



Interim Report 2023

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future. perfect. simple.

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Corporate Bodies

Board of Directors

Chairman and Chief Executive Officer

Domenico Favuzzi

Directors

Dante Altomare (Vice-Chairman)

Angela Stefania Bergantino (2)

Marina Lalli (2)

Alessandro Laterza (3)

Valeria Savelli (1)

Giovanni Castellaneta

Board of Statutory Auditors

Chairman

Dora Savino

Standing Auditors

Andrea Delfino

Mauro Ferrante

Independent Auditors

BDO Italia SpA

(1) Directors not vested with operating powers

(2) Independent directors pursuant to the Corporate Governance
Code of the Corporate Governance Committee

(3) Lead Independent Director



Directors' Report at 30 June 2023

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 30 June 2023, 30 June 2022 and 31 December 2022.

amount in thousand Euro			
	30.06.2023	30.06.2022	31.12.2022
Total revenues	97,944	88,204	183,712
net proceeds	94,572	86,314	176,099
increase to assets for internal work	604	837	1,467
other proceeds and contributions	2,768	1,053	6,146
Difference between costs and production proceeds (EBITDA)	12,328	11,557	25,118
% on total revenues	12.6%	13.1%	13.7%
Net operating result (EBIT)	9,480	8,481	19,195
% on total revenues	9.7%	9.6%	10.4%
Profit / (Loss) for the period	5,577	5,302	11,533
Group net equity	88,537	76,934	82,672
Total assets	210,998	200,894	207,232
Capital stock	24,284	24,391	24,284
Net working capital (1)	20,392	13,013	14,661
Cash flow (2)	7,974	8,002	18,983
Fixed capital (3)	96,160	98,799	97,342
Investment (4)	866	1,289	2,076
Cash and cash equivalents / securities / other financial assets (a)	16,441	13,423	22,605
Financial payables / other short-term financial liabilities (b)	(18,140)	(16,874)	(22,676)
Financial payables / other medium / long-term financial liabilities (c)	(15,250)	(25,949)	(18,260)
Net financial debt (5)	(16,949)	(29,400)	(18,331)

- (1) - "Net working capital" is calculated as the sum of the total current assets, less cash and cash equivalents, less total current liabilities plus current bank debt and current bond loans.
- (2) - The 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 property, plant and equipment 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 30 June 2023, compared with the same period of the previous year. For the calculation of ROE and ROI, it was deemed appropriate to use the annual "rolling" logic, taking as a reference the net result and operating income for the period from 1 July 2022 to 30 June 2023, for data at 30 June 2023, and 1 July 2021 to 30 June 2022, for data at 30 June 2022.

Exprivia Group	30.06.2023	30.06.2022
ROE index (Result for the period / Group shareholders' equity)	13.34%	14.27%
ROI index (Net operating margin / Net invested capital) (6)	19.14%	18.37%
ROS index (Net operating margin / Revenues from sales and services)	21.35%	21.15%
Financial charges (7) / Result for the period	0.25	0.21

(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 at 30 June 2023 and 31 December 2022.

Exprivia Group	30.06.2023	31.12.2022
Net Financial Debt / Equity Capital	0.19	0.22
Debt ratio (Total Liabilities / Equity Capital)	2.38	2.51

Summary of operations in the first half of 2023

The table below also provides the results of the Exprivia group at 30 June 2023 compared with the first half of the previous year:

Exprivia Group (amounts in thousands of Euro)	30.06.2023	30.06.2022	Variations	% Variations
Revenues	97,944	88,204	9,740	11.0%
EBITDA	12,328	11,557	771	6.7%
EBIT	9,480	8,481	999	11.8%
Pre-tax result	8,132	7,456	676	9.1%
Result	5,577	5,302	275	5.2%

Exprivia Group (amounts in thousands of Euro)	30.06.2023	31.12.2022	Variazioni	Variazioni %
Net financial debt	(16,949)	(18,330)	1,381	-7.5%

As can be seen, revenues for the first half of 2023, equal to Euro 97.9 million, increased by 11% compared to the first half of 2022, equal to Euro 88.2 million; EBITDA amounted to Euro 12.3 million, up by 6.7% compared to the first half of 2022 (Euro 11.6 million). The net financial debt of Euro 16.9 million at 30 June 2023, improved by Euro 1.4 million compared to the negative value of Euro 18.3 million at 31 December 2022.



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.

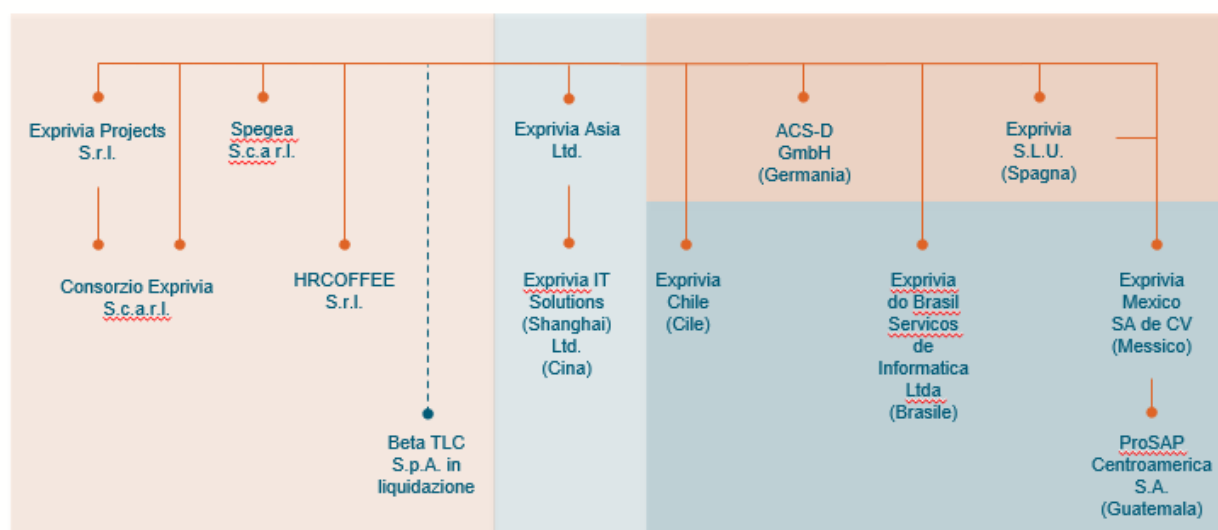
Simplicity

For us, this means mobilising 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 graphs show the main companies of the Exprivia Group.

Exprivia S.p.A.



It should be noted that Exprivia SpA holds 100% of the share capital of Beta TLC SpA in liquidation, formerly Italtel SpA, and that the Board of Directors of Exprivia SpA acknowledged, with a resolution passed on 30 April 2021, that it had lost control of Italtel SpA pursuant to IFRS 10 as of 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. 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, 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 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 over 30 years ago by Confindustria Bari with the support of banks and institutions.

HRCOFFEE Srl, a company of which Exprivia owns 70% of the share capital, equal to Euro 200,000. 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.

Beta TLC SpA in liquidation (formerly Italtel SpA), a company in which Exprivia owns 100% of the share capital following the acquisition in June 2022 of the 19% minority stake previously held by Cisco System International BV. On April 1, 2022, the Deed of Assumption, by a person outside the Exprivia Group, of the entire business compendium of Beta TLC SpA was finalised in full settlement. On 27 June 2022, the shareholders' meeting of Beta TLC SpA resolved to go into liquidation, the effectiveness of which was subject to the favourable opinion of the holders of the outstanding equity instruments. On 16 March 2023, the holders of the equity instruments agreed to the liquidation, recorded in the Register of Companies on 31 March 2023.

Foreign Companies

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

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 at its headquarters in Sao Paulo; Exprivia holds full control.

Exprivia Asia Ltd, a company operating in Hong Kong to act on behalf of Exprivia, its sole shareholder, in all market sectors in the Far East considered strategic for the Exprivia Group. Exprivia Asia Ltd incorporated the company 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.

Exprivia Chile SpA, a company established in 2022 by Exprivia, its sole shareholder, with the aim of expanding its presence in Chile, a country that represents one of the most advanced economies in South America.

Equity investments in associated companies

Quest.IT S.r.l., a company of which Exprivia owns 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.



Industries

A winning bid on each market

Industries

A winning bid on each market

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



Banking, Finance & Insurance

Digital progress and financial technique: the duo of the future

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

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



Telco & Media

Skills and technologies for network virtualisation

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

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

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



Energy & Utilities

Energy-optimising technology

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

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



Aerospace & Defence

Military defence, civil safety and digital technology

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

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



Manufacturing & Distribution

Towards the new industrial revolution

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

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

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

information in a simple, streamlined and efficient manner.



Healthcare

Innovative solutions for individual health and efficient administration

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

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

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



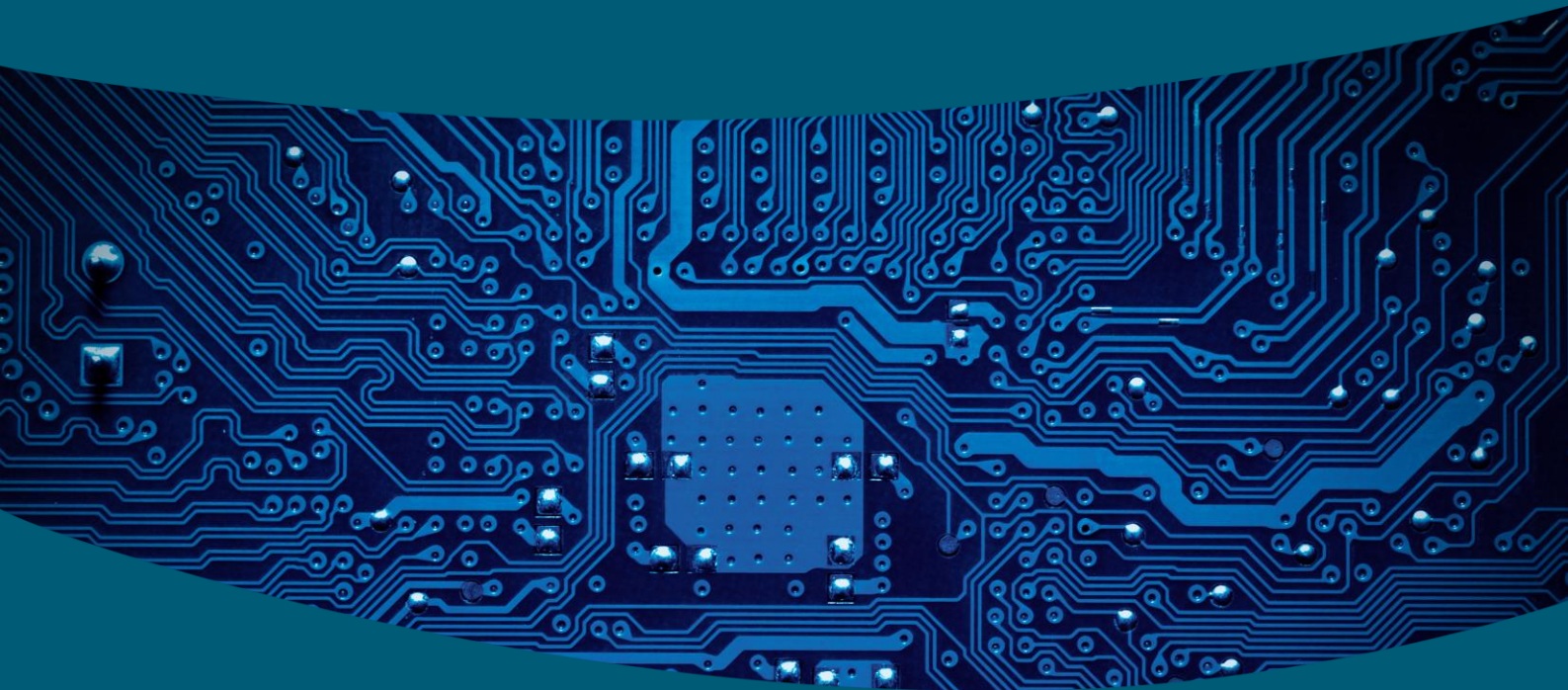
Public Sector

PA digitalisation: the first step towards a reinvigorated country

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

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

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



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

Expertise

To build the future, we need to keep it present

EXPERTISE	DESCRIPTION
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	<p>The advent of cloud computing has completely revolutionised how we acquire, implement and execute IT services.</p> <p>Our cloud services refer to four fundamental models: Public Cloud, Private Cloud, Hybrid Cloud and Community Cloud.</p>
IoT & Contextual Communication	<p>The IoT is capable of having a positive effect on the very idea of business, work, study, health and life.</p> <p>The main skills development areas are: Industry 4.0, Digital Healthcare, Smart Cities, Smart Grid.</p>
Cybersecurity	<p>Services designed based on the security controls of the National Institute of Standards and Technology (NIST), which, using information provided by the Exprivia Cybersecurity Observatory, can be divided into the following:</p> <ul style="list-style-type: none"> • 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. • 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. • Detect - Continuous monitoring using SIEM and sophisticated AI tools. • Response - Exprivia has a team that can be called upon to respond to an incident (Global Response Team). • Restore - The GRT can be used not only to respond to an attack but to restore the service.
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	<p>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.</p>
Business Process Outsourcing	<p>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.</p>
Network & Digital Transformation	<p>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.</p> <p>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.</p> <p>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.</p>



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 market in which the Exprivia Group is organised are shown below.

Banking & Finance

The Financial Services market is experiencing a period characterised by numerous M&A transactions involving some large players consolidating small and medium-sized companies on the market, bringing on the one hand opportunities for large System Integration projects benefiting the top players in the supply market and, on the other hand, compressing overall spending on services. Overall, however, demand shows an increase in projects and volumes, especially on the issues of compliance, ESG and Digital Enablers (Cybersecurity, Cloud Journey, Data and Analytics, Process Automation), but with increasing pressure on prices in marked contrast with the increase in costs borne by System Integration companies, which render competition increasingly complex.

Another characteristic factor is the large number of corporate reorganisations, even every six months, affecting leading customers as a result of M&A transactions.

These phenomena slow down the sales process, encouraging decision-makers to hold waiting positions and generating decision-making gaps. Finally, there is a tendency to consolidate spending on a few selected players in order to achieve advantageous conditions and reduce costs. This phenomenon further benefits the supply players with adequate capacity to manage large framework contracts in multiple areas and different geographical locations and disadvantages medium and small players. The particularly competitive scenario makes it increasingly necessary to have an excellent sales structure able to compete with the major players as well as a particularly efficient delivery able to provide task projects and managed services and above all capable of taking advantage of opportunities at very short notice.

Within this scenario, Exprivia has experienced growth of more than 3%, driven by collaborations and solutions in the Cyber Security and Customer Experience areas, while the Finance, Loans and Factoring components vertical offer confirm the 2022 volumes.

The growth is mainly determined by the investment, launched in 2022, in the team and organisation and by the business development actions, aimed at the acquisition of new customers and the development of existing customers in new technological and functional areas. Moreover, considering the time lag between the time of the investment and the identification of appreciable results, we expect the pipeline under construction to provide further benefits in the coming quarters.

Lastly, the involvement in the major consolidation initiatives launched in the first half of the year by the two main banking groups may give us further opportunities for development both in the second half of the year and in the coming years.

Telco & Media

The Telecommunications and Media market is experiencing a complex period, characterised by declining trends and progressively decreasing margins.

With regard to Telecommunications, the spread of both mobile lines (including Machine to Machine and IoT lines) and broadband connections continue to expand.

In general, in the first half of 2023, following on from 2022, companies in the Telecommunications and Media market have paid great attention to preserving their business margins and focusing investments on the modernisation of mobile networks aimed at energy saving and 5G functionality enabling.

The market is also going through a period of great uncertainty, characterised by a heated debate on the future of the ownership of infrastructural backbones which, in consideration of increasing investments for implementation, modernisation and management, see operators experiencing increasing difficulty in generating an adequate return for the investments made, both in technologies and in licenses for the use of mobile frequencies.

Within these market dynamics, Exprevia has seen a decrease in activities compared to 2022, especially due to the reduced activities of TIM, Huawei and Italtel due to the market difficulties these companies are experiencing.

The work carried out takes the form of a pipeline aimed at consolidating the positioning on some customers and acquiring new market areas by proposing solutions and services to support the adoption of 5G services, cyber security with particular attention to Edge Security, IoT and solutions for energy management.

Energy & Utilities

In 2023, the Energy & Utility sector's digital spending forecasts are growing and are in line with what happened in 2022.

Operators' IT expenditure continues to be directed to projects linked to energy transformation, also supported by the NRRP funds: development of electric vehicles charging infrastructures, construction or modernisation of innovative systems (including off-shore) and green energy production.

The forecasts relating to the digital investments trend in the sector are affected by profound uncertainty, mainly due to geopolitical instability and high inflation.

Companies in this market have mainly invested in enabling technologies with a view to Smart energy to ensure a continuous, reliable and sustainable (from an environmental and economic point of view) energy supply, and the use of new services (both for end consumers and market operators). In this context, investments for the enhancement and digitalisation of network infrastructure (digital technologies, in particular Cloud and IoT), which constitute the main digital transformation enablers in the Energy & Utility sector, are of great importance.

Among the other main digital project initiatives to support operators' strategies, those related to the data world are significant, with the adoption of data-driven technologies (BI and reporting, advanced data analysis solutions), projects aimed at application modernisation, Cybersecurity (both IT and OT) and Digital Customer solutions.

In this market scenario Exprevia's commercial positioning and pipeline are projecting growth on the main customers as well as the prospect of acquiring new ones, to supplement their energy transition, process digitisation and transformation projects in the areas of ERP, Customer Experience, Analytics, Cyber Security, Edge Security and migration of infrastructures to the cloud.

Aerospace & Defence

After a substantial increase in business opportunities recorded in 2022 for the Aerospace market, it was observed at the beginning of 2023 that the market, which continues to offer substantial opportunities, had started to settle.

The European Space Agency (ESA) has launched a second round of contract tenders for the management of Copernicus Space Component system operations. Exprevia has already issued an offer for the tender relating to the extension of the Long-Term Archive service for the next three years. In 2023, other tenders are expected in connection with this second cycle, in particular there will be a tender for the renewal of the Production Service contract in the autumn.

In view of the launch next year of the scientific satellites part of the ESA Earth Explorers program (Biomass and EarthCARE), ESA has launched two important tenders (B-COPS and E-COPS) for the related payload data ground segment operations. Exprevia participated in both tenders in mutual collaboration with another leading company in the sector; there is strong competition and results are expected shortly.

The European Commission's new flagship program: 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 are publishing several calls for tenders. In this context, after the

award of the tender from the customer ECMWF in 2022 to provide immersive visualisation technologies and solutions, Exprevia was reconfirmed in 2023 as a leading company in these technologies, participating to the consortium awarded the tender for the DestinE Core Service Platform Framework Platform Data Management Services (DESP) managed by ESA.

ESA has completed many of the activities related to the implementation of the NRRP, with specific measures dedicated to Space. ESA has the task to manage with its procedures Euro 1,780 million to strengthen Italian expertise 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. At the start of 2023 the results were published of the tenders for the implementation of the Application Toolbox and Marketplace, for the Services and for the other Ground Segment infrastructures for the IRIDE program (Flight Operation System, Payload Data Ground Segment and Central Mission Planning and Management). The strategy implemented by Exprevia of collaboration with important Italian companies in the sector has led to excellent results: Exprevia was awarded as lead bidder the Payload Data Ground Segement development contract (contract value of over Euro 25 million) and is included in consortia which were awarded contracts relating to Marketplace, Services and the development of some processors.

As part of EUMETSAT, Exprevia was awarded an important five-year service contract for the maintenance of the Payload Data Processing systems (PDP) of the Copernicus Sentinel-3 and Sentinel-6 missions.

At national level, Agenzia Spaziale Italiana (ASI) is continuing in 2023 the preparatory activities in view of the future national Platino-3, Platino-4 and PRISMA Second Generation missions. Exprevia is already involved in various ways in numerous commercial initiatives linked to these new missions.

Manufacturing & Distribution

In the second half of 2022 and in the first months of 2023, energy prices (electricity and gas) decreased but persistent high inflation, together with the increase in unit labour costs, are generating significant impacts on business margins.

At national level, the digital investments performance can leverage the funds available through Mission 1 of the NRRP Component 2 aimed at implementing the Transition 4.0 Plan.

Some market analyses indicate that large and medium-sized companies are finding it very difficult to access PNRR funds: only 23% have undertaken project initiatives (most of them for Smart Enterprise/IOT projects), a similar percentage is undertaking evaluations while over 50% have not been able to identify concrete opportunities.

