

THE BOARD OF DIRECTORS APPROVES THE FIRST HALF 2016 FINANCIAL REPORT

- **REVENUES: EQUAL TO EUR 67.6 MILLION (-8.1% LESS THAN 73.6 MILLION OF 2015)**
- **EBITDA: EQUAL TO EUR 4.0 MILLION, 6.0% ON REVENUES (6.9 MILLION IN 2015)**
- **EBIT: EQUAL TO EUR 1.9 MILLION, 2.9% ON REVENUES (3.8 MILLION IN 2015)**
- **EBT: EQUAL TO EUR 0.5 MILLION, 0.8% ON REVENUES (2.6 MILLION IN 2015)**
- **NET FINANCIAL POSITION IMPROVING OF EUR 5 MILLION**

August, 5 2016. The Board of Directors of **Exprivia** - a company listed on the STAR segment of Borsa Italiana [XPR.MI] - approved today the interim report at 30 June 2016, prepared in accordance with International Accounting Standards (IAS / IFRS) and in particular with the requirements of IAS 34.

At the 30 June, Exprivia closed with **revenues** of 67.6 million euro compared to 73.6 of the first half 2015 (-8.1 %) and with an **EBITDA** from 6.9 million in 2015 (9.4% on revenues) to 4.0 million in 2016 (6.0% on revenues). Consolidated **EBIT** amounted to 1.9 million euro, 2.9 % on consolidated revenues, compared with 3.8 million in 2015. Consolidated **EBT** amounted to 0.5 million euro, 0.8% on consolidated revenues, compared with 2.6 million in 2015. **Net Financial Position** at 30 June 2016 has been negative for 31.4 million, improving on 31 December 2015 when it has been negative by 36.3 million. The **Shareholders' Equity** of the Group at 30 June 2016 amounted to 72.5 million from 73.4 at 31 December 2015.

Revenue performance was mainly caused by overseas business and BPO. BPO, as noted at the end of 2015, records the delay for starting a major contract in the specific market, that on the first half of the year impacts for 2.6 million of revenues and 0.6 ml of EBITDA, which should be recovered in the second half. The overseas business perimeter is still strongly affected by the macroeconomic effects in the countries where the group operates, recording a decrease of 1.5 million in revenues and 0.6 in EBITDA.

With regard to the business lines: Energy&Utilities sector has been affected by the decline in investments due to the volatility of commodity prices, which have forced large customers to implement cost saving policies. Holds its position in the market, Healthcare business unit, which records the fully operability of large customer orders. Substantially stable the banking and finance market, which is also significantly influenced by recent events which have affected the sector. Significant growth in the Telco market (+ 9.9%), confirming the rapid development of new approaches to the digital transformation. Growth in the manufacturing market, which registers the gradual recovery of investment of medium and large Italian companies.

Costs are down on all items. In the first half of the year incremental cost of corporate welfare plan "Exprivia Peoplecare" are detectable, which is believed to produce their positive effects in the coming quarters.

Results of the parent company Exprivia S.p.A.

Revenues in the first half of 2016 amounted to 31.1 million euro, compared with 34.4 in the same period of 2015 (-9.6 %). **EBITDA** amounted to 1.6 million euro, 5.2% on revenues, compared with 2.6 million in the same period of the last year. **EBIT** has been positive at EUR 0.9 million, 2.8% on revenues, compared to the value recorded in the previous year when it amounted to 1.1 million. **EBT** is positive for EUR 3.3 million , 10.7% on revenues, compared to the value recorded in the previous year when it amounted to EUR 3.1 million. **Net Financial Position** at 30 June 2016 has been negative for EUR 23.7 million, improving on 31 December 2015, when it was negative by 26.3 million. The **Shareholders' Equity** at 30 June 2016 amounted to EUR 73.9 million, growing compared 72.5 to 31 December 2015.

*"We are keenly aware that the increasingly pervasive spread of digital technologies, the availability of new applications based on big data and mobility, the convergence of technologies for the telecommunications and computing in the cloud, foreshadow an investment scenario, especially in the segment of medium and large companies that increasingly needs to meet the challenge of the digital transformation", says Exprivia's president and CEO **Domenico Favuzzi**, "The company believes that the economic environment, despite its high volatility, allow to foresee growth scenarios that will allow us to recover shortly the gap detected in the first half."*

The manager responsible for preparing the company's financial reports, Gianni Sebastiano, declares pursuant to the paragraph 2 of the Article 154-bis of Testo Unico della Finanza, that the accounting information contained in this press release corresponds to the document result, books and accounting records.

EXPRIVIA

Exprivia S.p.A. is a company specialised in planning and developing innovative software technologies and providing IT services for companies and agencies in the banking, finance, manufacturing, energy, telecommunications, utilities, healthcare and public administration sectors.

