

A close-up photograph of a server rack. The rack is dark blue with a fine mesh pattern. A small, oval-shaped metal label is attached to the front of the rack. The label has the number '7' at the top, a small circular logo in the middle, and the number '2' at the bottom. The background is slightly blurred, showing other parts of the server rack. A large blue rectangular overlay covers the right side of the image, containing the year '2019' and the title of the report.

2019

*Interim Financial Report
at September 30, 2019*

Company:	Wit S.p.A.
Registered office:	20121 - Milan, Via dei Mercanti No.12
Tax and VAT No.	01615150214
Share Capital:	Euro 2,652,066.00 fully paid-in
Milan Companies Registration Office	01615150214
R.E.A. No.	1654427
Number of shares	2,652,066

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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).

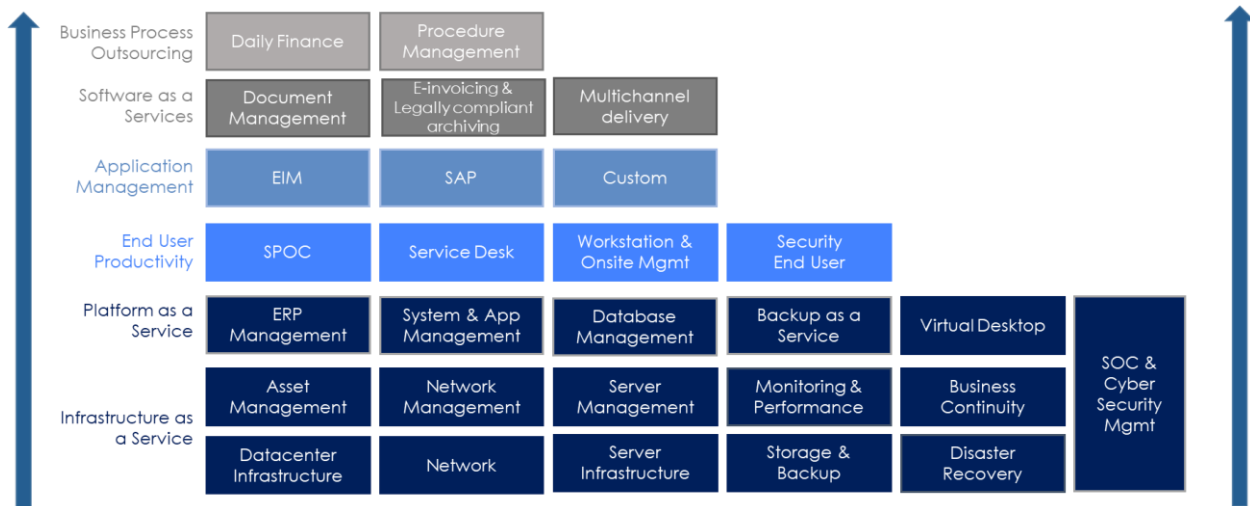
The company operates through two owned Data Centers, with the main Milan center TIER IV certified (maximum reliability level) by the Uptime Institute.

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), with daily back-ups executed.

The offer

WIIT 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 company 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 Business 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;

SaaS (Software as a Service): Software platforms and applications made available to the customer as "services";

Business Process Outsourcing: covering end-to-end services managing entire 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, SaaS and Business 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. They generally stipulate an initial provision of services for the "start-up" phase in support of the Group's services and subsequently the provision of specific services on-demand.

Certifications

The company has 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/TierCertification/constructed-facility-certifications.php>).

The 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 company has also achieved certification for its customer IT system management model according to the international ISO/IEC 20000:2005 standard, while its organisation is ISO 9001 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 and 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 27001:2005 certification (international standard setting the requirements for information technology security management systems), while developing an operational continuity method based on ISO 22301, shifting from a structured approach not based on technology alone, but capable of addressing all processes involved in operational recovery.

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).

Corporate Boards

BOARD OF DIRECTORS

Chairman & COO	Riccardo Mazzanti
Chief Executive Officer	Alessandro Cozzi
Executive Director	Enrico Rampin
Executive Director	Francesco Baroncelli
Director	Amelia Bianchi
Independent Director	Aldo Napoli
Independent Director	Dario Albarello
Independent Director	Riccardo Sciutto
Independent Director	Annamaria di Ruscio

BOARD OF STATUTORY AUDITORS

Chairman of the Board of Statutory Auditors	Luca Valdameri
Statutory Auditor	Paolo Ripamonti
Statutory Auditor	Nathalie Brazzelli
Alternate Auditor	Guido Giovando
Alternate Auditor	Fabrizia Pecunia

