

## FINALIZED THE INVESTMENT OF EXPRIVIA IN ITALTEL

- **The operation consists of the investment by Exprivia, for 25 million euro, in a company interest of 81% of Italtel's share capital**
- **Favuzzi: 'A new industrial entity is born aiming at helping Italy in the process of digital transformation'**

**December, 14 2017. Exprivia** - a company listed on the STAR segment of Borsa Italiana [XPR.MI] -, following the press release issued on the 28<sup>th</sup> July 2017, informs that the investment by Exprivia S.p.A. has been finalized, in the context of the recapitalization of Italtel S.p.A. pursuant to art. 182-bis LF, today finalized. In particular, Exprivia has subscribed a company interest of 81% of Italtel S.p.A. ordinary capital, recognizing the usual protections for minority shareholders and holders of "strumenti finanziari partecipativi" (SFP). The shares subscribed and held by Exprivia are subject to lock-up for the next three years. Exprivia has an option right (Call Option) for the purchase of all the SFP and all the shares of minority shareholders, to be exercised starting from the fourth year after today's date. Details on the lock-up clause and the call option will be disclosed in the "Documento Informativo" prepared pursuant to art. 71 of the Issuers Regulation.

Italtel, historical Italian company leader in the Telecommunications market and today engaged in the development of technologies and solutions for the digital transformation, with the parent company Italtel S.p.A. operating in Italy and 12 wholly-owned subsidiaries operating abroad, in the last three years has developed a consolidated revenue of 400 million euro in 2014, 441 million in 2015, 405 million in 2016, EBITDA of 34 million in 2014, 31 million in 2015, 19 million in 2016. At the end of 2016, the company had 1,357 employees, of which 254 abroad, the others located in the Milan, Rome and Carini offices.

The president and CEO of Exprivia, Domenico Favuzzi, after signing of the Closing, underlined the satisfaction of the successful conclusion of the operation and the simultaneous launch of a plan that will lead to the integration of the two technological groups: "We are sure that the birth of a new industrial entity, which combines the skills of Exprivia's Information Technology and Italtel's consolidated experience in TLC, will create a new industrial entity resolved to play a strong role in accelerating the process of digital transformation of Italy".

The closing of the operation concludes the process of recapitalization of Italtel for 113.8 million euro, has been also formalized with the funding institutions and is articulated as it follows:

- 1) conversion into SFP of part of the financial credit of the Italtel's main funding institutions (UniCredit, BPM, Banca IFIS and UBI) for a total amount of 66.8 million euro;

- 2) increase in ordinary share capital subscribed by Exprivia and Cisco System International B.V. for a total amount of 31 million euro, of which 20 million are registered capital and 11 as share premium capital, as it follows: Exprivia, for 25 million acquires 81% of the share capital of which 16.2 is registered capital and 8.8 as share premium. Cisco for 6 million, 19% of the share capital, of which 3.8 are registered and 2.2 as share premium; this increase will be released by converting receivables for 6 million;
- 3) increase in extraordinary share capital subscribed entirely by Cisco for a total amount of 16 million euro, divided into 1 euro as registered capital and the remaining part as "preferred share premium"; this increase will be released by conversion of receivables.

Italtel's recapitalization has been carried out under the procedure by art. 182bis LF, whose "decreto di Omologa dell'accordo di ristrutturazione" has been published on the last 13<sup>th</sup> November.

Exprivia financed its investment through: 1) own financial resources, for 6 million, 2) conversion of trade receivables due by Italtel SpA for 2 million; 3) a bond issue, issued as per today, called "Exprivia S.p.A. - 5.80% 2017-2023 "(ISIN IT0005316382)", for a total nominal value of 17 million euro.

Exprivia may exercise the right to increase the bond issue up to a maximum of 23 million euro, by issuing an additional 60 securities by the 31<sup>st</sup> January 2018, for which it has already received a subscription request from a primary investment fund in private debt.

The bond issue is *senior unsecured*, and consists of 170 bearer securities with a unitary nominal value of 100,000.00 euro each, set at a fixed interest rate of 5.8% per annum (which may be increased or decreased according to the value of the financial covenant PFN/Ebitda), with deferred six-monthly coupons repayable at par and an amortization plan nonlinear "amortizing" that provides the repayment of 20% of the capital in each year starting from 2020 and the remaining 40% in 2023. The "Regolamento del Prestito" provides usual covenants according to the market practice for similar transactions.

The bond has been subscribed by the following subjects: 1) 80 securities by Anthilia Capital Partners SGR S.p.A. 2) 65 securities by Banca Popolare di Bari S.p.a. 3) 15 securities from Consulinvest Asset Management SGR S.p.A. ; 4) 10 securities by Confidi Systema! S.c...

The securities have been issued in the centralized management system at Monte Titoli S.p.A. with listing at ExtraMot Pro and it is reserved to qualified investors. The "Documento di Ammissione alla negoziazione" is available at the Company's website at [www.exprivia.it](http://www.exprivia.it), Investor Relations section.

The investment and the related financing have been approved by the main funding banks of Exprivia.

In structuring and negotiating the transaction and in formalizing its agreements, Exprivia has been assisted by C&L Partners Srl for financial matters, from Clifford Chance for legal matters, CBA Studio Legale e

Tributario for tax matters. Arranger of the bond issue has been Banca Popolare di Bari, while the law firm that followed the bond issue issued by Exprivia to finance the operation has been Orrick Italia.

## Exprivia

Exprivia is an international group currently made up of about 1800 professionals capable of enabling the digital transformation processes through solutions that involve the entire value chain.

With its know-how and experience gained in more than 30 years of continuous operation on the market, Exprivia has a team of experts specialized in various technology and domain areas, from Capital Market and Credit & Risk Management to IT Governance, from BPO to IT Security, from Big Data to Cloud, from IoT to Mobile, to the SAP world, distributed among the different locations in Italy and abroad (Europe, America and Asia).

Listed in the MTA STAR segment of the Borsa Italiana Stock Exchange (XPR) since 2000, Exprivia works alongside its customers in the Banking&Finance, Telco&Media, Energy&Utilities, Aerospace&Defence, Manufacturing&Distribution, Healthcare and Public Sector.

The company is subject to the control and coordination of Abaco Innovazione S.p.A..

[www.exprivia.it/en/](http://www.exprivia.it/en/)

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