



**TECNOINVESTIMENTI**

**INTERIM  
REPORT  
ON OPERATIONS  
AT 30 SEPTEMBER 2016**



**TECNOINVESTIMENTI**



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## COMPANY DATA AND COMPOSITION OF CORPORATE GOVERNANCE BODIES

Parent Company's registered office  
Tecnoinvestimenti S.p.A.  
Piazza Sallustio 9  
00187 Rome  
Italy

Statutory information about the Parent Company  
Subscribed and paid-in share capital €46,256,120  
Rome Company Register No. RM 1247386  
Tax I.D. and VAT No. 10654631000  
Corporate website [www.tecnoinvestimenti.it](http://www.tecnoinvestimenti.it)

### Corporate governance bodies currently in office

#### Board of Directors

Enrico Salza	Chairman
Pier Andrea Chevallard	Chief Executive Officer
Aldo Pia	Director
Alessandro Potestà	Director
Laura Benedetto	Director (independent)
Elisa Corgi	Director (independent)
Gian Paolo Coscia	Director (independent)
Giada Grandi	Director (independent)
Ivanhoe Lo Bello	Director (independent)

#### Control and Risk Committee

Giada Grandi	Chairperson
Elisa Corgi	
Alessandro Potestà	

#### Compensation Committee

Gian Paolo Coscia	Chairman
Laura Benedetto	
Aldo Pia	

#### Board of Statutory Auditors

Riccardo Ranalli	Chairman
Gianfranco Chinellato	Statutory Auditor
Domenica Serra	Statutory Auditor
Alberto Sodini	Alternate
Laura Raselli	Alternate

#### Independent Auditors

KPMG S.p.A.

Corporate Accounting Documents Officer  
Nicola Di Liello

**Registered Office and Operational Office**  
Piazza Sallustio 9 - 00187 Rome

**Operational Office**  
Via Pietro Micca 4 - 10122 Turin

## INTERIM REPORT ON OPERATIONS

### GROUP ACTIVITIES

The Tecnoinvestimenti Group offers in Italy and, to a marginal extent, internationally, a wide spectrum of services in the Digital Trust, Credit Information & Management and Marketing Solutions areas. The Group developed rapidly in recent years, mainly through organic growth and a series of acquisitions and combinations aimed at broadening its range of services for small and medium-sized businesses, meeting market demand for credit information and entering contiguous markets deemed to be strategic.

The Group operates primarily through three Business Units:

1. The Digital Trust Business Unit, which provides IT solutions for digital identification and process dematerialization that are compliant with applicable regulations (including the recently introduced eIDAS EU regulation) and with customer and industry standards. The Business Unit offers various products and services such as certified e-mail, e-storage, digital signature, e-billing, Telematic Trust Solutions and Enterprise Content Management solutions. The Group's Digital Trust activities are mainly carried out through InfoCert S.p.A. and the recently acquired (20 July 1016) Visura Group.
2. The Credit Information & Management Business Unit, which offers standard and value-added services primarily designed to provide support for processes to issue, assess and collect credit in the banking sector and for corporates. In the Credit Information & Management Business area, the Group operates through Ribes and its subsidiary RE Valuta, and Assicom and its subsidiaries Creditreform Assicom Ticino and Datafin.
3. The Sales & Marketing Solutions Business Unit, which offers value-added services to small and medium-sized businesses or networks of businesses wishing to expand internationally, find new customers and develop commercial opportunities in Italy and abroad. In the Sales & Marketing Solutions area, the Group operates through Co.Mark and its subsidiaries.

### KEY EVENTS OF THE PERIOD

An overview of the key events that occurred in the third quarter of 2016 is provided below:

1. The closing documents for the acquisition of a 60% interest in Visura S.p.A. were signed on 20 July 2016. This transaction helps strengthen the Tecnoinvestimenti Group in its target markets, while broadening its range of Digital Trust solutions particularly with regard to professionals. The Visura Group is mainly engaged in the sale of Telematic Trust Solutions and the distribution of commercial information through proprietary dedicated web platforms for professional clientele and, partially, for small and medium-sized businesses. The consideration paid to acquire a 60% interest for Visura amounted to €21.9 million, paid in cash. Tecnoinvestimenti and the sellers also agreed that an integration of the consideration paid for this acquisition will be paid in an amount equal to 30% of the distributable earnings of Visura S.p.A., calculated upon the approval of the 2016 financial statements. Lastly, Put&Call options were written for the remaining 40% still held by the founding

