

INTERIM REPORT ON OPERATIONS AT 31 MARCH 2018

This English version of Tecnoinvestimenti's Interim Report at 31 March 2018 is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.



TECNOINVESTIMENTI

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COMPANY DATA and COMPOSITION OF THE CORPORATE GOVERNANCE BODIES

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

Statutory Information about the Parent Company
Share capital resolved € 47,207,120 - subscribed and paid-up € 46,573,120
Rome Company Register No. RM 1247386
Tax ID and VAT No. 10654631000
Website www.tecnoinvestimenti.it

Corporate governance bodies currently in office

Board of Directors

Enrico Salza	Chairman
Pier Andrea Chevallard	Managing Director
Alessandro Barberis	Deputy Chairman (Independent)
Alessandro Potestà	Director
Riccardo Ranalli	Director
Laura Benedetto	Director (independent)
Elisa Corghi	Director (independent)
Giada Grandi	Director (independent)
Eugenio Rossetti	Director (independent)
Paola Generali	Director (independent)
Lorena Pellissier	Director (independent)

Control and Risks and Related Parties Committee

Giada Grandi	Chairman
Riccardo Ranalli	
Elisa Corghi	
Alessandro Potestà	
Eugenio Rossetti	

Remuneration Committee

Alessandro Barberis	Chairman
Riccardo Ranalli	
Paola Generali	
Lorena Pellissier	

Board of Statutory Auditors

Luca Laurini	Chairman
Monica Mannino	Standing Auditor
Alberto Sodini	Standing Auditor
Domenica Serra	Alternate Auditor
Maria Cristina Ramenzoni	Alternate Auditor

Independent Auditors

KPMG S.p.A.

Manager responsible for the preparation of the Company's accounting documents
Nicola Di Liello

Registered and operating office

Piazza Sallustio 9 - 00187 Rome

Operating Office

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

SUMMARY OF GROUP RESULTS

Summary economic data (€ '000s)	1st Quarter 2018 IFRS 2018	1st Quarter 2018 IFRS 2017 ¹	1st Quarter 2017 ²	Change IFRS 2017 ³	Change % IFRS 2017
Revenues	51,601	51,494	40,921	10,573	25.8%
EBITDA	10,222	10,085	8,528	1,557	18.3%
Operating profit	6,808	6,672	5,691	981	17.2%
Net profit	4,248	4,190	3,398	792	23.3%
Adjusted Net Profit	4,956	4,898	4,464	434	9.7%

Summary equity-financial data (€ '000s)	31/03/2018 IFRS 2018	31/12/2017	Change	Change %
Share capital	46,573	46,573	0	0.0%
Shareholders' equity	133,580	143,317	-9,737	-6.8%
Net financial debt	99,975	104,563	-4,588	-4.4%

Since 1 January 2018, the Group has adopted IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments", which have led to changes in accounting policies and adjustments to the amounts entered in the accounts. Comparative 2017 data have not been restated, while the economic data for the subject period are also stated without applying IFRS 15 and IFRS 9. The comparative analyses of this document refer, unless otherwise indicated, to the 2018 data without the application of IFRS 15 and IFRS 9.

¹ The 2018 figures do not apply IFRS 15 and IFRS 9, adopted from 1 January 2018, in order to allow comparability with the 2017 data, thereby adopting the same accounting standards in effect during First Quarter 2017.

² The comparative data of First Quarter 2017 were re-stated in relation to the completion, in the First Half of 2017, of identification of the fair values of the assets and liabilities of the Visura group, consolidated on a line-by-line basis from 1 July 2016. Furthermore note that, starting from the Condensed Interim Consolidated Financial Statements of 2017, allocations to the Provision for Agents' Leaving Indemnity were reclassified from the item «Provisions» to the item «Service costs»; in order to ensure a better comparison of the results, these reclassifications were also carried out for the related items of the First Quarter 2017.

³ Note that, in order to allow effective comparability, changes in the economic results, unless otherwise indicated, refer to data for First Quarter 2018, drawn up without application of IFRS 9 and IFRS 15 ("IFRS 2017"), compared to the data for First Quarter 2017, also drawn up without the application of said principles.

INTERIM REPORT ON OPERATIONS

GROUP ACTIVITIES

The Tecnoinvestimenti Group provides in Italy and to a lesser extent abroad a wide range of Digital Trust, Credit Information & Management and Innovation & Marketing services. The Group has developed rapidly in recent years, due to both organic growth and acquisitions, aimed at expanding the portfolio of products/services and extending the offering to market sectors considered strategic and synergistic.

The Group operates through three Business Units (BUs):

1. the Digital Trust Business Unit proposes IT solutions to the market for digital identity and dematerialisation of processes in line with applicable regulations (including the new European eIDAS regulation) and customer and sector compliance standards, through various products and services such as certified e-mail (CEM), electronic storage, digital signature, e-invoicing, Telematic Trust Solutions and Enterprise Content Management Solutions. Digital Trust activities are provided by the Group through the InfoCert group and the Visura group.

For the purpose of carrying out activities as a manager of certified e-mail, electronic storage and Digital Signature, InfoCert is qualified as Certification Authority and accredited by the AgID (*Agenzia per l'identità digitale*, the governmental Agency for Digital Identity). The ability to provide said IT solutions is reserved for entities that meet certain legal requirements, in terms of both assets and organic and technological infrastructure. InfoCert has also been accredited by AgID as Identity Trust Provider, i.e. Digital Identity manager, which can issue digital identities to citizens and businesses, managing in utmost security client authentications.

Visura and its subsidiary Lextel are active in the Digital Trust market, mainly through the sale of Telematic Trust Solutions and resale services of products such as certified e-mail, digital signature and electronic invoicing sourced from InfoCert; they also offer telematic services and manage approximately 450 thousand client lists including professionals, professional firms, public administrations, professional associations and companies; through the ISI subsidiary, the Visura group also offers products and services in the IT sector for professional associations such as electronic filing, CAF Facile (the filing of 730 tax return statements and related documents) and certified e-mail.

Sixtema, 80%-owned by InfoCert since April 2017, provides IT and management services to companies, entities, associations and institutions, with a particular focus on the world of CNAs - Confederazione Nazionale dell'Artigianato (National Confederation of Craftsmen). It has its own data centre through which it provides software services via ASP and/or SaaS. Moreover, as service provider, it provides an integrated technological infrastructure service. Its offer comprises software solutions to comply with all tax obligations, employment legislation and other regulations in general.

2. The Credit Information & Management BU provides standard and value-added services mainly aimed at supporting processes for the granting, assessment and recovery of credit in both the banking and business sectors.

As part of Credit Information & Management, the Group operates through Innolva S.p.A.⁴ (created from the merger of the companies Assicom S.p.A. and Ribes S.p.A. in 2017) and its subsidiary Creditreform Assicom Ticino and Re Valuta S.p.A.

