

**exprivia**

**Interim Report  
on Operations  
at 31 March 2021**

**Issuer: Exprivia S.p.A.  
Website: [www.exprivia.it](http://www.exprivia.it)**





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## Corporate Bodies

### Board of Directors

#### Chairman and Chief Executive Officer

Domenico Favuzzi

#### Directors

Dante Altomare (Vice-Chairman)

Angela Stefania Bergantino (2)

Marina Lalli (2)

Alessandro Laterza (3)

Valeria Savelli (1)

Gianfranco Viesti (2)

Giovanni Castellaneta (1)

### Board of Statutory Auditors

#### Chairman

Ignazio Pellecchia

#### Standing Auditors

Anna Lucia Muserra

Mauro Ferrante

#### Independent Auditors

PricewaterhouseCoopers SpA

(1) Directors not vested with operating powers

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

(3) Lead Independent Director



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## Significant Group Figures and Result Indicators

Summarised below is the main consolidated economic, capital and financial data of the Group at 31 March 2021 and 31 March 2020.

Following the loss of control of the Italtel Group by Exprivia S.p.A., the Italtel Group was subject to deconsolidation at 31 December 2020, in compliance with the provisions of IFRS 5, and the results of the Italtel Group at 31 December 2020 have been represented as "Discontinued operations" (for more details, see Note 13 "Discontinued operations IFRS 5"). The comparison period was reclassified accordingly.

| amount in thousand Euro   |            |            |            |
|---|------------|------------|------------|
|   | 31.03.2021 | 31.03.2020 | 31.12.2020 |
| Total revenues - Continuing Operations  | 40,868     | 38,761     | 167,811    |
| net proceeds  | 39,670     | 37,443     | 161,607    |
| increase to assets for internal work  | 444        | 369        | 2,074      |
| other proceeds and contributions  | 754        | 949        | 4,130      |
| Difference between costs and production proceeds (EBITDA) - Continuing Operations | 4,729      | 3,239      | 21,387     |
| % on total revenues   | 11.6%      | 8.4%       | 12.7%      |
| Net operating result (EBIT) - Continuing Operations                               | 3,088      | 1,753      | 15,009     |
| % on total revenues   | 7.6%       | 4.5%       | 8.9%       |
| Net result- Continuing Operations   | 1,647      | 479        | 8,632      |
| Net result- Discontinued Operations   |            | (11,083)   | 156,899    |
| Net result  | 1,647      | (10,604)   | 165,531    |
| Group net equity  | 65,261     | (51,251)   | 63,637     |
| Total assets  | 204,058    | 458,433    | 216,638    |
| Capital stock   | 24,616     | 24,649     | 24,616     |
| Net working capital (1)   | 11,823     | (14,124)   | 9,665      |
| Cash flow - Continuing Operations (2)   | 3,466      | 1,916      | 13,723     |
| Cash flow - Discontinued Operations (2)   |            | (6,837)    | 1,086      |
| Fixed capital (3)   | 102,909    | 190,865    | 102,811    |
| Investment (4)  | 1,416      | 824        | 5,037      |
| Cash and securities / other financial assets (a)                                  | 20,233     | 8,388      | 33,362     |
| Financial payables / other short-term financial liabilities (b)                   | (16,827)   | (29,285)   | (29,799)   |
| Financial payables / other medium / long-term financial liabilities (c)           | (43,889)   | (32,257)   | (43,861)   |
| Net financial position (5)  | (40,483)   | (53,155)   | (40,298)   |

(\*) Following the loss of control, the results of the Group were recognised as "discontinued operations" and presented in accordance with this accounting treatment in all parts of this report.

(1) - "Net working capital" is calculated as the sum of total current assets less cash and cash equivalents and total current liabilities plus current payables to banks.

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

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

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

(5) - Net financial position = a+b+c.

The table below shows the main economic indicators of the Group at 31 March 2021, compared with the same period of the previous year.

For the calculation of ROE and ROI, it was considered appropriate to use an annual "rolling" approach by taking as a reference the net profit and operating income from 1 April 2020 to 31 March 2021, for the data at 31 March 2021, and from 1 April 2019 to 31 March 2020, for the data at 31 March 2020.

| Exprivia Group                              | 31.03.2021 | 31.03.2020 |
|---|------------|------------|
| Index ROE (Net income / Equity Group)       | 15.23%     | (*)        |
| Index ROI (EBIT / Net Capital Invested) (6) | 16.74%     | 8.78%      |
| Index ROS (EBIT / Revenues )                | 7.78%      | 4.68%      |
| Financial charges (7) / Net profit          | 0.48       | 1.44       |

(\*) indicator that cannot be determined due to the negative value of the Group's Shareholders' equity

(6) **Net capital invested:** equal to net working capital plus non-current assets net of non-current liabilities (excluding bank debt and bond issues)

(7) **Financial charges:** calculated net of interest cost IAS 19

The table below shows the main capital and financial indicators of the Group at 31 March 2021 and 31 march 2020.

| Exprivia Group                                  | 31.03.2021 | 31.03.2020 |
|---|------------|------------|
| Net Financial Debt / Equity Capital             | 0.62 -     | 1.04       |
| Debt ratio (Total Liabilities / Equity Capital) | 3.13 -     | 8.94       |

## Summary of operations at 31 March 2021

The table below also provides the results for the continuing operations of the Exprivia group.

| Exprivia Group (value in thousand Euro) | 31.03.2021 | 31.03.2020 (*) | Variations | Variations % |
|---|------------|----------------|------------|--------------|
| Revenues                                | 40,868     | 38,761         | 2,107      | 5.4%         |
| EBITDA                                  | 4,729      | 3,239          | 1,490      | 46.0%        |
| EBIT                                    | 3,088      | 1,753          | 1,335      | 76.2%        |
| Pre-tax result                          | 2,339      | 956            | 1,383      | 144.7%       |
| Pre-tax result                          | 1,647      | 479            | 1,168      | 243.8%       |
| Net financial position                  | (40,483)   | (40,298)       | (185)      | -0.5%        |

(\*) Following the loss of control, the results of the Italtel at 31 March 2020 Group were recognised as "discontinued operations" and presented in accordance with this accounting treatment in all parts of this report.

As can be seen, the revenues from continuing operations of the Exprivia Group in the first quarter of 2021, amounting to Euro 40.9 million, are up compared to the same period of 2020; margins increased even more than revenues. The net financial position, negative by Euro 40.5 million at 31 March 2021, was almost unchanged compared to the value at 31 March 2020.





# Profile of Exprivia Group Future.Perfect.Simple

## An international group enabling digital transformation processes

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

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

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

## The founding concepts of our vision

### Future

The future is the point towards which we orient ourselves in defining scenarios, processes and goals for ourselves and our customers.

### Connection

This is what makes us innovators. It is the capacity to identify unexpected solutions by linking our skills.

It is the ability to imagine the future by directly combining what we know in the present: technology with customer needs, the world of research with that of business, the city with its residents.

### Perfect

Perfect is the level we strive to achieve in the planning of innovative and efficient IT solutions in each specific sector.

### Reliability

For us, this is a constant practice that leads us to seek out perfection in everything we do, to guarantee that we will always meet our commitments and to consider effectiveness and efficiency to be indispensable requirements of all the products and services we offer.

### Simple

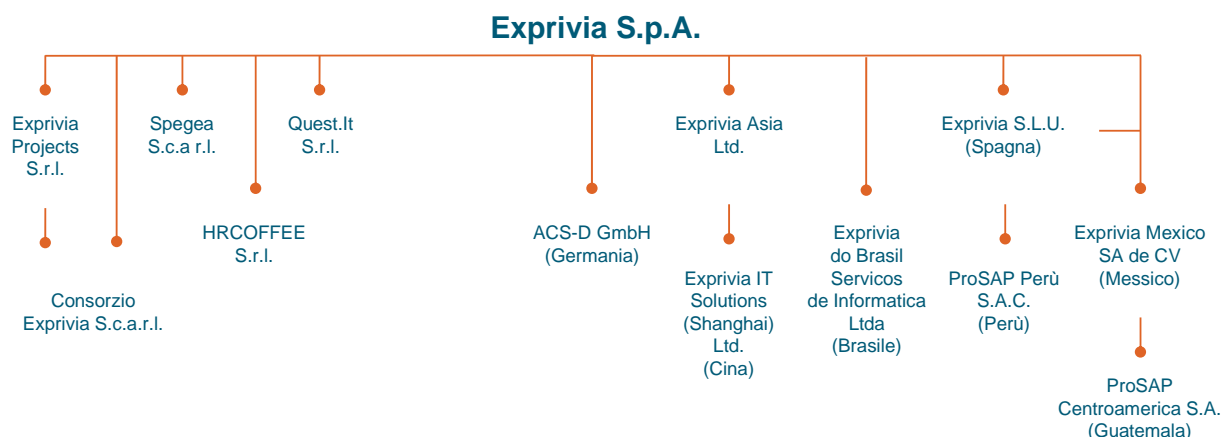
Being simple is the fundamental requirement of all of our systems, designed to improve people's lives through the availability and usability of information.

### Simplicity

For us, this means mobilizing complex technologies to ensure a sleek user experience, making innovation and digital transformation accessible to businesses and the public through a process of extreme streamlining which strives for simple solutions.

## The Group

The following graphs show the main companies of the Exprivia Group classified.



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

### Italian companies

**Exprivia Projects Srl** is 100% owned by Exprivia SpA. It is based in Rome and has a share capital of Euro 242,000.00 (fully paid-up). It is specialised in designing and managing services and infrastructure for Call Centres, Contact Centres and Helpdesk services.

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

**Spegea Scarl** is 60% owned by Exprivia SpA and has fully paid-up share capital of Euro 125,000.00. It is a School of Management based in Bari, it organises and manages specialised seminars, training courses for companies and public administration in addition to the "Master in Management and Industrial Development" programme certified by ASFOR. It was founded 31 years ago by Confindustria Bari with the support of banks and institutions.

**HRCOFFEE Srl** is a company of which Exprivia SpA owns 70% of the share capital, equal to Euro 300,000. The company, established on 31 July 2018 with headquarters in Molfetta, is engaged in the production and marketing of products and services with high value-added technology in the field of human resource management.

## Foreign Companies

**Exprivia SLU**, a Spanish company 100%-owned by Exprivia SpA, is the result of the merger by incorporation of the former companies operating in Spain, Exprivia SL and Profesionales de Sistemas Aplicaciones y Productos SL (ProSap). The company has operated since 2002 providing professional services and project development in the SAP environment, WEB portal development, and solutions and information systems for the Healthcare sector in the Spanish market. The company controls 99.9% of ProSAP Perú SAC.

**Exprivia Mexico SA de CV**, a Mexican company with headquarters in Mexico City, of which Exprivia SpA owns 98% and Exprivia SLU holds 2%, has been in operation since 2004 and offers professional services and project development in the SAP environment, WEB portal development, and solutions and information systems for the Healthcare sector in Latin America, including through its subsidiary, with offices in Guatemala (ProSAP Centroamerica S.A.).

**Exprivia do Brasil Serviços de Informatica Ltda**, a Brazilian company specialised in IT Security solutions, operates from its headquarters in Sao Paulo. Exprivia SpA controls the company with a 52.30% share while the company Simest SpA holds 47.70%.

**Exprivia Asia Ltd**, a company operating in Hong Kong to act on behalf of Exprivia SpA, its sole shareholder, in all market sectors in the Far East considered strategic for the Exprivia Group. Exprivia Asia Ltd incorporated Exprivia IT Solutions (Shanghai) Co. Ltd of which it is the sole shareholder, specialised in professional services in the fields of IT infrastructure and in SAP systems.

**ACS-D GmbH (Germany)**, a company operating in Germany for the purpose of acting on behalf of Exprivia SpA, its sole shareholder, in the aerospace and defence sector.



# Innovation

The foundry of ideas

## Lab

### **Innovation to explore and construct new business opportunities**

Innovation Lab is the backbone structure of the research, development and integration of Exprivia technologies.

A hotbed open to sharing experience and knowledge with the world of academics and research, which has led to the activation of various projects with the main Universities of Apulia (Polytechnic and University of Bari, University of Salento), of Milan (Polytechnic of Milan) and of Rome (La Sapienza), with CNR and with Cefriel, with which it has specifically launched a commercial partnership programme to promote "technological frontier" projects.

Innovation Lab identifies and adapts innovation opportunities to the company's business model, coordinates projects which exploit public contributions, creates innovative technologies and solutions to be transferred to company production areas and enriches the company's wealth of knowledge, contributing to creating new distinctive competencies.



## Environment, health, and safety

## Industries

# A winning bid on each market

Exprivia is an ICT services company, where the human production factor prevails rather than the machine. However, the Company is highly sensitive to workplace health and safety and environmental issues, in particular, problems posed by global climate change.

The Company is aware of the fact that, for the purposes of the effectiveness of any far-reaching corporate responsibility strategy, it must undertake activities aimed at the assessment of the environmental impact, so that it can act in a manner that ensures the maximum respect for the environment. For this purpose, Exprivia has carried out a process aimed, on the one hand, at identifying the main impacts of the business processes, the infrastructures and the structures used, and on the other hand, at monitoring the environmental performances of its central headquarters in Molfetta. Since 2006, Exprivia has understood that the implementation of an Environmental Management System (EMS) would have made it possible to satisfy the aforementioned objectives, as well as facilitate the compliance with current environmental legislation and the ongoing improvement of the environmental performances.