RISKS AND RELATED PARTIES COMMITTEE

Chairperson	Dario Albarello
Member	Riccardo Sciutto
Member	Aldo Napoli

APPOINTMENTS AND REMUNERATION COMMITTEE

Chairperson	Riccardo Sciutto
Member	Dario Albarello
Member	Annamaria Di Ruscio

SUPERVISORY AND CONTROL BOARD

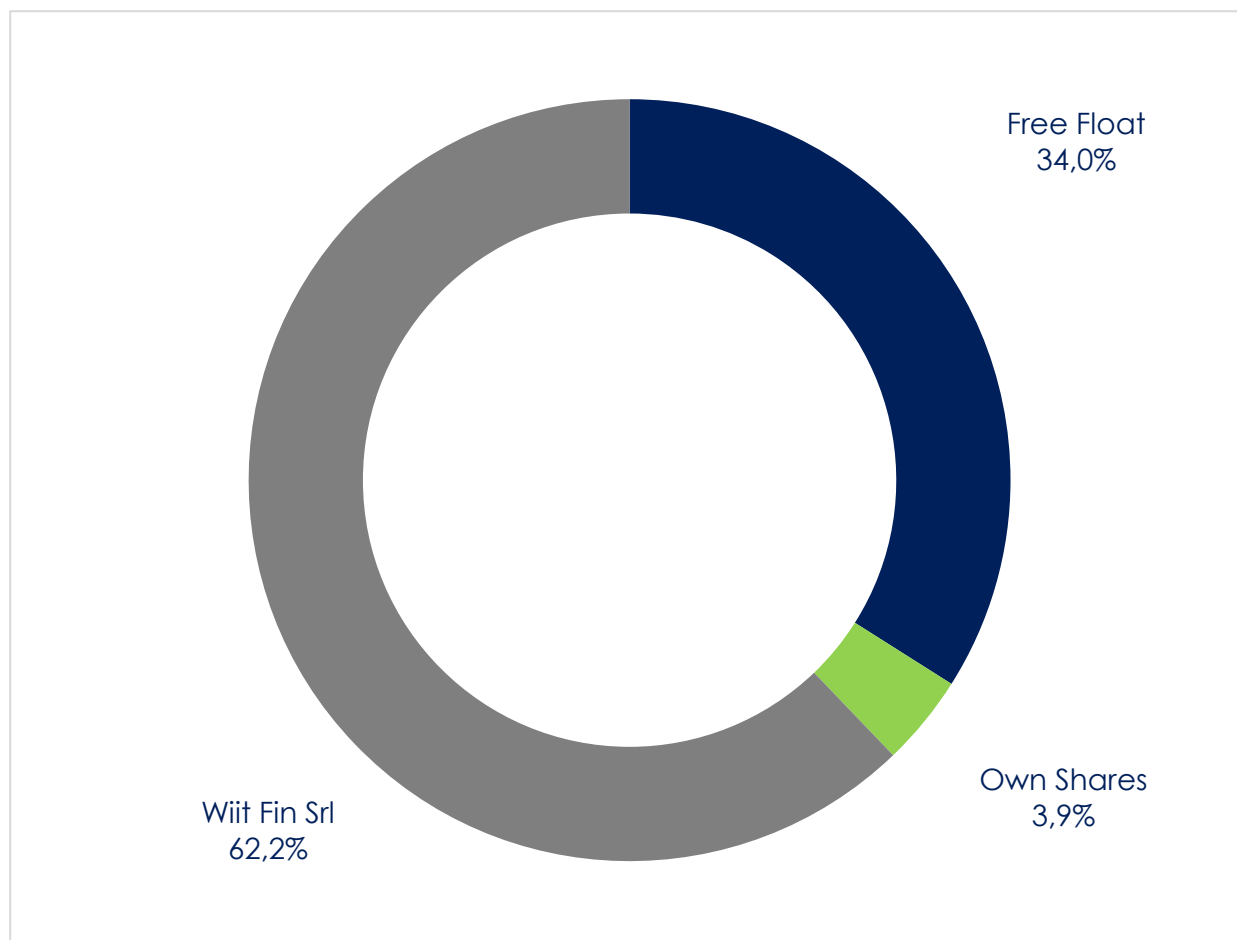
Chairman of the Supervisory and Control Board	Dario Albarello
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INDEPENDENT AUDIT FIRM

Deloitte & Touche S.p.A.

Shareholders

WIIT S.p.A.'s main shareholders at March 31, 2018 are:



Shareholder	Number of shares held	%
Wiit Fin Srl (*)	1,646,834	62.16%
Alessandro Cozzi	1,560	
Treasury shares	101,428	3.86%
Market	901,244	33.98%
TOTAL	2,652,066	100.00%
FREE FLOAT (Treasury shares and Market)	1,003,672	37.84%

(*) Company owned by Cozzi Alessandro and Bianchi Amelia

Directors' Report

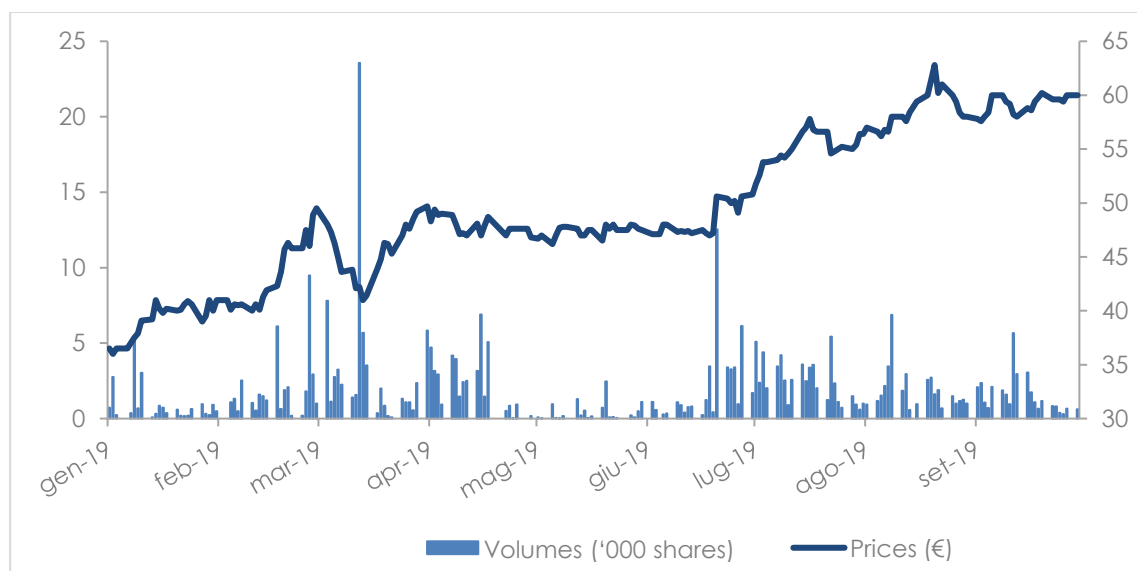
Significant events

In February 2019, the parent company, implementing that approved by the Board of Directors and the Shareholders' Meeting, filed at Consob the communication as per Articles 113 of Legislative Decree 58/98, as amended and supplemented, and 52 of the Regulation adopted with Consob motion No. 11971 of May 14, 1999, as amended and supplemented ("Issuers' Regulation"), regarding the requirement to approve the prospectus for the admission to listing of ordinary WIIT shares (the "Shares") on the Mercato Telematico Azionario ("MTA"), with WIIT simultaneously presenting to Borsa Italiana its application for the listing of its Shares on the MTA (main market).

