The Private Cloud

PRESS RELEASE

BOD of WIIT S.p.A. approves 9M 2020 results ([1])

The strong increase in sales is confirmed, +47.3% on 9M 2019, driven by organic growth, the focus on higher value-added services and, in particular, the new Cyber Security contracts and cross-selling on customers of the acquired companies

Adjusted EBITDA up 30.3% on 9M 2019, with margin of companies acquired further improving

Significant cash generation in 9M 2020

Acquisition of 100% of MyLoc closed in Germany in support of future development, confirming the Group's international expansion strategy

Rating of 14.3, equivalent to "Low" ESG risk, for WIIT in September 2020 from Sustainalytics, one of the leading ESG rating agencies

Commercial pipeline expands to support 2020 results

The WIIT Group reports for 9M 2020:

- **Adjusted consolidated revenues of Euro 34.8 million (Euro 23.7 million in 9M 2019), up by 47.3% on 9M 2019; increase driven by organic growth, a focus on higher added-value services, increasing cross-selling on customers of acquirees, consolidation of acquirees and a continually expanding cloud services market;**
- **Consolidated Adjusted EBITDA of Euro 12.4 million (Euro 9.5 million in 9M 2019), up 30.3% on same period of the previous year, thanks to the concentration on Cloud services, the degree of optimisation of process and operating services organisation, cost synergies, and the ongoing improvement in the margin of acquirees; revenue margin of 35.7%;**
- **Consolidated Adjusted EBIT of Euro 6.4 million (approx. Euro 5.0 million in 9M 2019), up by 29.6% on the same period of the previous year, with a revenue margin of 18.5%;**
- **Adjusted net profit of Euro 4.3 million (Euro 5.3 million in 9M 2019; this amount also included the Patent Box effect for Euro 1.0 million);**
- **Net Financial Position (excluding impact from application of IFRS 16 of approx. Euro 9.2 million): net debt of Euro 83.9 million (Euro 20 million at December 31, 2019), an amount that primarily includes the debt for the MyLoc acquisition of approx. Euro 49 million. It does not include the valuation of the treasury shares in portfolio, quantified at approx. Euro 23.7 million at market value at September 30, 2020;**
- **In September 2020, Sustainalytics, one of the most authoritative ESG rating agencies, assigned WIIT a rating of 14.3, equivalent to "Low" ESG risk, the second notch on a five-level scale ranging from Negligible to High.**

([1]) 9M 2020 results do not include the results of the company MyLoc, acquired on September 30, 2020. For the definitions of EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Net Financial Position/Net Debt, Adjusted Revenues, Adjusted net profit, reference should be made to the "Alternative performance measures" at the end of this Press Release.

- **COVID-19 update:**
  - **given the recurring nature of WIIT's revenues no significant repercussions on the 2020 operating and financial performance are expected and the results for the first nine months of the year confirm this.**

Milan, November 12, 2020 – The Board of Directors of WIIT S.p.A ("**WIIT**" or the "**Company**"; ISIN IT0004922826; WIIT.MI), a leading Italian player in the Cloud Computing market of enterprises demanding uninterrupted Hybrid Cloud and Hosted Private Cloud services for critical applications, meeting today, discussed and approved the consolidated results at September 30, 2020, drawn up as per IFRS.

Chief Executive Officer Alessandro Cozzi observed: *"The results in the first nine months of the year confirm the Group's strong growth across all financial indicators and the EBITDA of its subsidiaries is constantly rising, driven by upselling and cross-selling to existing customers and constant synergies.*

We are beginning to see new contracts with the customers of acquirees, particularly in the case of Etaeria, along with increasing demand for cyber-security services provided through our cloud platform, including from new customers.

We are very satisfied with the acquisition of MyLoc, which marked the first step in our expansion outside Italy. In the first month of our collaboration with the company's top management, we are already seeing the potential offered by this transaction, in terms of both growth and cost synergies tied to certain software programs developed by MyLoc that can be used within the Group, relating in particular to automation of the process of managing the cloud platform and billing for Etaeria. Finally, we confirm the expectations for the end of the current year, in terms of both consolidated revenues and consolidated Adjusted EBITDA, thanks to a constantly growing commercial pipeline, and we continue to evaluate additional M&A opportunities, particularly abroad."