The Exprivia Group has also always been involved in the development and promotion of the protection of health and safety in the workplaces. It recognises the fundamental importance of protecting health and safety and

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



## Banking, Finance & Insurance

### Digital progress and financial technique: the duo of the future

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

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



## Telco & Media

### Skills and technologies for network virtualisation

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

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

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



## Energy & Utilities

### Energy-optimising technology

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

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





## Aerospace & Defence

### Military defence, civil safety and digital technology

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

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



## Manufacturing & Distribution

### Towards the new industrial revolution

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

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

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



## Healthcare

### Innovative solutions for individual health and efficient administration

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

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

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



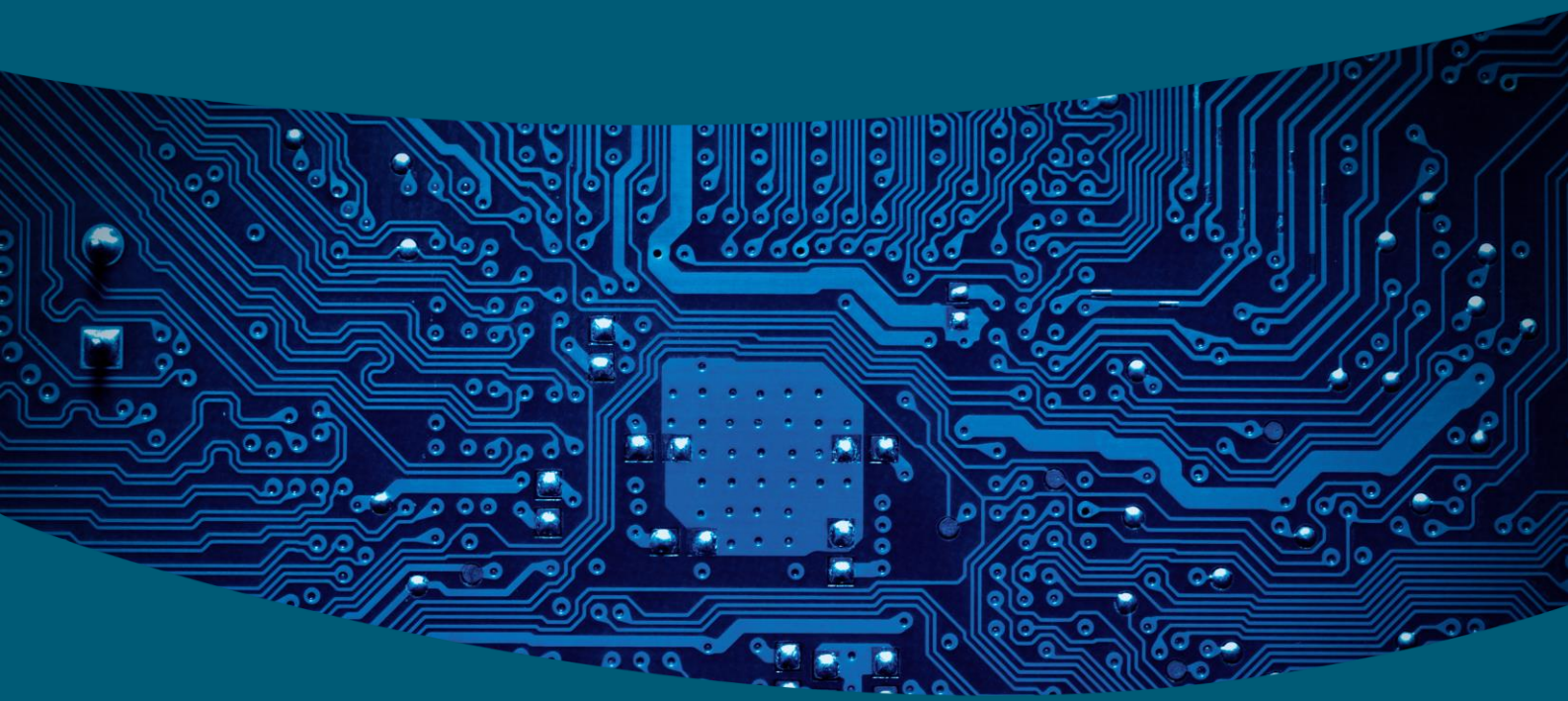
## Public Sector

### PA digitalisation: the first step towards a reinvigorated country

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

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

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



**Expertise**

| EXPERTISE                      | DESCRIPTION  |
|--------------------------------|--|
| Big Data & Analytics           | Offer of all the very latest tools for supporting both decision-making processes and ordinary activities based on the possession of information. The Big Data & Analytics area is dedicated to developing projects, services and solutions aimed at the strategic use of big data for increasing business.   |
| Cloud                          | The advent of cloud computing has completely revolutionised how we acquire, implement and execute IT services. Our cloud services refer to four fundamental models: Public Cloud, Private Cloud, Hybrid Cloud and Community Cloud.   |
| IoT & Contextual Communication | The IoT is capable of having a positive effect on the very idea of business, work, study, health and life. The main skills development areas are: Industry 4.0, Digital Healthcare, Smart Cities, Smart Grid.  |
| Cybersecurity                  | <p>Services designed based on the security controls of the National Institute of Standards and Technology (NIST), which, using information provided by the Exprivia Cybersecurity Observatory, can be divided into the following:</p> <ul style="list-style-type: none"> <li>• Identify – From consultancy activities to Vulnerability and Penetration Tests (VAPT), from malvertisement campaign simulations to analysing and searching for data that may have been stolen and posted on the deep and dark webs.</li> <li>• Protect – Implementation and management of controls that focus on protection from any incidents, segmentation, micro-segmentation, management and governance of identities and accesses, management of privileged identities, static security (SAST) and dynamic application security (DASD), safety, obfuscation and masking of data at rest and in transit.</li> <li>• Detect - Continuous monitoring using SIEM and sophisticated AI tools.</li> <li>• Response - Exprivia has a team that can be called upon to respond to an incident (Global Response Team).</li> <li>• Restore - The GRT can be used not only to respond to an attack but to restore the service.</li> </ul> |
| Mobile                         | We offer companies and entities the possibility of reaping the maximum benefit from latest-generation mobile technologies by including them within a broader multi-channel strategy which encompasses Mobile Device Management for business devices, Mobile Payment in the various commerce and service sectors, Mobile Health and Mobile Application Development in the areas of health, finance and security.  |
| SAP                            | With a strategic partnership that has lasted for more than 20 years, we are now one of the main reference players in the SAP world in Italy and abroad. Our main areas of intervention are: Administration, Finance and Control, Operation & Logistics, Business Analytics and Human Capital Management.   |
| Business Process Outsourcing   | Supporting company evolution by taking responsibility for the procedures of end user acquisition, management and retention. The offering ranges from back office outsourcing services relating to typically internal functions such as human resources, accounting and information technology, to front office   |

outsourcing services like customer care and customer service.

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Network & Digital Transformation

In the world of Telco Operators and Media Companies, we have developed, over time, skills related to the convergence between IP networks and optical networks and on mobile operators' infrastructure components.

As regards Enterprise networks, we currently have broad competencies in designing and implementing converged wired and wireless solutions, in Private Network solutions, SD-WAN, and technological refresh of corporate networks.

The Software Factory of Exprivia develops carrier-grade systems and solutions with characteristics of robustness, scalability and resilience. We use Agile design and development methodologies based on SCRUM and DevOps logic, using both open source technologies and off-the-shelf products for the design and implementation of customised solutions for the customer.

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# Corporate Social responsibility

## Environment, health, and safety

Exprivia is an ICT services company, whose production processes involve human intensive features on which the human production factor prevails rather than the machinery. However, the Company is highly sensitive to workplace health and safety and environmental issues, in particular, problems posed by global climate change.

The Company is aware of the fact that, for the purposes of the effectiveness of any far-reaching corporate responsibility strategy, it must undertake activities aimed at the assessment of the environmental impact, so that it can act in a manner that ensures the maximum respect for the environment. For this purpose, Exprivia has carried out a process aimed, on the one hand, at identifying the main impacts of the business processes, the infrastructures and the structures used, and on the other hand, at monitoring the environmental performances of its central headquarters in Molfetta. Since 2006, Exprivia has understood that the implementation of an Environmental Management System (EMS) would have made it possible to satisfy the aforementioned objectives, as well as facilitate the compliance with current environmental legislation and the ongoing improvement of the environmental performances.

The Exprivia Group has also always been involved in the development and promotion of the protection of health and safety in the workplaces. It recognises the fundamental importance of protecting health and safety and ensuring the safeguarding and wellbeing of the workers and the third parties in all the activities care of its workplaces. By means of a prevention and protection system ingrained in all the venues, the Exprivia Group has achieved significant results over the years, including a greater awareness among the employees with regard to the aspects of safety, a significant containment of accidents in the workplace and the prevention of occupational diseases.



# Performance trend of the Exprivia Group



## Performance trend of the Exprivia Group

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

### Banking & Finance

The Covid-19 emergency has affected and continues to strongly affect the entire market. Banks and insurance companies were called upon to quickly implement innovative and efficient solutions, in a context that was already particularly complex due to continuous regulatory changes: this allowed an acceleration towards the review of operating and organisational models and was able to give a strong impetus to the revision - in the digital sense - of communication with the end customer.

Therefore, in a very short time, operators found themselves in a position to comply with government provisions on the one hand, and ensure operational continuity on the other, all without neglecting the development of innovative products. All this has resulted in multiple initiatives, including mainly:

- the structural use of remote work;
- the strengthening of the digital customer service logic;
- the activities for the adjustment of the operational processes;
- the implementation of rationalisation and efficiency programmes;
- the paths of modernization of information systems, introducing innovation through the adoption of new technologies.

Compared to a year ago, recent studies show that in ICT spending the main priorities concerned digital onboarding, the enhancement of mobile banking and data governance initiatives as well as the optimization of back offices, all topics on which we have been actively engaged for some time. On the research and innovation side, the most significant trends concern the evolution towards the cloud (thanks also to more precise guidelines that have been recently issued), AI and cyber risk mitigation, also in this case three issues on which we are particularly active both with the Credit, Risk Management & Factoring Solution offering segment, and with our offer in the Analytics, Customer Experience, Cyber Security and Insurance Solution areas.

Finally, it should be noted that the entire market is constantly in turmoil, also favoured by the general context, due to M&A issues: this could lead to further projects and, in any case, partly change the current balance. In this first part of 2021, we were particularly affected by this dynamic with regard to our Finance operations.

In conclusion, the performance of the first quarter of 2021 was overall in line with the first quarter of 2020, though conditioned by the general pandemic and arranged along two lines: maintaining the existing collaborations in support of the operational needs being addressed month after month, and developing new projects with customers, being aware of the needs that must be managed and the opportunities that can be seized consequently to the balance that will be restored once the pandemic is definitively under control.

### Telco & Media

In Italy, too, the drive towards technological evolution in the direction of Digital Transformation is consolidating with investments aimed at implementing solutions such as Cloud Computing, Mobility, Big data and Analytics.

As part of Telecommunications services, broadband and ultra-wideband data services have become an essential component in the business digitalisation process. This development is set to continue with the extension of the country's coverage with ultra-broadband networks and 5G trials.

In this scenario, with regard to Italian customers, there was a significant drop in turnover in 2019 compared to the previous year, essentially due to the slowdown of some projects, while 2020 saw a substantial recovery. The first quarter of 2021 started well, with significant tenders and new important projects that are about to start.

In addition to the consolidation in traditional areas (IP networks, VoIP networks, System Integration IT), the first quarter of 2021 sees many innovative projects, such as:

- Development of Cloud adoption projects with IaaS / PaaS infrastructures and development of cloud migration projects through the refactor of cloud native applications by operators
- Development of automation projects for the simplification and automation of business processes through the application of Business Process Management and Robotic Process Automation paradigms.

## Energy & Utilities

The slowdown in the growth of the Italian economy, in an international context marked by geopolitical tensions and the slowdown in world trade, also due to the trade war between China and the USA, was further stressed by the Covid-19 pandemic that has been sweeping the country for the past year.

In a context of declining energy demand, the most innovative dynamics of the national energy system are shown in the sectors of renewable sources, energy efficiency and the use of gas infrastructures, in line with the commitments undertaken by our country also in the National Integrated Energy and Climate Plan (PNIEC) sent to the European Commission on 31 December 2019.

The companies in the Energy & Utilities sector are committed to a profound transformation, positioning themselves as a key accelerator at the centre of the ongoing energy transition.

In the next five years, new technologies and digitalisation will therefore become increasingly important, gradually assuming an even more central role, because these elements are now essential to enable the energy transition for the benefit of the entire system.

There will also be a number of thematic in-depth studies on the resilience of the system, on the acquisition of information and on its security, on the use of 5G, on the implementation of IOT projects, on Intelligent automation, consisting of workflow management functions, robotic process management and artificial intelligence, that will play a key role in the process of application modernisation increasingly at the centre of the objectives of Energy & Utilities companies. Finally, mobility: electric mobility now seems to have entered the European energy scenarios, both in terms of the effects on demand and the effects on power commitment.

Geographic coverage becomes an increasingly important element in dealing with ever larger operators. Therefore, it will be necessary to strengthen the partnerships with System Integrators that provide such coverage with Vendors and Companies with hyper-specialised skills that represent a fundamental added value in the positioning logic of a System Integrator.

The main actions for the development of the business concern the following areas:

- Strengthening of the electric mobility area;
- Strengthening of the IoT;
- Strengthening of the Intelligent Automation area;

- Infrastructural adjustments on large customers;
- Migration from on-premise business models to PaaS;
- E-Mobility – based on different business methods (virtual operator, mobile top-up, etc.);
- Smart Grid, UVAM, Demand Response - operating as BSP within the dispatching market;
- Energy communities – operating as energy manager in B2B mode;
- Decarbonisation and hydrogen.

The forecasts for the first half of 2021 see a consolidation of growth, moderate but steady compared to the last two years, with a positive gross revenue balance.

The pipeline of commercial opportunities is large and varied, a sign that the activities carried out during the year were correctly addressed.

All the best prospects are thus present to drive a 2021 marked by consolidation and growth.

## Aerospace & Defence

A general slowdown in the procurement plans of the various space agencies was observed throughout 2020 due to the effects of the pandemic; however, the Aerospace market presented a significant number of commercial opportunities. The level of competition among the various players in the sector and the consequent need for Exprivia to establish strategic partnerships on a case-by-case basis depending on the various business opportunities, remain high.

In 2020, the European Space Agency (ESA) continued with qualification tenders and the awarding of the first service contracts in line with its new procurement strategy for the operations of the Copernicus Space Component system (reduction of operating costs, shifting investments related to the development and maintenance of software and HW infrastructures to cloud-based service models and architectures).

The qualification obtained by Exprivia in 2019 for the Long-term Archive service for Copernicus, allowed us to participate and obtain the assignment of a lot of the first tender of 2020 for this service (long-term archive of all Level 0 products of Sentinel 1, 2 and 3 missions). The service, fully managed by Exprivia, has been in operation since mid-November 2020 and will continue until the end of 2021, with the possibility of subsequent extensions.

Also in 2020, Exprivia qualified for the Production service for Copernicus, having obtained the qualification both on its own and in three other business consortia, which will allow us to participate in the tenders reserved for qualified consortia that will be held in 2021.

The above scenario obviously represents a strong focus, which is why our SW solutions are also ready in the cloud environment and, at the same time, we have developed and are developing cloud-native solutions to make the most of the intrinsic capabilities of these environments.

As regards EUMETSAT, since the beginning of 2020, the negotiations of important open competition tenders were successfully concluded, demonstrating the credibility of Exprivia also as a service provider, with services being provided in 2021. The services concern the integration, validation and maintenance of the systems operated by EUMETSAT.

At the national level, it is worth noting the success of the recovery action to include Exprivia within the consortium of Italian companies led by SITAEL for the realisation of the national Platino mission. Exprivia was therefore awarded the contract for the development of the User and Data System (UDS).

As regards direct negotiation opportunities, numerous service contracts were extended for the maintenance of SW solutions developed in the past by Exprivia and currently in operation with our customers.

## Manufacturing & Distribution

In the Manufacturing and Distribution market, the deterioration in performance following the onset of the Covid-19 pandemic was substantial. The industrial production index recorded significant decreases with peaks in the production of durable consumer goods and capital goods, with consequent impacts in some sectors such as Automotive (and its associated industries) and Fashion Retail.

Due to the freezing of production activities and exports, with a strong impact on turnover, industrial companies took action on costs, with spending cuts in all areas, including digital investments.

At the same time, the pandemic has made many companies understand the strategic importance of digitalisation and the recovery of investments and to implement a strategy to redesign the business model as well as introduce new forms of flexible automation of processes.

These dynamics are accelerated and enabled by advanced technological environments, based on digital platforms and on Cloud, Advanced Analytics and IoT paradigms, in which industrial companies are increasingly investing, while maintaining the utmost attention to the correct valuation of the return of the investment.

Software vendor strategies have now converged towards a "hybrid" offer, which requires a review of business ICT architectures, and cloud solutions which simplify implementation processes and, as a result, the correlated services.