Innolva provides a complete range of IT services to support decision-making processes for the granting, assessment and recovery of credit, along with credit management and business information services, through a business model characterised by the integration of services, with the aim of

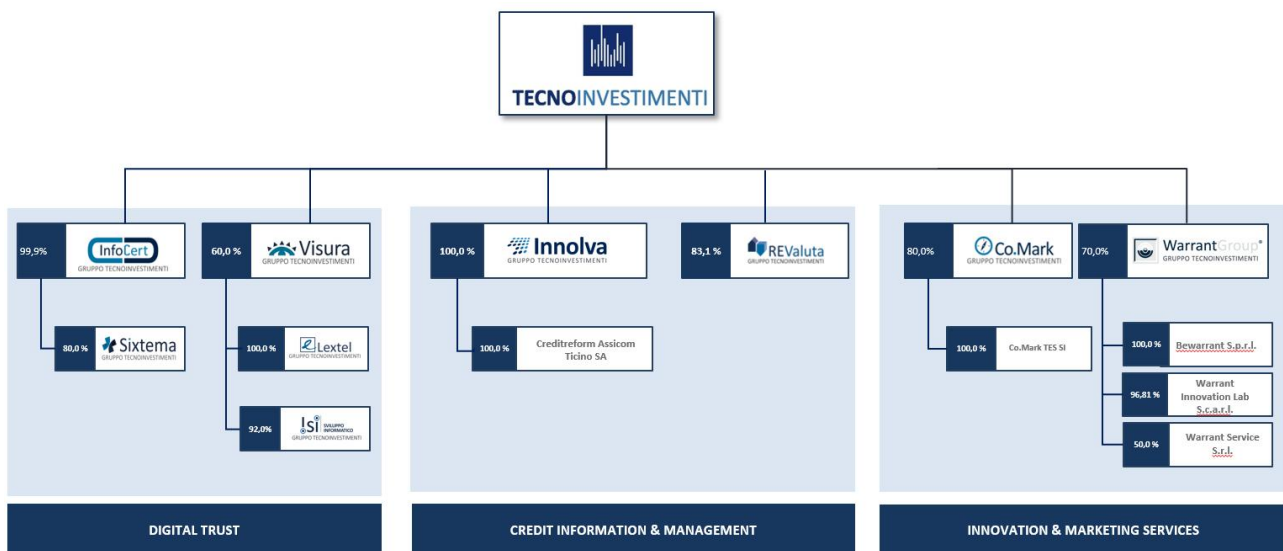
⁴ As described in the notes. *KEY EVENTS SUBSEQUENT TO THE END OF THE FIRST QUARTER 2018*, on 26 April 2018, Assicom Ribes changed its name to Innolva S.p.A.

supporting SMEs at every stage of the credit management and recovery cycle. Innolva also controls Creditreform Assicom Ticino, a company belonging to the Creditreform network, an international organisation operating in the business information and credit recovery sector. RE Valuta realises and provides assessment services regarding the actual value of real estate collateral during the granting of loans.

- The Innovation & Marketing Services BU operates in the market through the Co.Mark Group and Warrant Group, acquired in November 2017. Through a team of TES[®] (Temporary Export Specialists[®]), Co.Mark provides value-added services aimed at supporting small and medium-sized companies or networks of companies in their internationalisation, in the search for customers and in creating business opportunities abroad as well as in Italy. In July 2015, Co.Mark TES S.L. was established in Barcelona with the objective of developing the innovative export model, also in support of the Spanish SMEs, which operate in a market very similar to the Italian one.

Warrant Group and its subsidiaries predominantly offer consulting services to companies that invest in productivity and R&D innovation to obtain subsidised and integrated loans, also through tools provided by the European Union, the Ministry of Economic Development and the Regions, and tools provided by the National Industry Plan 4.0. Warrant offers specific support to companies in managing relations with banks and in analysing company ratings in order to identify the most critical variables on which to implement actions to improve the company in view of Basel 2. Warrant Innovation Lab focuses on promoting the sharing of knowledge, ideas, products, technologies and methodologies among companies, universities and research centres, in order to systematically generate and support industrial innovation.

The chart that follows outlines the structure of the Tecnoinvestimenti Group, including controlling interests held, at 31 March 2018.



KEY EVENTS OF THE PERIOD

An overview of the key events that occurred in the First Quarter is provided below:

1. On 8 February 2018, Cedacri, a Tecnoinvestimenti shareholder, completed the placement of 4.25% of the share capital at € 6.70 per share. Following the disposal, achieved through an accelerated order collection procedure reserved for institutional investors, Cedacri holds 1.4% of Tecnoinvestimenti, with regard to which it has undertaken a 180-day lock-up commitment.
2. On 1 March 2018, the Board of Directors of Assicom Ribes S.p.A (now Innolva S.p.A.) resolved to dispose of the stake held in Swiss company Creditreform Assicom Ticino Sa since, after the changes made to the corporate structure of Assicom Ribes Spa in 2017, this investment is no longer considered strategic. The deal envisages the initial disposal of 70% of the share capital, while a call option will be provided on the remaining 30%, to be exercised by the purchaser. The disposal is reasonably expected to be completed within the current month of May.
3. On 13 March 2018, InfoCert S.p.A. received a petition from Thron S.p.A. demanding the payment of € 200 thousand as a penalty due to the failure to comply with a confidentiality agreement, in addition to € 21,780 thousand due to greater damages suffered for alleged undue use of software. In acknowledging this judicial initiative, Tecnoinvestimenti S.p.A., for its part, having consulted with the management of InfoCert S.p.A., highlights the groundlessness of the arguments supporting the claims made. To that end, all appropriate judicial initiatives shall be taken.

DEFINITION OF PERFORMANCE INDICATORS

Tecnoinvestimenti management evaluates the performance of the Group and of the business segments also on the basis of a number of indicators not envisaged by the IFRS.

With regard to said indicators, on 3 December 2015, CONSOB issued Communication no. 0092543/15, authorising application of the Guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), regarding their presentation in the regulated information disclosed or in the statements published starting from 3 July 2016. These guidelines are intended to promote the usefulness and transparency of the alternative performance indicators included in the regulated information or in the statements falling within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility, when such indicators are not defined or envisaged by the financial reporting framework.

The criteria used to calculate these indicators are provided below, in line with the aforementioned communications.

EBITDA: Calculated as “Net profit” before “Taxes”, “Net financial income (expenses)”, “Share of profit of equity-accounted investments”, “Amortisation/depreciation”, “Provisions” and “Impairment”, or as “Revenue” before “Raw material costs”, “Service costs”, “Personnel costs”, “Contract costs” and “Other operating costs”.

Operating profit: Although the IFRS do not contain a definition of Operating profit, it is presented in the Statement of profit/(loss) and other components of the comprehensive statement of income and is calculated starting from EBITDA, net of “Amortisation/depreciation”, “Provisions” and “Impairments”.

Adjusted net profit: Calculated like “Net profit” net of non-recurring components and amortisation of the intangible assets recognised upon allocation of the price paid for business combinations, net of tax effect. This indicator reflects the Group’s economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business.

Adjusted EPS: Obtained from the ratio of adjusted net income and the weighted average number of ordinary shares outstanding during the year.

Net financial position (debt): Determined in accordance with Consob Communication no. 6064293 of 28 July 2006 and the ESMA/2013/319 Recommendation, subtracting “Other current financial liabilities”, “Derivative financial instruments payable” and “Other non-current financial liabilities” from “Cash and cash equivalents”, “Other current financial assets” and “Current derivative financial instruments receivable”.

Total net financial position (debt): Calculated by adding the Net financial position (debt), “Non-current derivative financial instruments receivable” and “Other non-current financial assets”.

Free Cash Flow: Represents the cash flow available for the Group and is equal to the difference between the cash flow from operating activities and the cash flow for investments in capital assets. It is equal to the difference between “Cash and cash equivalents generated by operating activities” and the sum of “Investments in property, plant and equipment” and “Investments in intangible assets” included in the Cash flow statement.

