thousand, for an additional cost (net of discounting interest) of Euro 1,919 thousand recognised under income statement account no. 25. It should be noted that the measurement of these options and of the earn-out was established by way of contract amendments signed on June 24, 2021, and February 22, 2022, respectively. 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. Following the exercising of these options, Matika is now a wholly-owned subsidiary of Wiit as of the reporting date.



Sale of 20% holding in Comm.it Srl

On February 28, 2022, the Group sold the 20% holding in Comm.it Srl through its subsidiary Adelante Srl for Euro 53 thousand. The Group recognised to the income statement Euro 28,858 to "loss of companies valued at equity" following this transaction.

Purchase of 20% holding in Etaeria S.p.A.

On March 3, 2022, the second put option was exercised by A&C Holding S.r.l., an Etaeria minority shareholder, regarding the residual 20% stake in Etaeria. The options exercised (the first for Euro 1,273 thousand and the second for Euro 846 thousand) along with the earn-out relating to the results in 2020 and 2021 totalled Euro 3,283 thousand, compared to the original estimate of Euro 2,907 thousand, for an additional cost (net of discounting interest) of Euro 375 thousand recognised under income statement account no. 25. These options and the earn-out were established by way of a contract amendment signed on March 3, 2022.

Incorporation of WIIT AG

An event on March 9, 2022 made official the presence in Germany and saw the creation of the holding company WIIT AG, and the Cloud For Europe project, by which WIIT has set a goal of leading Europe cloud-based critical applications. The integration project calls for the German holding company to oversee company acquisitions in the region, myLOC Managed IT AG, topped off by the subsequent acquisitions of Mivitec, Boreus, and GECKO. The organisation calls for sales, administration, marketing, and human resources to be centralised. Today, the Group comes before stakeholders with a strong organisation that, in Germany alone, has more than 300 employees across five locations (in Düsseldorf, Munich, Stralsund, Rostock, and Berlin) with capabilities in DevOps and critical platform management, particularly in e-commerce and SAP, the crown jewel of the WIIT value proposition. Among the assets there are as many as 11 proprietary data centres that are layer 2 connected with the 3 in Italy. The maximum certification of Uptime Institute, the US standard bearer in performance certification, that has already been obtained for the two data centres in Milan is an objective that WIIT has also set for Germany with the achievement of Germany's first Tier IV by year end.

Mergers by incorporation

On March 16, 2022, the Board of Directors of WIIT S.p.A. approved the merger of Adelante S.r.l., Matika S.p.A., and Etaeria S.p.A. This merger will enable the Company to take charge of all the activities previously conducted by the companies to be merged. In general terms, the goal of the merger is to optimise the coordination, operation and synergies of the functions performed by the companies to be merged, as well as to lower the structural costs of operating legally distinct entities, which will bring benefits in terms of operational and financial efficiency and efficacy, thereby enabling the WIIT Group to strengthen its position as an industry leader in Europe.