The commercial positioning of the first quarter of 2021 projects the consolidation of the main large customers and interesting prospects in relation to the acquisition of new customers to be supported in their transformation projects in ERP, SCM, Customer Experience and Analytics, increasingly integrated with field systems and IOT and Network and Security Infrastructure.

## Transportation

The railway market continues to benefit from large investments. The flagship company, Gruppo Ferrovie dello Stato Italiane, dominates the sector and incorporates RFI, the company responsible for the overall management of the national rail network.

The Ferrovie dello Stato group, which is undergoing organisational changes, is expected to issue tenders that will characterise investments for the next five years in areas of technological innovation.

The market is dominated by large Groups with aggregation dynamics (Big to Big - Big to Medium/Small) in constant development, especially linked to aspects of merger/transformation of operators in the sector.

The Company's positioning on the railway market sees consolidation in the areas of video communication, IT services and ICT SAP.

In the airport market, a trend of investments is expected in the next few years in the areas of technological innovation related to both Business and Operations.



The Company is currently active with application development services in the airport sector and system integration services for several products. In a proactive manner, we are working especially in the Security area to propose new solutions.

We are expanding our partnerships with strategic players, active in the airport market, for the proposition/participation in airport tenders.

The road transport market, regulated by tenders, is characterised by a constant internal need for greater efficiency of processes and infrastructure security, which impacts on the ICT, IoT and network infrastructure investments.

The Company is present through framework agreements for the provision of professional services and SW development of applications in the ICT area. We are working to increase demand for these services, in order to maximise the use of current framework agreements.

The ongoing activities are aimed at increasing customer loyalty, increasing turnover and expanding relationships on sectors not covered until now, such as infrastructures, IoT, Data Centre and IT security.

## Healthcare

The Covid-19 emergency had a huge impact on the Digital Healthcare market throughout 2020; all health facilities were called upon to provide effective solutions in a very short time and to make certain and reliable data available to the country system that would allow public decision-makers to take actions to contain the pandemic.

In this state of emergency, all activities in the Digital Healthcare sector focused on providing operators with useful solutions that would effectively meet the requirements emerged from the pandemic, among these certainly those addressed to communication services on virtual channels, planning and booking, first with the testing swabs and then with the vaccination campaign, remote patient management services, telehealth, remote assistance, etc.

With the emergency, the delays that the back-end systems have accumulated, in particular, over the past decades, became evident; the excessive fragmentation of systems and applications has made it impossible, at times, to provide timely responses to the needs that were arising, and an overall rethink of the entire Local Health Service has become urgent. These issues will have to be addressed through the deployment of the initiatives foreseen in the NRRP (National Recovery and Resilience Plan).

A number of important projects launched in previous years in the wake of a trend towards the concentration of demand at regional level were successful, providing the opportunity to launch a series of digital transformation projects to transfer centrally several processes that would otherwise be fragmented across the various bodies of the regional healthcare system. In recent years, in this context, the Exprivia Group has succeeded in expanding its market share and order portfolio, which has allowed the Group to support a number of regional entities in the management of the COVID emergency.

The emergency has strengthened the trend towards the spread of new technological paradigms and new architectures that increasingly integrate products into complex platforms, the only ones able to consistently respond to emergencies. The positioning of the Exprivia Group in this scenario evolves from IT solution provider and system integrator to full player and service integrator, extending it to the areas of physical, cloud and security infrastructures.

In this market context, Exprivia has continued to confirm significant growth in the first quarter of 2021 compared to the same period of 2020, both in volumes and in margins.

## Public Sector

The Covid-19 pandemic had a strong impact on the Public Administration; the activation of remote working in emergency situations, in reality still with an inadequate level of digitalisation, led on the one hand to a slowdown in a number of project initiatives and on the other hand to accelerate office automation projects necessary to accompany an orderly remote management of the administrative machine.

In this situation, all the weaknesses of the inadequate digitalisation of the PA have emerged; the fragmentation of back-end systems, the permanence of solutions in silos has often represented an insurmountable obstacle to the provision of fundamental services during a pandemic, highlighting the lack of adequate consistency of IT systems.

In order to activate incisive actions in the Digitalisation of the PA, the NRRP focuses many of its actions and resources on this issue. The main points that will guide the digital transition strategy are:

- modernisation of infrastructures throughout the country;
- exploitation of cloud computing;
- use of public administration data;
- advancements in cybersecurity;
- greater centrality of people and their skills.

Some of the main measures contained in the NRRP are:

- investments for ultra-broadband;
- plan for the digitalisation of the PA;
- data interoperability and the digitalisation of applications for the citizens;
- strengthening of the cybersecurity system;
- digital citizenship.

Thanks to its expertise, Exprivia is able to develop projects of high complexity and size, with significant competitive value and market penetration and, therefore, will be one of the main players for the digitalisation of the country system; the territorial distribution of skills also ensures a level of flexibility that allows quick adjustments to the sudden evolution of the purchasing model depending on the particularly variable regulatory framework.

The results of the first quarter of 2021 showed an improvement in revenues and margins compared to the first quarter of 2020.

The volume of new opportunities opened demonstrates a commercial action aimed at acquiring new customers/market areas and, in parallel, a continuous monitoring of existing customers with the aim of maintaining and increasing the volume of System Integration and System and Application Management services.

## International business

The political, macroeconomic and financial issues, particularly felt in Latin America, continue to represent a brake on the development of the global ICT market and a slowdown factor for investments, especially in some countries. These elements result in strong volume and price pressure in the Service Provider market and a stagnant revenue trend. The "corporate" market however maintains its dynamism, primarily spurred by new technological drivers and new types of digital transformation solutions, although there has not actually been an appreciable rise everywhere in volumes yet.

The positioning on a primary customer in the energy market has become structural in all the countries where the customer operates (in particular Spain and Latin America) through participation in tenders (local and regional), for which the first awards were issued.

**Spain:** Spain is one of the European countries with the most severe economic impact from the pandemic, due to its significant dependence on tourism and hotel sectors. During the second and third quarter of 2020, there was a substantial stagnation of new orders with a consequent significant impact on the revenues for the year. All new ERP projects were stopped and then restarted at the end of the fourth quarter and at the beginning of 2021. The positive growth of the Retail market and the Public Administration market continued.

**Brazil:** although Brazil did not suffer from such a marked decrease in the GDP (and therefore in investments) as in the rest of the world, towards the end of last year the main customer in the Telco area, for some extraordinary corporate transactions, slowed down the purchase of products and services by the local branch, postponing these investments to the first quarter of 2021.

**Mexico and Guatemala:** the critical elements of the positioning in Mexico persist and the commercial activity aimed at expanding through the positioning of its expertise in the CRM and Business Intelligence area continues. During 2021, the possibility of repositioning this branch as a service hub for the other countries is being considered.

**China:** China was the first to suffer from the impact of the pandemic, of the restrictions and of the drop in GDP, but was able to concentrate the effects only in the second quarter and the beginning of the third. In the fourth quarter of last year, investments resumed vigorously, leading to a relaunch of sales, especially in the ERP and infrastructural services area. From the results of the first quarter, the positive trend is expected to continue in the rest of 2021.

## Risks and Uncertainties

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

With regard to the risk associated with the pandemic, please refer to the 2020 Annual Report available on the website [www.exprivia.it](http://www.exprivia.it) in the Corporate - Investor Relations - Consult Financial Statements section.

## Risk of negative outcome of the Italtel composition and related impacts on Exprivia S.p.A.

With regard to the risk of a negative outcome of the Italtel composition and the related impacts on Exprivia S.p.A., please refer to the 2020 Annual Report available on the website [www.exprivia.it](http://www.exprivia.it) in the Corporate - Investor Relations - Consult Financial Statements section.

## Significant events in the first quarter of 2021

**On 1 January 2021**, Exprivia S.p.a.'s Board of Directors informed that Italtel's Board of Directors, which met on 31 December 2020, resolved to accept the binding offer of PSC Partecipazioni S.p.A. in support of a proposal for a composition with creditors.

**On 17 March 2021**, Exprivia S.p.a.'s Board of Directors announced that, on 11 March 2021, the Court of Milan admitted Italtel S.p.A. to the application for composition with creditors pursuant to articles 160 et seq. and 186-bis of Royal Decree 267/1942.

**On 17 March 2021**, the final hearing was held in the criminal trial against the former subsidiary Exprivia Healthcare IT Srl (merged by incorporation into Exprivia in 2017) and its former legal representative for the administrative liability of the Entities. The trial related to the termination of the contract with the Motor Vehicle Department of the Province of Trento was concluded with the acquittal of all parties, in particular, with the acquittal, requested by the Public Prosecutor itself, of the Legal Representative for not having committed the fact and with a judgement of exclusion from administrative liability pursuant to Legislative Decree 231/01 towards the discontinued company Exprivia Healthcare IT s.r.l.

## Transactions within the Exprivia Group

There are no transactions to report.

## Events after 31 March 2021

**On 30 April 2021**, the Board of Directors of Exprivia approved the annual reports at 31 December 2019 and 31 December 2020 and certified the loss of control of Italtel pursuant to IFRS 10 as a result of the resolution of the Board of Directors of Italtel S.p.A., which chose, as the best offer in support of a proposed composition, the offer of a third party, making Exprivia no longer exposed to the variable returns deriving from Italtel.

## Loss of control of Italtel by Exprivia pursuant to IFRS 10

With regard to the loss of control of Italtel by Exprivia pursuant to IFRS 10, please refer to the 2020 Annual Report available on the website [www.exprivia.it](http://www.exprivia.it) in the Corporate - Investor Relations - Consult Financial Statements section.

## Corporate Events

There were no significant events worth noting.



## Acquisitions/Sales in the Exprivia Group

There were no significant events worth noting.

## Business Outlook

Despite the persisting pandemic emergency, the first quarter of 2021 shows an increase in revenues compared to the same period of the previous year and a marked increase in margins. This result confirms that the rationale on which the Group's business is based are solid, to the benefit of creating value for all our stakeholders.

Despite the progress made in managing the important pandemic, in terms of both vaccination campaigns and the easing of restrictions, 2021 continues to be characterised by the circulation of the Covid-19 virus, which has led many companies, including Exprivia, to review their own operating model. Exprivia reacted with extreme promptness and was able to organise remote working for almost all of its workforce within a few weeks, thus making it possible to continue to provide services for its customers and to protect its employees. The sector in which Exprivia operates is certainly one in which the weight of this pandemic, at least in the short term, is felt less. In this regard, Exprivia has appointed a task force of managers for handling the emergency phases and has conducted an in-depth check on the impacts that the current spread of the virus and the relative repercussions are having on its activities, both starting from the observation of internal sources and comparing them with the forecasts of external sources. The result is that the impact, as far as can be foreseen at present, will not have significant repercussions on Exprivia and even less on its business continuity, which is therefore preserved.

Therefore, the approach that Exprivia has defined since the beginning of the pandemic continues also in 2021. It is based on a flexible organisational model and on processes structured to operate on a multi-local basis, the execution of the activities on the various projects, at present, continues in line with the planning shared with the clients as well as the commercial activities in the different geographical areas in which the Group has identified target projects to be pursued. Moreover, the ability to generate cash is solid and the Company is actively involved in the daily monitoring of the evolution of the virus, for a proactive management of its impact.

It therefore continues, with the same determination as always, to pursue its objectives aimed at building a company that is increasingly solid and capable of responding to the challenges and opportunities of the immediate future, both in terms of the potential that our sector will be able to find in this crisis, and in terms of a renewed operating model that will be based on an even greater use of remote working than in previous years.

## Staff and Turnover

The table below shows the company headcount and the number of resources at 31 March 2021, compared to 31 March 2020. Specifically, the table shows the number of resources, of which 20.36% are part-time (with various arrangements of contractual working hours):

| Company   | Employees   |             |             | Average employee |             |             | Temporary workers |            |            | Average temporary workers |            |            |
|---|-------------|-------------|-------------|------------------|-------------|-------------|-------------------|------------|------------|---------------------------|------------|------------|
|   | 31/03/2020  | 31/12/2020  | 31/03/2021  | 31/03/2020       | 31/12/2020  | 31/03/2021  | 31/03/2020        | 31/12/2020 | 31/06/2021 | 31/03/2020                | 31/12/2020 | 31/03/2021 |
| Expri <sup>via</sup> SpA                                    | 1803        | 1812        | 1817        | 1802             | 1796        | 1821        | 1                 | 3          | 4          | 1                         | 2          | 4          |
| Expri <sup>via</sup> Projects Srl                           | 630         | 628         | 403         | 624              | 628         | 534         | -                 | -          | -          | -                         | -          | -          |
| Advanced Computer Systems Srl Germany                       | 6           | 7           | 8           | 5                | 7           | 7           | -                 | -          | -          | -                         | -          | -          |
| Expri <sup>via</sup> It Solutions Shanghai                  | 11          | 14          | 14          | 11               | 14          | 14          | 3                 | 1          | 1          | 3                         | 2          | 2          |
| Expri <sup>via</sup> SLU (Spagna)                           | 35          | 33          | 32          | 38               | 34          | 33          | 3                 | 4          | 6          | 2                         | 2          | 5          |
| Prosap SA de CV/Prosap Centramerica SA                      | 15          | 11          | 11          | 15               | 15          | 14          | -                 | 1          | 1          | -                         | -          | -          |
| Expri <sup>via</sup> do Brasil Servicos de Informatica Ltda | 29          | 27          | 26          | 29               | 26          | 27          | 1                 | 1          | 1          | 1                         | 1          | 1          |
| Spegea Scarl  | 7           | 5           | 5           | 7                | 6           | 5           | -                 | -          | -          | -                         | -          | -          |
| HR Coffee   | 6           | 6           | 6           | 6                | 6           | 6           | -                 | -          | -          | -                         | -          | -          |
| <b>Total</b>  | <b>2542</b> | <b>2543</b> | <b>2322</b> | <b>2537</b>      | <b>2531</b> | <b>2461</b> | <b>8</b>          | <b>9</b>   | <b>13</b>  | <b>7</b>                  | <b>7</b>   | <b>12</b>  |
| <i>of which Management</i>                                  | 47          | 44          | 40          | 47               | 46          | 41          |                   |            |            |                           |            |            |
| <i>of which Middle Management</i>                           | 207         | 208         | 227         | 206              | 206         | 225         |                   |            |            |                           |            |            |

The number of resources, employees and collaborators at 31 March 2021 was equal to 2,322 employees (2,542 at 31 March 2020), a decrease of 220 employees.

The average number of resources, employees and collaborators at 31 March 2021 was equal to 2,473 employees (2,544 at 31 March 2020), a decrease of 71 employees.

## Inter-Company Relations

The organisational structure of the Exprivia Group functionally integrates all staff services of the Group companies within the scope of consolidation, thereby optimising the operational structures of each company to ensure effectiveness and efficiency in support of the "Group" business.

The Administration and Control Department centrally manages all "Group" companies.

The Finance Department handles financial activities at "Group" level.

The Human Resource Department reports directly to the Chairman of the Exprivia Group, who is the head of the department ad interim.

The Internal Audit, Merger & Acquisition, Corporate Affairs and International Business Departments also report to the Chairman.

The "Group" companies constantly collaborate with each other for commercial, technological and application development. In particular, the following should be noted:

- widespread use of specific corporate marketing and communication competencies within the Group including the production of paper, digital and web-based promotional material;
- centralised management for the supply of specialist technical resources between Group companies to manage critical points in turnover and to give all operational units access to highly specialised technical competencies;
- coordinated participation by Exprivia in public contract tenders, with the contribution of all companies according to their specific competencies.

