

THE BOARD OF DIRECTORS OF EXPRIVIA APPROVES THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2017

- Revenues: equal to euro 75.6 mln (+12% more than 67.6 of 2016)
- EBITDA: equal to euro 6.3 mln *adjusted*, 8.3% on revenues (4.0 mln in 2016)
- EBIT: equal to euro 3.9 mln *adjusted*, 5.2 % on revenues (1.9 mln in 2016)
- EBT: equal to euro 2.7 mln *adjusted*, 3.6% on revenues (0.5 mln in 2016)
- Net Financial Position improving of euro 2 mln

August 4, 2017. Exprivia - a company listed on the STAR segment of Borsa Italiana [XPR.MI] - approved today the interim report at 30 June 2017, prepared in accordance with International Accounting Standards (IAS / IFRS) and in particular with the requirements of IAS 34 – Interim Report.

The first half of the year has been characterized by a double-digit growth in revenues and a good increase in EBITDA. Consolidated revenues amount to 75.6 million euro, up 12% on 2016, EBITDA adjusted (*) to 6.3 mln. Noteworthy is the revenues from ACS, operating in the field of Space technology, consolidated since the second half of 2016, as well as revenues from Business Process Outsourcing projects, launched in the current year.

In Italy the Utilities and Energy markets both show a double-digit growth, of +15% and +54% respectively. Substantially in line with past year the Industry, Banking&Finance, Telco&Media and Public Sector markets. The Healthcare sector declined mainly due to the delay in the assignment of important orders.

Net debt is equal to -33.8 mln, improving of 2 mln euro compared to the end of 2016.

"During the first semester - says **Domenico Favuzzi, president and CEO of Exprivia** - we have strengthened our positioning on large customers, expanded the scope of our business and brought in some great orders. We have strengthened our presence in the Aerospace market by integrating into the group the company ACS, consolidated since the second half of last year. We launched the merger project within the parent company of the largest subsidiaries, with the aim of simplifying the governance, and, above all, we signed the agreements for acquiring the control of Italtel on July 27. All this actions will allow Exprivia to launch industrial synergies that will enable it to strengthen its leading role in the market by becoming a player with strong IT and Telco integration capabilities. We expect - concludes Favuzzi – challenging future which we look however with the full awareness of our vision. "

(*) EBITDA, EBIT and EBT have been adjusted by neutralizing the effects of a non-recurring tax entry. During the first half of the year, the Company decided to apply the simplified procedure for "*definizione agevolata delle controversie tributarie, ai sensi dell'art. 11 d.l. 24 aprile 2017, n. 50, conv. l. 21 giugno 2017, n. 96*", in order to definitively close a fiscal dispute, in charge of the subsidiary Exprivia Enterprise Consulting S.r.l. in 2006, the year before its aggregation in the group. This led to charge on the subsidiary's profit&loss amounting to 1.4 million euro, over 700 thousand already accrued in 2016, and overdue interest expense for 523 thousand euro.

Consolidated results at first half 2017

In 2017 the **consolidated revenues** amounts to Euro 75.6 mln, compared to 2016 when it was equal to Euro 67.6 mln.

Consolidated **EBITDA adjusted** amounts to Euro 6.3 mln, 8.3% of revenues, compared to Euro 4.0 mln in previous year.

Consolidated **EBITDA** amounts to Euro 4.9 mln.

Consolidated **EBIT adjusted** amounts to Euro 3.9 mln compared to 1.9 mln in 2016.

Consolidated **EBIT** amounts to Euro 2.6 mln.

Profit before taxes adjusted amounts to Euro 2.7 mln, 3.6% on revenues, compared to 0.5 mln in 2016.

Profit before taxes amounts to Euro 0.8 mln.

The **Net Debt** at 30 June 2017 amounts to Euro -33.8 mln, improving of 2 mln, compared to Euro -35.8 mln at 31 December 2016.

Group shareholders' equity at 30 June 2017 amounts to Euro 74.6 mln compared to 74.7 mln at 31 December 2016.

Holding Company results

Revenues are equal to Euro 33.4 mln, increase of 8% compared to 2016 (30.9 mln).

EBITDA amounts to Euro 3.0 mln increase of 92% (Euro 1.6 mln in 2016).

EBIT amounts to Euro 0.6 mln, 2% on revenues (Euro 0.8 mln in 2016)

Profit before taxes amounts to Euro 3.8 mln, compared to 3.3 mln in 2016.

Net debt at June 30, 2017 is Euro -20.4 mln compared to Euro -27.1 mln at 31 December 2016.

Shareholders' Equity at June 30, 2017 is equal to Euro 71.8 mln compared to Euro 68.5 mln at 31 December 2016.

The net result reflects the effect of the waiver of receivables of the subsidiary Exprivia Enterprise Consulting for 1.8 mln Euro, in order to re-capitalize the subsidiary.

EBIT adjusted is equal to Euro 2.4 mln, 7% on revenues.

Profit before taxes adjusted amounts to Euro 5.6 mln.

