

expri^{via}

**Interim Report on Operations
at 30 September 2022
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Corporate Bodies

Board of Directors

Chairman and Chief Executive Officer

Domenico Favuzzi

Directors

Dante Altomare (Vice-Chairman)

Angela Stefania Bergantino (2)

Marina Lalli (2)

Alessandro Laterza (3)

Valeria Savelli (1)

Giovanni Castellaneta

Board of Statutory Auditors

Chairman

Dora Savino

Standing Auditors

Andrea Delfino

Mauro Ferrante

Independent Auditors

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



Directors' Report at 30 September 2022

Significant Group Figures and Result Indicators

The following is a summary of the main consolidated economic, capital and financial data of Exprivia SpA and its subsidiaries (hereinafter also referred to as the "Group" or the "Exprivia Group") at 30 September 2022, 30 September 2021 and 31 December 2021.

amount in thousand Euro			
	30.09.2022	30.09.2021	31.12.2021
Total revenues	133,456	125,045	181,726
net proceeds	128,102	121,608	176,476
increase to assets for internal work	1,179	1,245	1,671
other proceeds and contributions	4,175	2,192	3,579
Difference between costs and production proceeds (EBITDA)	17,958	17,118	24,579
% on total revenues	13.5%	13.7%	13.5%
Net operating result (EBIT)	13,361	12,469	18,148
% on total revenues	10.0%	10.0%	10.0%
Profit / (Loss) for the period	8,137	6,953	10,138
Group net equity	79,566	70,723	73,889
Total assets	198,506	200,634	207,123
Capital stock	24,284	24,616	24,616
Net working capital (1)	16,191	15,458	7,794
Cash flow (2)	13,318	11,971	18,296
Fixed capital (3)	98,140	99,824	100,700
Investment (4)	1,789	2,052	3,006
Cash and cash equivalents / securities / other financial assets (a)	14,825	15,783	23,748
Financial payables / other short-term financial liabilities (b)	(19,483)	(13,417)	(16,284)
Financial payables / other medium / long-term financial liabilities (c)	(24,876)	(38,314)	(33,971)
Net financial debt (5)	(29,534)	(35,948)	(26,507)

(1) - "Net working capital" is calculated as the sum of the total current assets, less liquidity and total current liabilities plus current bank debt

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

(3) - "Fixed capital" is equal to total non-current assets

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

(5) Net Financial Debt = a+b+c

The table below shows the main economic indicators of the Group at 30 September 2022, 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, using as the reference the net profit and operating income from 1 October 2021 to 30 September 2022 for the data at 30 September 2022, and 1 October 2020 to 30 September 2021 for the figures at 30 September 2021.

Exprivia Group	30.09.2022	30.09.2021
ROE index (Result for the period / Group shareholders' equity)	14.23%	16.55%
ROI index (Net operating margin / Net invested capital) (6)	18.68%	18.81%
ROS index (Net operating margin / Revenues from sales and services)	14.86%	15.76%
Financial charges (7) / Result for the period	0.21	0.30

- (6) Net invested capital: equal to net working capital plus non-current assets net of non-current liabilities (excluding bank debt and bond issues)
- (7) Financial charges: calculated net of interest cost IAS 19

The table below shows the main capital and financial indicators of the Group at 30 September 2022 and 31 December 2021.

Exprivia Group	30.09.2022	31.12.2021
Net Financial Debt / Equity Capital	0.37	0.36
Debt ratio (Total Liabilities / Equity Capital)	2.49	2.80

Summary of operations at 30 September 2022 and the third quarter of 2022

In addition, the table below shows the results of the Exprivia Group at 30 September of 2022 compared with the previous year and the data of the third quarter of 2022 compared with the same period of the previous year:

Exprivia Group (amounts in thousands of Euro)	for the nine months ended 30/09/2022	for the nine months ended 30/09/2021	Variations	% Variations	Q3 2022	Q3 2021	Variations	% Variations
Revenues	133,456	125,045	8,411	6.7%	45,252	40,250	5,002	12.4%
EBITDA	17,958	17,118	840	4.9%	6,401	5,576	825	14.8%
EBIT	13,361	12,469	892	7.2%	4,880	4,094	786	19.2%
Pre-tax result	11,701	10,218	1,483	14.5%	4,245	3,515	730	20.8%
Result	8,137	6,954	1,183	17.0%	2,834	2,494	340	13.6%

Exprivia Group (amounts in thousands of Euro)	30.09.2022	31.12.2021	Variations	% Variations
Net financial debt	(29,534)	(26,507)	(3,027)	11.4%

As can be seen, revenues at 30 September 2022, equal to Euro 133.5 million, are up compared to the same period of 2021; also margins increased compared to the results at 30 September 2021, with the pre-tax results increasing by 14.5% compared to the same period of the previous year. Net financial debt at 30 September 2022 was Euro 29.5 million, compared to Euro 26.5 million at 31 December 2021.



Profile of Exprivia Group

Future. Perfect. Simple



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

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

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

The founding concepts of our vision

Future

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

Connection

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

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

Perfect

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

Reliability

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

Simple

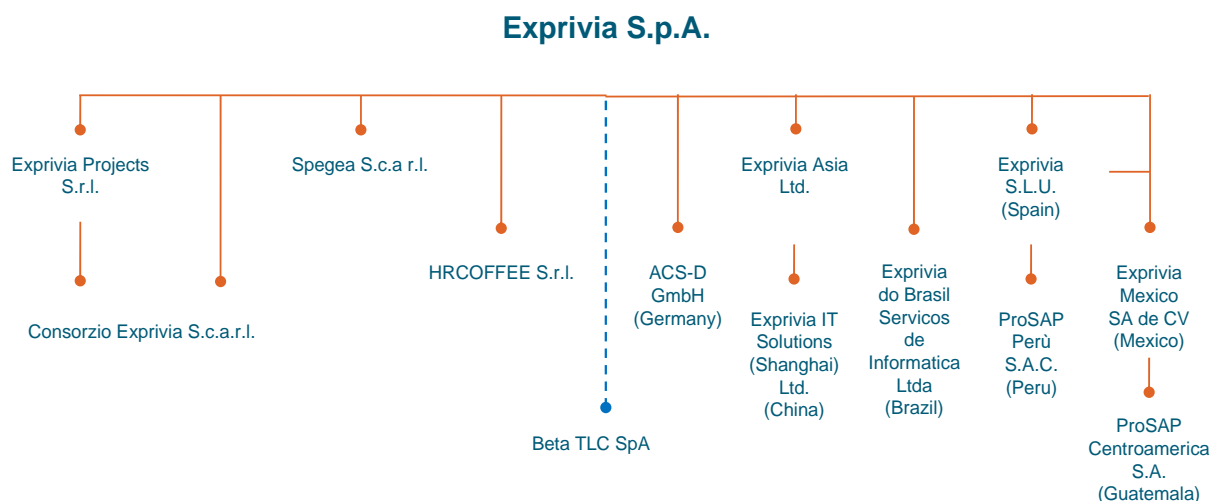
Being simple is the fundamental requirement of all of our systems, designed to improve people's lives through the availability and usability of information.

Simplicity

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

The Group

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



Exprivia SpA holds a stake of 100% in the share capital of Beta TLC SpA, formerly Italtel SpA.

It should also be noted that Exprivia holds equity investments in the associated companies Quest.it Srl and Urbanforce Scarl.

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

Equity Investments in subsidiaries

Italian companies

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

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

Spegea Scarl is 60% owned by Exprivia and has fully paid-up share capital of Euro 125,000.00. It is a School of Management based in Bari, it organises and manages specialised seminars, training courses for companies and public administration in addition to the "Master in Management and Industrial Development" programme certified by ASFOR. It was founded over 30 years ago by Confindustria Bari with the support of banks and institutions.

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



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

Foreign Companies

Exprivia SLU, a Spanish company 100% owned by Exprivia, is the result of the merger by incorporation of the companies previously operating in Spain, Exprivia SL and Profesionales de Sistemas Aplicaciones y Productos SL (ProSap). The company has operated since 2002 providing professional services and project development in the SAP environment, WEB portal development, and solutions and information systems for the Healthcare sector in the Spanish market. 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 owns 98% and Exprivia SLU holds 2%, has been in operation since 2004 and offers professional services and project development in the SAP environment, WEB portal development, and solutions and information systems for the healthcare sector in Latin America, including through its subsidiary, with offices in Guatemala (ProSAP Centroamerica S.A.).

Exprivia do Brasil Serviços de Informatica Ltda, a Brazilian company specialised in IT Security solutions, operates at its headquarters in Sao Paulo; Exprivia holds full control.

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

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

Equity Investments in Associated Companies

Quest.IT S.r.l., a company of which Exprivia owns 24.9% of the share capital. The company was established in 2007 as a spin-off of the Artificial Intelligence research group of the Siena Department of Information Engineering. It develops Artificial Intelligence solutions based on cognitive and automatic learning technologies, which enable the extraction of value from data, thus improving processes and organisation.

Urbanforce Scarl., a company in which Exprivia holds 28.57% of the share capital, specialised in the Salesforce market.



Innovation

The foundry of ideas



Innovation Lab

Innovation to explore and construct new business opportunities.

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

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

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



Industries

A winning bid on each market

Industries

A winning bid on each market

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



Banking, Finance & Insurance

Digital progress and financial technique: the duo of the future

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

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



Telco & Media

Skills and technologies for network virtualisation

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

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

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



Energy & Utilities

Energy-optimising technology

The energy and utilities sector is rapidly evolving to adjust to infrastructure technological upgrading processes, the



development of new services and the entry into force of new directives on safety, energy efficiency and environmental and consumer protection, which are having a considerable impact on both supply and demand.