The majority of the Italian "Group" companies adhere to tax consolidation based on a specific regulation and a cash pooling relationship is in place between them.

## Relations with Related Parties

In compliance with applicable legislative and regulatory provisions, and in particular with: (i) the "Regulation on transactions with affiliated parties - CONSOB resolution no. 17221 of 12 March 2010" as amended by resolution no. 17389 of 23 June 2010; (ii) the outcome of the subsequent "consultation" published by CONSOB on 24 September 2010; (iii) the CONSOB notice on guidelines for applying the regulation published on 24 September 2010; (iv) CONSOB notice no. 10094530 of 15 November 2010 with additional clarifications, on 4 December 2017 the Company's Board of Directors adopted a new "Procedure for Transactions with Related Parties" (the "Procedure"), setting forth provisions concerning transactions with related parties in order to ensure the transparency and substantive and procedural correctness of operations with related parties carried out directly or through companies that are directly and/or indirectly controlled by Exprivia ("Exprivia Group").

This new procedure, which replaced the one previously in force and introduced on 27 November 2010, is available on the company's website in the section "Corporate > Corporate Governance > Corporate Information".

The transactions with related parties carried out in the first quarter of 2021 fall within the scope of normal business operations and were carried out on an arm's length basis. No atypical or unusual transactions were carried out with related parties.

# Report on management and coordination activities

In accordance with art. 2497 et seq. of the Italian Civil Code, governing transparency in the exercise of company management and coordination, it is recognised that this is exercised by the holding company Abaco Innovazione SpA, with head offices in Viale Adriano Olivetti 11, Molfetta (Bari, Italy), tax code and VAT no. 05434040720.

In exercising management and coordination activities:

- Abaco Innovazione SpA has not caused any damage to the interests and assets of the Exprivia Group;
- full transparency of inter-company relations was ensured, in order to allow anyone who may be interested to verify whether this principle is being observed;
- transactions with Abaco Innovazione SpA were carried out on an arm's length basis, i.e., under conditions that would have been applied by independent parties.

Relations with Abaco Innovazione SpA of an economic, equity and financial nature are set forth in the following section of this Directors' Report "Group Relations with the Parent Company".

In accordance with art. 2.6.2 paragraph 8 of the Regulation of the Markets Organised and Managed by Borsa Italiana SpA, the Directors declare that, at 31 March 2021, the Company does not meet the conditions provided under art. 16 paragraph 1 of CONSOB regulation no. 16191/2007.

## Group Relations with the Parent Company

The financial and equity relations between the Exprivia Group and the holding company Abaco Innovazione SpA at 31 March 2021 compared with 31 December 2020 for balance sheet data and at 31 March 2021 compared with 31 March 2020 for income statement data are shown below.

### Receivables

#### Non-current Financial Assets

Amounts in thousands of Euro

| Description  | 31/03/2021 | 31/12/2020 | Variation |
|--|------------|------------|-----------|
| Non-current financial receivables from controlling companies | 919        | 919        | 0         |
| <b>TOTAL</b>   | <b>919</b> | <b>919</b> | <b>0</b>  |

The balance at 31 March 2021 included Euro 919 thousand relating to the receivable for an unsecured loan with no guarantees taken out in 2016 by the holding company Abaco Innovazione SpA, with Euro 1,680 thousand disbursed in cash and Euro 1,305 thousand as a reclassification of payables outstanding at 31 December 2015.

#### Current Financial Assets

Amounts in thousands of Euro

| Description  | 31/03/2021 | 31/12/2020 | Variation |
|--|------------|------------|-----------|
| Current financial receivables from controlling companies | 475        | 463        | 12        |
| <b>TOTAL</b>   | <b>475</b> | <b>463</b> | <b>12</b> |

The balance at 31 March 2021 of Euro 475 thousand is in relation to the current portion of the aforementioned loan, inclusive of interest income of Euro 37 thousand.

### Trade Receivables

Amounts in thousands of Euro

| Description                                  | 31/03/2021 | 31/12/2020 | Variation |
|--|------------|------------|-----------|
| Trade receivables from controlling companies | 33         | 33         | 0         |
| <b>TOTAL</b>                                 | <b>33</b>  | <b>33</b>  | <b>0</b>  |

The balance at 31 March 2021 amounted to Euro 33 thousand, unchanged from 31 December 2020, and refers to receivables for administrative and logistics services.

## Financial Income and Charges

Amounts in thousands of Euro

| Description  | 31/03/2021 | 31/03/2020 | Variation |
|--|------------|------------|-----------|
| Financial costs and expenses from the parent company | 99         | 95         | 4         |
| <b>TOTAL</b>   | <b>99</b>  | <b>95</b>  | <b>4</b>  |

The balance of Euro 99 thousand at 31 March 2021 refers to costs for the guarantee given by the parent company to obtain the Euro 25 million loan disbursed to Exprivia Spa by a pool of banks in April 2016.

## Revenues and Income

Amounts in thousands of Euro

| Description                          | 31/03/2021 | 31/03/2020 | Variation  |
|--------------------------------------|------------|------------|------------|
| Financial income from parent company | 9          | 13         | (4)        |
| <b>TOTAL</b>                         | <b>9</b>   | <b>13</b>  | <b>(4)</b> |

The balance at 31 March 2021 refers primarily to interest accrued from Abaco Innovazione SpA on a loan disbursed by Exprivia.



# Quarterly Consolidated Financial Statements of the Exprivia Group at 31 March 2021

# Consolidated Financial Statements at 31 March 2021

## Consolidated Balance Sheet

| Amount in thousand Euro                                  |      |                |                |
|--|------|----------------|----------------|
|  | Note | 31.03.2021     | 31.12.2020     |
| Property, plant and machinery                            |      | 18,648         | 19,029         |
| Goodwill and other assets with an indefinite useful life |      | 69,071         | 69,071         |
| Other Intangible Assets                                  |      | 10,065         | 10,220         |
| Shareholdings  |      | 851            | 554            |
| Other non-current financial assets                       |      | 1,239          | 1,250          |
| Other non-current assets                                 |      | 493            | 468            |
| Deferred tax assets                                      |      | 2,542          | 2,219          |
| <b>NON-CURRENT ASSETS</b>                                |      | <b>102,909</b> | <b>102,811</b> |
| Trade receivables  |      | 49,802         | 50,319         |
| Stock  |      | 1,213          | 1,064          |
| Work in progress to order                                |      | 23,461         | 23,437         |
| Other Current Assets                                     |      | 10,991         | 10,207         |
| Other Financial Assets                                   |      | 775            | 728            |
| Cash and cash equivalents available                      |      | 14,702         | 27,867         |
| Other Financial Assets available for sale                |      | 205            | 205            |
| <b>CURRENT ASSETS</b>                                    |      | <b>101,149</b> | <b>113,827</b> |
| <b>DISCONTINUED NON CURRENT ASSETS</b>                   |      |                |                |
| <b>TOTAL ASSETS</b>                                      |      | <b>204,058</b> | <b>216,638</b> |



| Amount in thousand Euro                        |      |                |                |
|--|------|----------------|----------------|
|  | Note | 31.03.2021     | 31.12.2020     |
| Share capital                                  | 1    | 24,616         | 24,616         |
| Share Premium Reserve                          | 1    | 18,082         | 18,082         |
| Revaluation reserve                            | 1    | 2,907          | 2,907          |
| Legal reserve                                  | 1    | 4,171          | 4,171          |
| Other reserves                                 | 1    | 14,062         | 14,133         |
| Profits (Losses) for the previous period       | 1    | (242)          | (165,774)      |
| Profit (Loss) for the period                   |      | 1,647          | 165,531        |
| <b>SHAREHOLDERS' EQUITY</b>                    |      | <b>65,242</b>  | <b>63,666</b>  |
| Minority interest                              |      | (19)           | 29             |
| <b>GROUP SHAREHOLDERS' EQUITY</b>              |      | <b>65,261</b>  | <b>63,637</b>  |
| Non-current bond                               |      | 13,673         | 13,673         |
| Non-current bank debt                          |      | 26,174         | 26,103         |
| Other financial liabilities                    |      | 4,042          | 4,085          |
| Other no current liabilities                   |      | 827            | 934            |
| Provision for risks and charges                |      | 840            | 410            |
| Employee provisions                            |      | 8,660          | 8,729          |
| Deferred tax liabilities                       |      | 1,492          | 1,467          |
| <b>NON CURRENT LIABILITIES</b>                 |      | <b>55,708</b>  | <b>55,401</b>  |
| Current bond                                   |      | 4,777          | 4,536          |
| Current bank debt                              |      | 8,485          | 21,274         |
| Trade payables                                 |      | 25,762         | 25,497         |
| Advances payment on work in progress contracts |      | 4,581          | 6,432          |
| Other financial liabilities                    |      | 3,565          | 3,989          |
| Other current liabilities                      |      | 35,939         | 35,841         |
| Liabilities including aggregates               |      |                |                |
| <b>CURRENT LIABILITIES</b>                     |      | <b>83,109</b>  | <b>97,569</b>  |
| <b>DISCONTINUED NON CURRENT LIABILITIES</b>    |      |                |                |
| <b>TOTAL LIABILITIES</b>                       |      | <b>204,058</b> | <b>216,638</b> |

## Consolidated Income Statement

| Amount in thousand Euro  |           |               |                 |
|--|-----------|---------------|-----------------|
|  | Note      | 31.03.2021    | 31.03.2020 (*)  |
| Revenues   | 2         | 39,670        | 37,443          |
| Other income   | 3         | 1,198         | 1,318           |
| <b>PRODUCTION REVENUES</b>   |           | <b>40,868</b> | <b>38,761</b>   |
| Costs of raw, subsid. & consumable mat. and goods                          | 4         | 938           | 693             |
| Salaries   | 5         | 27,046        | 26,846          |
| Costs for services   | 6         | 7,465         | 7,905           |
| Costs for leased assets  | 7         | 108           | 232             |
| Sundry operating expenses  | 8         | 184           | 150             |
| Change in inventories of raw materials and finished products               | 9         | (158)         | (329)           |
| Provisions   | 10        | 556           | 25              |
| <b>TOTAL PRODUCTION COSTS</b>  |           | <b>36,139</b> | <b>35,522</b>   |
| <b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES</b>                    |           | <b>4,729</b>  | <b>3,239</b>    |
| Amortisation, depreciation and write-downs                                 | 11        | 1,641         | 1,486           |
| <b>OPERATIVE RESULT</b>  |           | <b>3,088</b>  | <b>1,753</b>    |
| Financial income and (charges) and other investments                       | 12        | (749)         | (797)           |
| <b>PROFIT (LOSS) BEFORE TAXES</b>  |           | <b>2,339</b>  | <b>956</b>      |
| Income tax   | 13        | 692           | 477             |
| <b>PROFIT OR LOSS FOR THE PERIOD DERIVING FROM ACTIVITIES IN OPERATION</b> |           | <b>1,647</b>  | <b>479</b>      |
| <b>PROFIT (LOSS) FOR THE PERIOD DERIVING FROM DISCONTINUED ASSETS</b>      | <b>14</b> |               | <b>(11,083)</b> |
| <b>PROFIT OR LOSS FOR THE PERIOD</b>                                       | <b>15</b> | <b>1,647</b>  | <b>(10,604)</b> |
| Attributable to:   |           |               |                 |
| Shareholders of holding company  |           | 1,652         | (8,477)         |
| Minority interest  |           | (5)           | (2,127)         |
| <b>Earnings per share losses</b>   | <b>16</b> |               |                 |
| Basic earnings per share   |           | 0.0349        | (0.1775)        |
| Basic earnings diluted   |           | 0.0349        | (0.1775)        |
| <b>Earnings (loss) per share - Continuing Operations</b>                   |           |               |                 |
| Basic earnings per share   |           | 0.0348        | 0.0101          |
| Basic earnings diluted   |           | 0.0348        | 0.0101          |

(\*) The values of 2020 were restated in accordance with IFRS 5.

## Consolidated Statement of Comprehensive Income

Amount in thousand Euro

| Description   | Note | 31.03.2021 | 31.03.2020 |
|---|------|------------|------------|
| <b>Profit for the period</b>  | 15   | 1,647      | (10,604)   |
| <i>Other gains (losses) total will not subsequently be reclassified in profit (loss) for the period</i>               |      |            |            |
| <b>Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss) for the period</b>  |      | -          | -          |
| <i>Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period</i>              |      |            |            |
| Change in translation reserve   |      | (46)       | (1,001)    |
| <b>Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss) for the period</b> | 1    | (46)       | (1,001)    |
| <b>NET COMPREHENSIVE INCOME FOR THE PERIOD</b>  |      | 1,601      | (96)       |
| <i>attributable to:</i>   |      |            |            |
| Group   |      | 1,606      | (92)       |
| Minority interest   |      | (5)        | (4)        |

