



Interim Report on Operations as at 30 September 2021

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future. perfect. simple.

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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 as at 30 September 2021

Significant Group Figures and Result Indicators

The following is a summary of the main consolidated economic, equity and financial data of Exprivia SpA (hereinafter also referred to as "Exprivia" or the "Company" or the "Issuer") and its subsidiaries (hereinafter also referred to as the "Exprivia Group" or the "Group") at 30 June 2021, 30 June 2020 and 31 December 2020.

Following the loss of control of the Italtel Group by Exprivia, the Italtel Group was subject to deconsolidation at 31 December 2020 and, in compliance with the provisions of IFRS 5, the Italtel Group's results at 30 June 2020 have been presented as "Discontinued operations" for comparative purposes.

amount in thousand Euro			
	30.09.2021	30.09.2020	(*) 31.12.2020
Total revenues - Continuing Operations	125,045	119,771	167,811
net proceeds	121,608	115,303	161,607
increase to assets for internal work	1,245	1,429	2,074
other proceeds and contributions	2,192	3,039	4,130
Difference between costs and production proceeds (EBITDA) - Continuing Oper	17,118	13,001	21,387
% on total revenues	13.7%	10.9%	12.7%
Net operating result (EBIT) - Continuing Operations	12,469	8,307	15,009
% on total revenues	10.0%	6.9%	8.9%
Net result- Continuing Operations	6,953	3,878	8,632
Net result- Discontinued Operations	-	(11,573)	156,899
Net result	6,953	(7,695)	165,531
Group net equity	70,723	(111,143)	63,638
Total assets	200,634	399,035	216,638
Capital stock	24,616	24,616	24,616
Net working capital (1)	15,458	(44,091)	9,664
Cash flow - Continuing Operations (2)	11,971	8,038	13,994
Cash flow - Discontinued Operations (2)	-	(2,585)	1,086
Fixed capital (3)	99,824	131,980	102,811
Investment (4)	2,052	(3,249)	5,370
Cash and securities / other financial assets (a)	15,783	30,896	33,362
Financial payables / other short-term financial liabilities (b)	(13,417)	(213,879)	(29,799)
Financial payables / other medium / long-term financial liabilities (c)	(38,314)	(39,570)	(43,861)
Net financial position (5)	(35,948)	(222,553)	(40,298)

(*) Following the loss of control, the results of the Italtel Group for the period from 1 January to 30 June 2020 were recognised as "discontinued operations" and presented in accordance with this accounting treatment in all parts of this report.

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

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

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

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

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

The table below shows the main economic indicators of the Group at 30 June 2021, compared with the same period of the previous year.

For the calculation of ROE and ROI, it was deemed appropriate to use the annual "rolling" logic, taking as a reference the net result and operating income for the period from 1 July 2020 to 30 June 2021 for the data at 30 June 2021, and from 1 July 2019 to 30 June 2020 for the data at 30 June 2020.

Exprivia Group	30.09.2021	30.09.2020
ROE index (Result for the period - Continuing Operations / Group shareholders' equity)	19.37%	(*)
ROI index (Net operating margin Continuing Operations / Net invested capital) (6)	22.36%	28.97%
ROS index (Net operating margin Continuing Operations / Revenues from sales and services)	18.74%	10.56%
Financial charges (7) / Result for the period Continuing Operations	0.30	0.58

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

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

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

The table below shows the main capital and financial indicators of the Group at 30 June 2021 and 31 December 2020.

Exprivia Group	30.09.2021	31.12.2020
Net Financial Debt / Equity Capital	0.51	0.63
Debt ratio (Total Liabilities / Equity Capital)	2.84	3.40

Summary of operations as at 30 September 2021 and the third quarter of 2021

In addition, the table below shows the results as at 30 September of 2021 compared with the results in the previous period and the data of the third quarter of 2021 compared with the same period of the previous year:

Exprivia Group - Continuing Operations (amounts in thousands of Euro)	30.09.2021	30.09.2020 (*)	Variations	% Variations	Q3 2021	Q3 2020 (*)	Variations	% Variations
Revenues	125,045	119,771 (*)	5,274	4.4%	40,250	38,258 (*)	1,992	5.2%
EBITDA	17,118	13,001 (*)	4,117	31.7%	5,576	5,189 (*)	387	7.5%
EBIT	12,469	8,307 (*)	4,162	50.1%	4,094	3,618 (*)	476	13.2%
Pre-tax result	10,218	5,701 (*)	4,517	79.2%	3,515	2,762 (*)	753	27.3%

Exprivia Group - Continuing Operations (amounts in thousands of Euro)	30.09.2021	31.12.2020	Variations	% Variations
Net financial position	(35,948)	(40,298)	4,350	10.8%

(*) Following the loss of control, the results of the Italtel Group for the period at 30 September 2020 were recognised as "discontinued operations" and presented in accordance with this accounting treatment in all parts of this report.

As we can see, the revenues of the Exprivia Group as at 30 September 2021, amounting to Euro 125 million, are up compared to the same period of 2020; margins show even stronger growth. The net financial position, negative by Euro 35.9 million at 30 September 2021, improved by Euro 4.4 million compared to the negative value of Euro 40.3 million at 31 December 2020.

Profile of Exprivia Group

Future. Perfect. Simple

The founding concepts of our vision

Future

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

Connection

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

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

Perfect

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

Reliability

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

Simple

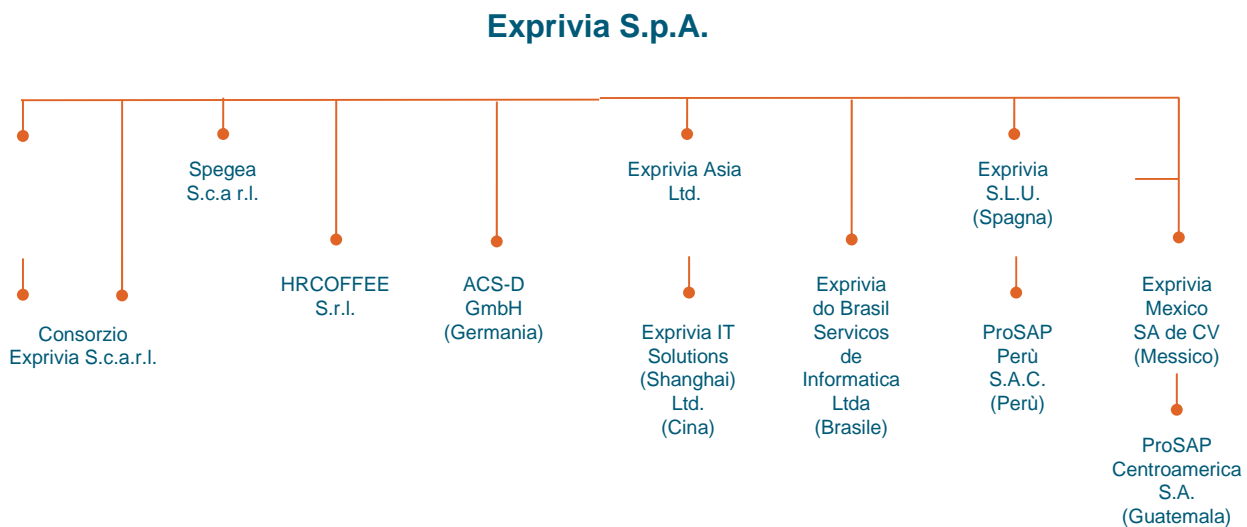
Being simple is the fundamental requirement of all of our systems, designed to improve people's lives through the availability and usability of information.

Simplicity

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

Il Gruppo

The following chart shows the companies belonging to the Exprivia Group as direct and indirect subsidiaries. It should also be noted that Exprivia SpA holds a 25% interest in the company Quest.it Srl and a 10% interest in the company AreaMedical 24 Srl.



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

Italian companies

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

Consorzio Exprivia Scarl, 70% owned by Exprivia, 25% by Italtel SpA and the remaining 5% by Exprivia Projects Srl, is a stable consortium of companies. This consortium's objective is to facilitate the participation of the member 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, organises and manages specialised seminars, training courses for companies and public administration in addition to the "Master in Management and Industrial Development" programme certified by ASFOR. It was founded 31 years ago by Confindustria Bari with the support of banks and institutions.

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

Foreign Companies

Exprivia SLU, a Spanish company 100% owned by Exprivia, 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 from its headquarters in Sao Paulo. Exprivia controls the company with a 52.30% share while the company Simest SpA holds 47.70%.

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

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



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.