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



Aerospace & Defence

Military defence, civil safety and digital technology

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

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



Manufacturing & Distribution

Towards the new industrial revolution

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

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

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



Healthcare

Innovative solutions for individual health and efficient administration



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

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

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



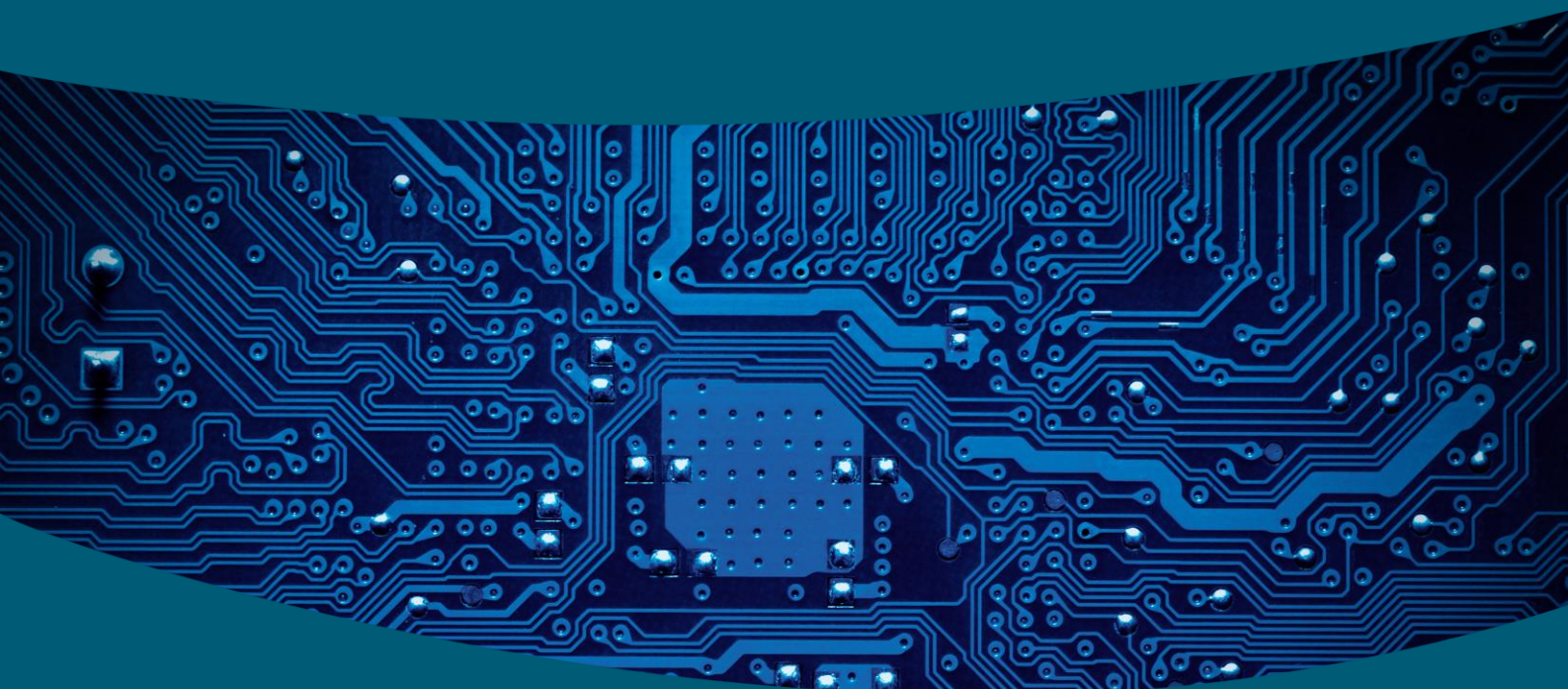
Public Sector

PA digitalisation: the first step towards a reinvigorated country

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

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

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



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

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EXPERTISE	DESCRIPTION
Big Data & Analytics	<p>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.</p>
Cloud	<p>The advent of cloud computing has completely revolutionised how we acquire, implement and execute IT services.</p> <p>Our cloud services refer to four fundamental models: Public Cloud, Private Cloud, Hybrid Cloud and Community Cloud.</p>
IoT & Contextual Communication	<p>The IoT is capable of having a positive effect on the very idea of business, work, study, health and life.</p> <p>The main skills development areas are: Industry 4.0, Digital Healthcare, Smart Cities, Smart Grid.</p>
Cybersecurity	<p>Services designed based on the security controls of the National Institute of Standards and Technology (NIST), which, using information provided by the Exprivia Cybersecurity Observatory, can be divided into the following:</p> <ul style="list-style-type: none"> • Identify – From consultancy activities to Vulnerability and Penetration Tests (VAPT), from malvertisement campaign simulations to analysing and searching for data that may have been stolen and posted on the deep and dark webs. • Protect – Implementation and management of controls that focus on protection from any incidents, segmentation, micro-segmentation, management and governance of identities and accesses, management of privileged identities, static security (SAST) and dynamic application security (DASD), safety, obfuscation and masking of data at rest and in transit. • Detect - Continuous monitoring using SIEM and sophisticated AI tools. • Response - Exprivia has a team that can be called upon to respond to an incident (Global Response Team). • Restore - The GRT can be used not only to respond to an attack but to restore the service.
Mobile	<p>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.</p>



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.

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.



Corporate Social Responsibility

Environment, Health, and Safety

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

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

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





Performance Trend of the Exprivia Group

Performance Trend of the Exprivia Group

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

Banking & Finance

In the first nine months of 2022, we operated in a sector that, despite leveraging lessons learned from the pandemic on business processes and models, has had to manage the uncertainties deriving from international and national geopolitical impacts.

The continuous search for digitalisation remains fundamental, to support both customer satisfaction and the recovery of margins on the core processes of credit, payments, asset management and finance. The focus on the business market, especially the mid market, also forced by the strength of the NRRP, of which the financial sector wants to become an essential player, is accompanied by the attention paid to the retail market, to be managed in an increasingly efficient manner, and with increasingly greater focus on the different customer clusters, pushing to highly personalised proposals, where possible.

These guidelines are clearly evident in the business plans presented by the largest operators in the sector since the beginning of the year. In their driving force and change of priorities, these plans are suffering the impacts of the war and the effects on the costs of raw materials and energy, as well as on inflation.

Lastly, especially starting from the third quarter, there has been an increase in uncertainty over the medium term deriving from the domestic political crisis, which will lead to potential new political structures and different prospects for the domestic and foreign economy.

In this scenario, the investment and spending priorities on the IT component supported the changing scenarios in progress, guaranteeing and streamlining the operating part, pursuing regulatory objectives, evolving the infrastructure and applications in the wake of digitalisation, while paying particular attention to the potentials of the cloud, to the ways to extract value from data through the use of Artificial Intelligence and how to make it secure. By working on these areas, Exprivia managed to achieve a performance substantially in line with that of the previous year while at the same time developing a pipeline that will lead to the development of new partnerships both in the fourth quarter of 2022 and in 2023.

Telco & Media

Also in the third quarter, the Telco market “experienced” the difficulties already evident in the first half of 2022; in fact, the endogenous structural difficulties that the sector is trying to face are compounded by those deriving from external events, which are affecting all sectors in different ways. The main operators in the sector are also experiencing a moment of internal reorganisation and redefinition of the overall balance. The drive remains strong for the definition, development and proposition of value-added services both to enhance the acquired customer base, and to defend it from competition from other operators or other players in the multiutility world, and to recover margins lost on the voice segment. In this context, Exprivia confirms its focus on the OSS component, while at the same time aiming to propose to its main customers a more transversal offer by exploiting all of the experience gathered by the Group in other sectors, as to support data enhancement, the security of infrastructures, applications and *end points*, the creation of *multicloud* infrastructures with which to support the development of its business customers, the development of CRM and billing solutions on market platforms.

Energy & Utilities

The continuation of the war in Ukraine and climate change continue to have a significant impact on the energy market, confirming the general trend of growth in energy prices with the consequent increase in costs for end users. Climate change not only influences energy costs, but also affects the composition of the energy mix: the worst drought of the last 70 years in Europe, and especially in the Mediterranean countries, caused the lack of hydroelectric supplies between May and June 2022 and consequently, hydroelectric production decreased by 38% compared to the last 5 years, despite a 20% higher contribution from photovoltaic plants in the first half of 2022. Skyrocketing wholesale prices are also reflected in the final prices

and required interventions by ARERA and the Government in order to limit their effects, although without completely cancelling them out.

Exprivia's strategy of consolidating projects to support the diversification of energy sources and in particular those projects in which its customers are engaged in the energy transition, process automation and operating efficiency continues along these lines.

This translates into a growing volume of activities compared to the corresponding period of 2021 and, above all, into the development of a pipeline of project initiatives in 2022, estimating a growth in the coming years that is mostly linked to the strategies for migration towards *Cloud Computing* (both at application and infrastructure level) and to the projects for the development of *Smart Grids*, the predictive maintenance of plants, also through the development of *Digital Twins* of physical infrastructures. There is an increasing interest in Cybersecurity, Advanced Analytics, Artificial Intelligence and Machine Learning projects.