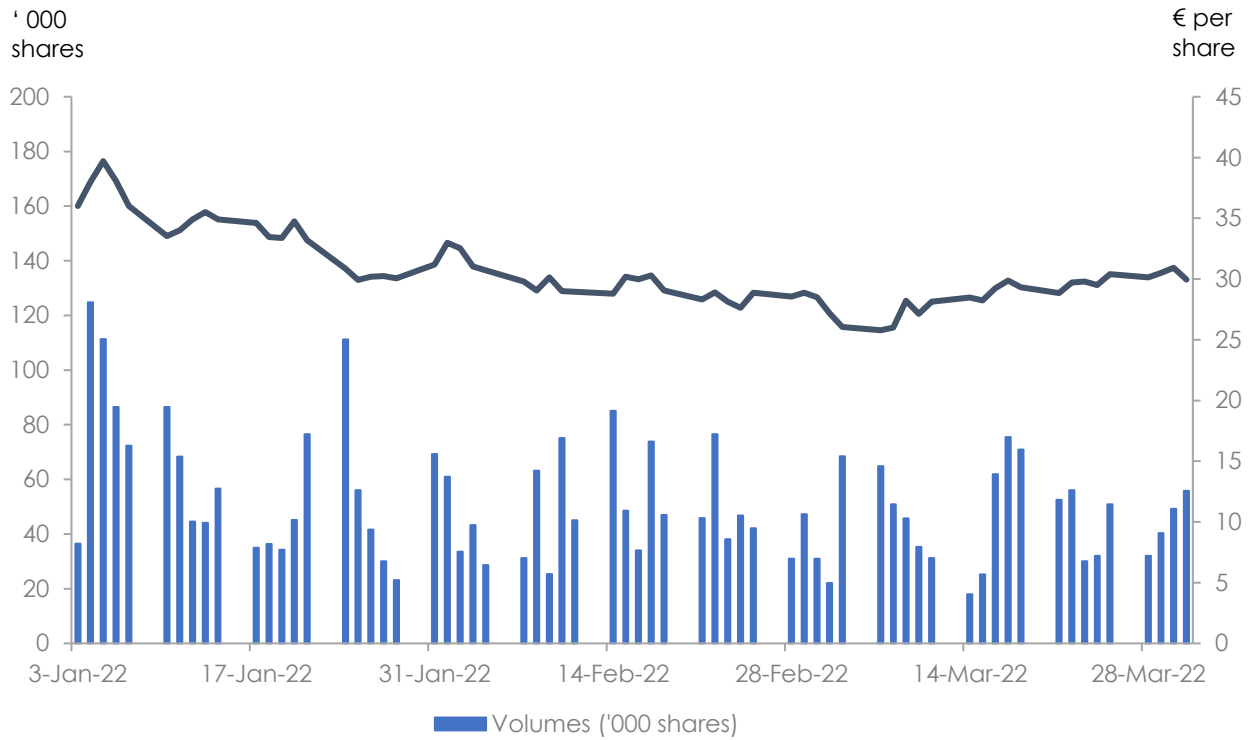
The date of efficacy of the merger will be defined in the deed of merger.

Purchase of 15% holding in Reventure GmbH

On March 30, 2022, a 15% holding in Reventure GmbH was acquired through the German subsidiary Boreus GmbH for Euro 150 thousand. At the reporting date, the Group holds 100% of Reventure GmbH.



Share price and volumes



03.01.2022 – 31.03.2022 Period

Source: Bloomberg.



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
Property, plant and equipment	6,699,206	6,683,012
Other tangible assets	34,865,169	32,931,501
Deferred tax assets	1,760,971	1,305,959
Equity investments	4,412	86,305
Other non-current contract assets	81,250	96,991
Other non-current 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 from group companies	6,058	58,140
Current financial assets	20,414,660	20,136,059
Current contract assets	1,960,263	1,278,959
Other 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



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	2,143,490	2,354,337
Translation reserve	(1,521)	3,832
Group net result	2,648,892	(981,315)
GROUP SHAREHOLDERS' EQUITY	45,965,977	44,353,027
<i>Result attributable to non-controlling interests</i>	<i>5,391</i>	<i>571,594</i>
<i>Non-controlling interest equity</i>	<i>138,903</i>	<i>965,469</i>
TOTAL SHAREHOLDERS' EQUITY	46,104,880	45,318,496
Payables to other lenders	14,826,131	13,989,425
Non-current financial indebtedness related to Bond facilities	148,023,638	147,922,733
Bank loans	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
Provisions for risks and charges	383,438	368,438
Deferred tax liabilities	15,706,533	16,008,873
Non-current contract liabilities	838,871	244,899
NON-CURRENT LIABILITIES	197,140,389	196,354,323
Payables to other lenders	8,326,533	8,042,466
Current financial indebtedness related to Bond facilities	1,708,048	829,623
Short-term bank loans	3,521,538	3,710,186
Current income 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 contract liabilities	3,957,903	3,366,215
Other payables and current 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



CONSOLIDATED INCOME STATEMENT

	Q1 2022	Q1 2021	Adjusted Q1 2022	Adjusted Q1 2021
REVENUES AND OPERATING INCOME				
Revenues from sales and services	26,066,210	17,682,455	26,066,210	17,682,455
Other revenue and income	298,778	62,569	298,778	62,569
Total revenues and operating income	26,364,988	17,745,024	26,364,988	17,745,024
OPERATING COSTS				
Purchases and services	(10,027,502)	(6,943,423)	(9,793,699)	(6,928,423)
Personnel costs	(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 costs and operating charges	(221,919)	(372,314)	(221,919)	(372,314)
Change Inventories of raw mat., consumables and goods	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
Profit (Losses) from equity-accounted investee	(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)
PROFIT BEFORE TAXES	3,537,214	3,279,826	4,496,457	3,794,327
Income taxes	(882,931)	(591,242)	(1,267,182)	(639,692)
NET PROFIT	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%