## Statement of Changes in Consolidated Shareholders' Equity

| amount in thousand Euro                                      | Company Capital | Own shares     | Share Premium Fund | Reval. Reserve | Legal Reserve | Other Reserves | Profits (Losses) brought forward | Profit (Loss) for the period | Total Net Worth  | Minority Interests | Total Group Net Worth |
|--|-----------------|----------------|--------------------|----------------|---------------|----------------|----------------------------------|------------------------------|------------------|--------------------|-----------------------|
| <b>Saldo al 31.12.2018</b>                                   | <b>26,980</b>   | <b>(1,897)</b> | <b>18,082</b>      | <b>2,907</b>   | <b>3,959</b>  | <b>42,638</b>  | <b>6,953</b>                     | <b>(852)</b>                 | <b>98,770</b>    | <b>26,508</b>      | <b>72,263</b>         |
| Adozione IFRS 16   |                 |                |                    |                |               | (1,133)        |                                  |                              | (1,133)          | (116)              | (1,017)               |
| <b>Saldo rettificato al 31/12/2018</b>                       | <b>26,980</b>   | <b>(1,897)</b> | <b>18,082</b>      | <b>2,907</b>   | <b>3,959</b>  | <b>41,505</b>  | <b>6,953</b>                     | <b>(852)</b>                 | <b>97,637</b>    | <b>26,392</b>      | <b>71,245</b>         |
| Destinazione risultato esercizio precedente                  |                 |                |                    |                | 212           | (1,064)        |                                  | 852                          | 0                | 0                  | 0                     |
| Effetti IAS 29   |                 |                |                    |                |               | 1,194          |                                  |                              | 1,194            | 227                | 967                   |
| Valore figurativo stock grant                                |                 |                |                    |                |               | (180)          |                                  |                              | (180)            | (19)               | (161)                 |
| Altri movimenti  |                 |                |                    |                |               | (8)            | 45                               |                              | 38               | (5)                | 43                    |
| Acquisto azioni proprie                                      |                 | (232)          |                    |                |               | (126)          |                                  |                              | (359)            | -                  | (359)                 |
| Vendita azioni proprie                                       |                 | 16             |                    |                |               | 17             |                                  |                              | 33               | -                  | 33                    |
| Variatione area di consolidamento, acquisizioni di minoranze |                 |                |                    |                |               | (980)          |                                  |                              | (980)            | (745)              | (235)                 |
| <b>Componenti del risultato complessivo</b>                  |                 |                |                    |                |               |                |                                  |                              |                  |                    |                       |
| Utile (perdita) dell'esercizio                               |                 |                |                    |                |               |                |                                  | (239,150)                    | (239,150)        | (66,367)           | (172,783)             |
| Effetti derivanti dall'applicazione IAS 19                   |                 |                |                    |                |               | (2,093)        |                                  |                              | (2,093)          | (382)              | (1,711)               |
| Riserva di conversione                                       |                 |                |                    |                |               | (1,064)        |                                  |                              | (1,064)          | (220)              | (844)                 |
| Utile (perdite) su attività finanziarie FVOCI                |                 |                |                    |                |               | (149)          |                                  |                              | (149)            | -                  | (149)                 |
| <b>Totale Utile (Perdita) Complessivo dell'esercizio</b>     | <b>-</b>        | <b>-</b>       | <b>-</b>           | <b>-</b>       | <b>-</b>      | <b>-</b>       | <b>-</b>                         | <b>-</b>                     | <b>(242,456)</b> | <b>(66,969)</b>    | <b>(175,487)</b>      |
| <b>Saldo al 31/12/2019</b>                                   | <b>26,980</b>   | <b>(2,114)</b> | <b>18,082</b>      | <b>2,907</b>   | <b>4,171</b>  | <b>37,054</b>  | <b>6,998</b>                     | <b>(239,150)</b>             | <b>(145,072)</b> | <b>(41,119)</b>    | <b>(103,953)</b>      |
| Destinazione risultato esercizio precedente                  |                 |                |                    |                |               |                | (239,150)                        | 239,150                      | -                | -                  | -                     |
| Effetti IAS 29   |                 |                |                    |                |               | 676            |                                  |                              | 676              |                    | 676                   |
| Altri movimenti  |                 |                |                    |                |               | (12)           |                                  |                              | (12)             | -                  | (12)                  |
| Acquisto azioni proprie                                      |                 | (250)          |                    |                |               | (45)           |                                  |                              | (295)            |                    | (295)                 |
| Variatione area di consolidamento patrimonio netto di terzi  |                 |                |                    |                |               | (25,169)       | 66,377                           |                              | 41,208           | 41,208             | -                     |
| <b>Componenti del risultato complessivo</b>                  |                 |                |                    |                |               |                |                                  |                              |                  |                    |                       |
| Utile (perdita) dell'esercizio                               |                 |                |                    |                |               |                |                                  | 165,531                      | 165,531          | (59)               | 165,590               |
| Effetti derivanti dall'applicazione IAS 19                   |                 |                |                    |                |               | (551)          |                                  |                              | (551)            | (1)                | (550)                 |
| Riserva di conversione                                       |                 |                |                    |                |               | 2,637          |                                  |                              | 2,637            | -                  | 2,637                 |
| Utile (perdita) su strumenti derivati di cash flow hedge     |                 |                |                    |                |               | (482)          |                                  |                              | (482)            | -                  | (482)                 |
| Utile (perdite) su attività finanziarie FVOCI                |                 |                |                    |                |               | 27             |                                  |                              | 27               |                    | 27                    |
| <b>Totale Utile (Perdita) Complessivo dell'esercizio</b>     | <b>-</b>        | <b>-</b>       | <b>-</b>           | <b>-</b>       | <b>-</b>      | <b>-</b>       | <b>-</b>                         | <b>-</b>                     | <b>167,162</b>   | <b>(60)</b>        | <b>167,222</b>        |
| <b>Saldo al 31/12/2020</b>                                   | <b>26,980</b>   | <b>(2,364)</b> | <b>18,082</b>      | <b>2,907</b>   | <b>4,171</b>  | <b>14,134</b>  | <b>(165,775)</b>                 | <b>165,531</b>               | <b>63,667</b>    | <b>29</b>          | <b>63,638</b>         |
| Destinazione risultato esercizio precedente                  |                 |                |                    |                |               |                | 165,531                          | (165,531)                    | -                | -                  | -                     |
| Altri movimenti  |                 |                |                    |                |               | (26)           |                                  |                              | (26)             | (40)               | 14                    |
| <b>Componenti del risultato complessivo</b>                  |                 |                |                    |                |               |                |                                  |                              |                  |                    |                       |
| Utile (perdita) del periodo                                  |                 |                |                    |                |               |                |                                  | 1,647                        | 1,647            | (5)                | 1,652                 |
| Riserva di conversione                                       |                 |                |                    |                |               | (46)           |                                  |                              | (46)             | -                  | (46)                  |
| <b>Totale Utile (Perdita) Complessivo del periodo</b>        | <b>-</b>        | <b>-</b>       | <b>-</b>           | <b>-</b>       | <b>-</b>      | <b>-</b>       | <b>-</b>                         | <b>-</b>                     | <b>1,601</b>     | <b>(5)</b>         | <b>1,606</b>          |
| <b>Saldo al 31 marzo 2021</b>                                | <b>26,980</b>   | <b>(2,364)</b> | <b>18,082</b>      | <b>2,907</b>   | <b>4,171</b>  | <b>14,062</b>  | <b>(244)</b>                     | <b>1,647</b>                 | <b>65,242</b>    | <b>(16)</b>        | <b>65,260</b>         |

## Consolidated Cash Flow Statement

| Amount in thousand Euro  |                                  |                 |                |
|--|----------------------------------|-----------------|----------------|
|  | Note                             | 31.03.2021      | 31.03.2020(*)  |
| <b>Financial statement</b>   | <b>17</b>                        |                 |                |
| Operating activities:  |                                  |                 |                |
| Profit (loss) for the period   | 15                               | 1,647 (1)       | 479            |
| Amortisation, depreciation and provisions  |                                  | 1,888           | 1,513          |
| Provision for Severance Pay Fund   |                                  | 1,284           | 1,225          |
| Advances/Payments Severance Pay  |                                  | (1,353)         | (1,301)        |
| Adjustment of value of financial assets  |                                  | -               | -              |
| <b>Cash flow generated (absorbed) from operating activities</b>  | <b>a</b>                         | <b>3,466</b>    | <b>1,916</b>   |
| <b>Cash flow generated (absorbed) by income management - Discontinued operations</b>   | <b>a1</b>                        |                 | <b>(6,837)</b> |
| <b>Increase/Decrease in net working capital:</b>   |                                  |                 |                |
| Variation in stock and payments on account   |                                  | (2,049)         | (12,605)       |
| Variation in receivables to customers  |                                  | 438             | 4,632          |
| Variation in receivables to parent/subsidiary/associated company   |                                  | (25)            | (637)          |
| Variation in other accounts receivable   |                                  | (784)           | (228)          |
| Variation in payables to suppliers   |                                  | 280             | 380            |
| Variation in payables to parent/subsidiary/associated company  |                                  | (15)            | (1,328)        |
| Variation in tax and social security liabilities   |                                  | (2,474)         | (2,730)        |
| Variation in other accounts payable  |                                  | 2,471           | 2,844          |
| <b>Cash flow generated (absorbed) from current assets and liabilities</b>  | <b>b</b>                         | <b>(2,158)</b>  | <b>(9,672)</b> |
| <b>Cash flow generated (absorbed) by current assets and liabilities - Discontinued operations</b>  | <b>b1</b>                        |                 | <b>17,732</b>  |
| <b>Cash flow generated (absorbed) from current activities</b>  | <b>a+b</b>                       | <b>1,308</b>    | <b>(7,756)</b> |
| <b>Cash flow generated (absorbed) by operating activities - Discontinued operations</b>  | <b>a1+b1</b>                     | <b>0</b>        | <b>10,895</b>  |
| Investment activities:   |                                  |                 |                |
| Purchases of tangible fixed assets net of payments for sales   |                                  | (570)           | (336)          |
| Variation in intangible assets   |                                  | (535)           | (459)          |
| Variation in financial assets  |                                  | (311)           | (30)           |
| <b>Cash flow generated (absorbed) from the investment activity</b>   | <b>c</b>                         | <b>(1,416)</b>  | <b>(825)</b>   |
| <b>Cash flow generated (absorbed) by investing activities - Discontinued operations</b>  | <b>c1</b>                        |                 | <b>(1,730)</b> |
| Financial assets and liabilities   |                                  |                 |                |
| New loans  |                                  | 408 (2)         | 281            |
| Reimbursement loan   |                                  | (2,321) (2)     | (3,469)        |
| Net variation in other financial debts   |                                  | (11,031) (2)    | 5,729          |
| Net variation in other financial receivables   |                                  | (36) (2)        | 254            |
| Changes in other non-current liabilities and use of risk provisions  |                                  | (8)             | 6              |
| (Purchase) / Sale of own shares  |                                  |                 | (247)          |
| Change in equity   |                                  | (71)            | (690)          |
| <b>Cash flow generated (absorbed) from financing activities</b>  | <b>d</b>                         | <b>(13,058)</b> | <b>1,864</b>   |
| <b>Cash flow generated (absorbed) by financing activities - Discontinued operations</b>  | <b>d1</b>                        |                 | <b>(9,376)</b> |
| <b>Increase (decrease) in cash and cash equivalent</b>   | <b>a+a1+b+b1+c+c1<br/>1+d+d1</b> | <b>(13,166)</b> | <b>(6,929)</b> |
| Cash and cash equivalent at the beginning of the period  |                                  | 27,867          | 25,996         |
| Cash and cash equivalent at end of the period  |                                  | 14,702          | 19,067         |
| (1) including taxes and interest paid in the period  |                                  | 216             | 9,503          |
| 2) The sum of the relative amounts represents the overall change in net liabilities deriving from financing activities. For the reconciliation with the balance sheet values, see the note on "Net financial position" in the note "Payables to non-current banks" |                                  | (12,980)        | 2,794          |
| (*) The values of 2020 were restated in accordance with IFRS 5.  |                                  |                 |                |

# Explanatory Notes

## Declaration of compliance with IFRS

This quarterly report, at 31 March 2021, was drafted in compliance with Art. 154-ter of Legislative Decree 58/1998 and subsequent amendments, as well as the Issuer Regulation issued by Consob. This report was prepared in observance of the international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union and was drafted according to IAS 34 - Interim Financial Reporting.

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

The abbreviated consolidated interim financial statements at 31 March 2021 were prepared in compliance with international accounting standards as well as the provisions issued in implementation of art. 9 of Italian Legislative Decree no. 38 of 28 February 2005. These standards include the set of IAS and IFRS standards issued by the International Accounting Standard Board, as well as the SIC and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which have been adopted according to the procedure referred to in art. 6 of the (EC) Regulations no. 1606 of 19 July 2002 by 31 March 2019. The international accounting standards possibly adopted after this date and before the preparation of these financial statements are used in the preparation of the consolidated financial statements only if their early adoption is allowed by the implementation Regulation and by the accounting standard to be adopted, and in case the Group has chosen this option. The abbreviated consolidated interim financial statements at 31 March 2020 does not include all the supplementary information required in the preparation of the annual financial statements and must be read in conjunction with the Group's annual financial statements at 31 December 2020.

### Interpretations and amendments that apply as of 1 January 2021:

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

| Description  | Endorsement date | Publication on G.U.C.E | Effective date provided by principle             | Effective date for Exprivia Group |
|--|------------------|------------------------|--|-----------------------------------|
| Amendments to IFRS 4 "Insurance Contracts - deferral of IFRS 9" (issued on 25 June 2020)                                     | 15 dec. '20      | 16 dec. '20            | Exercises starting on or starting from 1 Jan '21 | 1 jan '21                         |
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 e IFRS 16 "Interest Rate Benchmark Reform - Phase 2" (issued on 27 August 2020) | 13 jan. '21      | 14 jan. '21            | Exercises starting on or starting from 1 Jan '21 | 1 jan '21                         |

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

### Accounting standards and interpretations of future effectiveness

At the preparation date of these financial statements, the competent bodies of the European Union have not yet concluded the approval process needed for the adoption of the amendments and accounting standards described below.

| Description  | Effective date foreseen by the principle         |
|--|--|
| Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors, Definition of Accounting Estimates" (issued on 12.02.2021)   | Exercises starting on or starting 1 January 2023 |
| Amendments to IAS 1 "Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting Policies" (issued on 12.02.2021)  | Exercises starting on or starting 1 January 2023 |
| Amendments to IAS 1 "Presentation of Financial Statements - Classification of liabilities as current or non current" (issued on 23.01.2020)  | Exercises starting on or starting 1 January 2023 |
| Amendments IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Annual Improvements 2018-2020 (issued on 14.05.2020) | Exercises starting on or starting 1 January 2022 |
| IFRS 17 Insurance Contracts (issued 18 May 2017)   | Exercises starting on or starting 1 January 2023 |

The amendments to IAS 8 and IAS 1 issued on 12 February 2021 are intended to improve disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies.

On 23 January 2020, the IASB issued the amendments to IAS 1 "Classification of Liabilities as Current or Non Current" aimed at providing clarifications on the classification of liabilities as current and non-current which, due to the deferral defined with the amendments made on 15 July 2020 ("Classification of Liabilities as Current or Non current - Deferral of Effective Date") will enter into force on or after 1 January 2023. The amendment contains a clarification regarding the criteria for distinguishing payables and other liabilities between current and non-current.

On 14 May 2020, the IASB issued:

- the amendments to IFRS 3 "Reference to the Conceptual Framework" relating to: (1) complete the update of the references to the Conceptual Framework for Financial Reporting included in the accounting standard; (ii) provide clarification on the assumptions for the recognition, at the acquisition date, of provisions, contingent liabilities and tax liabilities assumed as part of a business combination; (iii) make explicit the fact that contingent assets cannot be recognised as part of a business combination;
- amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use" which states that the revenues deriving from the sale of goods produced by an asset before the latter is ready for its intended use are recognised in the income statement together with the related costs of production;
- amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract" in order to provide clarifications on how to determine the cost of a contract; the document "Annual Improvements to IFRS Standards 2018-2020" containing mainly technical and drafting amendments to the accounting standards.

The aforementioned amendments issued on 14 May 2020 are effective for annual periods beginning on or after 1 January 2022.

On 18 May 2017, the IASB issued IFRS 17 - Insurance Contracts, which is intended to replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that a unit provides relevant information that faithfully represents the rights and obligations deriving from the insurance contracts issued. The IASB has developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies, providing a single principle-based framework to take into account all types of insurance contracts, including the reinsurance contracts that an insurer holds. On 25 June 2020, the IASB issued the amendments to IFRS 17 "Amendments to IFRS 17" and to IFRS 4 "Extension of Temporary Exemption from Applying IFRS 9" relating to insurance activities, envisaging, inter alia, the deferral of two years of the entry into force of IFRS 17. Therefore, the provisions of IFRS 17, which exceed those currently envisaged by IFRS 4 "Insurance

contracts", are effective for financial years beginning on or after 1 January 2023. The Directors do not expect the adoption of this standard to have a significant impact on the financial statements.

The standards and interpretations detailed above are not expected to have any material impact on the valuation of the Group's assets, liabilities, costs and revenues upon adoption.

## Scope of Consolidation

The consolidated financial statements at 31 March 2021 include the capital, economic and financial situations of the Parent Company Exprivia SpA and subsidiaries. As already indicated in the paragraph "Events after 31 March 2021", the Italtel Group was deconsolidated at the date of loss of control and classified as discontinued operations pursuant to IFRS 5.