Confirming this trend, during the third quarter of 2022, Exprivia was engaged in all the main ICT competitive context of the main players in the Italian energy market

Aerospace & Defence

For 2022, a further increase in commercial opportunities is expected for the Aerospace market compared to 2021, which had already shown significant numbers.

The European Space Agency (ESA) has practically completed the first round of contract tenders for the management of *Copernicus Space Component* system operations, and good prospects for major contract renewals are emerging for Exprivia. These contracts are in addition to those relating to the extension for the *Long-Term Archive* service (already finalised for an extension until the end of November 2023).

The new flagship programme of the European Commission: Destination Earth (DestinE) aims to develop an accurate digital model of the Earth (a "digital twin") in order to monitor and predict climate change and environmental impacts due to human actions. While waiting for this new European programme, our customers ESA, EUMETSAT and ECMWF are publishing several calls for tenders. In this area, Exprivia was awarded an important tender to provide immersive visualisation technologies and solutions. Tenders are expected shortly for the *DestinE Core Service Platform Network* managed by ESA.

The activities related to the implementation of the NRRP come to life, with specific measures dedicated to Space. ESA will use its procedures to manage Euro 1,780 million to strengthen Italian expertise and capabilities in the development of application-oriented technologies and to enhance Italy's competitiveness in the domains of Earth Observation, Space Transportation and In-Orbit Servicing. The funds must be spent in the period 2022-2026. ESA has already issued the tender for the implementation of the *Application Toolbox* and *Marketplace* and for the other *Ground Segment* infrastructures for the IRIDE program (*Flight Operation System, Payload Data Ground Segment and Central Mission Planning and Management*). Exprivia is actively participating in all of the above tenders according to a strategy of collaboration with important Italian companies in the sector.

With regard to EUMETSAT, a further increase in the competition on recently issued tenders should be noted; the results of the tenders in which Exprivia participated, including those relating to the European CO2M Copernicus (*Carbon Dioxide Monitoring*) Mission, are expected soon.

Manufacturing & Distribution

The Industry & Distribution market, heavily impacted in 2020 by the pandemic, confirms the robust recovery already started in 2021.

To be reiterated is the importance of digitisation to support the strategy to redesign business models as well as the introduction of new forms of innovation and flexible automation of processes.

These dynamics, also supported by the national Transition plan 4.0, 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.

Revenues and margins already up in the previous quarters, especially in the application projects segment, confirm the trend also in Q3 2022.

Commercial positioning is projecting growth on the main customers as well as the prospect of acquiring new ones, to support them in their transformation projects in the areas of ERP, SCM, Customer Experience, Analytics, Cyber Security and migration of infrastructures to the cloud.

Healthcare

In this second part of 2022, a series of important projects envisaged in Measure 6 of the NRRP are taking place; the Digital Transformation is finally driving a profound change in clinical and local healthcare processes. The first major tenders are being launched for national platforms, the National Telemedicine Platform, the National Data Platform and the National Artificial Intelligence Platform. These national initiatives are being joined by a series of regional projects which, thanks to the Consip Conventions available in the Healthcare sector, are becoming a reality.

One of the central elements of this healthcare redesign revolves around the new paradigm of healthcare on a local basis, envisaging the redesign and reorganisation of the health system according to the logic of proximity, where places of care are organised according to levels of intensity. This reorganisation brings with it a high level of attention to Telemedicine for the reorganisation of health services, the application modernisation of both administrative and hospital information systems, the importance of integration and interoperability of systems, the strategic importance of data architecture and data strategy to make health data available and usable.

In this scenario, Exprivia has directed the various Procurement initiatives activated by Consip and the Regional Commissioning Centers in these nine months of 2022, in addition to supporting the Administrations in defining the various projects, being awarded some of them.

In this market context, Exprivia is confirming its considerable growth in Q3 2022 compared to the same period of 2021.

Public Sector

These years are being marked by a radical change in the capacity of the Public Administration to direct the demand for digital transformation, and the NRRP is the fundamental enabler.

The important Procurement initiatives prepared by Consip and the push from the NRRP, whose Mission 1 places the digitalisation of the Public Administration among the main areas of action, with wide-ranging technological interventions, include, in addition to the issues already highlighted, the digitalisation of procedures/user interfaces (of citizens and businesses) and the most critical internal processes of the administrations, as well as the implementation the country's cyber security scope. We are finally facing a substantial change of pace.

Within this context, thanks to the skills at its disposal, Exprivia is carrying out projects of high complexity and size, with considerable competitive value and market penetration. Also thanks to the awarding of important Consip Conventions in the Central Public Administration segment, it is preparing to seize the opportunities that the NRRP will generate in the coming months.

The results for the third quarter of 2022 show an improved revenue volume compared to the same period in 2021.

International business



China: After the sharp slowdown of the Chinese economy, especially in the second quarter of 2022, GDP growth of around 3% is estimated at the end of the year. This value is much lower than forecast at the beginning of the year (+ 5.3%) and compared to the historical series of recent years.

The year 2022 has so far been impacted by a series of extraordinary events that have affected the country's economic situation: the resurgence of the pandemic and the related "Covid zero" policy imposed by the central government, the communist party congress renewing the president and of all managerial positions and the great difficulty of the *Real Estate* sector with the crisis experienced by the largest construction companies in the country.

The situation of great uncertainty linked to these important events had an impact both on foreign companies present in the territory and on the presence of foreigners in China.

The phenomenon is also evident from the point of view of the presence of foreign companies; those already present in China and with interests directed at the domestic market continue to have a strong desire to remain in the country and make investments, while companies oriented towards pure outsourcing are closing or reducing their local investments.

The majority of Exprivia customers fall into the category of companies that have opened branches and factories mainly to serve the local market and this, therefore, has given a boost to the activities of 2022 and generated good prospects for 2023.

Despite the uncertain economic outlook of the country, Exprivia China closed the third quarter of 2022 essentially confirming the results both in terms of net revenues and margins.

Brazil: 2022 has a growth forecast for GDP (gross domestic product) of approximately 2.2% compared to 2021 and of the bank interest rate (SELIC) of 13.75% in order to reduce inflation growth (forecast at 7% for the year 2022) but with an evident impact on the attractiveness of businesses for new investments.

This year the company has maintained a substantial economic and financial balance by modifying its offer portfolio, aligning itself with the parent company with projects on CRM, Big Data, Security, Application Service, SAP, software development and "digital transformation" consulting, basically discontinuing the business related to licence resales, which in FY2021 contributed significantly to the company's results in terms of turnover and, to a lesser extent, margin.

The business is expanding the portfolio of services provided to long-standing customers belonging to the Telco and Utilities sector; in response to the expansion of the sales force, an analysis of potential customers was launched which led to the acquisition of a new contract with a leading company in the food sector in Brazil.

Spain: the Spanish economy slowed down, with GDP growth expected to be 0.2% in the third quarter, considerably lower than the 1.5% in the second quarter, thanks to the recovery in tourism and the end of Covid restrictions. However, the figure should not be interpreted too negatively, considering a context of high inflation (7.3% annual change) and a generalised slowdown in corporate profits, the energy crisis, interest rate hikes, the global slowdown and even the threat of a European recession due to Russian gas cuts.

Looking ahead, a negative impact on growth is expected in the fourth quarter, although annual growth should remain around 4.1% in 2022 and revised downwards for 2023 (from 3.3% to 1.8%).

The growth in ICT investments by Public Administrations continues, which in the first half of 2022 invested Euro 2,337 million in ICT, 18.63% more than the same period of 2021, with investments in services amounting to Euro 1,278 million.

In 2022, Exprivia SLU improved its results compared to the first 9 months of 2021, despite the decrease in turnover due to the postponement of some projects to the last quarter of the year. The actions aimed at the awarding of new public tender contracts have been achieving positive results in recent months, with the awarding of important tenders in the services sector to Spanish public sector companies.

Mexico: for the year 2022, Mexico confirms moderate growth rates (+ 2.1%) against an inflation (CPI) of 8.7% and an interbank interest rate of 10.5%. Exprivia Mexico closed the third quarter of 2022 with a 25% increase in revenues. The company, in continuity with 2021, continues the strategy of consolidating its

presence in the LATAM area and expects a gradual recovery of the margins in the short-term deriving from the commercial actions in progress.

Risks and Uncertainties

Cyber security risk

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

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

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

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

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

Risk of business interruption due to COVID-19 coronavirus

The pandemic that broke out in Wuhan at the end of 2019 and its effects on health and economic risks, although it cannot be said to be over, is now being managed in a less emergency manner. At the time of preparing this report, a large part of the population in Italy and other countries is vaccinated, which makes the number of deaths much lower.

Exprivia, from the very first months of 2020, has closely followed the evolution of the situation and, in order to protect the safety of its employees, customers and suppliers, has immediately implemented a strong remote working policy that has brought almost the entire company population into this working mode starting already in March 2020.

The policy implemented has in fact proved to be successful, also thanks to the type of activities carried out by the Exprivia Group, which lends itself to remote work, and has allowed the Company to continue to carry out its activities for customers in safety and being able to guarantee continuous supervision. While delivery activities did not suffer any particular slowdown, commercial activities, especially in the industry and retail sectors, suffered slowdowns and, in some cases, blockages.

As of today, and therefore with almost three years' experience of the effects of the pandemic, we can state that the ICT market, in which the Exprivia Group operates, is one of the markets that was least affected by the effects of the spread of COVID-19 and that, in some cases, it has actually produced a specific induced demand that has seen an increase in revenues.

