

# INTERIM REPORT ON OPERATIONS AT 31 MARCH 2017

This English version of Tecnoinvestimenti's Interim Report on Operations at 31 march 2017 is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.



**TECNOINVESTIMENTI**

## CONTENTS

COMPANY DATA AND COMPOSITION OF CORPORATE GOVERNANCE BODIES.....	2
<b>INTERIM REPORT ON OPERATIONS .....</b>	<b>3</b>
GROUP ACTIVITIES.....	3
KEY EVENTS OF THE PERIOD.....	4
GROUP RESULTS .....	5
Results by business segments .....	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP .....	10
SIGNIFICANT EVENTS OCCURRING AFTER THE CLOSING OF THE 1ST QUARTER OF 2017 .....	12
BUSINESS OUTLOOK .....	13
CRITERIA FOR THE PREPARATION OF THE INTERIM REPORT ON OPERATIONS.....	13
SCOPE OF CONSOLIDATION.....	13
<b>FINANCIAL STATEMENTS .....</b>	<b>15</b>
Consolidated statement of financial position .....	16
Consolidated statement of profit or loss and other comprehensive income .....	17
Consolidated statement of changes in equity.....	18
Consolidated statement of cash flows .....	19
<b>Declaration by the Corporate Accounting Documents Officer pursuant to Article 154 –bis, Section 2, of Legislative Decree No. 58/1998 (TUF).....</b>	<b>20</b>

## COMPANY DATA AND COMPOSITION OF CORPORATE GOVERNANCE BODIES

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

Statutory information about the Parent Company  
Share capital resolved Euro 47,207,120 - subscribed and paid-up Euro 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	Managing Director
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	Chairwoman
Elisa Corgi	
Alessandro Potestà	

#### Compensation Committee

Gian Paolo Coscia	Chairman
Laura Benedetto	
Aldo Pia	

#### Board of Statutory Auditors

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

#### Independent Auditors

KPMG S.p.A.

#### Corporate Accounting Documents Officer

Nicola Di Liello

#### Registered and operating office

Piazza Sallustio 9 - 00187 Rome

#### Operating office

Via Principi d'Acaia, 12 - 10143 Turin  
Via Meravigli, 7 - 20123 Milan

# INTERIM REPORT ON OPERATIONS

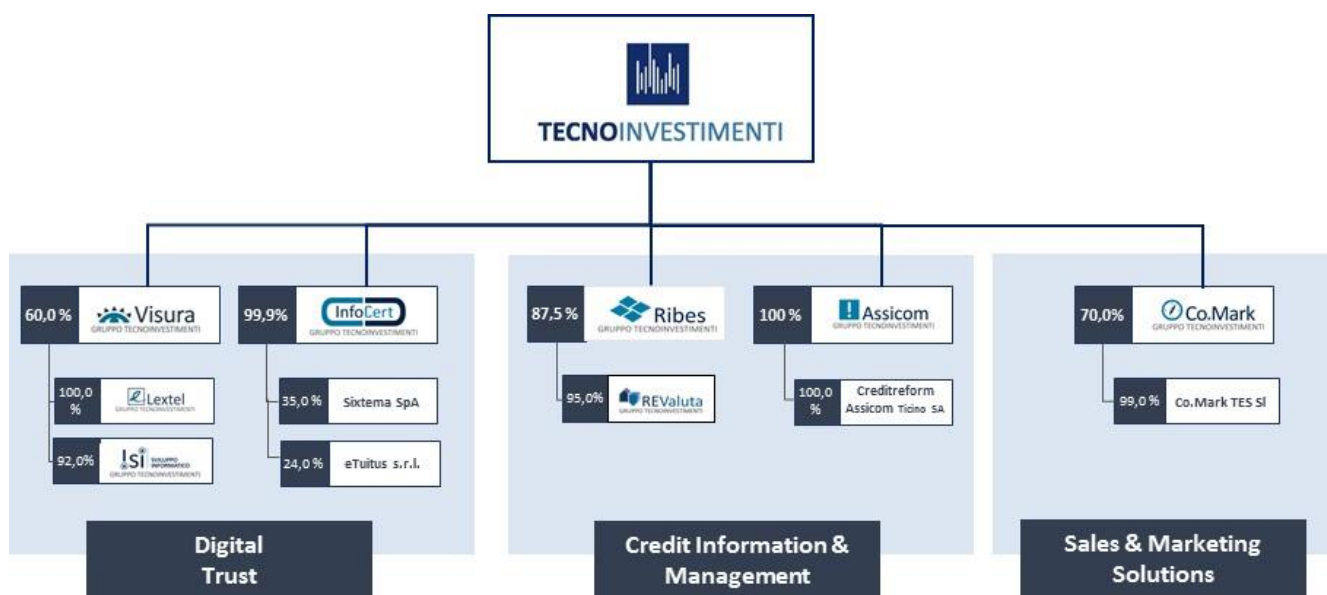
## GROUP ACTIVITIES

The Tecnoinvestimenti Group supplies a wide range of *Digital Trust*, *Credit Information & Management* and *Sales & Marketing Solutions* services in Italy and, to a lesser extent, abroad. 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 operated through three business units during the quarter:

1. the *Digital Trust* Business Unit offers IT solutions for digital identity and dematerialisation of the processes according to applicable regulations (including the new European eIDAS regulation) and the compliance standards of customers and sectors through variety of products and services, such as certified electronic mail, electronic storage, digital signature, electronic invoicing, *Telematic Trust Solutions* and *Enterprise Content Management* solutions. The Group undertakes these *Digital Trust* businesses by operating principally through InfoCert S.p.A. and Visura S.p.A., and their subsidiaries and affiliates.
2. the *Credit Information & Management* Business Unit offers standard and value-added services mainly aimed at supporting credit disbursement, assessment and collection processes in the financial and corporate sectors. In the *Credit Information & Management* area, the Group operates through Ribes, its subsidiary RE Valuta, and Assicom and its subsidiary, Creditreform Assicom Ticino.
3. the *Sales & Marketing Solutions* Business Unit offers value-added services to support small and medium-sized enterprises or networks of enterprises in their internationalisation process, in customer canvassing and in the creation of new business opportunities in Italy and abroad. In the *Sales & Marketing Solutions* area, the Group operates through Co.Mark S.p.A. and its Spanish subsidiary Co.Mark TES SI.

