



# Interim Report 2021

**Issuer: Exprivia**

**Website: [www.exprivia.it](http://www.exprivia.it)**



future. perfect. simple.

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## Corporate Bodies

### Board of Directors

#### Chairman and Chief Executive Officer

Domenico Favuzzi

#### Directors

Dante Altomare (Vice-Chairman)

Angela Stefania Bergantino (2)

Marina Lalli (2)

Alessandro Laterza (3)

Valeria Savelli (1)

Giovanni Castellaneta

### Board of Statutory Auditors

#### Chairman

Dora Savino

#### Standing Auditors

Andrea Delfino

Mauro Ferrante

#### Independent Auditors

PricewaterhouseCoopers SpA

(1) Directors not vested with operating powers

(2) Independent directors pursuant to the Corporate Governance

Code of the Corporate Governance Committee

(3) Lead Independent Director



## Directors' Report at 30 June 2021

## Significant Group Figures and Result Indicators

The following is a summary of the main consolidated economic, equity and financial data of Exprivia SpA (hereinafter also referred to as "Exprivia" or the "Company" or the "Issuer") and its subsidiaries (hereinafter also referred to as the "Exprivia Group" or the "Group") at 30 June 2021, 30 June 2020 and 31 December 2020.

Following the loss of control of the Italtel Group by Exprivia, the Italtel Group was subject to deconsolidation at 31 December 2020 and, in compliance with the provisions of IFRS 5, the Italtel Group's results at 30 June 2020 have been presented as "Discontinued operations" for comparative purposes.

amount in thousand Euro			
	30.06.2021	30.06.2020	(*) 31.12.2020
Total revenues - Continuing Operations	84,795	81,513	167,811
net proceeds	82,249	78,382	161,607
increase to assets for internal work	939	926	2,074
other proceeds and contributions	1,607	2,205	4,130
Difference between costs and production proceeds (EBITDA) - Continuing Operations	11,542	7,812	21,387
% on total revenues	13.6%	9.6%	12.7%
Net operating result (EBIT) - Continuing Operations	8,375	4,689	15,009
% on total revenues	9.9%	5.8%	8.9%
Net result- Continuing Operations	4,459	1,889	8,632
Net result- Discontinued Operations	-	(14,173)	156,899
Net result	4,459	(12,284)	165,531
Group net equity	68,299	(115,048)	63,638
Total assets	204,253	399,034	216,638
Capital stock	24,616	24,616	24,616
Net working capital (1)	14,237	(39,190)	9,664
Cash flow - Continuing Operations (2)	7,700	4,907	13,994
Cash flow - Discontinued Operations (2)	-	(8,022)	1,086
Fixed capital (3)	100,960	132,957	102,811
Investment (4)	1,698	1,973	5,370
Cash and securities / other financial assets (a)	16,134	26,705	33,362
Financial payables / other short-term financial liabilities (b)	(15,006)	(223,413)	(29,799)
Financial payables / other medium / long-term financial liabilities (c)	(38,931)	(34,058)	(43,861)
Net financial position (5)	(37,803)	(230,766)	(40,298)

(\*) Following the loss of control, the results of the Italtel Group for the period from 1 January to 30 June 2020 were recognised as "discontinued operations" and presented in accordance with this accounting treatment in all parts of this report.

(1) - "Net working capital" is calculated as the sum of total current assets less cash and cash equivalents and total current liabilities plus current payables to banks.

(2) - "Cash flow" represents the cash flow generated (absorbed) by income management.

(3) - The "fixed capital" is equal to total non-current assets.

(4) - "Investments" are calculated as the sum of cash flows absorbed by increases in tangible assets, intangible assets and equity investments, net of consideration for disposals.

(5) - Net financial position = a+b+c.

The table below shows the main economic indicators of the Group at 30 June 2021, compared with the same period of the previous year.

For the calculation of ROE and ROI, it was deemed appropriate to use the annual "rolling" logic, taking as a reference the net result and operating income for the period from 1 July 2020 to 30 June 2021 for the data at 30 June 2021, and from 1 July 2019 to 30 June 2020 for the data at 30 June 2020.

Exprivia Group	30.06.2021	30.06.2020
ROE index (Result for the period - Continuing Operations / Group shareholders' equity)	16.40%	(*)
ROI index (Net operating margin Continuing Operations / Net invested capital) (6)	18.48%	11.68%
ROS index (Net operating margin Continuing Operations / Revenues from sales and services)	22.73%	15.38%
Financial charges (7) / Result for the period Continuing Operations	0.36	0.80

(\*) indicator that cannot be determined due to the negative value of the Group's Shareholders' equity

(6) **Net capital invested:** equal to net working capital plus non-current assets net of non-current liabilities (excluding bank debt and bond issues)

(7) **Financial charges:** calculated net of interest cost IAS 19

The table below shows the main capital and financial indicators of the Group at 30 June 2021 and 31 December 2020.

Exprivia Group	30.06.2021	31.12.2020
Net Financial Debt / Equity Capital	0.55	0.63
Debt ratio (Total Liabilities / Equity Capital)	2.99	3.40

## Summary of operations in the first half of 2021

In addition, the table below shows the results of the first half of 2021 compared with the previous period:

Exprivia Group - Continuing Operations (amounts in thousands of Euro)	30.06.2021	30.06.2020 (*)	Variations	% Variations
Revenues	84,795	81,513	3,282	4.0%
EBITDA	11,542	7,812	3,730	47.7%
EBIT	8,375	4,689	3,686	78.6%
Pre-tax result	6,703	2,939	3,764	128.1%

Exprivia Group - Continuing Operations (amounts in thousands of Euro)	30.06.2021	30.06.2020 (*)	Variations	% Variations
Net financial position	(37,803)	(40,298)	2,495	6.2%

(\*) Following the loss of control, the results of the Italtel Group for the period at 30 June 2020 were recognised as "discontinued operations" and presented in accordance with this accounting treatment in all parts of this report.

As we can see, the revenues of the Exprivia Group in the first half of 2021, amounting to Euro 84.8 million, are up compared to the same period of 2020; margins show even stronger growth. The net financial position, negative by Euro 37.8 million at 30 June 2021, improved by Euro 2.5 million compared to the negative value of Euro 40.3 million at 31 December 2020.

# Profile of Exprivia Group

**Future. Perfect. Simple**

## The founding concepts of our vision

### Future

The future is the point towards which we orient ourselves in defining scenarios, processes and goals for ourselves and our customers.

### Connection

This is what makes us innovators. It is the capacity to identify unexpected solutions by linking our skills.

It is the ability to imagine the future by directly combining what we know in the present: technology with customer needs, the world of research with that of business, the city with its residents.

### Perfect

Perfect is the level we strive to achieve in the planning of innovative and efficient IT solutions in each specific sector.

### Reliability

For us, this is a constant practice that leads us to seek out perfection in everything we do, to guarantee that we will always meet our commitments and to consider effectiveness and efficiency to be indispensable requirements of all the products and services we offer.

### Simple

Being simple is the fundamental requirement of all of our systems, designed to improve people's lives through the availability and usability of information.

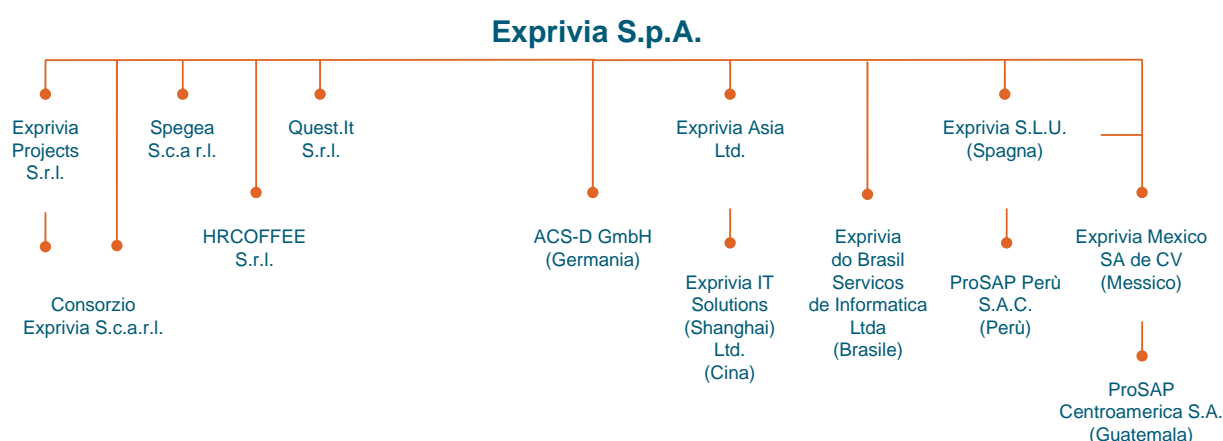
### Simplicity

For us, this means mobilizing complex technologies to ensure a sleek user experience, making innovation and digital transformation accessible to businesses and the public through a process of extreme streamlining which strives for simple solutions.



## The Group

The following chart shows the companies belonging to the Exprivia Group: It should be noted that Quest.it Srl is an associate of Exprivia SpA while the others are all directly or indirectly controlled:



The companies making up the Exprivia Group are shown below, broken down into Italian and foreign companies:

### Italian companies

**Exprivia Projects Srl** is 100% owned by Exprivia. It is based in Rome and has a share capital of Euro 242,000.00 (fully paid-up). It is specialised in designing and managing services and infrastructure for Call Centres, Contact Centres and Helpdesk services.

**Consorzio Exprivia Scarl**, 70% owned by Exprivia, 25% by Italtel SpA and the remaining 5% by Exprivia Projects Srl, is a stable consortium of companies. This consortium's objective is to facilitate the participation of the member companies in public tenders for project development and service provision.

**Spegea Scarl** is 60% owned by Exprivia and has fully paid-up share capital of Euro 125,000.00. It is a School of Management based in Bari, organises and manages specialised seminars, training courses for companies and public administration in addition to the "Master in Management and Industrial Development" programme certified by ASFOR. It was founded 31 years ago by Confindustria Bari with the support of banks and institutions.

**HRCOFFEE Srl** is a company of which Exprivia owns 70% of the share capital, equal to Euro 300,000. The company, established on 31 July 2018 with headquarters in Molfetta, is engaged in the production and marketing of products and services with high value-added technology in the field of human resource management.

## Foreign Companies

**Exprivia SLU**, a Spanish company 100% owned by Exprivia, is the result of the merger by incorporation of the companies previously operating in Spain, Exprivia SL and Profesionales de Sistemas Aplicaciones y Productos SL (ProSap). The company has operated since 2002 providing professional services and project development in the SAP environment, WEB portal development, and solutions and information systems for the Healthcare sector in the Spanish market. The company controls 99.9% of ProSAP Perú SAC.

**Exprivia Mexico SA de CV**, a Mexican company with headquarters in Mexico City, of which Exprivia owns 98% and Exprivia SLU holds 2%, has been in operation since 2004 and offers professional services and project development in the SAP environment, WEB portal development, and solutions and information systems for the Healthcare sector in Latin America, including through its subsidiary, with offices in Guatemala (ProSAP Centroamerica S.A.).

**Exprivia do Brasil Serviços de Informatica Ltda**, a Brazilian company specialised in IT Security solutions, operates from its headquarters in Sao Paulo. Exprivia controls the company with a 52.30% share while the company Simest SpA holds 47.70%.

**Exprivia Asia Ltd**, a company operating in Hong Kong to act on behalf of Exprivia, its sole shareholder, in all market sectors in the Far East considered strategic for the Exprivia Group. Exprivia Asia Ltd incorporated Exprivia IT Solutions (Shanghai) Co. Ltd of which it is the sole shareholder, specialised in professional services in the fields of IT infrastructure and in SAP systems.

**ACS-D GmbH (Germany)**, a company operating in Germany for the purpose of acting on behalf of Exprivia, its sole shareholder, in the aerospace and defence sector.



# Innovation

The foundry of ideas

## Innovation Lab

Innovation to explore and construct new business opportunities

Innovation Lab is the backbone structure of the research, development and integration of Exprivia technologies. A hotbed open to sharing experience and knowledge with the world of academics and research, which has led to the activation of various projects with the main Universities of Apulia (Polytechnic and University of Bari, University of Salento), of Milan (Polytechnic of Milan) and of Rome (La Sapienza), with CNR and with Cefriel, with which it has specifically launched a commercial partnership programme to promote "technological frontier" projects.

Innovation Lab identifies and adapts innovation opportunities to the company's business model, coordinates projects which exploit public contributions, creates innovative technologies and solutions to be transferred to company production areas and enriches the company's wealth of knowledge, contributing to creating new distinctive competencies.



# Industries

A winning bid on each market

## Industries

### A winning bid on each market

Today, we are one of the main players in the digital transformation of businesses, and we owe this to the wide range of expertise and experience we have developed through many years of work in our various markets.



#### Banking, Finance & Insurance

##### Digital progress and financial technique: the duo of the future

The financial market is experiencing a radical transformation of its business model. The need to always offer new services that can be used at any time using any device requires the development of increasingly innovative and efficient IT solutions and services.

Thanks to the know-how accrued over more than 25 years of partnerships with the top credit and insurance institutions in Italy and abroad, we have the specialisation and experience to fully meet customer needs through tailor-made and omni-channel digital solutions: from creditworthiness assessments to monitoring, from capital markets to factoring management, from data value to customer experience.



#### Telco & Media

##### Skills and technologies for network virtualisation

In the Telco & Media market, the strategies on which the key players in the market compete are linked not only to technological innovation but, at the same time, the need to simplify and automate, as well as the need to expand their offer with high value-added services. On all of these three strategies, the Exprivia Group now has the best assets in terms of the offer, know-how, and geographical presence to be able to skilfully support its customers in these areas.

A distinctive aspect in the Italian context of Telco is Exprivia's Innovation Lab, aimed at verifying and optimising the provision of services on 5G networks, speeding up the adoption of orchestration and automation methodologies, processes and solutions. In addition, the initiative enables the delivery of innovative cloud-ready solutions to specific vertical markets (e.g., IoT, e-Health, Smart City, Industry, etc.).

Thus, we are the best partner for service providers for Telco media providers and manufacturing companies to better support their business in programmes for technological innovation and automation and enriching the B2B offer.



#### Energy & Utilities

##### Energy-optimising technology

The energy and utilities sector is rapidly evolving to adjust to infrastructure technological upgrading processes, the development of new services and the entry into force of new directives on safety, energy efficiency and environmental and consumer protection, which are having a considerable impact on both supply and demand.



In this regard, we offer our customers specific solutions for the development and management of transversal and characteristic processes that aim to ensure greater operational efficiency, high performance and elevated customer service quality to energy, water, environmental and public utility sector businesses. Systems based on technologies like the cloud, XaaS, CRM, big data analytics and business intelligence, IoT, digital channels, social networking, e-mobility and enterprise application governance which place users at the very heart of processes, providing them with increasing autonomy and awareness.



## **Aerospace & Defence**

### **Military defence, civil safety and digital technology**

Recent geopolitical events demand an immediate response from the civil and military aeronautical, naval and terrestrial sectors in the adoption of safety systems where the technological element plays an increasingly crucial role in guaranteeing the safety of people, places, machinery and information systems.

Even more urgent is IT support for taking strategic decisions in critical situations for the implementation of preventive measures based on scenario monitoring and controls. We offer the sector a genuine advantage by enabling analysis of complex heterogeneous information (images, videos, data, texts, symbols, voices, sounds, etc.) generated by a multitude of wearable, fixed and mobile sensors on flights, in navigation, in orbit, in vehicles and in drones. In particular, we develop systems for command and control, surveillance, cartographic representation, processing of geographical maps and rapid prototyping of land-based, naval and aerial consoles which, partly thanks to augmented reality techniques, the wealth of geo-referenced information and social collaboration, offer maximum interaction with scenarios that are increasingly faithful to reality.



## **Manufacturing & Distribution**

### **Towards the new industrial revolution**

The future of industrial processes is following a digital path. The common thread lies in the various enabling technologies that are changing how we design, create and distribute products by automatically organising and managing an enormous quantity of information in real time.

The fourth industrial revolution is in full swing and very soon we will see completely controlled, interconnected and automated production through technological evolution.

Industry 4.0 defines this change through a panorama that is still evolving, but already has precise lines of development coinciding with the knowledge and skills we possess: the use of data and connectivity, analytics and machine learning, human/machine interaction and interaction between reality and the digital realm. We have seized this extraordinary opportunity by focusing on bringing new-found energy to the entire industrial process with our digital solutions and completely automating the management of huge quantities of information in a simple, streamlined and efficient manner.



## **Healthcare**

### **Innovative solutions for individual health and efficient administration**

Building a healthcare system that combines savings and efficiency, takes care of people even before treating them, eliminates waste and reduces waiting times. With these main objectives, we represent the ideal partner for a healthcare system striving for a future of excellence.

The technological solutions we apply to the healthcare system make it possible to connect all of the disparate pieces of the entire Italian Regional Healthcare System, from administrative and management centres to public and private hospitals within the entire supply chain, right down to individual professionals and online services for users, ensuring maximum optimisation of every single resource.

A team of 350 specialists, 30 years of presence in the IT sector and solutions and services in 500 healthcare facilities for 20 million patients confirm the effectiveness of our responses to the needs of the healthcare industry, which are fundamental for the economy and development of every region.



## Public Sector

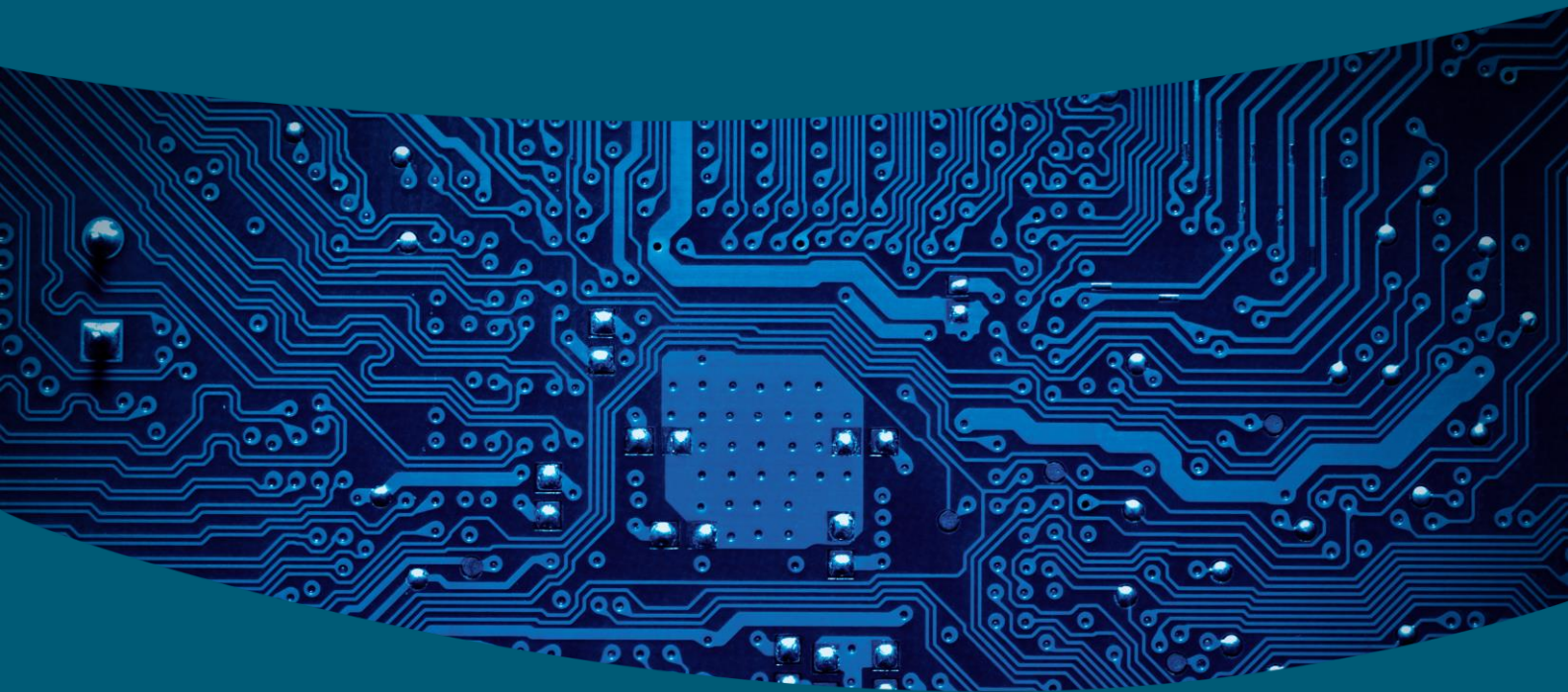
### Public Administration ("PA") digitalisation: the first step towards a reinvigorated country

Some time ago the Public Administration launched a modernisation process based on principles such as innovation, simplicity and reliability to support businesses, residents, public employees and the state itself. The streamlining of bureaucracy through the digitalised management of the Public Administration, together with organisational renewal measures, means we can now reconcile optimising expenditure with quality of service.

From this perspective, we have been able to draw on much of our experience in optimising processes for large private enterprises, which we have reconceptualised according to the needs of central and local governments and broken down into a range of areas, including:

- products and services for management;
- eGovernment and eProcurement solutions;
- storage and sharing of electronic documents;
- planning and control through business intelligence and business analytics platforms;
- performance measurement in PA processes;
- solutions to support administrative processes (SOA paradigm);
- single point of access for the exchange of information between entities, residents and businesses;
- system integration to ensure 24/7 operational continuity and automatic repairs.





**Expertise**  
**To build the future, we need to keep**  
**it present**

## Expertise

### To build the future, we need to keep it present

EXPERTISE	DESCRIPTION
<b>Big Data &amp; Analytics</b>	Offer of all the very latest tools for supporting both decision-making processes and ordinary activities based on the possession of information. The Big Data & Analytics area is dedicated to developing projects, services and solutions aimed at the strategic use of big data for increasing business.
<b>Cloud</b>	<p>The advent of cloud computing has completely revolutionised how we acquire, implement and execute IT services.</p> <p>Our cloud services refer to four fundamental models: Public Cloud, Private Cloud, Hybrid Cloud and Community Cloud.</p>
<b>IoT &amp; Contextual Communication</b>	<p>The IoT is capable of having a positive effect on the very idea of business, work, study, health and life.</p> <p>The main skills development areas are: Industry 4.0, Digital Healthcare, Smart Cities, Smart Grid.</p>
<b>Cybersecurity</b>	<p>Services designed based on the security controls of the National Institute of Standards and Technology (NIST), which, using information provided by the Exprivia Cybersecurity Observatory, can be divided into the following:</p> <ul style="list-style-type: none"> <li>• Identify – From consultancy activities to Vulnerability and Penetration Tests (VAPT), from malvertisement campaign simulations to analysing and searching for data that may have been stolen and posted on the deep and dark webs.</li> <li>• Protect – Implementation and management of controls that focus on protection from any incidents, segmentation, micro-segmentation, management and governance of identities and accesses, management of privileged identities, static security (SAST) and dynamic application security (DASD), safety, obfuscation and masking of data at rest and in transit.</li> <li>• Detect - Continuous monitoring using SIEM and sophisticated AI tools.</li> <li>• Response - Exprivia has a team that can be called upon to respond to an incident (Global Response Team).</li> <li>• Restore - The GRT can be used not only to respond to an attack but to restore the service.</li> </ul>
<b>Mobile</b>	We offer companies and entities the possibility of reaping the maximum benefit from latest-generation mobile technologies by including them within a broader multi-channel strategy which encompasses Mobile Device Management for business devices, Mobile Payment in the various commerce and service sectors, Mobile Health and Mobile Application Development in the areas of health, finance and security.
<b>SAP</b>	With a strategic partnership that has lasted for more than 20 years, we are now one of the main reference players in the SAP world in Italy and

abroad. Our main areas of intervention are: Administration, Finance and Control, Operation & Logistics, Business Analytics and Human Capital Management.

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#### **Business Process Outsourcing**

Supporting company evolution by taking responsibility for the procedures of end user acquisition, management and retention. The offering ranges from back office outsourcing services relating to typically internal functions such as human resources, accounting and information technology, to front office outsourcing services like customer care and customer service.

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#### **Network & Digital Transformation**

In the world of Telco Operators and Media Companies, we have developed, over time, skills related to the convergence between IP networks and optical networks and on mobile operators' infrastructure components.

As regards Enterprise networks, we currently have broad competencies in designing and implementing converged wired and wireless solutions, in Private Network solutions, SD-WAN, and technological refresh of corporate networks.

The Factory software of Exprivia develops carrier-grade systems and solutions with characteristics of robustness, scalability and resilience. We use Agile design and development methodologies based on SCRUM and DevOps logic, using both open source technologies and off-the-shelf products for the design and implementation of customised solutions for the customer.

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# **Corporate Social Responsibility**

## Environment, health, and safety

Exprivia is an ICT services company, whose production processes involve human intensive features on which the human production factor prevails rather than the machinery. However, the Company is highly sensitive to workplace health and safety and environmental issues, in particular, problems posed by global climate change.

The Company is aware of the fact that, for the purposes of the effectiveness of any far-reaching corporate responsibility strategy, it must undertake activities aimed at the assessment of the environmental impact, so that it can act in a manner that ensures the maximum respect for the environment. For this purpose, Exprivia has carried out a process aimed, on the one hand, at identifying the main impacts of the business processes, the infrastructures and the structures used, and on the other hand, at monitoring the environmental performances of its central headquarters in Molfetta. Since 2006 Exprivia has understood that the implementation of an Environmental Management System (EMS) would have made it possible to satisfy the aforementioned objectives, as well as facilitate the compliance with current environmental legislation and the ongoing improvement of the environmental performances.

The Exprivia Group has also always been involved in the development and promotion of the protection of health and safety in the workplaces. It recognises the fundamental importance of protecting health and safety and ensuring the safeguarding and wellbeing of the workers and the third parties in all the activities care of its workplaces. By means of a prevention and protection system ingrained in all the venues, the Exprivia Group has achieved significant results over the years, including a greater awareness among the employees with regard to the aspects of safety, a significant containment of accidents in the workplace and the prevention of occupational diseases.