The main digital project areas to which industrial and distribution companies are directing their investments are: Cybersecurity, Analytics, Data strategy, artificial intelligence solutions for predictive maintenance and quality control, cloud services, extended ERP systems, Smart Factory (predictive maintenance and energy efficiency, digital customer and omnichannel solutions).

Exprevia's commercial positioning and pipeline are projecting growth on the main customers as well as the prospect of acquiring new ones, to supplement their transformation projects in the areas of ERP, Customer Experience, Analytics, Cyber Security, Edge Security, energy management solutions and migration of infrastructures to the cloud.

Healthcare

In the first half of 2023, the Digital Healthcare area transformation processes envisaged in the NRRP began to have their first effects on the market. Increasingly Digital Transformation has the task of supporting the entire Healthcare sector evolution in order to manage the strong transformation dynamics impacting this sector: lower birth rate, increase in average age and chronicity.

The Hospital-Territory integration represents the main challenge that the reform introduced by MD 77 poses to the entire sector. This reorganisation must include the modernisation of applications relating to the information systems of both healthcare companies and hospitals, and must focus on systems integration and interoperability, through data architecture and data strategies that allow access and usability of healthcare data.

The development of important national platforms, such as ANA, FSE 2.0, PNDS, are starting to produce the first effects, allowing market operators to devise solutions that can benefit from these platforms to be made available to Healthcare Companies. This includes some innovative solutions that Exprevia is implementing on AI issues.

In this major transformation scenario, Exprevia is one of the main operators in this market, confirming a significant growth in the first half of 2023 in line with the growth dynamics of the entire market. Exprevia is participating in the main national scale initiatives, such as the Consip tenders.

Public Sector

The public sector is experiencing a strong transformation phase, the large investments envisaged by the NRRP are only slowly starting to produce their first effects, and important Digital Transformation projects are being launched.

The important procurement initiatives carried out by Consip, such as AQ SAC2, for which Exprevia is one of the successful tenderer, are contributing to an overall redesign of the basic architectures of the main Central Public Administration bodies. Migration to cloud platforms, interoperability and the creation of services that are easily accessible to citizens are the main drivers pushing this transformation phase.

Thanks to its expertise, Exprevia is implementing highly complex projects of significant size, with considerable competitive value and market penetration and, therefore, is able to play an important role in supporting PPAA's in their Digital Transformation processes.

The results for the first half of 2023 show a revenue volume essentially in line compared to the same period in 2022.

International business

Spain

The Bank of Spain raised the country's economic growth estimates for 2023 from 1.6% to 2.3%, highlighting that the weakening of inflationary pressures and the possible intensification in the execution pace of projects linked to European funds (Mecanismo de Recuperación y Resiliencia) will allow the expansion of economic activity for the rest of the year. The action to increase cost efficiency and optimise production personnel initiated by Management in 2022, associated with the acquisition of new orders from existing customers as well as new opportunities from new customers, have allowed the company to significantly improve the result for the first half of 2023 compared to the previous year.

Brazil

The Brazilian economy recorded better than expected results in the first quarter, thanks to the agricultural sector boom, paving the way for more optimistic annual prospects despite the braking effect of high interest rates (SELIC rate defined at 13.75% for the year 2023).

In particular in the first few months of the year, Exprevia Do Brasil recorded a negative performance that was not in line with the growth figures recorded in previous years as a result of the failure to start some projects with an important utility sector customer in which the company had made investments in terms of acquisition of dedicated skills and professional profiles. Starting from May, the reference economic indicators recorded progressively improving results resulting from the actions implemented by the management to optimize the

production structure and the focus of commercial efforts in the acquisition of new potential customers to expand the still modest portfolio.

China

2022 was a very challenging year for China and Shanghai, in particular, due to the stringent policies and related lockdowns introduced by the central government due to COVID-19. The year ended with the decision to end these drastic measures but also with mass infections that effectively blocked the country until January 2023. The end of the COVID emergency then coincided with the start of the Chinese New Year, the first since the pandemic. Given the limitations of previous years, millions of people took the opportunity to return to visit their families and to take some holiday time.

The long-awaited economic rebound expected for 2023 has also so far been below expectations. March was a very positive month, while the figures for April and May were down slightly. Driving sectors such as Real Estate, Automotive and Luxury Goods are experiencing great difficulties, dragging down year-end expectations and also affecting Chinese consumers' confidence.

Although the country's outlook is not one of the best, foreign companies already present and rooted in China have confirmed their interest in remaining in the country and making investments.

For Exprivia, as expected, the first quarter of 2023 was the most difficult for some years now, but there were already from the second quarter good signs of recovery, also confirmed for the second part of the year and for 2024.

Mexico

Again in the first half of 2023, the LATAM area was characterised by an economic and financial imbalance in the energy business, which was reflected in investments in the IT area. The company's economic results are affected by the postponement of investments by an important customer in the utility sector expected in the second half of the year. The company continues to contain costs pending the start of the activities associated with an important tender awarded at the end of the previous year.

Germany

Despite increases in inflation and related interest rates affecting the European market, the Space Economy sector continues to attract public and private investments mainly intended for Earth observation to understand climate change, future missions in addition to satellite navigation; ACS DE GmbH, driven by the acquisition of an important order from a leading intergovernmental organisation, has achieved positive results in all economic indicators in the first half of the year, following on from the growth recorded in 2022, and has confirmed its IT partner reference role in the Defence and Aerospace market.

Risks and Uncertainties

Internal Risks

Risks related to dependence on key staff members

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

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

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

Risks related to dependence on customers

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

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

Risks related to contractual commitments

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

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

Risks related to internationalisation

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

External Risks

Risks arising from the general conditions of the economy

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

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

Risks related to ICT services

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

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

Risks related to competition

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

sector, especially considering the vicinity of universities and other centres of competence and the extensive collaboration with them.

Risks related to changes in legislation

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

Risk related to climate change

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

The Group's activities, to ensure the transition to a low-polluting economy, may be subject to transition and physical risks, with possible impacts on business processes, in particular production processes, as well as on the products and services offered. The sites and company assets may also be affected by catastrophic natural events (floods, droughts, fires and other) generated by the effects of climate change. The Group pursues a business strategy aimed at continuously improving the efficiency of production systems and processes for the reduction of energy consumption and atmospheric emissions and adopts technical and organisational measures aimed at reducing its environmental impacts, already insignificant by their nature, as they are similar to those generated by office activities. The Group carries out detailed and frequent interventions to monitor and control production activities and the infrastructures and structures used, and has defined operating procedures for the management of some environmental emergencies (e.g. fire emergency, flooding, etc.). The Group also has specific insurance coverage that covers possible consequences arising from disastrous climatic and natural events. The Group believes that its current exposure to the consequences of climate change is not significant and that they do not materially affect accounting estimates. With regard to the risk related to climate change, sensitivity to the evolution of climate change and its effects on the businesses managed is now a consolidated issue at international level, which is also reflected in a greater demand for disclosure in the annual financial report. Although there is no international accounting standard that regulates how the impacts of climate change are to be considered in the preparation of the financial statements, the IASB has issued certain documents to support IFRS-adopters in satisfying this request for disclosure from the parties concerned. Similarly, in its European Common Enforcement Priorities, ESMA highlighted that issuers must consider climate risks in the preparation of IFRS financial statements to the extent that they are material regardless of whether or not these risks are explicitly envisaged by the reference accounting standards. The Exprivia Group describes its considerations regarding the actions related to the mitigation of climate change effects as well as the adaptation to climate change in the non-financial statement (drafted in compliance with the GRI Standards, which also includes the disclosure required by Regulation 2020/852, in relation to the two climate objectives, mitigation and adaptation). In this context, considering the business sectors in which it operates, in continuing to define updated future plans currently under development, the Exprivia Group has identified certain risks deriving from the current mitigation and adaptation process. Below is a summary of the issues considered by management with reference to the aspects deemed relevant for the purposes of preparing the financial statements in the business sectors in which it operates. In relation to "climate change", the Group is potentially exposed to different types of risk such as: (i) the impact of more restrictive laws and regulations on energy efficiency and climate change that can lead to an increase in operating costs and, consequently, to a reduction in the overall investments made by the Group's customers in the reference sectors; (ii) the impact of customer awareness and sensitivity to climate change and the emission reduction, with a consequent shift to low-carbon products, and (iii) the impact mainly linked to greenhouse gases, the cause of global warming and of extreme weather events in the various geographical areas.

With reference to the short-term, management does not recognise any significant specific impacts deriving from climate-related risks, to be considered in the application of accounting standards. The Group pursues excellence in service provision in all business sectors served; this implies a constant commitment to the application of technological innovation and digitalisation, as well as to the pursuit of a circular economy approach. With reference to the medium-long term, in continuing to define updated development plans currently in preparation, the management does not envisage further specific considerations to be factored in the application of the accounting standards for the preparation of the financial statements. Finally, it should

be noted that the legislation introduced in response to climate change could give rise to new obligations that did not exist before. For further details on the effects of climate change and their management, including the environmental policies adopted, please refer to the NFS available on the website.

Cyber security risk

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

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

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

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

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

With regard to the news circulated in March 2023 of the cyber attack on services offered to its customers, Exprivia did not find any evidence of damage related to the attack in question for its customers, nor of appropriation of their data. The attack was promptly neutralised in collaboration with a partner. Exprivia made use of its team specialised in combating cybercrime and carried out all the appropriate activities, checks, reconfigurations, including forensic back-up. The event did not result in any adjustments to the data and information provided for the preparation of the financial statements of the Exprivia Group at 31 December 2022 nor to the Interim Report at 30 June 2023.

Financial Risks

Interest Rate Risk

At the end of November 2020, Exprivia took out a bank loan agreement backed by the Italian Guarantee issued by SACE, guaranteeing 90% of the amount of the loan, pursuant to the Liquidity Decree (Italian Decree Law no. 23 of 08/04/2020 converted into Italian Law no. 40 of 05/06/2020), which envisages a

variable interest rate. This is joined by other loans, some of which are variable interest rate loans and others subsidised loans, the latter being linked to funded research and development projects, as well as the fixed-rate bond issued in 2017.

With reference to loans, the situation and evolution of the repayments of payables outstanding at 30 June 2023 in the following years are as follows:

Amounts in thousands of Euro

Description	Balance as of 06/30/2023	Current quota		Non-current quota			
		Refunds 12 month	Refunds 24 months	Refunds 36 months	Refunds 48 months	Refunds 60 months	Refunds over 5 years
Debts to banks	23,660	10,878	5,474	5,478	1,439	176	214
Bond Loans	4,566	4,566					

Interest rate risk is due to the exposure of floating rate loans. At 30 June 2023, the Group's medium/long-term debt relating to floating rate bank loans amounted to Euro 17,962 thousand, broken down into the short-term portion, amounting to Euro 6,486 thousand, and the long-term portion, amounting to Euro 11,476 thousand.

In the event of a rise in variable interest rates, in particular in the event of a +0.50% change, the effect on the income statement relating to higher financial charges for the Exprivia Group would be insignificant.

The loans taken out with the Ministry of Economic Development, those taken out by foreign subsidiaries and the Bond loan maturing in 2023 are not exposed to interest rate risk, as they provide for the application of a fixed rate.

Credit Risk

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

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

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

Liquidity Risk

Liquidity risk is prudently managed by planning cash flows, financing needs and monitoring the liquidity of Exprivia Group to ensure effective adequate financial resources are available, by managing any surplus liquidity, and by opening credit lines where necessary, including short-term ones. Despite the complexity of the current economic and financial context and the persistence of a situation of great market volatility, the Exprivia Group believes that it will be able to meet its financial commitments through the efficient management of its financial resources.

Exchange Rate Risk

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

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

Risk deriving from the Russia-Ukraine conflict

As is well known, in mid-February 2022 Russia attacked Ukraine; the conflict has now lasted for more than one year and brings war with all its terrible consequences and suffering back to Europe. The conflict is

undoubtedly having a strong impact on the whole economy, leading to ever-increasing costs of raw materials, energy sources and foodstuffs.

The conflict between Russia and Ukraine has generated serious repercussions not only at humanitarian level, but also at economic level, significantly impacting global financial markets. The consequent sanctions imposed by governments around the world on the Russian economy and the countermeasures adopted by the latter have contributed to the strong rise in the prices of raw materials (with particular reference to energy, metals and agricultural goods) and significant unease in international trade activities.

The significant inflationary increase generated by the conflict leads to consider a probable change in the monetary policy of the main global central banks towards greater restrictiveness and austerity, as in the case of the ECB in relation to the increase in interest rates and the purchase of member states' public debt. This change of course inevitably generates an increase in financial interest rates, to consequently impact the real economy, the investments made by individual companies, their production levels and the employment rate.

Therefore, it is clear that the effects of the conflict on global economic and financial conditions cannot be identified exclusively in companies whose investments or operating activities are mainly located in Russia, Belarus and/or Ukraine or which have commercial relations with third-party companies operating in the same countries, but in all companies, as they find themselves in a much weakened economic-financial environment with rising interest rates.

It should be noted in this regard that the ESMA Public Statement of 28 October 2022 dealt with the effects of the Russian invasion of Ukraine on the financial statements of the 2022 financial statements prepared in accordance with IAS 34. Therefore, the Statement aims to provide the management and control bodies of regulated companies with a series of recommendations regarding the preparation of financial statements, with particular emphasis on the controls necessary to verify any impairment (impairment test) of non-financial assets.

The Statement underlines that change in companies' strategic, commercial and financial approach following the conflict has considerably increased the risk of significant impacts on the book value of assets and liabilities in financial statements. Therefore, the Statement suggests reviewing and possibly updating the considerations made for the year-end financial statements, in particular the assumptions and hypotheses underlying the calculation of prospective flows and of other elements that contribute to the recoverable value estimate.

ESMA then recalled that, in order to assess the presence of possible indications of impairment of non-financial assets included in the scope of IAS 36 (Impairment Testing), it is necessary to consider all sources of information, both external and internal, to assess whether the effects of the Russian invasion of Ukraine represent possible indications of impairment of the same assets. The Statement also underlines that the significant increase in the general level of uncertainty caused by the conflict requires a careful assessment (in the context of estimating recoverable values through the Value in Use method) of the provisional financial data used. To this end, depending on the type of activity to be checked and the related level of risk, ESMA believes that it may be necessary to develop multiple scenarios around the provisional data considered, supported by reasonable and realistic estimation parameters and inputs. Again in this sense, in any case there must be consistency between the provisional data used and the assumptions associated with them for value checks, as well as between the choices and strategic plans formulated by the companies after the conflict.

With reference to the discount rate used to estimate the recoverable value, the Statement underlines and recalls that it must reflect current market conditions and the specific risk characteristics associated with the specific assets subject to impairment test (excluding the risk of the assets already reflected in forecast flows). Lastly, the Statement underlines that the risks associated with increased market interest rates and inflation could also have an impact on the discount rate to be used for the purposes of estimating the recoverable value of the assets to reflect the same situation, unless the same risks are already reflected in the calculation of the forecast flows used.

More than one year later, it is still difficult to predict what the next scenarios created by this conflict may be. Specifically, having no commercial or financial relations with the two opposing countries, Exprivia Group is not directly impacted by the conflict and does not record any losses or critical situations arising directly from

it. In view of this state of uncertainty, to date, it is believed that the impacts on the Exprivia Group may be limited as:

- the majority shareholders, as well as the members of the administrative bodies of the various Group companies, are not among the recipients of the restrictive/sanctioning measures issued to date by the European Union in response to the situation in Ukraine;
- the flows of the transactions the cash flows of the Group companies are based on are not in monetary currencies subject to significant devaluation (Rouble) due to the conflict; moreover, the Group companies do not operate with credit institutions subject to the restrictions/sanctions issued by the European Union;
- the Group companies do not operate with suppliers directly located in the countries involved in the conflict;
- no particular, additional concerns emerged regarding the recovery of trade receivables subject to valuation in addition to the bases already considered in the application of IFRS 9, as the Group companies do not have commercial relations with customers located in the countries involved in the conflict.

Risks associated with the macroeconomic context

The current uncertainty of the macroeconomic context, also linked to the tail of the COVID-19 pandemic, natural disasters, geopolitical events such as the Ukraine-Russia conflict and inflation, involves a number of risks, including changes in consumer demand, interrupted supply chains, staff shortages, increased market volatility and changes in the way we work.

The sector in which the Group operates is not directly exposed to these risks, in particular with reference to the supply chain. However, the Group is facing the challenges imposed by these uncertain times, particularly with regard to commercial transactions and the ability to increase its sales prices in the face of rising costs, seeking to increase the prices of its professional services.

Significant Events in the first half of 2023

On 15 March 2023, Exprivia's Board of Directors approved the annual report at 31 December 2022.

On 31 March 2023, following the equity instruments holders' consent on 16 March 2023, BETA TLC SpA recorded its liquidation, resolved by the company's shareholders' meeting on 27 June 2022 subject to the existing equity instrument holders' favourable opinion, in the Register of Companies.

On 27 April 2023, the Ordinary Shareholders' Meeting of Exprivia SpA has approved the financial statements at 31 December 2022. The Shareholders' Meeting resolved to allocate the profit for the year to the Extraordinary Reserve.

The Shareholders' Meeting appointed BDO Italia SpA to audit the accounts for the period 2023-2031.

Moreover, the ordinary Shareholders' Meeting has approved the issuance of a new authorisation to purchase and sell treasury shares.

On 31 May 2023, pursuant to and for the purposes of Article 102, paragraph 1, of the Consolidated Finance Act (TUF) and Article 37 of the Issuers' Regulation, Abaco Innovazione S.p.A., Exprivia Group's parent company, announced that it had decided to promote a voluntary public purchase offer pursuant to articles 102 et seq. of the TUF through a newly established corporate vehicle in the form of an Italian joint-stock company with share capital entirely held by Abaco Innovazione, aimed at: (i) acquiring all Exprevia ordinary shares and (ii) delisting the Shares from Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A. (respectively, "Borsa Italiana" and "Delisting").

On 15 June 2023, pursuant to and for the purposes of Article 102, paragraph 3, of the TUF and Article 37-ter of the Issuers' Regulation, Abaco3 S.p.A., a newly established special purpose company whose share

capital is entirely held by Abaco Innovazione S.p.A., announced that it had filed with CONSOB the offer document, intended for publication, relating to the full voluntary public purchase offer pursuant to articles 102 et seq. of the TUF, concerning the ordinary shares of Exprivia S.p.A..

Transactions within Exprivia Group

There were no significant transactions worth noting.

Events after 30 June 2023

On **14 July 2023**, pursuant to art. 38, paragraph 2, of the Issuers' Regulation, Abaco3 S.p.A., a newly established special purpose company whose share capital is entirely held by Abaco Innovazione S.p.A., announced the publication of the offer document - approved by CONSOB with resolution no. 22771 of 12 July 2023 - relating to the full voluntary public purchase offer promoted by Abaco3, pursuant to arts. 102 et seq. of the TUF, concerning the ordinary shares of Exprivia S.p.A..

On **18 July 2023**, the Board of Directors of Exprivia S.p.A. unanimously approved the press release drawn up pursuant to Article 103, paragraph 3, of the TUF, and Article 39 of the Issuers' Regulation, relating to the Board of Directors' reasoned assessment on the full voluntary public purchase offer promoted by Abaco3 S.p.A., pursuant to and for the purposes of Articles 102 et seq. of the TUF (the "Offer"). The Board of Directors acknowledged the Offer and the terms and conditions of the same described in the offer document prepared by the Offeror, and published on 14 July 2023. The Board of Directors also analysed (i) the positive opinion issued on 14 July 2023 by the Issuer's Independent Directors pursuant to Article 39-bis of the Issuers' Regulation, as well as (ii) the fairness opinion issued by KPMG Corporate Finance, a division of KPMG Advisory S.p.A., in its capacity of independent advisor to the Independent Directors, pursuant to Article 39-bis, paragraph 2, of the Issuers' Regulation, which the Board of Directors also availed itself of. The Board of Directors expressed its assessments on the Offer and, in particular, considered the Company's ordinary shares unit price of Euro 1.60 to be paid through the Offer to be fair from a financial point of view.

On **24 July 2023**, in relation to the full voluntary public purchase offer concerning the ordinary shares of Exprivia S.p.A., Abaco3 S.p.A. announced that the Offer's acceptance period, agreed with Borsa Italiana pursuant to art. 40, paragraph 2, of the Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "Issuers' Regulation"), will start on 24 July 2023 and will end on 4 September 2023, inclusive, unless the terms are extended and/or reopened.

On **26 July 2023**, in its role of offeror, Abaco3 S.p.A. announced that the Presidency of the Council of Ministers had informed the Offeror of the decision of the Presidency's Coordination Group, resolved at the meeting of 18 July 2023, not to exercise the special powers envisaged by Decree Law no. 21/2012 ("golden power" regulations). Therefore, with reference to this regulation, the Golden Power Condition referred to in Paragraph A.1 of the offer document published on 14/07/2023 has been met.