The company is listed on the MTA Star segment of the Italian stock exchange (XPR) and is subject to the management and coordination of Abaco Innovazione S.p.A.

Exprivia has a team of more than 1,800 resources, located in its main office in Molfetta (Bari), its offices throughout Italy (Trento, Vicenza, Milan, Rome and Palermo) and its offices abroad (Madrid, Las Palmas, Mexico City, Monterrey, Guatemala City, Quito, Lima, São Paulo do Brasil, São Bernardo do Campo, Beijing, Shanghai, Suzhou, Hong Kong and Rio de Janeiro).

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CONSOLIDATED STATEMENT OF ASSET AND LIABILITIES

Amount in Euro	30.06.2016	31.12.2015
Land and buildings	10,760,782	10,981,543
Other assets	2,378,668	2,815,269
Property, plant and machinery	13,139,450	13,796,812
Goodwill	67,047,606	67,118,492
Goodwill and other assets with an indefinite useful life	67,047,606	67,118,492
Intangible assets	583,511	820,552
Research and development costs	3,279,738	3,370,013
Work in progress and advances	24,520	
Other Intangible Assets	3,887,769	4,190,565
Investments in other companies	1,252,634	896,195
Equity investments	1,252,634	896,195
Receivables to parent companies	2,596,910	1,305,338
Other receivables	298,982	201,199
Other financial assets	2,895,892	1,506,537
Other receivables	1,708,883	1,716,806
Other financial assets	1,708,883	1,716,806
Tax advances/deferred taxes	1,829,655	1,839,961
Deferred tax assets	1,829,655	1,839,961
NON-CURRENT ASSETS	91,761,888	91,065,368

Amount in Euro	30.06.2016	31.12.2015
Trade receivables	54,698,855	58,097,533
Other receivables	9,893,753	7,947,205
Tax receivables	3,027,334	2,655,240
Trade receivables and other	67,619,942	68,699,978
Inventories	179,423	269,325
Inventories	179,423	269,325
Work in progress contracts	13,339,524	11,228,568
Work in progress contracts	13,339,524	11,228,568
Other receivables	600,000	
Receivables from parent	417,883	
Other Financial Assets	1,017,883	
Held at bank	14,945,794	7,005,422
Cheques and cash in hand	39,794	38,588
Cash at bank and on hand	14,985,588	7,044,010
Cheques and cash in hand	501,561	501,561
Cash at bank and on hand	501,561	501,561
CURRENT ASSETS	97,643,921	87,743,442
ASSETS	189,405,809	178,808,809

Amount in Euro	30.06.2016	31.12.2015
Share Capital	25,325,029	25,754,016
Share capital	25,325,029	25,754,016
Share premium	18,081,738	18,081,738
Share Premium Reserve	18,081,738	18,081,738
Revaluation reserve	2,907,138	2,907,138
Revaluation reserve	2,907,138	2,907,138
Legal reserve	3,931,382	3,709,496
Revaluation reserve	3,931,382	3,709,496
Other reserves	20,377,711	17,201,619
Other reserves	20,377,711	17,201,619
Retained earning/loss	2,246,057	1,945,640
Profits/Losses for previous periods	2,246,057	1,945,640
Profit/Loss for the period	559,558	4,597,608
SHAREHOLDERS' EQUITY	73,428,612	74,197,255
Minority interest	940,942	795,038
GROUP SHAREHOLDERS' EQUITY	72,487,670	73,402,218

Amount in Euro	30.06.2016	31.12.2015
NON-CURRENT LIABILITIES		
Non-current bond	2,577,304	3,311,748
Non-current bond	2,577,304	3,311,748
Non-current bank debt	26,507,319	6,111,015
Non-current bank debt	26,507,319	6,111,015
Trade payables after the financial year	106,267	109,273
Derivative financial instruments	41,618	
Other financial liabilities	147,885	109,273
Payables for equity investments	359,999	
Other financial liabilities	359,999	
Tax liabilities and amounts for social security payable after the financial year	233,661	408,762
Other financial liabilities	233,661	408,762
Other provisions	676,018	622,311
Provision for risks and charges	676,018	622,311
Employee severance indemnities	9,004,662	9,228,805
Employee provisions	9,004,662	9,228,805
Provisions for deferred taxes	1,031,681	1,038,852
Deferred tax liabilities	1,031,681	1,038,852
NON CURRENT LIABILITIES	40,538,529	20,830,766