The table below shows the companies under consolidation; the investments shown below are all controlled directly by the Parent Company Exprivia SpA apart from the indirect subsidiaries ProSap Perù Sac, Sucursal Ecuador de Exprivia SLU, ProSAP Centroamerica SA and Exprivia IT Solution Shanghai.

| Company   | Reference market       |
|---|------------------------|
| Advanced Computer Systems D - Gmbh              | Defence & Aerospace    |
| Consorzio Exprivia S.c.ar.l.                    | Other                  |
| Exprivia Asia Ltd                               | International Business |
| Exprivia IT Solutions (Shanghai) Co Ltd         | International Business |
| Exprivia Projects Srl                           | Utilities              |
| Exprivia do Brasil Serviços de Informatica Ltda | International Business |
| Exprivia SLU                                    | International Business |
| HR COFFEE Srl                                   | Other                  |
| Exprivia Messico SA de CV                       | International Business |
| ProSAP Perù SAC                                 | International Business |
| ProSAP Centroamerica S.A (Guatemala)            | International Business |
| Sucursal Ecuador de Exprivia SLU                | International Business |
| Spegea Scarl                                    | Other                  |

The main data at 31 March 2021 for the aforementioned subsidiaries, consolidated using the line-by-line method, are provided below:



| Company   | H.O.                            | Value             | Company capital | Value                      | Results for period | Net worth | Total revenues | Total Assets | % of holding              |  |
|---|---------------------------------|-------------------|-----------------|----------------------------|--------------------|-----------|----------------|--------------|---------------------------|--|
| Advanced Computer Systems D-GmbH                  | Offenbach (Germania)            | Euro              | 25,000          | valori in migliaia di Euro | (0)                | 71        | 216            | 265          | 100.00%                   | Expri <sup>via</sup> SpA   |
| Consorzio Expri <sup>via</sup> S.c.a.r.l          | Milano                          | Euro              | 20,000          | valori in migliaia di Euro | (1)                | 22        | -              | 4,374        | 70.00%<br>25.00%<br>5.00% | Expri <sup>via</sup> SpA<br>Italtel SpA<br>Expri <sup>via</sup> Projects Srl |
| Expri <sup>via</sup> ASIA Ltd                     | Hong Kong                       | Dollaro Hong Kong | 2,937,850       | valori in migliaia di Euro | 32                 | (120)     | -              | 803          | 100.00%                   | Expri <sup>via</sup> SpA   |
| Expri <sup>via</sup> It Solutions (Shanghai ) Ltd | Shanghai (Cina)                 | Renminbi          | 3,719,450       | valori in migliaia di Euro | 23                 | (108)     | 241            | 620          | 100.00%                   | Expri <sup>via</sup> ASIA Ltd  |
| Expri <sup>via</sup> Do Brasil Servicos Ltda      | Rio de Janeiro (Brasile)        | Real              | 5,890,663       | valori in migliaia di Euro | 43                 | 1,128     | 568            | 1,445        | 100.00%                   | Expri <sup>via</sup> SpA   |
| Expri <sup>via</sup> Projects Srl                 | Roma                            | Euro              | 242,000         | valori in migliaia di Euro | 34                 | 838       | 3,381          | 5,709        | 100.00%                   | Expri <sup>via</sup> SpA   |
| HRCOFFEE Srl                                      | Molfetta (BA)                   | Euro              | 300,000         | valori in migliaia di Euro | (25)               | (67)      | 32             | 471          | 70.00%<br>30.00%          | Expri <sup>via</sup> SpA<br>persone fisiche                                  |
| Succursal Ecuador de Expri <sup>via</sup> SLU     | Quito (Ecuador)                 | USD               | 10,000          | valori in migliaia di Euro | (1)                | (21)      | -              | 4            | 100.00%                   | Expri <sup>via</sup> SLU   |
| Spegea Scarl                                      | Bari                            | Euro              | 125,000         | valori in migliaia di Euro | 13                 | 266       | 226            | 1,931        | 60.00%<br>40.00%          | Expri <sup>via</sup> SpA<br>Confindustria Bari                               |
| Expri <sup>via</sup> SLU                          | Madrid (Spagna)                 | Euro              | 197,904         | valori in migliaia di Euro | (207)              | 430       | 474            | 3,795        | 100.00%                   | Expri <sup>via</sup> SpA   |
| ProSap Centroamerica SA                           | Città del Guatemala (Guatemala) | Quetzal           | 5,000           | valori in migliaia di Euro | (3)                | 176       | -              | 566          | 98.00%<br>2.00%           | Expri <sup>via</sup> Messico SA de CV<br>Expri <sup>via</sup> SpA            |
| Expri <sup>via</sup> Messico SA de CV             | Città del Messico (Messico)     | Pesos messicani   | 41,208,999      | valori in migliaia di Euro | (31)               | 1,307     | 60             | 2,564        | 2.00%<br>98.00%           | Expri <sup>via</sup> SLU<br>Expri <sup>via</sup> SpA                         |
| ProSap Perù SAC                                   | Lima (Perù)                     | Nuevo Sol         | 706,091         | valori in migliaia di Euro | -                  | 15        | -              | 31           | 100.00%                   | Expri <sup>via</sup> SLU   |

The primary exchange rates used for conversion into Euro of the financial statements of foreign companies at 31 March 2021 were as follows:

| Exchange rate         | Average of 3 months to 31 March 2021 | At 31 March 2021 |
|-----------------------|--------------------------------------|------------------|
| Real brazilian        | 6.593                                | 6.741            |
| Dollar USA            | 1.206                                | 1.173            |
| Nuevo Sol peruviano   | 4.409                                | 4.421            |
| Dollaro Hong Kong     | 9.352                                | 9.115            |
| Renminbi -Yuan (Cina) | 7.811                                | 7.662            |
| Mexican Peso          | 24.516                               | 24.051           |
| Guatemalan Quetzal    | 9.345                                | 9.045            |

Transactions in foreign currency are initially converted into the reporting currency at the exchange rate applicable on the date of the transaction. At the end of the period in question, the monetary assets and liabilities in foreign currency are converted into the reporting currency at the exchange rate applicable on the closing date. Exchange differences are recognised in the income statement. Non-monetary assets and liabilities in foreign currency, valued at cost, are

converted at the exchange rate applicable at the date of the transaction, whereas those measured at fair value are converted at the exchange rate applicable on the date the measurement is made.

## SEGMENT REPORTING

The representation of the results by operating segments is carried out on the basis of the approach used by management to monitor the Group's performance. In particular, the Group has identified the segments subject to reporting on the basis of the criteria of the organisation, with reference to the related co-ordination and control structures and on the basis of the sector it belongs to within the ICT reference market. At 31 March 2021, the reportable segment is the IT (Information Technology) sector as a single operating segment, which includes Information Technology and IT software, solutions and services. This sector corresponds to the scope of consolidation of Exprivia Group prior to the acquisition of control over Italtel.

As illustrated in note 14 "Profit (Loss) for the period - Discontinued operations", the Italtel Group corresponding to the TLC CGU was deconsolidated at the date of loss of control (31 December 2020) and classified as Discontinued operations pursuant to IFRS 5. The following table shows the balance sheet in a reclassified form, highlighting the structure of invested capital and funding resources for each operating sector at 31 March 2021 and 31 December 2020. The assets and liabilities by operating segments at 31 December 2020 are indicated below.

### Reclassified Balance Sheet

| amount in thousand Euro               | IT              |                 |              | TLC        |            |            | Eliminations |            |            | CONSOLIDATED    |                 |              |
|---------------------------------------|-----------------|-----------------|--------------|------------|------------|------------|--------------|------------|------------|-----------------|-----------------|--------------|
|                                       | 31.03.2021      | 31.12.2020      | Variations   | 31.03.2021 | 31.12.2020 | Variations | 31.03.2021   | 31.12.2020 | Variations | 31.03.2021      | 31.12.2020      | Variations   |
| Property, plant and machinery         | 18,648          | 19,029          | (381)        |            |            | 0          |              |            | 0          | 18,648          | 19,029          | (381)        |
| Goodwill                              | 69,071          | 69,071          | 0            |            |            | 0          |              |            | 0          | 69,071          | 69,071          | 0            |
| Other Intangible Assets               | 10,065          | 10,220          | (153)        |            |            | 0          |              |            | 0          | 10,065          | 10,220          | (154)        |
| Shareholdings                         | 851             | 554             | 295          |            |            | 0          |              |            | 0          | 851             | 554             | 295          |
| Other non-current financial assets    | 493             | 468             | 24           |            |            | 0          |              |            | 0          | 493             | 468             | 24           |
| Deferred tax assets                   | 2,542           | 2,219           | 324          |            |            | 0          |              |            | 0          | 2,542           | 2,219           | 324          |
| <b>NON-CURRENT ASSETS</b>             | <b>101,670</b>  | <b>101,561</b>  | <b>110</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>101,671</b>  | <b>101,561</b>  | <b>110</b>   |
| Trade receivables                     | 49,802          | 50,319          | (518)        |            |            | 0          |              |            | 0          | 49,802          | 50,319          | (517)        |
| Stock                                 | 1,213           | 1,064           | 147          |            |            | 0          |              |            | 0          | 1,213           | 1,064           | 148          |
| Work in progress to order             | 23,461          | 23,437          | 25           |            |            | 0          |              |            | 0          | 23,461          | 23,437          | 24           |
| Other Current Assets                  | 10,991          | 10,207          | 784          |            |            | 0          |              |            | 0          | 10,991          | 10,207          | 784          |
| <b>CURRENT ASSETS</b>                 | <b>85,467</b>   | <b>85,027</b>   | <b>439</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>85,467</b>   | <b>85,027</b>   | <b>440</b>   |
| <b>DISCONTINUED NON CURRENT</b>       | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>0</b>        | <b>0</b>        | <b>0</b>     |
| Commercial debts                      | (25,762)        | (25,497)        | (265)        |            |            | 0          |              |            | 0          | (25,762)        | (25,497)        | (265)        |
| Advances on contract work in progress | (4,581)         | (6,432)         | 1,851        |            |            | 0          |              |            | 0          | (4,581)         | (6,432)         | 1,851        |
| Other current liabilities             | (35,939)        | (35,840)        | (100)        |            |            | 0          |              |            | 0          | (35,939)        | (35,840)        | (99)         |
| <b>CURRENT LIABILITIES</b>            | <b>(66,282)</b> | <b>(67,769)</b> | <b>1,486</b> | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>(66,282)</b> | <b>(67,769)</b> | <b>1,487</b> |
| <b>DISCONTINUED NON CURRENT</b>       | <b>(0)</b>      | <b>0</b>        | <b>0.00</b>  | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>(0)</b>      | <b>0</b>        | <b>(0)</b>   |
| <b>NON-CURRENT FUNDS AND</b>          | <b>(11,818)</b> | <b>(11,540)</b> | <b>(279)</b> | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>(11,818)</b> | <b>(11,540)</b> | <b>(279)</b> |
| <b>NET INVESTED CAPITAL</b>           | <b>109,037</b>  | <b>107,279</b>  | <b>1,758</b> | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>109,037</b>  | <b>107,279</b>  | <b>1,758</b> |
| <b>NET FINANCIAL POSITION</b>         | <b>43,795</b>   | <b>43,610</b>   | <b>185</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>43,795</b>   | <b>43,610</b>   | <b>185</b>   |

1) The net financial position indicated above differs from that reported in the notes to the financial statements due to the treasury shares held by the Parent Company, which are not shown in the table above.

## Reclassified Income Statement

| amount in thousand Euro                                   | IT              |                 |              | TLC        |                 |               | Eliminations |            |            | CONSOLIDATED    |                 |               |
|---|-----------------|-----------------|--------------|------------|-----------------|---------------|--------------|------------|------------|-----------------|-----------------|---------------|
|   | 31.03.2021      | 31.03.2020      | Variations   | 31.03.2021 | 31.03.2020      | Variations    | 31.03.2021   | 31.03.2020 | Variations | 31.03.2021      | 31.03.2020(*)   | Variations    |
| Revenues  | 39,670          | 37,443          | 2,227        |            |                 | 0             |              |            | 0          | 39,670          | 37,443          | 2,227         |
| Other income  | 1,198           | 1,318           | (120)        |            |                 | 0             |              |            | 0          | 1,198           | 1,318           | (120)         |
| <b>TOTAL REVENUES</b>                                     | <b>40,868</b>   | <b>38,761</b>   | <b>2,107</b> | <b>0</b>   | <b>0</b>        | <b>0</b>      | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>40,868</b>   | <b>38,761</b>   | <b>2,107</b>  |
| Costs for consumables and finished product                | (938)           | (693)           | (245)        |            |                 | 0             |              |            | 0          | (938)           | (693)           | (245)         |
| Personnel costs   | (27,046)        | (26,846)        | (200)        |            |                 | 0             |              |            | 0          | (27,046)        | (26,846)        | (200)         |
| Costs for services  | (7,465)         | (7,905)         | 440          |            |                 | 0             |              |            | 0          | (7,465)         | (7,905)         | 440           |
| Costs for use of third-party assets                       | (109)           | (232)           | 123          |            |                 | 0             |              |            | 0          | (108)           | (232)           | 124           |
| Different management charges                              | (184)           | (150)           | (34)         |            |                 | 0             |              |            | 0          | (184)           | (150)           | (34)          |
| Change in inventories                                     | 158             | 329             | (171)        |            |                 | 0             |              |            | 0          | 158             | 329             | (171)         |
| Provisions and write-downs of current asset               | (556)           | (25)            | (531)        |            |                 | 0             |              |            | 0          | (556)           | (25)            | (531)         |
| <b>TOTAL COSTS</b>  | <b>(36,139)</b> | <b>(35,522)</b> | <b>(617)</b> | <b>0</b>   | <b>0</b>        | <b>0</b>      | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>(36,139)</b> | <b>(35,522)</b> | <b>(617)</b>  |
| <b>EBITDA</b>   | <b>4,729</b>    | <b>3,239</b>    | <b>1,490</b> | <b>0</b>   | <b>0</b>        | <b>0</b>      | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>4,729</b>    | <b>3,239</b>    | <b>1,490</b>  |
| Amortization and depreciation of non-EBIT                 | (1,641)         | (1,486)         | (155)        |            |                 | 0             |              |            | 0          | (1,641)         | (1,486)         | (155)         |
| <b>EBIT</b>   | <b>3,088</b>    | <b>1,753</b>    | <b>1,335</b> | <b>0</b>   | <b>0</b>        | <b>0</b>      | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>3,088</b>    | <b>1,753</b>    | <b>1,335</b>  |
| Financial income and (expense) from                       | (749)           | (797)           | 48           |            |                 | 0             |              |            | 0          | (749)           | (797)           | 48            |
| <b>RESULT ANTE TAXES</b>                                  | <b>2,339</b>    | <b>956</b>      | <b>1,383</b> | <b>0</b>   | <b>0</b>        | <b>0</b>      | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>2,339</b>    | <b>956</b>      | <b>1,383</b>  |
| Taxes   | (691)           | (477)           | (214)        |            |                 | 0             |              |            | 0          | (692)           | (477)           | (215)         |
| <b>PROFIT (LOSS) FOR THE PERIOD CONTINUING OPERATIONS</b> | <b>1,648</b>    | <b>479</b>      | <b>1,169</b> | <b>0</b>   | <b>0</b>        | <b>0</b>      | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>1,647</b>    | <b>479</b>      | <b>1,168</b>  |
| PROFIT (LOSS) FOR THE YEAR DERIVING FROM OPERATING        | 0               | 0               | 0            | (11,083)   | 11,083          | 0             | 0            | 0          | 0          | 0               | (11,083)        | 11,083        |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                       | <b>1,648</b>    | <b>479</b>      | <b>1,169</b> | <b>0</b>   | <b>(11,083)</b> | <b>11,083</b> | <b>0</b>     | <b>0</b>   | <b>0</b>   | <b>1,647</b>    | <b>(10,604)</b> | <b>12,251</b> |

(\*) The values of 2020 were restated in accordance with IFRS 5.