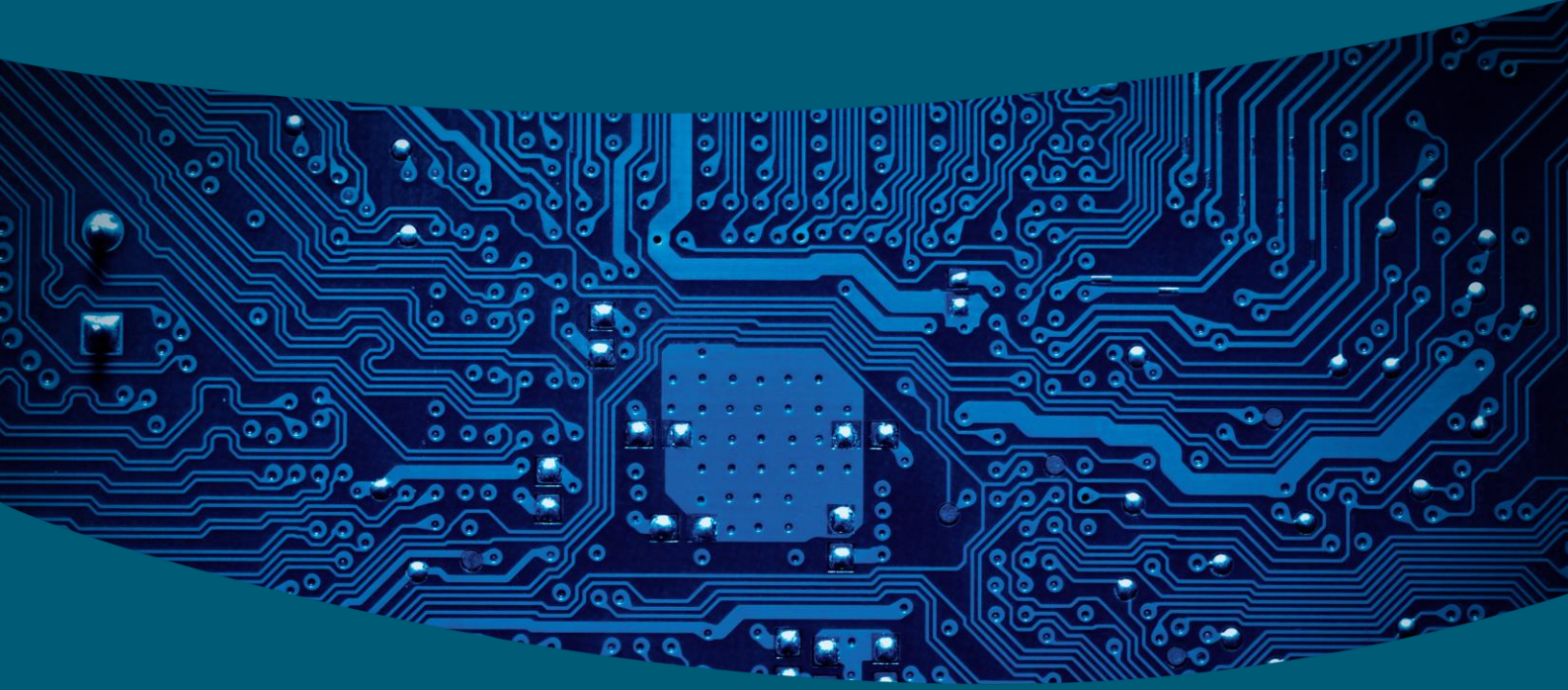
Public Sector

Public Administration ("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	Offer of all the very latest tools for supporting both decision-making processes and ordinary activities based on the possession of information. The Big Data & Analytics area is dedicated to developing projects, services and solutions aimed at the strategic use of big data for increasing business.
Cloud	<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	We offer companies and entities the possibility of reaping the maximum benefit from latest-generation mobile technologies by including them within a broader multi-channel strategy which encompasses Mobile Device Management for business devices, Mobile Payment in the various commerce and service sectors, Mobile Health and Mobile Application Development in the areas of health, finance and security.
SAP	With a strategic partnership that has lasted for more than 20 years, we are now one of the main reference players in the SAP world in Italy and

abroad. Our main areas of intervention are: Administration, Finance and Control, Operation & Logistics, Business Analytics and Human Capital Management.

Business Process Outsourcing

Supporting company evolution by taking responsibility for the procedures of end user acquisition, management and retention. The offering ranges from back office outsourcing services relating to typically internal functions such as human resources, accounting and information technology, to front office outsourcing services like customer care and customer service.

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 Factory software 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

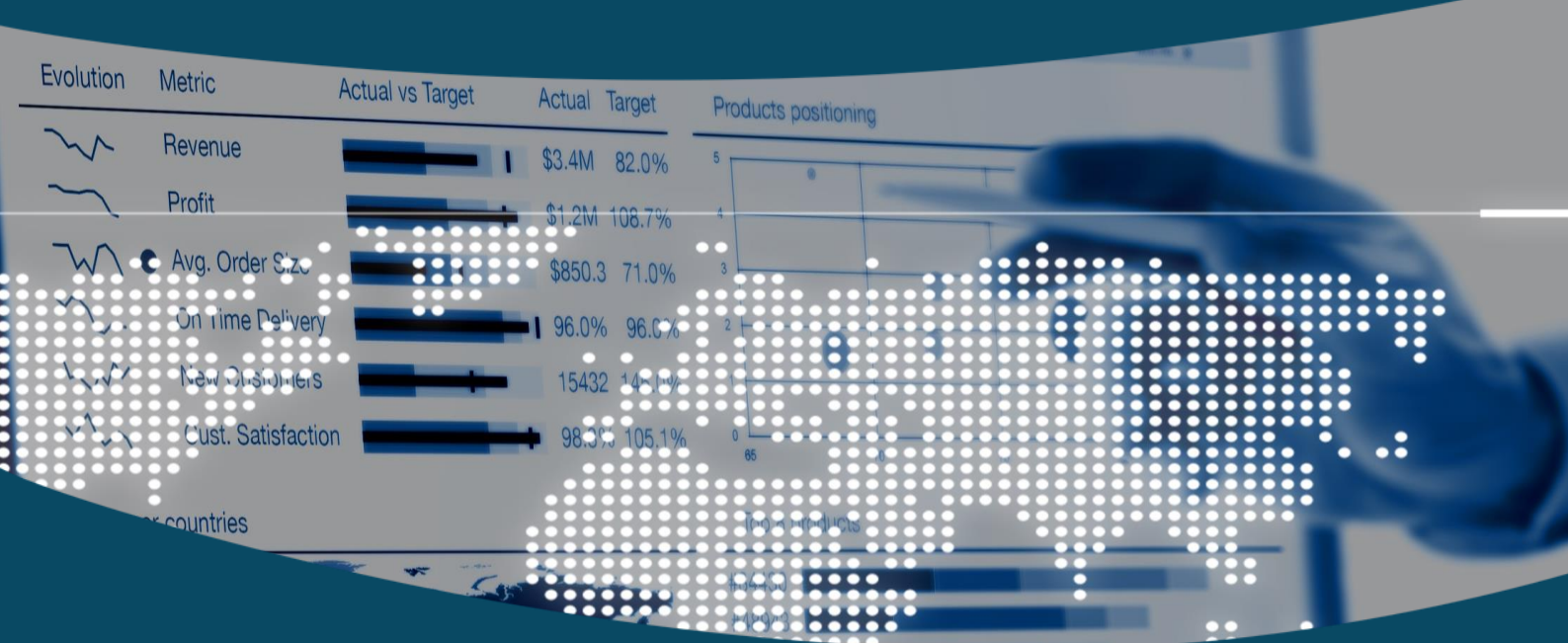
Environment, health, and safety

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

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

Banking & Finance

In the third quarter of the year, as in other market sectors, the overall trend was influenced by “living with the pandemic” and the definition of relaunch strategies. Although not “directly impacted”, the sector is questioning the role that it will have to play in the implementation of the PNNR (national recovery and resilience plan), both as a drive shaft of the relaunch policies, and as a collector of private investments in addition to public ones. In the meantime, the processes of rationalisation of the sector continued with the definition of increasingly “stronger” entities ready to tackle both national and European dynamics.

In this scenario, IT investments continue on a dual track, by implementing strategic choices already made in previous quarters; the rationalisation of operating costs, taking full advantage of the new cloud paradigms, is accompanied by the development, thanks to the data management capabilities and the “guarantees” of cyber security, of an omni-channel relationship with customers based on a proposition that envisages the “core” proposal of the sector as expanded, completed and constantly evolving thanks to a series of value-added services, necessary for both an overall recovery of volumes and lost margins, and to strengthen the relationship with each customer.

Exprivia achieved a positive performance compared to the third quarter of 2020. The sector performance of the vertical offer was very positive, both relating to the Capital Market, which saw us operate mainly in the top Banking Groups of the country, and relating to the Loans and Factoring perimeter, in support of new development initiatives in the sector, with the results on the part more closely linked to the Customer Experience essentially in line with the previous year.

Telco & Media

The third quarter of 2021, as in the first part of the year, showed positive results on the Telco & Media market, mainly due to the substantial consolidation of the main customers, together with innovative offerings that are attracting growing interest and producing their first concrete effects.

These include:

Big Data & Analytics, with projects and services aimed at the strategic use of massive information to support decision-making processes and create new business value;

Cloud, with an increasing trend for operators to adopt infrastructure and develop applications on public, private and hybrid clouds;

5G, with a greater demand for services and expertise on new network features, associated with the growing spread of this technology;

IoT and Industry 4.0, with the preparation of Use Cases and PoCs in the fields of robotics, telemetry, industrial monitoring, surveillance, biomedical, remote assistance, energy efficiency, environmental protection, logistics and transport

Video Streaming of Real-Time Events, with the support provided to important projects involving TLC operators, infrastructure vendors and OTTs.

Energy & Utilities

After the sharp drop in GDP recorded in 2020, the new IMF estimates predict growth of 4.9% in 2021 and 4.2% in 2022 for Italy. Growth is even higher than that of Germany, whose forecasts are + 3.6% in 2021 and + 4.1% in 2022.

Following the economic recovery and the gradual return to pre-COVID lifestyles, albeit with the affirmation of new working models such as widespread use of smart working, energy consumption together with the prices of raw materials and the volume of CO2 emissions grew considerably in the second quarter of 2021.

According to the ENEA analysis of the national energy system, climate factors and an increase in GDP and industrial production led to both a 24% increase in energy demand and a significant increase in carbon dioxide emissions (+ 25%), with repercussions on the energy transition in our country, whose challenge as regards achieving the 2030 medium-term objectives is receding.