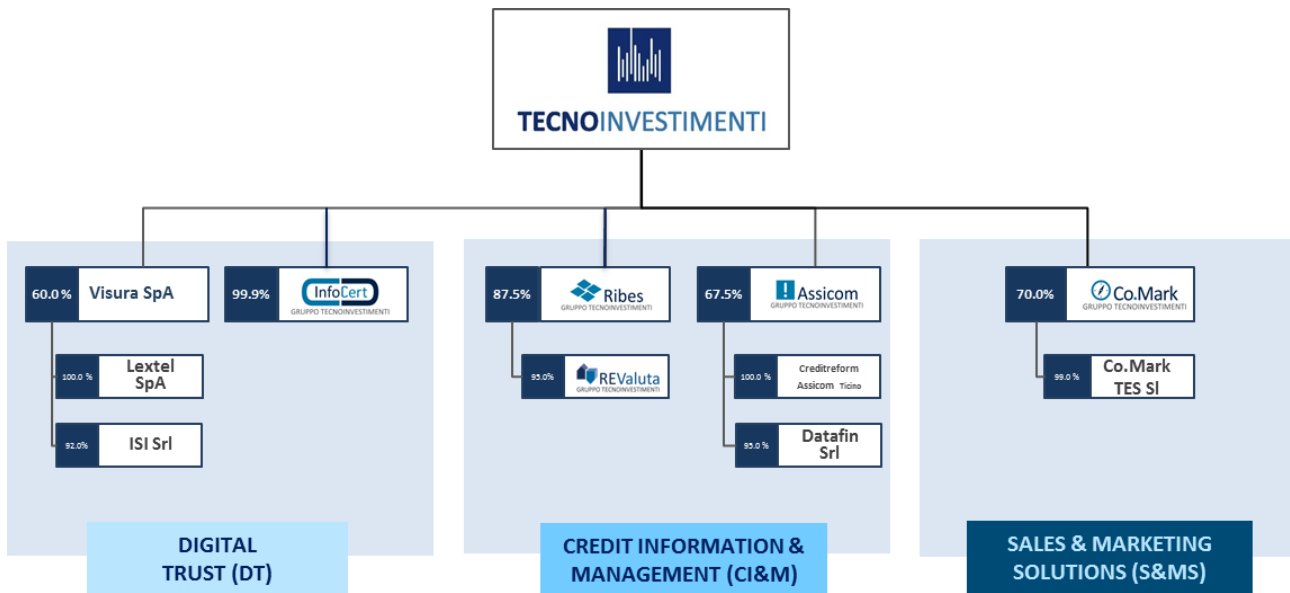
shareholders, to be executed in a single transaction following the approval of the 2018 financial statements.

2. 3 August 2016 marked the end of the rights offering period for up to 14,582,000 newly issued Company common shares resulting from a capital increase of up to €49,578,800 approved by the Company's Board of Directors on 16 June 2016 and 14 July 2016, which implemented the power of attorney the Board received from the Shareholders' Meeting on 13 May 2016.

During the rights offering period, which began on 18 July 2016, a total of 31,582,000 rights were exercised to acquire 14,527,720 shares, equal to 99.63% of the total number of shares subject of the Offering, with a value of €49,394,248. At the end of the rights offering period, unexercised rights for 54,280 shares remained, equal to 0.37% of the total number of shares subject of the Offering, with a value of €184,552, available for allotment to parties who exercised their preemptive rights pursuant to the Italian Civil Code. In implementation of the commitments respectively undertaken and communicated to the market on 27 June 2016: (i) the majority shareholder Tecno Holding S.p.A. exercised all of the rights to which it was entitled in connection with the capital increase, acquiring 8,291,960 newly issued shares, equal to 56.86% of the total number of shares subject of the Offering, with a value of €28,192,664; (ii) the shareholder Quaestio Capital Management SGR S.p.A. exercised all of the rights to which it was entitled in connection with the capital increase, acquiring 1,458,200 newly issued shares, equal to 10% of the total number of shares subject of the Offering, with a value of €4,957,880.

3. On 8 August 2016, holders of preemptive rights were allotted a total of 28,400 newly issued shares, with a value of €96,560, resulting from the rights offering capital increase of up to €49,578,800. Applications for subscriptions by holders of preemptive rights covered a total of 28,400 shares, as against 54,280 shares for which the corresponding rights had not been exercised at the end of the rights offering period. As a result of the exercise of preemptive rights, counting the shares subscribed at the end of the rights offering period, a total of 14,556,120 shares were subscribed, equal to 99.82% of the shares subject of the Offering, for a total value of €49,490,808.
4. The certification required pursuant to Article 2444, Section 1, of the Italian Civil Code and the amended Bylaws showing the new share capital of €46,256,120, comprised of 46,256,120 shares, was filed with the Rome Company Register on 9 August 2016.
5. On 26 August 2016, Borsa Italiana S.p.A. accepted the Company's common shares for listing on the STAR segment of the MTA online stock exchange and concurrently delisted the same shares from the alternative AIM market. The start of trading on the STAR segment of the MTA and the concurrent delisting from the AIM occurred on 30 August 2016.

The chart that follows outlines the structure of the Tecnoinvestimenti Group, including controlling interests held, at 30 September 2016.



- (1) The deed of merger by incorporation of Eco-Mind APP Factory S.r.l. into InfoCert S.p.A. was executed on 13 October 2016.
- (2) On 18 October 2016, the Judge designated by the Court of Brescia authorized the sale of the remaining 5% interest in Datafin; consequently, the execution of the deed of merger by incorporation of Datafin S.r.l. into Assicom S.p.A. was scheduled for 25 November 2016.
- (3) The deed of merger by incorporation of Ventitre S.r.l., Diciotto S.r.l. and Co.Mark Centro-sud S.r.l. into Co.Mark S.P.A. was executed on 22 September 2016.

## GROUP RESULTS

For the nine-month period ended 30 September 2016, the Group reported Total Revenue of €103,057 thousand, EBITDA<sup>1</sup> of €19,679 thousand, EBIT of €11,941 thousand and a Net profit of €7,427 thousand. These results reflect the effects of the strategy of growth through acquisitions implemented by the Group. Two major acquisitions were carried out in 2016, involving the Co.Mark Group, consolidated as of 31 March 2016, and the Visura Group, consolidated as of 1 July 2016.