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<u>9M 2020 Consolidated results</u>

Adjusted consolidated revenues in 9M 2020 totalled Euro 34.8 million, up 47.3% on the same period of the previous year. This increase was mainly driven by organic development with upselling on existing customers, cross-selling with the acquirees, particularly Etaeria, increasing demand for cyber-security services, including from new customers, and the acquisition of new customers.

Consolidated **Adjusted EBITDA** in 9M 2020 was Euro 12.4 million (+30.3% on 9M 2019), compared to Euro 9.5 million in 9M 2019, with a margin of 35.7%.

WIIT reported an EBITDA margin of 45.3% in 9M 2020, essentially in line with its margin in 2019 and an improvement on the first nine months of the previous year (44.9%). The gradual and substantial improvement in Adelante's margin continues, increasing from 17.7% in 9M 2019 to 22.1% in 9M 2020, and of Matika, which increased from 25.6% in 2019 to 27.8% in the 9M 2020. The margin of Etaeria was 20.5% in 9M 2020. This progression follows the Group's concentration on Cloud services, reduced low added-value product revenue, optimised process and operating services organisation, and cost synergies across all subsidiaries.

The adjustment to **EBITDA** for 9M 2020 concerns the positive effect of Euro 0.4 million from the tax credit and for Euro 2.1 million non-recurring costs for acquisitions.

Adjusted EBIT was Euro 6.4 million in 9M 2020, growing 29.6% on approx. Euro 5.0 million in 9M 2019, with a 18.5% revenue margin, despite an increase in amortisation, depreciation and write-downs of Euro 1.4 million on 9M 2019 to Euro 6.0 million.

Adjusted net profit was Euro 4.3 million in 9M 2020, compared to Euro 5.3 million in 9M 2019. In the previous year, the "Patent Box" tax credit for previous years was recognised for Euro 1.0 million.

The **Net Financial Position (debt),** considering the IFRS 16 impact of approx. Euro -9.2 million in 9M 2020, increased from Euro -25.8 million at December 31, 2019 to Euro -93.1 million at September 30, 2020. This amount includes, in particular, the debt for the acquisition of MyLoc at the end of September of approx. Euro 55 million (including the IFRS 16 and bank fees) and the acquisition and the earn outs relating to Etaeria S.p.A. and the Aedera business for a total of Euro 13 million, concluded in January 2020.

In order to fund the acquisition of myLoc Managed IT AG, in addition to own funds of approx. Euro 1 million, the parent company WIIT signed with Intesa Sanpaolo S.p.A. and Banco BPM S.p.A. an amendment to the loan contract in place, in accordance with which an additional credit line for a maximum Euro 50 million at substantially similar terms and conditions to the other existing lines was issued.

Strong cash flows were generated from operating activities in the first nine months of the year, totalling approx. Euro 10.8 million. Cash and cash equivalents were approx. Euro 17.7 million, despite CAPEX of approx. Euro 6.4 million in IT infrastructure related to new orders and the payment of dividends for approx. Euro 4.1 million.

In execution of the Shareholders' Meeting motion of April 29, 2020, on September 4, the buy-back plan began for the purchase on the market of ordinary WIIT shares. During the period, 12,620 shares for an amount of approx. Euro 2 million were purchased.

The value of treasury shares at September 30, 2020 not included in the calculation of the net financial position was approx. Euro 23.7 million.

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<u>Significant events during the year</u>

On **January 7, 2020** the Company signed a loan contract for a maximum Euro 40 million - then reduced to a maximum Euro 32.5 million with the amendment of September 17, 2020 - with a banking syndicate comprising Banca IMI S.p.A. (now Intesa Sanpaolo S.p.A.), as arranger and agent bank, and Intesa Sanpaolo S.p.A. and Banco BPM S.p.A. as lending banks.

The loan, principally to support the WIIT Group's acquisition-led growth strategy on the Italian and international market and investment plan, stipulates the following key terms and conditions:

- the composition of the loan as (i) an amortising credit line for a maximum Euro 15 million, with maturity of December 31, 2025, of which a first drawdown of Euro 5 million was issued on January 9, 2020; (ii) a bullet credit line of a maximum Euro 15 million, with maturity of June 30, 2026, of which a first drawdown of Euro 5 million was issued on January 9, 2020; and (iii) an amortising credit line for a maximum Euro 10 million, with maturity of December 31, 2024, of which a first drawdown of Euro 2.5 million was issued on May 21, 2020 and with regards to which the parties, through the amendment of September 17, 2020, agreed to reduce the amount available to this amount, cancelling the residual;

- an annual interest rate based on the reference Euribor and an increasing or decreasing variable margin according to the change in the NFP/EBITDA ratio;
- EBITDA/net financial charges and NFP/EBITDA covenants, which at the date of this press release have been complied with;
- the pledging, in favour of the lending banks, of the holdings representing the share capital of certain target companies acquired by WIIT in execution of its growth strategy.