Exprivia has processes that support the identification, management and monitoring of events with potential significant impacts on the company's resources and business, with the aim of maximising the timeliness and effectiveness of the actions undertaken.

Risk related to climate change

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

The Group's activities, to ensure the transition to a low-polluting economy, may be subject to transition and physical risks, with possible impacts on business processes, in particular production processes, as well as on the products and services offered. The sites and company assets may also be affected by catastrophic natural events (floods, droughts, fires and other) generated by the effects of climate change. The Group pursues a business strategy aimed at continuously improving the efficiency of production systems and processes for the reduction of energy consumption and atmospheric emissions and adopts technical and organisational measures aimed at reducing its environmental impacts, already insignificant by their nature, as they are similar to those generated by office activities. The Group carries out detailed and frequent interventions to monitor and control production activities and the infrastructures and structures used, and has defined operating procedures for the management of some environmental emergencies (e.g. fire emergency, flooding, etc.). The Group also has specific insurance coverage that covers possible consequences arising from disastrous climatic and natural events. The Group believes that its current exposure to the consequences of climate change is not significant and that they do not materially affect accounting estimates.

Risk deriving from the Russia-Ukraine conflict

As is well known, in mid-February of this year Russia attacked Ukraine; the conflict has now lasted for more than nine months and brings war with all its terrible consequences and suffering back to Europe. The conflict is undoubtedly having a strong impact on the whole economy, leading to ever-increasing costs of raw materials, energy sources and foodstuffs. To date, it is also difficult to predict what the next scenarios created by this conflict may be. Specifically, Exprivia, having no commercial or financial relations with the two opposing countries, is not directly impacted by the conflict and therefore does not record any losses or critical situations arising from it.

Significant events of the third quarter of 2022

There are no events to report.

Transactions within Exprivia Group

On **10 August 2022** the Shareholders' Meeting of the subsidiary HRCoffee Srl resolved to reduce the share capital due to losses from Euro 300,000.00 to Euro 113,285.00 (in order to cover the losses of Euro 186,715.00) and the subsequent share capital increase up to Euro 200,000.00 with the issue of new equity

investments for a total of Euro 86,715.00, of which Euro 60,700.50 charged to Exprivia and paid on 20 September 2022.

Events after 30 September 2022

There are no events to report.

Business Outlook

In the first nine months of the year, Exprivia grew in line with analysts' forecasts for 2022, recording a + 6.7% in revenues (compared to the same period of the previous year) and a gross operating margin which stood at 13.5% of the production value.

Driven by the NRRP, a real platform for the digital transformation of the country, the value of ICT in Italy reached its all-time high in 2021 with a spending of around Euro 76 billion. 2022 is still expected to grow. However, the 2022 growth profile according to analysts looks very different. Against the backdrop of the uncertainty that is becoming the new normal, and on a GDP that will hopefully stand at +3.6%, the ICT sector's growth is expected to slow down compared to 2021, especially with reference to the last part of the year, which presents the unknowns of the war, the increasing cost of energy resources and rising inflation to 1984 levels.

In this context, Exprivia is reviewing its strategies in the markets in which it operates to counteract the macroeconomic effects directly affecting its customers' businesses.

Finally, Exprivia confirms that it is not exposed in terms of turnover to Ukraine and Russia in the first nine months of the year. although the Group cannot remain exempt from indirect effects.

Staff and Turnover

The table below shows the companies' workforce at 30 September 2022, compared with that at 31 December 2021 and 30 September 2021. The table shows the number of resources of which the part-time component accounts for about 20%:

Inter-Company Relations

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

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

As from November 2021, responsibility for the Human Resources Department is entrusted to a new Director, who will establish policies for the entire Group and monitor their implementation. The Internal Audit, Merger & Acquisition, Corporate Affairs and International Business Departments 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) CONSOB notice on guidelines for applying the regulation published on 24 September 2010; (iv) CONSOB notice no. 10094530 of 15 November 2010 with additional clarifications, on 20 July 2021 the Company's Board of Directors adopted a new "Procedure for Transactions with Related Parties" (the "Procedure"), setting forth provisions concerning transactions with related parties in order to ensure the transparency and substantive and procedural correctness of operations with related parties carried out directly or through companies that are directly and/or indirectly controlled by Exprivia ("Exprivia Group").

This Procedure, which replaced the one previously in force and introduced on 4 December 2017, as an update to the one of 27 November 2010, is available on the Company's website in the section "Corporate > Corporate Governance > Corporate Information".

Pursuant to art. 5, paragraph 8, of the Regulation, it should be noted that, at 30 September 2022, no significant transactions were completed (as set forth in Art. 4, paragraph 1, lett. A) and identified by the aforementioned Procedure pursuant to the Annex 3 of the Regulation), nor other transactions with related parties that had a significant impact on the consolidated financial position or on the results of the Group in the reference period.

The transactions with related parties carried out by the Company at 30 September 2022 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 (hereinafter also the "Holding Company") has not caused any damage to the interests and assets of the Exprivia Group;
- full transparency of inter-company relations was ensured, in order to allow anyone who may be interested to verify whether this principle is being observed;
- transactions with Abaco Innovazione SpA were carried out on an arm's length basis, i.e., under conditions that would have been applied by independent parties.

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

In accordance with art. 2.6.2 paragraph 8 of the Regulation of the Markets Organised and Managed by Borsa Italiana SpA, the Directors declare that, at 31 December 2021, the Company does not meet the conditions provided under art. 16 paragraph of Consob Market Regulation no. 20249/2017 as amended.

Group Relations with the Parent Company

The financial and equity relations between the Exprivia Group and the holding company Abaco Innovazione SpA at 30 September 2022 compared with 31 December 2021 for balance sheet data and with 30 September 2021 for income statement data are shown below.

Receivables

Non-current Financial Assets

Description	30/09/2022	31/12/2021	Variation
Abaco Innovazione_Non-current financial receivables from parent company	0	467	(467)
TOTAL	0	467	(467)

The balance at 30 September 2022 was reduced to zero as a result of the reclassification of the receivable under receivables to the current portion.

Current Financial Assets

Description	30/09/2022	31/12/2021	Variation
Abaco Innovazione_Current financial receivables from parent company	472	468	3
TOTAL	472	468	3

The balance at 30 September 2022 for Euro 472 thousand related to the current portion of the unsecured loan, disbursed in 2016, including interest income of Euro 14 thousand.

Trade Receivables

Description	30/09/2022	31/12/2021	Variation
Abaco Innovazione_Trade receivables from parent companies	40	40	(0)
TOTAL	40	40	(0)

The balance at 30 September 2022 amounted to Euro 40 thousand, unchanged from December 2021, and refers to receivables for administrative and logistics services.

Revenues and Income

Description	30/09/2022	30/09/2021	Variation
Abaco Innovazione_Financial income from parent companies	14	26	(12)
TOTAL	14	26	(12)

The balance at 30 September 2022 refers primarily to interest accrued from Abaco Innovazione SpA on a loan disbursed by Exprivia.

Financial Income and Charges

Description	30/09/2022	30/09/2021	Variation
Abaco Innovazione_Costs of a financial nature from parent companies	322	300	23
TOTAL	322	300	23

The balance of Euro 322 thousand at 30 September 2022 refers to costs for the guarantee given by the Parent Company to obtain the Euro 25 million loan disbursed to Exprivia by a pool of banks in April 2016.

**Condensed Quarterly
Consolidated
Financial Statements
of Exprivia Group at
30 September 2022**

Consolidated Financial Statements at 30 September 2022

Consolidated Balance Sheet

Amount in thousand Euro			
	Note	30/09/2022	31/12/2021
Property, plant and machinery		16,766	18,017
Goodwill		69,071	69,071
Other Intangible Assets		8,452	9,278
Shareholdings		879	841
Other non-current financial assets		171	659
Other non-current assets		716	736
Deferred tax assets		2,085	2,098
NON-CURRENT ASSETS		98,140	100,700
Trade receivables		46,467	53,360
Stock		586	942
Work in progress to order		29,530	22,559
Other Current Assets		13,587	9,785
Other Financial Assets		710	715
Cash and cash equivalents available		9,484	19,060
Other financial assets valued at FVOCI		2	2
CURRENT ASSETS		100,366	106,423
TOTAL ASSETS		198,506	207,123

Amount in thousand Euro			
	Note	30/09/2022	31/12/2021
Share capital	1	24,284	24,616
Share Premium Reserve	1	18,082	18,082
Revaluation reserve	1	2,907	2,907
Legal reserve	1	5,190	4,682
Other reserves	1	31,513	23,984
Profits (Losses) for the previous period	1	(10,481)	(10,470)
Profit (Loss) for the period	14	8,137	10,138
SHAREHOLDERS' EQUITY		79,632	73,939
Minority interest	1	66	50
GROUP SHAREHOLDERS' EQUITY		79,566	73,889
Non-current bond		4,594	9,156
Non-current bank debt		17,145	20,831
Other financial liabilities		3,137	3,984
Other no current liabilities		77	396
Provision for risks and charges		186	195
Employee provisions		7,186	7,990
Deferred tax liabilities		1,823	1,595
NON CURRENT LIABILITIES		34,148	44,147
Current bond		6,998	4,551
Current bank debt		10,035	9,468
Trade payables		21,214	28,522
Advances payment on work in progress contracts		4,153	5,560
Other financial liabilities		2,450	2,265
Other current liabilities		39,876	38,671
CURRENT LIABILITIES		84,726	89,037
TOTAL LIABILITIES		198,506	207,123