The quarterly analysis of ENEA also examines the national prospects of the low-carbon technology sector: the most important import items are wind generators, lithium-ion accumulators, but above all low-emission mobility (BEVs and PHEVs). Exports performed positively in the solar thermal sector, with particular reference to components for accumulators and wind power systems (excluding generators), as well as photovoltaic cells. Exports of electric and hybrid vehicles also improved, despite the sector's strong dependence on abroad; in the first five months of the year, exports of electric vehicles reached Euro 350 million, especially to France and Germany. For hybrid vehicles, the figure increased from just over Euro 2 million in 2019 to Euro 27 million in 2020, to around Euro 20 million in the first five months of 2021.

In such a context of recovering energy demand, the most innovative dynamics of the national energy system remain heavily concentrated in the sectors of renewable sources, the relative load balancing, energy efficiency and the use of gas infrastructures, in line with the commitments undertaken by our country also in the National Integrated Energy and Climate Plan (PNIEC) also regarding the reduction of CO2.

With this in mind, Exprivia is differentiating and qualifying its value proposition, also targeting the Energy Management guidelines (Energy communities, UVAM, Smart Grid etc.); in this sense, greater synergy with the entities belonging to Di.Tne must be explored with more determination.

The main actions for the development of the business in the following areas are also necessary:

- Strengthening of the electric mobility area;
- Strengthening of the IoT;
- Strengthening of the Intelligent Automation area;
- Infrastructural adjustments on large customers;
- Migration from on-premise business models to PaaS;
- Decarbonisation and hydrogen.

The forecasts for the fourth quarter of 2021 see a significant consolidation of growth, with a positive revenue balance compared to the previous year.

Aerospace & Defence

In the first nine months of 2021, the Aerospace market continued and continues to present a significant number of commercial opportunities.

The trend that had already characterised 2020 is strengthening and sees numerous calls for tenders based on SW architectural solutions required by the customer and based on specific cloud technologies (for example kubernetes, helm, rancher, docker, etc.) on which Exprivia is increasing its related skills.

In 2021, the European Space Agency (ESA) continued with tenders for service contracts in line with its new procurement strategy for the operations of the Copernicus Space Component system (reduction of operating costs, shifting investments related to the development and maintenance of software and HW infrastructures to cloud-based service models and architectures). Exprivia participated in all the main tenders, which were extremely competitive, involving all major European companies in the sector. In particular, the strategy

Exprivia adopted in the tender for the assignment of the *Copernicus Coordination Desk Service* contracts proved to be a successful one. In partnership with Telespazio, Exprivia was awarded the service relating to the management of auxiliary data (*Auxiliary Data Gathering Service*), for implementation of the *Conformance and Benchmarking* system and, lastly, maintenance of the *anomaly tracking tool* (CAMS) system used by all Copernicus services. Exprivia was also awarded a contract with CS GROUP for the corrective maintenance of all Level 0 processors for the activities relating to the tender for the re-engineering of Sentinel processors. These contracts therefore strengthen Exprivia's positioning in the services of the Copernicus program.

In relation to EUMETSAT, the client confirmed its appreciation for the quality and professionalism provided by Exprivia in assigning numerous integration and testing activities.

As regards "direct negotiation" opportunities on active contracts, Exprivia has already contracted the activities for 2022 relating to maintenance services for the most important missions and continues to work to extend its order portfolio for 2022.

Manufacturing & Distribution

The Industry and Distribution market, heavily impacted in 2020, sees a robust recovery in 2021, as already highlighted by the data of the first three quarters.

The pandemic has made many companies realise the importance of digitisation in supporting strategy to redesign business models and introduce new forms of innovation and flexible automation in 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 in the first three quarters of 2021 were up compared to the same period of 2020, especially in the application projects segment and the same trend is forecast for Q4 2021.

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* and migration of infrastructures to the cloud.

Healthcare

The effects of the COVID-19 pandemic had a huge impact on the entire Digital Healthcare market and saw Exprivia focused on helping its customers to respond appropriately to the requirements of the health emergency. The second half of the year saw the definition of the project areas able to incorporate in the system the experiences experimented with positive results during the emergency phase.

The central focus is on those solutions that can overcome the delays that healthcare systems (in particular back-end systems) have accumulated over the past few decades. The excessive fragmentation of systems and applications has made it impossible, at times, to provide timely responses to the needs that were arising, and an overall rethink of the entire Local Health Service and the technology needed to support it has become urgent.

The start of activities pertaining to the PNRR (National Recovery and Resilience Plan), which in recent months has seen the issuing of regulatory instruments to define the reference regulatory perimeter, is generating robust expectations regarding a clear redesign of the healthcare ecosystem. It is clear that the

next months will open up a unique and unparalleled range of opportunities for the entire world of Digital Healthcare.

In recent years, Exprivia has managed to address a number of important Digital Transformation projects which have enabled it to expand its market scope and order book, thus putting itself in a position to seize the growth opportunities that the PNRR will offer the market. To this end, Exprivia is participating in all the initiatives of Consip and the Regional Commissioning Centres, as well as supporting the Administrations in defining the next support solutions.

In this market context, Exprivia has continued to confirm significant growth in Q3 2021 compared to the same period of 2020.

Public Sector

In this last period, also in response to the COVID emergency, the Public Administration was subject to a number of initiatives that may lead to an increase in the quality of the capacity to provide services to the public. Driven by the COVID emergency, a number of wide-ranging platforms that had been launched in recent years, such as SPID, PAGO PA, IO, have now become established. Broadband has finally become a reality in many parts of the country, and the Cloud paradigm has become a must also for the Public Administration.

Within this context, Exprivia, thanks to its expertise, is implementing highly complex and large-scale projects, with significant competitive value and market penetration and, therefore, is putting itself in the running for capitalising on the opportunities that the PNRR will generate over the next few months; the territorial distribution of skills also ensures a level of flexibility that allows quick adjustments to the sudden evolution of the purchasing model depending on the highly variable regulatory framework.

The results of the third quarter of 2021 show an increase in revenues compared to the third quarter of 2020.

The volume of new opportunities generated demonstrates commercial actions aimed at acquiring new customers and market areas and, in parallel, the continuous monitoring of existing customers with the aim of maintaining and increasing the volume of System Integration and System and Application Management services. Exprivia has achieved some good results in the Consip tenders, which are defining the procurement tools that local authorities will adopt to carry out the projects envisaged in the PNRR.

International business

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

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

Spain: the impact of the COVID-19 pandemic on Spain was among the most significant in Europe. The number of infections reached over 10% of the population and the restrictions were strict, therefore producing a significant impact on the local economy.

Unicredit Research projects an increase in GDP of 4.7% for 2021, therefore forecasting that this year will still remain some way off the pre-crisis economic levels and, according to estimates, even at the end of 2022, the economic levels prior to the pandemic will not be reached.

The labour market, on the other hand, has recorded an extremely positive trend and unemployment indices are expected, as early as the second quarter of 2021, to sit at pre-crisis levels.

The vaccination campaign is proceeding rapidly, among the most efficient in Europe, and this has allowed the economy to restart as early as the second quarter of 2021.

In April, Madrid presented its recovery, transformation and resilience plan to the European authorities. The government expects to receive Euro 69.5 billion in grants from the Next Generation EU under the plan entitled "*Plan de Recuperación, Transformación y Resiliencia*", with around one third of the resources allocated to the green transition and another third to the digital one. Implementation concerns aside, the government expects these funds to increase investment in Spain by 2% in the 2021-23 three-year period.

Exprivia Spain has improved its results compared to those at 30 September 2020, forecasting an improvement in revenues and EBITDA, mainly due to the maintenance of contracts in the SAP area, and the opening of new contracts in the Utilities and Telco areas.

Brazil: the performance of the Brazilian economy is still impacted, like the rest of the world, by the depressive effects of the COVID-19 pandemic, which have led to a reduction in investments and specifically in our main customer TIM Brasil. However, there are signs of improvement already from the second quarter of 2021. The Central Bank estimates 5.5% growth in the PIB (gross domestic product) in 2021 and 1.8% in 2022, allowing Brazil to return to pre-crisis levels as early as the end of 2021.

Cumulative inflation in the last 12 months, according to the IPCA index, is expected to be 5.6% on an annual basis and the discount rate (SELIC) is 6%.

Despite the difficulties of the current macroeconomic context, in the third quarter of 2021, the company has maintained a substantial economic balance also thanks to the investments made to strengthen management.

In the second quarter of 2021, the company closed a contractual extension of approximately Reais 4.4 million with its main customer.

Also in the second quarter, it won an order for around Reais 13 million for 3 years with one of the main operators in the telecommunications market.

Work began on contracts with a leading operator in the energy market for a number of IT-related activities (CRM, BI-Big Data).

On the basis of the various orders taken and those in progress, the company is expanding its commercial structure.

Mexico and Guatemala: the impact of the COVID-19 pandemic on Mexico was very significant both in terms of the number of confirmed cases and in terms of victims. Consequently, the impact of the pandemic on the economy was also very significant, with a -8.5% drop recorded in GDP in 2020.

Banco ITAU is projecting an increase in GDP of 6.5% for the current year, with a consequent decline in unemployment to 4.2% compared to 4.4% in 2020.

The impact of the pandemic on the population has not decreased and the number of cases is still significant. On the other hand, the progress of the vaccination campaign has improved in the second part of the year, even though it is still some way off European and American standards. This represents a significant risk on the trend of the pandemic and therefore on the country's economy.

The Mexican company continues its path of enriching its offer through technologies related to CRM and BIG data.

China: unlike other world economies, China had a significantly smaller impact from the COVID-19 pandemic on its economy. In 2020, in the first quarter alone, GDP fell by -9.3% and then stood at + 2.3% at the end of the same year. For 2021, the situation remains highly uncertain due to the recent crises linked to the real estate sector and the energy crisis.