Net non-current assets: The difference between “Non-current assets” and “Non-current liabilities”, with the exception of:

- “Non-current derivative financial instruments payable”
- “Other non-current financial liabilities”
- “Non-current receivables from customers”
- “Contract cost assets”

Net working capital: The difference between “Current assets” and “Current liabilities”, including “Non-current receivables from customers” and “Contract cost assets” and excluding:

- “Current derivative financial instruments receivable”
- “Other current financial assets”
- “Cash and cash equivalents”
- “Current derivative financial instruments payable”
- “Other current financial liabilities”

Net invested capital: The algebraic sum of *Net non-current assets* and *Net working capital*.

GROUP RESULTS

The Group closed the first three months at 31 March 2018 with revenues of € 51,601 thousand. EBITDA amounted to € 10,222 thousand, equal to 19.8% of revenues. Operating profit and Net profit amounted to € 6,808 thousand and € 4,248 thousand, respectively, equal to 13.2% and 8.2% of revenues.

In order to ensure effective comparability with the economic results of the first three months of 2017, we have also presented the data for the first three months of 2018 without applying the international accounting standards IFRS 9 and 15 (stated in the column "1st Quarter 2018 IFRS 2017"). The comparative analyses, unless otherwise indicated, therefore refer to the data for First Quarter 2018, prepared without applying the accounting standards adopted from 1 January 2018.

Abbreviated Consolidated income statement (€'000s)	1st Quarter 2018 IFRS 2018	%	1st Quarter 2018 IFRS 2017	%	1st Quarter 2017	%	Change IFRS 2017	Change % IFRS 2017
Revenues	51,601	100.0%	51,494	100.0%	40,921	100.0%	10,573	25.8%
EBITDA	10,222	19.8%	10,085	19.6%	8,528	20.8%	1,557	18.3%
Operating profit	6,808	13.2%	6,672	13.0%	5,691	13.9%	981	17.2%
Net profit	4,248	8.2%	4,190	8.1%	3,398	8.3%	792	23.3%

Revenues are up by € 10,573 thousand or 25.8%, EBITDA by € 1,557 thousand or 18.3%, Operating profit by € 981 thousand or 17.2% and Net profit by € 792 thousand or 23.3%. The results largely reflect the expansion of the Group's perimeter compared to First Quarter of 2017, with the introduction of Sixtema S.p.A., fully consolidated from 1 April 2017, and the Warrant group, consolidated from 1 December 2017.

The table below shows the economic results net of non-recurring items. Non-recurring personnel costs of € 380 thousand were recorded in the first three months of 2017.

Income Statement net of non-recurring items (€'000s)	1st Quarter 2018 IFRS 2018	%	1st Quarter 2018 IFRS 2017	%	1st Quarter 2017	%	Change IFRS 2017	Change % IFRS 2017
Revenues	51,601	100.0%	51,494	100.0%	40,921	100.0%	10,573	25.8%
EBITDA	10,222	19.8%	10,085	19.6%	8,908	21.8%	1,177	13.2%
Operating profit	6,808	13.2%	6,672	13.0%	6,071	14.8%	601	9.9%
Net profit	4,248	8.2%	4,190	8.1%	3,672	9.0%	518	14.1%

Net of the non-recurring items, Revenues were up by 25.8%, EBITDA by 13.2%, Operating profit by 9.9% and Net profit by 14.1%.

The method of construction of the Adjusted Net Profit for the period is shown below, used to present the Group's operating performance, net of non-recurring items and the amortisation of intangible assets which arose at the time of allocation of the price paid in the business combinations (net of the tax effect). This indicator reflects the Group's economic performance, net of non-recurring factors that are not directly attributable to the activities and operation of its core business, thus allowing a more homogeneous analysis of the Group's performance in the periods under comparison.

Summary economic data					
(€'000s)	1st Quarter 2018 IFRS 2018	1st Quarter 2018 IFRS 2017	1st Quarter 2017	Change IFRS 2017	Change % IFRS 2017
Net profit	4,248	4,190	3,398	792	23.3%
Non-recurring personnel costs	0	0	380	-380	
Amortisation of intangible assets recognised upon cost allocation (PPA)	993	993	1,113	-120	
Tax effect	-286	-286	-428	142	
Adjusted net profit	4,956	4,898	4,464	434	9.7%

The following table provides details of the Income Statement for First Quarter 2018:

Consolidated Income Statement (€'000s)	1st Quarter 2018 IFRS 2018	%	1st Quarter 2018 IFRS 2017	%	1st Quarter 2017	%	Change IFRS 2017	Change % IFRS 2017
Revenues	51,601	100.0%	51,494	100.0%	40,921	100.0%	10,573	25.8%
Total operating costs	41,380	80.2%	41,409	80.4%	32,393	79.2%	9,016	27.8%
Costs of raw materials	1,702	3.3%	1,355	2.6%	2,114	5.2%	-759	-35.9%
Service costs	17,830	34.6%	20,278	39.4%	15,834	38.7%	4,444	28.1%
Personnel costs	18,719	36.3%	19,363	37.6%	13,989	34.2%	5,374	38.4%
Contract costs	2,717	5.3%	0	0.0%	0	0.0%	0	100.0%
Other operating costs	412	0.8%	412	0.8%	455	1.1%	-43	-9.4%
EBITDA	10,222	19.8%	10,085	19.6%	8,528	20.8%	1,557	18.3%
Depreciation, amortisation, provisions and impairment	3,413	6.6%	3,413	6.6%	2,837	6.9%	576	20.3%
Operating profit	6,808	13.2%	6,672	13.0%	5,691	13.9%	981	17.2%
Financial income	24	0.0%	24	0.0%	47	0.1%	-23	-49.3%
Financial expenses	587	1.1%	533	1.0%	514	1.3%	19	3.7%
Result of equity-accounted investments	31	0.1%	31	0.1%	2	0.0%	28	1,155.8%
Income taxes	2,027	3.9%	2,003	3.9%	1,828	4.5%	175	9.6%
Net profit	4,248	8.2%	4,190	8.1%	3,398	8.3%	792	23.3%

Revenues rose from € 40,921 thousand in First Quarter 2017 to € 51,494 thousand in First Quarter 2018, with an increase of € 10,573 thousand or 25.8%, mainly due to full consolidation of the Warrant group (from 1 December 2017) and Sixtema S.p.A. (from 1 April 2017). The change in revenues attributable to the change in perimeter was 24.4%, while the remaining 1.4% is due to organic change.

Operating costs rose from € 32,393 thousand in First Quarter 2017 to € 41,409 thousand in First Quarter 2018, with an increase of € 9,016 thousand or 27.8%. The variation is due largely, as reported in the revenues section, to the expansion in the scope of consolidation. The change in operating costs attributable to the change in perimeter was 26.3%, while the remaining 1.5% is due to organic change. The item Contract costs, introduced following application of IFRS 15, includes the periodic release of the period's share of the incremental costs assets capitalised for obtaining or fulfilling the contract.

The item **depreciation, amortisation, provisions and impairment**, for € 3,413 thousand (€ 2,837 thousand in First Quarter 2017) includes € 993 thousand in amortisation of intangible assets arising upon allocation of the excess cost paid in business combinations, mainly of the Innolva, Visura and Co.Mark groups.

