

EXPRIVIA SIGNS THE LEGALLY BINDING AGREEMENTS FOR THE ACQUISITION OF 81% OF THE ITALTEL' SHARE CAPITAL

The Closing of the operation scheduled within the year

July 28, 2017. **Exprivia** - a company listed on the STAR segment of Borsa Italiana [XPR.MI] - informs that yesterday late evening the legally binding agreements between all parties involved in the recapitalization of Italtel S.p.A. have been signed.

With an investment of 25 million Euro Exprivia will acquire a stake of 81% of the company's ordinary capital. The completion of the closing is expected by December 2017.

Italtel, a leading Italian company in the Telecommunications market and today engaged in the development of technologies and solutions for the digital transformation, with the parent company Italtel S.p.A.. operating in Italy and its 12 100% owned overseas companies, has developed a consolidated revenue of 400 million euro in 2014, 441 million in 2015, 405 million in 2016, EBITDA of 34 million in 2014, 31 million in 2015, 19 million in 2016. The company at the end of 2016 registered a net debt of 217 million Euro and counted 1,357 employees, of which 254 abroad.

The acquisition of the control of Italtel S.p.A.. by Exprivia will be completed in the context of the recapitalization of the company for 115 million euro, which has been also formalized with the funding institutions today and is articulated as it follows:

- 1) Conversion of part of the financial credit of the principal Italtel's main funding institutions (UniCredit, BPM, Interbanca and UBI) into equity financial instruments for total of 68 million euro.
- 2) Increase in Ordinary Share Capital subscribed by Exprivia and Cisco System International B.V. for a total amount of 31 million euros, of which 20 million are registered capital and 11 as share premium capital, as it follows: Exprivia, for 25 million acquires 81% of the share capital of which 16.2% is registered capital and 8.8 as share premium. Cisco for 6 million, 19% of the share capital, of which 3.8 are registered and 2.2 as share premium. This increase will be released by converting receivables for 6 million.
- 3) Increase in Extraordinary Share Capital subscribed entirely by Cisco for a total amount of 16 million euro, divided into 1 euro as registered capital and the remaining part as "preferred share premium". This increase will be released by conversion of receivables.

Italtel's recapitalization will be finalized under the procedure by ex-art. 182 Bis LF.



For the financing of the operation Exprivia will put the following financial resources: 1) bond issue of 17 million euro by a pool of professional investors: Banca Popolare di Bari società cooperativa per azioni, for 8 million, Anthilia Capital Partners Sgr S.p.A., for 8 million and Confidi Systema società cooperativa, for 1 million; 2) conversion of sales and repayable trade receivables from Italtel S.p.A. by offsetting to the corresponding subscription debt, for 2 million; 3) from the availability of working capital resources, for 6 million.

The bond issue will be senior unsecured, with a single issue of 100,000 euro, regulated by a fixed rate of 5.8%, with half-year coupons, with a semi-bullet amortization plan for repayment of 20% of the capital per year from 2020 and the remaining 40% at 2023. The securities will be issued in the centralized management system at Monte Titoli S.p.A. with listing at ExtradMot Pro and it is reserved to qualified investors.

The main funding banks of Exprivia have approved the acquisition of Italtel's control and the related financing arrangements.

Following to the Closing, Italtel's governance will allow Exprivia to assume the role of majority shareholder, with the usual protection for the minority shareholder Cisco and the SFP holders. In addition, the shares subscribed by Exprivia at the Closing will be subject to lock-up for the next three years.

In structuring and negotiating the transaction and in formalizing its agreements, Exprivia has been assisted by C&L Partners Srl for financial matters, from Clifford Chance for legal matters, CBA Studio Legale e Tributario for tax matters. Arranger of the bond issue has been Banca Popolare di Bari, while the law firm that followed the bond issue issued by Exprivia to finance the operation has been Orrick Italia.

Exprivia

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

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

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

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

www.exprivia.it/en/

Contacts

Exprivia SpA

Marketing & Communication

Alessia Vanzini

alessia.vanzini@exprivia.it

T. +39 0228014.1 - F. +39 022610853

Investor Relations

Gianni Sebastiano

gianni.sebastiano@exprivia.it

T. + 39 0803382070 - F. +39 0803382077

Press office

Sec Mediterranea

T. +39 080/5289670

Teresa Marmo

marmo@segrp.com - Cell. +39 335/6718211

Gianluigi Conese

conese@segrp.com - Cell. +39 335/7846403

Sec and Partners

T. +39 06/3222712

Martina Trecca

trecca@segrp.com - Cell. +39 333/9611304

Andrea Lijoi

lijoi@segrp.com - Cell. +39 329/2605000