Exprivia Shanghai is benefiting from the situation of huge economic growth, verified from the start of 2021, by closing numerous contracts with Italian companies, which are re-starting investments in the country, and

also with foreign companies operating in China. In general, the commercial investments of previous periods are being capitalised on, which are leading to expansion of the customer portfolio.

Both supply lines are benefiting from the favourable period, producing a significant increase in revenues compared to 2020.

Significant events of the third quarter of 2021

On **17 September 2021**, Exprivia followed up on the contract in place between itself and Siemest, acquiring a 47.70% stake in the share capital of Exprivia do Brasil Serviços de Informática Ltda, thus obtaining 100% of the share capital.

Transactions within the Exprivia Group

No transactions to report.

Events after 30 September 2021

There were no significant events to report.

Business Outlook

The third quarter of the year was positive, like the first six months, both in terms of turnover growth and profitability. These results derive from the determination of the management in consolidating its positions, without neglecting the development of new initiatives in all the market sectors served.

Also in the third quarter, our customers confirmed their appreciation of Exprivia's reliability. The differentiation in terms of reference markets and offer portfolio made it possible to offset the negative effects of the pandemic - particularly in transport, tourism, manufacturing - with the dynamics of other sectors that showed strong growth, allowing the Group to register, on the whole, a significant increase in volumes and margins compared to 2020.

Trusting in the efforts made to implement an adequate vaccination campaign aimed at achieving "herd immunity", which in our country now seems within reach, we believe that the coming months will be characterised by a significant growth trend in all markets. Exprivia is ready with its management and all its people to seize every opportunity that the new scenario may present.

Staff and Turnover

The table below shows the company headcount and the number of staff at 30 September 2021, compared to 31 December 2020 and 30 September 2020.

Specifically, the table shows the number of resources, of which 19,62% are part-time (with various arrangements of contractual working hours):

Company	Employees			Employees media			Temporary workers			Temporary workers media		
	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021
Exprivia SpA	1778	1812	1816	1794	1796	1828	3	3	4	2	2	4
Exprivia Projects Srl	631	628	391	627	628	442						
Advanced Computer Systems -Germany	7	7	7	6	7	8						
Exprivia It Solutions Shanghai	16	14	16	13	14	15	3	1	1	2	2	1
Exprivia SLU (Spagna)	31	33	29	34	34	31	2	4	5	2	2	5
Prosap SA de CV/Prosap Centramerica SA	13	11	13	14	14	12						
Exprivia do Brasil Servicos de Informatica Ltda	25	27	34	27	26	27	1	1	12	1	1	3
Spegea Scarl	6	5	6	7	6	6						
HR Coffee	6	6	6	6	6	6						
Total	2513	2543	2318	2528	2531	2375	9	9	22	7	7	13
<i>of which Executives</i>	45	44	40	47	46	41						
<i>of which Middle Managers</i>	208	208	244	205	206	232						

The number of staff, employees and associates at 30 September 2021 was equal to no. 2,340 units (2,522 at 30 September 2020), marking a decrease of 182 units due to the implementation of the safeguard clause linked to a BPO tender.

The average number of staff, employees and associates at 30 September 2021 was equal to 2,388 units (2,535 at 30 September 2020), marking a decrease of 147 units.

Inter-Company Relations

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

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

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

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

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

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

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

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

Relations with Related Parties

In compliance with applicable laws and regulations, and in particular with the "Regulation of Related Party Transactions – Consob resolution no. 17221 of 12 March 2010" as last amended by resolution no. 21624 of 10 December 2020 (hereinafter the "Regulation"), on 20 July 2021 the Board of Directors of the Company 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 in the first half of 2021 no significant transactions were completed (as defined by art. 4, paragraph 1, letter 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. Lastly, it should be noted that there were no changes or developments in the transactions with related parties described in the Directors' Report for the year 2020.

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(10) of the Regulation of the Markets Organised and Managed by Borsa Italiana SpA, the Directors declare that, at 30 June 2021, the Company does not meet the conditions provided under art. 37(1) of CONSOB regulation no. 16191/2007.

Group Relations with the Parent Company

The financial and equity relations between the Exprivia Group and the holding company Abaco Innovazione SpA at 30 September 2021 compared with 31 December 2020 for balance sheet data and with 30 September 2020 for income statement data are shown below.

Receivables

Non-current Financial Assets

Description	30/09/2021	31/12/2020	Variation
Non-current financial receivables from parent company	467	919	(452)
TOTAL	467	919	(452)

The balance at 30 September 2021 included Euro 467 thousand relating to the receivable for an unsecured loan with no guarantees taken out in 2016 by the holding company Abaco Innovazione SpA, with Euro 1,680 thousand disbursed in cash and Euro 1,305 thousand as a reclassification of receivables outstanding at 31 December 2015.

Current Financial Assets

Description	30/09/2021	31/12/2020	Variation
Current financial receivables from parent company	462	463	(1)
TOTAL	462	463	(1)

The balance at 30 September 2021 of Euro 462 thousand is in relation to the current portion of the aforementioned loan, inclusive of interest income of Euro 9 thousand.

Trade Receivables

Description	30/09/2021	31/12/2020	Variation
Trade receivables from parent company	33	33	0
TOTAL	33	33	0

The balance at 30 September 2021 amounted to Euro 33 thousand, unchanged from the figures recorded at 31 December 2020, and refers to receivables for administrative and logistics services

Revenues and Income

Description	30/09/2021	30/09/2020	Variation
Financial income from parent company	26	16	10
TOTAL	26	16	10

The balance at 30 September 2021 refers primarily to interest accrued from Abaco Innovazione SpA on a loan disbursed by Exprivia.

Financial Income and Charges

Description	30/09/2021	30/09/2020	Variation
Costs of a financial nature from the parent company	300	299	1
TOTAL	300	299	1

The balance of Euro 300 thousand at 30 September 2021 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.



Consolidated Financial Statements of the Exprivia Group at 30 September 2021

Consolidated Financial Statements at 30 September 2021

Consolidated Balance Sheet

Amount in thousand Euro			
	Note	30/09/2021	31/12/2020
Property, plant and machinery		16,834	19,029
Goodwill and other assets with an indefinite useful life		69,071	69,071
Other Intangible Assets		9,546	10,220
Shareholdings		883	554
Other non-current financial assets		690	1,250
Other non-current assets		594	468
Deferred tax assets		2,206	2,219
NON-CURRENT ASSETS		99,824	102,811
Trade receivables		50,572	50,319
Stock		913	1,064
Work in progress to order		27,267	23,437
Other Current Assets		10,277	10,207
Other Financial Assets		707	728
Cash and cash equivalents available		10,869	27,867
Other Financial Assets available for sale		205	205
CURRENT ASSETS		100,810	113,827
TOTAL ASSETS		200,634	216,638

Amount in thousand Euro			
	Note	30/09/2021	31/12/2020
Share capital	1	24,616	24,616
Share Premium Reserve	1	18,082	18,082
Revaluation reserve	1	2,907	2,907
Legal reserve	1	4,682	4,171
Other reserves	1	1,095	14,133
Profits (Losses) for the previous period	1	12,393	(165,774)
Profit (Loss) for the period	15	6,953	165,531
SHAREHOLDERS' EQUITY		70,728	63,666
Minority interest	1	5	29
GROUP SHAREHOLDERS' EQUITY		70,723	63,637
Non-current bond		11,437	13,673
Non-current bank debt		24,072	26,103
Other financial liabilities		2,805	4,085
Other no current liabilities		494	934
Provision for risks and charges		181	410
Employee provisions		8,310	8,729
Deferred tax liabilities		1,570	1,467
NON CURRENT LIABILITIES		48,869	55,401
Current bond		4,743	4,536
Current bank debt		6,552	21,274
Trade payables		23,958	25,497
Advances payment on work in progress contracts		3,619	6,432
Other financial liabilities		2,122	3,989
Other current liabilities		40,041	35,841
CURRENT LIABILITIES		81,035	97,569
TOTAL LIABILITIES		200,634	216,638

Consolidated Income Statement

Amount in thousand Euro			for the nine months ended	for the nine months ended	
	Note	3 [^] Q 2021	3 [^] Q 2020	30/09/2021	30/09/2020
Revenues	2	39,359	36,921	121,608	115,303
Other income	3	891	1,337	3,437	4,468
PRODUCTION REVENUES		40,250	38,258	125,045	119,771
Costs of raw, subsid. & consumable mat. and goods	4	959	746	3,022	2,702
Salaries	5	24,545	24,311	78,871	78,295
Costs for services	6	8,374	7,808	24,489	25,209
Costs for leased assets	7	165	213	434	597
Sundry operating expenses	8	259	166	608	566
Change in inventories of raw materials and finished products	9	302	(386)	153	(834)
Provisions	10	70	211	350	235
TOTAL PRODUCTION COSTS		34,674	33,069	107,927	106,770
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		5,576	5,189	17,118	13,001
Amortisation, depreciation and write-downs	11	1,482	1,571	4,649	4,694
OPERATIVE RESULT		4,094	3,618	12,469	8,307
Financial income and (charges) and other investments	12	(579)	(856)	(2,251)	(2,606)
PROFIT (LOSS) BEFORE TAXES		3,515	2,762	10,218	5,701
Income tax	13	1,021	773	3,265	1,823
PROFIT OR LOSS FOR THE PERIOD DERIVING FROM ACTIVITIES IN OPERATION		2,494	1,989	6,953	3,878
PROFIT (LOSS) FOR THE PERIOD DERIVING FROM DISCONTINUED ASSETS	14		2,600		(11,573)
PROFIT OR LOSS FOR THE PERIOD	15	2,494	4,589	6,953	(7,695)
Attributable to:					
Shareholders of holding company		2,517	4,056	6,980	(5,508)
Minority interest		(22)	533	(26)	(2,187)
Earnings per share losses	16				
Basic earnings per share		0.0532	0.0794	0.1475	(0.1217)
Basic earnings diluted		0.0532	0.0794	0.1475	(0.1217)
Earnings (loss) per share - Continuing Operations					
Basic earnings per share		0.0532	(0.2956)	0.1475	(0.2558)
Basic earnings diluted		0.0532	(0.2956)	0.1475	(0.2558)