The chart that follows outlines the structure of the Tecnoinvestimenti Group, including controlling interests held, at 31 March 2017.



## KEY EVENTS OF THE PERIOD

The most important events that took place during the First Quarter are summarised below.

1. On 28 March 2017, the Board of Directors of Tecnoinvestimenti, chaired by Enrico Salza, approved the proposal of the Managing Director, Pier Andrea Chevallard, to exercise the call options to purchase the *minorities* of Ribes and Assicom, that operate in the *Strategic Business Unit (SBU)* of *Credit Information & Management*, to attain full control of the two subsidiaries.  
The decision allows Tecnoinvestimenti to promote the integration of the two companies in the perspective of dealing with the growing competition and opportunities that the market presents in both the corporate and financial sectors. The call option for the 12.5% minority interest of Ribes is being exercised in the first window contractually available, while the 32.5% of Assicom, held by Quaranta Holding and Capitoloundici, is being purchased in part earlier than the provisions in the contractual agreements, which foresaw the exercise of the options in two *tranches*: the first upon approval of the 2016 financial statements and the second upon approval of the 2017 financial statements.
2. Following the resolution of the Board of Directors, the contract to purchase the *minorities* of Assicom from the shareholders Capitoloundici S.p.A. (10%) and Quaranta Holding S.r.l. (22.5%) for a total of €27,976 thousand was signed on the same date, 28 March 2017.

## GROUP RESULTS

The Group completed the first three months at 31 March 2017 with Revenues of €40,921 thousand, €8,819 thousand higher than the first three months of 2016 (27.5%). EBITDA<sup>1</sup> totalled €8,561 thousand, an increase of €2,564 thousand or +42.8% compared to the same period of the previous year (€5,997 thousand). The results of the first three months of 2017 include the effects of the strategy implemented by the Group to develop by external lines. They include the contribution of the Co.Mark Group, consolidated starting from 1 April 2016 (revenues equal to €4,662 thousand, EBITDA of €1,792 thousand) and of the Visura Group consolidated since 1 July 2016 (revenues equal to €5,073 thousand, EBITDA of € 1,488 thousand). EBIT, which totalled €6,051 thousand, and Net Income, which came to €3,655 thousand, grew 42.5% and 68.2%, respectively.

A table with the economic results of the first three months of 2017 compared with the same period of 2016 follows:

<b>Condensed Consolidated Income Statement</b> <i>(in thousands of euros)</i>	<b>1st Quarter 2017</b>	<b>%</b>	<b>1st Quarter 2016<sup>2</sup></b>	<b>%</b>	<b>Change</b>	<b>%</b>
Revenues	40,921	100.0%	32,102	100.0%	8,819	27.5%
EBITDA	8,561	20.9%	5,997	18.7%	2,564	42.8%
EBIT	6,051	14.8%	4,248	13.2%	1,803	42.5%
Net income	3,655	8.9%	2,173	6.8%	1,482	68.2%

The Adjusted Net income of the first three months of 2017 amounted to €4,464 thousand, a growth totalling €1,788 thousand compared to the same period of 2016 (66.8%). How the Adjusted Net income profit is reconstructed is shown below. It is used to represent the Group's operating performance, less the non-recurring components and the amortisation of the intangible assets that emerged at the time of the Purchase Price Allocation for the companies acquired (after considering any fiscal effect). This indicator reflects the Group's underlying financial performance by excluding non-recurring factors and those not closely connected with the activity and operations of the core business. The following comparison refers to two different consolidation areas (the Co.Mark and Visura Groups were not included in Q1 2016).

<b>Adjusted Condensed Consolidated Income Statement</b> <i>(in thousands of euros)</i>	<b>1st quarter 2017</b>	<b>1st quarter 2016</b>	<b>Change</b>	<b>%</b>
Net income of the period (Reported)	<b>3,655</b>	<b>2,173</b>	<b>1,482</b>	<b>68.2%</b>
Costs for non-recurring services - Additional charges for Group acquisition of Co.Mark		259	-259	
Non-recurring personnel costs	380		380	
Amortisation of intangible assets emerging from PPA	753	362	391	
Tax effect	-324	-117	-206	
Adjusted net income of the period	<b>4,464</b>	<b>2,677</b>	<b>1,788</b>	<b>66.8%</b>

<sup>1</sup> EBITDA is the parameter used by Group Management to monitor and assess its operating performance also compared with peers, even if the criteria for determination that the Group applies might not be homogeneous with those other companies adopt. EBITDA is calculated as Profit (loss) for the period, before income tax, net financial charges, profits or losses from equity investments, amortisation and depreciation, impairment losses and accruals to provisions.

<sup>2</sup> The results of the first three months ended at 31 March 2016 were recalculated in connection with completion of the recognition of the company consolidations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (purchased at year-end 2015).

Non-recurring personnel costs recorded in the First Quarter of 2017 refer to the extraordinary compensation paid to the outgoing managing director of Assicom related to the exercise of the call option on minorities.