Corporate Events

There were no significant events worth noting.

Acquisitions/Sales in the Exprivia Group

There are no significant events worthy of specific reporting.

Exprivia's Stock Market Performance

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

The share capital at 30 June 2023 consists of 51,883,958 shares with a nominal unit value of Euro 0.52.

ISIN Stock Exchange Code: IT0001477402

Symbol: XPR

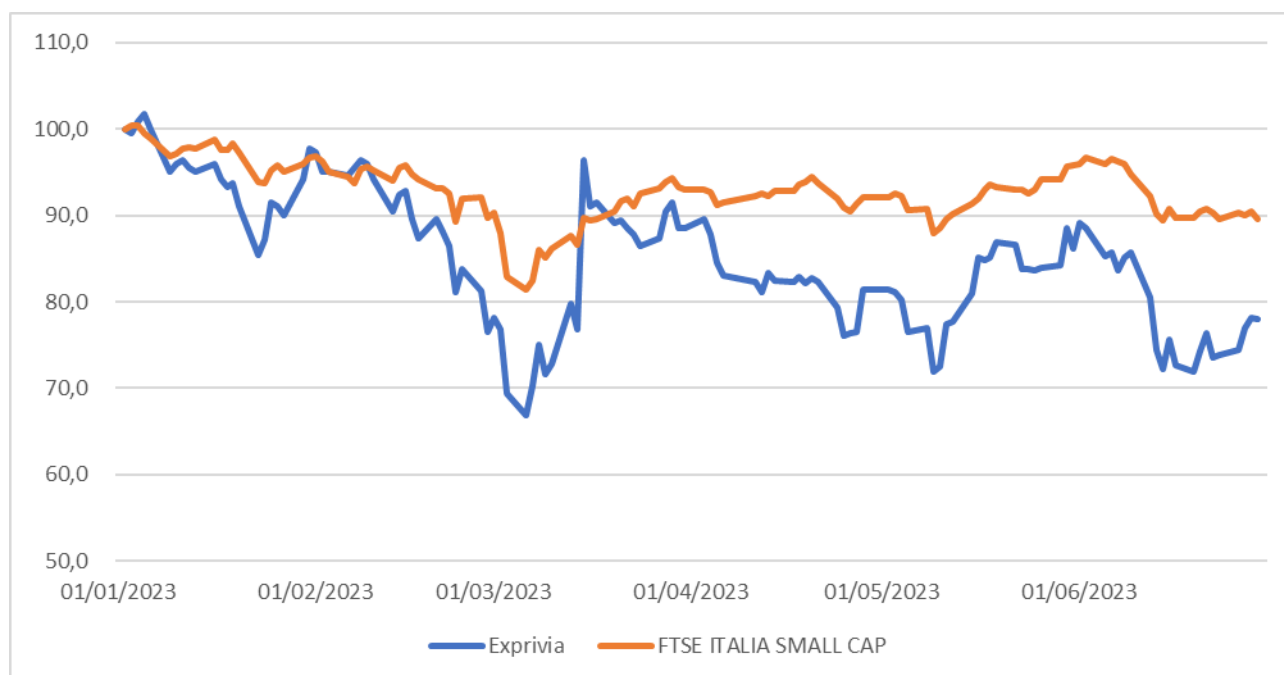
Composition of Shareholders

Based on the entries in the shareholders' register, as supplemented by instructions received in accordance with Art. 120 of the Consolidated Finance Act and available information, at 30 June 2023, the shareholder structure of Exprivia was as follows:

-Shareholders	Shares	Amount held
Abaco Innovazione S.p.A.	24,145,117	46.5368%
Other shareholders	22,555,783	43.4735%
Treasury shares held	5,183,058	9.9897%
Total shares	51,883,958	100.00%

Stock Performance

The graph below compares the performance of the Exprivia share price with the FTSE Italia Small Cap index in June 2023 with reference to the six months prior to this date.



Business Outlook

In the first half of 2023, Exprevia achieved total revenues of nearly Euro 98 million, recording an increase of 11% compared to the same period of the previous year. This growth is supported by the increase in third-party hardware/software resale, which led to lower margins compared to revenues for software and services. Margin incidence decreased and in particular EBITDA stood at 12.6% of total revenues compared to 13.1% last year, with debt falling slightly to approximately Euro 17 million compared to Euro 18 million reported on 31 December 2022. The group has achieved very significant results, especially in the Aerospace, Digital Healthcare and Public Administration sectors.

Therefore, Exprevia is growing at a higher pace than the overall ICT market in Italy, thanks to solid business fundamentals that make it possible to positively view business sustainability in the long term.

An important element that took place during the first half of the year was the decision, announced to the Market on 31 May last year, of **Abaco Innovazione**, Exprevia's controlling shareholder, to promote a voluntary purchase offer aimed at acquiring all of Exprevia's ordinary shares and delisting the shares from Euronext Milan. On 18 July, Exprevia's Board of Directors approved the Abaco public purchase offer, agreeing on the reasons, namely, the pursuit of future growth programs and the Issuer's strengthening, as delisting would allow greater operational and organisational flexibility, with faster decision and execution times and also benefiting from a reduction in management costs. In this way, Exprevia will be able to accelerate its development and value creation strategy.

Investments

Real Estate

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

Exprivia also owns the head office in Rome, in via della Bufalotta 378, which consists of two lots of a total of 2,300 square metres.

Research & Development

Financed by the Ministry of University and Research (MUR) through the National Recovery and Resilience Plan (NRRP) - Mission 4, the "NEST - Network 4 Energy Sustainable Transition" project started its activities on 1 November 2022. The project involves investments of around Euro 118 million, is part of the "Green Energy for the Future" program and aims to create an ecosystem among the main universities, research bodies and companies, identifying interdisciplinary skills in order to develop technologies for the conversion and use of renewable sources capable of supporting the growth of a new generation of energy technologies, researchers and research infrastructures for a future sustainable and resilient energy sector.

On 1 December 2022, the "GRINS - Growing Resilient, INclusive and Sustainable" project began, financed by the Ministry of University and Research (MUR) through the National Recovery and Resilience Plan (NRRP) - Mission 4. The GRINS project envisages investments of approximately Euro 116 million, and intends to develop an integrated set of diverse geo-referenced databases for the study of the different aspects relevant for the analysis of the status and evolution of the economic and social conditions of the Italian territories and economic system as a whole, through the collection and analysis of high-quality, timely, easy-to-access and usable data from different sources, as well as through the development of innovative, effective and easy-to-use tools to support the knowledge transfer and the design of public policies based on available data.

Finally, as part of the NRRP Mission 4, the "DARE - DigitAl lifelong pRevEntion" project began on 15 December 2022, with funding from the Ministry of University and Research (MUR). The project envisages investments of approximately Euro 130 million. The main project objective is to create a multidisciplinary skills centre recognised at national and international level to design, validate, implement and integrate digital tools and strategies to support human health prevention. Data for the identification of new patho-physiological mechanisms linking risk factors to diseases, the optimisation of already available risk factors knowledge for the design of new prevention interventions, risk stratification and assessment of the impact of health interventions on individuals and populations will be harnessed through digital technologies. The project will ensure particular attention to generational and gender implications, to the mitigation of disparities in territorial terms and with regard to access (health inequalities) to prevention services.

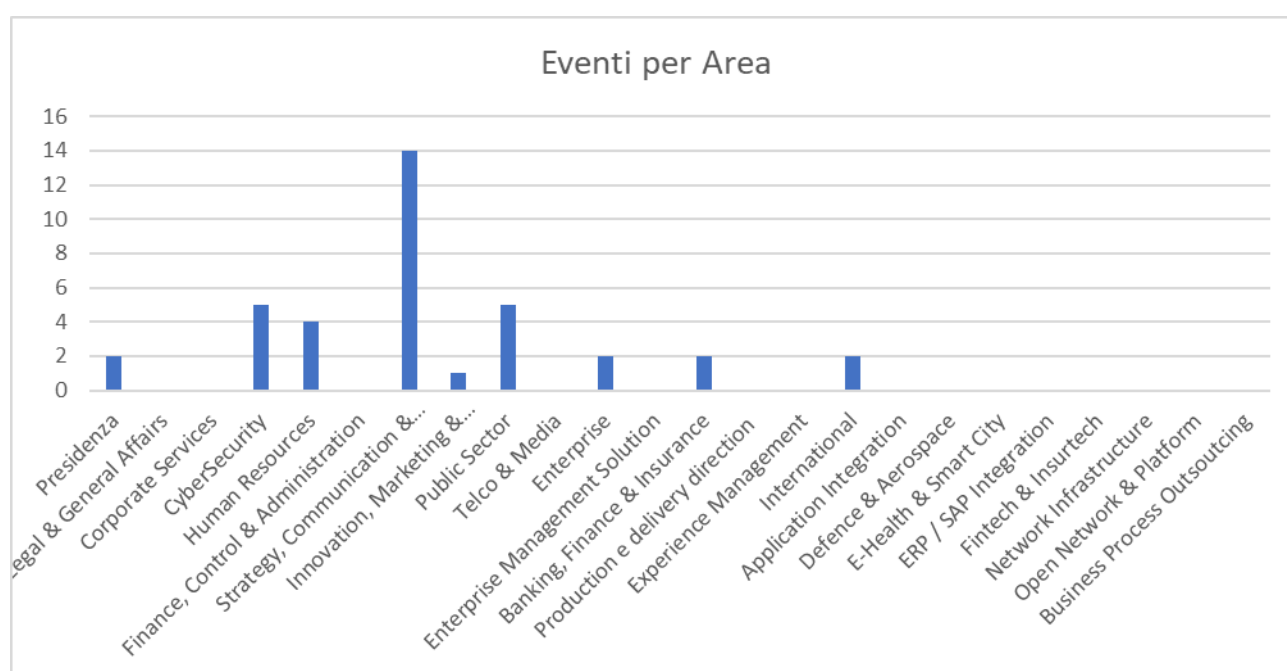
On 17 May 2023, the Ministry of Enterprises and Made in Italy approved the "SCIAME - Smart City Integrated Air Mobility Evolution" project proposal for funding. The SCIAME project aims to develop solutions to support the safety of Urban Air Mobility (UAM) and Advanced Air Mobility (AAM) device operations in urban areas, innovative services for smart cities and new urban mobility solutions integrating new air mobility services with land mobility, in line with the main technological development programs at national (Strategic Plan for Advanced Air Mobility, ENAC, 2021) and European (Multiannual work program, SESARJU, 2022) levels. The project will focus in particular on the Bari metropolitan area.

The presence of unmanned aerial vehicles (UAVs) in urban skies and the continuous provision of sustainable UAM services will bring new needs and opportunities for smart city operators in different areas: integrated and dynamic aircraft and land vehicle fleets monitoring, new intermodal logistics services, limitations to guarantee citizens' urban security and privacy, study and measurement of the environmental and social impact of new mobility policies, new land infrastructures for air and intermodal mobility, innovative

digital services for urban traffic coordination and optimisation, to name the main but not exclusive needs/opportunities.

Events and Sponsorships

The Exprivia Group is constantly committed to supporting corporate and business initiatives of national and international standing. In particular, in the first half of 2023 Exprivia supported various initiatives broken down by area of interest and by business sector, confirming its support for business network organisations and universities.



Events by proposing division	1H 2023
Staff	20
Markets	17
Total	37

Events by type	1H 2023
Corporate Brand	21
Business	16
Total	37

The data shows the number of corporate events compared to business events in the first half of 2023, due to the need to raise brand awareness as well as to communicate our offers, skills and innovative services to the market.

The Exprivia Group reconfirmed its support for the "Conversazioni dal mare" cultural initiative during the year, reiterating the importance of culture as a fundamental asset for humanity, even for a technology

company. Only through direct involvement is it possible to achieve better social, environmental and economic conditions, and Exprivia's identity lies precisely in the protection and enhancement of culture.

Sport has always been a great focus area for Exprivia, which has renewed its sponsorship for the Molfetta Athletics team and has supported the 2023 Athletics Championships organised by the Italian Athletics Federation - FIDAL. This exceptional event took place in Apulia for the first time, specifically in Molfetta, at the Mario Saverio Cozzoli stadium from 28 to 30 July 2023.

Management Training and Development

Digital innovation accelerates and animates an increasingly fierce competition, the development of communication infrastructures, ICT investments feed the digital transformation which becomes the protagonist of a growing market. Exprivia has supported these factors of profound change; digitalisation has made it necessary to have a more complex mix of skills and abilities in which technological skills are complementary to transversal skills. The Group considers its people a paramount asset for achieving business and offer-development objectives and therefore ensures the training and active involvement of people, facilitating teamwork and working conditions that protect people's well-being and promote creativity and personal initiative.

In terms of Training, the final balance for the first half of 2023 shows a total number of 22,200 hours provided (of which 2,438 within the Business Process Management - Contact Centre structure) and with 7,794 participants (of which 2,593 for the contact centre). The courses were mainly used online.

The following training courses are of particular interest:

- **Cybersecurity Awareness Training:** the course's primary objective is to provide everyone, regardless of individual roles and individual tasks, with basic cyber security skills and methods; greater competence and awareness can facilitate prevention and, in the event of critical issues, defence against cyber attacks. Raising employees' awareness and increasing their understanding are keys to success in terms of empowering them to take responsibility for reducing human errors and the consequent costs for the company, both in economic and reputational terms.
- **Liferay 7.3:** the training project objective is to develop skills on the new release in relation to the various Liferay scopes (Administration, System, Application Development, Front-End).
- **Team in Action:** aimed at the offer system managers, the course objective is to strengthen the team, facilitating their re-alignment towards a common vision; consolidation of the group identity; identification of leadership behaviours, to practically apply shared learning in business daily life.
- **IT Management training courses:** training project aimed at project managers, service managers and delivery managers, with a focus on both company management systems knowledge and on role-specific typical soft skills.
- **Bid Managers training courses:** a training project aimed at the bid manager role with the objective of: ensuring that the tender documentation is complete and complies with the reference regulations; checking alignment of the tender with the content required by the tender specifications and the evaluation criteria defined by the contracting authority; checking the tender preparation costs against the budget defined for the tender; coordinating the tender preparation work with the other partners identified for tender participation.

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

In the first half year of 2023 alone, **177 new certifications** and specialisations were obtained, increasing the number in innovative areas to support investments related to the business plan.

With regard to the **Recruiting & Talent Acquisition** processes, in the first half of 2023, **168** resources, including recent graduates and qualified personnel in technical-IT areas, process experts and IT

Management experts were recruited in the Italian offices, as well as a further **21** resources, recruited to cover Contact Centre activities, for a total of **189** resources recruited in Italy.

In foreign countries, **15** new graduates and qualified personnel were hired. In total, both in Italy and abroad, the number of new recruits for the first half of 2023 was **204** resources. From a Talent Acquisition viewpoint, as in the past, the Exprivia Group continued its active collaboration with Schools, Universities, Polytechnics, ITS System, Specialised Training Centre, Schools of Higher Education, Research Centres and Consortia, for high school graduates, university undergraduates and post-graduates.

This collaboration (also including "remote" working) is structured as follows:

- Activation of curricular and dissertation internships, aimed at ITS graduates and undergraduates, extra-curricular post-graduate internships, post Master's or post-Specialisation courses, aimed at providing opportunities for experiential and professional training;
- Collaboration with Italian Universities and Polytechnics, as well as with Bodies and Consortia, which extends to Research, Innovation and Digital Culture Promotion Projects, carried out in co-participation;
- Training courses at some Universities and Polytechnics, on Digital Enablers and Digital Transformation topics, on Communication Networks and Cyber Security, on Medical Systems Engineering;
- Teaching, as part of the training courses of the ITS Academy System (new name MIUR), carried out in collaboration with Exprivia, both referring to purely technical and transversal areas;
- Orientation programme, in some secondary schools, with the aim of raising awareness of Digital Transformation issues among young students and to show them professional opportunities in the ICT context;
- Pre-employment specialist academies involving many young graduates in Economics and STEM disciplines every year;
- Academy (CoreAcademy) aimed at young graduates, developed by Exprivia in collaboration with the Federico II University of Naples and distinguished Partners in the ICT world.

Exprivia pursues its collaboration with the ITS System, continuing to invest in the Apulia area, as well as starting new collaborations with additional ITS Foundations, in Lombardy and Lazio.

Staff and Turnover

The table below shows the companies' workforce at 30 June 2023, compared with that at 31 December 2022 and 30 June 2022. The table shows the number of resources of which the part-time component accounts for about 20%:

Azienda	Dipendenti			Media dipendenti			Collaboratori			Media Collaboratori		
	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022	30/06/2023
Exprivia SpA	1835	1815	1857	1828	1828	1831	6	4	4	6	5	4
Exprivia Projects Srl	456	460	464	456	460	466	0	0	0	0	0	0
Advanced Computer Systems Srl Germany	8	8	9	8	8	9	0	0	0	0	0	0
Exprivia It Solutions Shanghai	19	18	19	17	18	19	3	0	0	2	2	0
Exprivia SLU (Spagna)	32	29	27	31	31	30	2	2	4	3	3	3
Prosap SA de CV/Prosap Centramerica SA	20	8	5	19	17	5	0	0	0	0	0	0
Exprivia do Brasil Servicos de Informatica Ltda	42	40	29	40	41	34	15	25	22	15	19	24
Spegea Scarl	6	6	6	6	6	6	0	0	0	0	0	0
HR Coffee	8	8	8	7	8	8	0	0	0	0	0	0
Totale	2426	2392	2424	2412	2417	2408	26	31	30	26	29	31
<i>di cui Dirigenti</i>	47	47	48	44	45	46						
<i>di cui Quadri</i>	238	237	249	240	240	249						

Management System and Certifications

Since 2005 Exprivia has developed an Integrated Management System (IMS) that meets the requirements of the ISO 9001, ISO 13485, ISO/IEC 20000-1, ISO/IEC 27001, ISO 22301, ISO 18295 and ISO14001 international standards. This system is supplemented with specific standards for the engineering of software and systems with a view to developing working methodologies and processes capable of combining standardisation with flexibility and self-improvement capabilities through the support of competent, knowledgeable and motivated individuals. Moreover, the IMS was designed and implemented with the "Risk Based Approach" perspective, in accordance with the rules on management systems published as from 2015, which pay particular attention to the identification, analysis and assessment of risks in order to meet the organisation's objectives and prevent/reduce undesirable effects.

We believe that sustainability is an indispensable value for the Exprivia Group, which is reflected in respecting people, the environment and society as a whole.

Exprivia has obtained various certifications in the ESG (Environment, Social and Governance) area, as effective and internationally recognised tools to support the Management's commitment to contribute to sustainable development.

Certifications	Purpose of the Management System
ISO 9001, (Exprivia and Exprivia Projects)	The Quality Management Systems are certified in accordance with the ISO 9001 standard to define, maintain and improve the company processes by gradually identifying new objectives consistent with those of the highest levels defined in the Quality Policy. For the design and development of the Exprivia medical systems, ISO 13485 and the medical devices directive have been adopted.
ISO 13485 and EC Marking Medical Devices (MDD) (Exprivia)	

ISO 20000-1 (Exprivia) ISO 27001 (Exprivia and Exprivia Projects) (Achieved for Projects in 2023) ISO 27017, ISO 27018 (Exprivia) ISO 22301 (Exprivia)	<p>They enable the adoption of industry best practices and increasingly meet the needs of stakeholders for IT service management (ISO 20000-1), information security (ISO 27001), and business continuity management (ISO 22301).</p> <p>In providing ICT solutions in the cloud, Exprivia also felt the need to extend the scope of information security by following the Guidelines of ISO 27017 'Information security controls for cloud services' and ISO 27018 'Protection of personally identifiable information (PII) in public clouds acting as PII processors'.</p>
ISO 18295 (Exprivia and Exprivia Projects)	<p>The standard provides a framework applicable to any Contact Centre - both inbound and outbound - which wishes to satisfy the requirements and expectations of all the stakeholders involved (principal, users, operators of the Contact Centre), while continuously improving performances by using the results of the KPIs defined. The certification - which is a service certification rather than a management system certification - is a preferential and distinctive qualification (compared with ISO 9001 certification) for customers who wish to commission Contact Centre services.</p>
ISO 14001 (Exprivia and Exprivia Projects) (Achieved for Projects in 2022) ISO 14064-1 (Exprivia and Exprivia Projects) (Achieved in 2022)	<p>ISO 14001 certification enables the identification and minimisation of the environmental impacts of production activities.</p> <p>Reducing greenhouse gases requires suitable tools for quantifying and verifying emissions calculations and reporting activities. ISO 14064-1 outlines a working methodology based on a scientific and systematic approach to GHG reporting and monitoring.</p>
ISO 37001 (Exprivia) (Achieved in 2022)	<p>Exprivia's Corruption Prevention Management System is based on ISO 37001 and contributes to the development of an ethical culture in companies by operating according to principles of transparency, in compliance with the current regulatory framework.</p> <p>The certification allows the application of an organisational and developmental model, which is based on a culture of legality and promotes constant actions to improve business processes.</p>
SA 8000 (Exprivia) (Achieved in 2022)	<p>Exprivia identifies its commitment to social issues as a key focus and priority, in accordance with the SA 8000 Standard (Social Accountability), through the adoption of a Social Accountability Management System. The SA 8000 Standard is based on ILO (International Labour Organization) conventions, the Universal Declaration of Human Rights, and the United Nations Convention on the Rights of the Child.</p>
ISO 45001 (Exprivia and Exprivia Projects) (Achieved in 2022)	<p>The Occupational Health and Safety Management System makes workplaces safer and healthier, and prevents work-related illnesses and injuries, with a view to continuous improvement.</p>
ISO 50001 (Exprivia Projects) (Achieved in 2023)	<p>The Energy Management System aims to increase energy efficiency by improving energy performance, with a consequent reduction in greenhouse gas emissions and energy waste.</p>

The company seeks to extend the processes and best practices used in Italy at international level, by appropriately adjusting them to the relevant national context, so that others may gain from the improvement actions identified over years of experience.