Consolidated Statement of Comprehensive Income

Amount in thousand Euro		for the nine months closed on	for the nine months closed on
Description	Note	30/09/2021	30/09/2020
Profit for the period	15	6,953	(7,696)
<i>Other gains (losses) total will not subsequently be reclassified in profit (loss) for the period</i>			
Profit (loss) Actuarial effect of IAS 19		115	(77)
Tax effect of changes		(28)	18
Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss) for the period	1	87	(58)
<i>Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period</i>			
Change in translation reserve		53	(2,076)
Profit (loss) on AFS classified financial assets		0	
Profit (loss) on cash flow hedge derivatives		0	
Tax effect of changes		0	
Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss) for the period	1	53	(2,076)
NET COMPREHENSIVE INCOME FOR THE PERIOD		7,092	(9,830)
<i>attributable to:</i>			
Group		7,116	(7,410)
Minority interest		(24)	(2,419)
TOTAL PROFIT (LOSS) FOR THE PERIOD - CONTINUING OPERATIONS		7,092	2,824
<i>attributable to:</i>			
Group		7,116	0
Minority interest		(24)	0
TOTAL PROFIT (LOSS) FOR THE PERIOD - DISCONTINUED OPERATIONS		0	(12,655)
<i>attributable to:</i>			
Group		0	(10,254)
Minority interest		0	(2,401)

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 31/12/2019	26,980	(2,114)	18,082	2,907	4,171	37,054	6,998	(239,150)	(145,072)	(41,119)	(103,953)
Allocation of previous year result	0						(239,150)	239,150	-	-	-
IAS effects 29						460			460	87	373
Destination of the previous financial year									0		0
Other movements						191			191	48	143
Purchase of own shares		(250)				(45)			(295)		(295)
Components of the overall result											
Total Profit (Loss) Total for the period								(7,696)	(7,696)	(2,187)	(5,509)
Effects deriving from the application of IAS 19						(58)			(58)	1	(59)
Conversion reserve						(2,076)			(2,076)	(233)	(1,843)
Total Comprehensive Profit (Loss) for the period									(9,830)	(2,419)	(7,411)
Balance as of 30/09/2020	26,980	(2,364)	18,082	2,907	4,171	35,526	(232,152)	(7,696)	(154,547)	(43,403)	(111,144)
Balance as at 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

Consolidated Cash Flow Statement

Amount in thousand Euro	Note	for the nine	for the nine
		months closed on	months closed on
		30/09/2021	30/09/2020
Financial statement	17		
Operating activities:			
Profit (loss) for the period		6,953 (1)	3,877 (1)
Amortisation, depreciation and provisions		5,327	4,930
Provision for Severance Pay Fund		3,694	3,607
Advances/Payments Severance Pay		(3,998)	(4,376)
Adjustment of value of financial assets		(5)	0
Cash flow generated (absorbed) from operating activities	a	11,971	8,038
Cash flow generated (absorbed) by income management - Discontinued operations	a1	0	(2,585)
Increase/Decrease in net working capital:			
Variation in stock and payments on account		(6,567)	(10,371)
Variation in receivables to customers		(525)	(4,184)
Variation in receivables to parent/subsidiary/associated company		(66)	(1,175)
Variation in other accounts receivable		(459)	(548)
Variation in payables to suppliers		(1,411)	1,185
Variation in payables to parent/subsidiary/associated company		(128)	1,251
Variation in tax and social security liabilities		(773)	(2,548)
Variation in other accounts payable		4,530	7,535
Cash flow generated (absorbed) from current assets and liabilities	b	(5,398)	(8,856)
Cash flow generated (absorbed) by current assets and liabilities - Discontinued operations	b1	0	17,444
Cash flow generated (absorbed) from current activities	a+b	6,572	(819)
Cash flow generated (absorbed) by operating activities - Discontinued operations	a1+b1	0	14,859
Investment activities:			
Purchases of tangible fixed assets net of payments for sales		(349)	(1,423)
Variation in intangible assets		(1,374)	(1,783)
Variation in financial assets		(461)	11
Net variation in other financial receivables		581 (2)	0 (2)
Cash flow generated (absorbed) by investing activities - Continuing operations	c	(1,603)	(3,195)
Cash flow generated (absorbed) by investing activities - Discontinued operations	c1	0	(4,154)
Financial assets and liabilities			
Openings of new medium / long-term loans		110 (2)	(13,660) (2)
Repayments of medium-long term loans		(8,739) (2)	889 (2)
Net change in other financial payables including other current payables to banks		(13,353) (2)	10,284
Changes in other non-current liabilities and use of risk provisions		(9)	(911)
(Purchase) / Sale of own shares		0	(295)
Change in equity		22	(832)
Cash flow generated (absorbed) by financing activities - Continuing operations	d	(21,969)	838
Cash flow generated (absorbed) by financing activities - Discontinued operations	d1	0	(10,633)
Increase (decrease) in cash and cash equivalent	a+a1+b+b1+c+c1+d+d1	(16,999)	(3,102)
Cash and cash equivalents at the beginning of the period		27,867	25,996
Cash and cash equivalents at the end of the period		10,869	22,895

(1) including taxes and interest paid in the period

3,077

1,360

(2) The sum of the related amounts (-21,400 thousand of Euro at 30 September 2021 and -2,487 thousand of Euro at 30 September 2020) represents the overall change in net liabilities deriving from financing activities. For the reconciliation with the values shown in the statement of financial position, see the comment on the net financial position reported in note 17 - Non-current payables to banks.

Explanatory notes

General information

Exprivia SpA (hereinafter also the "Company" or the "Parent Company" or "Exprivia") and its subsidiaries (hereinafter also the "Exprivia Group" or the "Group") represent an international business group specialised in *Information and Communication Technology*. It uses digital technologies to steer its customers' business change drivers.

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

Accounting policies and valuation criteria

Declaration of compliance with IFRS

This quarterly report, at 30 September 2021, was drafted in compliance with Art. 154-ter of Legislative Decree 58/1998 and subsequent amendments, as well as the Issuer Regulation issued by Consob. This report was prepared in observance of the international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union and was drafted according to IAS 34 - Interim Financial Reporting. The financial statements were drawn up in accordance with IAS 1 while the notes were prepared in a condensed form, applying the option set out by IAS 34, and consequently do not include all the information required for an annual report drawn up in accordance with IFRS.

Drafting and presentation criteria

The consolidation principles, accounting policies and valuation criteria are the same as those adopted to prepare the consolidated financial statements at 31 December 2020, to which explicit reference is made, with the exception of those specifically applicable to interim financial statements and those explained in the following paragraph "Accounting standards, amendments and interpretations applicable from 1 January 2021".

Accounting standards, amendments and interpretations applicable from 1 January 2021:

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.

Description	Endorsement date	Publication on G.U.C.E	Effective date provided by principle	Effective date for Exprivia
Amendments to IFRS 16 "Leases Covid-19 Related Rent Concessions" (issued on 28.05.2020)	09 oct. '20	12 oct. '20	Exercises starting on or starting from 1 June '20	1 june '20
Amendments to IFRS 4 "Insurance Contracts - deferral of IFRS 9" (issued on 25.06.2020)	15 dec. '20	16 dec. '20	Exercises starting on or after 1 January 2021	1 jan '21
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2" (issued on 08.27.2020)	1 jan. '21	13 jan. '21	Exercises starting on or after 14 January 2021	1 gen '21

The amendment to IFRS 16 "Leases", endorsed on 9 October 2020 and applicable to all financial statements from 1 June 2020, 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. This integration did not have any impact on the economic-

financial results of the Group as the payments relating to the contracts covered by IFRS 16 were not changed.

The amendment to "IFRS 4 Insurance Contracts - deferral of IFRS 9" extended the expiry of the temporary exemption from the application of IFRS 9 until 2023 in order to align the date of entry into force of IFRS 9 with the new IFRS 17.

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2" supplement those issued in 2019 and endorsed in January 2020. The amendments referring to phase 2 envisage a specific accounting treatment to spread over time the changes in the value of financial instruments or lease agreements due to the replacement of the reference index for the determination of interest rates.

The newly adopted standards did not have any 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 September 2021:

Description	Effective date foreseen by the principle
Amendments to IFRS 3-'Business Combinations' (issued on 14.05.2020)	Exercises starting on or after 1 January 2022
Amendments to IAS 16-'Property, Plant and Equipment' on Proceeds before Intended Use (issued on 14.05.2020)	Exercises starting on or after 1 January 2022
Amendments to IAS 37-'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts-Cost of Fulfilling a Contract (issued on 14.05.2020)	Exercises starting on or after 1 January 2022
Annual Improvements to IFRS Standards 2018-2020 (issued 14.05.2020)	Exercises starting on or after 1 January 2022

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 potential assets cannot be recognised as part of a business combination.

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 amendment is effective for annual periods beginning on or after 1 January 2022.

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.

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 amendments and accounting standards described below.