The table with the detailed income statement of First Quarter 2017 (including non-recurring components and the amortisation of intangible assets that emerged at the time of Purchase Price Allocations related to the acquisitions undertaken) compared with First Quarter 2016 follows:

<b>Consolidated Income Statement (in thousands of euros)</b>	<b>1st Quarter 2017</b>	<b>%</b>	<b>1st Quarter 2016</b>	<b>%</b>	<b>Change</b>	<b>Change %</b>
<b>Revenues</b>	<b>40,921</b>	<b>100%</b>	<b>32,102</b>	<b>100%</b>	<b>8,819</b>	<b>27.5%</b>
<b>Total Operating Costs</b>	<b>32,361</b>	<b>79.1%</b>	<b>26,105</b>	<b>81.3%</b>	<b>6,255</b>	<b>24.0%</b>
Raw material costs	2,114	5.2%	1,346	4.2%	768	57.1%
Service costs	15,802	38.6%	14,516	45.2%	1,285	8.9%
Personnel costs	13,989	34.2%	9,927	30.9%	4,062	40.9%
Other operating costs	455	1.11%	316	1.0%	139	44.1%
<b>EBITDA</b>	<b>8,561</b>	<b>20.9%</b>	<b>5,997</b>	<b>18.7%</b>	<b>2,564</b>	<b>42.8%</b>
Depreciation, amortization, impairment losses and accruals to provisions	2,509	6.1%	1,749	5.4%	761	43.5%
<b>EBIT</b>	<b>6,051</b>	<b>14.8%</b>	<b>4,248</b>	<b>13.2%</b>	<b>1,803</b>	<b>42.5%</b>
Financial income	47	0.1%	5	0.0%	42	840.3%
Financial charges	514	1.3%	295	0.9%	219	74.2%
Share of profit of equity-accounted participations	2	0.0%	-38	-0.1%	40	-106.5%
Income taxes	1,932	4.7%	1,748	5.4%	184	10.5%
<b>Net profit</b>	<b>3,655</b>	<b>8.9%</b>	<b>2,173</b>	<b>6.8%</b>	<b>1,482</b>	<b>68.2%</b>

**Revenues** increased by €8,819 thousand (27.5%), from €32,102 thousand of the First Quarter of 2016 to €40,921 thousand of the First Quarter of 2017. The increase recorded reflected the revenues contributed in Q1 2017 by the Co.Mark (€4,662 thousand) and Visura (€5,073 thousand) Groups, whose economic results were included in Tecnoinvestimenti's Consolidated Financial Statements starting from 1 April 2016 and 1 July 2016, respectively.

**Operating costs** went up mainly due to the consolidation described above in the First Quarter of 2017 of the Co.Mark and Visura Groups. However, operating costs as a percentage of revenues were more than 2 percentage points lower than in First Quarter of 2016, with positive effects on EBITDA, which equalled 20.9% compared to 18.7%, recorded in First Quarter of 2016.

The item **Depreciation, amortization, impairment losses and accruals to provisions**, which totalled €2,509 thousand (€1,749 thousand in Q1 2016) comprises €753 thousand for amortisation of intangible assets that emerged during Purchase Price Allocation (€362 thousand in Q1 2016), chiefly relating to the Assicom, Co.Mark and Ribes Groups.

The balance of the items **Financial Income and Charges** of the three-month period ended 31 March 2017, was negative for €467 thousand (€290 thousand for the first three months of 2016). The increase in financial charges recorded in the First Quarter of 2017 was mainly due to interest, which amounted to €123 thousand, recorded on the €25 million loan obtained from the controlling shareholder Tecno Holding in two tranches during 2016 (€15 million in March, the remaining €10 million in December) and to adjustment

of the estimated liability to meet the potential consideration to be paid to the selling shareholders of Co.Mark and Visura for €90 thousand.

**Income tax** expenses, estimated based on the tax rates applicable to the reporting year under current tax laws, were €1,932 thousand. The tax rate was 34.6%. The lower effective tax rate compared to the same period of 2016 is mainly ascribable to the reduced IRES rate, which fell from 27.5% to 24%.

## Results by business segments

The results of the “business segments” are measured with an analysis of EBITDA performance, defined as profit for the period before amortisation, depreciation, impairment losses and accruals to provisions, financial charges and income, profits or losses from equity investments and taxes.

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

The changes in growth by business segment are shown in the table below, with revenues compared with the previous year:

Condensed Income Statement by operating segments - Three-month period ended 31 March <i>(in thousands of euros)</i>	<i>Digital Trust</i>		<i>Credit Information &amp; Management</i>		<i>Sales &amp; Marketing Solutions</i>		<i>Other sectors (Holding Co. Costs)</i>		<i>Total</i>	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Segment revenues	17,834	12,038	18,499	20,019	4,662	-	126	148	41,122
Inter-segment revenues	20	6	55	3	0	-	125	94	200	102
<b>Revenues from external customers</b>	<b>17,814</b>	<b>12,032</b>	<b>18,444</b>	<b>20,016</b>	<b>4,662</b>	<b>-</b>	<b>1</b>	<b>54</b>	<b>40,921</b>	<b>32,102</b>
<b>EBITDA</b>	<b>4,448</b>	<b>2,787</b>	<b>3,456</b>	<b>4,233</b>	<b>1,792</b>	<b>-</b>	<b>-1,135</b>	<b>-1,024</b>	<b>8,561</b>	<b>5,997</b>
<b>EBITDA%</b>	<b>25.0%</b>	<b>23.2%</b>	<b>18.7%</b>	<b>21.1%</b>	<b>38.4%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>20.9%</b>	<b>18.7%</b>

New acquisitions completed in 2016 (Co.Mark and Visura) had a positive impact on the Group’s profitability, which rose from 18.7% in First Quarter 2016 to 20.9% in First Quarter 2017.