The management systems are periodically subject to internal and external audits, aimed at periodically checking the state of application of the system and its compliance with the reference norms and with applicable legislation.

Organisation, Management and Control Model (pursuant to Italian Legislative Decree no. 231/2001)

Effective 31 March 2008, Exprivia adopted its Organisation, Management and Control model under Italian Legislative Decree no. 231/2001 and set up a Supervisory Board, entrusted to supervise the operation and compliance of the same Model, whose members do not hold any director role in the Group companies.

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

The internal Organisation Model is made up of a General Section and eight special sections which contain the protocols for the prevention of the specific offences envisaged by the Decree; the Supervisory Board is responsible for the control thereof. The Model is kept updated, and the most recent version in force was approved by the Board of Directors on 20 December 2022.

In particular, with resolution of 20 December 2022, the Board of Directors approved the new special part H of the 231 Organisational Model, dedicated to the prevention of Tax Offences.

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

The new Supervisory Board was appointed on 20 December 2022 and will remain in office until the appointment of the new Board of Directors, which will take place with the approval of the financial statements at 31 December 2023, as detailed in the Report on Corporate Governance and Ownership Structure approved by the Board on 15 March 2023.

In the first half of 2023, Exprivia's Supervisory Board did not receive any reports nor identified any episodes of corruption.

Exprivia's Organisation, Management and Control Model - General Part is published on the Company's website in the section "Corporate Governance - Corporate Information" (<https://www.exprivia.it/>). The Code of Ethics is also available to the public on the Company's website in the "Corporate Social Responsibility - Governance - Code of Ethics" (<https://www.exprivia.it/>).

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, Finance and Control Department centrally manages all "Group" companies.

The Human Resources Department defines the policies for the entire Group and verifies their implementation.

The following staff functions also report to the Chairman: Internal Audit, Strategy & Compliance, Innovation Marketing & Technology.

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 half of 2023, 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 in the first half of 2023 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 parent 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 "Parent 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 30 June 2023, 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 parent company Abaco Innovazione SpA at 30 June 2023, 31 December 2022 and 30 June 2022 are laid out below.

Receivables

Current Financial Assets

Description	30/06/2023	31/12/2022	Variation
Abaco Innovazione_Current financial receivables from parent company	0	475	(475)
TOTAL	0	475	(475)

The balance at 31 December 2022 included Euro 475 thousand relating to the receivable for an unsecured loan with no guarantees taken out in 2016 by the parent company Abaco Innovazione SpA, with Euro 1,680 thousand disbursed in cash and Euro 1,305 thousand as a reclassification of receivables outstanding at 31 December 2015. At 30 June 2023, the balance was zero as the contract ended on 31 December 2022.

Trade Receivables

Description	30/06/2023	31/12/2022	Variation
Abaco Innovazione_Trade receivables from parent companies	46	46	-
TOTAL	46	46	-

The balance at 30 June 2023 amounted to Euro 46 thousand, unchanged from 31 December 2022, and refers to receivables for administrative and logistics services.

Revenues and Income

Description	30/06/2023	30/06/2022	Variation
Abaco Innovazione_Financial income from parent companies	4	11	(6)
TOTAL	4	11	(6)

The balance at 30 June 2023 refers primarily to interest accrued from Abaco Innovazione SpA on a loan disbursed by Exprivia.

Financial Income and Charges

Description	30/06/2023	30/06/2022	Variation
Abaco Innovazione_Costs of a financial nature from parent companies	-	209	(209)
TOTAL	-	209	(209)

The balance of Euro 209 thousand at 30 June 2022 included costs for the guarantee given by the Parent Company to obtain the Euro 25 million loan disbursed to Exprivia by a pool of banks in April 2016. At 30 June 2023, the balance was zero as the contract ended on 31 December 2022.

**Condensed
consolidated half-year
financial statements at
30 June 2023**

Consolidated Financial Statements at 30 June 2023

Consolidated Balance Sheet

Amount in thousand Euro			
	Note	30.06.2023	31.12.2022
Property, plant and machinery	1	15,891	16,390
Goodwill	2	69,071	69,071
Other Intangible Assets	3	7,664	8,144
Shareholdings	4	695	816
Other non-current financial assets	5	143	145
Other non-current assets	6	474	682
Deferred tax assets	7	2,222	2,094
NON-CURRENT ASSETS		96,160	97,342
Trade receivables	8	56,863	51,717
Stock	9	1,075	913
Work in progress to order	10	28,991	25,669
Other Current Assets	11	16,069	13,589
Other Financial Assets	12	332	710
Cash and cash equivalents available	13	11,506	17,290
Other financial assets valued at FVOCI	14	2	2
CURRENT ASSETS		114,838	109,890
TOTAL ASSETS		210,998	207,232

Amount in thousand Euro			
	Note	30.06.2023	31.12.2022
Share capital	15	24,284	24,284
Share Premium Reserve	15	18,082	18,082
Revaluation reserve	15	2,907	2,907
Legal reserve	15	5,396	5,190
Other reserves	15	42,854	31,258
Profits (Losses) for the previous year	15	(10,497)	(10,497)
Profit (Loss) for the year	40	5,577	11,533
SHAREHOLDERS' EQUITY		88,603	82,757
Minority interest	15	66	85
GROUP SHAREHOLDERS' EQUITY		88,537	82,672
Non-current bank debt	16	12,781	15,398
Other financial liabilities	17	2,469	2,862
Other no current liabilities	18	31	77
Provision for risks and charges	19	187	233
Employee provisions	20	6,484	6,893
Deferred tax liabilities	21	1,869	1,814
NON CURRENT LIABILITIES		23,821	27,277
Current bond	22	4,566	9,178
Current bank debt	23	11,068	10,081
Trade payables	24	27,925	27,273
Advances payment on work in progress contracts	25	6,025	6,194
Other financial liabilities	26	2,506	3,417
Other current liabilities	27	46,484	41,055
CURRENT LIABILITIES		98,574	97,198
TOTAL LIABILITIES		210,998	207,232

Consolidated Income Statement

Amount in thousand Euro		for the six months ended	for the six months ended
	Note	30.06.2023	30.06.2022
Revenues	28	94,572	86,314
Other income	29	3,372	1,890
PRODUCTION REVENUES		97,944	88,204
Costs of raw, subsid. & consumable mat. and goods	30	6,302	1,747
Salaries	31	57,728	56,434
Costs for services	32	20,630	17,156
Costs for leased assets	33	637	357
Sundry operating expenses	34	789	805
Change in inventories of raw materials and finished products	35	(298)	269
Provisions	36	(172)	(121)
TOTAL PRODUCTION COSTS		85,616	76,647
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		12,328	11,557
Amortisation, depreciation and write-downs	37	2,848	3,076
OPERATIVE RESULT		9,480	8,481
Financial income and (charges) and other investments	38	(1,348)	(1,025)
PROFIT (LOSS) BEFORE TAXES		8,132	7,456
Income tax	39	2,555	2,154
PROFIT OR LOSS FOR THE PERIOD	40	5,577	5,302
Attributable to:			
Shareholders of holding company		5,597	5,307
Minority interest		(21)	(5)
Earnings per share losses	41		
Basic earnings per share		0.1198	0.1087
Basic earnings diluted		0.1198	0.1087

Consolidated Statement of Comprehensive Income

Amount in thousand Euro		for the six months endend	for the six months endend
Description	Note	30.06.2023	30.06.2022
Profit for the period	40	5,577	5,302
<i>Other gains (losses) total will not subsequently be reclassified in profit (loss) for the period</i>			
Profit (loss) Actuarial effect of IAS 19		94	637
Tax effect of changes		(23)	(153)
Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss) for the period	15	71	484
<i>Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period</i>			
Change in translation reserve		198	313
Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss) for the period	15	198	313
NET COMPREHENSIVE INCOME FOR THE PERIOD		5,846	6,099
<i>attributable to:</i>			
Group		5,865	6,098
Minority interest		(19)	1

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
Balance as at 31/12/2021	26,980	(2,364)	18,082	2,907	4,682	23,984	(10,470)	10,138	73,939	50	73,889
Destination of previous year result					508	7,166	2,464	(10,138)	-	-	-
Dividend distribution							(2,258)		(2,258)		(2,258)
Reclassification of dividends on own shares						233	(233)		-		-
Purchase of treasury shares		(225)				(564)			(789)		(789)
Other movements						(6)			(6)		(6)
Components of the overall result											
Profit (loss) for the period								5,302	5,302	(5)	5,307
Effects deriving from the application of IAS 19						484			484	6	477
Conversion reserve						313			313	0	313
Total Comprehensive Profit (Loss) for the period									6,099	1	6,098
Balance as at 30/06/2022	26,980	(2,589)	18,082	2,907	5,190	31,610	(10,497)	5,302	76,985	51	76,934
Balance as at 31/12/2022	26,980	(2,696)	18,082	2,907	5,190	31,258	(10,497)	11,533	82,757	85	82,672
Destination of previous year result					206	11,327		(11,533)	-	-	-
Components of the overall result											
Profit (loss) for the period								5,577	5,577	(21)	5,598
Effects deriving from the application of IAS 19						71			71	2	69
Conversion reserve						198			198	-	198
Total Comprehensive Profit (Loss) for the period									5,846	(19)	5,865
Balance as at 30/06/2023	26,980	(2,696)	18,082	2,907	5,396	42,854	(10,497)	5,577	88,603	66	88,537

Consolidated Cash Flow Statement

Amount in thousand Euro			
	Note	30.06.2023	30.06.2022
Financial statement	42		
Operating activities:			
Profit (loss) for the period	40	5,577	5,302 (1)
Depreciation, write-downs, provisions and other non-monetary elements		2,712	2,874
Provision for Severance Pay Fund		2,548	2,526
Advances/Payments Severance Pay		(2,862)	(2,700)
Cash flow generated (absorbed) from operating activities	a	7,974	8,002
Increase/Decrease in net working capital:			
Variation in stock and payments on account		(3,703)	(3,666)
Variation in receivables to customers		(5,009)	(1,530)
Variation in receivables to parent/subsidiary/associated company		110	(36)
Variation in other accounts receivable		(2,596)	(1,637)
Variation in payables to suppliers		575	(4,387)
Variation in payables to parent/subsidiary/associated company		77	(37)
Variation in tax and social security liabilities		(997)	(353)
Variation in other accounts payable		6,426	4,241
Cash flow generated (absorbed) from current assets and liabilities	b	(5,117)	(7,405)
Cash flow generated (absorbed) from current activities	a+b	2,857	597
Investment activities:			
Purchases of tangible fixed assets net of payments for sales		(298)	(395)
Variation in intangible assets		(689)	(857)
Variation in financial assets		313	(110)
Net variation in other financial receivables		380	496 (2)
Cash flow generated (absorbed) by investing activities	c	(294)	(866)
Financial assets and liabilities			
Openings of new medium / long-term loans		5,113	192 (2)
Repayments of medium-long term loans		(10,603)	(6,740) (2)
Net change in other financial payables including other current payables to banks		(2,937)	(1,025) (2)
Changes in other non-current liabilities and use of risk provisions		(117)	(35)
(Purchase) / Sale of own shares		0	(789)
Paid dividends		0	(2,258)
Change in equity		198	307
Cash flow generated (absorbed) by financing activities	d	(8,347)	(10,348)
Increase (decrease) in cash and cash equivalent	a+b+c+d	(5,784)	(10,617)
Cash and cash equivalents at the beginning of the period		17,290	19,060
Cash and cash equivalents at the end of the period		11,506	8,443

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

891

1,216

(2) The sum of the related amounts (-8.048 thousand of Euro at 30 June 2023 and -7.077 thousand of Euro at 30 June 2022) 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 to the Exprevia Group condensed consolidated half-year financial statements at 30 June 2023

GENERAL INFORMATION

Exprevia SpA and its subsidiaries (hereinafter also referred to jointly as the "Group" or the "Exprevia Group") at 30 June 2023 represent an international group specialising in Information and Communication Technology, able to address its customers' business change drivers through digital technologies.

Exprevia SpA (hereinafter also "Exprevia" or the "Company" or the "Parent Company") has its registered office in Molfetta (BA), Via Adriano Olivetti 11, 70056, Italy. The Group is controlled by Abaco Innovazione SpA which holds 46.54% of the share capital of Exprevia.

Declaration of compliance with IFRS

The condensed consolidated half-year financial statements of the Exprevia Group at 30 June 2023 were prepared in compliance with Article 154-ter of Italian Legislative Decree 58/98, as amended, as well as the Issuers' Regulation and the provisions set forth by Consob on the matter.

The condensed consolidated half-year financial statements at 30 June 2023, included in the interim report, were prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standard Board (IASB), and consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the statement of changes in consolidated shareholders' equity, as well as the related explanatory notes.

The financial statements have been prepared in accordance with IAS 1, while the Notes have been prepared in abbreviated form, applying the option envisaged by IAS 34 and, therefore, are reported in summary form and do not include all the information required in the yearly financial statements, as they refer exclusively to those components that, in terms of amount, composition or changes, are essential for the purposes of understanding the economic, financial and equity situation of the Group. Therefore, the condensed consolidated half-year financial statements at 30 June 2023 must be read together with the consolidated yearly financial statements at 31 December 2022 available on the website www.exprevia.it, section "Corporate" - "Investor Relations", "See all financial statements".

On 4 August 2023, the Board of Directors approved the condensed consolidated half-year financial statements at 30 June 2023 and made these available to the public and to CONSOB, according to the methods and terms set forth in the applicable legislative and regulatory provisions.

Drafting and Presentation Criteria

The consolidation criteria, accounting policies and valuation criteria adopted are consistent with those used in the preparation of the consolidated financial statements at 31 December 2022 and the interim report at 30 June 2022, to which explicit reference is made, with the exception of what is specifically applicable to interim financial statements and what is presented below in relation to the accounting standards, amendments and interpretations applicable as of 1 January 2023. It should be noted that the Group adopts the six-month period as the interim period of reference for the purposes of applying IAS 34 and the definition of the interim financial statements indicated therein. This condensed consolidated half-year financial statements are subject to a limited audit by BDO Italia SpA.

Accounting standards, amendments and interpretations applicable from 1 January 2023

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

Title	Document Type	Issued Date	Effective Date	Standards	Endorsement date	Publication on G.U.C.E	Effective date for Expri via
Initial Application of IFRS 17 and IFRS 9—Comparative Information	Amendment	December 2021	01-Jan-23	IFRS 17, IFRS 9	8-set-2022	09-Sep-22	01-Jan-23
Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Amendment	May-21	01-Jan-23	IFRS 1, IAS 12	11-ago-2022	12-Aug-22	01-Jan-23
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Amendment	February-21	01-Jan-23	Practice Statement 2, IAS 1, IFRS 8, IAS 34, IAS 26, IFRS 7	2-mar-2022	03-Mar-22	01-Jan-23
Definition of Accounting Estimates (Amendments to IAS 8)	Amendment	February-21	01-Jan-23	IAS 8	2-mar-2022	03-Mar-22	01-Jan-23
Amendments to IFRS 17	Amendment	June-20	01-Jan-23	IFRS 3, IAS 36, IFRS 9, IAS 1, IAS 38, IAS 32, IFRS 17, IFRS 4, IAS 40, IAS 19, IAS 16, IFRS 15, SIC-27, IAS 36, IFRS 1, IAS 1, IAS 37, IAS 7, IAS 28, IFRS 5, IFRS 7	19-nov-2021	23-Nov-21	01-Jan-23

Deferred taxes related to assets and liabilities arising from a single transaction (amendments to IAS 12)

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 standard/amendment newly adopted did not have any material impact on the valuation of the Group's assets, liabilities, costs and revenues

Disclosure on accounting standards (amendments to IAS 1 and IAS 8)

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

IFRS 17 Insurance Contracts

As of 1 January 2023, the new IFRS 17 "Insurance Contracts" came into force, replacing 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 accounting standard IFRS 17 "Insurance contracts" applies to all companies, not only to insurers, in fact it applies to insurance contracts issued regardless of the sector to which the issuer belongs.

An insurance contract is a contract under which one of the parties (the issuer) accepts a significant insurance risk from another party (the policyholder) by agreeing to indemnify the policyholder in the event that the same suffers damages as a result of one of the specific uncertain future event (the insured event).

The following exemptions from the application of IFRS 17 are envisaged:

- guarantees provided to the customer by the manufacturer, trader or retailer in relation to the sale of a good or the provision of a service;
- the assets and liabilities of the employer deriving from employee benefit plans and the obligations for pension benefits recognised by defined benefit pension plans;
- contractual rights or obligations depending on the future use or right of use of a non-financial element (for example, certain types of license fees, royalties, variable lease payments and other potential lease payments and similar elements: see IFRS 15, IAS 38 Intangible Assets and IFRS 16 Leases);
- residual value guarantees granted by the manufacturer, trader or retailer and residual value guarantees granted by the lessee, when incorporated in a lease (see IFRS 15 and IFRS 16);
- financial guarantee contracts, unless the issuer has previously expressly declared that they are insurance contracts and has applied to them the accounting treatment envisaged for insurance contracts. The entity must choose whether to apply IFRS 17 or IAS 32 Financial Instruments to these financial guarantee contracts. The entity may make this choice for each individual contract, but the choice made is then irrevocable;

- contingent consideration to be paid or received in a business combination transaction;
- insurance contracts in which the entity is the policyholder, unless they are reinsurance contracts;
- credit card contracts or similar contracts, which offer credit or payment instruments, which meet the definition of an insurance contract, if, and only if, the entity does not reflect the assessment of the insurance risk associated with the individual customer in determining the price of the contract with said customer.

The following optional exemptions from the application of IFRS 17 are also envisaged:

- some contracts meet the definition of an insurance contract, although their primary objective is the provision of services at a fixed price. The entity issuing these contracts may choose to apply IFRS 15 to them instead of IFRS 17 if, and only if, specific conditions are met. The entity may make this choice for each individual contract, but the choice made is then irrevocable. The conditions are as follows:
- the price set by the entity for the contract concluded with the customer does not reflect an assessment of the risk associated with that customer;
- the contract envisages as consideration for the customer the provision of services, rather than payment in cash; and the insurance risk transferred by the contract derives mainly from the use of the services by the customer, rather than from the uncertainty of the cost of those services;
- some contracts fall within the definition of an insurance contract, but limit the compensation for insured events to the amount otherwise necessary to extinguish the policyholder's obligation created by the contract (e.g. loans with waiver in the event of death). The entity must choose to apply IFRS 17 or IFRS 9. The entity must make this choice for each portfolio of insurance contracts and the choice is irrevocable.

Although not formally referred to as insurance contracts, the analysis of the scope of application of IFRS 17 shows that some contracts could fall within the scope of application of the standard; however, for such contracts, the Group availed itself of the option of exemption of application. Therefore, there were no impacts from the first-time application of IFRS 17.

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

There are no 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:

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.