The balance of **Financial income and expenses** during the three-month period ended 31 March 2018 is negative for € 509 thousand (€ 467 thousand in the first three months of 2017). Financial expenses of € 533 thousand predominantly comprise interest expense on bank loans for € 243 thousand and interest to parent company Tecno Holding S.p.A. for € 123 thousand.

Estimated **income taxes**, calculated based on the tax rates envisaged for the year by the current tax laws, amount to € 2,003 thousand. The tax rate is 32.3%.

Results by business segments

The results of the business segments are measured through the analysis of performance of Revenues and EBITDA.

In particular, management believes that EBITDA provides a good indication of performance as it is not influenced by tax regulations and amortisation policies.

The table that follows shows the growth dynamics by business segment, listing the respective revenues compared with the previous year:

Summary Income Statement by business segment	1st Quarter 2018 IFRS 2018	EBITDA % 1st Quarter 2018 IFRS 2018	1st Quarter 2018 IFRS 2017	EBITDA % 1st Quarter 2018 IFRS 2017	1st Quarter 2017	EBITDA % 1st Quarter 2017	Change IFRS 2017	Change % IFRS 2017		
								Total	Organic	Perimeter
Revenues										
Digital Trust	21,755		21,648		17,814		3,834	21.5%	3.1%	18.4%
Credit Information & Management	18,423		18,423		18,444		-21	-0.1%	-0.1%	0.0%
Innovation & Marketing Services	11,423		11,423		4,662		6,761	145.0%	0.9%	144.1%
Other segments (Parent Company)	0		0		1		-1	-51.2%	-51.2%	0.0%
Total Revenues	51,601		51,494		40,921		10,573	25.8%	1.4%	24.4%
EBITDA										
Digital Trust	4,894	22.5%	4,795	22.1%	4,448	25.0%	347	7.8%	0.7%	7.1%
Credit Information & Management	4,068	22.1%	4,068	22.1%	3,439	18.6%	629	18.3%	18.3%	0.0%
Innovation & Marketing Services	2,882	25.2%	2,845	24.9%	1,777	38.1%	1,068	60.1%	-5.0%	65.1%
Other segments (Parent Company)	-1,622	n.a.	-1,622	n.a.	-1,135	n.a.	-487	-42.9%	-42.9%	0.0%
Total EBITDA	10,222	19.8%	10,085	19.6%	8,528	20.8%	1,557	18.3%	1.0%	17.3%

The following table shows the economic results by business segments, net of non-recurring items:

Summary Income Statement by business segment net of non-recurring items	1st Quarter 2018 IFRS 2018	EBITDA % 1st Quarter 2018 IFRS 2018	1st Quarter 2018 IFRS 2017	EBITDA % 1st Quarter 2018 IFRS 2017	1st Quarter 2017	EBITDA % 1st Quarter 2017	Change IFRS 2017	Change % IFRS 2017		
								Total	Organic	Perimeter
Revenues										
Digital Trust	21,755		21,648		17,814		3,834	21.5%	3.1%	18.4%
Credit Information & Management	18,423		18,423		18,444		-21	-0.1%	-0.1%	0.0%
Innovation & Marketing Services	11,423		11,423		4,662		6,761	145.0%	0.9%	144.1%
Other segments (Parent Company)	0		0		1		-1	-51.2%	-51.2%	0.0%
Total Revenues	51,601		51,494		40,921		10,573	25.8%	1.4%	24.4%
EBITDA										
Digital Trust	4,894	22.5%	4,795	22.1%	4,448	25.0%	347	7.8%	0.7%	7.1%
Credit Information & Management	4,068	22.1%	4,068	22.1%	3,819	20.7%	249	6.5%	6.5%	0.0%
Innovation & Marketing Services	2,882	25.2%	2,845	24.9%	1,777	38.1%	1,068	60.1%	-5.0%	65.1%
Other segments (Parent Company)	-1,622	n.a.	-1,622	n.a.	-1,135	n.a.	-487	-42.9%	-42.9%	0.0%
Total EBITDA	10,222	19.8%	10,085	19.6%	8,908	21.8%	1,177	13.2%	-3.3%	16.5%

Comments on the results of the individual business segments, net of non-recurring items, are provided below. Moreover, in order to ensure effective comparability with the results of First Quarter 2017, the comments refer to the data for First Quarter 2018, prepared without applying the accounting standards adopted from 1 January 2018 (IFRS 2017).

Digital Trust

Revenues from the Digital Trust segment amounted to € 21,648 thousand in First Quarter 2018. The increase over First Quarter 2017 amounts to 21.5%, or € 3,834 thousand in absolute terms, consisting of 3.1% due to organic growth and 18.4% as a result of growth by acquisitions compared to First Quarter 2017, following consolidation of Sixtema S.p.A. from 1 April 2017.

EBITDA for the segment was € 4,795 thousand in First Quarter 2018. The increase over the EBITDA for the first three months of 2017 amounts to 7.8%. Organic growth amounted to 0.7%, while the contribution of Sixtema S.p.A. due to the aforementioned growth in perimeter was 7.1%. In percentage terms, the EBITDA margin (impact of EBITDA on Revenues) was 22.1% in the First Quarter of 2018, down 2.9% compared to First Quarter 2017. The decrease is attributable to the company Sixtema (consolidated from April 2017), which has lower margins than other companies in the segment (Infocert and Visura Group).

Growth trends are confirmed compared to the prior year, with positive operating results in the segment. Infocert recorded higher than expected results during the First Quarter and compared to the same period of the prior year (+5.2% in revenues), thanks to higher turnover volumes due to a general increase in sales recorded by almost all company products and services in the Mass market (web site) as well as in the Solution market (Major Customers). Growth in the Solution market is attributable to the growing capacity of InfoCert to not only act as Certification Authority on the market, but also as promoter of innovative solutions to support the business processes of business customers. The business trend, in terms of revenues as well as orders to be filled, is particularly positive for the TOP (Trusted Onboarding Platform) product, in which InfoCert is recording significant growth, especially outside Italy.

The results achieved, apart from what is described above, are also the result of industrial and commercial synergies developed between the two Groups (InfoCert and Visura) and aimed at directing the Digital Trust offering also to the world of trade associations and professionals. A fresh stimulus to growth, particularly

coming from the world of the National Confederation of Craftsmen, is being achieved through the integration of Sixtema S.p.A.

Credit Information & Management

Revenues in the Credit Information & Management segment amounted to € 18,423 thousand, essentially in line with First Quarter 2017 (-0.1%).

In terms of margins, EBITDA in absolute terms is up compared to the same period of the prior year, amounting to € 4,068 thousand. Despite the steady revenues, thanks to careful cost control policy and industrial synergies, the Business Unit managed to increase its EBITDA margin from 20.7% in First Quarter 2017 to 22.1% in the first three months of 2018, recording a 6.5% increase in EBITDA.

In early 2018, Assicom Ribes S.p.A. changed its name to become Innolva S.p.A., and the Chamber of Commerce database investment project was completed. After establishment of the initial structure, positions in the proprietary archives must be constantly updated through steady annual investments. The underlying reasons for the investment are: the possibility of developing an offering aligned with market demand, which calls for the launch of innovative products and the proposition of the associated additional services; independence in the procurement phases from the main competitors and the possibility of guaranteeing the highest quality standards with respect to the depth of the data underlying the analyses and the accuracy guaranteed by their continuous updating.