The table below shows results by operating segments on a pro-forma and net of non-recurring components basis, in order to provide clearer information on business performance. The pro-forma data were prepared by including the results of the Co.Mark Group and the Visura Group, as if these companies had been acquired on 1 January 2016:

Condensed Income Statement by operating segments - Pro-Forma net of non-recurring components - Three-month period ended 31 March <i>(in thousands of euros)</i>	<i>Digital Trust</i>		<i>Credit Information &amp; Management</i>		<i>Sales &amp; Marketing Solutions</i>		<i>Other sectors (Holding Costs)</i>		<i>TOTAL</i>	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Segment revenues	17,834	16,371	18,499	20,019	4,662	4,298	126	148	41,122
Inter-segment revenues	20	6	55	3	0	0	125	94	200	102
<b>Revenues from external customers</b>	<b>17,814</b>	<b>16,365</b>	<b>18,444</b>	<b>20,016</b>	<b>4,662</b>	<b>4,298</b>	<b>1</b>	<b>54</b>	<b>40,921</b>	<b>40,733</b>
<b>EBITDA</b>	<b>4,448</b>	<b>4,244</b>	<b>3,836</b>	<b>4,233</b>	<b>1,792</b>	<b>1,569</b>	<b>-1,135</b>	<b>-765</b>	<b>8,941</b>	<b>9,281</b>
<b>EBITDA%</b>	<b>25.0%</b>	<b>25.9%</b>	<b>20.8%</b>	<b>21.1%</b>	<b>38.4%</b>	<b>36.5%</b>	<b>N/A</b>	<b>N/A</b>	<b>21.8%</b>	<b>22.8%</b>



How the Pro-Forma data less the non-recurring components were calculated is evidenced below.

### 1st QUARTER 2017

<i>Amounts in thousands of euros</i>	<i>Digital Trust</i>	<i>Credit Information &amp; Management</i>	<i>Sales &amp; Marketing Solutions</i>	<i>Other (Holding Costs)</i>	<i>Total</i>
<b>Revenues from external customers</b>	<b>17,814</b>	<b>18,444</b>	<b>4,662</b>	<b>1</b>	<b>40,921</b>
<b>EBITDA</b>	<b>4,448</b>	<b>3,456</b>	<b>1,792</b>	<b>-1,135</b>	<b>8,561</b>
Non-recurring components _ Extraordinary compensation paid to outgoing MD of Assicom		380			380
<b>EBITDA Pro-Forma less the non-recurring components</b>	<b>4,448</b>	<b>3,836</b>	<b>1,792</b>	<b>-1,135</b>	<b>8,941</b>

### 1st QUARTER 2016

<i>Amounts in thousands of euros</i>	<i>Digital Trust</i>	<i>Credit Information &amp; Management</i>	<i>Sales &amp; Marketing Solutions</i>	<i>Other (Holding Costs)</i>	<i>Total</i>
<b>Revenues from external customers</b>	<b>12,032</b>	<b>20,016</b>	<b>0</b>	<b>54</b>	<b>32,102</b>
Revenues from external customers of Co.Mark Group			4,298		4,298
Revenues from external customers of Visura Group (*)	4,598				4,598
Elimination of Digital Trust intercompany revenues(*)	-265				-265
<b>Revenues from third-party customers Pro-Forma basis less non-recurring components</b>	<b>16,365</b>	<b>20,016</b>	<b>4,298</b>	<b>54</b>	<b>40,733</b>
<b>EBITDA</b>	<b>2,787</b>	<b>4,233</b>	<b>0</b>	<b>-1,024</b>	<b>5,997</b>
EBITDA Co.Mark Group			1,569		1,569
EBITDA Visura Group (*)	1,457				1,457
Non-recurring components / Additional charges for Co.Mark acquisition				259	259
<b>EBITDA Pro-Forma less non-recurring components</b>	<b>4,244</b>	<b>4,233</b>	<b>1,569</b>	<b>-765</b>	<b>9,281</b>

(\*)First Quarter 2016 results of the Visura Group are based on management data, as were intercompany revenues eliminated in the Digital Trust business segment.

### Digital Trust

Revenues of the *Digital Trust* SBU amounted to €17,814 thousand at 31 March 2017. A €1,449 thousand increase (+8.9%) compared to the same period of the previous year was recorded, on same consolidation scope basis with reference to the Pro-Forma data.

Segment EBITDA was €4,448 thousand for the First Quarter of 2017. The increase compared to the Pro-Forma EBITDA of the First Quarter of 2016 was €204 thousand (4.8%).

The segment's operating results continue to provide evidence of a particularly encouraging growth trend. The larger turnover volumes are due to an overall increase in sales recorded by almost all company products/services in the *Mass* (website) market and in the *Solution* (Large Customers) market. Growth in the *Solution* market is to be ascribed to the increasing ability of InfoCert to present itself on the market not only as a *Certification Authority*, but as a promoter of innovative solutions that support the *Business* processes of customer companies as well.

### ***Credit information & Management***

Revenues of the *Credit Information & Management* SBU decreased by €1,572 thousand (7.9%), from €20,016 thousand of First Quarter 2016 to €18,444 thousand of First Quarter 2017.

First Quarter 2017 EBITDA, less non-recurring components, amounted to €3,826 thousand and posted a 9.4% decrease of €397 thousand compared to Pro-Forma EBITDA of First Quarter 2016 (€4,233 thousand).

The difficulties of the *Credit Information & Management* area are mainly due to market trends marked by static demand, the increased size of the major players for the most part achieved through external growth policies, and the entry of actors that use particularly aggressive pricing policies in the competitive scenario.

Thanks to an attentive cost control policy to counterbalance a reduction in revenues, the *Credit Information & Management* SBU was able to keep the EBITDA margin almost in line at 20.8%, 0.3 percentage points less than First Quarter 2016.

### ***Sales & Marketing Solutions***

As stated in the introduction, the *Sales & Marketing Solutions* SBU was formed with the acquisition of the Co.Mark S.p.A. Group, finalised in March 2016. The economic results of the segment were therefore included in the Tecnoinvestimenti Group Consolidated Financial Statements starting from 1 April 2016.