Description	Effective date foreseen by the principle
Amendments to IAS 1 "Presentation of Financial Statements - Classification of liabilities as current or non current" (issued on 23.01.2020)	Exercises starting on or after 1 January 2023
IFRS 17 Insurance Contracts (issued on 18.05.2017); includes Amendments to IFRS 17 (issued on 25.06.2020)	Exercises starting on or after 1 January 2023
Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (issued on 12.02.2021)	Exercises starting on or after 1 January 2023
Amendments to IAS 1 "Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting Policies" (issued on 12.02.2021)	Exercises starting on or after 1 January 2023
Amendments to IAS 12 "Income Taxes" Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 06.05.2021)	Exercises starting on or after 1 January 2023

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.

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.

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

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 are effective for years beginning on or after 1 January 2023, with early application permitted.

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

Scope of Consolidation

The consolidated half-year financial statements at 30 September 2021 include the capital, economic and financial situations of the Parent Company Exprivia and subsidiaries, pursuant to IFRS 10. There were no

changes to the scope of consolidation compared to 31 December 2020. 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 2021, for the aforementioned subsidiaries consolidated using the line-by-line method are provided below:

Company	H.O.	Value	Company Value capital	Results for period	Net worth	Total revenues	Total Assets	% of holding	
Advanced Computer Systems D-Gmbh	Offenbach (Germania)	amount in Euro	25,000 amount in thousand Euro	40	111	714	272	100.00%	Exprivia SpA
Consorzio Exprivia S.c.a.r.l	Milano	amount in Euro	20,000 amount in thousand Euro	(5)	19	0	333	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	35	(118)	-	822	100.00%	Exprivia SpA
Exprivia It Solutions (Shanghai) Ltd	Shanghai (Cina)	amount in Renminbi	3,719,450 amount in thousand Euro	59	(71)	1,298	973	100.00%	Exprivia ASIA Ltd
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	amount in Real	5,890,663 amount in thousand Euro	24	1,193	1,464	1,526	100.00%	Exprivia SpA
Exprivia Projects Srl	Roma	amount in Euro	242,000 amount in thousand Euro	332	1,135	8,620	4,729	100.00%	Exprivia SpA
HRCOFFEE Srl	Molfetta (BA)	amount in Euro	300,000 amount in thousand Euro	(74)	(116)	114	443	70.00% 30.00%	Exprivia SpA persone fisiche
Sucursal Ecuador de Exprivia SLU	Quito (Ecuador)	amount in USD	10,000 amount in thousand Euro	(7)	(27)	-	-	100.00%	Exprivia SLU
Spegea Scarl	Bari	amount in Euro	125,000 amount in thousand Euro	4	263	565	1,576	60.00% 40.00%	Exprivia SpA Confindustria Bari
Exprivia SLU	Madrid (Spagna)	amount in Euro	197,904 amount in thousand Euro	(525)	112	1,392	3,683	100.00%	Exprivia SpA
ProSap Centroamerica SA	Città del Guatemala (Guatemala)	amount in Quetzal	5,000 amount in thousand Euro	(3)	177	-	554	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	(23)	1,332	369	2,710	2.00% 98.00%	Exprivia SLU Exprivia SpA
ProSap Perù SAC	Lima (Perù)	amount in Nuevo Sol	706,091 amount in thousand Euro	1	15	-	31	100.00%	Exprivia SLU

As more fully explained in the paragraph "Loss of control of Italtel by Exprivia pursuant to IFRS 10" in the consolidated financial statements at 31 December 2020, the Italtel Group was deconsolidated as of 31 December 2020, the date of Exprivia's loss of control, and has been classified, with reference to the comparative data at 30 June 2020, as a discontinued operation pursuant to IFRS 5, since it is a major line of business.

The primary exchange rates used for conversion into Euro of the financial statements of foreign companies at 30 September 2021 were as follows:

Exchange rate	9-month average as at 30 September 2021	Punctual as of September 30, 2021
Real brazilian	6.381	6.263
Dollar USA	1.197	1.158
Nuevo Sol peruviano	4.582	4.782
Dollaro Hong Kong	9.295	9.018
Renminbi -Yuan (Cina)	7.741	7.485
Mexican Peso	24.081	23.744
Guatemalan Quetzal	9.261	8.959

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 2021, the Exprivia Group identified the IT (Information Technology) sector as a single operating segment that includes Information Technology and IT software, solutions and services.

As described in Note 14 "Profit (loss) for the period - *Discontinued operations*", the Italtel Group corresponding to the TLC operating segment was deconsolidated at the date of loss of control (31 December 2020) and classified as *Discontinued operations* pursuant to IFRS 5.

The following statement shows the restated financial standing, which highlights the structure of invested capital and funding resources for the operating segment at 30 September 2021 and 31 December 2020.

Reclassified Balance Sheet

amount in thousand Euro	IT			TLC			CONSOLIDATED		
	30.09.2021	31.12.2020	Variation	30.09.2021	31.12.2020	Variation	30.09.2021	31.12.2020	Variation
Property, plant and machinery	16,833	19,029	(2,197)			0	16,833	19,029	(2,197)
Goodwill	69,071	69,071	0			0	69,071	69,071	0
Other Intangible Assets	9,547	10,220	(673)			(1)	9,547	10,220	(673)
Shareholdings	883	554	330			0	883	554	330
Other non-current financial assets	594	468	126			0	594	468	126
Deferred tax assets	2,206	2,219	(13)			0	2,206	2,219	(13)
NON-CURRENT ASSETS	99,134	101,561	(2,427)	0	0	1	99,134	101,561	(2,427)
Trade receivables	50,572	50,319	253			0	50,572	50,319	253
Stock	913	1,064	(150)			0	913	1,064	(150)
Work in progress to order	27,267	23,437	3,830			0	27,267	23,437	3,830
Other Current Assets	10,276	10,207	70			0	10,276	10,207	70
CURRENT ASSETS	89,029	85,027	4,002	0	0	0	89,029	85,027	4,002
DISCONTINUED NON CURRENT ASSETS	0	0	0			0	0	0	0
Commercial debts	(23,958)	(25,497)	1,539			0	(23,958)	(25,497)	1,539
Advances on contract work in progress	(3,619)	(6,432)	2,813			0	(3,619)	(6,432)	2,813
Other current liabilities	(40,041)	(35,841)	(4,201)			0	(40,041)	(35,840)	(4,201)
CURRENT LIABILITIES	(67,619)	(67,770)	151	0	0	0	(67,619)	(67,769)	151
DISCONTINUED NON CURRENT LIABILITIES	(0)	0	(0)			0	(0)	0	(0)
NON-CURRENT FUNDS AND LIABILITIES	(10,554)	(11,540)	986			1	(10,554)	(11,540)	986
NET INVESTED CAPITAL	109,991	107,278	2,713	0	0	0	109,991	107,279	2,712
NET FINANCIAL POSITION	39,263	43,610	(4,348)			0	39,263	43,610	(4,348)

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

The income statements reclassified by operating segment at 30 September 2021 and 30 September 2020 are shown below.

Reclassified Income Statement

amount in thousand Euro	IT			TLC			CONSOLIDATED		
	30.09.2021	30.09.2020	Variation	30.09.2021	30.09.2020	Variation	30.09.2021	30.09.2020	Variation
Revenues	121,608	115,303	6,305			0	121,608	115,303	6,305
Other income	3,437	4,468	(1,031)			0	3,437	4,468	(1,031)
TOTAL REVENUES	125,045	119,771	5,274	0	0	0	125,045	119,771	5,274
Costs for consumables and finished products	(3,022)	(2,702)	(320)			0	(3,022)	(2,702)	(320)
Personnel costs	(78,871)	(78,295)	(576)			0	(78,871)	(78,295)	(576)
Costs for services	(24,489)	(25,209)	720			0	(24,489)	(25,209)	720
Costs for use of third-party assets	(434)	(597)	163			0	(434)	(597)	163
Different management charges	(608)	(566)	(42)			0	(608)	(566)	(42)
Change in inventories	(153)	834	(987)			0	(153)	834	(987)
Provisions and write-downs of current assets	(350)	(235)	(115)			0	(350)	(235)	(115)
TOTAL COSTS	(107,929)	(106,770)	(1,158)	0	0	0	(107,927)	(106,770)	(1,157)
EBITDA	17,116	13,001	4,115	0	0	0	17,118	13,001	4,117
Amortization and depreciation of non-current	(4,649)	(4,694)	45			0	(4,649)	(4,694)	45
EBIT	12,467	8,307	4,160	0	0	0	12,469	8,307	4,162
Financial income and (expense) from equity	(2,250)	(2,606)	356			0	(2,251)	(2,606)	355
RESULT ANTE TAXES	10,218	5,701	4,516	0	0	0	10,218	5,701	4,517
Taxes	(3,264)	(1,823)	(1,441)			0	(3,265)	(1,823)	(1,442)
PROFIT (LOSS) FOR THE PERIOD - CONTINUING OPERATIONS	6,954	3,878	3,076	0	0	0	6,953	3,878	3,075
PROFIT (LOSS) FOR THE YEAR DERIVING FROM OPERATING ACTIVITIES	0		0	0	(11,573)	11,573	0	(11,573)	11,573
PROFIT (LOSS) FOR THE PERIOD	6,954	3,878	3,076	0	(11,573)	11,573	6,953	(7,695)	14,648

For details of the breakdown of revenues by type of product and service as required by IFRS 8 (paragraphs 32-34) and IFRS 15, please refer to Note 29 of this Report.