## Performance trend of the Exprivia Group

The performances trends by market in which the Exprivia Group is organised are shown below.

## ***Banking and Finance***

The first half of 2021 was also affected by the timing and evolution of the pandemic. Banks and Insurers are becoming increasingly flexible and are seeking both to address the short-term impact of evolving protocols and support measures, which keep the credit offer wide open, and to envisage what will be the "new normal" and accelerate all the optimisation and simplification activities that will be the basis of the evolution of the industry's core processes and their digitalisation.

Having overcome the moment of resilience, the sector is now planning the relaunch, albeit with extreme attention to the impacts of the pandemic evolution, aware of the reduction of the profitability of the traditional business and the need to strengthen the financial positions.

Consistently, IT investment priorities focus more on initiatives for the development of the ways in which the services will be used by customers, as well as on initiatives for the internal improvement and the development of working methods. On the other hand, the main research and innovation priorities concern the integration of new digital paradigms into the DNA of the companies in the sector, with the aim of playing a leading role in the new digital ecosystem by reconfiguring themselves as a platform for exchanging not only money, but value-added services in general.

This new positioning is necessary to recover the lost margins in different supply areas and will generate new overall adjustments, with the entry of new players and the reorganisation of the existing ones.

In this situation, Exprivia recorded a performance in line with the results of the first half of 2020. The segment that operates in the capital market has benefited both from projects linked to M&A activities, and from developments driven by cloud transformation and compliance requirements; it has also acquired new operations in the management area. Our Credit and Factoring proposition benefited from the moment of great attention of this component, which recorded new investments as well as the relaunch and start-up of new initiatives. On the other hand, the results on the part most linked to the Digital Transformation & Customer Experience only partially reflected the pipeline development efforts made in the first half of the year.

## ***Telco & Media***

The first half of 2021 showed positive results on the Telco & Media market, mainly due to the substantial consolidation of the main customers, together with innovative offerings that are attracting growing interest and producing their first concrete effects.

These include:

**Big Data & Analytics**, with projects and services aimed at the strategic use of massive information to support decision-making processes and create new business value;

**Cloud**, with an increasing trend for operators to adopt infrastructure and develop applications on public, private and hybrid clouds;

**5G**, with a greater demand for services and expertise on new network features, associated with the growing spread of this technology;

**IoT and Industry 4.0**, with the preparation of Use Cases and PoCs in the fields of robotics, telemetry, industrial monitoring, surveillance, biomedical, remote assistance, energy efficiency, environmental protection, logistics and transport

**Video Streaming of Real-Time Events**, with the support provided to important projects involving TLC operators, infrastructure vendors and OTTs.

## Energy & Utilities

The slowdown in the growth of the Italian economy, in an international context marked by geopolitical tensions and the slowdown in world trade, also due to the trade war between China and the USA, was further tested by the Covid-19 pandemic that has affected everyone's lives for the past year and a half.

In a context of declining energy demand, the most innovative dynamics of the national energy system are shown in the sectors of renewable sources, energy efficiency and the use of gas infrastructures, in line with the commitments undertaken by our country also in the National Integrated Energy and Climate Plan (PNIEC) sent to the European Commission on 30 June 2020.

The companies in the Energy & Utilities sector are committed to a profound transformation, positioning themselves as a key accelerator at the centre of the ongoing energy transition.

In the next five years, new technologies and digitalisation will therefore become increasingly important, gradually assuming an even more central role, because these elements are now essential to enable the energy transition for the benefit of the entire system.

There will also be a number of thematic in-depth studies: on the resilience of the system, on the acquisition and security of information, on the use of 5G, on the implementation of IIoT projects, on Intelligent automation, consisting of workflow management functions and robotic process management, and artificial intelligence will play a key role in the process of application modernisation increasingly at the centre of the objectives of Energy & Utilities companies. Finally, mobility: electric mobility now seems to have entered the European energy scenarios, both in terms of the effects on demand and the effects on power commitment.

It is therefore necessary to reposition ourselves in the market of global operators who, like Enel, need local coverage.

It will also be necessary to strengthen the partnerships with System Integrators that provide such coverage and with the Vendors and companies with specialised vertical skills that represent a fundamental added value in the positioning logic of a System Integrator.

The main areas on which to focus efforts to increase business volumes are as follows:

- Electric mobility area;
- IOT;
- Intelligent Automation;
- Infrastructural adjustments on large customers;
- Migration from on-premise business models to PaaS;
- eMobility – based on different business methods (virtual operator, mobile top-up, etc.);
- Smart Grid, UVAM, Demand Response - operating as BSP within the dispatching market;
- Energy communities – operating as energy manager in B2B mode;
- Decarbonisation and hydrogen.

The forecasts for the second half of 2021 see a significant consolidation of growth, with a positive revenue balance compared to the previous year.

The commercial opportunity pipeline is rich and varied, but there is a need for greater focus on hunting activities that can open up new fronts, both to maintain the pace of growth in the medium to long term and to counter potential inertia in the current portfolio.

The multifocal vision of the business, moving towards a focus on the acquired portfolio combined with a constant search for new opportunities will be crucial to secure the growth path.



## ***Aerospace & Defence***

Also in the first half of 2021, the Aerospace & Defence market presented a significant number of business opportunities. The level of competition among the industries in the sector and the consequent need for Exprivia to establish strategic partnerships on a case-by-case basis depending on the various business opportunities, remain high.

The trend already highlighted in 2020, which sees numerous calls for tenders characterised by software architectural solutions demanded by the customer and based on specific cloud technologies, is strengthening and makes it imperative to quickly initiate a process to keep the skills of our technical staff constantly updated.

The European Space Agency (ESA) continued during the first six months of 2021 with tenders for service contracts in line with its new procurement strategy for the operations of the Copernicus Space Component system (reduction of operating costs, shifting investments related to the development and maintenance of software and HW infrastructures to cloud-based service models and architectures). Exprivia has submitted numerous bids both as prime contractor and as subcontractor, and all tenders were subject to strong competition involving all major European industries in the sector. In particular, Exprivia's strategy adopted for the tender for the awarding of important contracts proved to be successful. In fact, in partnership with a leading player, we won the two lots relating to product generation services for important satellites.

Again for the ESA customer, two direct negotiations were successful in this half year.

As regards EUMETSAT, the customer confirms his appreciation for the quality and professionalism of our services regarding the integration, validation and maintenance of the systems operated by EUMETSAT. Thanks to our good performance in the first half year, we were assigned several additional work orders for evolutionary maintenance activities.

As part of the Copernicus Italia Mirror, some preparatory activities have begun in view of the ASI expressed interest for the assignment of the Phase 1 contract (or contracts).

As regards direct negotiation opportunities on active contracts, we have already contracted the activities for 2022 related to maintenance services for some important missions, while we are still working to extend the related activities beyond the end of 2021 also for service contracts for other missions already in our portfolio.

## ***Manufacturing & Distribution***

The Industry and Distribution market, heavily penalised during 2020 by the pandemic, is expected to show a strong recovery in 2021 as already highlighted in the forecast data of the first quarter.

The pandemic has made many companies realise the importance of digitisation in supporting strategy to redesign business models and introduce new forms of innovation and flexible automation in processes.

These dynamics, also supported by the national Transition plan 4.0, are accelerated and enabled by advanced technological environments, based on digital platforms and on Cloud, Advanced Analytics and IoT paradigms, in which industrial companies are increasingly investing, while maintaining the utmost attention to the correct valuation of the return of the investment.

Software vendor strategies have now converged towards a "hybrid" offer, which requires a review of business ICT architectures, and cloud solutions which simplify implementation processes and, as a result, the correlated services.

Revenues and margins in the first half of 2021 were up compared to the same period of 2020, especially in the application projects segment.

Commercial positioning in 2021 is projecting a growth on major customers as well as the prospect of acquiring new ones to support them in their transformation projects in the areas of ERP, SCM, Customer Experience, Analytics and migration of infrastructure to the cloud.

## ***Healthcare***

The effects of the Covid-19 pandemic have had a unique impact on the entire Digital Healthcare market. In this context, all activities in the Digital Healthcare sector focused on providing operators with useful solutions that would effectively meet the requirements emerged from the pandemic, among these certainly those addressed to communication services on virtual channels, planning and booking, first with the testing swabs and then with the vaccination campaign, remote patient management services, tele-health, remote assistance, etc.

With the emergency, the delays that the back-end systems have accumulated, in particular, over the past decades, became evident; the excessive fragmentation of systems and applications has made it impossible, at times, to provide timely responses to the needs that were arising, and an overall rethink of the entire Local Health Service has become urgent.

The approval of the PNRR, which has taken place in recent months, makes the redesigning of healthcare one of its central axes, including through the intensive use of digital technology. This context opens up a unique and unparalleled range of opportunities for the entire world of Digital Healthcare.

In recent years, Exprivia has managed to address a number of important Digital Transformation projects which have enabled it to expand its market scope and order book, thus being ready to seize the growth opportunities that the PNRR will offer the market. To this end, Exprivia is participating in all Consip initiatives, not least the Digital Healthcare Tender.

In this market context, Exprivia has continued to confirm significant growth in the first half of 2021 compared to the same period of 2020, both in volumes and in margins.

## ***Public Sector***

In this last period, also in response to the Covid emergency, the Public Administration is experiencing a number of initiatives that will finally lead to a qualitative leap in the ability to provide services to citizens. Driven by the Covid emergency, a number of transversal platforms that had been launched in recent years, such as SPID, PAGO PA, IO, have now become established. Broadband has finally become a reality in many parts of the country, the Cloud paradigm has become a must also for the PA.

Within this context, Exprivia, thanks to its expertise, is able to develop projects of high complexity and size, with significant competitive value and market penetration and, therefore, will be one of the main players for the digitalisation of the country system; the territorial distribution of skills also ensures a level of flexibility that allows quick adjustments to the sudden evolution of the purchasing model depending on the particularly variable regulatory framework.

The results of the first half of 2021 showed an improvement in revenues and margins compared to the first quarter of 2020.

The volume of new opportunities opened demonstrate commercial activities aimed at acquiring new customers and new market areas and, in parallel, a continuing management of existing customers with the objective of maintaining and increase the volume of System Integration and System and Application Management services. Exprivia has achieved some good results in the Consip tenders, which are defining the procurement tools that local authorities will adopt to carry out the projects envisaged in the PNRR.

## ***International business***

The political, macroeconomic and financial issues, particularly felt in Latin America, continue to represent a brake on the development of the global ICT market and a slowdown factor for investments, especially in some countries. These elements result in strong volume and price pressure in the Service Provider market and a stagnant revenue trend. The "corporate" market however maintains its dynamism, primarily spurred by

new technological drivers and new types of digital transformation solutions, although there has not actually been an appreciable rise everywhere in volumes yet.

The positioning on a primary customer in the energy market has become structural in all the countries where the customer operates (in particular Spain and Latin America) through participation in tenders (local and regional), for which the first awards were issued.

**Spain:** the impact of the COVID-19 pandemic on Spain was among the most significant in Europe. The number of infections reached over 10% of the population and the restrictions were strict, therefore producing a significant impact on the local economy.

Unicredit Research is projecting a 5.1% increase in GDP for 2021, therefore forecasting that this year it will remain far from the pre-crisis economic levels although unemployment rates are expected to return to pre-crisis levels as early as the second quarter of 2021.

The vaccination campaign is proceeding rapidly, among the most efficient in Europe, and this has allowed the economy to restart as early as the second quarter of 2021.

In April, Madrid presented its recovery, transformation and resilience plan to the European authorities. The government expects to receive Euro 69.5 billion in grants from the EU Next Generation, with around one third of the resources allocated to the green transition and another third to the digital one. Implementation concerns aside, the government expects these funds to increase investment in Spain by 2 percentage points in 2021-23.

Exprivia Spain has improved its accounts compared to the results at 30 June 2020, forecasting an improvement in revenues and EBITDA, mainly due to the maintenance of contracts in the SAP area, and the opening of new contracts in the Utilities and Telco areas.

**Brazil:** the performance of the Brazilian economy is still impacted, like the rest of the world, by the depressive effects of the Covid-19 pandemic, which have led to a reduction in investments and specifically in our main customer TIM Brasil. However, there are signs of improvement already from the second quarter of 2021. Banco Centrale estimates a 4.6% growth of the PIB (gross domestic product) in 2021.

Accumulated inflation in the last 12 months, according to the IPCA index, was approximately 8% at 31 May 2021 (last 12 months cumulative) with a significant increase in the unemployment rate of 14.7%. The unemployment index is the main indicator of concern for the coming months, in particular as a country risk indicator of social, political and economic stability.

Despite the difficulties of the current macroeconomic context, in the first half of 2021, the company has maintained a substantial economic balance also thanks to the investments made to strengthen management.

In the second quarter of 2021, the company closed a contractual extension of approximately Reais 4.4 million with its main customer.

Also in the second quarter, it won an order for around 13 million Reais for 3 years with one of the main operators in the communications market.

Work began on contracts with a leading operator in the energy market for a number of IT-related activities (CRM, BI-Big Data).

On the basis of the various orders acquired and others being negotiated, the company is organising itself, with sustainable investments, with a salesperson in the services area and an IT project manager in the CRM and Big Data area for the Brazilian utilities and for the management of contracts already acquired.

**Mexico and Guatemala:** the impact of the COVID-19 pandemic on Mexico was very significant both in terms of the number of confirmed cases and in terms of victims. Consequently, the impact of the pandemic on the economy was also very significant, recording -8.5% of GDP in 2020.

Banco ITAU is projecting an increase in GDP of 6.5% for 2021 with a consequent decline in unemployment to 4.2% in 2021 compared to 4.4% in 2020.

The impact of the pandemic on the population has not decreased and the number of cases is still significant. On the other hand, the performance of the vaccination campaign is very far from European and American

standards. This represents a significant risk on the trend of the pandemic and therefore on the country's economy.

**China:** unlike other world economies, China had a significantly smaller impact from the COVID-19 pandemic on its economy. In 2020, in the first quarter alone, GDP fell by -9.3% and then stood at + 2.3% at the end of the same year. For 2021, the economy is expected to increase significantly to + 8.5% of GDP over the year.

The impact of the pandemic on the country was largely contained and today China is one of the few countries in the world to have fully contained the virus. As a result, the vaccination campaign continues unhurriedly as there are no particularly worrying outbreaks at the moment.

Exprivia Shanghai is benefiting from the situation of great economic growth by closing numerous contracts with Italian companies, which are re-starting investments in the country, and also with foreign companies operating in China. In general, the commercial investments of previous periods are being capitalised and are producing contract closures.

Both supply lines are benefiting from the favourable period, producing a significant increase in revenues compared to 2020.

## Risks and Uncertainties

### Internal Risks

#### Risks related to dependence on key staff members

Exprivia is aware that the success of the Group mainly depends on the expertise and professionalism of its staff. In addition to the executive directors of the Group and subsidiaries, the Exprivia Group also has senior managers with many years of experience in the sector who play a decisive role in managing the operations.

Precisely for these reasons, many years ago processes were set up to map and develop certified skills, thereby reducing the risk that the skills of certain key figures might become obsolete and increasing the Group's ability to attract leading figures with a proven record for innovation.

The programme for building loyalty and keeping the most skilled and deserving resources continued through Performance Management schemes, which include systems for rewarding key resources in the organisation.

#### Risks related to dependence on customers

The Exprivia Group provides services to companies operating in different markets: Banking & Finance, Oil&Gas, Telco&Media, Energy & Utilities, Industry, Aerospace & Defence, Healthcare and Public Sector.

The revenues of the Group are well distributed over a broad customer base but, nevertheless, the withdrawal of certain leading customers from the portfolio could have impacts on the economic, capital and financial situation of the Exprivia Group.

#### Risks related to contractual commitments

Exprivia Group develops high-value solutions with a high technological content and related underlying contracts may provide for the application of penalties for compliance with stipulated terms and quality standards. The application of these penalties could have negative effects on the economic and financial results of the Exprivia Group.

The Group has, therefore, stipulated insurance policies with leading insurance companies, considered adequate to safeguard itself from the risks arising from professional liability (the policy covering "all IT risks"). Should this coverage be insufficient and Exprivia Group be required to pay for damages amounting to higher than the limit stipulated, the economic, capital and financial situation of Exprivia Group could suffer significant negative effects, in line, in any event, with risk parameters for the sector.

## **Risks related to internationalisation**

In its internationalisation strategy the Group could be exposed to typical risks deriving from the performance of business at an international level, which include changes in politics, macro-economic outlook, taxation and/or regulations, as well as currency variations. However, it should be noted that most of the Group's revenues are generated in markets where country risk is considered under control and minor.

## **External Risks**

### **Risks arising from the general conditions of the economy**

The Information Technology market is naturally linked to trends in the economy.

An unfavourable economic phase, particularly at a domestic level, could slow demand, which would have a capital, economic and financial impact. The Group has proven its ability to react, raising and maintaining the necessary profitability even in periods of stagnation in the global economy. The risks in this regard are related to the duration of this downward cycle and the number of variables connected to the national and international political-economic system.

### **Risks related to ICT services**

The ICT consulting services sector in which Exprivia Group operates features rapid and profound technological changes and constant evolution of the composition of professionals and skills to bring together in creating services, together with a need for constant development and updating of new products and services.

Exprivia Group has always been able to anticipate these changes, and be ready for the needs of the market, including because of substantial investment in research and development.

### **Risks related to competition**

The Exprivia Group competes in markets consisting of companies that are typically rather large, which means remaining competitive depends on economies of scale and adequate pricing policies. The Exprivia Group mitigates this risk with continuing research and development, encouraged by the near-shoring centre of Molfetta, where it is possible to have access to professional skills that are always in line with trends in the sector, especially considering the vicinity of universities and other centres of competence and the extensive collaboration with them.

### **Risks related to changes in legislation**

The work carried out by Exprivia Group is not subject to any specific legislation applicable to the sector.



## Risk related to climate change

Climate change, environmental protection and the consequent evolution of the reference context may lead to the identification of risks for the Group and require preventive actions on certain types of processes and products to reduce their effects.

The Group's activities, to ensure the transition to a low-polluting economy, may be subject to transition and physical risks, with possible impacts on business processes, in particular production processes, as well as on the products and services offered. The sites and company assets may also be affected by catastrophic natural events (floods, droughts, fires and other) generated by the effects of climate change. The Group pursues a business strategy aimed at continuously improving the efficiency of production systems and processes for the reduction of energy consumption and atmospheric emissions and adopts technical and organisational measures aimed at reducing its environmental impacts, already insignificant by their nature, as they are similar to those generated by office activities. The Group carries out detailed and frequent interventions to monitor and control production activities and the infrastructures and structures used, and has defined operating procedures for the management of some environmental emergencies (e.g. fire emergency, flooding, etc.). The Group also has specific insurance coverage that covers possible consequences arising from disastrous climatic and natural events. We believe this risk is not significant for the Group.

## Cyber security risk

Companies are called upon to face the risks associated with the world of IT security deriving from the continuous evolution of the cyber threat and the increase in its attack surface, also in the face of increasing digitalisation and greater spread of remote working in companies. IT incidents, including in the supply chain, interruption of activities, leaks of personal data and loss of information, even of strategic importance, can compromise the business and even the image of the company, especially in the case of theft of stored third-party data in the archives of the Exprivia Group. The Group manages cyber security through dedicated controls, periodic training activities for the entire company population, processes, procedures and specific technologies for the prediction, prevention, identification and management of potential threats and for the response to them.

The Exprivia Group uses sophisticated risk rating techniques without interruption to adapt controls, processes and organisation to the needs of the market and the policies adopted.

Moreover, being ISO 27001 certified, Exprivia has developed an information security and privacy management system that integrates the regulations in force on the processing of personal data, the guidelines of the EDPB (European Data Protection Board), the Italian regulations of cybersecurity and periodically performs a risk assessment on information security, based on ISO 27005, which also takes into account the aspects of cybersecurity and privacy. In 2020, Exprivia extended the certificate to integrate into the system the ISO 27017 and ISO 27018 guidelines for the management of data in cloud environments with SaaS mode. In particular, ISO 27018 focuses on the management of personal data in cloud environments.

In recent years, the Group has set up an organisational structure with thorough expertise in cybersecurity, with specific skills, highly specialised resources and advanced technologies to seize the growing opportunities in the rapidly expanding digital market, as well as to support both the Group and private and public customers in digital transformation processes with the best technologies and the most advanced protocols for digital security and digital identity. This security organisation allows the Group to guarantee an increasingly higher level of adequacy and uniformity by ensuring better quality standards, as well as to improve the processes for the identification of cyber risks, for containing and/or mitigating them, in order to reduce their level of risk to a minimum.

With this in mind, the Group has structured a CyberSecurity Observatory that collects data on attacks, incidents and privacy violations in Italy, generating a periodic Threat Intelligence Report that is made available to anyone who requests it, thus collaborating in the creation of a network of organisations that exchange information with the common goal of countering cyber attacks.

## Financial Risks

### Interest Rate Risk

In 2016, Exprivia Group obtained a large, medium/long-term, variable-rate loan from a pool of banks; this is combined with other variable-rate and below-market fixed rate loans, the latter relating to funded research and development projects. In addition to the above forms of financing, there is the fixed-rate bond issued to finance the acquisition of the equity investment in Italtel SpA (hereinafter also referred to as "Italtel") and the bank loan obtained at the end of November 2020 backed by the Italian Guarantee issued by SACE, guaranteeing 90% of the loan amount, pursuant to the Liquidity Decree (Decree Law no. 23 of 08/04/2020 converted into Law no. 40 of 05/06/2020). Concerning variable-rate loans, of a more significant amount, the Group has interest rate swap agreements or cap agreements to hedge the risk of fluctuating interest rates.

### Credit Risk

Exprivia Group does not have significant concentrations of credit risk except for work carried out in the Public Sector, where delays are recorded mainly due to the payment policies adopted by public bodies. They often do not respect the conditions set forth in contracts but, nevertheless, they do not lead to the risk of bad debts.

Exprivia Group also manages this risk by selecting counterparts considered by the market to be solvent and with high credit standing.

All amounts receivable are periodically assessed for each individual customer, and they are written down when they are considered impaired.

### Liquidity Risk

Liquidity risk is prudently managed by planning cash flows, financing needs and monitoring the liquidity of Exprivia Group to ensure effective adequate financial resources are available, by managing any surplus liquidity, and by opening credit lines where necessary, including short-term ones. In April 2016, the Group finalised a medium-term loan with a pool of banks, significantly reducing liquidity risk. At the end of November 2020, Exprivia obtained a bank loan backed by the Italian Guarantee issued by SACE, guaranteeing 90% of the amount of the loan, pursuant to the Liquidity Decree (Decree Law no. 23 of 08/04/2020 converted into Law no. 40 of 05/06/2020).

### Exchange Rate Risk

Since the majority of operations conducted by the Exprivia group is in the Euro area there is limited exposure to foreign exchange risk arising from transactions that are not in the usual currency (Euro). Opening up to markets characterised by major fluctuations (e.g., Brazil) might constitute a risk to be monitored, depending, however, on the volumes in place, which for the moment are not significant.

Fluctuating exchange rates during the financial year did not have a significant effect on the Group.

### Risk of business interruption due to COVID-19 coronavirus

The pandemic that broke out in Wuhan at the end of 2019 and its effects on health and economic risks are far from over. At the date of preparation of this Report, the virus cannot be said to be defeated. New "variants" of the virus continue to cause concern, and although vaccination campaigns in all countries continue to progress there is still great apprehension and uncertainty about the end of this battle. However,

the current situation sees the availability of vaccines that have proven effective in the fight against the virus and mass vaccination seems to be the only way in which the emergency can be brought under control.

Exprivia, from the very first months of 2020, has closely followed the evolution of the situation and, in order to protect the safety of its employees, customers and suppliers, has immediately implemented a remote working policy that has brought almost the entire company population into this working mode starting already in March 2020.

The policy implemented has in fact proved to be successful, also thanks to the type of activities carried out by the Exprivia Group, which lends itself to remote work, and has allowed the Company to continue to carry out its activities for customers in safety and being able to guarantee continuous supervision. While delivery activities did not suffer any particular slowdown, commercial activities, especially in the industry and retail sectors, suffered slowdowns and, in some cases, blockages.

As of today, and therefore with more than one year's experience of the effects of the pandemic, we can state that the ICT market, in which the Exprivia Group operates, is one of the markets that was least affected by the effects of the spread of COVID-19 and that, in some cases, it has actually produced a specific induced demand that has seen an increase in revenues.

Exprivia has processes that support the identification, management and monitoring of events with potential significant impacts on the company's resources and business, with the aim of maximising the timeliness and effectiveness of the actions undertaken.

## **Risk of negative outcome of the Italtel composition procedure and related impacts on Exprivia**

As explained in more detail in the Annual Report 2020, the investee company Italtel SpA, over which Exprivia held control in accordance with IFRS 10 until 31 December 2020, was admitted by decree of 11 March 2021 to the composition with creditors pursuant to articles 160 et seq. and 186-bis of Royal Decree 267/1942 by the Court of Milan, following the filing of the request for composition with creditors dated 5 February 2021 pursuant to arts. 160 et seq. and 186-bis of the Bankruptcy Law.

On the basis of an in-depth analysis carried out with the support of its consultants, the Exprivia directors believe that, even in the unlikely event of a negative outcome of Italtel's composition with creditors and the initiation of any extraordinary or bankruptcy administration procedure, a remote possibility, the risk of contingent liabilities to which Exprivia could be exposed is insignificant and any contingent liabilities would be immaterial, not having provided sureties or guarantees in favour of Italtel, or entered into any contractual or legal obligations, either implicit or explicit, and not having any commercial relations or significant economic interests.

## **Significant Events in the first half of 2021**

**On 1 January 2021**, Exprivia informed that Italtel's Board of Directors, which met on 31 December 2020, resolved to accept the binding offer of PSC Partecipazioni SpA in support of a proposal for a composition with creditors.