The Tecnoinvestimenti Group did not develop data at 30 September 2015 that would be comparable with 2016 because, consistent with the regulation governing AIM Italia, where it was listed, it prepared exclusively annual and semi-annual reports.

The table below shows the economic results for the first nine months of 2016 compared with the same results net of the acquisitions completed in 2016 (scope of consolidation at 31 December 2015).

The table also presents an income statement for Tecnoinvestimenti with pro forma data at 30 September 2016 that include the results of the Co.Mark Group and the Visura Group, as if these companies had been acquired on 1 January 2016. The data shown were not audited and are shown exclusively for the sake of allowing a better assessment of the Group's performance.

Condensed Consolidated Income Statement (€ '000)	30 September 2016 with 31/12/15 scope of consolidation		30 September 2016		30 September 2016 Pro forma	
		%		%		%
Total revenue	91,578	100%	103,057	100%	116,495	100%
EBITDA	15,360	16.8%	19,679	19.1%	23,929	20.5%
EBIT	9,765	10.7%	11,941	11.6%	15,104	13.0%
Net profit	5,819	6.4%	7,427	7.2%	9,575	8.2%

The preceding table shows the growth of revenue and margins compared with the amounts that would have been reported had the scope of consolidation been the same as at 31 December 2015. Revenue increased by €11,479 thousand, or 12.5%, EBITDA grew by €4,319 thousand, or 28.1%, EBIT improved by €2,176 thousand, or 22.3%, and net profit rose by €1,608 thousand, or 27.6%. All composition indexes improved, with a gain of 2.3 percentage points for EBITDA.

If the acquisitions of the Co.Mark Group and the Visura Group had closed on 1 January 2016 (column entitled 30 September 2016 Pro forma) the Group would have reported consolidated revenue of €116,495 thousand, EBITDA of €23,929 thousand (20.5% of revenue), EBIT of €15,104 thousand (13% of revenue) and net profit of €9,575 thousand (8.2% of revenue). In computing these amounts, an assumption was made that the fair value adjustments on the date of acquisition would have been the same even if the acquisition had occurred on 1 January 2016.

<sup>1</sup> EBITDA is a benchmark used by management to monitor and assess the Group's operating performance, on its own and in comparison with its peers, even though the measurement criteria applied by the Group could differ from those adopted by other companies. EBITDA is computed as the profit (loss) for the period before income taxes, gross of net financial charges, depreciation and amortization, accruals to provisions and Impairment losses.



It is worth mentioning that nonrecurring charges totaling €1,290 thousand, gross of tax effect, were recognized in the income statement in 2016 in connection with the listing on the STAR segment of the MTA and the acquisition of the Co.Mark and Visura groups. An additional amount of €906 thousand in charges incurred for the capital increase, related to the listing, was deducted from Additional paid-in capital.

A detailed income statement for 2016 is provided below:

<b>Consolidated Income Statement</b> <i>(in thousands of euros)</i>	<b>30 September 2016</b>	<b>%</b>
<b>Total revenue</b>	<b>103,057</b>	<b>100%</b>
<b>Total operating costs</b>	<b>-83,378</b>	<b>80.9%</b>
Raw material costs	-4,542	4.4%
Service costs	-44,094	42.8%
Personnel costs	-33,707	32.7%
Other operating costs	-1,035	1.0%
<b>EBITDA</b>	<b>19,679</b>	<b>19.1%</b>
Depreciation, amortization, impairment losses and accruals to provisions	-7,738	7.5%
<b>EBIT</b>	<b>11,941</b>	<b>11.6%</b>
Financial income	62	0.1%
Financial charges	-1,046	1.0%
Result of investee companies carried at equity	-32	0.0%
Income taxes	-3,499	3.4%
<b>Net profit</b>	<b>7,427</b>	<b>7.2%</b>

**Operating costs** amounted to €83,378 thousand at 30 September 2016.

The item **Depreciation, amortization, accruals to provisions and impairment losses**, amounting to €7,738 thousand, included the amortization of intangible assets for a total amount of €2,911 thousand, recognized in connection with the allocation of the excess cost paid for the acquisition of the Assicom, Ribes and Co.Mark groups, equal to 37.6% of this line item.

**Net financial charges** for the nine months ended 30 September 2016 amounted to €984 thousand. Financial charges mainly refer to the facility provided by a pool of banks for the acquisition of the Assicom Group at the end of 2014 and a loan for €15,000 thousand provided by the parent company Tecno Holding S.p.A. in March 2016.

The income tax expense, estimated based on the tax rates applicable to the reporting year under current tax laws, amounts to €3,499 thousand, for a tax rate of 32%.

## DESCRIPTION OF OPERATING ACTIVITIES

The table that follows provides a breakdown of Revenue and EBITDA by Business Segment at 30 September 2016.

Management assesses the results of the Business Segments mainly by analyzing their performance in terms of EBITDA, defined as profit for the period before depreciation and amortization, impairment losses, accruals to provisions, writedowns of receivables, financial income and charges, profit or loss of investee companies carried at equity and taxes.

Specifically, management believes that EBITDA provides a good indication of performance because it is not affected by tax laws and depreciation and amortization policies.

Please note that the results of the Visura Group at 30 September 2016 were allocated to the Digital Trust segment; in the future the data will be divided between the Digital Trust and the Credit Information & Management segments.