On the 31st July 2017 the Extraordinary Shareholders' Meeting approved the project of merger by incorporation into Exprivia S.p.A. of 100% owned subsidiaries Exprivia Digital Financial Solution S.r.l., Exprivia Healthcare IT S.r.l. and Exprivia Telco&Media S.r.l., with the aim of directing the markets where it operates through specific divisions.

New Internal Dealing Procedure

The Exprivia Board of Directors has approved a new release of the "Internal dealing" procedure replacing the procedure that entered into force in 2006 and subsequently amended on January 11, 2008. The procedure has been approved in accordance with the provisions of national law after the acquisition of European Market Abuse regulation.

The Board of Directors of Exprivia S.p.A., with the approval of the Board of Auditors, also appointed Mr. Valerio Stea, new administration director of the parent company Exprivia Spa, as manager in charge of preparing corporate accounting documents of Gruppo Exprivia.

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..

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CONSOLIDATED STATEMENT OF ASSET AND LIABILITIES

Amount in Euro

	30.06.2017	31.12.2016
Land and buildings	13,516,240	13,869,992
Work in progress and advances	154,804	
Other assets	2,063,151	2,171,240
Property, plant and machinery	15,734,195	16,041,232
Goodwill	67,354,020	67,428,110
Goodwill and other assets with an indefinite useful life	67,354,020	67,428,110
Intangible assets	3,936,939	4,112,591
Research and development costs	3,879,074	4,188,397
Work in progress and advances	3,916,402	3,314,652
Other Intangible Assets	11,732,415	11,615,640
Investments in other companies	167,661	167,561
Shareholdings	167,661	167,561
Receivables to parent companies	2,196,440	2,596,910
Other receivables	222,747	209,659
Derivative financial instruments	34,568	34,568
Other financial assets	2,453,755	2,841,137
Other receivables	1,767,528	1,772,942
Other financial assets	1,767,528	1,772,942
Tax advances/deferred taxes	2,965,167	2,943,418
Deferred tax assets	2,965,167	2,943,418
NON-CURRENT ASSETS	102,174,741	102,810,040

Amount in Euro

	30.06.2017	31.12.2016
Trade receivables	60,394,074	59,422,457
Other receivables	8,848,121	9,527,989
Tax receivables	2,531,987	2,796,038
Trade receivables and other	71,774,182	71,746,484
Stock	937,828	1,019,248
Stock	937,828	1,019,248
Work in progress to order	18,876,216	15,652,180
Work in progress to order	18,876,216	15,652,180
Other receivables	566,215	1,572,833
Receivables from parent	420,221	469,678
Other Financial Assets	986,436	2,042,511
Current banks	13,849,036	12,455,496
Cheques and unrepresented effects	32,097	39,437
Cash resources	13,881,133	12,494,933
Shareholdings in subsidiaries	465,756	462,748
Assets classified as owned for sales and those included in aggregates for disposal	465,756	462,748
CURRENT ASSETS	106,921,551	103,418,104
ASSETS	209,096,292	206,228,144

Amount in Euro

	30.06.2017	31.12.2016
Share Capital	25,154,899	25,154,899
Share capital	25,154,899	25,154,899
Share premium	18,081,738	18,081,738
Share Premium Reserve	18,081,738	18,081,738
Revaluation reserve	2,907,138	2,907,138
Revaluation reserve	2,907,138	2,907,138
Legal reserve	3,931,382	3,931,382
Revaluation reserve	3,931,382	3,931,382
Other reserves	18,673,753	20,579,266
Other reserves	18,673,753	20,579,266
Retained earning/loss	6,938,506	2,246,057
Profits/Losses for previous periods	6,938,506	2,246,057
Profit/Loss for the period	(134,782)	2,838,069
SHAREHOLDERS' EQUITY	75,552,634	75,738,549
Minority interest	914,775	994,361
GROUP SHAREHOLDERS' EQUITY	74,637,859	74,744,188

Amount in Euro	30.06.2017	31.12.2016
NON-CURRENT LIABILITIES		
Non-current bond	922,087	1,839,297
Non-current bond	922,087	1,839,297
Non-current bank debt	24,936,450	24,624,683
Non-current bank debt	24,936,450	24,624,683
Trade payables after the financial year	725,563	698,021
Payables to other lenders	10,000	10,000
Derivative financial instruments	12,503	12,503
Other financial liabilities	748,066	720,524
Tax liabilities and amounts for social security payable after the financial year	2,431,304	2,881,594
Other financial liabilities	2,431,304	2,881,594
Amounts payable to pension and social security institutions	382,350	436,004
Payables for equity investments	668,216	
Other no current liabilities	1,050,566	436,004
Other provisions	301,143	1,068,718
Provision for risks and charges	301,143	1,068,718
Employee severance indemnities	9,783,682	10,403,774
Employee provisions	9,783,682	10,403,774
Provisions for deferred taxes	1,233,376	1,189,221
Deferred tax liabilities	1,233,376	1,189,221
NON CURRENT LIABILITIES	41,406,674	43,163,815

