

EXPRIVIA APPROVES THE ANNUAL FINANCIAL REPORT AT 31 DECEMBER 2017 TWO-FIGURES GROWTH FOR REVENUES AND PROFITABILITY

- **Revenues:** equal to euro 161.2 mln (14% more than 141.5 mln of 2016)
- **EBITDA:** equal to euro 16.3 mln *adjusted*, 10.1% on revenues (13.5 mln *adjusted* in 2016)
- **EBIT:** equal to euro 10.7 mln *adjusted*, 6.7 % on revenues (8.5 mln *adjusted* in 2016)
- **Net Result:** equal to euro 5.3 mln *adjusted*, 3.3% on revenues (3.5 mln *adjusted* in 2016)
- **Net Financial Position** is equal to -222.8 mln euro (-58.8 mln *adjusted* without the consolidation of Italtel, -35.8 mln nel 2016)

March 15, 2018. The Board of Directors of **Exprivia** - a company listed on the STAR segment of Borsa Italiana [XPR.MI] - approved today the financial statements at 31 December 2017, prepared in accordance with International Accounting Standards (IAS / IFRS).

2017 proved to be a very important year for Exprivia, which recorded 14% increase in revenues, and profitability up to 27%. Consolidated revenues amounted to 161.2 million euro, *adjusted* EBITDA amounted to 16.3 million, equal to 10.1% on revenues, *adjusted* EBIT to 10.7 million, *adjusted* Net Income at 5.3 million.

The results for the year are provided *adjusted* as they include an extraordinary tax burden which is widely discussed below.

In Italy, the group grows in all the market sectors in which it operates, among which: Utilities with revenues up to 43% (also thanks to the performance in the Business Process Outsourcing sector), the Energy sector, +21%, Banking, Finance & Insurance, +14%, Aerospace & Defense, +52%, (also thanks to the contribution of the ACS company acquired in July 2016).

On 14 December 2017, the investment for the acquisition of equal the 81% of Italtel S.p.a. share capital has been finalized. Exprivia, pursuant to accounting principle IFRS3, has consolidated Italtel as of 31st December of the year. The consolidated financial statements of the group contain the fully equity effects of Italtel and no effect deriving from the consolidation of the income statement.



The net financial position is equal to -222.8 million euro and includes the position of Italtel which affects the indebtedness for -164 million. The net financial position of the group without the consolidation of Italtel, whose investment for the acquisition amounted to 25 million, and net of the resolution of the extraordinary tax burden for its subsidiary Exprivia Enterprise Consulting, which absorbed 4.8 million, would have been -29 million, with an improvement of 6.8 million, from ordinary cash management, compared to 2016.

"We are very satisfied - **says Domenico Favuzzi, president and CEO of Exprivia** - to have closed a year that confirmed our ability to remain focused on the objectives set at the beginning of the year, effectively completing a very important extraordinary operation, as it has been acquisition of Italtel. The year 2017 has rewarded the ability of our people to get the opportunities of the overall economic growth and the capability of the customers to invest, especially in innovation and technology, and we are ready to play the challenges of digital transformation, aware of the potentials we have together with the colleagues in Italtel. We know we can guarantee our customers all the support to the evolution of their business models and to be able to support with the right combination of ambition and realism, the change of Italy. "

The results as of the year take an extraordinary tax burden arising from the settlement of a dispute over the three-year period 2004-2006 concerning the controlled company Exprivia Enterprise Consulting Srl (Wel.Network Spa at the time of event). EBITDA, EBIT, EBT have been adjusted by neutralizing the effects of a non-recurring tax entry. This led to charge on the subsidiary's profit&loss amounting to 4.2 million euro, over 700 thousand already accrued in 2016, and overdue interest expense for 1,0 mln euro. During the year, the Company decided to apply the simplified procedure for "definizione agevolata delle controversie tributarie, ai sensi dell'art. 11 d.l. 24 aprile 2017, n. 50, conv. l. 21 giugno 2017, n. 96", in order to definitively close a fiscal dispute. The financial outlay in the period was 2.5 mln with effect on the PFN.