<i>(in thousands of euros)</i>	Digital Trust	Credit Information & Management	Sales & Marketing Solutions	Other segments (holding company costs)	Total
Segment revenue	39,299	55,253	8,495	450	103,497
Inter-segment revenue	18	108	0	313	440
<b>Revenue from external customers</b>	<b>39,280</b>	<b>55,145</b>	<b>8,495</b>	<b>137</b>	<b>103,057</b>
<b>EBITDA</b>	<b>9,490</b>	<b>10,356</b>	<b>3,465</b>	<b>-3,632</b>	<b>19,679</b>
<b>EBITDA %</b>	<b>24.2%</b>	<b>18.8%</b>	<b>40.8%</b>		<b>19.1%</b>

### Digital Trust

The revenue of the Digital Trust segment amounted to €39,280 thousand at 30 September 2016, including an increase of €3,365 thousand deriving from the consolidation of the Visura Group in the third quarter of 2016. Had the Visura Group been consolidated as of 1 January 2016, the revenue increase would have amounted to €12,268 thousand.

The segment's EBITDA totaled €9,490 thousand, with a contribution of €853 thousand from the Visura Group. Had the Visura Group been consolidated as of 1 January 2016, EBITDA would have increased by €3,481 thousand.

The segment's operating results continue to provide evidence of an encouraging growth trend. The gain in reported revenue is attributable to an across-the-board increase reported for virtually all of the Company's products and services, both in the Mass market (website) and the Solutions market (Large Customer area). The growth in the solutions market reflects InfoCert's increasing ability to operate in the marketplace not just as a Certification Authority, but also as a promoter of innovative solutions to support the processes of its corporate customers.

## **Credit information & Management**

The Credit Information and Management segment reported revenue of €55,145 thousand and EBITDA of €10,356 thousand.

The companies that operate in the Credit Information & Management segment include the Ribes Group (Ribes S.p.A. and Re Valuta S.p.A.) and the Assicom Group (Assicom S.p.A., Datafin S.r.l. and Creditreform Assicom Ticino SA). In the first nine months of 2016, the economic context for this sector, specifically with regard to sales of Business Information and Credit Collection services, was not particularly favorable, due mainly to price pressure directly attributable to the high level of saturation in some of the Group's target markets.

These conditions adversely affected the Corporate area, serviced mainly by the Assicom Group, while in the Banking area the Ribes Group reported encouraging results, in continuity with its performance in previous years. Sales of appraisal services by Re Valuta (Corporate area) reported positive results.

## **Sales & Marketing Solutions**

As stated in the introductory section of this Report, the Sales & Marketing Solutions segment was created in March of this year with the acquisition of the Co.Mark S.p.A. Group. The revenue consolidated by the Tecnoinvestimenti Group at 30 September 2016 (from 1 April to 30 September) amounted to €8,495 thousand. Had the Co.Mark Group been consolidated as of 1 January 2016, the segment's revenue would have totaled €13,029 thousand.

The segment's EBITDA amounted to €3,465 thousand. Had the Co.Mark Group been consolidated as of 1 January 2016, EBITDA would have totaled €5,087 thousand.

The results achieved should be viewed as highly positive and consistent with the economic trend that characterized the segment's evolution in recent years. It is also worth mentioning that, thanks to the activities of the Co.Mark TES S.l. subsidiary, the Co.Mark Group is continuing to carry out commercial and production development activities in Spain.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP

The schedule below shows the Group's statement of financial position at 30 September 2016 compared with the corresponding data at 31 December 2015:

In thousands of euros

	30 September 2016	% on net invested capital/Total sources	31 December 2015	% on net invested capital/Total sources	Change	% change
Intangible assets and goodwill	193,665	98.64%	120,372	93.02%	73,293	60.89%
Property, plant and equipment	7,508	3.82%	5,813	4.49%	1,695	29.16%
Other non-current assets and liabilities, net	-501	-0.26%	-3,484	-2.69%	2,983	-85.62%
<b>Net non-current assets</b>	<b>200,672</b>	<b>102.21%</b>	<b>122,701</b>	<b>94.81%</b>	<b>77,971</b>	<b>63.55%</b>
Inventories	675	0.34%	424	0.33%	251	59.10%
Trade and other receivables*	48,608	24.76%	46,686	36.08%	1,922	4.12%
Current tax assets	110	0.06%	499	0.39%	-389	-78.02%
Assets held for sale	199	0.10%	0	0.00%	199	100%
Trade and other payables and deferred revenue and income	-51,480	-26.22%	-40,618	-31.39%	-10,862	26.74%
Current tax liabilities	-2,458	-1.25%	-281	-0.22%	-2,177	774.58%
<b>Net working capital</b>	<b>-4,346</b>	<b>-2.21%</b>	<b>6,710</b>	<b>5.19%</b>	<b>-11,056</b>	<b>-164.77%</b>
<b>Total uses – Net invested capital</b>	<b>196,326</b>	<b>100.00%</b>	<b>129,411</b>	<b>100.00%</b>	<b>66,915</b>	<b>51.71%</b>
Shareholders' equity	125,084	63.71%	77,194	59.65%	47,890	62.04%
Net financial debt	65,190	33.20%	47,074	36.38%	18,116	38.48%
Employee benefits	6,052	3.08%	5,143	3.97%	909	17.67%
<b>Total sources</b>	<b>196,326</b>	<b>100.00%</b>	<b>129,411</b>	<b>100.00%</b>	<b>66,915</b>	<b>51.71%</b>

\* Trade and other receivables includes non-current trade receivables.

