



PRESS RELEASE

ACOTEL GROUP SpA: General Meeting of shareholders approves 2017 Annual Report

Consolidated results:

- **Revenue approximately €17.3 million (€22.2 million in 2016)**
- **Negative EBITDA approximately €6.8 million (negative €5.9 million in 2016)**
- **Negative EBIT approximately 11.2 million (negative €7.4 million in 2016)**
- **Net loss €6.5 million (loss of €5.5 million in 2016)**
- **Net funds €4.8 million (€8 million in 2016)**

Rome, 24 April 2018 - Today's session of the ordinary Annual General Meeting of shareholders of Acotel Group SpA, which met today on the first call, at the company's Rome headquarters has approved the Annual Report for the year ended 31 December 2017 and examined the Consolidated Report. The General Meeting also approved the Remuneration Report and elected the Board of Directors and the Board of Statutory Auditors.

Consolidated financial statements 2017

The Acotel Group reports revenue of approximately €17 million for 2016, down 22% on the approximately €22 million of 2016. This reflects reduced turnover at the Acotel Interactive business area (down 53%), hit by a downturn in its Italian and South American markets and commercial problems that are having a negative impact on revenue in the Indian market.

49% of revenue was generated by the Acotel Interactive business area, 36% by the Bucksense business area and 15% by the Acotel Net business area.

In terms of earnings, the Group reports a consolidated gross operating loss (negative EBITDA) of approximately €6.8 million (a loss of €5.9 million in 2016). After amortisation and depreciation (€1.7 million) and impairment losses on non-current assets (€2.7 million), the Group reports an operating loss (negative EBIT) of €11.2 million (a loss of €7.4 million for the previous year).

After net finance income and costs, which substantially offset each other, estimated tax expense (€0.2 million), the profit from assets held for sale and discontinued operations (€4.9 million), reflecting the results generated by the settlement agreements between *Acotel Group SpA* and *Intesa Sanpaolo SpA* and *Enghouse Systems Limited*, the loss attributable to owners of the Parent for the year amounts to approximately €6.5 million (a loss of €5.5 million for 2016).

Net funds at 31 December 2017 amount to approximately €4.8 million, down 40% compared with the €8 million of 31 December 2016, reflecting the financial impact of the losses incurred by Group companies during the year and the settlement agreement between *Acotel Group SpA* and *Enghouse Systems Limited*, which has resulted in a cash outflow of approximately €1.1 million. On the other hand, the balance for 31 December 2017 benefits from the agreement between *Acotel Group SpA* and *Intesa Sanpaolo SpA*, which has resulted in a cash inflow of approximately €5.1 million.



Parent Company's separate financial statements 2017

The Parent Company, *Acotel Group SpA*, generated total revenue of approximately €2,657 thousand, with €2,651 thousand resulting from the services provided by the Acotel Interactive and Acotel Net business areas.

The Company reports a gross operating loss (negative EBITDA) of €2,832 thousand, broadly in line (down 2%) with 2016.

The operating loss (negative EBIT) amounts to €9,182 thousand, compared with a loss of €4,676 thousand in 2016. This figure was impacted by impairment losses of €6,272 thousand on the carrying amount of the investments in *Acotel do Brasil*, *Acotel Interactive Inc.* and *AEM Acotel Engineering and Manufacturing SpA* and on the carrying amount of intangible assets and property, plant and equipment.

After the profit on investments, essentially linked to the result of the agreements between *Acotel Group SpA* and *Intesa Sanpaolo SpA*, the loss on investments, relating to the need to cover losses incurred by *AEM Acotel Engineering and Manufacturing SpA*, net finance income, income tax expense for the year and the loss from discontinued operations, the loss for 2017 amounts to €7,860 thousand.

Other resolutions

In the ordinary session, the Shareholders' Meeting of Acotel Group SpA:

- approved the Remuneration Report pursuant to article 123-ter of TUF;
- elected the Board of Directors for the next three years, until the approval of Annual Report 2020. Members are Claudio Carnevale (Chairman), Margherita Argenziano and Davide Rota (Directors), Mario Amoroso and Maurizia Squinzi (Independent Directors). All the members of the Board of Directors were elected from the sole list submitted by the shareholder, MACLA Srl, which 57.384% of the share capital voted in favour of;
- elected the Board of Statutory Auditors for the next three years, until the approval of Annual Report 2020. Members are Sandro Lucidi (Chairman), Monica Vechiati and Antonio Mastrangelo (Regular Statutory Auditors), Gabriele Perrotti and Paola Donatelli (Alternate Statutory Auditors). All the members of the Board of Statutory Auditors were elected from the sole list submitted by the shareholder, MACLA Srl, which 57.399% of the share capital voted in favour of.

For further information contact:

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