The segment reported revenues of €4,662 thousand in First Quarter 2017, up €364 thousand (+8.5%), compared to First Quarter 2016 on a pro-forma basis (€4,298 thousand). Segment EBITDA in First Quarter 2017 amounted to €1,792 thousand, marking an increase of €223 thousand, equal to an increase of 14.2%, compared to pro-forma EBITDA of €1,569 thousand in First Quarter 2016. Profit margins also rose by 1.9 percentage points.

The results achieved are highly positive and consistent with the economic growth trend that has characterised 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 31 March 2017 compared with the corresponding data at 31 December 2016:

(In thousands of euros)

	31/03/2017	% on net invested capital/Total sources	31/12/2016	% on net invested capital/Total sources	Change	Change %
Intangible assets and goodwill	198,057	98%	199,225	96%	-1,169	-1%
Property, plant and equipment	7,103	4%	7,050	3%	53	1%
Other net non-current assets and liabilities	-1,555	-1%	-1,630	-1%	75	-5%
<b>Total net non-current assets</b>	<b>203,605</b>	<b>101%</b>	<b>204,646</b>	<b>99%</b>	<b>-1,040</b>	<b>-1%</b>
Inventories	807	0%	1,001	0%	-194	-19%
Trade and other receivables*	53,435	26%	51,084	25%	2,351	5%
Current tax assets	2,904	1%	3,659	2%	-755	-21%
Assets held for sale	199	0%	199	0%	0	0%
Trade and other payables and deferred revenues and income	-55,194	-27%	-50,917	-25%	-4,277	8%
Current employee benefits	-182	0%	-182	0%	0	0%
Current tax liabilities	-2,929	-1%	-1,481	-1%	-1,447	98%
Current provisions for risks and charges	-265	0%	-265	0%	0	0%
<b>Net working capital</b>	<b>-1,225</b>	<b>-1%</b>	<b>3,097</b>	<b>1%</b>	<b>-4,322</b>	<b>-140%</b>
<b>Total loans - net invested capital</b>	<b>202,380</b>	<b>100%</b>	<b>207,743</b>	<b>100%</b>	<b>-5,363</b>	<b>-3%</b>
Shareholders' equity	127,874	63%	130,372	63%	-2,497	-2%
Net financial debt	68,066	34%	71,186	34%	-3,120	-4%
Non-current employee benefits	6,440	3%	6,186	3%	255	4%
<b>Total sources</b>	<b>202,380</b>	<b>100%</b>	<b>207,743</b>	<b>100%</b>	<b>-5,363</b>	<b>-3%</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)

Other net non-current assets and liabilities	31/03/2017	31/12/2016	Change	Change %
Equity-accounted participations	2,473	2,471	2	0%
Equity investments carried at cost or fair value	11	11	0	0%
Other fin. assets excluding financial derivatives	2,854	2,898	-43	-1%
Deferred tax assets	3,000	2,898	102	4%
Other receivables	225	210	15	7%
<b>Non-current assets</b>	<b>8,563</b>	<b>8,488</b>	<b>76</b>	<b>1%</b>
Provisions	-1,268	-1,279	11	-1%
Deferred tax liabilities	-8,118	-8,292	174	-2%
Deferred revenues and income	-733	-546	-187	34%

<b>Non-current liabilities</b>	<b>-10,118</b>	<b>-10,117</b>	<b>-1</b>	<b>0%</b>
<b>Net non-current liabilities</b>	<b>-1,555</b>	<b>-1,630</b>	<b>75</b>	<b>-5%</b>

The **total of the non-current assets and liabilities** at 31 March 2017 was €203,605 thousand, and is basically in line (-1%) with the 31 December 2016 figure (€204,646 thousand). Of the total, €198,057 thousand referred to the item intangible fixed assets and goodwill. It is emphasised that the *excess cost* paid for the acquisition of the Visura Group (€28,473 thousand) was temporarily allocated to goodwill since all the information necessary to accurately allocate the price paid was still unavailable. This information will most likely be collected and processed before the 2017 Half Year Report on Operations is drafted.

**Net Working Capital** decreased with positive effects on the liquidity generated by the Group. It fell from €3,097 thousand at 31 December 2016 to €-1,225 thousand at 31 March 2017. This decrease was mainly due to the increase in trade payables and in deferred revenues and income.

**Shareholders' equity** fell by €2,497 thousand, mainly due to the adjustment of the Put options on minorities (€3,062 thousand) and the distribution of dividends approved by Group companies in favour of minority shareholders (€2,929 thousand), net of comprehensive income for the period (€3,666 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 31 March 2017 compared with the same position at 31 December 2016:

(In thousands of euros)

	<b>31/03/2017</b>	<b>31/12/2016</b>	<b>Change</b>	<b>%</b>
A Cash	35,573	60,377	-24,804	-41%
B Other cash equivalents	33	54	-21	-38%
<b>D Liquid assets (A+B)</b>	<b>35,606</b>	<b>60,431</b>	<b>-24,824</b>	<b>-41%</b>
E Current financial receivables	6,379	6,352	27	0%
F Current bank debt	-1,856	-2,812	956	-34%
G Current portion of non-current debt	-5,400	-7,303	1,903	-26%
H Other current financial debt	-19,687	-26,788	7,100	-27%
<b>I Current financial debt (F+G+H)</b>	<b>-26,943</b>	<b>-36,902</b>	<b>9,959</b>	<b>-27%</b>
<b>J Net current financial debt (D+E+I)</b>	<b>15,043</b>	<b>29,881</b>	<b>-14,839</b>	<b>-50%</b>
K Non-current bank debt	-22,786	-22,869	83	0%
L Other non-current financial debt	-60,322	-78,198	17,875	-23%
<b>M Non-current financial debt (K+L)</b>	<b>-83,108</b>	<b>-101,067</b>	<b>17,958</b>	<b>-18%</b>
<b>N Net financial debt (J+M) (*)</b>	<b>-68,066</b>	<b>-71,186</b>	<b>3,120</b>	<b>-4%</b>
O Other non-current financial assets	2,854	2,898	-43	-1%
<b>P Total Net financial debt (N+O)</b>	<b>-65,211</b>	<b>-68,288</b>	<b>3,077</b>	<b>-5%</b>