On March 25, 2019, WIIT S.p.A. was listed on the STAR segment ("MTA"), organised and managed by Borsa Italiana S.p.A., concluding a process begun in November 2018, with trading from April 2, 2019.

With this listing, the Group can attract a broader and more diversified range of investors with advantages - in addition to those concerning value enhancement and visibility - with regards to the Group's positioning against its competitors and its strategic partners, further to improved market liquidity than that available usually on a multi-lateral trading system. The main market listing, considering the requirements imposed on the companies listed, supports the further professional growth of the management team and of the Group more widely, bringing all of the associated knock-on benefits.

Wiit: share price and volumes - 1.01.2019 – 30.09.2019



- Source Bloomberg

In March 2019, the parent company WIIT S.p.A. signed a multi-year contract worth approx. Euro 5.3 million with F.I.L.A. S.p.A., a consumer goods leader, for a new project to manage the increasing complexity of the business and to safeguard security - key elements of the Hybrid Cloud and Hosted Private Cloud service provided by WIIT. This project mainly targets the establishment of solid control over all business processes (productive, inventory, logistics etc.), while guaranteeing the usability and user friendliness of the new systems for an extensive user base, constructing a solid infrastructure based on an evolved Hybrid Cloud model which guarantees rapid and safe future growth and which develops perfectly in harmony with increased business complexity.

In April 2019, the parent company WIIT S.p.A. signed with the Tax Agency a preliminary agreement for the application of the "Patent Box" tax break for the five-year period 2015-2019, with the option to extend this benefit to the following five-year period 2020-2024.

The Patent Box supports enterprises producing income through the direct and indirect use of intellectual property, patents, software and other intangible assets; the tax break for 2015 was calculated by excluding from the assessable base 30% of the income relating to the use of qualifying intangible assets, for 2016 the exclusion percentage is 40%, while amounting to 50% for the 2017-2019 three-year period. This taxation system is renewable.

The tax benefit for WIIT over the 2015-2019 period will be fully reflected in the 2019 results and quantified on preparing the relative financial statements. Categorisable income in the first period of 2015/2018 is estimated at approx. Euro 7.7 million

In June, the preliminary sales contract of the company Matika S.p.A. was signed, completed through notary deed of July 4, 2019. The agreements stipulated the initial acquisition of a 60% majority holding in MATIKA for consideration of approx. Euro 6.1 million (calculated based on an Enterprise Value of Euro 8.5 million, using multiples based on historic and forecast data of the company, and the majority premium recognised to the sellers), to which 60% of the net financial position at the execution date shall be added.

For the acquisition of the residual 40% put and call options were stipulated, to which variable price components are linked ("earn out"), subject to the achievement of set MATIKA earnings objectives.

The acquisition contract stipulated that WIIT acquires 60% of the share capital of MATIKA against cash consideration of approx. Euro 6.1 million, to which the 60% of the net financial position of MATIKA at the acquisition execution date will be added. The acquisition of the remaining portion of MATIKA's share capital by WIIT may be undertaken through the exercise of the put options (arising for the sellers) and call options (for WIIT) which shall permit (i) the acquisition of an additional 20% of MATIKA from the approval of the 2020 Annual Accounts and (ii) the acquisition of the final 20% of MATIKA from the approval of the 2021 Annual Accounts.

The exercise price of each option comprises a fixed component of approx. Euro 1.2 million, to which the 20% of the net financial position of MATIKA at the acquisition's execution date shall be added. Further to this fixed component, subject to the achievement of the specific 2019-2021 business plan objectives of MATIKA, the sellers may mature the right to the payment of a variable maximum overall price component for the acquisition of the residual 40% of approx. Euro 4 million, on the basis of MATIKA's EBITDA, and an additional variable maximum overall price component of Euro 1.5 million, on the basis of the increased revenues from the commercial synergies between Wiit and Matika.

The payment of the consideration for the acquisition of the initial 60% shall be in cash, drawing on WIIT's available liquidity. The payment of the consideration for the acquisition of the investments from the exercise of the options shall be 50% in cash with the residual 50%, at the choice of WIIT, in cash and/or through the allocation of WIIT shares (with a 12-month lock-up restriction).

The contract in addition provides for the release by the sellers of declarations and guarantees with related indemnity commitments, guaranteed by the possibility for WIIT of offsetting with the consideration of the options and, once the options are exercised, by issuing bank guarantees.

The sellers, in order to ensure the going concern of the business, shall remain involved in the management of MATIKA, with Stefano Dario as chief executive officer with powers of ordinary administration.

A shareholder's agreement was also signed between the sellers and WIIT covering MATIKA's corporate governance, with the establishment (subject to the control of WIIT) of certain veto rights for the sellers and of limits on the transfer of shares held, including a non-transferability commitment on MATIKA shares (lock-up) for 3 years and co-sale rights and obligations (tag-along and drag-along).