**On 17 March 2021**, Exprivia announced that on 11 March 2021 the Court of Milan had declared open the procedure for composition with creditors according to the plan proposed by Italtel pursuant to and for the purposes of articles 160 et seq. and 186-bis of the Bankruptcy Law, considering that the composition proposal submitted by Italtel on 5 February 2021 may be suitable to ensure the restructuring of debts and the satisfaction of creditors. At the same time, the Court set the date for the summons of creditors before the presiding judge and the deadlines for the other tasks.

**On 17 March 2021**, the final hearing was held in the criminal trial against Exprivia Healthcare IT Srl (merged by incorporation into Exprivia in 2017), for the administrative liability of the Entities. The trial related to the termination of the contract with the Motor Vehicle Department of the Province of Trento was concluded with



the acquittal of all parties, in particular, with the acquittal, requested by the Public Prosecutor itself, of the Legal Representative for not having committed the fact and with a judgement of exclusion from administrative liability pursuant to Legislative Decree 231/01 towards the company Exprivia Healthcare IT Srl.

**On 30 April 2021**, the Company communicated to the market the loss of control of the investee Italtel pursuant to IFRS 10 with effect as from 31 December 2020.

**On 7 June 2021**, the Company has informed the market that the NFP /EBITDA parameter recorded on the basis of the draft financial statements at 31 December 2020 approved by the Board of Directors on 30 April 2021, relating to the Issuer Group, as defined in the Loan Regulation, was 1.9, lower than the limit of 3.0; for this reason, as required by art. 7 of the Loan Regulation, the annual interest rate for the period from 14 December 2020 to 14 December 2021 is reduced from 5.80% to 5.30%.

**On 23 June 2021**, the Ordinary Shareholders' Meeting of Exprivia SpA approved the Separate Financial Statements at 31 December 2019 and the Separate Financial Statements at 31 December 2020 and also appointed the Board of Directors and the Board of Statutory Auditors, which will remain in office for three financial years until the approval of the financial statements at 31 December 2023.

On the proposal of the shareholder Abaco Innovazione SpA, the Shareholders elected as directors of the Company: Domenico Favuzzi (chairman), Dante Altomare, Angela Stefania Bergantino (independent), Marina Lalli (independent), Alessandro Laterza (independent), Valeria Anna Savelli, Giovanni Castellaneta.

At the same meeting, the new Board of Statutory Auditors was appointed, again on the proposal of the shareholder Abaco Innovazione SpA, with the following members: Dora Savino (chairwoman), Mauro Ferrante, Andrea Delfino and, as alternate members, Mariantonella Mazzeo and Vincenzo Ottaviano.

The Shareholders' Meeting also reviewed and approved the Directors' Reports on Corporate Governance and Ownership Structure for the years 2020 and 2019, respectively, the 2021 Report on the Remuneration Policy and on the remuneration paid in 2019-2020 and the Consolidated Non-Financial Statements, for the years 2020 and 2019, respectively, pursuant to Legislative Decree 254/16.

## Transactions within the Exprivia Group

No transactions to report.

## Events after 30 June 2021

There were no significant events to report.

## Exprivia's Stock Market Performance

The Exprivia shares are currently listed on the MTA market of the Italian Stock Exchange. As of 28 September 2007 and until 8 July 2020, Exprivia shares were admitted to the STAR segment. On 8 July 2020, the Board of Directors resolved to request from Borsa Italiana the voluntary and temporary exclusion of the STAR qualification and the transition to the MTA for the Company's shares, pursuant to art. 2.5.7 of the Regulation of the Markets Organised and Managed by Borsa Italiana.

The share capital at 30 June 2021 consists of 51,883,958 shares with a nominal unit value of Euro 0.52.

ISIN Stock Exchange Code: IT0001477402

Symbol: XPR

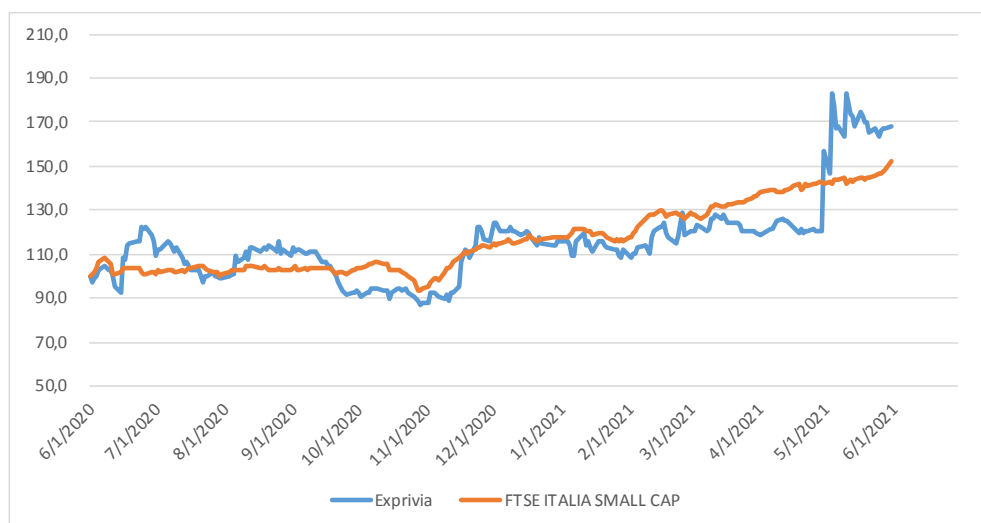
## Composition of Shareholders

Based on the entries in the shareholders' register, as supplemented by instructions received in accordance with Art. 120 of the Consolidated Finance Act and available information, at 30 June 2021, the shareholder structure of Exprivia was as follows:

Shareholders	Share	Amount held
Abaco Innovazione SpA	24,145,117	46.54%
Azioni proprie detenute	4,546,084	8.76%
Altri azionisti	23,192,757	44.70%
<b>Total shares</b>	<b>51,883,958</b>	<b>100.00%</b>

## Stock Performance

The graph below compares the performance of the Exprivia share price with the FTSE Italia Small Cap index in June 2021 and with reference to the twelve months prior to this date. The x-axis shows the trends on "base 100".



## Business Outlook

The first half of the year was very positive, both in terms of turnover growth and profitability. These results were possible thanks to the determination of the management in consolidating the positions already occupied, without neglecting the development of new initiatives in all the market sectors served.

Our customers have confirmed their confidence in Exprivia's reliability. The variety of markets served and the possibility it offers of offsetting the negative effects of the pandemic – particularly in transport, tourism, manufacturing – helped to secure the result.

The dynamics of the pandemic do not yet allow us to have a clear picture of the possibilities for the future, however, trusting in the expansion of vaccination plans and the achievement of so-called "herd immunity",

which in our country seems within reach, we believe that the coming months will be characterised by a significant growth dynamic in all markets. Exprivia is ready with its management and all its people to seize every opportunity that the new scenario may present.

## Investments

### Real Estate

The Company's current headquarters, located in Molfetta (BA), Via Adriano Olivetti 11 and Via Agnelli 5, covers a surface area of about 15,000 sq. m on which there is a complex of buildings (made up of five blocks, four of which are multi-story). All of these are office spaces and warehouses for a total of approximately 7,500 sq. m of office space.

Exprivia also owns the head office in Rome, in via della Bufalotta 378, which consists of two lots of a total of 2300 square metres.

### Research & Development

In collaboration with the contact individuals of the various markets, new projects were activated according to the development lines defined in this plan: Big Data, IOT, Industry 4.0, and Healthcare.

With regard to admission to funding for the **"Digital Future" programme agreement**, the relevant executive project was submitted and approved by resolution of the Puglia Region on 26 October 2018. The project envisages an investment of over Euro 9 million and the following aims:

- a Centre of Excellence in collaboration with Bari Polytechnic for the development of Big Data and IOT solutions;
  - a general purpose platform for the collecting data from the field (IoT sensors) and processing it in order to create data-centric applications services;
- a vertical solution for predictive maintenance as part of Industry 4.0;
  - a vertical solution for environmental safety of the region with focus on the management of municipal waste under extraordinary conditions (exceptional events) and industrial waste;
- a *Telemedicine* platform.

In collaboration with Facility Live, Exprivia presented the application for the **"MATERA DIGITAL HUB" development agreement**. Through this investment, Exprivia will create an Urban Control Centre (UCC) for the city of Matera based on innovative enabling technologies dedicated:

- to Public Administration, for the analysis and monitoring of the dynamics of the information and physical flows of the city;
- to citizens, so they can receive useful information on the performance of infrastructures and services;
- to the tourist so as to "discover" the area helping them to identify sites, events, experiences of interest among the countless possibilities available.

Exprivia's participation in the MISE Grandi Progetti Call resulted in admission to funding for the following project proposals:

- **BIG IMAGING:** *"BIG DATA" and Genomic Imaging* for the development of innovative nano-vector biomarkers and drugs for the diagnosis and treatment of inflammatory processes in the presence of dementia;
- **FINDUSTRY 4.0:** ultimate objective is to define, create and provide a platform able to offer technologies, ICT systems and expertise, as well as methodological support which enables the dissemination and adoption of technologies that enable digital innovation in the Italian manufacturing sector.

Furthermore, the following project-related proposals have been presented on PON MIUR 2017:

- **DAMPM:** Exprivia will contribute to the fine-tuning of algorithms for the analysis of omic data, correlation models between fixed data and predictive data for the diagnosis of the pathologies being studied;
- **ESPERIA:** Exprivia will contribute to the Esperia project in various activities and with different purposes and results, which range from real-time profiling to mixed reality, the use of blockchain for micro-payments to the creation of conversational agents supporting the use of cultural assets;
- **ACROSS:** safe and efficient handling of the operations of small drones (sUAS) in low altitude airspace, controlled (airport-based) or otherwise, where the traffic of aircraft with or without an on-board pilot coexists. The project will study and develop innovative technologies and abilities, on the ground and on-board aircraft, for a clear view of the conditions of the traffic of sUAS and a more accurate handling of emergency situations due to dynamic restrictions of the airspace or unforeseeable events affecting the safety and efficacy of the operations;
- **QUANCOM:** creation of quantum encryption systems and an optic network that supports it; integration with the other conventional security layers for the protection of sensitive IP traffic; experimentation on a metropolitan-type optic network, installed in a large city in the south of Italy;
- **CRESCIMAR:** analysis of maritime traffic via acquisition, co-registration and 3D visualisation of data sensed remotely by drones and acquired from on-board sensors. The system developed will contribute to increasing safety during navigation;
- **MiTIGO:** system for the assessment and mitigation of the hydrogeologic risk. It envisages the development of a system for identifying the fundamental features of landslides and the infrastructures present throughout the Lucano area subject to risk. The system will contribute towards the definition of the areas and the methods of intervention for mitigating the risk.

Part of Horizon 2020 - EU Programme for Research, the **EVER-EST** (European Virtual Environment for Research - Earth Science Themes: a solution) is in progress. EVER-EST, developed by Advanced Computer Systems A.C.S. Srl (merged by incorporation into Exprivia on 27 December 2018) with the European Space Agency (ESA) and a team of European partners, has the objective of creating a virtual collaboration environment for Earth scientists. Elements characterising the project include:

- The use of Research Objects, digital containers which make it possible to share data and algorithms between scientists who study the planet;
- The direct involvement of four scientific communities via INGV, CNR, NERC and the European Satellite Centre;
- The intensive use of cloud resources for storage and data processing, within the context of an SOA architecture.

As required by IAS 38, par. 126, to be noted is that the total amounts of research and development expenses recognised in the income statement of the period amounted to Euro 2,496 thousand.

## Management Training and Development

Digital innovation accelerates and animates increasingly tighter competition while the development of communication infrastructures and ICT investments fuel the development of digital transformation which becomes the protagonist of a growing market. Exprivia has supported these factors of profound change; digitalisation has made it necessary to have a more complex mix of skills and abilities in which technological skills are complementary to transversal skills.

Exprivia, which has always invested in the preparation of its resources, also in 2021 had the objective of increasing, disseminating and updating technological expertise in line with the innovation trends of the digital and transversal market, through training on innovative technological areas and on management skills, necessary to achieve the transformation in progress.

This development of expertise goes hand in hand with investments for the creation of a work environment that offers everyone the same opportunities from a merit-based approach. These are the main drivers on which the Exprivia Group is relying to achieve its ambitious growth objectives. Added to this is the quality of

the selection, training and performance management processes to support the creation of value in the medium-long term.

In terms of Training, the final balance for the first half of 2021 shows a total number of 16,505 hours provided (of which 6,173 within the Business Process Management - Contact Centre structure) and with 5,906 participants (of which 3,707 for the contact centre). The total number of hours of the courses was delivered online.

Training is planned at the start of the year and is continuously updated to make training investments effective and consistent with business objectives and company strategies.

The following training courses are of particular interest:

**Remote Management:** over 100 managers were involved in a training course launched at the end of 2020 and concluded at the end of May 2021. The need to develop flexibility, engagement (even more so in a context of remote working) and focusing on objectives has made it necessary to improve our managers' effectiveness and ability to influence their employees. The course began with a digital assessment right at the beginning, consisted of virtual classrooms, virtual coaching and a final digital assessment to evaluate the effectiveness of the training.

One of the most significant initiatives for guaranteeing continuity and flexibility in the use of training, also for 2021, is the adoption by 340 users, of the Udemy training platform which, applied alongside traditional education, offers a constantly updated marketplace of over 100,000 courses and online videos. This initiative was appreciated by our staff, who made considerable use of it to improve their expertise, in a way closely and swiftly connected with requirements emerging during work activities.

**Plan for success and reach your goals:** this is a learning path offered through the Udemy platform with the aim of providing a guideline for the creation of a new approach, new behaviours and habits that lead us to better plan times and objectives through creative and innovative thinking aiming for more profitable productivity. The course included the following educational modules: Superhuman productivity 10X, Accelerate innovation and creativity, Research based guide, Goal setting at work.

**Sure for Future:** thanks to this upskilling and reskilling process, the company has strengthened the skills and expertise of 22 colleagues in order to facilitate their allocation to project activities, for a new professional relaunch. The planned courses included synchronous training (virtual classroom) and asynchronous training on specialised platforms; the courses ended with a final phase of laboratory activities. In order to support and monitor the learning process, we selected some Training Tutors within the Company who, in collaboration with the Training and Development unit, had the task of facilitating the learning processes of the learners and collaborating with external teachers in the assessment of learning outcomes.

**TECHNICAL AND SPECIALISED SKILLS:** activities aimed at increasing technical knowledge and skills to support innovation and technological development programmes, through specialised training activities also aimed at obtaining certification. These specialised interventions were fully disseminated, in the belief that working on skills means increasing the value of people and, therefore, the organisation's competitive advantage.

**MANAGEMENT SKILLS:** aimed at improving organisational conduct for the development of professional skills, project management and the development of conduct that contributes to determining a precise leadership style for handling working groups, in order to improve management effectiveness.

**LANGUAGE SKILLS:** training activities were carried out to increase the staff's language skills, with particular attention paid to flexible training (e-learning, Skype lessons and phone lessons).

**REGULATORY COMPLIANCE:** training activities mainly concerned the fundamental management processes of the Group's integrated QMS. In particular, training sessions on the Service Management Procedure were organised. In order to obtain an increasingly greater dissemination of the skills related to some core processes of the Integrated Management System of Exprivia (in addition to the Model 231), we have designed an e-learning training course on HCM Talentia, which will be launched in the second half of 2021.

The project is divided into 5 training courses:

- Management of projects and financial risks related to management;
- Management of IT services and business continuity;
- Information security and privacy management in the execution of projects and provision of services;
- Code of Ethics and Organisational Model pursuant to regulation 231/01;
- Cybersecurity and privacy.

Thanks to the new training project, it will be possible to ensure:

- a controlled project management in order to achieve the objectives in terms of quality, time and costs;
- the planning, development, implementation, execution, monitoring, updating and continuous improvement of services provided to customers;
- the protection of Exprivia's and its customers' information assets from all threats, internal or external, intentional or accidental;
- knowledge and awareness of the Corporate Code of Ethics and Model 231.

**COMPULSORY TRAINING:** training activities concerned primarily:

- Protection of health and safety at work (pursuant to Italian Legislative Decree 81/08);
- GDPR (General Data Protection Regulation) - Privacy Regulation (EU 2016/679);
- In the area of Compulsory Training, a total of 4,479 training hours (of which 3,267 for the contact centre) and 1,159 participants (of which 939 for the contact centre) were provided.

Exprivia has always aimed at the attainment of certification for its personnel, in this way ensuring its customers with the objective certification of the technical abilities of its staff involved in the projects.

In the first quarter of 2021 alone, 180 new certifications and specialisations were obtained, increasing the number in innovative areas to support investments related to the business plan.

With regard to the Recruiting & Talent Acquisition processes, 117 resources, including recent graduates and qualified personnel, were recruited in the Italian offices; the recruitment concerned primarily personnel qualified in technical-IT areas, process experts and IT Management experts. With regard to Contact Centre activities, an additional 23 resources were added to the 117 units indicated, for a total of 140 resources hired (Italy).

In total, between the Italian and foreign perimeter of the Group, the number of new recruits, for the entire period relating to the first half of 2021, is therefore 147.

From a Talent Acquisition viewpoint, as in the past, the Exprivia Group invested in cooperation with schools, universities, polytechnics, research centres and consortia, in full awareness of its role in relation to innovation and related opportunities, for high school graduates, university undergraduates and post-graduates.

This collaboration developed (also during the lockdown period) in terms of:

Availability of curricular and thesis internships for undergraduates, as well as extra-curricular, post-graduate internships, aimed at offering young people the opportunity to try their hand at topics directly related to the company's business, or at research projects, as part of our innovation programmes, thus enriching their experiential and professional training which facilitates their entry into the working world;



Availability for post-Master internships in "Human Resources Management" and "General Management Development" (organised by the Spegea Business School);

Availability for post-graduate Master's internships, such as the "Master in Data Science", organised by the University of Bari, in collaboration with Spegea, or some Courses of Excellence organised by the same Universities and Polytechnics;

Funding for doctoral programmes or high-level internships to combine research with market needs;

Active participation in Career Day, in collaboration with local universities, carried out digitally during the health emergency;

Orientation programme, offered to some secondary schools, in order to raise awareness of Digital Transformation issues among young people and to show them the opportunities for professional development in the ICT context;

Training courses for the SPEGEA Masters in "Human Resources Management" and "General Management Development";

Lectures, as part of the ITS courses carried out in collaboration with Exprivia, both referring to purely technical and transversal areas, to support the development of skills and expected behaviours with respect to exiting professional figures;

Lectures at some universities and polytechnic institutes, with targeted interventions on Digital Transformation and communication networks, medical systems engineering, cyber security, public speaking, etc.;

Participation in projects promoted by consortia, in collaboration with universities, schools and other companies, with the aim of bringing young people closer to the business world and creating a bridge between these two realities;

Partnership with the Contamination Labs of the Bari Polytechnic and the University of Salento (Digilab and CLab);

Academy projects, in collaboration with various Talent Companies (specialised Academies that provide vertical classroom training of 6 weeks, with subsequent on-the-job training for around 6 months in the company and consequent insertion in production activities), which helps to meet, in the medium term, part of the professional requirements, especially those aimed at new graduates, optimising the initial training and shadowing phase, and opening up a broader spectrum of studies than the strictly technical-computer science one (e.g. Business and Economics, for some functional areas, Management Engineering, Physics, Mathematics, and other scientific degrees);

Collaboration with the ITS system.

ITSs are schools with high technological specialisation, created according to the organisational model of the Foundation, with the collaboration of companies, universities/scientific and technological research centres, local authorities, education and training system, with a view to lifelong learning, favouring experiential teaching. ITSs are the expression of a strategy that combines education, training and employment policies with the country's business policies, through a training offer capable of promoting skills that enable the use of advanced technological and organisational innovation tools, primarily related to the national business plan *Impresa 4.0*.

As part of the Technology Area 6 "Information and Communication Technology", the Exprivia Group has embraced training projects, running from September 2018, related to the professional figure of reference "Senior Technician for methods and technologies for the development of software systems" with the commitment to provide all the teaching, finally absorbing the entire class for the internship. The training courses last approximately 2 academic years, are aimed at graduates and lead to a qualification recognised at the 5th level of the European Qualifications System. They consist of more than 1,000 hours of classroom

training (40% provided by High Schools and Universities and the remaining 60% by the Company) and approximately 700 hours of internships in the company.

Exprivia continues to be heavily involved in the management of ITS courses, both in the classroom phase and in the experiential phase of in-house training; in 2021, both phases were managed in remote mode, given the continuing epidemiological emergency.

ITS "Developer 4.0" courses are still underway, developed in collaboration with Exprivia at the sites of Foggia, Lecce, Molfetta and Palermo.

Interest and active participation in the ITS System, which has become one of the most significant assets of the Talent Acquisition programme, is therefore confirmed and strengthened in 2021, thanks to increased collective awareness of and focus on this important new pillar of the education system, which is considered strategic and crucial for the development of the professional skills needed to promote the country's economic recovery.

## Staff and Turnover

The table below shows the company headcount and the number of resources at 30 June 2021, compared to 30 June 2020 and 31 December 2020.

Specifically, the table shows the number of resources, of which 20.14% are part-time (with various arrangements of contractual working hours):

Company	Employees			Employee media			Temporary workers			Temporary workers media		
	30/06/2020	31/12/2020	30/06/2021	30/06/2020	31/12/2020	30/06/2021	30/06/2020	31/12/2020	30/06/2021	30/06/2020	31/12/2020	30/06/2021
Exprivia SpA	1808	1812	1837	1803	1796	1829	1	3	4	1	2	4
Exprivia Projects Srl	628	628	402	626	628	468	-	-	-	-	-	-
Advanced Computer Systems Srl Germany	7	7	8	6	7	8	-	-	-	-	-	-
Exprivia It Solutions Shanghai	12	14	15	13	14	14	2	1	1	2	2	1
Exprivia SLU (Spagna)	30	33	29	36	34	31	2	4	8	2	2	5
Prosap SA de CV/Prosap Centramerica SA	13	11	16	14	14	11	-	-	-	-	-	-
Exprivia do Brasil Servicos de Informatica Ltda	24	27	26	27	26	27	1	1	1	1	1	1
Spegea Scarl	7	5	6	7	6	5	-	-	-	-	-	-
HR Coffee	6	6	6	6	6	6	-	-	-	-	-	-
<b>Total</b>	<b>2535</b>	<b>2543</b>	<b>2346</b>	<b>2538</b>	<b>2531</b>	<b>2399</b>	<b>6</b>	<b>9</b>	<b>14</b>	<b>6</b>	<b>7</b>	<b>11</b>
<i>of which Executives</i>	47	44	40	47	46	41						
<i>of which Middle Management</i>	202	208	234	205	206	227						

The number of resources, employees and collaborators at 30 June 2021 was equal to 2,360 employees (2,541 at 30 June 2020), a decrease of 181 employees.

The average number of resources, employees and collaborators at 30 June 2021 was equal to 2,410 employees (2,544 at 30 June 2020) with a decrease of 134 employees.



## Integrated Management System

The Company, since 2005, has developed an Integrated Management System that meets the requirements of the ISO 9001, ISO 13485, ISO/IEC 20000-1, ISO/IEC 27001 and ISO 22301 international standards. This system is supplemented with specific standards for the engineering of software and systems with a view to developing working methodologies and processes capable of combining standardisation with flexibility and self-improvement capabilities through the support of competent, knowledgeable and motivated individuals.

In 2014, Exprivia SpA obtained CMMI-DEV level 2 after fine-tuning the software development project process in order to improve the quality of the products/services by reducing poor service and non-compliance, and increasing customer satisfaction and performance of the processes. This certification expired in May 2017, but some of the best practices of the CMMI-DEV are gradually being integrated into the SGI procedures.

In 2018, Exprivia SpA and Exprivia Projects Srl obtained - the first companies in Italy - the certification of 2 Contact Centre services with respect to the international standard ISO 18295-1, which provides the guidelines and best practices for the management of a contact centre. The operating and management practices of certified services have been harmonized as part of Exprivia's Integrated Management System.

In 2020, Exprivia SpA extended the field of application of the ISO/IEC 27001 certification to the design, implementation and provision of cloud services in SaaS mode with the application of the ISO/IEC 27017 and ISO/IEC 27018 guidelines. In November 2020, the maintenance audit in accordance with the ISO/IEC 20000-1 standard was also concluded positively with respect to the same 2019 version; Exprivia has thus obtained a certificate updated with respect to this version of the standard.

Between 24 May and 3 June 2021, recertification audits against ISO 18295-1 requirements were carried out for contact centre services, with positive results, and consequently the validity of the respective certificates was extended for a further three years.

## Organisation, Management and Control Model (pursuant to Italian Legislative Decree 231/2001)

Effective 31 March 2008, Exprivia adopted its Organisation, Management and Control model under Italian Legislative Decree no. 231/2001 and set up a Supervisory Board. None of its members are directors of Group companies.

This model is integrated with the principles and provisions of the Exprivia Ethics Code. The unique nature of Exprivia's governance system, processes and policies is thus confirmed, which also focuses on developing a corporate culture that fully complies with the principles of conduct for all of Exprivia.

On 21 December 2017, the Board of Directors approved version 3.0 of the General Part, Special Part A (Offences against the Public Administration) and Special Part B (Corporate Offences) as well as version 1.0 of Special Part F (Environmental Offences) and of Special Part G (Offences of employing foreigners without a regular visa). At the same meeting, the Board of Directors approved version 2.0 of the Code of Ethics. These versions were published and implemented in the company in 2018.

On 30 April 2021, the Board of Directors approved version 1.1 of Special Part D of Organisational Model 231 to monitor IT offences. The updated version was published and disseminated to the company in the days immediately following approval.

Exprivia's Supervisory Board meets periodically and carries out its activities in observance of the tasks assigned to it by the Model and the Regulation it has independently adopted, all with the aim of supervising the model's operation and of updating it.

In the first half of 2021, Exprivia's Supervisory Board did not receive any reports, nor identify any episodes of corruption.

Exprivia's Organisation, Management and Control Model - General Part is published on the Company's website in the section "Corporate Governance – Corporate Information" (<http://www.exprivia.it/corporate-governance/corporate-information>).