The company RE Valuta S.p.A. recorded higher turnover in First Quarter 2018 compared to the budget and to the prior year's figures, thanks to a general increase in volumes of the major customers and acquisition of new ones. Growth continues in the cooperative banks segment, which began in 2017.

Innovation & Marketing Services

Revenues for the segment amounted to € 11,423 thousand in First Quarter 2018, an increase over First Quarter 2017 of € 6,761 thousand (+145.0%). EBITDA amounted to € 2,845 thousand, up compared to the first three months of 2017 by € 1,068 thousand (+60.1%).

On a like-for-like basis with respect to First Quarter 2017, excluding the contribution of Warrant group, consolidated on 1 December 2017, revenues rose 0.9%, while EBITDA recorded a 5% decline. This trend is attributable to the investments in the organisational structure, made to support the growth in business of both Co.Mark S.p.A. as well as Co.Mark TES (Spain). Moreover, note that the contracts arising from the "Voucher for Internationalisation" grants, launched late due to postponement of the publication of the relative call for tenders by the Ministry of Economic Development, are ready and will generate revenue starting from second quarter 2018.

The Warrant group, acquired in December 2017, contributed to the results of the segment with revenues of € 6,718 thousand and EBITDA of € 1,162 thousand. The EBITDA margin for the period is 17.3%; this value reflects the normal seasonality of the business, in which the initial months of the year involve the launch of business, while the closure and subsequent recording of variable remuneration (success fees) take place in the second part of the year, with positive expected effects on the margin. Even though the company was not owned by Tecnoinvestimenti and there are no official data for the First Quarter of 2017, the First Quarter 2018 figures are up significantly, showing normal seasonal trends.

GROUP BALANCE SHEET AND FINANCIAL POSITION

We provide below the balance sheet of the Group at 31 March 2018 with comparison data at 31 December 2017:

€ '000s

	31/03/2018	% of net invested capital/Total sources	31/12/2017	% of net invested capital/Total sources	Change	Change %
Intangible assets and goodwill	253,068	108.4%	252,693	101.9%	375	0.1%
Property, plant and equipment	8,818	3.8%	8,287	3.3%	531	6.4%
Other net non-current assets and liabilities	-18,927	-8.1%	-16,758	-6.8%	-2,169	-12.9%
Total non-current assets/liabilities	242,959	104.0%	244,221	98.5%	-1,262	-0.5%
Inventories	1,251	0.5%	2,072	0.8%	-821	-39.6%
Contract cost assets	5,705	2.4%	0	0.0%	5,705	100.0%
Trade and other receivables*	72,290	31.0%	80,543	32.5%	-8,254	-10.2%
Contract assets	5,911	2.5%	0	0.0%	5,911	100.0%
Current tax assets	2,306	1.0%	1,990	0.8%	316	15.9%
Assets held for sale	812	0.3%	199	0.1%	613	308.0%
Trade and other payables	-48,953	-21.0%	-47,725	-19.3%	-1,228	2.6%
Contract liabilities and deferred income	-39,971	-17.1%	-26,593	-10.7%	-13,378	50.3%
Current employee benefits	-456	-0.2%	-360	-0.1%	-96	26.7%
Current tax liabilities	-7,832	-3.4%	-6,125	-2.5%	-1,707	27.9%
Current provisions for risks and charges	-189	-0.1%	-342	-0.1%	153	-44.8%
Liabilities held for sale	-278	-0.1%	0	0.0%	-278	100.0%
Net working capital	-9,404	-4.0%	3,659	1.5%	-13,063	-357.0%
Total loans - net invested capital	233,555	100.0%	247,880	100.0%	-14,325	-5.8%
Shareholders' equity	133,580	57.2%	143,317	57.8%	-9,737	-6.8%
Net financial debt	99,975	42.8%	104,563	42.2%	-4,588	-4.4%
Total sources	233,555	100.0%	247,880	100.0%	-14,325	-5.8%

* The item Trade and other receivables includes non-current receivables from customers

The following is the breakdown of *Other net non-current assets and liabilities*:

€ '000s

Other net non-current assets and liabilities	31/03/2018	31/12/2017	Change	Change %
Equity-accounted investments	55	25	30	123.8%
Equity investments recognised at cost or fair value	49	49	0	0.0%
Other financial assets except for derivative fin. instruments	588	543	45	8.3%
Derivative financial instruments	45	40	5	12.6%
Deferred tax assets	8,588	5,556	3,032	54.6%
Other receivables	736	385	351	91.4%
Non-current assets	10,062	6,598	3,464	52.5%
Provisions	-1,580	-1,598	18	-1.1%
Deferred tax liabilities	-9,840	-9,345	-495	5.3%
Employee benefits	-11,248	-10,977	-271	2.5%
Contract liabilities and deferred income	-6,321	-1,437	-4,884	340.0%
Non-current liabilities	-28,989	-23,356	-5,633	24.1%
Other net non-current assets and liabilities	-18,927	-16,758	-2,169	-12.9%

Shareholders' equity is down by € 9,737 thousand, mainly due to the application at 1 January 2018 of the international accounting standards IFRS 15 and IFRS 9. Adoption of IFRS 15 involved the recognition, at 1 January 2018, of lower equity reserves for € 8,380 thousand, net of taxes. Adoption of IFRS 9 involved the recognition, at 1 January 2018, of greater equity reserves for € 519 thousand, net of taxes. The further changes in Shareholders' equity during the period mainly regarded the distribution of dividends resolved by the companies of the Group in favour of minority shareholders (€ 5,145 thousand) and adjustment of the Put options on minority interests (€ 1,005 thousand), net of the comprehensive statement of income for the period (€ 4,261 thousand). Please consult the Statement of changes in equity for an overview of all changes.

Net working capital decreased from € 3,659 thousand at 31 December 2017 to € -9,404 thousand at 31 March 2018. The decrease is mainly due to the effect of adoption of IFRS 15, without therefore any impact on liquidity, which involved, at 1 January 2018, recognition of *Contract liabilities* for € 9.3 million. Application of said standard required recognition of the following items in the financial statements:

- *Contract cost assets*: these include capitalised incremental costs to obtain contracts with customers and capitalised costs incurred to carry out contracts with customers that do not fall under the scope of application of other principles;
- *Contract assets*: these represent the Group's right to obtain consideration for goods or services transferred to the customer when the right is subject to something other than the passing of time. Starting from 1 January 2018, the *Contract assets* are stated separately from *Trade receivables*, which solely include rights not impacted by the consideration;
- *Contract liabilities*: these represent the Group's obligation to transfer to the customer goods or services for which the Group has received consideration from the customer or for which consideration is due.

The increase in Assets and Liabilities held for sale is due to reclassification of the company Creditreform Assicom Ticino SA as discontinued operations (pursuant to IFRS 5), following the meeting of the Board of Directors' of Innolva S.p.A. of 1 March 2018, which resolved its disposal.

Net non-current assets at 31 March 2018 amounted to € 242,959 thousand and were essentially in line (-0.5%) with 31 December 2017 (€ 244,221 thousand). Of this balance, € 253,068 thousand refers to *Intangible assets and goodwill*. Note that the excess cost paid for the Warrant Group acquisition (equal to €52,987 thousand) was provisionally allocated to goodwill, as all of the information needed for an accurate allocation of the price paid was still not available. It is believed that this information will be collected and processed in time for drawing up of the 2018 Financial Statements. Application of the accounting standard IFRS 15 from 1 January 2018 involved a significant increase in the items *Deferred tax assets* (tax effect) and *Contract liabilities and deferred income*.