Consolidated Income Statement

Amount in thousand Euro				for the nine months closed on	for the nine months closed on
	Note	3^Q 2022	3^Q 2021	30/09/2022	30/09/2021
Revenue from sales and services		41,788	39,359	128,102	121,608
Revenues	2	41,788	39,359	128,102	121,608
Other income	3	3,464	891	5,354	3,437
PRODUCTION REVENUES		45,252	40,250	133,456	125,045
Costs of raw, subsid. & consumable mat. and goods	4	844	959	2,591	3,022
Salaries	5	26,917	24,545	83,351	78,871
Costs for services	6	10,030	8,374	27,197	24,489
Costs for leased assets	7	256	165	613	434
Sundry operating expenses	8	270	259	1,064	608
Change in inventories of raw materials and finished products	9	(36)	302	233	153
Provisions	10	570	70	449	350
TOTAL PRODUCTION COSTS		38,851	34,674	115,498	107,927
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		6,401	5,576	17,958	17,118
Amortisation, depreciation and write-downs	11	1,521	1,482	4,597	4,649
OPERATIVE RESULT		4,880	4,094	13,361	12,469
Financial income and (charges) and other investments	12	(636)	(579)	(1,660)	(2,251)
PROFIT (LOSS) BEFORE TAXES		4,244	3,515	11,701	10,218
Income tax	13	1,410	1,021	3,564	3,265
PROFIT OR LOSS FOR THE PERIOD	14	2,834	2,494	8,137	6,953
Attributable to:					
Shareholders of holding company		2,846	2,517	8,153	6,980
Minority interest		(10)	(22)	(15)	(26)
Earnings per share losses	15				
Basic earnings per share		0.0548	0.0532	0.1636	0.1475
Basic earnings diluted		0.0548	0.0532	0.1636	0.1475

Consolidated Statement of Comprehensive Income

Amount in thousand Euro		for the nine months closed on	for the nine months closed on
Description	Note	30/09/2022	30/09/2021
Profit for the period	14	8,137	6,953
<i>Other gains (losses) total will not subsequently be reclassified in profit (loss) for the period</i>			
Profit (loss) Actuarial effect of IAS 19		631	115
Tax effect of changes		(151)	(28)
Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss) for the period	15	480	87
<i>Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period</i>			
Change in translation reserve		467	53
Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss) for the period	15	467	53
NET COMPREHENSIVE INCOME FOR THE PERIOD		9,082	7,092
<i>attributable to:</i>			
Group		9,092	7,116
Minority interest		(10)	(24)

Statement of Changes in Consolidated Shareholders' Equity

Amount in thousand Euro	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Legal Reserve	Other Reserves	Profits (Losses) brought forward	Profit (Loss) for the period	Total Net Worth	Minority Interests	Total Group Net Worth
Balance as of 31/12/2020	26,980	(2,364)	18,082	2,907	4,171	14,134	(165,775)	165,531	63,667	29	63,638
Allocation of previous year result					511	(13,148)	178,168	(165,531)	0	0	0
Other movements						(32)			(32)		(32)
Components of the overall result											
Profit (loss) for the period								6,953	6,953	(26)	6,979
Effects deriving from the application of IAS 19						87			87	2	85
Conversion reserve						53			53	0	53
Total Comprehensive Profit (Loss) for the period									7,092	(24)	7,116
Balance as at 30/09/2021	26,980	(2,364)	18,082	2,907	4,682	1,094	12,393	6,953	70,728	5	70,723
Balance as at 31/12/2021											
Balance as at 31/12/2021	26,980	(2,364)	18,082	2,907	4,682	23,984	(10,470)	10,138	73,939	50	73,889
Allocation of previous year result					508	7,166	2,464	(10,138)	(0)	0	(0)
Dividend distribution							(2,258)		(2,258)		(2,258)
Reclassification of dividends on own shares						233	(233)		0		0
Profit (loss) for the period		(331)				(815)			(1,146)		(1,146)
Other movements							15		15	26	(11)
Components of the overall result											
Profit (loss) for the period								8,137	8,137	(15)	8,152
Effects deriving from the application of IAS 19						480			480	5	475
Conversion reserve						467			467	0	467
Total Comprehensive Profit (Loss) for the period									9,082	(10)	9,092
Balance as at 30/09/2022	26,980	(2,695)	18,082	2,907	5,190	31,513	(10,481)	8,137	79,632	66	79,566

Consolidated Cash Flow Statement

Amount in thousand Euro	Note	for the nine	for the nine
		months closed	months closed
		on	on
		30/09/2022	30/09/2021
Financial statement	16		
Operating activities:			
Profit (loss) for the period	14	8,137 (1)	6,953 (1)
Depreciation, write-downs, provisions and other non-monetary elements		5,354	5,327
Provision for Severance Pay Fund		3,915	3,694
Advances/Payments Severance Pay		(4,089)	(3,998)
Cash flow generated (absorbed) from operating activities	a	13,318	11,971
Increase/Decrease in net working capital:			
Variation in stock and payments on account		(8,127)	(6,567)
Variation in receivables to customers		6,954	(525)
Variation in receivables to parent/subsidiary/associated company		(92)	(66)
Variation in other accounts receivable		(4,276)	(459)
Variation in payables to suppliers		(7,279)	(1,411)
Variation in payables to parent/subsidiary/associated company		(29)	(128)
Variation in tax and social security liabilities		(2,092)	(773)
Variation in other accounts payable		2,980	4,531
Cash flow generated (absorbed) from current assets and liabilities	b	(11,962)	(5,397)
Cash flow generated (absorbed) from current activities	a+b	1,357	6,572
Investment activities:			
Purchases of tangible fixed assets net of payments for sales		(546)	(349)
Variation in intangible assets		(1,205)	(1,374)
Variation in financial assets		(53)	(461)
Net variation in other financial receivables		493 (2)	581 (2)
Cash flow generated (absorbed) by investing activities	c	(1,311)	(1,603)
Financial assets and liabilities			
Openings of new medium / long-term loans		1,253 (2)	110 (2)
Repayments of medium-long term loans		(6,951) (2)	(8,739) (2)
Net change in other financial payables including other current payables to banks		(968) (2)	(13,353) (2)
Changes in other non-current liabilities and use of risk provisions		(33)	(9)
(Purchase) / Sale of own shares		(1,146)	0
Paid dividends		(2,258)	0
Change in equity		480	22
Cash flow generated (absorbed) by financing activities	d	(9,621)	(21,969)
Increase (decrease) in cash and cash equivalent	a+b+c+d	(9,576)	(16,999)
Cash and cash equivalents at the beginning of the period		19,060	27,867
Cash and cash equivalents at the end of the period		9,484	10,869
(1) of which for taxes and interest paid during the year		1,933	3,077

(2) The sum of the related amounts (-6,173 thousand of Euro at 30 September 2022 and -21,400 thousand of Euro at 30 September 2021) represents the overall change in net liabilities deriving from financing activities.

Explanatory Notes

Declaration of compliance with IFRS

This quarterly report, at 30 September 2022, 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 have been prepared in accordance with IAS 1, while the Notes have been prepared in abbreviated form, applying the option envisaged by IAS 34 and, therefore, are reported in summary form and do not include all the information required in the yearly financial statements, as they refer exclusively to those components that, in terms of amount, composition or changes, are essential for the purposes of understanding the economic, financial and equity situation of the Group. Therefore, the condensed quarterly consolidated financial statements at 30 September 2022 must be read together with the consolidated yearly financial statements at 31 December 2021 available on the website www.exprivia.it, section "Corporate" - "Investor Relations", "See all financial statements".

On 14 November 2022, the Board of Directors approved the condensed quarterly consolidated financial statements at 30 September 2022 and made these available to the public and to CONSOB, according to the methods and terms set forth in the applicable legislative and regulatory provisions.

Interpretations and amendments that apply as of 1 January 2022:

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

Descrizione	Tipo di documento	Data di emissione	Data di efficacia	Standard	Data di omologa	Pubblicazione in G.U.C.E	Data di efficacia per il Gruppo
Concessioni canoni di locazione legati al Covid-19 oltre il 30 giugno 2021 Modifica IFRS 16	Emendamento	mar-21	1-apr-2021	IFRS 16	30-ago-2021	31-ago-2021	1-apr-2021
Miglioramenti annuali agli standard IFRS® 2018-2020	Miglioramenti annuali	mag-20	1-gen-2022	IFRS 16, IFRS 9, IFRS 1, IAS 41	28-giu-2021	2-lug-2021	1-gen-2022
Immobili, impianti e macchinari: incassi prima dell'uso previsto (Modifiche allo IAS 16)	Emendamento	mag-20	1-gen-2022	IAS 16	28-giu-2021	2-lug-2021	1-gen-2022
Riferimento al Quadro Concettuale (Modifiche all'IFRS 3)	Emendamento	mag-20	1-gen-2022	IFRS 3	28-giu-2021	2-lug-2021	1-gen-2022
Contratti onerosi - Costo dell'adempimento di un contratto (Modifiche allo IAS 37)	Emendamento	mag-20	1-gen-2022	IAS 37	28-giu-2021	2-lug-2021	1-gen-2022

In March 2021, the IASB issued the document "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)", which extended by one year the period of application of the amendment to IFRS 16 issued in 2020 relating to the accounting of the facilities granted to lessees due to Covid 19. The amendments apply from 1 April 2021.