## Inter-Company Relations

The organisational structure of the Exprivia Group functionally integrates all staff services of the Group companies within the scope of consolidation, thereby optimising the operational structures of each company to ensure effectiveness and efficiency in support of the "Group" business.

The Administration and Control Department centrally manages all "Group" companies.

The Finance Department handles financial activities at "Group" level.

The Human Resource Department reports directly to the Chairman of the Exprivia Group, who is the head of the department ad interim.

The Internal Audit, Merger & Acquisition, Corporate Affairs and International Business Departments also report to the Chairman.

The "Group" companies constantly collaborate with each other for commercial, technological and application development. In particular, the following should be noted:

- widespread use of specific corporate marketing and communication competencies within the Group including the production of paper, digital and web-based promotional material;
- centralised management for the supply of specialist technical resources between Group companies to manage critical points in turnover and to give all operational units access to highly specialised technical competencies;
- coordinated participation by Exprivia in public contract tenders, with the contribution of all companies according to their specific competencies.

The majority of the Italian "Group" companies adhere to tax consolidation based on a specific regulation and a cash pooling relationship is in place between them.

## Relations with Related Parties

In compliance with applicable laws and regulations, and in particular with the "Regulation of Related Party Transactions – Consob resolution no. 17221 of 12 March 2010" as last amended by resolution no. 21624 of 10 December 2020 (hereinafter the "Regulation"), on 20 July 2021 the Board of Directors of the Company adopted a new "Procedure for Transactions with Related Parties" (the "Procedure"), setting forth provisions concerning transactions with related parties in order to ensure the transparency and substantive and procedural correctness of operations with related parties carried out directly or through companies that are directly and/or indirectly controlled by Exprivia ("Exprivia Group").

This Procedure, which replaced the one previously in force and introduced on 4 December 2017, as an update to the one of 27 November 2010, is available on the Company's website in the section "Corporate > Corporate Governance > Corporate Information".

Pursuant to art. 5, paragraph 8 of the Regulation, it should be noted that in the first half of 2021 no significant transactions were completed (as defined by art. 4, paragraph 1, letter a) and identified by the aforementioned Procedure pursuant to the Annex 3 of the Regulation), nor other transactions with related parties that had a significant impact on the consolidated financial position or on the results of the Group in

the reference period. Lastly, it should be noted that there were no changes or developments in the transactions with related parties described in the Directors' Report for the year 2020.

## Report on management and coordination activities

In accordance with art. 2497 et seq. of the Italian Civil Code, governing transparency in the exercise of company management and coordination, it is recognised that this is exercised by the holding company Abaco Innovazione SpA, with head offices in Viale Adriano Olivetti 11, Molfetta (Bari, Italy), tax code and VAT no. 05434040720.

In exercising management and coordination activities:

- Abaco Innovazione SpA (hereinafter also the "Holding Company") has not caused any damage to the interests and assets of the Exprivia Group;
- full transparency of inter-company relations was ensured, in order to allow anyone who may be interested to verify whether this principle is being observed;
- transactions with Abaco Innovazione SpA were carried out on an arm's length basis, i.e., under conditions that would have been applied by independent parties.

Relations with Abaco Innovazione SpA of an economic, equity and financial nature are set forth in the following section of this Directors' Report "Group Relations with the Parent Company".

In accordance with Art. 2.6.2(10) of the Regulation of the Markets Organised and Managed by Borsa Italiana SpA, the Directors declare that, at 30 June 2021, the Company does not meet the conditions provided under art. 37(1) of CONSOB regulation no. 16191/2007.

## Group Relations with the Parent Company

The financial and equity relations between the Exprivia Group and the holding company Abaco Innovazione SpA at 30 June 2021 compared with 31 December 2020 for balance sheet data and with 30 June 2020 for income statement data.

### Receivables

#### Non-current Financial Assets

Description	30/06/2021	31/12/2020	Variation
Non-current financial receivables from parent company	467	919	(452)
<b>TOTAL</b>	<b>467</b>	<b>919</b>	<b>(452)</b>

The balance at 30 June 2021 included Euro 467 thousand relating to the receivable for an unsecured loan with no guarantees taken out in 2016 by the holding company Abaco Innovazione SpA, with Euro 1,680 thousand disbursed in cash and Euro 1,305 thousand as a reclassification of receivables outstanding at 31 December 2015.

#### Current Financial Assets

Description	30/06/2021	31/12/2020	Variation
Current financial receivables from parent company	456	463	(7)
<b>TOTAL</b>	<b>456</b>	<b>463</b>	<b>(7)</b>

The balance at 30 June 2021 of Euro 456 thousand is in relation to the current portion of the aforementioned loan, inclusive of interest income of Euro 3 thousand.

#### Trade Receivables

Description	30/06/2021	31/12/2020	Variation
Trade receivables from parent companies	33	33	0
<b>TOTAL</b>	<b>33</b>	<b>33</b>	<b>0</b>

The balance at 30 June 2021 amounted to Euro 33 thousand compared to Euro 33 thousand at 31 December 2020, and refers to receivables for administrative and logistics services.

## Revenues and Income

Description	30/06/2021	30/06/2020	Variation
Financial income from parent companies	20	22	(2)
<b>TOTAL</b>	<b>20</b>	<b>22</b>	<b>(2)</b>

The balance at 30 June 2021 refers primarily to interest accrued from Abaco Innovazione SpA on a loan disbursed by Exprivia.

## Financial Income and Charges

Description	30/06/2021	30/06/2021	Variation
Costs of a financial nature from parent companies	199	198	1
<b>TOTAL</b>	<b>199</b>	<b>198</b>	<b>1</b>

The balance of Euro 199 thousand at 30 June 2021 refers to costs for the guarantee given by the Parent Company to obtain the Euro 25 million loan disbursed to Exprivia by a pool of banks in April 2016.



# Condensed Consolidated Half- Year Financial Statements of the Exprivia Group at 30 June 2021

# Consolidated Financial Statements at 30 June 2021

## Consolidated Balance Sheet

Amount in thousand Euro		
	30/06/2021	31/12/2020
Property, plant and machinery	17,655	19,029
Goodwill and other assets with an indefinite useful life	69,071	69,071
Other Intangible Assets	9,870	10,220
Shareholdings	868	554
Other non-current financial assets	707	1,250
Other non-current assets	449	468
Deferred tax assets	2,340	2,219
<b>NON-CURRENT ASSETS</b>	<b>100,960</b>	<b>102,811</b>
Trade receivables	51,527	50,319
Stock	1,196	1,064
Work in progress to order	28,051	23,437
Other Current Assets	10,404	10,207
Other Financial Assets	702	728
Cash and cash equivalents available	11,208	27,867
Other Financial Assets available for sale	205	205
<b>CURRENT ASSETS</b>	<b>103,293</b>	<b>113,827</b>
<b>TOTAL ASSETS</b>	<b>204,253</b>	<b>216,638</b>

Analyses of transactions with related parties, pursuant to Consob Resolution no. 15519 of 27 July 2006, are shown in the specific disclosure of "Related parties" and no separate indication has been given in the tables as this is not considered relevant.

Amount in thousand Euro		
	30/06/2021	31/12/2020
Share capital	24,616	24,616
Share Premium Reserve	18,082	18,082
Revaluation reserve	2,907	2,907
Legal reserve	4,682	4,171
Other reserves	1,186	14,133
Profits (Losses) for the previous period	12,395	(165,774)
Profit (Loss) for the period	4,459	165,531
<b>SHAREHOLDERS' EQUITY</b>	<b>68,327</b>	<b>63,666</b>
Minority interest	28	29
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>68,299</b>	<b>63,637</b>
Non-current bond	11,418	13,673
Non-current bank debt	24,371	26,103
Other financial liabilities	3,142	4,085
Other no current liabilities	654	934
Provision for risks and charges	247	410
Employee provisions	8,425	8,729
Deferred tax liabilities	1,545	1,467
<b>NON CURRENT LIABILITIES</b>	<b>49,802</b>	<b>55,401</b>
Current bond	4,528	4,536
Current bank debt	8,276	21,274
Trade payables	23,070	25,497
Advances payment on work in progress contracts	7,065	6,432
Other financial liabilities	2,202	3,989
Other current liabilities	40,983	35,841
<b>CURRENT LIABILITIES</b>	<b>86,124</b>	<b>97,569</b>
<b>TOTAL LIABILITIES</b>	<b>204,253</b>	<b>216,638</b>

Analyses of transactions with related parties, pursuant to Consob Resolution no. 15519 of 27 July 2006, are shown in the specific disclosure of "Related parties" and no separate indication has been given in the tables as this is not considered relevant.



## Consolidated Income Statement

Amount in thousand Euro	for the six months closed on	for the six months closed on
	30/06/2021	30/06/2020
Revenues	82,249	78,382
Other income	2,546	3,131
<b>PRODUCTION REVENUES</b>	<b>84,795</b>	<b>81,513</b>
Costs of raw, subsid. & consumable mat. and goods	2,063	1,956
Salaries	54,326	53,984
Costs for services	16,115	17,401
Costs for leased assets	269	384
Sundry operating expenses	349	400
Change in inventories of raw materials and finished products	(149)	(448)
Provisions	280	24
<b>TOTAL PRODUCTION COSTS</b>	<b>73,253</b>	<b>73,701</b>
<b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES</b>	<b>11,542</b>	<b>7,812</b>
Amortisation, depreciation and write-downs	3,167	3,123
<b>OPERATIVE RESULT</b>	<b>8,375</b>	<b>4,689</b>
Financial income and (charges) and other investments	(1,672)	(1,750)
<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>6,703</b>	<b>2,939</b>
Income tax	2,244	1,050
<b>PROFIT OR LOSS FOR THE YEAR DERIVING FROM ACTIVITIES IN OPERATION</b>	<b>4,459</b>	<b>1,889</b>
<b>PROFIT (LOSS) FOR THE YEAR DERIVING FROM DISCONTINUED ASSETS</b>		(14,173)
<b>PROFIT OR LOSS FOR THE YEAR</b>	<b>4,459</b>	<b>(12,284)</b>
Attributable to:		
Shareholders of holding company	4,463	(9,564)
Minority interest	(4)	(2,720)
<b>Earnings per share losses</b>		
Basic earnings per share	0.0943	(0.2012)
Basic earnings diluted	0.0943	(0.2012)
<b>Earnings (loss) per share - Continuing Operations</b>		
Basic earnings per share	0.0942	0.0397
Basic earnings diluted	0.0942	0.0397

Analyses of transactions with related parties, pursuant to Consob Resolution no. 15519 of 27 July 2006, are shown in the specific disclosure of "Related parties" and no separate indication has been given in the tables as this is not considered relevant.

## Consolidated Statement of Comprehensive Income

Amount in thousand Euro		for the six months closed on	for the six months closed on
Description	Note	30/06/2021	30/06/2020
<b>Profit for the period</b>	42	4,459	(12,284)
<i>Other gains (losses) total will not subsequently be reclassified in profit (loss) for the period</i>			
Profit (loss) Actuarial effect of IAS 19		115	(77)
Tax effect of changes		(28)	18
<b>Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss) for the period</b>	15	87	(59)
<i>Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period</i>			
Change in translation reserve		135	(1,609)
<b>Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss) for the period</b>	15	135	(1,609)
<b>NET COMPREHENSIVE INCOME FOR THE PERIOD</b>		4,681	(13,952)
<i>attributable to:</i>			
Group		4,683	(11,066)
Minority interest		(2)	(2,886)
<b>TOTAL PROFIT (LOSS) FOR THE PERIOD - CONTINUING OPERATIONS</b>		4,681	1,194
<i>attributable to:</i>			
Group		4,683	1,203
Minority interest		(2)	(9)
<b>TOTAL PROFIT (LOSS) FOR THE PERIOD - DISCONTINUED OPERATIONS</b>		0	(15,146)
<i>attributable to:</i>			
Group		0	(12,268)
Minority interest		0	(2,878)

## Statement of Changes in Consolidated Shareholders' Equity

Amount in thousand Euro	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Legal Reserve	Other Reserves	Profits (Losses) brought forward	Profit (Loss) for the period	Total Net Worth	Minority Interests	Total Group Net Worth
<b>Balance as of 31/12/2019</b>	<b>26,980</b>	<b>(2,114)</b>	<b>18,082</b>	<b>2,907</b>	<b>4,171</b>	<b>37,064</b>	<b>6,998</b>	<b>(239,150)</b>	<b>(145,073)</b>	<b>(41,119)</b>	<b>(103,954)</b>
Allocation of previous year result							(239,150)	239,150	-	-	-
IAS effects 29						280			280	53	227
Other movements						(57)	60		3	(35)	38
Purchase of own shares		(250)				(45)			(295)		(295)
<b>Components of the overall result</b>											
Total Profit (Loss) Total for the period								(12,284)	(12,284)	(2,720)	(9,564)
Effects deriving from the application of IAS 19						(59)			(59)	1	(60)
Conversion reserve						(1,609)			(1,609)	(167)	(1,442)
<b>Total Comprehensive Profit (Loss) for the period</b>									<b>(13,952)</b>	<b>(2,886)</b>	<b>(11,066)</b>
<b>Balance as of 30/06/2020</b>	<b>26,980</b>	<b>(2,364)</b>	<b>18,082</b>	<b>2,907</b>	<b>4,171</b>	<b>35,565</b>	<b>(232,092)</b>	<b>(12,284)</b>	<b>(159,035)</b>	<b>(43,987)</b>	<b>(115,048)</b>
<b>Balance as at 31/12/2020</b>											
<b>Balance as at 31/12/2020</b>	<b>26,980</b>	<b>(2,364)</b>	<b>18,082</b>	<b>2,907</b>	<b>4,171</b>	<b>14,134</b>	<b>(165,775)</b>	<b>165,531</b>	<b>63,667</b>	<b>29</b>	<b>63,638</b>
Allocation of previous year result					511	(13,148)	178,168	(165,531)	0.00	-	0.00
Other movements						(22)	2		(20)	1	(21)
<b>Components of the overall result</b>											
Profit (loss) for the period								4,459	4,459	(4)	4,463
Effects deriving from the application of IAS 19						87			87	2	85
Conversion reserve						135			135	0	135
<b>Total Comprehensive Profit (Loss) for the period</b>									<b>4,681</b>	<b>(2)</b>	<b>4,683</b>
<b>Balance as at 30/06/2021</b>	<b>26,980</b>	<b>(2,364)</b>	<b>18,082</b>	<b>2,907</b>	<b>4,682</b>	<b>1,186</b>	<b>12,395</b>	<b>4,459</b>	<b>68,327</b>	<b>28</b>	<b>68,299</b>

## Consolidated Cash Flow Statement

Amount in thousand Euro	Note	for the six months closed on	for the six months closed on
		30/06/2021	30/06/2020
<b>Financial statement</b>	<b>44</b>		
<b>Operating activities:</b>			
Profit (loss) for the period		4,459 (1)	1,889 (1)
Amortisation, depreciation and provisions		3,435	3,231
Provision for Severance Pay Fund		2,400	2,524
Advances/Payments Severance Pay		(2,589)	(2,737)
Adjustment of value of financial assets		(5)	0
<b>Cash flow generated (absorbed) from operating activities</b>	<b>a</b>	<b>7,700</b>	<b>4,907</b>
<b>Cash flow generated (absorbed) by income management - Discontinued operations</b>	<b>a1</b>	<b>0</b>	<b>(8,022)</b>
<b>Increase/Decrease in net working capital:</b>			
Variation in stock and payments on account		(4,163)	(10,961)
Variation in receivables to customers		(1,381)	(7,017)
Variation in receivables to parent/subsidiary/associated company		(53)	(531)
Variation in other accounts receivable		(402)	2,699
Variation in payables to suppliers		(2,352)	4,556
Variation in payables to parent/subsidiary/associated company		(75)	(86)
Variation in tax and social security liabilities		250	(2,509)
Variation in other accounts payable		4,609	2,264
Variation			0
<b>Cash flow generated (absorbed) from current assets and liabilities</b>	<b>b</b>	<b>(3,567)</b>	<b>(11,585)</b>
<b>Cash flow generated (absorbed) by current assets and liabilities - Discontinued operations</b>	<b>b1</b>	<b>0</b>	<b>16,740</b>
<b>Cash flow generated (absorbed) from current activities</b>	<b>a+b</b>	<b>4,133</b>	<b>(6,678)</b>
<b>Cash flow generated (absorbed) by operating activities - Discontinued operations</b>	<b>a1+b1</b>	<b>0</b>	<b>8,718</b>
<b>Investment activities:</b>			
Purchases of tangible fixed assets net of payments for sales		(353)	(734)
Variation in intangible assets		(1,031)	(1,217)
Variation in financial assets		(305)	143
Net variation in other financial receivables		569 (2)	806 (2)
<b>Cash flow generated (absorbed) by investing activities - Continuing operations</b>	<b>c</b>	<b>(1,120)</b>	<b>(1,002)</b>
<b>Cash flow generated (absorbed) by investing activities - Discontinued operations</b>	<b>c1</b>	<b>0</b>	<b>(1,415)</b>
<b>Financial assets and liabilities</b>			
Openings of new medium / long-term loans		354 (2)	2,827 (2)
Repayments of medium-long term loans		(6,791) (2)	(9,016) (2)
Net change in other financial payables including other current payables to banks		(13,341) (2)	10,813 (2)
Changes in other non-current liabilities and use of risk provisions		(9)	(33)
(Purchase) / Sale of own shares		0	(295)
Change in equity		115	(729)
<b>Cash flow generated (absorbed) by financing activities - Continuing operations</b>	<b>d</b>	<b>(19,672)</b>	<b>3,567</b>
<b>Cash flow generated (absorbed) by financing activities - Discontinued operations</b>	<b>d1</b>	<b>0</b>	<b>(10,867)</b>
<b>Increase (decrease) in cash and cash equivalent</b>	<b>a+a1+b+b1+c+c1+d+d1</b>	<b>(16,659)</b>	<b>(7,677)</b>
Cash and cash equivalents at the beginning of the period		27,867	25,996
Cash and cash equivalents at the end of the period		11,208	18,319

(1) including taxes and interest paid in the period

1,786

1,919

(2) The sum of the related amounts (-19,209 thousand of Euro at 30 June 2020 and 5,430 thousand of Euro at 30 June 2020) represents the overall change in net liabilities deriving from financing activities. For the reconciliation with the values shown in the statement of financial position, see the comment on the net financial position reported in note 17 - Non-current payables to banks.

Analyses of transactions with related parties, pursuant to Consob Resolution no. 15519 of 27 July 2006, are shown in the specific disclosure of "Related parties" and no separate indication has been given in the tables as this is not considered relevant.

# Explanatory notes to the condensed consolidated half-year financial statements at 30 June 2021

## General information

Exprivia SpA (hereinafter also the "Company" or the "Parent Company" or "Exprivia") and its subsidiaries (hereinafter also the "Exprivia Group" or the "Group") represent an international business group specialised in *Information and Communication Technology*. It uses digital technologies to steer its customers' business change drivers.

Listed on the Italian Stock Exchange since 2000, Exprivia supports its clients belonging to the markets: *Banking, Finance&Insurance, Telco&Media, Energy&Utilities, Aerospace&Defence, Manufacturing&Distribution, Healthcare and Public Sector.*

## Accounting policies and valuation criteria

### Declaration of compliance with IFRS

The condensed consolidated half-year financial statements of the Exprivia Group at 30 June 2021 were prepared in compliance with Article 154-ter of Italian Legislative Decree 58/98, as amended, as well as the Issuers' Regulation and the provisions set forth by Consob on the matter.

The condensed consolidated half-year financial statements at 30 June 2021, included in the interim report, were prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standard Board (IASB), and consist of the consolidated income statement, the statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the statement of changes in consolidated shareholders' equity, as well as the related explanatory notes.

The financial statements have been prepared in accordance with IAS 1, while the Notes have been prepared in abbreviated form, applying the option envisaged by IAS 34 and, therefore, are reported in summary form and do not include all the information required in the yearly financial statements, as they refer exclusively to those components that, in terms of amount, composition or changes, are essential for the purposes of understanding the economic, financial and equity situation of the Group. Therefore, the condensed consolidated half-year financial statements at 30 June 2021 must be read together with the consolidated yearly financial statements at 31 December 2020 available on the website [www.exprivia.it](http://www.exprivia.it), section "Corporate" - "Investor Relations", "See all financial statements".

On 5 August 2021, the Board of Directors approved the condensed consolidated half-year financial statements at 30 June 2021 and made these available to the public and to CONSOB, according to the methods and terms set forth in the applicable legislative and regulatory provisions.

### Drafting and presentation criteria

The consolidation principles, accounting policies and valuation criteria are the same as those adopted to prepare the consolidated financial statements at 31 December 2020, to which explicit reference is made, with the exception of those specifically applicable to interim financial statements and those explained in the following paragraph "Accounting standards, amendments and interpretations applicable from 1 January 2021".

#### Accounting standards, amendments and interpretations applicable from 1 January 2021:

The following table shows the IFRS/Interpretations approved by the IASB and endorsed for adoption in Europe and applied for the first time to the period under review.

Description	Endorsement date	Publication on G.U.C.E	Effective date provided by principle	Effective date for Exprivia
Amendments to IFRS 16 "Leases Covid-19 Related Rent Concessions" (issued on 28.05.2020)	09 oct. '20	12 oct. '20	Exercises starting on or starting from 1 June '20	1 June '20
Amendments to IFRS 4 "Insurance Contracts - deferral of IFRS 9" (issued on 25.06.2020)	15 dec. '20	16 dec. '20	Exercises starting on or after 1 January 2021	1 Jan '21
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2" (issued on 08.27.2020)	1 Jan. '21	13 Jan. '21	Exercises starting on or after 14 January 2021	1 Jan '21

The amendment to IFRS 16 "Leases", endorsed on 9 October 2020 and applicable to all financial statements from 1 June 2020, aims to neutralise the accounting effects of changes in lease payments (cancellation or reduction of lease payments) in compliance with agreements between parties in view of the negative effects of COVID-19. In the absence of such intervention by the Regulator, these changes would have resulted in the re-determination of the financial liability and the carrying amount of the asset consisting of the right of use, entailing a significant administrative burden. This integration did not have any impact on the economic-financial results of the Group as the payments relating to the contracts covered by IFRS 16 were not changed.

The amendment to "IFRS 4 Insurance Contracts - deferral of IFRS 9" extended the expiry of the temporary exemption from the application of IFRS 9 until 2023 in order to align the date of entry into force of IFRS 9 with the new IFRS 17.

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2" supplement those issued in 2019 and endorsed in January 2020. The amendments referring to phase 2 envisage a specific accounting treatment to spread over time the changes in the value of financial instruments or lease agreements due to the replacement of the reference index for the determination of interest rates.

The newly adopted standards did not have any material impact on the valuation of the Group's assets, liabilities, costs and revenues.

#### **Accounting standards, amendments and interpretations approved but not yet applicable/not adopted in advance**

Following are the accounting standards, amendments and interpretations approved by the IASB and endorsed by the European Union, whose mandatory effective date is after 30 June 2021:

Description	Effective date foreseen by the principle
Amendments to IFRS 3 "Business Combinations" (issued on 14.05.2020)	Exercises starting on or after 1 January 2022
Amendments to IAS 16 "Property, Plant and Equipment" on Proceeds before Intended Use (issued on 14.05.2020)	Exercises starting on or after 1 January 2022
Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" on Onerous Contracts-Cost of Fulfilling a Contract (issued on 14.05.2020)	Exercises starting on or after 1 January 2022
Annual Improvements to IFRS Standards 2018-2020 (issued 14.05.2020)	Exercises starting on or after 1 January 2022

The amendments made to IFRS 3 "Business Combinations" are aimed at:

- completing the updating of the references to the Conceptual Framework for Financial Reporting in the accounting standard;
- providing clarifications on the prerequisites for the recognition, at the acquisition date, of provisions, contingent liabilities and liabilities for taxes that are assumed as part of a business combination transaction;

- making it clear that the potential assets cannot be recognised as part of a business combination.

The amendment to IAS 16 "Property, Plant and Equipment on Proceeds Before Intended Use" clarifies the prohibition of deducting from the carrying amount of property, plant and equipment any proceeds from the sale of materials used during the period of production and commissioning of the asset itself. These revenues are recognised in the income statement when realised together with the related production costs. The amendment is effective for annual periods beginning on or after 1 January 2022.

The amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets on Onerous Contracts- Cost of Fulfilling a Contract" specifically details which costs should be included when considering the obligation arising from entering into an onerous contract. The amendment provides for the application of a "directly related cost approach". The costs that refer directly to an agreement for the supply of goods or services include both the incremental costs and the costs directly attributed to the contractual activities. General and administrative expenses are not directly related to an agreement and are excluded unless they are explicitly recharged to the counterparty on the basis of the agreement.

With reference to changes made to existing and upcoming accounting standards, their adoption is not expected, at this time, to have any material impact on the valuation of the Group's assets, liabilities, costs and revenues.

### Accounting standards, amendments and interpretations not yet approved

At the preparation date of these financial statements, the competent bodies of the European Union have not yet concluded the approval process needed for the adoption of the amendments and accounting standards described below.

Description	Effective date foreseen by the principle
Amendments to IAS 1 "Presentation of Financial Statements - Classification of liabilities as current or non current" (issued on 23.01.2020)	Exercises starting on or after 1 January 2023
IFRS 17 Insurance Contracts (issued on 18.05.2017); includes Amendments to IFRS 17 (issued on 25.06.2020)	Exercises starting on or after 1 January 2023
Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (issued on 12.02.2021)	Exercises starting on or after 1 January 2023
Amendments to IAS 1 "Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting Policies" (issued on 12.02.2021)	Exercises starting on or after 1 January 2023
Amendments to IAS 12 "Income Taxes" Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 06.05.2021)	Exercises starting on or after 1 January 2023

On 23 January 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements - Classification of liabilities as current or non current" aimed at providing clarifications on the classification of liabilities as current and non-current. In particular, the document states that a liability should be classified as current or non-current based on the rights existing at the balance sheet date. In addition, it establishes that the classification is not impacted by the entity's expectation to exercise its rights to defer the settlement of the liability. Finally, it is clarified that this regulation refers to the transfer to the counterparty of cash, equity instruments, other assets or services. As a result of the deferral defined with the amendments made on 15 July 2020, these amendments shall enter into force on or after 1 January 2023.