In accordance with best market practice, the loan contract in addition contains provisions concerning, among others, mandatory early settlement events, conditions on disbursements, declarations and guarantees, limitations on debt and corporate transactions, in addition to dividend distribution limits.

On January 15, 2020, following the agreement signed on December 20, 2019, WIIT S.p.A. signed agreements for the gradual acquisition of 100% of the share capital of Etaeria S.r.l. ("Etaeria"), a Kelyan Group company providing cloud and cyber security services, in addition to the acquisition of the Aedera S.r.l. (Kelyan Group) business, provider of IT services and solutions for the digitalisation of companies in SAAS mode (the "Aedara business").

The agreements stipulate the initial acquisition of a 60% majority holding in Etaeria for consideration of approx. Euro 3.5 million, in addition to the variable price component subject to the achievement of the 2019 full-year earnings objectives. The acquisition of the Etaeria shares also involves the payment of an advance for the acquisition of the residual 40%, for which put and call options are stipulated, to which variable price components are linked ("earn out"), subject to the achievement of set Etaeria earnings objectives.

In relation to the Aedera business unit, the estimated consideration on closing amounted to approx. Euro 1.4 million, in addition to the variable price component (earn out) for approx. Euro 0.9 million, subject to the achievement of the result objectives by the Aedera business unit in the 2019-2022 period.

On May 4, 2020, the company obtained from the Ministry for Economic Development the tax credit recognised to SME's for consultancy costs incurred from January 1, 2018 until December 31, 2020 for their listing on a regulated market. The tax credit for Euro 403,049.00 shall be used according to the means set out in Article 7 of the Ministerial Decree of April 23, 2018. This credit has been included in the financial statements.

On May 21, 2020, a tranche of the loan signed on January 7, 2020 was issued for Euro 2.5 million.

On September 19, 2020, WIIT S.p.A. signed an agreement for the purchase of 100% of the share capital of myLoc managed IT AG ("myLoc"), a German provider of cloud and colocation services for businesses and individuals. myLoc has a proprietary data center located in Düsseldorf, operates on the German market, providing colocation, managed hosting, private and public cloud and server hosting services. myLoc's share capital was fully-held by Virtual Minds AG, a subsidiary of ProSiebenSat.1 Media SE. The acquisition price was fixed at approx. Euro 50 million, calculated according to the enterprise value of myLoc. The closing of the transaction took place on September 30. In order to fund with transaction, WIIT signed with Intesa Sanpaolo S.p.A. and Banco BPM S.p.A. an amendment to the loan agreed on January 7, 2020, in accordance with which, among others, an additional credit line for a maximum Euro 50 million was issued at substantially similar terms and conditions to those applied to the other existing lines.

Subsequent events

No significant events arose subsequent to the end of Q3 2020.

Outlook and COVID-19 emergency

Despite the major uncertainties and fears regarding the social and economic repercussions of the ongoing COVID-19 pandemic, 2020 for WIIT may in fact be a year of significant revenue and margin growth compared to 2019.

The Group's operations continue in terms of marketing activities to build the brand, the analysis of the specific needs of the Group's targets and the preparation of the relative promotional campaigns.

WIIT - thanks to a business model based on long-term orders and recurring revenues - has not suffered significant revenue impacts. In fact, both revenues and the operating margin are in line with budget forecasts. As of Q1 2020, strong interest has been shown by existing and new customers in the smart working and cyber-security services provided through WIIT's Cloud platform. Acting conservatively, however, in light of the uncertainty surrounding the effects on working capital of a possible slowdown in collections and non-performing positions attributable to certain customers that are in turn more significantly affected by the Covid-19 emergency, in April 2020 the Parent Company WIIT subscribed to a moratorium that suspended the repayment of bank loans for six months. This allowed the company to agree payment deadline extensions with some of its customers. The variety of sectors in which the Company operates and its good financial condition, in addition to its access to liquidity and lines of credit approved by credit institutions but not drawn down are circumstances that mitigate potential financial risk.