Consolidated results of 2017

In 2017 the **consolidated revenues** amounted to Euro 161.2 mln, compared to 2016 when it was equal to Euro 141.5 mln (+14%).

Consolidated **EBITDA adjusted** amounts to Euro 16.3 mln, 10.1% of revenues, compared to Euro 13.5 mln in previous year.

Consolidated **EBITDA** amounts to Euro 12.1 mln.

Consolidated **EBIT adjusted** amounts to Euro 10.7 mln compared to 8.5 mln in 2016.

Consolidated **EBIT** amounts to Euro 6.5 mln.

Profit before taxes adjusted amounts to Euro 7.9 mln, 4.9% on revenues, compared to 5.5 mln in 2016.

Result before taxes amounts to Euro 2.6 mln.

The **Net Debt** at 31 December 2017 amounts to Euro -222.8 mln (including Italtel), -36.3 mln at 30 September 2017 and -35.8 at 31 December 2016.

Group shareholders' equity at 31 December 2017 amounts to Euro 74.4 mln compared to 74.7 mln at 31 December 2016.

Holding Company result

The results of the parent company are presented *adjusted* as they incorporate on the parent company the effects of an extraordinary tax burden on its subsidiary Exprivia Enterprise Consulting and for 2016 *pro-forma* following the merger by incorporation of the subsidiaries Exprivia Digital Financial Solution Srl, Exprivia Healthcare IT Srl and Exprivia Telco & Media S.r.l ..

Revenues are equal to Euro 133.2 mln, increase of 9% compared to *pro-forma* revenues 2016 (122.3 mln).

EBITDA amounts to Euro 15 mln increase of 16% (Euro 13 mln *pro-forma* in 2016).

EBIT adjusted is equal to Euro 10.3 mln, +8% on revenues (9.4 mln *pro-forma* in 2016).

EBIT is equal to Euro 4.9 mln.

Profit before taxes adjusted amounts to Euro 8.5 mln, compared to 7.6 mln *pro-forma* in 2016. **Profit before taxes** amounts to Euro 3.1 mln

Net debt at December 31, 2017 is Euro -48.5 mln compared to Euro -28.7 mln at 30 September 2017 and compared to Euro -27.1 mln at 31 December 2016.

Shareholders' Equity at December 31, 2017 is equal to Euro 73.8 mln compared to Euro 68.5 mln at 31 December 2016.

The Company's net result is affected by the adherence to the procedure for the definition of tax disputes in the subsidiary Exprivia Enterprise Consulting, for a total of Euro 4.0 million, of which Euro 1.8 million already recorded at 30 June 2017.

Following the results achieved in 2017, the Board of Directors has decided to propose to the Shareholders to allocate the profit for the year to the shareholders' equity reserves. This decision, together with the improvement of the results achieved, allows the Group to continue its investments in production and expansion in the markets.

The Board of Directors today has also reviewed and approved the Relazione degli Amministratori sul Governo Societario e sugli Assetti Proprietari and the Relazione sulla Remunerazione in accordance with the Codice di Autodisciplina delle Società Quotate promoted by Borsa Italiana , the Dichiarazione Consolidata di Carattere Non Finanziario, as per d.lgs. 254/16, and has approved the proposal to require the Shareholders'

Meeting to grant a new authorization to purchase and dispose of treasury shares in accordance with Articles 2357 and 2357 of the Codice Civile Italiano.

Pursuant to Article 154- bis of Testo Unico della Finanza, the executive manager responsible for preparing the corporate accounts, Mr. Valerio Stea, states that the financial report in this press release contains and matches the documentary records, books and accounting records.

Finally, the Company informs that Exprivia will participate to the Star Conference, organized in Milan by the Borsa Italiana, the 27th and 28th March 2018 where will meet investors in a plenary presentation that will be examined in more detail the results and trends of the 2017 business.

Exprivia

Exprivia is an international group currently made up of about 1800 professionals capable of enabling the digital transformation processes through solutions that involve the entire value chain.

With its know-how and experience gained in more than 30 years of continuous operation on the market, Exprivia has a team of experts specialized in various technology and domain areas, from Capital Market and Credit & Risk Management to IT Governance, from BPO to IT Security, from Big Data to Cloud, from IoT to Mobile, to the SAP world, distributed among the different locations in Italy and abroad (Europe, America and Asia).