The table below provides a breakdown of Net other non-current assets and liabilities:

In thousands of euros

<b>Net other non-current assets and liabilities</b>	30 September 2016	31 December 2015	Change	% change
Equity investments carried at equity	2,427	2,458	-31	-1.27%
Equity investments carried at cost or fair value	11	18	-7	-38.17%
Other financial assets, excluding financial derivatives	3,703	19	3,684	19386.93%
Deferred tax assets	3,152	2,222	930	41.87%
Other receivables*	67	959	-892	-92.98%
<b>Non-current assets</b>	<b>9,360</b>	<b>5,676</b>	<b>3,684</b>	<b>64.91%</b>
Provisions	-1,223	-1,256	33	-2.65%
Deferred tax liabilities	-8,634	-7,829	-805	10.29%
Deferred revenue and income	-4	-75	71	-94.29%
<b>Non-current liabilities</b>	<b>-9,861</b>	<b>-9,160</b>	<b>-701</b>	<b>7.66%</b>
<b>Net non-current liabilities</b>	<b>-501</b>	<b>-3,484</b>	<b>2,983</b>	<b>-85.62%</b>

The increase in Net non-current assets compared with 31 December 2015 is mainly due to the effect of the acquisition of the Co.Mark Group and the Visura Group, which is reflected under Intangible assets and goodwill; for the Co.Mark Group due to the recognition of goodwill generated by the acquisition (€39,045 thousand) and

the intangible assets generated by the purchase price allocation of the excess cost paid net of recognized amortization; for the Visura Group (consolidated as of July 2016) due to the recognition of goodwill for €31,165 thousand. This is because the excess cost paid for the acquisition of the Visura Group was provisionally allocated to goodwill as the information needed for an accurate allocation of the price paid was not available. It should be possible to obtain and process the abovementioned information in time for the preparation of the consolidated financial statements at 31 December 2016.

Intangible assets and goodwill thus rose from €120,372 thousand to €193,665 thousand, for an increase of 60.9%.

Net working capital decreased from €6,710 thousand at 31 December 2015 to -€4,346 thousand at 30 September 2016, mainly due to an increase in Trade and other payables and Deferred revenue and income. Shareholders' equity grew by €47,890 thousand primarily as a result of the share capital increase carried out in connection with the listing on the STAR segment of the MTA this past August for a total of €49,491 thousand, net of the costs of €906 thousand deducted from Additional paid-in capital. Other changes that occurred during the period include the distribution of dividends for €3,849 thousand, the net profit for the period amounting to €7,427 thousand and the adjustment to the value of the put options for non-controlling interests for €5,196 thousand. Please consult the statement of changes in shareholder's equity for an overview of all changes.

## Group Net Financial Debt

The table below shows a breakdown of the Group's net financial debt at 30 September 2016 and a comparison with the same position at 31 December 2015:

<b>(In thousands of euros)</b>				
	<b>At 30 September 2016</b>	<b>At 31 December 2015</b>	<b>Change</b>	<b>%</b>
A Cash	52,589	19,262	33,327	173%
B Cash equivalents	47	54	-7	-12%
<b>D Liquid assets (A+B)</b>	<b>52,636</b>	<b>19,316</b>	<b>33,320</b>	<b>172%</b>
E Current financial receivables	5,277	3,359	1,918	57%
F Current bank debt	-4,191	-3,215	-976	30%
G Current portion of non-current debt	-5,200	-6,329	1,129	-18%
H Other current financial debt	-23,406	-115	-23,291	20226%
<b>I Current financial debt (F+G+H)</b>	<b>-32,797</b>	<b>-9,659</b>	<b>-23,138</b>	<b>240%</b>
<b>J Net current financial debt (D+E+I)</b>	<b>25,116</b>	<b>13,016</b>	<b>12,100</b>	<b>93%</b>
K Non-current bank debt	-25,486	-27,624	2,138	-8%
L Other non-current financial debt	-64,820	-32,467	-32,353	100%
<b>M Non-current financial debt (K+L)</b>	<b>-90,306</b>	<b>-60,090</b>	<b>-30,216</b>	<b>50%</b>
<b>N Net financial debt (J+M) (*)</b>	<b>-65,190</b>	<b>-47,074</b>	<b>-18,116</b>	<b>38%</b>
O Other non-current financial assets	3,703	19	3,683	19051%
<b>P Total net financial debt (N+O)</b>	<b>-61,487</b>	<b>-47,055</b>	<b>-14,432</b>	<b>31%</b>

(\*) Net financial debt computed in accordance with the provisions of Consob Communication No. 6064293 of July 28, 2006 and consistent with the ESMA/2013/319 Recommendation.

The following transactions executed in 2016 produced a significant change in the Group's net financial debt:

1. The acquisition of the Co.Mark Group;
2. The acquisition of the Visura Group;
3. A capital increase for almost €50 million including additional paid-in capital.

Consequently, at 30 September 2016, total net financial debt increased from €47,055 thousand reported at 31 December 2015 to €61,487 thousand at 30 September 2016.