Business Areas	30/09/2021	30/09/2020	Variation	%Variation	Q3 2021	Q3 2020	Variation	%Variation
Projects and Services	105,859	100,450	5,409	5.39%	35,218	31,936	3,282	10.28%
Maintenance	11,694	12,280	-586	-4.78%	3,354	4,416	-1,062	-24.05%
HW/ SW third parties	2,696	1,184	1,512	127.73%	796	408	388	95.10%
Own licences	1,342	1,387	-45	-3.29%	375	475	-100	-21.05%
Other	17	2	15	952.91%	-384	-314	-70	22.17%
Total	121,608	115,303	6,305	5.47%	39,359	36,921	2,438	6.60%

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

Exprivia Group (values in k Euro)	30/09/2021	Incidence%	30/09/2020	Incidence%	Variations %	Q3 2021	Incidence%	Q3 2020	%Variation
Private	93,863	77.2%	87,837	76.2%	6.9%	30,508	77.5%	27,992	75.8%
Public	27,745	22.8%	27,466	23.8%	1.0%	8,851	22.5%	8,929	24.2%
TOTAL	121,608		115,303		5.47%	39,359		36,921	

Exprivia Group (values in k Euro)	30/09/2021	Incidence%	30/09/2020	Incidence%	Variations %	Q3 2021	Incidence%	Q3 2020	%Variation
Italy	110,529	65.6%	106,913	92.7%	3.4%	35,315	89.7%	33,862	91.7%
Foreign	11,079	34.4%	8,390	7.3%	32.0%	4,044	10.3%	3,059	8.3%
TOTAL	121,608		115,303		5.47%	39,359		36,921	

Explanatory Notes on the Consolidated Balance Sheet

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

SHAREHOLDERS' EQUITY

Note 1 – Share Capital

“**Share capital**”, fully paid up, amounted to Euro 24,616 thousand at 30 September 2021 and is unchanged compared to the figure at 31 December 2020. The share capital is represented by 51,883,958 ordinary shares with a par value of Euro 0.52 each for a total of Euro 26,980 thousand, net of 4,546,084 treasury shares held at 30 June 2021, with a nominal value of Euro 2,364 thousand.

Note 1 - Share Premium Reserve

At 30 September 2021, the “**Share premium reserve**” amounted to Euro 18,082 thousand and is the same as 31 December 2020.

Note 1 – Revaluation Reserve

At 30 September 2021, the “**Revaluation reserve**” amounted to Euro 2,907 thousand and is the same as 31 December 2020.

Note 1 – Legal Reserve

The “**Legal reserve**” at 30 September 2021 amounted to Euro 4,682 thousand compared to Euro 4,171 thousand at 31 December 2020. The change is attributable to the allocation of the result of the previous year of the parent company Exprivia SpA, as resolved by the Shareholders' Meeting of 23 June 2021.

Note 1 – Other Reserves

The balance of the item “**Other reserves**” at 30 September 2021 amounted to Euro 1,094 thousand compared to Euro 14,134 thousand at 31 December 2020. Changes during the period relate to:

- the overall negative effect of Euro 13,148 thousand deriving from the allocation of the profit for 2019 and 2020 of the parent company Exprivia SpA, as resolved by the Shareholders' Meeting of 23 June 2021;
- the positive effect of the change in the currency translation reserve for Euro 53 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 gains net of the tax effect of Euro 87 thousand;
- other negative changes for Euro 32 thousand.

Note 1 – Profit/Loss from Previous Periods

The item “**Profit/loss from previous periods**” at 30 September 2021 was Euro 12,393 thousand compared to Euro (165,775) thousand at 31 December 2020.

Note 1 – Minority Shareholders' Interests

"Minority Shareholders' Interests" at 30 September 2021 were positive for Euro 5 thousand compared to Euro 29 thousand at 31 December 2020.

NET FINANCIAL POSITION

The Net Financial Position 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. The application of the new format did not result in any changes with respect to the above.

amounts in thousands of Euro		30/09/2021	31/12/2020
A.	Cash	45	47
B.	Other liquid assets	10,824	27,820
C 1.	Securities held for trading	205	205
C 2.	Own shares	3,312	3,312
D	Liquid (A)+(B)+(C)	14,386	31,384
E.	Current financial receivables	707	728
F.	Current bank debts	(15,707)	(16,969)
G.	Current portion of non-current bank debts	4,412	(8,842)
H.	Other current financial debts	(2,122)	(3,989)
I.	Current financial debts (F) + (G) + (H)	(13,417)	(29,800)
J.	Net current financial debts (I) + (E) + (D)	1,676	2,312
K.	Non-current bank debts	(24,072)	(26,103)
L.	Bond	(11,437)	(13,673)
M.	Other non-current financial payables net of non-current financial receivables and derivative financial instruments	(2,115)	(2,834)
N.	Non-current financial debts (K) + (L) + (M)	(37,624)	(42,610)
O.	Net financial debts (J) + (N)	(35,948)	(40,298)

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

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

Amounts in thousands of Euro				
	31.12.2020	Cash flows	Non-monetary flows	30.09.2021
Current financial receivables	728	(21)	0	707
Current bank debts and current portion of non-current debt	(25,811)	14,516	0	(11,295)
Other current financial payables	(3,989)	1,868	0	(2,122)
Non-current bank debts	(26,103)	2,031	0	(24,072)
Bonds issued	(13,673)	2,236	0	(11,437)
Other non-current net financial payables	(2,834)	773	(54)	(2,115)
Net liabilities deriving from financing activities	(71,682)	21,402	(*) (54)	(50,334)
Liquid assets	31,384	(**) (16,998)	(***) 0	14,386
Net financial debt	(40,298)	4,405	(54)	(35,948)

(*) 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 income statement items relating to the third quarter of 2021 compared with those of the third quarter of 2020 are provided below.

Note 2 – Revenue

Revenues from sales and services in the third quarter of 2021 amounted to Euro 39,359 thousand compared to Euro 36,921 thousand in the same period of 2020. The increase in revenues is mainly attributable to the Public Administration, Aerospace & Defence and Utilities and international markets.

Description	Q3 2021	Q3 2020	Variation
Projects and Services	35,218	31,936	3,282
Maintenance	3,354	4,416	(1,062)
HW/ SW third parties	796	408	388
Own licences	375	475	(101)
Other	(383)	(314)	(69)
Total	39,359	36,921	2,438

Note 3 - Other Income

Other income in the third quarter of 2021 amounted to Euro 891 thousand compared to Euro 1,337 thousand in the same period of 2020. The table below provides details on the items.

Description	Q3 2021	Q3 2020	Variation
Other revenues and income	104	241	(137)
Grants related to income	481	594	(113)
Increase in capitalised expenses for internal project	306	502	(196)
TOTAL	891	1,337	(446)

Other Revenues and Income

"Other revenues and income" in the third quarter of 2021 amounted to Euro 104 thousand compared to Euro 240 thousand in the third quarter of 2020 and mainly refer to long-term car rental charge-backs to employees for Euro 68 thousand.

Grants for operating expenses

"Grants for operating expenses" in the third quarter of 2021, amounted to Euro 481 thousand compared to Euro 594 thousand in 2020 and refer to grants and tax credits pertaining to or authorised in the period relating to funded research and development projects.

Increases in fixed assets for internal work

"Increases in fixed assets for internal work" amounted, in the third quarter of 2021, to Euro 306 thousand compared to Euro 502 thousand in the same period of 2020 and refer to costs incurred during the period 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 2021 amounted to Euro 959 thousand compared to Euro 746 thousand in the same period of the previous year. The table below provides details on the items.

Description	Q3 2021	Q3 2020	Variation
Purchase of HW-SW products	938	644	294
Stationery and consumables	15	85	(70)
Fuel and oil	2	3	(1)
Other costs	4	14	(10)
TOTAL	959	746	213

The change in the item "purchase of hw-sw products" is attributable to the greater purchases of hardware and software products for resale.

Note 5 - Staff Costs

The balance of the item "Staff costs" amounted to Euro 24,545 thousand in the third quarter of 2021 compared to Euro 24,311 thousand in the same period of 2020, as detailed below:

Description	Q3 2021	Q3 2020	Variation
Salaries and wages	17,821	17,491	330
Social charges	4,933	4,784	149
Severance Pay	1,294	1,226	68
Other staff costs	497	810	(313)
TOTAL	24,545	24,311	234

The number of staff at 30 September 2021 was 2,340 units, of which 2,318 employees and 22 associates, while at 30 September 2020 the number of staff attributable to the Exprivia Group, without the Italtel Group, was 2,522 units, of which 2,513 employees and 9 associates.

The average at 30 September 2021 was 2,375 employees and 13 associates, while the average at 30 September 2020 was 2,528 employees and 7 associates.

Note 6 – Costs for Services

The consolidated balance of item "costs for services" totalled Euro 8,374 thousand in the third quarter of 2021, compared to Euro 7,808 thousand in the same period of 2020. The table below provides details on the items:

Description	Q3 2021	Q3 2020	Variation
Technical and commercial consultancy	5,142	5,247	(105)
Administrative/company/legal consultancy	589	358	231
Auditors' fees	27	25	2
Travel and transfer expenses	108	66	42
Utilities	190	237	(47)
Advertising and agency expenses	111	124	(13)
Bank charges	54	108	(54)
HW and SW maintenance	1,429	1,116	313
Insurance	152	125	27
Other costs	572	402	170
TOTAL	8,374	7,808	566

The main change relates to the item "Technical and commercial consultants" which decreased by Euro 104 thousand due to a lesser use of external leverage.

Note 7 – Costs for Leased Assets

The consolidated balance of the item "costs for leased assets" amounted to Euro 165 thousand in the third quarter of 2021 compared to Euro 213 thousand in the third quarter of 2020. The table below provides details on the items:

Description	Q3 2021	Q3 2020	Variation
Rental expenses	33	59	(26)
Car rental/leasing	15	(2)	17
Rental of other assets	27	40	(13)
Other costs	90	116	(26)
TOTAL	165	213	(48)

Note 8 - Sundry Operating Expenses

In the third quarter of 2021 the item "sundry operating expenses" amounted to Euro 259 thousand compared to Euro 166 thousand in the third quarter of 2020. The table below provides details on the items.