On 18 May 2017, the IASB issued IFRS 17– "Insurance Contracts", which is intended to replace IFRS 4 – "Insurance Contracts". The objective of the new standard is to ensure that a unit provides relevant information that faithfully represents the rights and obligations deriving from the insurance contracts issued. The IASB has developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies, providing a single principle-based framework to take into account all types of insurance contracts, including the reinsurance contracts that an insurer holds. On 25 June 2020, the IASB issued the amendments to IFRS 17 "Amendments to IFRS 17" and to IFRS 4 "Extension of Temporary Exemption from Applying IFRS 9" relating to insurance activities, envisaging, inter alia, the deferral of two years of the entry into force of IFRS 17. Therefore, the provisions of IFRS 17, which supersede those currently envisaged by IFRS 4 "Insurance contracts", are effective for years beginning on or after 1 January 2023.



The amendments to IAS 8 and IAS 1 issued on 12 February 2021 are intended to improve disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies.

The amendment to IAS 12 "Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction" is intended to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for years beginning on or after 1 January 2023, with early application permitted.

The standards and interpretations detailed above are not expected to have any material impact on the valuation of the Group's assets, liabilities, costs and revenues upon adoption.

## **Accounting estimates used in preparing the financial statements**

Preparation of the condensed half-year financial statements at 30 June 2021 in accordance with applicable accounting standards required the use of accounting estimates and assumptions based on complex and/or subjective assessments, on historical experience and on other factors that are deemed reasonable with respect to the circumstances and knowledge available as at the reporting date. The use of these accounting estimates affects the carrying amount of assets and liabilities and the disclosure on contingent assets and liabilities at the reporting date, as well as the amount of revenues and costs over the reference period; the actual results may differ from those estimated due to the uncertainty that characterises the assumptions made and the conditions on which the estimates are based. The estimates and assumptions are revised constantly. The effects of revised estimates are recognised in the income statement for the period in which the estimates are revised. Changes in the conditions underlying the judgements, assumptions and estimates adopted may have a significant impact on subsequent results. Critical accounting estimates in the financial reporting process, which involve a high degree of subjective judgement and assumptions mainly concern: amounts allocated to bad debt provisions, made according to the expected sale value of related assets; amounts allocated to provisions for risks, made according to the reasonable estimate of the amount of the contingent liability, also with respect to any demands from the counterparty; amounts allocated for employee benefits, recognised according to actuarial valuations; depreciation/amortisation of tangible and intangible assets, recognised according to their remaining useful life and their recoverable amount; income taxes, determined according to the best estimate of the rate expected for the entire financial year; and development costs, which are initially capitalised based on the technical and financial feasibility of the project (future cash flow projections are made for each project), contract work in progress, whose originally estimated margins may decrease as a result of increased costs incurred in the course of completing the contract. The verification of the existence of control and/or of the possible loss of control requires the exercise of a complex professional judgment by the Company Management that considers the characteristics of the corporate structure, the agreements between the parties, as well as any other fact and circumstance that may be relevant for the purposes of said verification.

It should also be noted that certain valuation processes, in particular the more complex ones such as the determination of any impairment of non-current assets, are generally only fully carried out upon drafting the annual financial statements, when all the necessary information is available, except in cases in which there are indicators of impairment which call for an immediate impairment test.

## **COVID-19 and possible impacts on the business as a going concern**

More than a year after the first appearance of the Covid-19 virus, the pandemic emergency has not yet been resolved even though the large-scale availability of vaccines and the vaccination campaigns implemented by the various governments seem to be going well. Exprivia continues to carefully monitor the evolution of the situation and the various solutions introduced by the Government with the awareness that the operations

carried out to date by the Company have made it possible to overcome 2020 and the first half of 2021 without significant impacts.

In compliance with the provisions of the document "European common enforcement priorities for 2020 annual financial reports", it should be noted that there are no significant impacts of the COVID-19 pandemic on non-financial matters or on the business continuity of Exprivia and the Exprivia Group.

With regard to the social impact and effects on workers, it should be noted that Exprivia and its subsidiaries promptly responded to the risk associated with Covid-19 through remote working, thus allowing us to continue working to support our customers while simultaneously ensuring the safety of our employees.

## Scope of Consolidation

The consolidated half-year financial statements at 30 June 2021 include the capital, economic and financial situations of the Parent Company Exprivia and subsidiaries, pursuant to IFRS 10. There were no changes to the scope of consolidation compared to 31 December 2020. The table below shows the companies under consolidation; the investments shown below are all controlled directly by the Parent Company Exprivia apart from the indirect subsidiaries ProSap Perú Sac, Sucursal Ecuador de Exprivia SLU, ProSAP Centroamerica SA and Exprivia IT Solution Shanghai.

Company	Reference market
Advanced Computer Systems D - Gmbh	Defence & Aerospace
Consorzio Exprivia S.c.ar.l.	Other
Exprivia Asia Ltd	International Business
Exprivia IT Solutions (Shanghai) Co Ltd	International Business
Exprivia Projects Srl	Utilities
Exprivia do Brasil Serviços de Informatica Ltda	International Business
Exprivia SLU	International Business
HR COFFEE Srl	Other
Exprivia Messico SA de CV	International Business
ProSAP Perú SAC	International Business
ProSAP Centroamerica S.A (Guatemala)	International Business
Sucursal Ecuador de Exprivia SLU	International Business
Spegea Scarl	Other

The main data, at 30 June 2021, for the aforementioned subsidiaries consolidated using the line-by-line method are provided below:

Company	H.O.	Value	Company Value capital	Results for period	Net worth	Total revenues	Total Assets	% of holding	
Advanced Computer Systems D-GmbH	Offenbach (Germania)	amount in Euro	25,000	amount in thousand Euro	61	131	500	297	100.00% Exprivia SpA
Consorzio Exprivia S.c.a.r.l	Milano	amount in Euro	20,000	amount in thousand Euro	(3)	20	(0)	3,479	70.00% Exprivia SpA 25.00% Italtel SpA 5.00% Exprivia Projects Srl
Exprivia ASIA Ltd	Hong Kong	amount in dollaro	2,937,850	amount in thousand Euro	23	(128)	-	803	100.00% Exprivia SpA
Exprivia It Solutions (Shanghai ) Ltd	Shanghai (Cina)	amount in Renminbi	3,719,450	amount in thousand Euro	55	(74)	701	861	100.00% Exprivia ASIA Ltd
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	amount in Real	5,890,663	amount in thousand Euro	22	1,264	884	1,472	100.00% Exprivia SpA
Exprivia Projects Srl	Roma	amount in Euro	242,000	amount in thousand Euro	202	1,005	6,213	5,049	100.00% Exprivia SpA
HRCOFFEE Srl	Molfetta (BA)	amount in Euro	300,000	amount in thousand Euro	(44)	(85)	77	453	70.00% Exprivia SpA 30.00% persone fisiche
Succursial Ecuador de Exprivia SLU	Quito (Ecuador)	amount in USD	10,000	amount in thousand Euro	(2)	(21)	-	4	100.00% Exprivia SLU
Spegea Scarl	Bari	amount in Euro	125,000	amount in thousand Euro	34	292	443	1,843	60.00% Exprivia SpA 40.00% Confindustria Bari
Exprivia SLU	Madrid (Spagna)	amount in Euro	197,904	amount in thousand Euro	(346)	291	975	3,780	100.00% Exprivia SpA
ProSap Centroamerica SA	Città del Guatemala (Guatemala)	amount in Quetzal	5,000	amount in thousand Euro	(2)	174	-	540	98.00% Exprivia Messico SA de CV 2.00% Exprivia SpA
Exprivia Messico SA de CV	Città del Messico (Messico)	amount in Pesos messicani	41,208,999	amount in thousand Euro	(38)	1,326	195	2,589	2.00% Exprivia SLU 98.00% Exprivia SpA
ProSap Perú SAC	Lima (Perù)	amount in Nuevo Sol	706,091	amount in thousand Euro	1	15	-	31	100.00% Exprivia SLU

As more fully explained in the paragraph "Loss of control of Italtel by Exprivia pursuant to IFRS 10" in the consolidated financial statements at 31 December 2020, the Italtel Group was deconsolidated as of 31 December 2020, the date of Exprivia's loss of control, and has been classified, with reference to the comparative data at 30 June 2020, as a discontinued operation pursuant to IFRS 5, since it is a major line of business.

The primary exchange rates used for conversion into Euro of the financial statements of foreign companies at 30 June 2021 were as follows:

Exchange rate	6-month average as at 30 June 2021	Punctual as of June 30, 2021
Real brazilian	6.492	5.905
Dollar USA	1.206	1.188
Nuevo Sol peruviano	4.490	4.626
Dollaro Hong Kong	9.357	9.229
Renminbi -Yuan (Cina)	7.798	7.674
Mexican Peso	24.231	23.578
Guatemalan Quetzal	9.328	9.209

Transactions in foreign currency are initially converted into the reporting currency at the exchange rate applicable on the date of the transaction. At the end of the period in question, the monetary assets and liabilities in foreign currency are converted into the reporting currency at the exchange rate applicable on the closing date. Exchange differences are recognised in the income statement. Non-monetary assets and liabilities in foreign currency, valued at cost, are converted at the exchange rate applicable at the date of the transaction, whereas those measured at fair value are converted at the exchange rate applicable on the date the measurement is made.

## SEGMENT REPORTING

The representation of the results by operating segments is carried out on the basis of the approach used by management to monitor the Group's performance. In particular, the Group has identified the segments subject to reporting on the basis of the criteria of the organisation, with reference to the related co-ordination and control structures and on the basis of the sector it belongs to within the ICT reference market. At 30 June 2021, the Exprivia Group identified the IT (Information Technology) sector as a single operating segment that includes Information Technology and IT software, solutions and services.

As described in Note 41 "Profit (loss) for the period - *Discontinued operations*", the Italtel Group corresponding to the TLC operating segment was deconsolidated at the date of loss of control (31 December 2020) and classified as *Discontinued operations* pursuant to IFRS 5.

The following statement shows the restated financial standing, which highlights the structure of invested capital and funding resources for the operating segment at 30 June 2021 and 31 December 2020.

## Reclassified Balance Sheet

amount in thousand Euro	IT			TLC			CONSOLIDATED		
	30.06.2021	31.12.2020	Variation	30.06.2021	31.12.2020	Variation	30.06.2021	31.12.2020	Variation
Property, plant and machinery	17,655	19,029	(1,376)			0	17,655	19,029	(1,376)
Goodwill	69,071	69,071	0			0	69,071	69,071	0
Other Intangible Assets	9,870	10,220	(350)			(1)	9,870	10,220	(350)
Shareholdings	868	554	314			0	868	554	314
Other non-current financial assets	449	468	(19)			0	449	468	(19)
Deferred tax assets	2,340	2,219	121			0	2,340	2,219	121
<b>NON-CURRENT ASSETS</b>	<b>100,253</b>	<b>101,561</b>	<b>(1,309)</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>100,253</b>	<b>101,561</b>	<b>(1,309)</b>
Trade receivables	51,527	50,319	1,208			0	51,527	50,319	1,208
Stock	1,196	1,064	132			0	1,196	1,064	132
Work in progress to order	28,051	23,437	4,614			0	28,051	23,437	4,614
Other Current Assets	10,404	10,207	197			0	10,404	10,207	197
<b>CURRENT ASSETS</b>	<b>91,178</b>	<b>85,027</b>	<b>6,151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91,178</b>	<b>85,027</b>	<b>6,151</b>
<b>DISCONTINUED NON CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Commercial debts	(23,070)	(25,497)	2,427			0	(23,070)	(25,497)	2,427
Advances on contract work in progress	(7,065)	(6,432)	(633)			0	(7,065)	(6,432)	(633)
Other current liabilities	(40,983)	(35,841)	(5,143)			0	(40,983)	(35,840)	(5,143)
<b>CURRENT LIABILITIES</b>	<b>(71,118)</b>	<b>(67,770)</b>	<b>(3,349)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(71,118)</b>	<b>(67,769)</b>	<b>(3,349)</b>
<b>DISCONTINUED NON CURRENT LIABILITIES</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>			<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>NON-CURRENT FUNDS AND LIABILITIES</b>	<b>(10,870)</b>	<b>(11,540)</b>	<b>670</b>			<b>1</b>	<b>(10,870)</b>	<b>(11,540)</b>	<b>670</b>
<b>NET INVESTED CAPITAL</b>	<b>109,443</b>	<b>107,278</b>	<b>2,165</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>109,443</b>	<b>107,279</b>	<b>2,164</b>
<b>NET FINANCIAL POSITION</b>	<b>41,116</b>	<b>43,610</b>	<b>(2,494)</b>			<b>0</b>	<b>41,116</b>	<b>43,610</b>	<b>(2,494)</b>

1) The net financial debt indicated above differs from that reported in the notes to the financial statements due to the treasury shares held by the Parent Company, which are not shown in the table above.

The income statements reclassified by operating segment at 30 June 2021 and 30 June 2020 are shown below.

## Reclassified Income Statement

amount in thousand Euro	IT			TLC			CONSOLIDATED		
	30.06.2021	30.06.2020	Variation	30.06.2021	30.06.2020	Variation	30.06.2021	30.06.2020	Variation
Revenues	82,249	78,382	3,867			0	82,249	78,382	3,867
Other income	2,546	3,131	(585)			0	2,546	3,131	(585)
<b>TOTAL REVENUES</b>	<b>84,795</b>	<b>81,513</b>	<b>3,282</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84,795</b>	<b>81,513</b>	<b>3,282</b>
Costs for consumables and finished products	(2,063)	(1,956)	(107)			0	(2,063)	(1,956)	(107)
Personnel costs	(54,326)	(53,984)	(342)			0	(54,326)	(53,984)	(342)
Costs for services	(16,115)	(17,401)	1,286			0	(16,115)	(17,401)	1,286
Costs for use of third-party assets	(269)	(384)	115			0	(269)	(384)	115
Different management charges	(349)	(400)	51			0	(349)	(400)	51
Change in inventories	149	448	(299)			0	149	448	(299)
Provisions and write-downs of current assets	(280)	(24)	(256)			0	(280)	(24)	(256)
<b>TOTAL COSTS</b>	<b>(73,254)</b>	<b>(73,701)</b>	<b>448</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(73,253)</b>	<b>(73,701)</b>	<b>448</b>
<b>EBITDA</b>	<b>11,541</b>	<b>7,812</b>	<b>3,729</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,542</b>	<b>7,812</b>	<b>3,730</b>
Amortization and depreciation of non-current	(3,166)	(3,123)	(43)			0	(3,167)	(3,123)	(44)
<b>EBIT</b>	<b>8,375</b>	<b>4,689</b>	<b>3,686</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,375</b>	<b>4,689</b>	<b>3,686</b>
Financial income and (expense) from equity	(1,671)	(1,750)	79			0	(1,672)	(1,750)	78
<b>RESULT ANTE TAXES</b>	<b>6,705</b>	<b>2,939</b>	<b>3,765</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,703</b>	<b>2,939</b>	<b>3,764</b>
Taxes	(2,244)	(1,050)	(1,194)			0	(2,244)	(1,050)	(1,194)
<b>PROFIT (LOSS) FOR THE PERIOD - CONTINUING OPERATIONS</b>	<b>4,461</b>	<b>1,889</b>	<b>2,572</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,459</b>	<b>1,889</b>	<b>2,570</b>
PROFIT (LOSS) FOR THE YEAR DERIVING FROM OPERATING ACTIVITIES	0		0	0	(14,173)	14,173	0	(14,173)	14,173
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>4,461</b>	<b>1,889</b>	<b>2,572</b>	<b>0</b>	<b>(14,173)</b>	<b>14,173</b>	<b>4,459</b>	<b>(12,284)</b>	<b>16,743</b>

For details of the breakdown of revenues by type of product and service as required by IFRS 8 (paragraphs 32-34) and IFRS 15, please refer to Note 29 of this Report.

Description	30/06/2021	30/06/2020	Variation
Projects and Services	70,641	68,514	2,127
Maintenance	8,341	7,864	477
HW/ SW third parties	1,900	776	1,124
Own licences	967	911	56
Other	400	317	83
<b>Total</b>	<b>82,249</b>	<b>78,382</b>	<b>3,867</b>

Below is information regarding revenues by customer type, public or private, and by geographical area.

Expri via Group (values in k Euro)	30/06/2021	Incidence%	30/06/2020	Incidence%	Variations %
Private	63,355	77.0%	59,845	76.4%	5.9%
Public	18,894	23.0%	18,537	23.6%	1.9%
<b>TOTAL</b>	<b>82,249</b>		<b>78,382</b>		<b>4.93%</b>



Exprivia Group (values in k Euro)	30/06/2021	Incidence%	30/06/2020	Incidence%	Variations %
Italy	75,214	65.6%	73,051	93.2%	3.0%
Foreign	7,035	34.4%	5,331	6.8%	32.0%
<b>TOTAL</b>	<b>82,249</b>		<b>78,382</b>		<b>4.93%</b>

## Explanatory Notes on the Consolidated Balance Sheet

All the figures reported in the tables below are in thousands of Euro, unless expressly indicated.

### NON-CURRENT ASSETS

#### Note 1 – Property, Plant and Machinery

The net balance relating to the item "**Property, plant and machinery**" amounted to Euro 17,655 thousand at 30 June 2021 compared to Euro 19,029 thousand at 31 December 2020.

Changes in the period for each category of assets are detailed below:

Categories	Net value at 01/01/2021	Historical cost increases at 30/06/2021	Historical cost decreases as at 30/06/2021	Provision for period	Depreciation for the period	Net value at 30/06/2021
Land	1,278	-	-	-	-	1,278
Buildings	12,970	957	(1,908)	(639)	318	11,697
Plant and machinery	115	-	(261)	(0)	146	0
Others	4,666	1,298	(937)	(1,147)	805	4,680
<b>TOTAL</b>	<b>19,029</b>	<b>2,255</b>	<b>(3,106)</b>	<b>(1,786)</b>	<b>1,269</b>	<b>17,655</b>

The increase in the item "**buildings**", amounting to Euro 957 thousand is mainly attributable for Euro 937 thousand to the recognition of the right of use according to IFRS 16 of the lease contracts stipulated by the Exprivia Group.

The decrease in the item "**buildings**" is mainly due to the cancellation of the lease contract for the Rome office of Exprivia SpA.

The decrease in the item "**plant and machinery**" of Euro 261 thousand is attributable to the closure of the Palermo office with the consequent early termination of the lease contract, accounted for in accordance with IFRS 16.

The increase in the item "**other assets**", amounting to Euro 1,298 thousand, mainly related to the recognition of the right of use according to IFRS 16 of medium/long-term car rental contracts for Euro 785 thousand, and to the purchase of electronic office equipment and computers for the technological renewal of information systems for Euro 470 thousand. The decreases in the item "other assets" mainly derive from the conclusion of some medium / long-term car rental contracts.

With regard to the item "**buildings**" also see the comments made in the section "Real estate" in the directors' report.

Please note that there is a first mortgage on the real estate complex located in Molfetta (BA) at Via Olivetti 11, owned by Exprivia, for a maximum amount of Euro 50 million to guarantee the exact fulfilment of obligations arising from the Euro 25 million loan taken out on 1 April 2016 from a pool of banks (for additional details, please see note 17).

With regard to rights of use recognised in accordance with IFRS 16, as well as to assets previously recognised as leases by applying IAS 17 until 31 December 2018, the changes are detailed below:

Description	Net value at 01/01/2020	Increases at 30/06/2021	Decreases at 30/06/2021	Amortization	Decreases in cumulated amortization at 30/06/2021	Net value at 30/06/2021
Land and building	2,742	940	(1,604)	(391)	14	1,702
Furniture and furnishings	66	-	(3)	(17)	2	48
Cars	2,599	785	(491)	(557)	417	2,753
<b>TOTAL</b>	<b>5,407</b>	<b>1,725</b>	<b>(2,098)</b>	<b>(965)</b>	<b>433</b>	<b>4,502</b>

## Note 2 – Goodwill

The item "**goodwill**" amounted to Euro 69,071 thousand at 30 June 2021, unchanged from the figure at 31 December 2020.

Following the loss of control of the Italtel Group at 31 December 2020, corresponding to the Cash Generating Unit ("CGU") previously identified as the TLC CGU, the only CGU identified at 30 June 2021 is the IT, software and IT services CGU corresponding to the scope of consolidation of the Exprivia Group to which the entire goodwill recorded in the financial statements is allocated.

The impairment test conducted at 31 December 2020 had shown significant positive margins (known as headroom) for the IT CGU. The broadly positive margins were also confirmed following the sensitivity analyses carried out on the main assumptions underlying the tests. In consideration of this and the performance of the IT CGU, at 30 June 2021, there were no impairment indicators such as to require updating of the aforementioned test. In particular, at 30 June 2021 the Group carried out an analysis on the presence of impairment indicators and did not identify any external or internal factor that could have a substantial and negative impact on the recoverability of the value of goodwill and, consequently, did not recognise the need to update the estimate of the recoverable value of the assets already made at 31 December 2020.

## Note 3 – Other Intangible Assets

The item "**Other intangible assets**" amounted to Euro 9,870 thousand at 30 June 2021 (net of amortisation) compared to Euro 10,220 thousand at 31 December 2020.

The table below provides a summary of the item.

Categories	Net value at 01/01/2021	Increases at 30/06/2021	Decrease at 30/06/2021	Depreciation rate of the period	Decreases in accumulated depreciation as at 30/06/2021	Net value at 30/06/2021
Other intangible assets	2,097	102	(16)	(362)	7	1,828
Costs for capitalized internal projects	4,682	1,922	-	(1,019)	-	5,585
Assets under construction and Advances	3,441	405	(1,389)	-	-	2,457
<b>TOTAL</b>	<b>10,220</b>	<b>2,429</b>	<b>(1,405)</b>	<b>(1,381)</b>	<b>7</b>	<b>9,870</b>

The increase in the item "**Costs for capitalised internal projects**" is due to the development of software applications in the IT sector for the Banking & Finance, Healthcare and Defence & Aerospace markets for Euro 1,922 thousand.

It should be noted that the item "**Work in progress and advances**" mainly refers to "costs for capitalised internal projects" regarding development activities not yet completed in the Defence & Aerospace market; the decrease is mainly attributable to the creation of completed software applications and therefore amortised.

## Note 4 – Equity Investments

The balance at 30 June 2021 of the item **"equity investments"** amounted to Euro 868 thousand compared to Euro 554 thousand at 31 December 2020.

The composition of equity investments is described below.

### Equity investments in associates

The balance of the item **"equity investments in associates"** at 30 June 2021 amounted to Euro 589 thousand compared to Euro 386 thousand at 31 December 2020.

The table below provides details on the items and the relative changes:

Description	30/06/2021	31/12/2020	Variation
Quest.it	589	386	203
<b>TOTAL</b>	<b>589</b>	<b>386</b>	<b>203</b>

The increase of Euro 203 thousand mainly refers for Euro 188 thousand to the subscription by Exprivia of its share of the capital increase of QuestIT Srl. QuestIT is a company established in 2007 as a spin-off of the Artificial Intelligence research group of the Siena Department of Information Engineering and specialised in Artificial Intelligence technologies and applications. The percentage of investment in this company is 25%.

### Equity investments in other companies

The balance of the item **"equity investments in other companies"** at 30 June 2021 amounted to Euro 279 thousand compared to Euro 168 thousand at 31 December 2020.

The table below provides details on the item:

Description	30/06/2021	31/12/2020	Variation
Ultimo Miglio Sanitario	3	3	-
Certia	1	1	-
Software Engineering Research	12	12	-
Consorzio Biogene	3	3	-
Consorzio DARE	1	1	-
Consorzio DHITECH	17	17	-
H.BIO Puglia	12	12	-
Consorzio Italy Care	10	10	-
Consorzio DITNE	6	6	-
Distretto Tecnologico Aerospaziale Scarl	3	3	-
Partecipazione Consorzio Daisy-Net	14	14	-
Cattolica Popolare Soc. Cooperativa	23	23	-
Innoval Scarl	3	3	-
Partecipazione Consorzio SILAB-Daisy	7	7	-
ENFAPI CONFIND Partecipation	1	1	-
AREAMEDICAL24 S.R.L.	111	0	111
Partecipazione Consorzio GLOCAL ENABLER	2	2	-
MEDISDIH Scarl	2	2	-
Cefriel Scarl	32	32	-
Banca di Credito Cooperativo di Roma	9	9	-
Consorzio Createc	7	7	-
<b>TOTAL</b>	<b>279</b>	<b>168</b>	<b>111</b>

The item "Equity investments in other companies" increased by Euro 111 thousand due to the purchase of the 12.2% stake in AREAMEDICAL24 Srl on 19 February 2021.

## Note 5 – Other Non-Current Financial Assets

The balance of the item "**other non-current financial assets**" at 30 June 2021 amounted to Euro 707 thousand compared to Euro 1,250 thousand at 31 December 2020.

Details on the item in question are provided below:

Description	30/06/2021	31/12/2020	Variation
Non-current financial receivables from parent companies	467	919	(452)
Non-current financial receivables from others	240	331	(91)
Derivative financial instruments	0	0	0
<b>TOTAL</b>	<b>707</b>	<b>1,250</b>	<b>(543)</b>

### Non-current financial receivables from parent companies

The balance of the item "**non-current financial receivables from parent companies**", amounting to Euro 467 thousand at 30 June 2021, compared to Euro 919 thousand at 31 December 2020, refers to the receivable due to the Parent Company Exprivia from its holding company Abaco Innovazione SpA related to the loan agreement stipulated by the parties in 2016. The loan term has been established as 7 equal, deferred, annual instalments with increasing principal repayments. The sixth instalment maturing on 4 April 2022, amounting to Euro 452 thousand, was reclassified under item "other current financial assets" and increased by Euro 3 thousand for accrued interest.

### Non-current financial receivables from others

The balance of the item "**non-current financial receivables from others**" at 30 June 2021 amounted to Euro 240 thousand compared to Euro 331 thousand at 31 December 2020.