Listed in the MTA STAR segment of the Borsa Italiana Stock Exchange (XPR) since 2000, Exprivia works alongside its customers in the Banking&Finance, Telco&Media, Energy&Utilities, Aerospace&Defence, Manufacturing&Distribution, Healthcare and Public Sector.

The company is subject to the control and coordination of Abaco Innovazione S.p.A..

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CONSOLIDATED STATEMENT OF ASSET AND LIABILITIES

Amount in thousand Euro

	31.12.2017	31.12.2016
Property, plant and machinery	28,209	16,041
Goodwill and other assets with an indefinite useful life	206,979	67,428
Other Intangible Assets	35,721	11,616
Shareholdings	589	168
Other financial assets	3,273	2,833
Other financial assets	4,436	1,781
Deferred tax assets	65,638	2,943
NON-CURRENT ASSETS	344,845	102,810
Trade receivables and other	148,487	59,422
Stock	41,007	1,019
Work in progress to order	36,821	15,652
Other Current Assets	34,848	12,276
Other Financial Assets	1,914	2,062
Cash resources	36,508	12,495
Other Financial Assets available for sale	455	463
CURRENT ASSETS	300,040	103,389
DISCONTINUED NON CURRENT ASSETS	215	
ASSETS	645,099	206,199

Amount in thousand Euro

	31.12.2017	31.12.2016
Share capital	25,155	25,155
Share Premium Reserve	18,082	18,082
Revaluation reserve	2,907	2,907
Revaluation reserve	3,931	3,931
Other reserves	44,461	20,579
Profits (Losses) for the previous year	6,930	2,246
Profit (Loss) for the year	50	2,838
SHAREHOLDERS' EQUITY	101,517	75,739
Minority interest	27,125	994
GROUP SHAREHOLDERS' EQUITY	74,392	74,744
NON-CURRENT LIABILITIES		
Non-current bond	22,413	1,839
Non-current bank debt	167,499	24,625
Other financial liabilities	173	721
Other no current liabilities	3,353	4,137
Provision for risks and charges	14,413	1,069
Employee provisions	30,025	10,404
Deferred tax liabilities	2,469	1,189
NON CURRENT LIABILITIES	240,346	43,984

Amount in thousand Euro

	31.12.2017	31.12.2016
Current bond		1,508
Current bank debt	70,717	25,846
Trade payables	146,584	18,633
Advances payment on work in progress contracts	3,152	2,831
Other financial liabilities	6,739	1,650
Other current liabilities	75,655	36,010
CURRENT LIABILITIES	302,847	86,477
DISCONTINUED NON CURRENT LIABILITIES	389	
TOTAL LIABILITIES	645,099	206,199

CONSOLIDATED PROFIT AND LOSS

Amount in thousand Euro

	31.12.2017	31.12.2016
Revenues	157,122	137,298
Other income	4,082	4,216
PRODUCTION REVENUES	161,204	141,513
Costs of raw, subsid. & consumable mat. and goods	9,516	4,284
Salaries	101,358	92,071
Costs for services	29,496	27,157
Costs for leased assets	3,811	4,065
Sundry operating expenses	5,543	451
Change in inventories of raw materials and finished products	32	48
Provisions	(648)	675
TOTAL PRODUCTION COSTS	149,109	128,751
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	12,095	12,762

Amount in thousand Euro

	31.12.2017	31.12.2016
Amortisation, depreciation and write-downs	5,591	5,004
OPERATIVE RESULT	6,504	7,758
Financial income and charges	(3,860)	(2,990)
PRE-TAX RESULT	2,644	4,768
Income tax	2,594	1,930

PROFIT OR LOSS FOR THE YEAR	50	2,838
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Attributable to:

Shareholders of holding company	(27)	2,821
Minority interest	77	17

Earnings per share losses

Basic earnings per share	(0.0006)	0.0578
Basic earnings diluted	(0.0006)	0.0578

CONSOLIDATED FINANCIAL STATEMENT

Amount in thousand Euro

31.12.2017 31.12.2016

	31.12.2017	31.12.2016
Operating activities:		
Profit (loss)	50	2,838
Amortisation, depreciation and provisions	4,943	5,745
Provision for Severance Pay Fund	4,739	4,245
Advances/Payments Severance Pay	14,882	(3,544)
Adjustment of value of financial assets		0
Cash flow arising from operating activities	24,614	9,284
Increase/Decrease in net working capital:		
Variation in stock and payments on account	(60,852)	(4,649)
Variation in receivables to customers	(90,122)	(1,721)
Variation in receivables to parent/subsidiary/associated company	(99)	
Variation in other accounts receivable	(22,572)	(1,702)
Variation in payables to suppliers	127,766	1,758
Variation in payables to parent/subsidiary/associated company	185	
Variation in tax and social security liabilities	5,942	6,162
Variation in other accounts payable	34,093	3,123
Variation in deferred revenue		
Cash flow arising (used) from current assets and liabilities	(5,659)	2,970
Cash flow arising (used) from current activities	18,955	12,254
Investment activities:		
Variation in tangible assets	(13,575)	(3,970)
Variation in intangible assets	(166,769)	(10,512)
Variation in financial assets	(65,883)	399
Purchase of majority interests		(360)
Cash flow arising (used) from investment activities	(246,227)	(14,443)
Financial activities:		
Changes in financial assets not held as fixed assets	14,488	2,766
Changes in fair value of derivatives		(35)
Capital increase		(795)
Dividend paid	(55)	(1,050)
Variation shareholders' equity	25,783	1,034
Cash flow arising (used) from financial activities	40,216	1,920
Increase (decrease) in cash	(187,056)	(269)
Banks / funds / securities and other financial assets at the beginning of the year	17,853	8,565
Banks / cash and other financial liabilities at the beginning of the year	(56,188)	(46,632)
Banks / funds / securities and other financial assets at end of period	42,151	17,853
Banks / cash and other financial liabilities at end of period	(267,542)	(56,188)
Increase (decrease) in liquidity	(187,056)	(269)

EXPRIVIA- STATEMENT OF ASSET AND LIABILITIES

Amount in Euro		
	31.12.2017	31.12.2016
Property, plant and machinery	11,468,570	11,867,086
Goodwill and other assets with an indefinite useful life	54,072,211	12,622,395
Other Intangible Assets	3,219,723	32,725
Shareholdings	42,039,447	62,406,601
Other financial assets	4,177,126	3,636,478
Other financial assets	1,661,051	1,348,732
Deferred tax assets	1,024,163	615,922
NON-CURRENT ASSETS	117,662,291	92,529,939
Trade receivables and other	51,074,549	22,054,988
Stock	149,924	132,888
Work in progress to order	12,259,211	9,375,850
Other Current Assets	6,817,576	6,826,705
Other Financial Assets	8,229,458	6,381,702
Cash resources	10,465,631	4,218,280
Other Financial Assets available for sale	455,336	457,041
CURRENT ASSETS	89,451,685	49,447,454
ASSETS	207,113,976	141,977,393

Amount in Euro

	31.12.2017	31.12.2016
Share capital	25,154,899	25,154,899
Share Premium Reserve	18,081,738	18,081,738
Revaluation reserve	2,907,138	2,907,138
Revaluation reserve	3,931,382	3,931,382
Other reserves	23,142,758	20,334,649
Profit/Loss for the year	548,350	(1,908,465)
SHAREHOLDERS' EQUITY	73,766,265	68,501,341
NON-CURRENT LIABILITIES		
Non-current bond	22,413,056	
Non-current bank debt	19,443,788	22,266,679
Other financial liabilities	49,852	137,669
Other no current liabilities	163,388	380,092
Provision for risks and charges	114,874	37,000
Employee provisions	8,627,001	3,139,640
Deferred tax liabilities	785,478	808,033
NON CURRENT LIABILITIES	51,597,437	26,769,113