Group Net Financial Position

The table below shows a breakdown of the Group's Net financial debt at 31 March 2018 compared to the same position at 31 December 2017:

€ '000s	31/03/2018	31/12/2017	Change	%
A Cash	42,398	36,953	5,445	14.7%
B Cash equivalents	38	34	4	11.8%
D Liquid assets (A+B)	42,436	36,987	5,449	14.7%
E Current financial receivables	3,817	4,311	-494	-11.5%
F Current bank debt	-221	-1,364	1,143	-83.8%
G Current portion of non-current debt	-7,041	-7,288	247	-3.4%
H Other current financial debt	-17,294	-13,071	-4,223	32.3%
I Current financial debt (F+G+H)	-24,556	-21,723	-2,833	13.0%
J Net current financial debt (D+E+I)	21,696	19,574	2,122	10.8%
K Non-current bank debt	-42,132	-43,058	926	-2.2%
L Other non-current financial debt	-79,539	-81,079	1,540	-1.9%
M Non-current financial debt (K+L)	-121,671	-124,137	2,466	-2.0%
N Net financial position (debt) (J+M)(*)	-99,975	-104,563	4,588	-4.4%
O Other non-current financial assets	634	584	50	8.6%
P Total net financial position (debt) (N+O)	-99,341	-103,979	4,638	-4.5%

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

Net financial debt decreased from € 104,563 thousand at 31 December 2017 to € 99,975 thousand at 31 March 2018. The Net financial debt at 31 March 2018 includes: € 51,577 thousand in liabilities linked to the purchase of minority interests for Put options, € 4,093 thousand in liabilities for potential consideration linked to the acquisitions and € 9,495 thousand in liabilities for price deferrals granted by sellers.

The main factors impacting the change in Net financial debt are summarised below.

Net financial debt at 31/12/2017	104,563
Free Cash Flow	-10,686
Dividends resolved	5,145
Adjustment for PUT options	1,005
IFRS 9 adjustment	-682
Net financial (income) charges	563
Other residual	67
Net financial debt at 31/03/2018	99,975

- The Free Cash Flow generated during the period amounted to € 10,686 thousand, of which € 14,754 thousand in net cash and cash equivalents generated by operating activities net of € 4,068 thousand absorbed by investments in property, plant and equipment and intangible assets.
- The IFRS 9 adjustment at 1 January 2018 resulted in a reduction in bank debt of € 682 thousand, to account for the change in cash flows following the refinancing that took place in 2017 (pursuant to Note 28 of the 2017 Consolidated Financial Statements), to be immediately recognised in profit/(loss) for the year in accordance with IFRS 9.

KEY EVENTS SUBSEQUENT TO THE END OF FIRST QUARTER 2018

1. The Ordinary Shareholders' Meeting of 24 April 2018 renewed and set the number of members of the Board of Directors at 11 for the years 2018-2019-2020, as well as the Board's remuneration, confirming Enrico Salza as the Chairman of the Board of Directors. The Ordinary Shareholders' Meeting also appointed the Board of Statutory Auditors for the period 2018-2020. The new Board of Statutory Auditors shall remain in office until the Shareholders' Meeting called to approve the Financial Statements for the year ended 31 December 2020.
2. On 26 April 2018, Assicom Ribes changed its name and became Innolva S.p.A. Innolva is the new name of the company fully owned by Tecnoinvestimenti S.p.A., which offers business information, risk monitoring and credit recovery services and is part of the Group's Credit Information & Management Business Unit. The company's change in name from Assicom Ribes S.p.A. to Innolva S.p.A. was approved by the company's Extraordinary Shareholders' Meeting on 28 March 2018 and became effective for all intents and purposes following registration with the Register of Companies of the Chamber of Commerce of Udine.
3. On 3 May 2018, the Tecnoinvestimenti Group, through its subsidiary Infocert S.p.A., announced its successful completion of the acquisition - through subscription of a dedicated share capital increase - of AC Camerfirma SA (Camerfirma), leader in Spain in the Digital Trust sector. Infocert has a 51% stake in the new company. The transaction will allow Infocert S.p.A. to pursue its growth strategy through:
 - the creation of an international Trust Service Provider with solid roots and a clear focus on the European market;
 - integration of the respective offers and capabilities for effective coverage of the market;
 - optimisation of synergies in infrastructures, transactions, investments, innovation and development of new products/solutions.

The 51% acquisition of Camerfirma took place through the subscription of a share capital increase of € 3.1 million, authorised in the last Board of Directors meeting held on 19 January 2018 and ratified by the Shareholders' Meeting of 28 February 2018. InfoCert carried out the acquisition with internal resources.

OUTLOOK

The results of First Quarter 2018 are in line with expectations. The Digital Trust and Innovation & Marketing Solutions SBUs are evolving, while in the Credit Information & Management SBU, integration of the companies will allow optimisation of operating costs and the achievement of commercial synergies. The data for First Quarter 2018 and the business trend observed up to this point confirm the full-year 2018 forecasts for the market.

INTERIM REPORT PREPARATION CRITERIA

The Group's Interim Report on Operations at 31 March 2018 was prepared in accordance with Art. 154-ter, paragraph 5 of the Consolidated Finance Act, introduced by Italian Legislative Decree 195/2007, in implementation of Directive 2004/109/EC. The Interim Report on Operations was approved by the Board of Directors of Tecnoinvestimenti on 15 May 2018, and its disclosure was authorised by the same body on said date.

The Group's Interim Report on Operations at 31 March 2018 was not audited.

The Interim Report on Operations is prepared on the basis of the recognition and measurement criteria set forth in the International Financial Reporting Standards (IFRS) adopted by the European Union. The accounting standards adopted for the preparation of this Interim Report on Operations are the same as those adopted for the drafting of the Group's annual Consolidated Financial Statements for the year ended 31 December 2017, except for the new standards applied from 1 January 2018, namely IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments", involving changes to the accounting policies and in some cases adjustments to the amounts recognised in the financial statements.

IFRS 15

On 28 May 2014, the IASB published IFRS 15 - "Revenue from Contracts with Customers". The standard represents a unified and complete framework for the recognition of revenue and sets out provisions to be applied to all contracts with clients (excluding contracts falling within the scope of the standards on leasing, insurance contracts and financial instruments). IFRS 15 replaces the previous standards on revenues: IAS 18 Revenue and IAS 11 Construction Contracts, as well as the interpretations IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services. The forecasts contained therein define the criteria for the recognition of revenues from the sale of products or provision of services through the introduction of the so-called five-step model framework. On 11 September 2015, the IASB published the Amendment to IFRS 15, by means of which it postponed the entry into force of the standard by one year, setting it at 1 January 2018. This document, adopted by the European Union by means of Regulation no. 1905 of 29 October 2016, is applicable for financial years starting on or after 1 January 2018.

The Group opted for retrospective application of IFRS 15, accounting for the cumulative effect of the initial application at 1 January 2018 with reference only to contracts that had not been completed at the date of initial application.

In the Digital Trust Business Unit, a total of € 8.6 million in lower equity reserves was recorded at 1 January 2018, due to:

- recognition over time of services, measured at point in time in accordance with IAS 18, in relation to the model based on the transfer of risks and rewards and the correlation with costs incurred (€ 7.5 million in lower reserves);
- recognition over time, throughout the expected term of the contract, of the initial consideration (and correlated costs) charged to the customer and which may not be reimbursed relating to some solutions that provide the possibility for customers to access an ad-hoc platform from which they can take advantage of a series of services within a period of time, previously recognised in correlation with the costs incurred to provide access to the platform (€ 1.5 million in lower reserves);
- early recognition of unrecognised rights (breakage) in the presence of services that require advance payment (€ 0.3 million in greater reserves).