In response to the COVID-19 risk, the Company promptly updated its Risk Assessment Document, with specific regards to biological risks, to comply with the rules and recommendations issued by the authorities. In particular, the Company adopted the measures indicated in the decrees of the President of the Council of Ministers of March 8, 2020 and March 11, 2020, in addition to complying with – to the extent relevant to its business – the instructions set out in the memorandum signed on March 14, 2020, and subsequent amendments to the memorandum of April 24, 2020, by the Italian central government and trade unions to protect the health and safety of workers against possible infection with the novel coronavirus by ensuring a healthy work environment.

In further detail, the Company informed all employees of the instructions issued by the authorities by e-mail, in addition to notices posted at the entrances of the most frequently used areas. In addition to this information, further instructions helpful in combating the spread of the epidemic were also provided. The Company also suspended and cancelled all business travel, both within Italy and internationally, even where already agreed or organised, and physical meetings are only allowed – subject to authorisation by the management – where urgent or necessary for the Company to fulfil its obligations, and in any event with a reduced number of attendees and complying with precautionary measures (use of PPE and social distancing of at least 1 meter).

Among the most important measures taken, the Company began to implement remote work as early as February 24, gradually extending it to 100% of its employees from March 6, while then reducing it over the summer months and returning to increase it from September in view of the rate of infections in the regions in which the company operates.

Any specific needs are guaranteed relating to monitoring activities at its critical infrastructures (Data Centers) through which the Company provides its continuous services to Customers, adopting the precautions set out in the published Prime Ministerial Decrees.

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During 2019 WIIT decided to begin to offer a structured response to the increasing pressure on sustainability topics, seeking to handle these issues by positioning itself distinctively on the market both in Italy and internationally. The preparation of the 2019 Sustainability Report was the first step in the process that will lead WIIT to gradual integration of sustainability into the company business.

Listed on the STAR segment of the MTA market and constantly expanding, the company is also looking with interest to sustainable finance, where investors increasingly integrate the assessment of ESG criteria into their investment decisions. **Hence the decision to engage Sustainalytics, one of the most authoritative ESG rating agencies, to draft an assessment of the Company's current sustainability performances.**

A rating of 14.3 was assigned, equivalent to "Low" ESG risk, the second notch on a five-level scale ranging from "Negligible" to "High". According to the conclusions reached by Sustainalytics, WIIT is currently a company that, due to its solid management of major sustainability issues, has a low risk of suffering significant financial impacts due to ESG factors. In addition to being free of significant ESG-related disputes, the company stands out for its strong corporate governance performance. 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 ("ESG") performances and is to be regarded as complementary to traditional ratings, which only take account of factors of a financial nature.

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The Consolidated Interim Report at September 30, 2020 will be made available, according to the terms established in laws and regulations, at the Company's office, on the authorised storage facility 1Info (www.1info.it) and on *wiit.cloud* (Investor Relations section).

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Statement pursuant to Article 154-*bis*, paragraph 2 of Legislative Decree No. 58/98.

The Corporate Financial Reporting Manager, Mr. Stefano Pasotto, declares, pursuant to Article 154-bis, second paragraph of Legs. Decree No. 58/98, that this press release corresponds to the underlying accounting documents, records and accounting entries.

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no obligation to publicly update or revise forecasts and estimates as a result of the availability of new information, future events or otherwise, subject to compliance with applicable laws.

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WIIT S.p.A.

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

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

CONSOLIDATED BALANCE SHEET

	30.09.20	31.12.19
ASSETS		
Intangible assets	19,668,207	13,341,905
Goodwill	69,395,665	17,604,960
Property, plant and equipment	2,635,765	3,208,450
Other tangible assets	16,026,061	10,147,369
Right-of-use	9,241,303	5,706,817
Deferred tax assets	1,044,083	727,459
Equity investments and other non-current financial assets	83,363	60,861
Other non-current assets deriving from contracts	273,006	440,499
Other non-current assets	351,533	291,779
NON-CURRENT ASSETS	**118,718,984**	**51,530,099**
Inventories	101,599	82,628
Trade receivables	6,199,717	6,442,595
Trade receivables from associates	70,418	35,567
Current financial assets	95,529	0
Current assets deriving from contracts	234,825	269,325
Other receivables and other current assets	3,534,405	2,325,204
Cash and cash equivalents	17,674,676	11,836,359
CURRENT ASSETS	**27,911,170**	**20,991,678**
TOTAL ASSETS	**146,630,154**	**72,521,777**