This item refers to medium/long-term guarantee deposits of Euro 92 thousand and for Euro 148 thousand to financial receivables for leases deriving from some contracts with customers that include obligations qualified as leases and for which IFRS 15 was applied to recognise revenues and financial receivables from leases, equal to the future payments discounted at the implicit rate of the supply agreement.

### Derivative financial instruments

At 30 June 2021, the item "**Derivative financial instruments**" amounted to Euro 0.02 thousand compared to Euro 0.05 thousand at 31 December 2020.

The derivative financial instruments are represented by instruments not listed on organised markets, subscribed for the purpose of hedging the interest rate risk. The fair value of these instruments was determined by an independent expert applying the Shifted Lognormal Model ("Displaced Diffusion Model") valuation model.

Following is the fair value of these derivative instruments at the reporting date:

Hedge Accounting	Operation date	Initial date	Expiry date	Value	Reference amount (values in Euro units)	Fair value (values in Euro units)
Interest Rate Cape - BNL	06/05/2016	30/06/2016	31/12/2022	EUR	1,130,769	6
Interest Rate Cape - BPM	11/05/2016	30/06/2016	30/12/2022	EUR	634,615	3
Interest Rate Cape - UNICREDIT	09/05/2016	30/06/2016	30/12/2022	EUR	1,130,769	6
<b>TOTAL</b>					<b>2,896,153</b>	<b>16</b>

With reference to the derivative instruments shown in the table above, it should be noted that Exprivia subscribed those financial instruments in order to neutralise the interest rate risk resulting from an underlying

variable interest rate loan agreement (Euribor). These are cash flow hedges, measured at level 2 in the fair value hierarchy.

## Note 6 – Other Non-Current Assets

The balance of the item "**Other non-current assets**" at 30 June 2021 amounted to Euro 449 thousand compared to Euro 468 thousand at 31 December 2020.

The table below provides details on the item in question with a comparison with the composition at 30 June 2020.

Description	30/06/2021	31/12/2020	Variation
Receivables from tax authorities requested for reimbursement	53	54	(1)
Other credits	396	414	(18)
<b>TOTAL</b>	<b>449</b>	<b>468</b>	<b>(19)</b>

The item "**Receivables from tax authorities requested for rebate**" amounting to Euro 53 thousand is substantially unchanged compared to 31 December 2020 and refers to the non-current portion of the receivable for the refund request related to the deductibility of IRAP calculated on personnel costs. Similarly, to previous years, this item includes receivables relating to refunds for the years 2009 to 2011, while those relating to 2007 and 2008 were included in the item "**Current tax receivables**".

"**Other receivables**", amounting to Euro 396 thousand compared to Euro 414 thousand at 31 December 2020 refer primarily, for Euro 392 thousand, to the suspension of costs pertaining to subsequent years.

## Note 7 – Prepaid Taxes

The item "**Prepaid taxes**" at 30 June 2021 amounted to Euro 2,340 thousand compared to Euro 2,219 thousand at 31 December 2020, and refers to taxes on temporary deductible changes or future tax benefits.

Description	Amount temporary differ	Tax effect at 30/06/2021	Amount temporary differ	Tax effect at 31 December 2020
Depreciation	477	115	285	69
Allowance for doubtful accounts	2,214	531	2,172	521
Fund risks	1,146	323	1,262	355
Tax losses	250	572	282	562
Adjustments for IFRS	785	182	814	200
Others	2,644	617	2,275	512
<b>TOTAL</b>	<b>7,516</b>	<b>2,340</b>	<b>7,090</b>	<b>2,219</b>

## CURRENT ASSETS

### Note 8 – Trade Receivables

The balance of the item "**Trade receivables**" at 30 June 2021 amounted to Euro 51,527 thousand compared to Euro 50,319 thousand at 31 December 2020.

The balance of the item at 30 June 2021 and at 31 December 2020 can be broken down as follows:

Description	30/06/2021	31/12/2020	Variation
Trade receivables from customers	51,441	50,286	1,155
Trade receivables from associated companies	53	0	53
Trade receivables from parent companies	33	33	0
<b>Total trade receivables</b>	<b>51,527</b>	<b>50,319</b>	<b>1,208</b>

### Trade Receivables - Customers

At 30 June 2021, the item "**Trade receivables - Customers**" amounted to Euro 51,441 thousand (net of the bad debt provision) compared to Euro 50,286 thousand at 31 December 2020. The table below provides details on the item in question with a comparison with 31 December 2020.

Description	30/06/2021	31/12/2020	Variation
To Italian customers	39,327	36,720	2,607
To foreign customers	8,864	8,632	232
To public bodies	8,056	9,450	(1,394)
<b>S-total receivables to customers</b>	<b>56,247</b>	<b>54,802</b>	<b>1,445</b>
Less: provision for bad debts	(4,806)	(4,516)	(290)
<b>Total receivables to customers</b>	<b>51,441</b>	<b>50,286</b>	<b>1,155</b>

Trade receivables - customers, including the bad debt provision, can be broken down as follows.

Details	30/06/2021	31/12/2020	Variation
To third parties	38,671	41,018	(2,347)
Invoices for issue to third parties	17,576	13,784	3,792
<b>TOTAL</b>	<b>56,247</b>	<b>54,802</b>	<b>1,445</b>

The item in question includes EUR 1.3 million in receivables subject to litigation with a public body for which, based on the opinions of its lawyers, Exprivia believes that there are justified credit claims.

The value of invoices to be issued reflects the particular type of business in which Group companies operate, hence, although many contracts can be invoiced on a monthly basis, others must follow an authorisation process which does not necessarily end in the month of reference. The amount shown in the financial statements is the amount that had been accrued up until the close of the half year and which will be invoiced in the following months.

The table below shows a breakdown of receivables by date of maturity, net of invoices/credit notes to be issued and including receivables carried under the bad debt provision.

Amount of receivables	in		days past due								Allowance for doubtful accounts	Credits net of the Found
	expire	due	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	oltre		
38,671	22,805	15,866	3,350	456	679	370	923	166	1,521	8,402	(4,806)	33,865
100%	59%	41%	9%	1%	2%	1%	2%	0%	4%	22%		

The Group does not have significant concentrations of credit risk except for work carried out in the Public Administration sector, where delays are recorded mainly due to the payment policies adopted by public bodies. They often do not respect the conditions set forth in contracts but, nevertheless, they do not lead to the risk of bad debts.

### Trade receivables - Associates

"**Trade receivables - Associates**" at 30 June 2021 amounted to € 53 thousand and refer to the receivable due to the Parent Company from its associate Quest it.



## Trade Receivables - Parent Companies

The balance of "**Trade receivables - Parent Companies**" at 30 June 2021 amounted to Euro 33 thousand, unchanged compared to 31 December 2020, and refers to the receivable due to Exprivia from the holding company Abaco Innovazione SpA for the charge-back of administrative and logistics services governed by a framework agreement in effect between the parties.

## Note 9 – Inventories

"**Inventories**" amounted to Euro 1,196 thousand at 30 June 2021 compared to Euro 1,064 thousand at 31 December 2020 and refer mainly to software and hardware purchased and destined to be sold in future periods.

The table below provides the detailed breakdown:

Description	30/06/2021	31/12/2020	Variation
Finished products and goods	1,196	1,064	132
<b>TOTAL</b>	<b>1,196</b>	<b>1,064</b>	<b>132</b>

These are exclusively "**Finished products and goods**", stated net of the provision for inventory write-downs.

## Note 10 – Work in Progress Contracts

At 30 June 2021, the item "**Work in progress contracts**" amounted to Euro 28,051 thousand compared to Euro 23,437 thousand at 31 December 2020 and refers to the value of work in progress contracts valued according to contractual payments accrued. The change of 4,614 is mainly due to the increase in the value of existing contracts.

## Note 11 – Other Current Assets

"**Other current assets**" amounted to Euro 10,404 thousand at 30 June 2021 compared to Euro 10,207 thousand at 31 December 2020.

Details are provided in the following table:

Description	30/06/2021	31/12/2020	Variation
Current tax credits	2,233	2,093	140
Receivables for current taxes	0	60	(60)
Credits for contributions	4,877	5,383	(506)
Sundry credits	608	603	5
Receivables to welfare institutes/INAIL	329	229	100
Costs in future years expertise	2,357	1,839	518
<b>TOTAL</b>	<b>10,404</b>	<b>10,207</b>	<b>197</b>

"**Current tax receivables**" amounted to Euro 2,233 thousand compared to Euro 2,093 thousand at 31 December 2020.

The item "**Grants receivable**", amounting to Euro 4,877 thousand versus Euro 5,383 thousand at 31 December 2020, refers to the amounts receivable from the government, regional authorities and public bodies for operating and capital grants for research and development projects in relation to which reasonable certainty exists regarding their recognition, as set forth in section 7 of IAS 20. The balance at 30 June 2021 relates almost entirely to the parent company Exprivia.

"**Receivables from pension institutions/INAIL**", amounting to Euro 329 thousand compared to Euro 229 thousand at 31 December 2020, mainly refer for Euro 299 thousand to receivables from INPS (Euro 138 thousand for severance indemnity paid to the treasury and still to be recovered and Euro 161 thousand for amounts advanced by Exprivia for salary integration) in addition to Euro 28 thousand for receivables from INAIL for higher advances paid with respect to the debt estimated for the first half of 2021.

The item "**Expenses pertaining to future financial years**" for Euro 2,357 thousand compared with Euro 1,839 thousand at 31 December 2020, refers to suspended costs pertaining to the following period.

## Note 12 – Other Current Financial Assets

The balance of the item "**Other current financial assets**" at 30 June 2021 amounted to Euro 702 thousand compared to Euro 728 thousand at 31 December 2020.

The following table provides details on the item in question as well as a comparison with 31 December 2020.

Description	30/06/2021	31/12/2020	Variation
Current financial receivables from others	246	265	(19)
Current financial receivables from parent companies	456	463	(7)
<b>TOTAL</b>	<b>702</b>	<b>728</b>	<b>(26)</b>

### Current financial receivables from others

The balance of "**current financial receivables from others**" amounted to Euro 246 thousand at 30 June 2021 compared to Euro 265 thousand at 31 December 2020 and refers, primarily, for Euro 207 thousand to restricted bank accounts.

### Current financial receivables from parent companies

At 30 June 2021, the balance of "**current financial receivables from parent companies**" amounted to Euro 456 thousand compared to Euro 463 thousand at 31 December 2020 and related to the current portion of the Parent Company's financial receivable (principal and interest) due from the holding company Abaco Innovazione SpA.

## Note 13 – Cash and Cash Equivalents

The item "Cash and cash equivalents" amounted to Euro 11,208 thousand at 30 June 2021 compared to Euro 27,867 thousand at 31 December 2020 and refers to Euro 11,164 thousand held at banks and Euro 44 thousand in cheques and cash in hand. Additionally, the bank balance does not include, at 30 June 2021, secured deposits for guarantees undertaken in favour of banks. The reduction in the balance compared to 31 December 2020 is mainly due to the repayment of short-term payables to banks.

## Note 14 – Other Financial Assets Measured at FVOCI

The item "**Other financial assets measured at FVOCI**" amounted to Euro 205 thousand at 30 June 2021, unchanged compared to 31 December 2020 and it relates to financial instruments issued by Banca Popolare di Bari, more specifically:

- (i) 35,998 shares of the above-mentioned bank for a total value of Euro 2 thousand at 30 June 2021;
- (ii) 200,562 "Banca Popolare di Bari 6.50% 2014/2021 subordinate Tier II" bonds for Euro 6.00 each, for a total of Euro 203 thousand at 30 June 2021.

These financial instruments were booked at fair value (level 2).

## SHAREHOLDERS' EQUITY

### Note 15 – Share Capital

"**Share capital**", fully paid up, amounted to Euro 24,616 thousand at 30 June 2021 and is unchanged compared to the figure at 31 December 2020. The share capital is represented by 51,883,958 ordinary shares with a par value of Euro 0.52 each for a total of Euro 26,980 thousand, net of 4,546,084 treasury shares held at 30 June 2021, with a nominal value of Euro 2,364 thousand.

### Note 15 – Share Premium Reserve

At 30 June 2021, the "**Share premium reserve**" amounted to Euro 18,082 thousand and is the same as 31 December 2020.

### Note 15 – Revaluation Reserve

At 30 June 2021, the "**Revaluation reserve**" amounted to Euro 2,907 thousand and is the same as 31 December 2020.

### Note 15 – Legal Reserve

The "**Legal reserve**" at 30 June 2021 amounted to Euro 4,682 thousand compared to Euro 4,171 thousand at 31 December 2020. The change is attributable to the allocation of the result of the previous year of the parent company Exprivia SpA, as resolved by the Shareholders' Meeting of 23 June 2021.

### Note 15 – Other Reserves

The balance of the item "**Other reserves**" at 30 June 2021 amounted to Euro 1,186 thousand compared to Euro 14,134 thousand at 31 December 2020. Changes during the period relate to:

- the overall negative effect of Euro 13,148 thousand deriving from the allocation of the profit for 2019 and 2020 of the parent company Exprivia SpA, as resolved by the Shareholders' Meeting of 23 June 2021;
- the positive effect of the change in the currency translation reserve for Euro 135 thousand;
- the positive effect on the shareholders' equity of the application of IAS 19 with the associated recognition in the statement of comprehensive income of actuarial gains net of the tax effect of Euro 87 thousand;
- other negative changes for Euro 22 thousand.

### Note 15 – Profit/Loss from Previous Periods

The item "**Profit/loss from previous periods**" at 30 June 2021 was Euro 12,395 thousand compared to Euro (165,774) thousand at 31 December 2020.

### Note 15 – Minority Shareholders' Interests

"**Minority Shareholders' Interests**" at 30 June 2021 were positive for Euro 28 thousand compared to Euro 29 thousand at 31 December 2020.

## NON-CURRENT LIABILITIES

### Note 16 – Non-Current Bond Issues

The balance at 30 June 2021 was Euro 11,418 thousand compared to Euro 13,673 thousand at 31 December 2020 and relates to the non-current portion of the bond issued entitled "Exprivia - 5.80% 2017 - 2023", which the Parent Company issued to finance the subscription by Exprivia of 81% of Italtel's share capital.

The unsecured bond is made up of 230 bearer securities with a par value of Euro 100,000.00 each, at a fixed rate of 5.8% per annum (which may be increased or decreased in relation to the value of the NFP/EBITDA financial covenant), with deferred six-month coupons reimbursed on par and a non-linear amortising repayment plan which envisages the repayment of 20% of the principal for each year as from 2020 and the remaining 40% in 2023.

The Bond Regulation envisages customary covenants in accordance with market practices for similar transactions.

The Bond was subscribed by the following parties:

- 1) 80 securities by Anthilia Capital Partners SGR SpA;
- 2) 65 securities by Banca Popolare di Bari S.c.p.a.;
- 3) 15 securities by Consultinvest Asset Management SGR SpA;
- 4) 10 securities by Confidi Systema! S.c.;
- 5) 60 securities by Mediobanca SGR SpA.

The securities have been placed in the centralised management system of Monte Titoli SpA and have been admitted for listing in the multilateral trading system managed by Borsa Italiana SpA, ExtraMOT market

PRO segment reserved for professional investors.

The trading Admission Document and the Bond Regulation are available on the Company's website at the following address [www.exprivia.it](http://www.exprivia.it), "Corporate - Investor Relations - Exprivia Bond" section.

The Bond envisages the observance of the financial covenants relating to the NFP/SE and NFP/EBITDA ratios as listed below, for the entire duration:

Reference date	Net Financial Position / Shareholders' Equity	Net financial position / EBITDA
31.12.2021	≤ 1,0	≤ 4,0
31.12.2022	≤ 1,0	≤ 4,0

These financial covenants are calculated on a consolidated basis excluding Italtel and all its companies directly or indirectly controlled, and refer to the 12 months prior to the Reference Date, using the normal calculation criteria agreed upon between the Parties.

### Note 17 – Non-Current Payables to Banks

At 30 June 2021, the item "**Non-current payables to banks**" amounted to Euro 24,371 thousand compared to Euro 26,103 thousand at 31 December 2020, and pertains to medium-term bank debt from major credit and financial institutions and to low-interest loans for specific investment programmes.

The table below provides details on the items and breaks down the non-current portion (Euro 24,371 thousand) and the current portion (Euro 8,150 thousand) of the payable.

Financial Institute	Typology	Contract amount	Amount paid 30.06.2021	Date contract	Expiration date	Repayment installment	Rate applied	Residual capital 30.06.2021	To be repaid within 12 months	To be repaid over 12 months
Pool – Capofila Banca Nazionale del Lavoro	Financing	25,000	25,000	01/04/2016	31/12/2022	semi-annual	Euribor + 2.65%	5,708	3,798	1,910
Pool – Capofila Banca Popolare di Puglia e Basilicata	Financing	20,000	20,000	27/11/2020	30/09/2026	quarterly	Euribor + 1.60%	19,743	(113)	19,855
Banca del Mezzogiorno Mediocredito Centrale	Financing	3,500	3,500	23/06/2017	23/06/2027	quarterly	Euribor + 2.75%	2,090	2,090	-
Deutsche Bank	Financing	2,000	2,000	30/09/2020	30/09/2021	unica rata	Euribor + 0.50%	2,027	2,027	-
Ministero dello Sviluppo Economico NCUP	Financing	863	863	14/09/2016	17/11/2025	annual	0.31%	516	98	418
Ministero dello Sviluppo Economico Horizon 2020	Financing	929	594	16/02/2017	30/06/2026	half-yearly	0.80%	464	65	400
Ministero dello Sviluppo Economico MISE progetto Instamed	Financing	455	455	27/09/2019	30/06/2029	half-yearly	0.16%	424	33	391
Ministero dello Sviluppo Economico MISE progetto Prosit	Financing	504	504	05/02/2020	31/12/2029	half-yearly	0.17	492	15	477
Ministero dello Sviluppo Economico MISE progetto Bigimaging	Financing	336	336	14/10/2019	30/06/2029	half-yearly	0.16%	312	23	289
Ministero dello Sviluppo Economico MISE progetto Finindustry 4.0	Financing	353	110	23/04/2021	31/12/2029	half-yearly	0.18%	110	7	103
Banca Monte dei Paschi di Siena	Financing	450	450	17/11/2020	31/10/2026	monthly	Euribor + 1.90%	450		450
Banco de Santander	Financing	610	610	29/07/2016	29/07/2021	monthly	6.61%	12	12	-
Bankinter	Financing	100	100	01/07/2020	01/07/2025	monthly	2.8%	100	22	78
Bankinter	Financing	40	42	26/04/2021	26/07/2021	monthly	2.0%	13	13	-
Bankinter	Financing	36	42	28/05/2021	28/08/2021	monthly	2.0%	24	24	-
Bankinter	Financing	36	42	25/06/2021	25/09/2021	monthly	2.0%	36	36	-
<b>Total</b>								<b>32,521</b>	<b>8,150</b>	<b>24,371</b>

## Medium-term loan agreement

On 1 April 2016, Exprivia SpA stipulated a medium-term loan for a total of Euro 25,000,000 with a pool of banks comprising BNL and Unicredit, also as lead bank and lead arranger, and Banca Popolare di Bari and Banca Popolare di Milano, consisting of a single cash credit line to be repaid by 31 December 2022, at an annual rate equal to the Euribor plus a 2.65% spread, to which one-off fees of 1.40% were also added when the agreement was executed.

The Loan is backed by ordinary guarantees typical of transactions of this type, including the guarantee issued by SACE SpA in the amount of Euro 6 million, in addition to guarantees issued by the Holding Company Abaco Innovazione SpA, described in more detail in the Disclosure Document prepared pursuant to art. 5, first paragraph, of the CONSOB Regulation, which was published on 8 April 2016 on the Company's website in the "Corporate - Corporate Governance - Corporate Information" section.

The Loan has the standard market conditions for loans of an equal amount and term, such as: representations and warranties, covenants (pari passu, negative pledge, etc.), limitations on significant extraordinary transactions (with the exception of inter-company transactions, which are exclusively allowed within the corporate scope applicable at 1 April 2016, and smaller transactions), the obligation to maintain adequate insurance coverage, compulsory and optional early repayment clauses, cross defaults, etc.

Lastly, the Loan also includes a limitation on the distribution of dividends, which cannot exceed 25% of the net profit, in line with what is set forth in the Business Plan approved by the Company.

The Loan also includes several financial covenants - Net borrowing/EBITDA, Net borrowing/Own funds, EBITDA/Net financial charges - which were amended further to the authorisation to acquire Italtel granted by the banks in the pool in July 2017, and which will be measured on a half-yearly basis, as well as limitations on total investments and the acquisition of treasury shares, as described in more detail in the table below:

Reference date	Net financial position / EBITDA	Net financial debt / Equity	EBITDA / Net loans	Investments
30.06.2021	≤ 4,5	≤ 1,0	≥ 4,0	≤ 6,0
31.12.2021	≤ 4,0	≤ 1,0	≥ 4,0	≤ 6,0
30.06.2022	≤ 4,0	≤ 1,0	≥ 4,0	≤ 6,0

These financial covenants calculated on a consolidated basis, excluding the Italtel Group, must be communicated by 30 April and 30 September of each year and will refer to the previous 12 months respectively at 30 June and 31 December of each year, using the normal calculation criteria agreed between the parties.

The financial covenant "Investments" does not take account of any revaluations, of the acquisitions of equity investments exempt from authorisation or those subject to a specific written authorisation issued by banks.

At 30 June 2021, the remaining debt amounted to Euro 5,709 thousand, Euro 3,798 thousand of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 1,910 thousand to be repaid in the second half of 2022 (carried under non-current liabilities).

The Financial Covenants have been observed at 30 June 2021.

## Medium-term loan agreement

On 27 November 2020, Exprivia has signed with a pool of banks composed of Banca Popolare di Puglia and Basilicata S.c.p.a., in the role of arranger and lender, Banca Popolare Pugliese S.c.p.a. in the role of lender, Banca Finanziaria Internazionale SpA in the role of agent bank and SACE Agent, a medium-term loan agreement amounting to Euro 20 million, consisting of a single line of credit to be repaid by 30 September 2026, with a two-year grace period, at an annual interest rate equal to Euribor plus a spread of 1.60%, to which agency fees and up-front commissions were added..

The loan was granted in accordance to the Liquidity Decree of 9 April 2020, (Decree Law no. 23 of 8 April 2020 converted into Law no. 40 of 5 June 2020) and is backed by a SACE SpA guarantee covering 90% of the amount of the loan.

The loan provides for contractual conditions, commitments and terms in line with bank credit market standards for loans of the same amount and duration, such as representations and warranties, commitment covenants, limitations on significant extraordinary transactions, financial indebtedness and significant investments, obligation to maintain adequate insurance coverage, mandatory and optional early repayment clauses, cross default, etc. The loan prohibits the distribution of dividends and/or the purchase of treasury shares in the 12 months following the date of the Loan Request, as envisaged by the Liquidity Decree; subsequently, there is a limitation on the distribution of dividends, which may not exceed 25% of the net profit.

The loan also provides for certain financial covenants (Net Borrowing/Ebitda, Net Borrowing/SE), as better described in the following table:

Reference date	Net financial position / EBITDA	Net financial debt / shareholders' equity
31.12.2021	≤ 4,0	≤ 1,0
31.12.2022	≤ 2,7	≤ 0,7
31.12.2023	≤ 2,5	≤ 0,7
31.12.2024	≤ 2,0	≤ 0,7
31.12.2025	≤ 2,0	≤ 0,7
31.12.2026	≤ 2,0	≤ 0,7

These financial covenants calculated on a consolidated basis, excluding the Italtel Group, must be communicated within 15 days from the date of approval of the related financial statements.

The residual debt at 30 June 2021 amounted to Euro 19,741 thousand, of which Euro 20,000 thousand to be repaid in the years 2022-2026 (and recorded among non-current liabilities) and (113) thousand related to the



application of the amortised cost for accessory costs accrued in the following year (and therefore recorded among current liabilities).

### **Banca del Mezzogiorno Mediocredito Centrale SpA loan**

A loan agreement of Euro 3,500 thousand executed in favour of the Parent Company Exprivia on 23 June 2017; to be repaid in quarterly instalments starting from 23 September 2017 until 23 June 2027. This is intended in part to fully repay the loan taken out in 2014 from the lending bank early, and in part to meet working capital requirements. The interest rate applied is the Euribor + a 2.75% spread. The loan in question is backed by a first mortgage on the property located in via Giovanni Agnelli no. 5 in Molfetta for a total of Euro 7 million.

It should be pointed out that, by contract, the entire amount of the next two instalments was secured in the dedicated current account at 30 June 2021.

The residual debt at 30 June 2021 amounted to Euro 2,090 thousand, fully classified under current liabilities, due to Italtel's capital decrease pursuant to art. 2447 of the Italian Civil Code, which would entitle the bank to terminate the loan agreement. It should be noted that, until the date of preparation of this Report, the bank has not exercised the right to terminate the agreement.

### **CUP 2.0 low-interest loan**

A loan agreement of Euro 863 thousand executed in favour of Exprivia (formerly Exprivia Healthcare IT Srl), of which the full amount approved was disbursed at 30 June 2021. This loan is targeted at financing a research and development project pursuant to financial law 46/82 F.I.T - PON R & C 2007/2013 - MD 24-09-2009, Project A01/002043/01/X 17 regarding: Innovative services for booking CUP 2.0 healthcare services. The loan will expire on 17 November 2025 and bears a below-market fixed rate of interest of 0.3120%.

At 30 June 2021, the remaining debt amounted to Euro 516 thousand, Euro 98 thousand of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 418 thousand to be repaid in 2022-2025 (carried under non-current liabilities).

### **Low-interest loan from the Ministry of Economic Development - Banca del Mezzogiorno Mediocredito Centrale SpA**

Low-interest loan agreement executed in favour of Exprivia (formerly ACS Srl) up to a maximum of Euro 929 thousand and disbursed for Euro 594 thousand at 30 June 2021. The loan requires repayment in six-month instalments, expires on 30 June 2026 and bears a below-market fixed rate of interest of 0.80%.