Title	Document Type	Issued Date	Effective Date	Standards	Endorsement date	Publication on G.U.C.E	Effective date for Exprivia
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Final Amendment	May 2023	1 January 2024	IAS 7, IFRS 7			
International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)	Final Amendment	May 2023	1 January 2023	IAS 12			
Non-current Liabilities with Covenants	Amendment	October 2022	1 January 2024	IAS 1, Practice Statement 2			
Lease Liability in a Sale and Leaseback Amendments to IFRS 16	Amendment	September 2022	1 January 2024	IFRS 16			
Classification of Liabilities as Current or Non-current—Deferral of Effective Date (Amendment to IAS 1)	Amendment	July-20	01-Jan-23	IAS 1			
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	Amendment	January-20	01-Jan-23	IAS 1			

On 25 May 2023, the IASB published the document "Financial agreements with suppliers (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments)". These amendments occurred as a result of a request received by the IFRIC relating to the requirements for the presentation of liabilities and related cash flows deriving from supplier finance arrangements (or "reverse factoring") and related additional information. The amendments introduce some specific disclosure requirements for supplier finance arrangements, and also provide guidance on the characteristics of these arrangements. The amendments are effective for annual reference periods beginning on or after 1 January 2024, with authorisation for early application.

On 23 May 2023, the IASB published the document "International tax reform - Pillar Two model rules (amendments to IAS 12)", which amends IAS 12 "Income taxes". The OECD "Global anti-base erosion model rules" tax reform introduces a new two-pillar model, known as "Pillar Two", to address tax issues arising from the economy digitalisation. The model aims to limit tax competition by introducing a minimum 15% global rate in each jurisdiction in which large multinationals operate. The parent company will be required to pay any top-up tax for subsidiaries that operate in low tax jurisdictions and for which the current tax is lower than the 15% minimum threshold. The additional tax will be paid in the parent company's jurisdiction. The top-up tax is a current tax within the scope of application of IAS 12 in the consolidated financial statements of the ultimate group parent company, which, however, gives rise to several concerns in the accounting of the related deferred taxes. In this regard, with the amendment in question, the IASB has provisionally decided to amend IAS 12 by introducing:

- the temporary exception to the obligation to account for deferred taxes deriving from the implementation of the Pillar Two rules (including any qualifying national minimum supplementary tax);
- disclosure obligations.

The amendments are applicable immediately after the issue of the amendments and retroactively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Other disclosure requirements are applicable for financial years starting on or after 1 January 2023. This information is not required for interim periods ending by December 2023.

On 31 October 2022, the IASB issued amendments to IAS 1 "Presentation of Financial Statements", which aim to improve the information provided by companies on long-term debt with covenants. IAS 1 requires a company to classify a liability as non-current only if the company has a right to defer settlement of the liability for at least 12 months after the reporting date. However, such a right is often subject to the company complying with covenants. For example, a company could have a long-term debt that could become repayable within 12 months if the company does not meet the covenants in that 12-month period. The amendments to IAS 1 specify that the covenants to be observed after the reporting date do not affect the classification of the liability as current or non-current at the reporting date. Instead, the amendments require a company to provide information on these covenants in the notes to the financial statements. The amendments are effective for years beginning on or after 1 January 2024, with early adoption permitted.

On 22 September 2022, the IASB issued the document Lease Liability in a Sale and Leaseback, which amends IFRS 16, clarifying how a sale and leaseback transaction is accounted for after the transaction date. A sale and leaseback is a transaction for which a company sells an asset and rents the same asset for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 did not specify how to measure the transaction at the time of reporting after that date. The amendments issued today are in addition to the sale and leaseback requirements of IFRS 16, thus supporting the consistent application of the Accounting Standard. The amendments are effective for years beginning on or after 1 January 2024, with early adoption 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.

Accounting estimates used in the preparation of the condensed consolidated half-year financial statements

Preparation of the condensed half-year financial statements at 30 June 2023 in accordance with applicable accounting standards required the use of accounting estimates and assumptions based on complex and/or subjective assessments, on historical experience and on other factors that are deemed reasonable with respect to the circumstances and knowledge available as at the reporting date. The use of these accounting estimates affects the carrying amount of assets and liabilities and the report on contingent assets and liabilities at the reporting date, as well as the amount of revenues and costs over the reference period; the actual results may differ from those estimated due to the uncertainty that characterises the assumptions made and the conditions on which the estimates are based and revised on an ongoing basis. The effects of revised estimates are recognised in the income statement for the period in which the estimates are revised. Changes in the conditions underlying the judgements, assumptions and estimates adopted may have a significant impact on subsequent results. Critical accounting estimates in the financial reporting process, which involve a high degree of subjective judgement and assumptions mainly concern: amounts allocated to bad debt provisions, made according to the expected sale value of related assets; amounts allocated to provisions for risks, made according to the reasonable estimate of the amount of the contingent liability, also with respect to any demands from the counterparty; amounts allocated for employee benefits, recognised according to actuarial valuations; depreciation/amortisation of tangible and intangible assets, recognised according to their remaining useful life and their recoverable amount; income taxes, determined according to the best estimate of the rate expected for the entire financial year; and development costs, which are initially capitalised based on the technical and financial feasibility of the project (future cash flow projections are made for each project). The verification of the existence of control and/or of the possible loss of control requires the exercise of a complex professional judgement by the Company Management that considers the characteristics of the corporate structure, the agreements between the parties, as well as any other fact and circumstance that may be relevant for the purposes of said verification.

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

There are no changes in relation to the identification of issues of particular importance that require significant estimates by management compared to those reported in the 2022 Consolidated Financial Statements, to which reference should be made.

Main events and transactions in the first half of 2023

On 15 March 2023, Exprivia's Board of Directors approved the annual report at 31 December 2022.

On 31 March 2023, following the equity instruments holders' consent on 16 March 2023, BETA TLC SpA recorded its liquidation, resolved by the company's shareholders' meeting on 27 June 2022 subject to the existing equity instrument holders' favourable opinion, in the Register of Companies.

On 27 April 2023, the Ordinary Shareholders' Meeting of Exprivia SpA has approved the financial statements at 31 December 2022. The Shareholders' Meeting resolved to allocate the profit for the year to the Extraordinary Reserve.

The Shareholders' Meeting appointed BDO Italia SpA to audit the accounts for the period 2023-2031.

Moreover, the ordinary Shareholders' Meeting has approved the issuance of a new authorisation to purchase and sell treasury shares.

On 31 May 2023, pursuant to and for the purposes of Article 102, paragraph 1, of the Consolidated Finance Act (TUF) and Article 37 of the Issuers' Regulation, Abaco Innovazione S.p.A., Exprivia Group's parent company, announced that it had decided to promote a voluntary public purchase offer pursuant to articles

102 et seq. of the TUF through a newly established corporate vehicle in the form of an Italian joint-stock company with share capital entirely held by Abaco Innovazione, aimed at: (i) acquiring all Exprivia ordinary shares and (ii) delisting the Shares from Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A. (respectively, "Borsa Italiana" and "Delisting").

On **15 June 2023**, pursuant to and for the purposes of Article 102, paragraph 3, of the TUF and Article 37-ter of the Issuers' Regulation, Abaco3 S.p.A., a newly established special purpose company whose share capital is entirely held by Abaco Innovazione S.p.A., announced that it had filed with CONSOB the offer document, intended for publication, relating to the full voluntary public purchase offer pursuant to articles 102 et seq. of the TUF, concerning the ordinary shares of Exprivia S.p.A..

Transactions within Exprivia Group

There are no transactions to report.

Events after 30 June 2023

On **14 July 2023**, pursuant to art. 38, paragraph 2, of the Issuers' Regulation, Abaco3 S.p.A., a newly established special purpose company whose share capital is entirely held by Abaco Innovazione S.p.A., announced the publication of the offer document - approved by CONSOB with resolution no. 22771 of 12 July 2023 - relating to the full voluntary public purchase offer promoted by Abaco3, pursuant to arts. 102 et seq. of the TUF, concerning the ordinary shares of Exprivia S.p.A..

On **18 July 2023**, the Board of Directors of Exprivia S.p.A. unanimously approved the press release drawn up pursuant to Article 103, paragraph 3, of the TUF, and Article 39 of the Issuers' Regulation, relating to the Board of Directors' reasoned assessment on the full voluntary public purchase offer promoted by Abaco3 S.p.A., pursuant to and for the purposes of Articles 102 et seq. of the TUF (the "Offer"). The Board of Directors acknowledged the Offer and the terms and conditions of the same described in the offer document prepared by the Offeror, and published on 14 July 2023. The Board of Directors also analysed (i) the positive opinion issued on 14 July 2023 by the Issuer's Independent Directors pursuant to Article 39-bis of the Issuers' Regulation, as well as (ii) the fairness opinion issued by KPMG Corporate Finance, a division of KPMG Advisory S.p.A., in its capacity of independent advisor to the Independent Directors, pursuant to Article 39-bis, paragraph 2, of the Issuers' Regulation, which the Board of Directors also availed itself of. The Board of Directors expressed its assessments on the Offer and, in particular, considered the Company's ordinary shares unit price of Euro 1.60 to be paid through the Offer to be fair from a financial point of view.

On **24 July 2023**, in relation to the full voluntary public purchase offer concerning the ordinary shares of Exprivia S.p.A., Abaco3 S.p.A. announced that the Offer's acceptance period, agreed with Borsa Italiana pursuant to art. 40, paragraph 2, of the Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "Issuers' Regulation"), will start on 24 July 2023 and will end on 4 September 2023, inclusive, unless the terms are extended and/or reopened.

On **26 July 2023**, in its role of offeror, Abaco3 S.p.A. announced that the Presidency of the Council of Ministers had informed the Offeror of the decision of the Presidency's Coordination Group, resolved at the meeting of 18 July 2023, not to exercise the special powers envisaged by Decree Law no. 21/2012 ("golden power" regulations). Therefore, with reference to this regulation, the Golden Power Condition referred to in Paragraph A.1 of the offer document published on 14/07/2023 has been met.

Causes of uncertainty and other factors that may affect expected results

Conflict between Russia and Ukraine and possible impacts on business continuity

In accordance with the provisions of the "Public statement on the implications of the Russian invasion of Ukraine for half-yearly financial reports", published by ESMA on 13 May 2022 and referred to in the "Public statement on common supervisory priorities in Europe for the 2022 annual reports", published by ESMA on 28 October 2022, the Group took into account the implications of the conflict in formulating judgements relating to the going concern, the ability to exercise control, joint control or significant influence and in assessing the classification as a going concern held for sale or as a discontinued operation.

Although the Group cannot remain exempt from indirect effects deriving from the conflict, it is not exposed to direct effects that may have an impact on the business as a going concern and on the significant estimates and judgements used in the preparation of the financial statements.

Macroeconomic context and possible impacts on the business as a going concern

In accordance with the provisions of the "Public statement on common supervisory priorities in Europe for the 2022 annual reports", published by ESMA on 28 October 2022, the Group has taken into account the implications of the current macroeconomic context, including the effects of the increase in interest rates, inflation and the COVID-19 pandemic, in making judgements relating to business continuity and in the estimates and significant judgements used in the preparation of the financial statements.

In relation to the increase in interest rates, please refer to the information on financial risks in the specific section of the Report on Operations. With regard to inflation, see the paragraph "Risk related to the macroeconomic context".

It should be noted that there are no significant impacts deriving from the current macroeconomic context. With particular reference to the residual effects of the COVID-19 pandemic, the Group operated in compliance with the regulations, reacting with extreme promptness in keeping almost all of its workforce in smart working on the one hand, and continuing to provide services for its customers and protecting its employees on the other. As of today, and therefore with more than three years of experience in relation to the effects of the pandemic, we can state that the ICT market in which the Group operates, not only did not suffer particularly from the pandemic situation but, in some cases, it was a catalyst for new commercial opportunities.

Reconciliation of financial assets and liabilities according to IFRS 7

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

ACTIVITY 'FINANCIAL AT 30 JUNE 2023	Loans and receivables "amortized cost"	Investments valued at "fair value through OCI (FVOCI)"	Investments valued at "fair value through PL (FVPL)"	Derivative financial instruments "financial assets valued at FV in the income statement"	Financial instruments available for sale "FVOCI"	Total
<i>In thousands of Euro</i>						
Non current assets						
Financial assets	138					138
Derivative financial instruments						5
Investments in associated companies			544			544
Investments in other companies		151				151
Other non-current assets	474					474
Total no current assets	612	151	544	-	-	1,312
Current assets						
Commercial credits	56,863					56,863
Other financial assets	332				2	334
Other current assets	16,069					16,069
Cash and cash equivalents	11,506					11,506
Total Current assets	84,770	-	-	-	2	84,772
TOTAL	85,382	151	544	-	2	86,084

LIABILITIES 'FINANCIAL AT 30 JUNE 2023	Loans and borrowings "amortized cost"	Investments held to maturity "amortized cost"	Derivative financial instruments "financial liabilities valued at FV in the income statement" (FVPL)	Financial instruments available for sale "FVOCI"	Total
<i>In thousands of Euro</i>					
Non Current liabilities					
Due to banks	12,781				12,781
Other financial liabilities	2,464				2,464
Hedging derivative financial instruments			5		5
Other non-current liabilities	31				31
Total Non Current liabilities	15,276	-	5	-	15,281
Current liabilities					
Current bond loans	4,566				4,566
Trade payables and advances	33,950				33,950
Other financial liabilities	2,506				2,506
Due to banks	11,068				11,068
Other current liabilities	46,484				46,484
Total Current liabilities	98,574	-	-	-	98,574
TOTAL	113,850	-	-	5	113,855

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

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

The table below shows current and non-current financial liabilities with an analysis of the maturities of the non-current part:

Financial Liabilities	Analysis of the payment deadlines of non current liabilities					
	Current	Not current	within 1 year	1 to 2 years	3 to 5 years	over 5 years
Bank debts	11,067	12,781	2,890	9,428	463	0
Bond	4,566	0	0	0	0	0
Lease financial liabilities	2,040	2,454	1,740	712	2	0
Other financial liabilities	466	16	6	0	0	10

Scope of Consolidation

The condensed consolidated half-year financial statements at 30 June 2023 include the capital, economic and financial situations of Exprivia and subsidiaries, pursuant to IFRS 10, with the exception of:

- Beta Tlc SpA in liquidation as, given its current inoperative status, resulting from the full takeover of its assets and liabilities by Nuovo Polo Impiantistico SpA (now Italtel SpA) with immediate effect on 1 April 2022, the effects are immaterial under IAS 1 par. 7.
- ProSAP Centroamerica S.A. (Guatemala), given its current inoperative status.

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, Exprivia IT Solution Shanghai.

Company	Reference market
Advanced Computer Systems D - Gmbh	Defence & Aerospace
Consorzio Exprivia S.c.ar.l.	Other
Exprivia Chile SpA (Santiago del Cile)	International Business
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
Spegea Scarl	Other

The main data, at 30 June 2023, 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	58	259	956	473	100.00%	Exprivia SpA
Consorzio Exprivia S.c.a.r.l	Milano	Euro	20,000	valori in migliaia di Euro	(1)	24	0	725	70.00% 25.00% 5.00%	Exprivia SpA Italtel SpA Exprivia Projects Srl
Exprivia Chile SpA	Santiago del Chile	Pesos cileno	1,000,000	valori in migliaia di Euro	0	1	0	0	100.00%	Exprivia SpA
Exprivia ASIA Ltd	Hong Kong	Dollaro Hong Kong	2,937,850	valori in migliaia di Euro	(72)	(206)	-	780	100.00%	Exprivia SpA
Exprivia It Solutions (Shanghai) Ltd	Shanghai (Cina)	Renminbi	3,719,450	valori in migliaia di Euro	(32)	(7)	910	881	100.00%	Exprivia ASIA Ltd
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	Real	5,890,663	valori in migliaia di Euro	(55)	1,495	1,135	1,955	100.00%	Exprivia SpA
Exprivia Projects Srl	Roma	Euro	242,000	valori in migliaia di Euro	350	1,154	6,971	5,298	100.00%	Exprivia SpA
HRCOFFEE Srl	Molfetta (BA)	Euro	200,000	valori in migliaia di Euro	(93)	(301)	113	261	70.00% 30.00%	Exprivia SpA persone fisiche
Spegea Scarl	Bari	Euro	125,000	valori in migliaia di Euro	18	455	414	1,715	60.00% 40.00%	Exprivia SpA Confindustria Bari
Exprivia SLU	Madrid (Spagna)	Euro	197,904	valori in migliaia di Euro	66	378	1,089	1,076	100.00%	Exprivia SpA
Exprivia Messico SA de CV	Città del Messico (Messico)	Pesos messicani	41,208,999	valori in migliaia di Euro	(1)	552	99	1,843	2.00% 98.00%	Exprivia SLU Exprivia SpA

The primary exchange rates used for conversion into Euro of the financial statements of foreign companies at 30 June 2023 were as follows:

Exchange rate	6-month average as at 30 June 2023	Punctual as of June 30, 2023
Real brazilian	5.483	5.279
Dollar USA	1.081	1.087
Nuevo Sol peruviano	4.064	3.948
Dollaro Hong Kong	8.475	8.516
Renminbi -Yuan (Cina)	7.490	7.898
Mexican Peso	19.655	18.561
Guatemalan Quetzal	8.455	8.524

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

SEGMENT REPORTING

The representation of the results by operating segments is carried out on the basis of the approach used by management to monitor the Group's performance. In particular, the Group has identified the segments subject to reporting on the basis of the criteria of the organisation, with reference to the related co-ordination and control structures and on the basis of the sector it belongs to within the ICT reference market.

At 30 June 2023, 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 Exprevia Group.

Explanatory Notes on the Consolidated Balance Sheet

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

NON-CURRENT ASSETS

Note 1 - Property, plant and machinery

The net balance relating to the item **"Property, plant and machinery"** amounted to Euro 15,891 thousand at 30 June 2023 compared to Euro 16,390 thousand at 31 December 2022.

Below are details of the changes in the half-year ended 30 June 2023 (hereinafter also referred to as the "period") for each category of assets:

Categories	Net value at 01/01/2023	Historical cost increases at 30/06/2023	Historical cost decreases as at 30/06/2023	Provision for the period	Depreciation 30/06/2023	Net value at 30/06/2023
Land	1,278	-	-	-	-	1,278
Buildings	11,250	256	(32)	(653)	27	10,848
Others assets	3,862	1,151	(982)	(1,025)	759	3,765
TOTAL	16,390	1,407	(1,015)	(1,679)	787	15,891

The increase in the item **"other assets"**, amounting to Euro 1,151 thousand, mainly related to the recognition of the right of use according to IFRS 16 of medium/long-term car rental contracts for Euro 840 thousand, and to the purchase of electronic office equipment and computers for the technological renewal of information systems for Euro 219 thousand. The decreases in the item "other assets" were mainly due for Euro 612 thousand to the termination of certain medium- and long-term car rental contracts, for Euro 324 thousand to the scrapping of PCs and electronic office equipment, fully depreciated.

Please note that there is a first mortgage on the real estate complex located in Molfetta (BA) at Via Olivetti 11, owned by Exprevia, for a maximum amount of Euro 50 million to guarantee the exact fulfilment of obligations arising from the Euro 25 million loan taken out on 1 April 2016 from a pool of banks, which was fully repaid by 31 December 2022. The cancellation of the mortgage, following the conclusion of the repayment plan, was recorded on 3 April 2023.

With regard to rights of use recognised in accordance with IFRS 16, the changes are detailed below:

Description	Net value at 01/01/2023	Increases at 30/06/2023	Decreases at 30/06/2023	Ammortization	Decreases in cumulated ammortization at 30/06/2023	Net value at 30/06/2023
Land and building	2,016	255	(43)	(388)	20	1,859
Electronic office machines	-	-	-	-	-	-
Furniture and furnishings	5	25	0	(10)	0	20
Industrial equipment	-	-	-	-	-	-
Cars	2,374	840	(612)	(630)	398	2,370
TOTAL	4,395	1,120	(655)	(1,028)	417	4,249

The amounts relating to leases recognised in the income statement in the first half of 2023 are as follows:

Description	30/06/2023	30/06/2022	Variation
Use of third party assets	(238)	(98)	(140)
Short term leasing	(33)	9	(42)
Leasing of modest value	(205)	(107)	(98)
Depreciation and write-downs of non-current assets	(1,028)	(993)	(35)
Amortization of rights to use leased assets	(1,028)	(993)	(35)
Financial income (charges)	(175)	(175)	-
Interest expense for leased assets liabilities	(175)	(175)	-

Note 2 - Goodwill

Goodwill showed a balance of Euro 69,071 thousand at 30 June 2023 and was unchanged from 31 December 2022.

Goodwill is allocated to the only CGU identified, IT software and IT services CGU, corresponding to the Exprivia Group's entire consolidation area.

The impairment test conducted at 31 December 2022 had shown significant positive margins (known as headroom) for the IT CGU. The broadly positive margins were also confirmed following the sensitivity analyses carried out on the main assumptions underlying the tests. In consideration of this and the performance of the IT CGU, at 30 June 2023, there were no impairment indicators such as to require updating of the aforementioned test. In particular, at 30 June 2023 the Group carried out an analysis on the presence of impairment indicators and did not identify any external or internal factor that could have a substantial and negative impact on the recoverability of the value of goodwill and, consequently, did not recognise the need to update the estimate of the recoverable value of the assets already made at 31 December 2022.