The amendment aims to neutralise the accounting effects of changes in lease payments (cancellation or reduction of lease payments) in compliance with agreements between parties in view of the negative effects of COVID-19. In the absence of such intervention by the Regulator, these changes would have resulted in the re-determination of the financial liability and the carrying amount of the asset consisting of the right of use, entailing a significant administrative burden.

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification and requires lessees that apply the exemption to account for these concessions as if they were not lease modifications and therefore immediately in the income statement.

Amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The standard/amendment newly adopted did not have any material impact on the valuation of the Group's assets, liabilities, costs and revenues. Therefore, it is not deemed necessary to change existing procedures and/or implement new ones.

The amendment to IAS 16 "Property, Plant and Equipment on Proceeds before Intended Use" clarifies the prohibition of deducting from the carrying amount of property, plant and equipment any proceeds from the sale of materials used during the period of production and commissioning of the asset itself. These revenues are recognised in the income statement when realised together with the related production costs.

The amendments made to IFRS 3 "Business Combinations" are aimed at:

- completing the updating of the references to the Conceptual Framework for Financial Reporting in the accounting standard;
- providing clarifications on the prerequisites for the recognition, at the acquisition date, of provisions, contingent liabilities and liabilities for taxes that are assumed as part of a business combination transaction;
- making it clear that the contingent assets cannot be recognised as part of a business combination.

The amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets on Onerous Contracts-Cost of Fulfilling a Contract" specifically details which costs should be included when considering the obligation arising from entering into an onerous contract. The amendment provides for the application of a "directly related cost approach". The costs that refer directly to an agreement for the supply of goods or services include both the incremental costs and the costs directly attributed to the contractual activities. General and administrative expenses are not directly related to an agreement and are excluded unless they are explicitly recharged to the counterparty on the basis of the agreement.

The adoption of these amendments did not have a material impact on the valuation of the Group's assets, liabilities, costs and revenues.

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

Following are the accounting standards, amendments and interpretations approved by the IASB and endorsed by the European Union, whose mandatory effective date is after 30 June 2022 and not adopted in advance by the Group:

Descrizione	Tipo di documento	Data di emissione	Data di efficacia	Standard	Data di omologa	Pubblicazione in G.U.C.E	Data di efficacia per la Società
Applicazione iniziale dell'IFRS 17 e dell'IFRS 9—Informazioni comparative	Emendamento	dic-21	1-gen-2023	IFRS 17, IFRS 9	8-set-2022	9-set-2022	1-gen-2023
Imposte differite relative a attività e passività derivanti da una singola transazione	Emendamento	mag-21	1-gen-2023	IFRS 1, IAS 12	11-ago-2022	12-ago-2022	1-gen-2023
Informativa sui principi contabili (Modifiche allo IAS 1 e IFRS Practice Statement 2)	Emendamento	feb-21	1-gen-2023	Dichiarazione pratica 2, IAS 1, IFRS 8, IAS 34, IAS 26, IFRS 7	2-mar-2022	3-mar-2022	1-gen-2023
Definizione di Stime Contabili (Modifiche allo IAS 8)	Emendamento	feb-21	1-gen-2023	IAS 8	2-mar-2022	3-mar-2022	1-gen-2023
Modifiche all'IFRS 17	Emendamento	giu-20	1-gen-2023	IFRS 3, IAS 36, IFRS 9, IAS 1, IAS 38, IAS 32, IFRS 17, IFRS 4, IAS 40, IAS 19, IAS 16, IFRS 15, SIC-27, IAS 36, IFRS 1, IAS 37, IAS 7, IAS 28, IFRS 5, IFRS 7	19-nov-2021	23-nov-2021	1-gen-2023

The amendment to IAS 12 "Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction" is intended to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

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

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 supersede those currently envisaged by IFRS 4 "Insurance Contracts", are effective for years beginning on or after 1 January 2023. In December 2021, the IASB published an amendment to the transitional provisions of IFRS 17 "*Initial Application of IFRS 17 and IFRS 9 — Comparative Information*". The amendment provides insurance companies with an option to improve the relevance of the information to be provided to investors during the initial application of the new standard.

With reference to changes made to existing and upcoming accounting standards, their adoption is not expected, at this time, to have any material impact on the valuation of the Group's assets, liabilities, costs and revenues.

Accounting standards, amendments and interpretations not yet approved

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

Descrizione	Tipo di documento	Data di emissione	Data di efficacia	Standard	Data di omologa	Pubblicazione in G.U.C.E	Data di efficacia per la Società
Passività non correnti con Covenants	Emendamento	ott-22	1-gen-2024	IAS 1, Dichiarazione di pratica 2			
Lease Liability in una Sale and Leaseback Modifiche all'IFRS 16	Emendamento	set-22	1-gen-2024	IFRS 16			
Classificazione delle passività come correnti o non correnti — Differimento della data di entrata in vigore (Modifica allo IAS 1)	Emendamento	lug-20	1-gen-2023	IAS 1			
Classificazione delle passività come correnti o non correnti (Modifiche allo IAS 1)	Emendamento	gen-20	1-gen-2023	IAS 1			

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

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

On 23 January 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements - Classification of liabilities as current or non current" aimed at providing clarifications on the classification of liabilities as current and non-current. In particular, the document states that a liability should be classified as

current or non-current based on the rights existing at the balance sheet date. In addition, it establishes that the classification is not impacted by the entity's expectation to exercise its rights to defer the settlement of the liability. Finally, it is clarified that this regulation refers to the transfer to the counterparty of cash, equity instruments, other assets or services. As a result of the deferral defined with the amendments made on 15 July 2020, these amendments shall enter into force on or after 1 January 2023.

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

Scope of Consolidation

The Condensed Quarterly Consolidated Financial Statements at 30 September 2022 include the statement of financial position, income statement and cash flows of Exprivia and its subsidiaries in accordance with IFRS 10, except for Beta TLC SpA as, given its current inoperative status, resulting from the full takeover of its assets and liabilities by Nuovo Polo Impiantistico SpA (now Italtel SpA) with immediate effect on 1 April 2022, the effects are immaterial under IAS 1 par. 7.

The table below shows the companies under consolidation; the investments shown below are all controlled directly by the Parent Company Exprivia apart from the indirect subsidiaries 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 30 September 2022, for the aforementioned subsidiaries consolidated using the line-by-line method are provided below:

Company	H.O.	Value	Company Value capital	Results for year	Net worth	Total revenues	Total Assets	% of holding	
Advanced Computer Systems D-GmbH	Offenbach (Germania)	amount in Euro	25,000 amount in thousand Euro	87	206	1,369	428	100.00%	Exprivia SpA
Consorzio Exprivia S.c.a.r.l	Milano	amount in Euro	20,000 amount in thousand Euro	(1)	25	0	492	70.00% 25.00% 5.00%	Exprivia SpA Italtel SpA Exprivia Projects Srl
Exprivia ASIA Ltd	Hong Kong	amount in dollaro	2,937,850 amount in thousand Euro	56	(85)	-	890	100.00%	Exprivia SpA
Exprivia It Solutions (Shanghai) Ltd	Shanghai (Cina)	amount in Renminbi	3,719,450 amount in thousand Euro	75	11	1,597	1,075	100.00%	Exprivia ASIA Ltd
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	amount in Real	5,890,663 amount in thousand Euro	77	1,512	2,051	2,125	100.00%	Exprivia SpA
Exprivia Projects Srl	Roma	amount in Euro	242,000 amount in thousand Euro	433	1,237	9,045	4,630	100.00%	Exprivia SpA
HRCOFFEE Srl	Molfetta (BA)	amount in Euro	200,000 amount in thousand Euro	(110)	(170)	111	367	70.00% 30.00%	Exprivia SpA persone fisiche
Succursale Ecuador de Exprivia SLU	Quito (Ecuador)	amount in USD	10,000 amount in thousand Euro	-	-	-	-	100.00%	Exprivia SLU
Spegea Scarl	Bari	amount in Euro	125,000 amount in thousand Euro	60	352	730	1,823	60.00% 40.00%	Exprivia SpA Confindustria Bari
Exprivia SLU	Madrid (Spagna)	amount in Euro	197,904 amount in thousand Euro	(293)	(136)	1,259	1,275	100.00%	Exprivia SpA
ProSap Centroamerica SA	Città del Guatemala (Guatemala)	amount in Quetzal	5,000 amount in thousand Euro	(11)	193	-	635	98.00% 2.00%	Exprivia Messico SA de CV Exprivia SpA
Exprivia Messico SA de CV	Città del Messico (Messico)	amount in Pesos messicani	41,208,999 amount in thousand Euro	(21)	1,668	462	2,931	2.00% 98.00%	Exprivia SLU Exprivia SpA
ProSap Perù SAC	Lima (Perù)	amount in Nuevo Sol	706,091 amount in thousand Euro	-	18	-	37	100.00%	Exprivia SLU

The primary exchange rates used for conversion into Euro of the financial statements of foreign companies at 30 September 2022 were as follows:

Exchange rate	9-month average as at 30 September 2022	Punctual as of September 30, 2022
Real brazilian	5.468	5.258
Dollar USA	1.065	0.975
Nuevo Sol peruviano	4.062	3.875
Dollaro Hong Kong	8.341	7.652
Renminbi -Yuan (Cina)	7.021	6.937
Mexican Peso	21.578	19.639
Guatemalan Quetzal	8.218	7.680

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

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

SEGMENT REPORTING

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

At 30 September 2022, the IT (Information Technology) sector was identified as a single operating segment that includes Information Technology and IT software, solutions and services. This sector corresponds to the scope of consolidation of Exprivia Group.