### **Low-interest loan from the Ministry of Economic Development - Instamed Project**

Low-interest loan approved and disbursed on 27 September 2019 for Euro 455 thousand in favour of Exprivia. The loan requires repayment in six-month instalments, expires on 30 June 2029 and bears a below-market fixed rate of interest of 0.16%.

### **Low-interest loan from the Ministry of Economic Development - Bigimaging Project**

Low-interest loan approved and disbursed on 14 October 2019 for Euro 336 thousand in favour of Exprivia. The loan provides for repayment in half-yearly instalments maturing on 30 June 2029 and bears

a below-market fixed rate of interest of 0.16%.

### **Low-interest loan from the Ministry of Economic Development - Prosit Project**

Low-interest loan approved and disbursed on 5 February 2020 for Euro 504 thousand in favour of Exprivia. The loan requires repayment in six-month instalments, expires on 31 December 2029 and bears a below-market fixed rate of interest of 0.17%.

## Low-interest loan from the Ministry of Economic Development – Finindustry project

Low-interest loan approved for Euro 353 thousand and disbursed on 23 April 2021 in the amount of Euro 110 thousand in favour of Exprivia. The loan requires repayment in six-month instalments, expires on 31 December 2029 and bears a below-market fixed rate of interest of 0.18%.

## Loan from Banca Monte dei Paschi di Siena SpA

Loan resolved in favour of Hrcoffee Srl for Euro 450 thousand, signed on 17 November 2020; repayment is scheduled in monthly instalments starting on 30 June 2022 and ending on 31 October 2026 with an 18-month grace period. It is aimed at supporting working capital requirements and the interest rate applied is Euribor + 1.90% spread.

The loan in question is backed by a Cofidi guarantee pursuant to Law 662/96.

## NET FINANCIAL POSITION

The Net Financial Position format implements the ESMA guidelines on disclosure requirements pursuant to the "prospectus regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob warning no. 5/21 of 29 April 2021. The application of the new format did not result in any changes with respect to the above.

amounts in thousands of Euro		30/06/2021	31/12/2020
A.	Cash	44	47
B.	Other liquid assets	11,164	27,820
C 1.	Securities held for trading	205	205
C 2.	Own shares	3,312	3,312
D	<b>Liquid (A)+(B)+(C)</b>	<b>14,725</b>	<b>31,384</b>
E.	<b>Current financial receivables</b>	<b>702</b>	<b>728</b>
F.	Current bank debts	(2,634)	(16,969)
G.	Current portion of non-current bank debts	(10,170)	(8,842)
H.	Other current financial debts	(2,202)	(3,989)
I.	<b>Current financial debts (F) + (G) + (H)</b>	<b>(15,006)</b>	<b>(29,800)</b>
J.	<b>Net current financial debts (I) + (E) + (D)</b>	<b>421</b>	<b>2,312</b>
K.	Non-current bank debts	(24,371)	(26,103)
L.	Bond	(11,418)	(13,673)
M.	Other non-current financial payables net of non-current financial receivables and derivative financial instruments	(2,435)	(2,834)
N.	<b>Non-current financial debts (K) + (L) + (M)</b>	<b>(38,224)</b>	<b>(42,610)</b>
O.	<b>Net financial debts (J) + (N)</b>	<b>(37,803)</b>	<b>(40,298)</b>

Treasury shares held by the Parent Company (Euro 3,312 thousand) are included in the calculation of the net financial position.

The changes in net liabilities resulting from financing activities is shown below, in accordance with IAS 7 - Statement of Cash Flows:

#### Amounts in thousands of Euro

	31.12.2020	Cash flows	Non-monetary flows	30.06.2021
Current financial receivables	728	(26)	0	702
Current bank debts and current portion of non-current debt	(25,811)	13,007	0	(12,804)
Other current financial payables	(3,989)	1,788	0	(2,202)
Non-current bank debts	(26,103)	1,732	0	(24,371)
Bonds issued	(13,673)	2,255	0	(11,418)
Other non-current net financial payables	(2,834)	454	(55)	(2,435)
<b>Net liabilities deriving from financing activities</b>	<b>(71,682)</b>	<b>19,209</b>	<b>(*)</b>	<b>(52,528)</b>
Liquid assets	31,384	(**) (16,659)	(***) 0	14,725
<b>Net financial debt</b>	<b>(40,298)</b>	<b>2,551</b>	<b>(55)</b>	<b>(37,803)</b>

(\*) Flows shown in the Cash Flow Statement in the Cash flow generated (absorbed) by financing activities (see note 2 at the bottom of the Cash Flow Statement)

(\*\*) In addition to cash and cash equivalents, the item "Liquidity" also includes treasury shares held by the Parent Company and "Other financial assets available for sale"

(\*\*\*) Cash flow of liquidity includes any changes due to the purchase of treasury shares not included in the Cash flow and equivalent means in the Cash Flow Statement

## Note 18 – Other Non-Current Financial Liabilities

The balance of "**other non-current financial liabilities**" at 30 June 2021 amounted to Euro 3,142 thousand compared to Euro 4,085 thousand at 31 December 2020. The details are provided below:

Description	30/06/2021	31/12/2020	Variation
Non-current financial payables for leasing	3,122	4,060	(938)
Payables to other non-current lenders	10	10	-
Non-current derivative financial instruments	10	15	(5)
<b>TOTAL</b>	<b>3,142</b>	<b>4,085</b>	<b>(943)</b>

### Non-current financial payables for leases

The balance of "**non-current financial payables for leases**" at 30 June 2021 came to Euro 3,122 thousand compared to Euro 4,060 thousand at 31 December 2020 and refers to the medium/long-term payment relating to contracts for leased assets.

### Non-current payables to other lenders

The balance of "**non-current payables to other lenders**" at 30 June 2021 amounted to Euro 10 thousand, unchanged from 31 December 2020.

### Non-current derivative financial instruments

The balance of "**non-current derivative financial instruments**" at 30 June 2021 stood at Euro 10 thousand against Euro 15 thousand at 31 December 2020 and refers to a derivative product subscribed by the Parent Company Exprivia with Unicredit, initially linked to a loan with a variable interest rate and which, further to the renegotiation of the loan, no longer meets the requirements envisaged for hedge accounting and therefore the related fair value change has been recognised in the income statement.

The sensitivity analysis conducted on the change in the fair value of derivative after a shift of 1 percentage point in the spot interest rates curve highlights that:

- upon a change of +0.5% and +1%, the fair value would be a positive Euro 3 thousand and Euro 20 thousand respectively;

- upon a change of -0.5% and -1%, the fair value would be a negative Euro 33 thousand and Euro 51 thousand respectively.

This is an instrument valued at fair value level 2.

## Note 19 – Other Non-Current Liabilities

The balance of "**other non-current liabilities**" at 30 June 2021 amounted to Euro 654 thousand compared to Euro 934 thousand at 31 December 2020.

Description	30/06/2021	31/12/2020	Variation
Debts v / social security and social security institutions	0	7	(7)
Non-current tax liabilities	651	926	(275)
Debts to others	3	1	2
<b>TOTAL</b>	<b>654</b>	<b>934</b>	<b>(280)</b>

### Amounts payable to pension and social security institutions

The balance of "**Amounts payable to pension and social security institutions**" was zero at 30 June 2021 compared to Euro 7 thousand at 31 December 2020.

### Non-current tax liabilities

The balance of "**Non-current tax liabilities**" at 30 June 2021 amounted to Euro 651 thousand compared to Euro 926 thousand at 31 December 2020 and refers to the medium/long-term amounts under Exprivia's tax liabilities instalment plans.

The change compared to 31 December 2020 is attributable to the reclassification of the payable from the non-current portion to the current portion for instalments due in the next twelve months.

Non-current tax liabilities derive exclusively from the amortisation plan of tax payment slips and tax demands divided into instalments.

With reference to all other tax liabilities, for which a tax payment slip is pending, the liability was considered a short-term payable and classified under "current tax liabilities".

### Amounts payable to others

The balance of "**Amounts payables to others**" at 30 June 2021 amounted to Euro 1 thousand and did not change compared to 31 December 2020.

## Note 20 – Provisions for Risks and Charges

At 30 June 2021, the item "**provision for risks and charges**" amounted to Euro 247 thousand compared to Euro 410 thousand at 31 December 2020. The breakdown of this item is shown in the table below:

Description	30/06/2021	31/12/2020	Variation
Risk provisions staff	77	94	(17)
Provision for other risks	170	316	(146)
<b>TOTAL</b>	<b>247</b>	<b>410</b>	<b>(163)</b>

Changes are reported below:

Description	31/12/2020	Uses / Payments	Other decreases	Provisions	30/06/2021
Risk provisions staff	94	(6)	(18)	8	77
Provision for other risks	316	0	(249)	103	170
<b>TOTAL</b>	<b>410</b>	<b>(6)</b>	<b>(267)</b>	<b>111</b>	<b>247</b>

"**Provision for staff risks**", amounting to Euro 94 thousand at 31 December 2020 compared to Euro 77 thousand at 30 June 2021, related to provisions for dispute risks with former employees.

"**Provision for other risks**" at 30 June 2021 mainly refers to future losses on contracts with customers.

## Note 21 – Employee Provisions

At 30 June 2021, the item "Employee provisions" amounted to Euro 8,425 thousand compared to Euro 8,729 thousand at 31 December 2020. The breakdown of this item shown in the table below.

### Employee severance indemnity fund

Employee severance indemnity fund stood at Euro 8,425 thousand at 30 June 2021, compared to Euro 8,729 thousand at 31 December 2020. The provision is net of contributions to funds and treasury. In accordance with IAS 19 (Employee benefits), the Group estimated the liability for defined benefit plans at 30 June 2021. The table below shows the primary actuarial and financial assumptions used in the calculation:

Description	30/06/2021	31/12/2020
Discount rate	0.79%	0,34% - 0,77%
Inflation rate	1.20%	1.00%
Annual rate of wage growth	2.70%	0 - 2,5%
Annual rate of TFR growth	2.40%	2.25%
Mortality	RG48	Tav ISTAT 2007 & 2011/RG48
Inability	Mod. INPS	Tav. INPS 2010
Turn-over	5.50%	3,0% -5,50%
Probability advance	2.50%	2,5% - 3%
Amount% of the severance pay in advance	70.00%	70.00%

The following table shows the changes in the Employee severance indemnity fund for the period:

Description	30/06/2021	31/12/2020	Variations
Initial existence	8,729	9,383	(654)
Interest cost	27	96	(69)
Uses / settlements of the period	(215)	(1,025)	810
Actuarial gains (losses)	(115)	275	(390)
<b>Final existence</b>	<b>8,426</b>	<b>8,729</b>	<b>(303)</b>

The net change in the Employee severance indemnity fund is to be attributed to the effect of decreases related to employee terminations and decreases also due to actuarial gains resulting from the change in the technical basis used in the current valuation compared to that of the previous valuation, as well as resulting from the deviation of demographic and financial assumptions assumed in the model for the previous calculation compared to what actually occurred during the valuation period.

The cost relating to current services was recognised in the Income Statement under "Staff costs". Financial charges on obligations undertaken are recognised in the Income Statement under Financial charges - other charges. Actuarial gains and losses are recognised in a specific valuation reserve in equity.

## Note 22 – Deferred Tax Liabilities

The item "**Deferred tax liabilities**" amounted to Euro 1,545 thousand compared to Euro 1,467 thousand at 31 December 2020, and refers to allocations for temporary changes that will be reversed in subsequent financial periods.

Description	30/06/2021		31/12/2020	
	Amount temporary differences	Tax effect	Amount temporary differences	Tax effect
TFR	(106)	(9)	(236)	(37)
Goodwill	4,959	1,410	4,781	1,360
Buildings	382	105	382	105
Adjustments for IFRS	137	39	137	39
<b>TOTAL</b>	<b>5,372</b>	<b>1,545</b>	<b>5,066</b>	<b>1,467</b>

## CURRENT LIABILITIES

### Note 23 – Current Bond Issues

At 30 June 2021, "**Current bond issues**" amounted to Euro 4,528 thousand compared with Euro 4,536 thousand at 31 December 2020 and referred to the current portion of Exprivia's bond issue (see Note 16 for further details).

### Note 24 – Current Payables to Banks

At 30 June 2021, the item "current payables to banks" amounted to Euro 8,276 thousand compared to Euro 21,274 thousand at 31 December 2020 and refers, for Euro 8,150 thousand, to the current portion of payables for loans and mortgages (previously described under the item "non-current payables to banks", note 17) and Euro 126 thousand refers to current account overdrafts at major credit institutions. This significant decrease in the period is attributable to the payment of instalments for loans and mortgages falling due in the first half of 2021 as well as the repayment of current account payables to leading credit institutions.

### Note 25 – Trade Payables

"**Trade payables**" at 30 June 2021 amounted to Euro 23,070 thousand compared to Euro 25,497 thousand at 31 December 2020. The breakdown is shown in the table below:

Description	30/06/2021	31/12/2020	Variation
Trade payables to suppliers	22,985	25,337	(2,352)
Trade payables to associated companies	85	160	(75)
<b>TOTAL</b>	<b>23,070</b>	<b>25,497</b>	<b>(2,427)</b>

#### Trade Payables - Suppliers

"**Trade payables - Suppliers**" amounted to Euro 22,985 thousand compared to Euro 25,337 thousand at 31 December 2020.

The table below provides details on the item:



Description	30/06/2021	31/12/2020	Variation
Invoices received Italy	15,300	15,552	(252)
Invoices received foreing	1,376	1,925	(549)
Invoices to consultants	240	241	(1)
Invoices to be received	6,069	7,619	(1,550)
<b>TOTAL</b>	<b>22,985</b>	<b>25,337</b>	<b>(2,352)</b>

The table below provides details of payables past due and falling due.

Trade payables	in		days past due							
	expire	due	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	beyond
16,916	10,923	5,993	2,781	369	434	179	295	187	739	1,008
100.0%	65%	35%	16%	2%	3%	1%	2%	1%	4%	6%

### Trade payables - Associates

"Trade payables - Associates " amounted to Euro 85 thousand compared to Euro 160 thousand at 31 December 2020 and refers to payables due by the Parent Company to its associate Quest.it Srl.

## Note 26 – Advance Payments on Work in Progress Contracts

At 30 June 2021, the item "**Advance payments on work in progress contracts**" amounted to Euro 7,065 thousand compared with Euro 6,432 thousand at 31 December 2020 and refers to the negative differential between payments on account or advances received and the economic development of the work in progress contracts at the end of the period.

## Note 27 – Other Financial Liabilities

"**Other financial liabilities**" amounted to Euro 2,202 thousand at 30 June 2021 compared to Euro 3,989 thousand at 31 December 2020.

The table below provides details on the item:

Description	30/06/2021	31/12/2020	Variation
	94	0	94
Payables for the purchase of investments	0	980	(980)
Current financial payables to others	180	970	(789)
Current financial payables for leasing	1,928	2,039	(111)
<b>TOTAL</b>	<b>2,202</b>	<b>3,989</b>	<b>(1,787)</b>

### Payables to Associates

The balance of "**payables to associate**" at 30 June 2021 amounted to Euro 94 thousand and relates to the payable of the Parent Company to its associate Quest it Srl.

### Current financial payables for the purchase of equity investments

The balance of "**current financial payables for the purchase of equity investments**" at 30 June 2021 was zeroed due to the payment made in 2021 for the purchase of the remaining 47.7% of the share capital of the subsidiary Exprivia do Brasil.

## Current financial payables to others

The balance of the item "**current financial payables to others**" amounted to Euro 180 thousand compared to Euro 970 thousand at 31 December 2020. The decrease is mainly due to the decrease in financial advances of the Parent Company.

## Current Trade Payables - suppliers of leased assets

The balance of the item "**current trade payables - suppliers of leased assets**" at 30 June 2021 amounted to Euro 1,928 thousand compared to Euro 2,039 thousand at 31 December 2020 and refers to the current portion of the payable for lease agreements.

## Note 28 – Other Current Liabilities

"**Other current liabilities**" amounted to Euro 40,983 thousand at 30 June 2021 compared to Euro 35,841 thousand at 31 December 2020.

The table below provides details on the item:

Description	30/06/2021	31/12/2020	Variation
Current payables to social security and social security institutions	6,663	7,673	(1,010)
Other tax payables	6,940	5,398	1,542
Personnel debts	19,459	14,462	4,997
Other debts	7,921	8,308	(387)
<b>TOTAL</b>	<b>40,983</b>	<b>35,841</b>	<b>5,142</b>

## Current amounts payable to pension and social security institutions

The balance of the item "**Current amounts payable to pension and social security institutions**" at 30 June 2021 amounted to Euro 6,663 thousand compared to Euro 7,673 thousand at 31 December 2020.

## Other tax liabilities

The balance of the item "**other tax liabilities**" at 30 June 2021 amounted to Euro 6,940 thousand compared to Euro 5,398 thousand at 31 December 2020.

## Payables related to staff

The balance of the item "**payables related to staff**" at 30 June 2021 amounted to Euro 19,459 thousand compared to Euro 14,462 thousand at 31 December 2020. The increase is mainly due to the lesser use of holidays and leaves of absence and to the presence at 30 June 2021 of the accrual for the 13th month salary not accounted for at the end of the year.

## Other payables

The balance of the item "**other payables**" at 30 June 2021 amounted to Euro 7,921 thousand compared to Euro 8,308 thousand at 31 December 2020; it consists primarily of accrued expenses and deferred income of Euro 3,330 thousand, which includes pending revenues attributable to the subsequent period and advances on contributions.

# Explanatory Notes to the Consolidated Income Statement at 30 June 2021

Comments on the items in the income statement are provided below.

## Note 29 – Revenues

**Revenues from sales and services** in the first half of 2021 amounted to Euro 82,249 thousand compared to Euro 78,382 thousand in the same period of 2020. The increase in revenues is mainly attributable to the Public Administration, Aerospace & Defence and Utilities and international markets.

Description	30/06/2021	30/06/2020	Variation
Projects and Services	70,641	68,514	2,127
Maintenance	8,341	7,864	477
HW/ SW third parties	1,900	776	1,124
Own licences	967	911	56
Other	400	317	83
<b>Total</b>	<b>82,249</b>	<b>78,382</b>	<b>3,867</b>

## Note 30 – Other Income

Other income in the first half of 2021 amounted to Euro 2,546 thousand compared to Euro 3,131 thousand in the same period of 2020. The table below provides details on the items.

Description	30/06/2021	30/06/2020	Variation
Other revenues and income	413	508	(95)
Grants related to income	1,194	1,697	(503)
Increase in capitalised expenses for internal project	939	926	13
<b>TOTAL</b>	<b>2,546</b>	<b>3,131</b>	<b>(585)</b>

## Other Revenues and Income

"**Other revenues and income**" in the first half of 2021 amounted to Euro 413 thousand compared to Euro 508 thousand in the first half of 2020 and mainly refer to rents for Euro 128 thousand and long-term car rental charge-backs to employees for Euro 136 thousand and capital gains on the sale of assets for Euro 64 thousand.

## Grants for operating expenses

"**Grants for operating expenses**" in the first half of 2021, amounted to Euro 1,194 thousand compared to Euro 1,697 thousand in 2020 and refer to grants and tax credits pertaining to or authorised in the period relating to funded research and development projects.

## Increases in fixed assets for internal work

"**Increases in fixed assets for internal work**" amounted, in the first half of 2021, to Euro 939 thousand compared to Euro 926 thousand in the same period of 2020 and refer to costs incurred during the period to develop products for the Banking & Finance, Healthcare, Aerospace & Defence.

## Note 31– Costs for Sundry Consumables and Finished Products

The balance of the item **"costs for sundry consumables and finished products"** in the first half of 2021 amounted to Euro 2,063 thousand compared to Euro 1,956 thousand in the same period of the previous year. The table below provides details on the items.

Description	30/06/2021	30/06/2020	Variation
Purchase of HW-SW products	1,931	1,858	73
Stationery and consumables	95	47	48
Fuel and oil	6	6	-
Other costs	31	45	(14)
<b>TOTAL</b>	<b>2,063</b>	<b>1,956</b>	<b>107</b>

The change in the item "purchase of hw-sw products" is attributable to the increased purchase of hardware and software products for sale, while the change in the item "stationery and sundry consumables" mainly relates to the purchase of storage disks.

## Note 32 – Staff Costs

The balance of the item **"Staff costs"** amounted to Euro 54,326 thousand in the first half of 2021 compared to Euro 53,984 thousand in the same period of 2020, as detailed below:

Description	30/06/2021	30/06/2020	Variation
Salaries and wages	40,420	39,736	684
Social charges	10,399	11,140	(741)
Severance Pay	2,400	2,381	19
Other staff costs	1,107	727	380
<b>TOTAL</b>	<b>54,326</b>	<b>53,984</b>	<b>343</b>

The number of resources at 30 June 2021 was 2,360, of which 2,346 employees and 14 collaborators, while at 30 June 2020 the number of resources attributable to the Exprivia Group, without the Italtel Group, was 2,541, of which 2,535 employees and 6 collaborators.

The average for the first half of 2021 was 2,399 employees and 11 collaborators, while the average in the first half of 2020 was 2,538 employees and 6 collaborators.

## Note 33 – Costs for Services

The consolidated balance of item **"costs for services"** totalled Euro 16,115 thousand in the first half of 2021, compared to Euro 17,401 thousand in the same period of 2020. The table below provides details on the items:

Description	30/06/2021	30/06/2020	Variation
Technical and commercial consultancy	10,656	11,500	(844)
Administrative/company/legal consultancy	1,153	1,125	28
Auditors' fees	50	51	(1)
Travel and transfer expenses	146	386	(241)
Utilities	333	433	(100)
Advertising and agency expenses	205	87	118
Bank charges	157	219	(62)
HW and SW maintenance	2,054	2,179	(125)
Insurance	265	243	23
Other costs	1,096	1,178	(82)
<b>TOTAL</b>	<b>16,115</b>	<b>17,401</b>	<b>(1,287)</b>

The main change relates to the item "Technical and commercial consultants" which decreased by Euro 843 thousand due to a lesser use of external leverage.

The decrease in travel costs is due to travel restrictions and limitations resulting from the COVID-19 epidemic.

The statement below is provided in accordance with art. 149-duodecies of CONSOB Issuers' Regulation to show amounts paid to the independent auditors in the first half of 2021 for audit services and for other services provided by PricewaterhouseCoopers SpA and other entities belonging to its network.

The fees are shown net of the CONSOB contribution and reimbursement for expenses.

Type of services	Subject who provided the service	Recipient	Amount
Audit services	PricewaterhouseCoopers	Parent company	94
		Subsidiaries	12
Other audit services (*)	PricewaterhouseCoopers	Parent company	10
Other audit services (*)	PricewaterhouseCoopers	Subsidiaries	0
<b>TOTAL</b>			<b>116</b>

\* Non-audit services provided to the Parent Company refer to the performance of agreed procedures for Euro 9.5 thousand relating to an audit engagement pursuant to ISA 805.

## Note 34 – Costs for Leased Assets

The consolidated balance of the item "**costs for leased assets**" amounted to Euro 269 thousand in the first half of 2021 compared to Euro 384 thousand in the first half of 2020. The table below provides details on the items:

Description	30/06/2021	30/06/2020	Variation
Rental expenses	54	91	(37)
Car rental/leasing	3	12	(9)
Rental of other assets	64	87	(23)
Other costs	148	194	(46)
<b>TOTAL</b>	<b>269</b>	<b>384</b>	<b>(115)</b>

## Note 35 – Sundry Operating Expenses

In the first half of 2021 the item "**sundry operating expenses**" amounted to Euro 349 thousand compared to Euro 400 thousand in the first half of 2020. The table below provides details on this item.

Description	30/06/2021	30/06/2020	Variation
Annual subscriptions	64	54	10
Taxes	167	149	18
Penalties and fines	1	9	(8)
Charitable donations	2	1	1
Write-offs	0	66	(66)
Other sundry operating expenses	115	121	(6)
<b>TOTAL</b>	<b>349</b>	<b>400</b>	<b>(51)</b>

The greatest difference refers to the item "Losses on receivables" for which no transactions were recorded in 2021.

## Note 36 – Changes in Inventories

In the first half of 2021, the balance of the item "**changes in inventories**" amounted to Euro -149 thousand compared to Euro -448 thousand in the previous year and refers to changes in finished products and goods.

## Note 37 – Provisions and Write-downs of Current Assets

The consolidated balance of the item "**provisions and write-downs of current assets**" in the first half of 2021 amounted to Euro 280 thousand compared to Euro 24 thousand in the first half of 2020.

The table below provides details on the items.

Description	30/06/2021	30/06/2020	Variation
Provision for bad debts provision	225	171	54
Provision for legal disputes with employees	(18)	0	(18)
Other provisions	73	(147)	220
<b>TOTAL</b>	<b>280</b>	<b>24</b>	<b>256</b>

The item "**bad debt provision**" is attributable to the write-down of receivables due to the adjustment of the provision for receivables deemed uncollectible and to the adjustment of the bad debt provision in the amount of Euro 225 thousand.

The item "**provision for legal disputes with employees**" shows the release of a provision previously set aside.

The item "**other provisions**" mainly refers to the provision for other current assets net of the releases of provisions for future losses on contracts.



## Note 38 – Amortisation, Depreciation and Write-downs of Non-Current Assets

The consolidated balance of the item **"Amortisation, depreciation and write-downs of non-current assets"** in the first half of 2021 amounted to Euro 3,167 thousand compared to a balance of Euro 3,123 thousand in the same period of 2020.

### Amortisation and Depreciation

In the first half of 2021, **"amortisation and depreciation"** amounted to Euro 3,167 thousand compared with Euro 3,123 thousand in the first half of 2020 and refer for Euro 1,381 thousand to amortisation of intangible fixed assets and for Euro 1,786 thousand to depreciation of tangible fixed assets. Details of the aforementioned items are provided in notes 1 and 3.

### Write-downs

No write-downs of non-current assets were recognised in the first half of 2021.

## Note 39 – Financial Income and (Charges) and Other Investments

The balance of the item **"financial income and (charges) and other investments"** amounted, in the first half of 2021, to a negative Euro 1,672 thousand compared with a negative balance of Euro 1,750 thousand in the same period of 2020. The table below provides details on the items.