In the Innovation & Marketing Services Business Unit an increase of € 0.2 million in Shareholders' equity reserves was recognised at 1 January 2018, due to the different trend in the amortisation, pursuant to IFRS 15, of contractual costs linked to obtaining contracts.

In the Credit Information & Management Business Unit no significant effects were recorded on Shareholders' equity at 1 January 2018.

IFRS 9

On 24 July 2014, the IASB published the final version of IFRS 9 "Financial instruments". The document includes the results of the phases relating to classification and valuation, derecognition, impairment and hedge accounting, of the IASB project aimed at replacing IAS 39. The new standard replaces the previous versions of IFRS 9. As is known, in 2008, the IASB began the project for the replacement of IFRS 9 and proceeded in phases. In 2009, it published the first version of IFRS 9, which dealt with the measurement and classification of financial assets; subsequently, in 2010, it published the rules for financial liabilities and derecognition. In 2013, IFRS 9 was amended to include the general model of hedge accounting. In September 2015, EFRAG completed its due process for the issuance of the endorsement advice, which was then presented to the European Commission. This document, adopted by the European Union by means of Regulation no. 2067 of 29 November 2016, is applicable for financial years starting on or after 1 January 2018.

Adjustment to IFRS 9 at 1 January 2018 involved recognition of greater reserves of Shareholders' equity for € 0.5 million, to account for the effects of changes in cash flows relative to refinancing during 2017, recognised prospectively in accordance with IAS 39, for which IFRS 9 requires immediate recognition in the income statement.

SCOPE OF CONSOLIDATION

The list of companies consolidated on a line-by-line basis or with the equity method at 31 March 2018 is shown in the following table:

Company	Registered office	at 31 March 2018					
		Share capital		% ownership	via	% contribution to the Group	Consolidation method
		Amount (€ '000s)	Currency				
Tecnoinvestimenti S.p.A. (Parent Company)	Rome	46,573	Euro	n.a.	n.a.	n.a.	n.a.
InfoCert S.p.A.	Rome	17,705	Euro	99.99%	-	99.99%	Line-by-line
Innolva ⁵ S.p.A.	Buja (UD)	3,000	Euro	100.00%	-	100.00%	Line-by-line
Co.Mark S.p.A.	Bergamo	150	Euro	80.00%	-	100.00%	Line-by-line
Visura S.p.A.	Rome	1,000	Euro	60.00%	-	100.00%	Line-by-line
Re Valuta S.p.A.	Milan	200	Euro	83.13%	-	95.00%	Line-by-line
Warrant Group S.r.l.	Correggio (RE)	58	Euro	70.00%	-	100.00%	Line-by-line
Creditreform Assicom Ticino S.A. ⁶	Switzerland	100	CHF	100.00%	Innolva S.p.A.	100.00%	Line-by-line
Co.Mark TES S.L.	Spain	36	Euro	99.00%	CoMark S.p.A.	99.00%	Line-by-line
Lextel S.p.A.	Rome	2,500	Euro	100.00%	Visura S.p.A.	100.00%	Line-by-line
Isi Sviluppo Informatico S.r.l.	Parma	31	Euro	92.00%	Visura S.p.A.	92.00%	Line-by-line
Sixtema S.p.A.	Rome	6,180	Euro	80.00%	InfoCert S.p.A.	99.99%	Line-by-line
Warrant Innovation Lab Scarl	Correggio (RE)	25	Euro	98.38%	Warrant Group S.r.l.	96.81%	Line-by-line
Warrant Service S.r.l.	Correggio (RE)	40	Euro	50.00%	Warrant Group S.r.l.	50.00%	Line-by-line
Bewarrant S.r.l.	Belgium	12	Euro	100.00%	Warrant Group S.r.l.	100.00%	Line-by-line
Etuitus S.r.l.	Salerno	50	Euro	24.00%	InfoCert S.p.A.	24.00%	Shareholders' equity
Innovazione 2 Sagl	Switzerland	20	CHF	30.00%	Warrant Group S.r.l.	30.00%	Shareholders' equity

The percentage of ownership indicated in the table refers to the actual shares held by the Group at the reporting date. The percent contribution refers to the contribution to Group Shareholders' equity by the individual companies as a result of recognition of the additional equity investment in the consolidated companies as a result of the recognition of put options granted to the minority shareholders on the portions in their possession.

15 May 2018

Pier Andrea Chevallard

⁵ As described in the notes. KEY EVENTS SUBSEQUENT TO THE END OF THE FIRST QUARTER 2018, on 26 April 2018, Assicom Ribes changed its name to Innolva S.p.A.

⁶ Following the Board of Directors' meeting of Innolva S.p.A. of 1 March 2018, which resolved its disposal, Creditreform Assicom Ticino S.A. falls under the IFRS 5 definition of discontinued operations. Therefore, the company's assets and liabilities are stated separately under Assets and Liabilities available for sale.

FINANCIAL STATEMENTS

31 March 2018

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

Consolidated Statement of Financial Position

€ '000s	31/03/2018	31/12/2017
TOTAL ASSETS		
Property, plant and equipment	8,818	8,287
Intangible assets and goodwill	253,068	252,693
Equity-accounted investments	55	25
Equity investments recognised at cost or fair value	49	49
Other financial assets, excluding derivative financial instruments	588	543
Derivative financial instruments	45	40
Deferred tax assets	8,588	5,556
Trade and other receivables	1,081	643
Contract cost assets	4,308	0
NON-CURRENT ASSETS	276,601	267,836
Inventories	1,251	2,072
Other financial assets, excluding derivative financial instruments	3,817	4,311
Current tax assets	2,306	1,990
- of which vs related parties	1,167	1,167
Trade and other receivables	71,945	80,285
- of which vs related parties	490	563
Contract assets	5,911	0
Contract cost assets	1,397	0
Cash and cash equivalents	42,436	36,987
Assets held for sale	812	199
CURRENT ASSETS	129,874	125,843
TOTAL ASSETS	406,475	393,679
EQUITY AND LIABILITIES		
Share capital	46,573	46,573
Reserves	86,662	96,207
<i>Shareholders' equity attributable to the Group</i>	<i>133,236</i>	<i>142,780</i>
<i>Minority interests</i>	<i>345</i>	<i>537</i>
TOTAL SHAREHOLDERS' EQUITY	133,580	143,317
LIABILITIES		
Provisions	1,580	1,598
Employee benefits	11,248	10,977
Financial liabilities, excluding derivative financial instruments	121,456	123,935
- of which vs related parties	25,000	25,000
Derivative financial instruments	215	202
Deferred tax liabilities	9,840	9,345
Contract liabilities	6,321	0
Deferred revenue and income	0	1,437
NON-CURRENT LIABILITIES	150,660	147,493
Provisions	189	342
Employee benefits	456	360
Financial liabilities, excluding derivative financial instruments	24,556	21,723
- of which vs related parties	123	252
Trade and other payables	48,953	47,725
- of which vs related parties	236	242
Contract liabilities	39,806	0
Deferred income	165	0
Deferred revenue and income	0	26,593
Current tax liabilities	7,832	6,125
- of which vs related parties	2,395	2,395
Liabilities held for sale	278	0
CURRENT LIABILITIES	122,235	102,869
TOTAL LIABILITIES	272,895	250,362
TOTAL EQUITY AND LIABILITIES	406,475	393,679