Note 3 - Other intangible assets

The item **"Other intangible assets"** shows a balance, net of amortisation, of Euro 7,664 thousand at 30 June 2023 compared to Euro 8,144 thousand at 31 December 2022

The table below provides a summary of the item.

Categories	Net value at 01/01/2023	Increases at 30/06/2023	Decrease at 30/06/2023	Depreciation rate of the period	Decreases in accumulated depreciation as at 30/06/2023	Net value at 30/06/2023
Other intangible assets	988	85	-	(211)	1	863
Costs for capitalised internal projects	4,830	1,560	-	(958)	-	5,431
Assets under construction and Advances	2,326	251	(1,206)	-	-	1,370
TOTAL	8,144	1,895	(1,206)	(1,169)	1	7,664

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

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

Note 4 - Equity investments

The balance at 30 June 2023 of the item **"equity investments"** amounted to Euro 695 thousand compared to Euro 816 thousand at 31 December 2022.

The composition of equity investments is described below.

Equity investments in associated companies

The balance of the item **"equity investments in associated companies"** at 30 June 2023 amounted to Euro 544 thousand, is unchanged compared to 31 December 2022 and relates for:

- Euro 538 thousand to the equity investment in QuestiT, a company established in 2007 as a spin-off of the Artificial Intelligence research group of the Siena Department of Information Engineering and specialised in Artificial Intelligence technologies and applications. The percentage of investment in this company is 24.9%;
- Euro 6 thousand to the investment in Urbanforce Scarl, a company specialising in the Salesforce market. The percentage of investment in this company is 28.57%.

It should be noted that the aforementioned investments are valued according to the equity method.

Equity investments in other companies

The balance of the item **"equity investments in other companies"** at 30 June 2023 amounted to Euro 151 thousand compared to Euro 272 thousand at 31 December 2022.

The table below provides details on the item:

Description	30/06/2023	31/12/2022	Variation
Ultimo Miglio Sanitario	3	3	-
Certia	1	1	-
Software Engineering Research	12	12	-
Consorzio Biogene	3	3	-
Consorzio DARE	1	1	-
Consorzio DHITECH	17	17	-
H.BIO Puglia	12	12	-
Consorzio Italy Care	0	10	(10)
Consorzio DITNE	6	6	-
Distretto Tecnologico Aerospaziale Scarl	3	3	-
Partecipazione Consorzio Daisy-Net	14	14	-
Cattolica Popolare Soc. Cooperativa	23	23	-
Innoval Scarl	3	3	-
Partecipazione Consorzio SILAB-Daisy	7	7	-
ENFAPI CONFIND Partecipation	1	1	-
AREAMEDICAL24 S.R.L.	0	111	(111)
Partecipazione Consorzio GLOCAL ENABLER	2	2	-
MEDISDIH Scarl	2	2	-
Cefriel Scarl	32	32	-
Banca di Credito Cooperativo di Roma	9	9	-
TOTAL	151	272	(121)

The change in the item in question is mainly attributable to the sale, on 25 January 2023, of the equity investment held in Areamedical24 Srl.

Note 5 - Other non-current financial assets

The balance of the item "**other non-current financial assets**" at 30 June 2023 was Euro 143 thousand compared to Euro 145 thousand at 31 December 2022.

Details on the item in question are provided below:

Description	30/06/2023	31/12/2022	Variation
Non-current financial receivables from others	138	135	3
Derivative financial instruments	5	10	(5)
TOTAL	143	145	(2)

Non-current financial receivables from others

The balance of the item "**non-current financial receivables from others**" at 30 June 2023, was Euro 138 thousand, compared to Euro 135 thousand at 31 December 2022.

This item refers mainly to long-term security deposits in the amount of approximately Euro 90 thousand and Euro 47 thousand in financial receivables for leases arising from some contracts with customers.

Derivative financial instruments

The balance of the item "**derivative financial instruments**" at 30 June 2023 stood at Euro 5 thousand against Euro 10 thousand at 31 December 2022 and refers to a derivative product subscribed by the Parent Company with a leading credit institution, initially linked to a loan with a variable interest rate and which, further to the renegotiation of the loan, no longer meets the requirements envisaged for hedge accounting and therefore the related fair value change has been recognised in the income statement.

As regards the derivative product, the sensitivity analysis conducted on the change in the fair value of the derivative after a shift in the yield curve shows that:

- upon a change of +0.5% and +1%, the fair value would be a positive Euro 6 thousand and a positive Euro 7 thousand, respectively;
- upon a change of -0.5% and -1%, the fair value would be a positive Euro 5 thousand and Euro 4 thousand respectively.

This is an instrument valued at fair value level 2.

Note 6 - Other non-current assets

The balance of the item "**Other non-current assets**" at 30 June 2023 was Euro 474 thousand compared to Euro 682 thousands at 31 December 2022.

The table below provides the breakdown of the item.

Description	30/06/2023	31/12/2022	Variation
Receivables from tax authorities	1	1	(0)
Receivables from tax authorities requested for reimbursement	53	53	(0)
Other receivables	421	628	(207)
TOTAL	474	682	(208)

"**Other receivables**", amounting to Euro 421 thousand compared to Euro 628 thousand at 31 December 2022, mainly refers for Euro 415 thousand to the suspension of costs accruing beyond the following half-year.

Note 7 - Deferred tax assets

The item " **Deferred tax assets**" at 30 June 2023, amounting to Euro 2,222 thousand compared to Euro 2,094 thousand at 31 December 2022, refers to taxes on temporary deductible changes or future tax benefits.

Description	30/06/2023		31/12/2022	
	Amount temporary differ	Tax effect at 30/06/2023	Amount temporary differ	Tax effect at 31 December 2022
Depreciation	750	180	803	193
Allowance for doubtful accounts	1,088	250	1,229	283
Fund risks	1,929	542	1,862	521
Tax losses	1,732	483	1,630	464
Adjustments for IFRS	785	182	785	182
Others	2,615	585	2,008	451
TOTAL	8,902	2,222	8,317	2,094

The table below shows the changes in the first half of 2023:

Description	Value at 01/01/2023	Increases	Uses	Value at 30/06/2023
Depreciation	193	0	(13)	180
Allowance for doubtful accounts	283	0	(34)	250
Fund risks	521	24	(2)	542
Tax losses	465	44	(26)	483
Adjustments for IFRS	182	0	0	182
Others	454	168	(35)	585
TOTAL	2,094	237	(109)	2,222

CURRENT ASSETS

Note 8 - Trade receivables

The balance of the item "**Trade receivables**" at 30 June 2023, was Euro 56,863 thousand compared to Euro 51,717 thousand at 31 December 2022. The change is mainly attributable to the increase in turnover.

The balance of the item at 30 June 2023 and at 31 December 2022 can be broken down as follows:

Description	30/06/2023	31/12/2022	Variation
Trade receivables from customers	56,776	51,520	5,255
Trade receivables from associated companies	41	151	(110)
Trade receivables from parent companies	46	46	0
Total trade receivables	56,863	51,717	5,145

Trade receivables from customers

At 30 June 2023, the item "**Trade receivables from customers**" amounted to Euro 56,776 thousand (net of the bad debt provision) compared to Euro 51,520 thousand at 31 December 2022. The table below provides details on the item in question with a comparison with 31 December 2022.

Description	30/06/2023	31/12/2022	Variation
To Italian customers	47,354	38,437	8,917
To foreign customers	5,359	7,033	(1,673)
To public bodies	6,348	8,477	(2,129)
S-total receivables to customers	59,062	53,947	5,115
Less: provision for bad debts	(2,286)	(2,427)	141
Total receivables to customers	56,776	51,520	5,256

The table below shows the changes in the first half of 2023 relating to the bad debt provision:

Description	30/06/2023
Opening balance as of 31 December 2022	(2,427)
Accruals	(73)
Decreases	0
Releases	323
Other variations	(109)
Closing balance as of 30 June 2023	(2,286)

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

Details	30/06/2023	31/12/2022	Variation
To third parties	31,238	37,724	(6,486)
Invoices for issue to third parties	27,824	16,223	11,601
TOTAL	59,062	53,947	5,115

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

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

Amount of receivables	in		days past due								Allowance for doubtful accounts	Credits net of the Found
	expire	due	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	oltre		
31,238	20,681	10,557	3,399	440	567	2,267	408	381	226	2,869	(2,285)	28,953
100%	66%	34%	11%	1%	2%	7%	1%	1%	1%	9%		

It should be noted that receivables beyond one year and not written down on the basis of the recoverability analysis carried out do not present risk profiles.

Trade receivables from associated companies

"Trade receivables from associated companies" at 30 June 2023 amounted to Euro 41 thousand compared to Euro 151 thousand at 31 December 2022 and referred to receivables from the associate Quest.it.

Trade receivables from parent companies

The balance of "Trade receivables from parent companies" at 30 June 2023 amounted to Euro 46 thousand and is unchanged from 31 December 2022 and refers to the receivable due to Exprivia from the holding company Abaco Innovazione SpA for the charge-back of administrative and logistics services governed by a framework agreement in effect between the parties.

Note 9 - Inventories

"**Inventories**" amounted to Euro 1,075 thousand at 30 June 2023 compared to Euro 913 thousand at 31 December 2022 and refer mainly to software and hardware purchased and destined to be sold in future periods.

The table below provides the detailed breakdown:

Description	30/06/2023	31/12/2022	Variation
Finished products and goods	1,075	913	162
TOTAL	1,075	913	162

"**Finished products and goods**", net of the inventory write-down provision, amounted to Euro 1,075 thousand at 30 June 2023 compared to Euro 913 thousand at 31 December 2022 and represent the value of hardware products and sundry equipment for resale in subsequent periods.

The value of "finished products and goods", equal to Euro 1,075 thousand, is shown net of the obsolescence provision, which amounted to Euro 593 thousand at 30 June 2023.

Note 10 - Work in progress contracts

At 30 June 2023, the item "**Work in progress contracts**" amounted to Euro 28,991 thousand, compared to Euro 25,669 thousand at 31 December 2022, and related to the value of construction contracts valued according to contractual payments accrued.

The table of work in progress and advance payments is shown below:

Description	30/06/2023	31/12/2022	Variation
Work in progress - WIP - Gross Amount	97,747	81,992	15,755
Advance Payment	(68,755)	(56,323)	(12,432)
Work in progress to order	28,991	25,669	3,322
Advance Payment (Gross Amount)	39,939	48,865	(8,926)
Work in progress	(45,964)	(55,059)	9,095
Advances payment on work in progress contracts	(6,025)	(6,194)	169

Note 11 - Other current assets

"**Other current assets**" at 30 June 2023 amounted to Euro 16,069 thousand compared to Euro 13,589 thousand at 31 December 2022.

Details are provided in the following table:

Description	30/06/2023	31/12/2022	Variation
Current tax receivables	2,228	2,527	(299)
Credits for contributions	9,608	8,359	1,249
Sundry credits	1,120	382	738
Receivables from welfare institutions/INAIL	197	228	(31)
Receivables to employees	1	2	(1)
Costs in future years expertise	2,914	2,091	824
TOTAL	16,069	13,589	2,480

"**Current tax receivables**" amounted to Euro 2,228 thousand, compared to Euro 2,527 thousand at 31 December 2022; they were mainly tax credits for research & development, VAT and withholding taxes on foreign receipts.

The item "**Grants receivable**", amounting to Euro 9,608 thousand versus Euro 8,359 thousand at 31 December 2022, refers to the amounts receivable from the government, regional authorities and public bodies for operating and capital grants for research and development projects in relation to which reasonable certainty exists regarding their recognition, as set forth in section 7 of IAS 20; the balance at 30 June 2023 is almost entirely attributable to the Parent company Exprivia.

The item "**Expenses pertaining to future financial years**" for Euro 2,914 thousand compared to Euro 2,091 thousand at 31 December 2022, refers to suspended costs pertaining to subsequent periods.

Note 12 - Other current financial assets

The balance of the item "**Other current financial assets**" at 30 June 2023, amounted to Euro 332 thousand compared to Euro 710 thousand at 31 December 2022.

The following table provides details on the item as well as a comparison with 31 December 2022.

Description	30/06/2023	31/12/2022	Variation
Current financial receivables from others	332	235	97
Current financial receivables from parent companies	0	475	(475)
TOTAL	332	710	(378)

Current financial receivables from others

The balance of "**current financial receivables from others**" amounted to Euro 332 thousand at 30 June 2023 compared to Euro 235 thousand at 31 December 2022 and refers mainly to guarantee deposits for Euro 37 thousand and to Exprivia's time deposits for guarantee commitments towards banks for Euro 214 thousand.

Current financial receivables from parent companies

At 31 December 2022, the balance of "**current financial receivables from parent companies**" amounted to Euro 475 thousand and related to the current portion of the Parent Company's financial receivable (principal and interest) due from the holding company Abaco Innovazione SpA. At 30 June 2023, it was completely eliminated.

Note 13 - Cash and cash equivalents

The item "**Cash and cash equivalents**" amounted to Euro 11,506 thousand at 30 June 2023 compared to Euro 17,290 thousand at 31 December 2022 and refers to Euro 11,451 thousand held at banks and Euro 55 thousand in cheques and cash in hand. Additionally, the bank balance does not include, at 30 June 2023, secured deposits for guarantees undertaken in favour of banks.

Note 14 - Other financial assets measured at FVOCI

The item "**other financial assets measured at FVOCI**" amounted to Euro 2 thousand at 30 June 2023 and did not change compared to 31 December 2022 and relates to 40,176 shares of Banca Popolare di Bari.

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

SHAREHOLDERS' EQUITY

Note 15 - Share Capital

The **"Share Capital"**, fully paid-up, amounts to Euro 26,980 thousand at 30 June 2023 and is shown net of treasury shares held at 30 June 2023 for an amount of Euro 24,284 thousand, the same as 31 December 2022. The share capital is represented by 51,883,958 ordinary shares with a nominal value of Euro 0.52.

The number of treasury shares held at 30 June 2023 was 5,183,058 with a nominal value of Euro 2,696 thousand, the same as 31 December 2022. Treasury shares purchase and sale transactions can be carried out by virtue of the resolution of the Shareholders' Meeting of 27 April 2023, when the Shareholders' Meeting approved the release of a new authorisation for the purchase and sale of treasury shares. The objective of the authorisation for the purchase and sale of treasury shares is to provide the company with an important instrument to be used in any equity investment acquisitions, share price stabilisation measures, in stock options or incentive plans for employees, managers, directors, collaborators in Italy and abroad and for treasury shares trading.

Note 15 - Share premium reserve

At 30 June 2023, the **"Share premium reserve"** amounted to Euro 18,082 thousand and is the same as 31 December 2022.

Note 15 - Revaluation reserve

At 30 June 2023, the **"Revaluation reserve"** amounted to Euro 2,907 thousand and is the same as 31 December 2022. It should be noted that this item includes the tax realignment of the statutory values carried out by the Parent Company with reference to the properties in Molfetta, Via A. Olivetti 11 and Rome, Via Bufalotta; opportunity offered by Decree Law no. 104 of 14 August 2020, art. 110, paragraph 8, by reference to paragraph 1 of art. 14 of Law no. 342/00.

Note 15 - Legal reserve

The **"Legal reserve"** at 30 June 2023 amounted to Euro 5,396 thousand compared to Euro 5,190 thousand at 31 December 2022. The change is related to the allocation of Euro 206 thousand of the 2022 profit as resolved by the shareholders' meeting on 27 April 2023.

Note 15 - Other reserves

The balance of the item **"Other reserves"** at 30 June 2023 amounted to Euro 42,854 thousand compared to Euro 31,258 thousand at 31 December 2022. Changes during the first half of 2023 relate to:

- the positive effect of the allocation of the 2022 profit for Euro 11,327 thousand;
- the positive effect of the change in the currency translation reserve for Euro 197 thousand;
- the positive effect on the shareholders' equity of the application of IAS 19 with the associated recognition in the statement of comprehensive income of actuarial losses net of the tax effect of Euro 71 thousand.

Note 15 - Profit/Loss from previous periods

The item **"Profit/loss from previous periods"** at 30 June 2023 was Euro (10,497) thousand and is the same as 31 December 2022.

Note 15 - Minority shareholders' interests

"Minority shareholders' interests" at 30 June 2023 were positive for Euro 66 thousand compared to Euro 85 thousand at 31 December 2022.

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 period resulting from the separate financial statements of Exprivia and those in the condensed consolidated half-year financial statements.

Description	Result as at 31/12/2022	Shareholders ' equity as of 31/12/2022	Result as at 30/06/2023	Shareholders ' equity as of 30/06/2023
Exprivia SpA	11,974	85,290	5,387	90,745
Contribution of consolidated companies (PN and Result)	(865)	3,357	237	3,332
Elision of equity investments	988	(8,194)	409	(7,785)
Goodwill	0	2,280	0	2,280
Dividend elimination	(547)	0	(457)	0
Other consolidation adjustments	(18)	24	(0)	32
Third party equity	1	(85)	21	(66)
Total Group Equity	11,533	82,672	5,596	88,537

NON-CURRENT LIABILITIES

Note 16 - Non-current payables to banks

At 30 June 2023, the item "**Non-current payables to banks**" amounted to Euro 12,781 thousand compared to Euro 15,398 thousand at 31 December 2022, and pertains to medium-term bank debt from major credit and financial institutions and to low-interest loans for specific investment programmes.

The table below provides details on the items and breaks down the non-current portion (Euro 12,781 thousand) and the current portion (Euro 10,878 thousand) of the payable.

Financial Institute	Typology	Contract amount	Amount paid 30.06.2023	Date contract	Expiration date	Repayment installment	Rate applied	Residual capital 30.06.2023	To be repaid within 12 months	To be repaid over 12 months
Pool – Capofila Banca Popolare di Puglia e Basilicata	Financing	20,000,000	20,000,000	27/11/2020	30/09/2026	quarterly	Euribor + 1.60%	16,227	4,988	11,239
Banca del Mezzogiorno Mediocredito Centrale	Financing	3,500,000	3,500,000	23/06/2017	23/06/2027	quarterly	Euribor + 2.75%	1,396	1,396	0
Unicredit	Financing	5,000,000	4,000,000	31/05/2023	a revoca	single payment	5.15%	4,010	4,010	
Ministero dello Sviluppo Economico NCUP	Financing	863,478	863,478	14/09/2016	17/11/2025	annual	0.31%	318	104	214
Ministero dello Sviluppo Economico Horizon 2020	Financing	929,129	593,845	16/02/2017	30/06/2026	half-yearly	0.80%	295	89	206
Ministero dello Sviluppo Economico MISE progetto Instamed	Financing	455,048	455,048	27/09/2019	30/06/2029	half-yearly	0.16%	315	49	266
Ministero dello Sviluppo Economico MISE progetto Prosit	Financing	503,525	503,525	05/02/2020	31/12/2029	half-yearly	0.17	375	53	321
Ministero dello Sviluppo Economico MISE progetto Bigimaging	Financing	335,904	335,904	14/10/2019	30/06/2029	half-yearly	0.16%	232	36	196
Ministero dello Sviluppo Economico INDUSTRY 4.0	Financing	353,207	110,182	23/04/2021	31/12/2029	half-yearly	0.18%	85	13	73
Banca Monte dei Paschi di Siena	Financing	450,000	450,000	17/11/2020	31/10/2026	monthly	Euribor + 1.90%	339	102	237
Bankinter	Financing	100,000	100,000	01/07/2020	01/07/2025	monthly	2.80%	54	25	29
Bankinter	Financing	40,000	26,667	26/04/2023	26/07/2023	monthly	2.00%	13	13	0
Total								23,660	10,878	12,781

Medium-Term Loan Agreement

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

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

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

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

following table:

Reference date	Net financial debt/EBITDA	Net financial debt/Shareholders' Equity
31.12.2023	≤ 2.5	≤ 0.7
31.12.2024	≤ 2.0	≤ 0.7
31.12.2025	≤ 2.0	≤ 0.7
31.12.2026	≤ 2.0	≤ 0.7

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

The financial covenants, referring to the last calculation date, were respected.

At 30 June 2023, the remaining debt amounted to Euro 16,227 thousand, Euro 11,239 thousand of which is to be repaid in 2025-2026 (and recorded under non-current liabilities) and Euro 4,988 thousand to be repaid in the next twelve months (and therefore recorded under current liabilities).

Banca del Mezzogiorno Mediocredito Centrale S.p.A. loan

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

It should be pointed out that, by contract, the entire amount of the next two instalments was secured in the dedicated current account at 30 June 2023.