Description	30/06/2021	30/06/2020	Variation
Proceeds from shareholdings from parents	20	22	(2)
Income from other investments	31	22	10
Other income other than the above	7	14	(7)
Interest and other financial charges	(1,600)	(1,551)	(49)
From parent charges	(199)	(198)	(1)
Profit and loss on currency exchange	69	(59)	128
<b>TOTAL</b>	<b>(1,672)</b>	<b>(1,750)</b>	<b>79</b>

### Income from Parent Companies

The balance of the item **"income from Parent Companies"** in the first half of 2021 amounted to Euro 20 thousand compared to Euro 22 thousand in the same period of 2020 and referred to the interest accrued towards Abaco Innovazione SpA on a loan granted by Exprivia.

### Income from Other Investments

The balance of the item **"income from other investments"** in the first half of 2021 amounted to Euro 31 thousand compared to Euro 22 thousand in the first half of 2020 and refers to dividends received from minority interests for Euro 15 thousand and for Euro 16 thousand to the valuation using the equity method of the investment in Quest.it Srl, an associate of Exprivia.

### Income Other Than the Above

The balance of item **"income other than the above"** totalled Euro 7 thousand in the first half of 2021, compared to Euro 14 thousand in the same period of 2020. The table below provides details on the item.

Description	30/06/2021	30/06/2020	Variation
Bank interest receivable	1	0	1
Interest income from securities	5	14	(9)
Rounding up of assets	1	0	1
<b>TOTAL</b>	<b>7</b>	<b>14</b>	<b>(7)</b>

## Interest and Other Financial Charges

The balance of the item **"interest and other financial charges"** in the first half of 2021 amounted to Euro 1,600 thousand compared to Euro 1,551 thousand in the same period of 2020. The table below provides details on the items.

Description	30/06/2021	30/06/2020	Variation
Bank interest payable	28	178	(150)
Interest on loans and mortgages	905	865	40
Sundry interest	565	456	109
Charges on financial products and sundry items	82	4	78
Rounding up/down	5	3	2
Interest cost IAS 19	15	45	(30)
<b>TOTAL</b>	<b>1,600</b>	<b>1,550</b>	<b>50</b>

## Charges from Parent Companies

The balance of the item **"charges from parent companies"** in the first half of 2021 amounted to Euro 199 thousand compared with Euro 198 thousand in the first half of 2020 and refers to the portion applicable to the period of charges recognised by Exprivia to the holding company Abaco Innovazione SpA for guarantees issued by the latter with respect to its subsidiary.

## Gains/(Losses) on Currency Exchange

At 30 June 2021, **"gains on currency exchange"** amounted to Euro 69 thousand compared to losses on currency exchange of Euro (59) thousand in the first half of 2020 and mainly related to exchange rate fluctuations as a result of commercial transactions carried out in currencies other than the domestic currency of the Group's foreign companies.

## Note 40 – Income Taxes

In the first half of 2021, **"Income taxes"** amounted to Euro 2,244 thousand compared to Euro 1,050 thousand in the first half of 2020; the table below provides details on the changes compared to the previous year:

Description	30/06/2021	30/06/2020	Variation
IRES	1,666	811	855
IRAP	609	255	354
Foreing tax	26	20	6
Taxes from prior years	(0)	(37)	37
Deferred tax	54	36	18
Deferred tax assets	(111)	(35)	(76)
<b>TOTAL</b>	<b>2,244</b>	<b>1,050</b>	<b>1,194</b>

The Parent Company Exprivia acts as the consolidating company and determines a single taxable result for the companies under National Tax Consolidation in accordance with art. 117 of T.U.I.R.

Each company under Tax Consolidation contributes taxable income or tax loss to Exprivia, recognising a payable/receivable for the subsidiaries, equal to the applicable IRES and tax losses used in the Tax Consolidation. The consolidated financial statements include the payable to the tax authorities for the Group's IRES taxes, net of tax credits.

Please note that the Group has benefited from the income tax break deriving from the use of intellectual property, introduced by art. 1, paragraphs 37-45, of Law no. 190/2014 "2015 stability law" (the "Patent Box").

## **Note 41 – Profit (Loss) for the period - *Discontinued Operations***

As described in more details in the Annual Report 2020 in the paragraph "Loss of control of Italtel by Exprivia pursuant to IFRS 10", to which reference should be made, Exprivia's Board of Directors has ascertained that the loss of control of the Italtel Group pursuant to IFRS 10 takes effect from 31 December 2020.

Since this is a "*major line of business*", the directors have presented in these financial statements the results of Italtel and its subsidiaries (Italtel Group) for the period ending at 30 June 2020 as discontinued operations pursuant to IFRS 5, disclosing:

- in a separate line item before net profit for the period in the income statement, the results of discontinued operations;
- separately in the statement of cash flows, net cash flows from discontinued operations.

It should also be noted that the existing relations between continuing and discontinued operations were treated as relations among independent parties and that the income statement and balance sheet items referring to discontinued operations also include the effect of consolidated eliminations of these relationships. The method chosen has led to the presentation of these transactions as if the discontinued operations had already left the scope of consolidation of the Exprivia Group, therefore:

- the individual income statement items relating to continuing operations have been stated without taking into account the elimination of inter-company transactions between the two operations;
- the income statement items referring to Discontinued Operations also include the effect of the consolidation eliminations of the operations between the two Operations.

The main economic and financial figures of discontinued operations are shown below, net of inter-company items.

amount in thousand Euro	Discontinued Operations	
	30.06.2021	30.06.2020
Revenues	0	102,823
Other income	0	6,011
<b>TOTAL REVENUES</b>	<b>0</b>	<b>108,834</b>
Costs for consumables and finished products	0	(47,598)
Personnel costs	0	(45,356)
Costs for services	0	(30,333)
Costs for the use of third party assets	0	(394)
Various management charges	0	(1,309)
Change in inventories	0	9,684
Provisions and write-downs of current assets	0	(10)
<b>TOTAL COSTS</b>	<b>0</b>	<b>(115,316)</b>
<b>EBTIDA</b>	<b>0</b>	<b>(6,482)</b>
Depreciation and write-downs of non-current assets	0	(4,344)
<b>EBIT</b>	<b>0</b>	<b>(10,826)</b>
Financial income and (expenses) and equity investments	0	(4,903)
<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>0</b>	<b>(15,729)</b>
Income taxes	0	1,556
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>0</b>	<b>(14,173)</b>
<b>Attributable to:</b>		
Shareholders of the Parent Company	0	(11,481)
Third parties	0	(2,693)
Income (charges) on equity investments	0	(14,173)
<b>PROFIT (LOSS) FOR THE PERIOD - DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>(14,173)</b>
<b>Attributable to:</b>		
Shareholders of the Parent Company	0	(11,481)
Third parties	-	(2,693)

Details of the cash flows relating to discontinued operations, as already separately disclosed in the cash flow statement, are provided below.

	30.06.2021	30.06.2020
Cash flow generated (absorbed) by income management - Discontinued operations	0	(8,022)
Cash flow generated (absorbed) by current assets and liabilities - Discontinued operations	0	16,740
Cash flow generated (absorbed) by investing activities - Discontinued operations	0	(1,415)
Cash flow generated (absorbed) by financing activities - Discontinued operations	0	(10,867)

## Note 42 – Profit (Loss) for the Period

In the first half of 2021, the Income Statement closed with a consolidated profit, after taxes, of Euro 4,459 thousand, compared to the first half of 2020, which saw a consolidated profit of Euro 1,889 thousand, as regards Continuing Operations, and a consolidated loss of Euro (12,284) thousand also considering Discontinued Operations. The significant improvement in the result of the first half of 2021 relating to Continuing Operations compared with the corresponding period of the previous year is mainly due to the increase in revenues both on the domestic market, especially on the Public Administration and Utilities markets, and on the international market. The increase in revenues is accompanied by an increase in margins on the various markets in addition to the measures to support companies launched by the government.

## Note 43 – Basic/Diluted Earnings

Information on figures used to calculate earnings per share and diluted earnings is provided below in accordance with IAS 33.

Earnings (loss) per share is calculated by dividing net profit for the period as reported in the consolidated financial statements drawn up in accordance with IAS/IFRS, attributable to ordinary shareholders of the Holding Company, excluding the treasury shares, by the average number of ordinary shares in circulation during the period.

For the purpose of calculating basic earnings per share, the economic result for the period minus the amount attributable to minority interests was used in the numerator. In addition, there are no privileged dividends, conversion of privileged shares and other diluting shares, which could adjust the economic result attributable to holders of ordinary capital instruments.

At 30 June 2021 the basic and diluted earnings per share amounted to Euro 0.0943.

for the six months ended	
Description	30.06.2021
Profit / (loss) for the determination of the basic profit / (loss) per share (Net profit / (loss) attributable to the shareholders of the parent company)	4,463,403
Earnings / (Losses) for the determination of the basic earnings / (losses) per share	4,463,403
Number of shares	30.06.2021
Number of ordinary shares as of January 1, 2021	51,883,958
Treasury shares as at 30 June 2021	4,546,084
Average weighted number ordinary shares for calculation of basic profit	47,337,874
Earnings per share (Euro)	for the six months ended 30.06.2021
Profit (loss) per basic share	0.0943
Diluted earnings (loss) per share	0.0943

## Note 44 – Information on the Cash Flow Statement

In compliance with the provisions of IFRS 5, the cash flows deriving from continuing operations and the cash flows at 30 June 2020 deriving from discontinued operations have been shown separately in the cash flow statement.

With regard to the cash flows deriving from continuing operations, the cash flows deriving from income management were positive for Euro 7.7 million, the management of current assets and liabilities absorbed cash flows of Euro 3.6 million, cash flows deriving from investment activities absorbed Euro 1.1 million. Lastly, financing activities absorbed cash flows of Euro 19.7 million.



## OTHER INFORMATION

### Contributions and economic benefits received from public administrations

Pursuant to art. 1 paragraph 125 of Law no. 124 of 2017, the statement below provides information relating to contributions and other economic benefits received in cash from the Italian public administrations in the first half of 2021; the amounts are expressed in thousands of Euro.

Typology	Financing Body	Project	Subsidized rate	Amount collected 06/30/2021
Subsidized financing	MISE	Findustry	0.18%	110
Lost Fund	MIUR	Active Aedge@Home		30
Lost Fund	MISE	Findustry		251
Lost Fund	Regione Lazio	Hea/9000		22
Lost Fund	INPS	Decontribuzione Sud, sconto 30% sui contributi di competenza primo semestre 2021 di cui al DL 104 Agosto 2020		1,004
Lost Fund	MISE	Instamed		409
Lost Fund	MIUR	Silab		1,271
<b>Total</b>				<b>3,097</b>

## RELATED PARTIES

In the Exprivia Group, there are relations between entities, parent companies, subsidiaries and associates and with other related parties.

### Inter-company Relations

The Group companies constantly collaborate with each other to optimise human resources and for technological and application development.

Transactions between Exprivia and the companies included in the scope of consolidation essentially consist of services and the exchange of software products. They are part of ordinary operations conducted at market conditions, meaning at the conditions that would be applied between independent parties. All transactions are carried out in the interest of the companies involved.

The tables below show amounts for commercial relations, financial relations and those of other kinds with companies included in the scope of consolidation.

The amounts shown in the following tables are in thousands of Euro.

## Equity Investments

Description	30/06/2021	31/12/2020	Variation
Exprivia Projects Srl	1,709	1,709	-
Group Exprivia S.L.U	2,581	2,581	-
Exprivia Do Brasil	2,575	2,575	-
ProSap SA de CV (Messico)	563	563	-
Advanced Computer Systems Gmbh	25	25	-
Spegea S.c.a r.l.	300	300	-
HRCOFFEE Srl	156	156	-
Consorzio Exprivia S.c. a r.l.	22	22	-
Exprivia Asia Ltd	350	350	-
<b>TOTAL</b>	<b>8,281</b>	<b>8,281</b>	<b>-</b>

## Non-Current Financial Receivables

Description	30/06/2021	31/12/2020	Variazioni
Exprivia Slu	711	711	-
Exprivia Asia	209	209	-
<b>TOTAL</b>	<b>920</b>	<b>920</b>	<b>-</b>

## Trade Receivables

Description	30/06/2021	31/12/2020	Variation
Consorzio Exprivia	1,354	615	740
Exprivia Messico SA de CV	16	16	-
Exprivia Projects Srl	582	581	1
Exprivia SLU	644	649	(5)
Spegea S. c. a.r.l.	33	54	(21)
ACS DE Gmbh	100	140	(40)
HR Coffee	3	12	(9)
<b>TOTAL</b>	<b>2,732</b>	<b>2,067</b>	<b>665</b>

## Work in Progress

Description	30/06/2021	31/12/2020	Variation
Spegea Scarl	33		33
Exprivia SLU	1	1	-
Consorzio Exprivia Scarl	-	860	(860)
<b>TOTAL</b>	<b>34</b>	<b>861</b>	<b>(827)</b>

## Other Current Receivables

Description	30/06/2021	31/12/2020	Variazioni
Receivables from Exprivia Projects for IRES from tax consolidation	112	63	49
Receivables from Exprivia Projects for VAT	232	-	232
Receivables from Spegea Scarl for IRES from tax consolidation	1	1	-
<b>TOTAL</b>	<b>345</b>	<b>64</b>	<b>281</b>

## Current Financial Receivables

Description	30/06/2021	31/12/2020	Variation
Exprivia Projects Srl	674	674	-
Gruppo ProSap	653	510	143
Exprivia Asya	693	682	11
Exprivia SI	1,322	932	390
<b>TOTAL</b>	<b>3,343</b>	<b>2,798</b>	<b>544</b>

## Trade Payables

Description	30/06/2020	31/12/2020	Variation
Exprivia Messico SA de CV	1	1	-
Exprivia Projects Srl	967	841	126
HR COFFEE Srl	47	0	47
Exprivia SLU	15	0	15
ACS GMBH	193	172	21
Spegea Scarl	84	56	28
Exprivia Do Brasil	3	3	-
<b>TOTAL</b>	<b>1,310</b>	<b>1,073</b>	<b>237</b>

## Current Financial Payables

Description	30/06/2021	31/12/2020	Variation
Exprivia Projects Srl	2,878	2,652	226
Spegea S.c. a r.l.	4	161	(157)
<b>TOTAL</b>	<b>2,882</b>	<b>2,813</b>	<b>69</b>

## Other Current Payables

Description	30/06/2021	31/12/2020	Variation
Exprivia Projects for VAT		0	(0)
Consorzio Exprivia Scarl for VAT	155	134	21
HR Coffee for consolidated IRES	103	89	14
<b>TOTAL</b>	<b>258</b>	<b>224</b>	<b>35</b>

## Trade Revenues

Description	30/06/2021	30/06/2020	Variation
Exprivia Projects Srl	521	620	(99)
Hr Coffee Srl	3	3	-
Spegea Scarl	33	12	21
Consorzio Exprivia Scarl	1,555	1,881	(327)
<b>TOTAL</b>	<b>2,112</b>	<b>2,517</b>	<b>(405)</b>

## Trade Costs

Description	30/06/2021	30/06/2020	Variation
Exprivia Projects Srl	428	651	(223)
ACS GMBH	359	208	151
Exprivia Messico Sa de Cv	0	0	(0)
Exprivia SLU	180	91	89
Spegea Scarl	94	22	72
<b>TOTAL</b>	<b>1,061</b>	<b>973</b>	<b>88</b>

## Revenues/Costs for Seconded Personnel

Description	30/06/2021	30/06/2020	Variazioni
Revenues from staff on secondment to Exprivia Projects Srl	(15)	(33)	18
Costs from staff on secondment to Exprivia Projects Srl	371	208	163
<b>TOTAL</b>	<b>356</b>	<b>175</b>	<b>181</b>

## Financial Income

Description	30/06/2021	30/06/2020	Variation
Exprivia Projects Srl (dividendi e interessi 30 06 2020)	0	678	(678)
Exprivia Messico Sa de Cv	8	7	1
Exprivia SLU	27	12	15
Exprivia Asia Ltd	12	12	(1)
<b>TOTAL</b>	<b>46</b>	<b>709</b>	<b>(662)</b>

## Financial Charges

Description	30/06/2021	30/06/2020	Variation
Exprivia Projects Srl	22	25	(3)
Spegea Scarl	1	3	(2)
<b>TOTAL</b>	<b>23</b>	<b>28</b>	<b>(5)</b>

## Relations with Parent Companies

For information concerning relations with the parent company, see the Directors' Report in the sections "Group Relations with the Parent Company" and "Report on Management and Coordination Activities".

The values expressed in the tables are in thousands of Euro.

## Non-Current Financial Receivables

Description	30/06/2021	31/12/2020	Variation
Non-current financial receivables from parent company	467	919	(452)
<b>TOTAL</b>	<b>467</b>	<b>919</b>	<b>(452)</b>

## Current Financial Receivables

Description	30/06/2021	31/12/2020	Variation
Current financial receivables from parent company	456	463	(7)
<b>TOTAL</b>	<b>456</b>	<b>463</b>	<b>(7)</b>

## Trade Receivables

Description	30/06/2021	31/12/2020	Variation
Trade receivables from parent companies	33	33	0
<b>TOTAL</b>	<b>33</b>	<b>33</b>	<b>0</b>

## Financial Costs

Description	30/06/2021	30/06/2021	Variation
Costs of a financial nature from parent companies	199	198	1
<b>TOTAL</b>	<b>199</b>	<b>198</b>	<b>1</b>

## Financial Income (interest income on loans)

Description	30/06/2021	30/06/2020	Variation
Financial income from parent companies	20	22	(2)
<b>TOTAL</b>	<b>20</b>	<b>22</b>	<b>(2)</b>

## Relations with Associates

Relations with Associates consist primarily of services and the exchange of products. They are part of ordinary business operations and are settled at market conditions, i.e. on the terms that would have applied between two independent parties. All transactions are carried out in the interest of the Group.

The table below provides information on relations with associates: values are expressed in thousands of Euro.

### Equity Investments in Associates

Description	30/06/2021	31/12/2020	Variation
QUESTIT SRL	563	375	188
<b>TOTAL</b>	<b>563</b>	<b>375</b>	<b>188</b>

### Trade Receivables

Description	30/06/2021	31/12/2020	Variation
QUESTIT SRL	53	46	7
<b>TOTAL</b>	<b>53</b>	<b>46</b>	<b>7</b>

### Trade Payables

Description	30/06/2021	31/12/2020	Variation
QUESTIT SRL	85	160	(75)
<b>TOTAL</b>	<b>85</b>	<b>160</b>	<b>(75)</b>

### Trade Costs

Description	30/06/2021	31/12/2020	Variation
QUESTIT SRL	65	15	50
<b>TOTAL</b>	<b>65</b>	<b>15</b>	<b>50</b>

### Trade Revenues

Description	30/06/2021	31/12/2020	Variation
QUESTIT SRL	47	-	47
<b>TOTAL</b>	<b>47</b>	<b>-</b>	<b>47</b>

## Relations with other related parties

Transactions carried out by the Group with other related parties essentially consist of services and the exchange of products. They are part of ordinary operations conducted at market conditions, meaning at the conditions that would be applied between independent parties. All transactions are carried out in the interest of the companies involved.

The table below provides information on relations with other related parties of the Exprivia Group.

The amounts in the following tables are expressed in thousands of Euro.



## Payables - Suppliers

Description	30/06/2021	31/12/2020	Variation
Giuseppe Laterza & Figli SpA	-	12	(12)
<b>TOTAL</b>	-	12	(12)

## Trade Costs

Description	30/06/2021	30/06/2020	Variation
Giuseppe Laterza & Figli SpA	10	-	10
<b>TOTAL</b>	10	-	10

As per the requirements of CONSOB resolution no. 11520 of 1 July 1998, the table below illustrates the remuneration for Directors, Statutory Auditors and Key Executives. For further information, see the "Remuneration Report" available on the Company's website ([www.exprivia.it](http://www.exprivia.it)) in the section Corporate - Corporate Governance - Corporate Information.

The values shown in the table are expressed in thousands of Euro.

Cariche	30/06/2021				30/06/2020			
	Fixed remuneration	Remuneration for participation in committees	Wages and payrolls	Other incentives	Fixed remuneration	Remuneration for participation in committees	Wages and payrolls	Other incentives
Administrators	193	36	356	41	203	40	351	47
Statutory Auditors	43	-	-	-	42	-	-	-
Strategic managers	-	-	144	14	-	-	110	12
<b>TOTAL</b>	236	36	500	55	245	40	461	59

Transactions with related parties essentially consist in services and the exchange of products. They are part of ordinary business operations and are settled at market conditions, i.e. on the terms that would have applied between two independent parties. All transactions are carried out in the interest of the Company.

There are no advances or loans to directors or statutory auditors and no commitments have been undertaken on behalf of the management body due to guarantees of any kind having been given.

## Contingent liabilities

There are no contingent liabilities not recorded in the balance sheet.

## Positions or transactions arising from atypical and/or unusual transactions

Pursuant to Consob Communication no. DEM/6064293 of 28 July 2006, during the first half of 2021 the Group did not carry out atypical and / or unusual transactions, as defined in the Communication itself.

## Significant non-recurring events and transactions

It should be noted that in the first half of 2021 the Group did not carry out significant non-recurring transactions pursuant to Consob Communication no. DEM/6064293 of 28 July 2006.

## Seasonality of the reference business

The sector in which the Group operates does not involve significant seasonal effects.

## Classification of financial instruments

The table below provides a reconciliation between financial assets and liabilities included in the Group's balance sheet and classes of financial assets and liabilities provided by IFRS 9 (amounts in thousands of euro):

ACTIVITY 'FINANCIAL AT 30 JUNE 2021	Loans and receivables "amortized cost"	Investments valued at "fair value through OCI (FVOCI)"	Investments valued at "fair value through PL (FVPL)"	Derivative financial instruments "financial assets valued at FV in the income statement"	Financial instruments available for sale "FVOCI"	Total
In thousands of Euro						
<b>Non current assets</b>						
Financial assets	707					707
Derivative financial instruments						0
Investments in associated companies			589			589
Investments in other companies		279				279
Other non-current assets	449					449
<b>Total no current assets</b>	<b>1,156</b>	<b>279</b>	<b>589</b>	<b>-</b>	<b>-</b>	<b>2,024</b>
<b>Current assets</b>						
Commercial credits	51,527					51,527
Other financial assets	702				205	907
Other current assets	10,404					10,404
Cash and cash equivalents	11,208					11,208
<b>Total Current assets</b>	<b>73,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205</b>	<b>74,046</b>
<b>TOTAL</b>	<b>74,997</b>	<b>279</b>	<b>589</b>	<b>-</b>	<b>205</b>	<b>76,070</b>

LIABILITIES 'FINANCIAL AT 30 JUNE 2021	Loans and borrowings "amortized cost"	Investments held to maturity "amortized cost"		Derivative financial instruments "financial liabilities valued at FV in the income statement" (FVPL)	Financial instruments available for sale "FVOCI"	Total
In thousands of Euro						
<b>Non Current liabilities</b>						
Bond	11,418					11,418
Due to banks	24,371					24,371
Other financial liabilities	3,132					3,132
Hedging derivative financial instruments				10		10
Other non-current liabilities	654					654
<b>Total Non Current liabilities</b>	<b>39,575</b>	<b>-</b>		<b>10</b>	<b>-</b>	<b>39,585</b>
<b>Current liabilities</b>						
Current bond loans	4,528					4,528
Trade payables and advances	30,135					30,135
Other financial liabilities	2,202					2,202
Due to banks	8,276					8,276
Other current liabilities	40,983					40,983
<b>Total Current liabilities</b>	<b>86,124</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>86,124</b>
<b>TOTAL</b>	<b>125,697</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>125,707</b>

It should be noted that the financial instruments reported above, with reference to loans, receivables, payables and investments, were measured at carrying amount, given it is considered to be an approximation of their fair value.

Derivative financial instruments at level 2 on the fair value hierarchy.

### **Fair Value Hierarchy Measurement**

For financial instruments carried in the balance sheet at fair value, IFRS 7 requires that these values be classified according to a hierarchy reflecting the significance of input used in determining fair value. There are three levels as follows:

**Level 1** - quoted prices on an active market for similar assets or liabilities;

**Level 2** - inputs other than the quoted prices in level 1, which are directly observable (prices) or indirectly (price-related inputs) observable on the market;

**Level 3** - inputs that are not based on observable market data.

## Certification of the Consolidated Financial Statements pursuant to art. 154-bis of Italian Legislative Decree 58/98

The undersigned Domenico Favuzzi, Chairman and CEO, and Valerio Stea, Executive manager responsible for preparing the corporate accounts of Exprivia, certify the following, taking into account the provisions of art. 154-bis (3, 4) of Legislative Decree no. 58 of 24 February 1998:

- the adequacy, in relation to the characteristics of the Company and
- the effective application of administrative and accounting procedures to draft the financial statements for the reporting period at 30 June 2021.

Furthermore, it is certified that the interim report:

- a) were prepared in accordance with International Financial Reporting Standards (IFRS), which were adopted by the European Commission with regulation 1725/2003 as amended, and are suitable for giving an accurate and correct representation of the equity, economic and financial situation of the company.
- b) the Directors' Report of the Group includes a reliable analysis that is consistent with the financial statements, operating trends and results, and also the situation of the company and group of subsidiaries included in consolidation, together with the description of the main risks and uncertainties and transactions with related parties.

Molfetta, 5 August 2021

**Domenico Favuzzi**

Chairman and Chief Executive Officer

**Valerio Stea**

Executive manager responsible for preparing the corporate accounts

## REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of  
Exprivia SpA

### Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Exprivia SpA and its subsidiaries (the Exprivia Group)] as of 30 June 2021, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cashflow statement and related notes. The directors of Exprivia Group are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

### Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Exprivia Group as of 30 June 2021 are not prepared, in all

### PricewaterhouseCoopers SpA

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material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Naples, 6 August 2021

PricewaterhouseCoopers SpA

*Signed by*

Carmine Elio Casalini  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the condensed interim financial statements referred to in this report.*