ALTERNATIVE PERFORMANCE MEASURES

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

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

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

Adjusted EBITDA - A non-GAAP measure used by the Group to measure performance. Adjusted EBITDA is the sum of the net profit for the period, gross of taxes, financial income and expenses (including exchange gains and losses and deriving from equity - accounted investee), amortisation, depreciation, write-downs and provisions, costs for professional merger & acquisition (M&A) services, the Put&Call option costs and Stock Option/Stock Grant incentive plan costs.

With regards to Adjusted EBITDA, the Group states that the adjustment (which defines Adjusted EBITDA) was made for the purposes of reflecting the Group's operating performance, net of the effects of certain events and transactions. This adjustment on certain expenses was necessary for improved comparability with the historic figures for the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business and related to professional services costs for M&A's. In order to improve the comparability of operating performance, the Group also excludes from the calculation of Adjusted EBITDA, the costs of accounting for stock options and stock grants (IFRS2). Adjusted EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the determination criterion applied by the Group may not be homogenous 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 equity - accounted investee). 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 homogenous 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 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 equity - accounted investee), amortisation, depreciation and write-downs, costs for professional merger & acquisition (M&A) services, the Put&Call option costs and Stock Option/Stock Grant incentive plan costs and the amortisation/depreciation of the fixed assets from the Purchase Price Allocation from the acquisitions.

With regards to Adjusted EBIT, the Group states that the adjustment (which defines Adjusted EBIT) was made for the purposes of reflecting the Group's operating performance, net of the effects of certain events and transactions. This adjustment on certain expenses was necessary for improved comparability with the historic figures for the years under review, as such include cost items relating to company developments not concerning the normal operating management of the Group's business and related to professional services costs for M&A's. In order to improve operating performance comparability, the Group also excludes from the Adjusted EBIT the costs for the accounting of Stock options and Stock Grants (IFRS2) and the amortisation and depreciation of assets from the Purchase Price Allocation; client list amortisation, platform and Data Center amortisation for acquisitions.

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

Adjusted net profit or loss – A non-GAAP measure used by the Group to measure its performance. The Adjusted net profit or loss is calculated as the net profit or loss for the period, gross of M&A costs, the costs to adjust the Put&Call options, the costs for the accounting of Stock options and Stock Grants (IFRS2), the financial expense for the closure of the loan contracts, and the amortisation and depreciation of assets arising from the Purchase Price Allocation; customer list amortisation, platform and Data Center amortisation for acquisitions and the related tax effects on the excluded items and of income deriving from the difference between the estimated price for the acquisition of equity investments and the price actually paid and of the relative tax effects on the excluded items



Net financial debt – this is a valid measure of the Group's financial structure. It is calculated in accordance with the provisions of Consob Communication No. 5/21 of April 29, 2021 and the ESMA 32-382-1138 recommendations. It is presented in the notes to the financial statements.

Adjusted Net Financial Position – this is a valid measure of the Group's financial structure. It is determined in accordance with Consob Communication No. 5/21 of April 29, 2021 and in accordance with ESMA Recommendations 32-382-1138, including, where applicable, other non-current assets related to security deposits and excluding trade and other non-current payables. It is also presented net of the effects of IFRS 16. This measure is presented in the Directors' Report.

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 in 2020 the non-recurring item regarding the tax credit on listing 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 homogenous 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 operating revenues and income was up 48.6% on the same period of 2021. This strong result reflects the company's healthy income statement and the regard in which the WIIT Group is held among its customer base as a high-quality and cost competitive player. The increase is due both to organic growth and the contribution of the new companies acquired in 2021.

The value of production, EBITDA, profit before taxes and net profit for the first three months of 2022, compared with the same period of 2021, are shown in the following table.