The residual debt at 30 June 2023 amounted to Euro 1,396 thousand, fully classified under current liabilities in compliance with international accounting standards, due to the capital decrease pursuant to art. 2447 of the Italian Civil Code of the investee Beta Tlc SpA in liquidation (formerly Italtel SpA), which would entitle the bank to terminate the loan agreement. It should be noted that, until the date of preparation of this Report, the bank has not exercised the right to terminate the agreement.

CUP 2.0 low-interest loan

A loan agreement of Euro 863 thousand executed in favour of Exprivia (formerly Exprivia Healthcare IT Srl), of which the full amount approved was disbursed at 30 June 2023. This loan is targeted at financing a research and development project pursuant to financial law 46/82 F.I.T - PON R & C 2007/2013 - MD 24-09-2009, Project A01/002043/01/X 17 regarding: Innovative services for booking CUP 2.0 healthcare services. The loan will expire on 17 November 2025 and bears a below-market fixed rate of interest of 0.3120%.

At 30 June 2023, the residual debt amounted to Euro 318 thousand, Euro 214 thousand of which is to be repaid in 2024-2025 (and recorded under non-current liabilities) and Euro 104 thousand to be repaid within the next twelve months (and therefore recorded under current liabilities).

Low-interest loan from the Ministry of Economic Development –Istituto Finanziario Banca del Mezzogiorno Mediocredito Centrale S.p.A.

This is a low-interest loan agreement executed in favour of Exprivia (formerly ACS Srl) up to a maximum of Euro 929 thousand and disbursed for Euro 593 thousand at 30 June 2023. The loan requires repayment in six-month instalments, expires on 30 June 2026 and bears a below-market fixed rate of interest of 0.80%. At 30 June 2023, the residual debt amounted to Euro 295 thousand, Euro 206 thousand of which is to be repaid in 2024-2026 (and recorded under non-current liabilities) and Euro 89 thousand to be repaid within the next twelve months (and therefore recorded under current liabilities).

Low-interest loan from the Ministry of Economic Development – Instamed project.

Low-interest loan approved and disbursed on 27 September 2019 for Euro 455 thousand in favour of Exprivia. The loan requires repayment in six-month instalments, expires on 30 June 2029 and bears a below-market fixed rate of interest of 0.16%. At 30 June 2023, the residual debt amounted to Euro 315 thousand, Euro 266 thousand of which is to be repaid in 2024-2029 (and recorded under non-current liabilities) and Euro 49 thousand to be repaid within the next twelve months (and therefore recorded under current liabilities).

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

Low-interest loan approved and disbursed on 14 October 2019 for Euro 336 thousand in favour of Exprivia. The loan requires a repayment in half-yearly instalments with maturity on 30 June 2029 and is subject to interest at a below-market fixed rate of 0.16%. At 30 June 2023, the residual debt amounted to Euro 232 thousand, Euro 196 thousand of which is to be repaid in 2024-2029 (and recorded under non-current liabilities) and Euro 36 thousand to be repaid within the next twelve months (and therefore recorded under current liabilities).

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

Low-interest loan approved and disbursed on 5 February 2020 for Euro 504 thousand in favour of Exprivia. The loan requires repayment in six-month instalments, expires on 31 December 2029 and bears a below-market fixed rate of interest of 0.17%. At 30 June 2023, the residual debt amounted to Euro 375 thousand, Euro 321 thousand of which is to be repaid in 2024-2029 (and recorded under non-current liabilities) and Euro 53 thousand to be repaid within the next twelve months (and therefore recorded under current liabilities).

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

Low-interest loan approved for Euro 353 thousand and disbursed on 23 April 2021 in the amount of Euro 110 thousand in favour of Exprivia. The loan requires repayment in six-month instalments, expires on 31 December 2029 and bears a below-market fixed rate of interest of 0.18%. At 30 June 2023, the residual debt amounted to Euro 85 thousand, Euro 73 thousand of which is to be repaid in 2024-2029 (and recorded under non-current liabilities) and Euro 13 thousand to be repaid within the next twelve months (and therefore recorded under current liabilities).

Loan from Banca Monte dei Paschi di Siena S.p.A.

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

The loan in question is backed by a Cofidi guarantee pursuant to Italian Law no. 662/96. At 30 June 2023, the residual debt amounted to Euro 340 thousand, Euro 238 thousand of which is to be repaid in 2024-2029 (and recorded under non-current liabilities) and Euro 102 thousand to be repaid within the next twelve months (and therefore recorded under current liabilities).

Bankinter loans

The Group has an additional medium/long-term loan with Bankinter for Euro 100 thousand, obtained in 2020. The payable is recognised under current liabilities for Euro 25 thousand and under non-current liabilities for Euro 29 thousand.

The Group has also stipulated an additional short-term loan with this bank during the first half of 2023, maturing by the third quarter of 2023, and amounting to Euro 27 thousand.

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.

amounts in thousands of Euro		
	30.06.2023	31.12.2022
A. Cash	55	58
B. Other liquid assets	11,451	17,232
C 1. Securities held for trading	2	2
C 2. Own shares	4,458	4,458
D. Liquid (A)+(B)+(C)	15,966	21,750
E. Current financial receivables	332	710
F. Current bank debts	(5,609)	(4,665)
G. Current portion of non-current bank debts	(10,025)	(14,594)
H. Other current financial debts	(2,506)	(3,417)
I. Current financial debts (F) + (G) + (H)	(18,140)	(22,676)
J. Net current financial debts (I) + (E) + (D)	(1,842)	(216)
K. Non-current bank debts	(12,781)	(15,398)
L. Bond	0	0
M. Other non-current financial payables net of non-current financial receivables and derivative financial instruments	(2,326)	(2,717)
N. Non-current financial debts (K) + (L) + (M)	(15,107)	(18,115)
O. Net financial debts (J) + (N)	(16,949)	(18,331)

Treasury shares held by the Parent Company (Euro 4,458 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

	31.12.2022	Cash flows	Non-monetary flows	30.06.2023
Current financial receivables	710	(378)	0	332
Current bank debts and current portion of non-current debt	(19,259)	6,242	(2,617)	(15,634)
Other current financial payables	(3,417)	912	0	(2,505)
Non-current bank debts	(15,398)	0	2,617	(12,781)
Bonds issued	0	0	0	0
Other non-current net financial payables	(2,717)	1,272	(882)	(2,326)
Net liabilities deriving from financing activities	(40,081)	8,048	(*) (882)	(32,916)
Liquid assets	21,750	(**) (5,784)	(***) 0	15,966 (**)
Net financial debt	(18,331)	2,265	(882)	(16,949)

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

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

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

Note 17 - Other non-current financial liabilities

The balance of "other non-current financial liabilities" at 30 June 2023 amounted to Euro 2,469 thousand compared to Euro 2,862 thousand at 31 December 2022; details are provided below:

Description	30/06/2023	31/12/2022	Variation
Non-current financial payables for leasing	2,454	2,847	(393)
Non-current payables to other lenders	10	10	-
Non-current derivative financial instruments	5	5	(0)
TOTAL	2,469	2,862	(392)

Non-current financial payables for leasing

The balance of "non-current financial payables for leasing" at 30 June 2023 amounted to Euro 2,454 thousand, compared to Euro 2,847 thousand at 31 December 2022, and related to the medium- and long-term payment of existing lease agreements.

Non-current payables to other lenders

The balance of "non-current payables to other lenders" at 30 June 2023 amounted to Euro 10 thousand, unchanged from 31 December 2021.

Non-current derivative financial instruments

The balance of "non-current derivative financial instruments" at 30 June 2023 amounted to Euro 5 thousand and refers to a financial derivative incorporated in the Euro 20,000,000.00 loan agreement signed on 27 November 2020 with a pool of banks, led by Banca Popolare di Puglia e Basilicata, due to the presence of a "floor zero" clause on the Euribor interest rate, valued in accordance with IAS 39.

Note 18 - Other non-current liabilities

The balance of "other non-current liabilities" at 30 June 2023 amounted to Euro 31 thousand compared to Euro 77 thousand at 31 December 2022.

Description	30/06/2023	31/12/2022	Variation
Non-current tax liabilities	0	76	(76)
Debts to others	31	1	0
TOTAL	31	77	(76)

Non-current tax payables

At 30 June 2023, the balance of "**Non-current tax payables**" amounted to zero compared to Euro 76 thousand at 31 December 2022.

Payables to others

The balance of "**Payables to others**" at 30 June 2023 amounted to Euro 31 thousand compared to Euro 1 thousand at 31 December 2022.

Note 19 - Provisions for risks and charges

At 30 June 2023, the item "**Provision for risks and charges**" amounted to Euro 187 thousand compared to Euro 233 thousand at 31 December 2022. The breakdown of this item is shown in the table below:

Description	30/06/2023	31/12/2022	Variation
Provision for staff risks	28	125	(97)
Provision for other risks	158	108	51
TOTAL	187	233	(46)

Changes are reported below:

Description	31/12/2022	Uses / Payments	Other decreases	Provisions	30/06/2023
Provision for staff risks	125	(58)	(20)	5	53
Provision for other risks	108	0	(34)	85	159
TOTAL	233	(58)	(54)	89	211

"**Provision for staff risks**", amounting to Euro 28 thousand at 30 June 2023 compared to Euro 125 thousand at 31 December 2022 related to provisions for dispute risks with former employees.

The "**provision for other risks**" at 30 June 2023, equal Euro 158 thousand compared to Euro 108 thousand, is mainly attributable to the provision on risks for work in progress on projects.

Note 20 - Employee provisions

Employee severance indemnity fund

The amounts for the employee severance indemnity accrued after 31 December 2006 were paid to the Pension Fund Treasury and union pension funds. The residual amount of the employee severance indemnity fund, at 30 June 2023, was Euro 6,484 thousand compared to Euro 6,893 thousand at 31 December 2022. The fund is net of amounts deposited in funds and treasury. An actuarial assessment was performed on the liability in accordance with IAS 19 using the retrospective method, which requires recognition of actuarial gains/losses in the statement of comprehensive income. The cost regarding service and the interest payable concerning the time value component in the actuarial calculations are still recognised in the income statement.

The table below shows the changes in the fund in the first half of 2023:

Description	30/06/2023	31/12/2022
Opening balance at January 1	6,893	7,990
Movements through income statement:	134	103
- current service cost	13	28
- cost of services rendered for previous years		
- interest expense / (income)	121	75
(Profit) actuarial losses	(94)	(516)
- actuarial (gains)/losses deriving from changes in financial	(45)	(1,110)
- effect of adjustments based on past experience	(49)	594
Benefits paid	(449)	(684)

Closing balance	6,484	6,893
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The table below shows the primary actuarial and financial assumptions used in the calculation:

Description	30/06/2023	31/12/2022
Discount rate	3.67%	3.63%
Inflation rate	2024, 2,0% from 2025 or 2024, 2,0% from 2025	
Annual rate of wage growth	Inflazione +1,50%	Inflazione +1,50%
Annual rate of TFR growth	2024, 3,0% from 2025 or 2024, 3,0% from 2025	
Mortality	Tav-RG48	Tav-RG48
Inability	Mod. INPS	Mod. INPS
Turn-over	5.50%	5.50%
Probability advance	2.50%	2.50%
Amount% of the severance pay in advance	70.00%	70.00%

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

Note 21 - Deferred tax liabilities

The item "**Deferred tax liabilities**" amounted to Euro 1,869 thousand compared to Euro 1,814 thousand at 31 December 2022, and refers to allocations for temporary changes that will be reversed in subsequent years.

Description	30/06/2023		31/12/2022	
	Amount temporary differences	Tax effect	Amount temporary differences	Tax effect
TFR	470	130	377	107
Intangible assets	2	0	2	0
Goodwill	5,604	1,594	5,490	1,561
Buildings	382	105	382	105
Taxes	10	2	9	2
Adjustments for IFRS	139	39	138	39
TOTAL	6,605	1,869	6,397	1,814

The following table shows the changes in the first half of 2023:

	Valore al 31.12.2022	Incrementi	Utilizzi	Valore al 30/06/2023
Defined benefit plant	107	22	0	130
Goodwill	1,561	32	0	1,594
Buildings	105	0	0	105
Taxes	2	2	0	2
Adjustments for IFRS	39	0	0	39
TOTAL	1,814	57	0	1,869

CURRENT LIABILITIES

Note 22 - Current bond issues

At 30 June 2023, "**current bond issues**" amounted to Euro 4,566 thousand compared to Euro 9,178 thousand at 31 December 2022 and referred to the current portion of the Exprivia's bond issue called "Exprivia - 5.80% 2017 - 2023".

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

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

The Bond was subscribed by the following parties:

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

The securities were entered into the centralised management system at Monte Titoli SpA and were listed on the multilateral trading system managed by Borsa Italiana SpA, ExtraMOT market, PRO segment reserved for professional investors.

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

For the entire duration, the bond envisages observance of the financial covenants relating to the NFP/SE and NFP/EBITDA ratios, whose latest data refers to 31 December 2022

These financial covenants are calculated on a consolidated basis and refer to the 12 months prior to the Reference

Date, using the normal calculation criteria agreed between the Parties.

The financial covenants, referring to the last calculation date, were respected.

At 30 June 2023, following the full voluntary public purchase offer on the ordinary shares of Exprivia S.p.A. promoted by Abaco Innovazione S.p.A., the bondholders' Meeting was called for 1 August 2023 on first call and, if necessary, on 7 August 2023 on second call, to discuss and resolve on the approval pursuant to Article 2415, paragraph 1, no. 2), of the Italian Civil Code of amendments to the Bond Regulation as described in the Notice of Call issued to the Market.

Note 23 - Current bank debt

At 30 June 2023, the item "**current bank debt**" amounted to Euro 11,068 thousand compared to Euro 10,081 thousand at 31 December 2022 and refers, for Euro 10,878 thousand, to the current portion of payables for loans and mortgages (previously described under the item "non-current payables to banks", note 16) and Euro 190 thousand refers to current account overdrafts at major credit institutions.

Note 24 - Trade payables

"**Trade payables**" amounted to Euro 27,925 thousand compared to Euro 27,273 thousand at 31 December 2022. The breakdown is shown in the table below:

Description	30/06/2023	31/12/2022	Variation
Trade payables to suppliers	27,847	27,272	575
Trade payables to associated companies	78	1	77
TOTAL	27,925	27,273	651

Trade payables to suppliers

"**Trade payables to suppliers**" amounted to Euro 27,847 thousand compared to Euro 27,272 thousand at 31 December 2022.

The table below provides details on the item:

Description	30/06/2023	31/12/2022	Variation
Invoices received Italy	15,931	16,597	(666)
Invoices received foreign	1,409	2,453	(1,044)
Invoices to consultants	232	196	36
Invoices to be received	10,275	8,026	2,249
TOTAL	27,847	27,272	575

The table below shows details of payables (for invoices received) past due and overdue.

Trade payables	in		days past due							
	expire	due	1 - 30	31 - 60	61 - 90	91-120	121-180	181-270	271-365	beyond
17,572	10,834	6,738	3,253	1,103	273	1,216	73	47	48	723
100.0%	62%	38%	19%	12%	2%	7%	0%	0%	0%	4%

Trade payables to associated companies

"Trade payables to associated companies" amounted to Euro 78 thousand compared to Euro 1 thousand at 31 December 2022 and refers to payables due by the Parent Company to its associate Quest.it Srl.

Note 25 - Advance payments on work in progress contracts

At 30 June 2023, the item "**Advance payments on work in progress contracts**" amounted to Euro 6,025 thousand compared to Euro 6,194 thousand at 31 December 2022 and refers to the negative differential between payments on account or advances received and the economic development of the work in progress contracts at the end of the first half year.

Note 26 - Other financial liabilities

"Other financial liabilities" amounted to Euro 2,506 thousand at 30 June 2023 compared to Euro 3,417 thousand at 31 December 2022.

The table below provides details on the item:

Description	30/06/2023	31/12/2022	Variation
Current financial payables to others	466	1,590	(1,124)
Current financial payables for leasing	2,040	1,827	213
TOTAL	2,506	3,417	(911)

Current financial payables to others

The balance of the item "**current financial payables to others**" amounted to Euro 466 thousand compared to Euro 1,590 thousand at 31 December 2022. The decrease is mainly due to the decrease in financial advances of Exprivia.

Current payables to suppliers of leasing goods

The balance of the item "**current payables to suppliers of leasing goods**" at 30 June 2023 was Euro 2,040 thousand compared to Euro 1,827 thousand at 31 December 2022 and refers to the current portion of the payable for lease agreements.

Note 27 - Other current liabilities

"Other current liabilities" at 30 June 2023 amounted to Euro 46,484 thousand compared to Euro 41,055 thousand at 31 December 2022.

The table below provides details on the item:

Description	30/06/2023	31/12/2022	Variation
Current payables to social security and social security institutions	7,823	8,704	(881)
Other tax payables	6,587	6,711	(124)
Personnel debts	23,370	18,445	4,925
Other debts	8,704	7,195	1,509
TOTAL	46,484	41,055	5,429

Current payables to welfare and social security institutions

The balance of the item "**Current payables to welfare and social security institutions**" amounted, at 30 June 2023, to Euro 7,823 thousand compared to Euro 8,704 thousand at 31 December 2022.

Other tax liabilities

The balance of the item "**other tax liabilities**" amounted to Euro 6,587 thousand at 30 June 2023, compared to Euro 6,711 thousand at 31 December 2022.

Payables related to staff

The balance of the item "**payables related to staff**" amounted to Euro 23,370 thousand at 30 June 2023 compared to Euro 18,445 thousand at 31 December 2022. The change is mainly due to Exprivia's payable for vacation, holiday and bonuses accruals.

Other payables

The balance of the item "**other payables**" amounted, at 30 June 2023, to Euro 8,704 thousand, compared to Euro 7,195 thousand at 31 December 2022; these mainly consisted of accrued expenses and deferred income in the amount of Euro 4,639 thousand, which included pending revenues attributable to the subsequent periods and advances on contributions for Euro 3,254 thousand.

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 28 - Revenues

Revenues from sales and services in the first half of 2023 were Euro 94,572 thousand compared to Euro 86,314 thousand in the same period of 2022.

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:

Description	30/06/2023	30/06/2022	Variation
Projects and Services	79,813	73,572	6,241
Maintenance	6,462	8,384	(1,922)
HW/ SW third parties	7,129	2,595	4,534
Own licences	791	1,330	(539)
Other	377	433	(56)
Total	94,572	86,314	8,258

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

Exprivia Group (amount in thousand Euro)	30/06/2023	Incidence%	30/06/2022	Incidence%
Private	73,262	77.5%	66,590	77.1%
Public	21,310	22.5%	19,724	22.9%
TOTAL	94,572		86,314	

Exprivia Group (amount in thousand Euro)	30/06/2023	Incidence%	30/06/2022	Incidence%
Italy	85,089	90.0%	77,756	90.1%
Foreign	9,483	10.0%	8,558	9.9%
TOTAL	94,572		86,314	

Note 29 - Other income

Other income in the first half of 2023 amounted to Euro 3,372 thousand compared to Euro 1,890 thousand in the same period of 2022. The table below provides details on the items.

Description	30/06/2023	30/06/2022	Variation
Other revenues and income	299	204	95
Grants related to income	2,469	851	1,618
Increase in capitalised expenses for internal projects	604	835	(231)
TOTAL	3,372	1,890	1,482

Other revenues and income

"Other revenues and income" in the first half of 2023 amounted to Euro 299 thousand compared to Euro 204 thousand in the first half of 2022 and mainly refer to long-term car rental charge-backs to employees.

Operating grants

"Operating grants" in the first half of 2023 amounted to Euro 2,469 thousand compared to Euro 851 thousand in the first half of 2022 and refer to grants and tax credits related to funded research and development projects.

Costs for capitalised internal projects

The "Costs for capitalised internal projects" in the first half of 2023 amounted to Euro 604 thousand compared to Euro 835 thousand in the first half of 2022 and referred to costs incurred during the first half of the year for the development of products in Banking & Finance, Healthcare, and Aerospace & Defence.

Note 30 - Costs for sundry consumables and finished products

The balance of the item "costs for sundry consumables and finished products" in the first half of 2023 amounted to Euro 6,302 thousand compared to Euro 1,747 thousand in the first half of 2022. The table below provides details on the items.

Description	30/06/2023	30/06/2022	Variation
Purchase of HW-SW products	6,268	1,693	4,575
Stationery and consumables	24	45	(21)
Fuel and oil	8	5	3
Other costs	2	4	(2)
TOTAL	6,302	1,747	4,555

The change in the item "purchase of hw-sw products" is related to the increase in revenues for resale services.