More specifically:

1. The increase of €33,327 thousand in liquid assets is attributable to financing activities for €58,604 thousand (due mainly to a capital increase amounting to €48,457 thousand, net of the portion of incidental costs recognized in equity, and the loan received from Tecno Holding S.p.A. in the amount of €15,000 thousand) net of the liquidity used for investing activities totaling €41,181 thousand (mainly the liquid assets used to acquire the Co.Mark and Visura groups), and to €15,897 thousand in cash flow generated by operating activities.
2. Current financial receivables increased mainly due to an investment in an asset fund of about €1.7 million held by the Visura Group.
3. The increase in current financial debt is attributable for €14,333 thousand to the reclassification of liabilities for the purchase of non-controlling interests under PUT options already outstanding at 31 December 2015 and expiring within 12 months; for €4,600 thousand for new liabilities for the purchase of non-controlling interests under PUT options granted to minority shareholders of Co.Mark S.p.A.; for €1,472 thousand for the price deferral granted by the sellers of Co.Mark S.p.A. expiring in March 2017; and for €906 thousand to the estimate of the earn out payable to the selling shareholders of Visura upon the approval of the 2016 financial statements.
4. Non-current financial debt increased, net of the reclassification to current debt mentioned above and the adjustment of the value of PUT option outstanding at 31 December 2015 (€1,497 thousand), due to the price deferral granted by the sellers of the Co.Mark Group amounting to €5,600 thousand and the PUT options granted to minority shareholders in the same acquisition for €11,651 thousand; due to the PUT options granted to minority shareholders in the acquisition of the Visura Group for €11,441 thousand, in addition to the loan provided by the parent company Tecno Holding S.p.A. in March 2016 for a total amount of €25,000 thousand, €15,000 thousand of which has already been disbursed.
5. The increase of €3,683 thousand in Other financial assets is attributable to the consolidation of the Visura Group, which holds insurance policies and government securities in its investment portfolio.

## **SIGNIFICANT EVENTS OCCURRING AFTER 30 SEPTEMBER 2016**

1. On April 8, 2016, the Shareholders' Meetings of Assicom S.p.A. and Datafin S.r.l. approved a proposal to merge by incorporation Datafin S.r.l. into Assicom S.p.A. and scheduled for 25 November 2016, the execution of the official deed of merger by incorporation of Datafin S.r.l. into Assicom S.p.A.
2. A deed for the merger by incorporation of Ventitre S.r.l., Diciotto S.r.l. and Co.Mark Centro-sud S.r.l. into Co.Mark S.p.A. was executed on 22 September 2016. For accounting and tax purposes, the merger will be effective as of 1 January 2016.

3. The deed for the merger by incorporation of Eco-Mind APP Factory S.r.l. into InfoCert S.p.A. was executed on 13 October 2016. For accounting and tax purposes, the merger will be effective as of 1 January 2016.

## **BUSINESS OUTLOOK**

The Group will continue to pursue its operating activities in continuity with the approach heretofore followed in 2016, but will be able to rely on the contribution provided by the newly executed extraordinary transactions and benefit from the positive effects generated by commercial development and operational streamlining programs implemented internally by the Group's Business Units.

The process for the commercial and operational integration of the recently acquired companies is expected to generate additional synergies to stimulate the growth of the Tecnoinvestimenti Group.

## **CRITERIA FOR THE PREPARATION OF THE INTERIM REPORT ON OPERATIONS**

The Group's Interim Report on Operations at 30 September 2016 was prepared in accordance with Article 154 *ter*, Section 5, of the Italian Uniform Financial Code (TUF) enacted by Legislative Decree No. 195/2007 in implementation of Directive 2004/109/EC. Tecnoinvestimenti's Board of Directors approved this Interim Report on Operations on 14 November 2015 and authorized its publication on the same day.

The Group's Interim Report on Operations at 30 September 2016 was not audited.

The Interim Report on Operations was prepared in accordance with the recognition and measurement criteria as foreseen by the International Financial Reporting Standards (IFRS) adopted by the European Union.

## SCOPE OF CONSOLIDATION

The table below lists the companies consolidated, line by line or by the equity method, at 30 September 2016:

Company	Registered office	At 30 September 2016				
		Share capital		% interest held	% contribution to the Group	Consolidation method
		Amount (in thousands)	currency			
Tecnoinvestimenti S.p.A. (Parent Company)	Rome	46,256	Euro	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	99.99%	Line by line
Ribes S.p.A.	Milan	241	Euro	87.50%	100.00%	Line by line
Assicom S.p.A.	Buja (UD)	3,000	Euro	67.50%	100.00%	Line by line
Co.MarK S.p.A	Milan	150	Euro	70.00%	100.00%	Line by line
Visura S.p.A.	Rome	1,000	Euro	60.00%	100.00%	Line by line
Re Valuta S.p.A.	Milan	200	Euro	95.00%	95.00%	Line by line
Creditreform Assicom Ticino S.A.	Switzerland	100	CHF	100.00%	100.00%	Line by line
Datafin S.r.l.	Reana del Rojale (UD)	47	Euro	95.00%	95.00%	Line by line
EcoMind App Factory S.r.l.	Busto Arsizio (MI)	10	Euro	100.00%	100.00%	Line by line
Ventitre S.r.l.	Monza (MB)	10	Euro	100.00%	100.00%	Line by line
Diciotto S.r.l.	Bergamo (BG)	10	Euro	100.00%	100.00%	Line by line
Co.MarK TES S.L.	Spain	36	Euro	99.00%	99.00%	Line by line
Co.Mark Centro Sud S.r.l.	Rome	10	Euro	100.00%	100.00%	Line by line
Lextel S.p.A.	Rome	2,500	Euro	100.00%	100.00%	Line by line
Isi Sviluppo Informatico S.r.l.	Parma	31	Euro	92.00%	92.00%	Line by line
Sixtema S.p.A.	Rome	6,180	Euro	35.00%	35.00%	Equity
Etuitus	Salerno	50	Euro	24.00%	24.00%	Equity