CONSOLIDATED BALANCE SHEET

	30.09.19	31.12.18	Adjusted 30.09.19	Adjusted 31.12.18
ASSETS				
Other intangible assets	4,143,472	2,723,216	4,143,472	2,723,216
Goodwill	16,377,058	9,736,046	16,377,058	9,736,046
Rights-of-use	5,924,261	1,326,694	5,924,261	1,326,694
Property, plant and equipment	3,436,663	3,955,437	3,436,663	3,955,437
Other tangible assets	10,158,194	9,867,552	10,158,194	9,867,552
Equity investments and other non-current financial assets	68,062	68,062	68,062	68,062
Other non-current assets deriving from contracts	507,830	709,823	507,830	709,823
Other non-current assets	346,133	333,666	346,133	333,666
NON-CURRENT ASSETS	40,961,674	28,720,495	40,961,674	28,720,495
Inventories	19,110	0	19,110	0
Trade receivables	7,021,560	4,699,371	7,021,560	4,699,371
Trade receivables from group companies	399,900	460,965	399,900	460,965
Current financial assets	0	0	0	0
Deferred tax assets	724,310	685,410	724,310	685,410
Current assets deriving from contracts	384,470	329,905	384,470	329,905
Other receivables and other current assets	2,690,345	1,404,458	2,690,345	1,404,458
Cash and cash equivalents	12,976,203	17,930,107	12,976,203	17,930,107
CURRENT ASSETS	24,215,898	25,510,216	24,215,898	25,510,216
TOTAL ASSETS	65,177,572	54,230,711	65,177,572	54,230,711

	30.09.19	31.12.18	Adjusted 30.09.19	Adjusted 31.12.18
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share Capital	2,652,066	2,652,066	2,652,066	2,652,066
Share premium reserve	19,248,704	19,248,704	19,248,704	19,248,704
Legal reserve	530,413	513,214	530,413	513,214
Other reserves	(7,083,455)	(4,921,971)	(7,083,455)	(4,921,971)
Reserves and retained earnings (accumulated losses)	2,379,276	1,241,408	2,379,276	1,241,408
Translation reserve	58,684	13,698	58,684	13,698
Net profit for the period	4,431,785	3,496,340	4,431,785	3,496,340
<i>Minority interest net profit</i>	141,496	0	0	0
SHAREHOLDERS' EQUITY	22,217,473	22,243,459	22,217,473	22,243,459
Payables to other lenders	7,464,068	4,801,538	7,464,068	4,801,538
Bank payables	8,642,871	6,144,430	8,642,871	6,144,430
Other non-current financial liabilities	4,918,844	2,550,000	4,918,844	2,550,000
Employee benefits	1,973,510	1,259,295	1,973,510	1,259,295
Deferred tax liabilities	221,055	214,022	221,055	214,022
Non-current liabilities deriving from contracts	973,226	1,339,529	973,226	1,339,529
Other payables and non-current liabilities	0	0	0	0
NON-CURRENT LIABILITIES	24,193,574	16,308,814	24,193,574	16,308,814
Payables to other lenders	4,668,250	3,922,970	4,668,250	3,922,970
Current bank payables	5,282,191	3,817,932	5,282,191	3,817,932
Current income tax liabilities	820,190	669,451	820,190	669,451
Other current financial liabilities	1,650,000	1,410,000	1,650,000	1,410,000
Trade payables	3,329,948	3,802,103	3,329,948	3,802,103
Payables to group companies	489,836	0	489,836	0
Current liabilities deriving from contracts	557,704	765,604	557,704	765,604
Other payables and current liabilities	1,968,407	1,290,378	1,968,407	1,290,378
CURRENT LIABILITIES	18,766,525	15,678,438	18,766,525	15,678,438
LIABILITIES HELD-FOR-SALE	0	0	0	0
TOTAL LIABILITIES	65,177,572	54,230,711	65,177,572	54,230,711

CONSOLIDATED INCOME STATEMENT

	Reported 9M 2019	Reported 9M 2018	Adjusted 9M 2019	Adjusted 9M 2018	Cge Adj.%
REVENUES AND OPERATING INCOME					
Revenues from sales and services	23,591,100	16,529,642	23,591,100	16,529,642	
Other revenues and income	65,872	654,985	65,872	654,985	
Total revenues and operating income	23,656,972	17,184,626	23,656,972	17,184,626	37.7%
OPERATING COSTS					
Purchases and services	(10,559,444)	(6,298,004)	(9,518,288)	(6,298,004)	
Personnel costs	(4,354,359)	(3,318,798)	(4,354,359)	(3,106,850)	
Amortisation, depreciation, and write-downs	(4,570,634)	(3,715,699)	(4,570,634)	(3,675,699)	
Provisions	0	0	0	0	
Other costs and operating charges	(243,277)	(220,203)	(243,277)	(220,203)	
Change Inventories of raw mat., consumables and goods	2,396	0	2,396	0	
Total operating costs	(19,725,318)	(13,552,704)	(18,684,162)	(13,300,756)	
EBIT	3,931,654	3,631,922	4,972,810	3,883,870	28.0%
Write-down of equity investments	0	0	0	0	
Financial income	167,548	6,304	167,548	6,304	
Financial expenses	(219,313)	(401,364)	(219,313)	(401,364)	
Exchange gains/(losses)	(39,725)	10,945	(39,725)	10,945	
PROFIT BEFORE TAXES	3,840,164	3,247,808	4,881,321	3,499,756	
Income taxes	591,621	(590,640)	404,213	(684,552)	
NET PROFIT FROM CONTINUING OPERATIONS	4,431,785	2,657,168	5,285,533	2,815,203	87.7%
NET PROFIT	4,431,785	2,657,168	5,285,533	2,815,203	87.7%
EBITDA	8,502,288	7,347,622	9,543,444	7,559,569	26.2%
	35.9%	42.8%	40.3%	44.0%	
EBIT	3,931,654	3,631,922	4,972,810	3,883,870	28.0%
	16.6%	21.1%	21.0%	22.6%	

Alternative performance indicators

Adjusted EBITDA - A non-GAAP measure used by the Group to measure performance. It equates to EBITDA gross of the following accounts: "IPO process costs", merger & acquisition costs and personnel costs as per IFRS 2 regarding performance shares. Adjusted EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the company may not be uniform with the criteria adopted by other groups and, therefore, its value for the company may not be comparable with that calculated by such groups.

EBITDA - A non-GAAP measure used by the Group to measure performance. EBITDA is calculated as the sum of the net profit for the period gross of taxes, income (including exchange gains and losses), financial expenses and amortisation, depreciation and write-downs. EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the company may not be uniform with the criteria adopted by other groups and, therefore, its value for the company may not be comparable with that calculated by such groups.

EBITDA margin - Ratio in percentage terms between EBITDA and total revenues and income.

EBIT Adjusted margin - Ratio in percentage terms between EBITDA Adjusted and total revenues and income.

EBIT - A non-GAAP measure used by the Group to measure performance. EBIT is the sum of the net profit for the period, gross of taxes, income (including exchange gains) and losses and financial expenses. EBIT is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the company may not be uniform with the criteria adopted by other groups and, therefore, its value for the company may not be comparable with that calculated by such groups.

Adjusted EBIT - Adjusted EBIT is Adjusted EBITDA, net of amortisation, depreciation and write-downs.

EBIT margin - Ratio in percentage terms between EBIT and total revenues and income.

Operating highlights

The consolidated value of production was up 37.7% on H1 2018. 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.

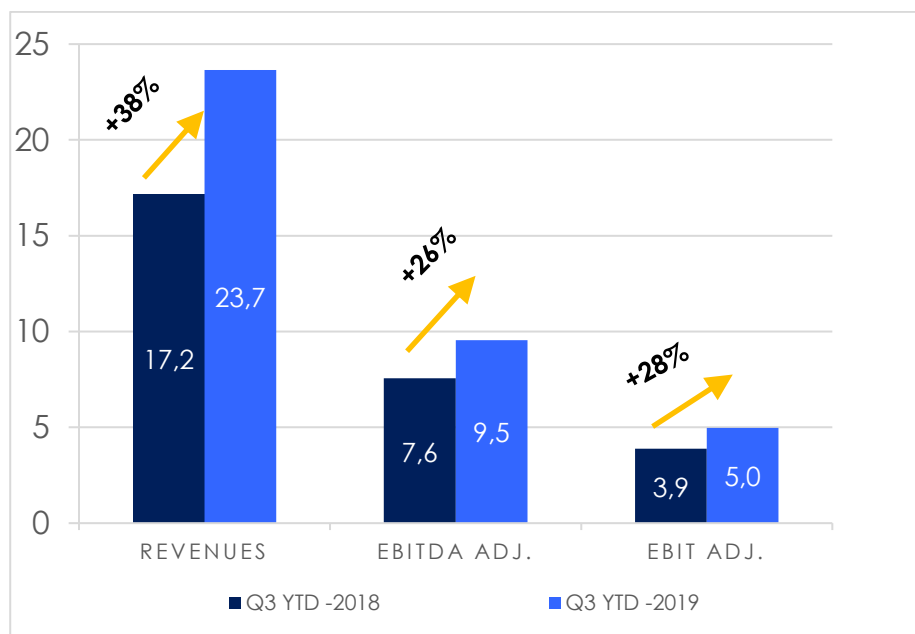
The value of production, EBITDA and profit before taxes for the first nine months of the past two years are shown in the following table.

	9M 2019 Consolidated	9M 2018 Consolidated	9M 2019 Adjusted Consolidated	9M 2018 Adjusted Consolidated	% Adj.Cge.
Value of production	23,656,972	17,184,626	23,656,972	17,184,626	37.7%
EBITDA	8,502,288	7,347,622	9,543,444	7,559,569	26.2%
Profit before taxes	3,840,164	3,247,808	4,881,321	3,499,756	39.5%
Net Profit	4,431,785	2,657,168	5,285,533	2,815,203	87.7%

Adjusted EBITDA was up 26.2% on 9M 2018, with a 40.3% revenue margin - indicating the highly optimised level of company operating processes and services.

The reported consolidated net profit reflects the impact on non-recurring costs from the transfer to the MTA segment (approx. Euro 0.8 million), the acquisition of Matika Spa (approx. Euro 0.2 million) and the "Patent Box" benefit stemming from the agreement signed by the parent company WIIT S.p.A. with the Tax Agency.

KEY FINANCIALS (€mn)



The 9M 2019 reclassified income statement of the company is compared below with the same period of the previous year (in Euro):

	9M 2019 Consolidated	9M 2018 Consolidated	9M 2019 Adjusted Consolidated	9M 2018 Adjusted Consolidated
Net revenues	23,656,972	17,184,626	23,656,972	17,184,626
External costs	(10,559,444)	(6,298,004)	(9,518,288)	(6,298,004)
Value added	13,097,528	10,886,622	14,138,684	10,886,622
Personnel costs	(4,354,359)	(3,318,798)	(4,354,359)	(3,106,850)
Other costs and operating charges	(243,277)	(220,203)	(243,277)	(220,203)
Change in inventories	2,396	0	2,396	0
EBITDA	8,502,288	7,347,622	9,543,444	7,559,569
Amortisation, depreciation and write-downs	(4,570,634)	(3,715,699)	(4,570,634)	(3,675,699)
EBIT	3,931,654	3,631,922	4,972,810	3,883,870
<i>EBITDA Margin</i>	35.9%	42.8%	40.3%	44.0%
<i>EBIT Margin</i>	16.6%	21.1%	21.0%	22.6%
PROFIT/(LOSS)	4,431,785	2,657,168	5,285,533	2,815,203

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 separate and consolidated financial statements.

Index	Formula	9M 2019 Consolidated	9M 2018 Consolidated	9M 2019 Adjusted Consolidated	9M 2018 Adjusted Consolidated
ROE	Net profit / equity	19.95%	11.95%	23.79%	12.66%
ROI	EBIT / Capital employed	6.03%	6.70%	7.63%	7.16%
ROS	EBIT / Value of production	16.62%	21.13%	21.02%	22.60%

Balance Sheet highlights

The reclassified balance sheet of the company for the first nine months of 2019 is compared with the previous year below (in Euro):

	30/09/19 Consolidated	31/12/18 Consolidated
Net intangible assets	26,444,792	13,785,955
Net tangible assets	13,594,857	13,822,989
Equity investments and other financial assets	68,062	68,062
Other long-term receivables	853,963	1,043,489
Fixed assets	40,961,674	28,720,495
Inventories	191,104.7	0
Current trade receivables	7,021,560	4,699,371
Receivables from group companies	399,900	460,965
Receivables from subsidiaries	0	0
Current financial assets	0	0
Other receivables	3,799,125	2,419,773
Cash and Cash Equivalents	12,976,203	17,930,107
Current assets	24,215,898	25,510,216
Capital employed	65,177,572	54,230,711
Bank payables (within one year)	5,282,191	3,817,932
Payables to other lenders (within one year)	4,668,250	3,922,970
Payables to suppliers (within one year)	3,329,948	3,802,103
Payables to group companies	489,836	0
Tax payables and social security institutions	820,190	669,451
Other current financial liabilities	1,650,000	1,410,000
Other payables	2,526,111	2,055,982
Current liabilities	18,766,525	15,678,438
Post-employment benefits	1,973,510	1,259,295
Bank payables (beyond one year)	8,642,871	6,144,430
Payables to other lenders (beyond one year)	7,464,068	4,801,538
Payables to suppliers (beyond one year)	0	0
Other non-current financial liabilities	4,918,844	2,550,000
Other medium/long-term payables	973,226	1,339,529
Other payables and non-current liabilities	0	0
Deferred tax payables	221,055	214,022
Medium/long-term liabilities	24,193,574	16,308,814
Minority interest share capital	42,960,099	31,987,252
Shareholders' Equity	141,496	0
Own funds	141,496	0
Own Funds & Minority interest share capital	43,101,595	31,987,252

Main notes to the balance sheet

The increase in intangible assets mainly relates to “Usage rights” regarding the signing of the long-term rental contract for the new Wiit S.p.A. Head Quarters in via dei Mercanti 12, Milan, as per IFRS 16.

The increase in property, plant and equipment mainly concerns the acquisition of IT infrastructure for new orders.

Higher payables to other lenders are strictly related to tangible and intangible asset and right-of-use investments (IFRS 16).

The increase in Goodwill concerns the acquisition of Matika S.p.A.

“Other financial liabilities” mainly include the payable to third parties concerning the balance on the 40% Matika S.p.a investment and the residual payment of Adelante Srl.

At 30 September 2019, earn-out values were not included. The earn out were included in the acquisition contracts of Adelante Srl and Matika Spa, as WIIT S.p.A. is estimating these values based on the results of the two subsidiaries in the last quarter of 2019 to determine the achievement of the minimum EBITDA targets necessary for the maturity of the earn out.

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.

In Euro	30.09.2019 Consolidated Financial Statements	31.12.2018 Consolidated Financial Statements	30.09.2018 Consolidated Financial Statements
Net profit from continuing operations	4,432	3,496	2,657
Adjustments for non-cash items	4,047	6,749	4,381
Cash flow generated from operating activities before changes	8,479	10,245	7,038
Changes in current assets and liabilities	(975)	1,404	578
Cash flow generated from operating activities	(669)	(1,437)	(1,176)
Net cash flow generated from operating activities (a)	6,834	10,212	6,439
Net cash flow used in investment activities (b)	(12,183)	(17,374)	(11,666)
Net cash flow from financing activities (c)	395	3,577	2,511
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(4,954)	(3,584)	(2,716)
Cash and cash equivalents at end of period	12,976	17,930	18,798

Cash and cash equivalents at beginning of period	17,930	21,514	21,514
Net increase/(decrease) in cash and cash equivalents	(4,954)	(3,584)	(2,716)

Key Financial Indicators

The net financial position at September 30, 2019 was as follows:

	30/09/19 Consolidated	31/12/18 Consolidated
Current financial assets	0	0
Cash and cash equivalents	12,976,203	17,930,107
Cash and cash equivalents and treasury shares	12,976,203	17,930,107
Payables to other lenders	(4,668,250)	(3,922,970)
Current bank payables	(5,282,191)	(3,817,932)
Other current financial liabilities	(1,650,000)	(1,410,000)
Short-term financial payables	(11,600,441)	(9,150,902)
Short-term net financial position	1,375,762	8,779,205
Other non-current financial assets	346,133	333,666
Payables to other lenders	(7,464,068)	(4,801,538)
Bank payables	(8,642,871)	(6,144,430)
Other non-current financial liabilities	(4,918,844)	(2,550,000)
Net financial position - Medium/long-term	(20,679,650)	(13,162,303)
Net financial position - Short/long-term	(19,303,888)	(4,383,098)
Lease payables IFRS 16 (current)	1,210,458	614,104
Lease payables IFRS 16 (non-current)	4,463,019	470,127
Net financial position - Short/long-term (excluding IFRS 16 impact)	(13,630,411)	(3,298,867)

Good cash flows were generated from operating activities in the first nine months of the year. The movement in liquidity mainly reflects the acquisition of the company Matika S.p.A. for E.V. 8.5 million, which includes the settled portion and the amount to be paid, classified to Other financial liabilities. An investment in treasury shares of approx. Euro 2

million was made in the third quarter of 2019. In addition, it reflects investments for approx. Euro 3.2 million, with the acquisition of IT infrastructure related to new orders mainly signed in the first half of the year, and in part related to improvements at the new Milan A Headquarters in via dei Mercanti 12. The long-term rental contract for the new WIIT Head Quarters and the renewal of the contract for the offices at Via Muzio Attendolo detto Sforza 7 finally increased payables to other lenders by approx. Euro 4.4 million, as per IFRS 16.

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

CASH FLOW STATEMENT (in Euro)	30.09.19 Consolidated	30.09.18 Consolidated
Net profit from continuing operations	4,432	2,657
<i>Adjustments for non-cash items:</i>		
Amortisation, depreciation, revaluations and write-downs	3,705	3,117
Change in provisions	714	272
Financial expenses	219	401
Income taxes	(592)	591
Cash flow generated from operating activities before working capital changes	8,479	7,038
<i>Changes in current assets and liabilities:</i>		
(Increase) decrease in inventories	(19)	0
Decrease/(increase) in trade receivables	(1,427)	(2,587)
Decrease (increase) tax receivables	(39)	(462)
Decrease (increase) other current assets	(1,340)	(1,627)
Increase (Decrease) in trade payables	18	545
Increase (Decrease) in tax payables	1,363	704
Increase/(decrease) in other current liabilities	470	4,005
<i>Cash flow generated from operating activities</i>		
Income taxes paid	(613)	(775)
Interest paid/received	(56)	(401)
Net cash flow generated from operating activities (a)	6,834	6,439
Net increase tangible assets	(2,816)	(2,478)
Net increase intangible assets	(2,916)	(2,213)
Net decrease (increase) in financial assets	190	(55)
Acquisition or sale of subsidiaries or business units net of cash and cash equivalents	(6,641)	(6,921)
Net cash flow used in investing activities (b)	(12,183)	(11,666)
Finance lease payables	(2,414)	(1,505)
New payables for finance leases	1,061	4,250
New financing	7,307	6,000
Repayment of loans	(3,346)	(2,577)
Drawdown (settlement) other financial investments	2,243	2,450
Increases (decreases) in bank overdrafts	2	0

Distribution dividends	(2,329)	(2,126)
Acquisition of treasury shares	(2,118)	(920)
Other changes to SE	(12)	(3,062)
Net cash flow from financing activities (c)	395	2,511
Net increase/(decrease) in cash and cash equivalents a+b+c	(4,954)	(2,716)
Cash and cash equivalents at end of period	12,976	18,798
Cash and cash equivalents at beginning of period	17,930	21,514
Net increase/(decrease) in cash and cash equivalents	(4,954)	(2,716)

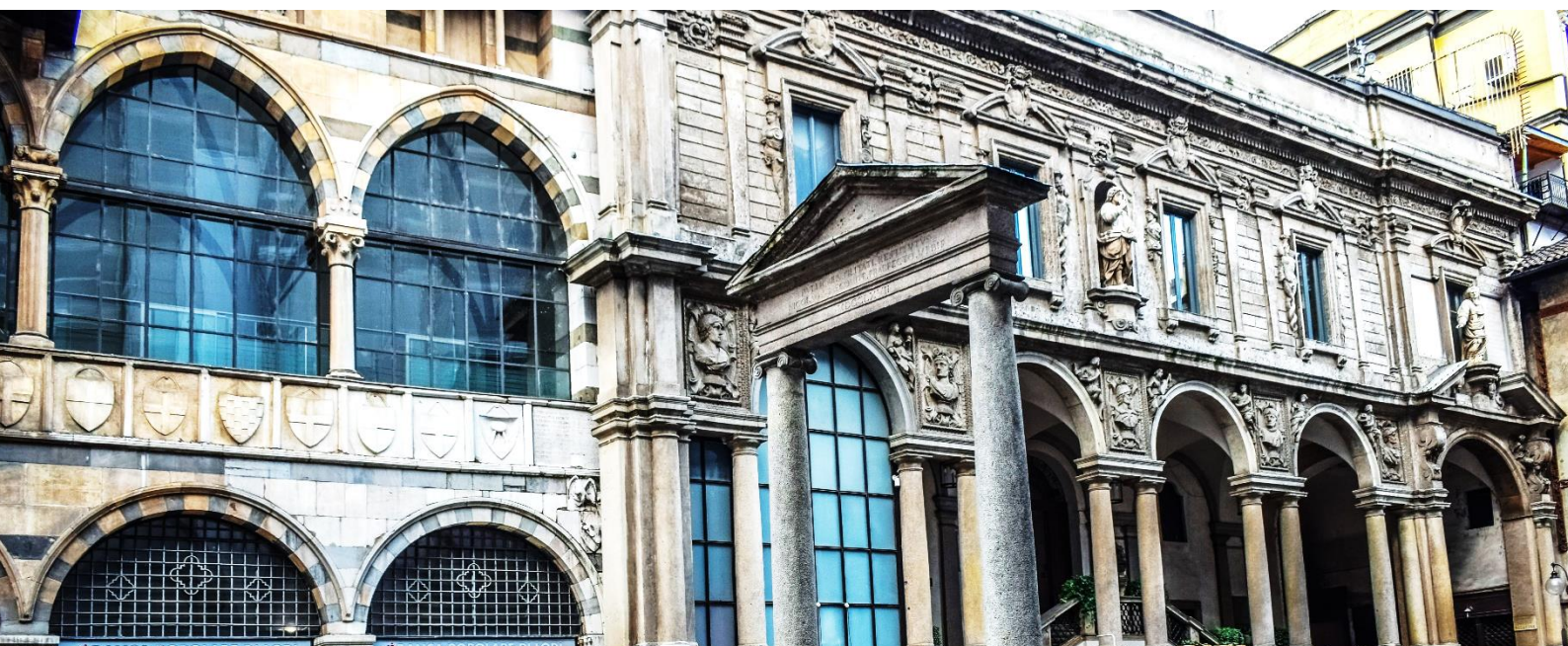
The Shareholders' Meeting of March 18, 2019 approved the payment of dividends in April 2019.

On May 29, the buy-back plan began for the purchase of WIIT S.p.A shares on the STAR segment, Alternative Capital Market, of the Italian Stock Exchange.

The acquisition of the company Matika S.p.A. was completed in July 2019, whose investment value reduced the net cash and cash equivalents employed in this investment's activities.

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

		30/09/2019 Consolidated	31/12/2018 Consolidated
Primary liquidity	(Current assets + Inventory) / Current liabilities	1.29	1.63
Debt	Third party capital (loans) / Own capital	1.47	1.02



Financial instruments

The company at 30/09/2019 did not possess derivative financial instruments.

Treasury shares or parent company shares

In accordance with Article 2428 points 3) and 4) of the Civil Code, the company holds 102,428 treasury shares, but does not hold shares in parent companies, even through trust companies or nominees, nor have shares of the parent company been acquired and/or sold during the period, even through trust companies or nominees.

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 9M 2019, no deaths of registered employees occurred at the workplace.

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

No issues in relation to workplace health matters concerning employees or ex-employees or misconduct against the company arose in the first nine months of 2019.

Environment

During the first nine months of 2019 no environmental damage was declared against the company.

No penalties were incurred for offences or environmental damage in 9M 2019.



**TRANSACTIONS WITH SUBSIDIARY, ASSOCIATE,
HOLDING AND RELATED COMPANIES**

INVOICE
Date: _____
Invoice No: 0100001
Customer ID: 228

Qty	Amount
246.53	
855.75	
594.67	
492.74	
356.40	
00.00	
0.00	

% Growth:

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

According to sales from 2013 - 2018

May	June
24,796	45,596
354	1,076
133	190
135	134
	47,756

Transactions with subsidiary, associate, holding and related companies

During the first nine months of 2019, the following transactions with subsidiaries, associates, holding companies and related companies took place:

	Costs	WIIT Fin S.r.l.	WIIT S.p.A.	WIIT Swiss S.A.	Foster S.r.l.	Adelante Srl	ICTW	Matika	Commit	Total
Revenues	WIIT Fin S.r.l.	-	374,250.00	-	-	-	-	-	-	374,250.00
	WIIT S.p.A.	-	-	-	6,173.91	135,091.63	-	-	21,690.00	162,955.54
	WIIT Swiss S.A.	-	1,487.97	-	-	-	-	-	-	1,487.97
	Foster S.r.l.	-	240,153.41	-	-	-	-	-	-	240,153.41
	Adelante S.r.l.	-	165,291.34	-	-	-	10,652.91	-	96,100.13	272,044.38
	ICTW	-	64,924.85	-	-	18,000.00	-	-	-	82,924.85
	Matika	-	-	-	-	-	-	-	-	-
	Commit	-	4,600.00	-	-	-	167,843.19	79,189.14	-	251,632.33
Total	-	850,707.57	-	6,173.91	320,934.82	89,842.05	-	117,790.13	1,385,448.48	

	Receivables	WIIT Fin S.r.l.	WIIT S.p.A.	WIIT Swiss S.A.	Foster S.r.l.	Adelante Srl	ICTW	Matika	Commit	Total
Payables	WIIT Fin S.r.l.	-	2,047,478.11	-	69,869.41	-	-	-	-	2,117,347.52
	WIIT S.p.A.	404,140.00	-	-	135,953.41	4,420.11	64,924.85	-	5,953.60	615,391.97
	WIIT Swiss S.A.	-	-	-	-	-	-	-	-	-
	Foster S.r.l.	-	271,018.33	-	-	-	-	-	-	271,018.33
	Adelante S.r.l.	182,078.00	1,641.91	-	-	-	1,500.00	-	-	185,219.91
	ICTW	-	-	-	-	130,073.11	-	-	79,742.19	209,815.30
	Matika	-	-	-	-	-	-	-	-	-
	Commit	-	26,461.80	-	-	16,794.69	-	-	-	43,256.49
Total	586,218.00	2,346,600.15	-	205,822.82	151,287.91	66,424.85	-	85,695.79	3,442,049.52	

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.

Subsequent events

On October 15, 2019, the deed for the merger by incorporation into WIIT S.p.A. of the company Foster S.r.l. (entirely held by WIIT) was signed. The merger allows for the concentration at the company of the operations previously carried out through the incorporating company. In particular, Foster was the owner of a document management platform through which WIIT provides, inter alia, Enterprise Information Management ("EIM") and Digital Business Process Outsourcing ("BPO") services. The transaction was undertaken to restructure resource management and cut overheads. The merger shall facilitate cost savings from the elimination of duplications and corporate, accounting, tax and administrative overlaps.

Milan, 12/11/2019

For the Board of Directors
The Chairman
(Riccardo Mazzanti)

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 September 30, 2019 corresponds to the underlying accounting documents, records and entries.

Milan, 12/11/2019

Chief Financial Officer
(Stefano Pasotto)