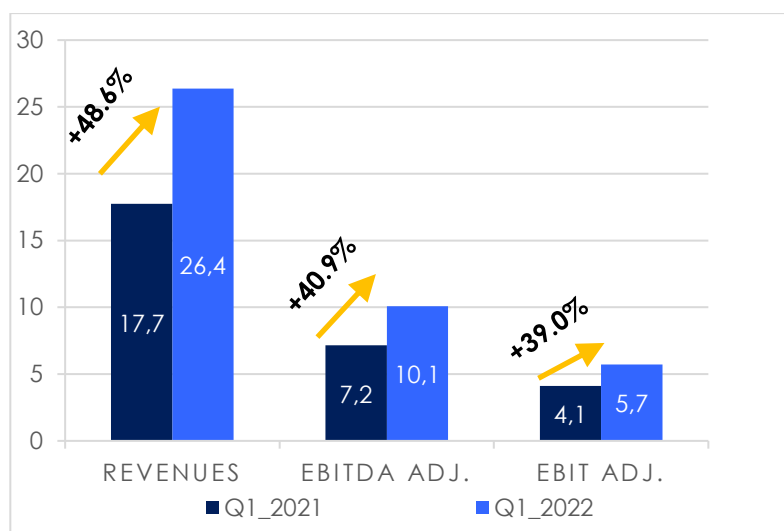
	Q1 2022	Q1 2021	Q1 2022 Adjusted	Q1 2021 Adjusted	% Adj.Cge.
Total revenues and operating income	26,364,988	17,745,024	26,364,988	17,745,024	48.6%
EBITDA	9,728,624	7,138,488	10,079,855	7,153,488	40.9%
Profit before taxes	3,537,214	3,279,826	4,496,457	3,794,327	18.5%
Consolidated net profit	2,654,283	2,688,584	3,229,275	3,154,635	2.4%

Adjusted EBITDA was up 40.9% on the same period of 2021, with a 38.2% margin on revenues and operating income; this margin decreased on the same period of the previous year due to the acquisitions, while improving on the final quarter of 2021.

The Adjusted consolidated net profit excludes the effects from M&A's for Euro 36 thousand, costs for the stock options and stock grant plans of Euro 316 thousand, amortisation and depreciation from the Purchase Price Allocation regarding the acquisitions for Euro 1.038 million, income from the difference between the estimated price to acquire the equity investments and the actual price paid for Mivitec GmbH of Euro 430 thousand and net of the tax effects of the above. Financial charges in Q1 2022 principally concerned the effects of interest on the bond loan for Euro 980 thousand.



KEY FINANCIALS (€mn)



The Q1 2022 reclassified income statement of the company is compared below with the same period of the previous year (in Euro):

	Q1 2022	Q1 2021	Q1 2022 Adjusted	Q1 2021 Adjusted
Net revenues	26.364.988	17.745.024	26.364.988	17.745.024
External costs	(10.027.502)	(6.943.423)	(9.793.699)	(6.928.423)
Personnel costs	(6.432.884)	(3.340.126)	(6.315.456)	(3.340.126)
Other costs and operating charges	(221.919)	(372.314)	(221.919)	(372.314)
Change in inventories	45.941	49.327	45.941	49.327
EBITDA	9.728.624	7.138.488	10.079.855	7.153.488
EBITDA Margin	36,9%	40,2%	38,2%	40,3%
Amortisation, depreciation and write-downs	(5.391.232)	(3.533.162)	(4.353.220)	(3.033.662)
EBIT	4.337.392	3.605.325	5.726.635	4.119.825
EBIT Margin	16,5%	20,3%	21,7%	23,2%
Income and charges	(800.178)	(325.499)	(1.230.178)	(325.499)
Income taxes	(882.931)	(591.242)	(1.267.182)	(639.692)
NET PROFIT	2.654.283	2.688.584	3.229.275	3.154.635



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

Ratio	Formula	31.03.2022	31.03.2021	31.03.2022 Adjusted	31.03.2021 Adjusted
ROE	Net profit / equity	5,76%	5,94%	6,92%	6,51%
ROI	EBIT / Capital employed	1,48%	1,37%	1,96%	1,56%
ROS	EBIT / Value of production	16,45%	20,32%	21,72%	23,22%



Balance Sheet highlights

The reclassified balance sheet of the Group for Q1 2022 is compared with the previous year below (in Euro):