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

| Exprivia Group (value in thousand of Euro)   | 31.03.2021    | 31.03.2020    |
|--|---------------|---------------|
|  | IT            | IT            |
| Projects and Services                        | 34,529        | 32,820        |
| Maintenance                                  | 4,064         | 3,984         |
| HW/ SW third parties                         | 457           | 294           |
| Own licences                                 | 425           | 158           |
| System Integration                           | 0             | 0             |
| Other  | 195           | 188           |
| <b>Total revenues from third parties (a)</b> | <b>39,670</b> | <b>37,444</b> |
| Intersector revenues (b)                     | 2,676         | 2,510         |
| <b>Total revenues (a+b)</b>                  | <b>42,346</b> | <b>39,954</b> |

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

| Exprivia Group (value in thousand of Euro) | 31.03.2021    | Effect % | 31.03.2020    | Effect % |
|--|---------------|----------|---------------|----------|
| Private                                    | 30,336        | 76.5%    | 28,782        | 76.9%    |
| Public                                     | 9,334         | 23.5%    | 8,662         | 23.1%    |
| <b>TOTAL</b>                               | <b>39,670</b> |          | <b>37,444</b> |          |

| Exprivia Group (value in thousand of Euro) | 31.03.2021    | Effect % | 31.03.2020    |
|--|---------------|----------|---------------|
| Italy                                      | 36,319        | 65.6%    | 34,833        |
| Foreing                                    | 3,351         | 34.4%    | 2,611         |
| <b>TOTAL</b>                               | <b>39,670</b> |          | <b>37,444</b> |

# Explanatory Notes on the Consolidated Balance Sheet

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

## SHAREHOLDERS' EQUITY

### Note 1 – Share Capital

“**Share capital**”, fully paid up, amounted to Euro 24,616 thousand at 31 March 2021 and is unchanged compared to the figure at 31 December 2020. The share capital is represented by 51,883,958 ordinary shares with a par value of Euro 0.52 each for a total of Euro 26,980 thousand, net of 4,546,084 treasury shares held at 31 March 2021, with a value of Euro 3,312 thousand.

### Note 1 - Share Premium Reserve

At 31 March 2021, the “**Share premium reserve**” amounted to Euro 18,082 thousand and is the same as 31 December 2020.

### Note 1 – Revaluation Reserve

At 31 March 2021, the “**Revaluation reserve**” amounted to Euro 2,907 thousand and is the same as 31 December 2020.

### Note 1 – Legal Reserve

At 31 March 2021, the “**Legal reserve**” amounted to Euro 4,171 thousand and is the same at 31 December 2020.

### Note 1 – Other Reserves

The balance of the item “**Other reserves**” at 31 March 2021 amounted to Euro 39,232 thousand compared to Euro 39,303 thousand at 31 December 2020. Changes during the first quarter of 2021 relate to:

- the negative effect on the shareholders' equity of the change in the currency translation reserve, for Euro 46 thousand;
- other negative changes for Euro 26 thousand.

### Note 1 – Profit/Loss from Previous Periods

The item “**Profit/loss from previous periods**” at 31 March 2021 was Euro (25,413) thousand compared to Euro (190,944) thousand at 31 December 2020. The change relates to the allocation of the result from the previous year.

## Note 1 – Minority Shareholders' Interests

"Minority Shareholders' Interests" is equal to Euro -19 thousand at 31 March 2021 compared to Euro 29 thousand at 31 December 2020.

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

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

| Description  | Result as of<br>31.12 2020 | Shareholders' equity<br>as of<br>31.12.2020 | Result as of<br>31.03 2021 | Shareholders'<br>equity as of<br>31.03.2021 |
|--|----------------------------|---|----------------------------|---|
| Exprivia SpA   | 10,228                     | 66,107                                      | 1,702                      | 67,809                                      |
| Contribution of consolidated companies (PN and Result)         | (1,188)                    | 3,539                                       | (123)                      | 3,393                                       |
| Elision of equity investments                                  | 253                        | (8,320)                                     | 253                        | (8,320)                                     |
| Goodwill   | 0                          | 2,280                                       | 0                          | 2,280                                       |
| Dividend elimination   | (674)                      | 0   | 0                          | 0   |
| Higher values attributed to the net assets of the subsidiaries | 0                          | 0   | 0                          | 0   |
| Profit (loss) Discontinued Operations                          | 156,899                    | 0   | 0                          | 0   |
| Other consolidation adjustments                                | 14                         | 60  | (185)                      | 80  |
| Third party equity   | 61                         | (29)  | 5                          | 19  |
| <b>Total Group Equity</b>                                      | <b>165,592</b>             | <b>63,637</b>                               | <b>1,652</b>               | <b>65,261</b>                               |

## NET FINANCIAL POSITION

In accordance with the CONSOB notice of 28 July 2006 and CESR recommendation of 10 February 2005 "Recommendations for standard implementation of European Commission regulation on disclosure schedules", the table below shows the net financial position of the Exprivia Group at 31 March 2021 and at 31 March 2020.

| amounts in thousands of Euro |  | 31.03.2021      | 31.12.2020      |
|------------------------------|--|-----------------|-----------------|
| A.                           | Cash   | 45              | 47              |
| B.                           | Other liquid assets  | 14,657          | 27,820          |
| C 1.                         | Securities held for trading  | 205             | 205             |
| C 2.                         | Own shares   | 3,312           | 3,017           |
| D                            | <b>Liquid (A)+(B)+(C)</b>  | <b>18,219</b>   | <b>31,089</b>   |
| E.                           | <b>Current financial receivables</b>   | <b>775</b>      | <b>728</b>      |
| F.                           | Current bank debts   | (4,209)         | 136,002         |
| G.                           | Current portion of non-current bank debts  | (9,053)         | (161,812)       |
| H.                           | Other current financial debts  | (3,565)         | (3,989)         |
| I.                           | <b>Current financial debts (F) + (G) + (H)</b>   | <b>(16,827)</b> | <b>(29,799)</b> |
| J.                           | <b>Net current financial debts (I) + (E) + (D)</b>   | <b>2,167</b>    | <b>2,018</b>    |
| K.                           | Non-current bank debts   | (26,174)        | (26,103)        |
| L.                           | Bond   | (13,673)        | (13,673)        |
| M.                           | Other non-current financial payables net of non-current financial receivables and derivative financial instruments | (2,803)         | (2,835)         |
| N.                           | <b>Non-current financial debts (K) + (L) + (M)</b>   | <b>(42,650)</b> | <b>(42,611)</b> |
| O.                           | <b>Net financial debts (J) + (N)</b>   | <b>(40,483)</b> | <b>(40,593)</b> |

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

The changes in net liabilities resulting from financing activities is shown below, in accordance with IAS 7 - Statement of Cash Flows:

Amounts in thousands of Euro

|  | 31.12.2020      | Cash flows    | Non-monetary flows | 31.03.2021      |   |        |      |
|--|-----------------|---------------|--------------------|-----------------|---|--------|------|
| Current financial receivables                              | 728             | 47            | 0                  | 775             |   |        |      |
| Current bank debts and current portion of non-current debt | (25,810)        | 12,548        | 0                  | (13,262)        |   |        |      |
| Other current financial payables                           | (3,989)         | 425           | 0                  | (3,565)         |   |        |      |
| Non-current bank debts                                     | (26,103)        | (71)          | 0                  | (26,174)        |   |        |      |
| Bonds issued   | (13,673)        | 0             | 0                  | (13,673)        |   |        |      |
| Other non-current net financial payables                   | (2,835)         | 31            | 1                  | (2,803)         |   |        |      |
| <b>Net liabilities deriving from financing activities</b>  | <b>(71,682)</b> | <b>12,979</b> | <b>(*)</b>         | <b>1</b>        |   |        |      |
| Liquid assets  | 31,089          | (**)          | (12,870)           | (***)           | 0 | 18,219 | (**) |
| <b>Net financial debt</b>                                  | <b>(40,593)</b> | <b>110</b>    | <b>1</b>           | <b>(40,483)</b> |   |        |      |

(\*) Cash flows shown in the cash flow statement (generated) from financing activities (see note 2 at the end of the cash flow statement)

(\*\*) The item "Liquidity" also includes treasury shares held by the Parent Company and "Other financial assets available for sale"

(\*\*\*) The cash flow includes any changes due to the purchase of treasury shares not included in the cash and cash equivalents Flow in the cash flow statement

## Explanatory Notes to the Consolidated Income Statement

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

It should be noted that, following the deconsolidation of the Italtel Group, the result of the Italtel Group related to the comparative period is shown separately in the item "Profit (loss) from discontinued operations" of the income statement and commented on in Note 14 "Profit (Loss) for the period - Discontinued Operations", as required by the provisions of IFRS 15. Therefore, the comments below refer only to continuing operations.

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

### Note 2 – Revenues

**Revenues from sales and services** in the first quarter of 2021 amounted to Euro 39,670 thousand compared to Euro 37,444 thousand in the same period of 2020.

| Business Areas        | 31/03/2021    | 31/03/2020    | Variazioni   |
|-----------------------|---------------|---------------|--------------|
| Projects and Services | 34,529        | 32,820        | 1,709        |
| Maintenance           | 4,064         | 3,984         | 80           |
| HW/ SW third parties  | 457           | 294           | 163          |
| Own licences          | 425           | 158           | 267          |
| Other                 | 195           | 188           | 7            |
| <b>Total</b>          | <b>39,670</b> | <b>37,444</b> | <b>2,226</b> |

### Note 3 - Other Income

Other income in the first quarter of 2021 amounted to Euro 1,198 thousand compared to Euro 1,318 thousand in the same period of 2020. The table below provides details on the items.

| Description  | 31/03/2021   | 31/03/2020   | Variation    |
|--|--------------|--------------|--------------|
| Other revenues and income                              | 260          | 279          | (17)         |
| Grants related to income                               | 494          | 670          | (176)        |
| Increase in capitalised expenses for internal projects | 444          | 370          | 74           |
| <b>TOTAL</b>   | <b>1,198</b> | <b>1,318</b> | <b>(119)</b> |

#### Other Revenues and Income

"**Other revenues and income**" in the first quarter of 2021 amounted to Euro 260 thousand compared to Euro 279 thousand in the same period of 2020 and mainly refer to rents for Euro 79 thousand, income on assigned company cars for Euro 66 thousand and capital gains from the sale of assets for Euro 65 thousand.

#### Grants for operating expenses

"**Grants for operating expenses**" in the first quarter of 2021, amounted to Euro 494 thousand compared to Euro 670 thousand in 2020 and refer to grants and tax credits pertaining to the year or authorised in the period relating to funded



research and development projects. The grants are carried net of the amount allocated to the risk provision for any minor grants that might not be received.

### Increases in fixed assets for internal work

The "Increases in fixed assets for internal work" amounted, in the first quarter of 2021, to Euro 444 thousand compared to Euro 370 thousand in the same period of 2020 and refer to costs incurred during the year to develop products for Banking & Finance, Healthcare, Aerospace & Defence.

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

The balance of the item "costs for sundry consumables and finished products" in the first quarter of 2021 amounted to Euro 938 thousand compared to Euro 693 thousand in the same period of the previous year. The table below provides details on the items.

| Description                | 31/03/2021 | 31/03/2020 | Variation  |
|----------------------------|------------|------------|------------|
| Purchase of HW-SW products | 900        | 613        | 287        |
| Stationery and consumables | 19         | 50         | (31)       |
| Fuel and oil               | 3          | 5          | (2)        |
| Other costs                | 16         | 25         | (9)        |
| <b>TOTAL</b>               | <b>938</b> | <b>693</b> | <b>247</b> |

## Note 5 - Staff Costs

The item "Staff costs" amounted to Euro 27,052 thousand in total in the first quarter of 2021, compared to Euro 26,846 thousand in the same period of 2020. The table below provides details on the item:

| Description        | 31/03/2021    | 31/03/2020    | Variation  |
|--------------------|---------------|---------------|------------|
| Salaries and wages | 20,192        | 19,557        | 635        |
| Social charges     | 5,064         | 5,499         | (435)      |
| Severance Pay      | 1,284         | 1,225         | 58         |
| Other staff costs  | 511           | 565           | (53)       |
| <b>TOTAL</b>       | <b>27,052</b> | <b>26,846</b> | <b>205</b> |

The decrease in costs for social security charges is mainly attributable to the use of social safety nets (CIGO) by the Parent Company due to the COVID-19 epidemic.

The number of resources, employees and collaborators at 31 March 2021 was equal to 2,322 employees (2,542 at 31 March 2020), a decrease of 220 employees.

The average number of resources, employees and collaborators at 31 March 2021 was equal to 2,473 employees (2,544 at 31 March 2020), a decrease of 71 employees.

## Note 6 – Costs for Services

The consolidated balance of item "costs for services" totalled Euro 7,465 thousand in the first quarter of 2021, compared to Euro 7,905 thousand in the same period of 2020. The table below provides details on the items:

| Description                              | 31/03/2021   | 31/03/2020   | Variation    |
|--|--------------|--------------|--------------|
| Technical and commercial consultancy     | 4,888        | 4,986        | (98)         |
| Administrative/company/legal consultancy | 532          | 576          | (43)         |
| Auditors' fees                           | 25           | 25           | (0)          |
| Travel and transfer expenses             | 57           | 345          | (288)        |
| Utilities                                | 182          | 217          | (35)         |
| Advertising and agency expenses          | 67           | 46           | 21           |
| Bank charges                             | 84           | 105          | (21)         |
| HW and SW maintenance                    | 1,010        | 887          | 123          |
| Insurance                                | 131          | 126          | 5            |
| Other costs                              | 489          | 593          | (104)        |
| <b>TOTAL</b>                             | <b>7,465</b> | <b>7,905</b> | <b>(440)</b> |

The decrease in travel and travel costs is due to travel restrictions and limitations resulting from the COVID-19 epidemic.

## Note 7 – Costs for Leased Assets

The consolidated balance of item "costs for leased assets" totalled Euro 108 thousand in the first quarter of 2021, compared to Euro 232 thousand in 2020. The table below provides details on the items:

| Description            | 31/03/2021 | 31/03/2020 | Variation    |
|------------------------|------------|------------|--------------|
| Rental expenses        | 18         | 55         | (37)         |
| Car rental/leasing     | 3          | 23         | (20)         |
| Rental of other assets | 31         | 42         | (11)         |
| Other costs            | 57         | 114        | (57)         |
| <b>TOTAL</b>           | <b>108</b> | <b>232</b> | <b>(125)</b> |

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

## Note 8 - Sundry Operating Expenses

In the first quarter of 2021, the item "sundry operating expenses" amounted to Euro 184 thousand compared to Euro 150 thousand in the same period of the previous financial year; the table below provides details on the items.

| Description                     | 31/03/2021 | 31/03/2020 | Variation |
|---------------------------------|------------|------------|-----------|
| Annual subscriptions            | 39         | 27         | 12        |
| Taxes                           | 87         | 70         | 17        |
| Penalties and fines             | 0          | 1          | (1)       |
| Charitable donations            | 1          | 1          | (0)       |
| Write-offs                      | 0          | 0          | 0         |
| Other sundry operating expenses | 57         | 51         | 6         |
| <b>TOTAL</b>                    | <b>184</b> | <b>150</b> | <b>34</b> |

## Note 9 - Changes in Inventories

In the first quarter of 2021, the balance of the item "**changes in inventories**" amounted to Euro -158 thousand compared to Euro -329 thousand in the previous year and refers to changes in finished products and goods.