Consolidated Statement of Profit or Loss and Other Comprehensive Income

€ '000s	2018	three months ended 31 March 2017 ⁷
Revenues	51,601	40,921
- of which vs related parties	586	167
Costs of raw materials	1,702	2,114
Service costs	17,830	15,834
- of which vs related parties	322	377
Personnel costs	18,719	13,989
- of which non-recurring	0	380
Contract costs	2,717	0
Other operating costs	412	455
- of which vs related parties	4	6
Amortisation and depreciation	2,886	2,367
Provisions	0	0
Impairment	527	470
Total costs	44,793	35,230
OPERATING PROFIT	6,808	5,691
Financial income	24	47
Financial charges	587	514
- of which vs related parties	123	123
Net financial income (charges)	-563	-467
Share of profit of equity-accounted investments, net of tax	31	2
PROFIT BEFORE TAX	6,276	5,226
Income taxes	2,027	1,828
- of which non-recurring	0	106
NET PROFIT FROM CONTINUING OPERATIONS	4,248	3,398
Profit (loss) from discontinued operations, net of tax	0	0
NET PROFIT	4,248	3,398
Other components of the comprehensive income		
<i>Components that will never be reclassified to net profit</i>		
Total components that will never be reclassified to net profit	0	0
<i>Components that are or may be later reclassified to net profit:</i>		
Exchange rate differences from the translation of foreign financial statements	-1	0
Profits (losses) from measurement at fair value of derivative financial instruments	18	14
Equity-accounted investees – share of OCI	0	0
Tax effect	-4	-3
Total components that are or may be later reclassified to net profit	12	10
Total other components of comprehensive income, net of tax	12	10
Total comprehensive income for the period	4,261	3,409
Net profit attributable to:		
Group	4,158	3,382
Minority interests	91	17
Total comprehensive income for the period attributable to:		
Group	4,170	3,392
Minority interests	91	17
Earnings per share		
Basic earnings per share (Euro)	0.09	0.07
Diluted earnings per share (Euro)	0.09	0.07

⁷ The results for the three months ended 31 March 2017 were re-stated in relation to the completion, in the First Half of 2017, of the identification of the fair values of the assets and liabilities of the Visura Group, fully consolidated from 1 July 2016. The effects are illustrated in the Notes to the 2017 Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

<i>Three months ended 31 March 2018</i>									
€ '000s	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
Balance at 31 December 2017	46,573	1,433	53,917	-154	-395	41,405	142,780	537	143,317
Effect of adoption of IFRS 15						-8,384	-8,384	4	-8,380
Effect of adoption of IFRS 9						519	519		519
Balance at 1 January 2018	46,573	1,433	53,917	-154	-395	33,539	134,914	541	135,455
<i>Comprehensive income for the period</i>									
Net profit						4,158	4,158	91	4,248
Other components of the comprehensive income				14		-1	12	0	12
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>14</i>	<i>0</i>	<i>4,156</i>	<i>4,170</i>	<i>91</i>	<i>4,261</i>
<i>Transactions with shareholders</i>									
Dividends						-4,833	-4,833	-312	-5,145
Adjustment of put option on minority interests						-1,005	-1,005		-1,005
Other changes						-11	-11	26	15
<i>Total transactions with shareholders</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-5,849</i>	<i>-5,849</i>	<i>-286</i>	<i>-6,135</i>
Balance at 31 March 2018	46,573	1,433	53,917	-139	-395	31,847	133,236	345	133,580

<i>Three months ended 31 March 2017</i>									
€ '000s	Share capital	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Other reserves	Shareholders' equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
Balance at 1 January 2017	46,256	1,136	53,156	-173	-343	29,701	129,734	187	129,921
<i>Comprehensive income for the period</i>									
Net profit						3,382	3,382	17	3,398
Other components of the comprehensive income				10			10		10
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10</i>	<i>0</i>	<i>3,382</i>	<i>3,392</i>	<i>17</i>	<i>3,409</i>
<i>Transactions with shareholders</i>									
Dividends						-2,901	-2,901	-28	-2,929
Adjustment of put option on minority interests						-3,062	-3,062		-3,062
Acquisitions of minority equity investments						-174	-174		-174
<i>Total transactions with shareholders</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-6,137</i>	<i>-6,137</i>	<i>-28</i>	<i>-6,165</i>
Balance at 31 March 2017	46,256	1,136	53,156	-163	-343	26,945	126,988	177	127,166

Consolidated Statement of Cash Flows

€ '000s	Three months ended 31 March	
	2018	2017
<i>Cash flows from operations</i>		
Net profit	4,248	3,398
Adjustments for:		
- Depreciation of property, plant and equipment	746	581
- Amortisation of intangible assets	2,141	1,786
- Write-downs (Revaluations)	527	470
- Provisions	0	0
- Contract costs	2,717	0
- Net financial expenses	563	467
- of which vs related parties	123	123
- Share of profit of equity-accounted investments	-31	-2
- Income taxes	2,027	1,828
Changes in:		
- Inventories	821	194
- Contract cost assets	-5,681	0
- Trade and other receivables and Contract assets	200	-2,664
- of which vs related parties	73	-38
- Trade and other payables	1,471	2,028
- of which vs related parties	-6	6
- Provisions and employee benefits	196	-303
- Contract liabilities and deferred income, including public contributions	4,808	2,431
Cash and cash equivalents generated by operations	14,754	10,214
Income taxes paid	0	0
Net cash and cash equivalents generated by operations	14,754	10,214
<i>Cash flows from investments</i>		
Interest collected	31	24
Collections from sale of financial assets	406	0
Purchase of property, plant and equipment	-1,304	-635
Purchase of intangible assets	-2,764	-212
Net cash and cash equivalents generated/(absorbed) by investing activities	-3,631	-822
<i>Cash flows from financing</i>		
Purchase of minority interests in subsidiaries	0	-28,037
Interest paid	-388	-386
- of which vs related parties	-252	-156
MLT bank loans taken out	0	0
Repayment of MLT bank loans	-677	-1,929
Repayment of price deferment liabilities on acquisitions of equity investments	-1,522	-1,400
Change in current bank payables	-1,245	-763
Change in other current financial payables	175	15
Repayment of finance lease liabilities	-49	-26
Capital increases – subsidiaries	1	0
Dividends paid	-1,969	-1,690
Net cash and cash equivalents generated/(absorbed) by financing	-5,674	-34,216
Net increase (decrease) in cash and cash equivalents	5,449	-24,824
Cash and cash equivalents at 1 January	36,987	60,431
Cash and cash equivalents at 31 March	42,436	35,606

Declaration of the manager responsible for the preparation of the Company's accounting documents pursuant to the provisions of art. 154-bis, paragraph 2 of Legislative Decree 58/1998 (Consolidated Finance Act)

The manager responsible for the preparation of the Company's accounting documents hereby declares, pursuant to art. 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information in this Interim Report on Operations at 31 March 2018 corresponds to the documentary results, books and accounting records.

Rome, 15 May 2018

Firma
TECNOINVESTIMENTI S.p.A.
Responsabile Amministrazione e
Partecipazioni
Nicola Di Lillo