Description	Q3 2021	Q3 2020	Variation
Annual subscriptions	51	25	26
Taxes	93	64	29
Penalties and fines	14	0	14
Charitable donations	2	6	(4)
Write-offs	0	4	(4)
Other sundry operating expenses	99	67	32
TOTAL	259	166	93

Note 9 - Changes in Inventories

In the third quarter of 2021, the balance of the item "**changes in inventories**" amounted to Euro 302 thousand compared to Euro -386 thousand in the same period of the previous year and refers to changes in finished products and goods.

Note 10 – Provisions and Write-downs of Current Assets

The consolidated balance of the item "**provisions and write-downs of current assets**" in the third quarter of 2021 amounted to Euro 70 thousand compared to Euro 211 thousand in the third quarter of 2020.

The table below provides details on the items.

Description	Q3 2021	Q3 2020	Variation
Provision for bad debts provision	113	(8)	121
Other provisions	(43)	219	(262)
TOTAL	70	211	(141)

The item "**bad debt provision**" is attributable to the write-down of receivables due to the adjustment of the provision for receivables deemed uncollectible and to the adjustment of the bad debt provision in the amount of Euro 113 thousand.

The item "**other provisions**" mainly refers to the provision for other current assets net of the releases of provisions for future losses on contracts.

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

The consolidated balance of the item "**Amortisation, depreciation and write-downs of non-current assets**" in the third quarter of 2021 amounted to Euro 1,482 thousand compared to a balance of Euro 1,571 thousand in the same period of 2020.

Amortisation and Depreciation

In the third quarter of 2021, "**amortisation and depreciation**" amounted to Euro 1,482 thousand compared with Euro 1,571 thousand in the third quarter of 2020 and refer for Euro 667 thousand to amortisation of intangible fixed assets and for Euro 815 thousand to depreciation of tangible fixed assets.

Write-downs

No write-downs of non-current assets were recognised in the third quarter of 2021.

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 2021, to a negative Euro 579 thousand compared with a negative balance of Euro 856 thousand in the same period of 2020. The table below provides details on the items.

Description	Q3 2021	Q3 2020	Variation
Proceeds from shareholdings from parents	6	(6)	12
Income from other investments	(16)	(15)	(1)
Other income other than the above	8	44	(36)
Interest and other financial charges	(494)	(734)	240
From parent charges	(101)	(101)	0
Profit and loss on currency exchange	18	(44)	62
TOTAL	(579)	(856)	277

Income from Parent Companies

The balance of the item "**income from Parent Companies**" in the third quarter of 2021 amounted to Euro 6 thousand and refers to the interest accrued from Abaco Innovazione SpA on a loan granted by Exprivia.

Income Other Than the Above

The balance of item "**income other than the above**" totalled Euro 8 thousand in the third quarter of 2021, compared to Euro 44 thousand in the same period of 2020. The table below provides details on the item.

Description	Q3 2021	Q3 2020	Variation
Bank interest receivable	1	0	1
Interest income from securities	6	(0)	6
Other interest income	0	39	(39)
Rounding up of assets	1	5	(4)
TOTAL	8	44	(36)

Interest and Other Financial Charges

The balance of the item "**interest and other financial charges**" in the third quarter of 2021 amounted to Euro 494 thousand compared to Euro 734 thousand in the same period of 2020. The table below provides details on the items.

Description	Q3 2021	Q3 2020	Variation
Bank interest payable	3	145	(142)
Interest on loans and mortgages	327	376	(49)
Sundry interest	124	208	(84)
Charges on financial products and sundry items	37	2	35
Rounding up/down	4	0	4
Interest cost IAS 19	(1)	3	(4)
TOTAL	494	734	(240)

Charges from Parent Companies

The balance of the item "**charges from parent companies**" amounted to Euro 101 thousand in the third quarter of 2021 and refers to the portion applicable to the period of charges recognised by Exprivia SpA to the parent company Abaco Innovazione SpA for guarantees issued by the latter to its subsidiary.

Gains/(Losses) on Currency Exchange

In the third quarter of 2021, "**gains on currency exchange**" amounted to Euro 18 thousand compared to losses on currency exchange of Euro (44) thousand in the third quarter of 2020, and mainly related to

exchange rate fluctuations as a result of commercial transactions carried out in currencies other than the domestic currency of the Group's foreign companies.

Note 13 – Income Taxes

In the third quarter of 2021, "**Income taxes**" amounted to Euro 1,021 thousand compared to Euro 773 thousand in the third quarter of 2020; the table below provides details on the changes compared to the previous year:

Description	Q3 2021	Q3 2020	Variation
IRES	736	773	(37)
IRAP	128	89	39
Foreing tax	(2)	10	(12)
Taxes from prior years	2	0	2
Defered tax	26	(147)	173
Deferred tax assets	131	48	83
TOTAL	1,021	773	248

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 Art. 1, paragraphs 37-45, of Law no. 190/2014 "2015 stability law" (the "Patent Box").

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

As described in more details in the Annual Report 2020 in the paragraph "Loss of control of Italtel by Exprivia pursuant to IFRS 10", to which reference should be made, Exprivia's Board of Directors has ascertained that the loss of control of the Italtel Group pursuant to IFRS 10 takes effect from 31 December 2020.

Since this is a "*major line of business*", the directors have presented in these financial statements the results of Italtel and its subsidiaries (Italtel Group) for the period ending at 30 September 2020 as discontinued operations pursuant to IFRS 5, disclosing:

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

It should also be noted that the existing relations between continuing and discontinued operations were treated as relations among independent parties and that the income statement and balance sheet items referring to discontinued operations also include the effect of consolidated eliminations of these relationships. The method chosen has led to the presentation of these transactions as if the discontinued operations had already left the scope of consolidation of the Exprivia Group, therefore:

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

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

amount in thousand Euro	Discontinued Operations	
	Q3 2021	Q3 2020
Revenues	0	64,024
Other income	0	1,966
TOTAL REVENUES	0	65,990
Costs for consumables and finished products	0	(23,886)
Personnel costs	0	(18,463)
Costs for services	0	(19,195)
Costs for the use of third party assets	0	(127)
Various management charges	0	(670)
Change in inventories	0	(588)
Provisions and write-downs of current assets	0	(60)
TOTAL COSTS	0	(62,989)
EBTIDA	0	3,000
Depreciation and write-downs of non-current assets	0	(1,321)
EBIT	0	1,680
Financial income and (expenses) and equity investments	0	(164)
PROFIT (LOSS) BEFORE TAXES	0	1,516
Income taxes	0	1,084
PROFIT (LOSS) FOR THE PERIOD	0	2,600
Attributable to:		
Shareholders of the Parent Company	0	2,106
Third parties	0	494
Income (charges) on equity investments	0	2,600
PROFIT (LOSS) FOR THE PERIOD - DISCONTINUED OPERATIONS	0	2,600
Attributable to:		
Shareholders of the Parent Company	0	2,106
Third parties	-	494

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

	30.09.2021	30.09.2020
Cash flow generated (absorbed) by income management - Discontinued operations	0	(2,585)
Cash flow generated (absorbed) by current assets and liabilities - Discontinued operations	0	17,628
Cash flow generated (absorbed) by investing activities - Discontinued operations	0	0
Cash flow generated (absorbed) by financing activities - Discontinued operations	0	(28,786)

Note 15 – Profit (Loss) for the Period

In the third quarter of 2021, the Income Statement closed with a consolidated profit, after taxes, of Euro 2,494 thousand (Euro 6,953 thousand at 30 September 2021), compared to the third quarter of 2020, which saw a consolidated profit of Euro 1,989 thousand, as regards Continuing Operations, and a consolidated profit of Euro 2,600 thousand also considering Discontinued Operations.

Note 16 – Basic/Diluted Earnings

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

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

For the purpose of calculating basic earnings per share, the economic result for the period 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 2021, the basic and diluted earnings per share amounted to Euro 0.1475.

	for the nine months ended 30.09.2021
Description	30.09.2021
Profit / (loss) for the determination of the basic profit / (loss) per share (Net profit / (loss) attributable to the shareholders of the parent company)	6,981,084
Earnings / (Losses) for the determination of the basic earnings / (losses) per share	6,981,084
Number of shares	30.09.2021
Number of ordinary shares as of January 1, 2021	51,883,958
Treasury shares as at 30 September 2021	4,546,084
Average weighted number ordinary shares for calculation of basic profit	47,337,874
Earnings per share (Euro)	for the nine months ended 30.09.2021
Profit (loss) per basic share	0.1475
Diluted earnings (loss) per share	0.1475

Note 17 – Information on the Cash Flow Statement

In compliance with the provisions of IFRS 5, the cash flows deriving from continuing operations and the cash flows at 30 September 2020 deriving from discontinued operations have been shown separately in the cash flow statement.

With regard to the cash flows deriving from continuing operations, the cash flows deriving from income management were positive for Euro 12 million, the management of current assets and liabilities absorbed cash flows of Euro 5.4 million, cash flows deriving from investment activities absorbed cash of Euro 1.6 million. Lastly, financing activities absorbed cash flows of Euro 22 million.

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

The undersigned Valerio Stea, Executive manager responsible for preparing the corporate accounts, in accordance with Art. 154-bis, par. 2 of Legislative Decree no. 58 of 24 February 1998, introduced by Law no. 262 of 28 December 2005, states that the information and data on the economic, capital and financial situation contained in this Interim Report on Operations at 30 September 2021 referring to the Consolidated Financial Statements correspond to the documentary results of the accounting records.

Molfetta, 11 November 2021

Valerio Stea

Executive manager responsible for preparing the
corporate accounts