Amount in Euro

	30.06.2017	31.12.2016
Current bond	1,682,627	1,508,246
Current bond	1,682,627	1,508,246
Current bank debt	24,336,843	25,845,581
Current bank debt	24,336,843	25,845,581
Trade payables	20,053,943	18,816,906
Trade payables	20,053,943	18,816,906
Advances	3,376,341	3,394,884
Advances payment on work in progress contracts	3,376,341	3,394,884
Payables for equity investments	360,000	359,999
Other payables	954,590	925,172
Other financial liabilities	1,314,590	1,285,171
Tax liabilities	13,009,593	12,360,112
Tax liabilities	13,009,593	12,360,112
Payables to welfare and social security institutions	5,562,670	6,866,252
Other payables	22,800,378	17,248,628
Other current liabilities	28,363,048	24,114,880
CURRENT LIABILITIES	92,136,984	87,325,780
TOTAL LIABILITIES	209,096,292	206,228,144

CONSOLIDATED PROFIT AND LOSS

Amount in Euro

	30.06.2017	30.06.2016
Revenue from sales and services	73,866,678	65,750,774
Revenues	73,866,678	65,750,774
Other revenues and income	289,414	305,751
Grants related to income	294,494	912,835
Increase in capitalised expenses for internal projects	1,289,169	745,358
Other income	1,873,077	1,963,944
Var. stock of products being processed, semi-finished items	(111,481)	(83,272)
Variation in stock of finished products and products being processed	(111,481)	(83,272)
PRODUCTION REVENUES	75,628,274	67,631,446
Costs of raw, subsid. & consumable mat. and goods	6,058,347	5,364,801
Salaries	50,398,685	45,999,161
Costs for services	10,570,617	9,713,010
Costs for leased assets	2,087,322	2,079,437
Sundry operating expenses	2,175,444	301,632
Provisions	(579,433)	125,085
TOTAL PRODUCTION COSTS	70,710,982	63,583,126
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	4,917,292	4,048,320

Amount in Euro

	30.06.2017	30.06.2016
Ordinary amortisement of intangible assets	1,447,718	1,062,391
Ordinary amortisement of tangible assets	697,022	967,215
Devaluation of credits included in working capital	220,150	90,861
Amortisation, depreciation and write-downs	2,364,890	2,120,467
OPERATIVE RESULT	2,552,402	1,927,853
Financial income and charges	(1,744,598)	(1,393,934)
PRE-TAX RESULT	807,803	533,919
Income tax	942,586	(25,639)
PROFIT OR LOSS FOR THE PERIOD	(134,782)	559,558
Attributable to:		
Shareholders of holding company	(160,811)	556,285
Minority interest	26,029	3,273
Earnings per share losses		
Basic earnings per share	(0.0033)	0.0113
Basic earnings diluted	(0.0033)	0.0113

CONSOLIDATED FINANCIAL STATEMENT

Amount in Euro

	30.06.2017	30.06.2016
Operating activities:	(1)	(1)
Profit (loss)	(134,782)	559,558
Amortisation, depreciation and provisions	1,785,457	2,029,606
Provision for Severance Pay Fund	2,122,138	1,931,196
Advances/Payments Severance Pay	(2,493,964)	(2,155,339)
Cash flow arising from operating activities	1,278,849	2,365,021
Increase/Decrease in net working capital:		
Variation in stock and payments on account	(3,161,159)	(2,246,266)
Variation in receivables to customers	(1,134,837)	3,398,678
Variation in other accounts receivable	943,308	(2,318,642)
Variation in payables to suppliers	1,304,164	1,128,407
Variation in payables to parent/subsidiary/associated company		465,930
Variation in tax and social security liabilities	(654,101)	(2,563,978)
Variation in other accounts payable	5,607,576	6,388,140
Cash flow arising (used) from current assets and liabilities	2,904,951	4,252,269
Cash flow arising (used) from current activities	4,183,800	6,617,290
Investment activities:		
Variation in tangible assets	(389,985)	(309,853)
Variation in intangible assets	(1,547,332)	(688,709)
Variation in financial assets	(8,513)	(150,446)
Purchase of minority interests	(1,481)	
Cash flow arising (used) from investment activities	(1,947,311)	(1,149,008)
Financial activities:		
Changes in financial assets not held as fixed assets	20,285	263,351
Changes in fair value of derivatives		(41,618)
Capital increase		(585,154)
Dividend paid	(54,927)	(1,044,775)
Variation shareholders' equity	(242,991)	301,723
Cash flow arising (used) from financial activities	(277,633)	(1,106,473)
Increase (decrease) in cash	1,958,856	4,361,810
Banks / funds / securities and other financial assets at the beginning of the year	17,852,802	8,565,365
Banks / cash and other financial liabilities at the beginning of the year	(56,188,359)	(46,631,913)
Banks / funds / securities and other financial assets at end of period	17,805,864	19,101,942
Banks / cash and other financial liabilities at end of period	(54,182,565)	(52,806,681)
Increase (decrease) in liquidity	1,958,856	4,361,810
(1) including taxes and interest paid in the period	1,391,120	1,115,433