	31.03.2022 Consolidated	31.12.2021 Consolidated
Net intangible assets	160,538,558	154,249,231
Net tangible assets	53,089,284	50,350,577
Equity investments and other financial assets	4,412	86,305
Other long-term receivables	561,502	540,660
Deferred tax assets	1,760,971	1,305,959
Fixed assets	215,954,726	206,532,732
Inventories	332,324	200,656
Current trade receivables	18,587,069	14,283,794
Receivables from group companies	6,058	58,140
Current financial assets	20,414,660	20,136,059
Other receivables	8,908,650	6,906,611
Cash and cash equivalents	28,564,956	37,445,042
Current assets	76,813,717	79,030,303
Capital employed	292,768,444	285,563,036
Bank payables (within one year)	3,521,538	3,710,186
Bond payables (within one year)	1,708,048	829,623
Payables to other lenders (within one year)	8,326,533	8,042,466
Payables to suppliers (within one year)	17,049,350	11,540,432
Payables to group companies	-	114,641
Tax payables and social security institutions	2,742,696	2,036,671
Other current financial liabilities	5,504,551	8,561,318
Other payables	10,670,456	9,054,879
Current liabilities	49,523,173	43,890,216
Post-employment benefits	3,268,563	2,802,181
Bank payables (beyond one year)	12,445,410	13,369,968
Bond payables (beyond one year)	148,023,638	147,922,733
Payables to other lenders (beyond one year)	14,826,131	13,874,540
Payables to suppliers (beyond one year)	0	114,885
Provisions for risks and charges	383,438	368,438
Other non-current financial liabilities	1,647,806	1,647,806
Other medium/long-term payables	838,871	244,899
Other payables and non-current liabilities	-	-
Deferred tax payables	15,706,533	16,008,873
Medium/long-term liabilities	197,140,389	196,354,323
Minority interest share capital	246,663,564	240,244,539
Shareholders' Equity	46,104,880	45,318,496
Own funds	46,104,880	45,318,496
Own Funds & Minority interest share capital	292,768,444	285,563,036



Main notes to the balance sheet

The value of fixed assets remains substantially unchanged as the effect of investments for approx. Euro 7.3 million in the period was partly offset by amortisation and depreciation of approx. Euro 5.2 million. The increase in goodwill is due to the recent acquisition of ERPtech, in addition to the residual investment in Reventure GmbH.

New right-of-use (IFRS 16) contracts were signed in the first three months of the year for Euro 3.7 million. Cash and cash equivalents reflect outflows of Euro 8.9 million against the use of liquidity to purchase treasury shares for Euro 3.6 million, the purchase of the residual investment in Etaeria S.p.A, net of the advance paid, for Euro 1.2 million, of Matika S.p.A for Euro 2.3 million (partly paid in cash), in addition to the acquisition of the investment in ERPTech for Euro 4 million (net of cash and cash equivalents). Payables to other lenders includes approx. Euro 4.7 million for investments in Q1 2022, of which Euro 2.3 million relate to leasing charges measured according to the finance method (IFRS 16, partly already recognised under IAS 17), and for the remaining amount to property and motor vehicle lease contract payables relating to the above Standard and excluded from the cash flow statement.

Financial payables mainly concern lease payables (Right-of-use)

Condensed Cash Flow Statement

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

	31.03.2022	31.03.2021
Net profit from continuing operations	2.654.283	2.688.584
Adjustments for non-cash items	8.068.633	4.068.183
Cash flow generated from operating activities before changes	10.722.916	6.756.767
Changes in current assets and liabilities	746.626	(488.931)
Changes in non-recurring current assets and liabilities	390.214	296.979
Cash flow generated from operating activities	(418.154)	(299.207)
Cash flow generated from operating activities (a)	11.441.603	6.265.608
Net cash flow used in investment activities (b)	(9.430.030)	(1.632.806)
Net cash flow from financing activities (c)	(10.891.660)	(4.097.171)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(8.880.087)	535.633
Cash and cash equivalents at end of the period	28.564.955	18.777.844
Cash and cash equivalents at beginning of the period	37.445.042	18.242.212
Net increase/(decrease) in cash and cash equivalents	(8.880.087)	535.633