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

The "**Share Capital**", fully paid-up, amounted to Euro 24,284 thousand at 30 September 2022, compared to Euro 24,616 thousand at 31 December 2021; 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 and is shown net of treasury shares held as of 30 September 2022, amounting to 5,183,058, with a par value of Euro 2,695 thousand.

Note 1 - Share Premium Reserve

At 30 September 2022, the "**Share premium reserve**" amounted to Euro 18,082 thousand and is the same as 31 December 2021.

Note 1 - Revaluation Reserve

At 30 September 2022, the "**Revaluation reserve**" amounted to Euro 2,907 thousand and is the same as 31 December 2021. It should be noted that this item includes the tax realignment of the statutory values carried out by the Parent Company with reference to the properties in Molfetta, Via A. Olivetti 11 and Rome, Via Bufalotta; opportunity offered by Decree Law no. 104 of 14 August 2020, art. 110, paragraph 8, by reference to paragraph 1 of art. 14 of Law no. 342/00.

Note 1 - Legal Reserve

The "**Legal reserve**" at 30 September 2022 amounted to Euro 5,190 thousand compared to Euro 4,682 thousand at 31 December 2021. The change is related to the allocation of Euro 508 thousand of the 2021 result as resolved by the shareholders' meeting on 28 April 2022.

Note 1 - Other Reserves

The balance of the item "**Other reserves**" at 30 September 2022 amounted to Euro 31,513 thousand compared to Euro 23,984 thousand at 31 December 2021. Changes at 30 September 2022 relate to:

- the positive effect of the allocation of the 2021 profit for Euro 7,166 thousand;
- the positive effect of the dividend on treasury shares reclassified in the extraordinary reserve for Euro 233 thousand;
- the negative effect on shareholders' equity of the purchase of treasury shares in the amount of Euro 815 thousand;
- the positive effect of the change in the currency translation reserve for Euro 467 thousand;

- the positive effect on the shareholders' equity of the application of IAS 19 with the associated recognition in the statement of comprehensive income of actuarial losses net of the tax effect of Euro 480 thousand.

Note 1 – Profit/Loss from Previous Periods

The item "**Profit/loss from previous periods**" at 30 September 2022 was Euro (10,481) thousand compared to Euro (10,470) thousand at 31 December 2021. The movements that occurred at 30 September 2022 are mainly attributable to:

- the positive effect of the allocation of the 2021 result for Euro 2,464 thousand;
- the negative effect of the distribution of dividends for Euro 2.258 thousand;
- to the negative effect of the dividend on treasury shares reclassified in the extraordinary reserve for € 233 thousand.

Note 1 - Minority Shareholders' Interests

"**Minority Shareholders' Interests**" at 30 September 2022 were positive for Euro 66 thousand compared to Euro 50 thousand at 31 December 2021.

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

Below is the statement of reconciliation between Shareholders' Equity and the Profit for the period resulting from the separate financial statements of Exprivia and those in the condensed half-year consolidated financial statements.

Description	Result as at 31/12/2021	Shareholders ' equity as of 31/12/2021	Result as at 30/09/2022	Shareholders ' equity as of 30/09/2022
Exprivia SpA	10,165	76,351	8,319	81,733
Contribution of consolidated companies (PN and Result)	(1,937)	3,875	352	4,236
Elision of equity investments	1,851	(8,625)	0	(8,685)
Goodwill	0	2,280	0	2,280
Dividend elimination	0	0	(547)	0
Other consolidation adjustments	57	57	15	69
Third party equity	32	(50)	15	(66)
Total Group Equity	10,168	73,889	8,153	79,566

NET FINANCIAL DEBT

The Net Financial Debt format implements the ESMA guidelines on disclosure requirements pursuant to the "prospectus regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob warning no. 5/21 of 29 April 2021.

amounts in thousands of Euro

	30/09/2022	31/12/2021
A. Cash	56	43
B. Other liquid assets	9,428	19,017
C 1. Securities held for trading	2	0
C 2. Own shares	4,458	3,312
D. Liquid (A)+(B)+(C)	13,944	22,374
E. Current financial receivables	710	715
F. Current bank debts	(4,743)	(7,931)
G. Current portion of non-current bank debts	(12,290)	(6,088)
H. Other current financial debts	(2,450)	(2,265)
I. Current financial debts (F) + (G) + (H)	(19,483)	(16,284)
J. Net current financial debts (I) + (E) + (D)	(4,829)	6,805
K. Non-current bank debts	(17,145)	(20,831)
L. Bond	(4,594)	(9,156)
M. Other non-current financial payables net of non-current financial receivables and derivative financial instruments	(2,966)	(3,325)
N. Non-current financial debts (K) + (L) + (M)	(24,705)	(33,312)
O. Net financial debts (J) + (N)	(29,534)	(26,507)

Treasury shares held by the Parent Company (Euro 4,458 thousand) are included in the calculation of the net financial debt.

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

Amounts in thousands of Euro

	31.12.2021	Cash flows	Non-monetary flows	30.09.2022
Current financial receivables	715	(5)	0	710
Current bank debts and current portion of non-current debt	(14,019)	(3,014)	0	(17,033)
Other current financial payables	(2,265)	(184)	0	(2,449)
Non-current bank debts	(20,831)	3,686	0	(17,145)
Bonds issued	(9,156)	4,562	0	(4,594)
Other non-current net financial payables	(3,325)	1,128	(770)	(2,966)
Net liabilities deriving from financing activities	(48,881)	6,173 (*)	(770)	(43,479)
Liquid assets	22,374 (**)	(8,430) (***)	0	13,944 (**)
Net financial debt	(26,507)	(2,257)	(770)	(29,534)

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

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

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

Explanatory Notes to the Consolidated Income Statement

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

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

Note 2 - Revenues

Revenues from sales and services in the third quarter of 2022 amounted to Euro 41,788 thousand compared to Euro 39,359 thousand in the third quarter of 2021.

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

Description	Q3 2022	Q3 2021	Variation
Projects and Services	37,421	35,218	2,203
Maintenance	2,971	3,354	(383)
HW/ SW third parties	731	796	(65)
Own licences	499	375	124
Other	166	(383)	549
Total	41,788	39,359	2,428

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

Exprivia Group (value in thousand Euro)	Q3 2022	Incidence%	Q3 2021	Incidence%
Private	32,041	76.7%	30,508	77.5%
Public	9,747	23.3%	8,851	22.5%
TOTAL	41,788		39,359	

Exprivia Group (value in thousand Euro)	Q3 2022	Incidence%	Q3 2021	Incidence%
Italy	37,262	89.2%	35,315	89.7%
Foreign	4,526	10.8%	4,044	10.3%
TOTAL	41,788		39,359	

The increase in revenues is generalised on almost all the markets served by the Group, and is related to the growth trend of the expedition of the ICT market in continuity with the year 2021.

Note 3 - Other Income

Other income in the third quarter of 2022 amounted to Euro 3,464 thousand compared to Euro 891 thousand in the same period of 2021. The table below provides details on the items.

Description	Q3 2022	Q3 2021	Variation
Other revenues and income	144	104	41
Grants related to income	2,978	481	2,497
Increase in capitalised expenses for internal projects	342	306	36
TOTAL	3,464	891	2,574

Other revenues and income

"Other revenues and income" in the third quarter of 2022 amounted to Euro 144 thousand compared to Euro 104 thousand in the third quarter of 2021 and mainly related to recharges of long-term car rental fees to employees in the amount of Euro 77 thousand and income for training contributions in the amount of Euro 39 thousand.

Operating grants

"Operating grants" in the third quarter of 2022, amounted to Euro 2,978 thousand compared to Euro 481 thousand in the third quarter of 2022 and refer to grants and tax credits related to funded research and development projects.

Costs for capitalised internal projects

"Increases in fixed assets for internal work" amounted, in the third quarter of 2022, to Euro 342 thousand compared to Euro 306 thousand of the third quarter of 2021 and refer to costs incurred in the third quarter to develop products for the 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 third quarter of 2022 amounted to Euro 844 thousand compared to Euro 959 thousand in the third quarter of 2021. The table below provides details on the items.

Description	Q3 2022	Q3 2021	Variation
Purchase of HW-SW products	831	938	(107)
Stationery and consumables	9	15	(6)
Fuel and oil	3	2	0
Other costs	2	4	(2)
TOTAL	844	959	(115)

The change in the item "**Purchase of hw-sw products**" is substantially offset by the opposite change recognised in the item "Change in inventories" commented on in Note 9.

Note 5 - Staff Costs

The balance of the item "**Staff costs**" amounted to Euro 26,917 thousand in the third quarter of 2022 compared to Euro 24,545 thousand in the third quarter of 2021. The table below provides details on the item:

Description	Q3 2022	Q3 2021	Variation
Salaries and wages	19,826	17,821	2,005
Social charges	5,190	4,933	257
Severance Pay	1,390	1,294	96
Other staff costs	512	497	15
TOTAL	26,917	24,545	2,372

The number of employees at 30 September 2022 was 2,472, of which 2,439 were employees and 33 temporary workers, while at 30 September 2021 the number of resources was 2,340, of which 2,318 were employees and 22 temporary workers.

The average at 30 September 2022 was 2,448, of which 2,422 employees and 26 temporary workers, while the average at 30 September 2021 was 2,388, of which 2,375 employees and 13 associates.