The percentage interest held shown in the tables is based on the shares or partnership interests actually held by the Group on the date of this Interim Report on Operations. The contribution percentage is based on the contribution to the Group's shareholders' equity provided by the individual companies upon the recognition of the additional ownership interests in the consolidated companies resulting from accounting for the put options granted to minority shareholders for the interests they still held.

The financial statements of the subsidiaries are consolidated as of the date when control was acquired. Specifically, the Co.Mark Group was consolidated as of 31 March and the Visura Group was consolidated as of 1 July.

14 November 2016

Pier Andrea Paolo Edoardo Chevallard



## **FINANCIAL STATEMENTS**

**30 September 2016**

**Schedules of the consolidated statements of financial position, the statement of profit/(loss) and other components of the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity and the consolidated statement of cash flows**

## Consolidated Statement of Financial Position

<i>In thousands of euros</i>	30 September 2016	31 December 2015
<b>ASSETS</b>		
Property, plant and equipment	7,508	5,813
Intangible assets and goodwill	193,665	120,372
Equity investments carried at equity	2,427	2,458
Equity investments carried at cost or fair value	11	18
Other financial assets, excluding financial derivatives	3,703	19
Deferred tax assets	3,152	2,222
Trade and other receivables	127	2,251
<b>NON-CURRENT ASSETS</b>	<b>210,593</b>	<b>133,153</b>
Inventories	675	424
Other financial assets, excluding financial derivatives	5,277	3,359
Current tax assets	110	499
Trade and other receivables	48,576	45,394
- <i>amount with related parties</i>	1,348	1,861
Cash and cash equivalents	52,636	19,316
<b>CURRENT ASSETS</b>	<b>107,273</b>	<b>68,992</b>
Assets held for sale	199	0
<b>TOTAL ASSETS</b>	<b>318,065</b>	<b>202,145</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	46,256	31,700
Reserves	71,303	45,398
<i>Profit (Loss) for the period attributable to owners of the Parent</i>	7,403	11,024
<i>Shareholders' equity attributable to owners of the Parent</i>	124,962	77,098
<i>Shareholders' equity attributable to non-controlling interests</i>	122	96
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>125,084</b>	<b>77,194</b>
<b>LIABILITIES</b>		
Provisions	1,223	1,256
Employee benefits	6,052	5,143
Financial liabilities, excluding financial derivatives	89,986	59,914
- <i>amount with related parties</i>	15,000	0
Financial derivatives	320	176
Deferred tax liabilities	8,634	7,829
Trade and other payables	28	0
Deferred revenue and income	4	75
<b>NON-CURRENT LIABILITIES</b>	<b>106,247</b>	<b>74,394</b>
Financial liabilities, excluding financial derivatives	32,797	9,659
- <i>amount with related parties</i>	163	0
Trade and other payables	33,898	31,053
- <i>amount with related parties</i>	891	908
Deferred revenue and income	17,582	9,565
Current tax liabilities	2,458	281
<b>CURRENT LIABILITIES</b>	<b>86,734</b>	<b>50,558</b>
<b>TOTAL LIABILITIES</b>	<b>192,981</b>	<b>124,952</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>318,065</b>	<b>202,145</b>

## Statement of profit/(loss) and other components of the consolidated statement of comprehensive income

	<i>Nine month period ended September 30</i> <b>2016</b>
<i>In thousands of euros</i>	
<b>Revenue and income</b>	<b>103,057</b>
- <i>amount with related parties</i>	665
Raw material costs	4,542
Service costs	44,094
- <i>amount with related parties</i>	573
- <i>amount from nonrecurring transactions</i>	1,290
Personnel costs	33,707
Other operating costs	1,035
- <i>amount with related parties</i>	30
Depreciation and amortization	6,891
Accruals to provisions	64
Impairment losses	783
<b>Total costs</b>	<b>91,116</b>
<b>EBIT</b>	<b>11,941</b>
Financial income	62
Financial charges	1,046
- <i>amount with related parties</i>	163
<b>Net financial charges</b>	<b>-984</b>
<b>ORDINARY OPERATING RESULT</b>	<b>10,957</b>
Pro rata interest in the result of investee companies carried at equity, net of tax effect	-32
<b>PROFIT BEFORE TAXES</b>	<b>10,926</b>
Income taxes	3,499
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>7,427</b>
Result from discontinued operations	
<b>NET PROFIT FOR THE PERIOD</b>	<b>7,427</b>
<i>Profit for the period attributable to owners of the Parent</i>	7,403
<i>Profit for the period attributable to non-controlling interests</i>	24
<b>Other components of the statement of comprehensive income</b>	
<b>Components that will never be reclassified into profit (loss) for the period</b>	
Gains (Losses) from actuarial valuation of provisions for employee benefits	
Tax effect	
<b>Total components that will never be reclassified into profit (loss) for the period</b>	
<b>Components that may be later reclassified into profit (loss) for the period</b>	
Foreign exchange differences from the translation of foreign company data	
Gains (losses) from the measurement of financial derivatives at fair value	-144
Investee companies carried at equity – share of other components of other components of the statement of comprehensive income	
Tax effect	35
<b>Total components that may be later reclassified into profit (loss) for the period</b>	<b>-109</b>
<b>Total other components of the statement of comprehensive income for the period, net of tax effect</b>	<b>-109</b>
<b>Total comprehensive income statement for the period</b>	<b>7,317</b>
<b>Profit for the period attributable to:</b>	
Profit for the period attributable to owners of the Parent	7,403
Profit for the period attributable to non-controlling interests	24
<b>Total comprehensive income statement for the period attributable to:</b>	
Total comprehensive income statement for the period attributable to owners of the Parent	7,293
Total comprehensive income statement for the period attributable to non-controlling interests	24
<b>Earnings per share</b>	
Basic earnings per share (in euros)	0.21
Diluted earnings per share (in euros)	0.21