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

Net financial debt decreased from €71,186 thousand at 31 December 2016 to €68,066 thousand at 31 March 2017. More specifically:

1. The decrease of €24,824 thousand in liquidity is attributable to:
  - a. the liquidity absorbed by financing activities amounting to €34,216 thousand, mainly due to the effect of the acquisition of the minority stakes (32.5%) of Assicom;
  - b. the liquidity generated by operating activities, amounting to €10,214;
  - c. the liquidity absorbed by investing activities, totalling €822 thousand;
2. The decrease of €9,959 thousand in current financial debt is attributable, for €8,858 thousand, to the exercise of the PUT option versus the value accounted at 31 December 2016 on the minority interest of 10% in Assicom owned by Capitoloundici S.p.A.;
3. The decrease of €17,958 thousand in non-current financial debt is attributable, for €18,484 thousand, to the exercise of the Put option and potential considerations versus the values accounted as at 31 December 2016 on the minority interest of 22.5% in Assicom owned by Quaranta Holding.

## SIGNIFICANT EVENTS OCCURRING AFTER THE CLOSING OF FIRST QUARTER 2017

1. On 13 April 2017, the company Ribes S.p.A. distributed an extraordinary dividend to its shareholders composed of the shares of Re Valuta, which are now held by Tecnoinvestimenti S.p.A. (83.1%), Coesa S.r.l. (11.9%) and Cedacri (5%). Tecnoinvestimenti plans to create a primary Italian operator in integrated real estate services management around Re Valuta S.p.A.
2. On 13 April 2017, the acquisition of the remaining 12.5% of Ribes S.p.A. was formalised after exercising its call option. The economic disbursement amounted to €7 million.
3. On 20 April 2017, the subsidiary InfoCert S.p.A. purchased another 45% of the company Sixtema S.p.A., of which it already held 35%, thus increasing its equity investment to 80% of Sixtema's capital. The transaction was finalised on the basis of a fixed component of €2.15 million paid upon closing, and a variable component - up to a maximum amount of €1.75 million - to be paid before Sixtema's 2018 financial statements are approved. Established in February 2008, Sixtema today employs over 130 employees, has 4 operating units in Italy and a turnover topping €14 million. It supplies integrated ICT services to the entrepreneurial associations of the SMEs, to service companies and to various entities (including the CNA - Confederazione Nazionale dell'Artigianato (Federation of Italian Artisans and Craftsmen), and, through these, to the benefit of the artisan and commercial companies and, in general, the small and medium enterprises. More specifically, Sixtema offers its 50,000 customers integrated software, connectivity, cloud computing and software application/system/network/desktop management services, as well as all InfoCert products. These services and products help companies to interpret and meet all tax and labour law obligations and those of the various regulations in general, also through its Interpreta® division, recognised by associations, financial intermediaries and professional firms.
4. On 27 April 2017, the companies Tecnoinvestimenti S.p.A., Ribes S.p.A. and Assicom S.p.A. approved refinancing of the loan owed to the Cariparma pool (Cariparma/BPER/ICCREA) for the residual liability still due at 31 March 2017, €27.5 million, split between the Parent Company Tecnoinvestimenti (€18.3 million) and the subsidiaries Ribes S.p.A. (€6.5 million) and Assicom S.p.A. (€2.7 million) with a significant benefit in terms of reduced financial charges for the years to come. The key terms of the contract are:
  - a. The agreement includes a *Term loan facility* that replaces the previous one for a total of €30 million with the due date set at 30 June 2023 (Tecnoinvestimenti for €20.8 million, Ribes for €6.5 million and Assicom for €2.7 million), repayment in half-yearly instalments at the 6-month Euribor rate plus 130 bps.
  - b. Another Capex facility line available upon request for €15 million at the 6-month Euribor

rate plus 160 bps, due on 30 June 2023.

- c. Change in the covenants calculated on the IFRS Consolidated Financial Statements of Tecnoinvestimenti, at a half-yearly rate on a Pro-Forma accounting basis, taking into account extraordinary transactions.
- d. Elimination of the collateral that guarantees the currently existing loan (pledged Ribes and InfoCert shares).

## BUSINESS OUTLOOK

The results for the First Quarter of 2017 are in line with our expectations. The Digital Trust and Sales & Marketing Solutions SBUs evolve positively, while in the SBU Credit Information & Management, the integration of the companies will consent the optimization of operating costs and the realization of commercial synergies.

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

The Group's Interim Report on Operations at 31 March 2017 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 15 May 2017, and authorized its publication on the same day.

The Group's Interim Report on Operations at 31 March 2017 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 31 March 2017:

Company	Registered office	at 31 December 2016					
		Share Capital		% interest held	through	% contribution to Group	Consolidation method
		Amount (in thousands)	Currency				
Tecnoinvestimenti S.p.A. (Parent Company)	Rome	46,256	Euro	N/A	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	100.00%	-	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%	Ribes S.p.A.	95.00%	Line-by-line
Creditreform Assicom Ticino S.A.	Switzerland	100	CHF	100.00%	Assicom S.p.A.	100.00%	Line-by-line
Co.Mark TES S.L.	Spain	36	Euro	99.00%	Co.Mark S.p.A.	99.00%	Line-by-line
Lextel S.p.A.	Rome	2,500	Euro	100.00%	Visura S.p.A.	100.00%	Line-by-line
Isi Sviluppo Informatico S.r.l.	Parma	31	Euro	92.00%	Visura S.p.A.	92.00%	Line-by-line
Sixtema S.p.A.	Rome	6,180	Euro	35.00%	InfoCert S.p.A.	35.00%	Equity

Etuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	Equity
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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 companies consolidated resulting from accounting for the put options granted to minority shareholders for the interests they still held.