Key Financial Indicators

The Group's net financial debt at March 31, 2022, is as follows:

	31.03.2022	31.12.2021
A - 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 bank loans	(3.521.538)	(3.710.186)
F - Other current financial liabilities	(5.504.551)	(8.561.318)
G - Payables to other lenders	(8.326.533)	(8.042.466)
H - Current financial indebtedness related to Bond facilities	(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 - Bank loans	(12.445.410)	(13.369.968)
L - Payables to other lenders	(14.826.131)	(13.989.425)
M - Non-current financial indebtedness related to Bond facilities	(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)

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" and in agreement with paragraph 175 of the ESMA Guidelines 32-382-1138. It is the opinion of the Directors that there are no components of implied indebtedness pursuant to the Disclosure Requirements Guidelines under the Prospectus Regulation issued by ESMA on March 3, 2021. Similarly, the Group has no reverse factoring or supply agreement transactions in place.

Strong cash flows were generated by operations in the first quarter of the year. This reflects investments of approx. Euro 7.3 million, due to the acquisition of IT infrastructure and software for the new orders and technological upgrading, the use of liquidity to purchase treasury shares for Euro 3.6 million, and the purchase of the equity investment in ERPTech Spa for Euro 6 million (Euro 4 million paid on closing date). Payables to other lenders includes approx. Euro 4.7 million for investments in Q1 2022, of which Euro 2.3 million specifically concerns the future leasing charges measured according to the finance method (IFRS 16, partly already recognised under IAS 17), in addition to property and motor vehicle lease contract payables relating to the above Standard and excluded from the cash flow statement.

Financial payables mainly concern lease payables (Right-of-use)



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

		31.03.2022	31.03.2021
Primary liquidity	Current Assets / Current Liabilities	1,55	1,81
Debt	Third-party capital / Own capital	1,00	1,09



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

CONSOLIDATED CASH FLOW STATEMENT	31.03.2022	31.03.2021
Net profit from continuing operations	2.654.283	2.688.584
<i>Adjustments for non-cash items:</i>	0	0
Amortisation, depreciation, revaluations and write-downs	5.391.232	3.533.162
Financial assets adjustments	0	0
Change in employee benefits	311.796	(29.435)
Increase (decrease) provisions for risks and charges	0	0
Financial charges	771.320	314.412
Income taxes	882.931	591.242
Other non-cash changes	711.354	(341.200)
Cash flow generated from operating activities before working capital changes	10.722.916	6.756.767
<i>Changes in current assets and liabilities:</i>	0	0
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 payables	623.484	125.768
Decrease (increase) other current assets	(2.201.271)	(379.006)
Increase (decrease) in 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 deriving from contracts	(665.562)	55.831
Increase (decrease) in liabilities deriving from contracts	1.185.660	(100.791)
Income taxes paid	(209.976)	0
Interest paid/received	(208.178)	(299.207)
Net cash flow generated from operating activities (a)	11.441.603	6.265.608
Net increase intangible assets	(3.375.340)	(1.280.687)
Net increase tangible assets	(1.937.518)	(352.119)
Decrease (increase) other financial current assets	(167.850)	0
Cash flows from business combinations net of cash and cash equivalents	(3.949.322)	0
Net cash flow used in investing activities (b)	(9.430.030)	(1.632.806)
New financing	0	0
Repayment of loans	(1.113.203)	(45.076)
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 flow from 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 end of the period	28.564.955	18.777.844
Cash and cash equivalents at beginning of the period	37.445.042	18.242.212
Net increase/(decrease) in cash and cash equivalents	(8.880.087)	535.633



Financial instruments

The Group does not have any derivative financial instruments at March 31, 2022.

Treasury shares or parent company shares

In accordance with Article 2428 points 3) and 4) of the Civil Code, the Parent Company holds 1,378,523 treasury shares, but does not hold shares in parent companies, including through trust companies or nominees, nor have shares of the Parent Company been acquired and/or sold during the period, including through trust companies or nominees.

At March 31, 2022, the 1,378,523 treasury shares (4.92% of the share capital) held by Wiit S.p.A. are recorded in the financial statements at a total value of Euro 15,475,849.

In compliance with International Financial Reporting Standards (IFRS), this amount was recognised as a reduction of shareholders' equity.