## Statement of Changes in Consolidated Shareholders' Equity

<i>Nine month period ended September 30</i>									
(In thousands of euros)	Share capital	Statutory reserve	Additional paid-in capital	Cash flow hedge reserve	Employee benefits	Other reserves	Total	Minority interest	Total shareholders' equity
<b>Balance at 1 January 2016</b>	<b>31,700</b>	<b>773</b>	<b>19,173</b>	<b>-135</b>	<b>-164</b>	<b>25,751</b>	<b>77,098</b>	<b>96</b>	<b>77,194</b>
<i>Comprehensive income statement for the period</i>									
Profit for the period						7,403	7,403	24	7,427
Other components of the comprehensive income statement				-109			-109		-109
<i>Total comprehensive income statement for the period</i>	0	0	0	-109	0	7,403	7,293	24	7,317
<i>Transactions with owners</i>									
Appropriation to the statutory reserve		363				-363	0		0
Dividends						-3,820	-3,820	-29	-3,849
Share capital increase	14,556		34,935				49,491		49,491
Costs for share capital increase			-906				-906		-906
Recognition of put option on non-controlling interests						-5,196	-5,196		-5,196
Other changes						1,002	1,002	31	1,033
<i>Total transactions with owners</i>	14,556	363	34,028	0	0	-8,377	40,570	2	40,572
<b>Balance at 30 September 2016</b>	<b>46,256</b>	<b>1,136</b>	<b>53,201</b>	<b>-244</b>	<b>-164</b>	<b>24,777</b>	<b>124,962</b>	<b>122</b>	<b>125,084</b>

## Consolidated Statement of Cash Flows

<i>(thousands of Euros)</i>	<i>Nine month period ended 30 September</i>
<b><i>Cash flow from operating activities</i></b>	<b>2016</b>
Profit for the period	7,427
Restatements for:	
- Depreciation of property, plant and equipment	1,777
- Amortization of intangible assets	5,114
- Impairment losses (Revaluations)	783
- Accruals to provisions	64
- Net financial charges	984
- <i>amount with related parties</i>	163
- Pro rata interest in the result of investee companies carried at equity	32
- Income taxes	3,499
Changes in:	
- Inventories	-46
- Trade and other receivables	6,409
- <i>amount with related parties</i>	1,660
- Trade and other payables	-4,977
- <i>amount with related parties</i>	-1,350
- Provisions and employee benefits	-1,736
- Deferred revenue and income, including government grants	550
<b><i>Cash and cash equivalents generated by operating activities</i></b>	<b>19,879</b>
Interest paid	-800
Income taxes paid	-3,181
<b><i>Net cash and cash equivalents generated by operating activities</i></b>	<b>15,897</b>
<b><i>Cash flow from (used in) investing activities</i></b>	
Interest collected	62
Proceeds from the sale of financial assets	0
Investments in unconsolidated investee companies	0
Additions to property, plant and equipment	-2,649
Additions to other financial assets	0
Additions to intangible assets	-1,800
Change in scope of consolidation, net of acquired cash	-36,793
<b><i>Cash and cash equivalents absorbed by investing activities</i></b>	<b>-41,181</b>
<b><i>Cash flow from (used in) financing activities</i></b>	
Assumption of financial liabilities	20,715
- <i>amount with related parties</i>	15,000
Redemption of financial liabilities	-7,852
Payment of indebtedness under finance leases	-71
Capital increases by subsidiaries	1,175
Tecnoinvestmenti's capital increase, net of costs recognized in equity	48,457
Dividends paid	-3,820
<b><i>Cash and cash equivalents generated/(absorbed) by financing activities</i></b>	<b>58,604</b>
Net increase (decrease) in cash and cash equivalents	33,320
Cash and cash equivalents at 1 January	19,316
<b><i>Cash and cash equivalents at September 30</i></b>	<b>52,636</b>

## **Declaration by the Corporate Accounting Documents Officer pursuant to Article 154 – *bis*, Section 2, of Legislative Decree No. 58/1998 (TUF)**

Pursuant to Article 154 bis, Section 2, of the Italian Uniform Financial Code, the Corporate Accounting Documents Officer, hereby declares that the accounting disclosures provided in this Interim Report on Operations at 30 September 2016 are consistent with the data in the supporting documents and in the Company's books of accounts and other accounting records.

Rome, November 14 2016

Signed  
[signature]