15 May 2017

Pier Andrea Paolo Edoardo Chevallard

## **FINANCIAL STATEMENTS**

**31 March 2017**

**Consolidated Statements Of Financial Position, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows**



## Consolidated Statement OF Financial Position

<i>(In thousands of euros)</i>	31/03/2017	31/12/2016
<b>ASSETS</b>		
Property, plant and equipment	7,103	7,050
Intangible assets and goodwill	198,057	199,225
Equity-accounted participations	2,473	2,471
Equity investments carried at cost or fair value	11	11
Other financial assets, excluding financial derivatives	2,854	2,898
Deferred tax assets	3,000	2,898
Trade and other receivables	297	351
<b>NON-CURRENT ASSETS</b>	<b>213,796</b>	<b>214,904</b>
Inventories	807	1,001
Other financial assets, excluding financial derivatives	6,379	6,352
Current tax assets	2,904	3,659
- <i>amount with related parties</i>	2,269	2,083
Trade and other receivables	53,363	50,948
- <i>amount with related parties</i>	275	237
Cash and cash equivalents	35,606	60,431
Assets held for sale	199	199
<b>CURRENT ASSETS</b>	<b>99,258</b>	<b>122,590</b>
<b>TOTAL ASSETS</b>	<b>313,053</b>	<b>337,493</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	46,256	46,256
Reserves	81,495	83,985
<i>Equity attributable to shareholders</i>	127,751	130,241
Shareholders' equity attributable to non-controlling interests	123	131
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>127,874</b>	<b>130,372</b>
<b>LIABILITIES</b>		
Provisions	1,268	1,279
Employee benefits	6,440	6,186
Financial liabilities, excluding financial derivatives	82,894	100,839
- <i>amount with related parties</i>	25,000	25,000
Derivative financial instruments	214	228
Deferred tax liabilities	8,118	8,292
Trade and other payables	0	5
Deferred revenues and income	733	546
<b>NON-CURRENT LIABILITIES</b>	<b>99,666</b>	<b>117,374</b>
Provisions	265	265
Employee benefits	182	182
Financial liabilities, excluding financial derivatives	26,943	36,902
- <i>amount with related parties</i>	123	156
Trade and other payables	35,219	33,185
- <i>amount with related parties</i>	193	188
Deferred revenues and income	19,976	17,732
Current tax liabilities	2,929	1,481
- <i>amount with related parties</i>	1,194	608
<b>CURRENT LIABILITIES</b>	<b>85,513</b>	<b>89,747</b>
<b>TOTAL LIABILITIES</b>	<b>185,179</b>	<b>207,122</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>313,053</b>	<b>337,493</b>

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of euros</i>	<i>three-month period ended 31 March</i>	
	<b>2017</b>	<b>2016<sup>3</sup></b>
<b>Revenues</b>	40,921	32,102
- amount with related parties	167	163
Raw material costs	2,114	1,346
Service costs	15,802	14,516
- amount with related parties	377	129
- amount from nonrecurring transactions	0	259
Personnel costs	13,989	9,927
- amount from nonrecurring transactions	380	0
Other operating costs	455	316
- amount with related parties	6	11
Depreciation and amortization	2,006	1,480
Accruals to provisions	33	13
Impairment losses	470	256
<b>Total Costs</b>	<b>34,870</b>	<b>27,855</b>
<b>EBIT</b>	<b>6,051</b>	<b>4,248</b>
Financial income	47	5
Financial charges	514	295
- amount with related parties	123	13
<b>Net financial charges</b>	<b>-467</b>	<b>-290</b>
<b>ORDINARY EBIT</b>	<b>5,585</b>	<b>3,958</b>
Share of profit of equity-accounted participations, net of tax	2	-38
<b>PROFIT BEFORE TAXES</b>	<b>5,587</b>	<b>3,920</b>
Income taxes	1,932	1,748
- amount from nonrecurring transactions	106	0
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>3,655</b>	<b>2,173</b>
Result from discontinued operations	0	0
<b>NET PROFIT FOR THE PERIOD</b>	<b>3,655</b>	<b>2,173</b>
<b>Other components of the comprehensive income statement</b>		
<b>Components that will never be reclassified into profit (loss) for the period</b>		
Equity-accounted participations – share of OCI	0	0
Gains (Losses) from actuarial valuation of provisions for employee benefits	0	0
Tax effect	0	0
<b>Total components that will never be reclassified into profit (loss) for the period</b>	<b>0</b>	<b>0</b>
<b>Components that may be later reclassified into profit (loss) for the period</b>		
Exchange rate differences arising from conversion of foreign companies	0	0
Gains (losses) from the measurement of financial derivatives at fair value	14	-120
Equity-accounted participations – share of OCI	0	0
Tax effect	-3	29
<b>Total components that may be later reclassified into profit (loss) for the period</b>	<b>10</b>	<b>-91</b>
<b>Total other components of the statement of comprehensive income for the period, net of tax effect</b>	<b>10</b>	<b>-91</b>
<b>Total comprehensive income statement for the period</b>	<b>3,666</b>	<b>2,082</b>
<b>Profit for the period attributable to:</b>		
Owners of the Company	3,635	2,159
Non-controlling interests	20	14
<b>Total comprehensive income statement for the period attributable to:</b>		
Owners of the Company	3,646	2,068
Non-controlling interests	20	14
<b>Earnings per share</b>		

<sup>3</sup> The results of the first three months ended at 31 March 2016 were recalculated in connection with completion of the recognition of the company consolidations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (purchased at year-end 2015).