Note 6 - Costs for Services

The consolidated balance of item "**Costs for services**" totalled Euro 10,030 thousand in the third quarter of 2022, compared to Euro 8,374 thousand in the third quarter of 2021. The table below provides details on the items:

Description	Q3 2022	Q3 2021	Variation
Technical and commercial consultancy	6,938	5,142	1,796
Administrative/company/legal consultancy	437	589	(152)
Auditors' fees	26	27	(1)
Travel and transfer expenses	120	108	11
Utilities	240	190	49
Advertising and agency expenses	188	111	77
Bank charges	68	54	14
HW and SW maintenance	1,208	1,429	(221)
Insurance	217	152	65
Other costs	589	572	17
TOTAL	10,030	8,374	1,656

The increase in "Technical and commercial consulting" is closely related to the increase in revenues.

Note 7 - Costs for Leased Assets

The balance of the item "**Costs for leased assets**" amounted to Euro 256 thousand in the third quarter of 2022 compared to Euro 165 thousand in the third quarter of 2021. Below is the table with the details:

Description	Q3 2022	Q3 2021	Variation
Rental expenses	39	33	6
Car rental/leasing	6	15	(9)
Rental of other assets	33	27	7
Other costs	177	90	87
TOTAL	256	165	91

The change in the item "**Others**" is attributable to higher costs for license rights.

Note 8 - Sundry Operating Expenses

In the third quarter of 2022 the balance of the item "**Sundry operating expenses**" amounted to Euro 270 thousand compared to Euro 259 thousand in the third quarter of 2021. The table below provides details.

Description	Q3 2022	Q3 2021	Variation
Annual subscriptions	38	51	(13)
Taxes	103	93	9
Penalties and fines	33	14	20
Charitable donations	1	2	(1)
Write-offs	(88)	0	(88)
Other sundry operating expenses	183	99	84
TOTAL	270	259	11

The decrease in the item "**Losses on receivables**" is due to the reclassification to the item "**Other operating expenses**" of an indemnity for a receivable already collected by the Parent Company from customers in closed bankruptcy proceedings.

Note 9 - Changes in Inventories

In the third quarter of 2022, the balance of the item "**Changes in inventories**" amounted to Euro 233 thousand compared to Euro 153 thousand of the third quarter of 2021, and refers to changes in finished products and goods.

Note 10 - Provisions and Write-downs of Current Assets

The balance of the item "**Provisions and write-downs of current assets**" in the third quarter of 2022 amounted to Euro 570 thousand compared to Euro 70 thousand in the third quarter of 2021.

The table below provides details on the items.

Description	Q3 2022	Q3 2021	Variation
Provision for bad debts provision	202	113	90
Provision for legal disputes with employees	(6)	0	(6)
Other provisions	374	(43)	417
TOTAL	570	70	500

The change in the item "**Bad debt Receivables**" is attributable to the write-down of receivables due to the adjustment of the provision for receivables deemed uncollectible.

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

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

The balance of the item "**Amortisation, depreciation and write-downs of non-current assets**" in the third quarter of 2022 amounted to Euro 1,521 thousand compared to a balance of Euro 1,482 thousand in the third quarter of 2021.

Amortisation and Depreciation

In the third quarter of 2022, "**Amortisation and depreciation**" amounted to Euro 1,521 thousand compared with Euro 1,482 thousand in the third quarter of 2021 and refer for Euro 686 thousand to amortisation of intangible fixed assets and for Euro 667 thousand to depreciation of tangible fixed assets.

Write-downs

No write-downs of non-current assets were recognised in the third quarter of 2022.

Note 12 - Financial Income and (Charges) and Other Investments

The balance of the item "**Financial income and (charges) and other investments**" amounted, in the third quarter of 2022, to a negative Euro 636 thousand compared with a negative balance of Euro 579 thousand in the third quarter of 2021. The table below provides details on the items.

Description	Q3 2022	Q3 2021	Variation
Proceeds from shareholdings from parents	3	6	(3)
Income from other investments	0	(16)	16
Other income other than the above	41	8	33
Interest and other financial charges	(609)	(494)	(115)
From parent charges	(113)	(101)	(12)
Profit and loss on currency exchange	43	18	25
TOTAL	(636)	(579)	(56)

Income from parent companies

The balance of the item "**Income from Parent Companies**" of the third quarter of 2022 amounted to Euro 3 thousand compared to Euro 6 thousand of the third quarter of 2021 and referred to the interest accrued towards Abaco Innovazione SpA on a loan granted by Exprivia.

Income other than the above

The balance of item "**Income other than the above**" in the third quarter of 2022 amounted to Euro 41 thousand compared to Euro 8 thousand in the third quarter of 2021. The table below provides details on the item.

Description	Q3 2022	Q3 2021	Variation
Bank interest receivable	0	1	(1)
Revenues from financial derivatives	17	0	17
Interest income from securities	13	6	7
Other interest income	11	0	11
Rounding up of assets	0	1	(1)
TOTAL	41	8	33

The change in "**Income from financial derivatives**" refers to the income for the period related to a derivative embedded in the Euro 20 million loan agreement signed on 27 November 2020 by the Parent Company with a pool of banks, led by Banca Popolare di Puglia e Basilicata, due to the presence of a "floor zero" clause on the Euribor interest rate.

Interest and other financial charges

The balance of the item "**Interest and other financial charges**" in the third quarter of 2022 amounted to Euro 609 thousand compared to Euro 494 thousand of the third quarter of 2021. The table below provides details on the items.

Description	Q3 2022	Q3 2021	Variation
Bank interest payable	6	3	2
Interest on loans and mortgages	267	327	(60)
Sundry interest	279	124	155
Charges on financial products and sundry items	47	37	10
Rounding up/down	3	4	(1)
Interest cost IAS 19	0	(1)	1
TOTAL	602	494	108

The change in the item “**interest on mortgages and loans**” is justified by the lower financial debt.

The change in the item “**Other interest**” is essentially attributable to higher costs for interest on factoring transactions (Euro 46 thousand) and costs for interest on completed tax payable instalment plans (Euro 83 thousand).

Charges from parent companies

The balance of the item “**Charges from parent companies**” of the third quarter of 2022 amounted to Euro 113 thousand compared with Euro 101 thousand of the third quarter of 2021 and refers to the portion applicable to the period of charges recognised by Exprivia to the holding company Abaco Innovazione SpA for guarantees issued by the latter with respect to its subsidiary.

Exchange gains/(losses)

In the third quarter of 2022, “**Exchange gains**” amounted to Euro 43 thousand compared to gains on currency exchange of Euro 18 thousand in the third quarter of 2021, which mainly related to exchange rate fluctuations as a result of commercial transactions carried out in currencies other than the domestic currency of the Group's foreign companies.

Note 13 – Income Taxes

In the third quarter of 2022, “**Income taxes**” amounted to Euro 1,410 thousand compared to Euro 1,021 thousand in the third quarter of 2021; the table below provides details on the changes compared to the previous year:

Description	Q3 2022	Q3 2021	Variation
IRES	933	736	197
IRAP	210	128	82
Foreing tax	31	(2)	32
Taxes from prior years	0	2	(2)
Deferred tax	34	26	8
Deferred tax assets	201	131	70
TOTAL	1,410	1,021	387

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

Each company under Tax Consolidation contributes taxable income or tax loss to Exprivia, recognising a payable/receivable for the subsidiaries, equal to the applicable IRES and tax losses used in the Tax



Consolidation. The consolidated financial statements include the payable to the tax authorities for the Group's IRES taxes, net of tax credits.

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

Note 14 – Profit (Loss) for the Period

The income statement for the third quarter of 2022 closed with a consolidated profit (after taxes) of Euro 2,834 thousand compared to Euro 2,494 thousand in the third quarter of 2021.

Note 15 – Basic/Diluted Earnings (Loss)

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

Earnings (loss) per share is calculated by dividing net profit, as reported in the condensed half-year consolidated financial statements, attributable to ordinary shareholders of the Parent Company, excluding the treasury shares, by the average number of ordinary shares in issue during the year.

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

At 30 September 2022, the basic and diluted earnings per share amounted to Euro 0.1636.

Description	for the nine months closed on 30/09/2022
Profit / (loss) for the determination of the basic profit / (loss) per share (Net profit / (loss) attributable to the shareholders of the parent company)	8,152,996
Earnings / (Losses) for the determination of the basic earnings / (losses) per share	8,152,996
Number of shares	30.09.2022
Number of ordinary shares as of January 1, 2022	51,883,958
Treasury shares as at 30 September 2022	5,183,058
Weighted average number of treasury shares	2,036,723
Average weighted number ordinary shares for calculation of basic profit	49,847,235
Earnings per share (Euro)	for the nine months closed on 30/09/2022
Profit (loss) per basic share	0.1636
Diluted earnings (loss) per share	0.1636



Note 16 - Information on the Cash Flow Statement

Cash flows from operating activities were positive in the amount of Euro 13 million, the management of current assets and liabilities absorbed cash flows of Euro 12 million, cash flows from investing activities absorbed cash of Euro 1 million, and cash flows absorbed by financing activities amounted to Euro 10 million.

Statement for Consolidated Financial Statements in accordance with Art. 154-bis, par. 2 of Legislative Decree no. 58 of 24 February 1998 - Consolidated 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 30 September 2022 referring to the Consolidated Financial Statements correspond to the documentary results of the accounting records.

Molfetta, 14 November 2022

Valerio Stea

Executive manager responsible for preparing the corporate accounts