The market value of treasury shares at March 31, 2022 was Euro 41,300,549.

Information relating to the environment and personnel

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

Personnel

In Q1 2022, no deaths of registered employees occurred at the workplace.

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

No issues in relation to workplace health matters concerning employees or ex-employees or misconduct against the company arose in the first quarter of 2022.

Environment

During the initial month of 2022, no environmental damage was declared against the company. No penalties were incurred for offences or environmental damage in Q1 2022.



Contract

INVOICE

Date: xxxxxx
Invoice No: 010001
Customer ID: 223

Quantity	Amount
246.53	855.75
594.67	492.74
386.40	400.00
456.00	456.00
456.00	456.00

Growth

-11%
+37%
+42%
+78%
+18%

According to sales from 2013-2018

May	June
24,796	45,596
354	1,076
133	190
134	134
47,796	47,796



Transactions with subsidiaries, associates, holding companies

	COSTS	WIIT FIN	WIIT	WIIT SWISS	ADELANTE	ICTW	MATIKA	ETAERIA	TOTAL
REVENUES	WIIT FIN	-	124,750	-	-	-	-	-	124,750
	WIIT	-	-	-	55,556	-	30,860	305,834	392,250
	WIIT SWISS	-	-	-	-	-	-	-	-
	ADELANTE	-	33,605	-	-	2,985	-	-	36,590
	ICTW	-	13,700	-	5,400	-	-	-	19,100
	MATIKA	-	23,679	-	720	-	-	-	24,399
	ETAERIA	-	1,055,150	-	34,842	-	13,390	-	1,103,382
	TOTAL	-	1,250,883	-	96,518	2,985	44,250	305,834	1,700,470

	RECEIVABLES	WIIT FIN	WIIT	WIIT SWISS	ADELANTE	ICTW	MATIKA	ETAERIA	TOTAL
PAYABLES	WIIT FIN	-	2,382,545	-	-	-	-	-	2,382,545
	WIIT	-	-	-	1,335,845	13,700	5,262,115	1,352,208	7,963,869
	WIIT SWISS	-	95,838	-	-	-	-	-	95,838
	ADELANTE	48,741	70,399	-	-	5,400	634	42,119	167,293
	ICTW	-	-	-	29,293	-	-	-	29,293
	MATIKA	-	118,297	-	68,076	-	-	26,943	213,316
	ETAERIA	-	2,028,174	-	-	-	-	-	2,028,174
	TOTAL	48,741	4,695,253	-	1,433,214	19,100	5,262,749	1,421,270	12,880,327

Please note that the transactions with related parties, including inter-company transactions, are not quantifiable as either atypical or unusual but fall within the Group's normal business operations. These transactions were carried out on an arm's length basis. Payables and receivables with WIIT Fin S.r.l. include the portion concerning the tax consolidation.



	COSTS	WIIT S.p.A.	MYLOC	MIVITEC	BOREUS	GECKO	CODEFIT	REVENTURE	WIIT DE	TOTAL
REVENUES	WIIT S.p.A.	-	10,258	-	-	-	-	-	-	10,258
	MYLOC	-	-	1,104	35,000	18,604	-	-	11,700	66,408
	MIVITEC	-	-	-	-	-	-	-	-	-
	BOREUS	-	-	-	-	43,428	-	8,182	-	51,611
	GECKO	-	-	-	213,593	-	6,576	-	-	220,170
	CODEFIT	-	-	-	-	13,500	-	-	-	13,500
	REVENTURE	-	-	-	75,609	-	-	-	-	75,609
	WIIT DE	-	17,400	-	-	-	-	-	-	17,400
	TOTAL	-	27,658	1,104	324,202	75,532	6,576	8,182	11,700	454,955

	RECEIVABLES	WIIT S.p.A.	MYLOC	MIVITEC	BOREUS	GECKO	CODEFIT	REVENTURE	WIIT DE	TOTAL
PAYABLES	WIIT S.p.A.	-	2,208	-	-	-	-	-	-	2,208
	MYLOC	3,200,000	-	-	-	-	-	-	3,332	3,203,332
	MIVITEC	-	1,192	-	-	-	-	-	-	1,192
	BOREUS	-	41,650	-	-	59,373	-	29,615	-	130,639
	GECKO	-	22,017	-	1,188	-	4,498	-	-	27,703
	CODEFIT	-	-	-	-	6,576	-	-	-	6,576
	REVENTURE	-	-	-	708	-	-	-	-	708
	WIIT DE	-	13,923	-	-	-	-	-	-	13,923
	TOTAL	3,200,000	80,990	-	1,897	65,950	4,498	29,615	3,332	3,386,281