Basic earnings per share (in euros)	0.08	0.07
Diluted earnings per share (in euros)	0.08	0.07

## Consolidated Statement of Changes in Equity

<i>Three-month period ended 31 March 2017</i>									
In thousands of euros	Share capital	Statutory reserve	Additional paid-in capital	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Total	Minority interest	Total equity
<b>Balance at 1 January 2017</b>	<b>46,256</b>	<b>1,136</b>	<b>53,156</b>	<b>-173</b>	<b>-343</b>	<b>30,208</b>	<b>130,241</b>	<b>131</b>	<b>130,372</b>
<i>Comprehensive income statement for the period</i>									
Profit for the period						3,635	3,635	20	3,655
Other components of the comprehensive income statement				10			10		10
<i>Total comprehensive income statement for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10</i>	<i>0</i>	<i>3,635</i>	<i>3,646</i>	<i>20</i>	<i>3,666</i>
<i>Transactions with owners</i>									
Dividends						-2,901	-2,901	-28	-2,929
Acquisitions of minority equity investments						-174	-174		-174
Adjustment of put option on non-controlling interests						-3,062	-3,062		-3,062
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-6,137</i>	<i>-6,137</i>	<i>-28</i>	<i>-6,165</i>
<b>Balance at 31 March 2017</b>	<b>46,256</b>	<b>1,136</b>	<b>53,156</b>	<b>-162</b>	<b>-344</b>	<b>27,706</b>	<b>127,751</b>	<b>123</b>	<b>127,874</b>

<i>Three-month period ended 31 March 2016</i>									
In thousands of euros	Share capital	Statutory reserve	Additional paid-in capital	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Total	Minority interest	Total 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 of the period</i>									
Profit for the period <sup>4</sup>						2,159	2,159	14	2,173
Other components of the comprehensive income statement				-91			-91		-91
<i>Total comprehensive income statement for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-91</i>	<i>0</i>	<i>2,159</i>	<i>2,069</i>	<i>14</i>	<i>2,083</i>
<i>Transactions with owners</i>									
Dividends						-1,284	-1,284	-29	-1,313
Adjustment of put option on non-controlling interests						-1,159	-1,159		-1,159
Other changes						-9	-9		-9
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-2,451</i>	<i>-2,451</i>	<i>-29</i>	<i>-2,480</i>
<b>Balance at 31 March 2016</b>	<b>31,700</b>	<b>773</b>	<b>19,173</b>	<b>-225</b>	<b>-164</b>	<b>25,460</b>	<b>76,717</b>	<b>81</b>	<b>76,798</b>

<sup>4</sup> The results of the first three months ended at 31 March 2016 were recalculated in connection with completion of the recognition of the company consolidations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (purchased at year-end 2015).

## Consolidated statement of cash flows

	<i>three-month period ended 31 March</i>	
	<b>2017</b>	<b>2016<sup>5</sup></b>
<b><i>Cash flow from operating activities</i></b>		
Profit for the period	3,655	2,173
Restatements for:		
- Depreciation of property, plant and equipment	581	457
- Amortization of intangible assets	1,425	1,023
- Impairment losses (Revaluations)	470	256
- Accruals to provisions	33	13
- Net financial charges	467	290
- <i>amount with related parties</i>	123	13
- Pro rata interest in the result of investee companies carried at equity	-2	38
- Income taxes	1,932	1,748
Changes in:		
- Inventories	194	-7
- Trade and other receivables	-2,664	-2,076
- <i>amount with related parties</i>	-38	120
- Trade and other payables	2,028	-520
- <i>amount with related parties</i>	6	85
- Provisions and employee benefits	-336	-99
- Deferred revenues and income, including government grants	2,431	1,012
<b>Cash and cash equivalents generated by operating activities</b>	<b>10,214</b>	<b>4,305</b>
Income taxes paid	0	0
<b>Net cash and cash equivalents generated by operating activities</b>	<b>10,214</b>	<b>4,305</b>
<b><i>Cash flow from (used in) investing activities</i></b>		
Interest collected	24	5
Proceeds from the sale of financial assets	0	0
Investments in unconsolidated investee companies	0	0
Additions to property, plant and equipment	-635	-492
Additions to other financial assets	0	0
Additions to intangible assets	-212	-540
Change in scope of consolidation, net of acquired cash	0	-9,583
<b>Cash and cash equivalents absorbed by investing activities</b>	<b>-822</b>	<b>-10,610</b>
<b><i>Cash flow from (used in) financing activities</i></b>		
Acquisition of minority equity investments	-28,037	0
Interest paid	-386	-399
- <i>amount with related parties</i>	-156	0
Assumption of financial liabilities	623	16,500
- <i>amount with related parties</i>	0	15,000
Redemption of financial liabilities	-4,701	-3,545
Payment of indebtedness under finance leases	-26	-25
Capital increases by subsidiaries	0	0
Dividends paid	-1,690	0
<b>Cash and cash equivalents generated/(absorbed) by financing activities</b>	<b>-34,216</b>	<b>12,531</b>
Net increase (decrease) in cash and cash equivalents	-24,824	6,226
Cash and cash equivalents at 1 January	60,431	19,316

<sup>5</sup> The results of the first three months ended at 31 March 2016 were recalculated in connection with completion of the recognition of the company consolidations of Co.Mark (on 24 March 2016), Datafin and Eco-Mind App Factory (purchased at year-end 2015).

## **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 31 March 2017 are consistent with the data in the supporting documents and in the Company's books of accounts and other accounting records.

Rome, 15 May 2017

Signature