CONSOLIDATED BALANCE SHEET

	30.09.20	31.12.19
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	2,652,066	2,652,066
Share premium reserve	19,248,704	19,248,704
Legal reserve	530,414	530,414
Other reserves	(11,175,975)	(9,305,339)
Reserves and retained earnings (accumulated losses)	3,404,236	2,273,486
Translation reserve	8,539	11,579
Group net profit	2,618,147	5,250,033
NON-CONTROLLING INTEREST & GROUP SHARE. EQUITY	**17,286,132**	**20,660,943**
Result attributable to non-controlling interests	*710,740*	*242,238*
Non-controlling interests capital and reserves		
of which non-controlling interest SHAREHOLDERS' EQUITY	*710,740*	*242,238*
Payables to other lenders	11,006,613	6,611,209
Bank payables	67,261,398	7,192,300
Other non-current financial liabilities	11,024,197	12,890,437
Employee benefits	2,677,667	1,983,999
Deferred tax liabilities	4,766,720	2,872,152
Non-current liabilities deriving from contracts	548,751	851,125
Other payables and non-current liabilities	0	8,394
NON-CURRENT LIABILITIES	**97,285,345**	**32,409,616**
Payables to other lenders	6,714,724	4,000,234
Current bank payables	5,582,199	5,443,457
Current income tax liabilities	1,472,464	715,453
Other current financial liabilities	9,295,787	1,479,663
Trade payables	6,813,220	4,478,794
Payables to associated companies	34,642	42,293
Current liabilities deriving from contracts	424,475	488,404
Other payables and current liabilities	1,721,165	2,802,920
CURRENT LIABILITIES	**32,058,676**	**19,451,218**
TOTAL LIABILITIES	**146,630,154**	**75.,521,777**

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CONSOLIDATED INCOME STATEMENT

	Reported 9M 20	Reported Restated 9M 19	Adjusted 9M 20	Adjusted Restated 9M 19
REVENUES AND OPERATING INCOME				
Revenues from sales and services	34,730,619	23,591,100	34,730,619	23,591,100
Other revenue and income	510,560	65,872	107,511	65,872
Total revenues and operating income	**35,241,179**	**23,656,972**	**34,838,130**	**23,656,972**
OPERATING COSTS				
Purchases and services	(17,017,291)	(10,559,444)	(14,912,044)	(9,518,288)
Personnel costs	(7,088,880)	(4,354,359)	(7,088,880)	(4,354,359)
Amortisation, depreciation and write-downs	(6,562,833)	(4,803,456)	(5,984,766)	(4,570,634)
Provisions	0	0	0	0
Other costs and operating charges	(415,800)	(243,277)	(415,800)	(243,277)
Change Inventories of raw mat., consumables and goods	5,889	0	5,889	0
Total operating costs	**(31,078,916)**	**(19,960,536)**	**(28,395,601)**	**(18,686,558)**
EBIT	**4,162,263**	**3,696,436**	**6,442,528**	**4,970,414**
Income (Charges) from Equity Method	29,497	0	29,497	0
Financial income	60,566	167,548	60,566	167,548
Financial expenses	(780,509)	(219,313)	(780,509)	(219,313)
Exchange gains/(losses)	(19,781)	(39,725)	(19,781)	(39,725)
PROFIT BEFORE TAXES	**3,452,036**	**3,604,946**	**5,732,301**	**4,878,925**
Income taxes	(833,889)	526,664	(1,470,083)	404,213
NET PROFIT FROM CONTINUING OPERATIONS	**2,618,147**	**4,131,610**	**4,262,219**	**5,283,137**
Net profit from discontinued operations		**0**	**0**	**0**
NET PROFIT	**2,618,147**	**4,131,610**	**4,262,219**	**5,283,137**
EBITDA	**10,725,096**	**8,499,892**	**12,427,294**	**9,541,049**
	30,4%	**35,9%**	**35,7%**	**40,3%**
EBIT	**4,162,263**	**3,696,436**	**6,442,528**	**4,970,414**
	11,8%	**15,6%**	**18,5%**	**21,0%**

(*) The amounts at September 30, 2019 have been restated to take into account the net assets identified following the completion of the purchase price allocation process of the Company Adelante, acquired on July 18, 2018, and the Company Matika acquired on July 4, 2019, whose values had therefore not been included in the financial statements at September 30, 2019, in accordance with IFRS 3. For further information, reference should be made to the "Business combinations" note in the consolidated financial statements at 31.12.2019.