Subsequent events to March 31, 2022

ESG Rating

On April 20, the parent company announced its position among the 50 best sustainable companies in the software and services sector, according to Sustainalytics' ESG Rating. An ESG Rating (or Sustainability Rating) is a score that certifies the solidity of an organisation from the standpoint of its environmental, social and governance performances and is to be regarded as complementary to traditional ratings, defined exclusively according to operating-financial indicators. WIIT has embarked on an ecological transition since its listing to become a sustainability ratings leader and to attract investments from the financial community, which looks to these matters with increasing interest, setting itself apart on the Software and Services market. In order to consolidate its ESG commitment and best tap into the opportunities presented by the ecological transition, in 2020 the Group launched an annual sustainability performances assessment process, supported by Sustainalytics, one of the world's most reputable ESG Ratings agencies. According to Sustainalytics, WIIT, thanks to the effective management of material sustainability topics, presents a low risk profile in terms of possible significant impacts from non-financial factors. In addition to not being subject to disputes in relation to ESG issues, WIIT has stood out for our excellent performance in corporate governance, earning a score of 14.8 for a "Low" ESG risk rating on a 5-tier scale from "Negligible" to "High". The rating positions WIIT's Sustainability Report in line with best market practice, highlighting its strong sense of responsibility towards stakeholders. WIIT was therefore recognised among the "ESG Industry Top Rated" by Sustainalytics, i.e. the 50 top performing Software & Services companies globally in this regard.

Stock Option Incentive Plans

The Shareholders' Meeting of WIIT S.p.A. of April 21, in ordinary session, approved the adoption of the "2022-2027 Stock Option Plan" incentive plan. The details of the plans (including the enactment conditions and requirements) are outlined in the Board of Directors' illustrative report and in the related disclosure document, and confer upon the Board of Directors the widest powers necessary and/or useful for the complete and comprehensive enactment of the "2022-2027 Stock Option Plan" incentive plan. The Board has the right to identify the beneficiaries of these plans and, where appropriate, the maximum number of options to be assigned to each of them.

Update on business combinations

On May 10, the Extraordinary Shareholders' Meetings of the subsidiaries Adelante Srl, Matika Spa and Etaeria Spa were held to approve the merger proposal into WIIT S.p.A.. The parent company approved the project through the notarised Board of Directors of May 11.



Outlook

With reference to the situation regarding the conflict between Russia and Ukraine, the Group has no exposure to Russian or Ukrainian counterparties, either directly or indirectly. This situation is however generally impacting raw material costs, in particular the energy costs required for its servers. In order to ensure future margins, the Group has signed a contract with an energy company to stabilise the cost of energy for the coming four years.

In the first three months of 2022, despite the continued COVID-19 pandemic, the company maintained growth. Expectations regarding the COVID-19 pandemic confirmed the gradual lifting of restrictions on the basis of an accelerated vaccine campaign, while the WIIT Group continues its focus on measures to ensure safety at local offices in order to ensure that normal operations continue. The Group currently, on the basis of available information, does not expect an impact on the operating-financial results for the present year. Any future impacts on the operating-financial performance and on the equity situation of the Group, in addition to the business development plans, shall be assessed in view of the development and duration of the pandemic, both in Italy and overseas. No particular situations of insolvency among the company's customers are highlighted. There were no impacts on the financial statement items of a valuation nature (i.e. doubtful debt provision, inventory obsolescence provision, provisions for risks and charges) related to the COVID-19 pandemic. The Group has continued to support remote working, balanced with in-person work.

Milan, May 11, 2022

For the Board of Directors
The Chairperson
(Riccardo Sciuotto)



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

The Executive Responsible for Financial Reporting declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present Interim Report at March 31, 2022 corresponds to the underlying accounting documents, records and entries.

Milan, May 11, 2022

The Executive Officer
(Stefano Pasotto)