Amount in Euro		
	30.06.2016	31.12.2015
Current bond	1,256,330	1,007,399
Current bond	1,256,330	1,007,399
Current bank debt	22,193,784	35,879,446
Current bank debt	22,193,784	35,879,446
Trade payables	18,117,536	17,087,806
Trade payables	18,117,536	17,087,806
Due to parent companies	465,930	
Due to parent companies	465,930	
Advances	2,549,164	2,774,376
Advances payment on work in progress contracts	2,549,164	2,774,376
Other payables	117,509	384,214
Other financial liabilities	117,509	384,214
Tax liabilities	5,748,567	7,583,444
Tax liabilities	5,748,567	7,583,444
Amounts payable to pension and social security institutions	4,751,859	5,480,960
Other payables	20,237,989	13,583,144
Other current liabilities	24,989,848	19,064,104
CURRENT LIABILITIES	75,438,668	83,780,789
LIABILITIES	189,405,809	178,808,809

CONSOLIDATED PROFIT AND LOSS

Amount in Euro		
	30.06.2016	30.06.2015
Revenue from sales and services	65,750,774	70,448,258
Revenues	65,750,774	70,448,258
Other revenues and income	305,751	267,279
Grants related to income	912,835	2,167,124
Increase in capitalised expenses for intenal projects	745,358	732,464
Other income	1,963,944	3,166,867
Changes in inventories of work in progress	(83,272)	(12,331)
Changes in inventories of finished goods and work in progress	(83,272)	(12,331)
PRODUCTION REVENUES	67,631,446	73,602,794
Costs of raw, subsid. & consumable mat. and goods	5,364,801	5,273,800
Salaries	45,999,161	47,019,552
Costs for services	9,713,010	11,649,974
Costs for leased assets	2,079,437	1,999,848
Sundry operating expenses	301,632	525,639
Provisions	125,085	237,466
TOTAL PRODUCTION COSTS	63,583,126	66,706,279
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	4,048,320	6,896,515

Amount in Euro		
	30.06.2016	30.06.2015
Amortisation, depreciation and write-downs	2,120,467	3,070,397
OPERATIVE RESULT	1,927,853	3,826,118
Financial income and charges	1,393,934	1,228,810
PRE-TAX RESULT	533,919	2,597,308
Income tax	(25,639)	1,516,012
PROFIT OR LOSS FOR THE PERIOD	559,558	1,081,296
Attributable to:		
Shareholders of holding company	556,285	1,290,004
Minority interest	3,273	(208,708)
Earnings per share losses		
Basic earnings per share	0.0113	0.0257
Basic earnings diluted	0.0113	0.0257

CONSOLIDATED FINANCIAL STATEMENT

Amount in Euro	30.06.2016	30.06.2015
Operating activities:		(1) (1)
Profit (loss)	559,558	1,081,296
Amortisation and depreciation	2,029,606	2,141,105
Provision for Severance Pay Fund	1,931,196	1,713,029
Advances/Payments Severance Pay	(2,155,339)	(2,423,091)
Cash flow arising from operating activities	2,365,021	2,512,339
Increase/Decrease in net working capital:		
Variation in stock and payments on account	(2,246,266)	(1,968,268)
Variation in receivables to customers	3,398,678	3,364,717
Variation in receivables to parent/subsidiary/associated company		73,727
Variation in other accounts receivable	(2,318,642)	(1,970,243)
Variation in payables to suppliers	1,128,407	(2,814,831)
Variation in payables to parent/subsidiary/associated company	465,930	
Variation in tax and social security liabilities	(2,563,978)	(3,814,231)
Variation in other accounts payable	6,388,140	6,754,167
Cash flow arising (used) from current assets and liabilities	4,252,269	(374,962)
Cash flow arising (used) from current activities	6,617,290	2,137,377
Investment activities:		
Variation in tangible assets	(309,853)	(441,328)
Variation in intangible assets	(688,709)	(775,192)
Variation in financial assets	(150,446)	104,011
Cash flow arising (used) from investment activities	(1,149,008)	(1,112,509)
Financial activities:		
Changes in financial assets other than fixed assets		144,393
Changes in financial assets not held as fixed assets	263,351	
Changes in fair value of derivatives	(41,618)	
Capital increase	(585,154)	(718,968)
Dividend paid	(1,044,775)	(1,402,336)
Variation shareholders' equity	301,723	(11,378)
Cash flow arising (used) from financial activities	(1,106,473)	(1,988,289)
Increase (decrease) in cash	4,361,810	(963,423)
Banks and cash profits at start of year	8,565,365	13,909,006
Banks and cash losses at start of year	(46,631,913)	(43,957,966)
Banks and cash profits at end of period	19,101,942	11,877,859
Banks and cash losses at end of period	(52,806,681)	(42,890,242)
Increase (decrease) in liquidity	4,361,810	(963,423)
(1) including taxes and interest paid in the period	1,115,433	1,759,173