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CASH FLOW STATEMENT	30.09.20	30.09.19 Restated
Net profit from continuing operations	2,618,147	4,131,610
Adjustments for non-cash items:		
Amortisation, depreciation, revaluations and write-downs	6,562,833	4,803,456
Financial assets adjustments	(29,497)	0
Change in employee benefits	431,155	129,088
Increase (decrease) provisions for risks and charges	0	0
Financial expenses	780,509	219,313
Income taxes	833,889	(526,664)
Other non-cash changes (deferred tax assets/liabilities)	(422,846)	(135,417)
Cash flow generated from operating activities before working capital changes	**10,774,189**	**8,621,386**
Changes in current assets and liabilities:		
Decrease (increase) in inventories	(6,620)	(2,396)
Decrease (increase) in trade receivables	1,380,874	(549,906)
Decrease (increase) in tax receivables	13,066	0
Increase (decrease) in trade payables	888,699	(1,132,928)
Increase (decrease) in tax payables	(733,015)	(1,250,109)
Decrease (increase) in other current assets	48,275	(250,008)
Increase (decrease) in current liabilities	(1,077)	(49,796)
Decrease (increase) in other non-current assets	(59,754)	(3,900)
Increase (decrease) in other non-current liabilities	(8,394)	(6,285)
Decrease (increase) in assets deriving from contracts	201,994	147,427
Increase (decrease) in liabilities deriving from contracts	(366,303)	(574,203)
Cash flow generated from operating activities		
Income taxes paid	0	(204,636)
Interest paid/received	(407,800)	(128,423)
Net cash flow generated from operating activities (a)	**11,724,135**	**4,616,224**
Net increase intangible assets	(2,487,297)	(2,477,839)
Net increase tangible assets	(3,934,331)	(2,212,971)
Net decrease (increase) in financial assets	0	0
Cash flows from business combinations net of cash and cash equivalents	(52,281,225)	(3,480,722)
Net cash flow used in investing activities (b)	**(58,702,852)**	**(8,171,532)**
New financing	61,340,926	5,000,000
Repayment of loans	(1,133,087)	(2,066,021)
Drawdown of payables to other lenders	0	1,061,467
Finance lease payables	(759,308)	(1,451,558)
Payment of deferred fees for business combinations	(558,666)	(1,410,000)
Increases (decreases) in bank overdrafts	0	
(Purchase) Use of treasury shares	(1,961,674)	(203,910)
Distribution dividends	(4,111,159)	(2,328,575)
Net cash flow from financing activities (c)	**52,817,033**	**(1,398,596)**
Net increase/(decrease) in cash and cash equivalents a+b+c	**5,838,316**	**(4,953,905)**
Cash and cash equivalents at end of period	17,674,676	12,976,202
Cash and cash equivalents at beginning of period	11,836,360	17,930,107
Net increase/(decrease) in cash and cash equivalents	**5,838,316**	**(4,953,905)**

Alternative performance indicators

Adjusted EBITDA - A non-GAAP measure used by the Group to measure performance. Adjusted EBITDA is calculated as the algebraic sum of net profit for the period, gross of taxes, income (including exchange gains and losses), financial expenses, and amortisation, depreciation and write-downs, gross of the following accounts: "other non-recurring revenues and income", referring to the tax credit received to cover consultancy costs incurred as part of the regulated market listing process, merger & acquisition costs and labour 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.

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, financial 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 - A non-GAAP measure used by the Group to measure performance. Adjusted EBIT is calculated as the algebraic sum of net profit for the period, gross of taxes, financial income (including exchange gains and losses), financial expenses, "other non-recurring revenues and income", referring to the tax credit received to cover consultancy costs incurred as part of the regulated market listing process, merger & acquisition costs, labour costs as per IFRS 2 regarding performance shares, and amortisation of intangible assets arising from the purchase price allocation conducted in reference to the Matika and Adelante acquisitions.

Adjusted net profit or loss – A non-GAAP measure used by the Group to measure its performance. Adjusted net profit or loss is calculated as the net profit or loss for the period, gross of merger & acquisition costs, labour costs as per IFRS 2 regarding performance shares, amortisation of intangible assets arising from the purchase price allocation conducted in reference to the Matika and Adelante acquisitions and the related tax effects.

Net financial debt – this is a valid measure of the Group's financial structure. This is calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets.