



# **Interim Report on Operations 31 March 2022**

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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 31 March 2022



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## Significant Group Figures and Result Indicators

The following is a summary of the main consolidated economic, capital and financial data of Exprivia SpA and its subsidiaries (hereinafter also referred to as the "Group" or the "Exprivia Group") at 31 March 2022, 31 March 2021 and 31 December 2021.

**amount in thousand Euro**

	31.03.2022	31.03.2021	31.12.2021
Total revenues	43,827	40,868	181,726
net proceeds	42,903	39,670	176,476
increase to assets for internal work	435	444	1,671
other proceeds and contributions	489	754	3,579
Difference between costs and production proceeds (EBITDA)	5,872	4,729	24,579
% on total revenues	13.4%	11.6%	13.5%
Net operating result (EBIT)	4,343	3,088	18,148
% on total revenues	9.9%	7.6%	10.0%
Profit / (Loss) for the period	2,490	1,647	10,138
Group net equity	76,674	65,261	73,889
Total assets	203,968	204,058	207,123
Capital stock	24,616	24,616	24,616
Net working capital (1)	16,794	11,823	7,794
Cash flow (2)	4,153	3,466	18,296
Fixed capital (3)	100,278	102,909	100,700
Investment (4)	705	1,416	3,006
Cash and cash equivalents / securities / other financial assets (a)	15,810	20,233	23,748
Financial payables / other short-term financial liabilities (b)	(15,520)	(16,827)	(16,284)
Financial payables / other medium / long-term financial liabilities (c)	(32,713)	(43,889)	(33,971)
Net financial debt (5)	(32,423)	(40,483)	(26,507)

(1) - "Net working capital" is calculated as the sum of the total current assets, less liquidity and total current liabilities plus current bank debt.

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

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

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

(5) - Net Financial Debt = a+b+c.

The table below shows the main economic indicators of the Group at 31 March 2022, compared with the same period of the previous year.

For the calculation of ROE and ROI, it was considered appropriate to use an annual "rolling" approach by taking as a reference the net profit and operating income from 1 April 2021 to 31 March 2022, for the data at 31 March 2022, and from 1 April 2020 to 31 March 2021, for the data at 31 March 2021.

Exprivia Group	31.03.2022	31.03.2021
ROE index (Result for the period / Group shareholders' equity)	14.32%	15.02%
ROI index (Net operating margin / Net invested capital) (6)	18.83%	15.88%
ROS index (Net operating margin / Revenues from sales and services)	10.12%	7.78%
Financial charges (7) / Result for the period	0.22	0.48

- (6) **Net invested capital:** 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 referring to 31 March 2022 and 31 December 2021.

Exprivia Group	31.03.2022	31.12.2021
Net Financial Debt / Equity Capital	0.42	0.36
Debt ratio (Total Liabilities / Equity Capital)	2.66	2.80

## Summary of the operations at 31 March 2022

The table below provides the results of the Exprivia Group at 31 March 2022 compared with the previous year:

Exprivia Group - Continuing Operations (amounts in thousands of Euro)	31.03.2022	31.03.2021	Variations	% Variations
Revenues	43,827	40,868	2,959	7.2%
EBITDA	5,872	4,729	1,143	24.2%
EBIT	4,343	3,088	1,255	40.6%
Pre-tax result	3,795	2,338	1,457	62.3%
Result	2,490	1,647	843	51.2%

Exprivia Group - Continuing Operations (amounts in thousands of Euro)	31.03.2022	31.12.2021	Variazioni	Variazioni %
Net financial debt	(32,423)	(26,507)	(5,916)	22.3%

As can be seen, the revenues of the Exprivia Group in the first quarter of 2022, amounting to Euro 43.8 million, are up compared to the same period of 2021; margins increased even more than revenues. Net financial debt was negative by Euro 32.4 million at 31 March 2022 compared to the negative figure of Euro 26.5 million at 31 December 2021.





# **Profile of Exprivia Group**

## **Future.Perfect.Simple**

## An international group enabling digital transformation processes

Exprivia is an international business group specialised in Information and Communication Technology. It uses digital technologies to steer its customers' business change drivers.

The Group stands out for its reliability in managing complex projects through the connection and integration of vertical and horizontal skills and the ability to create solutions that are easy to use and update, as they are based on continuous research and innovation.

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

## 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

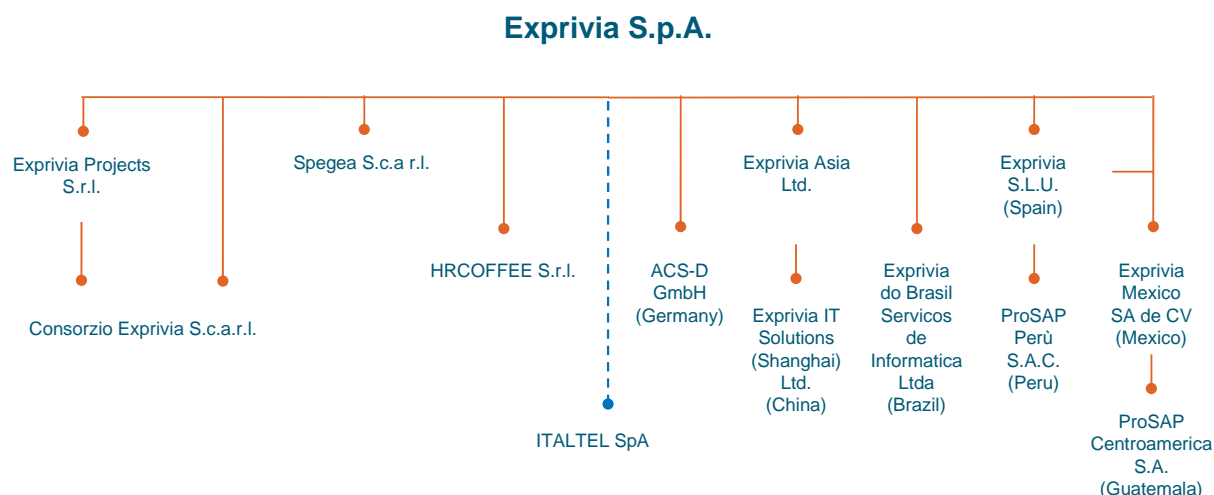
Being simple is the fundamental requirement of all of our systems, designed to improve people's lives through the availability and usability of information.

### 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 graph shows the main companies of the Exprivia Group that are direct and indirect subsidiaries of Exprivia.



Exprivia SpA holds 81% of the share capital of Italtel SpA and the Board of Directors of Exprivia SpA acknowledged, by resolution of 30 April 2021, that it had lost control of Italtel SpA pursuant to IFRS 10 as from 31 December 2020.

It should also be noted that Exprivia holds equity investments in the associated companies Quest.it Srl and Urbanforce Scarl.

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

## Equity Investments in subsidiaries

### Italian companies

**Exprivia Projects Srl** is 100% owned by Exprivia SpA. 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.

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

**Spegea Scarl** is 60% owned by Exprivia SpA and has fully paid-up share capital of Euro 125,000.00. It is a School of Management based in Bari, it 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**, a company of which Exprivia SpA 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.

**ITALTEL SpA**, a company in which Exprivia holds 81% of the share capital.

## Foreign Companies

**Exprivia SLU**, a Spanish company 100%-owned by Exprivia SpA, is the result of the merger by incorporation of the former companies 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 SpA 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 SpA 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 SpA, 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 SpA, its sole shareholder, in the aerospace and defence sector.

## Equity Investments in Associated Companies

**Quest.IT S.r.l.**, a company in which Exprivia holds 24.9% of the share capital. The company was established in 2007 as a spin-off of the Artificial Intelligence research group of the Siena Department of Information Engineering. It develops Artificial Intelligence solutions based on cognitive and automatic learning technologies, which enable the extraction of value from data, thus improving processes and organisation.

**Urbanforce Scarl.**, a company in which Exprivia holds 28.57% of the share capital, specialised in the Salesforce market.



# 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.





## Environment, health, and safety

## Industries

### A winning bid on each market

Exprivia is an ICT services company, whose business model is based on the idea that the human production factor prevails rather than the machine. 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 Molletta. 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

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.



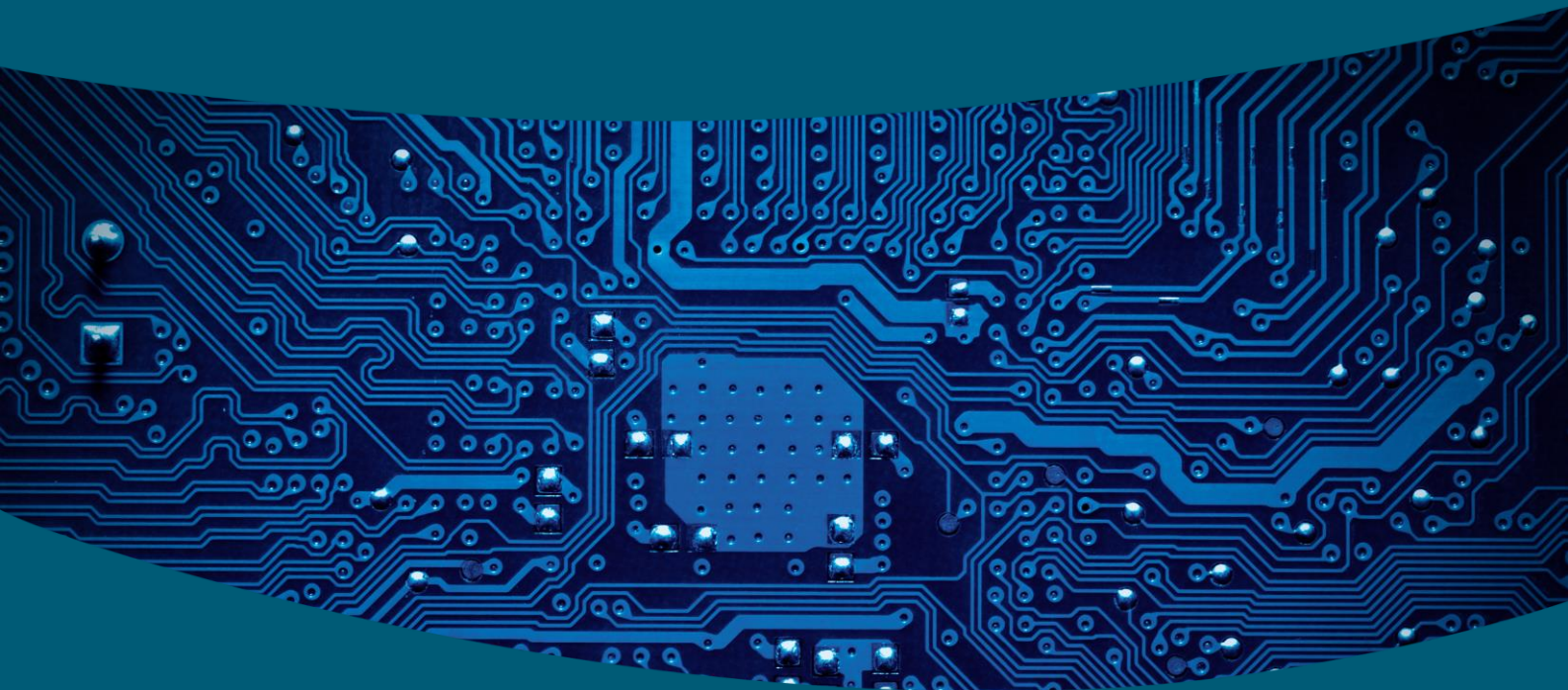
## Public Sector

### 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**

EXPERTISE	DESCRIPTION
Big Data & Analytics	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.
Cloud	The advent of cloud computing has completely revolutionised how we acquire, implement and execute IT services. Our cloud services refer to four fundamental models: Public Cloud, Private Cloud, Hybrid Cloud and Community Cloud.
IoT & Contextual Communication	The IoT is capable of having a positive effect on the very idea of business, work, study, health and life. The main skills development areas are: Industry 4.0, Digital Healthcare, Smart Cities, Smart Grid.
Cybersecurity	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: <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>
Mobile	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.
SAP	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.
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 Software Factory 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**



## Performance trend of the Exprivia Group

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

### Banking & Finance

In the first quarter of 2022, the sector continued on the path started in the second half of 2021. The overall dynamics of the sector remain focused on the implementation of post-pandemic business models and on an overall rebalancing of forces and roles at competitive level, both in the banking and insurance sectors. In addition, in this first quarter there are two trends that have affected it and that will produce further effects in 2022: the new business plan of the main groups in the sector, and the war between Russia and Ukraine.

Both of these last two scenarios led to an impact on IT investments in 2022. The new business plans involve a rethinking of investment priorities, a renewed commitment to develop or preside internally the core solutions on which the 'new normal' business models will be centred, and the engagement of a new model of collaboration with partners and suppliers who will be increasingly asked for end-to-end and multi-process collaboration capabilities. The unexpected war, on the other hand, after an initial general uncertainty in the second part of the first quarter, with a slowdown in activities, will produce effects on the following quarters that are difficult to foresee at present, although the nature of the Italian banking and insurance system, which is not very exposed abroad, and even less so to countries in the current war scenario, suggests that already in the second half of the year a new general balance will enable investments, including IT investments, that have been slowed down to be unblocked and redirected. What we are not yet able to predict today will mainly be the impacts on the real economy of the European and Italian markets and how these impacts will affect market demand for the financial system.

Exprivia's performance in this first quarter of 2022 keeps on following the positive path of 2021, with growth of 7% compared to the first quarter of last year. Once again, our efforts are rewarded by focusing on the Credit, Factoring and Finance Business Processes, rather than the development and proposition of solutions in the areas of Cyber Security, AI and Hyperautomation, Mobile Banking and migration to the Cloud.

### Telco & Media

The year 2022 opens against a difficult backdrop in the Telco market; the major operators are reorganising and redefining their strategy as well as reviewing their investment plans and spending priorities. In this context, Exprivia continues to focus on its main customers, along with innovative offerings that are generating growing interest and producing 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;

### Energy & Utilities

Despite the unprecedented increases in energy prices (400% increase for gas in the last quarter of the year 2021 compared to the first quarter, 300% increase in electricity over the same period), 2021 was the year of the big rebound in energy consumption, both globally and in Europe and Italy. However, the change in the macroeconomic framework, which began before the start of the war in Ukraine, strongly limited the trend increase in energy demand in the first quarter of 2022 (according to ENEA +2% compared to the corresponding period of 2021) in a scenario characterised by a drastic slowdown in industrial production, only slightly above the levels of a year ago, and by a significant downsizing of GDP growth. In the first quarter of 2022, there was an increase in the cost of electricity, with a 55% change in total expenditure

compared to the previous quarter. (Source: ARERA). The change in total expenditure for natural gas, again in the first quarter of 2022, was + 41.8% compared to the previous quarter (Source: ARERA).

This scenario strengthens the energy transition objectives of the country, intended not only to combat the climate emergency, but also to rethink entire industrial chains, involving products, processes and business models.

In this perspective, Exprivia continues to enrich and diversify its offer of solutions to support the energy transition, especially for Energy Management processes (energy communities, UVAM, Smart Grid, etc.) as well as to redesign new sustainable mobility models.

During the first quarter of 2022, Exprivia has consolidated revenue growth compared to the corresponding period of 2021, relying on the development of activities related to the main digital transformation programmes linked to its customers' sustainability and energy transition objectives. The performance in the first quarter and the pipeline of activities starting in the second quarter of 2022 make it possible to project further volume development in the following quarters.

## Aerospace & Defence

For 2022, a further increase in commercial opportunities is expected for the Aerospace market compared to 2021, which had already shown significant numbers.

While the European Space Agency (ESA) has practically concluded the first round of tenders for the award of contracts concerning the management of the Copernicus Space Component system operations, the activities related to the implementation of the NRRP, with the specific measures dedicated to Space, are beginning to take off. ESA will use its procedures to manage Euro 1,780 million to strengthen Italian skills and capabilities in the development of application-oriented technologies and to enhance Italy's competitiveness in the domains of Earth Observation, Space Transportation and In-Orbit Servicing. The funds must be spent in the period 2022-2026. ESA is now conducting consultations with the companies of the upstream sector and will shortly do the same with those of the downstream sector with the aim of finalising all procurement contracts within one year from today.

Added to this already interesting scenario this year is a new flagship programme of the European Commission: Destination Earth (DestinE). DestinE's objective is to develop an accurate digital model of the Earth (a "digital twin") in order to monitor and predict climate change and environmental impacts due to human actions. While waiting for this new European programme, our customers ESA, EUMETSAT and ECMWF will be publishing several calls for tenders this year.

ESA has also reconfirmed Exprivia as the reference supplier for the Long-Term Archive service.

Also during the first quarter of 2022, the call for tenders relating to the Copernicus data access service (CSC Data Access Service) was closed. On this opportunity, the collaboration as on-demand production service manager with a leading partner continues.

With regard to EUMETSAT, tenders relating to the CO2M mission are expected shortly.

## Manufacturing & Distribution

The Industry & Distribution market, heavily impacted in 2020 by the pandemic, recorded a robust recovery in 2021.

To be reiterated is the importance of digitisation to support the strategy to redesign business models as well as the introduction of new forms of innovation and flexible automation of 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 already up in 2021, especially in the application projects segment, confirm the trend also in Q1 2022.

Commercial positioning is projecting growth on the main 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, Cyber Security and migration of infrastructures to the cloud.

## Healthcare

The Healthcare sector also recorded significant growth in digital demand in the first quarter of 2022. The NRRP initiatives are stimulating the entire Digital Healthcare market, leading to a rethinking of a series of interventions that have never been fully implemented, such as FSE and Telemedicine.

The rethinking of healthcare on a local basis, the need for which has been underlined by the pandemic, envisages the design and reorganisation of the health system according to the logic of proximity, where places of care are organised according to levels of intensity. This reorganisation brings with it a high level of attention to Telemedicine for the reorganisation of health services, the application modernisation of both administrative and hospital information systems, the importance of integration and interoperability of systems, the strategic importance of data architecture and data strategy to make health data available and usable.

In order to seize the growth opportunities that the NRRP will offer to the market, Exprivia is addressing the various procurement initiatives presented by Consip and the Regional Commissioning Centres, as well as supporting the Administration in defining upcoming projects.

In this market context, Exprivia is confirming its growth in Q1 2022 compared to the same period of 2021.

## Public Sector

The Public Administration market, as already occurred in 2021, is maintaining a positive trend also for 2022. The next few years will mark a radical change in the capacity of the PA to direct the demand for digital transformation, and the NRRP is the fundamental enabler.

Mission 1 of the NRRP ("Digitisation, Innovation, Competitiveness, Culture and Tourism") places the digitisation of the Public Administration among the main fields of action with wide-ranging technological interventions that include, in addition to the areas already highlighted, the digitisation of user procedures/interfaces (of citizens and businesses) and the most critical internal processes of the administrations, as well as the implementation of the country's cyber security perimeter.

Within this context, Exprivia, thanks to its expertise, is implementing highly complex and large-scale projects, with significant competitive value and market penetration and is putting itself in the running for capitalising on the opportunities that the NRRP will generate over the next few months; 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 highly variable regulatory framework.

The results for the first quarter of 2022 show an improved revenue volume compared to the same period in 2021.

## International business

**China:** in the first quarter of 2022, the country recorded GDP growth of +4.8%, a slight increase compared to the last quarter of 2021 (+4%) but below the year-end target set at +5.5%.

Despite this, an impact, currently unquantifiable, is expected, deriving from the lockdowns that the government is imposing as a containment strategy from the resurgence of the pandemic in some large cities (Shanghai and Beijing).

In particular, the situation in Shanghai, the financial capital and logistics hub of reference for all of Asia, is very complicated as it is under a strict lockdown since mid-March. As of today, after almost 40 days of complete closure of the city and surrounding areas, only essential services and a few production plants are open on a close-loop basis (only employees residing in the district where the plant is located are allowed in, and the workers remain working and sleeping in the factory without the possibility of leaving).

The Chinese authorities remain convinced of the validity of the "Zero Cases" Policy for China, which will therefore continue to be applied in the following months.

The reopening forecasts for Shanghai are not clear and will proceed very gradually. Also according to the forecasts made by the Italian institutions in China (Consulate, ITA and the Italian Chamber of Commerce in China), restrictions within the urban perimeter are not expected to be lifted until early/mid-June and the reopening to the other provinces is expected starting in July 2022.

Despite the very difficult economic and social context, Exprivia China's increasingly less dependence on the business generated in Shanghai is still allowing us to remotely carry out many projects already underway and to continue discussing new ones for the coming months.

**Brazil:** the GDP (gross domestic product) is forecast at around 1% in 2022.

Due to high inflation in 2021, Brazil has decided to systemically increase the discount rate of money (SELIC); in March the SELIC stood at 11.75%, and it is expected to be increased in 2022 in order to bring inflation down, although this may have a negative effect on GDP.

The Real is appreciating both against the US dollar and the euro, unfortunately not on local merits, but due to the increased indebtedness of the European countries and the United States.

In 2022, there will be elections for the President of the Republic and the World Cup, two events that have historically slowed down the country on an industrial level.

During the first quarter, the company has maintained a substantial economic balance by changing the turnover mix and aligning itself with the Group's offering with projects on CRM, Big Data and Security.

**Mexico:** in the first quarter of 2022, Mexico recorded an increase of +1.9% in GDP compared to 2021; for 2022, moderate growth rates were confirmed (+2.5%).

Exprivia Mexico, against the significant change in its offering, closed the quarter with a good increase in revenues and a profit margin in line with the first quarter of 2021. The start of some projects on a major customer in the Utilities sector operating in the LATAM region was delayed from the plans. A gradual recovery of the results is expected starting from the second quarter of 2022.

**Spain:** the growth forecast for the first quarter of 2022 was significantly reduced due to the war in Ukraine and the consequent energy problems, leading to lower than expected economic activity (domestic demand down by 3.7%) and an increase in prices (CPI up 3.3%).

Exprivia SLU has improved its results compared to the first quarter of 2021, which is reflected in an improvement in EBITDA and EBIT, mainly due to the greater efficiency of production costs.

## Risks and Uncertainties

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

The pandemic, which broke out in Wuhan at the end of 2019, and its effects on health and economic risks, although not totally over, now sees less emergency management. At the time of preparing this report, a large part of the population in Italy and other countries is vaccinated, which makes the number of deaths much lower.

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 two years' 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.

## Significant events in the first quarter of 2022

On **17 February 2022**, Exprivia subscribed to the reserved capital increase of Euro 8,000 in the limited liability consortium company Urbanforce Scarl, acquiring a 28.57% stake. Urbanforce is a consortium company registered in the company register of Florence with tax code 07130110484 specialised in the Salesforce market.

On **15 March 2022**, Exprivia's Board of Directors approved the annual report at 31 December 2021.

## Transactions within the Exprivia Group

There are no transactions to report.

## Events after 31 March 2022

On **1 April 2022**, a declaratory deed was signed before the Notary De Costa in Milan, bearing the assumption, by the company Nuovo Polo Impiantistico S.p.A., of the entire corporate structure of the company Italtel SpA. The assumption took effect from the same date of 1 April 2022. Also with effect from 1 April 2022, the company Italtel S.p.A. changed its company name to BETA TLC S.p.A. and transferred its registered office to Rome.

On **28 April 2022**, the Ordinary Shareholders' Meeting of Exprivia SpA has approved the financial statements at 31 December 2021. The Shareholders' Meeting also resolved to distribute a dividend to Shareholders in the amount of Euro 0.0480 gross per eligible ordinary share with the detachment of coupon no. 11 on 9 May 2022. Finally, the Shareholders' Meeting has approved the issuance of a new authorisation to purchase and sell treasury shares.

## Corporate Events

There were no significant events worth noting.

## Acquisitions/Sales in the Exprivia Group

There were no significant events worth noting.

## Business Outlook

In 2021 Exprivia has grown more than the market, recording +8% in revenues and a gross operating margin of 13.4% of the value of production, above the averages of companies in our sector.

The numbers of the first quarter of 2022 confirms the growth of the group on all fronts, recording revenues up 7.4% compared to the same period of 2021 and an EBITDA of 13.5% on revenues.

These results confirm the effectiveness of our business strategies, guaranteeing long-term sustainability. We therefore confirm that we can guarantee progressive growth in line with market trends, even though it is difficult to imagine the long-term effect of growth in the IT market and the economy in general. Indeed, the Russian-Ukrainian crisis is altering balances and alliances and is redrawing the patterns of international trade starting with energy. Although we cannot remain exempt from indirect effects, we confirm that we are not exposed in terms of turnover to Ukraine and Russia.

## Staff and Turnover

The table below shows the company headcount and the number of resources at 31 March 2022, compared to 31 March 2022.

Specifically, the table shows the number of resources, of which around 20.33% are part-time (with various arrangements of contractual working hours):

Company	Employees		Employees media		Temporary workers		Temporary workers media	
	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022
Exprivia SpA	1817	1827	1821	1831	4	6	4	6
Exprivia Projects Srl	403	463	534	455	0	0	0	0
Advanced Computer Systems Srl Germany	8	8	7	8	0	0	0	0
Exprivia It Solutions Shanghai	14	16	14	17	1	1	2	1
Exprivia SLU (Spagna)	32	32	33	31	6	4	5	4
Exprivia Mexico	11	18	14	18	1	0	0	0
Exprivia do Brasil Servicos de Informatica Ltda	26	38	27	37	1	15	1	15
Spegea Scarl	5	6	5	6	0	0	0	0
HR Coffee	6	7	6	7	0	0	0	0
<b>Total</b>	<b>2322</b>	<b>2415</b>	<b>2461</b>	<b>2410</b>	<b>13</b>	<b>26</b>	<b>12</b>	<b>26</b>
<i>of which Executives</i>	40	42	41	41				
<i>of which Middle Managers</i>	227	242	225	242				



The number of resources, employees and collaborators at 31 March 2022 was equal to 2,441 employees (2,335 at 31 March 2021), an increase of 114 employees.

The average number of resources, employees and collaborators at 31 March 2022 was equal to 2,436 employees (2,473 at 31 March 2021), a decrease of 37 employees.

## 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.

As from November 2021, responsibility for the Human Resources Department is entrusted to a new Director, who will establish policies for the entire Group and monitor their implementation. The Internal Audit, Merger & Acquisition, Corporate Affairs and International Business Departments 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 legislative and regulatory provisions, and in particular with: (i) the "Regulation on transactions with affiliated parties - CONSOB resolution no. 17221 of 12 March 2010" as amended by resolution no. 17389 of 23 June 2010; (ii) the outcome of the subsequent "consultation" published by CONSOB on 24 September 2010; (iii) CONSOB notice on guidelines for applying the regulation published on 24 September 2010; (iv) CONSOB notice no. 10094530 of 15 November 2010 with additional clarifications, on 20 July 2021 the Company's Board of Directors 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 quarter of 2022, no significant transactions were completed (as set forth in Art. 4, paragraph 1, lett. 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.

The transactions with related parties carried out by the Company in the first quarter of 2022 fall within the scope of normal business operations and were carried out on an arm's length basis. No atypical or unusual transactions were carried out with related parties.

## 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 paragraph 8 of the Regulation of the Markets Organised and Managed by Borsa Italiana SpA, the Directors declare that, at 31 March 2022, the Company does not meet the conditions provided under Art. 16 paragraph of Consob Market Regulation no. 20249/2017 as amended.

## Group Relations with the Parent Company

The financial and equity relations between the Exprivia Group and the holding company Abaco Innovazione SpA at 31 March 2022 compared with 31 December 2021 for balance sheet data and at 31 March 2022 compared with 31 March 2021 for income statement data are shown below.

### Receivables

#### Non-current Financial Assets

Amounts in thousands of Euro

Description	31/03/2022	31/12/2021	Variazioni
Non-current financial receivables from parent company	467	467	0
<b>TOTAL</b>	<b>467</b>	<b>467</b>	<b>0</b>

The balance at 31 March 2022 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 payables outstanding at 31 December 2015.

#### Current Financial Assets

Amounts in thousands of Euro

Description	31/03/2022	31/12/2021	Variation
Current financial receivables from parent company	474	468	6
<b>TOTAL</b>	<b>474</b>	<b>468</b>	<b>6</b>

The balance at 31 March 2022 of Euro 474 thousand is in relation to the current portion of the aforementioned loan, inclusive of interest income of Euro 21 thousand.

### Trade Receivables

Amounts in thousands of Euro

Description	31/03/2022	31/12/2021	Variation
Trade receivables from parent company	40	40	0
<b>TOTAL</b>	<b>40</b>	<b>40</b>	<b>0</b>

The balance at 31 March 2022 amounted to Euro 40 thousand, unchanged from 31 December 2021, and refers to receivables for administrative and logistics services.

## Financial Income and Charges

Amounts in thousands of Euro

Description	31/03/2022	31/03/2021	Variation
Financial costs of the parent company	99	99	0
<b>TOTAL</b>	<b>99</b>	<b>99</b>	<b>0</b>

The balance of Euro 99 thousand at 31 March 2022 refers to costs for the guarantee given by the parent company to obtain the Euro 25 million loan disbursed to Exprivia SpA by a pool of banks in April 2016.

## Revenues and Income

Amounts in thousands of Euro

Description	31/03/2022	31/03/2021	Variation
Financial income from parent company	6	9	(3)
<b>TOTAL</b>	<b>6</b>	<b>9</b>	<b>(3)</b>

The balance at 31 March 2022 refers primarily to interest accrued from Abaco Innovazione SpA on a loan disbursed by Exprivia.



# Quarterly Consolidated Financial Statements of the Exprivia Group at 31 March 2022

# Consolidated Financial Statements at 31 March 2022

## Consolidated Balance Sheet

Amount in thousand Euro			
	Note	31/03/2022	31/12/2021
Property, plant and machinery		17,764	18,017
Goodwill		69,071	69,071
Other Intangible Assets		9,030	9,278
Shareholdings		868	841
Other non-current financial assets		655	659
Other non-current assets		799	736
Deferred tax assets		2,091	2,098
<b>NON-CURRENT ASSETS</b>		<b>100,278</b>	<b>100,700</b>
Trade receivables		54,014	53,360
Stock		712	942
Work in progress to order		26,338	22,559
Other Current Assets		10,783	9,785
Other Financial Assets		715	715
Cash and cash equivalents available		11,126	19,060
Other financial assets valued at FVOCI		2	2
<b>CURRENT ASSETS</b>		<b>103,690</b>	<b>106,423</b>
<b>TOTAL ASSETS</b>		<b>203,968</b>	<b>207,123</b>

Amount in thousand Euro			
	Note	31/03/2022	31/12/2021
Share capital	1	24,616	24,616
Share Premium Reserve	1	18,082	18,082
Revaluation reserve	1	2,907	2,907
Legal reserve	1	5,190	4,682
Other reserves	1	31,436	23,984
Profits (Losses) for the previous period	1	(8,007)	(10,470)
Profit (Loss) for the period	14	2,490	10,138
<b>SHAREHOLDERS' EQUITY</b>		<b>76,714</b>	<b>73,939</b>
Minority interest	1	40	50
<b>GROUP SHAREHOLDERS' EQUITY</b>		<b>76,674</b>	<b>73,889</b>
Non-current bond		9,171	9,156
Non-current bank debt		19,619	20,831
Other financial liabilities		3,923	3,984
Other no current liabilities		288	396
Provision for risks and charges		196	195
Employee provisions		8,027	7,990
Deferred tax liabilities		1,620	1,595
<b>NON CURRENT LIABILITIES</b>		<b>42,844</b>	<b>44,147</b>
Current bond		4,732	4,551
Current bank debt		8,639	9,468
Trade payables		24,849	28,522
Advances payment on work in progress contracts		5,641	5,560
Other financial liabilities		2,149	2,265
Other current liabilities		38,399	38,671
<b>CURRENT LIABILITIES</b>		<b>84,409</b>	<b>89,037</b>
<b>TOTAL LIABILITIES</b>		<b>203,968</b>	<b>207,123</b>

## Consolidated Income Statement

Amount in thousand Euro	Note	for the three	for the three
		months closed on	months closed on
		31/03/2022	31/03/2021
Revenues	2	42,903	39,670
Other income	3	924	1,198
<b>PRODUCTION REVENUES</b>		<b>43,827</b>	<b>40,868</b>
Costs of raw, subsid. & consumable mat. and goods	4	1,128	938
Salaries	5	27,962	27,046
Costs for services	6	8,251	7,465
Costs for leased assets	7	216	108
Sundry operating expenses	8	218	184
Change in inventories of raw materials and finished products	9	154	(158)
Provisions	10	26	556
<b>TOTAL PRODUCTION COSTS</b>		<b>37,955</b>	<b>36,139</b>
<b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES</b>		<b>5,872</b>	<b>4,729</b>
Amortisation, depreciation and write-downs	11	1,529	1,641
<b>OPERATIVE RESULT</b>		<b>4,343</b>	<b>3,088</b>
Financial income and (charges) and other investments	12	(548)	(750)
<b>PROFIT (LOSS) BEFORE TAXES</b>		<b>3,795</b>	<b>2,338</b>
Income tax	13	1,305	692
<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>14</b>	<b>2,490</b>	<b>1,647</b>
Attributable to:			
Shareholders of holding company		2,500	1,652
Minority interest		(10)	(5)
<b>Earnings per share losses</b>	15		
Basic earnings per share		0.0528	0.0349
Basic earnings diluted		0.0528	0.0349

## Consolidated Statement of Comprehensive Income

Amount in thousand Euro		for the three months closed on	for the three months closed on
Description	Note	31/03/2022	31/03/2021
<b>Profit for the period</b>	<b>14</b>	<b>2,490</b>	<b>1,647</b>
<i>Other gains (losses) total will not subsequently be reclassified in profit (loss) for the period</i>			
Profit (loss) Actuarial effect of IAS 19		1	
<b>Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss) for the period</b>	<b>1</b>	<b>1</b>	<b>0</b>
<i>Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period</i>			
Change in translation reserve		286	(46)
<b>Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss) for the period</b>	<b>1</b>	<b>286</b>	<b>(46)</b>
<b>NET COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,777</b>	<b>1,600</b>
<i>attributable to:</i>			
Group		2,786	1,605
Minority interest		(10)	(5)



## 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 31/12/2020</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>63,666</b>	<b>29</b>	<b>63,637</b>
Allocation of previous year result							165,531	(165,531)	0	0	0
Other movements						(26)			(26)	(40)	14
<b>Components of the overall result</b>											
Profit (loss) for the period								1,647	1,647	(5)	1,652
Effects deriving from the application of IAS 19									0		0
Conversion reserve						(46)			(46)	0	(46)
<b>Total Comprehensive Profit (Loss) for the period</b>									<b>1,601</b>	<b>(5)</b>	<b>1,606</b>
<b>Balance as at 31/03/2021</b>	<b>26,980</b>	<b>(2,364)</b>	<b>18,082</b>	<b>2,907</b>	<b>4,171</b>	<b>14,062</b>	<b>(244)</b>	<b>1,647</b>	<b>65,242</b>	<b>(16)</b>	<b>65,260</b>
<b>Balance as at 31/12/2021</b>	<b>26,980</b>	<b>(2,364)</b>	<b>18,082</b>	<b>2,907</b>	<b>4,682</b>	<b>23,984</b>	<b>(10,470)</b>	<b>10,138</b>	<b>73,939</b>	<b>50</b>	<b>73,889</b>
Allocation of previous year result					508	7,166	2,463	(10,138)	(0)	0	(0)
<b>Components of the overall result</b>											
Profit (loss) for the period								2,490	2,490	(10)	2,500
Effects deriving from the application of IAS 19						1			1		1
Conversion reserve						286			286	0	286
<b>Total Comprehensive Profit (Loss) for the period</b>									<b>2,777</b>	<b>(10)</b>	<b>2,787</b>
<b>Balance as at 31/03/2022</b>	<b>26,980</b>	<b>(2,364)</b>	<b>18,082</b>	<b>2,907</b>	<b>5,190</b>	<b>31,436</b>	<b>(8,007)</b>	<b>2,490</b>	<b>76,714</b>	<b>40</b>	<b>76,674</b>

## Consolidated Cash Flow Statement

Amount in thousand Euro	for the three months closed on	for the three months closed on
	31/03/2022	31/03/2021
<b>Financial statement</b>		
Operating activities:		
Profit (loss) for the period	2,490 (1)	1,647 (1)
Depreciation, write-downs, provisions and other non-monetary elements	1,625	1,888
Provision for Severance Pay Fund	1,358	1,284
Advances/Payments Severance Pay	(1,320)	(1,353)
<b>Cash flow generated (absorbed) from operating activities</b>	<b>a</b>	<b>4,153</b>
Increase/Decrease in net working capital:		
Variation in stock and payments on account	(3,493)	(2,049)
Variation in receivables to customers	(664)	438
Variation in receivables to parent/subsidiary/associated company	10	(25)
Variation in other accounts receivable	(1,011)	(784)
Variation in payables to suppliers	(3,662)	280
Variation in payables to parent/subsidiary/associated company	(11)	(15)
Variation in tax and social security liabilities	(2,299)	(2,474)
Variation in other accounts payable	1,919	2,472
<b>Cash flow generated (absorbed) from current assets and liabilities</b>	<b>b</b>	<b>(9,211)</b>
<b>Cash flow generated (absorbed) from current activities</b>	<b>a+b</b>	<b>(5,058)</b>
Investment activities:		
Purchases of tangible fixed assets net of payments for sales	(238)	(570)
Variation in intangible assets	(440)	(535)
Variation in financial assets	(114)	(311)
Net variation in other financial receivables	4 (2)	(36) (2)
<b>Cash flow generated (absorbed) by investing activities</b>	<b>c</b>	<b>(788)</b>
Financial assets and liabilities		
Openings of new medium / long-term loans	96 (2)	408 (2)
Repayments of medium-long term loans	(2,190) (2)	(2,321) (2)
Net change in other financial payables including other current payables to banks	(277) (2)	(11,031) (2)
Changes in other non-current liabilities and use of risk provisions	(1)	(8)
Change in equity	284	(71)
<b>Cash flow generated (absorbed) by financing activities</b>	<b>d</b>	<b>(2,088)</b>
<b>Increase (decrease) in cash and cash equivalent</b>	<b>a+b+c+d</b>	<b>(7,934)</b>
Cash and cash equivalents at the beginning of the period	19,060	27,867
Cash and cash equivalents at the end of the period	11,126	14,702

(1) of which for taxes and interest paid during the year

365

216

(2) The sum of the related amounts (-2,368 thousand of Euro at 31 March 2022 and 12,980 thousand of Euro at 31 March 2021) 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.

# Explanatory Notes

## Declaration of Compliance with IFRS

This quarterly report, at 31 March 2022, was drafted in compliance with Art. 154-ter of Legislative Decree 58/1998 and subsequent amendments, as well as the Issuers' Regulation issued by Consob. This report was prepared in observance of the international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union and was drafted according to IAS 34 - Interim Financial Reporting.

The financial statements were drawn up in accordance with IAS 1 while the notes were prepared in a condensed form, applying the option set out by IAS 34, and consequently do not include all the information required for an annual report drawn up in accordance with IFRS.

The abbreviated consolidated interim financial statements at 31 March 2022 were prepared in compliance with international accounting standards as well as the provisions issued in implementation of art. 9 of Italian Legislative Decree no. 38 of 28 February 2005. These standards include the set of IAS and IFRS standards issued by the International Accounting Standard Board, as well as the SIC and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which have been adopted according to the procedure referred to in art. 6 of the (EC) Regulations no. 1606 of 19 July 2002 by 31 March 2022. The international accounting standards possibly adopted after this date and before the preparation of these financial statements are used in the preparation of the consolidated financial statements only if their early adoption is allowed by the implementation Regulation and by the accounting standard to be adopted, and in case the Group has chosen this option. The abbreviated consolidated interim financial statements at 31 March 2022 does not include all the supplementary information required in the preparation of the annual financial statements and must be read in conjunction with the Group's annual financial statements at 31 December 2021.

### Interpretations and amendments that apply as of 1 January 2022:

The following table shows the IFRS/Interpretations approved by the IASB, endorsed for adoption in Europe and applied for the first time during this year.

Type	Type of document	Date of issue	Effective date	Standard	Approval date	Publication in G.U.C.E	Effective date for the Group
Concessions of lease payments linked to Covid-19 beyond June 30, 2021. Amendment to IFRS 16	Amendments	mar - 21	1 - apr -2021	IFRS 16	30 - aug - 2021	31 - aug - 2021	1 - avril 2021
Annual improvements to IFRS 20 standards	Annual improvements	may - 20	1 - jan - 2022	IFRS 16, IFRS 9, IFRS 1, IAS 41	28 -jun - 2021	2 - jul - 2021	1 - jan - 2022
Property, plant and equipment, collections before intended use (Amendments to IAS 16)	Amendment	may - 20	1 - jan - 2022	IAS 16	28 -jun - 2021	2 - jul - 2021	1 - jan - 2022
Reference to the Conceptual Framework (Amendments to IFRS 3). Onerous contracts - Cost of fulfilling a contract (Amendments to IAS 47)	Amendment	mag-20	1 - jan - 2022	IAS 37	28 -jun - 2021	2 - jul - 2021	1 - jan - 2022

In March 2021, the IASB issued the document "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)", which extended by one year the period of application of the amendment to IFRS 16 issued in 2020 relating to the accounting of the facilities granted to lessees due to Covid 19. The amendments apply from 1 April 2021.

The amendment 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.

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification and requires lessees that apply the exemption to account for these concessions as if they were not lease modifications and therefore immediately in the income statement.

Amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases. All amendments will enter into force on 1 January 2022.

The standard/amendment did not have any material impact on the valuation of the Group's assets, liabilities, costs and revenues. Therefore, it is not deemed necessary to change existing procedures and/or implement new ones.

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 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 contingent assets cannot be recognised as part of a business combination.

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.

The newly adopted standards/amendments 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 the financial statement date of reference:

Type	Type of document	Date of issue	Effective date	Standard	Approval date	Publication in G.U.C.E	Effective date for the Group
Disclosure on accounting principles (Amendments to IAS 1 and IFRS Practice Statement 2)	Amendment	feb - 2021	1 - jan-2023	Practical statement 2, IAS 1, IFRS 8, IAS 34, IAS 26, IFRS 7	2 - mar -2022	3 - mar -2022	1 - jan- 2023
Definition of Accounting Estimates (Amendments to IAS 8)	Amendment	feb - 2021	1 - jan-2023	IAS 8	2 - mar -2022	3 - mar -2022	1 - jan- 2023
Amendments to IFRS 17	Amendment	jun-20	44,927	IAS 8, IFRS 3, IAS 36, IFRS 9, IAS 1, IAS 38, IAS 32, IFRS 17, IFRS 4,	19 -nov - 2021	23 -nov - 2021	1 - jan- 2023

The amendments to IAS 1 and IAS 8 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.

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.

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 accounting standards, amendments and interpretations described below.

Type	Type of document	Date of issue	Effective date	Standard	Approval date	Publication in G.U.C.E	Effective date for the Group
Initial application of IFRS 17 and IFRS 9 - Comparative information	Amendment	dec - 2021	1 - jan-2023	IFRS 17, IFRS 9			
Deferred taxes relating to assets and liabilities deriving from a single transaction	Amendment	may - 2021	1 - jan-2023	IAS 1, IAS 12			
Classification of liabilities as current or non-current - Deferral of the effective date (Amendment to IAS 1)	Amendment	jul-20	1 - jan-2023	IAS 1			
Classification of liabilities as current or non-current (Amendments to IAS 1)	Amendment	jan-20	1 - jan-2023	IAS 1			

In December 2021, the IASB published an amendment to the transitional provisions of IFRS 17 "*Initial Application of IFRS 17 and IFRS 9 — Comparative Information*". The amendment provides insurance companies with an option to improve the relevance of the information to be provided to investors during the initial application of the new standard.

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.

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.

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.

## Scope of Consolidation

The consolidated financial statements at 31 March 2022 include the capital, economic and financial situations of the Parent Company Exprivia and subsidiaries.

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 31 March 2022 for the aforementioned subsidiaries, consolidated using the line-by-line method, are provided below:

Company	H.O.	Value	Company capital	Value	Results for year	Net worth	Total revenues	Total Assets	% of holding
Advanced Computer Systems D-Gmbh	Offenbach (Germania)	Euro	25,000	valori in migliaia di Euro	47	166	490	507	100.00% Exprivia SpA
Consorzio Exprivia S.c.a.r.l.	Milano	Euro	20,000	valori in migliaia di Euro	(6)	20	0	492	70.00% Exprivia SpA 25.00% Italtel SpA 5.00% Exprivia Projects Srl
Exprivia ASIA Ltd	Hong Kong	Dollaro Hong Kong	2,937,850	valori in migliaia di Euro	19	(110)	-	851	100.00% Exprivia SpA
Exprivia It Solutions (Shanghai) Ltd	Shanghai (Cina)	Renminbi	3,719,450	valori in migliaia di Euro	16	(44)	718	983	100.00% Exprivia ASIA Ltd
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	Real	5,890,663	valori in migliaia di Euro	13	1,435	506	2,144	100.00% Exprivia SpA
Exprivia Projects Srl	Roma	Euro	242,000	valori in migliaia di Euro	205	1,008	3,125	5,531	100.00% Exprivia SpA
HRCOFFEE Srl	Molfetta (BA)	Euro	300,000	valori in migliaia di Euro	(48)	(199)	11	362	70.00% Exprivia SpA 30.00% persone fisiche
Sucursal Ecuador de Exprivia SLU	Quito (Ecuador)	USD	10,000	valori in migliaia di Euro	-	1	-	1	100.00% Exprivia SLU
Spegea Scarl	Bari	Euro	125,000	valori in migliaia di Euro	21	302	266	2,313	60.00% Exprivia SpA 40.00% Confindustria Bari
Exprivia SLU	Madrid (Spagna)	Euro	197,904	valori in migliaia di Euro	(39)	118	421	1,458	100.00% Exprivia SpA
ProSap Centroamerica SA	Città del Guatemala (Guatemala)	Quetzal	5,000	valori in migliaia di Euro	(1)	183	-	578	98.00% Exprivia Messico SA de CV 2.00% Exprivia SpA
Exprivia Messico SA de CV	Città del Messico (Messico)	Pesos messicani	41,208,999	valori in migliaia di Euro	(49)	1,449	157	2,646	2.00% Exprivia SLU 98.00% Exprivia SpA
ProSap Perú SAC	Lima (Perù)	Nuevo Sol	706,091	valori in migliaia di Euro	-	16	-	33	100.00% Exprivia SLU



The primary exchange rates used for conversion into Euro of the financial statements of foreign companies at 31 March 2022 were as follows:

Exchange rate	3-month average as at 31 March 2022	Punctual as of March 31, 2022
Real brazilian	5.882	5.301
Dollar USA	1.123	1.110
Nuevo Sol peruviano	4.279	4.135
Dollaro Hong Kong	8.761	8.692
Renminbi -Yuan (Cina)	7.127	7.040
Mexican Peso	23.006	22.090
Guatemalan Quetzal	8.646	8.531

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 reporting year, 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 31 March 2022, the IT (Information Technology) sector was identified as a single operating segment that includes Information Technology and IT software, solutions and services. This sector corresponds to the scope of consolidation of Exprivia Group.

The following statement shows the restated financial standing, which highlights the structure of invested capital and funding resources for the IT operating segment at 31 March 2022 and 31 December 2021.

## Reclassified Balance Sheet

amount in thousand Euro	IT		
	31.03.2022	31.12.2021	Variation
Property, plant and machinery	17,764	18,017	(253)
Goodwill	69,071	69,071	0
Other Intangible Assets	9,030	9,278	(248)
Shareholdings	868	841	27
Other non-current financial assets	799	736	63
Deferred tax assets	2,091	2,098	(6)
<b>NON-CURRENT ASSETS</b>	<b>99,623</b>	<b>100,040</b>	<b>(417)</b>
Trade receivables	54,014	53,360	655
Stock	712	942	(229)
Work in progress to order	26,338	22,559	3,779
Other Current Assets	10,783	9,785	998
<b>CURRENT ASSETS</b>	<b>91,848</b>	<b>86,644</b>	<b>5,203</b>
Commercial debts	(24,849)	(28,522)	3,672
Advances on contract work in progress	(5,641)	(5,560)	(82)
Other current liabilities	(38,399)	(38,671)	272
<b>CURRENT LIABILITIES</b>	<b>(68,890)</b>	<b>(72,753)</b>	<b>3,864</b>
<b>NON-CURRENT FUNDS AND LIABILITIES</b>	<b>(10,131)</b>	<b>(10,176)</b>	<b>45</b>
<b>NET INVESTED CAPITAL</b>	<b>112,450</b>	<b>103,757</b>	<b>8,693</b>
<b>NET FINANCIAL DEBT</b>	<b>35,735</b>	<b>29,819</b>	<b>5,916</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 were not shown in the table above.



## Reclassified Income Statement

amount in thousand Euro	IT		
	31.03.2022	31.03.2021	Variation
Revenues	42,903	39,670	3,233
Other income	924	1,198	(274)
<b>TOTAL REVENUES</b>	<b>43,828</b>	<b>40,868</b>	<b>2,960</b>
Costs for consumables and finished products	(1,128)	(938)	(190)
Personnel costs	(27,962)	(27,046)	(916)
Costs for services	(8,251)	(7,465)	(786)
Costs for use of third-party assets	(216)	(108)	(108)
Different management charges	(218)	(184)	(34)
Change in inventories	(154)	158	(312)
Provisions and write-downs of current assets	(26)	(556)	530
<b>TOTAL COSTS</b>	<b>(37,955)</b>	<b>(36,139)</b>	<b>(1,816)</b>
<b>EBITDA</b>	<b>5,872</b>	<b>4,729</b>	<b>1,143</b>
Amortization and depreciation of non-current assets	(1,529)	(1,641)	112
<b>EBIT</b>	<b>4,344</b>	<b>3,088</b>	<b>1,255</b>
Financial income and (expense) from equity investments	(548)	(750)	202
<b>RESULT ANTE TAXES</b>	<b>3,797</b>	<b>2,338</b>	<b>1,459</b>
Taxes	(1,305)	(692)	(613)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,490</b>	<b>1,646</b>	<b>844</b>

As required by IFRS 8 (paragraphs 32-34) and IFRS 15 information regarding revenues by type of product and service is provided below based on each segment subject to disclosure:

Type of activity	31/03/2022	31/03/2021	Variation	%Variation
Revenues from consultancy and project	35,983	34,529	1,454	4.21%
Maintenance	4,826	4,064	762	18.75%
Third party hardware and software	1,207	457	750	164.11%
Proprietary Licenses	711	425	286	67.29%
Other	175	195	-20	-10.26%
<b>TOTAL</b>	<b>42,903</b>	<b>39,670</b>	<b>3,233</b>	<b>8.15%</b>

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

Exprivia Group (values in k Euro)	31/03/2022	Incidence%	31/03/2021	Incidence%	Variations %
Private	32,864	76.6%	30,336	76.5%	8.3%
Public	10,039	23.4%	9,334	23.5%	7.6%
<b>TOTAL</b>	<b>42,903</b>		<b>39,670</b>		<b>8.15%</b>

Exprivia Group (values in k Euro)	31/03/2022	Incidence%	31/03/2021	Incidence%	Variations %
Italy	38,230	89.1%	36,319	91.6%	5.3%
Foreign	4,673	10.9%	3,351	8.4%	39.5%
<b>TOTAL</b>	<b>42,903</b>		<b>39,670</b>		<b>8.15%</b>

## Explanatory Notes on the Consolidated Balance Sheet

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

### SHAREHOLDERS' EQUITY

#### Note 1 - Share Capital

The "**Share capital**", fully paid up, amounted to Euro 24,616 thousand at 31 March 2022 and is unchanged compared to the figure at 31 December 2021. 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 31 March 2022, with a value of Euro 3,312 thousand.

#### Note 1 - Share Premium Reserve

At 31 March 2022, the "**Share premium reserve**" amounted to Euro 18,082 thousand and is the same as 31 December 2021.

#### Note 1 - Revaluation Reserve

At 31 March 2022, the "**Revaluation reserve**" amounted to Euro 2,907 thousand and is the same as 31 December 2021.

#### Note 1 - Legal Reserve

The "**Legal reserve**" at 31 March 2022 amounted to Euro 5,190 thousand compared to Euro 4,682 thousand at 31 December 2021. The change pertains to the allocation of the previous year's result as resolved by the Shareholders' Meeting of Exprivia SpA on 28 April 2022.

#### Note 1 - Other Reserves

The balance of the item "**Other reserves**" at 31 March 2022 amounted to Euro 31,436 thousand compared to Euro 23,984 thousand at 31 December 2021. Changes during the first quarter of 2022 relate to:

- allocation of a portion of the profit for the year 2021, equal to Euro 7,166 thousand;
- the positive effect on the shareholders' equity of the change in the currency translation reserve, for Euro 286 thousand;
- other positive changes for Euro 1 thousand.

The item "**Profit/loss from previous periods**" at 31 March 2022 was Euro (8,007) thousand compared to Euro (10,470) thousand at 31 December 2021. The change relates to the allocation of the result from the previous year.

## Note 1 - Minority Shareholders' Interests

"Minority shareholders' interests" is equal to Euro 40 thousand at 31 March 2022 compared to Euro 50 thousand at 31 December 2021.

### Reconciliation between Shareholders' Equity and Profit for the year of the Parent Company and Consolidated Shareholders' Equity and Profit for the year

Below is the statement of reconciliation between Shareholders' Equity and the Profit for the year resulting from the separate financial statements of the Parent Company Exprivia SpA and those in the consolidated financial statements.

Description	Result as at 31/12/2021	Shareholders' equity as of 31/12/2021	Result as at 31/03/2022	Shareholders' equity as of 31/03/2022
Exprivia SpA	10,165	76,351	2,849	79,200
Contribution of consolidated companies (PN and Result)	(1,937)	3,875	177	3,792
Elision of equity investments	1,851	(8,625)	0	(8,625)
Goodwill	0	2,280	0	2,280
Dividend elimination	0	0	(547)	0
Other consolidation adjustments	59	57	11	66
Third party equity	32	(50)	10	(40)
<b>Total Group Equity</b>	<b>10,170</b>	<b>73,889</b>	<b>2,500</b>	<b>76,674</b>

## NET FINANCIAL DEBT

The Net Financial Debt 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 table below shows the net financial debt of the Exprivia Group at 31 March 2022 and 31 December 2021.

amounts in thousands of Euro		
	31/03/2022	31/12/2021
A. Cash	41	43
B. Other liquid assets	11,085	19,017
C 1. Securities held for trading	2	0
C 2. Own shares	3,312	3,312
D. Liquid (A)+(B)+(C)	14,440	22,374
E. Current financial receivables	715	715
F. Current bank debts	(5,849)	(7,931)
G. Current portion of non-current bank debts	(7,522)	(6,088)
H. Other current financial debts	(2,149)	(2,265)
I. Current financial debts (F) + (G) + (H)	(15,520)	(16,284)
J. Net current financial debts (I) + (E) + (D)	(365)	6,805
K. Non-current bank debts	(19,619)	(20,831)
L. Bond	(9,171)	(9,156)
M. Other non-current financial payables net of non-current financial receivables and derivative financial instruments	(3,268)	(3,325)
N. Non-current financial debts (K) + (L) + (M)	(32,058)	(33,312)
O. Net financial debts (J) + (N)	(32,423)	(26,507)

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

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

	31.12.2021	Cash flows	Non-monetary flows	31.03.2022
Current financial receivables	715	0	0	715
Current bank debts and current portion of non-current debt	(14,019)	648	0	(13,371)
Other current financial payables	(2,265)	116	0	(2,149)
Non-current bank debts	(20,831)	1,212	0	(19,619)
Bonds issued	(9,156)	(15)	0	(9,171)
Other non-current net financial payables	(3,325)	407	(351)	(3,268)
<b>Net liabilities deriving from financing activities</b>	<b>(48,881)</b>	<b>2,368 (*)</b>	<b>(351)</b>	<b>(46,863)</b>
Liquid assets	22,374 (**)	(7,934) (***)	0	14,440 (**)
<b>Net financial debt</b>	<b>(26,507)</b>	<b>(5,566)</b>	<b>(351)</b>	<b>(32,423)</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

## Explanatory Notes to the Consolidated Income Statement

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

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

### Note 2 - Revenues

**Revenues from sales and services** in the first quarter of 2022 amounted to Euro 42,903 thousand compared to Euro 39,670 thousand in the same period of 2021.

Type of activity	31/03/2022	31/03/2021	Variation
Revenues from consultancy and project	35,983	34,529	1,454
Maintenance	4,826	4,064	762
Third party hardware and software	1,207	457	750
Proprietary Licenses	711	425	286
Other	175	195	-20
<b>TOTAL</b>	<b>42,903</b>	<b>39,670</b>	<b>3,233</b>

### Note 3 - Other Income

Other income in the first quarter of 2022 amounted to Euro 925 thousand compared to Euro 1,198 thousand in the same period of 2021. The table below provides details on the items.

Description	31/03/2022	31/03/2021	Variation
Other revenues and income	92	260	(168)
Grants related to income	398	494	(96)
Increase in capitalised expenses for internal projects	435	444	(9)
<b>TOTAL</b>	<b>925</b>	<b>1,198</b>	<b>(276)</b>

#### Other revenues and income

"**Other revenues and income**" in the first quarter of 2022 amounted to Euro 92 thousand compared to Euro 260 thousand in the same period of 2021 and refer mainly to income on company car assignments in the amount of Euro 70 thousand and income for training projects in the amount of Euro 12 thousand.

#### Operating grants

"**Operating grants**" in the first quarter of 2022 amounted to Euro 398 thousand compared to Euro 494 thousand in the same period of 2021 and refer to grants and tax credits pertaining to the year or authorised in the period relating to funded research and development projects. The grants are carried net of the amount allocated to the risk provision for any minor grants that might not be received.

#### Costs for capitalised internal projects

The "**Costs for capitalised internal projects**" amounted, in the first quarter of 2022, to Euro 435 thousand compared to Euro 444 thousand in the same period of 2021 and refer to costs incurred during the period to develop products for Banking & Finance, Healthcare, Aerospace & Defence.

## Note 4 - Costs for Sundry Consumables and Finished Products

The balance of the item "**costs for sundry consumables and finished products**" in the first quarter of 2022 amounted to Euro 1,128 thousand compared to Euro 938 thousand in the same period of the previous year. The table below provides details on the items.

Description	31/03/2022	31/03/2021	Variation
Purchase of HW-SW products	1,110	900	210
Stationery and consumables	15	19	(4)
Fuel and oil	1	3	(2)
Other costs	1	16	(15)
<b>TOTAL</b>	<b>1,128</b>	<b>938</b>	<b>190</b>

## Note 5 - Staff Costs

The item "**Staff costs**" amounted to Euro 27,962 thousand in total in the first quarter of 2022, compared to Euro 27,046 thousand in the same period of 2021. The table below provides details on the item:

Description	31/03/2022	31/03/2021	Variation
Salaries and wages	20,568	20,186	382
Social charges	5,309	5,064	245
Severance Pay	1,358	1,284	74
Other staff costs	727	512	215
<b>TOTAL</b>	<b>27,962</b>	<b>27,046</b>	<b>916</b>

The number of resources, employees and collaborators at 31 March 2022 was equal to 2,441 employees (2,335 at 31 March 2021), an increase of 114 employees.

The average number of resources, employees and collaborators at 31 March 2022 was equal to 2,436 employees (2,473 at 31 March 2021), a decrease of 37 employees.



## Note 6 - Costs for Services

The consolidated balance of item "**costs for services**" totalled Euro 8,251 thousand in the first quarter of 2022, compared to Euro 7,465 thousand in the same period of 2021. The table below provides details on the items:

Description	31/03/2022	31/03/2021	Variation
Technical and commercial consultancy	5,259	4,888	371
Administrative/company/legal consultancy	387	532	(145)
Auditors' fees	24	25	(1)
Travel and transfer expenses	107	57	50
Utilities	142	182	(39)
Advertising and agency expenses	78	67	11
Bank charges	55	84	(29)
HW and SW maintenance	1,134	1,010	124
Insurance	174	131	43
Other costs	891	489	402
<b>TOTAL</b>	<b>8,251</b>	<b>7,465</b>	<b>787</b>

The change relating to the items "Technical and commercial consultancy" and "other costs for services", which includes costs for temporary workers, is directly related to the increase in revenues.

## Note 7 - Costs for Leased Assets

The consolidated balance of item "**costs for leased assets**" totalled Euro 216 thousand in the first quarter of 2022, compared to Euro 108 thousand in 2021. The table below provides details on the items:

Description	31/03/2022	31/03/2021	Variation
Rental expenses	49	18	31
Car rental/leasing	4	3	1
Rental of other assets	60	31	29
Other costs	103	56	47
<b>TOTAL</b>	<b>216</b>	<b>108</b>	<b>109</b>

The item "other" includes the costs incurred by the Parent Company for software usage fees and license fees.

## Note 8 - Sundry Operating Expenses

In the first quarter of 2022, the item "**sundry operating expenses**" amounted to Euro 218 thousand compared to Euro 184 thousand in the same period of the previous financial year; the table below provides details on the items.

Description	31/03/2022	31/03/2021	Variation
Annual subscriptions	23	39	(16)
Taxes	75	87	(12)
Penalties and fines	1	0	2
Charitable donations	1	1	0
Other sundry operating expenses	118	57	61
<b>TOTAL</b>	<b>218</b>	<b>184</b>	<b>35</b>

## Note 9 - Changes in Inventories

In the first quarter of 2022, the balance of the item **"changes in inventories"** amounted to Euro 154 thousand compared to Euro -158 thousand in the previous year and refers to changes in finished products and goods.

## Note 10 - Provisions and Write-downs of Current Assets

The consolidated balance of the item **"provisions and write-downs of current assets"** in the first quarter of 2022 amounted to Euro 26 thousand compared to Euro 556 thousand in the same period of the previous year.

The table below provides details on the items.

Description	31/03/2022	31/03/2021	Variation
Provision for bad debts provision	0	100	(100)
Provision for legal disputes with employees	12	8	4
Other provisions	14	448	(434)
<b>TOTAL</b>	<b>26</b>	<b>556</b>	<b>(531)</b>

The change in the item **"other provisions"** refers to the provision for risks on job orders in progress made by Exprivia SpA for the completion of projects.

## Note 11 - 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 quarter of 2022 amounted to Euro 1,529 thousand compared to a balance of Euro 1,641 thousand in the same period of the previous year.

### Amortisation and Depreciation

In the first quarter of 2022 **"Amortisation and depreciation"** amounted to Euro 1,529 thousand compared with Euro 1,641 thousand in the same period of 2021, of which Euro 688 thousand for amortisation of intangible fixed assets and Euro 841 thousand for depreciation of tangible fixed assets.

## Note 12 - Financial Income and (Charges) and Other Investments

The balance of the item **"financial income and (charges) and other investments"** amounted, in the first quarter of 2022, to a negative Euro 548 thousand compared with a negative balance of Euro 750 thousand in the same period of 2021. The table below provides details on the items.

Description	31/03/2022	31/03/2021	Variation
Proceeds from shareholdings from parents	6	9	(3)
Income from other investments	19	61	(42)
Other income other than the above	20	4	16
Interest and other financial charges	(542)	(798)	256
From parent charges	(99)	(99)	0
Profit and loss on currency exchange	48	73	(25)
<b>TOTAL</b>	<b>(548)</b>	<b>(750)</b>	<b>202</b>

### Income from parent companies

The balance of the item **"Income from parent companies"** amounted to Euro 6 thousand in the first quarter of 2022 compared to Euro 9 thousand in the same period of the previous year and refers to interest accrued in relation to Abaco Innovazione SpA for a loan disbursed by Exprivia SpA.

### Income from other investments

The balance of the item **"income from other investments"** in the first quarter of 2022 amounted to Euro 19 thousand compared to Euro 61 thousand in the same period of the previous year and refers to the valuation using the equity method of the investment in Quest.it Srl, an associated company of Exprivia SpA.

### Income other than the above

The balance of item **"income other than the above"** totalled Euro 20 thousand in the first quarter of 2022, compared to Euro 4 thousand in the same period of the previous year. The table below provides details on the item.

Description	31/03/2022	31/03/2021	Variation
Bank interest receivable	0	1	(1)
Interest income from securities	13	2	11
Other interest income	6	0	6
Rounding up of assets	0	1	(1)
<b>TOTAL</b>	<b>20</b>	<b>4</b>	<b>16</b>

### Interest and other financial charges

The balance of the item **"Interest and other financial charges"** in the first quarter of 2022 amounted to Euro 542 thousand compared to Euro 798 thousand in the same period of the previous year. The table below provides details on the items.

Description	31/03/2022	31/03/2021	Variation
Bank interest payable	5	22	(17)
Interest on loans and mortgages	312	486	(174)
Sundry interest	175	218	(43)
Charges on financial products and sundry items	46	70	(24)
Rounding up/down	4	2	2
Interest cost IAS 19	0	0	0
<b>TOTAL</b>	<b>542</b>	<b>798</b>	<b>(256)</b>

### Charges from parent companies

The balance of the item "**charges from parent companies**" amounted to Euro 99 thousand in the first quarter of 2022 compared with Euro 99 thousand in the corresponding period of the previous year and refers to the portion of charges relative to the period recognised by Exprivia SpA to the parent company Abaco Innovazione SpA for guarantees issued by the latter with respect to its subsidiary.

### Exchange gains/(losses)

In the first quarter of 2022, "**Exchange gains/(losses)**" amounted to Euro 48 thousand compared to losses of Euro 73 thousand in the same period of 2021, 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 13 - Taxes

In the first quarter of 2022, "**taxes**" amounted to Euro 1,305 thousand compared to Euro 692 thousand in the same period of the previous year; the table below provides details on the changes compared to the previous year:

Description	31/03/2022	31/03/2021	Variation
IRES	927	686	241
IRAP	294	287	7
Foreing tax	27	16	11
Taxes from prior years	0	0	0
Deferred tax	28	32	(4)
Deferred tax assets	29	(329)	358
<b>TOTAL</b>	<b>1,305</b>	<b>692</b>	<b>613</b>

The Parent Company Exprivia SpA 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 SpA, 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.

## Note 14 - Profit (Loss) for the Year

The income statement for the first quarter of 2022 closed with a consolidated profit, after taxes, of Euro 2,490 thousand compared to the profit of Euro 1,647 thousand reported in the same period of the previous year.

## Note 15 - 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 the profit for the year as reported in the consolidated financial statements drawn up in accordance with IAS/IFRS, attributable to ordinary shareholders of the Parent Company, excluding the treasury shares, by the average number of ordinary shares in circulation during the year.

For the purpose of calculating basic earnings per share, the economic result for the year 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 31 March 2022 the basic and diluted earnings per share amounted to Euro 0.0528

<b>Description</b>		<b>for the three months closed on 31/03/2022</b>
Profit / (loss) for the determination of the basic profit / (loss) per share (Net profit / (loss) attributable to the shareholders of the parent company)		2,499,884
Earnings / (Losses) for the determination of the basic earnings / (losses) per share		2,499,884
<b>Number of shares</b>		<b>31.03.2022</b>
Number of ordinary shares as of January 1, 2022		51,883,958
Treasury shares as at 31 March 2022		4,546,084
Average weighted number ordinary shares for calculation of basic profit		47,337,874
<b>Earnings per share (Euro)</b>		<b>for the three months closed on 31/03/2022</b>
Profit (loss) per basic share		0.0528
Diluted earnings (loss) per share		0.0528

## Note 16 - Information on the Cash Flow Statement

The cash flows deriving from income management were positive for Euro 4.1 million, the cash flow of current assets and liabilities has absorbed cash flows for Euro 9.2 million, the cash flow deriving from investment activities has absorbed cash for Euro 0.8 million, the cash flow deriving from financing activities has absorbed cash for Euro 2.1 million.

## **Statement for Consolidated Financial Statements in accordance with Art. 154-bis, par. 2 of Legislative Decree no. 58 of 24 February 1998 - Consolidated Act on the provisions on broking and subsequent amendments**

The undersigned Valerio Stea, Executive manager responsible for preparing the corporate accounts, in accordance with Art. 154-bis, par. 2 of Legislative Decree no. 58 of 24 February 1998, introduced by Law no. 262 of 28 December 2005, states that the information and data on the economic, capital and financial situation contained in this Interim Report on Operations at 31 March 2022 referring to the Consolidated Financial Statements correspond to the documentary results of the accounting records.

Molfetta, 12 May 2022

**Valerio Stea**

Executive Manager responsible for preparing the  
corporate accounts