Amount in Euro

	31.12.2017	31.12.2016
Current bank debt	30,238,523	15,351,391
Trade payables	23,438,059	12,546,739
Advances payment on work in progress contracts	1,948,507	1,579,883
Other financial liabilities	2,274,628	6,583,024
Other current liabilities	23,850,557	10,645,902
CURRENT LIABILITIES	81,750,274	46,706,939
TOTAL LIABILITIES	207,113,976	141,977,393

EXPRIVIA – PROFIT AND LOSS

Amount in Euro

	31.12.2017	31.12.2016
Revenues	130,742,530	60,334,751
Other income	2,490,794	2,148,203
PRODUCTION REVENUES	133,233,324	62,482,954
Costs of raw, subsid. & consumable mat. and goods	8,760,845	1,620,816
Salaries	77,583,644	32,598,062
Costs for services	28,536,901	20,849,683
Costs for leased assets	2,881,021	2,230,278
Sundry operating expenses	447,510	421,827
Change in inventories of raw materials and finished products	32,436	(110,494)
Provisions	20,002	(36,028)
TOTAL PRODUCTION COSTS	118,262,359	57,574,144
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	14,970,965	4,908,810

Amount in Euro

	31.12.2017	31.12.2016
Ordinary amortisement of intangible assets	1,765,981	282,195
Ordinary amortisement of tangible assets	1,164,672	1,081,483
Devaluation of credits included in working capital	7,125,547	6,035,108
Amortisation, depreciation and write-downs	10,056,200	7,398,786
OPERATIVE RESULT	4,914,765	(2,489,976)
Financial income and charges	(1,812,015)	1,524,326
PRE-TAX RESULT	3,102,750	(965,650)
Income tax	2,554,400	942,815
PROFIT OR LOSS FOR YEAR	548,350	(1,908,465)

EXPRIVIA – FINANCIAL STATEMENT

Amount in thousand Euro		
	31.12.2017	31.12.2016
Operating activities:		
- Profit (loss)	548,350	(1,908,465)
- Amortisation and depreciation	10,076,202	7,362,757
- Provision for Severance Pay Fund	3,699,481	1,533,416
- Advances/Payments Severance Pay	1,787,880	(1,622,617)
- Change in fair value of derivatives	14,797	217
Cash flow arising from operating activities	16,126,711	5,365,309
Increase/Decrease in net working capital:		
- Variation in stock and payments on account	(2,548,574)	(734,126)
- Variation in receivables to customers	(28,788,093)	2,225,316
- Variation in receivables to parent/subsidiary/associated company	2,743,701	(1,299,207)
- Variation in other accounts receivable	(1,061,037)	328,033
- Variation in payables to suppliers	12,137,895	(624,493)
- Variation in payables to parent/subsidiary/associated company	(1,198,133)	(1,067,739)
- Variation in tax and social security liabilities	5,187,247	(696,968)
- Variation in other accounts payable	7,968,967	(625,064)
Cash flow arising (used) from current assets and liabilities	(5,558,028)	(2,494,247)
Cash flow arising (used) from current activities	10,568,683	2,871,061
Investment activities:		
- Variation in tangible assets	(766,156)	(143,446)
- Variation in intangible assets	(46,402,794)	(24,530)
- Variation in financial assets	36,353,404	(1,960,495)
- Purchase majority interests	(25,000,000)	(360,000)
Cash flow arising (used) from investment activities	(35,815,546)	(2,488,471)
Financial activities:		
- Changes in financial assets other than fixed assets	(901,948)	(96,375)
- Changes in fair value of derivatives	(14,797)	(34,568)
- Capital increase		(794,806)
- Dividend paid		(1,049,935)
- Variation shareholders' equity	4,716,574	(44,522)
Cash flow arising (used) from financial activities	3,799,829	(2,020,206)
Increase (decrease) in cash	(21,447,034)	(1,637,616)
Banks / funds / securities and other financial assets at the beginning of the	14,693,500	8,403,864
Banks / cash and other financial liabilities at the beginning of the year	(44,338,762)	(36,411,509)
Banks / funds / securities and other financial assets at end of period	23,327,550	14,693,500
Banks / cash and other financial liabilities at end of period	(74,419,847)	(44,338,762)
Increase (decrease) in liquidity	(21,447,034)	(1,637,617)

Fine Comunicato n.0450-3

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