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

The consolidated balance of the item "**provisions and write-downs of current assets**" in the first quarter of 2021 amounted to Euro 556 thousand compared to Euro 25 thousand in the same period of the previous year.

The table below provides details on the items.

| Description                                 | 31/03/2021 | 31/03/2020 | Variation  |
|---|------------|------------|------------|
| Provision for bad debts provision           | 100        | 0          | 100        |
| Provision for legal disputes with employees | 8          | 0          | 8          |
| Other provisions                            | 448        | 25         | 423        |
| <b>TOTAL</b>                                | <b>556</b> | <b>25</b>  | <b>531</b> |

The change in the item "**other provisions**" is attributable to the provision for risks on work in progress made by Exprivia SpA.

## Note 11 – Amortisation, Depreciation and Write-downs of Non-Current Assets

The consolidated balance of the item "**Amortisation, depreciation and write-downs of non-current assets**" in the third quarter of 2021 amounted to Euro 1,641 thousand compared to a balance of Euro 1,486 thousand in the same period of the previous year.

### Amortisation and Depreciation

In the first quarter of 2021 "**Amortisation and depreciation**" amounted to Euro 1,641 thousand compared with Euro 1,486 thousand in the same period of 2020, of which Euro 690 thousand for amortisation of intangible fixed assets and Euro 951 thousand for depreciation of tangible fixed assets.

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

The balance of the item "**financial income and (charges) and other investments**" amounted, in the first quarter of 2021, to a negative Euro 749 thousand compared with a negative balance of Euro 796 thousand in the same period of 2020. The table below provides details on the items.

| Description                              | 31/03/2021   | 31/03/2020   | Variation |
|--|--------------|--------------|-----------|
| Proceeds from shareholdings from parents | 9            | 13           | (4)       |
| Income from other investments            | 61           | 16           | 45        |
| Other income other than the above        | 4            | 10           | (6)       |
| Interest and other financial charges     | (798)        | (690)        | (108)     |
| From parent charges                      | (99)         | (101)        | 2         |
| Profit and loss on currency exchange     | 73           | (42)         | 115       |
| <b>TOTAL</b>                             | <b>(749)</b> | <b>(796)</b> | <b>43</b> |

### Income from Parent Companies

The balance of the item "**Income from parent companies**" amounted to Euro 9 thousand in the first quarter of 2021 compared to Euro 13 thousand in the same period of the previous year and refers to interest accrued in relation to Abaco Innovazione SpA for a loan disbursed by Exprivia SpA.

### Income from other Investments

The balance of the item "**income from other investments**" in the first quarter of 2021 amounted to Euro 61 thousand compared to Euro 16 thousand in the same period of the previous year and refers to the valuation using the equity method of the investment in Quest.it Srl, an associate of Exprivia SpA.

### Income Other Than the Above

The balance of item "**income other than the above**" totalled Euro 4 thousand in the first quarter of 2021, compared to Euro 10 thousand in the same period of the previous year. The table below provides details on the item.

| Description                     | 31/03/2021 | 31/03/2020 | Variation  |
|---------------------------------|------------|------------|------------|
| Bank interest receivable        | 1          | 0          | 0          |
| Interest income from securities | 2          | 9          | (7)        |
| Other interest income           | 0          | 0          | (0)        |
| Rounding up of assets           | 1          | 0          | 1          |
| <b>TOTAL</b>                    | <b>4</b>   | <b>10</b>  | <b>(6)</b> |

### Interest and Other Financial Charges

The balance of the item "**Interest and other financial charges**" in the first quarter of 2021 amounted to Euro 798 thousand compared to Euro 690 thousand in the same period of the previous year. The table below provides details on the items.

| Description                                    | 31/03/2021 | 31/03/2020 | Variation  |
|--|------------|------------|------------|
| Bank interest payable                          | 22         | 68         | (46)       |
| Interest on loans and mortgages                | 486        | 429        | 56         |
| Sundry interest                                | 218        | 184        | 34         |
| Charges on financial products and sundry items | 70         | 2          | 68         |
| Rounding up/down                               | 2          | 1          | 1          |
| Interest cost IAS 19                           | 0          | 5          | (5)        |
| <b>TOTAL</b>                                   | <b>798</b> | <b>690</b> | <b>108</b> |

### Charges from Parent Companies

The balance of the item "**charges from parent companies**" amounted to Euro 99 thousand in the first quarter of 2021 compared with Euro 101 thousand in the corresponding period of the previous year and refers to the portion of charges relative to the period recognised by Exprivia SpA to the parent company Abaco Innovazione SpA for guarantees issued by the latter with respect to its subsidiary.

### Gains/(Losses) on Currency Exchange

In the first quarter of 2021, "**gains on currency exchange**" amounted to Euro 73 thousand compared to losses of Euro 42 thousand in the same period of 2020, and mainly related to exchange rate fluctuations as a result of commercial transactions carried out in currencies other than the domestic currency of the Group's foreign companies

## Note 13 - Taxes

In the first quarter of 2021, "**taxes**" amounted to Euro 692 thousand compared to Euro 477 thousand in the same period of the previous year; the table below provides details on the changes compared to the previous year:

| Description            | 31/03/2021 | 31/03/2020 | Variazioni |
|------------------------|------------|------------|------------|
| IRES                   | 686        | 246        | 440        |
| IRAP                   | 287        | 184        | 102        |
| Foreign tax            | 16         | 7          | 8          |
| Taxes from prior years | 0          | 0          | 0          |
| Deferred tax           | 32         | 18         | 14         |
| Deferred tax assets    | (329)      | 21         | (350)      |
| <b>TOTAL</b>           | <b>692</b> | <b>477</b> | <b>214</b> |

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

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

## Note 14 – Profit (Loss) for the period - Discontinued Operations

As described in more details in the paragraph "Loss of control of Italtel by Exprivia pursuant to IFRS 10" contained in the 2020 Annual Report, Exprivia's Board of Directors has acknowledged that the loss of control of Italtel pursuant to IFRS

10 took place on 31 December 2020. As set forth in the provisions of IFRS 10 "Consolidated Financial Statements", the assets and liabilities attributable to the Italtel Group were eliminated from the Group's balance sheet at the date of loss of control, recognising the equity investment held in the former subsidiary at its fair value at the date of loss of control. Since this is a "major line of business", the directors have presented in these financial statements the results of Italtel and its subsidiaries (Italtel Group) at 31 March 2020 as discontinued operations pursuant to IFRS 5, disclosing:

- in a separate line item before net profit for the period in the income statement, the results of discontinued operations;
- separately in the statement of cash flows, net cash flows from discontinued operations..

It should also be noted that the existing relations between continuing and discontinued operations were treated as relations among independent parties and that the income statement and balance sheet items referring to discontinued operations also include the effect of consolidated eliminations of these relationships. In fact, it should be noted that neither IFRS 5 nor IAS 1 provide indications on how to record transactions distinguishing between continuing and discontinued operations. The method chosen has led to the presentation of these transactions as if the discontinued operations had already left the scope of consolidation of the Exprivia Group, therefore:

- the individual income statement items relating to continuing operations have been stated without taking into account the elimination of inter-company transactions between the two operations;
- the income statement items referring to Discontinued Operations also include the effect of the consolidation eliminations of the operations between the two Operations.

The main economic and financial figures of discontinued operations are shown below, net of inter-company items.

| amount in thousand Euro                                      | Discontinued Operations |                 |
|--|-------------------------|-----------------|
|  | 31.03.2021              | 31.03.2020      |
| Revenues   | 0                       | 47,527          |
| Other income   | 0                       | 3,211           |
| <b>TOTAL REVENUES</b>  | <b>0</b>                | <b>50,739</b>   |
| Costs for consumables and finished products                  | 0                       | (20,268)        |
| Personnel costs  | 0                       | (23,800)        |
| Costs for services   | 0                       | (16,616)        |
| Costs for use of third-party assets                          | 0                       | (153)           |
| Different management charges                                 | 0                       | (630)           |
| Change in inventories  | 0                       | 7,366           |
| Provisions and write-downs of current assets                 | 0                       | 0               |
| <b>TOTAL COSTS</b>   | <b>0</b>                | <b>(54,101)</b> |
| <b>EBITDA</b>  | <b>0</b>                | <b>(3,362)</b>  |
| Amortization and depreciation of non-current assets          | 0                       | (4,200)         |
| <b>EBIT</b>  | <b>0</b>                | <b>(7,562)</b>  |
| Financial income and (expense) from equity investments       | 0                       | (3,591)         |
| <b>RESULT ANTE TAXES</b>                                     | <b>0</b>                | <b>(11,153)</b> |
| Income taxes   | 0                       | 70              |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                          | <b>0</b>                | <b>(11,083)</b> |
| <b>Attributable to:</b>                                      |                         |                 |
| Shareholders of the Parent Company                           | 0                       | (8,961)         |
| Third parties  |                         | (2,122)         |
| Income (charges) on equity investments                       | 0                       | 0               |
| <b>PROFIT (LOSS) FOR THE PERIOD- DISCONTINUED OPERATIONS</b> | <b>0</b>                | <b>(11,083)</b> |
| <b>Attributable to:</b>                                      |                         |                 |
| Shareholders of the Parent Company                           | 0                       | (8,961)         |
| Third parties  | 0                       | (2,122)         |

Details of the cash flows relating to discontinued operations, as already separately disclosed in the cash flow statement, are provided below.

|  | 31.03.2021 | 31.03.2020 |
|--|------------|------------|
| Cash flow generated (absorbed) by income management - Discontinued operations              | 0          | (6,837)    |
| Cash flow generated (absorbed) by current assets and liabilities - Discontinued operations | 0          | 17,732     |
| Cash flow generated (absorbed) by investing activities - Discontinued operations           | 0          | (1,730)    |
| Cash flow generated (absorbed) by financing activities - Discontinued operations           | 0          | (9,376)    |

We specify that, in consideration of the objective complexity of the situation, also as a result of the process for the resolution of the crisis launched by Italtel, the value of the item "profit (loss) for the year - discontinued operations" in the consolidated income statement at 31 March 2020 could be also be significantly affected by the uncertainties inherent in the valuations of the consolidated financial statements at 31 December 2019 regarding some items related to the Italtel Group, whose values were deconsolidated on 31 December 2020. These uncertainties are connected to the evolution of:

- of the composition procedure initiated by Italtel and, in particular, in the event of a negative outcome thereof;
- conversations with a leading customer regarding certain alleged contractual breaches. With regard to this last aspect, it should be noted that the customer charged Italtel with penalties totalling Euro 13 million, which were formally rejected by Italtel as unfounded.

The directors of the Exprivia Group have agreed with the assessment made by the directors of Italtel of a possible degree of risk related to the penalties requested, in the light of the following reasons provided by Italtel, inter alia:

- a. unacceptable retroactive application of penalties not promptly challenged within the time frame stated in the contract;
- b. unreasonable attribution to Italtel of higher project change costs not attributable to Italtel;
- c. evidence that seems to result from the information control system used by the concession holder of the incorrect calculation of the penalties notified in October 2020, of which some attributable to other suppliers who shall be responsible for them, with Italtel's right of recourse;

The amount of the penalties, whose degree of risk is considered possible, was not deducted from the contract fees as the amount of these penalties, estimated by Italtel in compliance with IFRS 15, is negligible.

In this context, moreover, on 11 March 2021 the customer sent a warning to Italtel to comply with a series of non-fulfilment and requesting it to remedy them, under penalty of termination of the contract. The position of Italtel is to fully reject the findings made by the customer, believing that it has fully met and continues to meet its contractual obligations also and above all in terms of production capacity, quality standards and management of private permits, contrary to the customer's claims.

Talks are underway between Italtel and its customer aimed at safeguarding their commercial relationship and the economic balance of the contract and consequently reaching a possible settlement of the dispute. The outcomes of these discussions are uncertain in consideration of the complexity of the matter and the differences on technical issues pertaining to the aforementioned contract.

The uncertainties associated with these events and circumstances do not cast significant doubt on the ability of Exprivia and the Exprivia Group to continue operating as a going concern.

## Note 15 – Profit (Loss) for the Year

The income statement for the first quarter of 2021 closed with a consolidated profit, after taxes, of Euro 1,647 thousand compared to the profit of Euro 479 thousand reported in the same period of the previous year.

## Note 16 – Basic/Diluted Earnings

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

Earnings (loss) per share is calculated by dividing the profit for the year as reported in the consolidated financial statements drawn up in accordance with IAS/IFRS, attributable to ordinary shareholders of the Parent Company, excluding the treasury shares, by the average number of ordinary shares in circulation during the year.



For the purpose of calculating basic earnings per share, the economic result for the year minus the amount attributable to minority interests was used in the numerator. In addition, there are no privileged dividends, conversion of privileged shares and other diluting shares, which could adjust the economic result attributable to holders of ordinary capital instruments.

At 31 March 2021 the basic and diluted earnings per share amounted to Euro 0.0349

| <b>Profit/ (Loss) amount in Euro</b>  | <b>for the three months ended<br/>31.03.2021</b> |
|---|--|
| Profits for determining basic earnings per share (Net profit due to shareholders of parent company) | 1,652,274  |
| Profit for determining the earnings per basic share   | 1,652,274  |
| <b>Number of shares</b>   | <b>31.03.2021</b>                                |
| Number of ordinary shares at 1 January 2021   | 51,883,958                                       |
| Purchase of own shares at 31 March 2021   | 4,546,084  |
| Average weighted number ordinary shares for calculation of basic profit                             | 47,337,874                                       |
| <b>Earnings per share (Euro)</b>  | <b>for the three months ended<br/>31.03.2021</b> |
| Profit (loss) per basic share   | 0.0349   |
| Diluted earnings (loss) per share   | 0.0349   |

## Note 17 – Information on the Cash Flow Statement

The cash flows deriving from income management were positive for Euro 3.5 million, the cash flow of current assets and liabilities - Continuing operations absorbed cash flows for Euro 2.1 million, the cash flow deriving from investment activities - Continuing operations absorbed cash for Euro 1.4 million, the cash flow deriving from financing activities - Continuing operations absorbed cash for Euro 13.1 million.

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

The undersigned Valerio Stea, Executive manager responsible for preparing the corporate accounts, in accordance with Art. 154-bis, par. 2 of Legislative Decree no. 58 of 24 February 1998, introduced by Law no. 262 of 28 December 2005, states that the information and data on the economic, capital and financial situation contained in this Interim Report on Operations at 31 March 2021 referring to the Consolidated Financial Statements correspond to the documentary results of the accounting records.

Molfetta, 13 May 2021

**Valerio Stea**

Executive Manager responsible for Preparing the  
corporate accounts