Note 31 - Staff costs

The balance of the item "Staff costs" amounted to Euro 57,728 thousand in the first half of 2023 compared to Euro 56,434 thousand in the first half of 2022. The table below provides details on the item:

Description	30/06/2023	30/06/2022	Variation
Salaries and wages	42,922	41,396	1,526
Social charges	10,853	11,097	(244)
Severance Pay	2,548	2,526	22
Other staff costs	1,406	1,415	(9)
TOTAL	57,728	56,434	1,294

The number of employees at 30 June 2023 was 2,454, of which 2,424 were employees and 30 temporary workers, while at 30 June 2022 the number of resources was 2,452, of which 2,426 were employees and 26 temporary workers.

The average for the first half of 2023 was 2,439, of which 2,408 were employees and 31 temporary workers, while the average for the first half of 2022 was 2,438, of which 2,412 were employees and 26 temporary workers.

The increase in personnel costs of Euro 1,294 thousand is attributable in part to the increase in the average workforce and in part to the increase in the cost of personnel per capita.

Note 32 - Costs for services

The consolidated balance of "**costs for services**" in the first half of 2023 amounted to Euro 20,630 thousand compared to Euro 17,156 thousand in the first half of 2022. The table below provides details on the items:

Description	30/06/2023	30/06/2022	Variation
Technical and commercial consultancy	14,399	10,894	3,504
Administrative/company/legal consultancy	951	856	95
Auditors' fees	50	50	0
Travel and transfer expenses	615	317	298
Utilities	271	331	(60)
Advertising and agency expenses	270	240	30
Bank charges	112	119	(7)
HW and SW maintenance	2,320	2,176	144
Insurance	346	341	5
Other costs	1,297	1,832	(535)
TOTAL	20,630	17,156	3,475

The change in the item "**technical and commercial consulting**" is strictly related to the increase in revenues.

The statement below is provided in accordance with art. 149-duodecies of CONSOB Issuers' Regulation to show amounts paid to the independent auditors in the first half of 2023 for audit services and for other services provided by PricewaterhouseCoopers SpA and other entities belonging to its network.

The fees are shown net of the CONSOB contribution.

Type of services	Recipient	Amount
Audit services	Parent	31
	Subsidiary companies:	7
TOTAL		37

Note 33 - Costs for leased assets

The balance of the item "**costs for leased assets**" in the first half of 2023 amounted to Euro 637 thousand compared to Euro 357 thousand in the first half of 2022. Below is the table with the details:

Description	30/06/2023	30/06/2022	Variation
Rental expenses	53	34	19
Car rental/leasing	33	0	33
Rental of other assets	205	96	109
Other costs	346	227	119
TOTAL	637	357	280

The change in the item "**Rental of other assets**" is attributable to higher costs for equipment rental.

The change in the item "**Others**" is attributable to higher costs for software licenses.

Note 34 - Sundry operating expenses

The balance of the item "**sundry operating expenses**" in the first half of 2023 amounted to Euro 789 thousand compared to Euro 805 thousand in the first half of 2022; a breakdown is shown in the table below.

Description	30/06/2023	30/06/2022	Variation
Annual subscriptions/Consortium management costs	108	68	40
Taxes	183	153	30
Penalties and fines	0	4	(4)
Charitable donations	9	1	8
Write-offs	321	407	(86)
Penalties and damages	0	0	0
Other sundry operating expenses	168	172	(4)
TOTAL	789	805	(17)

The item "**write-offs**" refers to receivables claimed by the Parent Company from customers in bankruptcy proceedings that were concluded or for which the loss became certain during the period.

Note 35 - Changes in inventories

In the first half of 2023, the balance of the item "**changes in inventories**" amounted to a negative value of Euro -172 thousand compared to negative Euro -121 thousand in the previous year and refers to changes in finished products and goods.

Note 36 - Provisions and write-downs of current assets

The balance of the item "**provisions and write-downs of current assets**" in the first half of 2023 was a negative Euro -172 thousand compared to a negative value of Euro -121 thousand in the first half of 2022.

The table below provides details on the items.

Description	30/06/2023	30/06/2022	Variation
Provision for bad debts provision	(247)	(171)	(76)
Provision for legal disputes with employees	(23)	13	(36)
Other provisions	98	37	61
TOTAL	(172)	(121)	(51)

The change in the item "**Bad debt provision**" is mainly attributable to the use for write-off of receivables related to bankrupt customers for which the Parent Company does not participate in the bankruptcy distribution (see note 35 "loss on receivables") deemed no longer fully collectable.

The item "**Provision for legal disputes with employees**" is mainly attributable to the release of provisions made for disputes with former employees made in previous years and concluded in the first half of 2023.

The item "**Other provisions**" is mainly attributable to the provision for risks on research projects.

Note 37 - Amortisation, depreciation and write-downs of non-current assets

The balance of the item "**Amortisation, depreciation and write-downs of non-current assets**" in the first half of 2023 amounted to Euro 2,848 thousand compared to a balance of Euro 3,076 thousand in the first half of 2022.

Amortisation and depreciation

In the first half of 2023, "**Amortisation and depreciation**" amounted to Euro 2,848 thousand compared to Euro 3,076 thousand in the first half of 2022 and refer for Euro 1,169 thousand to amortisation of intangible fixed assets and for Euro 1,679 thousand to depreciation of property, plant and equipment. Details of the aforementioned items are provided in notes 1 and 3.

Write-downs

No write-downs of non-current assets were recognised in the first half of 2023.

Note 38 - Financial income and (charges) and other investments

The balance of the item "**financial income and (charges) and other investments**" amounted, in the first half of 2023, to negative Euro 1,348 thousand compared to the negative balance of Euro 1,025 thousand in the first half of 2022. The table below provides details on the items.

Description	30/06/2023	30/06/2022	Variation
Proceeds from shareholdings from parents	4	11	(7)
Income from other investments	0	36	(36)
Other income other than the above	94	195	(101)
Interest and other financial charges	(1,508)	(1,175)	(333)
From parent charges	0	(209)	209
Profit and loss on currency exchange	62	117	(55)
TOTAL	(1,348)	(1,025)	(323)

Income from parent companies

The balance of the item "**income from parent companies**" in the first half of 2023 amounted to Euro 4 thousand compared to Euro 11 thousand in the first half of 2022 and referred to the interest accrued towards Abaco Innovazione SpA on a loan granted by Exprivia.

Income other than the above

The balance of item "**income other than the above**" in the first half of 2023 amounted to Euro 94 thousand compared to Euro 195 thousand in the first half of 2022. The table below provides details on the item.

Description	30/06/2023	30/06/2022	Variation
Bank interest receivable	15	1	14
Revenues from financial derivatives	0	154	(154)
Capital gains from own shares	0	0	0
Interest income from securities	55	27	28
Other interest income	23	12	11
Rounding up of assets	0	1	(1)
TOTAL	94	195	(101)

Interest and other financial charges

The balance of the item "**interest and other financial charges**" in the first half of 2023 amounted to Euro 1,508 thousand compared to Euro 1,175 thousand in the first half of 2022. The table below provides details on the items.

Description	30/06/2023	30/06/2022	Variation
Bank interest payable	21	7	14
Interest on loans and mortgages	724	626	98
Sundry interest	549	404	145
Charges on financial products and sundry items	85	95	(10)
Rounding up/down	5	4	1
Interest cost IAS 19	124	39	85
TOTAL	1,508	1,175	333

Charges from parent companies

The item "**charges from parent companies**" in the first half of 2022 amounted to Euro 209 thousand and refers to the portion applicable to the period of charges recognised by Exprivia to the holding company Abaco Innovazione SpA for guarantees issued by the latter with respect to its subsidiary. In the first half of 2023, the balance was zeroed.

Exchange gains/(losses)

In the first half of 2023, "**exchange gains**" of Euro 62 thousand were recorded, compared to exchange gains of Euro 118 thousand in the first half of 2022, which 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 39 - Income taxes

In the first half of 2023, "**Income taxes**" amounted to Euro 2,555 thousand compared to Euro 2,154 thousand in the first half of 2022; the table below provides details on the changes compared to the previous year:

Description	30/06/2023	30/06/2022	Variation
IRES	1,983	1,760	223
IRAP	626	470	156
Foreing tax	26	36	(10)
Taxes from prior years	0	0	0
Deferred tax	32	54	(22)
Deferred tax assets	(112)	(166)	54
TOTAL	2,555	2,154	401

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

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

Please note that the Group has benefited from the income tax break deriving from the use of intellectual property, introduced by article 6 of Italian Decree Law no. 146 of 21 October 2021, converted with amendments by Law no. 215 of 17 December 2021, as subsequently amended by Italian Law no. 234 of 30 December 2021.

Note 40 - Profit (Loss) for the period

The income statement in the first half of 2023, closed with a consolidated profit after tax of Euro 5,577 thousand, compared to Euro 5,302 thousand in the same period of 2022.

Note 41 - Basic/Diluted earnings (loss)

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

Earnings (loss) per share is calculated by dividing net profit, as reported in the condensed consolidated half-year financial statements, attributable to ordinary shareholders of the Parent Company, excluding the treasury shares, by the average number of ordinary shares in issue 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 30 June 2023 the basic and diluted earnings per share amounted to Euro 0.1198.

for the six months closed on	
Description	30/06/2023
Profit / (loss) for the determination of the basic profit / (loss) per share (Net profit / (loss) attributable to the shareholders of the parent company)	5,596,959
Earnings / (Losses) for the determination of the basic earnings / (losses) per share	5,596,959
30.06.2023	
Number of shares	
Number of ordinary shares as of January 1, 2023	51,883,958
Treasury shares as at 30 June, 2023	5,183,058
Average weighted number ordinary shares for calculation of basic profit	46,700,900
for the six months closed on	
Earnings per share (Euro)	30/06/2023
Profit (loss) per basic share	0.1198
Diluted earnings (loss) per share	0.1198

Note 42 - Information on the Cash Flow Statement

Cash flows from operating activities were positive in the amount of Euro 8 million, the management of current assets and liabilities absorbed cash flows of Euro 5.1 million, cash flows from investing activities absorbed cash of Euro 0.3 million, and cash flows absorbed by financing activities amounted to Euro 8.3 million. The cash flow absorbed by the management of current assets and liabilities, for Euro 5.1 million, essentially refers to the negative change in inventories and advances for Euro 3.7 million due to the delay in the invoicing cycle to some customers in the Healthcare and Energy & Utilities area; as well as the negative change in receivables from customers, receivables from others and tax receivables for Euro 7.1 million, partially offset by the positive change in payables to others for Euro 6.4 million. The cash flow absorbed by financing activities, amounting to Euro 8.3 million, mainly refers to the negative change in medium/long-term loans for Euro 5.5 million.

OTHER INFORMATION

Contributions and economic benefits received from public administrations

Pursuant to art. 1 paragraph 125 of Law no. 124 of 2017, the statement below provides information relating to contributions and other economic benefits received in cash from the Italian public administrations in the first half of 2023; the amounts are expressed in thousands of Euro.

Typology	Financing Body	Project	Subsidized rate	Amount collected 30/06/2023
Lost Fund	Regione Puglia	Smart Future Organic Farm		11
Lost Fund	Meditech	Tiam		56
Lost Fund	Regione Puglia	Olive Matrix		11
Lost Fund	MISE	Prosit		454
Lost Fund	MUR	Mitigo		45
Lost Fund	INPS	Decontribuzione SUD riduzione 30% sui contributi di cui al DL 104 agosto 2020		1,282
Total				1,859

Related parties

It should be noted that Exprivia has adopted a specific "Procedure for Transactions with Related Parties" (hereinafter the "Procedure") pursuant to the "Regulation containing provisions on transactions with related parties" issued by Consob with resolution no. 17221 of 12 March 2010, as amended (hereinafter the "Regulation"), as well as in implementation of Article 2391-bis of the Italian Civil Code. The aforementioned Procedure is available on the Company's website in the Corporate - Corporate Governance - Corporate information section.

Pursuant to art. 5, paragraph 8 of the Regulation, it should be noted that in the first half of 2023 no significant transactions were completed (as defined by art. 4, paragraph 1, letter a) and identified by the aforementioned Procedure pursuant to the Annex 3 of the Regulation), nor other transactions with related parties that had a significant impact on the consolidated financial position or on the results of the Exprivia Group in the reference period. Lastly, it should be noted that there were no changes or developments in the transactions with related parties described in the Directors' Report for the year 2022.

Inter-company relations

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

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

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

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

Non-Current Financial Receivables

Description	30/06/2023	31/12/2022	Variation
Exprivia Messico Sa de Cv	899	903	(4)
Exprivia Asia	914	914	-
TOTAL	1,813	1,817	(4)

Trade Receivables

Description	30/06/2023	31/12/2022	Variation
Consorzio Exprivia	819	206	613
Exprivia Messico SA de CV	162	110	53
Exprivia Projects Srl	349	574	(225)
Exprivia SLU	119	135	(16)
Exprivia Do Brasil	0	0	0
Spegea S. c. a.r.l.	124	86	39
ACS DE GmbH	0	0	0
HR Coffee	3	14	(11)
Exprivia IT Solutons Shanghai	58	73	(15)
TOTAL	1,634	1,197	437

Work in Progress

Description	30/06/2023	31/12/2022	Variation
Spegea Scarl	13	0	13
Consorzio Exprivia Scarl	(119)	175	(294)
TOTAL	(106)	175	(281)

Other Current Receivables

Description	30/06/2023	31/12/2022	Variation
Receivables from Exprivia Projects for IRES from tax consolidation	357	255	103
Receivables from Exprivia Projects for VAT	318	187	131
Receivables from Spegea Scarl for IRES from tax consolidation	8	6	2
TOTAL	683	448	235

Current Financial Receivables

Description	30/06/2023	31/12/2022	Variation
Exprivia SI	-	102	(102)
Spegea Scarl	-	3	(3)
TOTAL	-	105	(105)

Trade Payables

Description	30/06/2023	31/12/2022	Variation
Exprivia Messico SA De CV	0	40	(40)
Advanced Computer Systems A.C.S. Srl	206	0	206
Exprivia Projects Srl	287	140	147
Consorzio Exprivia Scarl	0	0	0
HR COFFEE Srl	59	61	(2)
Exprivia Shanghai	11	0	11
Exprivia SLU	204	42	162
ACS GMBH	0	156	(156)
Spegea S.c. a r.l.	16	31	(15)
TOTAL	782	469	313

Current Financial Payables

Description	30/06/2023	31/12/2022	Variation
Exprivia Projects Srl	1,056	1,860	(804)
Spegea S.c. a r.l.	2	2	0
TOTAL	1,058	1,862	(804)

Other Current Payables

Description	30/06/2023	31/12/2022	Variation
Consorzio Exprivia Scarl for VAT	143	62	82
HR Coffee for consolidated IRES	77	171	(94)
TOTAL	221	233	(12)

Trade Revenues

Description	30/06/2023	30/06/2022	Variation
Spegea Scarl	44	10	34
Exprivia Projects Srl	585	534	51
Exprivia Shanghai	0	15	(15)
Exprivia Messico SA de CV	(145)	(11)	(134)
Consorzio Exprivia Scarl	1,179	1,271	(92)
HR COFFEE Srl	3	3	0
TOTAL	1,576	1,822	(247)

Trade Costs

Description	30/06/2023	30/06/2022	Variation
Spegea Scarl	34	116	(83)
Exprivia Projects Srl	200	111	89
Exprivia SLU	249	204	44
ACS Gmbh	365	346	19
Exprivia Shanghai	11	0	11
Hr Coffee Srl	30	0	30
Exprivia Messico SA De CV	0	31	(31)
TOTAL	888	809	80

Revenues/Costs for Seconded Personnel

Description	30/06/2023	30/06/2022	Variation
Revenues from staff on secondment to Exprivia Projects Srl	(33)	0	(33)
Costs from staff on secondment to Exprivia Projects Srl	110	130	(20)
TOTAL	77	130	(53)

Income from equity investments in subsidiaries

Description	30/06/2023	30/06/2022	Variation
Exprivia Projects Srl	457	547	(90)
TOTAL	457	547	(90)

Financial Charges (cash pooling interest expense)

Description	30/06/2023	30/06/2022	Variation
Exprivia Projects Srl	33	45	(12)
TOTAL	33	45	(12)

Relations with Parent Companies

The table below provides information on relations with the Parent Company. For additional information, see the Directors' Report in the sections "Group Relations with the Parent Company" and "Report on Management and Coordination Activities".

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

Current Financial Receivables

Description	30/06/2023	31/12/2022	Variation
Abaco Innovazione_Current financial receivables from parent company	-	475	(475)
TOTAL	-	475	(475)

Trade Receivables

Descrizione	30/06/2023	31/12/2022	Variazioni
Abaco Innovazione SpA_crediti commerciali verso controllante	46	46	(0)
TOTALI	46	46	(0)

Financial Costs (guarantees)

Description	30/06/2023	31/12/2022	Variation
Abaco Innovazione_Trade receivables from parent companies	46	46	-
TOTAL	46	46	-

Financial Income (interest income on loans)

Description	30/06/2023	30/06/2022	Variation
Abaco Innovazione_Financial income from parent companies	4	11	(6)
TOTAL	4	11	(6)

Relations with Associated Companies

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

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

Equity Investments in associated companies

Description	30/06/2023	31/12/2022	Variation
QUESTIT SRL	498	498	-
URBANFORCE SCARL	8	8	-
TOTAL	506	506	-

Trade Receivables

Description	30/06/2023	31/12/2022	Variation
QUESTIT SRL	41	151	(110)
TOTAL	41	151	(110)

Trade Payables

Description	30/06/2023	31/12/2022	Variation
QUESTIT SRL	78	1	77
TOTAL	78	1	77

Trade Costs

Description	30/06/2023	30/06/2022	Variation
QUESTIT SRL	98	24	73
TOTAL	98	24	73

Revenues

Description	30/06/2023	30/06/2022	Variation
QUESTIT SRL	-	112	(112)
TOTAL	-	112	(112)

Relations with Other Related Parties

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

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

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

Trade Payables

Description	30/06/2023	31/12/2022	Variation
Giuseppe Laterza & Figli SpA	-	12	(12)
TOTAL	-	12	(12)

Trade Costs

Description	30/06/2023	30/06/2022	Variation
Giuseppe Laterza & Figli SpA	5	17	(12)
TOTAL	5	17	(12)

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

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

Cariche	30/06/2023				30/06/2022			
	Fixed remuneration	Renumeration for participation in committees	Wages and payrolls	Other incentives	Fixed remuneration	Renumeration for participation in committees	Wages and payrolls	Other incentives
Administrators	227	51	124	207	415	69	528	232
Statutory Auditors	49	-	-	-	48	-	-	-
Strategic managers	-	-	114	18	-	-	278	57
TOTAL	276	51	239	226	463	69	806	289

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

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

Contingent liabilities

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

Positions or transactions deriving from atypical and/or unusual operations

In accordance with Consob Notice no. DEM/6064293 of 28 July 2006, during the first half of 2023 the Group did not carry out any atypical and/or unusual operations, as defined in the Notice itself.

Significant non-recurring events and transactions

It should be noted that in the first half of 2023 the Group did not carry out significant non-recurring transactions pursuant to Consob Notice no. DEM/6064293 of 28 July 2006.

Seasonality of the reference business

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

Certification of the Consolidated Financial Statements pursuant to art. 154-bis of Italian Legislative Decree no. 58/98

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

- the adequacy, in relation to the characteristics of the Company and
- the effective application of administrative and accounting procedures to draft the consolidated financial statements for the reporting period at 30 June 2023.

Furthermore, it is certified that the interim report:

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

Molfetta, 4 August 2023

Domenico Favuzzi

Chairman and Chief Executive Officer

Donato Dalbis

Executive manager responsible for preparing the corporate accounts

Independent Auditors' Report on the Consolidated Financial Statements of the Exprivia Group at 30 June 2023



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(Translation from the Italian original which remains the definitive version)

Review report on interim condensed consolidated financial statements

To the shareholders of
Exp^{ria}ia S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements comprising the consolidated balance sheet, the income statement, the statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement and related explanatory notes of Exp^{ria}ia S.p.A. and its subsidiaries (Exp^{ria}ia Group) as of June 30, 2023.

Management is responsible for the preparation of this interim condensed consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) endorsed by the European Union.

Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 dated July 31, 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Exp^{ria}ia Group as of June 30, 2023, are not prepared, in all material respects, in accordance with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Other aspects

The consolidated financial statements for the year ended as of December 31, 2022 and the interim condensed consolidated financial statements for the period ended as of June 30, 2022 were respectively audited and limited by another auditor who, on March 30, 2023, expressed an unmodified opinion on the financial statements, and on August 5, 2022, expressed unamended conclusions on the interim condensed consolidated financial statements.

Milan, September 13, 2023

BDO Italia S.p.A.
Signed by Vincenzo Capaccio
Partner

Bell, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

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